



To: Board of Directors, CCRD

CC: Courtney Kirk, CAO

From: Ye - Ne Byun, Finance Manager

Meeting Date: April 9, 2020

Subject: Policy F-14 Payables Procedure

Recommendation:

THAT the Board of Directors of the Central Coast Regional District approve Policy F-14 Payables Procedure as amended.

Issue/Background Summary:

Policy F-14 was last reviewed in June 2015. According to the regional district's development and review policy, each policy is to be reviewed for amendment and relevancy every three years.

Policy, Bylaw or Legislation:

None.

Financial/Budgetary Implications:

None, other than staff time to administer.

Time Requirements – Staff and Elected Officials:

None.

Options to Consider:

- 1) Accept the amendments.
- 2) Table the policy for the next board meeting.
- 3) Approve the policy without amendments.

Submitted by: 
Ye-Ne Byun, Finance Manager

Reviewed by: _____
Courtney Kirk, Chief Administrative Officer

Board Meeting
 APR 09 2020
 CCRD ITEM (A) a) 1)

CENTRAL COAST REGIONAL DISTRICT
POLICIES

F-14 Payables Procedure

Preamble: ~~In accordance with recommendations of the regional district's auditors, it is deemed prudent to document and establish policy and procedures related to processing vendor payments.~~

Purpose: The purpose of this policy is to establish procedures, duties and responsibilities for the handling of vendor payments. Such payments may be in the form of petty cash, credit card, cheques or electronic funds transfers.

Policy: Other relevant policies:
Purchase and Procurement - Policy A-26
Signatories - Policy F-3
Payment issue dates - Policy F-1

Limit on Credit Card Usage

The CU Mastercard shall not be used under any circumstances, for the payment of goods or services which are not directly associated with the operations of the regional district. Spending limits are as detailed in the Purchase and Procurement Policy A-26

Limits on Petty Cash Usage

Amounts exceeding \$50 per entry may not be disbursed from petty cash. Policies F-3 and F-1 do not apply.

Limits on Direct Payments (Electronic Funds Transfers or EFT's)

See segregation of duties later in this policy. Vendors will be added by staff at the Williams Lake and District Credit Union at the request of two regional district signatories.

Procedure

1. **Bills** received by hand, facsimile, email or regular mail shall immediately be stamped as received. Payments will not be issued for statements or packing slips - invoices are required. **The requisition request form will be attached to the bill.**
2. Upon receipt of copies, scans, emails or facsimiles, effort shall be made to determine the availability of the original **bill**. Notwithstanding the foregoing, vendors will be encouraged to provide original documents. Emailed invoices may be accepted as originals provided that the vendor will not be issuing the invoice in another form at a later date.
3. **Bills** will be approved by the authorized purchaser by initialling the **bill** pursuant to the limits as determined in Purchase and Procurement Policy A-26. The signature may be obtained by email, by hand, or by fax and if not placed on the original **bill**, shall be attached to the original **bill** prior to payment.

F-14 Payables Procedure – continued – page 2

4. **Bills** will be checked for accuracy. This includes the proper provision for applicable taxes, including, if necessary, verification of GST registration. Extensions will be checked and verification for the receipt of the goods will be undertaken. Packing slips will be matched and filed with the **bill**.
5. Once authorization has been obtained and the **bill** verified, ~~the invoice or requisition for payment~~ **the bill** shall be entered as a "bill" in the accounting program.
6. Payment (or "pay bills") will be issued pursuant to Payment Issue Dates Policy F-1 and signed pursuant to Signatories Policy F-3. Payments will be issued immediately after generation and will not be held ~~except by prior arrangement with the payee~~.

Direct Payment (Electronic Funds Transfers - EFT)

Certain vendors may be paid by electronic funds transfer (EFT) through the regional district's banking provider and Policies F-1 and F-12 apply. Direct payments are generally issued to vendors with whom the regional district has an ongoing obligation and particularly where the due dates cannot be satisfied in a timely manner in accordance with the regional district's payment issue dates.

The process for issuing payments by EFT will follow steps #s 1-6, above, except that the "pay bills" function in #6 will be changed to record a direct payment as opposed to a cheque.

Accessing the online banking system and therefore, the ability to pay by EFTs are password protected. When the **bill** has been paid in the accounting system, the actual transaction to remove it from the bank account will be undertaken. The bank confirmation for each transaction will be printed and attached to the paid **bill** for filing and must have two ~~signatures-authorizations for~~ the transaction. **Bills** paid by direct payment will be filed separately. The bank confirmation number will be recorded in the accounting system.

Segregation of duties

- | | |
|----------------------------------|---|
| Administrative Assistant
(AA) | <ul style="list-style-type: none">- check extensions, taxes- eliminate potential for duplication- verification of GST registration- verify receipt of goods (packing slips)- ensure purchase authorization- "enter bills" including bills to be paid by EFT in the accounting system- "pay bills" - generate cheque pursuant to Policy F-1- pay vendors online by direct payment method (EFT's) and obtain two signatures on the receipt generated by the banking system. Record confirmation number in accounting system.- obtain signatures pursuant to Policy F-3- disburse, receive and manually record petty cash activity |
|----------------------------------|---|

F-14 Payables Procedure – continued – page 3

- Executive Assistant (EA)
- check extensions, taxes
 - eliminate potential for duplication
 - verification of GST registration
 - verify receipt of goods (packing slips)
 - ensure purchase authorization
 - "enter bills" including bills to be paid by EFT in the accounting system
 - "pay bills" - generate cheque pursuant to Policy F-1
 - obtain signatures pursuant to Policy F-3
- Project Manager (CEDO, Planning Coordinator)
- review bills related to projects (which a project manager has the responsibility of the planning, procurement and execution of) prior to bill payment
- Operation Manager (OM)
- approve/review bills prior to bill payment
 - mail cheques prepared by others
 - in the absence of the FM, pay or authorize vendors online by direct payment method (EFTs)
- Finance Manager (FM)
- review bills prior to bill payment
 - verify codes, cost centre, other
 - pay vendors online by direct payment method (EFT's) and obtain one other authorization on the receipt generated by the banking system. Record confirmation number in accounting system.
 - "enter bills" including bills to be paid by EFT in the accounting System in the absence of AA
 - "pay bills" - generate cheque pursuant to Policy F-1 in the absence of AA
 - reconcile credit card account and enter as a bill for payment
 - mail cheques prepared by others
 - payroll entry and pay cheque generation
 - petty cash review and reconciliation; replenish or make bank deposits.
 - sign cheques
- Chief Administrative Officer (CAO)
- mail cheques prepared by others
 - review bill payments
 - disburse, receive and manually record petty cash activity
 - authorize online direct payment method (EFT's)
 - sign cheques

CENTRAL COAST REGIONAL DISTRICT
POLICIES

F-14 Payables Procedure – continued – page 4

Adopted: October 13, 2011
Amended: September 12, 2013
Amended: March 13, 2014
Amended: June 11, 2015
Amended: April 9, 2020



To: Board of Directors, CCRD

CC: Courtney Kirk, CAO

From: Ye - Ne Byun, Finance Manager

Meeting Date: April 9, 2020

Subject: Policy F-15 Receipts and Deposits Handling

Recommendation:

THAT the Board of Directors of the Central Coast Regional District approve Policy F-15 Receipts and Deposits Handling as amended.

Issue/Background Summary:

Policy F-15 was last reviewed in April 2015. According to the regional district's development and review policy, each policy is to be reviewed for amendment and relevancy every three years.

Policy, Bylaw or Legislation:

None.

Financial/Budgetary Implications:

None, other than staff time to administer.

Time Requirements – Staff and Elected Officials:

None.

Options to Consider:

- 1) Accept the amendments.
- 2) Table the policy for the next board meeting.
- 3) Approve the policy without amendments.

Submitted by: 
Ye-Ne Byun, Finance Manager

Reviewed by: _____
Courtney Kirk, Chief Administrative Officer

Board Meeting
APR 09 2020
 CCRD ITEM (A)a)2)

F-15 Receipts and Deposits Handling

Purpose: The purpose of this policy is to establish procedures, duties and responsibilities for the handling of receipts and deposits. This policy will provide directives for a consistent approach that ensures effective financial controls resulting in timely and effective management of receipts, deposits and the recording of money.

Policy:

Definition of Receipts

Money or receipts or payments shall mean and include forms of payment and negotiable instruments including cash, cheques, money orders, bank drafts and wire transfers or direct deposits; ~~but do not~~ and include debit or credit card payments **via the POS machines located at Thorsen Creek Waste & Recycling Depot, Bella Coola Airport, Centennial Pool, and CCRD Administration office.**

Under certain circumstances, receipts may be issued for "in kind" donations, such as for land.

~~Limits on~~ Petty Cash Receipts

Receipts into petty cash shall be recorded and kept separate from other forms of payment. However, petty cash may be included in the same deposit as cheques and other forms of payments.

~~Limits on~~ Direct Payments (Electronic Funds Transfers or EFT's)

Payments transferred directly into the regional district chequing account must be accompanied by a transaction receipt or other official notification from the payor in order to ensure that the correct revenue or receivable account is credited.

Upon receipt of notification and subsequent confirmation of the receipt of direct deposits, the transaction will be recorded in the accounting software program either as a sales receipt or a customer payment. The payment type will be specified as "direct payment" to separate it from payments by cash or cheque. Receipt notifications will then be initialled as posted and filed separately in chronological order with the bank reconciliations. Manually written receipts will also be maintained for direct payments.

Procedure

1. Except for petty cash, payments received by hand or by regular mail shall immediately be stamped as payable to the Central Coast Regional District Account ~~5038-5~~. All payments will then be entered manually into a receipt book which has been pre-sequenced numerically. The original of this receipt may be issued to the payor. The second copy of the receipt will be retained in the receipt book and shall not be removed under any circumstance.

F-15 Receipts and Deposits Handling – continued Page 3

Operation Manager (OM) - record and issue receipts manually
- deposit payments at the regional district's financial institution
- receive and record petty cash

Finance Manager (FM) - record and issue receipts manually
- verify codes, revenue centre, or receivable account
- record receipts and make deposits in the accounting system;
- deposit payments at the regional district's financial institution
- receive and record petty cash
- authorize issuance of receipt for "in kind" donations

Chief Administrative Officer (CAO) - record and issue receipts manually
- deposit payments at the regional district's financial institution
- receive and manually record petty cash
- authorize issuance of receipt for "in kind" donations

Adopted: April 12, 2012
Amended: April 9, 2015
Amended: April 9, 2020



To: Board of Directors, CCRD

CC: Courtney Kirk, CAO

From: Ye - Ne Byun, Finance Manager

Meeting Date: April 9, 2020

Subject: Policy F-16 Community Works Fund Allocations

Recommendation:

THAT the Board of Directors of the Central Coast Regional District approve Policy F-16 Community Works Fund Allocations as amended.

Issue/Background Summary:

Policy F-16 was last reviewed in June 2016. According to the regional district's development and review policy, each policy is to be reviewed for amendment and relevancy every three years.

Policy, Bylaw or Legislation:

None.

Financial/Budgetary Implications:

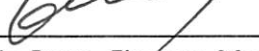
None, other than staff time to administer.

Time Requirements – Staff and Elected Officials:

None.

Options to Consider:

- 1) Accept the amendments.
- 2) Table the policy for the next board meeting.
- 3) Approve the policy without amendments.

Submitted by: 
Ye-Ne Byun, Finance Manager

Reviewed by: _____
Courtney Kirk, Chief Administrative Officer

Board Meeting
 APR 09 2020
 CCRD ITEM (A)a)3)

F-16 Community Works Fund Allocations

- Preamble:** Community Works Funds are made available to eligible local governments, including the Central Coast Regional District, by the Government of Canada pursuant to the Agreement on the Transfer of Federal Gas Tax Revenues (Gas Tax Agreement) between the Union of BC Municipalities and the governments of Canada and British Columbia. Funding under the program is intended to be directed to local priorities that fall within one of the eligible project categories and that are in keeping with the Agreement's intended outcomes. ~~of reduced greenhouse gas emissions, cleaner air and cleaner water.~~
- Purpose:** The purpose of this policy is to provide a measured approach for the best use of the funds available, paying particular attention to the strategic priorities of the Central Coast Regional District as determined by the board of directors.
- Policy:** It is the policy of the Central Coast Regional District that money from the Community Works Fund shall be expended or allocated as follows:
1. First, by satisfying the requirements of the Gas Tax Agreement by fulfilling the regional district's commitment to Capacity Building, Integrated Sustainability Planning and Capital Investment Planning.
 2. Second, by providing funding for eligible projects according to the regional district's strategic priorities as determined by the board of directors. Where a conflict is found to exist, the funds shall first be allocated to functions and services already established by the regional district, and then to those functions and services under consideration for establishment.

Adopted: April 11, 2013
Reviewed: June 9, 2016
Amended: April 9, 2020



Central Coast Regional District

Audit Findings Report for the year ended
December 31, 2019

KPMG LLP

April 9, 2020

kpmg.ca/audit



Board Meeting
APR 09 2020
CCRD ITEM (B) a

Table of contents

Executive summary	1
Areas of audit focus	4
Audit risks	7
Adjustments and differences	8
The audit of today, tomorrow & the future	9
Control and other observations	10
Current developments	11
Appendices	15
Appendix 1: Audit quality and risk management	16
Appendix 2: KPMG's audit approach and methodology	17
Appendix 3: Required communications	18
Appendix 4: Lean in Audit™	19
Appendix 5: PS 3280 Asset retirement obligations	20



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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours**.

This Audit Findings Report should not be used for any other purpose or by anyone other than the Board of Directors. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Executive summary

The purpose of this Audit Findings Report is to assist you, as a Board of Director, in your review of the results of our audit of the consolidated financial statements of the Central Coast Regional District (the "Entity") as at and for the year ended December 31, 2019.

We appreciate the assistance of management and staff in conducting our audit. We hope this audit findings report is of assistance to you for the purpose above and we look forward to discussing our findings and answering your questions.



Finalizing the audit

As of the date of this report, we have completed the audit of the consolidated financial statements, with the exception of certain remaining procedures. These include:

- Obtaining the signed management representation letter;
- Completing our discussions with the Board of Directors
- Obtaining evidence of the Board's approval of the financial statements; and
- Completion of subsequent event review procedures to the date of the auditors' report



Areas of audit focus

Our audit of the Entity is risk-focused. We have not identified any significant risks. However, as part of our audit, we identified areas of audit focus which include:

- Tangible capital assets
- Deferred revenue
- Landfill closure and post-closure liability
- Subsequent events

See page 4 to 6 for further details.



Executive summary



Significant accounting policies and practices

PS 3430 *Restructuring Transactions* is effective for the Entity's 2019 fiscal year. There were no financial reporting impacts on the consolidated financial statements from the adoption of the new accounting standard. There have been no other initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

The presentation and disclosure of the consolidated financial statements are, in all material respects, in accordance with Canadian public sector accounting standards with the exception of the landfill closure and post-closure costs as identified in our auditors' report.



Adjustments and differences

Adjustments and differences identified during the audit have been categorized as "Corrected Adjustments" or "Uncorrected Differences". These include disclosure adjustments and differences.

We identified one uncorrected audit misstatement and reported on the prior year audit misstatements. All adjustments and differences are included in the management representation letter.

See page 8 for further details.



Independence

We confirm that we are independent of the Entity from January 1, 2019 to the date of this report and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow the Entity's approved protocols.



Executive summary



Control observations

We did not identify any control deficiencies that were determined to be significant deficiencies in internal control over financial reporting (ICOFR).

We identified other control observations that we believe is of interest to the Board of Directors.

See page 10 for further details.



Current developments

See pages 11 to 14 for the current developments update.

Areas of audit focus

Area of focus	Background	Our response and significant findings
Tangible capital assets	Tangible capital assets are a material asset for the Entity.	<ul style="list-style-type: none"> ▪ KPMG obtained an understanding of the process activities and controls over tangible capital assets and any lease agreements as disclosed in the commitments and contingency note to the consolidated financial statements. ▪ Reconciled the additions and disposals recorded in Quickbooks to the amounts reported in the consolidated financial statements. ▪ Selected a sample of tangible capital asset additions and agreed the balance recorded to supporting documentation, and ensure it was appropriate to capitalize the costs. No issues were noted. ▪ Obtained an understanding of the new capital projects underway to ensure additions are accounted for appropriately. ▪ Reviewed consolidated financial statement disclosures for tangible capital assets and any lease arrangements to ensure accuracy and no issues were noted.
Deferred revenue	The Entities's deferred revenue is largely dependent on Board-approved bylaws and budget for projects.	<ul style="list-style-type: none"> ▪ KPMG obtained an understanding of the process activities and controls over deferred revenue. ▪ Selected a sample of deferred revenue transactions and agreed the contribution to the cash receipt and to supporting documentation. ▪ Reviewed correspondence and obtained supporting documentation as to whether the revenue could be carried forward to spend in future or if it required a reclassification to accounts payable. No issues were noted. ▪ Note disclosure of the deferred revenue funds is sufficient and no issues were noted.

Areas of audit focus

Area of focus	Background	Our response and significant findings
Landfill closure and post-closure liability	The Entity is required to account for and report the liability for closure and post-closure care of a solid waste landfill site in their consolidated financial statements.	<ul style="list-style-type: none"> ▪ Liability for closure and post-closure care should be recognized as the landfill site's capacity is used, usage should be measured on a volume basis (e.g. cubic metres). ▪ During the audit, KPMG did not obtain sufficient appropriate audit evidence regarding the landfill closure and post-closure estimates and therefore concluded that a scope limitation existed. ▪ Per KPMG's review of management's working papers and disclosures in the consolidated financial statements, the Entity was not able to determine a complete, accurate liability and whether the liability was valued appropriately. ▪ As noted in our Independent Auditors' Report, KPMG provided a qualified opinion.
Subsequent events	Shared cost agreement with the Province of British Columbia (the "Province") on February 25, 2020	<ul style="list-style-type: none"> ▪ KPMG obtained an understanding of the subsequent event through review of the agreements available and ensured a subsequent event note was included in the consolidated financial statements as the transaction is material to the users of the statements. ▪ A description of the project and contribution from the Province for a water treatment plant and providing potable water distribution to the community of Hagensborg was provided for in the subsequent event note. The disclosure also states the Entity is in the process of transferring ownership of the Hagensborg Water Improvement District to the Entity, no issues noted.

Areas of audit focus

Area of focus	Background	Our response and significant findings
Subsequent events	Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial market and social dislocating impact. As such enhanced subsequent events procedures were warranted.	<p>There are two types of subsequent events, with the accounting treatment dependent on the categorization as follows:</p> <ul style="list-style-type: none"> — Events that provide future evidence of conditions that existed at the financial statement date. For these conditions, the financial statements should be adjusted for measurable impact to the assets, liabilities, revenues and expenditures. — Events that are indicative of conditions that rose subsequent to the financial statement date. For these conditions, disclosures, at a minimum, should include a description of the event and an estimate of the financial impact, when practicable or a statement that an estimate cannot be made. <p>The Entity has disclosed in its consolidated financial statements, as a subsequent event note, the pandemic declared by the World Health Organization.</p>
Resources for management and Board of Directors	COVID-19 Alerts (Live Link)	<p>Please visit our COVID-19 website for resources regarding the topics below. This site is being <u>updated daily</u> based on information being released by Federal, Provincial and Municipal news releases.</p> <ul style="list-style-type: none"> — Business continuity guide — Immediate actions to take — Medium to long-term actions — Tax considerations and a summary of Federal and Provincial programs — Legal considerations — Financial reporting and audit considerations — Global perspectives



Audit risks

Professional requirements

Fraud risk from management override of controls.

Why is it significant?

This is a presumed fraud risk. We did not identify any specific additional risks of management override relating to this audit.

Our audit approach

As the risk is not rebuttable, our audit methodology incorporated the required procedures in professional standards to address this risk. These procedures included testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.

Annual inquiries

Professional auditing standards require that we annually inquire concerning those charged with governance's oversight of management's process for identifying and responding to the risks of fraud with the Entity. Accordingly, we ask:

- What are your views about fraud risks at the Entity?
- How do you exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the Entity and internal controls management has established to mitigate these fraud risks?
- Are you aware of or have you identified any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- Is the Entity in compliance with laws and regulations?
- Has the Entity entered into any significant unusual transactions?

Adjustments and differences

Adjustments and differences identified during the audit have been categorized as “corrected adjustments” or “uncorrected differences”. These include disclosure adjustments and differences.

Uncorrected difference	Comments	Amount
Debt reserve fund	KPMG noted that the debt reserve fund liability does not meet the criteria of a liability according to the Canadian public sector accounting standards therefore liabilities are overstated and accumulated surplus understated. Management has not corrected the difference as they need to understand adjustment required which is not material to the consolidated financial statements and we concur with management's representation. The difference has no effect on our auditors' report.	\$9,901

We have not identified any corrected adjustments that were communicated to management and subsequently corrected in the December 31, 2019 consolidated financial statements.

Prior year differences

In the prior year, the Entity had an uncorrected difference surrounding segmented disclosure required to be reported on your consolidated financial statements as per the Canadian public sector accounting standards. The Entity has included this disclosure in their December 31, 2019 consolidated financial statements including the comparative information as seen on Note 14 therefore this audit misstatement has been resolved.

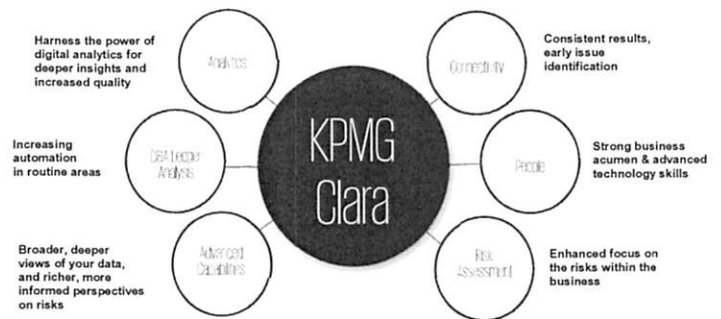
All other prior year differences have been corrected.

The audit of today, tomorrow & the future

As part of KPMG's technology leadership, our audit practice has developed technologies and alliances to continuously enhance our capabilities and deliver an exceptional audit experience.

Technology empowers us with the ability to perform deep analysis over your financial information, focusing our effort and interactions on the areas of greatest risk and minimizing disruption to your business.

The future of KPMG's audits will consist of KPMG Clara which is currently in its trial phase, see Appendix 2 for further information.



Technology we can use	
Tool	Benefit to audit
Journal Entry Analysis	Our journal entry tool assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focusses our audit effort on journal entries that are riskier in nature.
Data & Analytics Routines	Our journal entry routines will target specific verbiage being used in journal entry descriptions to highlight any entries that appear riskier in nature.

Control and other observations



As your auditors, we are required to obtain an understanding of internal control over financial reporting (“ICFR”) relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

In accordance with professional standards, we are required to communicate to the Board any control deficiencies that we identified during the audit and have determined to be material weaknesses or significant deficiencies in internal control over financial reporting. No significant deficiencies have been identified other than those described in our auditors’ report.

Other control deficiencies may be identified during the audit that do not rise to the level of material weakness or significant deficiency. We have noted the following observations:

1. Quickbooks has the ability for the user to delete journal entries with no audit trail indicated in the general ledger. Quickbooks has the option to turn on the audit trail function, which we believe the Entity has enabled, and therefore a report that can be generated to review deleted journal entries. This functionality can be turned off and on in options, if chosen. The report of deleted journal entries should be reviewed on a regular basis by the Chief Administrative Officer to ensure there is segregation of duties from the finance department. The finance team should not be using this deletion functionality and instead reversing the entries so it is visible in the general ledger.
2. The budget being tracked in Quickbooks does not agree to the Board approved Five-Year Financial Plan Bylaw No. 59, 2019 therefore amendments have been made subsequent to March 29, 2019 approval.

Current developments

Public Sector Accounting Standards

Standard	Summary and implications
Asset Retirement Obligations	<ul style="list-style-type: none"> - A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2021. - The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area. - The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life. - As a result of the new standard, the public sector entity will have to: <ul style="list-style-type: none"> • consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; • carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; • begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues. <p>https://www.youtube.com/watch?v=GijujoD8C_1s</p>
Revenue	<ul style="list-style-type: none"> - A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2022. - The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. - The standard notes that in the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. - The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.

Standard	Summary and implications
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> – New accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> have been approved by PSAB and are effective for years commencing on or after April 1, 2021. – Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. – Hedge accounting is not permitted. – A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations. – Based on stakeholder feedback received, PSAB is considering certain scope amendments to PS 3450 <i>Financial Instruments</i>. The proposed amendments include the accounting treatment of bond repurchases, scope exclusions for certain activities by the federal government, and improvements to the transitional provisions. An initial exposure draft was issued for comment by PSAB in May 2019. PSAB is currently deliberating on the comments received and may approve a revised exposure draft for comment in December 2019.
Employee Future Benefit Obligations	<ul style="list-style-type: none"> – PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. Given the complexity of issues involved and potential implications of any changes that may arise from this review, the project will be undertaken in phases. Phase I will address specific issues related to measurement of employment benefits. Phase II will address accounting for plans with risk sharing features, multi-employer defined benefit plans and sick leave benefits. – Three Invitations to Comment were issued and have closed. The first Invitation to Comment sought guidance on whether the deferral provisions in existing public sector standards remain appropriate and justified and the appropriateness of accounting for various components of changes in the value of the accrued benefit obligation and plan assets. The second Invitation to Comment sought guidance on the present value measurement of accrued benefit obligations. A third Invitation to Comment sought guidance on non-traditional pension plans. PSAB is currently deliberating on the comments received from the three Invitations to Comment. – The ultimate objective of this project is to issue a new employment benefits section to replace existing guidance.

Standard	Summary and implications
Public Private Partnerships ("P3")	<ul style="list-style-type: none"> – PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. An exposure draft has been approved by PSAB and will be issued in November 2019, with comments due by February 29, 2020. – The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends. – The exposure draft proposes that the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. – The infrastructure would be valued at cost, with a liability of the same amount if one exists. Cost would be measured by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> – PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards. – A Statement of Concepts ("SOC") and Statement of Principles ("SOP") were issued for comment in May 2018 and has closed. PSAB is in the process of developing two exposure drafts for comment. – The SOC proposes a revised, ten chapter conceptual framework intended to replace PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced. – The SOP includes principles intended to replace PS 1201 <i>Financial Statement Presentation</i>. The SOP proposes: <ul style="list-style-type: none"> • Removal of the net debt indicator, except for on the statement of net debt where it would be calculated exclusive of financial assets and liabilities that are externally restricted and/or not available to settle the liabilities or financial assets. • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). • Restructuring the statement of financial position to present non-financial assets before liabilities. • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities). • A new provision whereby an entity can use an amended budget in certain circumstances. – Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.

Standard	Summary and implications
International Strategy	<ul style="list-style-type: none"> – PSAB is in the process of reviewing its current approach towards International Public Sector Accounting Standards. This project may result in changes to the role PSAB plays in setting standards in Canada. – Consultation papers were released for comment in May 2018 and March 2019, and have closed. The consultation papers described the decision-making criteria PSAB expects to consider in evaluating the international strategy that best serves the public sector. It also introduced four proposed international strategies. – PSAB is expected to make a final decision about its international strategy at its March 2020 meeting.
Purchased Intangibles	<ul style="list-style-type: none"> – In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. The proposal does not include guidance on how to account for intangibles. Instead, the definition of an asset, the general recognition criteria and the GAAP hierarchy is expected to provide guidance on how to account for intangibles. The accounting for intangibles may be addressed through future PSAB projects.

Appendices



- ▶ **Appendix 1: Audit quality and risk management**
- ▶ **Appendix 2: KPMG's audit approach and methodology**
- ▶ **Appendix 3: Required communications**
- ▶ **Appendix 4: Lean in Audit™**
- ▶ **Appendix 5: PS 3280 Asset retirement obligations**

Appendix 1: Audit quality and risk management



KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards. Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems. Visit our Audit Quality Resources [page](#) for more information including access to our most recent Audit Quality and Transparency Report.

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality. We do not offer services that would impair our independence.

All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.

The processes we employ to help retain and develop people include:

- Assignment based on skills and experience
- Rotation of partners
- Performance evaluation
- Development and training
- Appropriate supervision and coaching



We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

Other controls include:

- Before the firm issues its audit report, Engagement Quality Control
- Reviewer reviews the appropriateness of key elements client audits
- Technical department and specialist resources provide real-time support to audit teams in the field

Appendix 2: KPMG's audit approach and methodology



In future years, we will expand our use of technology in our audit through our new smart audit platform, KPMG Clara.

Issue identification

Continuous updates on audit progress, risks and findings before issues become events

Data-driven risk assessment

Automated identification of transactions with unexpected or unusual account combinations – helping focus on higher risk transactions and outliers



Deep industry insights

Bringing intelligence and clarity to complex issues, regulations and standards

Analysis of complete populations

Powerful analysis to quickly screen, sort and filter 100% of your journal entries based on high-risk attributes

Reporting

Interactive reporting of unusual patterns and trends with the ability to drill down to individual transactions

Appendix 3: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:



Auditors' report

The conclusion of our audit is set out in our draft auditors' report attached to the draft consolidated financial statements.



Management representation letter

In accordance with professional standards, copies of the management representation letter are provided to the Board. The management representation letter is attached to this appendix.



Independence

In accordance with professional standards, we have confirmed our independence.



Audit findings report

Represented by this report.

Appendix 4: Lean in Audit™



An innovative approach leading to enhanced value and quality

Our innovative audit approach, Lean in Audit™, further improves audit value and productivity to help deliver real insight to you. Lean in Audit™ is process oriented, directly engaging organizational stakeholders and employing hands-on tools, such as walkthroughs and flowcharts of actual financial processes.

By embedding Lean techniques into our core audit delivery process, our teams are able to enhance their understanding of the business processes and control environment within your organization – allowing us to provide real insight on your processes and actionable quality and productivity improvement observations.

Any insights gathered through the course of the audit will be available to both our audit team and management. For example, the audit team may identify control gaps and potential process improvement areas, while management has the opportunity to apply such insights to streamline processes, inform business decisions, improve compliance, lower costs, increase productivity, strengthen customer service and satisfaction and drive overall performance.



How it works

Lean in Audit™ employs four key Lean techniques:



1. Lean training

Provide basic Lean training and equip our audit teams with a new Lean mindset to improve quality, value and productivity.



2. Process mapping workshop

Perform an interactive workshop with your team to map selected financial process providing end-to-end transparency and understanding of the process.



3. Insight reporting

Quick and pragmatic insight report including PACE matrix with prioritized opportunities to realize benefit.



4. Kaizen event

Perform an interactive workshop to find the root cause of the problem and empower your team to find a solution.

Appendix 5: PS 3280 Asset retirement obligations

Preparing for Asset Retirement Obligations



Are you ready to implement PSAB Standard PS3280 Asset Retirement Obligations?

In August 2018, PSAB issued the new standard PS3280 on asset retirement obligations. This section addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets and solid waste landfill sites by public sector entities.

Whether you are a university, college, school district, health institution or government entity (federal, provincial, municipal or Indigenous) this accounting standard will have implications for your organization if you report under the Public Sector Accounting Standards.

Key matters public sector entities need to consider

- The scope of retirement obligations included in the standard.
- The criteria for recognition of a retirement obligation.
- When it's appropriate (and how) to measure a retirement obligation.
- Developing a comprehensive plan to assess all in-scope assets.
- Addressing Board/Council and Stakeholder information needs through implementation.
- Developing a consistent level of documentation to support the auditability of PS3280 implementation.

An overview

- PS3280 will apply to fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted.
- Asset retirement activities are defined to include all activities related to an asset retirement obligation. These may include but are not limited to:
 - decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
 - decontamination created by the normal use of the tangible capital asset;
 - post-retirement activities such as monitoring;
 - constructing other tangible capital assets in order to perform post-retirement activities.
- In addition to asset retirement obligations associated with tangible capital assets that are in productive use and those that are no longer in productive use, PS3280 includes in scope legal obligations, and solid waste landfill closure and post-closure liabilities.

- With the introduction of PS3280 PSAB has withdrawn existing Section PS3270, solid waste landfill closure and post-closure liability.
 - Under PS3280, obligations for the closure and post-closure care of solid waste landfill sites are recognized earlier than presently under PS3270, as the accounting treatment changes from incremental recognition of liability based on usage to recognition on acquisition, construction, development or normal use. This will result in an earlier increase in net debt. The recognized cost of assets would increase because asset retirement costs associated with tangible capital assets in productive use would be added to its carrying amount rather than expensed (as currently done under PS3270).
- While PS3280 includes in scope expected contamination related to a tangible capital asset controlled by the public sector entity, PS3260 contaminated sites addresses unexpected contamination related to the tangible capital asset.
- Some examples of asset retirement obligations which fall under scope of proposed PS3280 include:
 - buildings with asbestos;
 - end of lease provisions (from a lessee perspective);
 - fuel storage tank removal;
 - removal of radiologically contaminated medical equipment;
 - wastewater or sewage treatment facilities;
 - Firewater holding tanks;
 - Septic beds;
 - closure and post-closure obligations associated with landfills.
- Under PS3280, an asset retirement obligation should be recognized when, as at the financial reporting date, ALL of the following criteria are met:
 - there is a legal obligation to incur retirement costs in relation to a tangible capital asset.
 - the past transaction or event giving rise to the liability has occurred;
 - it is expected that future economic benefits will be given up;
 - a reasonable estimate of the amount can be made.
- Public sector entities will be required to capitalize asset retirement obligations associated with fully amortized tangible capital assets, except in the following instances:
 - asset retirement obligations associated with unrecognized tangible capital assets should be expensed;
 - asset retirement obligations associated with tangible capital assets no longer in productive use should be expensed.
- The estimate of a liability should include costs directly attributable to asset retirement activities.

Getting a start on PS3280

- Public sector entities should start considering which asset retirement obligations may fall under scope of the proposed PS3280.
 - Review active and inactive tangible capital assets to identify those with retirement obligations. Consider solid waste landfills and contaminated sites which may meet the PS3280 recognition criteria.
 - Reconcile this inventory with the complete tangible capital assets listing and the site inventory for contaminated sites.
 - Engage functions outside of finance (particularly public works and engineering).
- Consider implications of transitional options.
- Identify opportunities to collaborate with peer entities on assets identified as in scope for PS3280, and benchmarks for measurement of retirement obligations.

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KPMG member firms around the world have 174,000 professionals, in 155 countries.

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DRAFT Consolidated Financial Statements of



Central Coast
REGIONAL DISTRICT
That we may be good people together

And Independent Auditors' Report thereon
Year ended December 31, 2019

Board Meeting
APR 09 2020
CCRD ITEM (B) b



Table of Contents
DRAFT

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



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 financial statements of Central Coast Regional District (the District), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated operations and accumulated surplus for the year then ended
- the consolidated changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, 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, 2019 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 as management did not engage an external expert.

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, 2019
- 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, 2019
- the consolidated statement of changes in net financial assets for the year ended December 31, 2019
- the consolidated statement of cash flow for the year ended December 31, 2019
- 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.

Page 2

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.

Page 3

- 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.

DRAFT

Chartered Professional Accountants

Prince George, Canada

April 9, 2020



Consolidated Statement of Financial Position

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December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Cash and cash equivalents (note 2)	\$ 2,476,940	\$ 1,752,267
Accounts receivable (note 3)	103,026	473,947
Debt reserve fund (note 4)	9,901	9,676
	<u>2,589,867</u>	<u>2,235,890</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	128,442	76,325
Debt reserve fund (note 4)	9,901	9,676
Deferred revenue (note 6)	785,754	978,335
Landfill closure and post-closure liability (note 7)	180,000	150,000
Long-term debt (note 8)	78,254	101,895
	<u>1,182,351</u>	<u>1,316,231</u>
Net financial assets	1,407,516	919,659
Non-Financial Assets:		
Prepaid expenses	25,372	3,857
Tangible capital assets (note 9)	4,067,455	3,877,785
	<u>4,092,827</u>	<u>3,881,642</u>
Commitments and contingencies (note 10)		
Subsequent events (note 11)		
Accumulated surplus (note 13)	\$ 5,500,343	\$ 4,801,301

See accompanying notes to consolidated financial statements.

On behalf of the Board:

_____ Director _____ Director



Central Coast

REGIONAL DISTRICT

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Consolidated Statement of Operations and Accumulated Surplus

DRAFT

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
Revenue (note 14):			
Airport fees and rentals	\$ 211,733	\$ 247,897	\$ 227,989
Federal government grants	-	999	11,000
Federal grants-in-lieu of tax	37,338	36,255	38,285
Fire protection tolls	2,920	3,595	3,210
Investment income	2,695	31,784	29,006
Landfill user fees	36,000	28,361	31,388
Miscellaneous revenue	601,514	224,434	80,308
Multi Materials BC	8,000	12,490	8,019
Nuxalk Nation contributions	105,000	108,000	105,000
Provincial government grants	2,124,405	1,090,878	838,974
Recreation user fees	30,850	33,111	39,148
Tax levy	760,261	760,261	744,612
Watertolls	56,578	56,372	35,568
	<i>Appn Admin (402,626)</i>		
	<i>QB = 3,037,063</i>		
	3,977,294	2,634,437 <i>OK</i>	2,192,507
Expenditures (note 14):			
Community works and planning	226,614	86,414	40,411
Economic development services	355,253	233,093	70,774
General government	895,317	934,664	956,482
Parks, recreation and culture	288,095	157,089	166,809
Protective services	724,825	89,470	76,046
Solid waste management	203,835	202,462	189,942
Transportation	424,870	155,828	113,172
Utility services	71,829	76,375	89,885
	<i>QB = 2,457,316</i>		
	3,190,638	1,935,395	1,703,521
Annual surplus	<i>Var. = 521,921</i>	786,656	488,986
Accumulated surplus, beginning of year	4,801,301	4,801,301	4,312,315
Accumulated surplus, end of year	\$ 5,587,957	\$ 5,500,343	\$ 4,801,301

See accompanying notes to consolidated financial statements.

Cap Works 235,245
 Appn Admin 402,626
 ARF 37,154



Central Coast
REGIONAL DISTRICT

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Consolidated Statement of Changes In Net Financial Assets

DRAFT

Year ended December 31, 2019, with comparative information for 2018

	Budget	2019	2018
Annual surplus	\$ 786,656	\$ 699,042	\$ 488,986
Acquisition of tangible capital assets	(1,110,901)	(342,774)	(589,050)
Amortization of tangible capital assets	-	153,104	164,660
	(1,110,901)	(189,670)	(424,390)
Acquisition of prepaid expenses	-	(25,372)	(3,857)
Use of prepaid expenses	-	3,857	36,287
	-	(21,515)	32,430
Change in net financial assets	(324,245)	487,857	97,026
Net financial assets, beginning of year	919,659	919,659	822,633
Net financial assets, end of year	\$ 595,414	\$ 1,407,516	\$ 919,659

See accompanying notes to consolidated financial statements.



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Consolidated Statement of Cash Flows

DRAFT

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 699,042	\$ 488,986
Item not involving cash:		
Amortization	153,104	164,660
	852,146	653,646
Changes in non-cash operating working capital:		
Accounts receivable	370,921	(264,090)
Prepaid expenses	(21,515)	32,431
Debt reserve fund asset	(225)	11,833
Accounts payable and accrued liabilities	52,117	(5,270)
Debt reserve fund liability	225	(2,363)
Deferred revenue	(192,581)	947,425
Landfill post closure liability	30,000	30,000
	1,091,088	1,403,612
Financing activities:		
Repayment of long term debt	(23,641)	(22,515)
Investing activities:		
Purchase of tangible capital assets	(342,774)	(589,050)
Increase in cash and cash equivalents	724,673	792,047
Cash and cash equivalents, beginning of year	1,752,267	960,220
Cash and cash equivalents, end of year	\$ 2,476,940	\$ 1,752,267

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements

DRAFT

Year ended December 31, 2019

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.

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.



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

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.

(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 one year. 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.



Central Coast
REGIONAL DISTRICT

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Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

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)
DRAFT
 Year ended December 31, 2019

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 29, 2019. 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)

DRAFT

Year ended December 31, 2019

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)

DRAFT

Year ended December 31, 2019

2. Cash and cash equivalents:

	2019	2018
Operating cash	\$ 113,077	\$ 154,639
Savings cash	952,675	897,817
Term deposits	870,977	169,452
Short-term investments	539,211	529,359
Equity shares at the Williams Lake and District Credit Union	1,000	1,000
	\$ 2,476,940	\$ 1,752,267

Short-term investments are held in Municipal Finance Authority pooled money market fund with an annual rate of return of approximately 1.86% (2018 - 1.65%).

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, 2019, the line of credit had not been used.

3. Accounts receivable:

	2019	2018
Trade and other	\$ 64,728	\$ 76,973
Local government	14	52,619
Provincial government	21,319	344,355
Federal government	16,965	-
	\$ 103,026	\$ 473,947



Notes to Consolidated Financial Statements (continued)
DRAFT
 Year ended December 31, 2019

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 \$9,901 (2018 - \$9,676) 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:

	2019	2018
Trade and other payables	\$ 82,661	\$ 73,323
Holdbacks payable	45,551	2,000
Sales tax payable	230	26
Wages and related costs	-	976
	\$ 128,442	\$ 76,325



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

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:

	2019	2018
General Operating Fund:		
Active communities grant	\$ 13,664	\$ 13,796
Community housing planning	39,084	-
Marketing enhancement and brand implementation	186,398	101,075
Regional connectivity	4,797	-
Risk assessment, flood modeling and mapping project	541,811	575,000
Rural dividend grant	-	288,464
	\$ 785,754	\$ 978,335



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

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 (2018 - \$30,000) for future site restoration costs.

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% (2018 - 2.25%).

As at December 31, 2019, the Municipal Finance Authority loan was \$78,254 (2018 - \$101,895), interest paid on the long-term debt included in payments from the General Operating Fund are \$9,113 (2018 - \$9,113).

Principal repayments are due as follows:

2020	\$	24,823
2021		26,064
2022		27,367
	\$	78,254



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

9. Tangible capital assets:

	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

	2018		
	Cost	Accumulated amortization	Net book value
Land	\$ 1,556,880	\$ -	\$ 1,556,880
Buildings	1,290,601	296,644	993,957
Furniture and equipment	403,136	322,298	80,838
Parks and recreation projects	490,142	366,932	123,210
Paving	1,697,509	1,264,945	432,564
Vehicles	162,384	102,675	59,709
Water distribution system	1,510,482	906,725	603,757
Work in progress	26,870	-	26,870
	\$ 7,138,004	\$ 3,260,219	\$ 3,877,785

Amortization for the year amounted to \$153,104 (2018 - \$164,660).

During the year, tangible capital assets were acquired at an aggregate cost of \$342,774 (2018 – \$589,050). There were no disposals in 2019 or 2018.

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)

DRAFT

Year ended December 31, 2019

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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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)

DRAFT

Year ended December 31, 2019

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 \$35,338 (2018 - \$34,335) for employer contributions to the plan in fiscal 2019.

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)

DRAFT

Year ended December 31, 2019

11. Subsequent events:

- a) Subsequent to the year end, on February 25, 2020, the District entered into a share cost agreement with the Province of British Columbia (the "Province") under the Green Infrastructure - Environmental Quality program of the Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program to build a water treatment plant and provide potable water distribution in the community of Hagensborg. The Province will make financial contributions to the District in the amount which will not exceed the lesser of 73.33% of the total eligible expenditures of the project or \$3,785,294 being the maximum approved for the project. The agreement expires March 31, 2025.

The District is also, in conjunction with the share cost agreement, in the process of transferring ownership of the Hagensborg Water Improvement District to the District.

- b) Subsequent to December 31, 2019, 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)

DRAFT

Year ended December 31, 2019

12. 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 (2018 - \$13,500) for these services.

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

13. Accumulated surplus:

	2019	2018
General operating fund	\$ 1,237,146	\$ 706,212
Water operating fund	66,631	24,132
General capital fund	3,327,879	3,221,315
Water capital fund	722,344	740,453
Capital works, machinery, equipment reserve	6,014	6,014
Asset replacement fund	140,329	103,175
	\$ 5,500,343	\$ 4,801,301



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

14. Segmented information:

The Central Coast Regional District is a local government providing a wide range of services to residents, including parks, recreation centres, fire protection, water and sewer services. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocation of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represents amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis. Segmentation has been determined on a functional basis with consideration to service delivery and department accountabilities. The following is a description of the types of services included in each of the main service segments of the District's consolidated financial statements.

Community works and planning:

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

Economic development services:

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

General government:

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

Parks, recreation and culture:

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

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.



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

14. Segmented information (continued):

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
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That we may be good people together

Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2019

14. Segmented Information (continued):

	2019									Total
	Community works and planning	Economic development services	General government	Parks, recreation and culture	Protective services	Solid waste management	Transportation	Utility services		
Revenue:										
Airport fees and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,897	\$ -	\$ 247,897
Grants	477,809	267,457	179,250	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	299,070	532,088	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	\$ 65,977	\$ (402,576)	\$ 127,445	\$ 42,184	\$ 115,279	\$ 298,979	\$ 43,545		\$ 699,042



Notes to Consolidated Financial Statements (continued)
DRAFT
 Year ended December 31, 2019

14. Segmented information (continued):

	2018								
	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	227,989	\$ -	227,989
Grants	196,785	32,362	229,513	24,149	28,028	46,677	392,813	2,588	952,915
Investment income	-	-	29,006	-	-	-	-	-	29,006
Other	-	-	13,172	-	-	115,499	-	-	128,671
Taxation	23,734	34,500	301,897	141,751	108,777	108,045	8,122	17,786	744,612
User charges	-	-	-	39,148	3,210	31,368	-	35,568	109,314
Total revenues	220,519	66,862	573,588	205,048	140,015	301,609	628,924	55,942	2,192,507
Expenses:									
Amortization	-	-	139,503	-	-	-	-	25,157	164,660
Contracts	-	-	-	-	-	93,012	18,240	-	111,252
Interest	-	-	2	-	-	6	-	18,788	18,796
Landfill post closure costs	-	-	-	-	-	30,000	-	-	30,000
Operating	40,411	23,920	301,800	91,418	61,068	26,262	70,228	6,275	621,382
Professional fees	-	963	30,820	-	-	-	5,400	-	37,183
Repairs and maintenance	-	-	3,417	8,475	5,165	4,644	14,911	1,304	37,916
Telephone and utilities	-	251	17,260	4,103	7,280	6,179	4,381	17,026	56,480
Wages and related costs	-	45,640	463,680	62,813	2,533	29,839	12	60	604,577
Waterworks - Nuxalk Band	-	-	-	-	-	-	-	21,275	21,275
Total expenses	40,411	70,774	956,482	166,809	76,046	189,942	113,172	89,885	1,703,521
Annual surplus (deficit)	\$ 180,108	\$ (3,912)	\$ (382,894)	\$ 38,239	\$ 63,969	\$ 111,667	\$ 515,752	\$ (33,943)	\$ 488,986



Central Coast
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Notes to Consolidated Financial Statements (continued)
DRAFT
Year ended December 31, 2019

15. Comparative information:

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