



July 23, 2018

Ms. Michele Babchuk  
Chair  
Strathcona Regional District  
301 - 990 Cedar St,  
Campbell River, BC V9W 7Z8

Email: [administration@strathconard.ca](mailto:administration@strathconard.ca)

Dear Chair Babchuk:

Further to my letter dated June 20, 2018, I am writing to advise you that the Strathcona Regional District has failed to comply with Section 167 of the *Community Charter* which requires that all financial information be submitted to the Inspector of Municipalities (Inspector) by May 15<sup>th</sup> each year.

As of the date of this letter, the Ministry of Municipal Affairs and Housing, has not received the following item(s):

2017 Audited Financial Statements  
2017 LGDE Form

As previously noted the Ministry requires the above information in order to assess your local government's financial position. We therefore cannot effectively review any bylaws submitted for the approval of the Inspector of Municipalities until such a time as the information is received.

Receiving timely and accurate financial information from local governments across British Columbia is critical to the Province fulfilling its role as steward of the municipal financial system and ensuring the local government system remains strong and financially viable.

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Local government annual financial information is also required by the bond-rating agencies that establish the borrowing rates available to the Municipal Finance Authority (MFA). British Columbia local governments enjoy some of the lowest interest rates in Canada as a result of the AAA credit rating the MFA and local governments have worked so hard to achieve.

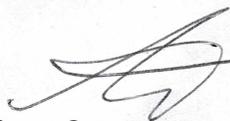
In previous years, the bond-rating agencies have expressed concerns to the MFA regarding the delay in receiving complete and accurate local government financial information. Such delays may have a negative impact on the current MFA AAA credit rating and affect interest rates for every local government in British Columbia.

We ask if you could please ensure the above items are completed and submitted to the Ministry as soon as possible. We would appreciate receiving this information no later than August 10, 2018. After that time all bylaw approvals and conditional grant claim payments will be suspended until the outstanding submission requirements are received by the Ministry. We consider such actions to be appropriate because both Inspector approvals and the financial information we are requesting are necessary components of the financial framework that enables the MFA to maintain its AAA credit rating for British Columbia local governments.

If your local government is unable to complete and submit the outstanding items by August 10, 2018, we ask that you provide a letter to the Deputy Inspector of Municipalities detailing why your local government has not been able to meet the reporting deadline, when you expect the information to be received by the Ministry, and what steps you plan to take to ensure the May 15th statutory reporting deadline is met in future years.

Thank you in advance for your attention to this matter. Please be in touch if you wish to discuss these requirements in greater detail.

Regards,



Sean Grant  
Director  
Local Government Finance