

Strathcona Regional District

2022 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 48,150 residents (2021 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
City of Campbell River
City of Campbell River
City of Campbell River
City of Campbell River
Village of Gold River
Village of Sayward
Village of Tahsis
Village of Zeballos
Ka:'yu:'k't'h' / Che:k'tles7et'h First Nations
Electoral Area A – Kyuquot-Nootka/Sayward
Electoral Area B – Cortes Island
Electoral Area C – Discovery Islands-Mainland Inlets
Electoral Area D – Oyster Bay-Buttle Lake

Doug Chapman
Kermit H Dahl
Ben Lanyon
Susan Sinnott
Ron Kerr (Vice-Chair)
Michael Lott
Mark Baker (Chair)
Martin Davis
Julie Colborne
Kevin Jules
Gerald Whalley
Mark Vonesch
Robyn Mawhinney
John Rice

Appointed Officers & Senior Management

Chief Administrative Officer * §
Chief Financial Officer †
Corporate Officer ‡ ¿
Senior Manager, Community Services
Senior Manager, Engineering Services
Senior Manager, Human Resources
Senior Manager, Strathcona Gardens

David Leitch
Mike Harmston
Tom Yates
Aniko Nelson
Wolfgang Parada
Laurie Gage
Robin Kentrop

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

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 2022-2026, 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:

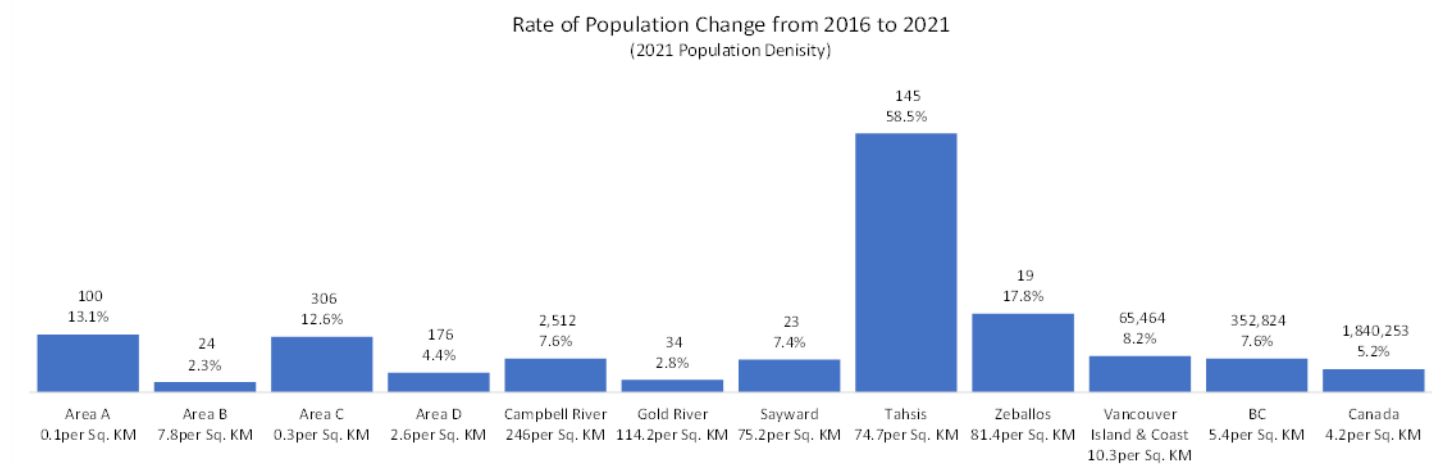
- We work as a committed team in a spirit of collaboration and community.
- We are caring and respectful in all our interactions and relationships.
- We are open and honest. We adhere to the highest standards of ethical conduct.
- We deliver effective public service through professionalism and creativity.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

2021 Census Population Growth





Strathcona Regional District
Consolidated Financial Statements
Year ended December 31, 2022

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.

A handwritten signature in blue ink, appearing to read "MH", followed by a long horizontal line.

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

May 5th, 2023

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, 2022, and the consolidated statement of operations, changes in net financial assets, cash flows and the 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, 2022, 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 10, 2023

MNP LLP

Chartered Professional Accountants



Strathcona Regional District
Consolidated Statement of Financial Position
As at December 31, 2022

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents (Note 3)	\$ 26,910,388	\$ 28,335,782
Receivables (Note 4)	5,749,769	6,545,175
Inventory for resale	15,872	16,108
Investments (Note 5)	149,985	149,985
Other jurisdictions debt receivable (Note 6)	9,918,488	10,846,163
Total financial assets	<u>42,744,502</u>	<u>45,893,213</u>
Financial liabilities		
Accounts payable and accrued liabilities (Note 7)	2,867,867	5,742,936
Deferred revenue (Note 8)	3,273,798	3,265,794
Long-term debt		
Other jurisdictions (Note 6)	9,918,488	10,846,163
Regional District (Note 10) (Schedule 4)	2,031,294	2,092,752
Total financial liabilities	<u>18,091,447</u>	<u>21,947,645</u>
Net financial assets	<u>24,653,055</u>	<u>23,945,568</u>
Non-financial assets		
Prepaid expenses	34,764	43,337
Tangible capital assets (Schedule 3)	37,354,190	33,451,909
Total non-financial assets	<u>37,388,954</u>	<u>33,495,246</u>
Accumulated surplus (Note 11)	<u>\$ 62,042,009</u>	<u>\$ 57,440,814</u>

Contingent liability (Note 13)

Commitments (Note 22)

A handwritten signature in blue ink, appearing to read "Mike Harmston", 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*

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, 2022**

	2022 Actual	2022 Budget (Note 20)	2021 Actual
Revenue			
Frontage and parcel taxes	\$ 19,581	\$ 19,581	\$ 21,898
Grants in lieu of taxes	228,285	204,560	235,015
Property tax requisition	13,033,817	13,033,817	13,076,526
Government grants and transfers	5,255,854	33,444,249	10,354,649
Sales of services	3,006,292	2,675,638	2,600,365
Other revenue from own sources	313,377	981,907	189,637
Contributions from others	49,768	1,000	93,564
Gain (Loss) on disposal of tangible capital assets	-	-	14,000
Interest earned	561,119	65,000	161,729
Actuarial adjustment of debenture debt	7,809	-	6,014
Total revenue	22,475,902	50,425,752	26,753,397
Expense			
General government services	5,441,471	8,461,222	3,939,030
Protective services	2,382,063	2,544,749	2,132,185
Environmental health services	1,872,130	2,265,421	2,236,583
Development services	684,836	926,172	577,458
Parks, recreation and cultural services	7,250,115	7,354,302	6,584,311
Transportation services	244,092	233,208	226,906
Total expense	17,874,707	21,785,074	15,696,473
Annual surplus	4,601,195	28,640,678	11,056,924
Accumulated surplus, beginning	57,440,814	57,440,814	46,383,890
Accumulated surplus, ending	\$ 62,042,009	\$ 86,081,492	\$ 57,440,814

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, 2022

	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u> <u>(Note 20)</u>	<u>2021</u> <u>Actual</u>
Annual surplus	\$ 4,601,195	\$ 28,640,678	\$ 11,056,924
Acquisition of tangible capital assets	(4,994,723)	(37,811,495)	(9,032,321)
Amortization of tangible capital assets	1,092,440	-	1,119,082
Change in prepaid expenses	8,575	-	48,900
Increase (decrease) in net financial assets	707,487	(9,170,817)	3,192,586
Net financial assets, beginning	23,945,568	23,945,568	20,752,982
Net financial assets, ending	\$ 24,653,055	\$ 14,774,751	\$ 23,945,568

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, 2022**

	<u>2022</u>	<u>2021</u>
Operating activities		
Annual surplus	\$ 4,601,195	\$ 11,056,924
Items not affecting operating activities:		
Actuarial adjustment of debenture debt	(7,809)	(6,014)
Amortization of tangible capital assets	1,092,440	1,119,082
Change in prepaid expenses	8,575	48,900
Loss (gain) on disposal of tangible capital asset	-	(14,000)
Decrease (increase) in non-cash financial assets:		
Receivables	795,406	(3,461,452)
Inventory for resale	236	(1,113)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(2,875,069)	3,815,622
Deferred revenue	8,004	65,984
Cash provided by operating activities	<u>3,622,978</u>	<u>12,623,933</u>
Capital activities		
Acquisition of tangible capital assets	(4,994,723)	(9,032,321)
Proceeds on disposition of tangible capital asset	-	14,000
Cash applied to capital activities	<u>(4,994,723)</u>	<u>(9,018,321)</u>
Financing activities		
Debt principal repaid	(53,649)	(53,649)
Cash applied to financing activities	<u>(53,649)</u>	<u>(53,649)</u>
Net change in cash and cash equivalents	(1,425,394)	3,551,963
Cash and cash equivalents, beginning of year	<u>28,335,782</u>	<u>24,783,819</u>
Cash and cash equivalents, ending of year	<u>\$ 26,910,388</u>	<u>\$ 28,335,782</u>
Supplemental information		
Interest received	<u>\$ 481,184</u>	<u>\$ 161,109</u>
Interest paid	<u>\$ 73,235</u>	<u>\$ 73,235</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, 2022

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.

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.

j) 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.

2. Significant accounting policies (continued)

k) 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, 2022.

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, 2022 no such contamination in excess of an environmental standard requiring remediation exists.

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.

m) Recent Accounting Pronouncements

PS 3280 Asset Retirement Obligations, issued August 2018, establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective for the Regional District as of January 1, 2023. A liability will be recognized when, as at the financial reporting date:

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

Management is in the process of assessing the impact of adopting this standard on the Regional District's financial results.

**Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2022**

3. Cash and cash equivalents

Included in cash and cash equivalents is \$1,673,538 (2021 – \$1,700,154) 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 \$2,667,744 (2021 – \$2,748,243) that is externally restricted by contribution agreements for wharves contributed to the Regional District from Transport Canada.

4. Receivables

	2022	2021
Government of Canada	\$ 115,567	\$ 2,324,952
Province of British Columbia	546,763	2,322,768
Regional and local governments	59,087	248,193
Utility service customers	294,518	311,978
Other trade receivables	4,733,834	1,337,283
	<u>\$ 5,749,769</u>	<u>\$ 6,545,175</u>

5. Investments

Investments comprise a two-year 1.0% non-redeemable Guaranteed Investment Certificate at a cost of \$149,985 (2021 – \$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.

	2022	2021
City of Campbell River	\$ 9,885,939	\$ 10,803,390
Village of Sayward	32,549	42,773
	<u>\$ 9,918,488</u>	<u>\$ 10,846,163</u>

7. Accounts payable and accrued liabilities

	2022	2021
Province of British Columbia	\$ 80,022	\$ 79,988
Regional and local governments	120,752	211,373
Accrued interest on long-term debenture debt	19,756	19,756
Payroll liabilities	560,391	646,766
Other trade payables	2,086,946	4,785,052
	<u>\$ 2,867,867</u>	<u>\$ 5,742,936</u>

**Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2022**

8. Deferred revenue

	2022	2021
Deferred grants	\$ 552,317	\$ 459,642
Transport Canada (Note 9)	2,667,745	2,748,243
Parkland acquisition	-	-
Unearned revenue	53,735	57,909
	\$ 3,273,798	\$ 3,265,794

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.

	2022	2021
Beginning balance	\$ 2,748,243	\$ 2,810,906
Add: Interest earned on funds	67,485	19,858
Add: Other revenue	245	245
Less: Eligible expenses	(148,228)	(82,765)
Ending balance	\$ 2,667,745	\$ 2,748,243

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:

2023	\$ 63,309
2024	65,216
2025	67,183
2026	69,212
2027	61,118
Thereafter	1,705,256
Total	\$ 2,031,294

Interest on long-term debt recorded in the Consolidated Statement of Operations in 2022 is \$73,235 (2021 – \$73,235). 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, 2022

11. Accumulated surplus

	2022	2021
Equity in tangible capital assets	\$ 35,322,902	\$ 31,359,156
Capital funds	122,712	122,712
Appropriated surplus	2,114,209	2,477,124
Reserve funds (Note 12)	19,785,561	19,125,024
Operating funds	4,696,625	4,356,798
	<u>\$ 62,042,009</u>	<u>\$ 57,440,814</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.

	2022	2021
Beginning balance	\$ 7,076,037	\$ 6,553,501
Add: Amounts received during the year	507,022	992,189
Add: Interest earned on funds	146,455	26,832
Less: Eligible expenses spent	(677,283)	(496,485)
Ending balance	<u>\$ 7,052,231</u>	<u>\$ 7,076,037</u>

13. Contingent liability

There were various claims made against the Regional District as at December 31, 2022 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, 2022 the Regional District had debt reserve funds of \$26,053 (2021 – \$25,484).

Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2022

16. Pension liability

The Regional District and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the plan has approximately 227,000 active members and approximately 118,000 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3.761 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$385,766 (2021 – \$401,908) for employer contributions while employees contributed \$356,759 (2021 – \$358,072) to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024 with results available in 2025. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to 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. 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 2022 revenues and expenses can be found in Schedule 1 of the accompanying consolidated financial statements, Schedule 2 contains 2021 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, flood 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, 2022**

20. Reconciliation to 2022 Budget Bylaw

The budget amounts presented throughout these consolidated financial statements are audited and represent the 2022-2026 Financial Plan and Capital Expenditure Program Bylaw No. 451, as approved by the Regional District Board on March 16, 2022.

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 2022 adopted financial plan to the consolidated financial statement budget figures on Statement B:

	2022
Balanced Financial Plan Bylaw	\$ -
Add:	
Debt principal payments	539,304
Capital acquisitions	37,811,495
Deficit prior year	653
Budgeted transfers to reserves/appropriated surplus	3,384,873
Less:	
Proceeds from borrowing	-
Budgeted transfers from prior year surpluses	(4,907,256)
Budgeted transfers from reserves/appropriated surplus	(8,188,391)
Statement of Operations Budgeted Surplus	<u><u>\$ 28,640,678</u></u>

21. Joint venture partnership

The Regional District, through its wholly owned subsidiary Strathcona Connected Coast Network Corporation, entered into a Joint Venture arrangement with City West Management Corp (CityWest) on December 4, 2020 which was subsequently registered with the Province of BC on June 6, 2022. 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 interest in the related tangible capital assets.

During the year, CityWest assumed responsibility for the remaining construction phase of the project, including direct receipt of grant funding and capital expenditures. Prior to the assumption of responsibility, the Regional District through SCCNC incurred \$9,900,457, which is recorded in Tangible Capital Assets as Construction in progress.

22. Commitments

As at December 31, 2022, the regional district had the following significant commitments:

Baylink Networks Inc. - design build contract. This agreement which expires in 2024, relates to the Earthquake Early Warning project, not to exceed \$2,589,244.

**Strathcona Regional District
Notes to Consolidated Financial Statements
Year ended December 31, 2022**

23. Investment in Business Enterprise

On September 7, 2018 Strathcona Connected Coast Network Corp (SCCNC) was incorporated. SCCNC was formed for the purpose of constructing a Broadband network in the coastal waters of BC and entering a joint venture partnership with City West Management Corp for its operation. The partnership, known as Connected Coast Network Partnership, was agreed to on December 4, 2020 and registered with the Province of BC on June 6, 2022 with each partner having a 50% interest in the partnership.

The District owns 100% of all outstanding SCCNC shares. All of the Board members are appointed by the District. SCCNC does not prepare individual audited financial statements.

The Regional District consolidates the assets, liabilities and operating results of SCCNC in these consolidated financial statements. Any transactions between SCCNC and the Regional District are eliminated on consolidation. A summary of the financial position and operating results of SCCNC is as follows:

	2022	2021
Statement of Financial Position		
As At December 31		
Total Assets	\$ 11,717,107	\$ 10,205,728
Total Liabilities	1,816,650	1,765,942
Total Shareholder Equity	9,900,457	8,439,786
	\$ 11,717,107	\$ 10,205,728
Statement of Operations		
For the Year ended December 31		
Revenue	\$ 1,484,751	\$ 8,440,141
Expenses	24,080	356
Net Income	\$ 1,460,671	\$ 8,439,785
Statement of Changes in Shareholder Equity		
For the Year ended December 31		
Accumulated net equity income, beginning of year	\$ 8,439,785	\$ -
Net income	1,460,671	8,439,785
	\$ 9,900,457	\$ 8,439,785

**Strathcona Regional District
Consolidated Schedule of Segment Disclosure by Service
Year ended December 31, 2022**

	General Government Services	Protective Services	Environmental Health Services	Development Services	Parks, Recreation and Cultural Services	Transportation Services	2022 Actual	2022 Budget
							(Note 20)	
Revenue								
Frontage and parcel taxes	\$ -	\$ -	\$ 19,581	\$ -	\$ -	\$ -	\$ 19,581	\$ 19,581
Grants in lieu of taxes	170,657	6,585	529	2	50,484	28	228,285	204,560
Property tax requisition	2,295,329	1,915,818	693,482	579,976	7,329,660	219,552	13,033,817	13,033,817
Government grants and transfers	4,605,587	547,330	-	102,937	-	-	5,255,854	33,444,249
Sales of services	53,095	27,763	1,783,018	8,514	1,133,902	-	3,006,292	2,675,638
Other revenue from own sources	85,978	78,843	42,791	42,462	62,945	358	313,377	981,907
Contributions from others	-	-	-	-	49,768	-	49,768	1,000
Interest earned	325,085	14,253	13,663	9,500	196,725	1,893	561,119	65,000
Actuarial adjustment of debenture debt	3,980	-	3,829	-	-	-	7,809	-
Total revenue	7,539,711	2,590,592	2,556,893	743,391	8,823,484	221,831	22,475,902	50,425,752
Expense								
Labour and benefits	2,584,897	233,642	97,300	441,462	3,689,960	3,422	7,050,683	8,620,515
Grants	566,238	1,284,149	-	21,652	555,880	183,676	2,611,595	3,590,528
Goods and services	1,997,336	834,386	1,613,476	214,424	2,340,863	46,271	7,046,756	9,152,797
Interest	65,349	-	7,885	-	-	-	73,234	421,234
Amortization of tangible capital assets	227,651	29,886	153,469	7,298	663,412	10,723	1,092,439	-
Total expense	5,441,471	2,382,063	1,872,130	684,836	7,250,115	244,092	17,874,707	21,785,074
Surplus	\$ 2,098,240	\$ 208,529	\$ 684,763	\$ 58,555	\$ 1,573,369	\$ (22,261)	\$ 4,601,195	\$ 28,640,678

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

	General Government Services	Protective Services	Environmental Health Services	Development Services	Parks, Recreation and Cultural Services	Transportation Services	2021 Actual	2021 Budget
Revenue								
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	-
Total revenue	12,562,999	2,455,041	2,555,736	654,936	8,307,103	217,582	26,753,397	32,079,352
Expense								
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	-
Total expense	3,939,030	2,132,185	2,236,583	577,458	6,584,311	226,906	15,696,473	17,848,505
Surplus	\$ 8,623,969	\$ 322,856	\$ 319,153	\$ 77,478	\$ 1,722,792	\$ (9,324)	\$ 11,056,924	\$ 14,230,847

**Strathcona Regional District
Consolidated Schedule of Tangible Capital Assets
Year ended December 31, 2022**

	Land and Improvements	Buildings and Improvements	Machinery Equipment Vehicles and Fixtures	Water Infrastructure	Sewer Infrastructure	Capital Projects in Progress	2022	2021
Cost								
Balance, beginning	\$ 9,741,753	\$ 23,583,106	\$ 3,379,606	\$ 4,649,426	\$ 2,475,019	\$ 9,668,736	\$ 53,497,646	\$ 44,492,758
Add:								
Additions during year	189,081	322,031	213,040	-	-	4,270,571	4,994,723	9,032,321
Less:								
Disposals or write downs	-	-	-	-	-	-	-	(27,431)
Completed during year	7,864	-	145,955	-	-	(153,819)	-	-
Balance, ending	<u>9,938,698</u>	<u>23,905,137</u>	<u>3,738,601</u>	<u>4,649,426</u>	<u>2,475,019</u>	<u>13,785,488</u>	<u>58,492,369</u>	<u>53,497,648</u>
Accumulated amortization								
Balance, beginning	1,679,597	12,232,408	2,350,084	3,069,596	714,054	-	20,045,739	18,954,088
Add:								
Amortization for the year	180,207	550,721	208,043	92,995	60,474	-	1,092,440	1,119,082
Less:								
Accumulated amortization on disposals	-	-	-	-	-	-	-	(27,431)
Balance, ending	<u>1,859,804</u>	<u>12,783,129</u>	<u>2,558,127</u>	<u>3,162,591</u>	<u>774,528</u>	<u>-</u>	<u>21,138,179</u>	<u>20,045,739</u>
Net book value	<u>\$ 8,078,894</u>	<u>\$ 11,122,008</u>	<u>\$ 1,180,474</u>	<u>\$ 1,486,835</u>	<u>\$ 1,700,491</u>	<u>\$ 13,785,488</u>	<u>\$ 37,354,190</u>	<u>\$ 33,451,909</u>
Net book value prior year	<u>\$ 8,062,156</u>	<u>\$ 11,350,698</u>	<u>\$ 1,029,522</u>	<u>\$ 1,579,830</u>	<u>\$ 1,760,965</u>	<u>\$ 9,668,736</u>	<u>\$ 33,451,909</u>	

**Strathcona Regional District
Consolidated Schedule of Debt
As at December 31, 2022**

Bylaw #	Maturity Date	Rate	Beginning Balance	Debt Proceeds	Principal Payments	Actuarial Adjustments	Ending Balance
Capital							
General Administration							
BL261	09/2048	3.04%	\$ 1,909,484	\$ -	\$ (42,925)	\$ (3,980)	\$ 1,862,579
Craig Road Water							
BL2789	04/2027	4.43%	45,343	-	(4,648)	(3,723)	36,972
Quathiaski Cove Sewer Extension #1							
BL197	10/2040	0.91%	137,924	-	(6,076)	(106)	131,743
Total debt			\$ 2,092,751	\$ -	\$ (53,649)	\$ (7,809)	\$ 2,031,294



Strathcona Regional District

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

Year ended December 31, 2022



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, 2022.

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

A large, stylized, handwritten signature in black ink, appearing to read "Mark Baker".

Mark Baker
Chair of the Board

A smaller, stylized, handwritten signature in black ink, appearing to read "Mike Harmston".

Mike Harmston, CPA, CGA
Chief Financial Officer

Strathcona Regional District
Consolidated Summary of Surpluses and Reserves
As at December 31, 2022
(Unaudited)

Function	Appropriated Surplus <i>Note a</i>	Reserves <i>Note b</i>	Accumulated Surplus <i>Note c</i>	2022 Total	2021 Total
General Government Services					
Area A Grants in Aid	\$ -	\$ -	\$ 13,327	\$ 13,327	\$ 13,118
Area B Grants in Aid	-	-	25,067	25,067	186
Area C Grants in Aid	-	-	32,709	32,709	40,484
Area D Grants in Aid	-	-	14,362	14,362	49,382
Electoral Areas Administration and Elections	88,322	-	126,912	215,235	230,417
Just Like Home	-	-	266,430	266,430	180,626
Feasibility Studies - Electoral Area A	-	-	4,628	4,628	4,997
Feasibility Studies - Electoral Area D	-	-	39,087	39,087	37,990
Feasibility Studies - Electoral Area B	-	-	19,988	19,988	20,013
Feasibility Studies - Electoral Area C	-	-	5,634	5,634	6,161
Feasibility Studies - Regional	-	-	79,041	79,041	115,076
Regional Broadband	-	-	1,050,910	1,050,910	1,044,894
General Administration	504,706	883,169	934,693	2,322,568	2,463,131
Member Municipality Administration	69,070	-	116,406	185,476	185,570
Wharves	-	-	-	-	(55)
	662,098	883,169	2,729,194	4,274,461	4,391,990
Protective Services					
911 Emergency Answering	14,416	-	24,968	39,384	48,685
Area D Animal Control	50,521	-	1,902	52,423	51,816
Building Inspection	61,699	131,417	78,121	271,238	269,238
Campbell River Area D Fire Protection	209,369	-	41,904	251,273	190,853
Cortes Island First Responder	23,025	-	35	23,060	18,682
Kyuquot/Nootka Emergency Program	2,252	-	3,077	5,329	4,686
Noise Control	-	-	1,824	1,824	1,882
North Quadra Assistance Response	-	1,581	251	1,832	1,794
Sayward Valley Fire Protection	36,522	359,984	8,271	404,777	393,932
South Cortes Island Fire Protection	3,895	349,153	3,344	356,392	378,243
Strathcona Emergency Program	30,936	20,207	16,890	68,033	82,043
Unsightly Premises	-	4,291	509	4,800	4,677
	432,635	866,634	181,097	1,480,365	1,446,532
Transportation Services					
Area C Street Lighting	37	-	-	37	902
Area D Street Lighting	16,800	-	50	16,850	19,783
Area D Transit	35,000	-	2,709	37,709	54,681
Oyster River Bank Protection	1,087	94,809	5,256	101,152	95,550
	52,924	94,809	8,014	155,747	170,916

Strathcona Regional District
Consolidated Summary of Surpluses and Reserves
As at December 31, 2022
(Unaudited)

Function	Appropriated Surplus <i>Note a</i>	Reserves <i>Note b</i>	Accumulated Surplus <i>Note c</i>	2022 Total	2021 Total
Environmental Health Services					
Area D Water	234,497	889,730	560,786	1,685,013	1,032,538
Cortes Island Refuse Collection	97,337	5,482	3,870	106,688	107,556
Cortes Island Refuse Disposal	27,193	-	46	27,239	41,771
Craig Road Water	-	-	307	307	351
Kyuquot/Nootka Solid Waste Disposal	19,106	-	4,051	23,157	21,452
Liquid Waste Management Plan	36,749	-	812	37,561	37,559
Quathiaski Cove Sewer	1,981	35,323	74,194	111,499	70,736
Quathiaski Cove Sewer Ext #1	-	-	1,375	1,375	1,455
Sayward Valley Refuse Collection	19,791	-	4,366	24,157	23,432
Sayward Valley Refuse Disposal	5,542	13,260	6,503	25,305	20,365
	442,196	943,795	656,310	2,042,301	1,357,213
Development Services					
Area A House Numbering	-	-	-	-	1
Area C Economic Development	29,846	-	17,431	47,277	48,898
Area C House Numbering	-	-	2	2	2
Area D House Numbering	-	-	2	2	2
Planning	77,051	473,507	207,974	758,533	777,922
Planning - Non-Part 26	-	-	1,486	1,486	1,480
Sayward Valley Economic Development	41,091	-	675	41,766	41,706
	147,988	473,507	227,570	849,065	870,011
Recreation and Cultural Services					
Area B Community Parks	5,250	445,431	38,155	488,836	432,704
Area B Heritage Conservation	-	3,736	1	3,737	3,662
Area C Community Parks	10,000	220,481	35,535	266,016	297,914
Area C Heritage Conservation	-	-	10,000	10,000	6,590
Area D Community Parks	10,000	705,858	28,581	744,439	784,090
Cortes Island Community Halls	20,000	-	2,710	22,710	20,553
Kyuquot Community Hall	-	-	2,490	2,490	2,344
Quadra Island Community Hall	-	92,105	8,437	100,542	95,466
Sayward Valley Recreation and Community Hall	31,597	99,953	1,533	133,083	129,792
Strathcona Gardens Recreation Complex	299,522	7,903,855	766,862	8,970,238	8,872,806
Vancouver Island Regional Library	-	-	136	136	326
	376,369	9,471,418	894,439	10,742,226	10,646,247
	\$ 2,114,209	\$ 12,733,332	\$ 4,696,624	\$ 19,544,166	\$ 18,882,910

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, 2022
(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	\$ 47,435	\$ 982	\$ 15,000	\$ (4,961)	\$ 58,456
Area C Community Parks	151,260	3,131	20,000	-	174,390
Area D Community Parks	478,200	9,897	20,000	(42,030)	466,067
Area D Water	440,847	9,124	250,000	-	699,972
Building Inspection	34,329	711	10,000	-	45,039
Cortes Island Refuse Disposal	5,371	111	-	-	5,482
General Administration	440,480	9,117	375,000	(57,362)	767,235
General Administration - IT	80,164	1,659	40,000	(33,162)	88,661
Oyster River Bank Protection	48,566	1,005	-	-	49,571
Planning	143,273	2,965	5,000	-	151,238
Quadra Island Community Hall	8,677	180	5,000	-	13,857
Quathiaski Cove Sewer	15,013	311	20,000	-	35,323
Regional Broadband	170,005	3,519	-	(173,523)	-
Sayward Valley Fire Protection	303,698	6,286	50,000	-	359,984
Sayward Valley Recreation and Community	19,435	1,673	-	-	21,107
Sayward Valley Refuse Disposal	12,991	269	-	-	13,260
South Cortes Island Fire Protection	283,793	5,874	95,000	(87,632)	297,036
Strathcona Emergency Program	10,000	207	10,000	-	20,207
Strathcona Gardens Recreation Complex	7,784,829	161,125	1,538,095	(1,716,826)	7,767,223
	10,478,365	218,144	2,453,095	(2,115,496)	11,034,109
Future expenditure reserves					
Area B Community Parks	69,588	1,440	-	-	71,028
Area B Heritage	3,660	76	-	-	3,736
Area C Community Parks	30,460	630	-	-	31,090
Area D Community Parks	233,893	4,841	-	-	238,734
Area D Water	185,910	3,848	-	-	189,758
Building Inspection	61,378	-	25,000	-	86,378
General Administration	26,720	553	-	-	27,273
North Quadra Assistance Response	1,549	32	-	-	1,581
Oyster River Bank Protection	42,886	888	1,464	-	45,238
Planning	315,734	6,535	-	-	322,269
Quadra Island Community Hall	76,662	1,587	-	-	78,248
Sayward Valley Recreation and Community	77,247	1,599	-	-	78,845
South Cortes Island Fire Protection	51,061	1,057	-	-	52,117
Strathcona Gardens Recreation Complex	133,862	2,771	-	-	136,632
Unightly Premises	4,204	87	-	-	4,291
	1,314,813	25,943	26,464	-	1,367,220



Strathcona Regional District
Schedule of Changes in Reserve Fund Balances
As at December 31, 2022
(Unaudited)

Reserve Type and Function	Beginning Balance	Interest Earned	Transfers from (to) Operating	Transfers from (to) Capital	Ending Balance
Community parkland acquisition reserves					
Area B Community Parks	87,989	1,821	72,900	-	162,710
Area C Community Parks	14,696	304	-	-	15,000
Area D Community Parks	1,035	21	-	-	1,056
	103,720	2,147	72,900	-	178,767
Endowments					
Area B Community Parks-Hank's Beach Forest Conservation Park	152,088	4,648	(3,500)	-	153,236
	152,088	4,648	(3,500)	-	153,236
Community Works Fund					
Community Works Fund	7,076,036	146,455	(3,816)	(166,445)	7,052,230
	7,076,036	146,455	(3,816)	(166,445)	7,052,230
	\$ 19,125,024	\$ 397,336	\$ 2,545,143	\$ (2,281,941)	\$ 19,785,561

**Strathcona Regional District
Schedule of Service Requisition Limits
As at December 31, 2022
(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 - Area A	\$0.01 per \$1,000 net taxable assessment
Noise Control - Area D	\$0.01 per \$1,000 net taxable assessment
North Quadra Assistance Response	\$0.02 per \$1,000 net taxable assessment
Oyster River Flood Protection	\$8,350 or \$0.027 per \$1,000 net taxable assessment, whichever is less
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, 2022
(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, 2022
(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, 2022
(Unaudited)

Schedule V

Name	Position/Area Represented	Remuneration	Expenses	Total
Elected and Appointed Officials				
Abram, J.	Director, Electoral Area C	\$ 48,626	\$ 6,100	\$ 54,726
Adams, A.	Director, City of Campbell River	18,743	299	19,042
Anderson, N.	Director, Electoral Area B	48,091	4,510	52,601
Baker, M.	Director, Village of Sayward, Board Chair	23,203	1,396	24,599
Chapman, D.	Director, City of Campbell River	2,742	-	2,742
Colborne, J.	Director, Village of Zeballos	21,028	3,032	24,060
Cornfield, C.	Director, City of Campbell River	15,704	-	15,704
Dahl, K.	Director, City of Campbell River	2,920	-	2,920
Davis, M.	Director, Village of Tahsis	21,100	3,138	24,238
Evans, C.	Director, City of Campbell River	17,499	-	17,499
Fowler, S.	Alternate Director, Village of Tahsis	820	192	1,012
Grunerud, C.	Commissioner, Strathcona Gardens Commission	1,440	-	1,440
Jules, K.	Director, Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations	20,317	-	20,317
Kerr, R.	Director, City of Campbell River, Vice Chair	21,682	-	21,682
Lanyon, B.	Director, City of Campbell River	2,760	-	2,760
Leigh, B.	Director, Electoral Area D	51,363	583	51,946
Lott, M.	Director, Village of Gold River	2,967	319	3,286
Mawhinney, R.	Director, Electoral Area C	9,398	3,611	13,009
Moglove, C.	Director, City of Campbell River, Vice Chair	20,558	-	20,558
Rice, J.	Director, Electoral Area D	8,100	1,955	10,055
Sinnott, S.	Director, City of Campbell River	2,760	-	2,760
Unger, N.B.	Director, Village of Gold River, Board Chair	46,313	15,233	61,546
Vonesch, M.	Director, Electoral Area B	8,118	4,414	12,532
Whalley, G.	Director, Electoral Area A	57,564	1,971	59,535
		\$ 473,817	\$ 46,753	\$ 520,570

Employees

Blanchard, J.	Parks & Facilities Technician	\$ 79,221	\$ 325	\$ 79,546
Clark, K.	Senior Accountant	87,947	3,216	91,163
Gage, L.	Senior Human Resources Manager	119,083	2,556	121,639
Harmston, M.*	Chief Financial Officer	164,314	1,546	165,860
Kentrop, R.	Senior Manager Strathcona Gardens	111,503	29	111,532
Kirkby, K.	Senior Accountant	81,473	1,040	82,513
Koopman, S.	Protective Services Coordinator	92,254	1,645	93,899
LaBoucane, R.	Manager Strategic Initiatives	104,662	3,444	108,106
Leitch, D.*	Chief Administrative Officer	206,235	8,180	214,415
Madelung, S.	Manager Aquatics & Fitness	79,746	2,031	81,777
Mitchell, R.	Manager Information Technology	88,924	40	88,964
Neill, J.	Planner	79,221	3,262	82,483
Nelson, A.	Senior Manager Community Services	143,320	6,070	149,390
Parada, W.	Senior Manager Engineering Services	142,834	944	143,778
Popove, E.	Communications Coordinator	80,115	2,820	82,935
Robertson, C.	Manager Arenas & Administration	94,876	1,776	96,652
Sauer, D.	Geographic Information Systems Analyst	88,011	29	88,040
Starkey, M.	Manager Parks & Planning	101,701	360	102,061
Watson, E.	Senior Executive Assistant	79,221	5,301	84,522
Yates, T.	Senior Manager Corporate Services	154,704	324	155,028

* Includes accrued vacation payout

\$ 2,179,366	\$ 44,938	\$ 2,224,304
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Strathcona Regional District
Schedule of Remuneration and Expenses (continued)
As at December 31, 2022
(Unaudited)

Name	Position/Area Represented	Remuneration	Expenses	Total
Add: employees with remuneration less than \$75,000		\$ 3,165,401	\$ 25,306	\$ 3,190,707
		\$ 5,344,767	\$ 70,244	\$ 5,415,011
Total remuneration and expenses for elected officials and employees		\$ 5,818,584	\$ 116,997	\$ 5,935,581
Reconciling items, including adjustments for accrual-based accounting.		1,232,099		
Total Labour and Benefits per Consolidated Schedule 1 of Financial Statements		\$ 7,050,683		



**Strathcona Regional District
Statement of Severance Agreements
As at December 31, 2022
(Unaudited)**

There was one severance agreement under which payment commenced between the SRD and its non-unionized employees during fiscal year 2022. The agreement represent from 1.5 months of compensation.

**Strathcona Regional District
Schedule of Payments to Suppliers
As at December 31, 2022
(Unaudited)**

Supplier Name	Amount Paid
Above & Beyond Tree Service	\$ 176,085
Acklands-Grainger Inc	35,227
All Clear Septic Services	37,427
Avon Russell	27,250
B.A. Blackwell & Associates Ltd.	29,657
Baylink Networks Inc.	1,059,324
B.C. Hydro	346,452
Black Press Group Ltd	30,393
Caledonia Fire Protection Ltd	32,129
Camp Homewood	49,210
Camp Connect Services Ltd O/A Flash Fire & Safety	31,322
Cascadia Sport Systems Inc	41,188
Cortes Island Fire-Fighting Association	30,904
Cimco Refrigeration	135,341
Cityview - Division of N Harris Computer Corp	33,141
CityWest Cable & Telephone Corp	442,857
City of Campbell River	1,552,964
ClearTech Industries Inc	48,980
Clean Sweep Janitorial	31,486
Coast Emergency Supply	60,701
Comox Valley Regional District	129,198
Dominion GovLaw LLP	35,786
CR Downtown BIA	35,600
Elegant Fabricating & Marine	109,240
FortisBC-Natural Gas	158,639
Friends of Cortes Island Society	29,020
Fujitsu Network Communications Inc	1,476,736
Ron Gisondo dba RG Consulting	38,464
Glacier Environmental Ltd	63,128
Green Shield Canada	410,155
Habitat for Humanity Vancouver Island North	49,600
Hazelbrae Holdings Ltd	155,791
HCMA Architecture & Design	1,318,485
Houle Electric Limited	131,295
Huxham Contracting Limited	26,964
Islandscape Contracting	28,943
Kwakiutl District Council Heath	59,943
Kendrick Equipment (2003) Ltd	41,452
Laichwiltach Family Life Society	263,500
Make Projects Ltd	130,358
M'akola Development Services Society	60,317
Maya'xala Culturally Centered Home Studies and	26,400

Strathcona Regional District
Schedule of Payments to Suppliers (continued)
As at December 31, 2022
(Unaudited)

Supplier Name	Amount Paid
McElhanney Ltd	\$ 65,709
MNP LLP	33,088
Michael Oviatt Trucking Ltd	85,484
Minister of Finance - Employer Health Tax	108,790
Minister of Finance	50,932
Monk Office Supply Ltd	35,033
Municipal Finance Authority of BC	1,322,428
Municipal Insurance Association of British	73,730
Municipal Pension Plan	742,526
Northern Development Initiative Trust	1,177,300
Norton Rose Fulbright Canada LLP	73,156
Northwest Hydraulic Consultants Ltd	45,728
Northbridge Surety Limited	4,980,118
NUCHATLAHT TRIBE	50,352
Osprey Electric Ltd	63,566
Paladin Technologies Inc.	31,552
PAW Pacific Audio Works Ltd.	37,477
Quadra Island Recreation Society	191,325
Receiver General For Canada	1,647,060
Reef Point Falling Contractor Ltd	33,510
River Ink Printing and Signs Ltd	40,035
Rocky Mountain Environmental Ltd	28,558
Sayward Community Recreation Association	26,410
Safety Net Security Ltd	39,226
Sasamans Society	96,000
Softchoice LP	48,392
SoftwareONE Canada Inc.	67,746
Southern Cortes Community Association	59,310
Stewart McDannold Stuart	69,182
Summit Creek Environmental Ltd.	77,468
Swing Time Distributors	33,184
Think Communications Inc	61,612
United Steelworkers - Local 1-1937	33,241
Vancouver Fraser Port Authority	29,315
Verschuur Margaret dba VEM Contracting	74,490
VINCOVI Technology Solutions Inc.	90,769
Volunteer Campbell River Society	26,800
Waste Management of Canada Corporation	45,182
Waypoint Insurance	127,555
Westpark Electric Ltd	51,134
Whaletown Community Club	37,853
WorkSafeBC	170,141
Young Anderson Barristers & Solicitors	306,810
Total suppliers over \$25,000	\$ 21,500,324

Strathcona Regional District
Schedule of Payments to Suppliers (continued)
As at December 31, 2022
(Unaudited)

Supplier Name	Amount Paid
City of Campbell River	\$ 681,481
CityWest Cable & Telephone Corp	435,160
Cortes Island Fire-Fighting Association	205,779
North Island 911 Corporation	496,179
Royal Canadian Legion Branch 147	50,500
Vancouver Island Regional Library	555,880
Village of Sayward	60,103
Total grants over \$25,000	\$ 2,485,082
Total suppliers and grants under \$25,000	2,161,387
Total payments to suppliers and grants	\$ 26,146,792
Adjustments:	
Debt principal repaid	(53,649)
Acquisition of tangible capital assets	(4,994,723)
Amortization expense on tangible capital assets	1,092,439
Labour and benefits	7,050,683
Change in accounts payable and accrued expenses, and payments for non-expense items	(11,366,835)
Total Expense per Consolidated Financial Statements, Statement B	\$ 17,874,707



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