

# **Strathcona Regional District**

## **2021 Comprehensive Annual Financial Report**

---



## About the Regional District

The Strathcona Regional District (SRD) is a partnership of five municipalities, one First Nation, 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.

## 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 ‡ ı	Tom Yates
Senior Manager, Community Services	Aniko Nelson
Senior Manager, Engineering Services	Wolfgang Parada
Senior Manager, Human Resources	Laurie Gage
Senior Manager, Strathcona Gardens	Robin Kentrop

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

## Board Strategic Priorities

The Strathcona Regional District (SRD) operates under a four-year strategic plan. In building the 2021-2025 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 2021-2025, 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.

**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 service.

**VALUES**

In fulfilling our vision, we are guided at all levels by the core values of teamwork, respect, integrity, effectiveness and accountability. We adhere to the following 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 the region as a whole, as well as our individual constituents.

**VISION**

We are a connected region, where people, businesses, our environment and unique communities thrive. We are resilient and self-sufficient and diversity is valued and honoured as a key strength. We seek opportunities to leverage our collective strength to work on common goals and lend support to individual community initiatives.

We are innovative and open to new ways of working and delivering services. We build partnerships and are willing collaborators. We support reconciliation with First Nations communities within the region. We are active stewards of our natural environments.

**2016 Census Statistics**

**2016 Census Stats:**

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
<b>Strathcona Regional District Total</b>			<b>44,671</b>	<b>19,610</b>	<b>18,278</b>



**Strathcona Regional District**  
**Consolidated Financial Statements**  
**Year ended December 31, 2021**

## **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 consolidated 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.



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

May 4th, 2022

To the Board of Directors of the Strathcona Regional District:

## Opinion

We have audited the consolidated financial statements of the Strathcona Regional District (the "District"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement 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 District as at December 31, 2021, and the results of its consolidated operations, changes in its net financial assets 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 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 the 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 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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 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 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 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 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 11, 2022

*MNP* LLP

Chartered Professional Accountants

**Strathcona Regional District  
Consolidated Statement of Financial Position  
As at December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 28,335,782	\$ 24,783,819
Receivables (Note 4)	6,545,175	3,083,723
Inventory for resale	16,108	14,995
Investments (Note 5)	149,985	149,985
Other jurisdictions debt receivable (Note 6)	10,846,163	11,744,643
<b>Total financial assets</b>	<u>45,893,213</u>	<u>39,777,165</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	5,742,936	1,927,314
Deferred revenue (Note 8)	3,265,794	3,199,810
Long-term debt		
Other jurisdictions (Note 6)	10,846,163	11,744,643
Regional District (Note 10) (Schedule 4)	2,092,752	2,152,416
<b>Total financial liabilities</b>	<u>21,947,645</u>	<u>19,024,183</u>
<b>Net financial assets</b>	<u>23,945,568</u>	<u>20,752,982</u>
<b>Non-financial assets</b>		
Prepaid expenses	43,337	92,236
Tangible capital assets (Schedule 3)	33,451,909	25,538,672
<b>Total non-financial assets</b>	<u>33,495,246</u>	<u>25,630,908</u>
<b>Accumulated surplus (Note 11)</b>	<u>\$ 57,440,814</u>	<u>\$ 46,383,890</u>

Contingent liability (Note 13)

Significant event (Note 22)

Commitments (Note 25)



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, 2021**

	<u>2021</u> <u>Actual</u>	2021 <u>Budget</u> (Note 21)	<u>2020</u> <u>Actual</u>
<b>Revenue</b>			
Frontage and parcel taxes	\$ 21,898	\$ 21,898	\$ 11,323
Grants in lieu of taxes	235,015	191,560	212,401
Property tax requisition	13,076,526	13,076,526	12,936,208
Government grants and transfers	10,354,649	15,974,608	4,096,933
Sales of services	2,600,365	2,504,151	2,272,871
Other revenue from own sources	189,637	199,609	289,209
Contributions from others	93,564	41,000	9,410
Gain (Loss) on disposal of tangible capital assets	14,000	-	(3,395)
Interest earned	161,729	70,000	276,390
Actuarial adjustment of debenture debt	6,014	-	4,379
<b>Total revenue</b>	<u><b>26,753,397</b></u>	<u>32,079,352</u>	<u>20,105,729</u>
<b>Expense</b>			
General government services	3,939,030	5,454,596	3,324,118
Protective services	2,132,185	2,114,061	1,919,975
Environmental health services	2,236,583	2,468,301	2,343,378
Development services	577,458	843,272	374,468
Parks, recreation and cultural services	6,584,311	6,741,350	5,653,431
Transportation services	226,906	226,925	187,342
<b>Total expense</b>	<u><b>15,696,473</b></u>	<u>17,848,505</u>	<u>13,802,712</u>
<b>Annual surplus</b>	<u><b>11,056,924</b></u>	<u>14,230,847</u>	<u>6,303,017</u>
<b>Accumulated surplus, beginning</b>	<u><b>46,383,890</b></u>	<u>46,383,890</u>	<u>40,080,873</u>
<b>Accumulated surplus, ending</b>	<u><u><b>\$ 57,440,814</b></u></u>	<u><u>\$ 60,614,737</u></u>	<u><u>\$ 46,383,890</u></u>

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, 2021**

	<u>2021 Actual</u>	<u>2021 Budget (Note 21)</u>	<u>2020 Actual</u>
<b>Annual surplus</b>	<b>\$ 11,056,924</b>	\$ 14,230,847	\$ 6,303,017
Acquisition of tangible capital assets	<b>(9,032,321)</b>	(20,714,591)	(3,035,399)
Disposal of tangible capital assets	-	-	4,566
Amortization of tangible capital assets	<b>1,119,082</b>	-	1,115,208
Change in prepaid expenses	<b>48,900</b>	-	(65,552)
<b>Increase (decrease) in net financial assets</b>	<b>3,192,586</b>	(6,483,744)	4,321,840
<b>Net financial assets, beginning</b>	<b>20,752,982</b>	20,752,982	16,431,142
<b>Net financial assets, ending</b>	<b>\$ 23,945,568</b>	\$ 14,269,238	\$ 20,752,982

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, 2021**

	<u>2021</u>	<u>2020</u>
<b>Operating activities</b>		
Annual surplus	\$ 11,056,924	\$ 6,303,017
Items not affecting operating activities:		
Actuarial adjustment of debenture debt	(6,014)	(4,379)
Amortization of tangible capital assets	1,119,082	1,115,208
Change in prepaid expenses	48,900	(65,552)
Loss (gain) on disposal of tangible capital asset	(14,000)	3,395
Decrease (increase) in non-cash financial assets:		
Receivables	(3,461,452)	(1,538,557)
Inventory for resale	(1,113)	255
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	3,815,622	708,177
Deferred revenue	65,984	(12,204)
<b>Cash provided by operating activities</b>	<u>12,623,933</u>	<u>6,509,360</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(9,032,321)	(3,035,399)
Proceeds on disposition of tangible capital asset	14,000	1,171
<b>Cash applied to capital activities</b>	<u>(9,018,321)</u>	<u>(3,034,228)</u>
<b>Financing activities</b>		
Debt principal repaid	(53,649)	(228,394)
Proceeds for borrowing	-	144,000
<b>Cash applied to financing activities</b>	<u>(53,649)</u>	<u>(84,394)</u>
<b>Net change in cash and cash equivalents</b>	<b>3,551,963</b>	3,390,738
<b>Cash and cash equivalents, beginning of year</b>	<u>24,783,819</u>	21,393,081
<b>Cash and cash equivalents, ending of year</b>	<u>\$ 28,335,782</u>	<u>\$ 24,783,819</u>
<b>Supplemental information</b>		
Interest received	<u>\$ 161,109</u>	<u>\$ 300,255</u>
Interest paid	<u>\$ 73,235</u>	<u>\$ 75,890</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, 2021**

**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, one First Nation, 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 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, other jurisdictions 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, 2021**

**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, 2021**

**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, 2021.

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, 2021 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 consolidated 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, 2021**

**3. Cash and cash equivalents**

Included in cash and cash equivalents is \$1,700,154 (2020 – \$1,707,485) 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 \$2,748,243 (2020 – \$2,810,906) that is externally restricted by contribution agreements for wharves contributed to the Regional District from Transport Canada.

**4. Receivables**

	<u>2021</u>	<u>2020</u>
Government of Canada	\$ 2,324,952	\$ 305,706
Province of British Columbia	2,322,768	224,948
Regional and local governments	248,193	247,203
Utility service customers	311,978	330,073
Other trade receivables	1,337,283	1,975,793
	<u>\$ 6,545,175</u>	<u>\$ 3,083,723</u>

**5. Investments**

Investments comprise a two-year 1.0% non-redeemable Guaranteed Investment Certificate at a cost of \$149,985 (2020 – \$149,985) which matures on July 5, 2023. 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. Other jurisdictions debt receivable**

Pursuant to the Local Government Act, the Regional District acts as the agency through which other jurisdictions are able to borrow funds from the Municipal Finance Authority (MFA). The annual cost of servicing this other jurisdictional debt is recovered entirely from the jurisdiction borrowing the funds. However, in the event of default the Regional District is contingently liable to the MFA for this debt.

	<u>2021</u>	<u>2020</u>
City of Campbell River	\$ 10,803,390	\$ 11,691,943
Village of Sayward	42,773	52,700
	<u>\$ 10,846,163</u>	<u>\$ 11,744,643</u>

**7. Accounts payable and accrued liabilities**

	<u>2021</u>	<u>2020</u>
Province of British Columbia	\$ 79,988	\$ 56,871
Regional and local governments	211,373	240,488
Accrued interest on long-term debenture debt	19,756	19,756
Payroll liabilities	646,766	390,848
Other trade payables	4,785,052	1,219,351
	<u>\$ 5,742,936</u>	<u>\$ 1,927,314</u>



**Strathcona Regional District**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2021**

**8. Deferred revenue**

	<u>2021</u>	<u>2020</u>
Deferred grants	\$ 459,642	\$ 282,046
Transport Canada (Note 9)	2,748,243	2,810,906
Parkland acquisition	-	87,989
Unearned revenue	57,909	18,870
	<u>\$ 3,265,794</u>	<u>\$ 3,199,810</u>

**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.

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 2,810,906	\$ 2,854,575
Add: Interest earned on funds	19,858	29,343
Add: Other revenue	245	245
Less: Eligible expenses	(82,765)	(73,257)
Ending balance	<u>\$ 2,748,243</u>	<u>\$ 2,810,906</u>

**10. Long-term debt**

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:

2022	\$ 61,458
2023	63,309
2024	65,216
2025	67,183
2026	69,212
Thereafter	1,766,373
<b>Total</b>	<u><u>\$ 2,092,751</u></u>

Interest on long-term debt recorded in the Consolidated Statement of Operations in 2021 is \$73,235 (2020 – \$75,890). 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, 2021**

**11. Accumulated surplus**

	<u>2021</u>	<u>2020</u>
Equity in tangible capital assets	\$ 31,359,156	\$ 23,386,254
Capital funds	122,712	106,913
Appropriated surplus	2,477,124	2,292,415
Reserve funds (Note 12)	19,125,024	16,897,426
Operating funds	4,356,798	3,700,882
	<u>\$ 57,440,814</u>	<u>\$ 46,383,890</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>2021</u>	<u>2020</u>
Beginning balance	\$ 6,553,501	\$ 6,130,712
Add: Amounts received during the year	992,189	484,881
Add: Interest earned on funds	26,832	74,966
Less: Eligible expenses spent	(496,485)	(137,058)
Ending balance	<u>\$ 7,076,037</u>	<u>\$ 6,553,501</u>

**13. Contingent liability**

There were various claims made against the Regional District as at December 31, 2021 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 consolidated 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, 2021 the Regional District had debt reserve funds of \$25,484 (2020 – \$25,058).

**Strathcona Regional District  
Notes to Consolidated Financial Statements  
Year ended December 31, 2021**

**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, 2020, the plan has approximately 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$401,908 (2020 – \$356,040) for employer contributions while employees contributed \$358,072 (2020 – \$318,025) to the plan in fiscal 2021.

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, 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 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, 2021, the Regional District has submitted claims for \$8,386,124

**Strathcona Regional District**  
**Notes to Consolidated Financial Statements**  
**Year ended December 31, 2021**

**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 consolidated financial statements. A detailed summary of the 2021 revenues and expenses can be found in Schedule 1 of the accompanying consolidated financial statements, Schedule 2 contains 2020 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, 2021**

**21. Reconciliation to 2021 Budget Bylaw**

The budget amounts presented throughout these consolidated financial statements are audited and represent the 2021-2025 Financial Plan and Capital Expenditure Program Bylaw No. 423, as approved by the Regional District Board on February 24, 2021.

The financial plan bylaw was prepared on a modified accrual basis while Canadian public sector accounting standards require consolidated 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 consolidated financial statements.

The summary below reconciles the 2021 adopted financial plan to the consolidated financial statement budget figures on Statement B:

	<u>2021</u>
Balanced Financial Plan Bylaw	\$ -
Add:	
Debt principal payments	57,599
Capital acquisitions	20,714,591
Deficit prior year	2,291
Budgeted transfers to reserves/appropriated surplus	3,153,174
Less:	
Proceeds from borrowing	(106,680)
Budgeted transfers from prior year surpluses	(3,237,556)
Budgeted transfers from reserves/appropriated surplus	(6,352,573)
Statement of Operations Budgeted Surplus	<u><u>\$ 14,230,847</u></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, have had 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. There was minimal impact on the District during 2021, primarily the effects of the pandemic have been limited to inflated costs, project delays, and reduced programming being offered at the Strathcona Gardens Recreation Complex.

**23. 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 \$724,000 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.

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 258,635	\$ -
Received	185,000	539,000
Allocations:		
Revenue shortfall - Parks, Recreation and Cultural	(372,814)	(211,355)
Services costs - Parks, Recreation and Cultural	(821)	(16,750)
Services costs - General Government	(70,000)	(52,260)
Ending balance	<u><u>\$ -</u></u>	<u><u>\$ 258,635</u></u>



**Strathcona Regional District  
Notes to Consolidated Financial Statements  
Year ended December 31, 2021**

**24. 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.

**25. Commitments**

As at December 31, 2021, 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.



**Strathcona Regional District  
Consolidated Schedule of Segment Disclosure by Service  
Year ended December 31, 2021**

	<b>General Government Services</b>	<b>Protective Services</b>	<b>Environmental Health Services</b>	<b>Development Services</b>	<b>Parks, Recreation and Cultural Services</b>	<b>Transportation Services</b>	<b>2021 Actual</b>	<b>2021 Budget</b>
	(Note 21)							
<b>Revenue</b>								
Frontage and parcel taxes	\$ -	\$ -	\$ 21,898	\$ -	\$ -	\$ -	\$ 21,898	\$ 21,898
Grants in lieu of taxes	168,762	7,006	579	2	58,638	28	235,015	191,560
Property tax requisition	2,563,678	1,834,695	690,937	582,256	7,188,040	216,920	13,076,526	13,076,526
Government grants and transfers	9,612,643	505,643	10,000	-	226,363	-	10,354,649	15,974,608
Sales of services	55,639	29,872	1,760,959	15,994	737,901	-	2,600,365	2,504,151
Other revenue from own sources	40,344	74,951	65,564	55,096	(46,676)	358	189,637	199,609
Contributions from others	-	-	-	-	93,564	-	93,564	41,000
Gain on disposal of tangible capital assets	-	-	-	-	14,000	-	14,000	-
Interest earned	119,319	2,874	2,399	1,588	35,273	276	161,729	70,000
Actuarial adjustment of debenture debt	2,614	-	3,400	-	-	-	6,014	-
<b>Total revenue</b>	<b>12,562,999</b>	<b>2,455,041</b>	<b>2,555,736</b>	<b>654,936</b>	<b>8,307,103</b>	<b>217,582</b>	<b>26,753,397</b>	<b>32,079,352</b>
<b>Expense</b>								
Labour and benefits	2,522,656	248,436	120,253	441,044	3,580,562	5,156	6,918,107	7,872,385
Grants	76,500	1,175,935	-	20,948	543,628	165,771	1,982,782	2,355,525
Goods and services	1,044,872	662,048	1,965,352	115,466	1,770,275	45,256	5,603,269	7,547,360
Interest	65,349	-	7,885	-	-	-	73,234	73,235
Amortization of tangible capital assets	229,653	45,766	143,093	-	689,846	10,723	1,119,081	-
<b>Total expense</b>	<b>3,939,030</b>	<b>2,132,185</b>	<b>2,236,583</b>	<b>577,458</b>	<b>6,584,311</b>	<b>226,906</b>	<b>15,696,473</b>	<b>17,848,505</b>
<b>Surplus</b>	<b>\$ 8,623,969</b>	<b>\$ 322,856</b>	<b>\$ 319,153</b>	<b>\$ 77,478</b>	<b>\$ 1,722,792</b>	<b>\$ (9,324)</b>	<b>\$ 11,056,924</b>	<b>\$ 14,230,847</b>



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

	<b>General Government Services</b>	<b>Protective Services</b>	<b>Environmental Health Services</b>	<b>Development Services</b>	<b>Parks, Recreation and Cultural Services</b>	<b>Transportation Services</b>	<b>2020 Actual</b>	<b>2020 Budget</b>
<b>Revenue</b>								
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	-
<b>Total revenue</b>	<b>5,075,108</b>	<b>2,108,983</b>	<b>2,386,769</b>	<b>710,525</b>	<b>9,612,742</b>	<b>211,602</b>	<b>20,105,729</b>	<b>31,962,579</b>
<b>Expense</b>								
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	-
<b>Total expense</b>	<b>3,324,118</b>	<b>1,919,975</b>	<b>2,343,378</b>	<b>374,468</b>	<b>5,653,431</b>	<b>187,342</b>	<b>13,802,712</b>	<b>17,211,546</b>
<b>Surplus</b>	<b>\$ 1,750,990</b>	<b>\$ 189,008</b>	<b>\$ 43,391</b>	<b>\$ 336,057</b>	<b>\$ 3,959,311</b>	<b>\$ 24,260</b>	<b>\$ 6,303,017</b>	<b>\$ 14,751,033</b>



**Strathcona Regional District  
Consolidated Schedule of Tangible Capital Assets  
Year ended December 31, 2021**

	<b>Land and Improvements</b>	<b>Buildings and Improvements</b>	<b>Machinery Equipment Vehicles and Fixtures</b>	<b>Water Infrastructure</b>	<b>Sewer Infrastructure</b>	<b>Capital Projects in Progress</b>	<b>2021</b>	<b>2020</b>
<b>Cost</b>								
<b>Balance, beginning</b>	\$ 9,741,391	\$ 23,352,818	\$ 3,314,420	\$ 4,130,623	\$ 2,475,019	\$ 1,478,487	\$ <b>44,492,758</b>	\$ 41,579,667
Add:								
Additions during year	363	230,288	92,618	-	-	8,709,052	<b>9,032,321</b>	3,035,399
Less:								
Disposals or write downs	-	-	(27,431)	-	-	-	<b>(27,431)</b>	(122,308)
Completed during year	-	-	-	518,803	-	(518,803)	-	-
<b>Balance, ending</b>	<u>9,741,754</u>	<u>23,583,106</u>	<u>3,379,607</u>	<u>4,649,426</u>	<u>2,475,019</u>	<u>9,668,736</u>	<b>53,497,648</b>	<u>44,492,758</u>
<b>Accumulated amortization</b>								
<b>Balance, beginning</b>	\$ 1,504,759	\$ 11,660,780	\$ 2,147,992	\$ 2,986,977	\$ 653,580	\$ -	\$ <b>18,954,088</b>	17,956,619
Add:								
Amortization for the year	174,838	571,628	229,523	82,619	60,474	-	<b>1,119,082</b>	1,115,208
Less:								
Accumulated amortization on disposals	-	-	(27,431)	-	-	-	<b>(27,431)</b>	(117,742)
<b>Balance, ending</b>	<u>1,679,597</u>	<u>12,232,408</u>	<u>2,350,084</u>	<u>3,069,596</u>	<u>714,054</u>	<u>-</u>	<b>20,045,739</b>	<u>18,954,086</u>
<b>Net book value</b>	<u>\$ 8,062,157</u>	<u>\$ 11,350,698</u>	<u>\$ 1,029,523</u>	<u>\$ 1,579,830</u>	<u>\$ 1,760,965</u>	<u>\$ 9,668,736</u>	<b>\$ 33,451,909</b>	<u>\$ 25,538,672</u>
<b>Net book value prior year</b>	<u>\$ 8,236,632</u>	<u>\$ 11,692,038</u>	<u>\$ 1,166,428</u>	<u>\$ 1,143,646</u>	<u>\$ 1,821,441</u>	<u>\$ 1,478,487</u>	<b>\$ 25,538,672</b>	



**Strathcona Regional District  
Consolidated Schedule of Debt  
As at December 31, 2021**

Bylaw #	Maturity Date	Rate	Beginning Balance	Debt Proceeds	Principal Payments	Actuarial Adjustments	Ending Balance
<b>Capital</b>							
<b>General Administration</b>							
BL261	09/2048	3.04%	\$ 1,955,023	\$ -	\$ (42,925)	\$ (2,614)	\$ 1,909,484
<b>Craig Road Water</b>							
BL2789	04/2027	4.43%	53,393	-	(4,648)	(3,400)	45,344
<b>Quathiaski Cove Sewer Extension #1</b>							
BL197	10/2040	0.91%	144,000	-	(6,076)	-	137,924
<b>Total debt</b>			<b>\$ 2,152,416</b>	<b>\$ -</b>	<b>\$ (53,649)</b>	<b>\$ (6,014)</b>	<b>\$ 2,092,752</b>



**Strathcona Regional District**

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

**Year ended December 31, 2021**



## 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, 2021.

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 "Brad Unger", written in a cursive style.

Brad Unger  
Chair of the Board

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

Mike Harmston, CPA, CGA  
Chief Financial Officer

**Strathcona Regional District**  
**Consolidated Summary of Surpluses and Reserves**  
**As at December 31, 2021**  
**(Unaudited)**

<b>Function</b>	<b>Appropriated Surplus <i>Note a</i></b>	<b>Reserves <i>Note b</i></b>	<b>Accumulated Surplus <i>Note c</i></b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>General Government Services</b>					
Area A Grants in Aid	\$ -	\$ -	\$ 13,118	\$ 13,118	\$ 13,415
Area B Grants in Aid	-	-	186	186	172
Area C Grants in Aid	-	-	40,484	40,484	24,866
Area D Grants in Aid	-	-	49,382	49,382	37,648
Electoral Areas Administration and Elections	117,322	-	113,095	230,417	180,314
Just Like Home	-	-	180,626	180,626	-
Feasibility Studies - Electoral Area A	-	-	4,997	4,997	5,001
Feasibility Studies - Electoral Area D	-	-	37,990	37,990	38,020
Feasibility Studies - Electoral Area B	-	-	20,013	20,013	18,869
Feasibility Studies - Electoral Area C	-	-	6,161	6,161	13,213
Feasibility Studies - Regional	-	-	115,076	115,076	64,936
Regional Broadband	-	170,005	874,889	1,044,894	552,761
General Administration	1,057,519	547,364	858,248	2,463,131	2,297,546
Member Municipality Administration	99,070	-	86,500	185,570	201,377
Wharves	-	-	(55)	(55)	117
	1,273,911	717,369	2,400,711	4,391,990	3,448,253
<b>Protective Services</b>					
911 Emergency Answering	14,416	-	34,270	48,685	46,190
Area D Animal Control	50,521	-	1,295	51,816	50,752
Building Inspection	61,699	95,707	111,832	269,238	254,802
Campbell River Area D Fire Protection	125,222	-	65,631	190,853	83,380
Cortes Island First Responder	17,550	-	1,132	18,682	26,940
Kyuquot/Nootka Emergency Program	2,252	-	2,434	4,686	3,955
Noise Control	-	-	1,882	1,882	2,018
North Quadra Assistance Response	-	1,549	245	1,794	1,790
Sayward Valley Fire Protection	22,874	303,698	67,360	393,932	363,449
South Cortes Island Fire Protection	38,895	334,854	4,493	378,243	337,363
Strathcona Emergency Program	30,936	10,000	41,107	82,043	36,241
Unightly Premises	-	4,204	473	4,677	4,690
	364,365	750,012	332,155	1,446,532	1,211,570
<b>Transportation Services</b>					
Area C Street Lighting	485	-	417	902	1,641
Area D Street Lighting	18,700	-	1,083	19,783	22,448
Area D Transit	35,000	-	19,681	54,681	55,591
Oyster River Bank Protection	1,087	91,452	3,011	95,550	92,339
	55,272	91,452	24,192	170,916	172,018
<b>Environmental Health Services</b>					
Area D Water	34,497	626,757	371,284	1,032,538	731,679
Cortes Island Refuse Collection	97,433	5,371	4,752	107,556	109,228
Cortes Island Refuse Disposal	39,694	-	2,077	41,771	47,076
Craig Road Water	-	-	351	351	(105)
Kyuquot/Nootka Solid Waste Disposal	19,106	-	2,346	21,452	20,607
Liquid Waste Management Plan	36,749	-	810	37,559	37,749
Quathiaski Cove Sewer	981	15,013	54,742	70,736	55,576
Quathiaski Cove Sewer Ext #1	-	-	1,455	1,455	(1,070)
Sayward Valley Refuse Collection	19,851	-	3,581	23,432	23,020
Sayward Valley Refuse Disposal	5,542	12,991	1,832	20,365	21,517
	253,853	660,132	443,228	1,357,213	1,045,277

**Strathcona Regional District**  
**Consolidated Summary of Surpluses and Reserves (continued)**  
**As at December 31, 2021**  
**(Unaudited)**

<b>Function</b>	<b>Appropriated Surplus</b> <i>Note a</i>	<b>Reserves</b> <i>Note b</i>	<b>Accumulated Surplus</b> <i>Note c</i>	<b>2021 Total</b>	<b>2020 Total</b>
<b>Development Services</b>					
Area A House Numbering	-	-	1	<b>1</b>	-
Area C Economic Development	35,213	-	13,685	<b>48,898</b>	50,601
Area C House Numbering	-	-	2	<b>2</b>	1
Area D House Numbering	-	-	2	<b>2</b>	1
Planning	77,051	459,007	241,864	<b>777,922</b>	840,201
Planning - Non-Part 26	-	-	1,480	<b>1,480</b>	1,484
Sayward Valley Economic Development	41,091	-	615	<b>41,706</b>	37,249
	<b>153,355</b>	<b>459,007</b>	<b>257,649</b>	<b>870,011</b>	<b>929,537</b>
<b>Recreation and Cultural Services</b>					
Area B Community Parks	5,250	357,100	70,353	<b>432,704</b>	314,902
Area B Heritage Conservation	-	3,660	2	<b>3,662</b>	2,662
Area C Community Parks	20,000	196,416	81,498	<b>297,914</b>	280,900
Area C Heritage Conservation	-	-	6,590	<b>6,590</b>	5,590
Area D Community Parks	10,000	713,128	60,961	<b>784,090</b>	760,843
Cortes Island Community Halls	10,000	-	10,553	<b>20,553</b>	6,420
Kyuquot Community Hall	-	-	2,344	<b>2,344</b>	2,182
Quadra Island Community Hall	-	85,339	10,128	<b>95,466</b>	87,209
Sayward Valley Recreation and Community Hall	31,597	96,682	1,514	<b>129,792</b>	131,267
Strathcona Gardens Recreation Complex	299,522	7,918,691	654,594	<b>8,872,806</b>	7,938,168
Vancouver Island Regional Library	-	-	326	<b>326</b>	425
	<b>376,369</b>	<b>9,371,015</b>	<b>898,863</b>	<b>10,646,247</b>	<b>9,530,569</b>
	<b>\$ 2,477,124</b>	<b>\$ 12,048,988</b>	<b>\$ 4,356,798</b>	<b>\$ 18,882,910</b>	<b>\$ 16,337,224</b>

**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, 2021**  
**(Unaudited)**

<b>Reserve Type and Function</b>	<b>Beginning Balance</b>	<b>Interest Earned</b>	<b>Transfers from (to) Operating</b>	<b>Transfers from (to) Capital</b>	<b>Ending Balance</b>
<b>Capital works, machinery &amp; equipment reserves</b>					
Area B Community Parks	\$ 8,164	\$ 33	\$ 39,600	\$ (363)	\$ 47,435
Area C Community Parks	126,360	517	10,000	14,382	151,260
Area D Community Parks	464,857	1,903	20,000	(8,560)	478,200
Area D Water	379,294	1,553	60,000	-	440,847
Building Inspection	53,875	221	4,000	(23,766)	34,329
Cortes Island Refuse Disposal	5,349	22	-	-	5,371
General Administration	356,365	1,459	120,000	(37,344)	440,480
General Administration - IT	40,000	164	40,000	-	80,164
Oyster River Bank Protection	48,368	198	-	-	48,566
Planning	153,101	627	45,000	(55,455)	143,273
Quadra Island Community Hall	3,662	15	5,000	-	8,677
Quathiaski Cove Sewer	3,207	13	11,792	-	15,013
Regional Broadband	-	-	194,908	(24,903)	170,005
Sayward Valley Fire Protection	292,501	1,198	10,000	-	303,698
Sayward Valley Recreation and Community	19,356	79	-	-	19,435
Sayward Valley Refuse Disposal	12,938	53	-	-	12,991
South Cortes Island Fire Protection	237,820	974	45,000	-	283,793
Strathcona Emergency Program	-	-	10,000	-	10,000
Strathcona Gardens Recreation Complex	6,766,446	27,704	1,538,095	(547,416)	7,784,829
	<b>8,971,661</b>	<b>36,733</b>	<b>2,153,395</b>	<b>(683,424)</b>	<b>10,478,365</b>
<b>Future expenditure reserves</b>					
Area B Community Parks	69,304	284	-	-	69,588
Area B Heritage	-	-	3,660	-	3,660
Area C Community Parks	30,336	124	-	-	30,460
Area D Community Parks	232,940	954	-	-	233,893
Area D Water	185,152	758	-	-	185,910
Building Inspection	61,128	250	-	-	61,378
General Administration	26,611	109	-	-	26,720
North Quadra Assistance Response	1,543	6	-	-	1,549
Oyster River Bank Protection	19,031	78	23,777	-	42,886
Planning	234,773	961	80,000	-	315,734
Quadra Island Community Hall	76,349	313	-	-	76,662
Sayward Valley Recreation and Community	76,932	315	-	-	77,247
South Cortes Island Fire Protection	50,852	208	-	-	51,061
Strathcona Gardens Recreation Complex	133,316	546	-	-	133,862
Unightly Premises	4,187	17	-	-	4,204
	<b>1,202,453</b>	<b>4,923</b>	<b>107,437</b>	<b>-</b>	<b>1,314,813</b>
<b>Community parkland acquisition reserves</b>					
Area B Community Parks	-	-	87,989	-	87,989
Area C Community Parks	14,636	60	-	-	14,696
Area D Community Parks	1,031	4	-	-	1,035
	<b>15,667</b>	<b>64</b>	<b>87,989</b>	<b>-</b>	<b>103,720</b>
<b>Endowments</b>					
Area B Community Parks-Hank's Beach Forest Conservation Park	154,144	2,421	(4,477)	-	152,088
	<b>154,144</b>	<b>2,421</b>	<b>(4,477)</b>	<b>-</b>	<b>152,088</b>
<b>Community Works Fund</b>					
Community Works Fund	6,553,500	26,832	991,900	(496,196)	7,076,036
	<b>6,553,500</b>	<b>26,832</b>	<b>991,900</b>	<b>(496,196)</b>	<b>7,076,036</b>
	<b>\$ 16,897,426</b>	<b>\$ 70,974</b>	<b>\$ 3,336,244</b>	<b>\$ (1,179,620)</b>	<b>\$ 19,125,024</b>

**Strathcona Regional District  
Schedule of Service Requisition Limits  
As at December 31, 2021  
(Unaudited)**

<b>Service</b>	<b>Requisition Limits</b>
<b>General Government Administration</b>	
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
<b>Protective Services</b>	
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
<b>Transportation Services</b>	
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
<b>Development Services</b>	
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, 2021**  
**(Unaudited)**

<b>Service</b>	<b>Requisition Limits</b>
<b>Environmental Health Services</b>	
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
<b>Recreation and Cultural Services</b>	
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, 2021  
(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, 2021**  
**(Unaudited)**

<b>Name</b>	<b>Position/Area Represented</b>	<b>Remuneration</b>	<b>Expenses</b>	<b>Total</b>
<b>Elected and Appointed Officials</b>				
Abram, J.	Director, Electoral Area C	\$ 71,424	\$ 5,335	\$ 76,759
Adams, A.	Director, City of Campbell River	21,385	61	21,446
Anderson, N.	Director, Electoral Area B	55,185	6,596	61,781
Baker, M.	Director, Village of Sayward	18,409	-	18,409
Colborne, J.	Director, Village of Zeballos	19,216	891	20,107
Cornfield, C.	Director, City of Campbell River	19,832	-	19,832
Dahl, K.	Alternate Director, City of Campbell River	1,120	-	1,120
Davis, M.	Director, Village of Tahsis	19,689	-	19,689
Evans, C.	Director, City of Campbell River	20,980	-	20,980
Grunerud, C.	Commissioner, Strathcona Gardens Commission	1,600	-	1,600
Jules, K.	Director, Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations	13,963	-	13,963
Kerr, R.	Director, City of Campbell River	21,144	-	21,144
Leigh, B.	Director, Electoral Area D	57,552	2,072	59,624
Moglove, C.	Director, City of Campbell River, Vice Chair	23,444	282	23,726
Unger, N.B.	Director, Village of Gold River, Board Chair	52,419	7,740	60,159
Whalley, G.	Director, Electoral Area A	56,000	3,849	59,849
		<b>473,363</b>	<b>26,826</b>	<b>500,189</b>
<b>Employees</b>				
Blanchard, J.	Parks & Facilities Technician	\$ 77,056	\$ 966	\$ 78,022
Clark, K.	Senior Accountant	85,496	2,044	87,540
Gage, L.	Senior Human Resources Manager	115,705	6,163	121,868
Gurak, K.	Senior Manager Strathcona Gardens	109,340	210	109,550
Harmston, M.	Chief Financial Officer	133,158	1,214	134,372
Humphreys, J.	Engineering Services Coordinator	80,436	548	80,984
Kentrop, R.	Senior Manager Strathcona Gardens	92,908	1,474	94,382
Koopman, S.	Protective Services Coordinator	92,322	2,059	94,381
LaBoucane, R.	Manager Strategic Initiatives	96,556	913	97,469
Leitch, D.	Chief Administrative Officer	184,234	1,678	185,912
Neill, J.	Planner	77,031	210	77,241
Nelson, A.	Senior Manager Community Services	138,863	28	138,891
Parada, W.	Senior Manager Engineering Services	125,666	1,601	127,267
Popove, E.	Communications Coordinator	77,293	815	78,108
Sauer, D.	Geographic Information Systems Analyst	85,496	59	85,555
Schmuland, J.	Information Technology Manager	103,500	712	104,212
Watson, E.	Senior Executive Assistant	76,990	1,760	78,750
Yates, T.	Senior Manager Corporate Services	151,170	289	151,459
		<b>1,903,220</b>	<b>22,743</b>	<b>1,925,963</b>



**Strathcona Regional District**  
**Schedule of Remuneration and Expenses (continued)**  
**As at December 31, 2021**  
**(Unaudited)**

<b>Name</b>	<b>Position/Area Represented</b>	<b>Remuneration</b>	<b>Expenses</b>	<b>Total</b>
Add: employees with remuneration less than \$75,000		3,017,363	22,329	3,039,692
		<u>4,920,583</u>	<u>45,072</u>	<u>4,965,655</u>
<b>Total remuneration and expenses for elected officials and employees</b>		<b>\$ 5,393,946</b>	<b>\$ 71,898</b>	<b>\$ 5,465,844</b>
Reconciling items, including adjustments for accrual-based accounting.		<u>1,524,161</u>		
<b>Total Labour and Benefits per Consolidated Schedule 1 of Financial Statements</b>		<b><u>\$ 6,918,107</u></b>		



**Strathcona Regional District  
Statement of Severance Agreements  
As at December 31, 2021  
(Unaudited)**

There were no severance agreements made between the Strathcona Regional District and its non-unionized employees during the year ended December 31, 2021.

**Strathcona Regional District  
Schedule of Payments to Suppliers  
As at December 31, 2021  
(Unaudited)**

<b>Supplier Name</b>	<b>Amount Paid</b>
Above & Beyond Tree Service	\$ 56,963
B.A. Blackwell & Associates Ltd.	59,600
Baylink Networks Inc.	2,264,069
B.C. Hydro	343,603
Campbell River Toyota	31,465
Cape Mudge Boatworks	58,627
Cimco Refrigeration	105,307
Cityview - Division of N Harris Computer Corp	94,585
City of Campbell River	1,687,235
ClearTech Industries Inc	37,604
Clean Sweep Janitorial	26,450
Comox Valley Regional District	102,211
Dominion GovLaw LLP	42,704
FortisBC-Natural Gas	141,576
Green Shield Canada	415,362
Habitat for Humanity Vancouver Island North	38,900
Hazelbrae Holdings Ltd	218,762
HCMA Architecture & Design	280,536
Kwakiutl District Council Heath	94,905
Koers & Associates Engineering Ltd	72,819
Make Projects Ltd	123,448
MNP LLP	27,562
Michael Oviatt Trucking Ltd	57,346
Minister of Finance - Employer Health Tax	106,715
Municipal Finance Authority of BC	1,330,147
Municipal Insurance Association of British	73,613
Municipal Pension Plan	759,980
Nelson Roofing & Sheet Metal Ltd	698,876
Norton Rose Fulbright Canada LLP	86,861
Northwest Hydraulic Consultants Ltd	334,804
Northbridge Surety Limited	1,275,105
Precision Tree Services Ltd.	60,605
Receiver General For Canada	1,504,982
Ridgeline Mechanical Ltd	392,065
Sayward Community Recreation Association	25,590
Safety Net Security Ltd	32,851
Strathcona Connected Coast Network Corp	50,817
Shaw Telecom GP	35,681
SoftwareONE Canada Inc.	59,810
Southern Cortes Community Association	39,600
Staniforth Sari	52,529
Stewart McDannold Stuart	75,770

**Strathcona Regional District**  
**Schedule of Payments to Suppliers (continued)**  
**As at December 31, 2021**  
**(Unaudited)**

<b>Supplier Name</b>	<b>Amount Paid</b>
Switchback Systems Corp.	27,090
Think Communications Inc	67,387
Total Prepare Inc	54,469
United Steelworkers - Local 1-1937	35,411
Verschuur Margaret dba VEM Contracting	66,917
Village of Sayward	38,634
VINCOVI Technology Solutions Inc.	49,497
Waste Management of Canada Corporation	44,536
Waypoint Insurance	109,830
WorkSafeBC	144,494
<b>Total suppliers over \$25,000</b>	<b>14,016,303</b>

<b>Supplier Name</b>	<b>Amount Paid</b>
Cortes Island Fire-Fighting Association	207,932
City of Campbell River	622,109
North Island 911 Corporation	478,858
Quadra Island Recreation Society	161,440
Village of Sayward	48,641
Vancouver Island Regional Library	543,628
<b>Total grants over \$25,000</b>	<b>2,062,608</b>

**Total suppliers and grants under \$25,000** **1,870,041**

**Total payments to suppliers and grants** **17,948,952**

**Adjustments:**

Debt principal repaid	(53,649)
Acquisition of tangible capital assets	(9,032,321)
Amortization expense on tangible capital assets	1,119,081
Labour and benefits	6,918,107
Change in accounts payable and accrued expenses, and payments for non-expense items	(1,203,697)
<b>Total Expense per Consolidated Financial Statements, Statement B</b>	<b>\$ 15,696,473</b>



#301 – 990 Cedar Street,  
Campbell River, BC  
V9W 7Z8



finance@srd.ca



Tel: 250-830-6700  
Toll free: 1-877-830-2990



www.srd.ca