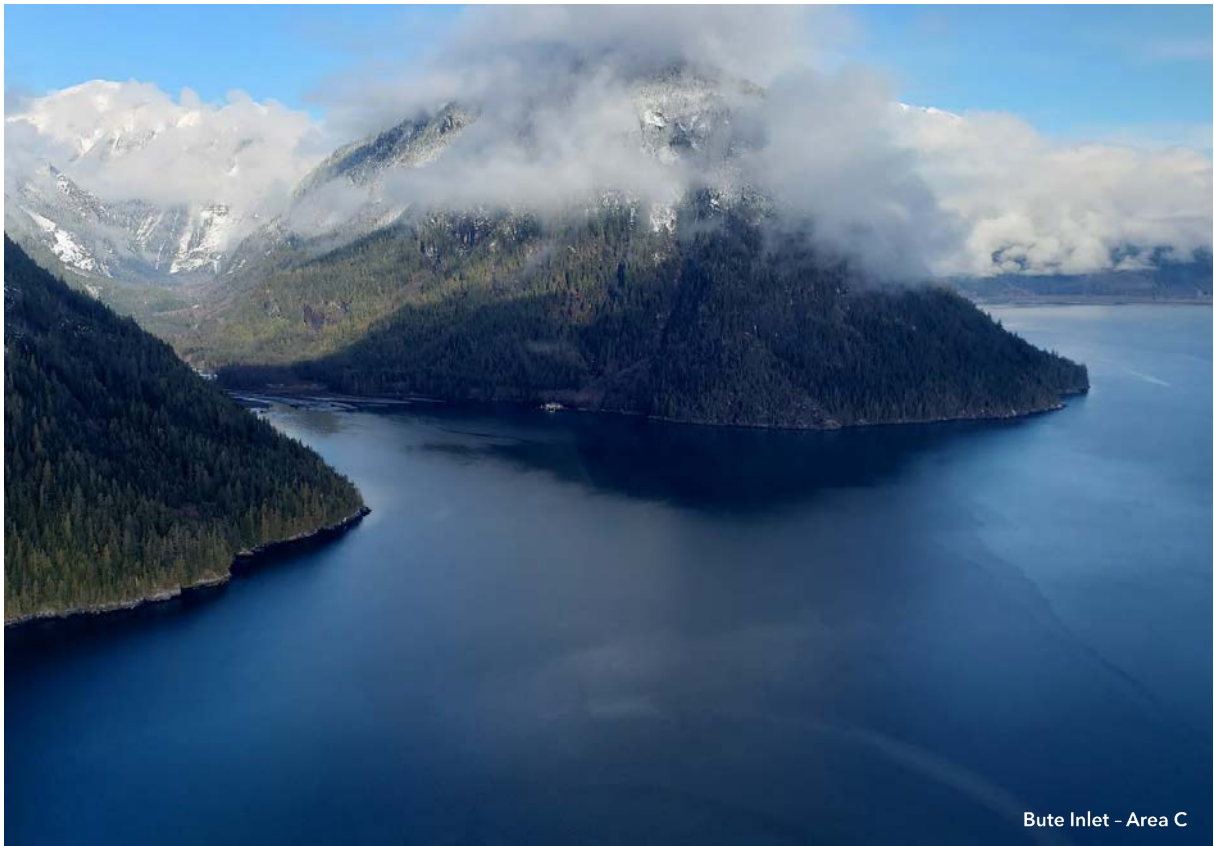


Strathcona Regional District

2020 Comprehensive Annual Financial Report





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.

Elected Officials & Appointed Officers

Elected Officials & Associate Members

City of Campbell River	Andy Adams
City of Campbell River	Charlie Cornfield
City of Campbell River	Claire Moglove (Vice-Chair)
City of Campbell River	Colleen Evans
City of Campbell River	Ron Kerr
Village of Gold River	Brad Unger (Chair)
Village of Sayward	Mark Baker
Village of Tahsis	Martin Davis
Village of Zeballos	Julie Colborne
Ka:'yu:'k't'h' / Che:k'tles7et'h First Nations	Kevin Jules
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

Appointed Officers & Senior Management

Chief Administrative Officer * §	David Leitch
Chief Financial Officer †	Mike Harmston
Corporate Officer ‡	Tom Yates
Senior Manager, Community Services	Aniko Nelson
Senior Manager, Engineering Services	Wolfgang Parada
Senior Manager, Human Resources	Laurie Gage
Senior Manager, Strathcona Gardens	Koreen Gurak

*Chief Administration †Chief Financial Officer ‡Corporate Administrator §Approving Officer ¿Chief Election Officer

Board Strategic Priorities

The Strathcona Regional District (SRD) operates under a four-year strategic plan. In building the 2020-2024 plan, individual Director's views and varying community priorities and needs were brought forward, previous strategic priorities were reviewed as well as comments gathered from public meetings. Rather than setting many goals and achieving mediocrity, the Board deliberately chose to strive for excellence by focusing on core goals consisting of a set of 4 high-level strategic priorities.

Once the strategic plan has been approved by the Board, staff incorporate these priorities into their short and long - range work plans and work with community stakeholders to accomplish these goals. The annual budget is then drafted to reflect these stated objectives.

In 2020-2024, the SRD will focus on building better connections; in our communities, with our environment, through service delivery and in our internal and external relationships.

Community Well-Being

- Improve broadband and cellular infrastructure as well as digital initiatives that enable our communities to access the benefits of being more connected to each other and the world.
- Identify and support transportation initiatives that safely move people, goods and services between our communities and beyond.
- Support initiatives that develop robust and diverse economic conditions for our communities with income-generating opportunities for our residents.
- Identify and support initiatives that improve health and well-being in our communities.
- Support housing diversity so that our residents, young and old, can grow and stay in our communities.

Service Delivery

- Value and respect the region's diverse service needs and have regard for our impact on each other's fiscal capacity.
- Build sound and efficient systems to protect the region's assets and records and sustain service levels in a fiscally responsible way.

Environment

- Support and advocate for waste management initiatives that are both fiscally and environmentally responsible.
- Support adaptation and mitigation of climate change through local and sub-regional initiatives.
- Improve our understanding and ability to respond to flooding (sea level rise and storm surge) and wildfire.

Relationships

- Prioritize good governance that recognizes the diversity of our region and focuses on areas of common interests.
- Continue to build relationships with First Nations communities within the region and explore areas of shared focus and opportunity.
- Utilize our collective voice to advocate for issues of importance to our region.
- Find ways to better lend our support to individual community needs.
- Develop a proactive approach to engaging with our communities and communicating our decisions to the public.



Strathcona Regional District
Consolidated Financial Statements
Year ended December 31, 2020

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 consolidated 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 consolidated 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 flourish extending to the right.

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

May 3rd, 2021

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, 2020, and the consolidated statements of operations, changes in net financial assets, cash flows and related schedules 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, 2020, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Regional District to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Nanaimo, British Columbia

May 12, 2021

MNP LLP

Chartered Professional Accountants



Strathcona Regional District
Consolidated Statement of Financial Position
As at December 31, 2020

Table with 3 columns: Description, 2020, and 2019. Rows include Financial assets (Cash and cash equivalents, Receivables, Inventory, Investments, Municipal debt), Total financial assets, Financial liabilities (Accounts payable, Deferred revenue, Long-term debt), Total financial liabilities, Net financial assets, Non-financial assets (Prepaid expenses, Tangible capital assets), Total non-financial assets, and Accumulated surplus.

Contingent liability (Note 13)
Significant event (Note 22)
Commitments (Note 24)

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.



**Strathcona Regional District
Consolidated Statement of Operations
Year ended December 31, 2020**

	2020	2020	2019
	Actual	Budget	Actual
		(Note 21)	
Revenue			
Frontage and parcel taxes	\$ 11,323	\$ 11,323	\$ 11,323
Grants in lieu of taxes	212,401	186,560	202,164
Property tax requisition	12,936,208	12,936,207	11,956,111
Government grants and transfers	4,096,933	15,357,369	5,351,469
Sales of services	2,272,871	3,220,368	3,071,453
Other revenue from own sources	289,209	169,752	244,115
Contributions from others	9,410	1,000	10,607
Gain (Loss) on disposal of tangible capital assets	(3,395)	-	(8,137)
Interest earned	276,390	80,000	452,669
Actuarial adjustment of debenture debt	4,379	-	2,792
Total revenue	20,105,729	31,962,579	21,294,566
Expense			
General government services	3,324,118	4,952,804	3,762,607
Protective services	1,919,975	1,977,590	1,654,593
Environmental health services	2,343,378	2,263,122	1,939,429
Development services	374,468	828,031	567,278
Parks, recreation and cultural services	5,653,431	6,953,759	6,666,738
Transportation services	187,342	236,240	206,147
Total expense	13,802,712	17,211,546	14,796,792
Annual surplus	6,303,017	14,751,033	6,497,774
Accumulated surplus, beginning	40,080,873	40,080,873	33,583,099
Accumulated surplus, ending	\$ 46,383,890	\$ 54,831,906	\$ 40,080,873

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



**Strathcona Regional District
Consolidated Statement of Changes in Net Financial Assets
Year ended December 31, 2020**

	<u>2020</u> <u>Actual</u>	2020 <u>Budget</u> (Note 21)	2019 <u>Actual</u>
Annual surplus	\$ 6,303,017	\$ 14,751,033	\$ 6,497,774
Acquisition of tangible capital assets	(3,035,399)	(19,718,721)	(5,160,970)
Disposal of tangible capital assets	4,566	-	12,910
Amortization of tangible capital assets	1,115,208	-	998,032
Change in prepaid expenses	(65,552)	-	17,979
Increase (decrease) in net financial assets	4,321,840	(4,967,688)	2,365,725
Net financial assets, beginning	16,431,142	16,431,142	14,065,417
Net financial assets, ending	\$ 20,752,982	\$ 11,463,454	\$ 16,431,142

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



**Strathcona Regional District
Consolidated Statement of Cash Flows
Year ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
Operating activities		
Annual surplus	\$ 6,303,017	\$ 6,497,774
Items not affecting operating activities:		
Actuarial adjustment of debenture debt	(4,379)	(2,792)
Amortization of tangible capital assets	1,115,208	998,032
Change in prepaid expenses	(65,552)	17,979
Loss (gain) on disposal of tangible capital asset	3,395	8,137
Decrease (increase) in non-cash financial assets:		
Receivables	(1,538,557)	(821,476)
Inventory for resale	255	(4,171)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	708,177	67,417
Deferred revenue	(12,204)	(545,308)
Cash provided by operating activities	<u>6,509,360</u>	<u>6,215,592</u>
Capital activities		
Acquisition of tangible capital assets	(3,035,399)	(5,160,970)
Proceeds on disposition of tangible capital asset	1,171	4,773
Cash applied to capital activities	<u>(3,034,228)</u>	<u>(5,156,197)</u>
Financing activities		
Debt principal repaid	(228,394)	(88,535)
Proceeds for borrowing	144,000	12,028
Cash applied to financing activities	<u>(84,394)</u>	<u>(76,507)</u>
Net change in cash and cash equivalents	3,390,738	982,887
Cash and cash equivalents, beginning	<u>21,393,081</u>	<u>20,410,194</u>
Cash and cash equivalents, ending	<u>\$ 24,783,819</u>	<u>\$ 21,393,081</u>
Supplemental information		
Interest received	<u>300,255</u>	\$ 450,220
Interest paid	<u>\$ 75,890</u>	\$ 72,369

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, 2020

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 (SAB). The consolidated financial statements include the activities related to all funds of the Regional District, as well as its wholly owned subsidiary, Strathcona Connected Coast Network Corp. (SCCNC). Inter-fund transactions, fund balances and all transactions with SCCNC 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, 2020

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, 2020

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, 2020.

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, 2020 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, 2020

3. Cash and cash equivalents

Included in cash and cash equivalents is \$1,707,485 (2019 – \$1,638,487) 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 \$2,882,205 (2019 – \$2,894,664) that is externally restricted by contribution agreements for wharves contributed to the Regional District from Transport Canada.

4. Receivables

	2020	2019
Government of Canada	\$ 305,706	\$ 62,556
Province of British Columbia	224,948	51,885
Regional and local governments	247,203	98,756
Utility service customers	330,073	285,317
Other trade receivables	1,975,793	1,046,653
	<u>\$ 3,083,723</u>	<u>\$ 1,545,167</u>

5. Investments

Investments comprise a five-year 2.2% non-redeemable Guaranteed Investment Certificate at a cost of \$149,985 (2019 – \$149,984) 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.

	2020	2019
City of Campbell River	\$ 11,691,943	\$ 12,552,229
Village of Sayward	52,700	62,195
	<u>\$ 11,744,643</u>	<u>\$ 12,614,424</u>

7. Accounts payable and accrued liabilities

	2020	2019
Province of British Columbia	\$ 56,871	\$ 31,643
Regional and local governments	240,488	217,666
Accrued interest on long-term debenture debt	19,756	19,756
Payroll liabilities	390,848	568,955
Other trade payables	1,219,351	381,117
	<u>\$ 1,927,314</u>	<u>\$ 1,219,137</u>



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2020

8. Deferred revenue

	2020	2019
Deferred grants	\$ 282,046	\$ 209,380
Transport Canada (Note 9)	2,810,906	2,854,575
Parkland acquisition	87,989	87,989
Unearned revenue	18,870	60,070
	\$ 3,199,810	\$ 3,212,014

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.

	2020	2019
Beginning balance	\$ 2,854,575	\$ 2,836,805
Add: Interest earned on funds	29,343	63,267
Add: Other revenue	245	363
Less: Eligible expenses	(73,257)	(45,860)
Ending balance	\$ 2,810,906	\$ 2,854,575

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, 2020 the CDOR rate was 1.21% (2019 – 2.08%). 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:

2021	\$ 59,664
2022	61,458
2023	63,309
2024	65,216
2025	67,183
Thereafter	1,835,585
Total	\$ 2,152,415

Interest on long-term debt recorded in the Consolidated Statement of Operations in 2020 is \$75,890 (2019 – \$72,369). The above figures do not include anticipated actuarial earnings on debenture sinking funds.



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2020

11. Accumulated surplus

	<u>2020</u>	<u>2019</u>
Equity in tangible capital assets	\$ 23,386,254	\$ 21,381,857
Capital funds	106,913	97,932
Appropriated surplus	2,292,415	1,792,161
Reserve funds (Note 12)	16,897,426	14,265,135
Operating funds	3,700,882	2,543,788
	<u>\$ 46,383,890</u>	<u>\$ 40,080,873</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>2020</u>	<u>2019</u>
Beginning balance	\$ 6,130,712	\$ 5,076,868
Add: Amounts received during the year	484,881	983,480
Add: Interest earned on funds	74,966	106,583
Less: Eligible expenses spent	(137,058)	(36,219)
Ending balance	<u>\$ 6,553,501</u>	<u>\$ 6,130,712</u>

13. Contingent liability

There were various claims made against the Regional District as at December 31, 2020 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, 2020 the Regional District had debt reserve funds of \$25,058 (2019 – \$23,135).

Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2020

16. Pension liability

The Regional District and its employees contribute to the Municipal Pension Plan, a jointly trusted 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, 2019, the plan has approximately 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 next valuation will be as at December 31, 2021 with results available in 2022.

The Regional District paid \$356,025 (2019 – \$408,148) for employer contributions while employees contributed \$318,025 (2019 – \$358,051) to the plan in fiscal 2020.

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.

19. Contractual rights

The Regional District, through its wholly owned subsidiary Strathcona Connected Coast Network Corporation, has entered into Contribution Agreements with the Government of Canada and the Northern Development Initiative Trust for the expansion and enhancement of broadband internet service in rural and remote areas of northern Vancouver Island. The maximum contribution under the Agreements is \$32,575,844. As at December 31, 2020, the Regional District has submitted claims for \$1,054,106.



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2020

20. 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 2020 revenues and expenses can be found in Schedule 1 of the accompanying financial statements, Schedule 2 contains 2019 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, 2020

21. Reconciliation to 2020 Budget Bylaw

The budget amounts presented throughout these financial statements are audited and represent the 2020-2024 Financial Plan and Capital Expenditure Program Bylaw No. 382, as approved by the Regional District Board on February 26, 2020.

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 2020 adopted financial plan to the financial statement budget figures on Statement B:

	<u>2020</u>
Balanced Financial Plan Bylaw	\$ -
Add:	
Debt principal payments	47,573
Capital acquisitions	19,718,721
Deficit prior year	11,947
Budgeted transfers to reserves/appropriated surplus	3,261,247
Less:	
Proceeds from borrowing	(21,483)
Budgeted transfers from prior year surpluses	(2,518,607)
Budgeted transfers from reserves/appropriated surplus	(5,748,365)
Statement of Operations Budgeted Surplus	<u>\$ 14,751,033</u>

22. Significant 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.

23. Joint venture partnership

During the year, the Regional District, through its wholly owned subsidiary Strathcona Connected Coast Network Corporation, entered into a Joint Venture arrangement with CityWest Cable & Telephone Corporation (CityWest), commencing on December 4, 2020. The agreement is for a 7-year term that includes two years to build a fibre optic network and five years of operating as required under the Federal and Provincial funding agreements. All operating expenses and revenues of the Connected Coast Project will be shared equally under the Joint Venture agreement. CityWest will provide sales, marketing and operational services, while the Regional District, through Strathcona Connected Coast Network Corporation, will retain ownership of the related tangible capital assets



Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2020

24. Commitments

As at December 31, 2020, the regional district had the following significant commitments:

Baylink Networks Inc. - design build contract. This agreement which expires in 2023, relates to the Connected Coast broadband project, not to exceed \$10,262,743.

HCMA Architecture and Design - consulting and design for the RE-CREATE project at Strathcona Gardens not to exceed \$1,470,000

Nelson Roofing & Sheet Metal - phase 3 of construction for the Energy Efficiency Upgrade Project at Strathcona Gardens Recreation Complex. Amount not to exceed \$1,720,000

25. Provincial COVID-19 - Safe Restart Grant

COVID-19 Safe Restart Grants for Local Governments was funding provided to local governments to assist with the increased operating costs and revenue shortfalls as a result of the COVID-19 pandemic. COVID-19 Safe Restart Grant funds may be used towards specific eligible costs for funding revenue shortfalls, facility reopening and operating costs, emergency planning and response costs, bylaw enforcement and protective services, computers and other technology costs, and services for vulnerable persons.

The Strathcona Regional District received \$539,000 in COVID-19 Safe Restart Grant and reports the balance in the General Fund Reserve until it is used to fund eligible costs. The following is a schedule of COVID-19 Safe Restart Grant receipts and allocations made by the Board.

	2020
Received	\$ 539,000
Allocations:	
Revenue shortfall - Parks, Recreation and Cultural	(211,355)
Services costs - Parks, Recreation and Cultural	(16,750)
Services costs - General Government	(52,260)
Unallocated Funds	\$ 258,635



**Strathcona Regional District
Consolidated Schedule of Segment Disclosure by Service
Year ended December 31, 2020**

	General Government Services	Protective Services	Environmental Health Services	Development Services	Parks, Recreation and Cultural Services	Transportation Services	2020 Actual	2020 Budget	
								(Note 21)	
Revenue									
Frontage and parcel taxes	\$ -	\$ -	\$ 11,323	\$ -	\$ -	\$ -	\$ 11,323	\$ 11,323	
Grants in lieu of taxes	158,506	5,048	245	-	48,572	30	212,401	186,560	
Property tax requisition	2,484,343	1,749,263	670,491	661,695	7,160,016	210,400	12,936,208	12,936,207	
Government grants and transfers	2,164,659	274,335	-	-	1,657,939	-	4,096,933	15,357,369	
Sales of services	52,661	21,289	1,559,776	3,831	635,314	-	2,272,871	3,220,368	
Other revenue from own sources	29,213	49,721	139,270	42,692	27,955	358	289,209	169,752	
Contributions from others	5,100	-	-	-	4,310	-	9,410	1,000	
Gain on disposal of tangible capital assets	-	1,171	(4,566)	-	-	-	(3,395)	-	
Interest earned	180,626	8,156	5,851	2,307	78,636	814	276,390	80,000	
Actuarial adjustment of debenture debt	-	-	4,379	-	-	-	4,379	-	
Total revenue	5,075,108	2,108,983	2,386,769	710,525	9,612,742	211,602	20,105,729	31,962,579	
Expense									
Labour and benefits	2,177,899	220,570	113,950	276,038	2,919,140	5,315	5,712,912	7,867,763	
Grants	105,560	1,162,318	-	24,669	529,950	150,523	1,973,020	2,106,488	
Goods and services	761,832	472,905	2,076,503	73,761	1,519,900	20,781	4,925,682	7,165,371	
Interest	65,349	-	10,541	-	-	-	75,890	71,924	
Amortization of tangible capital assets	213,478	64,182	142,384	-	684,441	10,723	1,115,208	-	
Total expense	3,324,118	1,919,975	2,343,378	374,468	5,653,431	187,342	13,802,712	17,211,546	
Surplus	\$ 1,750,990	\$ 189,008	\$ 43,391	\$ 336,057	\$ 3,959,311	\$ 24,260	\$ 6,303,017	\$ 14,751,033	



**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								
Frontage and parcel taxes	\$ -	\$ -	\$ 11,323	\$ -	\$ -	\$ -	\$ 11,323	\$ 11,323
Grants in lieu of taxes	150,659	4,984	316	-	46,175	29	202,164	193,220
Property tax requisition	2,130,975	1,608,782	662,553	657,185	6,680,799	215,817	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	88,722	76,416	(338)	358	244,114	204,518
Contributions from others	-	-	-	-	10,607	-	10,607	2,907
Gain on disposal of tangible capital assets	1,342	-	-	(9,479)	-	-	(8,137)	-
Interest earned	322,682	11,863	6,479	4,031	106,245	1,369	452,669	52,440
Actuarial adjustment of debenture debt	-	-	2,794	-	-	-	2,794	-
Total revenue	4,487,545	1,845,136	2,510,822	767,460	11,466,031	217,573	21,294,568	28,256,813
Expense								
Labour and benefits	2,231,771	204,550	90,862	407,715	3,914,184	4,851	6,853,932	7,380,098
Grants	118,440	1,053,377	-	12,480	521,904	147,950	1,854,151	1,937,062
Goods and services	1,164,277	332,148	1,710,644	147,084	1,621,530	42,623	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	131,348	-	608,521	10,723	998,033	-
Total expense	3,762,607	1,654,593	1,939,429	567,278	6,666,738	206,147	14,796,792	16,050,009
Surplus	\$ 724,938	\$ 190,543	\$ 571,393	\$ 200,182	\$ 4,799,293	\$ 11,426	\$ 6,497,775	\$ 12,206,804



**Strathcona Regional District
Consolidated Schedule of Tangible Capital Assets
Year ended December 31, 2020**

	Land and Improvements	Buildings and Improvements	Machinery Equipment Vehicles and Fixtures	Water Infrastructure	Sewer Infrastructure	Capital Projects in Progress	2020	2019
Cost								
Balance, beginning	\$ 9,693,921	\$ 21,717,589	\$ 3,107,363	\$ 4,130,624	\$ 2,405,079	\$ 525,091	\$ 41,579,667	\$ 36,515,523
Add:								
Additions during year	47,472	1,634,687	301,969	-	84,742	966,529	3,035,399	5,160,970
Less:								
Disposals or write downs	-	-	(94,913)	-	(27,395)	-	(122,308)	(96,826)
Completed during year		541			12,594	(13,135)	-	-
Balance, ending	9,741,393	23,352,817	3,314,419	4,130,624	2,475,020	1,478,485	44,492,758	41,579,667
Accumulated amortization								
Balance, beginning	\$ 1,330,576	\$ 11,094,909	\$ 2,010,135	\$ 2,904,357	\$ 616,643	\$ -	\$ 17,956,619	17,042,503
Add:								
Amortization for the year	174,183	565,871	232,770	82,619	59,765	-	1,115,208	998,032
Less:								
Accumulated amortization on disposals	-	-	(94,913)	-	(22,829)	-	(117,742)	(83,916)
Balance, ending	1,504,759	11,660,780	2,147,992	2,986,976	653,579	-	18,954,086	17,956,619
Net book value	\$ 8,236,634	\$ 11,692,037	\$ 1,166,427	\$ 1,143,648	\$ 1,821,441	\$ 1,478,485	\$ 25,538,672	\$ 23,623,048
Net book value prior year	\$ 8,363,345	\$ 10,622,680	\$ 1,097,228	\$ 1,226,267	\$ 1,788,436	\$ 525,091	\$ 23,623,048	



**Strathcona Regional District
Consolidated Schedule of Debt
As at December 31, 2020**

Bylaw #	Maturity Date	Rate	Beginning Balance	Debt Proceeds	Principal Payments	Actuarial Adjustments	Ending Balance
Capital							
General Administration							
BL261	09/2048	3.04%	\$ 1,999,235	\$ -	\$ (42,925)	\$ (1,287)	\$ 1,955,023
Craig Road Water							
BL2789	04/2027	4.43%	61,133	-	(4,648)	(3,092)	53,393
Quathiaski Cove Sewer Extension #1							
BL217	12/2019	Variable: CDOR + 0.50%	180,821		(180,821)	-	-
BL217	10/2040	0.91%		144,000	-	-	144,000
Total debt			\$ 2,241,189	\$ 144,000	\$ (228,394)	\$ (4,379)	\$ 2,152,416



Strathcona Regional District

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

Year ended December 31, 2020



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, 2020.

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 "BU/mgu", with a long horizontal flourish extending to the right.

Brad Unger
Chair of the Board

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

Mike Harmston, CPA, CGA
Chief Financial Officer

Strathcona Regional District
Consolidated Summary of Surpluses and Reserves
As at December 31, 2020
(Unaudited)

Function	Appropriated Surplus Note a	Reserves Note b	Accumulated Surplus Note c	2020 Total	2019 Total
General Government Services					
Area A Grants in Aid	\$ -	\$ -	\$ 13,415	\$ 13,415	\$ 13,326
Area B Grants in Aid	-	-	172	172	33
Area C Grants in Aid	-	-	24,866	24,866	22,806
Area D Grants in Aid	-	-	37,648	37,648	3,456
Electoral Areas Administration and Elections	61,072	-	119,242	180,314	10,368
Feasibility Studies - Electoral Area A	-	-	5,001	5,001	4,638
Feasibility Studies - Electoral Area D	-	-	38,020	38,020	38,592
Feasibility Studies - Electoral Area B	-	-	18,869	18,869	15,353
Feasibility Studies - Electoral Area C	-	-	13,213	13,213	19,234
Feasibility Studies - Regional	-	-	64,936	64,936	10,912
Regional Broadband	-	-	552,761	552,761	-
General Administration	1,130,445	422,976	744,125	2,297,546	6,965,049
Member Municipality Administration	99,070	-	102,308	201,377	153,546
Wharves	-	-	117	117	-
	1,290,587	422,976	1,734,691	3,448,253	7,257,314
Protective Services					
911 Emergency Answering	43,248	-	2,943	46,190	44,436
Area D Animal Control	50,521	-	231	50,752	56,246
Building Inspection	61,699	115,002	78,101	254,802	236,547
Campbell River Area D Fire Protection	52,290	-	31,090	83,380	34,610
Cortes Island First Responder	-	-	26,940	26,940	236,547
Kyuquot/Nootka Emergency Program	2,252	-	1,703	3,955	4,586
Noise Control	-	-	2,018	2,018	2,741
North Quadra Assistance Response	-	1,543	247	1,790	1,743
Sayward Valley Fire Protection	7,464	292,501	63,484	363,449	292,279
Soil Deposit and Removal Control	-	-	-	-	137
South Cortes Island Fire Protection	45,745	288,672	2,946	337,363	237,467
Strathcona Emergency Program	30,936	-	5,305	36,241	45,534
Unightly Premises	-	4,187	503	4,690	4,552
	294,155	701,905	215,511	1,211,570	1,197,425
Transportation Services					
Area C Street Lighting	485	-	1,156	1,641	794
Area D Street Lighting	-	-	22,448	22,448	1,887
Area D Transit	35,000	-	20,591	55,591	41,683
Oyster River Bank Protection	1,087	67,399	23,852	92,339	83,070
	36,572	67,399	68,047	172,018	127,434
Environmental Health Services					
Area D Water	34,497	564,446	132,736	731,679	441,561
Cortes Island Refuse Collection	97,433	5,349	6,446	109,228	105,071
Cortes Island Refuse Disposal	39,694	-	7,382	47,076	45,076
Craig Road Water	-	-	(105)	(105)	1,507
Kyuquot/Nootka Solid Waste Disposal	19,106	-	1,501	20,607	21,269
Liquid Waste Management Plan	22,629	-	15,120	37,749	43,740
Quathiaski Cove Sewer	981	3,207	51,387	55,576	82,593
Quathiaski Cove Sewer Ext #1	-	-	(1,070)	(1,070)	-
Sayward Valley Refuse Collection	19,851	-	3,169	23,020	23,480
Sayward Valley Refuse Disposal	2,004	12,938	6,575	21,517	15,245
	236,195	585,941	223,141	1,045,277	779,542

Strathcona Regional District
Consolidated Summary of Surpluses and Reserves (continued)
As at December 31, 2020
(Unaudited)

Function	Appropriated Surplus <i>Note a</i>	Reserves <i>Note b</i>	Accumulated Surplus <i>Note c</i>	2020 Total	2019 Total
Development Services					
Area A House Numbering	-	-	-	-	1
Area C Economic Development	35,213	-	15,388	50,601	49,245
Area C House Numbering	-	-	1	1	1
Area D House Numbering	-	-	1	1	-
Planning	77,051	387,873	375,276	840,201	-
Planning - Non-Part 26	-	-	1,484	1,484	2,004
Sayward Valley Economic Development	36,603	-	646	37,249	34,367
	148,867	387,873	392,796	929,537	85,618
Recreation and Cultural Services					
Area B Community Parks	5,250	231,612	78,039	314,902	258,689
Area B Heritage Conservation	-	-	2,662	2,662	3,184
Area C Community Parks	20,000	171,332	89,568	280,900	274,435
Area C Heritage Conservation	-	-	5,590	5,590	3,572
Area D Community Parks	10,000	698,827	52,016	760,843	726,809
Cortes Island Community Halls	-	-	6,420	6,420	726,810
Kyuquot Community Hall	-	-	2,182	2,182	478
Quadra Island Community Hall	-	80,011	7,198	87,209	78,917
Sayward Valley Recreation and Community Hall	30,736	96,287	4,244	131,267	156,994
Strathcona Gardens Recreation Complex	220,054	6,899,761	818,354	7,938,168	565,847
Vancouver Island Regional Library	-	-	425	425	2,535
	286,040	8,177,831	1,066,698	9,530,569	2,798,270
	\$ 2,292,415	\$ 10,343,926	\$ 3,700,883	\$ 16,337,224	\$ 12,245,603

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.

Strathcona Regional District
Schedule of Changes in Reserve Fund Balances
As at December 31, 2020
(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	\$ 16,616	\$ 203	\$ -	\$ (8,655)	\$ 8,164
Area C Community Parks	129,943	1,589	10,000	(15,171)	126,360
Area D Community Parks	435,502	5,325	43,425	(19,396)	464,857
Area D Water	315,437	3,857	60,000	-	379,294
Building Inspection	65,133	796	-	(12,055)	53,875
Cortes Island Refuse Disposal	5,284	65	-	-	5,349
General Administration	393,770	4,815	170,000	(212,220)	356,365
General Administration - IT	-	-	40,000	-	40,000
Oyster River Bank Protection	47,784	584	-	-	48,368
Planning	174,100	2,129	5,000	(28,129)	153,101
Quadra Island Community Hall	3,618	44	-	-	3,662
Quathiaski Cove Sewer	3,169	39	-	-	3,207
Regional Broadband	-	-	22,261	(22,261)	-
Sayward Valley Fire Protection	274,148	3,352	15,000	-	292,501
Sayward Valley Recreation and Community	19,122	234	-	-	19,356
Sayward Valley Refuse Disposal	12,782	156	-	-	12,938
South Cortes Island Fire Protection	215,386	2,634	45,000	(25,200)	237,820
Strathcona Gardens Recreation Complex	4,928,310	60,263	1,863,095	(85,222)	6,766,446
	<u>7,040,104</u>	<u>86,086</u>	<u>2,273,781</u>	<u>(428,308)</u>	<u>8,971,661</u>
Future expenditure reserves					
Area B Community Parks	68,467	837	-	-	69,304
Area C Community Parks	29,969	366	-	-	30,336
Area D Community Parks	230,126	2,814	-	-	232,940
Area D Water	141,788	1,734	41,630	-	185,152
Building Inspection	56,438	690	4,000	-	61,128
General Administration	26,290	321	-	-	26,611
North Quadra Assistance Response	1,524	19	-	-	1,543
Oyster River Bank Protection	18,802	230	-	-	19,031
Planning	14,594	178	220,000	-	234,773
Quadra Island Community Hall	75,427	922	-	-	76,349
Sayward Valley Recreation and Community	76,002	929	-	-	76,932
South Cortes Island Fire Protection	50,238	614	-	-	50,852
Strathcona Gardens Recreation Complex	131,705	1,610	-	-	133,316
Unightly Premises	4,136	51	-	-	4,187
	<u>925,506</u>	<u>11,317</u>	<u>265,630</u>	<u>-</u>	<u>1,202,453</u>
Community parkland acquisition reserves					
Area C Community Parks	14,459	177	-	-	14,636
Area D Community Parks	1,018	12	-	-	1,031
	<u>15,477</u>	<u>189</u>	<u>-</u>	<u>-</u>	<u>15,667</u>
Endowments					
Area B Community Parks-Hank's Beach Forest Conservation Park	153,336	3,309	(2,500)	-	154,144
	<u>153,336</u>	<u>3,309</u>	<u>(2,500)</u>	<u>-</u>	<u>154,144</u>
Community Works Fund					
	<u>6,130,712</u>	<u>74,966</u>	<u>484,881</u>	<u>(137,058)</u>	<u>6,553,500</u>
	<u>\$ 14,265,135</u>	<u>\$ 175,866</u>	<u>\$ 3,021,791</u>	<u>\$ (565,367)</u>	<u>\$ 16,897,426</u>

Strathcona Regional District
Schedule of Service Requisition Limits
As at December 31, 2020
(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
Public Library Facilities	\$0.10 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
South Cortes Island First Responder	\$45,000 or \$0.14 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

Strathcona Regional District
Schedule of Service Requisition Limits (continued)
As at December 31, 2020
(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
Cortes Island Community Halls	\$80,000 or \$0.24 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



**Strathcona Regional District
Schedule of Guarantee and Indemnity Agreements
As at December 31, 2020
(Unaudited)**

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

**Strathcona Regional District
Schedule of Remuneration and Expenses
As at December 31, 2020
(Unaudited)**

Name	Position/Area Represented	Remuneration	Expenses	Total
Elected and Appointed Officials				
Abram, J.	Director, Electoral Area C	\$ 60,180	\$ 6,124	\$ 66,304
Adams, A.	Director, City of Campbell River	20,019	-	20,019
Anderson, N.	Director, Electoral Area B	53,618	2,954	56,572
Babchuk, M.	Director, City of Campbell River	37,234	-	37,234
Baker, M.	Director, Village of Sayward	1,266	-	1,266
Colborne, J.	Director, Village of Zeballos	18,337	1,156	19,493
Cornfield, C.	Director, City of Campbell River	17,563	175	17,738
Dahl, K.	Alternate Director, City of Campbell River	320	-	320
Davis, M.	Director, Village of Tahsis	18,853	1,496	20,349
Dow, C.	Alternate Director, Electoral Area B	1,545	84	1,629
Ellis, J.	Alternate Director, Village of Sayward	200	82	282
Evans, C.	Director, City of Campbell River	3,244	-	3,244
Grunerud, C.	Commissioner, Strathcona Gardens Commission	1,440	-	1,440
Ives, W.	Director, Village of Sayward	4,347	-	4,347
Kerr, R.	Director, City of Campbell River	17,782	-	17,782
Kirschner, N.	Director, Village of Sayward	5,418	-	5,418
Leigh, B.	Director, Electoral Area D	55,921	802	56,723
Llewellyn, L.	Alternate Director, Village of Tahsis	265	158	423
MacDonald, J.	Director, Village of Sayward	4,490	2,668	7,158
MacKenzie, D.	Alternate Director, Electoral Area C	640	-	640
Moglove, C.	Director, City of Campbell River, Vice Chair	18,796	152	18,948
Unger, N.B.	Director, Village of Gold River, Board Chair	26,506	3,118	29,624
Whalley, G.	Director, Electoral Area A	54,855	4,600	59,455
		422,839	23,569	446,408
Employees				
Christison, R.	Deputy Manager Strathcona Gardens	92,864	62	92,926
Clark, K.	Senior Accountant	88,992	3,392	92,384
Gage, L.	Senior Human Resources Manager	118,974	4,578	123,552
Gurak, K.	Senior Manager Strathcona Gardens	118,974	3,021	121,995
Harmston, M.	Chief Financial Officer	128,405	1,325	129,730
Humphreys, J.	Engineering Services Coordinator	88,254	1,262	89,516
Koopman, S.	Protective Services Coordinator	87,182	1,438	88,620
Leitch, D.	Chief Administrative Officer	182,458	3,745	186,203
Matheson, N.	Facility Operations Supervisor Strathcona Gardens	79,302	27	79,329
Neill, J.	Planner	79,088	694	79,782
Nelson, A.	Senior Manager Community Services	133,735	658	134,393
Parada, W.	Senior Manager Engineering Services	129,775	1,027	130,802
Popove, E.	Communications Coordinator	79,920	4,865	84,785
Schmuland, J.	Information Technology Manager	107,000	1,819	108,819
Watson, E.	Senior Executive Assistant	79,715	2,105	81,820
Yates, T.	Senior Manager Corporate Services	151,876	267	152,143
		1,746,514	30,285	1,776,799

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



Strathcona Regional District
Schedule of Remuneration and Expenses (continued)
As at December 31, 2020
(Unaudited)

Name	Position/Area Represented	Remuneration	Expenses	Total
Add: employees with remuneration less than \$75,000		2,603,549	17,668	2,621,217
		<u>4,350,063</u>	<u>47,953</u>	<u>4,398,016</u>
Total remuneration and expenses for elected officials and employees		<u>\$ 4,772,902</u>	<u>\$ 71,522</u>	<u>\$ 4,844,424</u>
Reconciling items, including adjustments for accrual-based accounting.		940,010		
		<u>940,010</u>		
Total Labour and Benefits per Schedule 1 of Financial Statements		<u>\$ 5,712,912</u>		

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



**Strathcona Regional District
Statement of Severance Agreements
As at December 31, 2020
(Unaudited)**

There was one severance agreement under which payment commenced between the Strathcona Regional District and an employee during the year ended December 31, 2020.

The agreement represents 8 weeks of compensation.

**Strathcona Regional District
Schedule of Payments to Suppliers
As at December 31, 2020
(Unaudited)**

Supplier Name	Amount Paid
Above & Beyond Tree Service	\$ 25,410
All Clear Septic Services	29,234
AME Consulting Group	35,216
Apple Electric Ltd	25,250
Baylink Networks Inc.	236,377
B.C. Hydro	237,883
Campbell River Toyota	36,576
CanWest Mechanical Inc	134,215
Cape Mudge Boatworks	37,424
Cascadia Sport Systems Inc	45,360
Cimco Refrigeration	266,564
Cityview - Division of N Harris Computer Corp	42,062
City of Campbell River	1,922,346
Comox Valley Regional District	93,411
FortisBC-Natural Gas	94,190
Green Shield Canada	382,647
Hazelbrae Holdings Ltd	233,902
Kendrick Equipment (2003) Ltd	28,580
Koers & Associates Engineering Ltd	86,163
MNP LLP	27,287
Michael Oviatt Trucking Ltd	71,631
Minister of Finance - Employer Health Tax	94,721
Municipal Finance Authority of BC	1,339,663
Municipal Insurance Association of British	61,445
Municipal Pension Plan	674,065
Myra Systems Corp.	32,961
Nelson Roofing & Sheet Metal Ltd	944,693
Norton Rose Fulbright Canada LLP	97,790
Northwest Hydraulic Consultants Ltd	76,743
PAW Pacific Audio Works Ltd.	136,354
Receiver General For Canada	1,367,145
Sayward Community Recreation Association	25,000
Safety Net Security Ltd	25,965
Shaw Telecom GP	43,686
SoftwareONE Canada Inc.	61,678
Southern Cortes Community Association	46,550
Stewart McDannold Stuart	26,836
Strategic Natural Resource Consultants Inc	29,108
Suavair Aerial Imaging Ltd	130,547
Think Communications Inc	123,151
Upland Contracting Ltd	62,402
United Steelworkers - Local 1-1937	28,296

Prepared pursuant to the Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2

Strathcona Regional District
Schedule of Payments to Suppliers (continued)
As at December 31, 2020
(Unaudited)

Supplier Name	Amount Paid
Verschuur Margaret	53,527
Village of Zeballos	25,200
Waste Management of Canada Corporation	43,506
Waypoint Insurance	82,434
WorkSafeBC	87,869
Young Anderson Barristers & Solicitors	104,729
Total suppliers over \$25,000	9,917,791

Supplier Name	Amount Paid
Cortes Island Fire-Fighting Association	172,056
City of Campbell River	688,116
Campbell River Community Foundation	32,500
North Island 911 Corporation	425,908
Quadra Island Recreation Society	148,000
Village of Sayward	35,185
Vancouver Island Regional Library	529,950
Total grants over \$25,000	2,031,715

Total suppliers and grants under \$25,000	1,651,629
Total payments to suppliers and grants	13,601,135

Adjustments:

Debt principal repaid	(228,394)
Acquisition of tangible capital assets	(3,035,399)
Amortization expense on tangible capital assets	1,115,208
Labour and benefits	5,712,912
Change in accounts payable and accrued expenses, and payments for non-expense items	(3,362,750)
Total Expense per Consolidated Financial Statements, Statement B	\$ 13,802,712

Prepared pursuant to the Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2



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