

Consolidated Financial Statements of



And Independent Auditor's Report thereon

Year ended December 31, 2023



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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Central Coast Regional District (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The District's Board meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.

A handwritten signature in black ink, appearing to read "Jayme Kennedy", is written over a horizontal line.

Jayme Kennedy, Chair of Board

A handwritten signature in blue ink, appearing to read "Curtis Slingerland", is written over a horizontal line.

Curtis Slingerland, Chief Administrative Officer



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INDEPENDENT AUDITOR'S REPORT

To the Members of Central Coast Regional District

Opinion

We have audited the consolidated financial statements of Central Coast Regional District (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and changes in net financial assets for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2023 and its consolidated results of operations, change in 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 Consolidated Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our ethical other 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.



Emphasis of Matter - Restatement of Financial Statements

We draw attention to Note 15 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 15 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in Schedule 1 Growing Communities Fund Reserve

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditor's report thereon, included in Schedule 1 Growing Communities Fund Reserve as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity'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 the 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.
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 Entity'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 Entity'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 Entity's to cease to continue as a going concern.



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- 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
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that underlines the text.

Chartered Professional Accountants

Prince George, Canada

May 7, 2024



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Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 15)
Financial assets:		
Cash and cash equivalents (note 2)	\$ 7,788,282	\$ 6,825,644
Accounts receivable (note 3)	554,100	378,303
Investments (note 4)	718,684	1,202,799
	<u>9,061,066</u>	<u>8,406,746</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	145,404	166,239
Deferred revenue (note 6)	3,174,209	3,705,095
Asset retirement obligation (note 7)	3,026,489	2,879,853
	<u>6,346,102</u>	<u>6,751,187</u>
Net financial assets	2,714,964	1,655,559
Non-Financial Assets:		
Prepaid expenses	243,299	7,905
Tangible capital assets (note 8)	6,384,770	5,503,268
	<u>6,628,069</u>	<u>5,511,173</u>
Commitments and contingencies (note 9)		
Related party transactions (note 10)		
Accumulated surplus (note 11)	\$ 9,343,033	\$ 7,166,732

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director

Director



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Consolidated Statement of Operations and Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 13)	2023 Actual	2022 Actual (restated - note 15)
Revenue (note 12):			
Airport fees and rentals	\$ 308,794	\$ 221,650	\$ 184,353
Federal government grants	2,029,786	104,813	333,700
Federal grants-in-lieu of tax	53,137	85,543	106,536
Fire protection tolls	27,387	29,531	29,059
Investment income	41,600	101,619	73,445
Landfill user fees	170,177	159,326	70,176
Miscellaneous revenue	5,064,573	296,710	237,382
Multi Materials BC	15,000	15,726	15,111
Nuxalk Nation contributions	105,000	105,000	105,000
Parcel Taxes	26,250	26,250	26,250
Provincial government grants	6,115,101	2,108,962	739,114
Recreation user fees	28,000	30,821	21,901
Tax levy	1,474,075	1,474,075	912,595
Watertolls	162,738	160,777	148,965
	<u>15,621,618</u>	<u>4,920,803</u>	<u>3,003,587</u>
Expenditures (note 12):			
Community works and planning	1,227,296	172,261	28,764
Economic development services	257,890	43,753	18,094
General government	2,512,105	1,470,239	1,421,819
Parks, recreation and culture	5,154,127	217,639	151,879
Protective services	1,040,183	225,481	174,787
Solid waste management	475,910	326,268	307,070
Transportation	743,849	185,326	128,245
Utility services	5,974,216	103,535	94,876
	<u>17,385,576</u>	<u>2,744,502</u>	<u>2,325,534</u>
Annual (deficit) surplus	(1,763,958)	2,176,301	678,053
Accumulated surplus, beginning of year	7,166,732	7,166,732	7,160,279
Adjustment on adoption of the asset retirement obligation standard	-	-	(671,600)
Accumulated surplus, end of year	<u>\$ 5,402,774</u>	<u>\$ 9,343,033</u>	<u>\$ 7,166,732</u>

See accompanying notes to consolidated financial statements.



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Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 13)	2023	2022 (restated - note 15)
Annual (deficit) surplus	\$ (1,763,958)	\$ 2,176,301	\$ 678,053
Acquisition of tangible capital assets	-	(1,125,333)	(727,969)
Amortization of tangible capital assets	-	243,831	275,408
	-	(881,502)	(452,561)
Acquisition of prepaid expenses	-	(243,299)	(7,905)
Use of prepaid expenses	-	7,905	1,038
	-	(235,394)	(6,867)
Change in net financial assets	(1,763,958)	1,059,405	218,625
Net financial assets, beginning of year	1,655,559	1,655,559	2,261,475
Adjustment on adoption of the asset retirement obligation standard	-	-	(824,541)
Net financial assets, end of year	\$ (108,399)	\$ 2,714,964	\$ 1,655,559

See accompanying notes to consolidated financial statements.



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Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 15)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,176,301	\$ 678,053
Items not involving cash:		
Amortization	243,831	275,408
Accretion expense	116,636	111,731
	<u>2,536,768</u>	<u>1,065,192</u>
Changes in non-cash operating working capital:		
Accounts receivable	(175,797)	(159,283)
Debt reserve fund asset	-	10,277
Accounts payable and accrued liabilities	(20,835)	2,583
Debt reserve fund liability	-	(10,277)
Deferred revenue	(530,886)	(194,271)
Asset retirement obligation	30,000	-
Prepaid expenses	(235,394)	(6,867)
	<u>1,603,856</u>	<u>707,354</u>
Financing activities:		
Repayment of long-term debt	-	(27,367)
Investing activities:		
Acquisition of tangible capital assets	(1,125,333)	(727,969)
Investment redemption	484,115	803,972
	<u>(641,218)</u>	<u>76,003</u>
Increase in cash and cash equivalents	962,638	755,990
Cash and cash equivalents, beginning of year	6,825,644	6,069,654
Cash and cash equivalents, end of year	<u>\$ 7,788,282</u>	<u>\$ 6,825,644</u>

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements

Year ended December 31, 2023

Nature of operations:

Central Coast Regional District (the "District") operates under the provisions of the Local Government Act and the Community Charter of British Columbia. Its principal activities include the provision of local government services to residents of the region. These include regional protective, water and environmental, airport and recreation services.

1. Significant accounting policies:

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The District's significant accounting policies are as follows:

(a) Basis of presentation:

The consolidated financial statements of the District are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) Principles of consolidation:

The consolidated financial statements include accounts of all funds of the District including General Operating, Water Operating, General Capital, Water Capital and Reserve Funds. Interfund balances and transactions have been eliminated.

(c) Accrual accounting:

The accrual method for reporting revenues and expenditures, including capital expenditures, has been used. Revenues are recorded in the period they are earned. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase and term deposits with a maturity of less than one year. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

(e) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary.

(f) Tangible capital assets:

Tangible capital assets are recorded in the General Capital Fund and Water Capital Fund at cost or deemed cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset less accumulated amortization

Contributed tangible capital assets are recorded at fair value at the date of receipt and also are recorded as revenue.

The costs, less residual values, of the tangible capital assets, excluding land are amortized using the declining balance method, at the following rates over their estimated useful lives as follows:

Asset	Rate
Buildings	4%
Furniture and equipment	20%
Hagensborg water system infrastructure	4%
Parks and recreation projects	20%
Paving	5%
Vehicles	30%
Water distribution system	4%

The District regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets costs.

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(g) Revenue recognition:

Grants and contributions (other than grants-in-lieu of taxes) are recorded when receivable. Grants-in-lieu of taxes are recognized at the earlier of when received or when money is determined to be more likely than not collected.

Each Electoral Area within the District is requisitioned for their portion of each service in which they participate. These funds are then levied by the Province (for Electoral Areas) to individual taxpayers and turned over to the District by August 1st of each year. Tax levies are recognized in the year in which they are levied. Government transfers are recognized as revenues in the period in which events giving rise to the transfer occur.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenue unearned in the current period is recorded as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government transfers are recognized as revenue in the period in which events giving rise to the transfer occur. Revenue is recognized when a transfer is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(h) Deferred revenues:

Deferred revenues includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs or in the completion of specific work. Revenue is recognized in the period when the related expenses are incurred or services performed.

(i) Interest:

Interest earned is allocated on the basis of actual earnings from the specific instruments. Excess funds or temporary borrowings of all functions and capital projects are pooled and interest income or expense is allocated to the individual functions and capital projects on a monthly basis.

(j) Budget reporting:

The original budget bylaw stated in the Statement of Operations and Accumulated Surplus represents the Annual Budget Bylaw adopted by the Board of Directors on March 23, 2023. These figures do not reflect subsequent amendments made by the Board of Directors to reflect changes in the budget throughout the year as required by law.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(k) Contaminated sites:

Contaminated sites are a result of a contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environment standard. The liability is recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

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

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

(l) Use of estimates:

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Areas requiring use of management estimates relate to the collectability of accounts receivable, estimated useful lives of tangible capital assets and the provision for asset retirement obligations. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known.

The District's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(m) Financial instruments:

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, deferred revenue, and asset retirement obligation.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently measured at cost or amortized cost unless the District has elected to carry the financial instrument at fair value. The District has not elected to carry any financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the District does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(n) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of the operational site and post-closure care relating to the landfill site has been recognized based on estimated future expenses. An additional liability for the removal of hazardous materials and decommissioning of certain assets has also been recognized based on estimated future expenses.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization policies outlined in (f).

2. Cash and cash equivalents:

	2023	2022
Operating cash	\$ 862,340	\$ 803,109
Savings cash	5,163,818	4,328,906
Term deposits	1,177,902	1,136,477
Short-term investments	583,222	555,152
Equity shares at the Williams Lake and District Credit Union	1,000	2,000
	\$ 7,788,282	\$ 6,825,644



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Cash and cash equivalents (continued):

Short-term investments are held in Municipal Finance Authority pooled money market fund with an annual rate of return of approximately 4.9% (2022 - 1.9%).

The District has a line of credit, secured by a term deposit with a maximum of \$200,000. Interest is payable monthly at prime rate. As of December 31, 2023, the line of credit had not been used.

3. Accounts receivable:

	2023	2022
Trade and other	\$ 533,156	\$ 353,309
Accrued interest	17,303	21,191
Sales taxes receivable	3,641	3,803
	\$ 554,100	\$ 378,303

4. Investments:

	2023	2022
MFA bond funds	\$ 535,832	\$ 519,162
Term deposits	182,852	683,637
	\$ 718,684	\$ 1,202,799

Investments are recorded at cost. As at December 31, 2023, the fair market value of the investments is \$690,110 (2022 - \$1,165,178).

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Accounts payable and accrued liabilities:

	2023	2022
Trade and other payables	\$ 139,798	\$ 144,250
Sales tax payable	-	53
Wages and related costs	5,606	21,936
	\$ 145,404	\$ 166,239

6. Deferred revenue:

Deferred revenue consists of funds received from grants for specific projects with conditions placed on its use for which the related conditions have not yet been met.

The deferred revenue are allocated from the following functions:

	2023	2022
Provincial grants	\$ 95,000	\$ -
Economic development projects assessment and implementation service	50,000	-
Marketing enhancement and brand implementation	170,972	170,972
Regional connectivity	4,687	4,687
Risk assessment, flood modelling and mapping project	241,913	356,213
Hagensborg community potable water distribution and treatment project	1,345,909	1,433,245
Great Bear playground project	277,526	288,190
Centennial pool renewal project	901,181	990,840
Bella Coola Airport fuel system upgrade system	3,857	422,867
Denny Island recreation service	7,000	-
Local government climate action program	76,164	38,081
	\$ 3,174,209	\$ 3,705,095



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

7. Asset retirement obligation:

The District owns and operates several buildings, as well as water infrastructure, that are known to have hazardous material or require specific decommissioning, which represents a health hazard upon demolition or removal of the assets and there is a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement Obligations, the District recognized an obligation relating to the removal and post-removal care of the hazardous materials in these assets as estimated at January 1, 2022 in the undiscounted amount of \$223,000.

The District operates a landfill and is responsible for closure and post closure care under the Waste Management Act of British Columbia. The future site restoration costs consists of compacting and grading, final cover and vegetation, surface water management, leachate monitoring, water quality monitoring and ongoing maintenance. The liability for the closure of the landfill operational site and post-closure care has been recognized under PS 3280 - Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site and for post-closure activities. The landfill had an estimated useful life of 51 years when it was first in use, of which 11 years remain. Post-closure care is estimated to be required for 30 years from the date of site closure. These costs were discounted to December 31, 2023 using a discount rate of 4.39% per annum.

	2023	2022
Landfill closure	\$ 2,773,489	\$ 2,656,853
Hazardous material removal	253,000	223,000
	\$ 3,026,489	\$ 2,879,853

The transition and recognition of the asset retirement obligations involved an accompanying increase to tangible capital assets and restatement of prior year numbers (note 15).

The landfill closure asset retirement obligation liability increased by \$116,636 for accretion expense in the current year. Also, in the hazardous material removal balance the District recognized an additional \$30,000 of asset retirement obligation liability for water infrastructure decommissioning.



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Tangible capital assets:

2023										
	Land and land improvements	Buildings	Furniture and equipments	Hagensborg Water System Infrastructure	Parks and recreation projects	Paving	Vehicles	Water distribution system	Work in progress	Total
Cost:										
Balance, beginning of year	\$ 2,295,627	\$ 1,995,562	\$ 920,298	\$ 328,727	\$ 623,394	\$ 1,709,299	\$ 297,378	\$ 1,570,482	\$ 562,721	\$ 10,303,488
Additions	-	419,011	77,106	30,000	43,407	8,496	-	-	547,313	1,125,333
Balance, end of year	2,295,627	2,414,573	997,404	358,727	666,801	1,717,795	297,378	1,570,482	1,110,034	11,428,821
Accumulated amortization:										
Balance, beginning of year	601,541	521,487	566,331	19,179	509,084	1,346,775	216,895	1,018,928	-	4,800,220
Amortization expense	-	66,336	79,441	10,901	24,157	18,339	24,145	20,512	-	243,831
Balance, end of the year	601,541	587,823	645,772	30,080	533,241	1,365,114	241,040	1,039,440	-	5,044,051
	\$ 1,694,086	\$ 1,826,750	\$ 351,632	\$ 328,647	\$ 133,560	\$ 352,681	\$ 56,338	\$ 531,042	\$ 1,110,034	\$ 6,384,770

Work in progress represents capital projects at year end that have not been completed and are not ready for their intended use therefore not amortized.



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Tangible capital assets (continued):

	2022 (restated - note 15)									
	Land and land improvements	Buildings	Furniture and equipments	Hagensborg Water System Infrastructure	Parks and recreation projects	Paving	Vehicles	Water distribution system	Work in progress	Total
Cost:										
Balance, beginning of year	\$ 1,689,464	\$ 1,521,990	\$ 897,032	\$ 328,727	\$ 583,216	\$ 1,709,299	\$ 297,378	\$ 1,510,482	\$ 213,390	\$ 8,750,978
Additions	4,622	350,572	23,266	-	178	-	-	-	349,331	727,969
Adjustment relating to recognition of asset retirement obligation	601,541	123,000	-	-	40,000	-	-	60,000	-	824,541
Balance, end of year	2,295,627	1,995,562	920,298	328,727	623,394	1,709,299	297,378	1,570,482	562,721	10,303,488
Accumulated amortization:										
Balance, beginning of year	-	415,216	481,245	10,036	460,302	1,327,695	182,402	976,316	-	3,853,212
Amortization expense	30,077	49,072	85,086	9,143	25,449	19,080	34,493	23,008	-	275,408
Adjustment relating to recognition of asset retirement obligation	571,464	57,199	-	-	23,333	-	-	19,604	-	671,600
Balance, end of the year	601,541	521,487	566,331	19,179	509,084	1,346,775	216,895	1,018,928	-	4,800,220
	\$ 1,694,086	\$ 1,474,075	\$ 353,967	\$ 309,548	\$ 114,310	\$ 362,524	\$ 80,483	\$ 551,554	\$ 562,721	\$ 5,503,268

9. Commitments and contingencies:

- a) The District is involved from time to time in litigation, which arises in the normal course of operations. Liabilities arising from any litigation are recognized in the consolidated financial statements when the outcome becomes reasonably determinable. In management's judgment there is no material negative exposure at this time from existing litigations.
- b) The District is a participant under the Community Works Fund that provides for the District receiving Federal gas taxes transferred under the New Deal for Cities and Communities signed by the Union of BC Municipalities, the Province of British Columbia and the Government of Canada.

Although the District has some latitude in determining which projects to pursue, the agreement provides that the projects must address investments in capital and capacity building projects to build and revitalize public infrastructure that supports national objectives of productivity and economic growth, a clean environment and strong communities.

- c) The District is a member of the Municipal Insurance Association of British Columbia. As a member of this association, the District is contingently liable for claims in excess of the insurance fund.
- d) The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Commitments and contingencies (continued):

d) Continued:

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$48,647 (2022 - \$38,855) for employer contributions to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

e) The District has entered into the following property lease agreements:

	Term	Expiry date	Annual lease cost
Arena	30 years	July 18, 2041	\$ 1
Centennial pool	50 years	March 31, 2058	1
Thorsen Creek Waste and Recycling Centre	10 years	November 8, 2033	1

The District leases the land for the arena and the Thorsen Creek Waste and Recycling Centre from the Province of British Columbia. The District leases the land for the Centennial pool from The Farmer's Institute. The fair market value on the land leases are undeterminable and therefore an estimate has not been disclosed.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

10. Related party transactions:

The District is related to the Central Coast Regional Hospital District ("Hospital District") as the members of the Board of Directors of the District form the majority of the members of the Board of Directors of the Central Coast Regional Hospital District. As legislated by the Hospital District Act, the officers and employees are the corresponding officers and employees of the Central Coast Regional District. Each of the Regional District and the Hospital District are separate legal entities authorized by separate legislation.

During the year, Central Coast Regional Hospital District received accounting and management services from the District and paid \$13,500 (2022 - \$13,500) for these services.

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Accumulated surplus:

	2023	2022 (restated - note 15)
General operating fund	\$ 2,715,062	\$ 2,797,020
Water operating fund	294,581	222,888
Equity in tangible capital assets	3,358,281	2,623,415
Capital works, machinery, equipment reserve	6,014	6,014
Asset replacement fund	352,056	258,207
Hagensborg fire reserve	573,267	175,416
Hagensborg water reserve	753,772	753,772
Landfill closure reserve	460,000	330,000
Growing communities fund reserve	830,000	-
	\$ 9,343,033	\$ 7,166,732

12. Segmented information:

The Central Coast Regional District is a local government providing a wide range of services to residents, including parks, recreation centres, fire protection, water and sewer services. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocation of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represents amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis. Segmentation has been determined on a functional basis with consideration to service delivery and department accountabilities. The following is a description of the types of services included in each of the main service segments of the District's consolidated financial statements.

Community works and planning:

This segment pertains to the Community Works Fund under the Gas Tax Agreement with the Provincial and Federal Governments as well as the Land Use Planning function operated by the District. Land Use Planning includes zoning bylaws and the Official Community Plan, as well as the assessment of Housing Needs, which is a mandate from the provincial government.

Economic development services:

This service includes the services of a full time economic development officer. The function provides economic development services to all electoral areas.

General government:

General government services include the District's administration and Board governance. It also provides grants in aid services to community groups.

Parks, recreation and culture:

The District owns and operates regional parks in the Bella Coola Valley, and provides recreation services to the Denny Island Community in addition to Bella Coola. The District also requisitions a tax levy for the provision of library services by the Vancouver Island Regional Library in Bella Coola and `books by mail` service to other communities in the region.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

12. Segmented information (continued):

Protective services:

These services include the function of emergency management within all electoral areas, as well as fire protection in the Bella Coola town site and Hagensborg.

Solid waste management:

The District owns and operates the Thorsen Creek Waste & Recycling Centre in the Bella Coola Valley. The site includes a full range of recycling facilities, free store and waste disposal.

Transportation:

The Bella Coola Airport and the Denny Island Airport are owned and operated by the District. The facility in Bella Coola includes terminal buildings, an office/hangar, lease lots, runway, parking area and other things associated with airport facilities. The Denny Island facility includes a landing strip and small outbuilding.

Utility services:

Streetlights in various locations throughout the Bella Coola valley and the town site are provided by the District through an agreement with BC Hydro. Water supply is provided by agreement with the Nuxalk Nation and water distribution is provided to the Bella Coola town site and Hagensborg areas.



Central Coast
REGIONAL DISTRICT
That we may be good people together

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

12. Segmented information (continued):

	2023								
	Community works and planning	Economic development services	General government	Parks, recreation and culture	Protective services	Solid waste management	Transportation	Utility services	Total
Revenue:									
Airport fees and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	221,650	\$ -	221,650
Grants	213,211	-	316,863	528,542	194,698	14,220	419,011	612,773	2,299,318
Investment income	513	-	73,986	-	104	-	-	27,016	101,619
Other	-	31,937	15,029	-	103,766	125,863	20	140,821	417,436
Taxation	29,731	99,246	738,091	263,623	133,770	179,684	6,973	49,207	1,500,325
User charges	-	-	-	30,821	29,531	159,326	-	160,777	380,455
Total revenues	243,455	131,183	1,143,969	822,986	461,869	479,093	647,654	990,594	4,920,803
Expenses:									
Amortization	-	-	223,319	-	-	-	-	20,512	243,831
Contracts	-	-	-	-	-	120,324	18,240	-	138,564
Interest	-	-	604	-	-	-	-	754	1,358
Asset retirement obligation accretion	-	-	-	-	-	116,636	-	-	116,636
Operating	111,553	2,136	255,049	122,203	198,485	26,253	125,241	16,012	856,932
Professional fees	60,708	-	83,818	-	-	-	12,919	4,089	161,534
Repairs and maintenance	-	-	3,674	9,598	6,986	10,334	23,226	19,076	72,894
Telephone and utilities	-	-	28,900	4,146	12,475	7,467	5,214	21,779	79,981
Wages and related costs	-	41,617	874,875	81,692	7,535	45,254	486	38	1,051,497
Waterworks - Nuxalk Band	-	-	-	-	-	-	-	21,275	21,275
Total expenses	172,261	43,753	1,470,239	217,639	225,481	326,268	185,326	103,535	2,744,502
Annual surplus (deficit)	\$ 71,194	\$ 87,430	\$ (326,270)	\$ 605,347	\$ 236,388	\$ 152,825	\$ 462,328	\$ 887,059	\$ 2,176,301



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

12. Segmented information (continued):

2022 (restated - note 15)										
	Community works and planning	Economic development services	General government	Parks, recreation and culture	Protective services	Solid waste management	Transportation	Utility services	Total	
Revenue:										
Airport fees and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,353	\$ -	\$ 184,353	
Grants	203,956	5,000	333,804	536	161,543	14,220	408,391	51,900	1,179,350	
Investment income	513	-	42,534	23	104	-	-	30,271	73,445	
Other	1,536	13,150	40,678	-	330	125,783	-	176,016	357,493	
Taxation	54,459	21,061	187,368	270,317	194,954	153,546	6,973	50,167	938,845	
User charges	-	-	-	21,901	29,059	70,176	-	148,965	270,101	
Total revenues	260,464	39,211	604,384	292,777	385,990	363,725	599,717	457,319	3,003,587	
Expenses:										
Amortization	-	-	254,041	-	-	-	-	21,367	275,408	
Contracts	-	-	-	-	-	117,320	18,240	-	135,560	
Interest	-	-	39	-	1	-	17	4,659	4,716	
Asset retirement obligation accretion	-	-	-	-	-	111,731	-	-	111,731	
Operating	27,489	18,094	372,154	101,570	146,542	27,494	85,983	12,333	791,659	
Professional fees	1,275	-	58,836	923	521	-	-	2,138	63,693	
Repairs and maintenance	-	-	2,533	13,043	7,077	3,981	20,360	10,452	57,446	
Telephone and utilities	-	-	28,090	3,153	12,778	7,030	3,250	22,610	76,911	
Wages and related costs	-	-	706,126	33,190	7,868	39,514	395	42	787,135	
Waterworks - Nuxalk Band	-	-	-	-	-	-	-	21,275	21,275	
Total expenses	28,764	18,094	1,421,819	151,879	174,787	307,070	128,245	94,876	2,325,534	
Annual surplus (deficit)	231,700	21,117	(817,435)	140,898	211,203	56,655	471,472	362,443	678,053	



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Budget data:

The budget data presented in the financial statements is based upon 2022 operating budget approved by the Board on March 23, 2023. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	2023
Revenue:	
Operating budget	15,922,416
Less:	
Apportioned administration services	(300,798)
Total revenues	15,621,618
Expenses:	
Operating budget	17,686,374
Less:	
Apportioned administration services	(300,798)
Total expenses	17,385,576
Annual deficit	\$ (1,763,958)

14. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.



Schedule 1 – Growing Communities Fund Reserve

Year ended December 31, 2023, with comparative information for 2022
(Unaudited)

The Province of British Columbia distributed conditional Growing Communities Fund (“GCF”) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The District received \$830,000 of GCF funding in March 2023.

	2023	2022
Growing Communities Fund	\$ 830,000	\$ -
Eligible costs	-	-
Reserve balance, end of year	\$ 830,000	\$ -