

Consolidated Financial Statements of



Central Coast
REGIONAL DISTRICT
That we may be good people together

And Independent Auditors' Report thereon
Year ended December 31, 2020



Central Coast
REGIONAL DISTRICT
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Table of Contents

	Page
Management Responsibility Statement	
Independent Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Changes in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 - 23



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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Central Coast Regional District (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The District's Board meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.

A handwritten signature in blue ink that reads "Samuel Schooner".

Samuel Schooner, Chair of Board

A handwritten signature in black ink that reads "Courtney Kirk".

Courtney Kirk, Chief Administrative Officer



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INDEPENDENT AUDITORS' REPORT

To the Members of Central Coast Regional District

Qualified Opinion

We have audited the consolidated statement of financial statements of Central Coast Regional District (the District), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated statement of financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditors' report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2020 and its consolidated results of operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The District operates a landfill and is responsible for its closure and post closure care under the Waste Management Act of British Columbia. The District accrues an estimate of the landfill closure and post closure liability, the completeness, accuracy and valuation of the estimate is not susceptible to satisfactory audit verification.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the financial liabilities reported in the consolidated statement of financial position as at December 31, 2020
- the consolidated solid waste management expenditures and annual surplus reported in the consolidated statements of operations and accumulated surplus for the year ended December 31, 2020
- the consolidated statement of changes in net financial assets for the year ended December 31, 2020
- the consolidated statement of cash flow for the year ended December 31, 2020
- the note disclosure to the consolidated financial statements related to the landfill closure and post-closure liabilities.



Page 2

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Consolidated Financial Statements"** section of our auditors' report.

We are independent of the 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 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 qualified 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 Canadian public sector accounting standards, 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 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 District or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Page 3

- 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 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the District's 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
- 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

April 15, 2021



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Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash and cash equivalents (note 2)	\$ 4,305,258	\$ 2,476,940
Accounts receivable (note 3)	249,510	103,026
Debt reserve fund (note 4)	10,105	9,901
	<u>4,564,873</u>	<u>2,589,867</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	122,839	128,442
Debt reserve fund (note 4)	10,105	9,901
Deferred revenue (note 6)	2,153,921	785,754
Landfill closure and post-closure liability (note 7)	210,000	180,000
Long-term debt (note 8)	53,431	78,254
	<u>2,550,296</u>	<u>1,182,351</u>
Net financial assets	2,014,577	1,407,516
Non-Financial Assets:		
Prepaid expenses	2,016	25,372
Tangible capital assets (note 9)	4,198,439	4,067,455
	<u>4,200,455</u>	<u>4,092,827</u>
Commitments and contingencies (note 10)		
Subsequent event (note 14)		
Accumulated surplus (note 12)	\$ 6,215,032	\$ 5,500,343

See accompanying notes to consolidated financial statements.

On behalf of the Board:

 Director

 Director



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Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget	2020 Actual	2019 Actual
Revenue (note 13):			
Airport fees and rentals	\$ 226,510	\$ 122,740	\$ 247,897
Federal government grants	-	-	999
Federal grants-in-lieu of tax	46,523	50,886	36,255
Fire protection tolls	3,595	3,475	3,595
Investment income	2,500	48,551	31,784
Landfill user fees	30,000	28,931	28,361
Miscellaneous revenue	2,904,878	221,455	224,434
Multi Materials BC	12,000	10,430	12,490
Nuxalk Nation contributions	105,000	105,000	108,000
Provincial government grants	4,596,816	959,366	1,090,878
Recreation user fees	25,650	20,515	33,111
Tax levy	760,261	760,260	760,261
Watertolls	54,671	56,977	56,372
	8,768,404	2,388,586	2,634,437
Expenditures (note 13):			
Community works and planning	805,636	67,899	86,414
Economic development services	323,154	24,014	233,093
General government	1,077,227	981,529	934,664
Parks, recreation and culture	4,172,396	151,449	157,089
Protective services	1,023,142	54,541	89,470
Solid waste management	699,271	198,489	202,462
Transportation	385,641	118,517	155,828
Utility services	108,130	77,459	76,375
	8,594,597	1,673,897	1,935,395
Annual surplus	173,807	714,689	699,042
Accumulated surplus, beginning of year	5,500,343	5,500,343	4,801,301
Accumulated surplus, end of year	\$ 5,674,150	\$ 6,215,032	\$ 5,500,343

See accompanying notes to consolidated financial statements.



Consolidated Statement of Changes In Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Budget	2020	2019
Annual surplus	\$ 173,807	\$ 714,689	\$ 699,042
Acquisition of tangible capital assets	(1,554,517)	(305,912)	(342,774)
Amortization of tangible capital assets	-	172,989	153,104
Loss on disposal of tangible capital assets	-	1,939	-
	(1,554,517)	(130,984)	(189,670)
Acquisition of prepaid expenses	-	(2,016)	(25,372)
Use of prepaid expenses	-	25,372	3,857
	-	23,356	(21,515)
Change in net financial assets	(1,380,710)	607,061	487,857
Net financial assets, beginning of year	1,407,516	1,407,516	919,659
Net financial assets, end of year	\$ 26,806	\$ 2,014,577	\$ 1,407,516

See accompanying notes to consolidated financial statements.



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Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 714,689	\$ 699,042
Items not involving cash:		
Amortization	172,989	153,104
Loss on disposal of tangible capital assets	1,939	-
	<u>889,617</u>	<u>852,146</u>
Changes in non-cash operating working capital:		
Accounts receivable	(146,484)	370,921
Prepaid expenses	23,356	(21,515)
Debt reserve fund asset	(204)	(225)
Accounts payable and accrued liabilities	(5,603)	52,117
Debt reserve fund liability	204	225
Deferred revenue	1,368,167	(192,581)
Landfill closure and post-closure liability	30,000	30,000
	<u>2,159,053</u>	<u>1,091,088</u>
Financing activities:		
Repayment of long term debt	(24,823)	(23,641)
Investing activities:		
Acquisition of tangible capital assets	(305,912)	(342,774)
Increase in cash and cash equivalents	1,828,318	724,673
Cash and cash equivalents, beginning of year	2,476,940	1,752,267
Cash and cash equivalents, end of year	<u>\$ 4,305,258</u>	<u>\$ 2,476,940</u>

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements

Year ended December 31, 2020

Nature of operations:

Central Coast Regional District (the "District") operates under the provisions of the Local Government Act and the Community Charter of British Columbia. Its principal activities include the provision of local government services to residents of the region. These include general government, protective, water, airport and recreation services.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the District has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Experienced temporary declines in the fair value of investments and investment income
- Received notice of reduced transportation services and associated user fee revenue at the Bella Coola Airport
- Declared a State of Local Emergency pursuant to the Emergency Program Act in an effort to mitigate and reduce risk to residents in all electoral areas and to support mandated efforts of the local health authority
- Maintained essential services at the administration and airport offices and temporarily relocated non-essential employees to work from home
- Reduced or modified service levels deemed to be non-essential as appropriate and necessary at all public facilities owned and operated by the District, including parks, and the recycling centre

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies:

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The District's significant accounting policies are as follows:

(a) Basis of presentation:

The consolidated financial statements of the District are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) Principles of consolidation:

The consolidated financial statements include accounts of all funds of the District including General Operating, Water Operating, General Capital, Water Capital and Reserve Funds. Interfund balances and transactions have been eliminated.

(c) Financial instruments:

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Financial assets measured to amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial instruments consist of cash and cash equivalents, accounts receivable, debt reserve fund asset, accounts payable and accrued liabilities, debt reserve fund liability, and long-term debt. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risk arising from its financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(d) Accrual accounting:

The accrual method for reporting revenues and expenditures, including capital expenditures, has been used. Revenues are recorded in the period they are earned. Expenditures are recorded as the cost of goods and services in the period they are obtained.

(e) Administration apportionment:

A percentage of certain budgeted administration expenses of the District has been allocated to other functions. These expenses include audit fees, bank charges, liability insurance, wages and related costs of the administrative staff, board representation and governance, office, stationary and telephone.

(f) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase and term deposits with a maturity of less than two years. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

(g) Tangible capital assets:

Tangible capital assets are recorded in the General Capital Fund and Water Capital Fund at cost or deemed cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset less accumulated amortization

Contributed tangible capital assets are recorded at fair value at the date of receipt and also are recorded as revenue.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(g) Tangible capital assets (continued):

The costs, less residual values, of the tangible capital assets, excluding land are amortized using the declining balance method, at the following rates over their estimated useful lives as follows:

Asset	Rate
Buildings	4%
Furniture and equipment	20%
Parks and recreation projects	20%
Paving	5%
Vehicles	30%
Water distribution system	4%

The District regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets costs.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(h) Revenue recognition:

Grants and contributions (other than grants-in-lieu of taxes) are recorded when receivable. Grants-in-lieu of taxes are recognized at the earlier of when received or when money is determined to be more likely than not collected.

Each Electoral Area within the District is requisitioned for their portion of each service in which they participate. These funds are then levied by the Province (for Electoral Areas) to individual taxpayers and turned over to the District by August 1st of each year. Tax levies are recognized in the year in which they are levied. Government transfers are recognized as revenues in the period in which events giving rise to the transfer occur.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(h) Revenue recognition (continued):

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenue unearned in the current period is recorded as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(i) Landfill closure and post-closure costs:

The liability for closure of the operational landfill site and post-closure care has been recognized based on estimated future expenses, estimated inflation and the site's remaining capacity at the end of the year. The change in this liability during the year is recorded as a charge to operations in the Statement of Operations and Accumulated Surplus. These estimates are reviewed and adjusted annually.

(j) Interest:

Interest earned is allocated on the basis of actual earnings from the specific instruments. Excess funds or temporary borrowings of all functions and capital projects are pooled and interest income or expense is allocated to the individual functions and capital projects on a monthly basis.

(k) Budget reporting:

The original budget bylaw stated in the Statement of Operations and Accumulated Surplus represents the Annual Budget Bylaw adopted by the Board of Directors on March 30, 2020. These figures do not reflect subsequent amendments made by the Board of Directors to reflect changes in the budget throughout the year as required by law.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(l) Contaminated sites:

Contaminated sites are a result of a contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environment standard. The liability is recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the District is directly responsible or accepts responsibility;
- iv) future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

(m) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Areas requiring use of management estimates relate to the collectability of accounts receivable, estimated useful lives of tangible capital assets and the landfill closure liability. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

2. Cash and cash equivalents:

	2020	2019
Operating cash	\$ 326,135	\$ 113,077
Savings cash	2,561,654	952,675
Term deposits	872,691	870,977
Short-term investments	543,778	539,211
Equity shares at the Williams Lake and District Credit Union	1,000	1,000
	\$ 4,305,258	\$ 2,476,940

Short-term investments are held in Municipal Finance Authority pooled money market fund with an annual rate of return of approximately 0.85% (2019 - 1.86%).

The District has a line of credit, secured by a term deposit with a maximum of \$200,000. Interest is payable monthly at prime rate. As of December 31, 2020, the line of credit had not been used.

3. Accounts receivable:

	2020	2019
Trade and other	\$ 177,650	\$ 64,728
Local government	460	14
Provincial government	61,427	21,319
Federal government	9,973	16,965
	\$ 249,510	\$ 103,026



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Debt reserve fund:

The District issues its debt instruments through the Municipal Finance Authority ("MFA"). As a condition of the borrowing, the District is obligated to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. The deposits of \$10,105 (2019 - \$9,901) are included in the District's consolidated financial statements as a debt reserve fund asset. If the debt is repaid without default, the deposits are refunded to the District.

The District has a debt reserve fund demand note in the amount of \$12,039 which is contingent in nature, is held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the District's consolidated financial statements. Upon the maturity of the debt issue, the debt reserve fund demand note is released and deposits are refunded to the District.

5. Accounts payable and accrued liabilities:

	2020	2019
Trade and other payables	\$ 118,821	\$ 82,661
Holdbacks payable	-	45,551
Sales tax payable	4,018	230
	\$ 122,839	\$ 128,442



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

6. Deferred revenue:

Deferred revenue consists of funds received from grants for specific projects with conditions placed on its use for which the related conditions have not yet been met.

The deferred revenue are allocated from the following functions:

	2020	2019
General Operating Fund:		
Active communities grant	\$ 9,364	\$ 13,664
Community housing planning	4,952	39,084
Marketing enhancement and brand implementation	184,614	186,398
Regional connectivity	4,687	4,797
Risk assessment, flood modeling and mapping project	487,884	541,811
Hagensborg community potable water distribution and treatment project	1,462,420	-
	\$ 2,153,921	\$ 785,754

7. Landfill closure and post-closure liability:

The District operates a landfill and is responsible for closure and post closure care under the Waste Management Act of British Columbia. These future site restoration costs are recognized based on management's assumptions and their estimates of the costs of future removal and site restoration. Changes to the underlying assumptions or legislative change in the future could have a material impact on the statements. As the costs for closure and post closure care not readily determinable, the District recognized an expense of \$30,000 (2019 - \$30,000) for future site restoration costs.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

8. Long-term debt:

Security issuing by-law #275 was enacted November 17, 1997. Repayment of the financing is on a semi-annual basis with a payment of \$4,556 on May 5th and a payment of \$13,042 on November 5th of each year. Final payment based on actuarial calculations will be made on November 5, 2022. The MFA debt has an interest rate of 2.25% (2019 - 2.25%).

As at December 31, 2020, the Municipal Finance Authority loan was \$53,431 (2019 - \$78,254), interest paid on the long-term debt included in payments from the General Operating Fund are \$9,113 (2019 - \$9,113).

Principal repayments are due as follows:

2021	\$	26,064
2022		27,367
	\$	53,431

9. Tangible capital assets:

			2020
	Cost	Accumulated amortization	Net book value
Land	\$ 1,680,275	\$ -	\$ 1,680,275
Buildings	1,308,811	375,142	933,669
Furniture and equipment	769,166	382,244	386,922
Parks and recreation projects	570,175	429,611	140,564
Paving	1,709,299	1,307,611	401,688
Vehicles	162,384	133,127	29,257
Water distribution system	1,510,482	954,060	556,422
Work in progress	69,642	-	69,642
	\$ 7,780,234	\$ 3,581,795	\$ 4,198,439



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

9. Tangible capital assets (continued):

	Cost	Accumulated amortization	2019 Net book value
Land	\$ 1,680,275	\$ -	\$ 1,680,275
Buildings	1,306,318	336,670	969,648
Furniture and equipment	499,294	344,147	155,147
Parks and recreation projects	568,196	394,470	173,726
Paving	1,697,509	1,286,573	410,936
Vehicles	162,384	120,588	41,796
Water distribution system	1,510,482	930,875	579,607
Work in progress	56,320	-	56,320
	<u>\$ 7,480,778</u>	<u>\$ 3,413,323</u>	<u>\$ 4,067,455</u>

Amortization for the year amounted to \$172,989 (2019 - \$153,104).

During the year, tangible capital assets were acquired at an aggregate cost of \$305,912 (2019 – \$342,774). Total net book value of disposals were \$1,939 (2019 - \$ nil).

Work in progress represents capital projects at year end that have not been completed and are not ready for their intended use or to be amortized.

10. Commitments and contingencies:

- a) The District is involved from time to time in litigation, which arises in the normal course of operations. Liabilities arising from any litigation are recognized in the consolidated financial statements when the outcome becomes reasonably determinable. In management's judgment there is no material negative exposure at this time from existing litigations.
- b) The District is a participant under the Community Works Fund that provides for the District receiving Federal gas taxes transferred under the New Deal for Cities and Communities signed by the Union of BC Municipalities, the Province of British Columbia and the Government of Canada.

Although the District has some latitude in determining which projects to pursue, the agreement provides that the projects must address investments in capital and capacity building projects to build and revitalize public infrastructure that supports national objectives of productivity and economic growth, a clean environment and strong communities.

- c) The District is a member of the Municipal Insurance Association of British Columbia. As a member of this association, the District is contingently liable for claims in excess of the insurance fund.
- d) The District and its employees contribute to the Municipal Pension Plan (a jointly trustee 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 has 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.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

10. Commitments and contingencies (continued):

d) Continued:

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

The District paid \$46,550 (2019 - \$35,338) 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 individual employers participating in the plan.

e) The District has entered into the following property lease agreements:

	Term	Expiry date	Annual lease cost
Arena	30 years	July 18, 2041	\$ 1
Centennial pool	50 years	March 31, 2058	1
Thorsen Creek Waste and Recycling Centre	10 years	July 12, 2022	1

The District leases the land for the arena and the Thorsen Creek Waste and Recycling Centre from the Province of British Columbia. The District leases the land for the Centennial pool from The Farmer's Institute. The fair market value on the land leases are undeterminable and therefore an estimate has not been disclosed.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

11. Related party transactions:

The District is related to the Central Coast Regional Hospital District ("Hospital District") as the members of the Board of Directors of the District form the majority of the members of the Board of Directors of the Central Coast Regional Hospital District. As legislated by the Hospital District Act, the officers and employees are the corresponding officers and employees of the Central Coast Regional District. Each of the Regional District and the Hospital District are separate legal entities authorized by separate legislation.

During the year, Central Coast Regional Hospital District received accounting and management services from the District and paid \$13,500 (2019 - \$13,500) for these services.

The District is related to the Nuxalk Nation as key management personnel of these entities are close family members.

During the year, Nuxalk Nation contributed \$105,000 (2019 - \$108,000) for the use of the District owned landfill.

During the year, the District paid Nuxalk Nation \$21,275 (2019 - \$21,275) per their water supply agreement.

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

12. Accumulated surplus:

	2020	2019
General operating fund	\$ 1,724,291	\$ 1,237,416
Water operating fund	61,762	66,631
General capital fund	3,505,091	3,335,667
Water capital fund	740,000	722,344
Capital works, machinery, equipment reserve	6,014	6,014
Asset replacement fund	177,874	132,271
	\$ 6,215,032	\$ 5,500,343

13. Segmented information:

The Central Coast Regional District is a local government providing a wide range of services to residents, including parks, recreation centres, fire protection, water and sewer services. 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 expenses represents 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 District's consolidated financial statements.

Community works and planning:

This segment pertains to the Community Works Fund under the Gas Tax Agreement with the Provincial and Federal Governments as well as the Land Use Planning function operated by the District. Land Use Planning includes zoning bylaws and the Official Community Plan, as well as the assessment of Housing Needs, which is a mandate from the provincial government.

Economic development services:

This service includes the services of a full time economic development officer. The function provides economic development services to all electoral areas.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

13. Segmented information (continued):

General government:

General government services include the District's administration and Board governance. It also provides grants in aid services to community groups.

Parks, recreation and culture:

The District owns and operates regional parks in the Bella Coola Valley, and provides recreation services to the Denny Island Community in addition to Bella Coola. The District also requisitions a tax levy for the provision of library services by the Vancouver Island Regional Library in Bella Coola and 'books by mail' service to other communities in the region.

Protective services:

These services include the function of emergency management within all electoral areas, as well as fire protection in the Bella Coola town site.

Solid waste management:

The District owns and operates the Thorsen Creek Waste & Recycling Centre in the Bella Coola Valley. The site includes a full range of recycling facilities, free store and waste disposal.

Transportation:

The Bella Coola Airport and the Denny Island Airport are owned and operated by the District. The facility in Bella Coola includes terminal buildings, an office/hangar, lease lots, runway, parking area and other things associated with airport facilities. The Denny Island facility includes a landing strip and small outbuilding.

Utility services:

Streetlights in various locations throughout the Bella Coola valley and the town site are provided by the District through an agreement with BC Hydro. Water supply is provided by agreement with the Nuxalk Nation and water distribution is provided to the Bella Coola town site area.



Central Coast
REGIONAL DISTRICT
That we may be good people together

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

13. Segmented information (continued):

	2020								
	Community works and planning	Economic development services	General government	Parks, recreation and culture	Protective services	Solid waste management	Transportation	Utility services	Total
Revenue:									
Airport fees and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,740	\$ -	\$ 122,740
Grants	249,023	82,317	533,839	8,723	280,770	28,439	4,532	13,019	1,200,662
Investment income	10,071	-	19,724	-	-	-	-	18,756	48,551
Other	-	-	14,834	290	69	122,147	-	9,135	146,475
Taxation	58,598	41,346	247,899	176,214	85,711	124,142	9,973	16,377	760,260
User charges	-	-	-	20,515	3,475	28,931	-	56,977	109,898
Total revenues	317,692	123,663	816,296	205,742	370,025	303,659	137,245	114,264	2,388,586
Expenses:									
Amortization	-	-	149,804	-	-	-	-	23,184	172,988
Contracts	-	-	-	-	-	101,538	18,240	-	119,778
Interest	-	-	27	-	-	-	-	9,316	9,343
Landfill post closure costs	-	-	-	-	-	-	-	-	-
Operating	30,685	23,076	119,945	89,181	40,818	30,000	-	-	30,000
Professional fees	37,214	825	29,708	-	-	23,477	70,484	4,292	401,958
Repairs and maintenance	-	-	790	-	-	1,143	1,649	-	70,539
Telephone and utilities	-	-	19,079	8,312	4,056	3,193	25,164	905	42,420
Wages and related costs	-	-	660,237	4,318	7,109	7,281	2,923	18,482	59,192
Waterworks - Nuxalk	-	113	-	49,638	2,558	31,857	57	5	744,465
Band	-	-	-	-	-	-	-	21,275	21,275
Loss on disposal of tangible capital assets	-	-	1,939	-	-	-	-	-	1,939
Total expenses	67,899	24,014	981,529	151,449	54,541	198,489	118,517	77,459	1,673,897
Annual surplus (deficit)	\$ 249,793	\$ 99,649	\$ (165,233)	\$ 54,293	\$ 315,484	\$ 105,170	\$ 18,728	\$ 36,805	\$ 714,689



Central Coast REGIONAL DISTRICT

That we may be good people together

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

13. Segmented information (continued):

	2019								
	Community works and planning	Economic development services	General government	Parks, recreation and culture	Protective services	Solid waste management	Transportation	Utility services	Total
Revenue:									
Airport fees and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,897	\$ -	\$ 247,897
Grants	477,809	268,329	178,378	75,408	40,691	56,877	142,440	2,893	1,242,825
Investment income	1,064	-	15,565	-	-	-	-	15,155	31,784
Other	-	-	18,152	9,128	200	122,595	54,497	24,909	229,481
Taxation	15,000	31,613	319,121	166,887	87,168	109,908	9,973	20,591	760,261
User charges	750	-	-	33,111	3,595	28,361	-	56,372	122,189
Total revenues	494,623	299,942	531,216	284,534	131,654	317,741	454,807	119,920	2,634,437
Expenses:									
Amortization	-	-	128,954	-	-	-	-	24,150	153,104
Contracts	-	-	-	-	-	93,012	18,240	-	111,252
Interest	-	-	75	-	-	-	-	9,338	9,413
Landfill post closure costs	-	-	-	-	-	-	-	-	-
Operating	84,033	157,133	212,426	88,229	69,378	30,000	102,620	-	30,000
Professional fees	-	-	52,222	-	-	29,640	2,372	1,435	744,894
Repairs and maintenance	-	-	274	16,224	6,837	6,947	26,103	2,778	59,163
Telephone and utilities	-	-	14,603	4,394	7,103	8,865	6,443	17,111	58,519
Wages and related costs	2,381	75,960	526,110	48,242	6,152	33,998	50	288	693,181
Waterworks - Nuxalk	-	-	-	-	-	-	-	-	-
Band	-	-	-	-	-	-	-	21,275	21,275
Total expenses	86,414	233,093	934,664	157,089	89,470	202,462	155,828	76,375	1,935,395
Annual surplus (deficit)	\$ 408,209	\$ 66,849	\$ (403,448)	\$ 127,445	\$ 42,184	\$ 115,279	\$ 298,979	\$ 43,545	\$ 699,042



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Subsequent event:

Subsequent to the year end, on January 1, 2021, the District obtained the assets, obligations and references of the Hagensborg Waterworks District.



Schedule 1 - COVID-19 Safe Restart Grant
 Year ended December 31, 2020

In November 2020 the District was the recipient of \$340,000 grant under the COVID-19 Safe Restart Grant for Local Governments program from the Province of British Columbia. Due to the conditions of use this grant funding allows local governments to use the funding where the greatest need arises, the amount received was considered revenue in 2020 and included in grant revenue on the Consolidated Statement of Operations and Accumulated Surplus. The District has not allocated any funding in 2020.

	2020
Grant funding received - November 2020	\$ 340,000
COVID-19 Safe Restart Grant for allocation in 2021	\$ 340,000