

2021 Annual Report



District of
SECHELT

Burnett Falls

Welcome to Sechelt

VISION - What we are aiming for
The District of Sechelt strives to be a more sustainable community which provides an exceptional quality of life for every age and stage of life.

Table of Contents

Welcome to Sechelt	1
VISION - What we are aiming for	1
Who we are	2
Message from the Mayor	4
Message from the Chief Administrative Officer	5
Strategic Priorities and Goals	6
1. Promoting Economic Prosperity	7
2. Enhancing Fiscal Sustainability.....	9
3. Enhancing Community Liveability	10
4. Managing Growth Effectively.....	14
5. Revitalizing the Downtown	14
6. Improving Governance and Communications.....	16
7. Improving Operations & Infrastructure	18
COMING UP	20
DIVISIONS	22
ADMINISTRATION DIVISION.....	22
FINANCE DIVISION	28
PLANNING AND DEVELOPMENT DIVISION.....	30
ENGINEERING AND OPERATIONS DIVISION.....	33
FINANCIAL STATEMENTS.....	42
Report from the Chief Financial Officer	42

Who we are

The District of Sechelt, named after the shísháhlh people on whose unceded lands it was built, is located on the Sunshine Coast in southern British Columbia. With a current population of just under 11,000 the community of Sechelt maintains a unique economic balance between small-scale manufacturing, retail and service sectors, tourism, and industrial uses. Only accessible by ferry, Sechelt sits in the middle of the peninsula, with the Salish Sea on one side and the Sechelt Inlet on the other.

Famous for its relaxed seaside vibe, Sechelt is truly a community that has it all. With a vibrant arts community, entrepreneurial spirit and strong community values, we take the art of living well very seriously. It is quickly becoming a hub for outdoor enthusiasts with easy access to tidal, fresh water and backcountry recreation.

We are a growing community that embraces smart and sustainable development. With a business-friendly attitude and a supportive municipal council, the District of Sechelt works with residents, developers and business owners to streamline processes and pave the way to success.

We are Sechelt. We are...



The heart of
the Sunshine Coast.

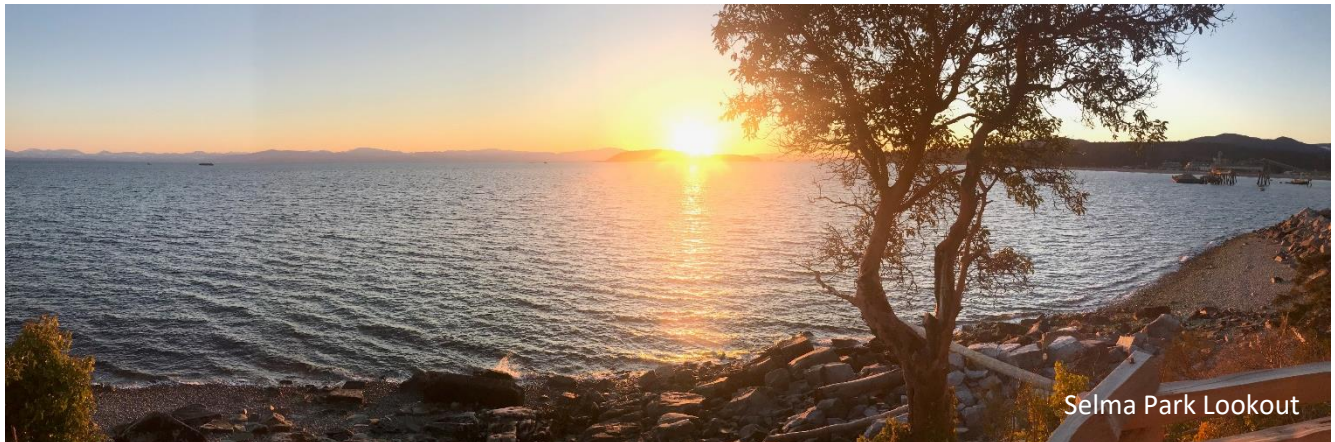
MANDATE | Our roles and responsibilities

The District plays an important role in the daily lives of our residents. Whether it is addressing affordable housing needs, providing community services, improving infrastructure and municipal services or determining how we will strengthen the economy, we must manage the needs of today, while planning for the future.

The mandate of the Council is to provide services and programs to build and support a prosperous, healthy, caring and sustainable community.

We will do this by:

- Providing good governance
- Encouraging effective and open communication
- Working to obtain additional resources and supports for our community
- Working to remove unnecessary roadblocks and red tape
- Demonstrating sound leadership
- Wisely stewarding our scarce resources
- Encouraging a culture of respect
- Promoting continual improvement



Selma Park Lookout

CORE VALUES | What guides us in fulfilling our mandate

We believe in being:

- Representative of the community as a whole
- Responsive to changing needs, technologies and challenges
- Respectful of differing needs, cultures and the land we live on
- Accountable for the decisions we make
- Honest

Message from the Mayor

Through changing health regulations, changing climate conditions and unprecedented lifestyle restrictions, our community continues to weather the storm... and survive! Community members and staff alike clearly share a passion for the spirit of this beautiful District.

As we move in to 2022, recovery and long-term planning have become strong themes guiding our work at the District of Sechelt. Arising from the challenges of the COVID-19 pandemic many municipalities, including our own, were able to secure federal and provincial funding for a multitude of projects in 2021. From capital infrastructure renewal and tourism to building community resiliency, we have secured over \$12 million in grant funding to help support carryforward projects from prior years, as well as move new initiatives forward.



2021 set the stage for much needed infrastructure, including a public sani-station for recreational vehicles, Sechelt Airport expansion and resurfacing, major culvert replacements as well as upgrades and restoration for Sechelt's only designated heritage building, Rockwood Lodge. 2021 also set the stage for community assets like a new outdoor stage, amphitheater and playground at Hackett Park, improvements to the Trail Bay Seawalk, Suncoaster Trail, the Ebbitide Dog Park and the construction of a District-owned childcare facility.

2021 was a year of listening, planning and setting the stage for the future. We look forward to continuing to engage the community on our land use regulations over the coming year to ensure the best fit for our community's unique needs.

I would like to extend my sincerest appreciation for our community members and staff.

Darnelda Siegers, Mayor

Message from the Chief Administrative Officer

With change being the only constant over these last two years, District staff have continued to excel. Six new full time staff equivalent positions were added and filled over the course of 2021. They have hit the ground running. Despite not meeting in person for the first few months (or in some cases, years), new staff have done a remarkable job integrating into their teams.

These new positions are helping us build the capacity to adapt to the constantly changing environment. Whether it is a global pandemic, climate crisis, or accelerated population growth we, as a District, need to be prepared to renew and expand our municipal infrastructure in sustainable ways.

Through 2021 we were able to lay the groundwork for asset management and long term infrastructure renewal planning. Securing grant funding has provided opportunities to move forward with critical infrastructure renewal, as well as the opportunity to add new municipal services and community assets. Going forward, a detailed review of municipal services will provide the basis for a strategic approach to streamlining operational processes internally.

Collaboration, both internally and externally, is key to our recovery through the pandemic, but it is also key to building the capacity and resilience to weather future storms. The District continued to work closely with our neighbours through 2021, implementing collaborative processes that have allowed us to share equipment, improve efficiencies and save money across the Sunshine Coast. Our internal service reviews may reveal additional opportunities for collaboration with neighbouring local governments or other organizations.

We look forward to building on the momentum of 2021 with a focus on streamlining and enhancing our services in cost-effective ways.

Andrew Yeates

Chief Administrative Officer



Strategic Priorities and Goals

The Strategic Plan is a statement of the District's overall vision and priorities. It provides a roadmap for Council, staff and the community to support implementation of seven key strategic priorities:

1. Promoting Economic Prosperity
2. Enhancing Fiscal Sustainability
3. Enhancing Community Liveability
4. Managing Growth Effectively
5. Revitalizing the Downtown
6. Improving Governance and Communication
7. Improving Operations and Infrastructure



2021 STRATEGIC GOALS AND ACCOMPLISHMENTS

1. Promoting Economic

The District is committed to developing more prosperous and economically resilient communities by supporting a spectrum of workplace opportunities from home-based business to marine and airport-related industrial activities.

What we did in 2021 to achieve this:

1.1 Exploring opportunities to enhance the economic potential of the airport lands, harbour and wharf.

- Sechelt Airport Runway Expansion: Project was funded through BC Air Access Program and Canada Community Building Fund (formerly known as Gas Tax). Additional lighting improvements planned for 2022.
- Installed a new water line at the Porpoise Bay Government Wharf.



1.2 Developing an airport development strategy and identifying grant opportunities.

- Coming forward in 2022.

1.3 Creating a Council committee of business leaders to develop a Sechelt economic development strategy that supports local job creation, local investment, and will enhance and sustain local businesses.

- Continued to support the Sunshine Coast Regional Economic Development Organization (SCREDO) and their initiatives within the community.
- Staff implemented best practices from the BC Social Procurement Initiative (BCSPI) and participated in the BCSPI Community of Practice.



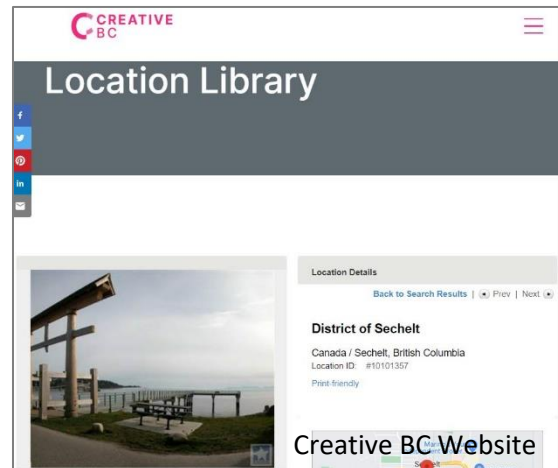
1.4 Continuing to support regional economic development strategies through the Sunshine Coast Regional Economic Development Organization (SCREDO).

- Supported SCREDO’s initiatives supporting local businesses through the cross promotion of programs and events.



1.5 Continuing to support the work of Sunshine Coast Tourism and leverage opportunities to promote tourism and enhance the visitor experience in Sechelt.

- Registered the District of Sechelt as a film location with the Provincial Film Commission, CreativeBC.
- Coordinated photo shoots at Mission House, Rockwood Lodge and Seaside Centre for Creative BC website – the District was contacted by Disney FX, who will work with Sunshine Coast Tourism and our communications manager on upcoming projects.
- Acquired mobile tourism kiosks and vehicle to promote tourism while encouraging physical distancing and increasing accessibility to visitor centre materials through the Covid-19 ReStart grant.
- Reopened the Visitor Information Centre to full hours.
- Worked with Farmers’ and Artisans’ Market to extend market into the Municipal Hall parking lot to allow for physical distancing.



Sechelt Artisans and Farmers Market



Sechelt Artisans and Farmers Market

- Completed indexing and digitization of the Helen Dawe Collection at the Sechelt Community Archives.
- Secured grant funding for the construction of a municipal RV sani-station to improve and promote the tourism economy.
- Published an update on post-renovation usage of the Rockwood Artspace in the BC Museums Association *RoundUp* magazine.
- Worked with the Sechelt Downtown Business Association (SDBA) to facilitate Oktoberfest at Rockwood Lodge.



2. Enhancing Fiscal Sustainability

The District focuses on the fiscal sustainability of the municipality to ensure we can continue to provide needed services and infrastructure.

What we did in 2021 to achieve this:

2.1 Continuing to improve our asset management program.

- Created a new full time position for a GIS/Asset Management Technician.
- Implemented GIS system upgrades to better map District assets and land use policies, and creating a robust database for future asset management strategies.
- Used the mobile ArcGIS Collector App to continue to gather data on parks assets through smart phones to help create realistic and sustainable service levels.
- Developed an Asset Management Steering Committee with representation from all divisions.
- Created and implemented an improved process to maintain flow of culverts and reduce damage.
- Upgraded three vehicles in the District fleet to more efficient and economic options that require less repairs and have lower carbon emissions.
- Upgraded communication antenna and receiver at MacKenzie lift station to ensure lift station is monitored effectively.

2.2 Implementing internal processes and software to track our operational activities to find efficiencies and cost savings.

- Implemented a new rental facility booking software. Members of the public can now book facility rentals and pay online.
- Awarded contracts for OnBase Records Management implementation and WestX Business Solutions.
- Continued digitizing records and transitioning operational activities to the OnBase Records Management platform.
- Portions of the accounts payable process were automated to create efficiencies and ensure timely payments to vendors and other external partners.
- Selected and implemented Cloud Permit to receive electronic building permit submissions. Public launch date in 2022.



Records to be digitized

- Staff actively encouraged people to conduct transactions online, such as paying for business licences and dog licences to streamline these processes.

2.3 Developing a risk mitigation strategy.

- Created a five-year staffing plan and initiated succession plan
- Implemented GIS system upgrades to better map District assets and create a robust database for future asset management strategies.

2.4 Ensuring financial resiliency by building reserves and improving investment strategies.

- Continued working towards a paperless office environment.
- Contributed 3% per year towards capital infrastructure renewal.

2.5 Reviewing our fees and charges to ensure adequacy and fairness.

- Ongoing each year.

3. Enhancing Community Liveability

The District is committed to the improvement of community sustainability, accessibility, affordability and community health and well-being.

What we did in 2021 to achieve this:

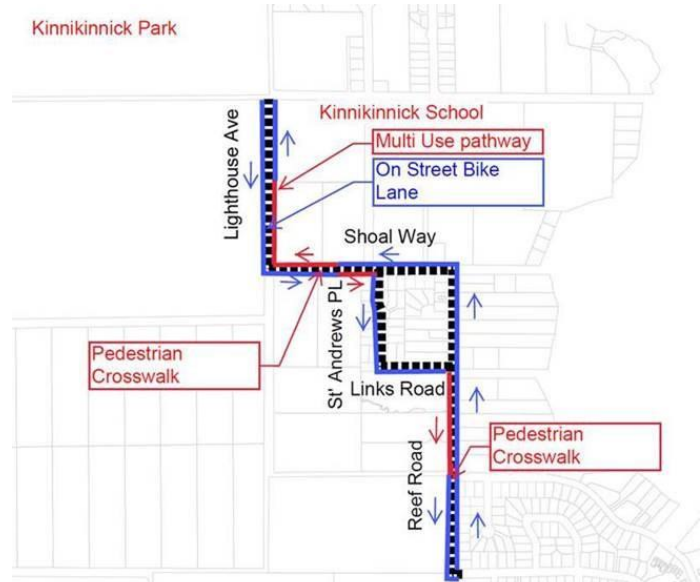
3.1 Planning neighbourhoods to enable all residents to meet their daily needs easily, safely and conveniently by linking neighbourhoods with pathways, sidewalks, bicycle lanes and transit routes.

- Completed Trail Ave Reconstruction Project. This project improved visibility and safety for vehicles, pedestrians and cyclists, as well as adding bike lanes on Trail Ave to Ebbtide St. This \$6.058 million project was funded primarily by Development Cost Charges with a small portion from capital reserves.
- Commenced Active Transportation Network improvement: \$3.14 million was awarded through the Investing in Canada's Infrastructure Program's new COVID-19 Community Resilience Infrastructure Stream with over \$2.5 million from the Federal government and over \$647,000 from the Province. The project will result in better connections between West Sechelt, West Porpoise Bay, downtown Sechelt and East Porpoise Bay, including new multi-use paths, bike lanes and walking paths.
- Received two grants (Ministry of Transportation and Infrastructure and Bike BC) for construction of bike lanes along Reef Road, Shoal Way and Lighthouse Avenue. Continued promoting the urban forest/street tree program.

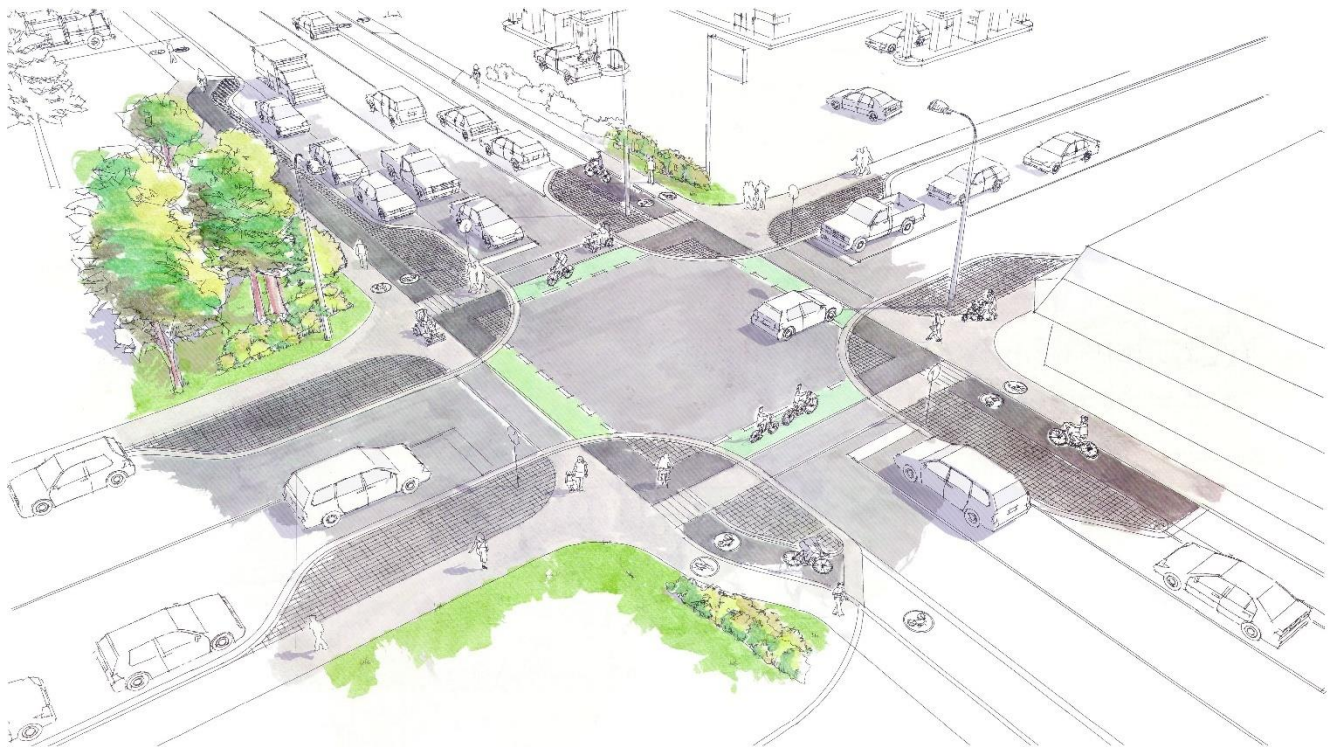


Trail Avenue – new garden beds

- Participated with stakeholder organizations including the Active Travel for Kids Tactical Working Group and BC Transit Future Action Plan Working Group.
- Initiated Transportation Master Plan that will help guide how the District plans and prioritizes for the community's growing and changing transportation needs over the next 20 years.
- Road Naming Policy adopted by Council.



Shoal Way/Reef Road: New bike lanes and multi-use paths



Trail Avenue Re-alignment: Cowrie Intersection Improvements

3.2 Providing a mix of housing types throughout the District that provide options for a range of needs and incomes.

- Building permit applications increased by 34% and 18% for other development applications.
- Commenced Short Term Rental Review project to review and update to Business Licenses, Zoning and Bylaw Notice Enforcement Bylaws.
- Continued Zoning Bylaw 580 Review - a draft bylaw was created.
- Council endorsed the Housing Needs Assessment and Implementation Report, which were developed in collaboration with the SCR D and Town of Gibsons. As part of the implementation of the recommendations contained in the two reports the Sunshine Coast Housing Action Planning Table was created. Affordable Housing and Community Amenity Policy adopted by Council.
- Major development application approvals included the Silverstone Long Term Care Facility, affordable housing projects for Sunshine Coast Lions Club seniors housing and Community Services housing for women and children.



3.3 Addressing housing affordability and homelessness by: lobbying senior levels of government to secure funding and other social supports; and working collaboratively with regional partners to develop a comprehensive affordable housing strategy.

- Continued on-going work and cooperation with BC Housing on communication related to housing for homeless on the Sunshine Coast.
- Advocated for support on increasing affordable housing stock on the Sunshine Coast through changes to the *Residential Tenancy Act*. Met with BC Housing, the Attorney General and Minister Responsible for Housing and the Minister of Finance along with elected officials from the Town of Gibsons and the Sunshine Coast Regional District in September 2021.
- Council supported an application to the UBCM Strengthening Communities Fund for funding for a paid Homelessness Coordinator position.
- Council supported the SCR D to use the Other Accommodation Provider (OAP) funding from the Municipal and Regional District Tax (MRDT) through Sunshine Coast Tourism to fund a Housing Coordinator position.

3.4 Giving consideration to community safety and well-being in operational practices and infrastructure projects.

- Continued working with Vancouver Coastal Health to use Seaside Centre as a COVID-19 testing centre and eventually vaccination hub.
- Maintained and replaced street signs where needed.

- Purchased electronic variable sign boards for use throughout the District with COVID-19 ReStart Funding.
- Performed ditching, curb painting, pothole filling and culvert replacements in various areas throughout the District.
- Introduced new curbside solid waste collection process, featuring a green bin for organics.
- Brined roads continuously during cold weather and snow predictions.
- Updated Building Bylaw 409 to introduce modern building regulation standards and to improve clarity and consistency for buildings, structures and retaining walls.
- Improved the review and approval process for development permits relating to building around environmentally sensitive and hazardous lands.



3.5 Providing support to community arts and culture initiatives.

- Awarded one-time grants to 16 organizations through the Community Investment Program totalling \$39,000.
- Awarded multi-year grants to eight organizations totalling \$78,815.
- Provided support to the annual Children's Banner program of the Sunshine Coast Arts Council.
- Presented business case to Council for support of the Community Public Art Program – this was approved by Council for the 2021 budget.
- The District of Sechelt's Public Art Program was featured in the spring edition of *INPUT* magazine, the official publication of the *Real Estate Institute of BC*.

3.6 Taking the actions to reach the goals in the Festival and Events Strategy, and the Public Art Program and policy.

- Canada Day in the District of Sechelt was cancelled and residents were encouraged to participate in an orange shirt walk.
- Held two nights of drive-in movies at Hackett Park.
- Presented virtual protocol ceremony for Canada Day.
- Hosted nine outdoor concerts for Summer Music Series.
- Supported the 39th annual Festival of the Written Arts held in the Pavilion at Rockwood Gardens.
- Hosted 18th annual Sechelt Arts Festival in modified format to meet COVID-19 public health guidelines and regulations.

4. Managing Growth Effectively

The District is committed to managing growth in a way that stewards scarce resources, protects environmentally sensitive areas, and provides appropriate and sustainable housing and employment opportunities.

What we did in 2021 to achieve this:

- 4.1 Revising and updating the Official Community Plan to reflect the vision and to improve predictability in growth and development objectives.
 - Official Community Plan Consultation Policy adopted by Council.
- 4.2 Updating the Subdivision and Development Control Bylaw (Bylaw No. 430) to better align with District needs and community liveability and sustainability.
 - This project began in 2018 and continued through 2021.
- 4.3 Updating the density bonusing policy and the amenity contribution policy to better define and incentivise community liveability and sustainability.
 - Included these considerations during the Zoning Bylaw 580 Review.
- 4.4 Updating the Liquid Waste Management Plan and aligning our development priority areas with our servicing areas.
 - Commenced planning for end-of-life for Dusty Road septage receiving facility and long-term solutions for septage receiving service to the community.

5. Revitalizing the Downtown

The District is committed to developing a vibrant downtown for visitors and the people who live and work in our community.

What we did in 2021 to achieve this:

- 5.1 Providing support and streamlining processes to facilitate success for community-lead downtown projects.

- Worked with Farmers' and Artisans' Market to extend market into the Municipal Hall parking lot to allow for physical distancing.
- Assisted the Sechelt Downtown Business Association (SDBA) with the set-up of patios along Cowrie Street.
- Prioritized tenant improvement permits for businesses to support the business community with a fast turnaround on permit applications.



Sechelt Farmers' and Artisans' Market

5.2 Identifying and improving infrastructure needs to support downtown business and activities.

- Worked with the SDBA on downtown revitalization/beautification through new street furnishings, banners, signs, and plantings/streetscapes.
- Received Tourism Dependent Grant for improvements to Hackett Park, Trail Bay sea walk and Snickett Park including a new vandal-resistant washroom.



5.3 Working collaboratively with landowners, the Sechelt Downtown Business Association and the Sechelt Chamber of Commerce to reduce vacant premises, address parking needs, and identify service improvements.

- Council supported a SDBA grant application to the Island Coastal Economic Trust Thrive funding program for improvements to the walkability of Periwinkle Lane downtown.
- Prioritized applications for tenant improvements and new businesses, particularly in the downtown village.

5.4 Developing a “pedestrian-first” policy to improve access and vibrancy in the downtown.

- Successful patio pilot program for 2021.
- Ensured accessible parking is maintained.
- Improved the walkability of downtown through several accessibility features associated with the Trail Avenue Reconstruction project.
- Commenced work on a pedestrian-first policy.
- Continued planning for Wharf Avenue project, which will add sidewalks and improve accessibility.



Trail Ave: more visible crosswalks and bike lanes

5.5 Initiate, encourage and support art in public places.

- Received Tourism-Dependent Communities Grant to initiate a public art project at the revitalized Trail Bay sea walk near Snickett Park including a new vandal-resistant washroom.
- Awarded contracts to five local artists for art wraps, street banners and a mural.
- Completed a new mural at Hackett Park washroom/concession stand building. This was funded by the Tourism-Dependent Communities grant.

6. Improving Governance and Communications

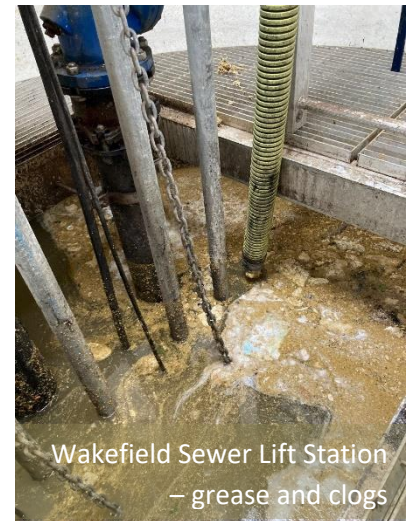
The District is committed to open, transparent and accountable governance and communications.

What we did in 2021 to achieve this:

6.1 Operating and communicating in a timely manner with transparency and accountability following best practices for local government.

- Completed a guide to Complex Building plan review to assist in reviewing major projects for B.C. Building Code compliance.

- Educated public through a grease campaign that explained what not to pour down the drain or flush down the toilet.
- Participated with Species and Ecosystems at Risk Local Government Working Group.
- Continued implementing OnBase Records Management Data Base.
- Significant amount of District documents were digitized and added to OnBase Records Management Data Base system.
- Posted regular updates to COVID-19 processes and safety plans for all District facilities.
- Created brochures featuring District facilities.
- Improved network connectivity between Municipal Hall and other District facilities.



6.2 Improving communications with the community and increasing public participation by implementing the goals and objectives of the Communications Plan.

- Supervised execution of communications plan for 2021 budget planning, including seven online public participation sessions, website content management, six surveys and advertisements in traditional and online media.
- Created Sechelt Airport Runway Improvement Celebration – attended by over 200 people, including elected officials and District staff.
- Launched website-redesign project.

6.3 Providing opportunities for public participation in the decision-making process.

- Conducted a workshop with the Sunshine Coast Community Forest Communications Committee on communications strategies and best practices for public engagement planning.
- Appointed two new members to the Community Investment Program Grant Review Committee.
- Hosted seven public consultation sessions online to provide more opportunities for public engagement during the budget process.

6.4 Pursuing federal Reconciliation recommendations.

- Wrapped-up the syíyaya Reconciliation Project “Visioning for Reconciliation in the shíshálh Homelands”. The final report was submitted to the Vancouver Foundation and the findings presented to the broader public.
- Submitted final report and video to Vancouver Foundation for the syíyaya Reconciliation Project “Visioning for Reconciliation in the shíshálh Homelands”.
- Created unique eight-part social media campaign for National Indigenous Peoples’ Day.
- Created two videos of shíshálh cultural content for Canada Day virtual protocol ceremony.
- Public release of film Becoming syíyaya – created with funding from Vancouver Foundation.
- Promoted educational resources, and participation in the shíshálh Nation’s virtual Orange Shirt Day ceremony on social media for the first National Day of Truth and Reconciliation.
- Awarded a grant, in partnership with the syíyaya Reconciliation Committees, from the Marin Community Foundation to support the work of creating regalia for healing ceremonies.

- Applied for funds from Heritage Canada to support the hosting of National Indigenous Peoples' Day activities in June 2022.

6.5 Identifying opportunities for shared services and projects with stakeholders and other governments.

- Prepared application for ChildCare BC funding for a 77-space municipal-owned daycare for Sechelt.
- Collaborated with SCRD in drafting and submitting a Union of BC Municipalities (UBCM) grant application to support emergency evacuation planning for Tuwanek and Sandy Hook.
- Worked collaboratively with other local governments and stakeholders to improve sports field operations and identify opportunities to share knowledge, cost savings, and specialized equipment with the goal of improving the standard of sports fields throughout the Sunshine Coast.
- Drafted a Memorandum of Understanding (MOU) for shared services between the District of Sechelt and SCRD. Approval expected in 2022.
- Collaborated with the SCRD in Coast-wide initiatives including Transit Master Plan, Regional Growth background review and Watershed governance model.
- Worked collaboratively with SCRD and Town of Gibsons to complete Housing Needs Assessment and follow up Implementation Report.

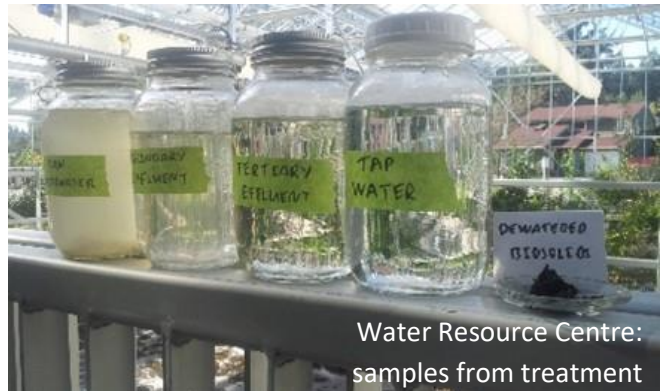
7. Improving Operations & Infrastructure

The District is committed to improving the delivery and effectiveness of municipal services and infrastructure throughout the District to meet community needs and to respond to changing conditions.

What we did in 2021 to achieve this:

7.1 Improving the programming of the Water Resource Centre (WRC) and developing a strategy for the use of reclaimed water.

- Launched two surveys on reclaimed water to help gauge public support for the use of reclaimed water and the conceptual options.
- Completed Reclaimed Water Feasibility Study.
- Optimized WRC blowers for increased efficiency and optimization.
- Replaced 610 air diffusers in one 1000 m³ Fed Batch Reactor, providing for improved mixing and dissolving of oxygen for secondary treatment.
- Implemented more frequent inspections, grounds maintenance and repairs of all lift stations.



7.2 Working collaboratively with our regional partners to improve the supply, storage and delivery of water.

- Supported the Sunshine Coast Regional District (SCRD) in developing a regional Watershed Protection service.

7.3 Demonstrating leadership by implementing District water conservation measures and exploring water supply options.

- Installed new public taps at the Water Resource Centre (WRC) from the Ebbtide ground water well to allow the public to use non-potable water during water shortages to reduce the use of SCRDR drinking water.
- Upgraded ground water well system to reduce drinking water consumption by WRC operations by 33%.
- Parks Department watering trucks use non-potable from the Ebbtide ground water well instead of SCRDR water for outdoor watering.

7.4 Working with our community, stakeholders and volunteer groups to implement the priority parks and trails projects identified through the Parks and Open Space Master Plan.

- Constructed amphitheater style seating area in Hackett Park which will provide a viewing area for shows at the new Hackett Park Stage which is scheduled for completion by July 2022.



Hackett Park Amphitheatre

7.5 Completing the construction of the Parks and Public Works Operation Building.

- Completed alternative approval process for an Operations Centre for Public Works and Parks Departments.
- Completed detailed design for Operations Center and moved building permit applications forward.

7.6 Completing the Suncoaster Trail Phase 2.

- Prepared referral letter and follow up meeting with shíshálh Nation inviting input and participation.
- Completed Suncoaster Trail T.E.S.T. (Trail Environmental Screening Tool) documentation for Section 57 Right of Way Agreements (“S57s”) for the area between West Sechelt and Big Tree in August 2021.
- Provided T.E.S.T. document to produce a GIS layer/map for the Suncoaster Trail.
- Commenced communications plan for Sunshine Coast Trail in October 2021.
- Signage costs for the West Sechelt portion of Suncoaster Trail was funded by a Rural Dividend Grant.

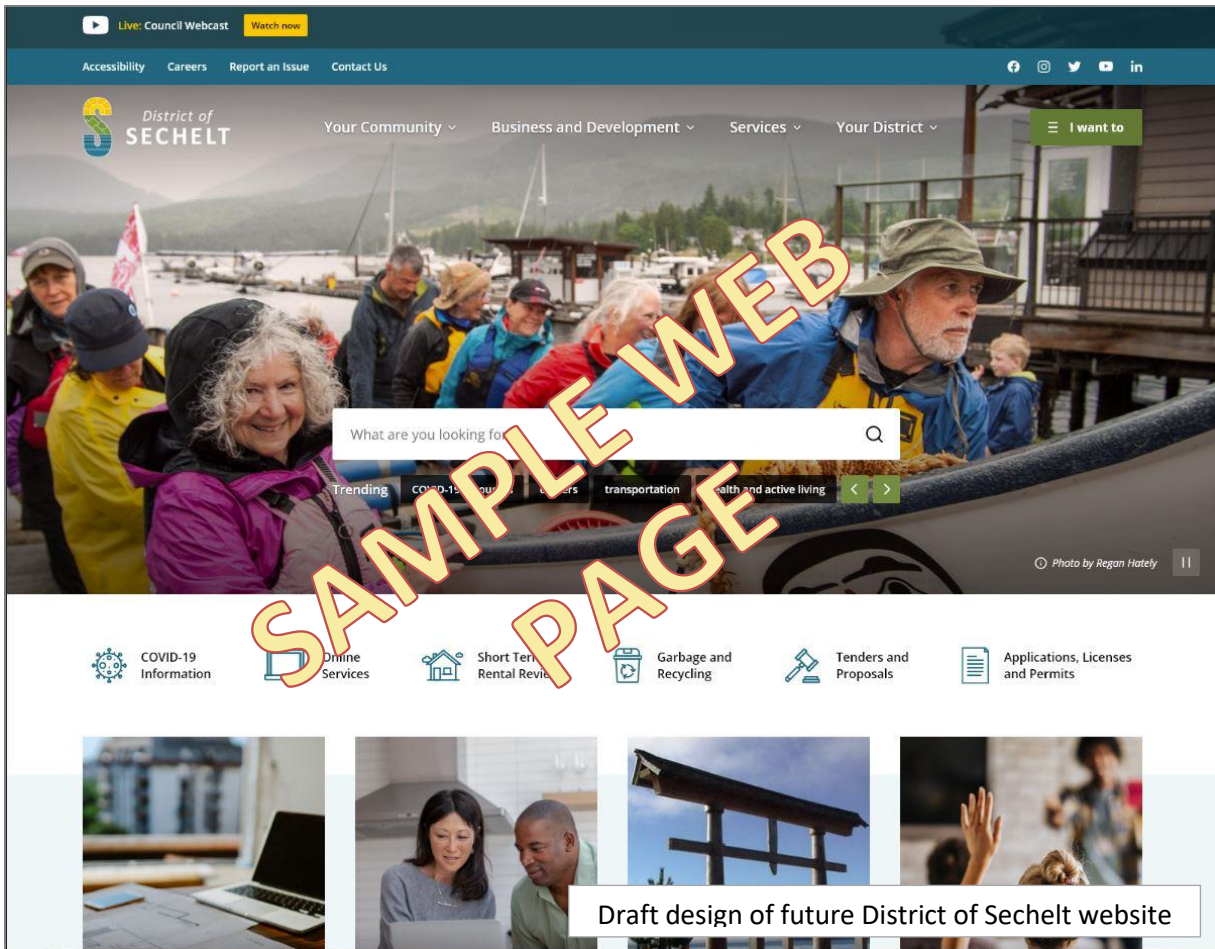
7.7 Developing a strategy for fully utilizing District owned community facilities.

- Received a grant of \$234,600 from the Unique Heritage Infrastructure for Rockwood Lodge for roof replacement, flooring refinishing, commercial kitchen installation, accessible washroom installation and full exterior painting of the building.
- Received certification from Vancouver Coastal Health for the main floor Rockwood kitchen to be classified as a commissary kitchen suitable for most commercial uses, other than cooking meat and frying.
- Installed new flower bed at front of Mission House.
- Developed a facility booking policy and procedure.
- Implemented new QR Code booking signs outside at Mission House, Seaside Centre and Rockwood Lodge.
- Ensured District facilities (Mission House and Rockwood Lodge) were inspected, sanitized and cleaned after each rental. Seaside Centre remained under the care of Vancouver Coastal Health for testing and vaccinations.

COMING UP

New projects starting in 2022 include:

- Airport lighting improvements
- Active Transportation Network
- Hackett Park improvements, Trail Bay sea walk and Snickett Park
- Jane Bowers Dog Park
- Kinnikinnick Childcare Centre
- Municipal Hall facility planning and repairs
- Operations Centre
- Quarry Park – design of new park in West Sechelt
- RCMP building and Dusty Road building roof replacements
- Suncoaster Trail
- Wharf Avenue Sidewalk Improvements
- Wakefield Lift Station
- Website Redesign
- Water Resource Centre Chemical Storage Facility



Draft design of future District of Sechelt website



Art wraps at Jane Bowers Dog Park

DIVISIONS

ADMINISTRATION DIVISION

The Chief Administrative Officer oversees the administration of the municipality, its officers and employees. Administration keeps Council informed on corporate matters, advises Council on policy and other matters, and ensures Council policies are implemented. The Administration team at the District of Sechelt consists of Communications, Arts and Culture, Human Resources and Council support and works closely with all other departments.

Human Resources

The Human Resources department works closely with all divisions by providing advice, guidance, recommendations and support in all areas of human resources while adhering to all applicable legislation. This includes recruitment and selection; liaising with the Union, Desjardins, the Municipal Pension Plan, occupational health and safety consultants, lawyers and WorkSafe BC; administering employment contracts and the Collective Agreement; researching and implementing policies; coordinating and conducting employee orientation, performance reviews, performance coaching, training and organizational development, exit interviews, incident investigations; classifying job descriptions; labour and employee relations; managing disability claims; succession planning; and employee wellness initiatives.

Human Resources ensures organizational compliance with the legal framework governing the relationship between an employer and its employees such as the Employment Standards Act, BC Human Rights Code, Occupational Health and Safety Regulations etc.

The overall focus this year for human resources is engagement and training. With the ongoing pandemic, Human Resources is looking at varying ways to connect, train and engage employees in the new work hybrid of remote and in person working. The goal of employee engagement is to encourage retention through ongoing training, on the job opportunities, and work-life balance to ensure our staff best serve our community.

Human resources witnessed a decline in recruitment success over the second quarter of 2021, as two job offers were declined and recruitment for a number of positions has been more challenging than predicted. Affordable housing and compensation have become a barrier, however human resources is working at providing a more creative recruitment strategy. As we continued to offer support to employees during the pandemic, the hybrid model of working from home and in the office continued to be a successful retention strategy as it allowed employees to remain productive and also support a work/life balance.

Wellness Team

The District of Sechelt Wellness Team encourages, supports, and offers health-related initiatives that will assist employees to enhance their physical, mental and emotional well-being, resulting in improving the overall health and wellbeing for all District employees. The following events and initiatives occurred in 2021:

- Active Transportation Week
- Summer BBQ/Summer Student Farewell
- Lunchtime Yoga
- Team Building Golf Game

2021 highlights:

- Creation of a five-year staffing plan
- GIS/Assets Management Technician position created and filled.
- Manager of Development Engineering and Sustainability position created and filled.
- Engineering Project Manager position created and filled.
- Chief Operator of Wastewater position filled.
- Manager of Wastewater position created and filled.
- Chief Building Official position filled.
- Collaborated with the Sunshine Coast Regional District and Sunshine Coast Regional Economic Development Organization to develop a job description for the grant-funded Housing Coordinator position, which will be recruited by SCRD in 2022.
- Weekly and monthly Joint Occupational Health and Safety crew talks and training opportunities continued throughout 2021.
- Improved annual performance review process.
- Creation of a 2022 training calendar - a mix of formalized instructor-led group sessions and virtual skills/competencies focused mini courses are planned for 2022.
- In final stages of testing a cloud-based skills and competencies software that will allow Human Resources to offer more strategic training and skills improvement opportunities for staff.
- COVID-19: Installation of sneeze guards and desk dividers for shared workspaces were completed, allowing for a safer working environment.

FAST FACTS

- 33 Jobs posted
- 18 Applicants hired
- 17 Employees onboarded

Communications

The Communications Department implements and coordinates the corporate communications, engagement and marketing for the organization as well as providing support to Council by managing council correspondence, booking meetings and travel and providing support for their community meetings. The department works to ensure open and transparent government is achieved utilizing in-person and digital channels.

In addition to internal and external communications, this department supports and leverages the work of Sunshine Coast Tourism in promoting Sechelt as the premier destination for Sunshine Coast visitors; managing the Sechelt Visitor Information Centre; initiating economic development activities and supports the work of

the Sunshine Coast Regional Economic Development Organization; and, is responsible for the marketing and booking of community facilities.

Mayor and Council welcome input from all community members. This department receives comments and questions on social media, through email, face-to-face and by way of letters. Staff document each item and ensure responses and acknowledgements are issued.

2021 highlights:

- Sechelt Airport Runway Improvement Celebration – attended by over 200 people, included elected officials and District staff.
- Anti-grease campaign covered multiple platforms.
- Launch of website-redesign project.
- Public awareness campaign introduced new curbside waste collection process, featuring a green bin for organics
- Assisted solid waste contractor, Waste Management, with public communications during a six-month staff shortage.

FAST FACTS

- 117 News releases
- 606 letters received and acknowledged on Council’s behalf
- Sechelt Citizen App:

	2021	2020	Increase
○ Mobile Installs	1147	287	399%
○ Material Views (Waste Wizard)	12,623	7,854	160%
○ Schedule Views	89,048	15,696	567%
- Overall Facebook reach increased by 68.9%
- Overall Instagram reach increased by 127.4%

Arts and Culture

Arts and Culture is responsible for management of community grants, support and promotion of local arts and cultural groups; promotion of Sechelt as an arts and cultural destination, and in planning, developing and evaluating cultural activities and events. Local arts, culture and heritage are major contributors to building a strong and healthy community, increasing economic development, and fostering a local identity and sense of place. The District supports the cultural life of our residents through a variety of programs, festivals, community grants, venue and equipment rentals, and through the continued support of the Sechelt Public Library and the Sechelt Community Archives. In addition to supporting numerous community-driven festivals and events, the District hosts Canada Day, the annual Sechelt Arts Festival, and Sechelt Summer Music Series.

2021 highlights:

- Completed indexing and digitization of the Helen Dawe Collection at the Sechelt Community Archives.
- Awarded one-time grants to 16 organizations through the Community Investment Program totalling \$39,000.
- Awarded multi-year grants to eight organizations totalling \$78,815.
- Hosted 9 outdoor concerts for Summer Music Series

- Supported the 38th annual Festival of the Written Arts held in the Pavilion at Rockwood Gardens
- COVID-safe Drive-in movie night at Hackett Park.
- Community Art: awarded contracts to five local artists for art wraps, street banners, and a mural
- Public release of film *BECOMING SYIYAYA* – created with funding from Vancouver Foundation.
- Hosted 18th annual Sechelt Arts Festival in modified format to meet COVID-19 public health guidelines and regulations.
- Completion of new mural at Hackett Park washroom/concession stand building. This was funded by the Tourism-Dependent Communities grant.
- In partnership with the syiyaya Reconciliation Committees, awarded a grant from the Marin Community Foundation to support the work of creating regalia for healing ceremonies.
- Applied for funds from Heritage Canada to support the hosting of National Indigenous Peoples' Day activities in June 2022.
- Building permits initiated for Hackett Park Stage.



Hackett Park, Coasters Car Club Show 'n Shine

Community Services

Community Services includes the management of District of Sechelt community-use facilities as well as liaising with community groups on their community events. This department of one staff person manages the marketing, booking and oversees the maintenance of Mission Point House, Rockwood Lodge, Seaside Centre and Kirkland house. Community Services provides support for District hosted community events, such as Canada Day and Oktoberfest. Administrative functions for the Community Investment Grant Program are also provided by Community Services.

2021 highlights:

- Received \$234,600 for the Unique Heritage Infrastructure Grant for Rockwood Lodge to get upgrades to the roof, flooring, commercial kitchen, accessible washroom and painting the outside of the building.
- Completed upgrades and received certification from VCH for the main floor Rockwood kitchen to be classified as a commissary kitchen suitable for commercial uses, other than cooking meat and frying.
- Implemented digital booking software for online facility rentals.
- Co-facilitated partnered events such as Oktoberfest, Bright Nights, Light the Lights, Farmers Market and the Art Crawl.

FAST FACTS

- Rental Bookings:
 - Rockwood Lodge: 221
 - Seaside Centre: 31
 - Mission House: 329

Corporate Services

Corporate Services is responsible for the corporate and legislative services of the District including the preparation, preservation and safekeeping of minutes, bylaws and records of Council and committee business, legal documents, administration of oaths, certifying District documents and other duties established in the Community Charter. It also provides administrative support to the other departments. The Corporate Officer is the District's Freedom of Information and Protection of Privacy Officer.

2021 highlights:

- Continued implementing of OnBase Records Management Data Base.
- A significant amount of District documents digitized and added to OnBase Records Management Data Base system.
- Collaborated with Sunshine Coast Regional District in drafting and submitting a Union of BC Municipalities (UBCM) grant application to conduct an emergency preparedness plan for Tuwanek.

Bylaws Adopted:

- OCP Amendment Bylaw No. 492-26, 2020 (Silverstone)
- Zoning Amendment Bylaw No. 25-303, 2020 (Silverstone)

- Loan Authorization Bylaw No. 594, 2020 (Public Works/Parks Operations Centre)
- Zoning Amendment Bylaw No. 25-306, 2020 (Westcor Lands)
- Zoning Amendment Bylaw No. 25-309, 2020 (Legion No. 140)
- Zoning Amendment Bylaw No. 25-310, 2021 (Habitat for Humanity)
- Fees and Charges Amendment Bylaw No. 575-2, 2021
- Bylaw Notice Enforcement Implementation Amendment Bylaw No. 515-6, 2021
- Sewer User Fees Amendment Bylaw No. 426-16, 2021
- 2021 – 2025 Consolidated Financial Plan Bylaw No. 595, 2021
- 2021 Tax Rates Bylaw No. 596, 2021
- Building Amendment Bylaw No. 409-8, 2021
- Sechelt Sewage Facilities Commission Amendment Bylaw No. 225-5, 2021
- Public Works / Parks Operations Centre Temporary Borrowing Bylaw No. 597, 2021
- Road Closure and Disposition Amendment Bylaw No. 527-1, 2021 (Emerson Road and Tower Road)
- Emerson Clustered Residential Housing Agreement Bylaw No. 534-1, 2021
- Fees and Charges Amendment Bylaw No. 575-3, 2021
- Zoning Amendment Bylaw No. 25-308, 2020 (CityState)
- Road Naming Bylaw No. 600, 2021 (Grizzly Lane)
- Zoning Amendment Bylaw No. 25-304, 2020 (Sunshine Coast Community Services)
- Official Community Plan Amendment Bylaw No. 492-29, 2021 (5681 Ebbtide)
- Zoning Amendment Bylaw No. 25-313, 2021 (5681 Ebbtide)
- Solid Waste Collection, Control and Disposal Bylaw No. 598, 2021
- Fees and Charges Amendment Bylaw No. 575-4, 2021
- Council Procedure Amendment Bylaw No. 568-3, 2021
- Zoning Amendment Bylaw No. 25-292, 2018 (Luch & McCarter)

Leases, Agreements and Contracts completed

- Contribution Agreement for Sani-dump/Trail Bay Sea Walk Improvements/Hackett Park
- Minister of Environment and Climate Change Strategy – Observation Well
- Braithwaite/Meyer Airport Modification Agreement – Lots 7, 8 and 9
- Licence to Occupy on Cowrie St. Right-of-Way for PKLS BURGERS INC.
- Licence to Occupy on Cowrie St. Right-of-Way for Sechelt Downtown Business Association
- Lease with Quadiant Leasing for Mail Machine
- Lease with Quadiant Leasing for Mail Postage Machine
- Standing Grant Agreement (CIP) with Deer Crossing the Art Farm
- Standing Grant Agreement (CIP) with Coast Cultural Alliance Society 12
- Sechelt Public Library Funding and Service Agreement with SCRD (Areas A, B, D), Sechelt Indian Government District and Sechelt Public Library
- Service Agreement with Fresh Air Cinema BC for 2021 Outdoor Movie Events in August, 2021
- Consulting Services Agreement with Eco Plan International Inc. for Short-Term Rental Regulation Consulting
- Licence Contract with Central Square for Vadim
- Services Agreement with Orca Health and Safety Consulting Inc. for Safety Consulting
- Letter of Agreement with Sunshine Coast Tourism for Visitor Information Center Vehicle
- Pre-Qualified Supplier Agreement with Wood Environment & Infrastructure Solutions

- Pre-Qualified Supplier Agreement with Fleming Tree Experts Ltd.
- Pre-Qualified Supplier Agreement with ALD Mechanical
- Pre-Qualified Supplier Agreement with Kag Contracting & Tree Services
- Pre-Qualified Supplier Agreement with Sechelt Truck & Equipment

New Council policies adopted:

- 2.5.7 COVID-19 Safe Restart Grant for Non-Profits and Charities
- 3.1.10 Road Naming
- 1.5.21 Communicable Disease Prevention
- 1.5.22 Communicable Disease Work from Home
- 1.5.23 Reopening Plan
- 1.6.14 Canada Flag Half-Masting Policy
- 5.3.2 Community Dedication Program Policy
- 3.3.7 Official Community Plan Consultation Policy
- 3.5.8 Affordable Housing and Community Amenity Policy

FAST FACTS

- 141 Freedom of Information and Protection of Privacy requests

FINANCE DIVISION

The Finance Division oversees the financial operations of the District and coordinates ongoing financial planning. The Finance Division provides financial information, advice and direction to Council, departments, outside agencies, as well as the public. In addition, this division is responsible for general accounting, taxation, accounts receivable, budgeting, payroll administration, investments, purchasing, grant writing, property insurance. The Finance Division also oversees the operations at the airport and information technology.

2021 highlights

- In 2021 the District applied for over \$12 million in grants to go towards capital and community projects. Approximately \$8.6 million were awarded in 2021 with projects starting in 2021 and 2022.
- Bylaws:
 - 2021-2025 Consolidated financial plan Bylaw 595, 2021
 - 2021 Tax Rates Bylaw 596, 2021
 - 2021 Sewer User Fee Amendment Bylaw 426-16, 2021
- The Provincial Government Property Tax Deferral program continues to gain popularity with 10% of the District of Sechelt residents currently enrolled.
- Completion of Operations Centre Building Temporary Borrowing Bylaw 597, 2021.
- Staff continue to support community members in office and assist in setting up access to online payment services. Transitioning more payees to the online platform will continue.
- The finance team continues to lead District procurement while maintaining documents, ensuring compliance with policy, and looking at industry best practices for procedure improvements. There were several active procurement competitions during the fourth quarter; Sechelt Transportation

Master Plan, Active Transportation Network Expansion, Wharf Ave Improvement and RCMP Roof Replacement are just a few.

- Necessary staff training continues in anticipation of the new mandatory accounting standard, Asset Retirement Obligation (ARO) being implemented in 2023.
- Succession planning and continuing education remains an important focus in the department with staff working on the completion of certifications and ongoing professional development.

FAST FACTS

- Total revenue = \$25,829,932
- Total expense = \$18,234,692
- Operating surplus = \$7,658,240
- District physical assets increased by \$2 million for 2021
- Procurement completed 25 competitive solicitations that valued \$2.3 Million.

Information Technology

The role of IT is to function as a partner in the development and enhancement of business processes. IT works collaboratively with staff to provide the technologies that support current and future services for Sechelt citizens.

IT services include:

- Providing a solid, secure infrastructure for staff.
- Troubleshooting technology issues.
- Streamlining business processes through technology.
- Installing, managing, and supporting all hardware, software and communications assets including infrastructure, security, telephone and audio-visual systems, desktop computers and mobile computing devices.
- Provision of geographic information systems which include detailed asset and cadastral mapping information to track properties, right of ways, zonings, and the location of sewer and road assets.

2021 highlights

- Resolved Council hybrid meeting echoing issues in community meeting room. Working on a long-term solution for all Council Meetings to improve the audio visual streaming and agenda experience for council, senior management, and community members.
- Website Redesign request for proposal (RFP) created and awarded. In late 2022, the District will have new websites for the District of Sechelt (sechelt.ca), Sechelt Archives, Arts Festival, Employee and Council websites.
- A 3-year renewal of ArcGIS mapping system was implemented, including significant reconfiguration.
- Hired a new IT Systems Analyst.
- Computer equipment replaced throughout 2021 using the COVID-19 restart grant funding to support staff efficiency.

Fast Facts

- 92,605 unique visitors (average 254 unique visitors per day) to the District website.
- Most popular webpages on Sechelt.ca were Garbage and Waste, Contact Directory, How to Get to Sechelt, Employment Opportunities, Council Agenda and Minutes, Zoning Bylaws.
- Blocked an average of 124 spam emails per day.
- 1206 Helpdesk tickets submitted.

PLANNING AND DEVELOPMENT DIVISION

The Planning and Development Division is comprised of three departments:

- A. Development
- B. Bylaw Enforcement
- C. Building Inspection

The Division is responsible for both long-range policy planning and current development review planning and permitting. Activities include official community plan and zoning policy review, policy development, review and evaluation of development applications and community engagement. The Division also supports building inspection and bylaw enforcement as well as the Advisory Planning Commission, which reviews policies and applications and provides recommendations to Council.

Development Services

The Development Services Department is responsible for current and long-range planning for the District. Staff undertake comprehensive planning projects such as the development and review of the Official Community Plan, Zoning Bylaw, Housing Needs Assessment and Integrated Community Sustainability Plan (ICSP).

Building upon the updates to the Planning and Development Procedures Bylaw, a preliminary development applications process guide is under development, which can be used as a package to describe all application types or separated into individual applications.

2021 highlights:

- Commenced Short Term Rental Review project and selected EcoPlan International as the professional consultant assistance. The scope of work includes updates to the Business License, Zoning and Bylaw Notice Enforcement bylaws.
- Advanced Zoning Bylaw 580 Review, which will replace Zoning Bylaw 25, 1987.
- Completed a major update to Building Bylaw 409 to introduce modern building regulation standards and improve clarity and consistency for buildings, structures and retaining walls.
- Worked collectively with Sunshine Coast Regional District (SCRD), Town of Gibsons and planning consultant to complete Housing Needs Assessment and Housing Needs Implementation Report.
- Affordable Housing and Community Amenity Policy was adopted by Council
- Official Community Plan Consultation Policy was adopted by Council
- Road Naming Policy adopted by Council.

- Improved the review and approval process for development permits relating to building around environmentally sensitive and hazardous lands.
- Collaborated with the SCRCD in Sunshine Coast-wide initiatives including Transit Master Plan, Regional Growth background review and Watershed governance model.
- Participated with various stakeholder organizations:
 - Active Travel for Kids Tactical Working Group
 - BC Transit Future Action Plan Working Group
 - Species and Ecosystems at Risk Local Government Working Group
- Commenced work on a pedestrian-first policy, a strategic priority, as noted in the 2019-2022 Strategic Plan.
- Supported the SCRCD in developing a regional Watershed Protection service.
- Drafted internal procedures for Planning and Building departments, including erosion and sediment control, shipping containers, liquor license reviews, contaminated soils, geotechnical reporting requirements, mobile vending, and special events.

FAST FACTS			
	2020	2021	
• Development Permit applications	32	39	
• Subdivision Applications	12	7	
• Rezoning Applications	9	3	

Bylaw Enforcement

Bylaws are designed to protect public safety and enhance livability within the municipality. Bylaw Enforcement Officers routinely encompass both an enforcement and liaison role within the community. Bylaw Officers are responsible for bylaw enforcement and ensuring compliance with District of Sechelt bylaws through education, mediation, enforcement and, when required, prosecution. In addition to land use and property-related bylaws, the Division maintains bylaws on such issues as noise, unsightly premises, pesticides, tree cutting, dog licensing and control.

Department activities also include bylaw development, bylaw review and updating, best practices review, training, reporting and collaborating with a broad range of agencies including the RCMP, Vancouver Coastal Health, Transport Canada, Sunshine Coast Mental Health & Addiction Services, Ministry of Agriculture and the Sechelt Fire Department.

2021 highlights:

- Continuation of regular complaints related to building/zoning, parking, noise, dogs, and other issues typical for most municipalities.

- Officers spent a large amount of time assisting RCMP and property owners with issues relating to homelessness, vandalism and trespassing.

FAST FACTS		
	2020	2021
• Complaints:	720	802
• Tickets issued:	127	122
• Business Licenses issued:	117	157

Building Inspection

Building permits are essential in protecting property owners and the community by ensuring that new developments are in conformity with applicable regulations, local bylaws and the BC Building Code.

The Building Inspection division is primarily responsible for ensuring that the current building code is complies with the BC Building Code and the District’s Building Bylaw 409, 2003. Activities include the review of construction building permit drawing submissions, on-site inspection of both new construction and renovations, and review of business licenses for compliance with building bylaw requirements for safety.

2021 highlights:

- Completed a significant update to Building Bylaw 409.
- Considerable increase in building permit applications.
- Prioritized tenant improvement permits for businesses to support the business community with timely turnaround on building permit applications.
- Completed a Complex Building plan review to assist in reviewing major projects for B.C. Building Code compliance.
- Continued higher-level training for building officials achieve higher levels of certification in the province in accordance with the requirements of the *BC Building Act*.
- Chief Building Official hired.

DISTRICT OF SECHLT BUILDING ACTIVITY - ANNUAL COMPARISON					
	2017	2018	2019	2020	2021
Type of Permit					
Commercial	19	17	11	9	15
Residential	100	97	79	97	155
Other	30	65	26	12	11
Total No. of Permits	149	179	116	118	181
Total Construction Value	\$ 43,743,314	\$ 37,948,384	\$ 28,295,004	\$ 18,917,433	\$ 48,816,896

ENGINEERING AND OPERATIONS DIVISION

The Engineering and Operations Division is responsible for the installation and maintenance of the municipality's public infrastructure, including roads, sewers, parks and facilities. The division is comprised of four departments:

- Engineering
- Public Works
- Parks
- Water Resource Centre

Engineering

The Engineering Department is responsible for the design and construction of the municipal infrastructure. It also provides the degree of servicing requirements including design reviews and inspections for new developments as defined in the Subdivision and Servicing Bylaw 430.

In addition, Engineering is responsible for the five-year capital planning for infrastructure upgrades, improvements, and replacements. As part of this, Engineering explores grant and cost sharing opportunities in order to reduce the financial burden to the taxpayers of Sechelt. Engineering also works closely with Parks, Public Works, and Wastewater departments to help with their projects.

Engineering liaises with the rate payer and community associations from all the neighbourhoods in Sechelt in order to prioritize their needs, ensuring the works that are completed are for the greatest benefit possible to the community.

2021 highlights:

- Trail Avenue Reconstruction Project was completed. This project improved visibility and safety for vehicles, pedestrians and cyclists, as well as adding bike lanes on Trail Ave. and Ebbitide St. This \$6.058 million project was completed under budget and funded primarily by Development Cost Charges with a small portion from capital reserves.
- Sechelt Airport Runway Expansion: Project was funded through BC Air Access Program and Canada Community Building Fund (formerly known as Gas Tax). All civil works were completed under budget, including runway and clearway expansion, taxiway and apron paving. Additional lighting improvements planned for 2022.
- Introduction of new curbside waste collection process featuring a green bin for organics.
- Design for the Operations Center completed.
- Created an Asset Management Steering Committee comprised of representatives from all divisions.
- Implementation of District-wide organics food and yard waste collection in December 2021 included distribution of over 15,000 totes for Organics, Blue Bin and Landfill waste.

FAST FACTS

- 75 public inquiries

- 160 service requests
- 170 Streetlight service requests



Public Works

The Public Works team is responsible for the maintenance of our roads, sidewalks, ditches, fleet, buildings and storm water collection systems. This team also provides the following services: snow removal, dangerous tree maintenance or removal and street sign installation. As a coastal community we also maintain two wharves and one marina.

2021 highlights:

- Installed a system fed by the groundwater well at the Water Resource Centre (WRC) for public use during water shortages to reduce the use of SCRD potable water.
- Installed a ground water system to support the WRC to use approximately 33% less treated water within WRC operations.
- Installed a system fed by the same well for the parks watering trucks – cutting use of SCRD drinking water by 100%.

- Received new single-axel Western Star dump truck with front plow. This vehicle will be beneficial for all seasons.
- Cleared significant log debris to maintain boat launch access.
- Developed and implemented an improved process to maintain proper flow of culverts and reduce damage.
- Roads were brined continuously during cold weather and snow predictions.
- Completed various maintenance projects including ditching, filling of potholes, and culvert replacement.
- District staff worked through both Christmas and New Year's Day holidays to address major snow events.
- Assisted in clearing Hwy 101 of log debris after king tide flooding in December.
- Paving repairs on local streets.
- Dismantled and disposed of 60-foot wooden derelict boat.
- Road safety, repairs and maintenance were completed after flooding due to two atmospheric river events in the winter.
- Installed a new water line on Porpoise Bay Government Wharf.

FAST FACTS

- 653 public works and facilities service requests.
- 15 dangerous trees removed.



Flooding at Sleepy Hollow, West Sechelt



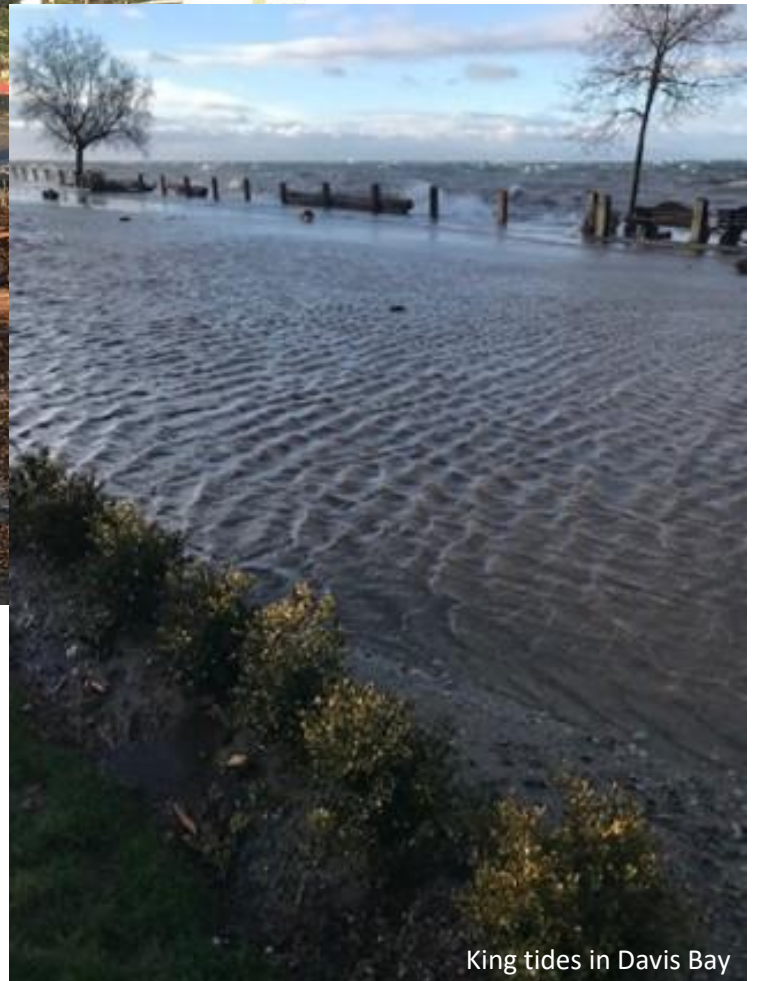
Flooding at Sleepy Hollow, West Sechelt



Flooding near Heritage Road and Fairway



King tides in Davis Bay



King tides in Davis Bay



Municipal Hall in snowfall

Parks

The Parks Department manages a wide variety of parks and public spaces including 34 parks, 4 sports fields, walking and biking trails, natural areas, green spaces and streetscapes. Public access to the waterfronts is available at 50 maintained beach accesses located along the shores of the Salish Sea and the Porpoise Bay. The department is also responsible for our urban forest and oversees tree issues as well as the Adopt-a-Tree program. The number of trees planted through the Adopt-a-Tree-Program exceeds the 600 mark since its inception in 2012. The beautification program adds an abundance of colour to our community and sees thousands of bulbs and annuals complement our perennials, shrubs, trees and hanging baskets.

Parks also has an instrumental role in supporting events, sports, community associations and volunteer organizations within our community.



Parks utility vehicle

2021 highlights:

- Installed 19 additional trees on Trail Ave and 9 new streetscape gardens.
- 13 trees were planted in other areas of Sechelt.
- A grant through BC Hydro and Tree Canada was secured for the 2021 adopt-a-tree program, and applications closed for the fall planting program.
- Memorandum of Understanding (MOU) created for shared services between the SCRD and the District of Sechelt.
- Removed invasive plant species in areas throughout the District of Sechelt.
- Streetscape gardens were installed on Trail Ave and replanted in different areas in the District.

- Successfully reseeded Kinnikinnick and Piccadilly fields following 50-70% loss of turf grass cover due to a heat dome in late June, combined with water restrictions throughout the summer.
- Received Tourism Dependent Grant for Hackett Park upgrades including a new stage and playground, Trail Bay sea walk and Snickett Park which included a new washroom.
- Utilized the ArcGIS Collector App to continue to gather data on parks assets to help create realistic and sustainable service levels.
- Provided assistance for events such as The Sechelt Farmers and Artisans Market, The Sechelt Summer Music Series, The Hackett Park Arts and Crafts Fair, The Sunshine Coast Festival of the Written Arts, Hackett Park Drive-in Movie Event, Oktoberfest Celebrations at Rockwood, Coaster's Car Club Show and Shine at Hackett Park, Skate Park grand re-opening, Sechelt Arts Festival, Bright Nights at Rockwood Lodge, and The Parade of Lights.
- Graffiti resistant paint was purchased and will be applied to the interior of public washrooms in early 2022.
- Created and filled an arborist position.
- Purchased a utility vehicle to help maintain the parks, beach access and trails.



FAST FACTS

- Continued addressing issues of theft, vandalism and graffiti throughout the District.
- Responded to 154 service requests.
- The Davis Bay washroom holding tank holds 11,318 liters and is pumped out weekly during summer
- Over 22 kilometres of trails and 50 beach accesses maintained.

Water Resource Centre

The Wastewater department oversees the operation of the Water Resource Center (WRC), Dusty Road septage receiving facility and the entire sewer collection system including 9 pump stations. Wastewater flows to the plant 24 hours a day, 7 days a week. Staff ensures that all pumps, valves, instruments, and sewer systems are operating correctly, and perform equipment maintenance and repairs daily. Operators analyze lab data, make treatment process changes as needed, troubleshoot issues and respond to emergency situations.

The plant effluent is tested in the WRC lab for the following: turbidity, solids content, organic matter content, ammonia, nitrogen, phosphorus, chlorine, and aluminum content, as well as pH. Plant effluent samples are sent to a certified lab for analysis each month, and these results are reported to provincial and federal regulatory agencies.

Filled the vacant roles of Wastewater Chief Operator IV, Sewer Treatment and Collection Operator I, Wastewater Co-op Student.

The rainfall quantity during the period from November 14th to 16th was over 160mm, the majority of which accumulated over a 24-hour period. This huge rainfall event contributed to increased flows into the WRC due to inflow and infiltration. The WRC saw a record flow on November 14th of 3838m³ before setting the record again on the 15th with 4932m³. The average daily dry weather flow is approximately 2300m³. These flow events were a major test for the facility and its operators. The team pulled together and with great planning and tactical adjustments steered the plant through the storm without major equipment failure or significant impacts to the treatment of the wastewater.

The wastewater department spends significant time in the District collection system removing fats, oils, and grease (FOG). FOG removal has become one of the top issues in the District sanitary sewer system, especially in downtown areas. In addition to causing issues with pipe flow and increasing wear and tear on equipment, FOG buildup can be the culprit of odour complaints in populated areas and leads to increased monitoring and maintenance requirements in the District's lift stations. The best way to address FOG accumulation is prevention through education. The wastewater department with the assistance of the communications department have been increasing the amount of educational social media and radio content that they provide to residents of Sechelt including information on what NOT to flush down the toilet.

Three of the 1000m³ Fed Batch Reactors require replacement of the 610 air diffusers in each. One reactor was completed in 2020, one in 2021 and will continue in to 2022. The diffuser grids provide for mixing and dissolved oxygen for secondary treatment.

Continued to review the treatment process which resulted in programming changes for increased efficiency and optimization.



Water Resource Centre

FAST FACTS

- The total energy produced from the solar panel system on the roof of the WRC in 2021 was 14,900 kWh, enough to power the average home for 17 months or charge 469 cell phones for one year.
- The District of Sechelt Operators take several samples in the effluent receiving waters of Trail Bay twice annually. The results of this monitoring is reported to the Ministry of the Environment. Receiving Environment Monitoring is a requirement of the Municipal Wastewater Regulation.
- The wastewater operators are continually working toward higher levels of certification. At present the department has:
 - Wastewater Treatment Level I, three operators
 - Wastewater Treatment Level II, two operators
 - Wastewater Treatment Level III, one operator
 - Wastewater Treatment Level IV, one operator

- There are other various levels of certification in our crew for Wastewater Collection, Water Treatment and Water Distribution.
- The wastewater treatment process utilizes a ground water well to offset potable water use. The offset is estimated at 33% decrease in potable water use



FINANCIAL STATEMENTS

Report from the Chief Financial Officer

I am pleased to present the Financial Section of the 2021 Annual Report for the District of Sechelt for the year ended December 31, 2021, in accordance with Sections 98 and 167 of the Community Charter. Following the audited consolidated financial statements is an analysis of the 2021 financial results with statistical information.

The consolidated financial statements for the year ended December 31, 2021, were prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board (PSAB) of the Institute of Chartered Accountants and the Provincial Ministry of Municipal Affairs.



The District maintains a system of internal accounting controls designed to safeguard the assets of the corporation and provide reliable financial information. We verify and test these systems on a regular basis through the use and review of the internal controls.

The auditing firm of MNP Ltd. was appointed by Council and is responsible for expressing an opinion as to whether the financial statements, prepared by the District's management, present fairly the financial position of the District of Sechelt as of December 31, 2021 and the results of its operations for the year then ended.

In 2021, the District's financial position continued to strengthen. In 2021 the District had an annual operating surplus of \$7,658,240, compared to the annual operating surplus of \$7,950,559 in 2020. The operating surplus is a value that represents the net income, which reflects all District assets and liability, including cash and assets like roads and buildings.

These results strengthened the District's Statutory and Non-statutory Reserve balances by \$2,959,463, or 25%. This is largely due to the capital reserve, sewer surplus, and general surplus.

Total revenue in 2021, remained steady with a slight increase from 2020 of \$181,077. The majority of the funding comes from property tax, government grants, sales of services, and development cost charges. Total operating and capital expenses are similar to 2020 with expenses coming below the 2021 budget. This is largely due to the Covid-19 pandemic travel restrictions causing project delays, resulting in projects being carried forward to 2022.

The positive results from operations in 2021 indicates that the current approach to financial management is effectively supporting the District on its path to financial sustainability.

Finally, I want to thank all the members of the Finance department for their hard work throughout 2021 and their dedication and commitment to the District of Sechelt citizens.

David Douglas, CPA, CGA

Director of Financial Services

District of Sechelt

Consolidated Financial Statements
For the year ended December 31, 2021

District of Sechelt
Consolidated Financial Statements
For the year ended December 31, 2021

Contents

Management's Responsibility for Financial Reporting.....	1
Independent Auditor's Report	
Financial Statements	
Consolidated Statement of Financial Position.....	2
Consolidated Statement of Operations.....	3
Consolidated Statement of Remeasurement Gains and Losses.....	4
Consolidated Statement of Changes in Net Financial Assets.....	5
Consolidated Statement of Cash Flows.....	6
Notes to the Consolidated Financial Statements.....	7
Schedule 1 - Deferred Development Cost Charges.....	28
Schedule 2 - Tangible Capital Assets.....	29
Schedule 3 - Segmented Information 2021.....	30
Schedule 3 - Segmented Information 2020.....	31
Schedule 4 - COVID-19 Safe Restart Grant for Local Governments.....	32

Management's Responsibility for Financial Reporting

The Council of the District of Sechelt has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the District of Sechelt. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of consolidated financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Mayor and Council review internal financial statements on a quarterly basis, and meet periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged. Council annually reviews and approves the consolidated financial statements.

The District of Sechelt's independent auditors, MNP LLP, are engaged to express an opinion as to whether these consolidated financial statements present fairly the District of Sechelt's consolidated financial position, financial activities, and cash flows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accordance with Canadian generally accepted auditing standards.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



David Douglas, CPA, CGA
Director of Financial Services

To the Mayor and Council of the District of Sechelt:

Opinion

We have audited the consolidated financial statements of the District of Sechelt (the "District"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2021, and the results of its consolidated operations, its consolidated remeasurement gains and losses, 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, consisting of the annual report, which is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 4, 2022

MNP LLP

Chartered Professional Accountants

District of Sechelt
Consolidated Statement of Financial Position

December 31, 2021

2021

2020

Financial Assets

Cash	\$ 22,661,106	\$ 22,329,689
Portfolio investments (Note 3)	3,072,922	3,853,916
Accounts receivable (Note 4)	2,546,626	2,049,242
Investment in business enterprise (Note 5)	2,175,193	1,558,184
	<u>30,455,847</u>	<u>29,791,031</u>

Liabilities

Accounts payable and accrued liabilities	2,710,117	5,763,037
Deferred revenue (Note 7)	4,039,716	3,830,569
Deferred development cost charges (Schedule 1)	3,671,072	5,422,649
Refundable deposits	2,830,229	1,565,660
Long-term debt (Note 8)	3,028,298	4,183,929
Short-term loans (Note 9)	208,890	21,952
	<u>16,488,322</u>	<u>20,787,796</u>

Net Financial Assets

13,967,525 9,003,235

Non-financial Assets

Tangible capital assets (Schedule 2)	152,797,126	150,117,128
Prepaid expenses	234,444	220,492
	<u>153,031,570</u>	<u>150,337,620</u>

Accumulated Surplus (Note 18)

\$ 166,999,095 \$ 159,340,855

Accumulated surplus represented by:

Accumulated surplus, excluding accumulated remeasurement losses	<u>\$ 166,999,095</u>	<u>\$ 159,340,855</u>
	<u>\$ 166,999,095</u>	<u>\$ 159,340,855</u>

Contingent Liabilities (Note 15)

Significant Event (Note 22)



David Douglas, CPA, CGA
Director of Financial Services



Darnelda Siegers
Mayor

District of Sechelt
Consolidated Statement of Operations

For the year ended December 31, 2021	Budget 2021	2021	2020
	(Note 16)		
Revenues (Schedule 3)			
Taxation and other levies (Note 10)	\$ 12,112,277	\$ 12,107,180	\$ 11,023,786
Private contributions (Note 11)	251,100	416,275	560,793
Government grants (Note 12)	11,345,435	3,533,552	3,963,715
Sale of goods and services	4,605,127	4,546,812	4,106,038
Licences, permits and fees	1,488,402	1,761,989	1,533,335
Penalties and interest	136,000	183,742	181,825
Income (loss) from business enterprise (Note 5)	-	842,899	86,834
Return on investments	522,476	419,430	508,885
Loss on disposal of tangible capital assets	-	(12,140)	(2,500)
Development cost charges (Schedule 1)	2,708,066	2,093,193	4,111,298
	33,168,883	25,892,932	26,074,009
Expenses (Schedule 3)			
General Government	4,180,760	3,275,044	3,460,224
Planning and Community Development	1,584,965	1,480,886	1,209,632
Community Services	2,410,962	2,603,646	2,317,228
Public Works	4,593,409	3,906,265	3,854,831
Facilities	1,054,416	793,091	935,047
Police Services	2,444,261	1,855,296	1,896,768
Solid Waste	1,392,981	1,038,824	1,000,701
Sewer Operating	4,124,204	3,281,640	3,449,019
	21,785,958	18,234,692	18,123,450
Annual Surplus	11,382,925	7,658,240	7,950,559
Accumulated Surplus, beginning of year	159,340,855	159,340,855	151,390,296
Accumulated Surplus, end of year	\$ 170,723,780	\$ 166,999,095	\$ 159,340,855

District of Sechelt
Consolidated Statement of Remeasurement Gains and Losses

For the year ended December 31, 2021	2021	2020
Accumulated remeasurement losses, beginning of the year	\$ -	\$ (23,542)
Unrealized gain attributable to portfolio investments	-	23,542
Accumulated remeasurement losses, end of year	\$ -	\$ -

District of Sechelt
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2021	Budget 2021	2021	2020
	(Note 16)		
Annual surplus	\$ 11,382,925	\$ 7,658,240	\$ 7,950,559
Aquisition of tangible capital assets (Schedule 2)	(21,924,775)	(6,138,467)	(5,291,006)
Amortization of tangible capital assets (Schedule 2)	3,693,274	3,446,329	3,692,754
Net book value of tangible capital assets disposed (Schedule 2)	-	12,140	368,089
	25,618,049	(2,679,998)	(1,230,163)
Decrease (Increase) in prepaid expenses	-	(13,952)	(47,619)
Increase in net financial assets	37,000,974	4,964,290	6,672,777
Net financial assets, beginning of year	9,003,235	9,003,235	2,330,458
Net financial assets, end of year	\$ 46,004,209	\$ 13,967,525	\$ 9,003,235

District of Sechelt
Consolidated Statement of Cash Flows

For the year ended December 31, 2021

2021

2020

Operating transactions

Annual surplus \$ 7,658,240 \$ 7,950,559

Non-cash items:

Amortization of tangible capital assets 3,446,329 3,692,754

Actuarial adjustment on long term debt (242,477) (222,722)

Income from Investment in business enterprise (842,899) (86,834)

Loss on disposal of tangible capital assets 12,140 2,500

Donation of tangible capital assets (104,735) 216,914

2,268,358 3,602,612

Changes in non-cash operating balances:

Increase in accounts receivable (497,384) 600,084

Decrease (increase) in prepaid expenses (13,952) (47,616)

Increase (decrease) in accounts payable (3,052,922) 3,357,973

Increase (decrease) in deferred revenue 209,147 1,378,554

Increase in development cost charges (1,751,577) (3,989,626)

Increase (decrease) in refundable deposits 1,264,569 624,404

(3,842,119) 1,923,773

Cash provided by operating transactions

6,084,479 13,476,944

Financing transactions

Repayment of long-term debt (913,153) (913,153)

Proceeds of short-term loans 214,182 19,528

Repayment of short-term loans (27,244) (27,575)

Cash applied to financing transactions

(726,215) (921,200)

Capital transactions

Acquisition of tangible capital assets (6,033,732) (5,291,006)

Proceeds from the sale of tangible capital assets - 500

Cash applied to capital transactions

(6,033,732) (5,290,506)

Investing transactions

Net proceeds on sale of portfolio investments 780,995 5,202,782

Dividends received on Investment in business enterprise 225,890 25,890

Cash applied to investing transactions

1,006,885 5,228,672

Increase in cash and cash equivalents

331,417 12,493,910

Cash and cash equivalents, beginning of year

22,329,689 9,835,779

Cash and cash equivalents, end of year

\$ 22,661,106 \$ 22,329,689

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

1. Nature of Organization

The District of Sechelt (the "District") was incorporated on May 15, 1986 and operates under the *Local Government Act* and the *Community Charter*. The principal activities of the District are preservation, protection, and enhancement of the quality of life in Sechelt through the facilitation of municipal services in an equitable, efficient, and effective manner.

2. Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of the District are the representations of management prepared in accordance with Canadian public sector accounting standards ("PSAS"). These standards are established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of all activities or entities whose operations are under the control of the District. These include the general operating funds, the capital funds, and all reserve funds. All interfund balances have been eliminated for the purposes of these financial statements.

The consolidated financial statements include the operations of a wholly owned subsidiary of the District, Sechelt Community Projects Inc. ("SCPI"). SCPI is accounted for using the modified equity method. Under this method, the District's equity is adjusted by the annual profits and losses of the subsidiary and declared dividends, if any. SCPI utilizes the International Financial Reporting Standards to prepare their financial statements. During the year, the District wound up and dissolved two other subsidiaries, Sechelt Innovations Ltd. ("SIL") and Sechelt Recreation Service Ltd. ("SRS"). Both entities were inactive through 2018 and up to their dissolution in 2019. Any assets or liabilities remaining on dissolution of the entities were absorbed by the District into its regular operations.

The revenue from taxation and other sources collected by the District on behalf of other governments for education, health care, fire protection services, Sunshine Coast Regional District, and other external organizations that are not controlled by the District are not included in these consolidated financial statements.

December 31, 2021

2. Significant Accounting Policies (Continued)

(c) Revenue Recognition

The accrual basis of accounting is followed in the financial statement presentation. Revenue is recognized in the period in which the transactions or events that gave rise to the revenues occurred. Restricted contributions from non-government sources unearned in the current period are recorded on the Statement of Financial Position as deferred revenue.

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any 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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

Development cost charges received in respect of construction for sewer, drainage, road, and park requirements are recorded as deferred development cost charges. These amounts are recorded as revenue when the related development costs are incurred.

Non-monetary revenues are recognized at the estimated fair market values at the time all of the requirements and conditions for the project have been met, ownership and control is transferred to the District, and the appropriate acceptances or approvals have been issued.

Charges for sewer are recorded as user fees when delivered. Connection fee revenues are recognized when the connection has been established.

Sales of services and other revenue are recognized on an accrual basis as the services are delivered.

(d) Revenue Recognition - Taxation

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized, and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

The District estimates amounts of adjustments and records taxation revenue net of such amounts. Any adjustments in excess of those estimated are recognized at the time they are awarded.

December 31, 2021

2. Significant Accounting Policies (Continued)

(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 to be sold in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net financial assets for the year.

Tangible capital assets, a type of non-financial asset, are comprised of capital assets and capital work in progress. They are recorded at cost less accumulated amortization and are classified according to their functional use. The cost of a tangible capital asset includes the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs, and duties. Contributed tangible capital assets are recorded at fair value at the date of the contribution.

Amortization is recorded on a straight-line basis over their estimated useful lives commencing once assets are put into use, as follows:

Land improvements	10 to 30 years
Buildings	20 to 70 years
Furniture, fixtures and minor equipment	5 to 30 years
Automotive equipment	5 to 20 years
Roads	10 to 60 years
Structures (bridges, etc.)	20 to 100 years
Infrastructure - sewer	30 to 80 years
Infrastructure - drainage	20 to 50 years

The District holds works of art that have not been recorded in tangible capital assets.

December 31, 2021

2. Significant Accounting Policies (Continued)

(f) Financial Instruments

A financial asset or a financial liability is only recognized on the District's Statement of Financial Position when, and only when, the District becomes a party to the contractual provisions of the instrument. All financial instruments are recognized either at fair value or cost/amortized cost.

For a financial instrument in the fair value category, the change in the fair value is recognized as a remeasurement gain or loss in the Statement of Remeasurement Gains and Losses until the financial instrument is derecognized. At the time when the financial instrument in the fair value category is derecognized, the associated accumulated remeasurement gains and losses are reversed and reclassified in the Statement of Operations.

Transaction costs are added to the carrying value of items in the cost or amortized cost category when they are initially recognized. However, when items in the fair value category are initially recognized, transaction costs are expensed. Interest is measured using the effective interest method. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

Accounting standard PS 3450 *Financial Instruments* requires equity investments traded in an active market to be recorded at fair value. The District has no such investments. PS 3450 allows for other investments to be recorded at fair value if they are managed on a fair value basis. The District has elected to record its portfolio investments on a fair value basis. Cash is recorded at cost. Accounts receivable (excluding tax receivables), accounts payable and accrued liabilities, short-term debt, and long-term debt are recognized at amortized cost.

At the end of the each reporting period, the District assesses whether there are any indications that the financial asset, or group of similar financial assets, measured at amortized cost or cost may be impaired. When there is an indication of impairment, the carrying amount is written down accordingly.

(g) Contaminated Sites

Liabilities for contaminated sites are recognized when an environmental standard exists, contamination exceeds the standard, the District has responsibility for remediation, future economic benefits will be given up, and a reasonable estimate can be made.

The District has assessed its potential liabilities under accounting standard PS 3260 *Liability for Contaminated Sites* including sites that are no longer in productive use and sites for which the District accepts responsibility. Additionally, the District has used the standards contained in Schedule 2 (Industrial and Commercial Purposes and Activities) of the Contaminated Sites Regulation of the British Columbia *Environmental Management Act* to determine whether a potential liability exists. As at December 31, 2021, no such contamination in excess of an environmental standard requiring remediation exists.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

2. Significant Accounting Policies (Continued)

(h) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions. Significant areas requiring the use of management estimates relate to the determination of collectability of accounts receivable, useful lives of tangible capital assets, fair value investments, and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the period of settlement.

3. Portfolio Investments

	2021	2020
MFA intermediate fund	\$ 2,976,969	\$ 2,977,165
MFA money market fund	79,630	79,509
Other portfolio investments	16,323	797,242
	\$ 3,072,922	\$ 3,853,916

Investments are recorded at market value. The current yield of the money market fund is 0.15% (2020 - 0.85%) and this fund is redeemable at any time. The current yield rate for the intermediate fund is (0.01)% (2020 - 2.04%). Other portfolio investments consists of a Guaranteed Investment Certificate. The other portfolio investments mature in September 2022 with an interest rate of 0.15% (2020 - 1.91%).

4. Accounts Receivable

	2021	2020
Property taxes receivable	\$ 990,653	\$ 1,023,588
Federal government receivables	238,602	118,861
Capital grants receivable	708,609	-
Lease receivables	141,131	452,690
Other grants receivable	85,794	83,223
Other receivables	969,436	958,479
	3,134,225	2,636,841
Allowance for doubtful accounts	(587,599)	(587,599)
	\$ 2,546,626	\$ 2,049,242

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

5. Investment in Business Enterprise

On March 8, 2005, Sechelt Community Projects Inc. (SCPI) was incorporated. SCPI was formed for the purpose of acquiring and managing a Community Forest Agreement dated May 30, 2011.

The District owns all 17,260 issued shares of SCPI. All of the Board members are appointed by the District. SCPI's financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The District's investment in SCPI is recorded using the modified equity basis. Under this method, the District's equity is adjusted by the annual profits and losses of the subsidiary and declared dividends, if any.

	2021	2020
Statement of Financial Position		
As at December 31		
Total assets	<u>\$ 2,582,202</u>	<u>\$ 2,001,314</u>
Total liabilities	407,009	443,130
Shareholder's equity	<u>2,175,193</u>	<u>1,558,184</u>
	<u>\$ 2,582,202</u>	<u>\$ 2,001,314</u>
Statement of Operations		
For the Year Ended December 31		
Revenues	\$ 1,289,141	\$ 524,491
Expenses	<u>(369,173)</u>	<u>(437,559)</u>
Net Income	<u>\$ 919,968</u>	<u>\$ 86,932</u>
Statement of Changes in Shareholder's Equity		
For the Year Ended December 31		
Cost of investment	\$ 172,600	\$ 172,600
Contributed surplus	49,770	49,770
Accumulated net equity income, beginning of year	1,335,814	1,274,872
Net income	919,968	86,832
Dividends declared during the year	(225,890)	(25,890)
Other	<u>(77,069)</u>	<u>-</u>
	<u>\$ 2,175,193</u>	<u>\$ 1,558,184</u>

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

6. Deposits and Reserve - Municipal Finance Authority

The Municipal Finance Authority of British Columbia (the "MFA") provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs, the regional districts may be called upon to restore the 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 financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the District. The proceeds from these discharges will be credited to income in the year received. As at December 31, the total debt reserve was comprised of:

	2021	2020
Debt Reserve - Cash Deposits	\$ 194,668	\$ 191,413
Debt Reserve - Demand Notes	533,395	533,395
	\$ 728,063	\$ 724,808

These balances are not reported elsewhere in these financial statements.

7. Deferred Revenue

Deferred revenue represents funds received that are held for various restricted purposes. These funds are recognized as revenue in the period when the eligible related expenditures or conditions have been met.

	2020	Receipts	Revenue Recognized	Interest	2021
Deferred Grants	\$	\$	\$	\$	\$
BC Air Access Program	1,170,123	-	(1,170,123)	-	-
Active Transportation Grant	85,455	-	(42,615)	-	42,840
Heritage BC Grant (CERIP)	-	234,600	-	-	234,600
Tourism Dependant Communities Grant	-	809,019	(35,365)	-	773,654
Marin Community Foundation Grant	-	18,609	-	-	18,609
Strengthening Communities Grant	-	104,750	-	-	104,750
	1,255,578	1,166,978	(1,248,103)	-	1,174,453
Cash in lieu for development	1,242,309	109,936	(71,179)	358	1,281,424
Donations	37,112	-	-	278	37,390
Prepayment of property taxes	1,280,562	2,197,898	(2,068,331)	-	1,410,129
Other	15,007	121,200	-	113	136,320
	2,574,990	2,429,034	(2,139,510)	749	2,865,263
	\$ 3,830,569	\$ 3,596,012	\$ (3,387,613)	\$ 749	\$ 4,039,716

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

8. Long-term Debt

	Year Due	Rate Per Annum	2021	2020
Debentures - Municipal Finance Authority				
Justice Service Building	2022	1.75 %	\$ 217,801	\$ 425,231
Justice Service Building	2022	2.25 %	217,801	425,231
Water Resource Centre	2025	2.25 %	2,592,696	3,333,467
			<u>\$ 3,028,298</u>	<u>\$ 4,183,929</u>

The District will be required to make repayments over the next five years as follows:

2022	\$ 913,153
2023	740,770
2024	740,770
2025	370,385
	<u>2,765,078</u>
Estimated sinking fund earnings	263,220
	<u>\$ 3,028,298</u>

All debentures are secured by promissory notes issued by the District.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

9. Short-term Loans

	Year Due	Rate per Annum	2021	2020
MFA Loan - Ford F550 truck	2021	0.91 %	\$ -	\$ 2,424
MFA Loan - Plotter	2025	1.05 %	15,666	19,528
MFA Loan - Dump Truck	2026	1.05 %	193,224	-
			<u>\$ 208,890</u>	<u>\$ 21,952</u>

The District will be required to make principal payments over the next five years as follows:

2022	\$ 46,092
2023	46,538
2024	46,985
2025	47,443
2026	21,832
	<u>\$ 208,890</u>

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

10. Taxation and Other Levies

The District collects amounts for itself and on behalf of other taxing authorities.

	Budget 2021	2021	2020
Collections for District of Sechelt			
General municipal purposes	\$ 11,081,277	\$ 11,080,411	\$ 9,994,003
Business improvement area	70,000	70,000	70,000
Sewer frontage taxes	961,000	956,769	959,783
	<u>\$ 12,112,277</u>	<u>\$ 12,107,180</u>	<u>\$ 11,023,786</u>
Collections for Other Taxing Authorities			
BC Assessment Authority	\$ 179,837	\$ 179,838	\$ 177,350
Municipal Finance Authority	847	847	814
Provincial Education - residential	4,972,472	4,971,363	4,938,462
Provincial Education - non-residential	1,126,858	1,126,104	454,049
Regional Hospital District	370,335	370,361	371,736
Regional Fire District	1,452,655	1,454,124	1,383,476
Sunshine Coast Regional District	5,257,162	5,256,926	4,639,454
Sunshine Coast Regional District - Water Rates	1,671,952	1,671,555	1,591,739
	<u>\$ 15,032,118</u>	<u>\$ 15,031,118</u>	<u>\$ 13,557,080</u>

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

11. Private Contributions

	Budget 2021	2021	2020
Donations - Sechelt Arts Festival	\$ 40,750	\$ 45,850	\$ 27,000
Donations - Library, Arts and Culture	350	29,774	310
Donations - Community Archives	-	-	1,484
Grant - Adopt a Tree	5,000	4,750	5,000
Grant - Destination BC	-	18,100	-
Grant - Taking Down the Wall	-	4,800	-
Grant - Risk management	160,000	-	160,793
Cash in lieu of parkland dedication	-	79,207	53,650
Developer contributions - Affordable Housing	-	16,250	82,400
Developer contributions - Community Amenity	-	16,250	-
Developer contributions - Engineering	-	-	2,676
Developer contributions - Land	-	-	193,000
Developer contributions - Parks	-	4,772	10,566
Developer contributions - Public Works	45,000	144,013	-
Developer contributions - Sewer	-	22,110	23,914
Other	-	30,399	-
	\$ 251,100	\$ 416,275	\$ 560,793

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

12. Government Grants

	Budget 2021	2021	2020
Operating - Federal			
Celebrate Canada (Canada Day)	\$ 3,200	\$ 3,200	\$ 3,200
Sechelt Arts Festival	31,400	45,500	43,800
Canadian Heritage - COVID 19 Emergency Support - Community Archives	-	-	2,000
Canada Summer Jobs	-	-	8,176
Operating - Provincial			
Climate Action Revenue Incentive Program	6,700	8,442	6,701
Gas Tax	1,015,012	992,847	485,341
Small Community Investment Fund	384,420	362,000	377,356
RCMP Traffic Fine Program	85,000	105,991	85,191
Sechelt Arts Festival	2,500	-	-
Street Lights Cost Share	2,250	2,256	3,008
BC Active Transportation	10,000	-	-
Community Child Care Planning	-	-	16,788
BC Heritage Legacy Fund	1,750	-	-
Strengthening Communities	43,000	2,000	-
Reclaimed Water - Infrastructure Planning	10,000	-	-
Water Conservation Study	-	(2)	10,000
UBCM Poverty Reduction	-	41,568	48,113
UBCM Community to Community Forum Program	-	-	644
COVID-19 Safe Restart Grant	501,404	-	2,563,000
Municipal			
Community Archives	8,322	7,900	-
Sechelt Arts Festival	2,500	-	-
Capital			
BC Active Transportation	650,819	42,615	-
Hackett Park Amphitheater	245,500	-	-
Bike BC	547,500	-	-
BC Air Access Program	2,247,144	1,878,732	-
Wakefield Lift Station	638,520	-	-
ICIP - Community, Culture, and Recreation (Trail Bay Boulevard)	440,375	-	-
ICIP - Community, Culture, and Recreation (Hackett Park Stage)	185,500	5,138	-
Heritage Grant (Rockwood Lodge)	234,600	-	-
ICIP - BC - COVID-19 Resilience	3,239,000	-	-
Tourism Dependant Communities	809,019	35,365	-
RCMP Capital Contribution - Facility Renovations	-	-	310,397
	\$ 11,345,435	\$ 3,533,552	\$ 3,963,715

December 31, 2021

13. Pension Liability

The District and its employees contribute to the Municipal Pension Plan (the "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, 2020, the Plan had about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from the 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 Plan as at December 31, 2018 indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

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

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 costs to individual employers participating in the Plan.

During the year, the District paid \$423,604 (2020 - \$409,350) for employer contributions to the Plan.

14. Irrevocable Standby Letters of Credit

In addition to the performance deposits reflected in cash balances, the District is holding irrevocable standby letters of credit in the amount of \$2,249,396 (2020 - \$4,171,554). These letters were received to ensure the performance of works undertaken within the District. These amounts are not reflected in the financial statements. They are available to satisfy any liabilities arising from non-performance by the depositors.

December 31, 2021

15. Contingent Liabilities

- (a) The District is a subscribed member of the Municipal Insurance Association of British Columbia (the "Exchange") as provided by section 3.02 of the *Insurance Act* of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the District is assessed a premium and specific deductible for its claims based on population. The obligation of the District with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The District irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscribers may suffer.
- (b) As a member of the Sunshine Coast Regional District, the District is responsible for its portion of any operating deficit or long-term debt related to functions in which it participates.
- (c) The Sunshine Coast Regional District has requested and has been provided with demand notes drawn in its favour totaling \$533,395 (2020 - \$533,395) (Note 6) to provide for additional funds, should the need arise, to service its debt.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

16. Annual Budget

The budget data presented in these consolidated financial statements are based upon the District's 2021 - 2025 Financial Plan as adopted through Bylaw No. 595, 2021 on May 12, 2021. This budget is prepared on a cash basis which differs from the budget amounts in these consolidated financial statements which are prepared in accordance with PSAS. The following table reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Financial Plan Presentation	Financial Statement Presentation
Revenues		
Taxation and other levies	\$ 11,161,277	\$ 12,112,277
Fees, rates and sale of services	2,901,492	6,229,529
Return on investments	522,476	522,476
Grants, donations and private contributions	11,596,535	11,596,535
Development cost charges	2,708,066	2,708,066
Sewer Revenues	4,289,037	-
	33,178,883	33,168,883
Expenses		
General Government	4,101,772	4,180,760
Planning and community development	1,582,315	1,584,965
Community services	2,231,462	2,410,962
Public works	2,823,135	4,593,409
Facilities	571,519	1,054,416
Police services	2,444,261	2,444,261
Solid waste	1,392,981	1,392,981
Sewer operating	2,765,313	4,124,204
Interest on Debt	189,926	-
Amortization	3,693,274	-
	21,795,958	21,785,958
Annual Surplus (Deficit)	11,382,925	11,382,925
Principle on debenture debt	1,305,686	-
Debt acquired	(3,575,000)	-
Transfer to (from) reserves	(3,481,740)	-
Transfer to (from) capital	(602,607)	-
Transfer to (from) surplus	(494,915)	-
Reduction of capital equity	(3,693,274)	-
Capital Purchases	21,924,775	-
	11,382,925	-
	\$ -	\$ 11,382,925

December 31, 2021

17. Segmented Information

The District is a diversified municipal government entity in the Province of British Columbia that provides a wide range of services to its citizens such as roads, sewer and drainage infrastructure, garbage collection, and parks. The District also contributes to the costs of water, recreation, fire protection, and transit which are under the jurisdiction of the Sunshine Coast Regional District.

The nature of the segments and the activities they encompass are as follows:

General Government

General Government is composed of the District's internal support functions including Administration, Communication, Corporate Services, Financial Services, Human Resources, Information Technology, Mayor and Council, and any other services categorized as non-departmental.

Police Services

Police Services is responsible for the municipal portion of the services provided by the Royal Canadian Mounted Police in respect of law enforcement and protection to persons and property within the District.

Public Works

Public Works is composed of Public Works, Engineering, Street Lights, Drainage, and Fleet. The services provided by this segment include planning and maintenance of roads, sidewalks, drainage, street lights, and parking facilities. As well, this segment includes the District's equipment and vehicle fleet.

Solid Waste

Solid Waste administers the collection and disposal of household garbage and recyclables on a contracted basis.

Sewer Operating

Sewer Operating is responsible for the collection, transportation, and treatment of sanitary sewage, and maintaining the necessary infrastructure to provide these services.

December 31, 2021

17. Segmented Information (Continued)

Planning and Community Development

Planning and Community Development includes the following:

- Building Inspection regulates all construction within the District in accordance with applicable bylaws, regulations, and legislation.
- Development Services is responsible for land-use planning, guidelines, and development in accordance with the District's Official Community Plan and other applicable plans.
- Economic Development seeks to create a vibrant local and sustainable economy that provides a full range of goods, services, and opportunities, on a contracted basis.

Community Services

Community Services is composed of Parks and Arts, Culture & Heritage. Parks contributes to the quality of life and personal wellness of the community through the provision and maintenance of parks, trails, streetscapes, and beach accesses. Arts, Culture & Heritage provides library services and contributes to the quality of life of the community through supporting a variety of arts and cultural initiatives in the community, including the Sechelt Arts Festival.

Facilities

Facilities is responsible for the operation and maintenance of District lands, buildings, wharfs, and other municipal structures.

Sechelt Community Projects Inc. (SCPI)

SCPI was formed for the purpose of acquiring and managing a Community Forest Agreement (Note 2, 5). This wholly owned subsidiary of the District is considered a separate segment for reporting purposes.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

18. Accumulated Surplus

The District segregates its accumulated surplus into the following categories:

	2021	2020
General Government (Note 19)	\$ 6,723,951	\$ 5,587,001
Sewer fund (Note 19)	3,059,982	1,854,479
General Government statutory reserves (Note 19)	5,480,030	4,429,944
Investment in Sechelt Community Projects Inc.	2,175,194	1,558,184
	<u>17,439,157</u>	<u>13,429,608</u>
Tangible capital assets	152,797,126	150,117,128
Long-term debt	(3,028,298)	(4,183,929)
Short-term loans	(208,890)	(21,952)
Equity in tangible capital assets	<u>149,559,938</u>	<u>145,911,247</u>
Accumulated Surplus	<u>\$ 166,999,095</u>	<u>\$ 159,340,855</u>

Statutory reserves represent funds set aside by bylaw for specific purposes.

Equity in tangible capital assets represents the net book value of the assets less any debt outstanding used to acquire tangible capital assets.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2021

19. Statutory and Non-statutory Reserves

Under PSAB reporting requirements, statutory and non-statutory reserves comprise a part of the operating surplus of the District. Below are listings of the reserves balances at the end of each year:

	2020	Interest and Contributions	Transfers	2021
Statutory Reserves				
Capital	\$ 1,699,201	\$ 1,026,640	\$ (265,617)	\$ 2,460,224
Equipment Replacement	773	30,602	(4,187)	27,188
Parkland Acquisition	136,211	80,715	-	216,926
Municipal Wharf Facilities	536	4	-	540
Community Forest Legacy Fund	1,186,538	209,649	(100,000)	1,296,187
Affordable Housing	147,465	17,478	-	164,943
Community Amenity Fund	-	16,372	-	16,372
Community Works Fund	1,259,220	1,002,507	(964,077)	1,297,650
	<u>4,429,944</u>	<u>2,383,967</u>	<u>(1,333,881)</u>	<u>5,480,030</u>
Non-statutory Reserves				
General Fund (Prior years surplus)	90,644	923,298	-	1,013,942
General Fund Other	5,496,357	1,128,384	(914,732)	5,710,009
Sewer Fund (Prior years surplus)	397,303	613,290	-	1,010,593
Sewer Fund Other	1,457,176	776,667	(184,454)	2,049,389
Investment in Sechelt Community Projects Inc.	1,558,184	842,900	(225,890)	2,175,194
	<u>8,999,664</u>	<u>4,284,539</u>	<u>(1,325,076)</u>	<u>11,959,127</u>
	<u>\$ 13,429,608</u>	<u>\$ 6,668,506</u>	<u>\$ (2,658,957)</u>	<u>\$ 17,439,157</u>

December 31, 2021

20. Financial Instrument Risk

The District, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at December 31, 2021. There have been no changes to exposure of these risks from the prior year.

(a) Credit Risk

Credit risk is the risk that the District will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the District to credit risk consist primarily of cash and cash equivalents, portfolio investments, and accounts receivable. The District has an investment policy to ensure investments are managed appropriately to secure the preservation of capital and the availability of liquid funds. The District invests surplus funds in accordance with its investment policy. The majority of receivables are due from federal and provincial agencies as well as taxpayers. Amounts due from taxpayers are effectively secured by the property due to the collection method under the tax sale legislation.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Investments bear some interest rate risk but these risks are mitigated through the diversification of the portfolio and low risk investment decisions.

(c) Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

(d) Liquidity Risk

Liquidity risk is the risk that the District will not be able to meet its obligations as they fall due. The District maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

December 31, 2021

21. Comparative Figures

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

22. Significant Event

In March 2020, the COVID-19 outbreak has caused governments worldwide to enact emergency measures to combat the spread of the virus.

These measures, which include the implementation of facility closures, travel restrictions, self-isolation periods, and social and physical distancing, will have 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 future revenue for the District.

There was minimal impact on the District during 2021. However, we did recognize slight project delays and pricing increases.

District of Sechelt
Schedule 1 - Deferred Development Cost Charges

For the year ended December 31, 2021

	Sewer	Sechelt Drainage	Sechelt Roads	Sechelt Parks	2021	2020
Balance, Beginning of year	\$ 2,169,162	\$ 351,723	\$ 2,089,038	\$ 812,726	\$ 5,422,649	\$ 9,412,275
Interest	16,183	976	3,738	6,434	27,331	48,368
Cash contributions	11,816	43,232	199,108	60,130	314,286	73,304
Capital expenditures (revenue recognized)	(23,245)	(264,825)	(1,789,806)	(15,318)	(2,093,194)	(4,111,298)
Balance, end of year	\$ 2,173,916	\$ 131,106	\$ 502,078	\$ 863,972	\$ 3,671,072	\$ 5,422,649

Development cost charges are funds received from developers to cover the costs of future capital projects. These funds are recognized into revenue when the related costs are incurred.

District of Sechelt
Schedule 2 - Tangible Capital Assets

For the year ended December 31, 2021

	Land	Buildings	Vehicles/ Equipment/ Furniture	Works in Progress (WIP)	Other	Engineering Infrastructure				2021	2020
						Roads	Drainage	Sewer	Other		
Cost											
Balance, beginning of year	\$71,148,788	\$38,999,038	\$ 9,567,460	\$ 5,154,989	\$ 52,975	\$56,709,255	\$10,315,578	\$22,645,713	\$ 4,365,436	\$218,959,230	\$ 214,056,868
Additions	-	-	704,212	5,315,780	-	82,740	13,625	22,110	-	6,138,467	5,291,006
Disposals	-	-	(33,430)	-	-	-	-	-	-	(33,430)	(388,644)
Balance, end of year	\$71,148,788	\$38,999,038	\$10,238,242	\$10,470,769	\$ 52,975	\$56,791,995	\$10,329,203	\$22,667,823	\$ 4,365,436	\$225,064,267	\$ 218,959,230
Accumulated Amortization											
Balance, beginning of year	\$ -	\$14,415,768	\$ 5,890,978	\$ -	\$ 31,785	\$32,079,038	\$ 4,244,135	\$10,334,019	\$ 1,846,379	\$ 68,842,102	\$ 65,169,903
Amortization expense	-	1,022,788	435,692	-	2,649	1,258,856	201,741	425,600	99,003	3,446,329	3,692,754
Disposals	-	-	(21,290)	-	-	-	-	-	-	(21,290)	(20,555)
Balance, end of year	\$ -	\$15,438,556	\$ 6,305,380	\$ -	\$ 34,434	\$33,337,894	\$ 4,445,876	\$10,759,619	\$ 1,945,382	\$ 72,267,141	\$ 68,842,102
Net book value, end of year	\$71,148,788	\$23,560,482	\$ 3,932,862	\$10,470,769	\$ 18,541	\$23,454,101	\$ 5,883,327	\$11,908,204	\$ 2,420,054	\$152,797,126	\$ 150,117,128

District of Sechelt
Schedule 3 - Segmented Information

For the Year Ended December 31, 2021

	General Fund							Sewer Fund		
	General Government	Planning and Community Development	Community Services	Public Works	Facilities	Police Services	Solid Waste	SCPI	Sewer Operating	Total
Revenues										
Taxation and other levies	\$11,150,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 956,769	\$12,107,180
Private contributions	4,800	50,600	164,353	174,412	-	-	-	-	22,110	416,275
Government grants	3,244,021	41,568	97,103	44,869	-	105,991	-	-	-	3,533,552
Sale of goods and services	97,976	4,260	78,890	18,060	56,909	130,988	1,076,750	-	3,082,979	4,546,812
Licences, permits and fees	256,740	573,861	6,801	72,101	656,371	24,428	171,687	-	-	1,761,989
Penalties and interest	183,742	-	-	-	-	-	-	-	-	183,742
Income from business enterprise	-	-	-	-	-	-	-	842,899	-	842,899
Return on investments	143,293	-	-	-	242,476	-	-	-	33,661	419,430
Gain (loss) on disposal of tangible capital assets	-	-	-	(12,140)	-	-	-	-	-	(12,140)
Development cost charges	-	-	15,318	2,054,630	-	-	-	-	23,245	2,093,193
	15,080,983	670,289	362,465	2,351,932	955,756	261,407	1,248,437	842,899	4,118,764	25,892,932
Expenses										
Salaries and benefits	2,327,326	1,032,857	844,347	1,352,781	104,777	304,776	-	-	573,468	6,540,332
Contract services	809,458	281,815	394,912	388,667	157,541	1,505,649	1,022,311	-	444,884	5,005,237
Travel and education	47,497	7,590	4,402	10,061	485	-	-	-	6,695	76,730
Supplies and materials	181,829	7,175	143,961	257,092	26,261	(17)	-	-	359,862	976,163
Utilities	6,551	-	29,209	184,607	120,813	-	-	-	172,699	513,879
Interest and bank charges	33,491	-	-	-	115,896	-	-	-	69,969	219,356
Risk management	108,515	-	1,977	28,887	46,419	-	-	-	56,261	242,059
Grants	-	148,800	1,004,406	-	-	44,888	16,513	-	-	1,214,607
Amortization of tangible capital assets	84,550	2,649	180,432	1,684,170	220,899	-	-	-	1,273,629	3,446,329
Recovery of Sewer Costs	(324,173)	-	-	-	-	-	-	-	324,173	-
	3,275,044	1,480,886	2,603,646	3,906,265	793,091	1,855,296	1,038,824	-	3,281,640	18,234,692
Annual Surplus (Deficit)	\$11,805,939	\$ (810,597)	\$ (2,241,181)	\$ (1,554,333)	\$ 162,665	\$ (1,593,889)	209,613	\$ 842,899	\$ 837,124	\$ 7,658,240

District of Sechelt
Schedule 3 - Segmented Information

For the year ended December 31, 2020

	General Fund							Sewer Fund		Total
	General Government	Planning and Community Development	Community Services	Public Works	Facilities	Police Services	Solid Waste	SCPI	Sewer Operating	
Revenues										
Taxation and other levies	\$10,064,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 959,783	\$ 11,023,786
Private contributions	160,793	82,400	291,010	2,676	-	-	-	-	23,914	560,793
Government grants	3,433,042	64,901	57,176	13,008	310,397	85,191	-	-	-	3,963,715
Sale of goods and services	91,569	5,513	31,382	19,090	57,678	71,772	1,058,298	-	2,770,736	4,106,038
Licences, permits and fees	243,748	357,218	10,991	69,893	636,233	18,087	197,165	-	-	1,533,335
Penalties and interest	181,825	-	-	-	-	-	-	-	-	181,825
Income from business enterprise	-	-	-	-	-	-	-	86,834	-	86,834
Return on investments	254,284	-	-	-	222,721	-	-	-	31,880	508,885
Gain (loss) on disposal of tangible capital assets	-	-	-	(2,500)	-	-	-	-	-	(2,500)
Development cost charges	-	-	14,740	3,921,802	-	-	-	-	174,756	4,111,298
	14,429,264	510,032	405,299	4,023,969	1,227,029	175,050	1,255,463	86,834	3,961,069	26,074,009
Expenses										
Salaries and benefits	2,189,144	858,751	828,861	1,256,456	70,761	304,290	-	-	549,419	6,057,682
Contract services	1,147,284	200,726	312,424	403,430	171,381	1,544,469	984,448	-	532,255	5,296,417
Travel and education	41,899	8,130	9,103	6,105	2,335	-	-	-	15,733	83,305
Supplies and materials	193,282	6,576	145,839	214,396	41,448	5,461	-	-	441,348	1,048,350
Utilities	6,793	-	36,975	164,257	111,089	-	-	-	166,715	485,829
Interest and bank charges	30,976	-	-	-	132,831	-	-	-	86,636	250,443
Risk management	91,123	-	1,553	39,913	36,360	-	-	-	44,690	213,639
Grants	-	132,800	803,430	-	-	42,548	16,253	-	-	995,031
Amortization of tangible capital assets	83,896	2,649	179,043	1,770,274	368,842	-	-	-	1,288,050	3,692,754
Recovery of Sewer Costs	(324,173)	-	-	-	-	-	-	-	324,173	-
	3,460,224	1,209,632	2,317,228	3,854,831	935,047	1,896,768	1,000,701	-	3,449,019	18,123,450
Annual Surplus (Deficit)	\$10,969,040	\$ (699,600)	\$ (1,911,929)	\$ 169,138	\$ 291,982	\$ (1,721,718)	\$254,762	\$86,834	\$ 512,050	\$ 7,950,559

For the year ended December 31, 2021

Balance, beginning of year	\$ 2,518,662
Eligible costs incurred:	
Office modifications	85,140
Recreation, parks and culture	76,040
Engineering and public works	45,332
Computer and technology costs to improve connectivity and virtual connections	261,490
Increased cleaning and sanitization services	22,500
Community grants	169,042
	<hr/>
Total eligible costs incurred	659,544
	<hr/>
Balance, end of year	\$ 1,859,118

In November 2020, the Province of British Columbia issued grants to local governments for operations impacted by COVID-19.

The District has established a non-statutory reserve within accumulated surplus to track the use of the COVID-19 Safe Restart Grant funds.