



***North Island 9-1-1 Corporation  
Financial Statements  
Year Ended December 31, 2012***

**North Island 9-1-1 Corporation**

**Incorporated 1995**

**2012**

**Board of Directors**

J. Ambler (President)	Comox Valley Regional District
J. Douglas	Alberni-Clayoquot Regional District
C. Palmer/M. Hathaway	Powell River Regional District
P. Wainwright	Regional District of Mount Waddington
J. Stanhope	Regional District of Nanaimo
N. Anderson	Strathcona Regional District

**North Island 9-1-1 Corporation**  
**Financial Statements**  
**Year ended December 31, 2012**

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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.

BDO Canada LLP, Chartered Accountants, the corporation's independent auditor, have 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 'E.J. Dunlop', written over a light grey rectangular background.

E.J. Dunlop, CGA  
Officer responsible for Financial Administration,  
pursuant to Section 199 of the Local Government Act



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## Independent Auditor's Report

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To the Shareholders  
North Island 9-1-1 Corporation

We have audited the accompanying financial statements of the North Island 9-1-1 Corporation, which comprise the Statement of Financial Position as at December 31, 2012, and the Statements of Operations, Change in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies, and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

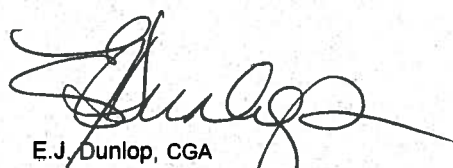
In our opinion, the financial statements present fairly, in all material respects, the financial position of the North Island 9-1-1 Corporation as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.


Chartered Accountants

Vancouver, British Columbia  
June 21, 2013

**North Island 9-1-1 Corporation**  
**Statement of Financial Position**  
**December 31, 2012**

	2012	2011
<b>Financial Assets</b>		
Cash (Note 3)	\$ 1,543,921	\$ 1,430,697
Security deposits	1,000	2,000
Receivables -Federal government	25,675	32,107
-Provincial government	-	838
-Local government	20,706	34,201
-Other	4,420	56,413
<b>Total Financial Assets</b>	<b>1,595,722</b>	<b>1,556,256</b>
<b>Liabilities</b>		
Payables -Federal government	88,234	85,968
-Provincial government	1,231	1,397
-Local government	12,928	22,432
Trade accounts and accrued liabilities	56,660	78,484
Deferred revenue	17,105	2,438
<b>Total Liabilities</b>	<b>176,158</b>	<b>190,719</b>
<b>Net Financial Assets</b>	<b>1,419,564</b>	<b>1,365,537</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	10,231	8,395
Tangible capital assets (Schedule A)	1,036,736	1,053,349
<b>Total Non-Financial Assets</b>	<b>1,046,967</b>	<b>1,061,744</b>
 <b>Accumulated Surplus (Note 4)</b>	 <b>\$ 2,466,531</b>	 <b>\$ 2,427,281</b>

  
E.J. Dunlop, CGA  
Corporate Financial Officer

  
J. Ambler  
President

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

**North Island 9-1-1 Corporation**  
**Statement of Operations**  
**Year ended December 31, 2012**

	2012	<b>2012</b>	2011
	Budget (Note 7)	<b>Actual</b>	Actual
<b>Revenue</b>			
Conditional transfers from local governments (Schedule B)	\$ 1,915,514	<b>\$ 1,915,514</b>	\$ 1,915,514
Sales of service - other local governments	2,233	<b>2,058</b>	2,233
Sub-licence revenue	45,457	<b>48,234</b>	38,790
Interest	5,000	<b>17,706</b>	16,581
Other revenue	6,000	<b>22,501</b>	18,675
Gain on foreign exchange currency transactions	-	-	12,177
Gain on disposal of tangible capital assets	-	-	10,045
<b>Total Revenue</b>	<u>1,974,204</u>	<u><b>2,006,013</b></u>	<u>2,014,015</u>
<b>Expenses</b>			
General government services (Schedule C)	202,177	<b>200,728</b>	201,735
Protective services (Schedule D)	1,796,437	<b>1,766,035</b>	1,628,599
<b>Total Expenses</b>	<u>1,998,614</u>	<u><b>1,966,763</b></u>	<u>1,830,334</u>
<b>Annual Surplus</b>	(24,410)	<b>39,250</b>	183,681
<b>Accumulated Surplus, beginning of year</b>	<u>2,427,281</u>	<u><b>2,427,281</b></u>	<u>2,243,600</u>
<b>Accumulated Surplus, end of year</b>	<u>\$ 2,402,871</u>	<u><b>\$ 2,466,531</b></u>	<u>\$ 2,427,281</u>

The accompanying notes and schedules 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, 2012**

	2012 <u>Budget</u> (Note 7)	<b>2012</b> <u>Actual</u>	2011 <u>Actual</u>
<b>Annual Surplus</b>	\$ (24,410)	<b>\$ 39,250</b>	\$ 183,681
Acquisition of tangible capital assets	(181,852)	<b>(136,765)</b>	(399,068)
Amortization of tangible capital assets	-	<b>144,449</b>	105,802
Change in prepaid expenses	-	<b>(1,836)</b>	15,321
Proceeds from disposal of tangible capital assets	-	<b>10</b>	71,121
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u><b>8,919</b></u>	<u>(10,045)</u>
<b>Increase (Decrease) in Net Financial Assets</b>	(206,262)	<b>54,027</b>	(33,188)
<b>Net Financial Assets, beginning of year</b>	<u>1,365,537</u>	<u><b>1,365,537</b></u>	<u>1,398,725</u>
<b>Net Financial Assets, end of year</b>	<u>\$ 1,159,275</u>	<u><b>\$ 1,419,564</b></u>	<u>\$ 1,365,537</u>

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



**North Island 9-1-1 Corporation**  
**Statement of Cash Flows**  
**Year ended December 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>Operating Transactions</b>		
Annual Surplus	\$ 39,250	\$ 183,681
Changes in non-cash operating balances		
Receivables	73,758	(37,700)
Payables and accrued liabilities	(29,228)	41,224
Prepaid expenses	(1,836)	15,321
Deferred revenue	14,667	(6,667)
Items not utilizing cash		
Amortization of tangible capital assets	144,449	105,802
Gain (loss) on disposal of tangible capital assets	8,919	(10,045)
<b>Cash Provided by Operating Transactions</b>	<u>249,979</u>	<u>291,616</u>
<b>Capital Transactions</b>		
Proceeds from disposal of tangible capital assets	10	71,121
Acquisition of tangible capital assets	(136,765)	(399,068)
<b>Cash Applied to Capital Transactions</b>	<u>(136,755)</u>	<u>(327,947)</u>
<b>Net change in Cash</b>	113,224	(36,331)
<b>Cash, beginning of year</b>	<u>1,430,697</u>	<u>1,467,028</u>
<b>Cash, end of year</b>	<u>\$ 1,543,921</u>	<u>\$ 1,430,697</u>

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

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2012**

**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% owned by British Columbia regional districts (Note 5), 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 Canadian Institute of Chartered Accountants.

**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) Tangible Capital Assets**

Tangible capital assets are recorded at cost, net of tangible capital asset disposals, write-downs and amortization. The cost of the tangible capital assets, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, are amortized on a straight line basis over their estimated useful lives as follows:

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

**d) 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. Interest revenue is recorded when earned. Deferred revenue consists of sub-license revenue received during the year that relates to future periods. Sub-licence revenue is recorded when earned.

**e) 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.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2012**

Significant areas requiring management estimates are the determination of amortization of tangible capital assets, the useful lives of these assets 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. Cash**

Cash includes \$4,463 in US funds which has been translated to \$4,440 Canadian at the December 31, 2012 exchange rate (2011 - \$135,161 USD translated to \$137,459 CAD). Transactions in US foreign currency during the year resulted in a loss on foreign currency transactions of \$1,575 (2011 - gain of \$12,177).

**4. Accumulated Surplus**

	<u>2012</u>	<u>2011</u>
Equity in tangible capital assets	<b>\$1,036,736</b>	\$1,053,349
Operating surplus	<b>280,970</b>	242,382
General operating contingency reserve	<b>97,969</b>	80,694
Future expenditure reserve	<b>1,000,468</b>	1,000,468
Insurance reserve	<b>50,367</b>	50,367
Share capital (Note 5)	<b>21</b>	21
	<u><b>\$2,466,531</b></u>	<u>\$2,427,281</u>

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.

**5. Share Capital**

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

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

	<u>2012</u>	<u>2011</u>
Comox Valley Regional District	<b>\$ 6</b>	\$6
Regional District of Nanaimo	<b>5</b>	5
Alberni-Clayoquot Regional District	<b>3</b>	3
Regional District of Mount Waddington	<b>1</b>	1
Powell River Regional District	<b>2</b>	2
Strathcona Regional District	<b>4</b>	4
	<u><b>\$ 21</b></u>	<u>\$ 21</u>

**6. Related Party Transactions**

During the year, one of the shareholders, the Comox Valley Regional District, provided support services, including the services of a mapping coordinator, in the amount of \$200,728 (2011 - \$201,735) to the corporation as detailed on Schedule C.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2012**

Payables to local governments at year end include \$11,591 (2011 - \$22,014) due to the Comox Valley Regional District.

**7. Restatement of 2012 Budget**

The budget amounts presented throughout these financial statements represent the budget approved by the corporation's board on March 23, 2012.

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 2012 approved budget to the Statement of Operations.

Budgeted surplus, as approved March 23, 2012	\$ -
Add:	
Capital acquisitions	181,852
Transfer to reserves	68,000
Less:	
Transfers from reserves	(31,880)
Transfers from previous year surpluses	<u>(242,382)</u>
<b>Budgeted Annual Deficit, as restated</b>	<b><u>\$ (24,410)</u></b>

**North Island 9-1-1 Corporation**  
**Schedule of Tangible Capital Assets**  
**Year ended December 31, 2012**

**Schedule A**

	Office Furniture & Equipment	Vehicles	IT Infrastructure	Communication Infrastructure	Work in Progress	December 31, 2012	December 31, 2011
<b>Cost</b>							
<b>Balance, beginning of year</b>	\$ 58,233	\$ 53,534	\$ 79,254	\$ 1,456,892	\$ 231,148	\$ 1,879,061	\$ 1,585,757
Add:							
Additions	-	-	336,750	-	(199,985)	136,765	399,068
Less:							
Disposals	-	-	-	(15,530)	-	(15,530)	(105,764)
	-						
<b>Balance, end of year</b>	<b>58,233</b>	<b>53,534</b>	<b>416,004</b>	<b>1,441,362</b>	<b>31,163</b>	<b>2,000,296</b>	1,879,061
<b>Accumulated Amortization</b>							
Balance, beginning of year	32,689	4,461	54,378	734,184	-	825,712	764,598
Add:							
Amortization	5,823	8,923	42,830	86,873	-	144,449	105,802
Less:							
Accumulated amortization on disposals	-	-	-	(6,601)	-	(6,601)	(44,688)
<b>Balance, end of year</b>	<b>38,512</b>	<b>13,384</b>	<b>97,208</b>	<b>814,456</b>	-	<b>963,560</b>	825,712
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 19,721</b>	<b>\$ 40,150</b>	<b>\$ 318,796</b>	<b>\$ 626,906</b>	<b>\$ 31,163</b>	<b>\$ 1,036,736</b>	<b>\$ 1,053,349</b>

**North Island 9-1-1 Corporation**  
**Schedule of Conditional Transfers from Local Governments**  
**Year ended December 31, 2012**

**Schedule B**

	2012		2011	
<b>Regional District Participants</b>				
Comox Valley	<b>30.82%</b>	<b>\$ 590,398</b>	30.58%	\$ 585,855
Nanaimo	<b>26.91%</b>	<b>515,536</b>	26.69%	511,259
Strathcona	<b>17.42%</b>	<b>333,665</b>	17.67%	338,535
Alberni-Clayoquot	<b>13.07%</b>	<b>250,328</b>	13.21%	253,052
Powell River	<b>8.59%</b>	<b>164,613</b>	8.53%	163,483
Mount Waddington	<b>3.18%</b>	<b>60,974</b>	3.31%	63,330
	<b>100.00%</b>	<b>\$ 1,915,514</b>	100.00%	\$ 1,915,514

**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, 2012**

**Schedule C**

	2012 Budget (Note 7)	2012 Actual	2011 Actual
<b>Comox Valley Regional District Support Services</b>			
Administrative support services	\$ 126,195	\$ 126,195	\$ 128,927
Mapping co-ordinator support services	75,982	74,533	72,808
	<u>\$ 202,177</u>	<u>\$ 200,728</u>	<u>\$ 201,735</u>

**Schedule of Protective Services Expenses**  
**Year ended December 31, 2012**

**Schedule D**

	2012 Budget (Note 7)	2012 Actual	2011 Actual
Advertising	\$ 8,000	\$ -	\$ 256
Amortization of tangible capital assets (Schedule A)	-	144,449	105,802
Bank charges and interest	5,000	1,934	-
Contract services - City of Campbell River fire dispatch	885,113	848,771	822,657
Contract services - RCMP	400,000	303,506	323,962
Insurance	29,300	28,546	26,886
Licences and permits	17,420	11,813	21,380
Loss on disposal of tangible capital asset (Schedule A)	-	8,919	-
Minor capital assets	60,500	66,480	18,881
Office supplies and other	6,500	5,559	4,099
Professional fees	45,500	51,899	19,611
Rental/lease - land/machine and equipment	34,600	23,633	26,032
Repairs and maintenance	75,000	63,277	66,753
Telephone	119,088	103,763	96,632
Training and development	7,000	1,202	-
Travel	7,000	3,069	4,557
Vehicle insurance	2,000	1,815	1,563
Wages and employee benefits	93,636	96,734	88,754
Workers' Compensation Board	780	666	774
	<u>\$ 1,796,437</u>	<u>\$ 1,766,035</u>	<u>\$ 1,628,599</u>