



***North Island 9-1-1 Corporation  
Financial Statements  
Year Ended December 31, 2022***

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

**Board of Directors  
As at December 31, 2022**

Regional District of Mount Waddington	A. Hory
Strathcona Regional District	J. Rice
Comox Valley Regional District	K. Grant
qathet Regional District	G. Doubt
Regional District of Nanaimo	S. McLean
Alberni-Clayoquot Regional District	B. Beckett

**North Island 9-1-1 Corporation**  
**Financial Statements**  
**Year ended December 31, 2022**

	Page
Statement of Management's Responsibility	
Independent Auditor's Report	
Statement of Financial Position	7
Statement of Operations and Accumulated Surplus	8
Statement of Change in Net Financial Assets	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Schedules	
A Schedule of Tangible Capital Assets	17
B Schedule of Funding from Local Governments	18



## 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 blue ink, appearing to read 'Lucy Wiwcharuk', written over a horizontal line.

Lucy Wiwcharuk, BMgmt., CPA, CMA  
Chief Financial Officer

June 23, 2023

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, 2022, 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, 2022, 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 23, 2023

*MNP LLP*

Chartered Professional Accountants

**North Island 9-1-1 Corporation**  
**Statement of Financial Position**  
**December 31, 2022**

	2022	2021
<b>Financial Assets</b>		
Cash	\$ 130,591	\$ 650,060
Security deposits	1,000	1,000
Accounts receivable (Note 3)	183,208	107,180
<b>Total Financial Assets</b>	314,799	758,240
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4 and Note 5)	303,513	171,815
Deferred revenue	17,000	19,504
<b>Total Liabilities</b>	320,513	191,319
<b>Net Financial Assets (Debt)</b>	(5,714)	566,921
<b>Non-Financial Assets</b>		
Prepaid expenses	564,464	102,854
Tangible capital assets (Schedule A)	853,076	798,194
<b>Total Non-Financial Assets</b>	1,417,540	901,048
<b>Accumulated Surplus (Note 6)</b>	\$ 1,411,826	\$ 1,467,969
<b>Commitments (Note 9)</b>		
<b>Contractual Rights (Note 10)</b>		
<b>Subsequent Event (Note 11)</b>		



Lucy Wiwcharuk, BMgmt., CPA, CMA  
 Chief Financial Officer



Ken Grant  
 President

**North Island 9-1-1 Corporation**  
**Statement of Operations and Accumulated Surplus**  
**Year ended December 31, 2022**

	2022	2022	2021
	Budget	Actual	Actual
	(Note 8)		
<b>Revenue</b>			
Funding from local governments (Schedule B)	\$ 2,637,912	\$ 2,637,912	\$ 2,564,615
Sales of service - other local governments	455,265	484,360	284,661
Sub-licence revenue	44,200	38,114	41,420
Interest	5,000	14,301	3,929
Other revenue	113,655	119,849	141,476
<b>Total Revenue</b>	<b>3,256,032</b>	<b>3,294,536</b>	<b>3,036,101</b>
<b>Expenses</b>			
Administrative and support services (Note 5)	132,600	132,600	132,600
Mapping and information technology support services (Note 5)	186,338	187,132	127,783
Advertising	5,000	-	857
Amortization	154,482	154,482	142,924
Bank charges and interest	1,500	1,497	3,917
Contract services - City of Campbell River fire dispatch	1,425,185	1,428,049	1,378,018
Contract services - E-Comm PSAP call answer services	544,810	544,810	472,740
Insurance	47,089	46,082	38,114
Licences and permits	323,347	324,271	226,373
Minor capital	59,400	72,108	51,941
Office supplies and other	5,350	3,614	1,882
Professional fees	47,000	40,854	57,227
Property taxes	1,280	1,218	1,237
Rental/lease - land/machine and equipment	54,452	30,533	35,092
Repairs and maintenance	87,000	43,168	78,873
Telephone	151,636	183,262	154,648
Travel and training	40,700	28,771	2,172
Wages and employee benefits	140,765	128,228	128,313
<b>Total Expenses</b>	<b>3,407,934</b>	<b>3,350,679</b>	<b>3,034,711</b>
<b>Annual Surplus (Deficit)</b>	<b>(151,902)</b>	<b>(56,143)</b>	<b>1,390</b>
<b>Accumulated Surplus, beginning of year</b>	<b>1,467,969</b>	<b>1,467,969</b>	<b>1,466,579</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 1,316,067</b>	<b>\$ 1,411,826</b>	<b>\$ 1,467,969</b>



**North Island 9-1-1 Corporation**  
**Statement of Change in Net Financial Assets (Debt)**  
**Year ended December 31, 2022**

	2022	2022	2021
	Budget	Actual	Actual
	(Note 8)		
<b>Annual Surplus (Deficit)</b>	\$ (151,902)	\$ (56,143)	\$ 1,390
Acquisition of tangible capital assets	(352,603)	(209,364)	(34,322)
Amortization of tangible capital assets	(154,482)	154,482	142,924
Change in prepaid expenses	-	(461,610)	(647)
<b>Change in Net Financial Assets (Debt)</b>	(658,987)	(572,635)	109,345
<b>Net Financial Assets, beginning of year</b>	566,921	566,921	457,576
<b>Net Financial Assets (Debt), end of year</b>	\$ (92,066)	\$ (5,714)	\$ 566,921

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

	2022	2021
<b>Operating Transactions</b>		
Annual Surplus (Deficit)	\$ (56,143)	\$ 1,390
Changes in non-cash operating balances		
Receivables	(76,028)	(61,235)
Payables and accrued liabilities	131,698	82,043
Prepaid expenses	(461,610)	(647)
Deferred revenue	(2,504)	2,000
Items not utilizing cash		
Amortization of tangible capital assets	154,482	142,924
<b>Cash Provided by Operating Transactions</b>	<b>(310,105)</b>	166,475
<b>Capital Transactions</b>		
Acquisition of tangible capital assets	(209,364)	(34,322)
<b>Increase (Decrease) in Cash</b>	<b>(519,469)</b>	<b>132,153</b>
<b>Cash, beginning of year</b>	<b>650,060</b>	517,907
<b>Cash, end of year</b>	<b>\$ 130,591</b>	\$ 650,060

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2022**

**1. Purpose**

The North Island 9-1-1 Corporation (the corporation) was incorporated under the British Columbia *Business Corporations Act* 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, 2022**

**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, 2022 as no such sites exist.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2022**

**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. Accounts receivable**

	<u>2022</u>	<u>2021</u>
Government of Canada	\$ 49,787	\$ 41,814
Province of British Columbia	-	3,000
Regional and local governments	71,666	30,655
Other trade receivables	61,755	31,711
	<u>\$ 183,208</u>	<u>\$ 107,180</u>

**4. Accounts payable and accrued liabilities**

	<u>2022</u>	<u>2021</u>
Government of Canada	\$ 5,543	\$ 5,357
Province of British Columbia	29,578	10,733
Regional and local governments	149,685	56,103
Other trade payables and accrued liabilities	118,707	99,622
	<u>\$ 303,513</u>	<u>\$ 171,815</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 \$319,732 (2021 - \$260,383) to the corporation.

Payables to regional and local governments at year end include \$149,685 (2021 - \$56,103) due to the Comox Valley Regional District.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2022**

**6. Accumulated Surplus**

	<u>2022</u>	<u>2021</u>
Equity in tangible capital assets	<b>\$853,076</b>	\$798,194
Unappropriated surplus	<b>159,518</b>	143,663
General operating contingency reserve	<b>100,073</b>	96,573
Future expenditure reserve	<b>248,771</b>	379,151
Insurance reserve	<b>50,367</b>	50,367
Share capital (Note 7)	<b>21</b>	21
	<u><b>\$1,411,826</b></u>	<u>\$1,467,969</u>

The reserve for future expenditures was established to provide for the expenditure for new capital works, machinery and equipment and the replacement of existing equipment and communication infrastructure.

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

**7. Share Capital**

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

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

	<u>2022</u>	<u>2021</u>
Regional District of Mount Waddington	<b>\$ 1</b>	\$ 1
Strathcona Regional District	<b>4</b>	4
Comox Valley Regional District	<b>6</b>	6
qathet Regional District	<b>2</b>	2
Regional District of Nanaimo	<b>5</b>	5
Alberni-Clayoquot Regional District	<b>3</b>	3
	<u><b>\$ 21</b></u>	<u>\$ 21</u>

**8. Restatement of Budget**

The budget amounts presented throughout these financial statements represent the budget approved by the corporation's board on March 11, 2022.

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.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2022**

**8. Restatement of Budget (continued)**

The budget amounts presented throughout these financial statements represent the budget adopted by the Board on March 11, 2022. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require financial statements to be prepared on a full accrual basis. The budget anticipated use of surpluses accumulated in prior years to reduce current year expenditures in excess of current year revenues. In addition, capital acquisitions were recognized as expenditures in the budget rather than including amortization expense. While the Board does not budget for amortization expense, it has been added to the Statement of Operations for comparability purposes.

The summary below reconciles the 2022 approved budget to the Statement of Operations.

Budgeted surplus, as approved on March 11, 2022	\$	-
Add:		
Capital acquisitions		352,603
Budgeted transfers to reserves		138,870
Less:		
Transfers from reserves		(352,603)
Transfers from previous years' surplus		(136,290)
Amortization		(154,482)
<b>Budgeted Annual Surplus, as restated</b>		<b><u>(151,902)</u></b>

**9. Commitments**

On October 5, 2022, the corporation entered into an agreement with the City of Campbell River for the provision of fire dispatch services. The agreement, which expires December 31, 2025, has a remaining commitment of up to \$4,742,000. The agreement may be extended for an additional two year term, provided that both parties agree to the operating costs for the additional term.

**10. 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 two contracts.

**North Island 9-1-1 Corporation**  
**Notes to the Financial Statements**  
**Year ended December 31, 2022**

**10. Contractual Rights (continued)**

The corporation entered into a contract 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:

2023	\$	289,703
2024		298,703
2025		307,346
2026		161,727
		<u>\$ 1,057,479</u>

The corporation entered into a contract in March 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 contractual rights arising from this agreement will result in future assets and revenues as follows:

2023	\$	184,280
2024		189,666
2025		195,210
2026		200,918
		<u>\$ 770,074</u>

**11. Subsequent Event**

On January 1, 2023, the corporation extended their agreement with E-Comm Emergency Communications for Southwest British Columbia Incorporated until December 31, 2023 for the provision of public safety answer point (PSAP) services. The remaining commitment for this extension is approximately \$610,190.

**12. Comparative Figures**

The comparative figures have been restated to conform with the current year's presentation.



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

For the Year Ended December 31, 2022

	Office Equipment & Furniture	Vehicles	IT Infrastructure	Communication Infrastructure	2022 Total	2021 Total
<b>COST</b>						
Opening Balance	\$ 79,392	\$ 61,040	\$ 749,722	\$ 1,717,468	\$ 2,607,622	\$ 2,573,300
Add: Additions	4,221	80,319	-	124,824	209,364	34,322
Closing Balance	<b>83,613</b>	<b>141,359</b>	<b>749,722</b>	<b>1,842,292</b>	<b>2,816,986</b>	2,607,622
<b>ACCUMULATED AMORTIZATION</b>						
Opening Balance	52,626	59,163	648,903	1,048,736	1,809,428	1,666,504
Add: Amortization	5,361	7,944	37,713	103,464	154,482	142,924
Closing Balance	<b>57,987</b>	<b>67,107</b>	<b>686,616</b>	<b>1,152,200</b>	<b>1,963,910</b>	1,809,428
<b>Net Book Value for year ended December 31, 2022</b>	<b>\$ 25,626</b>	<b>\$ 74,252</b>	<b>\$ 63,106</b>	<b>\$ 690,092</b>	<b>\$ 853,076</b>	<b>\$ 798,194</b>

**North Island 9-1-1 Corporation**  
**Schedule of Funding from Local Governments**  
**Year ended December 31, 2022**

	<u>2022</u>		<u>2021</u>	
<b>Regional District Participants</b>				
Comox Valley	<b>31.30%</b>	<b>\$ 825,612</b>	31.05%	\$ 796,271
Nanaimo	<b>24.45%</b>	<b>644,928</b>	24.65%	632,175
Strathcona	<b>18.81%</b>	<b>496,179</b>	18.67%	478,858
Alberni-Clayoquot	<b>13.48%</b>	<b>355,581</b>	13.34%	342,198
qathet	<b>8.41%</b>	<b>221,867</b>	8.47%	217,265
Mount Waddington	<b>3.55%</b>	<b>93,745</b>	3.82%	97,848
	<b><u>100.00%</u></b>	<b><u>\$ 2,637,912</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 2,564,615</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."