



***North Island 9-1-1 Corporation  
Financial Statements  
Year Ended December 31, 2021***

**North Island 9-1-1 Corporation  
Incorporated 1995**

**Board of Directors  
As at December 31, 2021**

Regional District of Mount Waddington	A. Hory
Strathcona Regional District	C. Moglove
Comox Valley Regional District	M. Swift
qathet Regional District	G. Doubt
Regional District of Nanaimo	L. Wallace
Alberni-Clayoquot Regional District	J. McNabb

**North Island 9-1-1 Corporation**  
**Financial Statements**  
**Year ended December 31, 2021**

Statement of Management's Responsibility  
Independent Auditor's Report  
Statement of Financial Position  
Statement of Operations and Accumulated Surplus  
Statement of Change in Net Financial Assets  
Statement of Cash Flows  
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## **North Island 9-1-1 Corporation**

### **Management's Responsibility for Financial Reporting**

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and are outlined under Significant Accounting Policies in the notes to the financial statements. Management is responsible for the integrity and objectivity of these statements as well as the supplementary schedules.

Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. Management also maintains a program of proper business compliance.

The board of directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibilities for financial reporting and internal control.

MNP LLP, Chartered Professional Accountants, the corporation's independent auditor, has conducted an examination of the financial statements in accordance with Canadian generally accepted auditing standards and have expressed their opinion in a report accompanying this statement.

A handwritten signature in black ink, appearing to read 'Kevin Douville', written over a horizontal line.

Kevin Douville, B.Comm  
A/Chief Financial Officer

June 24, 2022

To the Board of North Island 9-1-1 Corporation:

### Opinion

We have audited the financial statements of North Island 9-1-1 Corporation (the "Corporation"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2021, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Courtenay, British Columbia

June 24, 2022

*MNP LLP*

Chartered Professional Accountants

**North Island 9-1-1 Corporation**  
**Statement of Financial Position**  
**December 31, 2021**

	2021	2020
<b>Financial Assets</b>		
Cash	650,060	\$ 517,907
Security deposits	1,000	1,000
Receivables -Federal government	41,814	31,655
-Provincial government	3,000	3,000
-Local government	30,655	1,551
-Other	31,711	9,739
<b>Total Financial Assets</b>	<b>758,240</b>	<b>564,852</b>
<b>Liabilities</b>		
Payables -Federal government	5,357	5,370
-Provincial government	10,733	3,932
-Local government (Note 5)	56,103	37,986
Trade accounts and accrued liabilities	99,622	42,484
Deferred revenue	19,504	17,504
<b>Total Liabilities</b>	<b>191,319</b>	<b>107,276</b>
<b>Net Financial Assets</b>	<b>566,921</b>	<b>457,576</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	102,854	102,207
Tangible capital assets (Schedule A)	798,194	906,796
<b>Total Non-Financial Assets</b>	<b>901,048</b>	<b>1,009,003</b>
<b>Accumulated Surplus (Note 3)</b>	<b>\$ 1,467,969</b>	<b>\$ 1,466,579</b>

**Commitments (Note 7)**

**Significant Event (Note 9)**

**Subsequent Event (Note 10)**



Kevin Douville, B.Comm  
A/Chief Financial Officer



John McNabb  
President

The accompanying notes are an integral part of these financial statements.

**North Island 9-1-1 Corporation**  
**Statement of Operations and Accumulated Surplus**  
**Year ended December 31, 2021**

	2021	2021	2020
	Budget	Actual	Actual
	(Note 6)		
<b>Revenue</b>			
Funding from local governments (Schedule B)	\$ 2,564,615	\$ <b>2,564,615</b>	\$ 2,514,683
Sales of service - other local governments	323,886	<b>284,661</b>	129,202
Sub-licence revenue	49,200	<b>41,420</b>	43,180
Interest	5,000	<b>3,929</b>	5,567
Other revenue	103,935	<b>141,476</b>	59,462
<b>Total Revenue</b>	<b>3,046,636</b>	<b>3,036,101</b>	2,752,094
<b>Expenses</b>			
General government services (Note 5) (Schedule C)	315,779	<b>260,383</b>	225,444
Protective services (Schedule D)	2,730,206	<b>2,774,328</b>	2,593,456
<b>Total Expenses</b>	<b>3,045,985</b>	<b>3,034,711</b>	2,818,900
<b>Annual Surplus (Deficit)</b>	651	<b>1,390</b>	(66,806)
<b>Accumulated Surplus, beginning of year</b>	1,466,579	<b>1,466,579</b>	1,533,385
<b>Accumulated Surplus, end of year</b>	<b>\$ 1,467,230</b>	<b>\$ 1,467,969</b>	\$ 1,466,579

The accompanying notes are an integral part of these financial statements.



**North Island 9-1-1 Corporation**  
**Statement of Change in Net Financial Assets**  
**Year ended December 31, 2021**

	2021	2021	2020
	Budget	Actual	Actual
	(Note 6)		
<b>Annual Surplus (Deficit)</b>	\$ 651	\$ 1,390	\$ (66,806)
Acquisition of tangible capital assets	(194,034)	(34,322)	(143,840)
Amortization of tangible capital assets	-	142,924	135,459
Change in prepaid expenses	-	(647)	4,012
<b>Change in Net Financial Assets</b>	(193,383)	109,345	(71,175)
<b>Net Financial Assets, beginning of year</b>	457,576	457,576	528,751
<b>Net Financial Assets, end of year</b>	\$ 264,193	\$ 566,921	\$ 457,576

The accompanying notes are an integral part of these financial statements.

**North Island 9-1-1 Corporation**  
**Statement of Cash Flows**  
**Year ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>Operating Transactions</b>		
Annual Surplus (Deficit)	\$ 1,390	\$ (66,806)
Changes in non-cash operating balances		
Receivables	(61,235)	59,526
Payables and accrued liabilities	82,043	588
Prepaid expenses	(647)	4,012
Deferred revenue	2,000	-
Items not utilizing cash		
Amortization of tangible capital assets	142,924	135,459
<b>Cash Provided by Operating Transactions</b>	<u>166,475</u>	<u>132,779</u>
<b>Capital Transactions</b>		
Acquisition of tangible capital assets	(34,322)	(143,840)
<b>Financing Transactions</b>		
Short term loan proceeds/(payments)	-	(35,000)
<b>Increase (Decrease) in Cash</b>	<b>132,153</b>	<b>(46,061)</b>
<b>Cash, beginning of year</b>	<u>517,907</u>	<u>563,968</u>
<b>Cash, end of year</b>	<u>\$ 650,060</u>	<u>\$ 517,907</u>

The accompanying notes are an integral part of these financial statements.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2021**

**1. Purpose**

The North Island 9-1-1 Corporation (the corporation) was incorporated in 1995 for the purpose of providing emergency 9-1-1 telephone service to Vancouver Island and the surrounding coastal area from Nanaimo north. The corporation is exempt from taxation.

**2. Significant Accounting Policies**

**a) General**

As the North Island 9-1-1 Corporation shares are 100 per cent owned by British Columbia regional districts (Note 4), the corporation follows recommendations and guidance with respect to matters of accounting and auditing in the public sector as issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada.

**b) Financial Instruments**

The corporation's financial instruments consist of cash in Canadian and United States dollars, receivables, payables and trade accounts and accrued liabilities. Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

**c) Non-financial Assets**

Non-financial assets include prepaid expenses and tangible capital assets and are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

**d) Tangible Capital Assets**

Tangible capital assets are a special class of non-financial assets and are recorded at cost, net of disposals, write-downs and amortization and includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is recorded on a straight line basis over the estimated life of the tangible capital asset. Assets under construction are not amortized until the asset is put into use. Estimated useful lives are as follows:

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2021**

**2. Significant Accounting Policies (continued)**

**d) Tangible Capital Assets (continued)**

Office furniture and equipment	10 years
Vehicles	6 years
Information technology infrastructure	5 years
Radio and satellite systems	7-10 years
Communication towers and equipment shelters	30-40 years

**e) Revenue Recognition**

The corporation recognizes revenue based on assessments issued to the regional districts in its service area. These assessments are issued on an annual basis to meet the expenditures of the corporation. Sales of services and sub-licence revenue is recognized in the year that the service is provided or the amount is earned, and when collectability is reasonably assured. Deferred revenue consists of sub-license revenue received during the year that relates to future periods. Other revenue and interest are recorded when earned.

**f) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Management reviews the sites annually for any potential liability under the standard which would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

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

The corporation has not recorded any liability for contaminated sites as at December 31, 2021 as no such sites exist.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2021**

**2. Significant Accounting Policies (continued)**

**g) Use of Estimates**

The preparation of 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 financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring management estimates are accounts receivable, the determination of amortization of tangible capital assets, the useful lives of these assets, liability for contaminated sites and provisions for contingencies. Actual results may vary from the estimates and any adjustments will be reported and reflected in operations as they become known.

**3. Accumulated Surplus**

	<b>2021</b>	<b>2020</b>
Equity in tangible capital assets	<b>\$798,194</b>	\$906,796
Operating surplus	<b>143,663</b>	168,119
General operating contingency reserve	<b>96,573</b>	93,073
Future expenditure reserve	<b>379,151</b>	248,203
Insurance reserve	<b>50,367</b>	50,367
Share capital (Note 4)	<b>21</b>	21
	<b><u>\$1,467,969</u></b>	<b><u>\$1,466,579</u></b>

The reserve for future expenditures was established to provide for expenditure for capital works, machinery and equipment and the replacement of equipment and communication infrastructure made inefficient through amortization and obsolescence.

The insurance reserve represents self-insurance to assist with any deductible arising from insurance claims.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2021**

**4. Share Capital**

Authorized: 10,000 Class "A" common voting shares without par value

Issued: 21 Class "A" shares, as follows:

	<u>2021</u>	<u>2020</u>
Regional District of Mount Waddington	\$ 1	\$ 1
Strathcona Regional District	4	4
Comox Valley Regional District	6	6
qathet Regional District	2	2
Regional District of Nanaimo	5	5
Alberni-Clayoquot Regional District	3	3
	<u>\$ 21</u>	<u>\$ 21</u>

**5. Related Party Transactions**

During the year, one of the shareholders, the Comox Valley Regional District, provided administrative and information technology support services and the services of a mapping coordinator, in the amount of \$260,383 (2020 - \$225,444) to the corporation as detailed on Schedule C.

Payables to local governments at year end include \$56,103 (2020 - \$36,178) due to the Comox Valley Regional District.

**6. Restatement of 2021 Budget**

The budget amounts presented throughout these financial statements represent the budget approved by the corporation's board on January 29, 2021.

The budget anticipated use of surpluses and reserves accumulated in previous years to balance against current year expenditures in excess of current year revenues. Another significant variance is that the budget anticipated capital expenditures rather than amortization expense.

The summary below reconciles the 2021 approved budget to the Statement of Operations.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2021**

**6. Restatement of 2021 Budget (continued)**

Budgeted surplus, as approved on January 29, 2021	\$ -
Add:	
Capital acquisitions	194,034
Budgeted transfers to reserves	168,771
Less:	
Transfers from reserves	(194,034)
Transfers from previous years' surplus	(168,120)
<b>Budgeted Annual Surplus, as restated</b>	<b><u>\$ 651</u></b>

**7. Commitments**

On August 25, 2021, the corporation extended their agreement with the City of Campbell River for the provision of fire dispatch services. The extension, which expires December 31, 2022, has a remaining commitment of up to \$1,425,185

On January 1, 2021, the corporation extended their agreement with E-Comm Emergency Communications for Southwest British Columbia Incorporated until December 31, 2022 for the provision of public safety answer point (PSAP) services. The remaining commitment for this extension is approximately \$494,010.

**8. Contractual Rights**

Contractual rights are rights to economic resources arising from contracts that will result in revenues and assets in the future. The corporation's contractual rights arise due to a contract entered into in June 2021 with the Cowichan Valley Regional District for the provision of secondary safety answering point services for fire dispatch to the regional district's 15 fire departments. The contractual rights arising from this agreement will result in future assets and revenues as follows:

2022	\$ 281,265
2023	289,703
2024	298,703
2025	307,346
2026	161,727
	<b><u>\$ 1,338,744</u></b>

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2021**

**9. Significant Event**

In March 2020, the COVID-19 outbreak caused governments worldwide to enact emergency measures to combat the spread of coronavirus. These measures, which include the implementation of facility closures, travel restrictions, self-isolation periods, and social and physical distancing, has had a significant impact on the local and global economies.

The corporation experienced some disruptions to supply chain and staffing as a result of the pandemic. At this time it is not possible to reliably estimate the length and severity of the COVID-19 outbreak and how it may impact the corporation's financial results for 2022.

**10. Subsequent Event**

The corporation entered into a contract on March 3, 2022 with the Peace River Regional District for the provision of secondary safety answering point services for fire dispatch to the regional district's 11 fire departments. The corporation will provide the services during the term of the agreement commencing on May 19, 2022 and ending December 31, 2026. The contractual rights arising from this agreement will result in future assets and revenues as follows:

2022	\$	157,742
2023		184,280
2024		189,666
2025		195,210
2026		200,918
		<u><u>\$ 927,816</u></u>



**North Island 9-1-1 Corporation**  
**Schedule of Tangible Capital Assets**

**Schedule A**

**For the Year Ended December 31, 2021**

	<b>Office Equipment &amp; Furniture</b>	<b>Vehicles</b>	<b>IT Infrastructure</b>	<b>Communication Infrastructure</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>COST</b>						
Opening Balance	79,392	61,040	744,538	1,688,330	<b>2,573,300</b>	2,429,460
Add: Additions	-	-	5,184	29,138	<b>34,322</b>	143,840
Closing Balance	<b>79,392</b>	<b>61,040</b>	<b>749,722</b>	<b>1,717,468</b>	<b>2,607,622</b>	2,573,300
<b>ACCUMULATED AMORTIZATION</b>						
Opening Balance	47,476	57,912	608,927	952,189	<b>1,666,504</b>	1,531,045
Add: Amortization	5,150	1,251	39,976	96,547	<b>142,924</b>	135,459
Closing Balance	<b>52,626</b>	<b>59,163</b>	<b>648,903</b>	<b>1,048,736</b>	<b>1,809,428</b>	1,666,504
<b>Net Book Value for year ended December 31, 2021</b>	<b>26,766</b>	<b>1,877</b>	<b>100,819</b>	<b>668,732</b>	<b>798,194</b>	906,796

**North Island 9-1-1 Corporation**  
**Schedule of Funding from Local Governments**  
**Year ended December 31, 2021**

**Schedule B**

	2021		2020	
Regional District Participants				
Comox Valley	31.05%	\$ 796,271	32.04%	\$ 805,657
Nanaimo	24.65%	632,175	28.26%	710,686
Strathcona	18.67%	478,858	16.94%	425,908
Alberni-Clayoquot	13.34%	342,198	12.48%	313,874
qathet	8.47%	217,265	7.74%	194,585
Mount Waddington	3.82%	97,848	2.54%	63,973
	100.00%	\$ 2,564,615	100.00%	\$ 2,514,683

**Shareholders' Contribution Percentage**

Section 4.4 of Schedule A, Bylaw 1711, cited as "Comox-Strathcona North Island 9-1-1 Corporation By-law, 1994" reads as follows:

"Each Shareholders' respective contribution percentage of funds required from time to time by the Company shall be reassessed by the Company annually, on the basis of net taxable value of land and improvements assessed for hospital purposes, within the Shareholders' jurisdiction, commencing from the date of this Agreement, and upon the withdrawal or addition of a Shareholder, any such change to be determined as if a Major Decision of the Board."

# North Island 9-1-1 Corporation

## Schedule of General Government Services Expenses Year ended December 31, 2021

Schedule C

	2021 Budget (Note 6)	2021 Actual	2020 Actual
<b>Comox Valley Regional District Support Services</b>			
Administrative support services	\$ 132,600	\$ 132,600	\$ 132,600
Mapping and information technology support services	183,179	127,783	92,844
	<u>\$ 315,779</u>	<u>\$ 260,383</u>	<u>\$ 225,444</u>

## Schedule of Protective Services Expenses Year ended December 31, 2021

Schedule D

	2021 Budget (Note 6)	2021 Actual	2020 Actual
Advertising	\$ 5,000	\$ 857	\$ 800
Amortization of tangible capital assets (Schedule A)	-	142,924	135,459
Bank charges and interest	1,500	3,917	1,750
Contract services - City of Campbell River fire dispatch	1,378,000	1,378,018	1,333,000
Contract services - E-Comm PSAP call answer services	477,467	472,740	452,380
Insurance	40,002	38,895	36,856
Licences and permits	264,539	226,373	201,406
Minor capital	52,000	51,941	38,418
Office supplies and other	5,350	1,882	2,796
Professional fees	45,500	57,227	34,741
Property taxes	6,456	1,237	-
Rental/lease - land/machine and equipment	64,712	35,092	35,988
Repairs and maintenance	72,000	78,873	40,275
Telephone	160,783	154,648	144,510
Training and development (recovery)	3,500	(609)	1,062
Travel	11,000	2,781	908
Vehicle insurance (recovery)	4,594	(781)	4,887
Wages and employee benefits	137,803	128,313	128,220
	<u>\$ 2,730,206</u>	<u>\$ 2,774,328</u>	<u>\$ 2,593,456</u>