



City of Campbell River
Statement of Financial Information (SOFI)
For the Year Ended December 31, 2020

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act

For the Year Ended December 31, 2020

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STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act

For the Year Ended December 31, 2020

MANAGEMENT REPORT

Prepared under the Financial Information Regulation, Schedule 1, section 9

The Financial Statements contained in this Statement of Financial Information under the **Financial Information Act** have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

The Council is responsible 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 Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Act*. Their examination includes a review and evaluation of the municipality's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to Council.

On behalf of the City of Campbell River



Dennis Brodie, B.Asc, ProfCertAM

Acting Director of Finance/Chief Financial Officer

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act

For the Year Ended December 31, 2020

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the **Financial Information Regulation**, Schedule 1, subsection 9 (2), approves all the statements and schedules, included in this Statement of Financial Information, produced under the **Financial Information Act** .



Dennis Brodie, B.Asc, ProfCertAM
Acting Director of Finance/Chief Financial Officer



Andrew Adams
Mayor

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act
For the Year Ended December 31, 2020

SCHEDULE SHOWING THE REMUNERATION IN RESPECT OF EACH EMPLOYEE

Prepared Under the Financial Information Regulation, Schedule 1, Section 6

Employees	Position	Remuneration		Expenses
AMES, MURRAY	Electrician/Operator	\$	83,214	\$ 1,241
ANDERSON, CAROL	Charge Dispatcher		102,217	258
ANDERSON, CLINT	Airport Specialist		75,684	38
ANDERSON, ERIC	Utility Operator II		75,329	775
ARNOLD, NICK	Airport Coordinator		99,002	393
BAINS, RAGHBIR	Parks Equipment Operator Specialist I		95,911	840
BAKER, JOHN	Fire Captain		135,487	315
BAKSH, NINA	IT Supervisor		88,308	252
BARBER, JENNIFER	Building Inspector II		78,973	674
BATE, TRACY	Deputy City Clerk		86,761	231
BELLEFLEUR, KELLY	Deputy Fire Chief		143,767	3,434
BERESKIN, MICHAEL	Airport Specialist		76,954	101
BOURDON, JACQUIE	Human Resources Advisor		98,042	595
BOWLES, RONALD	General Manager, Community Development		159,799	3,720
BREMER, STEPHANIE	Fire - Administration Manager		108,554	1,472
BRODIE, DENNIS W	Financial Planning Officer		104,503	1,165
BROVOLD, DARRELLE	City Clerk		120,469	923
BROWNE, TERRY	Equipment Operator III		80,357	994
BRUCE, TYLER	Firefighter		98,693	1,027
CHALLONER, JESSE	Permanent Relief Firefighter		76,861	574
CLARKSON, CASEY	Foreman II		97,949	1,971
COOK, JOE	Utility Operator II		86,853	3,733
CORBETT, CLEOPATRA	Senior Planner		84,876	1,157
COULTER, MARK	Senior Accountant		88,236	1,947
CRAIG, ROBERT	Utility Operator III		75,255	401
CROOK, CLINTON	Purchasing & Risk Management Officer		94,031	988
DAUR, AARON	Controller		98,238	2,402
DECKSHEIMER, JASON	Fleet & Facilities Manager		122,546	1,427
DIXON, ZAKARY	Utility Operator I		87,248	1,490
DOHERTY, THOMAS	Fire Chief		149,346	1,772
DOUGHERTY, DAVID	Capital Works Supervisor		98,375	1,525
DOUGLAS, JULIE	Communications Advisor		116,339	1,838
DUMONT, MICHAEL	Firefighter		114,339	2,063
DUMONT, STEWART	Firefighter		126,392	2,692
DUMONT, TYSON	Labourer I		77,070	2,349
DUNCAN, CHERYL	Watch Clerk		81,659	-
EBERT, JIM	Utility Operator III		93,545	1,501
ENNS, KEN	Facility Services Worker		80,013	28
EPPLER, ANDREW	Firefighter		111,608	310
EPPLER, PAULA	Charge Dispatcher		95,052	1,513
FALK, WESLEY	Mechanic - Fleet		87,402	915

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act
For the Year Ended December 31, 2020

SCHEDULE SHOWING THE REMUNERATION IN RESPECT OF EACH EMPLOYEE

Prepared Under the Financial Information Regulation, Schedule 1, Section 6

Employees	Position	Remuneration	Expenses
FRIEDRICH, CHARLENE	Human Resources Coordinator	77,943	2,347
FYFE, JEREMY	Firefighter	101,402	303
FYFE, JOSHUA	Firefighter	80,324	324
GAYLOR, ANDREW	Development Planning Supervisor	98,699	1,012
GENTRY, LISA	Executive Assistant	77,895	75
GEORGE, KEVIN	Instrumentation & Telemetry Analyst	88,453	-
GIRVIN, SHEILA	Human Resources Advisor	110,761	2,507
GREEN, VANESSA	Accountant III	85,115	1,700
HADFIELD, ANDREW	Director of Operations	139,333	1,611
HALL, SHAWN	Firefighter	105,134	303
HARTLEY, JASON	Capital Works Manager	135,921	1,497
HILDEBRAND, SETH	Firefighter	111,055	308
HOFMANN, JAMIE L	Alarm Room Operator	92,690	1,165
HOLBROOK, BRUCE C	Captain	142,046	806
IDIENS, CRAIG	Fire Prevention Inspector	134,061	406
IRVINE, LEAH	Planner II	75,462	589
ISFELD, JON	Roads Supervisor	118,415	-
JACOBS, CARRIE	RCMP Municipal Manager	99,983	1,693
JENKINS, JOANNE	Equipment Operator III	78,966	794
KALYN, WARREN	Information Technology Manager	122,332	3,181
KEGLER, RAY	Parks Specialist IV	97,521	2,546
KETCHUM, GLEN	Foreman II	92,662	3,011
KLUKAS, ROSE	Economic Development Officer	121,172	7,651
KOBUS, SCOTT	Alarm Room Operator	87,823	998
KRATZMANN, SCOTT	Firefighter	111,725	762
LAGOS, DAVID	Captain	142,929	372
LANGFORD, KAREN	Recreation & Culture Supervisor - Operations	104,515	2,056
LIMOGES, JOSEPH	Fleet Services Coordinator	86,214	1,262
LOADMAN, LAWRENCE	Engineering Technologist III	87,260	1,412
LOGAN, BONNIE	Alarm Room Operator	84,215	1,534
LOVELY, DAVID	Safety Advisor	99,137	1,066
MACLEOD, TREVOR	Engineering Technologist III	90,580	1,433
MACNEIL, JARED	Alarm Room Operator	80,042	746
MAHER, ALAINA	Director of Finance/CFO	109,989	3,783
MAKOSIEJ, MARK	Equipment Operator II	78,905	764
MARCELL, BRIAN	Building Services Supervisor	104,011	464
MARTIN, TERRI	Environmental Science Officer	87,296	1,239
MASSEY, TYLER D	Airport Manager	104,016	7,336
MCKENZIE, MARK	Fire Captain/Training Officer	149,247	483
MICHALUK, ANDREW	Firefighter	93,264	303

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act
For the Year Ended December 31, 2020

SCHEDULE SHOWING THE REMUNERATION IN RESPECT OF EACH EMPLOYEE

Prepared Under the Financial Information Regulation, Schedule 1, Section 6

Employees	Position	Remuneration	Expenses
MORRIS, DAVID G	General Manager, Assets & Operations	92,128	1,178
MUNRO, DARREN	Equipment Operator II	79,090	760
MYLES, MARK	Alarm Room Operator	84,357	1,409
NEUFELD, RONALD	Deputy City Manager	183,935	4,797
O'BRIEN, CHRIS	Crime Analyst	99,115	-
OLSON, NICHOLAS	Utility Operator I	75,575	2,268
OSBORNE, CHRISTOPHER	Senior Planner	100,287	3,082
PARKER, GRANT	Parks Supervisor	106,586	3,503
PENDERGAST, LEE	Firefighter	107,521	706
PETERS, JENNIFER	Community Development Engineer	122,432	1,292
ROBERTS, JOHN	Mechanic - Fleet	80,940	134
ROEHR, STEVEN	Foreman II - Wastewater	102,416	483
ROGERS, DEBRA	Firefighter	109,012	916
RYKERS, MATTHEW	Environmental Science Officer	87,142	194
SANDBERG, LORNE	Wastewater Supervisor	110,299	1,138
SARGENT, DEBORAH	City Manager	221,960	5,514
SAXBY, TYLER	Firefighter	111,860	440
SCHIEFELE, PATRICK	Firefighter	108,660	305
SCHULTE, CHRIS	Firefighter	111,159	310
SEPHTON, BRAD	Parks Green Space Coordinator	79,762	1,506
SIRETT, MICHELE	Recreation & Culture Supervisor	113,937	2,135
SMITH, GORDON	Utility Operator III	75,331	1,048
STEWART, ANDREW	Firefighter	113,639	339
STUART, DONNA	Charge Dispatcher	100,430	1,283
TILLAPPAUGH, COLLEEN	Human Resources Manager	122,306	2,165
TOEWS, ZAK	Network Administrator	83,200	3,911
TRAVANUT, ED	Foreman II	95,331	1,440
TRIPPLE, SUSAN M	Charge Dispatcher	93,225	896
VAN SPRONSEN, WILLEM	Contractor Coordinator	85,257	-
VANDENDRIES, CRIS	Firefighter	104,470	303
VATON, JOHN	Fire Captain	143,043	488
VIAU, NATHALIE	Water Supervisor	110,516	257
WAFFLE, RHIANNON	Alarm Room Operator	90,371	543
WALTON, ALEX	Arboriculture Technician	76,171	3,018
WESTDORP, BRIAN	Foreman II	108,515	315
WHARTON, REID	Fire Captain	144,803	323
WILLIS, JAMIE	Firefighter	121,560	320
WIPPER, PETER	Director of Planning	131,878	701
QUIN, XU	Senior Buyer	76,498	1,592
ZIRNHILT, AMBER	Long Range Planning & Sustainability Manager	90,231	1,457

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act

For the Year Ended December 31, 2020

	<u>Remuneration</u>	<u>Expenses</u>
Total employees with remuneration greater than \$75,000	\$ 12,398,716	\$ 163,354
Add: employees with remuneration less than \$75,000	8,447,176	120,573
Add: mayor and council	254,858	11,375
Total remuneration and expenses	<u>\$ 21,100,750</u>	<u>\$ 295,302</u>

The variance between the Schedule of Remuneration and Expenses and the wages and benefits expense reported in the financial statements is due to the following factors:

1. The remuneration schedule is based on actual payments made during the year while the financial statements are prepared on an accrual basis.
2. Wages and benefits include benefits that are recorded at full cost in the financial statements. This includes items such as the employer portion of federal deductions, retirement benefits and medical benefits.

Expenses as defined by the Financial Information Act to include travel expenses, memberships, tuition, relocation, extraordinary hiring expenses, registration fees, and similar amounts paid to an employee, or to a third party on behalf of the employee, and which has not been included in "remuneration".

Expenses are not limited to those that are generally perceived as perquisites, or bestowing personal benefit, and include expenditures required for employees to perform their job functions, and exclude benefits of a general nature applicable to all employees pursuant to an agreement such as medical, dental, counselling, insurance and similar plans.

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act

For the Year Ended December 31, 2020

STATEMENT OF SEVERANCE AGREEMENTS

Prepared under the Financial Information Regulation, Schedule 1, subsection 6 (8)

There were two severance agreements made between the City of Campbell River and its non-unionized employees during fiscal year 2020.

One severance agreement represented 3 months compensation and the second agreement represented 18 weeks.*

* "Compensation" means that the agreement was determined based on the value of the salary and benefits. The benefits included pension, extended health, dental, life and accidental death and dismemberment and dependant life insurance.

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act

For the Year Ended December 31, 2020

**SCHEDULE SHOWING TOTAL PAID TO EACH SUPPLIER
FOR GOODS AND SERVICES EXCEEDING \$25,000***Prepared Under the Financial Information Regulation, Schedule 1, section 7*

Supplier Name	Amount Paid
AB EDIE EQUITIES INC	79,040
ANDERSON REFRIGERATION LTD	69,185
ANDREW SHERET LIMITED	229,155
APPLIED GEOLOGICS INC	36,898
BAILEY WESTERN STAR TRUCKS	40,642
BC HOUSING	112,711
BC HYDRO & POWER	1,360,476
BC HYDRO CAD-130160 PAYMENT CONTROLS DEPT	918,286
BC TRANSIT	1,679,395
BERRY & VALE CONTRACTING LTD	322,670
BLACK CREEK FARM & FEED SUPPLY	45,720
BLACK PRESS GROUP LTD	78,029
BRANDT TRACTOR LTD	25,521
BUNZL CLEANING & HYGIENE	47,175
BUREAU VERITAS CANADA (2019) INC	45,474
C & L SUPPLY 1988 LTD	45,316
CAMPBELL RIVER BAND/WEI WAI KUM FIRST NATION	44,804
CAMPBELL RIVER DISTRICT CONTRACTING	509,434
CAMPBELL RIVER VOLUNTEER FIRE DEPT NO 1	52,932
CAMPBELL RIVER YOUTH SOCCER ASSOCIATION	917,315
CARSCADDEN STOKES MCDONALD ARCHITECTS INC.	33,236
CDW CANADA	137,766
CEDARSPRING BRUSHING LTD	32,120
CENTAUR PRODUCTS INC.	211,880
CENTRALSQUARE CANADA SOFTWARE INC	69,369
CLEAN TEAM JANITORIAL INC	106,355
CLEARTECH INDUSTRIES INC	53,382
CLOVERDALE PAINT	50,122
COASTAL ANIMAL CONTROL SERVICES OF BC LTD	148,293
COLUMBIA FUELS	175,386
COMMERCIAL AQUATIC SUPPLIES	45,380
COMOX VALLEY REGIONAL DISTRICT	637,559
CORRPRO CANADA INC	37,076
COVE GLASS	30,833
CRES 1986 LTD	42,831
D A TOWNLEY	1,381,557
DELL CANADA INC.	42,754
DESTINATION THINK! PROFESSIONAL SERVICES INC	493,922
DEVON TRANSPORT LTD - BUDGET CAR & TRUCK RENTAL	114,534
DISCOVERY COAST GREENWAYS LAND TRUST	48,700
DOMCOR TRAFFIC CONTROL INTERNATIONAL INC	38,172
EB HORSMAN & SON	124,731
EDGETT EXCAVATING LTD	62,466

STATEMENT OF FINANCIAL INFORMATION (SOFI)

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For the Year Ended December 31, 2020

**SCHEDULE SHOWING TOTAL PAID TO EACH SUPPLIER
FOR GOODS AND SERVICES EXCEEDING \$25,000***Prepared Under the Financial Information Regulation, Schedule 1, section 7*

Supplier Name	Amount Paid
ED ROSSE PLUMBING LTD	63,924
HER CONTRACTING LTD	93,440
EMTERRA ENVIRONMENTAL (CUMBERLAND)	1,822,907
ENEX FUELS LTD	350,696
ENVISIO SOLUTIONS INC.	51,738
ERAMOSA ENGINEERING INC	36,973
ESRI CANADA	56,271
FOOTPRINTS SECURITY PATROL INC	98,553
FORT GARRY FIRE TRUCKS LTD.	990,433
FORTIS BC-NATURAL GAS	86,595
FRED SURRIDGE LTD	35,804
G & G ROOFING LTD.	150,476
GFL ENVIRONMENTAL INC.	29,723
GO FLEET CORPORATION	27,977
GOTRAFFIC MANAGEMENT INC.	32,317
GRANT ILLUMINATED SIGNS LTD.	28,286
GREEN THUMB NURSERIES AND LANDSCAPE CO LTD	27,185
GUILLEVIN INTERNATIONAL CO	92,993
HIGHLAND ENGINEERING SERVICES LTD	213,508
HOULE ELECTRIC LIMITED	224,418
ICBC - INSURANCE CORPORATION OF BC	153,893
ICONIX WATERWORKS LP	39,906
INFINITE ROAD MARKING LTD	41,057
INFOSENSE INC.	33,860
INLAND KENWORTH LTD	197,104
INNOV8 DIGITAL SOLUTIONS	46,743
INSITUFORM TECHNOLOGIES LTD.	560,362
ISLAND CRUSHING COMPANY	61,396
IWC EXCAVATION LTD.	256,931
J E ANDERSON & ASSOCIATES	41,297
JIM CREIGHTON ENTERPRISES	38,770
KAL TIRE	34,249
KIMBO DESIGNS INC	30,381
KNAPPETT INDUSTRIES 2006 LTD	661,416
KNAPPETT PROJECTS INC	76,244
KOERS & ASSOCIATES ENGINEERING LTD	39,069
LENZ WELDING	32,933
LITE ACCESS TECHNOLOGIES (CANADA) INC.	78,763
M J PAWLOWSKI AND ASSOCIATES	40,024
M & J TREE SERVICES LTD.	36,139
MAINROAD MAINTENANCE PRODUCTS LP	65,962
MAINSTREAM BIOLOGICAL CONSULTING INC	30,674
MARETERRA RESOURCES LTD.	33,175
MAR-TECH UNDERGROUND SERVICES LTD	134,890
MCELHANNEY CONSULTING SERVICES LTD	553,374

STATEMENT OF FINANCIAL INFORMATION (SOFI)

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For the Year Ended December 31, 2020

**SCHEDULE SHOWING TOTAL PAID TO EACH SUPPLIER
FOR GOODS AND SERVICES EXCEEDING \$25,000***Prepared Under the Financial Information Regulation, Schedule 1, section 7*

Supplier Name	Amount Paid
MICROSOFT CORPORATION	75,042
MNP LLP	39,900
MONK OFFICE	103,214
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH COLUMBIA	259,862
MUNICIPAL PENSION PLAN	1,988,410
MUSEUM AT CAMPBELL RIVER	62,683
NELSON ROOFING & SHEET METAL LTD	80,594
NORTH ISLAND COMMUNICATIONS INC	42,905
NORTHWEST HYDRAULIC CONSULTANTS LTD	52,912
OAK HILLS WOODCRAFT	49,959
PIONEER HOME HARDWARE LTD	64,606
PIPE EYE VIDEO INSPECTIONS AND SERVICES LTD.	83,927
POWERSAFE ENERGY SERVICES INC.	60,211
PRODUITS RE-PLAST INC.	31,212
QUALITY DESIGNS LTD.	33,900
RAYLEC POWER LP	146,455
RECEIVER GENERAL FOR CANADA (CPP & EI)	1,019,677
RECEIVER GENERAL FOR CANADA E DIVISION FSS	85,421
RECEIVER GENERAL FOR CANADA RCMP POLICING CONTRACT	7,449,139
RIDGELINE MECHANICAL LTD.	36,076
ROBBINS PARKING SERVICE LTD	25,470
ROGERS COMMUNICATIONS CANADA INC	87,771
ROLLINS MACHINERY LIMITED	500,482
SEAL TEC INDUSTRIES LTD	44,922
SPRING ACTIVATOR INC.	32,133
STANTEC CONSULTING LTD	246,662
STEVE MARSHALL FORD 1996 LTD.	116,850
STEWART MCDANNOLD STUART	61,889
STEWART MCDANNOLD STUART TRUST ACCOUNT	27,500
STRATHCONA REGIONAL DISTRICT	1,210,743
SUPER SAVE DISPOSAL INC	25,045
SUPERIOR PROPANE	31,858
SYLVIS ENVIRONMENTAL SERVICES INC	27,074
TAYCO PAVING COMPANY	1,852,596
TELUS	111,015
TELUS COMMUNICATIONS INC.	121,870
TETRA TECH CANADA INC	105,201
TOMKO SPORTS SYSTEMS INC.	70,719
TRANE CANADA ULC T42324C	27,207
TRUE NORTH SOLUTIONS	26,816
UNITED RENTALS OF CANADA	43,346
UPLAND CONTRACTING LTD	1,068,442
UPLAND READY MIX	66,977
URBAN SYSTEMS LTD.	147,990

STATEMENT OF FINANCIAL INFORMATION (SOFI)

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For the Year Ended December 31, 2020

**SCHEDULE SHOWING TOTAL PAID TO EACH SUPPLIER
FOR GOODS AND SERVICES EXCEEDING \$25,000**

Prepared Under the Financial Information Regulation, Schedule 1, section 7

Supplier Name	Amount Paid
VAN-KEL IRRIGATION A DIVISION OF EMCO CORPORATION	35,573
VICTORIA MOBILE RADIO LTD.	64,327
VIMAR EQUIPMENT	32,512
W.J. MURPHY CONTRACTING 2013	242,771
WACOR HOLDINGS LTD	7,352,158
WALCO INDUSTRIES LTD.	26,424
WE WAI KAI NATION	33,311
WESTERN EQUIPMENT LTD	29,729
WESTERN TRAFFIC LTD	47,819
WESTERRA EQUIPMENT LP	109,791
WILLIS CANADA INC	173,131
WILLOW POINT FIRE FIGHTERS	84,358
WINDLEY CONTRACTING LTD	193,849
WISHBONE INDUSTRIES LIMITED	27,620
WORKSAFE BC	318,444
WSP CANADA GROUP LTD	241,353
ZINC STRATEGIES INC	100,337
Total suppliers over \$25,000	45,571,618
Total suppliers under \$25,000	3,369,960
Total suppliers	\$ 48,941,578

STATEMENT OF FINANCIAL INFORMATION (SOFI)

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For the Year Ended December 31, 2020

**SCHEDULE SHOWING TOTAL PAID TO EACH SUPPLIER
FOR GOODS AND SERVICES EXCEEDING \$25,000**

Prepared Under the Financial Information Regulation, Schedule 1, section 7

Add: Grants exceeding \$25,000

CAMPBELL RIVER ART GALLERY	80,000
CAMPBELL RIVER ARTS COUNCIL	33,000
CAMPBELL RIVER BAPTIST CHURCH	32,300
GREENWAYS LAND TRUST	37,000
HAIG BROWN HOUSE	51,000
INFILM	50,000
KWAKIUTL DISTRICT COUNCIL HEALTH CENTER	37,919
MUSEUM AT CAMPBELL RIVER	145,200
TIDEMARK THEATRE SOCIETY	185,000

Total grants over \$25,000 651,419

Total grants under \$25,000 126,503

Total Grants in Aid 777,922

Total suppliers and grants \$ 49,719,500

This schedule of payments is based on actual disbursements through the accounts payable system and therefore the total will differ significantly from the expenditures in the financial statements which are reported on an accrual basis. There are also a number of disbursements that are not considered expenses, including payments for the acquisition of tangible capital assets, rebates and deposit refunds.

STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the Financial Information Act

For the Year Ended December 31, 2020

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Prepared under the Financial Information Regulation, Schedule 1, Section 5

This organization has not given any guarantees or indemnities under the *Guarantees and Indemnities Regulation*.



CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

Independent Auditor's Report

Financial Reporting Responsibility	1
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To the Mayor and Council of the City of Campbell River:

Opinion

We have audited the financial statements of the City of Campbell River (the "City"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2020, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the 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 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Campbell River, British Columbia

May 10, 2021

MNP LLP

Chartered Professional Accountants

**CITY OF CAMPBELL RIVER
FINANCIAL REPORTING RESPONSIBILITY
For the Year Ended December 31, 2020**

The preparation and presentation of the Financial Statements is the responsibility of the management of the City of Campbell River. The Financial Statements have been prepared pursuant to Section 167 of the Community Charter and in accordance with Canadian public sector accounting standards. The financial information contained herein necessarily involves the use of estimates and judgments, which have been based on careful assessment of the data, made available through the City's information systems. The City maintains a system of internal accounting controls designed to safeguard our assets and provide reliable financial information.

MNP LLP has been appointed by the Council of the City of Campbell River as the City's independent auditor. Their report accompanies the Financial Statements.



Dennis Brodie, B.ASc, ProfCertAM
Acting Director of Finance/Chief Financial Officer



Aaron E. Daur, CPA
Controller

CITY OF CAMPBELL RIVER
STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and investments (note 2)	99,444,603	90,898,593
Accounts receivable (note 4)	8,508,383	7,423,817
Inventory held for sale	24,648	29,776
	107,977,634	98,352,186
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 5)	17,468,792	11,053,031
Deposits and holdbacks	4,497,475	4,652,936
Development cost charges (note 6)	12,720,575	12,506,819
Deferred revenue (note 6)	10,484,554	12,738,110
Long-term debt (note 7 & schedule 1)	11,651,472	12,527,259
	56,822,868	53,478,155
NET FINANCIAL ASSETS	51,154,766	44,874,031
NON FINANCIAL ASSETS		
Inventory of supplies	474,820	393,777
Prepays	21,400	-
Tangible capital assets (schedule 2)	285,705,342	274,586,799
	286,201,562	274,980,576
ACCUMULATED SURPLUS (note 9)	337,356,328	319,854,607

See Contingent liabilities Note 10.

See Significant events Note 17.

See Subsequent events Note 18.



Dennis Brodie, B.ASc, ProfCertAM
Acting Director of Finance/Chief Financial Officer



Aaron E. Daur, CPA
Controller

CITY OF CAMPBELL RIVER
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	2020 Budget (see note 12)	2020 Actual	2019 Actual
REVENUE			
Taxes & parcel taxes (note 11)	35,874,799	35,854,588	34,213,916
Payments in lieu of taxes	683,080	711,370	683,089
Sale of services	25,491,695	23,816,603	25,065,270
Services provided to other governments	1,747,803	1,596,147	1,545,783
Transfers from other governments (note 15)	10,251,918	13,423,631	4,961,949
Investment and other income	952,109	921,336	1,869,796
Other revenue	224,098	285,472	338,391
Development cost charges recognized	3,746,207	1,351,905	248,992
Contributed tangible capital assets	61,628	2,639,297	10,227,164
Loss on disposal of tangible capital assets	-	(311,012)	(46,126)
	79,033,337	80,289,337	79,108,224
EXPENSES			
General government	7,207,208	9,198,207	7,962,897
Protective services	18,807,148	18,127,980	18,506,359
Transportation services	12,587,578	12,188,199	12,442,699
Environmental health services	2,772,152	2,609,372	2,590,889
Public health services	203,560	229,155	199,877
Development services	2,716,386	2,244,067	2,634,950
Parks, recreation and cultural services	9,033,857	7,758,785	8,674,083
Sewer utility services	4,399,899	4,184,035	4,149,424
Water utility services	6,162,657	6,247,816	6,723,650
	63,890,445	62,787,616	63,884,828
ANNUAL SURPLUS	15,142,892	17,501,721	15,223,396
Accumulated Surplus, Beginning of Year	319,854,607	319,854,607	304,631,211
ACCUMULATED SURPLUS (note 9)	334,997,499	337,356,328	319,854,607

See Budget legislative compliance Note 12.

CITY OF CAMPBELL RIVER
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	2020 Budget (see note 12)	2020 Actual	2019 Actual
ANNUAL SURPLUS	15,142,892	17,501,721	15,223,396
TANGIBLE CAPITAL ASSETS			
Acquisition of tangible capital assets	(38,342,550)	(19,456,143)	(15,315,367)
Contributed tangible capital assets	-	(2,639,297)	(10,227,164)
Proceeds on disposal of tangible capital assets	-	74,186	90,186
Loss on disposal of tangible capital assets	-	311,012	46,126
Writedown of tangible capital assets	-	268,148	1,515,301
Amortization	9,380,800	10,323,551	9,740,160
	(28,961,750)	(11,118,543)	(14,150,758)
OTHER NON-FINANCIAL ASSETS			
Increase in inventory of supplies	-	(81,043)	(18,475)
Increase in prepaids	-	(21,400)	71,767
	-	(102,443)	53,292
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(13,818,858)	6,280,735	1,125,930
NET FINANCIAL ASSETS, BEGINNING OF YEAR	44,874,031	44,874,031	43,748,101
NET FINANCIAL ASSETS, END OF YEAR	31,055,173	51,154,766	44,874,031

CITY OF CAMPBELL RIVER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus	17,501,721	15,223,396
Non-cash items included in annual surplus:		
Long-term debt actuarial adjustment	(95,850)	(70,812)
Contributed tangible capital assets	(2,639,297)	(10,227,164)
Loss on disposal of tangible capital assets	311,012	46,126
Writedown of tangible capital assets	268,148	1,515,301
Amortization expense	10,323,551	9,740,160
Decrease in inventory of supplies	(81,043)	(18,475)
Decrease in prepaids	(21,400)	71,767
Changes in financial assets and liabilities:		
Accounts receivable	(1,084,566)	(1,894,396)
Inventory held for resale	5,128	30,832
Accounts payable and accrued liabilities	6,415,761	1,132,681
Deposits and holdbacks	(155,461)	919,198
Development cost charges	213,756	1,621,523
Deferred revenue	(2,253,556)	968,732
	28,707,904	19,058,869
CAPITAL ACTIVITIES		
Proceeds on sale of tangible capital assets	74,186	90,186
Acquisition of tangible capital assets	(19,456,143)	(15,315,367)
	(19,381,957)	(15,225,181)
FINANCING ACTIVITIES		
Debt principal repaid	(779,937)	(521,858)
	(779,937)	(521,858)
INCREASE IN CASH AND INVESTMENTS	8,546,010	3,311,830
CASH AND INVESTMENTS BEGINNING OF YEAR	90,898,593	87,586,763
CASH AND INVESTMENTS, END OF YEAR	99,444,603	90,898,593
<hr/>		
INTEREST RECEIVED	724,506	1,562,309
<hr/>		
INTEREST PAID	454,851	525,724
<hr/>		

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

The City of Campbell River ("City") was incorporated as a municipal district in 1947 under the provisions of the *British Columbia Municipal Act*, and was reinforced as a city by letters patent in 2005. Its principal activities are the provision of local government services to the residents of the City, as governed by the *Community Charter and the Local Government Act*.

The notes to the Financial Statements are an integral part of these statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis for these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the Financial Statements.

1. Significant accounting policies

a) Basis of presentation

The Financial Statements of the City are the representations of management prepared in accordance with Canadian public sector accounting standards. Budget information has been aggregated to comply with these reporting standards.

b) Reporting entity

The Financial Statements reflect the assets, liabilities, revenues, expenses and changes in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to Council and are owned or controlled by the City. All inter-fund balances and transactions are eliminated.

The Cemetery Trust Funds administered by the City are specifically excluded from the Financial Statements and are reported separately (Note 3).

c) Accrual accounting

Items recognized in the financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied. The accrual basis of accounting recognizes expenses as they are incurred and become measurable based upon receipt of goods or services and/or creation of a legal obligation to pay.

d) Revenue recognition

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Following are the types of revenue received and a description of their recognition:

i) Taxation

Taxes for Municipal Purposes are recognized in the year levied. Levies imposed by other taxing authorities (Note 11) are not included in these financial statements.

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. Significant accounting policies (continued)

ii) Sale of services

Sale of services are recognized in the year that the service is provided or the amount is earned, provided the amount can be estimated and collection is reasonably assured.

iii) Transfers from other governments

The City recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the City recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

iv) Other revenue

Investment income, taxation penalties and actuarial earnings are recorded in the year they are earned, provided the amount can be estimated and collection is reasonably assured.

v) Development cost charges and other deferred revenues

Development cost charges are recognized in the year that they are used to fund an eligible capital project that has been authorized by bylaw. Receipts which are restricted by agreement with external parties are reported as Deferred Revenue at the time they are received. When the qualifying expenses are incurred the related Deferred Revenue is brought into revenue. Deferred Revenues are comprised of the amounts shown in Note 6.

e) Cash and investments

Investments are held with the Municipal Finance Authority of BC (MFA). The Money Market Fund and the High Interest Savings Accounts offered by the MFA provide a method by which municipalities in British Columbia can access high quality investments not otherwise available to them while retaining a high degree of security and liquidity. The interest rate is variable and the funds are redeemable upon 24 hours notice. The carrying value of investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing, and any permanent decline in market value. The investment balances detailed in Note 2 are reported at market value which is also cost on December 31, 2020.

f) Long-term debt

All long-term debt is borrowed from the Municipal Finance Authority of BC (MFA). Interest payments and actuarial earnings related to long-term debt obligations are recorded on an accrual basis. Actuarial revenue is investment earnings on the City's principal payments made to, and invested by, the MFA, prior to the MFA using these funds to retire the related debt. The actuarial interest rate is set when the debt is issued to the City and may be adjusted by MFA during the term of the debt if market conditions dictate that the rate can no longer be achieved. The rates of interest on outstanding debt are 1.28% to 3.25% as disclosed on Schedule 1. Actual actuarial earnings beyond the set rate are paid to the City when the related debt is retired. Actuarial revenue is recognized and compounded annually starting in the second year of the debt term.

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. Significant accounting policies (continued)

g) Financial instruments

The City's financial instruments consist of cash and investments, accounts receivable, accounts payable and accrued liabilities, deposits and holdbacks, short-term and long-term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments. Interest rates for long-term debt are set at fixed rates for the term. The City does not have significant foreign currency denominated transactions. Accounts receivable are due from a broad base of customers, except as otherwise commented on in Note 4.

h) Non-financial assets

The City's non-financial assets consist of inventory of supplies, prepaids, and tangible capital assets. Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. Intangible assets, such as water rights and mineral resources, are not recorded in the financial statements.

i) Tangible capital assets

Tangible capital assets are recorded at cost, net of disposals, write-downs and amortization. The useful life is applied on a straight line basis to calculate amortization that is calculated when the asset is put in use.

The estimated useful lives that the City uses to amortize its tangible capital assets are:

Asset	Useful life (yrs)
Land	N/A
Buildings	7-60
Furniture, machinery & equipment	3-50
Drainage infrastructure	30-80
Roads, bridges & highways	15-60
Marine infrastructure	30-40
Sewer infrastructure	20-60
Water infrastructure	20-60

Carrying costs directly attributable to the acquisition, construction or development activity, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Contributions of tangible capital assets are recorded at fair value at the date of contribution.

ii) Inventory

Inventories are recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost basis.

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. Significant accounting policies (continued)

i) Use of estimates/measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring use of management estimates relate to the useful lives of tangible capital assets, determination of employee future benefits, accrual for retroactive wages and the outcome of litigation and claims. Accounts receivable are recorded after considering the collectability of the amounts and setting up an allowance for doubtful accounts, if necessary. Actual results will depend on future economic events and could differ from the estimates. Adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for.

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 City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2020.

At each financial reporting date, the City 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 City 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.

2. Cash and investments

	2020	2019
General operating fund	82,462,258	74,698,989
Development cost charges deferred revenue	12,720,575	12,532,602
Capital lending reserve fund	2,245,486	1,707,788
Parks acquisition & development reserve fund	1,231,573	1,307,526
Parkland acquisition reserve fund	629,227	497,958
Other bank investments	155,484	153,730
	99,444,603	90,898,593

The City's investment policy is designed to provide the optimal blend of investment security and rate of return while meeting the operational requirements of the City while maintaining compliance with restrictions imposed by the Community Charter. The investment policy applies to all cash assets of the City not required for immediate operational needs. All current investments are held within the MFA Money Market Fund (MMF) and High Interest Savings Accounts which are accessible within one business day. The monthly average interest rate for the MMF in 2020 was 0.85% (2019 - 1.85%).

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

3. Trust funds

The City holds trust funds under British Columbia law for the purposes of maintaining public cemeteries. These funds are excluded from the Financial Statements and are comprised of the following:

	December 31, 2019	Collections	Expenses	December 31, 2020
CR Municipal Cemetery	328,772	9,591	-	338,363
Elk Falls Memorial Cemetery	250,778	7,315	-	258,093
	<u>579,550</u>	<u>16,906</u>	<u>-</u>	<u>596,456</u>

4. Accounts receivable

	2020	2019
Property taxes	<u>1,644,822</u>	1,588,297
Due from other governments	<u>3,341,980</u>	2,093,516
Other	<u>3,521,581</u>	3,742,004
	<u>8,508,383</u>	<u>7,423,817</u>

Other receivables includes from one customer an amount of \$486,931 (2019 - \$544,551) which is a structured payment established through a local service agreement and is collected as part of the annual tax levy with the final payment occurring in 2027. The annual repayment amount is \$81,353 based on an interest rate of 4.71% over the 20 year repayment term. There are 7 years remaining on the repayment term.

5. Accounts payable and accrued liabilities

	2020	2019
Trade accounts payable	<u>2,269,448</u>	2,001,710
Due to other governments	<u>10,030,611</u>	3,896,562
Accrued liabilities	<u>216,200</u>	307,370
Accrued wages and benefits	<u>4,867,670</u>	4,758,858
Accrued interest	<u>84,863</u>	88,531
	<u>17,468,792</u>	<u>11,053,031</u>

Included in accrued liabilities is a liability for a contaminated site the City owns. The site is potentially contaminated with elevated levels of minerals in its soil and groundwater from its former use as a dumping site for industrial wood waste and requires remediation to an acceptable environmental standard. The City has estimated that the necessary remediation will cost approximately \$190,000 (2019 - \$190,000) based on a letter of opinion from the City's consultant.

Full-time permanent employees receive up to one-third or one-sixth of their sick bank on retirement, per their respective collective agreement. Permanent employees are also entitled to awards of supplemental vacation on certain anniversary years. The value of the liabilities for sick leave and supplemental vacation as at December 31, 2020 are calculated by an Actuary engaged by the City and reflect the likelihood that eligible employees will become entitled to such benefits. There are no additional liabilities accrued for these amounts as they are included in the sick leave, vacation, and banked overtime liability accounts:

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. Accounts payable and accrued liabilities (continued)

Accrued wages and benefits:

	2020	2019
Employee future benefits	1,842,200	1,653,400
Vacation liability	1,015,660	1,354,385
Banked overtime liability	267,317	271,065
Wages and other accruals	1,742,493	1,480,008
	4,867,670	4,758,858

Employee future benefits:

	2020	2019
Accrued benefit obligation - beginning	1,653,400	1,581,600
Current service cost	139,900	129,700
Interest cost	46,100	52,300
Benefits paid	(164,000)	(143,800)
Recognition of Actuarial loss/gain	166,800	33,600
	1,842,200	1,653,400
Discount rate	2.10%	2.70%
Inflation rate	2.50%	2.50%

6. Development cost charges and deferred revenue

Included in deferred revenue are contributions from developers collected under the Development Cost Charges (DCC) Bylaw. These contributions will be recognized as revenue in future years when these funds are used for expenses as permitted by the Development Cost Charges Bylaw and the relevant sections of the *Local Government Act*, unless otherwise authorized by the Ministry of Municipal Affairs and Housing.

The funded DCC's are disclosed as cash and investments in Note 2 and total \$12,720,575 (2019 - \$12,532,602).

	December 31, 2019	Transfers	Collections	December 31, 2020
Development cost charges				
Park development	957,071	12,800	117,891	1,062,162
Parkland acquisition	917,515	23,025	223,882	1,118,372
Roads	4,173,148	1,387,448	343,603	3,129,303
Sanitary sewer	1,099,460	27,090	234,715	1,307,085
Storm drains	1,342,679	-	371,889	1,714,568
Water	4,016,946	44,640	416,779	4,389,085
	12,506,819	1,495,003	1,708,759	12,720,575
Deferred revenue				
Future local improvements	2,546,388	16,915	-	2,529,473
Prepaid property taxes	2,834,906	5,686,499	6,072,424	3,220,831
Community Works Fund	4,551,569	3,032,562	1,462,050	2,981,057
Parkland acquisition	517,858	-	111,369	629,227
Other	2,287,389	2,990,412	1,826,989	1,123,966
	12,738,110	11,726,388	9,472,832	10,484,554
	25,244,929	13,221,391	11,181,591	23,205,129

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

7. Long-term debt

Debt is reported at the gross amount. See Schedule 1 for maturity dates, interest rates and payments in the year. The principal payments for the next five years are:

Year	General	Sewer	Water	Total
2021	124,727	328,035	395,321	848,083
2022	139,758	349,158	428,127	917,043
2023	145,277	360,212	440,971	946,460
2024	26,897	371,621	454,200	852,718
2025	15,887	383,395	467,826	867,108
2026 & thereafter	-	3,178,114	4,041,946	7,220,060

The interest payments for the next five years are:

Year	General	Sewer	Water	Total
2021	44,911	151,283	216,650	412,844
2022	44,911	151,283	216,650	412,844
2023	42,334	151,283	216,650	410,267
2024	5,378	151,283	216,650	373,311
2025	2,373	151,283	216,650	370,306
2026 & thereafter	-	1,103,123	1,543,675	2,646,798

The City has no debt assumed by others on its behalf, and has not directly assumed any debt for others (Note 10b).

8. Municipal Finance Authority debt reserve fund

The Municipal Finance Authority (MFA) of British Columbia provides capital financing for regional districts and their member municipalities. The MFA is required to establish a debt reserve fund. Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the debt reserve fund certain amounts set out in the debt agreements. The MFA pays into the debt reserve fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund if at any time there are insufficient funds to meet payments on its obligations. When this occurs the regional districts may be called upon to restore the fund.

Upon the maturity of a debt issue, the unused portion of the debt reserve fund established for that issue will be discharged to the City. The proceeds from these discharges will be credited to income in the year they are received. The City's MFA debt reserve fund is:

	2020	2019
General	23,843	23,362
Sewer	62,929	61,660
Water	77,048	75,494
	163,820	160,516

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

9. Accumulated surplus

	2020	2019
Unappropriated surplus		
General	4,400,000	4,400,000
Sewer	800,000	800,000
Water	850,000	850,000
	6,050,000	6,050,000
Non-statutory reserves		
General	19,123,368	13,076,969
Airport	166,035	440,916
Sewer	13,544,683	14,816,045
Water	21,641,308	19,683,623
	54,475,394	48,017,553
Statutory reserves		
Capital lending	2,245,486	2,619,988
Parkland acquisition & development	1,231,573	1,107,526
	3,477,059	3,727,514
Investment in tangible capital assets	273,353,875	262,059,540
Total	337,356,328	319,854,607

The Unappropriated surplus is available to temporarily finance operations until planned revenues including property taxes are received, or for other operating or capital purposes as determined by Council.

The Non-statutory reserves have been set aside by decision of Council for a specified purpose. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

The Statutory reserves have been established by bylaw in accordance with the Community Charter and their use is restricted by legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

Investment in tangible capital assets includes the net book value of capital assets for all City funds (General, Airport, Sewer, Water), less long term obligations associated with these assets.

10. Contingent liabilities

a) Pension liability

The municipality 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 the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

10. Contingent liabilities (continued)

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 City of Campbell River paid \$1,988,410 (2019 - \$1,889,325) for employer contributions, while employees contributed \$1,657,994 (2019 - \$1,573,052) to the Plan in fiscal 2020.

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 individual employers participating in the plan.

b) Regional District debt

Debt issued by the Strathcona Regional District is a direct joint and several liability of the Regional District and each member municipality, including the City of Campbell River. Readers are referred to the Strathcona Regional District Audited Financial Statements for specific information and detail.

c) Other claims and contingent liabilities

In the course of a year, the City is faced with lawsuits, assessment appeals on property values, and other claims for damages and management believes the exposure to be insignificant. As at December 31, 2020 there existed several claims which management believes may be successful against the City. The City has recorded a liability for these claims, as it believes a reasonable estimate can be made. An accrued liability of \$26,655 (2019 - \$119,616) has been recorded for these claims.

11. Property taxation

	<u>2020</u>	<u>2019</u>
Municipal Taxation:		
General municipal property taxes	33,325,984	31,864,875
Local service taxes	81,353	88,727
Parcel taxes	1,926,006	1,733,611
1% utility tax	521,245	526,703
Total municipal taxation	<u>35,854,588</u>	<u>34,213,916</u>

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

11. Property taxation (continued)

Collections for Other Taxing Authorities:		
BC Assessment Authority	362,294	312,868
Comox Strathcona Regional Hospital District	4,290,122	4,208,781
Comox Strathcona Regional Solid Waste Board	1,506,277	1,469,618
Municipal Finance Authority	1,594	1,463
Provincial School Levy	15,095,895	16,063,840
Strathcona Regional District	6,944,190	6,280,198
Regional Library	1,616,188	1,537,066
Total collections for other taxing authorities	29,816,560	29,873,834
Payments to other taxing authorities	(29,816,560)	(29,873,834)
Net taxation for municipal purposes	35,854,588	34,213,916

12. Budget legislative compliance

The following table reconciles the difference between the Statement of Operations Surplus/Deficit and the Financial Plan (Budget) balance, where sources of funds equal use of funds, demonstrating how the City has complied with the legislative requirement for a balanced budget.

The budget amounts presented throughout these financial statements are based on the Ten Year Financial Plan bylaw adopted by Council on December 16, 2019, to the exception of the amounts noted below.

Adjustments to the 2021-2030 Financial Plan Annual Surplus:	
Annual surplus, as per Statement of Operations	15,142,892
Adjustments for non-cash item:	
Amortization offset	9,380,800
Debt principal repayments	(848,332)
Capital expenses	(38,342,550)
Net transfer from reserves & unappropriated surplus	14,667,190
	-

13. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for future lease/rental revenue, E-911 operations agreement and a local area service agreement. The following table summarizes the contractual rights of the City for future assets:

	Lease/Rental Revenue	E911 Dispatch Operations	Local Area Service
2021	296,478	1,378,000	81,353
2022	288,522	-	81,353
2023	287,632	-	81,353
2024	115,152	-	81,353
2025	-	-	81,353
Thereafter, to completion	-	-	162,706
Total Contractual Rights	987,784	1,378,000	569,471

CITY OF CAMPBELL RIVER
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

14. Segmented reporting

The City of Campbell River provides various City services within various divisions. The schedule segmented reporting as disclosed in Schedule 3 reflects those functions offered by the City as summarized below:

General government - activities related to the administration of the City as a whole including central administration, finance, human resources, information technology and legislative operations.

Protective services - activities related to providing for the security of the property and citizens of the City including policing, fire protection, emergency planning, building inspection, animal control and bylaw enforcement.

Transportation services - activities related to transportation and transit services including airport operations, maintenance of roads, sidewalks, street lighting and signage.

Environmental health services - activities related to solid waste management.

Public health services - activities related to child care, victim services and cemetery maintenance.

Development services - activities related to economic development, community planning and development.

Parks, recreation & cultural services - activities related to all recreation and cultural services including the maintenance of parks, recreation and fitness programs as well cultural facilities including the museum.

Sewer utility services - activities related to gathering, transporting, storing, treating and discharging sewage and reclaimed water.

Water utility services - activities related to treating, storing, supplying and transporting water.

15. Government transfers

	2020	2019
Federal	7,778,104	3,327,615
Provincial	5,595,527	1,584,334
Regional	50,000	50,000
	13,423,631	4,961,949

16. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

17. Significant events

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

18. Subsequent events

Subsequent to the end of the fiscal period it was identified that a section of the City's sewer infrastructure is at or is nearing capacity. The City has already approved additional development in the area which could result in the existing sewer infrastructure becoming overloaded. At the April 26, 2021 Council meeting, Council committed to remedying this issue by approving a \$575,000 enhancement project to increase the capacity of the infrastructure in this area. As the Council commitment happened after year-end, no liability amount has been accrued in these financial statements.

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
SCHEDULE OF LONG-TERM DEBT
As at December 31, 2020**

SCHEDULE 1

Bylaw	Description	Maturity Date	Interest Rate %	Balance at Dec 31, 2019	Debt Issued	Principal Payments	Actuarial Adjust	Balance at Dec 31, 2020
Long-term debt								
General								
3303	Issue #103	23/04/23	2.65	63,493	-	9,713	5,239	48,541
3301	Issue #104	20/11/23	2.90	223,800	-	34,235	18,468	171,097
3302	Issue #104	20/11/23	2.90	163,238	-	24,971	13,470	124,797
3302	Issue #106	13/10/24	2.25	53,462	-	6,668	3,202	43,592
3301	Issue #112	06/10/25	1.28	87,421	-	9,260	3,920	74,241
				<u>591,414</u>	<u>-</u>	<u>84,847</u>	<u>44,299</u>	<u>462,268</u>
Sanitary Sewer								
3345	Issue #112	12/10/26	1.28	212,168	-	22,473	9,513	180,182
3345	Issue #117	06/10/26	3.25	296,367	-	27,418	10,105	258,844
3519	Issue #147	09/04/32	2.66	4,800,000	-	258,080	-	4,541,920
				<u>5,308,535</u>	<u>-</u>	<u>307,971</u>	<u>19,618</u>	<u>4,980,946</u>
Water								
3518	Issue #141	07/04/32	2.80	2,583,476	-	155,923	9,496	2,418,057
3518	Issue #145	23/04/33	3.15	4,068,804	-	231,196	6,936	3,830,672
				<u>6,652,280</u>	<u>-</u>	<u>387,119</u>	<u>16,432</u>	<u>6,248,729</u>
Accrued actuarial adjustment				<u>(24,970)</u>	<u>-</u>	<u>-</u>	<u>15,501</u>	<u>(40,471)</u>
Total long-term debt				<u>12,527,259</u>	<u>-</u>	<u>779,937</u>	<u>95,850</u>	<u>11,651,472</u>

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
TANGIBLE CAPITAL ASSET CONTINUITY SCHEDULE
As at December 31, 2020**

SCHEDULE 2

	Land	Buildings	Machinery & Equipment	Engineered Structures	Assets Under Construction	Total 2020	Total 2019
COST							
Opening balance	33,241,116	42,476,522	29,190,470	368,648,682	12,022,118	485,578,908	462,744,637
Additions	91,014	696,595	2,505,263	10,319,417	5,843,854	19,456,143	15,315,367
Contributed tangible capital assets	-	-	-	1,832,568	806,729	2,639,297	10,227,164
Construction completed	-	369,818	71,547	785,941	(1,227,306)	-	-
Writedowns	-	-	-	-	(268,148)	(268,148)	(1,930,931)
Disposals	(109,978)	(241,367)	(301,112)	(408,636)	-	(1,061,093)	(777,329)
Closing balance	33,222,152	43,301,568	31,466,168	381,177,972	17,177,247	506,345,107	485,578,908
ACCUMULATED AMORTIZATION							
Opening balance	-	22,494,793	15,450,870	173,046,446	-	210,992,109	202,308,596
Amortization current year	-	1,035,676	1,352,554	7,935,321	-	10,323,551	9,740,160
Amortization from writedowns	-	-	-	-	-	-	(415,630)
Amortization from disposals	-	(61,142)	(283,576)	(331,177)	-	(675,895)	(641,017)
Closing balance	-	23,469,327	16,519,848	180,650,590	-	220,639,765	210,992,109
NET BOOK VALUE	33,222,152	19,832,241	14,946,320	200,527,382	17,177,247	285,705,342	274,586,799
NET BOOK VALUE (2019)	33,241,116	19,981,729	13,739,600	195,602,236	12,022,118		

CITY OF CAMPBELL RIVER
 FINANCIAL STATEMENTS
 SCHEDULE OF SEGMENTED REPORTING
 For the Year Ended December 31, 2020

SCHEDULE 3
 (page 1 of 2)

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health Services		Development Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE												
Taxes & parcel taxes (note 11)	33,851,997	32,401,426	-	-	680,016	505,352	-	-	-	-	76,585	76,865
Payments in lieu of taxes	711,370	683,089	-	-	-	-	-	-	-	-	-	-
Sale of services	417,419	522,797	1,919,649	2,059,569	1,522,406	2,486,696	2,628,925	2,448,993	111,135	77,773	1,606,517	1,813,848
Services provided to other governments	1,013,758	1,052,458	505,419	426,470	-	-	-	-	76,970	66,855	-	-
Transfers from other governments (note 15)	9,742,245	2,973,585	433,608	367,922	3,214,950	1,585,691	20,000	20,000	-	-	14,300	20,000
Investment and other income	567,414	1,468,292	-	-	2,961	219	-	-	-	-	-	-
Other revenue	-	-	-	-	245,336	213,825	22,220	92,800	-	-	416	8,159
Development cost charges recognized	-	-	-	-	1,351,905	222,883	-	-	-	-	-	-
Contributed tangible capital assets	806,729	-	-	-	1,252,837	6,696,796	-	-	-	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	(280,547)	66,186	-	-	-	-	-	-
	47,110,932	39,101,647	2,858,676	2,853,961	7,989,864	11,777,648	2,671,145	2,561,793	188,105	144,628	1,697,818	1,918,872
EXPENSES												
Amortization & writedowns	327,580	299,543	408,974	332,602	4,589,256	4,397,448	-	-	9,883	9,883	-	-
Interest & debt issue expenses	26,440	69,423	-	-	49,453	51,964	-	-	-	-	-	-
Operating expenses	2,754,500	1,759,146	9,369,229	10,134,727	5,012,733	5,589,337	2,556,475	2,476,253	47,199	36,809	938,064	1,447,497
Wages & benefits	6,089,687	5,834,785	8,349,777	8,039,030	2,536,757	2,403,950	52,897	114,636	172,073	153,185	1,306,003	1,187,453
	9,198,207	7,962,897	18,127,980	18,506,359	12,188,199	12,442,699	2,609,372	2,590,889	229,155	199,877	2,244,067	2,634,950
ANNUAL SURPLUS (DEFICIT)	37,912,725	31,138,750	(15,269,304)	(15,652,398)	(4,198,335)	(665,051)	61,773	(29,096)	(41,050)	(55,249)	(546,249)	(716,078)

See Note 14 for description of Segment Reporting categories.

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
SCHEDULE OF SEGMENTED REPORTING
For the Year Ended December 31, 2020**

**SCHEDULE 3
(page 2 of 2)**

	Parks, Recreation & Culture Services		Total General Government		Sewer Utility Services		Water Utility Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Taxes & parcel taxes	524,179	517,038	35,132,777	33,500,681	721,811	713,235	-	-	35,854,588	34,213,916
Payments in lieu of taxes	-	-	711,370	683,089	-	-	-	-	711,370	683,089
Sale of services	614,736	1,141,681	8,820,787	10,551,357	6,189,833	6,244,359	8,805,983	8,269,554	23,816,603	25,065,270
Services provided to other governments	-	-	1,596,147	1,545,783	-	-	-	-	1,596,147	1,545,783
Transfers from other governments	(1,472)	(5,249)	13,423,631	4,961,949	-	-	-	-	13,423,631	4,961,949
Investment and other income	-	-	570,375	1,812,961	151,572	185,258	199,389	216,027	921,336	1,869,796
Other revenue	17,500	23,158	285,472	337,942	-	449	-	-	285,472	338,391
Development cost charges recognized	-	-	1,351,905	222,883	-	26,109	-	-	1,351,905	248,992
Contributed tangible capital assets	-	-	2,059,566	6,696,796	183,763	2,068,555	395,968	1,461,813	2,639,297	10,227,164
Loss on disposal of tangible capital assets	-	-	(280,547)	66,186	(5,918)	(23,661)	(24,547)	(88,651)	(311,012)	(46,126)
	1,154,943	1,676,628	63,671,483	60,379,627	7,241,061	9,214,304	9,376,793	9,858,743	80,289,337	79,108,224
EXPENSES										
Amortization & writedowns	1,626,444	1,498,068	6,962,137	6,537,544	1,395,069	1,312,675	1,966,345	2,787,172	10,323,551	10,637,391
Interest & debt issue expenses	-	-	75,893	121,387	162,308	187,687	216,650	216,650	454,851	525,724
Operating expenses	2,362,834	2,870,822	23,041,034	24,314,591	1,610,237	1,634,785	2,161,931	2,005,780	26,813,202	27,955,156
Wages & benefits	3,769,507	4,305,193	22,276,701	22,038,232	1,016,421	1,014,277	1,902,890	1,714,048	25,196,012	24,766,557
	7,758,785	8,674,083	52,355,765	53,011,754	4,184,035	4,149,424	6,247,816	6,723,650	62,787,616	63,884,828
ANNUAL SURPLUS (DEFICIT)	(6,603,842)	(6,997,455)	11,315,718	7,367,873	3,057,026	5,064,880	3,128,977	3,135,093	17,501,721	15,223,396

See Note 14 for description of Segment Reporting categories.

CITY OF CAMPBELL RIVER
 FINANCIAL STATEMENTS
 SCHEDULE OF COVID-19 SAFE RESTART GRANT FOR LOCAL GOVERNMENT FUNDS
 As at December 31, 2020

SCHEDULE 4

Description	Amounts Received	Amounts Spent	Amounts Used for Lost Revenues	Ending Balance
Opening Balance				-
COVID-19 Safe Restart Grant for Local Governments funding	4,618,000	-	-	4,618,000
Transfer to offset Community Gaming Grant lost revenues	-	-	725,000	3,893,000
Interest allocated on reserve balances	1,679	-	-	3,894,679
Closing Balance	4,619,679	-	725,000	3,894,679