



***North Island 9-1-1 Corporation  
Financial Statements  
Year Ended December 31, 2019***

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

**Incorporated 1995**

**Board of Directors  
As at December 31, 2019**

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

**North Island 9-1-1 Corporation**  
**Financial Statements**  
**Year ended December 31, 2019**

Statement of Management's Responsibility  
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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 'E. J. Dunlop', written over a light grey rectangular background.

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

March 13, 2020

# Independent Auditor's Report

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To the Board Board of Directors 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, 2019, 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, 2019, and the results of its operations 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 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

March 13, 2020

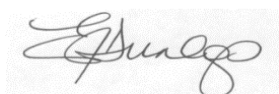
*MNP LLP*

Chartered Professional Accountants

**North Island 9-1-1 Corporation**  
**Statement of Financial Position**  
**December 31, 2019**

	2019	2018
<b>Financial Assets</b>		
Cash (Note 3)	\$ 563,968	\$ 633,127
Security deposits	1,000	1,000
Receivables -Federal government	31,657	80,064
-Provincial government	3,000	3,000
-Local government	57,267	56,920
-Other	13,547	1,249
<b>Total Financial Assets</b>	<b>670,439</b>	<b>775,360</b>
<b>Liabilities</b>		
Payables -Federal government	4,621	7,511
-Provincial government	3,265	9,978
-Local government (Note 6)	42,515	29,509
Trade accounts and accrued liabilities	38,783	118,853
Short term loan	35,000	-
Deferred revenue	17,504	17,504
<b>Total Liabilities</b>	<b>141,688</b>	<b>183,355</b>
<b>Net Financial Assets</b>	<b>528,751</b>	<b>592,005</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	106,220	111,853
Tangible capital assets (Schedule A)	898,414	937,725
<b>Total Non-Financial Assets</b>	<b>1,004,634</b>	<b>1,049,578</b>
<b>Accumulated Surplus (Note 4)</b>	<b>\$ 1,533,385</b>	<b>\$ 1,641,583</b>

**Commitments (Note 8)**



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



John McNabb  
 President

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

**North Island 9-1-1 Corporation**  
**Statement of Operations and Accumulated Surplus**  
**Year ended December 31, 2019**

	2019	2019	2018
	Budget	Actual	Actual
	(Note 7)		
<b>Revenue</b>			
Funding from local governments (Schedule B)	\$ 2,385,261	\$ 2,385,261	\$ 2,385,261
Sales of service - other local governments	126,668	126,668	124,185
Sub-licence revenue	41,200	39,940	39,962
Interest	5,000	12,899	13,936
Other revenue	28,160	75,223	93,285
<b>Total Revenue</b>	<u>2,586,289</u>	<u>2,639,991</u>	<u>2,656,629</u>
<b>Expenses</b>			
General government services (Schedule C)	223,775	220,589	219,801
Protective services (Schedule D)	2,488,457	2,527,600	2,456,865
<b>Total Expenses</b>	<u>2,712,232</u>	<u>2,748,189</u>	<u>2,676,666</u>
<b>Annual Deficit</b>	(125,943)	(108,198)	(20,037)
<b>Accumulated Surplus, beginning of year</b>	<u>1,641,583</u>	<u>1,641,583</u>	<u>1,661,620</u>
<b>Accumulated Surplus, end of year</b>	<u>\$ 1,515,640</u>	<u>\$ 1,533,385</u>	<u>\$ 1,641,583</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, 2019**

	2019	2019	2018
	<u>Budget</u> (Note 7)	<u>Actual</u>	<u>Actual</u>
<b>Annual Deficit</b>	\$ (125,943)	<b>\$ (108,198)</b>	\$ (20,037)
Acquisition of tangible capital assets	(95,000)	<b>(93,912)</b>	(105,083)
Amortization of tangible capital assets	-	<b>133,222</b>	130,558
Change in prepaid expenses	-	<b>5,634</b>	(22,472)
<b>Change in Net Financial Assets</b>	<u>(220,943)</u>	<u><b>(63,254)</b></u>	<u>(17,034)</u>
<b>Net Financial Assets, beginning of year</b>	<u>592,005</u>	<u><b>592,005</b></u>	<u>609,039</u>
<b>Net Financial Assets, end of year</b>	<u>\$ 371,062</u>	<u><b>\$ 528,751</b></u>	<u>\$ 592,005</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, 2019**

	2019	2018
<b>Operating Transactions</b>		
Annual Deficit	\$ (108,198)	\$ (20,037)
Changes in non-cash operating balances		
Receivables	35,762	59,351
Payables and accrued liabilities	(76,667)	100,853
Prepaid expenses	5,634	(22,472)
Deferred revenue	-	1,837
Items not utilizing cash		
Amortization of tangible capital assets	133,222	130,558
<b>Cash Provided by (Applied to) Operating Transactions</b>	<b>(10,247)</b>	<b>250,090</b>
<b>Capital Transactions</b>		
Acquisition of tangible capital assets	(93,912)	(105,083)
<b>Cash Applied to Capital Transactions</b>	<b>(93,912)</b>	<b>(105,083)</b>
<b>Financing Transactions</b>		
Short term loan proceeds	35,000	-
<b>Cash Provided by Financing Transactions</b>	<b>35,000</b>	<b>-</b>
<b>Net change in Cash</b>	<b>(69,159)</b>	<b>145,007</b>
<b>Cash, beginning of year</b>	<b>633,127</b>	<b>488,120</b>
<b>Cash, end of year</b>	<b>\$ 563,968</b>	<b>\$ 633,127</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, 2019**

**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 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 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:

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. 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.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2019**

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

**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, 2019 as no such sites exist.

**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. Cash**

Cash includes \$1,017 in US funds which has been translated to \$1,321 Canadian at the December 31, 2019 exchange rate of 1.2988 (2018 - \$1,017 USD translated to \$1,387 CAD). Transactions in US foreign currency during the year resulted in a loss on foreign currency transactions of \$66 (2018 – gain of \$111).

**4. Accumulated Surplus**

	<u>2019</u>	<u>2018</u>
Equity in tangible capital assets	<b>\$ 898,414</b>	\$ 937,725
Operating surplus	<b>150,968</b>	195,663
General operating contingency reserve	<b>89,573</b>	86,073
Future expenditure reserve	<b>344,042</b>	371,734
Insurance reserve	<b>50,367</b>	50,367
Share capital (Note 5)	<b>21</b>	21
	<u><b>\$1,533,385</b></u>	<u>\$1,641,583</u>

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2019**

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>2019</b>	2018
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
qathet 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 \$220,589 (2018 - \$219,801) to the corporation as detailed on Schedule C.

Payables to local governments at year end include \$40,873 (2018 - \$25,866) due to the Comox Valley Regional District.

**7. Restatement of 2019 Budget**

The budget amounts presented throughout these financial statements represent the budget approved by the corporation's board on March 15, 2019.

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 2019 approved budget to the Statement of Operations.

Budgeted surplus, as approved on March 15, 2019	\$	-
Add:		
Capital acquisitions		95,000
Budgeted transfers to reserves		69,720
Less:		
Transfers from reserves		(95,000)
Transfers from previous years' surplus		(195,663)
<b>Budgeted Annual Deficit, as restated</b>		<b>\$ (125,943)</b>

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2019**

**8. Commitments**

On December 20, 2016, the corporation entered into a five year agreement with the City of Campbell River for the provision of fire dispatch services. The agreement, which expires December 31, 2021, has a remaining commitment of up to \$2,711,000.

In October 2019, the corporation extended their five year agreement with E-Comm Emergency Communications for Southwest British Columbia Incorporated until December 31, 2020 for the provision of public safety answer point (PSAP) services. The commitment for this extension is approximately \$452,380.

**9. 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 May 2017 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 contractual rights arising from this agreement will result in future assets as follows:

2020	\$ 129,202
2021	131,786
	<hr/>
	<b>\$ 260,988</b>
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**North Island 9-1-1 Corporation**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2019**

Schedule A

	Office Furniture & Equipment	Vehicles	IT Infrastructure	Communication Infrastructure	Work in Progress	<b>December 31, 2019</b>	December 31, 2018
<b>Cost</b>							
Balance, beginning of year	\$ 68,302	\$ 61,039	\$ 654,845	\$ 1,880,129	\$ -	\$ 2,664,315	\$ 2,570,717
Add: Additions	-	-	64,900	29,012	-	93,912	123,952
Less:							
Disposals	-	-	(21,990)	(306,778)	-	(328,768)	(11,485)
Work in progress capitalized	-	-	-	-	-	-	(18,869)
Balance, end of year	68,302	61,039	697,755	1,602,363	-	2,429,459	2,664,315
<b>Accumulated Amortization</b>							
Balance, beginning of year	39,022	55,410	560,858	1,071,300	-	1,726,590	1,607,517
Add: Amortization	4,041	1,251	33,373	94,557	-	133,222	130,558
Less: Accumulated amortization on disposals	-	-	(21,989)	(306,778)	-	(328,767)	(11,485)
Balance, end of year	43,063	56,661	572,242	859,079	-	1,531,045	1,726,590
<b>Net Book Value of Tangible Capital Assets</b>	\$ 25,239	\$ 4,378	\$ 125,513	\$ 743,284	\$ -	\$ 898,414	\$ 937,725

**North Island 9-1-1 Corporation  
Schedule of Funding from Local Governments  
Year ended December 31, 2019**

**Schedule B**

	<b>2019</b>		<b>2018</b>	
<b>Regional District Participants</b>				
Comox Valley	<b>31.52%</b>	<b>\$ 751,748</b>	31.39%	\$ 748,636
Nanaimo	<b>28.56%</b>	<b>681,225</b>	27.99%	667,725
Strathcona	<b>16.71%</b>	<b>398,513</b>	17.07%	407,145
Alberni-Clayoquot qathet	<b>12.41%</b>	<b>296,064</b>	12.42%	296,261
Mount Waddington	<b>8.07%</b>	<b>192,435</b>	8.07%	192,403
	<b>2.73%</b>	<b>65,276</b>	3.06%	73,091
	<b>100.00%</b>	<b>\$ 2,385,261</b>	<b>100.00%</b>	<b>\$ 2,385,261</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, 2019**

**Schedule C**

	2019 Budget <small>(Note 7)</small>	2019 Actual	2018 Actual
<b>Comox Valley Regional District Support Services</b>			
Administrative support services	\$ 132,600	\$ 132,600	\$ 132,600
Mapping co-ordinator support services	91,175	87,989	87,201
	<u>\$ 223,775</u>	<u>\$ 220,589</u>	<u>\$ 219,801</u>

**Schedule of Protective Services Expenses**  
**Year ended December 31, 2019**

**Schedule D**

	2019 Budget <small>(Note 7)</small>	2019 Actual	2018 Actual
Advertising	\$ 10,000	\$ 933	\$ 22,221
Amortization of tangible capital assets (Schedule A)	-	133,222	130,558
Bank charges and interest	1,500	3,082	561
Contract services - City of Campbell River fire dispatch	1,289,000	1,289,000	1,247,000
Contract services - E-Comm PSAP call answer services	443,794	439,200	426,410
Insurance	35,426	34,901	30,615
Licences and permits	192,799	197,651	216,531
Minor capital	56,500	23,650	30,331
Office supplies and other	4,800	4,127	7,701
Professional fees	31,000	14,551	11,410
Property taxes	-	6,268	-
Rental/lease - land/machine and equipment	42,835	34,375	37,053
Repairs and maintenance	83,000	50,157	31,988
Telephone	142,424	142,518	124,453
Training and development	7,000	1,903	3,863
Travel	14,500	21,328	10,493
Vehicle insurance	2,760	2,855	2,692
Wages and employee benefits	131,119	127,879	122,985
	<u>\$ 2,488,457</u>	<u>\$ 2,527,600</u>	<u>\$ 2,456,865</u>