



Whale's Rest
Cortes Island

About the Regional District

The Strathcona Regional District (SRD) is a partnership of five municipalities and four electoral areas, which covers approximately 22,000 square kilometers (8,517 square miles). The SRD serves and provides 44,671 residents (2016 census) with a diverse range of services including water and sewerage systems, fire protection, land use planning, parks, recreation and emergency response. The Strathcona Regional District was established on February 15, 2008, as a result of the provincial government's restructure of the Comox Strathcona Regional District.

The geography of the SRD ranges from forested hills, remote inlets, picturesque villages to vibrant urban landscapes. The borders extend from the Oyster River in the south to Gold River, Sayward, Tahsis, Zeballos and Kyuquot-Nootka in the north and west, and east to Cortes Island, Quadra Island and the Discovery Islands as well as a portion of the adjacent mainland north of Powell River.





Mission, Core Values & Vision Goals

Mission

To provide the citizens with a healthy environment and social well being that leads to a vibrant quality of life through responsible economic development and effective delivery of services.

Core Values

In fulfilling our Mission, we are guided at all levels by the Core Values of *Teamwork, Respect, Integrity, Effectiveness* and *Accountability* as defined by these principles:

- We work as a committed team in a spirit of collaboration and community.
- We are caring and respectful in all our interactions and relationships.
- We are open and honest. We adhere to the highest standards of ethical conduct.
- We deliver effective public service through professionalism and creativity.
- We are accountable to our constituents and to the region as a whole.

Vision Goals

- People, fish and wildlife thrive in a healthy environment.
- Residents and businesses are supported by a diverse and resilient economy.
- High quality health and social care is available regionally.
- The region is a world-class tourism destination, leveraging our unique ecological, historical and cultural assets.
- Affordable quality services are delivered in a fiscally responsible way.
- The District is a leader in regional governance, with diverse jurisdictions including First Nations, working together cohesively and collaboratively.



2019 Elected Officials and Appointed Officers

Elected Officials

City of Campbell River	Andy Adams
City of Campbell River	Charlie Cornfield
City of Campbell River	Claire Moglove
City of Campbell River	Michele Babchuk (Chair)
City of Campbell River	Ron Kerr
Village of Gold River	Brad Unger (Vice Chair)
Village of Sayward	John MacDonald
Village of Tahsis	Martin Davis
Village of Zeballos	Julie Colborne
Electoral Area A – Kyuquot-Nootka/Sayward	Gerald Whalley
Electoral Area B – Cortes Island	Noba Anderson
Electoral Area C – Discovery Islands-Mainland Inlets	Jim Abram
Electoral Area D – Oyster Bay-Buttle Lake	Brenda Leigh

SRD Associate Member

Ka:'yu:'k't'h' / Che:k'tles7et'h (Kyuquot/Checlesaht) First Nations	Kevin Jules
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Appointed Officers & Senior Management

Chief Administrative Officer	David Leitch
Chief Financial Officer	Myriah Foort
Corporate Services Manager/Corporate Officer	Tom Yates
Strategic Initiatives Manager	Victoria Smith
Community Services Manager	Ralda Hansen
Strathcona Gardens Facility Manager	Koreen Gurak
Human Resources Manager	Laurie Gage



Board Strategic Priorities

Connectivity: to develop, advocate and promote the extension of cellular and broadband connectivity across the Regional District. This will be achieved by advancing the Connected Coast Project to provide new backbone broadband infrastructure, supporting the development of last mile solutions and working with partners to facilitate digital uptake and maximize the end-use benefits of improved internet and cellular connectivity.

First Nations Relationship Building: to build strong relationships with regional First Nation communities through a graduated approach that includes internal development and education on First Nations governance, protocols and culture; increased outreach and engagement informally and formally to build better government-to-government relations; and identifying a specific understanding of shared opportunities and challenges where First Nations and the Regional District may work together.

Community Health Network: to improve the community wellness of the region by addressing the social determinants of health through collaboration among a variety of partners that includes public, private and non-profit organizations.

BC Ferries: to advocate on behalf of Regional District communities about BC ferries activities, fares and services.

Senior Government Advocacy: to advance, on political and administrative levels, issues that require advocacy to lessen conflict, improve transparency and increase operational efficiency.

Flooding/Sea Level Rise: to maintain awareness of sea level rise as a concern and to continue to advocate to senior levels of government in support of local solutions to identified risks.

Asset Management: to continue advancing the asset management strategy for implementing and improving regional district asset management practices.

Records Management: to determine, and then implement a cost effective and viable method to implement and operate a corporate records management system.

2016 Census Statistics

Name	Type	% Growth (2011-2016)	Population	Homes (Occupied)	Square Kms. (land)
Campbell River	City	4.5%	32,588	14,201	144
Gold River	Village	-4.3%	1,212	573	11
Sayward	Village	-1.9%	311	152	5
Tahsis	Village	-21.5%	248	152	5
Zeballos	Village	-14.4%	107	58	2
Ka:'yu:k't'h/Che:kt'les7et'h'	First Nation	-0.6%	1,579	540	15
SRD - Area A	Electoral Area	-5.3%	764	354	7,132
SRD - Area B	Electoral Area	2.8%	1,035	535	136
SRD - Area C	Electoral Area	-6.5%	2,431	1,169	9,238
SRD - Area D	Electoral Area	8.9%	4,396	1,876	1,590
Strathcona Regional District Total			44,671	19,610	18,278



Bute Inlet



Strathcona Regional District
Consolidated Financial Statements
Year ended December 31, 2019



Management's Responsibility for Financial Reporting

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for British Columbia local governments and the integrity and objectivity of these statements are management responsibility. Management is also responsible for all the supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditors, MNP LLP, conduct an independent examination in accordance with generally accepted auditing standards and express their opinion on the financial statements. The external auditors have full and free access to the Board of Directors and meet with it at least once per year.

A handwritten signature in dark ink, appearing to read "MH", with a long horizontal line extending to the right.

Mike Harmston, CPA, CGA

Officer responsible for Financial Administration,
pursuant to Section 237 of the Local Government Act
June 10, 2020

Independent Auditor's Report

To the Board of the Strathcona Regional District:

Opinion

We have audited the consolidated financial statements of Strathcona Regional District (the "Regional District"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Regional District as at December 31, 2019, and the results of its consolidated operations and its consolidated 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 report. We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Other Information

Management is responsible for the other information, comprising the annual report, which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Regional District'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 Regional District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional District's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Regional District'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 Regional District'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 consolidated 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 Regional District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Campbell River, British Columbia
June 10, 2020

MNP LLP
Chartered Professional Accountants



Statement A

**Strathcona Regional District
Consolidated Statement of Financial Position
As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
Financial assets		
Cash and cash equivalents (Note 3)	\$ 21,393,081	\$ 20,410,194
Receivables (Note 4)	1,545,167	723,691
Inventory for resale	15,250	11,079
Investments (Note 5)	149,984	149,985
Municipal debt receivable (Note 6)	12,614,424	8,406,410
Total financial assets	<u>35,717,906</u>	<u>29,701,359</u>
Financial liabilities		
Accounts payable and accrued liabilities (Note 7)	1,219,137	1,151,720
Deferred revenue (Note 8)	3,212,014	3,757,322
Long-term debt		
Member municipalities (Note 6)	12,614,424	8,406,411
Regional District (Note 10) (Schedule 4)	2,241,189	2,320,489
Total financial liabilities	<u>19,286,764</u>	<u>15,635,942</u>
Net financial assets	<u>16,431,142</u>	<u>14,065,417</u>
Non-financial assets		
Prepaid expenses	26,683	44,662
Tangible capital assets (Schedule 3)	23,623,048	19,473,020
Total non-financial assets	<u>23,649,731</u>	<u>19,517,682</u>
Accumulated surplus (Note 11)	<u>\$ 40,080,873</u>	<u>\$ 33,583,099</u>

Contingent liability (Note 13)

Subsequent event (Note 21)

Mike Harmston, CPA, CGA
Officer responsible for Financial Administration,
pursuant to Section 237 of the *Local Government Act*

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



Statement B

**Strathcona Regional District
Consolidated Statement of Operations
Year ended December 31, 2019**

	<u>2019</u> <u>Actual</u>	2019 <u>Budget</u> (Note 20)	<u>2018</u> <u>Actual</u>
Revenue			
Frontage and parcel taxes	\$ 11,323	\$ 11,323	\$ 11,323
Grants in lieu of taxes	202,164	193,220	205,338
Property tax requisition	11,956,111	11,958,832	11,209,982
Government grants and transfers	5,351,469	12,795,964	986,330
Sales of services	3,071,453	3,037,609	2,901,056
Other revenue from own sources	244,115	204,518	225,078
Contributions from others	10,607	2,907	13,093
Contributed tangible capital assets	-	-	349,300
Gain (Loss) on disposal of tangible capital as	(8,137)	-	1,869
Interest earned	452,669	52,440	345,259
Actuarial adjustment of debenture debt	2,792	-	2,508
Total revenue	<u>21,294,566</u>	<u>28,256,813</u>	<u>16,251,136</u>
Expense			
General government services	3,762,607	4,433,252	3,101,365
Protective services	1,654,593	1,670,241	1,559,790
Transportation services	206,147	247,170	203,317
Environmental health services	1,939,429	2,086,182	1,732,600
Development services	567,278	921,678	503,974
Parks, recreation and cultural services	6,666,738	6,691,486	6,597,402
Total expense	<u>14,796,792</u>	<u>16,050,009</u>	<u>13,698,448</u>
Annual surplus	<u>6,497,774</u>	<u>12,206,804</u>	<u>2,552,688</u>
Accumulated surplus, beginning	<u>33,583,099</u>	<u>33,583,099</u>	<u>31,030,411</u>
Accumulated surplus, ending	<u>\$ 40,080,873</u>	<u>\$ 45,789,903</u>	<u>\$ 33,583,099</u>

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



Statement C

**Strathcona Regional District
Consolidated Statement of Changes in Net Financial Assets
Year ended December 31, 2019**

	<u>2019</u> <u>Actual</u>	2019 <u>Budget</u> <small>(Note 20)</small>	2018 <u>Actual</u>
Annual surplus	\$ 6,497,774	\$ 12,206,804	\$ 2,552,688
Acquisition of tangible capital assets	(5,160,970)	(14,613,658)	(1,077,806)
Contributed tangible capital assets	-	-	(349,300)
Disposal of tangible capital assets	12,910	-	-
Amortization of tangible capital assets	998,032	-	915,357
Change in prepaid expenses	17,979	-	(11,829)
Increase (decrease) in net financial assets	2,365,725	(2,406,854)	2,029,109
Net financial assets, beginning	14,065,417	14,065,417	12,036,308
Net financial assets, ending	\$ 16,431,142	\$ 11,658,563	\$ 14,065,417

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



Statement D

**Strathcona Regional District
Consolidated Statement of Cash Flows
Year ended December 31, 2019**

	<u>2019</u>	<u>2018</u>
Operating activities		
Annual surplus	\$ 6,497,774	\$ 2,552,688
Items not affecting operating activities:		
Actuarial adjustment of debenture debt	(2,792)	(2,508)
Amortization of tangible capital assets	998,032	915,357
Change in prepaid expenses	17,979	(11,829)
Loss (gain) on disposal of tangible capital asset	8,137	(1,869)
Contributed tangible capital assets	-	(349,300)
Decrease (increase) in non-cash financial assets:		
Receivables	(821,476)	479,508
Inventory for resale	(4,171)	825
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	67,417	(52,333)
Deferred revenue	(545,308)	117,741
Cash provided by operating activities	<u>6,215,592</u>	<u>3,648,280</u>
Capital activities		
Acquisition of tangible capital assets	(5,160,970)	(1,077,806)
Proceeds on disposition of tangible capital asset	4,773	1,869
Cash applied to capital activities	<u>(5,156,197)</u>	<u>(1,075,937)</u>
Financing activities		
Debt principal repaid	(88,535)	(1,747,512)
Proceeds for borrowing	12,028	2,176,422
Cash provided by (applied to) financing activities	<u>(76,507)</u>	<u>428,910</u>
Net change in cash and cash equivalents	982,887	3,001,253
Cash and cash equivalents, beginning	<u>20,410,194</u>	17,408,941
Cash and cash equivalents, ending	<u>\$ 21,393,081</u>	<u>\$ 20,410,194</u>
Supplemental information		
Interest received	<u>\$ 450,220</u>	<u>\$ 328,703</u>
Interest paid	<u>\$ 72,369</u>	<u>\$ 76,344</u>

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



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

1. Purpose

The Strathcona Regional District (Regional District) was incorporated on February 15, 2008 by letters patent issued by the Province of British Columbia. Its principal activities are the provision and coordination of local government services to the residents of four unincorporated electoral areas and five municipalities within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water distribution and sewer collection and disposal, solid waste collection and disposal and street lighting.

2. Significant accounting policies

a) Principles of consolidation

The resources and operations of the Regional District are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The consolidated financial statements are prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the activities related to all funds belonging to the one economic entity of the Regional District. Inter-fund transactions and fund balances have been eliminated on consolidation.

b) Cash equivalents

Cash equivalents are comprised primarily of Municipal Finance Authority (MFA) pooled investments including money market, intermediate and bond funds. Regional District funds invested with MFA are pooled with other local governments and managed independently by Phillips, Hager & North Investment Management. The investments are carried at market value which approximates cost.

c) Inventory for resale

Inventory for resale is recorded at the lower of cost or net realizable value as a financial asset.

d) Financial instruments

Financial instruments consist of cash and cash equivalents, investments, receivables, municipal debt receivable, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

2. Significant accounting policies (continued)

f) Tangible capital assets

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

Land improvements	20 to 50 years
Buildings	40 to 50 years
Building improvements	20 years
Machinery, equipment, vehicles and fixtures	5 to 20 years
Water systems	50 years
Sewer system	15 to 50 years

Assets under construction are not amortized until the asset is put into use. Assets contributed to the Regional District are recorded at fair value at the time of contribution.

g) Accrued employee benefits

Based on obligations as determined by collective agreements and contractual arrangements, employee benefit accruals, which include an allowance for vacation entitlement, are recorded in the year in which they are earned. Non-vesting short-term disability income benefits and health benefits that continue during disability are recorded when the event occurs and the obligation arises.

h) Post employment benefits

The long-term, post employment benefit liability of the Regional District will be met by the Municipal Pension Plan into which both employees and the Regional District contribute. The Regional District is only liable for the interim retirement benefits for early retirees, from the date of retirement to the effective start date of the Municipal Pension Plan. Any liability for these benefits is accrued when the event occurs and the obligation arises.

i) Government transfers

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations are settled.



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

2. Significant accounting policies (continued)

j) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Regional District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

At each financial reporting date, the Regional District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at December 31, 2019 no such contamination in excess of an environmental standard requiring remediation exists.

k) Revenue recognition

Revenue is recorded on an accrual basis and is recognized in the period in which it is earned. Property tax requisition revenue is recognized in the year the requisitions are levied. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees for water, sewer and solid waste services are recognized as revenue when services have been provided, amounts are known and collection is reasonably assured. Interest income is recognized in the period in which it is earned.

l) Measurement uncertainty

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 the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the estimated useful lives of tangible capital assets, actuarial adjustments and provisions for contingencies. Actual results may vary from the estimates and adjustments will be reported and reflected in operations as they become known. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provisions recognized.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Regional District is responsible for.



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

3. Cash and cash equivalents

Included in cash and cash equivalents is \$1,638,487 (2018 – \$1,595,774) of short-term investments held with the Municipal Finance Authority in money market, intermediate and bond funds. These investments are carried at market value which approximates cost.

Also included in cash and cash equivalents is \$2,894,664 (2018 – \$2,874,797) that is externally restricted by contribution agreements for wharves contributed to the Regional District from Transport Canada.

4. Receivables

	<u>2019</u>	<u>2018</u>
Government of Canada	\$ 62,556	\$ 33,877
Province of British Columbia	51,885	47,433
Regional and local governments	98,756	47,392
Utility service customers	285,317	340,308
Other trade receivables	1,046,653	254,681
	<u>\$ 1,545,167</u>	<u>\$ 723,691</u>

5. Investments

Investments comprise a five-year 2.2% non-redeemable Guaranteed Investment Certificate at a cost of \$149,985 (2018 – \$149,985) which matures on July 5, 2021. This amount is externally restricted by an agreement between the Regional District, Tides Foundation, 0793406 BC Ltd., and TLC The Land Conservancy of British Columbia for the preservation of the land on Cortes Island known as Hank's Beach as a forest conservation area and public park in perpetuity.

6. Municipal debt receivable

Pursuant to the Local Government Act, the Regional District acts as the agency through which its member municipalities borrow funds from the Municipal Finance Authority (MFA). The annual cost of servicing this municipal debt is recovered entirely from the borrowing member municipality. However, in the event of default the Regional District is contingently liable to the MFA for this debt.

	<u>2019</u>	<u>2018</u>
City of Campbell River	\$ 12,552,229	\$ 8,335,042
Village of Sayward	62,195	71,369
	<u>\$ 12,614,424</u>	<u>\$ 8,406,411</u>

7. Accounts payable and accrued liabilities

	<u>2019</u>	<u>2018</u>
Government of Canada	\$ -	\$ 1,394
Province of British Columbia	31,643	64,810
Regional and local governments	217,666	194,894
Accrued interest on long-term debenture debt	19,756	19,909
Payroll liabilities	568,955	472,176
Other trade payables	381,117	398,538
	<u>\$ 1,219,137</u>	<u>\$ 1,151,720</u>



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

8. Deferred revenue

	2019	2018
Deferred grants	\$ 209,380	\$ 749,530
Transport Canada (Note 9)	2,854,575	2,836,805
Parkland acquisition	87,989	87,082
Unearned revenue	60,070	83,905
	\$ 3,212,014	\$ 3,757,322

9. Transport Canada port divestiture contributions

On November 14, 2014 Transport Canada divested the Owen Bay, Port Neville and Surge Narrows Port Facilities to the Strathcona Regional District. Divestiture funds are used for eligible operations and maintenance expense, net of any input tax credits or rebates, up to the period ending November 14, 2024. The unused portions of the contributions have been deposited in separate Canadian interest-bearing bank accounts dedicated exclusively for the operation and upgrade of the Ports.

	2019	2018
Beginning balance	\$ 2,836,805	\$ 2,827,491
Add: Interest earned on funds	63,267	53,040
Add: Other revenue	363	363
Less: Eligible expenses	(45,860)	(44,089)
Ending balance	\$ 2,854,575	\$ 2,836,805

10. Long-term debt

Long-term debt consists of interim borrowing from Municipal Finance Authority (MFA) for terms up to five years and debenture debt for longer terms. Under MFA's interim borrowing program, loans are charged interest based on the daily 30-day Canadian Dollar Offered Rate (CDOR) plus 0.50%. On December 31, 2019 the CDOR rate was 2.08% (2018 – 2.80%). Regular principal payments are not required but any amount outstanding is due at the end of the five-year term. Details of long-term debt, including maturity dates, interest rates and outstanding amounts, are summarized in Schedule 4 – Consolidated Schedule of Debt.

Payments of principal on issued debt of the Regional District, not including member municipal debt, for the next five years are:

2020	\$ 47,573
2021	47,573
2022	47,573
2023	47,573
2024	47,573
Thereafter	2,003,324
Total	\$ 2,241,189

Interest on long-term debt recorded in the Consolidated Statement of Operations in 2019 is \$72,369 (2018 – \$53,031). The above figures do not include anticipated actuarial earnings on debenture sinking funds.

At December 31, 2019 there was \$180,821 of short-term debt for the Quathiaski Cove sewer expansion project which is under construction and will be finalized in spring 2020, at which time the related debt repayment will be determined.



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

11. Accumulated surplus

	<u>2019</u>	<u>2018</u>
Equity in tangible capital assets	\$ 21,381,857	\$ 17,152,528
Capital funds	97,932	527,966
Appropriated surplus	1,792,161	1,533,956
Reserve funds (Note 12)	14,265,135	11,842,017
Operating funds	2,543,788	2,526,632
	<u>\$ 40,080,873</u>	<u>\$ 33,583,099</u>

12. Community Works Fund

Community Works Fund is a component of the Gas Tax Agreement funding provided by the Government of Canada and administered through the Union of British Columbia Municipalities (UBCM). Community Works Funds transfers are recorded as revenue when received, then held as reserves until spent on eligible expenditures and projects. The Community Works Fund is included in the reserve funds

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 5,076,868	\$ 4,521,577
Add: Adjustment to opening balance	-	17,148
Add: Amounts received during the year	983,480	498,795
Add: Interest earned on funds	106,583	81,383
Less: Eligible expenses spent	(36,219)	(42,035)
Ending balance	<u>\$ 6,130,712</u>	<u>\$ 5,076,868</u>

13. Contingent liability

There were various claims made against the Regional District as at December 31, 2019 for incidents that arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcomes of the lawsuits, now pending, are not determinable. As the outcomes are not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

14. Environmental regulations

The Regional District makes every effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred or set aside as future reserves when they can be reasonably estimated

15. Municipal Finance Authority debt reserve funds

The Regional District secures its long-term borrowing through the Municipal Finance Authority (MFA). As a condition of these borrowings, a portion of the debenture proceeds is retained by MFA as debt reserve funds. As at December 31, 2019 the Regional District had debt reserve funds of \$23,135 (2018 – \$22,609).



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

16. Pension liability

The Regional 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, 2018, the plan has approximately 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$408,148 (2018 – \$375,100) for employer contributions while employees contributed \$358,051 (2018 – \$326,527) to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021 with results available in 2022.

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 the individual employers participating in the plan.

17. Comox-Strathcona Regional Hospital District

The board members of the Strathcona Regional District sit on the board of the Comox-Strathcona Regional Hospital District (CSRHD) together with the board members of the Comox Valley Regional District. The Regional District and the CSRHD are separate legal entities as defined by separate letters patent and authorized by separate legislation.

18. North Island 911 Corporation

The 911 emergency answering and fire dispatch services for northern Vancouver Island and part of the Sunshine Coast are provided by the North Island 911 Corporation which is owned by the Regional Districts of Alberni-Clayoquot, Comox Valley, Mount Waddington, Nanaimo, qathet (Powell River) and Strathcona. The Strathcona Regional District owns four of the twenty-one shares in the corporation which are recorded at cost.



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019

19. Segmented information

The Strathcona Regional District is a diversified local government providing a wide range of services to 44,500 residents, including parks, recreation centre, community halls, fire protection, emergency programs, and water and sewer services. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocations of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represent 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 departmental accountabilities. The following is a description of the types of services included in each of the main service segments of the Regional District's financial statements. A detailed summary of the 2019 revenues and expenses can be found in Schedule 1 of the accompanying financial statements, Schedule 2 contains 2018 comparative figures.

General Government Services

General government comprises member municipality and electoral area governance, general administration which includes corporate services, finance, human resources and information systems, feasibility studies and grants in aid.

Protective Services

Protective services include fire protection services, emergency programs, 911 emergency answering service, building inspection and various bylaw compliance services.

Transportation Services

Transportation services include a rural transit service, street lighting and river bank protection.

Environmental Health Services

The environmental health segment includes solid waste collection and disposal, liquid waste management planning, water distribution, and wastewater collection and disposal for participating electoral areas.

Development Services

Development services consist of rural land use planning, economic development, geographic information systems and house numbering.

Parks, Recreation and Culture Services

Recreation and cultural services include a full-service recreation facility offering fitness, ice and aquatic programs, community parks and trail networks and contributions towards the operations of many community halls, heritage conservation, as well as Vancouver Island Regional Library services.



**Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2019**

20. Reconciliation to 2019 Budget Bylaw

The budget amounts presented throughout these financial statements are audited and represent the 2019-2023 Financial Plan and Capital Expenditure Program Bylaw No. 345, as approved by the Regional District Board on February 28, 2019.

The financial plan bylaw 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 financial plan anticipated the use of surpluses accumulated in prior years to reduce the current year revenues to fund current year expenditures. In addition, capital acquisitions are recognized as expenditures in the financial plan rather than including amortization expense, and debt proceeds and principal payments are excluded from the Statement of Operations on the financial statements.

The summary below reconciles the 2019 adopted financial plan to the financial statement budget figures on Statement B:

	2019
Balanced Financial Plan Bylaw	\$ -
Add:	
Debt principal payments	88,536
Capital acquisitions	14,613,658
Deficit prior year	1,694
Budgeted transfers to reserves/appropriated surplus	2,897,880
Less:	
Proceeds from borrowing	(676,082)
Budgeted transfers from prior year surpluses	(2,297,894)
Budgeted transfers from reserves/appropriated surplus	(2,420,988)
Statement of Operations Budgeted Surplus	\$ 12,206,804

21. Subsequent Event

In March 2020, the COVID-19 outbreak has caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of facility closures, travel restrictions, self-isolation periods, and social and physical distancing, will have a significant impact on the local and global economy. At this time it is not possible to reliably estimate the length and severity of the COVID-19 outbreak and how it may impact the regional district's financial results for 2020.

**Strathcona Regional District
Consolidated Schedule of Segment Disclosure by Service
Year ended December 31, 2019**

	General Government Services	Protective Services	Environmental Health Services	Development Services	Parks, Recreation and Cultural Services	Transportation Services	2019 Actual	2019 Budget
Revenue								(Note 20)
Frontage and parcel taxes	\$ -	\$ -	\$ -	\$ 11,323	\$ -	\$ -	\$ 11,323	\$ 11,323
Grants in lieu of taxes	150,659	4,984	29	316	-	46,175	202,164	193,220
Property tax requisition	2,130,975	1,608,782	215,817	662,553	657,185	6,680,799	11,956,111	11,958,832
Government grants and transfers	1,815,594	134,030	-	288,014	28,096	3,085,735	5,351,469	12,795,964
Sales of services	52,779	20,034	-	1,450,620	11,212	1,536,808	3,071,453	3,037,609
Other revenue from own sources	13,514	65,442	358	88,722	76,416	(338)	244,114	204,518
Contributions from others	-	-	-	-	-	10,607	10,607	2,907
Contributed tangible capital assets	-	-	-	-	-	-	-	-
Gain on disposal of tangible capital asse	1,342	-	-	-	(9,479)	-	(8,137)	-
Interest earned	322,682	11,863	1,369	6,479	4,031	106,245	452,669	52,440
Actuarial adjustment of debenture debt	-	-	-	2,794	-	-	2,794	-
Total revenue	4,487,545	1,845,136	217,573	2,510,822	767,460	11,466,031	21,294,568	28,256,813
Expense								
Labour and benefits	2,231,771	204,550	4,851	90,862	407,715	3,914,184	6,853,932	7,380,098
Grants	118,440	1,053,377	147,950	-	12,480	521,904	1,854,151	1,937,062
Goods and services	1,164,277	332,148	42,623	1,710,644	147,084	1,621,530	5,018,306	6,660,106
Interest	65,196	-	-	6,575	-	598	72,369	72,743
Amortization of tangible capital assets	182,923	64,518	10,723	131,348	-	608,521	998,033	-
Total expense	3,762,607	1,654,593	206,147	1,939,429	567,278	6,666,738	14,796,792	16,050,009
Surplus	\$ 724,938	\$ 190,543	\$ 11,426	\$ 571,393	\$ 200,182	\$ 4,799,293	\$ 6,497,775	\$ 12,206,804

**Strathcona Regional District
Consolidated Schedule of Segment Disclosure by Service
Year ended December 31, 2018**

	General Government Services	Protective Services	Environmental Health Services	Development Services	Parks, Recreation and Cultural Services	Transportation Services	2018 Actual	2018 Budget
Revenue								
Frontage and parcel taxes	\$ -	\$ -	\$ -	\$ 11,323	\$ -	\$ -	\$ 11,323	\$ 11,323
Grants in lieu of taxes	143,747	5,380	34	276	2	55,899	205,338	193,220
Property tax requisition	1,825,380	1,436,879	211,488	599,344	599,245	6,537,646	11,209,982	11,958,832
Government grants and transfers	796,541	65,365	-	41,302	-	83,122	986,330	12,795,964
Sales of services	52,779	13,795	-	1,280,022	1,325	1,553,135	2,901,056	3,037,609
Other revenue from own sources	52,391	65,172	358	33,080	60,730	13,347	225,078	204,518
Contributions from others	-	-	-	-	-	13,093	13,093	2,907
Contributed tangible capital assets	-	-	-	-	-	349,300	349,300	-
Gain on disposal of tangible capital asse	1,869	-	-	-	-	-	1,869	-
Interest earned	249,071	6,979	1,138	8,343	784	78,944	345,259	52,440
Actuarial adjustment of debenture debt	-	-	-	2,508	-	-	2,508	-
Total revenue	3,121,778	1,593,570	213,018	1,976,198	662,086	8,684,486	16,251,136	28,256,813
Expense								
Labour and benefits	1,788,729	157,036	2,903	62,760	400,265	3,740,142	6,151,835	7,380,098
Grants	106,690	1,111,128	144,056	-	9,125	497,592	1,868,591	1,937,062
Goods and services	993,579	227,315	45,635	1,550,694	89,504	1,802,908	4,709,635	6,660,106
Interest	43,993	146	-	6,575	-	2,317	53,031	72,743
Amortization of tangible capital assets	168,374	64,165	10,723	112,571	5,080	554,443	915,356	-
Total expense	3,101,365	1,559,790	203,317	1,732,600	503,974	6,597,402	13,698,448	16,050,009
Surplus	\$ 20,413	\$ 33,780	\$ 9,701	\$ 243,598	\$ 158,112	\$ 2,087,084	\$ 2,552,688	\$ 12,206,804

(Note 20)



Schedule 3

Strathcona Regional District
 Consolidated Schedule of Tangible Capital Assets
 Year ended December 31, 2019

	Land and Improvements	Buildings and Improvements	Machinery Equipment Vehicles and Fixtures	Water Infrastructure	Sewer Infrastructure	Capital Projects in Progress	2019	2018
Cost								
Balance, beginning	\$ 9,125,361	\$ 17,844,275	\$ 2,779,706	\$ 4,130,624	\$ 2,032,475	\$ 603,083	\$ 36,515,523	35,088,417
Add:								
Additions during year	557,932	3,782,201	424,483	-	351,643	44,711	5,160,970	1,427,106
Less:								
Disposals or write downs Completed during year	-	-	(96,826)	-	-	-	(96,826)	-
	10,628	91,113	-	-	20,961	(122,702)	-	-
Balance, ending	9,693,921	21,717,589	3,107,363	4,130,624	2,405,079	525,091	41,579,667	36,515,523
Accumulated amortization								
Balance, beginning	\$ 1,158,997	\$ 10,618,298	\$ 1,875,555	\$ 2,821,738	\$ 567,915	\$ -	\$ 17,042,503	16,127,147
Add:								
Amortization for the year	171,579	476,611	218,496	82,619	48,729	-	998,032	915,356
Less:								
Accumulated amortization on disposals	-	-	(83,916)	-	-	-	(83,916)	-
Balance, ending	1,330,576	11,094,909	2,010,135	2,904,357	616,643	-	17,956,619	17,042,503
Net book value	\$ 8,363,345	\$ 10,622,681	\$ 1,097,229	\$ 1,226,267	\$ 1,788,435	\$ 525,091	\$ 23,623,048	\$ 19,473,020
Net book value prior year	\$ 7,966,364	\$ 7,225,977	\$ 904,151	\$ 1,308,886	\$ 1,464,560	\$ 603,083	\$ 19,473,020	



Schedule 4

Strathcona Regional District
 Consolidated Schedule of Debt
 As at December 31, 2019

Bylaw #	Maturity Date	Rate	Beginning Balance	Debt Proceeds	Principal Payments	Actuarial Additions	Ending Balance
Capital							
General Administration							
BL261	09/2048	3.04%	\$ 2,042,160	\$ -	(42,925)	\$ -	\$ 1,999,235
Electoral Area B Community Parks							
BL211	04/2019	Variable: CDOR + 0.50%	40,962	-	(40,962)	-	-
Craig Road Water							
BL2789	04/2027	4.43%	68,575	-	(4,648)	(2,794)	61,133
Quathiaski Cove Sewer Extension #1							
BL217	12/2019	Variable: CDOR + 0.50%	168,793	12,028	-	-	180,821
Total debt			\$ 2,320,490	\$ 12,028	\$ (88,535)	\$ (2,794)	\$ 2,241,189



Strathcona Regional District

**Supplementary Information and
Information Pursuant to the *Financial Information Act***

Year ended December 31, 2019



Statement of Financial Information Approval

The information that follows includes schedules that have been prepared under the *Financial Information Act* for the year ended December 31, 2019.

Approved in accordance with the requirements of Financial Information Regulation 371/93, Schedule 1, Section 9.

A handwritten signature in black ink, appearing to read "M. Babchuk", written in a cursive style.

Michele Babchuk
Chair of the Board

A handwritten signature in black ink, appearing to read "Mike Hamston", written in a cursive style.

Mike Hamston, CPA, CGA
Chief Financial Officer

Strathcona Regional District
Consolidated Summary of Surpluses and Reserves
As at December 31, 2019
(Unaudited)

Function	Appropriated Surplus <i>Note a</i>	Reserves <i>Note b</i>	Accumulated Surplus <i>Note c</i>	2019 Total	2018 Total
General Government Services					
Area A Grants in Aid	\$ -	\$ -	\$ 10,972	\$ 10,972	\$ 13,326
Area B Grants in Aid	-	-	97	97	33
Area C Grants in Aid	-	-	18,124	18,124	22,806
Area D Grants in Aid	-	-	5,975	5,975	3,456
Electoral Areas Administration and Elections	48,072	-	20,422	68,494	146,034
Feasibility Studies - Electoral Areas	-	-	48,718	48,718	77,817
Feasibility Studies - Regional	-	-	25,101	25,101	10,912
Regional Broadband	-	-	311,304	311,304	-
General Administration	614,704	6,550,771	459,884	7,625,360	6,965,049
Member Municipality Administration	99,070	-	26,084	125,154	153,546
	<u>761,846</u>	<u>6,550,771</u>	<u>926,681</u>	<u>8,239,299</u>	<u>7,392,979</u>
Protective Services					
911 Emergency Answering	43,248	-	5,696	48,944	44,436
Area D Animal Control	50,521	-	(1,977)	48,544	56,246
Building Inspection	61,699	121,571	52,514	235,784	236,547
Campbell River Area D Fire Protection	69,220	-	24,035	93,255	34,610
Kyuquot/Nootka Emergency Program	2,252	-	1,164	3,416	4,586
Noise Control	-	-	2,347	2,347	2,741
North Quadra Assistance Response	-	1,524	247	1,771	1,743
Sayward Valley Fire Protection	5,764	274,148	51,815	331,728	292,279
Soil Deposit and Removal Control	-	-	-	-	137
South Cortes Island Fire Protection	30,745	265,624	3,570	299,939	237,467
Strathcona Emergency Program	30,936	-	12,002	42,938	45,534
Unightly Premises	-	4,136	502	4,638	4,552
	<u>294,385</u>	<u>667,004</u>	<u>151,917</u>	<u>1,113,305</u>	<u>960,878</u>
Transportation Services					
Area C Street Lighting	485	-	253	738	794
Area D Street Lighting	-	-	1,461	1,461	1,887
Area D Transit	15,000	-	33,520	48,520	41,683
Oyster River Bank Protection	1,087	66,585	21,036	88,708	83,070
	<u>16,572</u>	<u>66,585</u>	<u>56,270</u>	<u>139,427</u>	<u>127,434</u>
Environmental Health Services					
Area D Water	34,497	457,225	247,275	738,998	441,561
Cortes Island Refuse Collection	97,433	5,284	4,987	107,704	105,071
Cortes Island Refuse Disposal	39,694	-	6,067	45,761	45,076
Craig Road Water	-	-	404	404	1,507
Kyuquot/Nootka Solid Waste Disposal	19,106	-	2,060	21,166	21,269
Liquid Waste Management Plan	22,629	-	18,510	41,139	43,740
Quathiaski Cove Sewer	981	3,169	22,543	26,693	82,593
Sayward Valley Refuse Collection	19,851	-	6,320	26,171	23,480
Sayward Valley Refuse Disposal	2,004	12,782	12,880	27,667	15,245
	<u>236,195</u>	<u>478,460</u>	<u>321,046</u>	<u>1,035,702</u>	<u>779,542</u>

Strathcona Regional District
Consolidated Summary of Surpluses and Reserves (continued)
As at December 31, 2019
(Unaudited)

Function	Appropriated Surplus <i>Note a</i>	Reserves <i>Note b</i>	Accumulated Surplus <i>Note c</i>	2019 Total	2018 Total
Development Services					
Area A House Numbering	-	-	-	-	1
Area C Economic Development	28,470	-	27,550	56,020	49,245
Area C House Numbering	-	-	-	-	1
Area D House Numbering	-	-	1	1	-
Planning	77,051	188,695	333,393	599,139	486,668
Planning - Non-Part 26	-	-	1,744	1,744	2,004
Sayward Valley Economic Development	36,603	-	615	37,218	34,367
	<u>142,124</u>	<u>188,695</u>	<u>363,302</u>	<u>694,121</u>	<u>572,286</u>
Recreation and Cultural Services					
Area B Community Parks	5,250	238,418	5,652	249,320	258,689
Area B Heritage Conservation	-	-	2,922	2,922	3,184
Area C Community Parks	20,000	174,371	57,150	251,522	274,435
Area C Heritage Conservation	-	-	4,581	4,581	3,572
Area D Community Parks	10,000	666,646	60,738	737,384	726,809
Kyuquot Community Hall	-	-	2,003	2,003	478
Quadra Island Community Hall	-	79,045	5,849	84,894	78,917
Sayward Valley Recreation and Community	30,736	95,124	5,627	131,487	156,994
Strathcona Gardens Recreation Complex	275,054	5,060,015	579,709	5,914,778	4,563,873
Vancouver Island Regional Library	-	-	341	341	2,535
	<u>341,040</u>	<u>6,313,619</u>	<u>724,572</u>	<u>7,379,231</u>	<u>6,069,486</u>
	<u>\$ 1,792,162</u>	<u>\$ 14,265,135</u>	<u>\$ 2,543,788</u>	<u>\$ 18,601,085</u>	<u>\$ 15,902,605</u>

Notes:

- a) Appropriated surpluses are internally restricted funds accumulated through planned contributions identified in the financial plan, and may be used for emergencies, contingencies, requisition smoothing or any other designated purpose within the function. These amounts are not automatically carried forward to offset future operational expense or supplement revenue.
- b) Reserves are established by bylaw or Provincial statute for specific purposes such as unforeseen future expenditures, capital works, machinery and equipment, and parkland acquisition. Use of reserves is identified in the financial plan as "transfers from reserves". Reserves may include externally restricted funds, such as endowments. Schedule II *Schedule of Changes in Reserve Fund Balances* provides details about reserve fund changes in the current year.
- c) Accumulated surpluses are the net result of operating activities and may be used in future years to offset operational expense or supplement revenue. A surplus occurs if projects are not completed by the end of the fiscal year, if revenue exceeds expectations, or when cost savings are realized. A deficit, indicated by a bracketed amount, occurs if expense exceeds expectations, or there is a revenue shortfall. A deficit must be repaid in the following year.



Schedule II

Strathcona Regional District
Schedule of Changes in Reserve Fund Balances
As at December 31, 2019
(Unaudited)

Reserve Type and Function	Beginning Balance	Interest Earned	Transfers from (to) Operating	Transfers from (to) Capital	Ending Balance
Capital works, machinery & equipment reserves					
Area B Community Parks	\$ 31,966	\$ 671	\$ -	\$ (16,022)	\$ 16,616
Area C Community Parks	162,350	3,408	20,000	(55,815)	129,943
Area D Community Parks	447,605	9,397	-	(21,500)	435,502
Area D Water	250,185	5,252	60,000	-	315,437
Building Inspection	48,066	1,009	20,000	(3,941)	65,133
Cortes Island Refuse Disposal	5,175	109	-	-	5,284
General Administration	552,339	11,596	290,000	(460,165)	393,770
Oyster River Bank Protection	46,801	983	-	-	47,784
Planning	187,498	3,936	5,000	(22,334)	174,100
Quadra Island Community Hall	3,544	74	-	-	3,618
Quathiaski Cove Sewer	33,592	705	7,500	(38,628)	3,169
Sayward Valley Fire Protection	253,820	5,329	15,000	-	274,148
Sayward Valley Recreation and Communi	49,897	1,048	-	(31,823)	19,122
Sayward Valley Refuse Disposal	12,519	263	-	-	12,782
South Cortes Island Fire Protection	157,088	3,298	55,000	-	215,386
Strathcona Gardens Recreation Complex	3,593,973	75,451	1,500,000	(241,114)	4,928,310
	<u>5,836,417</u>	<u>122,528</u>	<u>1,972,500</u>	<u>(891,342)</u>	<u>7,040,104</u>
Future expenditure reserves					
Area B Community Parks	67,059	1,408	-	-	68,467
Area C Community Parks	29,353	616	-	-	29,969
Area D Community Parks	225,394	4,732	-	-	230,126
Area D Water	7,145	150	134,493	-	141,788
Building Inspection	51,359	1,078	4,000	-	56,438
General Administration	25,749	541	-	-	26,290
North Quadra Assistance Response	1,493	31	-	-	1,524
Oyster River Bank Protection	18,415	387	-	-	18,802
Planning	4,500	94	10,000	-	14,594
Quadra Island Community Hall	73,876	1,551	-	-	75,427
Sayward Valley Recreation and Communi	74,440	1,563	-	-	76,002
South Cortes Island Fire Protection	49,205	1,033	-	-	50,238
Strathcona Gardens Recreation Complex	128,997	2,708	-	-	131,705
Unightly Premises	4,051	85	-	-	4,136
	<u>761,036</u>	<u>15,977</u>	<u>148,493</u>	<u>-</u>	<u>925,506</u>
Community parkland acquisition reserves					
Area C Community Parks	14,162	297	-	-	14,459
Area D Community Parks	997	21	-	-	1,018
	<u>15,159</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>15,477</u>
Endowments					
Area B Community Parks-Hank's Beach Forest Conservation Park	152,536	3,300	(2,500)	-	153,336
	<u>152,536</u>	<u>3,300</u>	<u>(2,500)</u>	<u>-</u>	<u>153,336</u>
Community Works Fund	5,076,868	106,583	983,480	(36,219)	6,130,712
Community Works Fund	<u>5,076,868</u>	<u>106,583</u>	<u>983,480</u>	<u>(36,219)</u>	<u>6,130,712</u>
	<u>\$ 11,842,016</u>	<u>\$ 248,706</u>	<u>\$ 3,101,973</u>	<u>\$ (927,561)</u>	<u>\$ 14,265,135</u>

**Strathcona Regional District
Schedule of Service Requisition Limits
As at December 31, 2019
(Unaudited)**

Service	Requisition Limits
General Government Administration	
General Administration	No stated limit
Grants in Aid – Areas A, B, C and D	\$0.10 per \$1,000 net taxable assessment
Electoral Areas Administration and Election Services	No stated limit
Feasibility Study – Electoral Areas and Regional	No stated limit
Member Municipalities Administration	No stated limit
Regional Broadband	\$0.25 per \$1,000 net taxable assessment
Protective Services	
911 Emergency Answering	\$0.35 per \$1,000 net taxable assessment
Area D Animal Control	\$0.323 per \$1,000 net taxable assessment
Building Inspection	No stated limit
Campbell River Area D Fire Protection	No stated limit
Kyuquot/Nootka Emergency Program	\$6,000 or \$0.25 per \$1,000 net taxable assessment, whichever is greater
Noise Control	\$0.01 per \$1,000 net taxable assessment
North Quadra Assistance Response	\$0.02 per \$1,000 net taxable assessment
Sayward Valley Fire Protection	\$2.00 per \$1,000 net taxable assessment
Soil Deposit and Removal Control	\$25,000 or an amount equal to the actual costs for the prior year, whichever is less
South Cortes Island Fire Protection	\$94,500 or \$1.00 per \$1,000 net taxable assessment, whichever is greater
Strathcona Emergency Program	\$0.03 per \$1,000 net taxable assessment; minimum \$1,000 per participating area
Unightly Premises	\$25,000 or \$0.002 per \$1,000 net taxable assessment, whichever is greater
Transportation Services	
Area C Street Lighting	\$7,880 total maximum
Area D Street Lighting	\$0.20 per \$1,000 net taxable assessment
Area D Transit	\$0.20 per \$1,000 net taxable assessment
Oyster River Bank Protection	\$18,000 total maximum
Development Services	
Area A Economic Development	\$0.05 per \$1,000 net taxable assessment
Area C Economic Development	\$0.278 per \$1,000 net taxable assessment
House Numbering	\$0.0277 per \$1,000 net taxable assessment
Planning	No stated limit
Planning – Non-Part 26	No stated limit



Schedule III

Strathcona Regional District
Schedule of Service Requisition Limits (continued)
As at December 31, 2019
(Unaudited)

Service	Requisition Limits
Environmental Health Services	
Area D Water	\$23,000 or \$1.00 per \$1,000 net taxable assessment, whichever is greater
Cortes Island Refuse Collection	No stated limit
Cortes Island Refuse Disposal	\$0.50 per \$1,000 net taxable assessment
Craig Road Water	\$36,000 total maximum
Kyuquot/Nootka Solid Waste Disposal	\$18,750 total maximum
Liquid Waste Management Plan	\$0.05 per \$1,000 net taxable assessment
Quathiaski Cove Sewer	\$30,000 total maximum
Quathiaski Cove Sewer Extension #1	\$30,080 total maximum
Sayward Valley Refuse Collection	\$0.286 per \$1,000 net taxable assessment
Sayward Valley Refuse Disposal	\$0.344 per \$1,000 net taxable assessment
Recreation and Cultural Services	
Areas B and C Heritage Conservation	\$0.25 per \$1,000 net taxable assessment
Areas B, C and D Community Parks	\$0.50 per \$1,000 net taxable assessment
Kyuquot Community Hall	\$0.50 per \$1,000 net taxable assessment
Quadra Island Community Hall	\$0.50 per \$1,000 net taxable assessment
Sayward Valley Recreation and Community Hall	\$1.75 per \$1,000 net taxable assessment
Strathcona Gardens Recreation Complex	\$1.588 per \$1,000 net taxable assessment
Vancouver Island Regional Library	No stated limit



Schedule IV

**Strathcona Regional District
Schedule of Guarantee and Indemnity Agreements
As at December 31, 2019
(Unaudited)**

The Strathcona Regional District has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.



Schedule V

Strathcona Regional District
Schedule of Remuneration and Expenses
As at December 31, 2019
(Unaudited)

Name	Position/Area Represented	Remuneration	Expenses	Total
Elected and Appointed Officials				
Abram, J.	Director, Electoral Area C	\$ 57,199	\$ 13,269	\$ 70,468
Adams, A.	Director, City of Campbell River	18,620	-	18,620
Anderson, N.	Director, Electoral Area B	51,362	11,567	62,929
Babchuk, M.	Director, City of Campbell River, Board Chair	41,597	1,118	42,715
Colborne, J.	Director, Village of Zeballos	19,686	3,807	23,493
Cornfield, C.	Director, City of Campbell River	18,660	-	18,660
Dahl, K.	Alternate Director, City of Campbell River	605	-	605
Davis, M.	Director, Village of Tahsis	20,233	5,375	25,608
Dow, C.	Alternate Director, Electoral Area B	373	20	393
Evans, C.	Alternate Director, City of Campbell River	3,448	-	3,448
Grunerud, C.	Commissioner, Strathcona Gardens Commissior	855	-	855
Ives, W.	Alternate Director, Village of Sayward	385	168	553
Kerr, R.	Director, City of Campbell River	18,707	-	18,707
Lavelle, M.	Alternate Director, Electoral Area B	430	-	430
Leigh, B.	Director, Electoral Area D	50,524	7,242	57,766
MacDonald, J.	Director, Village of Sayward	20,209	3,835	24,044
MacKenzie, D.	Alternate Director, Electoral Area C	360	-	360
Moglove, C.	Director, City of Campbell River	17,492	199	17,691
Unger, N.B.	Director, Village of Gold River	22,631	7,507	30,138
Whalley, G.	Director, Electoral Area A	49,966	6,505	56,471
		413,342	60,612	473,954
Employees				
Clark, K.	Senior Accountant	86,389	2,947	\$ 89,336
Foort, M.	Chief Financial Officer	124,323	2,962	127,285
Fritz, T.	Manager Arenas & Facility Operations	86,185	3,243	89,428
Gage, L.	Senior Human Resources Manager	112,158	8,634	120,792
Gurak, K.	Senior Manager Strathcona Gardens	112,641	1,582	114,223
Hansen, R.	Senior Manager Community Services	108,701	1,168	109,869
Hargrave, J.	Building Official	75,578	3,018	78,596
Harmston, M.	Chief Financial Officer - Acting	92,843	3,927	96,770
Humphreys, J.	Environmental Services Coordinator	80,831	1,837	82,668
Koopman, S.	Protective Services Coordinator	80,144	3,067	83,211
Leitch, D.	Chief Administrative Officer	163,650	9,883	173,533
McGregor, M.	Parks & Facilities Technician	75,639	1,818	77,457
Nelson, A.	Senior Manager Community Services	112,949	3,848	116,797
Schmuland, J.	Information Technology Manager	97,737	2,445	100,182
Smith, V.	Senior Manager Strategic Initiatives	119,044	14,674	133,718
Yates, T.	Senior Manager Corporate Services	141,821	408	142,229
		1,670,633	65,461	1,736,094

Prepared pursuant to the Financial Information Regulation, Schedule 1, section 6(2), (3), (4), (5), and (6)



Schedule V

Strathcona Regional District
Schedule of Remuneration and Expenses (continued)
As at December 31, 2019
(Unaudited)

Name	Position/Area Represented	Remuneration	Expenses	Total
Add: employees with remuneration less than \$75,000		3,546,918	38,596	3,585,514
		<u>5,217,551</u>	<u>104,057</u>	<u>5,321,608</u>
Total remuneration and expenses for elected officials and employees		<u>\$ 5,630,893</u>	<u>\$ 164,669</u>	<u>\$ 5,795,562</u>
Reconciling items, including adjustments for accrual-based accounting.		1,223,040		
Total Labour and Benefits per Schedule 1 of Financial Statements		<u>\$ 6,853,933</u>		



Schedule VI

**Strathcona Regional District
Statement of Severance Agreements
As at December 31, 2019
(Unaudited)**

There were no severance agreements made between the Strathcona Regional District and its non-unionized employees during the year ended December 31, 2019.

**Strathcona Regional District
Schedule of Payments to Suppliers
As at December 31, 2019
(Unaudited)**

Supplier Name	Amount Paid
ABL Electric Ltd	\$ 66,913
Acklands-Grainger Inc	33,547
AME Consulting Group	88,382
B.C. Hydro	295,736
Berry & Vale Contracting Ltd	309,777
Black Press Group Ltd	37,541
Blanchard Security Inc	35,145
CanWest Mechanical Inc	724,088
Cimco Refrigeration	1,994,235
City of Campbell River	1,442,396
Cityview - Division of N Harris ComputerCorp	36,281
ClearTech Industries Inc	35,964
Comox Valley Regional District	87,503
Coyote Installations - Wylie Parks	39,942
Crocker Equipment Co. Ltd.	218,763
DMI - Denise Mitchell Interiors	77,986
Driftwood Communications Ltd	35,296
Ed Rosse Plumbing Ltd	30,188
FortisBC-Natural Gas	137,682
Green Shield Canada	426,357
HCMA Architecture & Design	47,145
J. Toelle Construction Ltd	365,256
Kenco Drywall Systems Ltd	71,109
Koers & Associates Engineering Ltd	77,235
McElhanney Consulting Services Ltd	81,430
Michael Oviatt Trucking Ltd	67,121
Minister of Finance	49,988
Minister of Finance - Employer Health Tax	101,231
MNP LLP	34,979
Monk Office Supply Ltd	153,278
Municipal Finance Authority of BC	1,022,465
Municipal Insurance Association of British	61,980
Municipal Pension Plan	766,199
Myra Systems Corp.	49,106
North Island Glass 2012 Ltd	63,406
Pipes Technology Group	37,426
Receiver General For Canada	1,520,873
Richardson Luisa	43,994
Schmidt D. Michael	33,141
Shaw Telecom GP	45,259
SoftwareONE Canada Inc.	55,763
Strategic Natural Resource Consultants Inc	35,922

Strathcona Regional District
Schedule of Payments to Suppliers (continued)
As at December 31, 2019
(Unaudited)

Supplier Name	Amount Paid
Suavair Aerial Imaging Ltd	32,046
Sysco Victoria	25,239
Taylor Warwick Consulting Limited	28,000
Think Communications Inc	160,752
TRENDWEST MILLWORK LTD	41,499
Two Hills Ventures Ltd	253,183
United Steelworkers - Local 1-1937	43,941
Urban Systems Ltd	76,650
Verschuur Margaret	56,453
Village of Sayward	37,777
Viper Fire Holdings (2013) Ltd	35,505
Wacor Holdings Ltd	463,019
Waste Management of Canada Corporation	55,033
Waypoint Insurance	72,289
West Can Carpet One/West-Can	30,834
WorkSafeBC	96,836
Total suppliers over \$25,000	12,447,083

Supplier Name	Amount Paid
City of Campbell River	595,992
Cortes Island Fire-Fighting Association	166,554
North Island 911 Corporation	398,513
Quadra Island Recreation Society	132,500
Vancouver Island Regional Library	521,356
Village of Sayward	45,219
Total grants over \$25,000	1,860,134

Total suppliers and grants under \$25,000 **1,959,294**

Total payments to suppliers and grants **16,266,511**

Adjustments:

Debt principal repaid	(88,535)
Acquisition of tangible capital assets	(5,160,970)
Amortization expense on tangible capital assets	998,032
Labour and benefits	6,853,933
Change in accounts payable and accrued expenses, and payments for non-expense	(4,072,180)
Total Expense per Consolidated Financial Statements, Statement B	\$ 14,796,792



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