

**NORTH COAST REGIONAL DISTRICT**  
**STATEMENT OF FINANCIAL INFORMATION (SOFI)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

# **STATEMENT OF FINANCIAL INFORMATION (SOFI)**

**Prepared under the *Financial Information Act***

**For the year ended December 31, 2023**

## **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 2023 Financial Statements	11

## MANAGEMENT REPORT

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

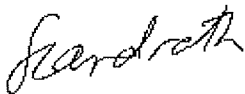
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management 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

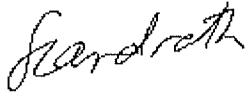


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Sharon Landrath, CPA, CA  
Treasurer

## 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*.



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Sharon Landrath, CPA, CA  
Treasurer



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Barry Pages  
Chair

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21-Jun-24

Date

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21-Jun-24

Date

## SCHEDULE OF DEBENTURE DEBT

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

<b>City of Prince Rupert - Other</b>	
MFA Issue #94	\$ 474,416
<b>District of Port Edward - Elementary School</b>	
MFA Issue #126	600,603
<b>Village of Daajing Giids - Improvements to Water System</b>	
MFA Issue #106	347,153
<b>Village of Masset - New Hospital</b>	
MFA Issue #99	2,047,137
MFA Issue #103	648,993
<b>City of Prince Rupert - Airport</b>	
MFA Issue #127	4,512,278
<b>Vancouver Island Regional Library - Capital Financing</b>	
MFA Issue #145	1,203,625
<b>North Coast Regional District - Recycling Depot</b>	
MFA Issue #152	435,600
<b>Village of Daajing Giids - Aerial Line and Transformer Replacement</b>	
MFA Issue #156	201,946
<b>City of Prince Rupert - Woodworth Dam</b>	
MFA Issue #156	9,388,477
<b>City of Prince Rupert - Landfill</b>	
MFA Issue #156	9,388,477
<b>Village of Daajing Giids - Aerial Line and Transformer Replacement</b>	
MFA Issue #159	30,000
<b>Total Outstanding</b>	<b>\$ 29,278,705</b>

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%
159	June 2038	4.15%



**NORTH COAST**  
REGIONAL DISTRICT

## **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	22,635	16,192
Bjorndal, Knut	Director, Port Edward	18,117	2,061
Cabianca, Scott	Director, Port Clements	18,427	7,048
Cunningham, Barry	Director, Prince Rupert	19,043	4,383
Franzen, Daniel	Alternate Director, Port Edward	421	-
Frazier, Sabrina	Alternate Director, Area D	205	-
Johnson, Bret	Alternate Director, Masset	205	-
Pages, Barry	Chair, Director, Masset	28,240	20,646
Pineault, Lisa	Director, Daajing Giids	18,332	5,527
Pond, Herb	Director, Prince Rupert	19,043	5,728
Putterill, Evan	Director, Area E	23,140	18,650
Rutherford, Ocean	Director, Area A	22,115	10,175
Young, Johanne	Director, Area D	22,525	13,373
<b>TOTAL:</b>		<b>212,448</b>	<b>103,783</b>

**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	93,774	5,815
Fish, Daniel	Chief Administrative Officer	141,573	22,193
Kidd, Robert	Manager, Island Solid Waste	93,936	4,372
Landrath, Sharon	Treasurer	119,509	6,943
Tsang, Howard	Corporate Officer	97,305	11,229
Wentland, Chantal	Planner/Economic Development Officer	79,518	12,062
<b>Total employees with remuneration greater than \$75,000</b>		<b>625,615</b>	<b>62,614</b>
<b>Add:</b>			
Employees with remuneration less than \$75,000		830,438	6,249
Board of Directors		212,448	103,783
<b>Total Remuneration and Expenses:</b>		<b>1,668,501</b>	<b>172,646</b>

<b>Add:</b>	
Employer's portion of CPP and EI	102,003
Change in accrued wages and benefits, and other	315,376
<b>Revised Total:</b>	<b>2,258,526</b>
<b>Total Expenses per Statement of Revenue and Expenditures</b>	<b>7,471,828</b>
<b>Less:</b>	
Amortization	(619,257)
Accretion	(61,356)
Municipal debt payments	(2,307,694)
Other expenditures	(2,224,995)
<b>Adjusted Financial Statement Expenses (Total of Salaries and wages and Director expenses)</b>	<b>2,258,526</b>



## **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, 2023.

# 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
Bandstra Transportation	35,186
BC Hydro	36,639
Big Red Enterprises Ltd.	228,496
Christie 3D Adorn Ltd. DBA Ticker's Hauling	62,329
CIMS Limited Partnership	90,169
CityWest	527,680
Collabria Payment Processing	117,406
Community Energy Association	338,897
Employer Health Tax	33,512
Fast Fuels Ltd	67,515
Gentis Water Company	34,384
Harbour Machining Welding & Fabricating	77,254
McCuaig & Associates Engineering	89,998
McElhanney Ltd.	56,110
Misty Isles Economic Development Society	38,000
Municipal Insurance Association	41,541
Municipal Pension Plan	220,603
Pacific Blue Cross	103,032
Pacific Northwest Electric & Controls Ltd.	115,759
Prudhomme, Bob	41,122
Regional District of Fraser-Fort George	36,780
Receiver General	450,158
Regional District of Kitimat-Stikine	26,202
Rocky Mountain Phoenix	33,400
Sperling Hansen	134,454
Stewart McDannold Stuart (includes purchase of building and related fees of \$750,154)	755,066
Urban Systems	39,375
Work Safe BC	49,182
<b>Total aggregate amount paid to suppliers</b>	<b>3,880,249</b>

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

<b>Consolidated total &lt;\$25,000</b>	<b>748,322</b>
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**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**

<b>Supplier Name</b>	<b>Aggregate amount paid to organization</b>
Delkatla Sanctuary Society	5,000
Dixon Entrance Maritime Museum Society	9,000
Dodge Cove Recreation Society	3,100
Haida Gwaii Arts Council Society	5,000
Haida Gwaii Museum	60,000
Haida Gwaii Regional Recreation Commission	88,500
Ministry of Forests (Jungle Beach)	1,500
Museum of Northern BC	25,045
North Coast Transition Society	2,470
Oona River Community Association	2,500
Port Edward Historical Society (North Pacific Cannery)	129,430
Port Edward Harbour Authority	1,423
Prince Rupert Performing Arts Centre Society	25,045
Prince Rupert Public Library	7,000
Prince Rupert Regional Archives	135,200
Tlell Community Association	1,500
Vancouver Island Regional Library	55,335
<b>Consolidated total</b>	<b>557,048</b>

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

<b>Consolidated total &gt;\$25,000</b>	<b>-</b>
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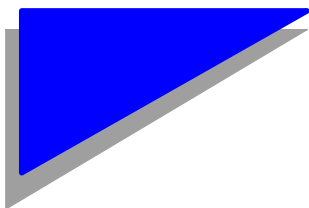
**SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS  
OR SERVICES**

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

**5. Reconciliation**

Total of aggregate payments exceeding \$25,000 paid to suppliers	3,880,249
Consolidated total of payments of \$25,000 or less paid to suppliers	748,322
Consolidated total of all grants exceeding \$25,000	557,048
Consolidated total of all contributions exceeding \$25,000	-
<b>TOTAL Cheques</b>	<b>5,185,619</b>
<b>Less</b>	
Employee expenses not reportable on SOFI	(79,009)
Change in accounts payable and accrued expenses, and payments for non-expense items and other	(2,881,615)
<b>Revised Total:</b>	<b>2,224,995</b>
<b>Total Expenses per Statement of Revenue and Expenditures</b>	<b>7,471,828</b>
<b>Less:</b>	
Salaries and wages	(1,944,818)
Amortization	(619,257)
Accretion	(61,356)
Director expenses	(313,708)
Municipal debt payments	(2,307,694)
<b>Adjusted Financial Statement Expenses</b>	<b>2,224,995</b>

**NORTH COAST REGIONAL DISTRICT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**



**Vohora** LLP  
CPAs & Business Advisors

Unit 111 – 101 1<sup>st</sup> 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](mailto:firm@vohora.ca)  
[www.vohora.ca](http://www.vohora.ca)

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of North Coast Regional District

### *Report on the Financial Statements*

#### *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, 2023, and the statements of financial activities, changes in net financial assets and cash flows 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, 2023, 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.

#### *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.

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## INDEPENDENT AUDITOR'S REPORT *(continued)*

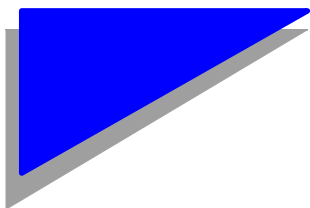
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### *Auditor's Responsibilities for the Audit of the Financial Statements*

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:

- ▮ 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▮ 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.
- ▮ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▮ 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.
- ▮ 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*

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**INDEPENDENT AUDITOR'S REPORT** *(continued)*

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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.

Terrace, BC  
May 27, 2024

*Vohora LLP*  
Chartered Professional Accountants



**NORTH COAST REGIONAL DISTRICT**  
**INDEX TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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 OPERATING 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 2023 SEGMENTED INFORMATION**

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

	2023 \$	2022 \$
<b>FINANCIAL ASSETS</b>		
Cash and investments (note 3)	9,300,232	8,921,295
Trade and other receivables (note 4)	686,234	1,009,484
MFA deposit (note 5)	570,858	553,354
Due from Municipalities (note 10)	<u>28,843,105</u>	<u>30,477,016</u>
	<u>39,400,429</u>	<u>40,961,149</u>
<b>LIABILITIES</b>		
Accounts payable and accruals (note 6)	695,946	887,493
Deferred revenue (note 8)	3,122,507	3,413,612
MFA debt reserve (note 5)	570,858	553,354
MFA loan for Regional District (note 9)	669,333	704,854
Debentures issued for Municipalities (note 10)	28,843,105	30,477,016
Landfill closure cost accrual	-	581,818
Asset retirement obligations (note 7)	<u>1,308,425</u>	<u>-</u>
	<u>35,210,174</u>	<u>36,618,147</u>
<b>NET FINANCIAL ASSETS</b>	<u>4,190,255</u>	<u>4,343,002</u>
<b>NON- FINANCIAL ASSETS</b>		
Physical assets (schedule 5 and note 1)	5,014,487	3,064,480
Prepaid expenses	<u>49,475</u>	<u>53,591</u>
	<u>5,063,962</u>	<u>3,118,071</u>
<b>REGIONAL DISTRICT POSITION (note 12)</b>	<u>9,254,217</u>	<u>7,461,073</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 2023 (note 14) \$	Actual 2023 \$	Actual 2022 \$
<b>REVENUE</b>			
Sales, fees and other	2,519,320	2,294,356	2,161,956
Taxation	2,141,370	2,141,122	1,989,459
Municipal debt payments	2,299,947	2,307,694	2,299,946
Provincial, federal and other grants	3,402,799	2,400,615	1,313,111
Grants in lieu	<u>125,850</u>	<u>121,185</u>	<u>123,761</u>
	<u>10,489,286</u>	<u>9,264,972</u>	<u>7,888,233</u>
<b>EXPENDITURE</b>			
General Government	2,173,120	1,566,975	2,057,983
Municipal debt payments	2,299,947	2,307,694	2,299,946
Protective Services	399,010	123,588	229,029
Environmental Services	2,497,905	2,238,067	2,543,875
Planning and Development	288,560	192,141	151,935
Recreation and Cultural Services	1,113,155	789,132	754,365
Utility Services	309,320	232,101	191,467
Communications	30,130	22,130	-
Projects	<u>20,000</u>	<u>-</u>	<u>-</u>
	<u>9,131,147</u>	<u>7,471,828</u>	<u>8,228,600</u>
<b>REVENUE OVER EXPENDITURE</b>	1,358,139	1,793,144	(340,367)
<b>OPENING REGIONAL DISTRICT POSITION</b>	<u>7,461,073</u>	<u>7,461,073</u>	<u>7,801,440</u>
<b>CLOSING REGIONAL DISTRICT POSITION</b>	<u>8,819,212</u>	<u>9,254,217</u>	<u>7,461,073</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**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Revenue over expenditure	1,793,144	(340,367)
Loss on disposal of physical asset	51,005	160,811
Amortization	619,257	156,183
Accretion	61,356	-
Landfill closure cost accrual	(581,818)	121,433
Accounts payables and accruals	(191,547)	499,209
Trade and other receivables	323,250	(540,506)
Deferred revenue	(291,105)	(36,239)
Prepaid expenses	4,116	(5,385)
	<u>1,787,658</u>	<u>15,139</u>
<b>FINANCING ACTIVITIES</b>		
Loan proceeds	-	250,000
Loan repayments	(35,521)	(24,050)
	<u>(35,521)</u>	<u>225,950</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of physical assets	(1,373,200)	(553,156)
<b>CHANGE IN CASH</b>	378,937	(312,067)
<b>OPENING CASH AND INVESTMENTS</b>	<u>8,921,295</u>	<u>9,233,362</u>
<b>CLOSING CASH AND INVESTMENTS</b>	<u>9,300,232</u>	<u>8,921,295</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**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Revenue over expenditure	1,793,144	(340,367)
Amortization	619,257	156,183
Purchase of physical assets	(1,373,200)	(553,156)
Increase in tangible capital assets due to asset retirement obligations	(1,247,069)	-
Disposal of physical asset	51,005	160,811
Prepaid expenses	<u>4,116</u>	<u>(5,385)</u>
Increase in net financial assets	(152,747)	(581,914)
Opening net financial assets	<u>4,343,002</u>	<u>4,924,916</u>
Closing net financial assets	<u>4,190,255</u>	<u>4,343,002</u>

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

# **NORTH COAST REGIONAL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **a. 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.

#### **b. 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.

#### **c. 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

# NORTH COAST REGIONAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d. 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	
Water	40 years
Communications	40 years
Landfill	Based on life
Charging stations	10 years

#### e. Equity in Physical Assets

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

#### f. 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. Estimates include the life of physical assets, asset retirement obligations and retirement liabilities. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

#### g. 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 13. A detailed summary of the 2023 revenues and expenditures can be found in Schedule 6.

# NORTH COAST REGIONAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### h. Asset Retirement Obligations

The Regional District recognizes asset retirement obligations when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

### 2. CHANGE IN ACCOUNTING POLICY

On January 1, 2023, the Regional District adopted Public Accounting Standard PS 3280 *Asset Retirement Obligations*. This new standard establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and landfills and replaces PS 3270 *Solid Waste Landfill Closure and Post-closure Liability*. This standard is effective for fiscal periods beginning on or after April 1, 2022. The Regional District has chosen prospective application of this standard.



**NORTH COAST**  
REGIONAL DISTRICT



# NORTH COAST REGIONAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 3. 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.

	2023 \$	2022 \$
Cash	808,416	351,420
Investments	8,491,816	8,569,875
	<u>9,300,232</u>	<u>8,921,295</u>

### 4. TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
Provincial and federal governments	300,063	405,105
Regional and local governments	255,855	179,709
Trade receivables and other	130,316	424,670
	<u>686,234</u>	<u>1,009,484</u>

### 5. 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.

### 6. ACCOUNTS PAYABLE AND ACCRUALS

	2023 \$	2022 \$
Payroll and benefits payable	251,370	234,438
Trade payables and other	366,716	606,288
Provincial and federal governments	43,908	20,112
Regional and local governments	33,952	26,655
	<u>695,946</u>	<u>887,493</u>

# NORTH COAST REGIONAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 7. ASSET RETIREMENT OBLIGATIONS

#### Landfill Closure

The total estimated cost for closure of the Islands Solid Waste ("ISW") Landfill Phase 5, expected to reach capacity in early 2025, and post closure monitoring of Phases 1 to 3, closed in 2009, at December 31, 2023 is \$1,382,825. The total landfill closure estimate presented is based on the present value of the closure and post closure costs using a discount rate of 4.92%. At December 31, 2023 the present value of the closure costs is estimated at \$1,238,128.

#### Buildings and Land

The Regional District owns and operates several assets that are known to have asbestos, which represents a health hazard upon demolition or renovation of assets. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of Public Sector Accounting Standard PS 3280 Asset Retirement Obligations, the Regional District recognized an obligation related to the removal of hazardous materials in these assets and the restoration of the Land as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Land Improvements capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

Estimated costs totalling \$104,616 have been discounted using a present value calculation with a discount rate of 4.92%.

	2023 \$
Landfill closure estimate:	
Phase 5 closure costs	764,847
Phase 1 – 3 post closure costs	415,221
Buildings and land remediation	67,001
Increase due to accretion	61,356
	<hr/>
	1,308,425
Funded by operations	(561,354)
Funded by reserves	(432,345)
	<hr/>
Unfunded future obligation	314,726



**NORTH COAST**  
REGIONAL DISTRICT

# NORTH COAST REGIONAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 8. DEFERRED REVENUE

	2023 \$	2022 \$
Gas tax	2,843,335	3,054,580
Other	279,172	359,032
	<u>3,122,507</u>	<u>3,413,612</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 current agreement expires on March 31, 2024 and UBCM ("Union of BC Municipalities"), the Province and the Government of Canada are actively engaged in discussions on a long-term renewal of the CCBF ("Canada Community-Building Fund Program").

### 9. 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 \$	2023 \$	2022 \$
Regional Recycling Depot	152	626	Oct, 2040	0.91%	500,000	435,600	457,440
Island Solid Waste	Equipment Financing	NA	Oct, 2032	4.94%	250,000	233,733	247,414
						<u>669,333</u>	<u>704,854</u>

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

2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	Total \$
34,649	35,467	36,293	37,097	37,901	181,407

# NORTH COAST REGIONAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 10. 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 \$	2023 \$	2022 \$
Village of Daajing Giids							
	159	130-2020	Jun, 2038	4.15%	30,000	30,000	-
	156	130-2020	Sep, 2036	1.98%	228,150	201,946	215,194
	106	23-2008	Oct, 2029	2.25%	900,000	347,153	397,477
					<u>1,158,150</u>	<u>579,099</u>	<u>612,671</u>
City of Prince Rupert							
	156	3454	Sep, 2046	2.58%	10,000,000	9,388,477	9,697,640
	156	3453	Sep, 2046	2.58%	10,000,000	9,388,477	9,697,640
	127	3333	Apr, 2034	3.30%	7,000,000	4,512,278	4,833,991
	94	3201	Oct, 2025	0.905%	7,000,000	474,416	699,661
					<u>34,000,000</u>	<u>23,763,648</u>	<u>24,928,932</u>
District of Port Edward							
	126	513	Sep, 2028	3.85%	1,500,000	600,603	707,225
Village of Masset							
	103	578	Oct, 2032	3.79%	1,250,000	648,993	700,969
	99	578	Oct, 2031	1.75%	4,750,000	2,047,137	2,260,764
					<u>6,000,000</u>	<u>2,696,130</u>	<u>2,961,733</u>
Vancouver Island Regional Library							
	145	615	Apr, 2038	3.15%	1,500,000	1,203,625	1,266,455
Total					<u>44,158,150</u>	<u>28,843,105</u>	<u>30,477,016</u>



**NORTH COAST**  
REGIONAL DISTRICT

# NORTH COAST REGIONAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 11. 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, 2022, the Plan had about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 \$114,840 (2022 - \$111,698) for employer contributions to the plan in fiscal 2023.

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.

### 12. REGIONAL DISTRICT POSITION

	2023	2022
	\$	\$
General Reserve Funds (Schedule 2)	1,158,647	1,429,901
Capital and Planning Reserve Funds (Schedule 3)	3,288,736	2,464,199
Equity in Physical Assets (Schedule 4)	3,848,083	2,609,626
Statement of Operating Surplus (Schedule 1)	958,751	957,347
	<u>9,254,217</u>	<u>7,461,073</u>



**NORTH COAST**  
REGIONAL DISTRICT

# **NORTH COAST REGIONAL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

### **13. 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 2023 revenue and expenses can be found in Schedule 6.

#### **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, 2023**

### **13. 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.

#### **Communications**

Communications include regional broadband services.

#### **Projects**

Projects includes feasibility studies.

### **14. BUDGET RECONCILIATION**

The following reconciles the budgeted surplus as shown on the consolidated statement of operations to the original budget as presented in bylaw 682, 2023 adopted March 17, 2023.

	<b>2023</b>
	<b>\$</b>
Budget surplus as presented	1,358,139
Transfers to reserves	1,293,136
Transfer from accumulated surplus	435,635
Addback debt principal payments	(37,510)
Addback capital asset purchases	<u>(3,049,400)</u>
	<u>-</u>

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
General Government	295,158	273,647
Protective Services	90,364	96,288
Environmental Services	81,461	91,630
Planning and Development	241,279	230,996
Recreation and Cultural Services	112,700	140,139
Utility Services	103,875	107,499
Communications	11,505	-
Projects	22,409	17,148
	<u>958,751</u>	<u>957,347</u>



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

	<b>2023</b> \$	<b>2022</b> \$
Opening balance	1,429,901	1,491,273
Transfers (to) from Operating Fund	(312,615)	(8,177)
COVID-19 Safe Restart Grant costs	(10,985)	(84,251)
Interest	<u>52,346</u>	<u>31,056</u>
Closing balance	<u>1,158,647</u>	<u>1,429,901</u>

**Represented by the following reserve funds**

Bylaw 486 Sandspit Water	79,915	109,225
Bylaw 561 Electoral Area Administration	46,085	44,368
Bylaw 562 Elections	20,647	16,132
Bylaw 563 Emergency Programming Area A and C	28,835	28,836
Bylaw 564 Emergency Programming Area D	21,493	20,692
Bylaw 565 Emergency Programming Area E	46,554	44,819
Bylaw 566 General Administration	115,222	110,928
Bylaw 567 Feasibility Studies	52,638	50,676
Bylaw 568 Regional Recycling	378,570	376,126
Bylaw 569 Island Solid Waste	92,848	100,124
Bylaw 571 Rural Land Use Planning	219,521	211,341
Bylaw 602 Haida Gwaii Recreation	10,472	6,231
Bylaw 661 Tlell Fire Services	4,168	4,013
Bylaw 671 Building Reserve	<u>41,679</u>	<u>306,390</u>
	<u>1,158,647</u>	<u>1,429,901</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 \$87,558 at December 31, 2023 (\$98,543; 2022).

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance	2,464,199	2,414,639
Contributions from Growing Communities Funding	1,162,000	-
Transfers (to) from Operating Fund	(464,109)	(1,811)
Interest	<u>126,646</u>	<u>51,371</u>
Closing balance	<u>3,288,736</u>	<u>2,464,199</u>
<b>Represented by the following reserve funds</b>		
Bylaw 637 - General Administration	7,714	7,426
Bylaw 638 - Electoral Area Administration	-	452,865
Bylaw 639 - Sandspit Fire Service	2,300	2,214
Bylaw 640 - Emergency Program Areas A and C	139,926	91,088
Bylaw 641 - Emergency Program Area D	147,109	145,049
Bylaw 642 - Emergency Program Area E	124,082	32,210
Bylaw 643 - Island Solid Waste	822,255	396,378
Bylaw 644 - Regional Recycling	689,198	326,223
Bylaw 645 - Rural Land Use Planning	16,492	15,878
Bylaw 647 - Haida Gwaii Recreation	52,862	50,892
Bylaw 648 - Sandspit Community Hall	116,698	112,349
Bylaw 649 - Sandspit Water	354,196	157,149
Bylaw 655 - Area E Parks and Recreation Service	235,146	226,384
Bylaw 656 - Tlell Fire Service	125,893	115,580
Bylaw 657 - Area D Parks and Recreation Service	252,715	159,928
Bylaw 658 - Mainland Recreation Area A	65,652	14,735
Bylaw 659 - Mainland Recreation Area C	60,721	58,458
Bylaw 660 - Regional Solid Waste	<u>75,777</u>	<u>99,393</u>
	<u>3,288,736</u>	<u>2,464,199</u>

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia. The North Coast Regional District received \$1,162,000 in March 2023. \$0 of the GCF has been spent by December 31, 2023.

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

	2023 \$	2022 \$
Opening balance	<u>2,609,626</u>	<u>2,749,414</u>
Increase (decrease) in equity		
Purchase of physical assets funded by operations	1,373,200	153,156
Disposal of physical asset	(51,005)	(160,811)
Amortization	(619,257)	(156,183)
Loan repayments	35,521	24,050
Asset retirement obligations funded by operations	<u>499,998</u>	<u>-</u>
	<u>1,238,457</u>	<u>(139,788)</u>
Closing balance	<u>3,848,083</u>	<u>2,609,626</u>

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

	LAND	BUILDINGS	AUTOMOTIVE	EQUIPMENT	WATER	INFRASTRUCTURE			2023	2022
						COMMUNICATIONS	LANDFILL	CHARGING STATIONS	\$	\$
Historical Cost										
Opening balance	279,748	1,697,327	309,691	861,738	1,829,571	-	-	10,000	4,988,075	4,779,117
Additions	250,000	617,372	-	-	-	505,828	-	-	1,373,200	553,156
Additions due to ARO recognition	-	67,001	-	-	-	-	1,180,068	-	1,247,069	-
Disposals	-	(103,915)	-	-	-	-	-	-	(103,915)	(344,198)
<b>CLOSING BALANCE</b>	<b>529,748</b>	<b>2,277,785</b>	<b>309,691</b>	<b>861,738</b>	<b>1,829,571</b>	<b>505,828</b>	<b>1,180,068</b>	<b>10,000</b>	<b>7,504,429</b>	<b>4,988,075</b>
Accumulated Amortization										
Opening balance	-	464,542	204,917	476,571	777,565	-	-	-	1,923,595	1,950,799
Amortization expense	-	87,317	16,201	39,829	45,739	12,646	417,025	500	619,257	156,183
Disposals	-	(52,910)	-	-	-	-	-	-	(52,910)	(183,387)
<b>CLOSING BALANCE</b>	<b>-</b>	<b>498,949</b>	<b>221,118</b>	<b>516,400</b>	<b>823,304</b>	<b>12,646</b>	<b>417,025</b>	<b>500</b>	<b>2,489,942</b>	<b>1,923,595</b>
<b>NET BOOK VALUE</b>	<b>529,748</b>	<b>1,778,836</b>	<b>88,573</b>	<b>345,338</b>	<b>1,006,267</b>	<b>493,182</b>	<b>763,043</b>	<b>9,500</b>	<b>5,014,487</b>	<b>3,064,480</b>

NORTH COAST REGIONAL DISTRICT  
SCHEDULE 6 - SEGMENTED INFORMATION  
YEAR ENDED DECEMBER 31, 2023

	General Government	Municipal Debt Payments	Protective Services	Environmental Services	Planning and Development	Recreation and Cultural Services	Utility Services	Communications	Projects	2023 Total
<b>REVENUE</b>										
Sales, fees and other	535,775	-	27,347	1,630,648	9,895	28,406	60,324	-	1,981	2,294,356
Taxation	655,610	-	92,715	523,830	104,860	676,855	62,250	20,001	5,001	2,141,122
Municipal debt payments	-	2,307,694	-	-	-	-	-	-	-	2,307,694
Provincial, federal and other grants	385,329	-	142,347	905,468	90,500	144,139	227,004	505,828	-	2,400,615
Grants in lieu	34,365	-	6,036	29,382	5,464	43,791	898	988	261	121,185
	<u>1,611,079</u>	<u>2,307,694</u>	<u>268,445</u>	<u>3,089,328</u>	<u>210,719</u>	<u>893,191</u>	<u>350,476</u>	<u>526,817</u>	<u>7,223</u>	<u>9,264,972</u>
<b>EXPENDITURE</b>										
Salaries and wages	715,069	-	2,219	1,033,621	95,365	98,216	328	-	-	1,944,818
Amortization	18,643	-	5,079	502,859	500	33,791	45,739	12,646	-	619,257
Accretion expense	-	-	-	60,699	-	657	-	-	-	61,356
Director expenses	313,524	-	-	-	184	-	-	-	-	313,708
Municipal debt payments	-	2,307,694	-	-	-	-	-	-	-	2,307,694
Other	519,739	-	116,290	640,888	96,092	656,468	186,034	9,484	-	2,224,995
	<u>1,586,975</u>	<u>2,307,694</u>	<u>123,588</u>	<u>2,238,067</u>	<u>192,141</u>	<u>789,132</u>	<u>232,101</u>	<u>22,130</u>	<u>-</u>	<u>7,471,828</u>
<b>REVENUE OVER EXPENDITURE</b>	<b>44,104</b>	<b>-</b>	<b>144,857</b>	<b>851,261</b>	<b>18,578</b>	<b>104,059</b>	<b>118,375</b>	<b>504,687</b>	<b>7,223</b>	<b>1,793,144</b>
<b>OPENING REGIONAL DISTRICT POSITION</b>	<b>1,260,031</b>	<b>-</b>	<b>633,270</b>	<b>4,288,643</b>	<b>468,214</b>	<b>644,519</b>	<b>99,439</b>	<b>-</b>	<b>66,957</b>	<b>7,461,073</b>
<b>CLOSING REGIONAL DISTRICT POSITION</b>	<b>1,304,135</b>	<b>-</b>	<b>778,127</b>	<b>5,139,904</b>	<b>486,792</b>	<b>748,578</b>	<b>217,814</b>	<b>504,687</b>	<b>74,180</b>	<b>9,254,217</b>