



Regular Board Meeting December 8, 2020

Date Prepared: December 3, 2020

Submitted by: Shelly Woolf, CPA, CA, Assistant Secretary Treasurer

Subject: 2020 Statement of Financial Information (SOFI)

Purpose

To respectfully request that the Board receive and approve the 2020 Statement of Financial Information (SOFI) as presented.

Background

This report is submitted to the Board of Trustees for approval as required under the Financial Information Act:

2 (1) *A corporation must prepare statements of financial information in accordance with this section in a form and containing information prescribed by the Lieutenant Governor in Council.*

(3) *Within 6 months after the end of each fiscal year of a corporation, it must prepare a statement of financial information for that fiscal year that includes the following:*

(a) a schedule showing

(i) in respect of each employee earning more than a prescribed amount, the total remuneration paid to the employee and total amount paid for the employee's expenses, and

(ii) a consolidated total of all remuneration paid to all other employees.

(b) a schedule showing

(i) the total amount paid to each supplier of goods or services during the fiscal year that is greater than a prescribed amount, and

(ii) a consolidated total of all other payments made to suppliers of goods or services during that fiscal year.

Additionally, the Financial Information Regulation sets out the prescribed amounts and further explains how to prepare the information in a prescribed manner.



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Following Board approval and adding the required signatories, the 2020 Statement of Financial Information will be submitted to the Ministry and posted to the District website as required.

Attached to this cover report and for your information is the 2020 Statement of Financial Information.

A notable difference between the Statement of Financial Information and the Audited Financial Statements is that the District's Financial Statements are prepared using the accrual basis of accounting whereas the Schedule of Remuneration and Expenses and the Schedule of Payments for Goods and Services included in the SOFI report are both based on the cash basis of accounting. A reconciliation is included at the end of the report that balances these statements to the District's audited Financial Statements. The difference in accounting between these two reports is significant because it highlights the fact that the SOFI report is prepared in a prescribed manner primarily for the purpose of stating amounts paid to/on behalf of specific employees (>\$75,000) and amounts paid to specific vendors (>\$25,000) regardless of timing, the District's revenues and/or reimbursements of expense. It is primarily a statement of payments only and is used to support the government's transparency requirement. Readers of the information are therefore encouraged to also review the audited financial statements contained therein as they provide additional contextual information that help explain some of the changes in the payment schedules.

Below is a summary of the financial information included in the Schedule of Remuneration and Expense and the Schedule for the Payment of Goods and Services.

Schedule of Remuneration and Expense

This schedule shows remuneration and expenses paid to and/or on behalf of all employees in the District. Board Trustees and employees earning over \$75,000 are shown separately where-as all other amounts are grouped together. The Financial Information Act Regulation specifies what is included and/or excluded in these amounts.

"remuneration"

(a) includes any form of salary, wages, bonuses, gratuities, taxable benefits, payment into trust or any form of income deferral paid by the corporation to the employee or on behalf of the employee during the fiscal year being reported upon, whether or not such remuneration is reported under the Income Tax Act (Canada), and

(b) does not include anything payable under a severance agreement.



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"expenses"

- (a) includes travel expenses, memberships, tuition, relocation, vehicle leases, extraordinary hiring expenses, registration fees and similar amounts paid directly to an employee, or to a third party on behalf of the employee, and which has not been included in "remuneration",*
- (b) is not limited to expenses that are generally perceived as perquisites, or bestowing personal benefit, and may include expenditures required for employees to perform their job functions, and*
- (c) excludes benefits of a general nature applicable to all employees pursuant to an agreement such as medical, dental, counselling, insurance, and similar plans.*

In 2020 remuneration paid to employees earning over \$75,000 amounted to \$2,729,104 compared to \$2,500,428 in 2019 and expenses for these same employees amounted to \$44,729 compared to \$92,890 in 2019. Additionally, total remuneration paid to all employees amounted to \$6,009,275 compared to \$5,618,838 in 2019, an increase of \$390,437. Expenses for all employees amounted to \$88,405 compared to \$222,904, a decrease of \$134,499 which can be attributed to COVID related restrictions.

A reconciliation of employee expenses for those individuals with the highest amounts is provided to you for information.

Schedule of Payments for Goods and Services

In 2020 payments > \$25,000 to vendors amounted to \$4,763,816 compared to \$3,665,834 in 2019. Most of the changes in this schedule relate to different vendors hired to complete the various construction projects approved and funded as part of the District's Capital Plan. All other amounts are comparable to previous years and mostly relate to payments for payroll deductions and benefits.

The last page of the report reconciles the SOFI's Schedule of Remuneration and Expense and the Schedule of Payments for Goods and Services to the District Financial Statement expenses.