

NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL INFORMATION (SOFI)
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the *Financial Information Act*

For the year ended December 31, 2022

INDEX

	Page No.
Management Report	1
Statement of Financial Information Approval	2
Schedule of Debenture Debt	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 2022 Financial Statements	11

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, VOHORA LLP, 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

June 23, 2023

Date

June 23, 2023

Date

SCHEDULE OF DEBENTURE DEBT

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

City of Prince Rupert - Other	
MFA Issue #94	\$ 699,661
District of Port Edward - Elementary School	
MFA Issue #126	707,225
Village of Daajing Giids - Improvements to Water System	
MFA Issue #106	397,477
Village of Masset - New Hospital	
MFA Issue #99	2,260,764
MFA Issue #103	700,969
City of Prince Rupert - Airport	
MFA Issue #127	4,833,991
Vancouver Island Regional Library - Capital Financing	
MFA Issue #145	1,266,455
North Coast Regional District - Recycling Depot	
MFA Issue #152	457,440
Village of Daajing Giids - Aerial Line and Transformer Replacement	
MFA Issue #156	215,194
City of Prince Rupert - Woodworth Dam	
MFA Issue #156	9,697,640
City of Prince Rupert - Landfill	
MFA Issue #156	9,697,640
Total Outstanding	\$ 30,934,456

MFA Issue #	Maturity Date	Interest Rate
94	October 2025	0.91%
126	September 2028	3.85%
106	October 2029	2.25%
99	October 2031	1.53%
103	October 2032	2.65%
127	April 2034	3.30%
145	April 2038	3.15%
152	October 2040	0.91%
156	September 2036	1.98%
156	September 2046	2.58%

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	20,790	14,189
Bjorndal, Knut	Director, Port Edward (from November 2022)	3,233	57
Brain, Lee	Director, Prince Rupert (to October 2022)	12,902	201
Budde, Lutz	Alternate Director, Area C (to October 2022)	193	-
Cabianca, Scott	Director, Port Clements (from November 2022)	2,664	57
Cunningham, Barry	Director, Prince Rupert	17,308	970
Daugert, Douglas	Director, Port Clements (to October 2022)	14,557	3,755
Franzen, Daniel	Director, Port Edward (to October 2022)	13,870	879
Nobels, Des	Vice Chair, Director, Area A (to October 2022)	17,111	6,703
Olsen, Kris	Director, Daajing Giids (to October 2022)	13,289	5,548
Pages, Barry	Chair, Director, Masset	26,292	18,664
Pearson, Ayla	Alternate Director, Daajing Giids (to October 2022)	387	-
Pineault, Lisa	Director, Daajing Giids (from November 2022)	3,051	2,744
Pond, Herb	Director, Prince Rupert (from November 2022)	3,051	-
Putterill, Evan	Director, Area E	20,984	13,383
Rutherford, Ocean	Director, Area A (from November 2022)	1,588	-
Young, Johanne	Director, Area D	21,284	10,572
TOTAL:		192,554	77,722

**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
DesChamp, Timothy	Superintendent of Waste Management	89,046	3,372
Fish, Daniel	Chief Administrative Officer	128,092	16,287
Kidd, Robert	Manager, Island Solid Waste	89,359	290
Landrath, Sharon	Treasurer	111,569	8,872
Tsang, Howard	Corporate Officer	90,594	14,626
Wentland, Chantal	Planner/Economic Development Officer	75,252	11,903
Total employees with remuneration greater than \$75,000		583,912	55,350
Add:			
Employees with remuneration less than \$75,000		820,683	2,001
Board of Directors		192,554	77,722
Total Remuneration and Expenses:		1,597,149	135,073

Add:	
Employer's portion of CPP and EI	96,049
Change in accrued wages and benefits, and other	295,346
Revised Total:	2,123,617
Total Expenses per Statement of Revenue and Expenditures	8,228,600
Less:	
Amortization	(156,183)
Municipal debt payments	(2,299,946)
Other expenditures	(3,648,854)
Adjusted Financial Statement Expenses (Total of Salaries and wages and Director expenses)	2,123,617

STATEMENT OF SEVERANCE AGREEMENTS

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

There were no severance agreements made between the North Coast Regional District and its non-unionized employees for the year ended December 31, 2022.

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.	36,028
Bandstra Transportation	37,933
BC Hydro	32,472
Big Red Enterprises Ltd.	212,149
C. and C. Beachy Contracting Ltd.	33,164
Christie 3D Adorn Ltd. DBA Ticker's Hauling	69,145
CIMS Limited Partnership	370,125
Collabria Payment Processing	127,377
Community Energy Association	276,506
Crossborder Vehicle Sales Ltd.	55,888
Employer Health Tax	27,557
Fast Fuels Ltd	66,434
Harbour Machining Welding & Fabricating	31,920
McElhanney Ltd.	29,947
Misty Isles Economic Development Society	25,000
Municipal Insurance Association	33,674
Municipal Pension Plan	206,706
Northwest Hydraulic Consultants Ltd.	96,321
Pacific Blue Cross	111,173
Prudhomme, Bob	36,649
Receiver General	407,806
Sperling Hansen	138,033
Work Safe BC	41,809
Zirco (1989) Ltd.	29,902
Total aggregate amount paid to suppliers	2,533,718

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

Consolidated total <\$25,000	839,485
--	----------------

**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	5,000
Dixon Entrance Maritime Museum Society	9,000
Dodge Cove Recreation Society	2,500
Haida Gwaii Arts Council Society	5,000
Haida Gwaii Museum	60,000
Haida Gwaii Regional Recreation Commission	57,500
Lester Centre of the Performing Arts	20,000
Museum of Northern BC	20,000
North Coast Transition Society	2,470
Oona River Community Association	3,400
Port Edward Historical Society (North Pacific Cannery)	145,000
Port Edward Harbour Authority	735
Prince Rupert Gymnastics Association	20,000
Prince Rupert Public Library	6,025
Prince Rupert Regional Archives	130,000
Vancouver Island Regional Library	51,985
Consolidated total	538,615

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	2,533,718
Consolidated total of payments of \$25,000 or less paid to suppliers	839,485
Consolidated total of all grants exceeding \$25,000	538,615
Consolidated total of all contributions exceeding \$25,000	-
TOTAL Cheques	3,911,818
Less	
Employee expenses not reportable on SOFI	(135,694)
Change in accounts payable and accrued expenses, and payments for non-expense items and other	(127,270)
Revised Total:	3,648,854
Total Expenses per Statement of Revenue and Expenditures	8,228,600
Less:	
Salaries and wages	(1,840,580)
Amortization	(156,183)
Director expenses	(283,037)
Municipal debt payments	(2,299,946)
Adjusted Financial Statement Expenses	3,648,854

NORTH COAST REGIONAL DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2022

NORTH COAST REGIONAL DISTRICT
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

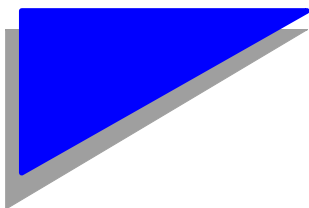
INDEPENDENT AUDITOR'S REPORT

- 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 GENERAL RESERVE FUNDS**
- 3 STATEMENT OF CAPITAL AND PLANNING 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 2022 - SEGMENTED INFORMATION**
- 8 2021 - SEGMENTED INFORMATION**



Vohora LLP
CPAs & Business Advisors

Unit 111 – 101 1st Avenue East
Prince Rupert, BC V8J 3X4

Phone: (250) 624-2300
Fax: (604) 541-9845
Toll Free Phone: (800) 281-5214
Email: firm@vohora.ca
www.vohora.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of North Coast Regional District

Opinion

We have audited the financial statements of North Coast Regional District (the Regional District), which comprise the statement of financial position as at December 31, 2022 and the statements of financial activities, changes in net financial assets, cash flows and schedule 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 Regional District as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Regional District in accordance with 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.

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 27, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 management either intends to liquidate the Regional District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional District's financial reporting process.



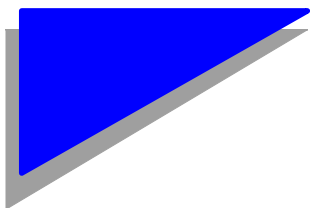
INDEPENDENT AUDITOR'S REPORT *(continued)*

Auditor's Responsibilities 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 judgment and maintain professional skepticism throughout the audit. We also:

- 1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 1 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District's internal control.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 1 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regional District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional District to cease to continue as a going concern.
- 1 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Vohora LLP
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prince Rupert, BC
May 26, 2023

Vohora LLP
Chartered Professional Accountants

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

	2022 \$	2021 \$
FINANCIAL ASSETS		
Cash and investments (note 2)	8,921,295	9,233,362
Trade and other receivables (note 3)	1,009,484	468,978
MFA deposit (note 4)	553,354	541,264
Due from Municipalities	<u>30,477,016</u>	<u>32,088,956</u>
	<u>40,961,149</u>	<u>42,332,560</u>
LIABILITIES		
Accounts payable and accruals (note 5)	887,493	388,284
Landfill closure costs accrual (note 6)	581,818	460,385
Deferred revenue (note 7)	3,413,612	3,449,851
MFA debt reserve (note 4)	553,354	541,264
MFA loan for Regional District (note 8)	704,854	478,904
Debentures issued for Municipalities (note 9)	<u>30,477,016</u>	<u>32,088,956</u>
	<u>36,618,147</u>	<u>37,407,644</u>
NET FINANCIAL ASSETS	<u>4,343,002</u>	<u>4,924,916</u>
NON- FINANCIAL ASSETS		
Physical assets (schedule 5 and note 1)	3,064,480	2,828,318
Prepaid expenses	<u>53,591</u>	<u>48,206</u>
	<u>3,118,071</u>	<u>2,876,524</u>
REGIONAL DISTRICT POSITION (note 11)	<u>7,461,073</u>	<u>7,801,440</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 2022 \$	Actual 2022 \$	Actual 2021 \$
REVENUE			
Sales, fees and other	2,332,860	2,161,956	1,933,694
Taxation	1,989,460	1,989,459	1,899,769
Municipal debt payments	2,310,397	2,299,946	1,205,623
Provincial, federal and other grants	3,064,554	1,313,111	811,120
Grants in lieu	140,380	123,761	199,081
	<u>9,837,651</u>	<u>7,888,233</u>	<u>6,049,287</u>
EXPENDITURE			
General Government	2,339,440	2,057,983	1,209,092
Municipal debt payments	2,310,397	2,299,946	1,205,623
Protective Services	524,880	229,029	209,052
Environmental Services	2,078,780	2,543,875	2,043,430
Planning and Development	177,890	151,935	108,885
Recreation and Cultural Services	982,165	754,365	694,218
Utility Services	275,110	191,467	134,451
Projects	10,000	-	-
	<u>8,698,662</u>	<u>8,228,600</u>	<u>5,604,751</u>
REVENUE OVER EXPENDITURE	1,138,989	(340,367)	444,536
OPENING REGIONAL DISTRICT POSITION	<u>7,801,440</u>	<u>7,801,440</u>	<u>7,356,904</u>
CLOSING REGIONAL DISTRICT POSITION	<u>8,940,429</u>	<u>7,461,073</u>	<u>7,801,440</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**

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	(340,367)	444,536
Loss on disposal of physical asset	160,811	-
Amortization	156,183	154,773
Landfill closure costs accrual	121,433	31,292
Accounts payables and accruals	499,209	39,577
Trade and other receivables	(540,506)	(133,713)
Deferred revenue	(36,239)	439,868
Prepaid expenses	(5,385)	(17,623)
	<u>15,139</u>	<u>958,710</u>
FINANCING ACTIVITIES		
Loan proceeds	250,000	-
Loan repayments	(24,050)	(21,096)
	<u>225,950</u>	<u>(21,096)</u>
INVESTING ACTIVITIES		
Purchase of physical assets	(553,156)	(228,836)
CHANGE IN CASH	(312,067)	708,778
OPENING CASH AND INVESTMENTS	<u>9,233,362</u>	<u>8,524,584</u>
CLOSING CASH AND INVESTMENTS	<u>8,921,295</u>	<u>9,233,362</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**

	2022	2021
	\$	\$
Revenue over expenditure	(340,367)	444,536
Amortization	156,183	154,773
Purchase of physical assets	(553,156)	(228,836)
Disposal of physical asset	160,811	-
Prepaid expenses	<u>(5,385)</u>	<u>(17,623)</u>
Increase in net financial assets	(581,914)	352,850
Opening net financial assets	<u>4,924,916</u>	<u>4,572,066</u>
Closing net financial assets	<u>4,343,002</u>	<u>4,924,916</u>

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

NORTH COAST REGIONAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022

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 2022 revenues and expenditures can be found in Schedule 7, with 2021 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.

	2022	2021
	\$	\$
Cash	351,420	963,495
Investments	<u>8,569,875</u>	<u>8,269,867</u>
	<u>8,921,295</u>	<u>9,233,362</u>

NORTH COAST REGIONAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

3. TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Provincial and federal governments	405,105	145,397
Regional and local governments	179,709	235,986
Trade receivables and other	<u>424,670</u>	<u>87,595</u>
	<u>1,009,484</u>	<u>468,978</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

	2022	2021
	\$	\$
Trade payables and other	606,288	153,332
Payroll and benefits payable	234,438	188,905
Regional and local governments	26,655	29,847
Provincial and federal governments	<u>20,112</u>	<u>16,200</u>
	<u>887,493</u>	<u>388,284</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.

	2022	2021
	\$	\$
Opening balance	460,385	429,093
Annual provision	<u>121,433</u>	<u>31,292</u>
	<u>581,818</u>	<u>460,385</u>

NORTH COAST REGIONAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. DEFERRED REVENUE

	2022	2021
	\$	\$
Gas tax	3,054,580	3,030,426
Other	<u>359,032</u>	<u>419,425</u>
	<u>3,413,612</u>	<u>3,449,851</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.

8. MFA LOAN FOR REGIONAL DISTRICT

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars.

FUNCTION	ISSUE	LOAN AUTHORIZATION BYLAW	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE \$	2022 \$	2021 \$
Regional Recycling Depot	152	626	Oct, 2040	0.91%	500,000	457,440	478,904
Island Solid Waste	Equipment Financing	NA	Oct, 2032	4.94%	250,000	247,414	-
						<u>704,854</u>	<u>478,904</u>

Payments of principal on issued debt of the Regional District, not including member municipalities, for the next five years are:

2023	2024	2025	2026	2027	Total
\$	\$	\$	\$	\$	\$
37,501	38,166	38,913	39,665	40,413	194,658

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE \$	2022 \$	2021 \$
Village of Daajing Giids							
	156	130-2020	Sep, 2036	1.98%	228,150	215,194	228,150
	106	23-2008	Oct, 2029	2.25%	900,000	397,477	445,866
					<u>1,128,150</u>	<u>612,671</u>	<u>674,016</u>
City of Prince Rupert							
	156	3454	Sep, 2046	2.58%	10,000,000	9,697,640	10,000,000
	156	3453	Sep, 2046	2.58%	10,000,000	9,697,640	10,000,000
	127	3333	Apr, 2034	3.30%	7,000,000	4,833,991	5,143,330
	94	3201	Oct, 2025	0.91%	7,000,000	699,661	917,288
					<u>34,000,000</u>	<u>24,928,932</u>	<u>26,060,618</u>
District of Port Edward							
	126	513	Sep, 2028	3.85%	1,500,000	707,225	809,747
Village of Masset							
	103	578	Oct, 2032	2.65%	1,250,000	700,969	750,946
	99	578	Oct, 2031	1.75%	4,750,000	2,260,764	2,466,174
					<u>6,000,000</u>	<u>2,961,733</u>	<u>3,217,120</u>
Vancouver Island Regional Library							
	145	615	Apr, 2038	3.15%	1,500,000	1,266,455	1,327,455
Total					<u>44,128,150</u>	<u>30,477,016</u>	<u>32,088,956</u>

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

10. PENSION INFORMATION

The Regional District 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 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, 2021, the Plan had about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$111,698 (2021 - \$112,739) for employer contributions to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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

	2022 \$	2021 \$
General Reserve Funds (Schedule 2)	1,429,901	1,491,273
Capital and Planning Reserve Funds (Schedule 3)	2,464,199	2,414,639
Equity in Physical Assets (Schedule 4)	2,609,626	2,749,414
Statement of Surplus (Schedule 1)	957,347	1,146,114
	<u>7,461,073</u>	<u>7,801,440</u>



NORTH COAST
REGIONAL DISTRICT

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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 2022 revenue and expenses can be found in Schedule 7, with 2021 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, 2022

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
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31
SCHEDULE 1**

	2022	2021
	\$	\$
General Government	273,647	460,554
Protective Services	96,288	80,056
Environmental Services	91,630	120,125
Planning and Development	230,996	214,293
Recreation and Cultural Services	140,139	151,483
Utility Services	107,499	102,719
Projects	17,148	16,884
	<hr/>	<hr/>
	957,347	1,146,114
	<hr/>	<hr/>

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

	2022 \$	2021 \$
Opening balance	1,491,273	1,010,557
Transfers (to) from Operating Fund	(8,177)	284,740
COVID-19 Safe Restart Grant costs	(84,251)	182,794
Interest	<u>31,056</u>	<u>13,182</u>
Closing balance	<u>1,429,901</u>	<u>1,491,273</u>

Represented by the following reserve funds

Bylaw 486 Sandspit Water	109,225	106,947
Bylaw 561 Electoral Area Administration	44,368	43,443
Bylaw 562 Elections	16,132	15,796
Bylaw 563 Emergency Programming Area A and C	28,836	28,235
Bylaw 564 Emergency Programming Area D	20,692	20,261
Bylaw 565 Emergency Programming Area E	44,819	43,884
Bylaw 566 General Administration	110,928	112,407
Bylaw 567 Feasibility Studies	50,676	44,724
Bylaw 568 Regional Recycling	376,126	395,577
Bylaw 569 Island Solid Waste	100,124	164,994
Bylaw 571 Rural Land Use Planning	211,341	206,934
Bylaw 602 Haida Gwaii Recreation	6,231	4,142
Bylaw 661 Tlell Fire Services	4,013	3,929
Bylaw 671 Building Reserve	<u>306,390</u>	<u>300,000</u>
	<u>1,429,901</u>	<u>1,491,273</u>

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 were to 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. The ending balance of the COVID reserves was \$98,543 at December 31, 2022 (\$184,794; 2021)

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

	2022 \$	2021 \$
Opening balance	2,414,639	2,253,591
Transfers (to) from Operating Fund	(1,811)	132,028
Interest	<u>51,371</u>	<u>29,020</u>
Closing balance	<u>2,464,199</u>	<u>2,414,639</u>

Represented by the following reserve funds

Bylaw 637 - General Administration	7,426	7,271
Bylaw 638 - Electoral Area Administration	452,865	443,421
Bylaw 639 - Sandspit Fire Service	2,214	2,168
Bylaw 640 - Emergency Program Areas A and C	91,088	89,188
Bylaw 641 - Emergency Program Area D	145,049	171,603
Bylaw 642 - Emergency Program Area E	32,210	31,538
Bylaw 643 - Island Solid Waste	396,378	401,101
Bylaw 644 - Regional Recycling	326,223	297,907
Bylaw 645 - Rural Land Use Planning	15,878	15,547
Bylaw 647 - Haida Gwaii Recreation	50,892	49,831
Bylaw 648 - Sandspit Community Hall	112,349	110,006
Bylaw 649 - Sandspit Water	157,149	151,273
Bylaw 655 - Area E Parks and Recreation Service	226,384	221,663
Bylaw 656 - Tlell Fire Service	115,580	113,169
Bylaw 657 - Area D Parks and Recreation Service	159,928	156,593
Bylaw 658 - Mainland Recreation Area A	14,735	14,427
Bylaw 659 - Mainland Recreation Area C	58,458	57,239
Bylaw 660 - Regional Solid Waste	<u>99,393</u>	<u>80,694</u>
	<u>2,464,199</u>	<u>2,414,639</u>

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

	2022 \$	2021 \$
Opening balance	<u>2,749,414</u>	<u>2,754,255</u>
Increase (decrease) in equity		
Purchase of physical assets funded by operations	153,156	128,836
Disposal of physical asset	(160,811)	-
Amortization	(156,183)	(154,773)
Loan repayments	<u>24,050</u>	<u>21,096</u>
	<u>(139,788)</u>	<u>(4,841)</u>
Closing balance	<u>2,609,626</u>	<u>2,749,414</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 2022 \$	Total 2021 \$
Land	279,748	-	-	279,748	-	-	-	-	279,748	279,748
Buildings	1,556,043	453,030	(311,746)	1,697,327	573,043	42,434	(150,935)	464,542	1,232,785	983,000
Automotive	256,298	53,393	-	309,691	179,287	25,630	-	204,917	104,774	77,011
Equipment	847,457	46,733	(32,452)	861,738	466,643	42,380	(32,452)	476,571	385,167	380,814
Infrastructure	<u>1,839,571</u>	<u>-</u>	<u>-</u>	<u>1,839,571</u>	<u>731,826</u>	<u>45,739</u>	<u>-</u>	<u>777,565</u>	<u>1,062,006</u>	<u>1,107,745</u>
	<u>4,779,117</u>	<u>553,156</u>	<u>(344,198)</u>	<u>4,988,075</u>	<u>1,950,799</u>	<u>156,183</u>	<u>(183,387)</u>	<u>1,923,595</u>	<u>3,064,480</u>	<u>2,828,318</u>

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

	2022	2021
	\$	\$
Opening balance	-	274,830
Transfers from (to) Operating Fund	-	(92,036)
Transfers from (to) Reserves	<u>-</u>	<u>(182,794)</u>
Deferred Revenue remaining	<u>-</u>	<u>-</u>

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2022
SCHEDULE 7 - SEGMENTED INFORMATION**

	General Government	Municipal Debt Payments	Protective Services	Environmental Services	Planning and Development	Recreation and Cultural Services	Utility Services	Projects	2022 Total
REVENUE									
Sales, fees and other	468,355	-	18,429	1,597,356	5,689	15,771	55,403	953	2,161,956
Taxation	612,769	-	90,535	489,561	98,000	631,094	62,500	5,000	1,989,459
Municipal debt payments	-	2,299,946	-	-	-	-	-	-	2,299,946
Provincial, federal and other grants	817,792	-	108,087	235,797	64,527	47,051	39,857	-	1,313,111
Grants in lieu	40,471	-	6,442	29,575	5,161	40,948	901	263	123,761
	<u>1,939,387</u>	<u>2,299,946</u>	<u>223,493</u>	<u>2,352,289</u>	<u>173,377</u>	<u>734,864</u>	<u>158,661</u>	<u>6,216</u>	<u>7,888,233</u>
EXPENDITURE									
Salaries and wages	631,482	-	22,961	1,012,839	88,244	85,054	-	-	1,840,580
Amortization	854	-	2,293	84,064	-	23,233	45,739	-	156,183
Director expenses	283,012	-	-	25	-	-	-	-	283,037
Municipal debt payments	-	2,299,946	-	-	-	-	-	-	2,299,946
Other	1,142,635	-	203,775	1,446,947	63,691	646,078	145,728	-	3,648,854
	<u>2,057,983</u>	<u>2,299,946</u>	<u>229,029</u>	<u>2,543,875</u>	<u>151,935</u>	<u>754,365</u>	<u>191,467</u>	<u>-</u>	<u>8,228,600</u>
REVENUE OVER EXPENDITURE	(118,596)	-	(5,536)	(191,586)	21,442	(19,501)	(32,806)	6,216	(340,367)
OPENING REGIONAL DISTRICT POSITION	<u>1,378,627</u>	<u>-</u>	<u>638,806</u>	<u>4,480,229</u>	<u>446,772</u>	<u>664,020</u>	<u>132,245</u>	<u>60,741</u>	<u>7,801,440</u>
CLOSING REGIONAL DISTRICT POSITION	<u>1,260,031</u>	<u>-</u>	<u>633,270</u>	<u>4,288,643</u>	<u>468,214</u>	<u>644,519</u>	<u>99,439</u>	<u>66,957</u>	<u>7,461,073</u>

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
SCHEDULE 8 - SEGMENTED INFORMATION**

	General Government	Municipal Debt Payments	Protective Services	Environmental Services	Planning and Development	Recreation and Cultural Services	Utility Services	Projects	2021 Total
REVENUE									
Sales, fees and other	394,716	-	16,622	1,454,251	5,085	10,498	52,011	511	1,933,694
Taxation	597,816	-	83,200	477,621	95,610	588,712	51,810	5,000	1,899,769
Municipal debt payments	-	1,205,623	-	-	-	-	-	-	1,205,623
Provincial, federal and other grants	338,515	-	114,025	277,677	50,000	30,903	-	-	811,120
Grants in lieu	68,977	-	5,614	51,941	4,866	66,681	747	255	199,081
	<u>1,400,024</u>	<u>1,205,623</u>	<u>219,461</u>	<u>2,261,490</u>	<u>155,561</u>	<u>696,794</u>	<u>104,568</u>	<u>5,766</u>	<u>6,049,287</u>
EXPENDITURE									
Salaries and wages	569,296	-	501	970,132	38,169	82,496	-	-	1,660,594
Amortization	854	-	4,697	83,036	-	20,447	45,739	-	154,773
Director expenses	213,747	-	-	-	641	-	-	-	214,388
Municipal debt payments	-	1,205,623	-	-	-	-	-	-	1,205,623
Other	425,195	-	203,854	990,262	70,075	591,275	88,712	-	2,369,373
	<u>1,209,092</u>	<u>1,205,623</u>	<u>209,052</u>	<u>2,043,430</u>	<u>108,885</u>	<u>694,218</u>	<u>134,451</u>	<u>-</u>	<u>5,604,751</u>
REVENUE OVER EXPENDITURE	190,932	-	10,409	218,060	46,676	2,576	(29,883)	5,766	444,536
OPENING REGIONAL DISTRICT POSITION	<u>1,187,695</u>	<u>-</u>	<u>628,397</u>	<u>4,262,169</u>	<u>400,096</u>	<u>661,444</u>	<u>162,128</u>	<u>54,975</u>	<u>7,356,904</u>
CLOSING REGIONAL DISTRICT POSITION	<u>1,378,627</u>	<u>-</u>	<u>638,806</u>	<u>4,480,229</u>	<u>446,772</u>	<u>664,020</u>	<u>132,245</u>	<u>60,741</u>	<u>7,801,440</u>