

Consolidated Financial Statements of



Central Coast
REGIONAL DISTRICT
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And Independent Auditor's Report thereon

Year ended December 31, 2022



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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.



Jayme Kennedy, Chair of Board



Curtis Slingerland, Chief Administrative Officer



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INDEPENDENT AUDITOR'S REPORT

To the Members of Central Coast Regional District

Opinion

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

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations and changes in net financial assets 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 financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2022 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 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 Consolidated Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our ethical 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 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.
- 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 Entity'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 Entity'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 Entity's to cease to continue as a going concern.



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- 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 12, 2023



Central Coast REGIONAL DISTRICT

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Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash and cash equivalents (note 2)	\$ 6,825,644	\$ 6,069,654
Accounts receivable (note 3)	378,303	219,020
Debt reserve fund	-	10,277
Investments (note 4)	1,202,799	2,006,771
	<u>8,406,746</u>	<u>8,305,722</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	166,239	163,656
Debt reserve fund	-	10,277
Deferred revenue (note 6)	3,705,095	3,899,366
Landfill closure and post-closure liability (note 7)	2,083,650	1,943,581
Long-term debt (note 8)	-	27,367
	<u>5,954,984</u>	<u>6,044,247</u>
Net financial assets	2,451,762	2,261,475
Non-Financial Assets:		
Prepaid expenses	7,905	1,038
Tangible capital assets (note 9)	5,385,511	4,897,766
	<u>5,393,416</u>	<u>4,898,804</u>
Commitments and contingencies (note 10)		
Related party transactions (note 11)		
Accumulated surplus (note 12)	<u>\$ 7,845,178</u>	<u>\$ 7,160,279</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director

Director



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Consolidated Statement of Operations and Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 14)	2022 Actual	2021 Actual
Revenue (note 13):			
Airport fees and rentals	\$ 186,927	\$ 184,353	\$ 134,911
Federal government grants	1,350,638	333,700	20,083
Federal grants-in-lieu of tax	51,880	106,536	46,150
Fire protection tolls	40,624	29,059	21,968
Investment income	67,381	73,445	81,263
Landfill user fees	79,000	70,176	77,590
Miscellaneous revenue	5,203,058	237,382	95,701
Multi Materials BC	10,000	15,111	14,752
Nuxalk Nation contributions	105,000	105,000	105,000
Parcel Taxes	26,875	26,250	26,875
Provincial government grants	5,198,097	739,114	1,056,672
Recreation user fees	26,000	21,901	28,638
Hagensborg Waterworks District	-	-	1,980,371
Tax levy	912,596	912,595	865,064
Watertolls	154,325	148,965	151,165
	13,412,401	3,003,587	4,706,203
Expenditures (note 13):			
Community works and planning	802,963	28,764	62,621
Economic development services	251,907	18,094	13,220
General government	1,564,843	1,386,635	1,221,994
Parks, recreation and culture	5,104,079	151,879	195,375
Protective services	909,445	174,787	134,714
Solid waste management	2,003,113	335,408	265,339
Transportation	1,023,968	128,245	115,023
Utility services	5,482,909	94,876	99,350
	17,143,227	2,318,688	2,107,636
Annual (deficit) surplus	(3,730,826)	684,899	2,598,567
Accumulated surplus, beginning of year	7,160,279	7,160,279	4,561,712
Accumulated surplus, end of year	\$ 3,429,453	\$ 7,845,178	\$ 7,160,279

See accompanying notes to consolidated financial statements.



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Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 14)	2022	2021
Annual (deficit) surplus	\$ (3,730,826)	\$ 684,899	\$ 2,598,567
Acquisition of tangible capital assets	(143,100)	(727,969)	(338,013)
Amortization of tangible capital assets	-	240,224	271,417
Transfer of tangible capital assets from Hagensborg Waterworks District	-	-	(632,731)
	(143,100)	(487,745)	(699,327)
Acquisition of prepaid expenses	-	(7,905)	(1,038)
Use of prepaid expenses	-	1,038	2,016
	-	(6,867)	978
Change in net financial assets	(3,873,926)	190,287	1,900,218
Net financial assets, beginning of year	2,261,475	2,261,475	361,257
Net financial (debt) assets, end of year	\$ (1,612,451)	\$ 2,451,762	\$ 2,261,475

See accompanying notes to consolidated financial statements.



Central Coast

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Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 684,899	\$ 2,598,567
Items not involving cash:		
Amortization	240,224	271,417
Transfer of tangible capital assets from Hagensborg Waterworks District	-	(632,731)
	925,123	2,237,253
Changes in non-cash operating working capital:		
Accounts receivable	(159,283)	30,490
Debt reserve fund asset	10,277	(172)
Accounts payable and accrued liabilities	2,583	40,817
Debt reserve fund liability	(10,277)	172
Deferred revenue	(194,271)	1,745,445
Landfill closure and post-closure liability	140,069	80,261
Prepaid expenses	(6,867)	978
	707,354	4,135,244
Financing activities:		
Repayment of long-term debt	(27,367)	(26,064)
Investing activities:		
Acquisition of tangible capital assets	(727,969)	(338,013)
Investment redemption (purchases)	803,972	(1,834,080)
	76,003	(2,172,093)
Increase in cash and cash equivalents	755,990	1,937,087
Cash and cash equivalents, beginning of year	6,069,654	4,132,567
Cash and cash equivalents, end of year	\$ 6,825,644	\$ 6,069,654

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements

Year ended December 31, 2022

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 regional protective, water and environmental, airport and recreation services.

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) 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 recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(d) 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 one year. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

(e) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary.

(f) 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.

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%
Hagensborg water system infrastructure	4%
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.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

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

(g) 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.

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.

Government transfers are recognized as revenue in the period in which events giving rise to the transfer occur. Revenue is recognized when a transfer is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(h) Deferred revenues:

Deferred revenues includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs or in the completion of specific work. Revenue is recognized in the period when the related expenses are incurred or services performed.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(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 21, 2022. 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.

(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.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(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 and post-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.

2. Cash and cash equivalents:

	2022	2021
Operating cash	\$ 803,109	\$ 166,163
Savings cash	4,328,906	4,060,628
Term deposits	1,136,477	1,296,254
Short-term investments	555,152	544,609
Equity shares at the Williams Lake and District Credit Union	2,000	2,000
	\$ 6,825,644	\$ 6,069,654

Short-term investments are held in Municipal Finance Authority pooled money market fund with an annual rate of return of approximately 1.9% (2021 - 0.15%).

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, 2022, the line of credit had not been used.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

3. Accounts receivable:

	2022	2021
Trade and other	\$ 133,829	\$ 139,239
Local government	699	667
Provincial government	150,695	67,407
Federal government	93,080	11,707
	\$ 378,303	\$ 219,020

4. Investments:

	2022	2021
MFA bond funds	\$ 519,162	\$ 506,771
Term deposits	683,637	1,500,000
	\$ 1,202,799	\$ 2,006,771

Investments are recorded at cost. As at December 31, 2022, the fair market value of the investments is \$1,165,178 (2021 - \$1,998,216).

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

5. Accounts payable and accrued liabilities:

	2022	2021
Trade and other payables	\$ 144,250	\$ 152,940
Sales tax payable	53	10
Wages and related costs	21,936	10,706
	\$ 166,239	\$ 163,656

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:

	2022	2021
Active communities grant	\$ -	\$ 139
Marketing enhancement and brand implementation	170,972	170,972
Regional connectivity	4,687	4,687
Risk assessment, flood modelling and mapping project	356,213	446,362
Hagensborg community potable water distribution and treatment project	1,433,245	1,445,686
Great Bear playground project	288,190	288,190
Centennial pool renewal project	990,840	990,840
Bella Coola Airport fuel system upgrade system	422,867	512,490
Hagensborg governance study grant	-	40,000
Local government climate action program	38,081	-
	\$ 3,705,095	\$ 3,899,366

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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. The future site restoration costs consists of compacting and grading, final cover and vegetation, surface water management, leachate monitoring, water quality monitoring and ongoing maintenance. The landfill has an estimated remaining life of 10 years reaching capacity in the year 2032.

	2022	2021
Estimated closure costs	\$ 1,486,458	\$ 1,386,520
Estimated post-closure costs	597,192	557,061
Total estimated closure and post-closure costs	\$ 2,083,650	\$ 1,943,581

The recorded liability of \$2,083,650 (2021 - \$1,943,581) represents the portion of the estimated future costs reduced by the available capacity 80% (2021 - 78%), and discounted to present value utilizing a discount rate of 3% (2021 - 3%) and offset by a 2% (2021 - 2%) rate of inflation). Landfill expenses are included in solid waste management expenses.

8. Long-term debt:

Security issuing by-law #275 was enacted November 17, 1997. Financing was repaid in the current year.

As at December 31, 2022, the Municipal Finance Authority loan was \$nil (2021 - \$27,367). Interest paid on the long-term debt included in payments from the General Operating Fund are \$4,556 (2021 - \$9,113).



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

9. Tangible capital assets:

	2022									
	Land	Buildings	Furniture and equipments	Hagensborg Water System Infrastructure	Parks and recreation projects	Paving	Vehicles	Water distribution system	Work in progress	Total
Cost:										
Balance, beginning of year	\$ 1,689,464	\$ 1,521,990	\$ 897,032	\$ 328,727	\$ 583,216	\$ 1,709,299	\$ 297,378	\$ 1,510,482	\$ 213,390	\$ 8,750,978
Additions	4,622	350,572	23,266	-	178	-	-	-	349,331	727,969
Balance, end of year	1,694,086	1,872,562	920,298	328,727	583,394	1,709,299	297,378	1,510,482	562,721	9,478,947
Accumulated amortization:										
Balance, beginning of year	-	415,216	481,245	10,036	460,302	1,327,695	182,402	976,316	-	3,853,212
Amortization expense	-	46,439	85,086	9,143	24,616	19,080	34,493	21,367	-	240,224
Balance, end of the year	-	461,655	566,331	19,179	484,918	1,346,775	216,895	997,683	-	4,093,436
Annual surplus (deficit)	\$ 1,694,086	\$ 1,410,907	\$ 353,967	\$ 309,548	\$ 98,476	\$ 362,524	\$ 80,483	\$ 512,799	\$ 562,721	\$ 5,385,511

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



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

9. Tangible capital assets (continued):

	2021									
	Land	Buildings	Furniture and equipments	Hagensborg Water System Infrastructure	Parks and recreation projects	Paving	Vehicles	Water distribution system	Work in progress	Total
Cost:										
Balance, beginning of year	\$ 1,680,275	\$ 1,308,811	\$ 769,166	\$ -	\$ 570,175	\$ 1,709,299	\$ 162,384	\$ 1,510,482	\$ 69,642	\$ 7,780,234
Additions	5,505	145,016	30,703	-	13,041	-	-	-	143,748	338,013
Hagensborg transfer	3,684	68,163	97,163	328,727	-	-	134,994	-	-	632,731
Balance, end of year	1,689,464	1,521,990	897,032	328,727	583,216	1,709,299	297,378	1,510,482	213,390	8,750,978
Accumulated amortization:										
Balance, beginning of year	-	375,142	382,244	-	429,611	1,307,611	133,127	954,060	-	3,581,795
Amortization expense	-	40,074	99,001	10,036	30,691	20,084	49,275	22,256	-	271,417
Balance, end of the year	-	415,216	481,245	10,036	460,302	1,327,695	182,402	976,316	-	3,853,212
Annual surplus (deficit)	\$ 1,689,464	\$ 1,106,774	\$ 415,787	\$ 318,691	\$ 122,914	\$ 381,604	\$ 114,976	\$ 534,166	\$ 213,390	\$ 4,897,766

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, 2021, the plan has 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.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

10. Commitments and contingencies (continued):

d) Continued:

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$38,855 (2021 - \$41,301) 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 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	Expired	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.

During the year, the lease for the Thorsen Creek Waste and Recycling Centre expired. The District is working with the Province of British Columbia to renew the lease.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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 (2021 - \$13,500) for these services.

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.

12. Accumulated surplus:

	2022	2021
General operating fund	\$ 454,303	\$ 417,723
Water operating fund	51,117	70,862
General capital fund	4,061,780	3,552,668
Water capital fund	737,341	717,277
Capital works, machinery, equipment reserve	6,014	6,014
Asset replacement fund	258,207	211,477
Hagensborg fire - unrestricted	492,518	556,125
Hagensborg water - unrestricted	171,771	872,401
Hagensborg general capital	682,939	682,939
Hagensborg fire reserve	175,416	38,222
Hagensborg water reserve	753,772	34,571
	\$ 7,845,178	\$ 7,160,279

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.

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.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Segmented information (continued):

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 and Hagensborg.

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 and Hagensborg areas.



Central Coast
REGIONAL DISTRICT
That we may be good people together

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Segmented information (continued):

	2022								
	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,353	\$ -	\$ 184,353
Grants	203,956	5,000	333,804	536	161,543	14,220	408,391	51,900	1,179,350
Investment income	513	-	42,534	23	104	-	-	30,271	73,445
Other	1,536	13,150	40,678	-	330	125,783	-	176,016	357,493
Taxation	54,459	21,061	187,368	270,317	194,954	153,546	6,973	50,167	938,845
User charges	-	-	-	21,901	29,059	70,176	-	148,965	270,101
Total revenues	260,464	39,211	604,384	292,777	385,990	363,725	599,717	457,319	3,003,587
Expenses:									
Amortization	-	-	218,857	-	-	-	-	21,367	240,224
Contracts	-	-	-	-	-	117,320	18,240	-	135,560
Interest	-	-	39	-	1	-	17	4,659	4,716
Landfill post closure costs	-	-	-	-	-	140,069	-	-	140,069
Operating	27,489	18,094	372,154	101,570	146,542	27,494	85,983	12,333	791,659
Professional fees	1,275	-	58,836	923	521	-	-	2,138	63,693
Repairs and maintenance	-	-	2,533	13,043	7,077	3,981	20,360	10,452	57,446
Telephone and utilities	-	-	28,090	3,153	12,778	7,030	3,250	22,610	76,911
Wages and related costs	-	-	706,126	33,190	7,868	39,514	395	42	787,135
Waterworks - Nuxalk Band	-	-	-	-	-	-	-	21,275	21,275
Total expenses	28,764	18,094	1,386,635	151,879	174,787	335,408	128,245	94,876	2,318,688
Annual surplus (deficit)	\$ 231,700	\$ 21,117	\$ (782,251)	\$ 140,898	\$ 211,203	\$ 28,317	\$ 471,472	\$ 362,443	\$ 684,899



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Segmented information (continued):

	2021								
	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,911	\$ -	\$ 134,911
Grants	476,518	14,143	141,923	57,443	109,615	28,439	239,691	55,133	1,122,905
Investment income	525	-	33,965	60	35	-	-	46,678	81,263
Other	6,443	60,418	13,500	2,002	-	127,107	-	5,983	215,453
Taxation	58,599	21,061	227,485	191,773	190,535	130,996	9,973	61,517	891,939
User charges	1,400	-	-	28,638	21,968	76,190	-	151,165	279,361
Hagensborg Waterworks District	-	-	-	-	802,197	-	-	1,178,174	1,980,371
Total revenues	543,485	95,622	416,873	279,916	1,124,350	362,732	384,575	1,498,650	4,706,203
Expenses:									
Amortization	-	-	249,160	-	-	-	-	22,257	271,417
Contracts	-	-	-	-	-	112,543	18,240	-	130,783
Interest	-	-	340	47	21	-	51	9,284	9,743
Landfill post closure costs	-	-	-	-	-	80,261	-	-	80,261
Operating	47,796	13,066	224,549	109,728	106,842	24,664	69,466	9,046	605,157
Professional fees	14,825	-	66,513	1,763	4,750	-	-	5,450	93,301
Repairs and maintenance	-	-	517	9,349	8,008	6,543	23,999	13,480	61,896
Telephone and utilities	-	-	30,764	4,272	12,130	6,586	3,041	18,438	75,231
Wages and related costs	-	154	650,151	70,216	2,963	34,742	226	120	758,572
Waterworks - Nuxalk Band	-	-	-	-	-	-	-	21,275	21,275
Total expenses	62,621	13,220	1,221,994	195,375	134,714	265,339	115,023	99,350	2,107,636
Annual surplus (deficit)	480,864	82,402	(805,121)	84,541	989,636	97,393	269,552	1,399,300	2,598,567



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

14. Budget data:

The budget data presented in the financial statements is based upon 2022 operating budget approved by the Board on March 21, 2022. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	2022
Revenue:	
Operating budget	14,156,685
Less:	
Apportioned administration services	(744,284)
Total revenues	13,412,401
Expenses:	
Operating budget	18,030,611
Less:	
Apportioned administration services	(744,284)
Capital expenditures	(143,100)
Total expenses	17,143,227
Annual deficit	\$ (3,730,826)

15. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.