

DRAFT Consolidated Financial Statements of



And Independent Auditors' Report thereon

Year ended December 31, 2020

Board Meeting
APR 15 2021
CCRD ITEM A(d)



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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.

Samuel Schooner, Chair of Board

Courtney Kirk, Chief Administrative Officer

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.

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.

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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.

- 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.

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- 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.

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Chartered Professional Accountants

Prince George, Canada

April 15, 2021



Consolidated Statement of Financial Position

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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



Consolidated Statement of Operations and Accumulated Surplus

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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

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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.



Consolidated Statement of Cash Flows

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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

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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)

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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)

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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)

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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)

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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)

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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)

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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)

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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)

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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)

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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



Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2020

9. Tangible capital assets (continued):

			2019
	Cost	Accumulated amortization	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
	\$ 7,480,778	\$ 3,413,323	\$ 4,067,455

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.



Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2020

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)

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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)

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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)

DRAFT

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)

DRAFT

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)

DRAFT

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	-	-	-	-	-	30,000	-	-	30,000
Operating	30,685	23,076	119,945	89,181	40,818	23,477	70,484	4,292	401,958
Professional fees	37,214	825	29,708	-	-	1,143	1,649	-	70,539
Repairs and maintenance	-	-	790	8,312	4,056	3,193	25,164	905	42,420
Telephone and utilities	-	-	19,079	4,318	7,109	7,281	2,923	18,482	59,192
Wages and related costs	-	113	660,237	49,638	2,558	31,857	57	5	744,465
Waterworks - Nuxalk 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)

DRAFT

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	-	-	-	-	-	30,000	-	-	30,000
Operating	84,033	157,133	212,426	88,229	69,378	29,640	102,620	1,435	744,894
Professional fees	-	-	52,222	-	-	-	2,372	-	54,594
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)
DRAFT
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.

Schedules of Revenue and Expenditures

CENTRAL COAST REGIONAL DISTRICT

And Notice to Reader Communication thereon

Year ended December 31, 2020

(Unaudited)

Board Meeting
APR 15 2021
CCRD ITEM A(e)



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Tel 250-563-7151
Fax 250-563-5693

NOTICE TO READER

On the basis of information provided by management, we have compiled the schedules of revenue and expenditures of the Central Coast Regional District for the year ended December 31, 2020. We have not performed an audit or a review engagement in respect of this financial information and, accordingly, we express no assurance thereon. Readers are cautioned that this financial information may not be appropriate for their purposes.

Chartered Professional Accountants
Prince George, Canada
April 15, 2021

CENTRAL COAST REGIONAL DISTRICT

Schedule 1 – General Operations

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Administration fees	\$ 496,298	\$ 402,626
Central Coast Regional Hospital District	13,500	13,500
Federal grants	-	999
Grants in lieu of tax	42,829	30,613
Interest income and other	21,060	41,827
Other provincial grants	339,740	70,000
Provincial administration grant	151,270	55,155
Tax levy	222,689	303,911
	<u>1,287,386</u>	<u>918,631</u>
Expenses:		
Audit fees	28,000	35,000
Bank charges and interest	1,083	1,455
Communications	12,872	10,084
Community development	-	3,000
Conventions, travel and association dues	2,390	25,280
Directors' – travel and other	25,939	48,918
Directors' – meals and lodging	509	3,496
Directors' – remuneration	47,060	47,288
Election (recovery)	-	(17)
Insurance	13,389	10,430
Interest	27	75
Memberships	2,949	2,447
Operating expenses	12,945	16,517
Planning	396	6,778
Professional development	3,565	17,037
Professional fees	33,147	75,766
Repairs and maintenance	790	274
Supplies	14,759	12,844
Transferred to asset replacement fund	3,500	3,500
Transferred to general capital fund	15,879	81,531
Utilities	4,838	3,026
Wages and related costs	607,650	474,028
	<u>831,687</u>	<u>878,757</u>
Annual surplus	455,699	39,874
Accumulated surplus, beginning of year	93,727	53,852
Accumulated surplus, end of year	<u>\$ 549,426</u>	<u>\$ 93,726</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 2 - Bella Coola Airport Operations

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Gasoline surcharge	\$ 3,911	\$ 9,434
Landing fees and head tax	33,840	26,343
Leases	8,331	7,431
Other	9,269	77,520
Passenger user fees	41,136	153,168
Provincial government grant	4,532	138,640
Terminal rent	26,253	30,198
	<u>127,272</u>	<u>442,734</u>
Expenses:		
Administration apportionment	85,715	102,520
Insurance	16,433	13,631
Operating expenses	67,223	105,615
Professional fees	3,096	3,782
Repairs and maintenance	16,764	25,652
Transferred to asset replacement fund	20,000	12,000
Transferred to general capital fund	-	126,015
Utilities	4,929	4,987
	<u>214,160</u>	<u>394,202</u>
Annual (deficit) surplus	(86,888)	48,532
Accumulated surplus, beginning of year	110,409	61,877
Accumulated surplus, end of year	<u>\$ 23,521</u>	<u>\$ 110,409</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 3 – Waste and Recycling

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Nuxalk Nation contribution to waste and recycling operations	\$ 105,000	\$ 108,000
Other	17,147	14,595
Provincial government grant	28,439	56,877
Tax levy	124,142	109,908
User fees	28,931	28,361
	<u>303,659</u>	<u>317,741</u>
Expenses:		
Administration apportionment	79,004	82,683
Advertising – waste management	430	3,267
Landfill post closure	30,000	30,000
Materials and supplies	3,341	5,233
Operations expense	22,009	22,901
Professional development	-	2,017
Professional fees	1,143	-
Repairs and maintenance	3,193	6,947
Site operations contract	101,538	93,012
Transferred to asset replacement fund	9,424	9,424
Transferred to general capital fund	-	7,399
Utilities	5,447	7,475
Wages	31,388	31,611
	<u>286,917</u>	<u>301,968</u>
Annual surplus	16,742	15,773
Accumulated surplus (deficit), beginning of year	14,645	(1,128)
Accumulated surplus, end of year	\$ 31,387	\$ 14,645

CENTRAL COAST REGIONAL DISTRICT

Schedule 4 – Denny Island Recreation Commission

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Provincial government grants	\$ 5,134	\$ 1,799
Tax levy	<u>4,532</u>	<u>4,532</u>
	9,666	6,331
Expenses:		
Administration apportionment	2,111	3,106
Operating expenses	2,657	4,061
Transferred to asset replacement fund	445	445
Transferred to general capital fund	<u>4,300</u>	<u>2,636</u>
	9,513	10,248
Annual surplus (deficit)	153	(3,917)
Accumulated surplus, beginning of year	15,487	19,404
Accumulated surplus, end of year	<u>\$ 15,640</u>	<u>\$ 15,487</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 5 – Swimming Pool

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Counter sales	\$ 1,040	\$ 1,910
Other	10	400
Provincial government grant	281	74,970
Tax levy	82,192	63,430
User fees	19,475	26,944
	<u>102,997</u>	<u>167,654</u>
Expenses:		
Administration apportionment	31,644	65,417
Operating expenses	9,089	12,275
Professional development	260	-
Professional fees	90	-
Repairs and maintenance	762	3,558
Supplies	5,772	6,928
Transferred to asset replacement fund	6,000	6,000
Transferred to general capital fund	280	8,728
Utilities	2,695	2,814
Wages and related costs	49,605	48,242
	<u>106,197</u>	<u>153,962</u>
Annual (deficit) surplus	(3,200)	13,692
Accumulated surplus, beginning of year	22,389	8,697
Accumulated surplus, end of year	<u>\$ 19,189</u>	<u>\$ 22,389</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 6 - Planning

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue		
Other	\$ 54,128	\$ 3,109
Provincial grants	-	83,833
Tax levy	58,598	15,000
	<u>112,726</u>	<u>101,942</u>
Expenses:		
Administration apportionment	110,362	8,453
Community development	4	79,791
Operating expense	30,682	2,522
Planning	-	228
Professional development	-	1,492
Professional fees	3,834	-
Wages and related costs	-	2,381
	<u>144,882</u>	<u>94,867</u>
Annual (deficit) surplus	(32,156)	7,075
Accumulated surplus, beginning of year	29,158	22,083
Accumulated (deficit) surplus, end of year	<u>\$ (2,998)</u>	<u>\$ 29,158</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 7 – Emergency Management

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Provincial government grant	\$ 1,962	\$ 3,925
<u>Tax levy</u>	<u>51,326</u>	<u>52,783</u>
	53,288	56,708
Expenses:		
Administration apportionment	42,388	60,948
Coordinators' fees	2,400	2,400
Contribution to Nuxalk emergency	-	11,000
Operating expenses	4,704	7,975
Professional development expenses	-	1,898
Professional fees	1,698	-
<u>Wages and related costs</u>	<u>37</u>	<u>28</u>
	51,228	84,249
Annual surplus (deficit)	2,060	(27,541)
Accumulated surplus, beginning of year	30,913	58,454
Accumulated surplus, end of year	\$ 32,973	\$ 30,913

CENTRAL COAST REGIONAL DISTRICT

Schedule 8 – Parks and Recreation - Bella Coola

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Provincial government grant	\$ 3,589	\$ 7,367
Registration fees	-	4,256
Tax levy	27,132	32,329
	<u>30,721</u>	<u>43,952</u>
Expenses:		
Administration apportionment	13,645	17,431
Community development	2,500	-
Operating expenses	6,734	4,929
Repairs and maintenance	7,550	12,665
Telephone and utilities	1,344	1,075
Transferred to asset replacement fund	1,500	1,500
Transferred to general capital fund	-	2,025
Wages and related costs	33	-
	<u>33,306</u>	<u>39,625</u>
Annual surplus	(2,585)	4,327
Accumulated surplus, beginning of year	28,551	24,224
Accumulated surplus, end of year	\$ 25,966	\$ 28,551

CENTRAL COAST REGIONAL DISTRICT

Schedule 9 – Economic Development

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Community development grant	\$ 63,614	\$ 56,093
Provincial government grant	18,703	212,235
Tax levy	41,346	31,613
	<u>123,663</u>	<u>299,941</u>
Expenses:		
Administration apportionment	94,708	27,115
Community development	10,998	26,393
Operating expenses	8,957	126,305
Professional development	2,696	1,852
Professional fees	1,250	2,582
Transfer to general capital fund	7,403	11,376
Wages and benefits	113	75,960
	<u>126,125</u>	<u>271,583</u>
Annual (deficit) surplus	(2,462)	28,358
Accumulated surplus, beginning of year	69,289	40,931
Accumulated surplus, end of year	<u>\$ 66,827</u>	<u>\$ 69,289</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 10 – Fire Protection

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Donations	\$ -	\$ 200
Fire protection tolls	3,475	3,595
Grants in lieu of tax	5,411	3,577
Other grants	61,043	-
Tax Levy	34,385	34,385
UBCM grant	86,042	-
	<u>129,314</u>	<u>41,757</u>
Expenses:		
Administration apportionment	6,036	13,608
Equipment repair and maintenance	3,876	6,204
Hall utilities and maintenance	180	632
Insurance	5,863	7,387
Operating expenses	11,102	12,389
Telephone and utilities	2,188	2,299
Transferred to general capital fund	88,548	15,828
Transferred to asset replacement fund	4,449	4,000
Travel, training and accommodations	3,800	4,826
Wages and benefits	121	116
	<u>126,163</u>	<u>67,289</u>
Annual surplus (deficit)	3,151	(25,532)
Accumulated surplus, beginning of year	24,823	50,355
Accumulated surplus, end of year	<u>\$ 27,974</u>	<u>\$ 24,823</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 11 – Street Lighting Local Service Area (LSA)

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Grants in lieu of tax	\$ 2,646	\$ 2,226
Tax levy	9,008	13,589
	<u>11,654</u>	<u>15,815</u>
Expenses:		
Administration apportionment	2,436	3,190
Utilities	12,397	11,463
	<u>14,833</u>	<u>14,653</u>
Annual (deficit) surplus	(3,179)	1,162
Accumulated surplus, beginning of year	2,782	1,620
Accumulated (deficit) surplus, end of year	\$ (397)	\$ 2,782

CENTRAL COAST REGIONAL DISTRICT

Schedule 12 – Denny Island Airport

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Airport landing fees	\$ -	\$ 2,100
Tax levy	9,973	9,973
	<u>9,973</u>	<u>12,073</u>
Expenses:		
Administration apportionment	1,649	2,934
Insurance	1,500	770
Operating expenses	8,571	1,390
Transferred to asset replacement fund	285	285
Transferred to general capital fund	11,790	-
	<u>23,795</u>	<u>5,379</u>
Annual (deficit) surplus	(13,822)	6,694
Accumulated surplus, beginning of year	27,276	20,582
Accumulated surplus, end of year	<u>\$ 13,454</u>	<u>\$ 27,276</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 13 – Grants in Aid

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Tax levy	\$ 15,210	\$ 15,210
Expenses:		
Advertising	65	65
Community groups	12,600	11,920
	<u>12,665</u>	<u>11,985</u>
Annual surplus	2,545	3,225
Accumulated surplus (deficit), beginning of year	3,130	(95)
Accumulated surplus, end of year	<u>\$ 5,675</u>	<u>\$ 3,130</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 14 – Vancouver Island Regional Library

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Tax Levy	\$ 62,358	\$ 66,596
Expenses:		
Administration apportionment	1,500	943
Vancouver Island Regional Library	62,358	60,540
	<u>63,858</u>	<u>61,483</u>
Annual (deficit) surplus	(1,500)	5,113
Accumulated surplus, beginning of year	6,138	1,025
Accumulated surplus, end of year	<u>\$ 4,638</u>	<u>\$ 6,138</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 15 – Valley Street Lighting

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Ministry of Transportation and highways cost sharing	\$ 645	\$ 666
Tax requisition	6,265	5,898
	<u>6,910</u>	<u>6,564</u>
Expenses:		
Administration apportionment	1,935	1,104
Utilities	5,313	4,937
	<u>7,248</u>	<u>6,041</u>
Annual (deficit) surplus	(338)	523
Accumulated surplus, beginning of year	829	306
Accumulated surplus, end of year	\$ 491	\$ 829

CENTRAL COAST REGIONAL DISTRICT

Schedule 16 – Community Works

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Interest	\$ 10,071	\$ 1,064
<u>Gas Tax agreement</u>	<u>194,895</u>	<u>391,616</u>
	204,966	392,680
Expenses:		
Operating expenses	33,380	-
<u>Transferred to general capital fund</u>	<u>-</u>	<u>3,894</u>
	33,380	3,894
Annual surplus	171,586	388,786
Accumulated surplus, beginning of year	707,061	318,275
<u>Accumulated surplus, end of year</u>	<u>\$ 878,647</u>	<u>\$ 707,061</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 17 – House Numbering

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Tax levy	\$ 1,104	\$ 1,104
Expenses:		
Administration apportionment	1,104	1,104
Annual surplus	-	-
Accumulated surplus, beginning of year	-	-
Accumulated surplus, end of year	\$ -	\$ -

CENTRAL COAST REGIONAL DISTRICT

Schedule 18 – Emergency Management Initiatives

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Other revenue	\$ 123,306	\$ 33,189
Provincial grants	64,116	-
	<u>187,422</u>	<u>33,189</u>
Expenses:		
Emergency management initiatives (recovery)	18,572	(874)
Special projects	-	33,189
Transferred to general capital fund	168,781	-
	<u>187,353</u>	<u>32,315</u>
Annual surplus	69	874
Accumulated surplus, beginning of year	4,418	3,544
Accumulated surplus, end of year	<u>\$ 4,487</u>	<u>\$ 4,418</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 19 – Feasibility Study

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

(Unaudited)

	2020	2019
Revenue:		
Tax levy	\$ 10,000	\$ -
Expenses:		
Planning	4,813	-
Annual surplus	5,187	-
Accumulated surplus, beginning of year	22,204	22,204
Accumulated surplus, end of year	\$ 27,391	\$ 22,204

CENTRAL COAST REGIONAL DISTRICT

Schedule 20 – Water Operating

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Watertolls	\$ 56,977	\$ 56,372
Expenses:		
Administration apportionment	12,334	12,070
Insurance, licences, permits and fines	67	-
Operating expenses	2,942	1,723
Repairs and maintenance	2,187	2,777
Telephone and utilities	772	711
Wages and related costs	5	-
Waterworks – Nuxalk Band	21,275	21,275
	39,582	38,556
Annual surplus	17,395	17,916
Accumulated surplus, beginning of year	41,948	24,132
Accumulated surplus, end of year	\$ 59,343	\$ 41,948

CENTRAL COAST REGIONAL DISTRICT

Schedule 21 – Denny Island Water Operating

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Provincial grants	\$ 9,727	\$ -
Strategic priorities fund	8,932	24,683
	<u>18,659</u>	<u>24,683</u>
Expenses:		
Administration apportionment	9,727	-
Transferred to water capital fund	8,932	24,683
	<u>18,659</u>	<u>24,683</u>
Annual surplus	-	-
Accumulated surplus, beginning of year	-	-
Accumulated surplus, end of year	\$ -	\$ -

CENTRAL COAST REGIONAL DISTRICT

Schedule 22 – Water Capital

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Interest	\$ 16,337	\$ 15,155
Other Revenue	204	225
<u>Transferred from water operating fund</u>	<u>8,932</u>	<u>24,683</u>
	25,473	40,063
Expenses:		
Amortization	23,184	24,150
Interest	9,316	9,338
	<u>32,500</u>	<u>33,488</u>
Annual deficit	(7,027)	6,575
Accumulated surplus, beginning of year	747,027	740,452
<u>Accumulated surplus, end of year</u>	<u>\$ 740,000</u>	<u>\$ 747,027</u>

CENTRAL COAST REGIONAL DISTRICT

Schedule 23 – Water Operating Hagensborg

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

(Unaudited)

	2020	2019
Revenue:		
Interest	\$ 2,419	\$ -
Annual surplus	2,419	-
Accumulated surplus, beginning of year	-	-
Accumulated surplus, end of year	\$ 2,419	\$ -

CENTRAL COAST REGIONAL DISTRICT

Schedule 24 – General Capital

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenues:		
Transferred from general operating fund	\$ 296,980	\$ 267,494
Expenses:		
Amortization	149,805	128,954
Loss on sale of tangible capital assets	1,939	-
	151,744	128,954
Annual surplus	145,236	138,540
Accumulated surplus, beginning of year	3,359,855	3,221,315
Accumulated surplus, end of year	\$ 3,505,091	\$ 3,359,855

CENTRAL COAST REGIONAL DISTRICT

Asset Replacement Fund

Year ended December 31, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Due from General Operating Fund – Denny Island Airport	\$ 1,729	\$ 1,444
Due from General Operating Fund – Denny Island Recreation Commission	2,670	2,225
Due from General Operating Fund – Fire Protection	24,449	20,000
Due from General Operating Fund – General Operations	16,300	12,800
Due from General Operating Fund – Swimming Pool	33,724	27,724
Due from General Operating Fund – Waste and Recycling	28,300	18,876
Due from Operating Fund – Bella Coola Airport	62,000	42,000
Due from Operating Fund – Parks and Recreation Bella Coola Commission	8,702	7,202
Asset Replacement Fund	\$ 177,874	\$ 132,271

CENTRAL COAST REGIONAL DISTRICT
PO BOX 186
BELLA COOLA, BC V0T 1C0

KPMG LLP
177 Victoria Street, Suite 400
Prince George, BC V2L 5R8
Canada

April 15, 2021

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as "financial statements") of Central Coast Regional District ("the Entity") as at and for the period ended December 31, 2020.

GENERAL:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

RESPONSIBILITIES:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated January 7, 2019, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.
 - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.



- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

SUBSEQUENT EVENTS:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

ESTIMATES:

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

GOING CONCERN:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.

MISSTATEMENTS:

- 10) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 11) We approve the adjustments provided by you during the audit described in Attachment II.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

OTHER:

- 14) The Board of Directors has approved the December 31, 2020 consolidated financial statements.
- 15) We confirm that the landfill closure and post closure liability is management's best estimate based on assumptions available to us.
- 16) We confirm that the disclosures in the consolidated financial statements are complete based on assumptions available to us and knowledge regarding COVID-19 at the time of the auditors' report.

Yours very truly,

By: Ms. Courtney Kirk, Chief Administrative Officer

Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Central Coast Regional District

Year End: December 31, 2020

Adjusting Journal Entries

Date: 1/1/2020 To 12/31/2020

G3

Preparer JR 3/31/2021	Preparer	Preparer	Reviewer TRT 3/27/2021
Reviewer	Reviewer MCR 3/30/2021	Post signoff	Post signoff

Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence	Misstatement
AJE 1	12/31/2020	Amortization	33012			93,625.18		
AJE 1	12/31/2020	Amortization - Parks	33013			35,141.04		
AJE 1	12/31/2020	Amortization - Paving	33014			21,038.03		
AJE 1	12/31/2020	Depreciation Expense	36006			23,184.26		
AJE 1	12/31/2020	Amortization	33012-200		93,625.18			
AJE 1	12/31/2020	Amortization - Parks	33013-200		35,141.04			
AJE 1	12/31/2020	Amortization - Paving	33014-200		21,038.03			
AJE 1	12/31/2020	Depreciation Expense	36006-360		23,184.26			
		To adjust amortization expense to correct accounts.						
AJE 2	12/31/2020	Asset Replacement Fund	26020			29,096.00		
AJE 2	12/31/2020	Contribution from Gen Operating	33010		353,762.00			
AJE 2	12/31/2020	Contribution from Gen Operating	33010			81,363.12		
AJE 2	12/31/2020	GCOP Balance, begin of year	34050			342,774.00		
AJE 2	12/31/2020	GCOP Balance, begin of year	34050		81,363.12			
AJE 2	12/31/2020	WCOP Balance, begin of year	36035		18,108.00			
		To adjust opening surpluses to match prior year closing.						Factual
AJE 3	12/31/2020	Deferred grant	21095			8,548.88		
AJE 3	12/31/2020	Provincial Grants - Other	40130-350		8,548.88			
		To record client requested adjustment for EMBC, Bella Coola Valley Risk Assessment and Flood Modelling project.						Factual
AJE 4	12/31/2020	Provincial Grants - Other	40130-200		340,000.00			
AJE 4	12/31/2020	COVID-19 Safe Restart Grant	40131-200			340,000.00		
		To adjust Covid-19 Safe Restart Grant to correct account, as per client request.						Factual
AJE 5	12/31/2020	COMM Balance, begin of year	34010		3,893.71			
AJE 5	12/31/2020	ECON Balance, begin of year	34025		11,375.92			
AJE 5	12/31/2020	GCOP Balance, begin of year	34050			24,187.89		
AJE 5	12/31/2020	POOL Balance, begin of year	34095		8,728.26			
AJE 5	12/31/2020	REC-BC-balance, begin of year	34110		190.00			
AJE 5	12/31/2020	WW2 Balance, begin of year	34146		24,683.48			
AJE 5	12/31/2020	WCOP Balance, begin of year	36035			24,683.48		
		To adjust opening surplus classification per client request.						Factual
AJE 6	12/31/2020	Furniture & Equipment	16010		61,042.46			
AJE 6	12/31/2020	Grants - Other - Other	40126-300			61,042.46		
		To record Bella Coola Fire Department capital assets paid for by the BC Fire Chiefs Association of BC.						
					1,084,684.34	1,084,684.34		
		Net Income (Loss)	714,689.48					

Central Coast Regional District

Year End: December 31, 2020

Engagement properties

Date: 1/1/2020 To 12/31/2020

G5

Preparer JR 3/31/2021	Preparer	Preparer	Reviewer TRT 3/27/2021
Reviewer	Reviewer MCR 3/30/2021	Post signoff	Post signoff

Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence	Misstatement
SUAM 1	12/31/2020	Province Debt Reserve Fund	26010		10,104.82			
SUAM 1	12/31/2020	GCOP Balance, begin of year	34050			9,901.08		
SUAM 1	12/31/2020	Interest Expense	50138-360			203.74		
		To adjust debt reserve fund liability to actual.						
SUAM 2	12/31/2020	ADMIN Balance, begin of year	34000			89,978.00		
SUAM 2	12/31/2020	GCOP Balance, begin of year	34050			93,570.00		
SUAM 2	12/31/2020	Water Cap - Begin of year	36020		183,548.00			
		To adjust capital fund balances to actual.						
SUAM 3	12/31/2020	Landfill Closure/Post Closure	26030					
		Landfill closure and post-closure liabilities have not been appropriately assessed and the estimate updated on the consolidated financial statements.						
					193,652.82	193,652.82		
		Net Income (Loss)	714,893.22					



To: Courtney Kirk, CAO
From: Ye-Ne Byun, Finance Manager
Meeting Date: April 15, 2021
Subject: Budget vs Actual January – March, 2021

Recommendation:

THAT the Board of Directors of the Central Coast Regional District receives the report.

Service Background:

COVID-19 has the regional district continuing to operate in a context of uncertainty, and the pandemic continues to have a significant financial impact on the CCRD. The loss of variable revenue including recreation, swimming pool and especially user fee revenue at the Bella Coola Airport due to reduced transportation services has created unprecedented financial challenges.

To mitigate the fiscal impacts, the Financial Services department and staff have been rethinking budgets to focus on core service delivery and to support the provincially coordinated response to COVID-19.

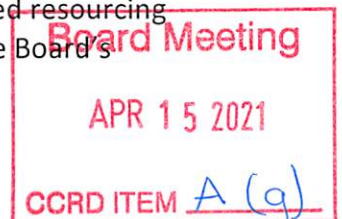
The regional district received a COVID-19 Safe Restart Grant from the province of \$395,000. The grant was allocated to meet CCRD's restart needs and so that it will allow us to address increased operating costs and lost revenues due to COVID-19, emergency response costs, and other COVID-19 related impacts.

Grant Funded Projects Administered Under the Service:

Approximately 25 separate grants are under financial administration in 2021, representing 84% of total revenues. This is in addition to the 24 mandated functions and services already under financial administration.

Board Priorities - Service Specific Progress of CCRD Strategic Plan 2019 – 2022:

The Board began the process of re-imagining the strategic plan during a special workshop for the same on July 27 and 28, 2020. The board adopted the CCRD 2019-2022 Strategic Plan amendments later in the October 8 meeting, arising from COVID-19 related re-structuring and capacity constraints and therefore the 2021 annual budget aligns with the Board's updated priorities.



Financial services is a key support in moving the regional district forward in all strategic goals and priorities; In particular, Goal #1 – Good Governance and Administration – Fostering efficiency in Service Delivery.

Financial/Budgetary:

Budget Variance Report for the period January to March, 2021 is attached. The board adopted the Five-Year Financial Plan for the period 2021 – 2025 in March, 2021.

Apportioned Administration Reflecting Time Requirements – Staff and Elected Officials:

Financial services is an important and key component to all services and functions and is a significant part of apportioned administration. The department strives to ensure that the regional district maintains a high degree of integrity and compliance within the organization. This is necessary to ensure our communities and neighborhoods continue to benefit from the services provided.

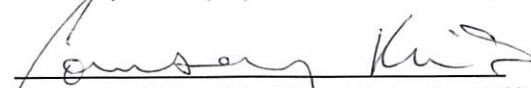
CCRD Mandate for Service Delivery:

Financial services are a core component of the delivery of all services and functions of the regional district as regulated by our own policies and procedures, the Local Government Act and other provincial and federal legislation.

Respectfully Submitted by:

Ye-Ne (Sandra) Byun, Finance Manager

Reviewed by:



Courtney Kirk, Chief Administrative Officer

CENTRAL COAST REGIONAL DISTRICT

**Financial Variance Report
January to March 2021**

Attached is the Revenue & Expenditures – Actual vs Budget report for the period January 1 to March 31, 2021. The figures reflect that most of revenues and expenditures remain unreceived and unspent, but also shows that progress is being made.

REVENUE

-Overall, revenues are at 36% of budget. This is deemed to be in line with overall projections given that we are currently ¼ of the way through the year.

-Property taxation revenues are recorded, although the actual funds will not be transferred from the province until the end of July or early August.

-Regional District Basic Grant (\$200,000) has not yet been received.

-The Nuxalk Nation contributions to landfill operations reflect the period January to March, ¼ of the annual budget.

-User fees are in line with projections but we expect to continue to experience the loss of user fee revenue from landfill operations, recreation programming, and especially, Bella Coola Airport due to the Covid-19 pandemic. The Bella Coola Waterworks water toll revenue has been recorded (\$52,000 against a budget of \$55,000). However, the Hagensborg Waterworks invoicing will not occur until July 1st. The anticipated revenue is \$88,000 budgeted but not yet received.

-Provincial/Federal Grant revenue is below budget due in part to annual contributions not yet being received from the Gas Tax Agreement for the Community Works Fund. We will receive the funding in July and November pursuant to our agreement with UBCM.

-Strategic Priority Funding for Denny Island Water (\$1.4 million) and for the Swimming Pool (\$2.7 million) has been deferred from 2020 and recorded as revenue in 2021. Likewise, provincial grants for the Bella Coola Valley Risk Assessment and Flood Modeling (\$.5 million) was also deferred and recorded in 2021. Funding for the Hagensborg Waterworks Potable Water project (\$1.46 million) was received in 2020 and recorded as revenue in 2021.

-The swimming pool also received \$991,000 from the Community Economic Recovery Infrastructure Program as budgeted. The financial plan includes a grant from Northern Development Initiative Trust (\$250,000).

-New Provincial grant revenue has been issued in the amount of \$55,000 as part of the COVID-19 Safe Re-start Grant. (Directors may recall that \$340,000 was issued in 2020 bringing the total to \$395,000.) The Bella Coola Airport also received \$180,000 for COVID-19 Airport Relief Funding.

-Funding (\$15,000) has been received for the Hagensborg Waterworks conversion and (\$40,000) for a study to assess options for governance of the converted services.

- \$206,000 grant funding was deferred from 2020 which includes funding from Rural Dividend for tourism and capacity development; from Rural Dividend for Regional Connectivity project; from NDIT for Love Northern BC grants; from Vancouver Coastal Health for the Active Communities Project on Denny Island; from UBCM for 2019 Housing Needs Report Program; from NDIT for 2019 Community Planning for Housing grants; and from the province for a Hagensborg Waterworks Asset Planning Grant.

Budget revenue not yet received includes: Great Bear Playground (\$902,000); Replacement of Gas Fuelling System at the Bella Coola Airport (568,000); Organics Infrastructure Program at the Thorsen Creek Waste and Recycling Centre (\$98,000); Official Community Plan (OCP) and Asset Management Plan Updates (\$50,000); Cultural Safety and Humility Training (\$50,000); and CRI FireSmart Community (\$104,000); Centennial Pool Renewal grant from Northern Development Initiative Trust (NDIT) (\$250,000); Grant Writer funding from NDIT (\$8,000); and Economic Development Capacity Funding from NDIT.

Sources of funding that are budgeted but not yet found include a 1/3 contribution to the Organics Infrastructure Program at Thorsen Creek (\$50,000) and a possible contribution for ground water program and/or interim cover at the Waste & Recycling Centre (\$300,000).

EXPENDITURES

Administrative Services

Community Works Fund

- There have been no funds expended so far this year. Funds have been set aside for Centennial pool retrofit project, Denny Island water system project, asset management planning, implementing a new accounting standard (Asset Retirement Obligations), the contribution towards a FCM Municipal Asset Management Program for OCP updates and developing the landfill operations and closure plan.

Feasibility Studies

- Feasibility studies have been put on hold this year due to the realignment of board priorities in the October amendment to the Strategic Plan arising from COVID-19 related resourcing and capacity constraints. Remaining funds (\$25,000) will carry over and be available for the planned studies in 2022.

General Operations

-Approximately, 15% of expenses have been expended to date.

-Directors'/Governance expenses are approximately 11% of budget. It is down from budget largely on account of convention and board meeting travel costs not yet incurred.

-Professional Fees: Audit expenses currently show a credit of \$6,000. This will disappear when the final billing for the 2020 audit is received upon adoption of the financial statements. The 2021 audit fees will not be recorded until the end of the year.

Financial service fees will be recovered until March 18 by funding from EMBC so that we can provide ongoing support for CCRD EOC financial processes and accounting.

Other consulting fees have been budgeted for records management, CAO evaluation, IT support, staff work planning support, engagement support and director remuneration bylaw review have yet to be expended.

Legal fees budgeted at \$20,000 also are unexpended.

-\$6,000 of the budget \$17,000 for capital works has been spent for new computer work stations. The purchase of board room chairs and a screen and camera for public board meetings will take place later in the year.

-The bulk of the operating and maintenance expenditures are under budget due to it being early in the year.

-Payroll expenses are approximately 20% of budget which is on target for the year. Two vacant positions (Public Works Technician and Recreation Coordinator) are anticipated to be filled in the second quarter.

Professional development expenses are 12% expended with many of the opportunities scheduled for later in the year.

Grants in Aid

- Remaining funds (\$5,675) was carried forward to 2021 and 2021 grants will be disbursed to community groups in August after the receipt of the annual tax requisition.

Development Services

Economic Development

- There is no significant financial activity to date but \$141,000 was budgeted for Economic Development Initiatives projects and it has not yet been expended. The budget includes funding from Rural Dividend for Rural and Remote Communications Connectivity and Bella Coola Airport Tourism and Capacity Enhancement. (Nuxalk Nation cultural liaison and interpretation, trailhead kiosks, carving and installation of cultural pieces, airport greenspace and play area at the airport, Klonik riverside greenspace and viewing area, trail rehabilitation and construction, and a pedestrian bridge at the Beaver Pond.)

- \$10,000 has been set aside for NDIT Community Promotion Video project and Love Northern BC Program funded by NDIT.

-\$5,000 was budgeted for Ocean Falls Revitalization Committee travel costs in case we cannot secure grant funds to offset the costs.

Land Use Planning

- \$7,500 of the total Housing Needs Assessment project budget (\$52,000) has been spent on Urban Systems Ltd's professional services in regard to reviewing materials for stakeholder engagement sessions, finalizing survey and reviewing housing projection methodology.

- Funds (\$80,000) have been earmarked for OCP updates for Bella Coola Valley and exploratory OCP planning for the outer coast communities.

Street Lights

-Both Valley and townsite street lights expenditures are in line with budget projections.

Environmental Services

Solid Waste Management

-\$6,000 remains unspent in the Solid Waste Management Maintenance budget for mowing, weed eating contract, other building and equipment maintenance which will be undertaken later in the season.

-\$10,000 remains unspent in the capital works budget for 4 new bins at Thorsen Creek Waste and Recycling Centre.

-\$150,000 has been set aside for Organics Infrastructure composting project, 2/3 of the funding has been secured through a grant and discussions for the remaining capital costs of this project are pending with the Nuxalk Nation.

Bella Coola Waterworks

- Most of expenses not yet incurred due to only 1/4 of the year but the annual payment to the Nuxalk Nation for water supply (\$21,275) will be paid out in August after the receipt of the annual tax requisition.

-\$15,000 was budgeted for replacement of gate valve and main water meter but this has not yet been expended.

-\$15,000 remains unspent in the maintenance budget for line flushing, servicing all hydrants, water leak repairs, and curb stop mapping.

Denny Island Waterworks

- \$1,000 of the \$1,462,000 has been spent on engineer services delivered by Urban System for the Denny Island Water System project.

Hagensborg Waterworks

- \$13,000 of the total special project budget (\$1,473,000) has been spent on Urban Systems Ltd's professional services for Hagensborg Water System Upgrade project and Hagensborg water asset inventory.

Leisure Services**Parks & Recreation – Bella Coola**

- The remaining funds (\$17,000) for the trail construction and the bridge installation supervision project funded by Rural Dividend has not been expended.

- \$13,000 was budgeted for park maintenance contract, ice rink asphalt repairs, and road maintenance in the big cedar trail.

- \$10,000 remains unspent for fencing ball diamond, striking around concession, and railings on concession at Walker Island parks.

- The CCRD was awarded a grant of \$902,655 from Ministry of Municipal Affairs and Housing for the Great Bear Playgrounds project which includes playground upgrades at Walker Island and Nusatsum parks and it has not yet commenced.

- There are no expenditure to report.

Recreation – Denny Island

- The remaining funds (\$9,400) for initiatives associated with the Active Communities Project from Vancouver Coastal Health will be spent in the new scope of this project, trail construction in Denny Island. We anticipate the completion of the project by the end of the second quarter 2021.

- \$3,500 was budgeted for capital works and \$4,600 for contingency, neither of which was expended.

- \$3,000 remains unspent in the program expense budget for small allotments for Christmas gifts, Halloween fireworks, and Easter Supplies.

Swimming Pool

- There have been no significant financial activity so far as we are early in the year.

- The CCRD was awarded a grant of \$2,000 from the Lifesaving society to help offset training costs.

- An additional \$991,000 grant fund has been secured through community economic recovery infrastructure funding program for the pool retrofit project.

- In 2021, \$3,962,000 was budgeted for the major pool renovation and it has not yet commenced.

Vancouver Island Library

- There is nothing significant to report financially, but 1st Quarter levy payment has been made directly to VIRL for 2021. Most of expenditures have not yet incurred.

Protective Services

Emergency Management

-\$33,000 was budgeted for contribution to the Nuxalk Nation for the Shared Emergency Program Coordinator and this has not yet been disbursed.

-\$39,000 remains unspent for consulting fees with regard to emergency management support.

-There has been no significant financial activity to date.

Emergency Management Initiatives

-The regional district has been approved for grant funding (in 2018) for a Bella Coola Valley Risk Assessment and Flood Modeling project in the amount of \$500,000 and the remaining funds (\$488,000) were deferred to 2021. This funding stream will allow us to move to the next phases of the Bella Coola Valley Flood Risk Assessment and Modeling project after wrapping up of Phase 1 funded through UBCM Community Emergency Preparedness Fund (\$150,000). The completion date of the project has been extended to September, 2021.

- The CCRD was awarded a grant of \$50,000 from UBCM for Indigenous Cultural Safety and Cultural Humility Training and no expenditures have been made to date. The project completion date per the grant agreement is August 30, 2021.

- \$104,000 has been granted from UBCM for CCRD Coastal Wildfire Protection Plan (CWPP) project and the funds has not yet been expended. Discussions with the Heiltsuk Tribal Council for developing a scope of work are still pending for this project and the completion date of the project has been extended to March, 2022.

- Additional costs have been incurred in supporting mandated efforts of the local health authority and the operation of CCRD's regional Emergency Operation Center to help

ensure the safety of the public and CCRD staff, and to ensure CCRD essential services continue. Many of these costs will be offset by reimbursement from EMBC.

Fire Protection- Bella Coola

-\$10,000 remains unspent in the capital works budget for an electric door opener and the concrete floor work and electrical panel work at the fire hall.

-\$5,000 was budgeted for consulting fees with regard to developing a training plan and operations manual and this has not been spent.

- There are no expenditure to report.

Fire Protection- Hagensborg

- There is nothing significant to report financially but \$11,000 was budgeted for pipeline maintenance, maintenance contract expense, and other maintenance expense and it has not been expended.

Transportation Services

Bella Coola Airport

-\$34,000 budgeted for capital works (electrical repairs to the terminal building, west end clearing, and bear proof garbage can) has not occurred.

-\$40,000 remains unspent for brush removal, crack sealing contract, mowing weed eating contract, and other ground or runway maintenance.

-\$10,000 budgeted for Safety Management Systems external audit consulting fees and other consulting fees with regard to project development and design support has not yet occurred.

-The CCRD was awarded a grant of \$568,000 from Ministry of Transportation and Infrastructure for replacement of JET A and LL100 AV gas fueling system at Bella Coola airport and it has not yet commenced.

- \$2,700 is available for the obstacle removal project at Bella Coola Airport which is funded from BC Air Access Program (BCAAP). The funds will be expended for seeding this spring.

-The remaining funds (\$30,210) from Rural Dividend for Bella Coola Airport Tourism and Capacity Enhancement has not been expended. This project which involves surveying and appraisal of airport lands continues to move along and work will extend probably to the end of 2021.

Denny Island Airport

- \$14,000 was budgeted for terminal roof repair at Denny Island airport and this has not been spent.

-There has been no significant financial activity to date.

Central Coast Regional District
Revenue & Expenditures - Actual vs Budget
All Schedules Combined

	Jan - Mar 21	Budget
Ordinary Income/Expense		
Income		
Apportioned Administration Serv		559,565
Local Taxation	889,689	889,689
Nuxalk Nation Contributions	26,250	105,000
Other Revenue	9,937	587,715
Provincial/Federal Grants	3,422,014	10,002,679
Regional Hospital District		13,500
User Fees and Charges	99,332	358,630
Total Income	4,447,223	12,516,778
Gross Profit	4,447,223	12,516,778
Expense		
50000 · Apportioned Administration fees		559,565
50030 · Bank charges		2,130
50035 · Capital Works	6,097	125,200
50040 · Communications	9,842	38,663
50045 · Community Development	2,400	600,550
50050 · Community Groups - Grants		18,760
50060 · Contingency		93,154
50076 · Directors'/Governance Expense	13,035	122,638
50082 · Econom Development Initiatives		141,135
50085 · Elections		1,500
50089 · Emergency Mmgt Initiatives		487,884
50090 · Emergency Plan update (PHII)		2,400
50131 · Planning		103,000
50135 · Insurance Expense	48,936	62,496
50138 · Interest Expense	150	9,213
50165 · Maintenance	6,235	174,000
50175 · Memberships, dues & subscriptio	2,971	4,424
50185 · Nuxalk Agreement - Water Supply		26,000
50190 · Operating expenses	61,280	287,656
50195 · Payroll Expenses	150,629	820,886
50205 · Professional Development Expens	2,612	37,750
50206 · Professional Fees	(522)	273,000
50240 · Solid Waste Management		62,000
50245 · Special Projects	25,022	9,216,393
50250 · Supplies & small tools	3,003	54,425
50294 · Utilities	7,755	53,299
50295 · VIRL Regional Library Services	15,922	63,687
50299 · Records Management	860	1,000
50316 · Asset Replacement		33,603
50318 · Contribution to reserve account		72,793
50499 · Contribution to Nuxalk Emergenc		33,000
50999 · Landfill Post Closure Reserve		50,000
Total Expense	356,226	13,632,205
Net Ordinary Income	4,090,997	(1,115,427)

Board Meeting
APR 15 2021
CCRD ITEM A(h)

3:54 PM

04/09/21

Accrual Basis

Central Coast Regional District
Revenue & Expenditures - Actual vs Budget
All Schedules Combined

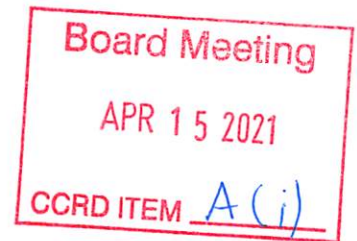
	<u>Jan - Mar 21</u>	<u>Budget</u>
Other Income/Expense		
Other Income		
40004 · Budget surplus, begin of year		3,712,570
Total Other Income		<u>3,712,570</u>
Other Expense		
50204 · Budget deficit, begin of year		11,820
50224 · Budget surplus, end of year		2,585,323
Total Other Expense		<u>2,597,143</u>
Net Other Income		<u>1,115,427</u>
Net Income	<u><u>4,090,997</u></u>	



March 22, 2021

Ref: 265703

Courtney Kirk
 Chief Administrative Officer
 Central Coast Regional District
 PO Box 186
 Bella Coola BC V0T 1C0



Dear Courtney Kirk:

The provincial government understands the fiscal impacts that COVID-19 has placed on local service providers. To help address these challenges, the Province of British Columbia announced nearly \$2 billion in joint Federal/Provincial spending, including: \$540 million for local governments, \$418 million for community infrastructure, and \$1 billion for transit, TransLink, and ferries.

The \$540 million for local governments was further divided into three funding streams. Two of the streams (Development Services for \$15 million and Strengthening Communities for \$100 million) are application-based funding. For more information on these two funding streams, please visit the following program webpages:

- **Development Services** – <https://www.ubcm.ca/EN/main/funding/lgps/local-government-development-approvals.html>
- **Strengthening Communities** – <https://www.ubcm.ca/EN/main/funding/lgps/strengthening-communities-services.html>

The third stream provides direct grants to local governments. This funding stream is called the "COVID-19 Safe Restart Grant for Local Governments" and provides \$425 million for local operations impacted by COVID-19. This funding supports local governments as they deal with increased operating costs and lower revenue due to COVID-19.

Of this \$425 million, \$415 million was paid out in November 2020 to local governments and the Province is now in a position to allocate the remaining \$10 million to continue to support local service providers. Of the \$415 million allocated to local governments in November, \$21 million was allocated to regional districts. This amount was relatively small (compared with the allocation to municipalities) because municipalities faced revenue risks and expenses, and the Province and municipalities ensured that regional requisitions would be fully remitted in 2020.

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Courtney Kirk
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While the regional tax base was kept whole in 2020, the Province acknowledges that regional districts have developed other COVID-related financial shortfalls and pressures. For this reason, the Province has decided to allocate the \$10 million holdback to the 27 regional districts.

Under section 36 of the *Local Government Grants Regulation*, the amount of the grant to each regional district is set by the Minister of Municipal Affairs. The determination of this amount was based on an allocation formula that applies equally to all regional districts. The allocation is as follows: 20 percent of the holdback will be allocated on total regional population, and the remaining 80 percent was allocated on rural population (i.e. population in electoral areas). This was done in recognition of the additional costs associated with servicing remote rural areas.

For the Central Coast Regional District, the Province provided **\$340,000** in November 2020. The Province is providing an additional **\$55,000** in March 2021, which represents a **16 percent** increase over the initial installment. The total of both installments is **\$395,000**.

Like the November payment, this funding will also ensure regional districts can continue to deliver the services people depend on in their communities. COVID related eligible costs will include:

- addressing revenues shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

To ensure optimal transparency on the use of funds, there are two reporting requirements for regional districts. First, as part of the 2021 audited financial statements, the regional district must provide a report on how the funds were allocated to various regional and local services.

The second reporting requirement is an annual report on how the grant funds were spent in that year. This will be a schedule to your audited financial statements, under section 377 of the *Local Government Act*. The schedule will include the amount of funding received, the use of those funds, and the year-end balance of unused funds. This report may be consolidated for the entire regional district, rather than reporting on a service-by-service level. Your regional district must continue to annually report on the use of grant money until the funds are fully drawn down.

For the purpose of reporting, the two payments (November 2020 and March 2021) may be treated as one pooled grant. Thus, a regional district is **not** required to report on the two payments separately.

If you have a questions or comments regarding this letter, please feel free to contact Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch, by email at: Jennifer.Richardson@gov.bc.ca, or by telephone at: 778 698-3243.

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Courtney Kirk
Page 3

The provincial government welcomes this opportunity to support COVID-19 restart and recovery throughout British Columbia.

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping, fluid strokes that form a cursive name.

Okenge Yuma Morisho
Deputy Minister

pc: , Chief Financial Officer, Central Coast Regional District
Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch



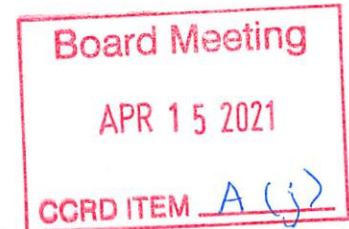
P.O. Box 186, Bella Coola, B.C., V0T 1C0

Telephone 250-799-5291 Fax 250-799-5750

April 9, 2021

SENT VIA EMAIL

Mr. Okenge Yuma Morisho
Deputy Minister of Municipal Affairs
Province of British Columbia
P.O. Box 9490 Stn Prov Govt
Victoria, BC V8W 9N7 MAH.DMO@gov.bc.ca



RE: Ref 265703, Additional \$55,000 to CCRD in COVID Restart Grant

Dear Mr. Morisho,

Thank you for your letter of March 22, 2021 notifying the CCRD of the additional funding award of \$55,000 allocated to CCRD as part of the COVID 19 Safe Restart Grant for Local Governments.

While we are of course thankful for additional financial support from the province, it is disappointing that CCRD continues to receive allocations based on a percentage of population. Particularly troubling in this instance is the approach and formula used to distribute the COVID-19 Safe Restart Grant for Local Governments.

As I will outline below, the Central Coast, encompassing some 24,000 km² with local government service delivery to ocean bound as well as isolated First Nation communities, has been allocated *less than one tenth of one percent* of the total COVID-19 Safe Restart Grant for Local Governments across BC.

It appears that the population based formula approach was arrived at without any consideration to the principles of equity, yet your letter suggests that "this was done in recognition of the additional costs associated with servicing remote areas". Specifically, as noted in your letter, the "allocation formula ... applies equally to all regional districts" with 20% of the \$10 million allocated on total regional population, and 80% allocated on population in rural areas.

In effect our allocation is low because our population is low, and not because of any regard to our actual pandemic driven challenges and commensurate costs, or how these challenges are compounded by our communities' remoteness, isolation, vast regional service geography and corresponding pandemic vulnerabilities. (I.e. our communities have more limited internet, health care, transportation options and so on at the best of times).

In the initial payment of \$21 million made in November last year, the CCRD received \$340,000. In the subsequent payment of \$10 million noted in your letter, the CCRD received \$55,000.

Adding it all together, of \$31,000,000 for total COVID-19 Restart Grant allocations paid to regional districts, the CCRD received \$395,000. Of the total regional district allocations, CCRD received *a half of a percent (1/2 of 1%)* of all funding provided to regional districts.

Further, as the province has acknowledged, of the total of \$415 million paid to local governments, \$394 million was paid to municipalities. Obviously, being as CCRD is comprised only of electoral areas, our communities have had no benefit whatsoever from those municipal directed COVID-19 Safe Restart Grant for Local Government funds. When the full allocation to all local governments is taken into account (\$415 million) the lack of equity in regional distribution CCRD has experienced is even more glaring.


Were the total grant funds allocated to municipalities and regional districts divided by the number of regions, each region in the province would have received an average of \$15.7 million. Against this simple averaging approach, the Central Coast region received \$395,000, or only 2.5% of regional contributions. In consideration of the full \$415 million to benefit communities throughout BC, the Central Coast received *less than one tenth of one percent (1/10 of 1%)* of the total COVID-19 Safe Restart Grant for Local Governments.

The CCRD operates 24 concurrent regional and local based services, many of those being essential services to our communities. Like every local government, as a consequence of the pandemic we have elevated resourcing needs to meet facility and operating costs, emergency planning and response costs, fire protection costs, computer and other electronic technology costs, as well as other pandemic related challenges and costs. CCRD, like other local governments, is also suffering from pandemic driven revenue challenges.

I would appreciate your explanation as to what consideration was given to the Central Coast Regional District when the approach and formula was arrived at (particularly this round based solely on population) as I must properly inform our Board of my concerns.

If possible, I would like to access the total allocations, broken up between municipal and RD, made to each region outside the GVRD and CRD so that we may better calculate the actual average amount that (somewhat) comparable regions have benefited from in the roll-out of the COVID-19 Safe Restart Grant for Local Governments. A more detailed analysis will enhance our understanding of, and ability to compare to, our own allocation. CCRD will also be better positioned to assess whether our organization should plan to intercede upon future legislative funding announcements to ensure more equitable consideration for our region when provincial wide funding allocation strategies are being developed.

Sincerely,
CENTRAL COAST REGIONAL DISTRICT



Courtney Kirk
Chief Administrative Officer