



***North Island 9-1-1 Corporation  
Financial Statements  
Year Ended December 31, 2015***

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

**Incorporated 1995**

**2015**

**Board of Directors**

J. McNabb	Alberni-Clayoquot Regional District
S. McCormick	Powell River Regional District
P. Wainwright	Regional District of Mount Waddington
J. Stanhope	Regional District of Nanaimo
L. Samson (President)	Strathcona Regional District
B. Wells	Comox Valley Regional District

**North Island 9-1-1 Corporation**  
**Financial Statements**  
**Year ended December 31, 2015**

Statement of Management Responsibility  
Independent Auditor's Report  
Statement of Financial Position  
Statement of Operations  
Statement of Change in Net Financial Assets  
Statement of Cash Flows  
Notes to the Financial Statements

Schedules

- A Schedule of Tangible Capital Assets
- B Schedule of Funding from Local Governments
- C General Government Services Expenses
- D Protective Services Expenses



## 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 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 'E.J. Dunlop', written over a light grey rectangular background.

E.J. Dunlop, CPA, CGA  
Officer responsible for Financial Administration,  
pursuant to Section 237 of the Local Government Act (RSBC 2015, C.1)

May 13, 2016



Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
600 Cathedral Place  
925 West Georgia Street  
Vancouver BC V6C 3L2 Canada

---

## Independent Auditor's Report

---

### To the Board of Directors North Island 9-1-1 Corporation

We have audited the accompanying financial statements of the North Island 9-1-1 Corporation, which comprise of the Statement of Financial Position as at December 31, 2015, 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, 2015, and the results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Vancouver, British Columbia  
May 13, 2016

**North Island 9-1-1 Corporation**  
**Statement of Financial Position**  
**December 31, 2015**

	2015	2014
<b>Financial Assets</b>		
Cash (Note 3)	\$ 688,231	\$ 865,363
Security deposits	1,000	1,000
Receivables -Federal government	16,836	13,651
-Local government	1,600	19,258
-Other	583	5,395
<b>Total Financial Assets</b>	<b>708,250</b>	<b>904,667</b>
<b>Liabilities</b>		
Payables -Federal government	4,584	7,060
-Provincial government	1,876	1,477
-Local government	28,925	138,324
Trade accounts and accrued liabilities	25,220	138,136
Deferred revenue	17,205	18,500
<b>Total Liabilities</b>	<b>77,810</b>	<b>303,497</b>
<b>Net Financial Assets</b>	<b>630,440</b>	<b>601,170</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	75,336	57,849
Tangible capital assets (Schedule A)	1,135,869	1,296,250
<b>Total Non-Financial Assets</b>	<b>1,211,205</b>	<b>1,354,099</b>
<b>Accumulated Surplus (Note 4)</b>	<b>\$ 1,841,645</b>	<b>\$ 1,955,269</b>



E.J. Dunlop, CPA, CGA  
 Corporate Financial Officer



Larry Samson  
 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, 2015**

	2015	<b>2015</b>	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 7)		
<b>Revenue</b>			
Funding from local governments (Schedule B)	\$ 2,215,823	<b>\$ 2,215,823</b>	\$ 2,119,400
Sales of service - other local governments		-	2,058
Sub-licence revenue	37,928	<b>38,535</b>	37,229
Interest	5,000	<b>6,439</b>	14,042
Other revenue	<u>6,720</u>	<u><b>13,991</b></u>	<u>26,583</u>
<b>Total Revenue</b>	<u>2,265,471</u>	<u><b>2,274,788</b></u>	<u>2,199,312</u>
<b>Expenses</b>			
General government services (Schedule C)	211,537	<b>211,092</b>	208,496
Protective services (Schedule D)	<u>2,078,044</u>	<u><b>2,177,320</b></u>	<u>2,197,202</u>
<b>Total Expenses</b>	<u>2,289,581</u>	<u><b>2,388,412</b></u>	<u>2,405,698</u>
<b>Annual Deficit</b>	(24,110)	<b>(113,624)</b>	(206,386)
<b>Accumulated Surplus, beginning of year</b>	<u>1,955,269</u>	<u><b>1,955,269</b></u>	<u>2,161,655</u>
<b>Accumulated Surplus, end of year</b>	<u>\$ 1,931,159</u>	<u><b>\$ 1,841,645</b></u>	<u>\$ 1,955,269</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, 2015**

	2015 <u>Budget</u> (Note 7)	<b>2015</b> <u>Actual</u>	2014 <u>Actual</u>
<b>Annual Deficit</b>	\$ (24,110)	<b>\$ (113,624)</b>	\$ (206,386)
Acquisition of tangible capital assets	(145,700)	<b>(55,188)</b>	(310,059)
Amortization of tangible capital assets	-	<b>201,916</b>	185,857
Change in prepaid expenses	-	<b>(17,487)</b>	(5,772)
Loss on disposal of tangible capital assets	-	<b>13,653</b>	-
<b>Change in Net Financial Assets</b>	<u>(169,810)</u>	<u><b>29,270</b></u>	<u>(336,360)</u>
<b>Net Financial Assets, beginning of year</b>	<u>601,170</u>	<u><b>601,170</b></u>	<u>937,530</u>
<b>Net Financial Assets, end of year</b>	<u>\$ 431,360</u>	<u><b>\$ 630,440</b></u>	<u>\$ 601,170</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, 2015**

	2015	2014
<b>Operating Transactions</b>		
Annual Deficit	\$ (113,624)	\$ (206,386)
Changes in non-cash operating balances		
Receivables	19,285	(2,602)
Payables and accrued liabilities	(224,392)	(317,306)
Prepaid expenses	(17,487)	(5,772)
Deferred revenue	(1,295)	1,301
Items not utilizing cash		
Amortization of tangible capital assets	201,916	185,857
Loss on disposal of tangible capital assets	13,653	-
<b>Cash Applied to Operating Transactions</b>	<b>(121,944)</b>	<b>(344,908)</b>
<b>Capital Transactions</b>		
Acquisition of tangible capital assets	(55,188)	(310,059)
<b>Cash Applied to Capital Transactions</b>	<b>(55,188)</b>	<b>(310,059)</b>
<b>Net change in Cash</b>	<b>(177,132)</b>	<b>(654,967)</b>
<b>Cash, beginning of year</b>	<b>865,363</b>	<b>1,520,330</b>
<b>Cash, end of year</b>	<b>\$ 688,231</b>	<b>\$ 865,363</b>

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, 2015**

**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 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 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:

Office furniture and equipment	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

**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. 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.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2015**

**f) Liability for Contaminated Sites**

On January 1, 2015, the corporation adopted PS3260 Liability for Contaminated Sites. The adoption of this standard has not resulted in any charge to the financial statements of the corporation.

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. Any liability will 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.

**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 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. Cash**

Cash includes \$1,017 in US funds which has been translated to \$1,407 Canadian at the December 31, 2015 exchange rate (2014 - \$1,017 USD translated to \$1,180 CAD). Transactions in US foreign currency during the year resulted in a gain on foreign currency transactions of \$228 (2014 – gain of \$98).

**4. Accumulated Surplus**

	<b>2015</b>	2014
Equity in tangible capital assets	<b>\$1,135,869</b>	\$1,296,250
Operating surplus	<b>126,055</b>	72,469
General operating contingency reserve	<b>18,359</b>	-
Future expenditure reserve	<b>510,974</b>	536,162
Insurance reserve	<b>50,367</b>	50,367
Share capital (Note 5)	<b>21</b>	21
	<b>\$1,841,645</b>	\$1,955,269

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2015**

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:	<b>2015</b>	2014
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
	<b>\$ 21</b>	\$ 21

**6. Related Party Transactions**

During the year, one of the shareholders, the Comox Valley Regional District, provided administrative support services and the services of a mapping coordinator, in the amount of \$211,092 (2014 - \$208,496) to the corporation as detailed on Schedule C.

Payables to local governments at year end include \$11,203 (2014 - \$11,629) due to the Comox Valley Regional District.

**7. Restatement of 2015 Budget**

The budget amounts presented throughout these financial statements represent the budget approved by the corporation's board on March 6, 2015.

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 2015 approved budget to the Statement of Operations.

Budgeted surplus, as approved March 6, 2015	\$	-
Add:		
Capital acquisitions		145,700
Budgeted transfers to reserves		48,359
Less:		
Transfers from reserves		(145,700)
Transfers from previous years' surplus		(72,469)
<b>Budgeted Annual Deficit, as restated</b>		<b>\$ (24,110)</b>

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2015**

**8. Commitments**

In April 2013, the corporation entered into a five year agreement with the City of Campbell River for fire dispatch services. The remaining commitment under the agreement, which expires March 31, 2018, is approximately \$2,669,432 and is based on an agreed upon fixed rate for 2016 and incremental annual increases.

In October 2014, the corporation entered into a five year agreement with E-Comm Emergency Communications for Southwest British Columbia Incorporated for 9-1-1 public safety answer point (PSAP) services. The remaining commitment under this agreement, which expires October 20, 2019, is approximately \$1,551,820.

**North Island 9-1-1 Corporation**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2015**

Schedule A

	Office Furniture & Equipment	Vehicles	IT Infrastructure	Communication Infrastructure	Work in Progress	<b>December 31, 2015</b>	December 31, 2014
<b>Cost</b>							
Balance, beginning of year	\$ 58,233	\$ 53,533	\$ 541,710	\$ 1,967,778	\$ 7,262	\$ <b>2,628,516</b>	\$ 2,318,457
Add:							
Additions	-	-	20,760	11,332	23,096	<b>55,188</b>	310,059
Less: Disposals	(30,339)	-	-	-	-	<b>(30,339)</b>	-
Less:							
Work in progress capitalized	30,358	-	-	-	(30,358)	-	-
Balance, end of year	<u>58,252</u>	<u>53,533</u>	<u>562,470</u>	<u>1,979,110</u>	<u>-</u>	<u><b>2,653,365</b></u>	<u>2,628,516</u>
<b>Accumulated Amortization</b>							
Balance, beginning of year	44,580	31,228	277,463	978,995	-	<b>1,332,266</b>	1,146,409
Add:							
Amortization	1,518	8,922	95,561	95,915	-	<b>201,916</b>	185,857
Less: Accumulated amortization on disposals	(16,686)	-	-	-	-	<b>(16,686)</b>	-
Balance, end of year	<u>29,412</u>	<u>40,150</u>	<u>373,024</u>	<u>1,074,910</u>	<u>-</u>	<u><b>1,517,496</b></u>	<u>1,332,266</u>
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 28,840</u>	<u>\$ 13,383</u>	<u>\$ 189,446</u>	<u>\$ 904,200</u>	<u>\$ -</u>	<u>\$ <b>1,135,869</b></u>	<u>\$ 1,296,250</u>

**North Island 9-1-1 Corporation  
Schedule of Funding from Local Governments  
Year ended December 31, 2015**

**Schedule B**

	2015		2014	
<b>Regional District Participants</b>				
Comox Valley	<b>31.60%</b>	<b>\$ 700,214</b>	31.22%	\$ 671,796
Nanaimo	<b>26.45%</b>	<b>586,077</b>	27.07%	567,172
Strathcona	<b>17.43%</b>	<b>386,251</b>	17.12%	364,941
Alberni-Clayoquot	<b>12.87%</b>	<b>285,094</b>	12.92%	272,503
Powell River	<b>8.13%</b>	<b>180,201</b>	8.42%	174,438
Mount Waddington	<b>3.52%</b>	<b>77,986</b>	3.25%	68,550
	<b><u>100.00%</u></b>	<b><u>\$ 2,215,823</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 2,119,400</u></b>

**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, 2015**

**Schedule C**

	2015 Budget (Note 7)	2015 Actual	2014 Actual
<b>Comox Valley Regional District Support Services</b>			
Administrative support services	\$ 130,000	\$ 130,000	\$ 130,000
Mapping co-ordinator support services	81,537	81,092	78,496
	<u>\$ 211,537</u>	<u>\$ 211,092</u>	<u>\$ 208,496</u>

**Schedule of Protective Services Expenses**  
**Year ended December 31, 2015**

**Schedule D**

	2015 Budget (Note 7)	2015 Actual	2014 Actual
Advertising	\$ 2,500	\$ -	\$ 363
Amortization of tangible capital assets (Schedule A)	-	201,916	185,857
Bank charges and interest	1,000	1,082	278
Contract services - City of Campbell River fire dispatch	1,093,031	1,110,323	1,039,987
Contract services - RCMP PSAP call answer services	-	-	405,385
Contract services - E-Comm PSAP call answer services	416,123	358,840	89,630
Insurance	31,165	28,856	28,856
Licences and permits	90,616	74,893	78,799
Loss on disposal of tangible capital asset (Schedule A)	-	13,653	-
Minor capital	46,500	26,846	27,688
Office supplies and other	6,000	6,557	4,860
Professional fees	31,000	15,226	26,501
Rental/lease - land/machine and equipment	33,731	29,070	31,198
Repairs and maintenance	80,000	73,852	48,999
Telephone	119,924	121,530	111,485
Training and development	7,000	-	675
Travel	7,000	5,403	9,393
Vehicle insurance	2,500	2,027	1,737
Wages and employee benefits	109,954	107,246	105,511
	<u>\$ 2,078,044</u>	<u>\$ 2,177,320</u>	<u>\$ 2,197,202</u>