



CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE

Thursday, April 26, 2018
SCRD Boardroom, 1975 Field Road

AGENDA

CALL TO ORDER: 9:30 a.m.

AGENDA

1. Adoption of Agenda

PETITIONS AND DELEGATIONS

2. Bill Cox, BDO Canada LLP
Regarding: i) Audit Results and Communications Report to the Members of the Board Annex A
Pages 1-25
ii) Independent Auditor's Reports for SCRD and Foreshore Leases pp. 26-28
iii) SCRD Draft Audited Financial Statements Year Ended December 31, 2017 pp.29-73

(Voting – All Directors)

REPORTS

3. General Manager, Corporate Services / Chief Financial Officer – Sunshine Coast Regional District 2017 Draft Audited Financial Statements Annex B
pp. 74-77
i) Audit Results and Communications Report to the Members of the Board See pp.1-25
ii) Independent Auditor's Reports for SCRD and Foreshore Leases See pp. 26-28
iii) SCRD Draft Audited Financial Statements Year Ended December 31, 2017 See pp. 29-73

(Voting – All Directors)

4. General Manager, Corporate Services / Chief Financial Officer / Chief Administrative Officer - 2018 Budget Debrief Annex C
pp. 78-81

(Voting – All Directors)

5. Chief Administrative Officer – 2018 Budget Project Status Report Annex D
pp. 82-88

(Voting – All Directors)

6. Chief Administrative Officer – Director Remuneration Review Process Report to Follow

(Voting – All Directors)

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| 7. Financial Analyst – Provincial Changes to the Medical Services Plan
(Voting – All Directors) | Annex E
pp. 89-93 |
| 8. Financial Analyst – Gas Tax Community Works Funding
(Voting – Electoral Area Directors) | Annex F
pp. 94-95 |
| 9. Deputy Corporate Officer - 2018 Union of British Columbia Municipalities (UBCM) Resolutions
(Voting – All Directors) | Annex G
pp. 96-97 |
| 10. Financial Analyst – Investments and Reserves as at March 31, 2018
(Voting – All Directors) | Annex H
pp. 98-103 |
| 11. Financial Analyst – Grants Update to March 31, 2018
(Voting – All Directors) | Annex I
pp. 104-108 |
| 12. Acting Purchasing Officer – Contracts between \$50,000 and \$100,000 – January 1 to March 31, 2018
(Voting – All Directors) | Annex J
pp. 109-110 |
| 13. Manager, Financial Services – Director Constituency and Travel Expenses (January-March 2018)
(Voting – All Directors) | Annex K
pp. 111-112 |

COMMUNICATIONS

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| 14. <u>Union of British Columbia Municipalities (UBCM)</u>
Regarding: 2017 Resolutions
(Voting – All Directors) | Annex L
pp. 113-115 |
|---|------------------------|

NEW BUSINESS

IN CAMERA

ADJOURNMENT



Sunshine Coast Regional District and Sunshine Coast Regional Hospital District

Audit Results and Communications
Report to the Members of the Board

For the fiscal year ended December 31, 2017



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925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Direct Line: 604-443-4716
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April 20, 2018

Members of the Board
Sunshine Coast Regional District and Sunshine Coast Regional Hospital District
1975 Field Road
Sechelt, BC V0N 3A1

Dear Members of the Board:

We are pleased to present the results of our audits of the financial statements of the Sunshine Coast Regional District ("SCRD") and Sunshine Coast Regional Hospital District ("SCRHD") for the year ended December 31, 2017. The purpose of our report is to summarize certain aspects of the audits that we believe to be of interest to the Board members and should be read in conjunction with the draft financial statements.

We would like to bring to your attention that our audits and therefore this report will not necessarily identify all matters that may be of interest to the Board in fulfilling its responsibilities.

This report has been prepared solely for the use of the Board members and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

We wish to express our appreciation for the co-operation we received during the audit from SCRD's management and staff that assisted us in carrying out our work. We look forward to discussing the contents of this report and any other matters that you consider appropriate.

Yours truly,

Bill Cox, FCPA, FCA
Partner through a corporation
BDO Canada LLP
Chartered Professional Accountants

BC/mkn



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EXECUTIVE SUMMARY

Audit Results	<p>Our audits of the financial statements was designed to obtain reasonable, rather than absolute, assurance as to whether the financial statements are free of material misstatement.</p> <p>A detailed description of our audit results has been included on page 7.</p>
Status of Audits	<p>As of the date of this final report, we have substantially completed our audits of the December 31, 2017 SCR and SCRHD financial statements pending the completion of the items highlighted below. These items will need to be completed prior to issuance of our audit report on the financial statements:</p> <ul style="list-style-type: none"> • Receipt of the signed management representation letters • Subsequent events review through to financial statement approval date • Approval of financial statements by the Board
Key Audit Areas	<p>In accordance with our audit plan, our procedures focused on the following areas that we identified as key areas:</p> <ul style="list-style-type: none"> • Risk of Management Override • Revenue Recognition • System Conversion January 1, 2017 • Cash and Investments • Staff Salaries • Tangible Capital Assets and Accumulated Amortization • Liability for Landfill Closure <p>We have summarized the results of our audit procedures for each of these areas, beginning on page 6 of this report.</p>
Internal Control Over Financial Reporting	<p>A weakness in the control over access to the accounting information system was identified during the course of our audit. This issue is discussed further on page 12 and in Appendix C, and has been addressed by management.</p>
Fraud and Illegal Activities	<p>We developed procedures within our audit plan as recommended by CAS 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements. Based on these procedures, we have not encountered any illegal activities or fraudulent events with respect to SCR and SCRHD.</p>
Significant Events	<p>As of the date of this letter, we have not identified any significant events which we believe should be brought to your attention.</p>
Significant Accounting Policies	<p>SCR and SCRHD's significant accounting policies are listed in the financial statements. We believe management's selection of accounting policies is appropriate under Canadian public sector accounting standards.</p>

Estimates	<p>Accounting estimates are an integral part of the financial statements and are based on management's current judgments. These judgments are based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.</p> <p>Our comments on the significant estimates included in the 'Audit Findings' section, beginning on page 7.</p>
Materiality, Audit Adjustments and Unadjusted Differences	<p>Our final materiality level for SCRД of \$890,000 changed somewhat from the planning materiality figure of \$800,000 that was communicated in our audit planning letter sent to the Board on November 16, 2017.</p> <p>Our final materiality level for SCRHD of \$43,000 was unchanged from the figure communicated in our audit planning letter.</p> <p>For the SCRД audit, the effect on annual surplus for unadjusted misstatements for the year ended December 31, 2017 totaled \$27,200. A summary of this item is included in Appendix D.</p> <p>There were no unadjusted misstatements noted in SCRHD.</p> <p>There were no year end audit adjustments in SCRД and SCRHD.</p>
Disclosures	<p>There are no material omissions with respect to the disclosures in the financial statements for the year ended December 31, 2017 that we have noted.</p>
Independence	<p>We confirm that we are still independent as of the date of this letter.</p>
Representation Letter	<p>A draft version of the representation letter to be signed by management is included in Appendix B.</p>
Conclusion	<p>We intend to issue an unmodified audit report on the financial statements of the SCRД and SCRHD for the year ended December 31, 2017 prepared in accordance with the Canadian public sector accounting standards once the outstanding items referred to above are satisfactorily resolved and the financial statements are approved by the Board.</p>



MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We communicated to you our planning materiality levels in our Planning Report to the Board dated November 16, 2017. Our materiality levels for SCRD has changed from the previously communicated figure of \$800,000 to \$890,000. The basis of materiality, 2% of anticipated/actual revenues, was unchanged. This increase resulted from differences between estimated and actual annual results for SCRD's year ended December 31, 2017.

Our materiality level for SCRHD remained unchanged from the \$43,000 previously communicated in our Planning Report to the Board. The basis upon which we calculated materiality, 2% of revenues, was unchanged.



AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the SCRD and SCRHD's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

Based on our knowledge of SCRD and SCRHD's operations, our past experience in this area, and knowledge gained from management and the Board, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them.

In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

KEY AUDIT AREAS

Management Override of Controls

Key Audit Area	Approach	Results
<p>Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>This risk is required for all audits pursuant to Canadian audit standards.</p>	<p>We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</p>	<p>All audit testing in this area was executed as planned and no issues were noted.</p>

Revenue Recognition

Key Audit Area	Approach	Results
Accounting standards in this area, specifically relating to grants and government transfers, are complex and open to interpretation. There is a risk that revenue may be incorrectly deferred into future periods.	<p>We reviewed grant agreements to ensure that revenue is being recognized in accordance with the latest revenue recognition standards.</p> <p>We verified grant expenditures to ensure that they meet the requirements per the grant agreement.</p> <p>Other revenues streams were tested through a combination of controls based and substantive procedures.</p>	All audit testing in this area was executed as planned and no issues were noted.

System Conversion January 1, 2017

Key Audit Area	Approach	Results
There is a risk that data may have been transferred incorrectly from the old system to the new system.	<p>Comparison of closing balances in the old system to opening balances in the new system.</p> <p>Due to the expectation that this implementation would result in significant changes to the controls and processes within SCRD, we therefore placed a particular emphasis on updating our understanding of processes and controls and redesigning all audit procedures accordingly.</p>	<p>The specific audit testing in this area was executed as planned and no issues were noted.</p> <p>As expected, the implementation of this new system resulted in significant changes to the controls and processes within SCRD. We updated our audit approach accordingly and tested both manual and system controls. Throughout our extensive inquiry and analysis over the conversion, we identified one area of concern which we have addressed on page 12.</p>

Cash and Investments

Key Audit Area	Approach	Results
Due to its nature, cash and investments are almost always considered to be a risk area in any audit.	We reviewed the year end reconciliations and obtained third party confirmations.	All audit testing in this area was executed as planned and no issues were noted.

Staff Salaries

Key Audit Area	Approach	Results
A significant single type of expenditure that cover many employees and departments. As a regional district, this figure is often of particular interest to financial statement users (taxpayers).	We applied computer audit testing to analyze all payroll transactions in the year. We performed system testing, tests of controls and analytical review of staff salaries.	All audit testing in this area was executed as planned and no issues were noted.

Tangible Capital Assets and Accumulated Amortization

Key Audit Area	Approach	Results
Useful life estimates need to be continually re-evaluated to determine if they are still accurate. This involves a high level of estimation and coordination of the finance department with other departments.	We performed tests of control for appropriate authorization of purchases combined with substantive testing of additions and disposals. In relation to the accumulation of amortization, we verified that the systematic calculations utilized the approved estimates for each asset's useful life, and that these estimates are reasonable in the context of the District's operations.	All audit testing in this area was executed as planned and no issues were noted.

Liability for Landfill Closure

Key Audit Area	Approach	Results
A significant liability that is calculated based on management assumptions and engineering reports. Due to the nature of the high level of estimates required and the possibility of new information becoming available this liability calculation is considered a risk area.	We reviewed calculations related to the liability recorded, as well as reviewed engineering reports. We also performed an audit of the significant assumptions used for the calculation.	All audit testing in this area was executed as planned. Our procedures focused on assessing management's expectation for future inflation rates and borrowing costs, corroborating the expected future expenditures and reviewing the execution of the calculation itself. No issues were noted as a result of these procedures.



ADJUSTED AND UNADJUSTED DIFFERENCES

For the SCRD audit, the effect on annual surplus for unadjusted misstatements for the year ended December 31, 2017 totaled \$27,200. A summary of this item is included in Appendix D.

There were no unadjusted misstatements noted in SCRHD.

There were no year end audit adjustments in SCRD and SCRHD.

MANAGEMENT REPRESENTATIONS

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.

A summary of the representation we have requested from management is set out in the management representation letter included in Appendix B to the report.

FRAUD DISCUSSION

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board on an annual basis. Further to our enquiry in our Planning Report to the Board dated November 16, 2017, we have prepared the following comments:

Required Discussion	BDO Response	Question to Board
Details of existing oversight processes with regards to fraud.	Based on our discussions during the planning of our audit, the Board's oversight processes include: <ul style="list-style-type: none"> • Board charters; • Discussions at Board meetings; • Review of related party transactions; and • Consideration of tone at the top. 	Are there any new processes or changes in existing processes relating to fraud since the date of our previous discussions, that we should be aware of?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any actual, suspected or alleged fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the SCRD and SCRHD?

Currently, we are not aware of any actual, suspected or alleged fraud. If you are aware of any instances of actual, suspected or alleged fraud affecting SCRD or SCRHD since the date of our previous discussion, please advise us at bcox@bdo.ca.

AUDITOR'S RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error, because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

The scope of the work performed was substantially the same as that described in our Planning Report to the Board dated November 16, 2017.

INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to SCRD and SCRHD's internal control environment:

- Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- Tested certain controls for their operating effectiveness.
- Discussed and considered potential audit risks.

The results of these procedures were considered in determining the extent and nature of substantive audit testing required.

We are required to report to you in writing, significant deficiencies in internal control that we have identified during the audit. A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

As the purpose of the audit is for us to express an opinion on SCRD and SCRHD's financial statements, our audit cannot be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be exhaustive. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

DEFICIENCIES IN INTERNAL CONTROL

Deficiency	Issue and Impact
The unilateral ability to assign different 'positions' to personnel was granted to a significant number of individuals.	<p>A user's ultimate access to the system, as well as their authorization to approve certain actions within the system, is determined by the 'positions' they are assigned. As a formal Human Resources workflow has not been implemented, a significant number of personnel were initially granted the access to assign positions without any system enforced review and approval. This left the door open for unauthorized and unapproved manipulation of data, including accounting records.</p> <p>As further detailed in the Management Letter (Appendix C), this issue was addressed by management and our testing did not identify any actual instances of unauthorized manipulation of accounting records.</p>

OTHER REQUIRED COMMUNICATIONS

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the table below summarizes these additional required communications.

Required Communication	Audit Planning Presentation	Audit Results Presentation	Auditor Comments
1. Our responsibilities under Canadian Auditing Standards (CAS)	✓		Included in our engagement letter dated November 22, 2017.
2. Our audit strategy and audit scope	✓		Included in our Planning Report which was presented to the Board of Directors on November 16, 2017.
3. Fraud risk factors	✓		Included in our Planning Report which was presented to the Board of Directors on November 16, 2017.
4. Going concern matters		✓	None.
5. Significant estimates or judgments		✓	Audit Findings section.
6. Audit adjustments		✓	None.
7. Unadjusted differences		✓	See Appendix D.
8. Omitted disclosures		✓	None noted.
9. Disagreements with management		✓	There were no disagreements with management.
10. Consultations with other accountants or experts		✓	No external experts were consulted during this engagement.
11. Major issues discussed with management in regards to retention		✓	None.
12. Significant difficulties encountered during the audit		✓	No significant difficulties were encountered during our audit.
13. Significant deficiencies in internal control		✓	One deficiency noted. See page 12.

14. Material written communication between BDO and management		✓	No material written communications about issues not otherwise addressed in this report were noted.
15. Any relationships which may affect our independence	✓	✓	No independence issues noted.
16. Any illegal acts identified during the audit		✓	No illegal activities identified through the audit process.
17. Any fraud or possible fraudulent acts identified during the audit	✓	✓	No fraud identified through the audit process.
18. Significant transactions with related parties not consistent with ordinary business operations		✓	None noted.
19. Non-compliance with laws or regulations identified during the audit		✓	No legal or regulatory non-compliance matters were noted as part of our audit.
20. Limitations of scope over our audit, if any		✓	None.
21. Written representations made by management		✓	See Appendix B.
22. Any modifications to our opinion, if required		✓	None noted.



BDO RESOURCES

BDO is one of Canada's largest accounting services firms providing assurance and accounting, taxation, financial advisory, risk advisory, financial recovery and consulting services to a variety of publicly traded and privately held companies.

BDO serves its clients through 105 offices across Canada. As a member firm of BDO International Limited, BDO serves its multinational clients through a global network of over 1,100 offices in more than 100 countries. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

Outlined below is a summary of certain BDO resources which may be of interest to the Audit Committee.

PUBLICATIONS

[Local and Municipal Governments - BDO Insights](#)

TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link: [Tax Library | BDO Canada](#).

APPENDIX A - Draft Independent Auditor's Report (SCRD and SCRHD)

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Directors of the Sunshine Coast Regional District

We have audited the accompanying financial statements of the Sunshine Coast Regional District, which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Change in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Sunshine Coast Regional District as at December 31, 2017 and its results of operations, changes in net financial assets and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Vancouver, British Columbia
April 26, 2018



INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Directors of the Sunshine Coast Regional Hospital District

We have audited the accompanying financial statements of Sunshine Coast Regional Hospital District, which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of the Sunshine Coast Regional Hospital District as at December 31, 2017 and the results of its operations, changes in net debt and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Vancouver, British Columbia
April 26, 2018

APPENDIX B - Representation Letter

April 26, 2018

BDO Canada LLP
Chartered Professional Accountants
600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2

This representation letter is provided in connection with your audit of the financial statements of the Sunshine Coast Regional District for the year ended December 31, 2017, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 22, 2017, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
- All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.

- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

Existence, Completeness and Valuation of Specific Financial Statement Balances

- All financial instruments have been appropriately recognized and measured in accordance with Canadian public sector accounting standards.
- The inventories as set out in the financial statements represent all of the inventories to which the entity held title as at the balance sheet date. Inventories do not include any goods consigned to the entity, merchandise billed to customers or any items for which the liability has not been provided in the books.
- Tangible capital assets has been appropriately recognized and measured in accordance with Canadian public sector accounting standards.
- The entity has complied with all provisions in its agreements related to debt and there were no defaults in principal or interest, or in the covenants and conditions contained in such agreement.
- The employee future benefit costs, assets and obligation have been determined, accounted for and disclosed in accordance with Canadian public sector accounting standards. The source data and plan provisions provided are complete and accurate. The plans included in the valuation are complete. The determination of the discount rate and the use of specific actuarial assumptions are our best estimate assumptions. We feel that the extrapolations are accurate and have properly reflected the effects of changes and events occurring subsequent to the most recent valuation that had a material effect on the extrapolation.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.



General Representations

- We are aware of the environmental laws and regulations that impact our organization and we are in compliance. There are no known environmental liabilities or contingencies that have not been accrued for or disclosed in the financial statements.
- We confirm that operating segments are appropriately identified and disclosed in accordance with Canadian public sector accounting standards.
- There have been no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- Due to the nature, materiality and extent of estimation uncertainty, we make the following representations regarding the accounting estimates relating to the provision for landfill closure and post closure costs recognized and disclosed in the financial statements:
 - The measurement processes used were appropriate and applied consistently, including the related assumptions and models, in determining the accounting estimates in the context of Canadian public sector accounting standards.
 - The assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.
 - The disclosures related to accounting estimates are complete and appropriate under Canadian public sector accounting standards.
 - No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.

Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. When applicable, these litigation and claims have been accounted for and disclosed in the financial statements.

Yours truly,

Signature

Position

APPENDIX C - Management Letter

Direct Line: 604-443-4716
E-mail: bcox@bdo.ca

April 20, 2018

Ms. Tina Perreault, General Manager Corporate Services/Chief Financial Officer
Sunshine Coast Regional District
1975 Field Road
Sechelt, BC V0N 3A1

Dear Ms. Perreault:

RE: Auditor's Management Letter

As your external auditors, we are engaged to provide an audit opinion on your year-end financial statements. An external audit requires testing of transactions and balances and review of those internal control systems upon which we may place reliance. A positive opinion on the financial statements does not necessarily mean that your internal control systems are all operating effectively. This is because we review only those internal control systems where we feel that failure in those systems could result in a material error on the financial statements. With those systems that we do review, our focus is on the assertions necessary to meet our financial statement audit objectives.

Our review of systems, transactions and balances as well as discussions with staff at various levels gives us a unique insight into your operations. While conducting this work we make note of items that come to our attention where we feel that improvement could be made or alternatives could be considered. We are fortunate in that we work with a great number of clients and observe a wide variety of processes. We see firsthand any procedures that are emerging as best practices.

As matters come to our attention, we make note of these for subsequent follow-up. For minor matters we discuss directly with the staff involved. More important matters are brought forward in this letter (known as a "management letter").

It is worth noting that we have management letter comments for virtually all audits of all clients. The existence of points does not mean that there are significant problems with your systems or staff. They are just recommendations to make good systems better.

Follow-up on Prior Year Observation

1. Grant-in-Aid Policy and Usage

Prior Year Observation & Management's Response

At the request of the Board we performed a review of the District's grant-in-aid usage and the related internal policies. The result was a recommendation for SCRD to develop an updated comprehensive policy that clearly outlines funding items and sources, and applicable usages.

2017 Update

Administration have started the process of reviewing the policy and procedures. A draft policy will be provided to the new Board (election in 2018) for review and approval. Administration is guiding the process to align with current policy and legislation for 2018.

Current Year Observations

1. Controls Over System Access

During the year the District launched a new enterprise resource planning (ERP) platform, known as Agresso. During the course of our audit we identified two notable areas of concern/weakness which we wish to communicate:

Observation #1 - Human Resources Workflow Structure

The Human Resources module in Agresso does not have electronic approval workflow yet. The controls in place surrounding actions such as creating a new 'resource' (employee), creating a new 'position', and modifying attributes of existing resources exist only outside of the Agresso environment.

While a combination of various offline-controls have been effective in the past, neglecting to include approval processes for these actions in the new system may result in a weakened control environment.

Observation #2 - System User Access Rights

During our assessment of IT general controls relating to the Agresso implementation, we identified that all personnel in both the payroll and human resources departments had access to assign different 'positions' to any system user - including themselves. As system user access rights are inherited from the positions that each user is assigned, this enabled all payroll and human resources personnel to assign themselves unlimited system access and authorization via the assigning of IT positions containing 'super user' access.

Our Recommendation & Management's Response

Upon discussion with management in November 2017 we were pleased to note that management had identified the control deficiency described under observation #2 as a high priority item. Further, when following up on this issue during our year-end audit procedures we were also pleased to see that the ability to assign 'super user' access had been locked down and a basic electronic approval workflow had been implemented.

Our understanding is that management is currently working to implement a more complex workflow structure for the Human Resources function in the near-term future. Doing so would address the remainder of both issues that we have identified above. Therefore, we wish to recommend simply that this project continue to receive a high level of priority.

2. Employee Benefits Administration

In recent years there has been an increasing level of scrutiny on organizations operating in the public eye with respect to matters of privacy and the security of confidential information. Given this, and the ever-changing nature of the employment landscape, a general recommendation we make is for Human Resources policies to be reviewed and optimized on a regular basis.

Observation & Recommendation

The District's Human Resources Policy on employee benefits administration was released in January of 2008 - ten years ago - and we recommend this policy document be reviewed and updated with an eye towards the recent implementation of Agresso and clearly defining roles and responsibilities.

Generally, the function of a payroll department is one of transaction processing and reconciliation. The function of a human resources department is to manage sensitive employee information and be ultimately responsible for the District's relationship with each employee.

Management's Response

The above recommendations have been noted and will be assessed in the context of the District's operation as the implementation of various HR processes in Agresso progresses.

3. Joint Use Agreement with School District #46

In conjunction with our audit, we were asked to comment on the proposed accounting treatment for transactions with School District 46 ("SD46") occurring under the Joint Use Agreement (the "Agreement"). While the Agreement provides for the District and SD46 to use each other's facilities at a (cash) cost of \$nil, both the accounting standards and public transparency norms generally require such transactions to be reported at fair market value.

Observation & Recommendation

During our preliminary assessment of the situation we were provided with procedural documentation that meets accounting standards (PSAS).

We recommend that the Bylaw (and any other relevant bylaws) be reviewed in the context of this Joint Use Agreement to ensure that the agreement does not contravene the Bylaw or accounting standards.

4. Code of Conduct - Members of the Board & Senior Management

Observation & Recommendation

For organizations such as the District, the generally accepted best practice is for there to exist a formal, written Code of Conduct applying to both the senior management team and members of the Board.

It has come to our attention that while the District has a wide variety of disaggregated policies in place, there is no formal Code of Conduct. Our recommendation is for an official Code of Conduct be effected which further empowers existing policies while also ensuring any identified gaps are filled. We further recommend that this be a living document which is updated periodically as necessary, and that all members of senior management and the Board review and sign a copy on an annual basis.

Management's Response

Any Code of Conduct has been recognized as a best practice for elected officials and management in local government. Management is working toward bringing it forward for Board consideration in 2018/2019 and working toward drafting a policy code of conduct for management in 2018.



This communication is prepared solely for the information of management and those charged with governance and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the co-operation and assistance which we received from you, Sara Zacharias and the rest of the Finance Department during the course of the audit.

We shall be pleased to discuss with you further any matters mentioned in this letter at your convenience.

Yours truly,

A handwritten signature in black ink that reads "Bill Cox". The signature is written in a cursive, flowing style.

Bill Cox, FCPA, FCA
Partner through a corporation
BDO Canada LLP
Chartered Professional Accountants

BC/mkn

APPENDIX D - Unadjusted Differences and Disclosure Omissions

SUMMARY OF UNADJUSTED DIFFERENCES

The following is a summary of uncorrected misstatements noted during the course of our audit engagement:

	Increase (Decrease)			
	Assets	Liabilities	Accumulated Surplus	Annual Surplus
To adjust for 'ActiveNet' issues - the District's recreation services bookings and transaction processing software. Certain transactions were being recorded before any service or activity had occurred.	\$ (108,000)	\$ (80,800)	\$ -	\$ (27,200)
Total	-	-	-	-
Effect of Prior Year's Reversing Errors	-	-	-	-
Total Unadjusted Differences	\$ (108,800)	\$ (80,800)	\$ -	\$ (27,200)

SUMMARY OF DISCLOSURE OMISSIONS (SCRD and SCRHD)

The following is a summary of disclosures that have not been made within the financial statements:

Disclosure Omission	Management's Response
None to note	None to note



Independent Auditor's Report

To the Chairperson and Directors of the Sunshine Coast Regional District

We have audited the accompanying financial statements of the Sunshine Coast Regional District, which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Change in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Sunshine Coast Regional District as at December 31, 2017, and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Vancouver, British Columbia
April 26, 2018

Independent Auditor's Report

To The Ministry of Environment

We have audited the accompanying Statement of Foreshore Leases of the Sunshine Coast Regional District for the year ended December 31, 2017. The Statement of Foreshore Leases has been prepared by management using a cash basis of accounting described in Note 1.

Management's Responsibility for the Statement of Foreshore Leases

Management is responsible for the preparation of the Statement of Foreshore Leases in accordance with the cash basis of accounting described in Note 1, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement of Foreshore Leases based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the Statement of Foreshore Leases. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement of Foreshore Leases, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the presentation of the Statement of Foreshore Leases.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statement of Foreshore Leases for the year ended December 31, 2017 is prepared, in all material respects, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statement which describes the basis of accounting. The Statement of Foreshore Leases is prepared to provide information to the Ministry of Environment. As a result, the statement may not be suitable for another purpose. Our report is intended solely for the Sunshine Coast Regional District and the Ministry of Environment and should not be distributed to or used by parties other than the Sunshine Coast Regional District and the Ministry of Environment.

Chartered Professional Accountants

Vancouver, British Columbia
April 26, 2018

Sunshine Coast Regional District
Statement of Foreshore Leases
Note to Financial Statement

December 31, 2017

1. Cash Basis of Accounting

As per Article VI, 6.01(c) (i) of the General Lease Agreement (#235700) granted by the Province of British Columbia, represented by the Minister of Lands, Parks and Housing dated January 1, 1994, this financial statement has been prepared using the cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the entity. Financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the financial statements is balances of cash and changes therein.

Sunshine Coast Regional District

Statement Of Financial Position

December 31, 2017 and 2016

	2017	2016
Financial Assets		
Cash and equivalents	\$ 2,713,295	\$ 133,906
Portfolio investments (Note 3)	25,244,318	22,587,720
Accounts receivable (Note 4)	3,376,896	3,186,082
Debt recoverable from member municipalities	13,812,149	14,983,219
Restricted cash: MFA debt reserve fund (Note 12)	443,469	443,963
	45,590,127	41,334,890
Liabilities		
Accounts payable and accrued liabilities (Note 5)	3,754,223	3,092,455
Employee future benefits (Note 17)	240,100	226,300
Deferred revenue:		
Development cost charges (Note 6)	1,762,337	1,246,831
Future parks acquisition (Note 7)	434,301	431,467
Other (Note 8)	1,416,257	654,268
Provision for landfill closure and post-closure (Note 9)	6,205,157	5,245,705
Long-term debt (Note 10)	30,729,711	33,521,074
	44,542,086	44,418,100
Net Financial Assets (Net Debt)	1,048,041	(3,083,210)
Non-Financial Assets		
Inventory and prepaids	897,831	691,403
Land held for resale (Note 13)	1,980,479	2,114,089
Tangible capital assets (Note 11)	129,880,061	126,531,489
	132,758,371	129,336,981
Accumulated Surplus (Note 15)	\$133,806,412	\$126,253,771

Tina Perreault
Chief Financial Officer

Bruce Milne
Chair

The accompanying section "Notes to Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional District

Statement Of Change In Net Financial Assets (Net Debt)

For the Years Ended December 31, 2017 and 2016

	Fiscal Plan 2017 (Note 21)	2017	2016
Annual operating surplus	\$ 6,383,899	\$ 7,552,641	\$ 5,688,235
Acquisition of tangible capital assets	(17,510,092)	(7,669,268)	(4,324,583)
Amortization of tangible capital assets	3,659,879	4,309,406	4,103,886
(Gain) loss on disposal of tangible capital assets	-	(485)	56,500
Proceeds from sale of tangible capital assets	-	11,775	3,400
Gain from sale of land held for resale	-	(792,867)	-
Proceeds from sale of land held for resale	-	900,000	-
Change in inventory and prepaids	-	(206,428)	(4,753)
Development of land held for resale	-	26,477	15,609
	(7,466,314)	4,131,251	5,538,294
Net debt, beginning of year	(3,083,210)	(3,083,210)	(8,621,504)
Net financial assets (net debt), end of year	\$(10,549,524)	\$ 1,048,041	\$ (3,083,210)

The accompanying section "Notes to Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional District

Statement Of Operations

For the Years Ended December 31, 2017 and 2016

	Fiscal Plan 2017 (Note 21)	Actual 2017	Actual 2016
Revenue			
Grants in lieu of taxes	\$ 61,881	\$ 68,612	\$ 72,303
Tax requisitions	18,199,440	18,199,440	17,599,893
Frontage and parcel taxes	5,237,451	5,253,217	5,248,538
Government transfers (Note 14)	6,412,803	5,184,897	2,753,112
User fees and service charges	10,839,029	11,348,009	11,016,756
Member municipality debt	1,853,476	1,858,966	1,945,224
Investment income	58,000	273,612	373,174
Contributed tangible capital assets	-	372,413	152,190
Gain on sale of land	-	792,867	-
Other revenue	327,959	1,321,184	1,687,862
	42,990,039	44,673,217	40,849,052
Expenses (Note 20)			
General government	1,950,688	1,697,381	1,636,647
Protective services	2,673,745	2,549,208	2,415,771
Transportation services	4,626,396	4,666,684	4,170,322
Environmental services	4,666,292	5,877,478	5,077,145
Public health services	274,083	244,075	278,738
Planning and development services	2,137,623	1,913,550	1,779,200
Recreation and cultural services	11,556,039	11,212,665	11,139,380
Water utilities	6,612,018	6,863,724	6,531,031
Sewer utilities	255,780	248,687	202,023
Debt charges member municipalities	1,853,476	1,858,966	1,945,224
Unfunded post-employment benefits	-	(11,842)	(14,664)
	36,606,140	37,120,576	35,160,817
Annual Operating Surplus	6,383,899	7,552,641	5,688,235
Accumulated Surplus, beginning of year	126,253,771	126,253,771	120,565,536
Accumulated Surplus, end of year	\$132,637,670	\$133,806,412	\$126,253,771

The accompanying section "Notes to Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional District

Statement Of Cash Flows

For the Years Ended December 31, 2017 and 2016

	2017	2016
Operating Transactions:		
Annual operating surplus	\$ 7,552,641	\$ 5,688,235
Items not involving cash included in annual surplus:		
Amortization of tangible capital assets	4,309,406	4,103,886
(Gain) loss on disposal of tangible capital assets	(485)	56,500
Gain from sale of land held for resale	(792,867)	-
Contributed tangible capital assets	(372,413)	(152,190)
Employee future benefits	13,800	(77,500)
Change in financial assets and liabilities involving cash:		
Provision for landfill closure and post-closure costs	959,452	441,880
Increase in accounts receivable	(190,814)	(1,528,377)
Increase (decrease) in accounts payable and accrued liabilities	661,768	(419,526)
Increase in other deferred revenue	761,989	107,387
Change in inventory and prepaids	(206,428)	(4,753)
Net Change in Cash from Operating Transactions	12,696,049	8,215,542
Investing Transaction:		
Net increase in portfolio investments	(2,656,598)	(3,846,962)
Financing Transactions:		
Debt proceeds	382,458	139,230
Repayment of long-term debt	(2,002,751)	(2,035,981)
Restricted cash: MFA debt reserve fund	494	(5,788)
Collection of DCC and parkland aquisition (deferred revenue)	518,340	218,372
Net Change in Cash from Financing Transactions	(1,101,459)	(1,684,167)
Capital Transactions:		
Cash used to acquire tangible capital assets	(7,296,855)	(4,172,393)
Proceeds from sale of tangible capital assets	11,775	3,400
Proceeds from sale of land held for resale	900,000	-
Development of land held for resale	26,477	15,609
Net Change in Cash from Capital Transactions	(6,358,603)	(4,153,384)
Net increase (decrease) in cash and cash equivalents	2,579,389	(1,468,971)
Cash and equivalents, beginning of year	133,906	1,602,877
Cash and equivalents, end of year	\$ 2,713,295	\$ 133,906

The accompanying section "Notes to Financial Statements" form an integral part of these financial statements.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

1. Significant Accounting Policies

The preparation of the Financial Statements is the responsibility of the management of the Sunshine Coast Regional District. The accounting policies used within these statements conform to Canadian Public Sector Accounting Standards. They have been prepared in accordance with current recommendations issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Reporting entity and consolidation:

The Financial Statements combine the activities of the various funds of the reporting entity - Sunshine Coast Regional District. Interfund transactions and fund balances have been eliminated for reporting purposes. There are no other organizations under the control of the Regional District Board that meet the criteria for inclusion and consolidation in these statements.

(b) Budget:

The budget is part of the statutory five-year financial plan adopted by the Regional District Board and reflects the anticipated revenues and expenditures for a given year. The budget is prepared on a basis consistent with that used to report the actual results achieved. See Note 21.

(c) Government transfers:

Government transfers are recognized as revenue when authorized and eligibility criteria have been met unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished. See Note 14.

(d) Revenue recognition:

Sources of revenue are recorded on an accrual basis and recognized in the period in which they are earned. Unearned revenue in the current period is reported on the Statement of Financial Position as deferred revenue.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. The Regional District requisitions each Municipality and Electoral Area for their portion of each service in which they participate. Taxes are collected on behalf of the Regional District by the Municipalities and the Province (for Electoral Areas) and are paid to the Regional District by August 1 of each year.

(e) Expense recognition:

Operating expenses are recognized on an accrual basis in the period in which they are incurred.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

1. Significant Accounting Policies (Continued)

(f) Use of estimates:

Estimates are required to determine the accrued liabilities for employee future benefit, landfill closure and post-closure costs, and useful lives of tangible capital assets. Actual results could differ from these estimates. Adjustments, if any, will be reflected in the operations in the period of settlement.

(g) Cash and equivalents:

Cash consists of cash on hand, cash in transit, and cash on deposit. Cash equivalents are short-term investments with an original maturity of three months or less, made to obtain a return on a temporary basis, and are carried at cost.

(h) Portfolio investments:

Investments include both Municipal Finance Authority of British Columbia (MFA) pooled investments, by which market-based unit values are allocated amongst the participants in the investment pool, and other long-term investments in securities, including money market investments, which are carried at cost, but written down when there has been a permanent decline in value.

(i) Deferred revenues:

Deferred revenues are those which are received in advance of the expenses to which they are associated and those which are received in advance of the service being provided. They will be recognized as revenue in future years when they can be matched against expenses for the related service or capital projects.

(j) Hillside Development Project land costs:

The cost of Hillside Development Project Land Held for Resale (Note 13) is comprised of acquisition costs and development costs, including interest on borrowing and other direct costs. The cost of land sold, excluding development costs, is prorated to each parcel of land on an acreage basis. Development costs are allocated as incurred evenly across remaining saleable parcels of land as they are incurred. Undeveloped land and water space leases owned by the Regional District are recorded at historical cost.

(k) Service severance pay:

Service severance pay to full-time employees hired prior to 1994 with over 20 years of continuous service with any B.C. municipality or regional district is payable upon their leaving the employment of the Regional District. The liability for such payments has been accrued and included in employee future benefits liability as set out in (Note 17).

(l) Trusts under administration:

Public Sector Accounting Standards require that trusts administered by a government should be excluded from the government reporting entity. The Regional District does not have any accounts that meet the definition of a trust.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

1. Significant Accounting Policies (Continued)

(m) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

(n) Inventory:

Inventories are valued at the lower of cost and net realizable value and are classified as non-financial assets.

(o) Tangible capital assets:

Tangible capital assets are a special class of non-financial assets and are recorded at cost less accumulated amortization and classified based on their functional use. Cost includes the capital expenditures, excluding interest, directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair market value at the time of the donation, with the corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into service.

Estimated useful lives of tangible capital assets are as follows:

Land Improvements	15 to 50 years
Buildings	20 to 50 years
Furniture, Fixtures & Equipment	5 to 40 years
Technology Equipment	4 to 5 years
Machinery & Equipment	10 to 20 years
Vehicles	6 to 15 years
Sewer Treatment Infrastructure	50 years
Water Supply Infrastructure	5 to 100 years
Water Distribution Infrastructure	20 to 100 years
Leasehold Improvements	10 to 40 years
Work in Progress	not amortized until the assets are in use

(p) Liability for Contaminated Sites:

The Regional District recognizes a liability for the costs to remediate a contaminated site when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made. There were no such sites that had contamination in excess of environmental standards as at December 31, 2017.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

2. Related Party Transactions:

The Sunshine Coast Regional Hospital District is related to the Sunshine Coast Regional District since the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers and employees of the Sunshine Coast Regional District are the corresponding officers and employees of the Hospital District. Each of the Regional District and the Hospital District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year the Hospital District purchased, at cost, \$54,153 (2016 - \$112,663) of administrative support services from the Sunshine Coast Regional District. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

3. Portfolio Investments:

	2017	2016
Municipal Finance Authority ¹	\$ 12,996,672	\$ 9,142,400
Raymond James ²	2,011,560	2,011,560
Blue Shore Financial ³	2,038,322	3,000,027
Sunshine Coast Credit Union ⁴	8,197,764	3,183,733
HollisWealth	-	5,250,000
	\$ 25,244,318	\$ 22,587,720

¹ Municipal Finance Authority investments are pooled investment funds by which municipalities in B.C. can access high-quality investments, while maintaining a high degree of security and liquidity. Interest rates are variable. The average yield in 2017 was 0.27% (2016 - 1.41%). These investments are for restricted funds, including reserves and development cost charges.

² Investments with Raymond James consist of money market securities at interest rates of 2.30% to maturity in 2018, recorded at cost.

³ Investments with Blue Shore Financial consist of money market securities at interest rates of 1.70% to maturity in 2018, recorded at cost.

⁴ Investments with Sunshine Coast Credit Union consist of money market securities at interest rates ranging from 1.70% to 2.05% to maturity in 2018 and 2019, recorded at cost.

The Regional District does not hold any asset-backed commercial paper or hedge funds, either directly or through its pooled-fund holdings.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

4. Accounts Receivable:

	2017	2016
Trade accounts receivable	\$ 2,773,847	\$ 2,469,840
Taxes receivable	474,720	577,594
Interest receivable	114,073	137,163
Other accounts receivable	14,256	1,485
	\$ 3,376,896	\$ 3,186,082

5. Accounts Payable and Accrued Liabilities:

	2017	2016
Trade accounts payable	\$ 1,664,820	\$ 1,139,223
Holdbacks payable	88,807	110,538
Other	396,740	175,342
Accrued trade payables	1,120,915	521,097
Accrued wages and benefits	441,709	1,105,615
Taxes payable	41,232	40,640
	\$ 3,754,223	\$ 3,092,455

6. Development Cost Charges:

Development cost charges represent funds received from developers for the sole purpose of funding the capital cost of providing, altering or expanding water facilities in order to serve directly or indirectly, to the development with respect to the charges are imposed. The development cost charges are restricted for the purpose of capital improvements to the water system and will be recognized as revenue in future periods when qualifying capital projects are undertaken. The Regional District had no waivers or reductions as a result of eligible developments in 2017.

	December 31, 2016	Restricted Inflows	Revenue Earned	December 31, 2017
Development Cost Charges	\$ 1,246,831	\$ 515,506	\$ -	\$ 1,762,337

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

7. Future Parks Acquisition:

Under Section 510 of the Local Government Act, developers are required to provide parkland or pay an amount equivalent to the market value of the parkland when subdividing. The payments received are recorded as deferred revenue and the use of these funds is restricted to the acquisition of park lands. The revenue will be recognized in future periods when additional parkland is acquired.

	December 31, 2016	Restricted Inflows	Revenue Earned	December 31, 2017
Future Parks Acquisition	\$ 431,467	\$ 2,834	\$ -	\$ 434,301

8. Deferred Revenue - Other:

The Cemetery Care Fund is restricted based on the provisions of the Cremation, Interment and Funeral Services Act. The Halfmoon Bay Community Association is restricted based on the provisions of a Memorandum of Understanding. The Grant Funding is restricted based on the provisions of the Federal or Provincial funding agreement. The Other amounts have been designated by the Regional District at the time of collection to be used for the provision of a specific service or capital project in future periods.

	December 31, 2016	Restricted Inflows	Revenue Earned	December 31, 2017
Cemetery Care Fund	\$ 147,772	\$ 9,678	\$ -	\$ 157,450
Halfmoon Bay Community Association	165,757	32,144	-	197,901
Grant Funding	-	965,660	(119,435)	846,225
Other	340,739	450,357	(576,415)	214,681
	\$ 654,268	\$ 1,457,839	\$ (695,850)	\$ 1,416,257

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

9. Provision for Landfill Future Closure and Post-Closure Care Costs:

The Regional District is responsible for the closure and post-closure care costs related to two landfill sites - one in Sechelt and the other in Pender Harbour. The Regional District's estimated liability for these costs is recognized as the landfill site's capacity is used. The recorded liability of \$6,205,157 (2016 - \$5,245,705) represents the portion of the estimated total future costs recognized as at December 31, 2017. The Regional District has set aside funding for future landfill closure and post-closure care costs. The balance of this funding as at December 31, 2017 is \$810,445 (2016 - \$508,745) resulting in a current funding shortfall of \$5,394,712 (2016 - \$4,736,960).

The Sechelt landfill site is expected to reach its capacity in 2025 and the Pender Harbour landfill site reached its capacity and was converted to a transfer station in 2015. The remaining liability to be recognized for the Sechelt landfill site is estimated to be \$1,260,938 (2016 - \$1,534,086) based on the remaining capacity of 158,300 cubic meters, which is 18.01% of the total capacity. As the Pender Harbour landfill site reached its capacity in 2015, there is no remaining liability to be recognized.

The reported liability is based on estimates and assumptions with respect to events extending over the remaining life of the landfill. The liability and annual expense is calculated based on the ratio of usage to total capacity and the discounted estimated future cash flows associated with closure and post-closure activities.

In 2016, the BC Ministry of Environment issued updated landfill criteria increasing the minimum post closure care period from 25 years to 30 years. As such, post closure care costs are now expected to continue for 30 years following the year of closure at both the Pender Harbour and Sechelt Landfill sites.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

10. Long-Term Debt:

Loan Authorization Bylaw	Purpose	Maturing	Interest Rate	2017	2016
MFA Loan Debt					
583	911	2017	4.82 %	-	78,835
584	Parks Master Plan	2022	2.25 %	489,051	575,870
550	Comm. Recreation Facilities	2025	4.77 %	8,535,244	9,446,302
544	Water Treatment Plant	2025	1.80 %	1,576,545	1,744,826
557	Field Rd. Admin Building	2026	4.88 %	1,615,053	1,761,795
550	Comm. Recreation Facilities	2026	4.88 %	1,113,467	1,214,636
556	Fleet Maint. Bldg. Expansion	2026	4.88 %	222,672	242,903
547	Egmont VFD	2026	4.88 %	54,711	59,681
594	Pender Harbour Pool	2029	4.90 %	597,440	635,672
676	S. Pender Water Treatment	2034	3.00 %	1,161,223	1,208,340
617	N. Pender Water Initiatives	2035	3.00 %	360,000	380,000
619	S. Pender Water Initiatives	2035	3.00 %	540,000	570,000
			1.75%		
Various	Debt issued for member municipalities	2018 to 2034	to 4.85%	13,812,149	14,983,219
				30,077,555	32,902,079
Liability Under Agreement					
MFA	Recreation Facilities Capital	2017	1.86 %	-	176,777
MFA	Equipment Financing Loans	2018 to 2022	1.86 %	652,156	442,218
				\$ 30,729,711	\$ 33,521,074

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

10. Long-Term Debt: (Continued)

Future principal repayments on existing long-term debt:

2018	\$ 3,474,822
2019	3,487,106
2020	3,448,715
2021	3,496,410
2022	3,587,227
Thereafter	13,235,431
	<hr/>
	\$ 30,729,711

Interest paid on long-term debt:

During the year, gross interest paid or payable on long-term debt was \$1,948,818 (2016 - \$2,013,084). Of this, \$595,683 (2016 - \$644,138) was recovered from member municipalities and \$1,353,135 (2016 - \$1,368,946) was charged to Regional District operations.

Approved debt:

The Regional District has the following authorized, but un-issued debt as at December 31, 2017. The bylaws expire five years from the date of adoption.

Bylaw #704 - Chapman Lake Water Supply Expansion	\$5,000,000
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2017 budgeted portion to be used is \$4,486,334 for Chapman Lake Water Supply Expansion. The bylaw expires July 2021.

Bylaw #707 - Square Bay Sewage Treatment Facility	\$280,000
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2017 budgeted portion to be used is \$264,257 for Square Bay Sewage Treatment Facility. The bylaw expires April 2022.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

11. Tangible Capital Assets:

During the year, tangible capital assets contributed to the Regional District, totaled \$372,413 (2016 - \$152,190) consisting solely of Water Distribution Infrastructure. Revenue was recognized and the assets capitalized at their fair market value at the time of receipt.

	Land	Land Improvements	Buildings	Furniture, Fixtures & Equipment	Technology Equipment	Machinery & Equipment
Cost, beginning of year	\$ 21,967,604	\$ 1,483,110	\$ 32,448,391	\$ 2,719,075	\$ 2,383,215	\$ 6,839,340
Additions	-	-	47,645	17,115	1,053,246	240,523
Disposals	-	-	-	-	(264,220)	-
Cost, end of year	21,967,604	1,483,110	32,496,036	2,736,190	3,172,241	7,079,863
Accumulated amortization, beginning of year	-	896,838	8,243,162	1,830,584	1,647,370	3,226,310
Amortization	-	46,309	830,186	143,848	385,399	389,606
Disposals	-	-	-	-	(264,220)	-
Accumulated amortization, end of year	-	943,147	9,073,348	1,974,432	1,768,549	3,615,916
Net carrying amount, end of year	\$ 21,967,604	\$ 539,963	\$ 23,422,688	\$ 761,758	\$ 1,403,692	\$ 3,463,947

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

Vehicles	Sewer Treatment Infrastructure	Water Supply Infrastructure	Water Distribution Infrastructure	Leasehold Improvements	Work in Progress	2017	2016
\$5,307,773	\$1,686,088	\$26,015,279	\$62,683,180	\$ 9,909,013	\$ 3,560,213	\$177,002,281	\$172,948,663
541,600	-	105,784	1,286,500	186,480	5,866,296	9,345,189	4,906,556
(73,788)	-	-	-	-	(1,675,921)	(2,013,929)	(852,938)
5,775,585	1,686,088	26,121,063	63,969,680	10,095,493	7,750,588	184,333,541	177,002,281
4,155,102	570,989	8,772,239	17,798,609	3,329,589	-	50,470,792	46,577,971
265,412	40,280	789,430	918,467	500,469	-	4,309,406	4,103,886
(62,498)	-	-	-	-	-	(326,718)	(211,065)
4,358,016	611,269	9,561,669	18,717,076	3,830,058	-	54,453,480	50,470,792
\$1,417,569	\$1,074,819	\$16,559,394	\$45,252,604	\$ 6,265,435	\$ 7,750,588	\$129,880,061	\$126,531,489

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

12. Debt Reserve Fund:

The Municipal Finance Authority (MFA) provides long term capital financing for Regional Districts and their Member Municipalities. As protection against loan default, the MFA is required to establish a debt reserve fund into which Regional Districts and Member Municipalities contribute amounts set out in each respective loan agreement. Cash deposits (including investment earnings) are an obligation of the MFA to the Regional District. Demand notes are contingent on the MFA calling the outstanding notes in the event of a loan default. Cash deposits of Member Municipalities are not recorded in these financial statements.

	2017	2016
Cash Deposits:		
Restricted cash: MFA debt reserve fund	\$ 443,469	\$ 443,963
Cash deposits - Member Municipalities	305,948	305,948
Demand Notes:		
Demand notes - Regional District	912,888	950,086
Demand notes - Member Municipalities	822,581	803,916
	\$ 2,484,886	\$ 2,503,913

13. Land Held for Resale:

Included in the Capital Fund portion of Accumulated Surplus (Note 15) is an accumulated surplus (deficit) of \$706,121 for 2017 (2016 - (\$224,476)) which represents the surplus (shortfall) of funding for the development of the Hillside Industrial Park. The net proceeds from the sale of lots in the Hillside Development Park have been used to eliminate the capital fund deficit. In 2017, the Regional District completed the sale of Hillside Lot B for proceeds of \$900,000 and in 2016, the Regional District did not sell any of the Hillside lots.

The assets of the Hillside Development Project are as follows:

	2017	2016
Land held for resale	\$ 1,980,479	\$ 2,114,089
Protected lands-not for sale ¹	1,109,877	1,109,877
	\$ 3,090,356	\$ 3,223,966

¹ Includes demonstration forest, interpretation area, parklands and protected habitat areas. These assets are included as tangible capital assets (Note 11).

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

14. Government Transfers:

	2017	2017	2016
	Budget	Actual	Actual
Operating transfers			
Federal	\$ -	\$ 4,952	\$ -
Provincial	1,683,696	1,597,006	1,406,559
	1,683,696	1,601,958	1,406,559
Capital transfers			
Federal	1,195,751	920,910	1,320,764
Provincial	3,533,356	2,662,029	25,789
	4,729,107	3,582,939	1,346,553
	\$ 6,412,803	\$ 5,184,897	\$ 2,753,112

15. Accumulated Surplus:

	2017	2016
Fund Balances:		
Current Fund ¹	\$ (6,164,871)	\$ (5,109,602)
Capital Fund ²	4,259,632	2,592,080
Reserve funds	19,427,373	17,528,204
Debt reserve funds	443,469	443,963
Financial Equity	17,965,603	15,454,645
Investment in Non-Financial Assets (Note 16)	115,840,809	110,799,126
Accumulated Surplus, end of year	\$ 133,806,412	\$ 126,253,771

¹ Current fund includes future liabilities such as employee future benefits (Note 17) and unfunded post-closure landfill liabilities (Note 9) contributing to the negative position.

² Includes \$3,753,080 (2016 - \$3,109,457) advanced from the Gas Tax Community Works Fund.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

16. Investment in Non-financial Assets:

The investment in Non-financial Assets represents the Regional District's equity in the non-financial assets it holds. The value is calculated as the book value of all non-financial assets minus the outstanding long-term debt associated with purchasing those assets. Member municipality debt is excluded from the calculation.

	2017	2016
Investment in Non-Financial Assets, beginning of year	\$ 110,799,126	\$ 108,752,434
Add:		
Acquisition of tangible capital assets	7,669,268	4,324,583
Change in inventory and prepaids	206,428	4,753
Development of land held for resale	(26,477)	(15,609)
Debt repayments	2,002,751	2,035,981
Accumulated amortization removed on sale of tangible capital assets	326,718	211,065
	10,178,688	6,560,773
Deduct:		
Debt issued and other obligations to finance capital additions	382,458	139,230
Cost of land held for resale sold	107,133	-
Costs of tangible capital assets sold or written off	338,008	270,965
Amortization of tangible capital assets	4,309,406	4,103,886
	5,137,005	4,514,081
Investment in Non-financial Assets, end of year	\$ 115,840,809	\$ 110,799,126

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

17. Employee Future Benefits:

Sick Pay

The Regional District provides paid sick leave to qualifying employees. This benefit of one day of sick leave per month accrues to a maximum of 18 days, but is not vested. When the maximum accumulated sick leave was introduced, employees with more than 18 days in their sick-leave bank were grandfathered. These employees maintained their existing sick-leave bank balance at the time this change was introduced. However, their sick-leave bank will not accrue any additional sick leave days until the bank drops below the 18-day maximum. The amount recorded for this benefit is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2016.

Retirement Pay

A regular employee who was hired before 1994 and retires under the provisions of the Municipal Pension Plan is entitled to two weeks pay for each full year of service over 20 years as a retirement benefit. In all instances, the rate of pay used in the calculation of the retirement benefit shall be the rate of pay applicable on the last day worked. The amount recorded for this benefit in 2017 is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2016.

As of December 31, 2017, \$215,256 (2016 - \$189,614) of the accrued benefit liability has been charged to operations. The remaining \$24,844 (2016 - \$36,686) has not yet been charged to operations. The significant actuarial assumptions adopted in measuring the Regional District's accrued benefit liability are as follows:

	2017	2016
Discount rates	2.70 %	2.90 %
Expected future inflation rates	2.50 %	2.50 %
Expected wage and salary increases	2.50 %	2.50 %

Accrued Benefit Obligation as at December 31

	2017	2016
Beginning benefit obligation	\$ 252,000	\$ 327,600
Current service cost	11,100	17,600
Interest on accrued benefit obligation	7,100	8,400
Actuarial (gain) loss	(25,300)	6,300
Benefits paid during the year	(9,400)	(107,900)
Ending benefit obligation	235,500	252,000
Less: Unamortized net actuarial gain (loss)	4,600	(25,700)
Accrued Benefit Liability	\$ 240,100	\$ 226,300

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

18. Contingent Liabilities:

(a) Pension Plan:

The Regional District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd 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, 2017, the Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as of December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Sunshine Coast Regional District paid \$1,063,614 (2016 - \$1,013,575) for employer contributions while employees contributed \$923,170 (2016 - \$864,694) to the plan in fiscal 2017.

The next valuation will be as at December 31, 2018 with results available later in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

(b) Reciprocal insurance exchange agreement:

The Regional 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 Regional District is assessed a premium and a specific deductible for its claims, based on population. The obligation of the Regional 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, and not joint-and-several. The Regional District irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

18. Contingent Liabilities: (Continued)

(c) Third party claims:

Various lawsuits and claims are pending by and against the Regional District. It is the opinion of management that the amount of settlement from these claims cannot be reasonably estimated, nor can the likelihood of their outcomes be known at this time. The final determination of these claims is not expected to materially affect the financial position of the Regional District. Any ultimate settlements will be recorded in the year the settlement occurs.

19. Contractual Obligations:

The Regional District has entered into various agreements and contracts for the provision of services that extend beyond the current year. The largest of these commitments is the Sechelt Landfill maintenance contract valued at approximately \$300,000 annually for the next 4 years. Other substantive obligations include contracts for the Square Bay Waste Water Treatment Plant design and build project, port facility reparations, provision of recycling depot collection services, green waste processing, processing of wood waste and asphalt roofing collected at landfills and landfill engineering services including services related to landfill closure. These other obligations extend for no more than 48 months beyond the financial statement date.

20. Expense and Expenditure by Object:

	2017 Budget	2017 Actual	2016 Actual
Operating Expenses:			
Salaries, wages and benefits	\$16,499,922	\$15,825,224	\$15,020,971
Operating goods and services	13,236,125	13,774,330	12,665,290
Debt charges - interest	1,356,738	1,353,135	1,368,946
Debt charges member municipalities	1,853,476	1,858,966	1,945,224
Amortization of tangible capital assets	3,659,879	4,309,406	4,103,886
(Gain) loss on disposal of tangible capital assets	-	(485)	56,500
Total Operating Expenses	36,606,140	37,120,576	35,160,817
Capital Expenditures:			
Capital salaries, wages and benefits	381,088	382,173	379,388
Capital expenditures	17,129,004	7,287,095	3,945,195
Total Capital Expenditures	17,510,092	7,669,268	4,324,583
Total Expenses and Expenditures	\$54,116,232	\$44,789,844	\$39,485,400

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2017 and 2016

21. Fiscal Plan:

Fiscal plan amounts represent the Financial Plan Bylaw No. 709 adopted by the Regional District Board on March 23, 2017 with estimates for amortization of tangible capital assets. The Financial Plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current revenues. In addition, the Financial Plan anticipated capital expenditures rather than amortization expense. The following shows how these amounts were combined:

	2017
	Budget
Budgeted surplus for the year:	\$ -
Addback:	
Capital expenditures	17,510,092
Less:	
Amortization	3,659,879
Budgeted transfers from accumulated surplus	7,466,314
Fiscal Plan Surplus	\$ 6,383,899

22. Segmented Reporting:

A segment is a distinguishable activity or group of activities for which financial information is separately reported on. The Regional District applies segmented reporting for each major functional classification of services it provides. The overall summary information is included in Schedule 2. Detailed financial information regarding each segment is found in supplementary schedules in accordance with government reporting for segments. The major segments are as follows:

General Government Services (Schedule 4);
Protective Services (Schedule 5);
Transportation Services (Schedule 6);
Environmental Services (Schedule 7);
Public Health Services (Schedule 8);
Planning and Development Services (Schedule 9);
Recreation and Cultural Services (Schedule 10);
Water Utilities (Schedule 11); and
Sewer Utilities (Schedule 12).

Sunshine Coast Regional District

Statement of Current Fund

Schedule 1

For the Years Ended December 31, 2017 and 2016

	2017	2016
General Fund		
General Government Services:		
Administration	\$ -	\$ -
Finance	-	-
General Office Building Maintenance	(35,328)	-
Human Resources	(20,185)	-
Information Services	-	-
Feasibility Studies	1,087	-
SCRHD Administration	28,902	46,579
Grants in Aid	52,599	37,068
UBCM	(450)	-
Protective Services:		
Bylaw Enforcement	-	-
Smoke Control	-	-
Fire Protection:		
Gibsons and District Fire Protection	(3,724)	-
Roberts Creek Fire Protection	-	-
Halfmoon Bay Fire Protection	-	-
Egmont Fire Department	-	-
Emergency Telephone - 911	-	-
Sunshine Coast Emergency Planning	-	-
Animal Control	2,296	2,288
Transportation Services:		
Public Transit	(40,067)	(62,058)
Maintenance Facility	(12,044)	-
Regional Street Lighting	(1,314)	2,274
Local Street Lighting	189	174
Ports Services	(97)	1,131
Environmental Services:		
Regional Solid Waste	(91,552)	-
Refuse Collection	-	-
Public Health Services:		
Cemetery	-	-
Pender Harbour Health Clinic	-	-
Planning and Development Services:		
Regional Planning	-	-
Rural Planning	(34,921)	-
Geographic Information Services	-	-
House numbering	-	-
Heritage	3,365	2,499
Building Inspection Services	-	-
Economic Development	53,578	188,865
Sub-total Carried Forward (next page)	(97,666)	218,820

Sunshine Coast Regional District

Statement of Current Fund

Schedule 1

For the Years Ended December 31, 2017 and 2016

	2017	2016
General Fund (Continued)		
Sub-total Brought Forward (previous page)	(97,666)	218,820
Recreation and Cultural Services:		
Pender Harbour Pool	-	-
School facilities - Joint Use	(1,258)	-
Gibsons and Area Library	-	-
Museum Service	-	-
Halfmoon Bay & Roberts Creek Library Service	5	1
Community Recreation Facilities Service	-	-
Community Parks	-	-
Bicycle and Walking Paths	-	-
Regional Recreation Programs	(8,187)	-
Dakota Ridge Recreation Service	-	-
Total General Fund	(107,106)	218,821
Water Fund		
Regional Water Services	-	-
Sewer Fund		
Local Sewer Plants	(43,639)	-
Total Surplus (Deficit)	(150,745)	218,821
Current Fund		
General Fund Surplus (Deficit)	(150,745)	218,821
Inventory and prepaids	(897,831)	(691,403)
Other	87,737	87,737
Appropriated surplus	215,524	105,030
Unfunded Post Employment Future Benefits	(24,844)	(92,827)
Unfunded Landfill Closure	(5,394,712)	(4,736,960)
General Current Fund	(6,164,871)	(5,109,602)
Water Fund Surplus	-	-
Sewer Fund Surplus	-	-
Total Current Fund	\$ (6,164,871)	\$ (5,109,602)

Sunshine Coast Regional District

General Revenue, Water Utility and Sewer Funds

Summary Statement of Revenue, Expenses and Transfers

Schedule 2

For the Years Ended December 31, 2017 and 2016

	General Revenue Fund	Water utilities	Sewer utilities
Revenue			
Grants in lieu of taxes	\$ 68,612	\$ -	\$ -
Tax requisitions	18,199,440	-	-
Frontage and parcel taxes	1,703,127	3,479,280	70,810
Government transfers	2,521,468	2,585,476	77,953
User fees and service charges	6,955,043	4,187,420	205,546
Member municipality debt	1,858,966	-	-
Investment income	170,396	91,150	12,066
Contributed assets	-	372,413	-
Gain on sale of land	792,867	-	-
Other revenue	1,210,963	110,221	-
Total Revenue	33,480,882	10,825,960	366,375
Expenses			
Administration	3,390,717	787,684	23,552
Wages and benefits	13,426,858	2,334,901	75,307
Operating	13,480,633	1,794,041	109,548
Debt charges - interest	1,227,738	125,397	-
Internal recoveries	(5,809,493)	(2,352)	-
Debt charges member municipalities	1,858,966	-	-
Amortization of tangible capital assets	2,445,704	1,823,422	40,280
(Gain) loss on disposal of tangible capital assets	(1,116)	631	-
Total Expenses	30,020,007	6,863,724	248,687
Annual Operating Surplus (Deficit)	3,460,875	3,962,236	117,688
Add: Proceeds from sale of assets	1,616	10,159	-
Add: Proceeds from long term debt	382,458	-	-
Less: Debt principle repayment	(1,724,008)	(278,743)	-
Less: Acquisition of tangible capital assets	(2,434,981)	(5,084,431)	(149,856)
Less: Change in Inventory and prepaids	-	-	-
Less: Change in Land held for resale	133,610	-	-
Increase (Decrease) in Financial Equity	(180,430)	(1,390,779)	(32,168)
Transfer (to)/from reserves	(1,370,557)	(459,090)	(69,519)
Transfer (to)/from appropriated surplus	(768,030)	-	-
Transfer (to)/from unfunded liability	601,611	-	-
Transfer (to)/from unfunded amortization	2,445,704	1,823,422	40,280
Transfer (to)/from unfunded loss on asset	(1,116)	631	-
Transfer (to)/from other funds	(1,053,135)	25,842	17,768
Interfund transfers	26	(26)	-
Surplus (deficit) from prior year	218,821	-	-
Total Surplus (Deficit) for the year	\$ (107,106)	\$ -	\$ (43,639)

Other	Actual 2017	Budget 2017	Actual 2016
\$ -	\$ 68,612	\$ 61,881	\$ 72,303
-	18,199,440	18,199,440	17,599,893
-	5,253,217	5,237,451	5,248,538
-	5,184,897	6,412,803	2,753,112
-	11,348,009	10,839,029	11,016,756
-	1,858,966	1,853,476	1,945,224
-	273,612	58,000	373,174
-	372,413	-	152,190
-	792,867	-	-
-	1,321,184	327,959	1,687,862
-	44,673,217	42,990,039	40,849,052
-	4,201,953	4,201,953	3,799,027
(11,842)	15,825,224	16,499,922	15,020,971
-	15,384,222	15,121,197	14,068,140
-	1,353,135	1,356,738	1,368,946
-	(5,811,845)	(6,087,025)	(5,201,877)
-	1,858,966	1,853,476	1,945,224
-	4,309,406	3,659,879	4,103,886
-	(485)	-	56,500
(11,842)	37,120,576	36,606,140	35,160,817
11,842	7,552,641	6,383,899	5,688,235
-	11,775	-	3,400
-	382,458	5,457,711	139,230
-	(2,002,751)	(1,547,873)	(2,035,981)
-	(7,669,268)	(17,510,092)	(4,324,583)
(206,428)	(206,428)	-	(34,304)
-	133,610	-	15,609
(194,586)	(1,797,963)	(7,216,355)	(548,394)
-	(1,899,166)	3,056,300	(3,127,867)
-	(768,030)	285,475	(485,713)
194,586	796,197	-	(27,358)
-	4,309,406	3,659,879	4,103,886
-	(485)	-	56,500
-	(1,009,525)	(4,120)	297,480
-	-	-	-
-	218,821	218,821	(49,713)
\$ -	\$ (150,745)	\$ -	\$ 218,821

Sunshine Coast Regional District

General Revenue Fund

Summary Statement of Revenue, Expenses and Transfers

Schedule 3

For the Years Ended December 31, 2017 and 2016

	General government Schedule 4	Protective services Schedule 5	Transportation services Schedule 6
Revenue			
Grants in lieu of taxes	\$ 67,377	\$ 143	\$ -
Tax requisitions	1,516,604	2,706,637	2,691,175
Frontage and parcel taxes	-	-	-
Government transfers	1,080,620	-	1,413,988
User fees and service charges	2,678	34,540	717,980
Member municipality debt	1,858,966	-	-
Investment income	83,602	24,410	7,162
Gain on sale of land	-	-	-
Other revenue	237,540	235,124	73,987
Total Revenue	4,847,387	3,000,854	4,904,292
Expenses			
Administration	575,143	327,058	437,165
Wages and benefits	3,540,462	764,725	2,650,377
Operating	1,137,675	1,098,636	2,750,865
Debt charges - interest	146,964	34,702	19,862
Internal recoveries	(4,146,678)	-	(1,324,429)
Debt charges member municipalities	1,858,966	-	-
Amortization of tangible capital assets	444,931	324,087	132,844
(Gain) loss on disposal of tangible capital assets	(1,116)	-	-
Total Expenses	3,556,347	2,549,208	4,666,684
Annual Operating Surplus (Deficit)	1,291,040	451,646	237,608
Add: Proceeds from sale of assets	1,616	-	-
Add: Proceeds from long term debt	42,458	340,000	-
Less: Debt principle repayment	(231,747)	(109,700)	(20,232)
Less: Acquisition of tangible capital assets	(285,189)	(1,369,428)	(182,345)
Less: Change in Land held for resale	-	-	-
Increase (Decrease) in Financial Equity	818,178	(687,482)	35,031
Transfer (to)/from reserves	(468,064)	350,872	(160,042)
Transfer (to)/from appropriated surplus	(726,170)	-	-
Transfer (to)/from unfunded liability	(56,141)	-	-
Transfer (to)/from unfunded amortization	444,931	324,087	132,844
Transfer (to)/from unfunded loss on asset	(1,116)	-	-
Transfer (to)/from other funds	(107,968)	8,949	(115)
Interfund transfers	39,328	(142)	(2,572)
Surplus/(deficit) from prior year	83,647	2,288	(58,479)
Total Surplus (Deficit) for the year	\$ 26,625	\$ (1,428)	\$ (53,333)

Environmental services Schedule 7	Public health services Schedule 8	Planning and development services Schedule 9	Recreation and cultural services Schedule 10	Actual 2017	Budget 2017	Actual 2016
\$ -	\$ -	\$ 931	\$ 161	\$ 68,612	\$ 61,881	\$ 72,303
1,468,325	240,179	1,217,299	8,359,221	18,199,440	18,199,440	17,599,893
-	-	-	1,703,127	1,703,127	1,703,130	1,702,802
-	-	5,000	21,860	2,521,468	2,878,047	2,103,499
3,440,542	63,153	753,882	1,942,268	6,955,043	6,539,716	6,842,365
-	-	-	-	1,858,966	1,853,476	1,945,224
8,063	2,164	8,060	36,935	170,396	58,000	236,587
-	-	792,867	-	792,867	-	-
164,703	-	77,872	421,737	1,210,963	281,159	1,496,611
5,081,633	305,496	2,855,911	12,485,309	33,480,882	31,574,849	31,999,284
479,105	31,664	387,883	1,152,699	3,390,717	3,390,717	3,119,286
913,475	46,668	1,438,196	4,072,955	13,426,858	14,003,380	12,714,788
4,439,663	161,602	385,238	3,506,954	13,480,633	13,318,384	12,346,367
-	-	-	1,026,210	1,227,738	1,231,284	1,242,930
-	-	(338,386)	-	(5,809,493)	(6,087,025)	(5,201,877)
-	-	-	-	1,858,966	1,853,476	1,945,224
45,235	4,141	40,619	1,453,847	2,445,704	2,028,126	2,246,844
-	-	-	-	(1,116)	-	28,865
5,877,478	244,075	1,913,550	11,212,665	30,020,007	29,738,342	28,442,427
(795,845)	61,421	942,361	1,272,644	3,460,875	1,836,507	3,556,857
-	-	-	-	1,616	-	3,400
-	-	-	-	382,458	667,169	70,000
-	-	-	(1,362,329)	(1,724,008)	(1,323,364)	(1,765,613)
(41,116)	-	(5,507)	(551,396)	(2,434,981)	(5,456,440)	(1,387,889)
-	-	133,610	-	133,610	-	15,609
(836,961)	61,421	1,070,464	(641,081)	(180,430)	(4,276,128)	492,364
42,422	(65,240)	(293,612)	(776,893)	(1,370,557)	1,747,826	(1,884,232)
-	-	(75,000)	33,140	(768,030)	285,475	(500,637)
657,752	-	-	-	601,611	-	(46,998)
45,235	4,141	40,619	1,453,847	2,445,704	2,028,126	2,246,844
-	-	-	-	(1,116)	-	28,865
-	-	(930,597)	(23,404)	(1,053,135)	(4,120)	(45,893)
-	(322)	18,784	(55,050)	26	-	(21,779)
-	-	191,364	1	218,821	218,821	(49,713)
\$ (91,552)	\$ -	\$ 22,022	\$ (9,440)	\$ (107,106)	\$ -	\$ 218,821

Sunshine Coast Regional District

General Revenue Fund - General Government Services

Summary Statement of Revenue, Expenses and Transfers

Schedule 4

For the Years Ended December 31, 2017 and 2016

	Administration	Finance	General Office Building Maintenance	Human Resources	Information Services
Revenue					
Grants in lieu of taxes	\$ 67,377	\$ -	\$ -	\$ -	\$ -
Tax requisitions	1,224,051	-	-	-	-
Government transfers	882,202	142,202	-	-	56,216
User fees and service charges	2,678	-	-	-	-
Member municipality debt	-	-	-	-	-
Investment income	75,962	540	2,215	2,032	821
Other revenue	133,487	150	49,250	-	500
Total Revenue	2,385,757	142,892	51,465	2,032	57,537
Expenses					
Administration	536,027	-	-	-	-
Wages and benefits	1,266,826	1,082,892	288,375	355,529	493,875
Operating	313,976	169,091	186,483	111,866	155,766
Debt charges - interest	-	-	144,062	-	2,902
Internal recoveries	(760,986)	(1,368,005)	(796,707)	(447,190)	(773,790)
Debt charges member municipalities	-	-	-	-	-
Amortization of tangible capital assets	60,290	146,945	110,767	24,726	102,203
(Gain) loss on disposal of tangible capital assets	-	-	(1,116)	-	-
Total Expenses	1,416,133	30,923	(68,136)	44,931	(19,044)
Annual Operating Surplus (Deficit)	969,624	111,969	119,601	(42,899)	76,581
Add: Proceeds from sale of assets	-	-	1,616	-	-
Add: Proceeds from long term debt	-	-	42,458	-	-
Less: Debt principle repayment	-	-	(146,742)	-	(85,005)
Less: Acquisition of tangible capital assets	-	(191,754)	(42,132)	(10,975)	(40,328)
Increase (Decrease) in Financial Equity	969,624	(79,785)	(25,199)	(53,874)	(48,752)
Transfer (to)/from reserves	(171,804)	(117,252)	(117,307)	15,027	(53,490)
Transfer (to)/from appropriated surplus	(726,170)	-	-	-	-
Transfer (to)/from unfunded liability	(50,527)	-	-	-	-
Transfer (to)/from unfunded amortization	60,290	146,945	110,767	24,726	102,203
Transfer (to)/from unfunded loss on asset	-	-	(1,116)	-	-
Transfer (to)/from other funds	(107,135)	-	833	-	-
Interfund transfers	25,722	50,092	(1,640)	(6,064)	39
Surplus/(deficit) from prior year	-	-	-	-	-
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ (35,328)	\$ (20,185)	\$ -

Feasibility Studies	Grants in Aid	SCRHD Administration	UBCM	Fiscal Services	Actual 2017	Budget 2017	Actual 2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,377	\$ 61,881	\$ 64,182
2,153	203,344	-	87,056	-	1,516,604	1,516,604	1,416,875
-	-	-	-	-	1,080,620	1,262,651	919,650
-	-	-	-	-	2,678	-	130
-	-	-	-	1,858,966	1,858,966	1,853,476	1,945,224
570	34	-	1,428	-	83,602	58,000	154,015
-	-	54,153	-	-	237,540	62,559	161,764
2,723	203,378	54,153	88,484	1,858,966	4,847,387	4,815,171	4,661,840
153	16,731	16,834	5,398	-	575,143	575,143	520,843
-	2,253	16,992	33,720	-	3,540,462	3,794,328	3,056,545
913	168,829	3,569	27,182	-	1,137,675	1,528,718	1,214,259
-	-	-	-	-	146,964	146,656	146,838
-	-	-	-	-	(4,146,678)	(4,304,834)	(3,580,170)
-	-	-	-	1,858,966	1,858,966	1,853,476	1,945,224
-	-	-	-	-	444,931	210,677	278,332
-	-	-	-	-	(1,116)	-	-
1,066	187,813	37,395	66,300	1,858,966	3,556,347	3,804,164	3,581,871
1,657	15,565	16,758	22,184	-	1,291,040	1,011,007	1,079,969
-	-	-	-	-	1,616	-	-
-	-	-	-	-	42,458	164,546	70,000
-	-	-	-	-	(231,747)	(184,442)	(215,496)
-	-	-	-	-	(285,189)	(815,501)	(654,869)
1,657	15,565	16,758	22,184	-	818,178	175,610	279,604
(570)	(34)	-	(22,634)	-	(468,064)	169,613	138,816
-	-	-	-	-	(726,170)	(639,550)	(644,708)
-	-	(5,614)	-	-	(56,141)	-	(188,242)
-	-	-	-	-	444,931	210,677	278,332
-	-	-	-	-	(1,116)	-	-
-	-	-	-	-	(107,968)	-	-
-	-	(28,821)	-	-	39,328	-	157,722
-	37,068	46,579	-	-	83,647	83,650	62,123
\$ 1,087	\$ 52,599	\$ 28,902	\$ (450)	\$ -	\$ 26,625	\$ -	\$ 83,647

Sunshine Coast Regional District

General Revenue Fund - Protective Services

Summary Statement of Revenue, Expenses and Transfers

Schedule 5

For the Years Ended December 31, 2017 and 2016

	Gibsons and District Fire Protection	Roberts Creek Fire Protection	Halfmoon Bay Fire Protection	Egmont Fire Department
Revenue				
Grants in lieu of taxes	\$ 143	\$ -	\$ -	\$ -
Tax requisitions	932,767	426,556	370,333	109,051
User fees and service charges	-	125	125	-
Investment income	7,616	5,920	2,033	1,079
Other revenue	76,599	2,855	110,845	1,613
Total Revenue	1,017,125	435,456	483,336	111,743
Expenses				
Administration	85,398	44,810	40,579	12,918
Wages and benefits	361,928	78,381	73,871	282
Operating	334,817	184,796	206,176	55,981
Debt charges - interest	403	-	-	4,880
Amortization of tangible capital assets	74,674	47,376	54,884	19,341
Total Expenses	857,220	355,363	375,510	93,402
Annual Operating Surplus (Deficit)	159,905	80,093	107,826	18,341
Add: Proceeds from long term debt	340,000	-	-	-
Less: Debt principle repayment	(25,894)	-	-	(4,971)
Less: Acquisition of tangible capital assets	(873,950)	(490,176)	(5,302)	-
Increase (Decrease) in Financial Equity	(399,939)	(410,083)	102,524	13,370
Transfer (to)/from reserves	323,066	367,283	(152,832)	(31,158)
Transfer (to)/from unfunded amortization	74,674	47,376	54,884	19,341
Transfer (to)/from other funds	-	-	-	28
Interfund transfers	(1,525)	(4,576)	(4,576)	(1,525)
Surplus/(deficit) from prior year	-	-	-	-
Total Surplus (Deficit) for the year	\$ (3,724)	\$ -	\$ -	\$ -

Smoke Control	Bylaw Enforcement	Emergency Telephone - 911	Sunshine Coast Emergency Planning	Animal Control	Actual 2017	Budget 2017	Actual 2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ 110
115	158,202	392,005	249,539	68,069	2,706,637	2,706,637	2,591,005
-	1,060	-	-	33,230	34,540	33,551	36,825
145	359	5,280	717	1,261	24,410	-	30,642
-	-	25,247	15,644	2,321	235,124	-	31,362
260	159,621	422,532	265,900	104,881	3,000,854	2,740,188	2,689,944
152	28,324	34,625	58,956	21,296	327,058	327,058	320,911
100	96,294	27,117	88,272	38,480	764,725	835,956	761,215
-	16,831	216,366	64,203	19,466	1,098,636	1,138,064	951,910
-	-	29,419	-	-	34,702	34,613	37,734
-	11,349	73,929	38,198	4,336	324,087	338,054	344,001
252	152,798	381,456	249,629	83,578	2,549,208	2,673,745	2,415,771
8	6,823	41,076	16,271	21,303	451,646	66,443	274,173
-	-	-	-	-	340,000	364,409	-
-	-	(78,835)	-	-	(109,700)	(84,677)	(112,574)
-	-	-	-	-	(1,369,428)	(1,719,243)	(22,697)
8	6,823	(37,759)	16,271	21,303	(687,482)	(1,373,068)	138,902
(8)	(18,780)	(57,349)	(54,327)	(25,023)	350,872	1,032,226	(463,742)
-	11,349	73,929	38,198	4,336	324,087	338,054	344,001
-	-	(8,977)	-	-	8,949	-	(19,219)
-	608	12,202	(142)	(608)	(142)	500	83
-	-	-	-	2,288	2,288	2,288	2,263
\$ -	\$ -	\$ -	\$ -	\$ 2,296	\$ (1,428)	\$ -	\$ 2,288

Sunshine Coast Regional District

General Revenue Fund - Transportation Services

Summary Statement of Revenue, Expenses and Transfers

Schedule 6

For the Years Ended December 31, 2017 and 2016

	Public Transit	Maintenance Facility	Regional Street Lighting
Revenue			
Tax requisitions	\$ 2,279,493	\$ -	\$ 32,862
Government transfers	1,345,410	1,400	-
User fees and service charges	717,980	-	-
Investment income	2	1,945	-
Other revenue	61,337	9,650	-
Total Revenue	4,404,222	12,995	32,862
Expenses			
Administration	381,890	26,193	2,707
Wages and benefits	2,157,467	471,627	-
Operating	1,864,136	769,355	33,743
Debt charges - interest	-	19,862	-
Internal recoveries	-	(1,324,429)	-
Amortization of tangible capital assets	43,093	38,494	-
Total Expenses	4,446,586	1,102	36,450
Annual Operating Surplus (Deficit)	(42,364)	11,893	(3,588)
Less: Debt principle repayment	-	(20,232)	-
Less: Acquisition of tangible capital assets	-	(5,050)	-
Increase (Decrease) in Financial Equity	(42,364)	(13,389)	(3,588)
Transfer (to)/from reserves	(2)	(15,770)	-
Transfer (to)/from unfunded amortization	43,093	38,494	-
Transfer (to)/from other funds	-	(115)	-
Interfund transfers	21,264	(21,264)	-
Surplus/(deficit) from prior year	(62,058)	-	2,274
Total Surplus (Deficit) for the year	\$ (40,067)	\$ (12,044)	\$ (1,314)

Local Street Lighting	Ports Services	Actual 2017	Budget 2017	Actual 2016
\$ 10,123	\$ 368,697	\$ 2,691,175	\$ 2,691,175	\$ 2,381,172
-	67,178	1,413,988	1,596,633	1,148,289
-	-	717,980	671,079	688,029
-	5,215	7,162	-	7,282
-	3,000	73,987	20,342	27,057
10,123	444,090	4,904,292	4,979,229	4,251,829
711	25,664	437,165	437,165	394,267
-	21,283	2,650,377	2,539,450	2,424,517
9,397	74,234	2,750,865	2,950,976	2,493,350
-	-	19,862	19,862	19,862
-	-	(1,324,429)	(1,443,805)	(1,297,728)
-	51,257	132,844	122,748	136,054
10,108	172,438	4,666,684	4,626,396	4,170,322
15	271,652	237,608	352,833	81,507
-	-	(20,232)	(13,668)	(19,454)
-	(177,295)	(182,345)	(585,241)	(16,455)
15	94,357	35,031	(246,076)	45,598
-	(144,270)	(160,042)	181,810	(142,209)
-	51,257	132,844	122,748	136,054
-	-	(115)	-	-
-	(2,572)	(2,572)	-	644
174	1,131	(58,479)	(58,482)	(98,566)
\$ 189	\$ (97)	\$ (53,333)	\$ -	\$ (58,479)

Sunshine Coast Regional District

General Revenue Fund - Environmental Services

Summary Statement of Revenue, Expenses and Transfers

Schedule 7

For the Years Ended December 31, 2017 and 2016

	Regional Solid Waste	Refuse Collection	Actual 2017	Actual 2016
Revenue				
Tax requisitions	\$ 1,468,325	\$ -	\$ 1,468,325	\$ 1,421,494
User fees and service charges	2,602,166	838,376	3,440,542	3,336,762
Investment income	7,551	512	8,063	8,898
Other revenue	164,703	-	164,703	269,211
Total Revenue	4,242,745	838,888	5,081,633	5,036,365
Expenses				
Administration	390,850	88,255	479,105	418,716
Wages and benefits	909,858	3,617	913,475	884,498
Operating	3,746,800	692,863	4,439,663	3,714,158
Debt charges - interest	-	-	-	3,097
Amortization of tangible capital assets	45,235	-	45,235	29,628
(Gain) loss on disposal of tangible capital assets	-	-	-	27,048
Total Expenses	5,092,743	784,735	5,877,478	5,077,145
Annual Operating Surplus (Deficit)	(849,998)	54,153	(795,845)	(40,780)
Add: Proceeds from sale of assets	-	-	-	3,400
Less: Debt principle repayment	-	-	-	(26,259)
Less: Acquisition of tangible capital assets	(41,116)	-	(41,116)	(60,001)
Increase (Decrease) in Financial Equity	(891,114)	54,153	(836,961)	(123,640)
Transfer (to)/from reserves	96,575	(54,153)	42,422	(82,664)
Transfer (to)/from appropriated surplus	-	-	-	39,232
Transfer (to)/from unfunded liability	657,752	-	657,752	141,244
Transfer (to)/from unfunded amortization	45,235	-	45,235	29,628
Transfer (to)/from unfunded loss on asset	-	-	-	27,047
Interfund transfers	-	-	-	(30,847)
Total Surplus (Deficit) for the year	\$ (91,552)	\$ -	\$ (91,552)	\$ -

Sunshine Coast Regional District

General Revenue Fund - Public Health Services

Summary Statement of Revenue, Expenses and Transfers

Schedule 8

For the Years Ended December 31, 2017 and 2016

	Cemetery	Pender Harbour Health Clinic	Actual 2017	Actual 2016
Revenue				
Tax requisitions	\$ 108,467	\$ 131,712	\$ 240,179	\$ 245,249
User fees and service charges	63,153	-	63,153	87,174
Investment income	1,723	441	2,164	2,032
Other revenue	-	-	-	263
Total Revenue	173,343	132,153	305,496	334,718
Expenses				
Administration	22,992	8,672	31,664	43,319
Wages and benefits	46,668	-	46,668	51,612
Operating	43,562	118,040	161,602	179,699
Amortization of tangible capital assets	4,141	-	4,141	4,108
Total Expenses	117,363	126,712	244,075	278,738
Annual Operating Surplus (Deficit)	55,980	5,441	61,421	55,980
Increase (Decrease) in Financial Equity	55,980	5,441	61,421	55,980
Transfer (to)/from reserves	(59,799)	(5,441)	(65,240)	(60,089)
Transfer (to)/from unfunded amortization	4,141	-	4,141	4,108
Interfund transfers	(322)	-	(322)	1
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -	\$ -

Sunshine Coast Regional District

General Revenue Fund - Planning and Development Services

Summary Statement of Revenue, Expenses and Transfers

Schedule 9

For the Years Ended December 31, 2017 and 2016

	Regional Planning	Rural Planning	Geographic Information Services	Heritage
Revenue				
Grants in lieu of taxes	\$ 10	\$ -	\$ -	\$ -
Tax requisitions	143,585	752,763	-	1,151
Government transfers	5,000	-	-	-
User fees and service charges	(9)	72,795	189	-
Investment income	588	2,357	825	-
Gain on sale of land held for resale	-	-	-	-
Other revenue	608	75,000	2,003	-
Total Revenue	149,782	902,915	3,017	1,151
Expenses				
Administration	34,007	191,630	-	285
Wages and benefits	92,845	646,301	218,654	-
Operating	11,275	57,850	52,630	-
Internal recoveries	-	-	(338,386)	-
Amortization of tangible capital assets	-	1,323	22,254	-
Total Expenses	138,127	897,104	(44,848)	285
Annual Operating Surplus (Deficit)	11,655	5,811	47,865	866
Less: Acquisition of tangible capital assets	-	(2,608)	(291)	-
Less: Net change in land held for resale	-	-	-	-
Increase (Decrease) in Financial Equity	11,655	3,203	47,574	866
Transfer (to)/from reserves	(9,408)	12,951	(69,808)	-
Transfer (to)/from appropriated surplus	-	(75,000)	-	-
Transfer (to)/from unfunded amortization	-	1,323	22,254	-
Transfer (to)/from other funds	-	-	-	-
Interfund transfers	(2,247)	22,602	(20)	-
Surplus/(deficit) from prior year	-	-	-	2,499
Total Surplus (Deficit) for the year	\$ -	\$ (34,921)	\$ -	\$ 3,365

House numbering	Building Inspection Services	Economic Development	Hillside	Actual 2017	Budget 2017	Actual 2016
\$ -	\$ -	\$ 921	\$ -	\$ 931	\$ -	\$ 7,878
-	222,550	93,130	4,120	1,217,299	1,217,299	1,478,757
-	-	-	-	5,000	5,606	-
38,150	642,757	-	-	753,882	628,943	776,645
686	3,604	-	-	8,060	-	6,546
-	-	-	792,867	792,867	-	-
-	261	-	-	77,872	600	6,867
38,836	869,172	94,051	796,987	2,855,911	1,852,448	2,276,693
5,082	138,930	17,949	-	387,883	387,883	373,184
13,438	466,958	-	-	1,438,196	1,489,383	1,440,844
161	51,933	211,389	-	385,238	579,312	256,491
-	-	-	-	(338,386)	(338,386)	(323,979)
-	17,042	-	-	40,619	19,431	32,660
18,681	674,863	229,338	-	1,913,550	2,137,623	1,779,200
20,155	194,309	(135,287)	796,987	942,361	(285,175)	497,493
-	(2,608)	-	-	(5,507)	(157,402)	(38,470)
-	-	-	133,610	133,610	-	15,609
20,155	191,701	(135,287)	930,597	1,070,464	(442,577)	474,632
(20,155)	(207,192)	-	-	(293,612)	236,402	(299,119)
-	-	-	-	(75,000)	-	-
-	17,042	-	-	40,619	19,431	32,660
-	-	-	(930,597)	(930,597)	(4,120)	(43,964)
-	(1,551)	-	-	18,784	(500)	1,039
-	-	188,865	-	191,364	191,364	26,116
\$ -	\$ -	\$ 53,578	\$ -	\$ 22,022	\$ -	\$ 191,364

Sunshine Coast Regional District

General Revenue Fund - Recreation and Cultural Services

Summary Statement of Revenue, Expenses and Transfers

Schedule 10

For the Years Ended December 31, 2017 and 2016

	Pender Harbour Pool	School facilities - Joint Use	Gibsons and Area Library	Museum Service	Halfmoon Bay & Roberts Creek Library Service
Revenue					
Grants in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ 5
Tax requisitions	457,411	4,473	702,444	136,176	272,116
Frontage and parcel taxes	70,750	-	-	-	-
Government transfers	750	-	-	-	-
User fees and service charges	117,524	-	-	-	-
Investment income	1,704	149	162	-	-
Other revenue	16,698	-	-	-	-
Total Revenue	664,837	4,622	702,606	136,176	272,121
Expenses					
Administration	60,828	2,216	49,980	9,428	14,007
Wages and benefits	316,645	569	6,613	-	-
Operating	134,672	2,815	614,700	126,748	192,605
Debt charges - interest	42,472	-	-	-	-
Amortization of tangible capital assets	94,825	-	49,964	-	-
(Gain) loss on disposal of tangible capital assets	-	-	-	-	-
Total Expenses	649,442	5,600	721,257	136,176	206,612
Annual Operating Surplus (Deficit)	15,395	(978)	(18,651)	-	65,509
Less: Debt principle repayment	(41,938)	-	-	-	-
Less: Acquisition of tangible capital assets	(36,963)	-	(42,766)	-	-
Increase (Decrease) in Financial Equity	(63,506)	(978)	(61,417)	-	65,509
Transfer (to)/from reserves	(32,022)	(149)	(36,513)	-	-
Transfer (to)/from appropriated surplus	1,395	-	-	-	-
Transfer (to)/from unfunded amortization	94,825	-	49,964	-	-
Transfer to/ (from) unfunded loss on asset	-	-	-	-	-
Transfer (to)/from other funds	(216)	-	(17,290)	-	-
Interfund transfers	(476)	(131)	65,256	-	(65,505)
Surplus/(deficit) from prior year	-	-	-	-	1
Total Surplus (Deficit) for the year	\$ -	\$ (1,258)	\$ -	\$ -	\$ 5

Community Recreation Facilities Service	Community Parks	Bicycle and Walking Paths	Dakota Ridge Recreation Service	Regional Recreation Programs	Actual 2017	Actual 2016
\$ 156	\$ -	\$ -	\$ -	\$ -	\$ 161	\$ 133
4,589,425	1,693,438	139,445	210,693	153,600	8,359,221	8,065,341
1,632,377	-	-	-	-	1,703,127	1,702,802
11,458	9,152	-	500	-	21,860	35,560
1,705,308	77,802	-	40,954	680	1,942,268	1,916,800
25,927	5,897	1,765	1,176	155	36,935	27,172
330,600	72,990	-	-	1,449	421,737	1,000,087
8,295,251	1,859,279	141,210	253,323	155,884	12,485,309	12,747,895
743,301	206,444	28,002	26,850	11,643	1,152,699	1,048,046
2,909,308	766,173	12,386	60,343	918	4,072,955	4,095,557
1,654,846	492,820	49,358	87,055	151,335	3,506,954	3,536,500
926,131	57,547	-	60	-	1,026,210	1,035,399
890,486	266,612	105,948	46,012	-	1,453,847	1,422,061
-	-	-	-	-	-	1,817
7,124,072	1,789,596	195,694	220,320	163,896	11,212,665	11,139,380
1,171,179	69,683	(54,484)	33,003	(8,012)	1,272,644	1,608,515
(1,189,004)	(129,052)	-	(2,335)	-	(1,362,329)	(1,391,830)
(462,879)	(50,483)	(41,695)	-	-	(551,396)	(595,397)
(480,704)	(109,852)	(12,789)	30,668	(8,012)	(641,081)	(378,712)
(359,799)	(180,342)	(93,813)	(74,100)	(155)	(776,893)	(975,225)
-	30,793	952	-	-	33,140	104,839
890,486	266,612	105,948	46,012	-	1,453,847	1,422,061
-	-	-	-	-	-	1,818
(5,576)	(322)	-	-	-	(23,404)	17,290
(44,407)	(6,889)	(298)	(2,580)	(20)	(55,050)	(150,421)
-	-	-	-	-	1	(41,649)
\$ -	\$ -	\$ -	\$ -	\$ (8,187)	\$ (9,440)	\$ 1

Sunshine Coast Regional District

Water Utility

Summary Statement of Revenue, Expenses and Transfers

Schedule 11

For the Years Ended December 31, 2017 and 2016

	Actual 2017	Budget 2017	Actual 2016
Revenue			
Frontage and parcel taxes	\$ 3,479,280	\$ 3,463,411	\$ 3,474,826
Government transfers	2,585,476	2,837,582	649,484
User fees and service charges	4,187,420	4,102,318	3,969,303
Investment income	91,150	-	121,052
Contributed assets	372,413	-	152,190
Other revenue	110,221	46,800	191,251
Total Revenue	10,825,960	10,450,111	8,558,106
Expenses			
Administration	787,684	787,684	656,705
Wages and benefits	2,334,901	2,402,522	2,262,898
Operating	1,794,041	1,693,989	1,640,402
Debt charges - interest	125,397	125,454	126,016
Internal recoveries	(2,352)	-	-
Amortization of tangible capital assets	1,823,422	1,602,369	1,817,375
(Gain) loss on disposal of tangible capital assets	631	-	27,635
Total Expenses	6,863,724	6,612,018	6,531,031
Annual Operating Surplus (Deficit)	3,962,236	3,838,093	2,027,075
Add: Proceeds from sale of assets	10,159	-	-
Add: Proceeds from long term debt	-	4,511,779	69,230
Less: Debt principle repayment	(278,743)	(224,509)	(270,368)
Less: Acquisition of tangible capital assets	(5,084,431)	(11,057,715)	(2,924,293)
Increase (Decrease) in Financial Equity	(1,390,779)	(2,932,352)	(1,098,356)
Transfer (to)/from reserves	(459,090)	1,329,983	(1,125,493)
Transfer (to)/from appropriated surplus	-	-	14,924
Transfer (to)/from unfunded loss on asset	631	-	27,635
Transfer (to)/from unfunded amortization	1,823,422	1,602,369	1,817,375
Transfer (to)/from other funds	25,842	-	342,136
Interfund transfers	(26)	-	21,779
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -

Sunshine Coast Regional District

Sewer Fund

Summary Statement of Revenue, Expenses and Transfers

Schedule 12

For the Years Ended December 31, 2017 and 2016

	Actual 2017	Budget 2017	Actual 2016
Revenue			
Frontage and parcel taxes	\$ 70,810	\$ 70,910	\$ 70,910
Government transfers	77,953	697,174	129
User fees and service charges	205,546	196,995	205,088
Investment income	12,066	-	15,535
Total Revenue	366,375	965,079	291,662
Expenses			
Administration	23,552	23,552	23,036
Wages and benefits	75,307	94,020	57,949
Operating	109,548	108,824	81,371
Amortization of tangible capital assets	40,280	29,384	39,667
Total Expenses	248,687	255,780	202,023
Annual Operating Surplus (Deficit)	117,688	709,299	89,639
Add: Proceeds from long term debt	-	278,763	-
Less: Acquisition of tangible capital assets	(149,856)	(995,937)	(12,401)
Increase (Decrease) Financial Equity	(32,168)	(7,875)	77,238
Transfer (to)/from reserves	(69,519)	(21,509)	(118,142)
Transfer (to)/from unfunded amortization	40,280	29,384	39,667
Transfer to/(from) other funds	17,768	-	1,237
Total Surplus (Deficit) for the year	\$ (43,639)	\$ -	\$ -

Sunshine Coast Regional District

General Capital Fund - Hillside Development Project

Summary Statement of Revenue, Expenses and Transfers

Schedule 13

For the Years Ended December 31, 2017 and 2016

	Actual 2017	Budget 2017	Actual 2016
Expenses			
Administration	\$ 17,799	\$ 22,673	\$ 15,504
Wages and benefits	4,981	24,722	4,556
Operating expenditures	34,663	37,125	45,288
Total Development Costs	57,443	84,520	65,348
Less: Operating Revenue			
Water leases	65,685	60,200	60,229
Land leases	17,819	20,200	20,201
Investment income	415	-	527
	83,919	80,400	80,957
Net development costs	26,476	(4,120)	15,609
Proceeds from sale of land held for resale	900,000	-	-
Total Surplus (Deficit) for the year	\$ 926,476	\$ (4,120)	\$ 15,609

Sunshine Coast Regional District

Statement of Changes in Reserve Fund Balances

Schedule 14

For the Years Ended December 31, 2017 and 2016

Bylaw	Purpose	Beginning Balance	Investment Earnings	Contributions / Transfers	Balance at End of Year
General Government					
495/504	General Administration Capital	\$ 41,127	\$ 457	\$ -	\$ 41,584
648	General Administration Operating	217,588	2,433	105,435	325,456
496	Administration Building	126,604	1,382	73,220	201,206
648	Finance	84,760	540	116,713	202,013
648	Human Resources	188,252	2,032	(17,059)	173,225
504/648	Information Services	71,565	821	52,669	125,055
648	Area D Grant in Aid	3,073	34	-	3,107
648	Electoral Area Services	125,280	1,428	21,206	147,914
648	Corporate Sustainability	46,159	513	44,346	91,018
648	Regional Sustainability	22,784	252	18,364	41,400
	Area B Feasibility Studies	25,640	285	-	25,925
	Area D Feasibility Studies	25,640	285	-	25,925
649/677	Bylaw Enforcement	33,188	359	18,421	51,968
	Halfmoon Bay Smoke Control	1,527	17	(34)	1,510
650	Roberts Creek Smoke Control	11,488	128	(102)	11,514
489/497	Gibsons Fire Protection Capital	753,488	7,437	(320,982)	439,943
678	Gibsons Fire Protection Operating	18,361	179	(9,700)	8,840
490	Roberts Creek Fire Protection	680,596	5,919	(373,202)	313,313
491	Halfmoon Bay Fire Protection	172,704	2,033	150,800	325,537
601	Egmont Fire Protection	93,616	1,050	28,661	123,327
492	911 Telephone	395,380	4,442	43,929	443,751
493	SC Emergency Planning	63,817	717	53,610	118,144
651/680	Animal Control	113,477	1,261	23,761	138,499
529/652	Sunshine Coast Transit	181	2	-	183
486/607	Ports	458,619	5,215	139,056	602,890
563	Maintenance Facility	164,501	1,830	8,052	174,383
653	Regional Solid Waste Operating	146,464	1,530	(24,502)	123,492
670	Zero Waste Operating	182,704	2,134	23,991	208,829
653	Landfills Operating	221,145	2,182	(101,910)	121,417
654	Refuse Collection Operating	46,109	512	53,641	100,262
515	Pender Harbour Health Clinic	38,571	441	5,000	44,012
655	Cemetery Operating	150,937	1,723	58,076	210,736
681	Regional Planning	52,906	588	8,820	62,314
656/657	Rural Planning	212,055	2,357	(15,308)	199,104
504	PIMS Capital	70,889	825	68,985	140,699
	House Numbering	61,736	686	19,469	81,891
495	Building Inspection	322,985	3,604	203,587	530,176
590/609	Community Recreation Facilities	1,869,023	20,348	53,514	1,942,885
494/660	Pender Harbour Pool	137,834	1,488	19,482	158,804
	School Facilities Joint Use	13,378	149	-	13,527
609	Gibsons Library	3,094	162	36,352	39,608
533/662	Community Parks	488,572	5,575	158,279	652,426
683	Bicycle & Walking Paths	111,450	1,264	75,193	187,907
	Area A Bicycle & Walking Paths	45,085	501	16,857	62,443
	Regional Recreation Programs	13,956	155	-	14,111
	Dakota Ridge	105,778	1,176	72,925	179,879
Total General Reserve Funds		8,234,086	88,451	909,615	9,232,152

Sunshine Coast Regional District

Statement of Changes in Reserve Fund Balances

Schedule 14

For the Years Ended December 31, 2017 and 2016

Bylaw	Purpose	Beginning Balance	Investment Earnings	Contributions / Transfers	Balance at End of Year
Water Revenue					
488	Regional Water Capital	5,374,926	52,842	53,185	5,480,953
	Regional Water Operating	1,610,708	17,798	(18,960)	1,609,546
498	Regional Water Land	16,894	188	-	17,082
589	North Pender Water Capital	369,535	4,271	100,418	474,224
	North Pender Water Operating	119,191	1,325	-	120,516
	South Pender Water Capital	513,293	5,891	163,561	682,745
	South Pender Water Operating	638,861	7,099	-	645,960
Total Water Reserve Funds		8,643,408	89,414	298,204	9,031,026
Sewer Revenue					
512/608	Greaves Road	11,890	132	-	12,022
512	Sunnyside	22,013	245	1,053	23,311
	Jolly Roger	58,188	646	-	58,834
512/608	Secret Cove	37,164	413	-	37,577
	Lee Bay	449,551	4,996	29,747	484,294
512	Square Bay	122,612	1,364	-	123,976
	Langdale	67,223	647	(17,503)	50,367
512/608	Canoe Road	6,681	76	-	6,757
608	Merrill Crescent	7,631	85	1,399	9,115
512/608	Curran Road	70,743	786	5,368	76,897
512/608	Roberts Creek Co-housing	17,482	194	8,611	26,287
608	Lily Lake Village	28,725	319	9,348	38,392
512/608	Woodcreek Park	162,508	1,806	11,354	175,668
668/669	Painted Boat	32,262	358	8,078	40,698
Total Sewer Reserve Funds		1,094,673	12,067	57,455	1,164,195
Total Reserve Funds		\$ 17,972,167	\$ 189,932	\$ 1,265,274	\$ 19,427,373

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Service Committee – April 26, 2018

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

SUBJECT: SUNSHINE COAST REGIONAL DISTRICT 2017 DRAFT AUDITED FINANCIAL STATEMENTS

RECOMMENDATION(S)

THAT the report titled the Sunshine Coast Regional District 2017 Draft Audited Financial Statements, and the following documents be received:

- Independent Auditor's Reports for SCRD and Foreshore Leases
- Draft Audited Financial Statements Year Ended December 31, 2017
- Audit Results and Communications Report to the Members of the Board;

AND THAT the Draft Audited Statements for Year Ended December 31, 2017 be approved as presented;

AND FURTHER THAT this recommendation be forwarded to the Board Meeting on April 26, 2018 for adoption.

BACKGROUND

In accordance with Section 167 (Annual Financial Statements) and Part 6, Division 2 (Audit) of the Community Charter, the Financial Statements of the Sunshine Coast Regional District (SCRD) for the year ending December 31, 2017 are the responsibility of the Financial Officer and are presented to the Board of Directors for approval.

The financial statements are subject to examination by an Independent Auditor appointed by the Board, which for the SCRD is BDO Canada LLP. The Independent Auditor is required to report to the Board on the annual financial statements and on any other matters deemed pertinent. The date on which the financial statements are approved by the Board will become the financial statement date and the date of the Independent Auditor's Report.

In advance of the final audit, BDO presented an "*Audit Planning Report to the SCRD Board*" to communicate key issues, responsibilities and audit strategy which will be undertaken for the SCRD's annual financial audit. The following resolution was adopted at the regular Board meeting on December 14, 2017:

346/17 **Recommendation No. 1** *BDO Audit Planning Letter*

THAT the report titled BDO Audit Planning Letter be received;

AND THAT the Audit Planning Communication from BDO Canada LLP regarding the Audit of the Financial Statements of the Sunshine Coast Regional District (SCRD) and Foreshore Leases (Hillside) for the year ended December 31, 2017 be received.

Subsequent to approval of the financial statements, the Regional District must submit the audited financial statements for the preceding year to the Inspector of Municipalities by May 15 and in accordance with Section 376(1) of the *Local Government Act*, hold a public meeting by June 30 for the purpose of presenting the audited financial statements of the preceding year. This information will be presented at the June 28, 2018 Corporate and Administrative Services Committee meeting.

The Financial Statements are also a key element of the SCRD's Annual Report. Although an Annual Report is not a statutory requirement for a Regional District, the SCRD prepares one as the basis of the application to the Government Finance Officers Associations Canadian Award for Financial Reporting. More detailed analysis of the financials is included within the report including five year historical comparisons.

DISCUSSION

Independent Auditor's Report

The purpose of the Independent Auditor's Report is to express an opinion on the financial statements, accounting policies and any other relevant information related to the financial audit.

For 2017 the Auditor's conducted a thorough review of the new software implementation documents, internal controls, and business processes. As a result, comments have been provided for the Board's information and are included for the Boards information in the Management Letter section of the Audit Report.

Financial Statements Highlights

Statement of Financial Position and Statement of Change In Net Debt

In 2017, the Regional District transitioned from a position of Net (Debt) in 2016 of \$ \$3.08 million to a position of Net Financial Asset of \$1.04 million. This positive change is partially the result of increased financial assets (cash and equivalents and portfolio investments) stemming from the annual operating surplus and decreases in liabilities such as long-term debt. The increase in cash is the result of timing differences with receiving funds to pay for short term obligations. Portfolio investments are managed in alignment with the SCRD's Investment and Financial Sustainability Policy with the objective of aligning funding and service needs.

Regional District long-term debt decreased by \$1.62 million and member municipalities debt decreased by \$1.17 million in 2017. These obligations are offset by an increase to financial assets (debt recoverable from member municipalities) and have a net zero effect on annual operating surplus and accumulated surplus.

The continued trend toward a reduction in the net debt and transition to a new financial asset is a key indicator in assessing the financial well-being of the SCRD as it reflects the ability to meet its current financial commitments and its capacity to finance future activities.

Provided is the last five fiscal years in comparison:

Year	2013	2014	2015	2016	2017
Net Financial Assets/(Debt)	(\$18,596,401)	(\$13,303,389)	(\$8,621,504)	(\$3,083,210)	\$1,048,041

Non-financial assets increased in 2017 to \$132.75 million (2016 - \$129.33) as a result of an increase in tangible capital assets and inventory and prepaids. As stated in the “*Notes to the Financial Statements*” 1 (m), non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

The capital program was budgeted for \$17.5 million in 2017 with \$4.32 million expended in capital enhancement and repairs. These projects will continue to completion in 2018/2019. The expenditures were primarily financed through reserves, grants, debt, and taxation.

Statement of Operations

The consolidated annual operating surplus (revenues less expenses) was \$7.55 million in 2017 compared to \$5.68 million in 2016. The increase is attributable to less than budgeted expenses and higher than expected revenues in some line items such as government transfers or grant funding (Note 14) user fees for landfill tipping fees and building permit fees, as well as gain on sale of land at Hillside. With the increase in tipping fees came higher than expected expenses within Environment (Solid Waste) Services.

The annual operating surplus of \$5.68 million translates to a corresponding increase in accumulated surplus from \$120.56 million to \$126.25 million. This figure is reflective of the Regional District’s financial assets less its liabilities (net debt) plus its non-financial assets.

Details related to each of the departments can be found in the appending schedules (Schedule 3-12) which provides a summary of revenues, expenses and transfers.

Other financial indicators to highlight for 2017 are as follows:

- Increase in cash & equivalents by \$2.57 million and *Portfolio investments* (Note 3) by \$2.65 million in 2017 is the result of timing of cash flow requirements for operations and investment holdings for the tax requisition funds, as well as the increase to contributions to Reserves;
- The *Provision for Landfill Closure and Post Closure* (Note 9) increased to \$6.20 million in 2017 (\$5.24 million-2016) due to change in remaining life estimate down from 10 to 8 years in 2017. The liability remains unfunded by \$5.39 million (2016 - \$4.73 million) and the Board has approved an incremental increase to fund the liability in the 2018-2022 Financial Plan;
- A net of over \$1.45 million (*Schedule 14*) was transferred to reserves to fund future capital projects or expenses which are in line with the Financial Sustainability Policy and Corporate Asset Management Plan.
- The Hillside Development Project now has an accumulated surplus of \$706,121 (2016- (\$224,476)) where for several years sat in a deficit position. This deficit was funded internally, therefore, the surplus creates a positive financial indicator for the SCRD.

Pending New Accounting Standards

In 2017, the Public Sector Accounting Board issued an exposure draft on proposed new accounting standard to account for asset retirement obligations (ARO). An ARO is a legal obligation associated with the retirement of a tangible capital asset and will require public bodies to include decommissioning of an asset, post-retirement operation, maintenance and monitoring. The SCRD currently accounts for similar liability for our landfill closure and post-closure costs, but the scope of the new standard will include all tangible capital assets and asbestos removal or site remediation. The effective date of the new standards is proposed for 2021 and will have several implications for the SCRD. As the PSAB exposure draft work continues in 2018, staff will provide a future report as to the recommended next steps.

Audit Management Letter

For 2017, staff brought forward several items for review by the Auditors. These were items in addition to the implementation of the new system. At the time of this report, the final Management Letter was not available for discussion and analysis. Staff and BDO will speak to it at the April 27th meeting.

STRATEGIC PLAN AND RELATED POLICIES

The audited financial statements align with the Strategic Plan value of transparency and key strategic priority of ensuring fiscal sustainability. The statements accurately report the financial results of the Regional District's operations and serve as an independently verified benchmark for measuring both past and future financial performance objectives.

CONCLUSION

In accordance with Section 167 (Annual Financial Statements) and Part 6, Division 2 (Audit) of the Community Charter, the Financial Statements of the SCRD for the year ending December 31, 2017 are the responsibility of the Financial Officer and are presented to the Board of Directors for approval.

Staff recommend that the Draft Audited Statements for Year Ended December 31, 2017, as presented by BDO's Independent Auditor's Report, be received and approved by the Corporate and Administrative Services Committee, and forwarded to the Board Meeting on April 26, 2018 for adoption.

Reviewed by:			
Manager	X-S. Zacharias	CFO/Finance	X-T.Perreault
GM		Legislative	
CAO	X – J. Loveys	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Service Committee – April 26, 2018

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
Janette Loveys, Chief Administrative Officer

SUBJECT: 2018 BUDGET DEBRIEF

RECOMMENDATION(S)

THAT the report titled 2018 Budget Debrief be received;

AND THAT the recommended improvements be incorporated into the 2019-2023 Financial Planning Process.

BACKGROUND

The Annual Budget is one of the key processes to ensure the Board's Strategic Goals are met by allocating resources based on strategic objectives and priorities.

Each year after the Annual Budget is concluded, a debrief is scheduled to discuss the current year's budget process, identifying where improvements or changes can be made for future years.

At the May 11, 2017 Regular Board meeting, motion #163/17 was passed with excerpt below:

Recommendation No. 3 *2017 Budget Debrief*

THAT the report titled 2017 Budget Debrief be received;

AND THAT the recommended improvements outlined in the staff report be incorporated into the 2018-2022 Financial Planning Process as presented.

Recommendations for process improvements from the 2017 budget year were implemented in the 2018 process and worked well. For example, staff held a pre-budget workshop in October 2018 with Community Partners and Stakeholders, included more information and resources to the SCRD website on property assessments and taxes, and BC Assessment held a special session with elected officials in May 2017.

There continues to be opportunities such as further evolving public engagement. A copy of the 2017 Budget Debrief staff report is attached for reference (Attachment A).

DISCUSSION

One of the key objectives of the debrief is to discuss the budget process overall, review how the current process aligns with the Board's Strategic Plan and incorporate any recommended changes for the future. Some suggestions for improvements are outlined below.

2017/2018 Process Improvements

There were several recommendations for process improvements for the 2017 and 2018 budget which continue to be refined. For example, mandatory budget proposals relating to safety, imminent asset failure, and regulatory compliance were included in the Round 1 Budget figures. This provided the Board with a clearer starting point for tax figures. This process worked very well and is recommended as a permanent process change.

Another area that will continue to evolve through 2018-2020 will be the inclusion of long-range capital plans as a result of ongoing asset management planning work. In 2018, staff provided comprehensive asset management and capital plans for the IT and Ports Divisions which set funding for required maintenance and replacement for the next five years versus one year at a time.

2019-2023 Financial Planning/Budget Process

For the 2019-2023 Financial Planning/Budget process, the SCRD will have a new Board as a result of the election in October, 2018. Therefore, the recommended focus for the 2019 Budget will be the Board orientation and maintaining the current process. Orientation will provide (but not limited to) an overview of the SCRD's services, key plans and policies like the Financial Sustainability, Debt Management, and Support Services Policy, as well as a review of the internal budget manual.

Staff also recommend maintaining similar timelines for the 2019 Budget and allot more time for each step as it will be the new Boards first budget. The detailed process and dates will be presented at the July 2018 Corporate and Administrative Services Committee for formal approval, with proposed timelines as follows:

Activity	2018		2019		
	November	December	January	February	March
Pre-Budget: 2018 Carry-Forwards, 2019 Proposed Initiatives – SCRD & Budget Stakeholders	Option 1: 29 & 30	Option 2: 3 & 4			
Round 1			21-23		
PUBLIC AND MUNICIPAL PRESENTATIONS				25-28	1
Round 2					4-5
Adoption of Financial Plan					21

New Strategic Plan

The newly elected Board will be setting new strategic goals and objectives as part of developing their Strategic Plan. As this is one of the critical criteria in prioritizing the various proposals, it is unlikely the new Plan will be complete prior to 2019 pre-budget our Round 1.

Current departmental work-plans straddle 2018/2019 and the Senior Leadership Team (SLT) are not anticipating a significant amount of new proposals for the 2019 Budget. Proposals will focus mainly on mandatory, Integrated Five-Year Plan, low-cost/high value, and other, allowing the new Strategic Plan to be established and integrated into the 2020-2024 Financial Planning process.



Financial Planning/Budget Documents

One of the process improvements for 2018 was updating the Financial Plan Budget Reports as a result of the SCRD's new Enterprise Resource Management (ERP) and Financial System-Unit 4 Business World (Agresso) implementation. The reports now align with the SCRD's financial statement presentation and include details of approved capital projects. There continues to be two parts to the Financial Plan reports, the detailed financial section and the guiding documents which include items like the tax by area, service listing grids and property assessment data.

Staff are currently working toward creating a comprehensive document for the 2018-2022 Financial Plan, similar to that of the SCRD's Annual Report. It would include the same data, but would be presented in a more "user friendly" format, adding sections like: the Boards Strategic goals and strategies; financial structure, policy and process; financial summaries; detailed capital and debt information; and departmental information. Similar to the Annual Report, the goal is to eventually submit the Financial Planning/Budget Book to the Government Finance Officers Association's (GFOA) "*Distinguished Budget Presentation Award Program*". The award provides an outline of key criteria required for the document and the first draft is scheduled to be completed in late May or early June 2018, with the objective of providing better information to the public.

STRATEGIC PLAN AND RELATED POLICIES

The five-year financial planning and budget process incorporates all major plans of the SCRD with the Strategic Plan being the key guiding document, along with the Integrated Five-Year Service Plan. The Financial Sustainability Policy goals align in creating awareness of economic, social and environmental changes and responsiveness. Effectively refining the budget process over time shows commitment to the Strategic Plan Values of Collaboration, Equity, Environmental Leadership, Respect and Equality, and Transparency.

CONCLUSION

As the Annual Budget is one of the key processes in ensuring the Board's Strategic Goals are met by allocating resources based on strategic objectives and addresses requests based on priorities, refining the process provides transparency and clarity to staff and the community.

This budget debrief provides information of our learning through the 2018 budget process and it is recommended that the suggested changes be approved in preparation for the 2019-2023 Financial Planning process.

Items such as further enhancing on the 2017/2018 process improvements, timelines for the 2019 Budget process, development of the new Strategic Plan, and creation of the comprehensive Financial Plan/Budget Report.

Attachments:

1. April 27, 2017-CAS Staff Report- 2017 Budget De-Brief

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X- J. Loveys	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 26, 2018

AUTHOR: SCRD Senior Leadership Team

RE: **BUDGET PROJECT STATUS REPORT – APRIL 2018**

RECOMMENDATION(S)

THAT the report titled Budget Project Status Report – April 2018 be received.

BACKGROUND

The Budget Project Status Report (BPSR) provides the Sunshine Coast Regional District (SCRD) Board updates on projects as approved through the 2018 Budget process and other major projects added throughout the year. The focus of the BPSR is to report on the status of the various projects and to ensure the projects are on time and on budget.

DISCUSSION

Staff have updated the report and welcome comments / questions on the progress being made on the listed projects.

New information on this edition of the BPSR includes a tally of the open projects by the year that they were approved. The 2018 budget projects are included in this report.

STRATEGIC PLAN AND RELATED POLICIES

The BPSR is a metric for reporting on projects that move the Strategic Plan and various other documents such as the Integrated Five-Year Service Plan forward. It also meets the Core Value of “*Transparency*” and measures our Mission of being an “*effective and responsive government*”.

CONCLUSION

The goal of the BPSR is to provide project status in a concise manner to the Board. The Administration is working to improve this process as we continue to use this tool.

Reviewed by:			
Manager		Finance	X T. Perreault
GM	X- I. Hall X-R. Rosenboom	Legislative	X-A. Legault
CAO	X- J. Loveys	Human Resources	X-G. Parker

Line No.	Dept.	Function	Mgr.	Budget \$	Budget Expended (to date)	Funding Source	Budget Year	Proposed Completion Date	Actual Completion Date	Function Participants	Work Location	Description	Current Status	Category	% Complete
1	IS	312	Dykstra	\$20,000	\$0	Capital Reserve	2017	Sep-17		All	Regional	Rear Overhead Door on Fleet Wash Bay	Project is under review and quotes are being updated.	Carryforward	Not Started
2	CS	220	Loveys	\$97,500	\$0	Capital Reserves	2014	Oct-17		All	All	Replace Gibsons Tower	Assessment of radio channels ongoing. Meeting in September set. Emergency Services staff are completing full evaluation of the project. Update in Q2 2018 to come forward.	Carryforward	In Progress 50%
3	CS	220	Loveys	\$180,000	\$0	Taxation / Capital Reserves	2015	Dec-17		All including Islands	All	Chapman Creek Tower	Assessment of radio channels ongoing. Emergency Services staff are completing full evaluation of the project. Update in Q2 2018 to come forward.	Carryforward	In Progress 50%
4	IS	370	Walkey	\$75,000	\$0	Existing User Fees	2015	Dec-17		Regional	All	Zone 2 Reservoir Repairs	Ongoing assessment for repairs to Selma II/Chapman WTP Reservoir	Carryforward	Started
5	IS	381-394	Walkey	\$977,303	\$81,254	Operating Reserve	2016	Dec-17		B	B	Square Bay Waste Water Treatment Plant [387] Replacement - Detailed Engineering Design	Ground work and concrete work commenced on April 11. Concrete structure to be complete by June 15	Carryforward	In Progress 25%
6	IS	370	Crosby	\$200,000	\$149,147	Existing User Fees	2015	Feb-18		Regional	F	Soames Well Chlorination Project	Preliminary design of chlorination station completed. Design submitted to Ministry of Health for approval. Permit approval received on October, 2017 from Ministry of Health. Construction of package chlorination station is underway. Package Chlorination station delivered to site. Awaiting electrical work to be completed by contractor and final connection by BC Hydro. Electrical work at the station has now been completed by the contractor and documents have been submitted for final inspection and for connection to BC Hydro.	Carryforward	In Progress 75%
7	IS	370	Crosby	\$5,545,000	\$4,966,925	Grant / Capital Reserves	2016	Feb-18		A, B, D, E, F, F Islands and DoS	A, B, D, E, F	Universal Metering Phase 2 - Rural Areas	Meter installations are continuing in all the rural areas. The project is approximately 95% (4539 meters installed) complete. 222 installs are remaining due mainly to safety issues or unable to locate service connections. Staff are working on a plan to complete the remaining installations. The Contract Completion date has been extended to February 28, 2018 in order for Neptune Technology Group to complete the remaining 222 meter installs. Contractor has completed 80 of the outstanding meter installs as of February 9, 2018. Phase 2 is now 98% complete. There are 87 meter installations remaining to be completed by Utilities staff.	Carryforward	In Progress 75%
8	CS	650	Allen	\$4,500	\$1,442	Taxation	2015	Apr-18		All excluding Munis	F	Gambier Island Community Information and Amenities	Trail planning process task force commenced 2017-May-27. Task Force work complete. Public engagement session held on Gambier Island in October. Reports to follow. Public engagement summary presented to December PCDC. Report on trail development options to follow, 2018 Q2.	Carryforward	In Progress 75%
9	CS	650	Loveys	\$379,614	\$18,319	Capital Reserves	2015	Apr-18		All EA's including Islands	F	Granthams Hall Restoration Design and Engineering	Working with Community to support grants and fundraising initiatives. Architect selected and staff continue to work with community. Drawings of existing structure received. Site survey to be completed. Hazardous material testing complete. Received renovation options. Open house/option selection on September 22, 2016. Design option selected, waiting on grant updates. Design and engineering complete; implementation funding plan in place pending grant application results. Report provided to Janaury 2018 ISC. Grant resubmitted and report forthcoming.	Carryforward	In Progress 75%
10	PD	345	Hall	\$99,594	\$92,177	Taxation	2016	Apr-18		B, D, E, F including Islands	F Islands	Gambier Float Replacement	Awarded in March 2017. Engineering completed September 2017. Environmental review complete. Construction completed in 2018 Q1. Installation/project completion scheduled for early Q2 2018.	Carryforward	In Progress 75%

Line No.	Dept.	Function	Mgr.	Budget \$	Budget Expended (to date)	Funding Source	Budget Year	Proposed Completion Date	Actual Completion Date	Function Participants	Work Location	Description	Current Status	Category	% Complete
11	PD	345	Hall	\$426,831	\$360,851	Taxation / Reserves / Grant	2017	Apr-18		B, D, E, F and Islands	B, D, E, F and Islands	Ports Repairs	Scoping work underway. Engineer/project manager hired; material specifications and project designs to be completed in September, tendering to follow. Timber procured, construction tendering complete. Work underway, with supporting communications to community/affected users. Scheduled for completion early Q2, 2018.	Carryforward	In Progress 75%
12	IS	351	Cooper	\$10,000	\$0	Reserves	2018	May-18		Regional	Regional	Site Improvement at Pender Harbour Transfer Station	Not started yet.	Other	Not Started
13	IS	352	Cooper	\$9,500	\$0	Reserves	2018	May-18		Regional	Regional	Sechelt Landfill Environmental Monitoring Plan Update	Preparing the draft report.	Regulatory Compliance	Started
14	IS	352	Cooper	\$6,200	\$0	Reserves	2018	May-18		Regional	Regional	Sechelt Landfill Geotechnical and Seismic Assessment Update	Preparing the draft report.	Regulatory Compliance	Started
15	IS	365	Crosby	\$20,000	\$19,280	Capital Reserves	2016	May-18		A and SIGD	A	Pool Road Waterline Replacement	Waterline installation completed May 25, 2017. Right-of-Way survey and acquisition of same yet to be completed.	Carryforward	In Progress 75%
16	PD	613	Robinson	\$19,150	\$0	Taxation	2017	Jun-18		B, D, E, F (except F Islands)	ToG	Fall Protection Audit and Hazardous Materials Audit for Recreation Facilities	Scoping complete. Project brief complete. Carryforward to Q1 2018. Planned for completion. Arenas have been prioritized first as part of the Arena Audits follow up work.	Carryforward	In Progress 25%
17	CS	650	Robinson	\$28,000	\$3,089	Surplus	2016	Jun-18		All EA's including Islands	A, B, D, E	Playground Surface Replacements	Completed in some parks. Planning for project completion underway. Shirley Macey Water Park resurfacing tendering process in progress. Work tendered, to be completed Q1/Q2 2018.	Carryforward	In Progress 50%
18	CS	650	Allen	\$60,000	\$45,237	Taxation	2015, 2016, 2017	Jun-18		All EA including Islands	All EA including Islands	Signage Upgrade	Ongoing installation of Phase 1 and 2. 2017 Phase 3 \$20,000 is to be taxed in 2017. Collaboration with First Nations on names/translation in progress. Local woodworker currently preparing sign post for large signs. Park and place name translations have been supplied by shishalh Nation.	Carryforward	In Progress 50%
19	CS	650	Hall	\$113,033	\$18,382	Gas Tax	2016	Jun-18		All EA's including Islands	B	Coopers Green Park - Hall and Parking Design Plans	Approval from MoTI for parking on road right of way received. Application approved by Board of Variance (2016-Sep-30). Consulting with shíshálh nation re archaeological review. Engagement activities completed. RFP released May 19. Archaeology permit application confirmed. Task Force applications being collated for Board appointment. Architect hired; Task Force underway. Report to community on progress and open house March 2018.	Carryforward	In Progress 50%
20	IS	352	Cooper	\$25,000	\$0	Reserves	2018	Jul-18		Regional	Regional	Sechelt Landfill 4 x 4 Truck Replacement	Not started yet.	Mandatory / BC	Not Started
21	PD	210 / 650	Michael / Robinson	\$150,000	\$0	Capital Reserves	2017	Jul-18		A, B, D, E, F and ToG	E	Frank West Hall / Cliff Mahlman Fire Station Roof Replacement	Project brief drafted. Contractor quotes for project scope in progress. Scope of work being reviewed and project being carried forward to 2018 due to the seasonality of the project. The RFP has been developed.	Carryforward	Started
22	CS	613	Robinson	\$36,000	\$0	Capital Reserve	2015	Aug-18		All excluding A	All excluding A	Gibsons and Area Community Centre (GACC) - Plant Room Ventilation Extension Scope	Scope of work developed by Engineer. Equipment order in progress. Carryforward; installation planned for 2018 shutdown. Project requires re-engineering. Engineering in progress.	Carryforward	In Progress 25%
23	CA	114	Perreault	\$75,000	\$0	Reserves / SS	2017	Sep-18		All	Regional	SCRD Corporate Space and Site Planning (including Field Road, Mason Works Yard and South Pender Water Office)	Project Charter/Plan in draft. Internal project team meeting initiated. Project delayed due to organizational capacity. Target is to re-initiate in Q1 2018. Internal space reconfiguration work happening in some departments and project update to come forward in Q3 2018.	Carryforward	Started
24	CA	640	Perreault	\$125,000	\$0	Reserves / Loan	2017	Sep-18		E, F and ToG	E, F and ToG	HVAC Unit Replacement (controls) - Gibsons and District Public Library	Project Plan developed. Work underway. Project scope developed in preperation for preparing tender. Staff also exploring alternative funding sources through grants.	Carryforward	Started

Line No.	Dept.	Function	Mgr.	Budget \$	Budget Expended (to date)	Funding Source	Budget Year	Proposed Completion Date	Actual Completion Date	Function Participants	Work Location	Description	Current Status	Category	% Complete
25	CA	506 / 510	Nelson	\$80,000	\$291	Reserves / SS	2017	Sep-18		All	All	Ortho-Photo Acquisition	RPF issued and vendor selection completed. Project completion will be Summer 2018 to allow for favourable aerial photography conditions. Aerial photographs scheduled for April 2018.	Carryforward	In Progress 50%
26	IS	350	Cooper	\$31,000	\$0	Taxation	2018	Sep-18		Regional	A	Islands Clean-up Service Expansion	Planning work for 2018 service has commenced. Schedule released.	Other	Started
27	PD	540	Hall	\$10,000	\$0	Taxation	2018	Sep-18		Regional	F	Dike Maintenance (Dakota Creek)	Planning ongoing.	Regulatory Compliance	Not Started
28	PD	615	Hall	\$25,000	\$0	Reserves	2018	Sep-18		All excluding A and F Islands	DoS	Water Efficiency Plan Sunshine Coast Arena (SCA)	Scoping underway.	Integrated 5-Year Plan	Not Started
29	PD	650	Robinson	\$6,000	\$2,651	Taxation	2017	Oct-18		A, B, D, E, F	A-F including Islands	Hazard Tree Assessment Plan / Phase 1 Assessment	Draft plan started. Progress on internal assessments, scopes of work. Training conducted in hazard tree assessments and chain saw safety to aid in implementation. Project to be completed with additional training and plan work to take place in Q2/Q3 2018.	Carryforward	In Progress 50%
30	PD	650	Robinson	\$25,000	\$10,521	Taxation	2017	Oct-18		A, B, D, E, F	A-F including Islands	Parks Bridge Capital Maintenance	Project brief for Cliff Gilker Purple Bridge complete. Selection of new area for bridge and trees to use for bridge has been confirmed. New Cliff Gilker Purple Trail Bridge completed, open for use November 10. Work on additional bridges moving forward based on engineering assessments completed Q4 2017.	Carryforward	In Progress 50%
31	IS	350	Cooper	\$5,500	\$0	Taxation	2018	Nov-18		Regional	Regional	2018 Wildsafe BC Program	Program is expected to start early May.	Low Cost / High Value	Started
32	CA	113	Perreault	\$388,601	\$142,202	Reserves / Grant	2016	Dec-18		All	Corporate	Asset Management / Maintenance Management System project	Total project \$412,000 - Cityworks portion of total \$285,111. First phase of Cityworks implementation went live January 2017. Grant funds still available and staff requested/received an extension from UBCM to Dec 31, 2018. Work Management usability improvements are underway through Q2 2018. Next phase focuses on enhancing the system for Asset Management and extending condition assessments. Asset Management Coordinator (temp), hired late March, is scoping final phase of the project to satisfy grant conditions and will comprise the key remaining initiatives for Q2 to Q4 2018 to complete.	Carryforward	In Progress 50%
33	CS	667	Allen	\$161,461	\$952	Gas Tax	2013	Dec-18		A	A	Lily Lake Path (Area A) - Planning and Engineering	Engineering is completed for all sections. Waiting on permit for construction from MoTI. Applied for MOTI Permits. Construction on hold. Discussions with MoTI resumed since UBCM and a report will come forward.	Carryforward	In Progress 75%
34	CS	615-621	Robinson	\$40,000	\$22,546	Capital Maintenance Budget	2016	Dec-18		B, D, E, F (no islands), DoS, ToG and SIGD	ToG	Gibsons and Area Community Centre (GACC) - RTU Controls.	Lighting replacement portion of project cancelled. PO has been issued. PO was issued 2016. Detailed schedule to be confirmed; anticipated to require carryforward for completion in 2017. This project is now completed and final invoices submitted. Additional work identified as required, resulted in this item being carried forward. Additional scope of work and quotations being obtained.	Carryforward	In Progress 75%
35	CS	650	Allen	\$60,500	\$ 812	Taxation	2016	Dec-18		All EA's including Islands	B, D, E, F	Suncoaster Trail Planning	2017 Carryforward. Public open houses held for Feb 27 and March 1. Proposed Route has been linked to Google Earth. Planning continues. SCRD has approval for a grant from VCH Healthy Communities for \$57,500 for detailed trail planning. Grant funding has been received and drafting scope of work for RFP for detailed planning work in 2018. Tendering underway. Call or public participation planned Q1/early Q2 2018.	Carryforward	In Progress 50%

Line No.	Dept.	Function	Mgr.	Budget \$	Budget Expended (to date)	Funding Source	Budget Year	Proposed Completion Date	Actual Completion Date	Function Participants	Work Location	Description	Current Status	Category	% Complete
36	CS	665	Allen	\$100,000	\$10,811	Gas Tax	2015	Dec-18		B, D, E, F	F	Area E - Gower to Gibsons - Construction	Survey completed. SROW's required with property owners. On hold. Discussions with MoTI resumed since UBCM.	Carryforward	In Progress 25%
37	CS	665	Allen	\$158,557	\$17,592	Gas Tax	2015	Dec-18		B, D, E, F	B	Area B Highway 101 to Mintie Road - Planning and Construction	Waiting for permit from MoTI. Applied for 2016 Bike BC grant. ROW denied so rerouting and engineering plan is completed. Legal survey in completed. Legal Survey complete. Carry forward. On hold. Discussions with MoTI resumed since UBCM.	Carryforward	In Progress 25%
38	CS	665	Allen	\$46,000	\$1,457	Gas Tax	2015	Dec-18		B, D, E, F	D	Area D - Beach Avenue (south of Flume Park) curb retrofit - Construction	Drainage issues and catch basin required. Plans are being reviewed by MoTI. On hold. Discussions with MoTI resumed since UBCM.	Carryforward	In Progress 50%
39	CS	665	Allen	\$40,000	\$2,875	Gas Tax	2014	Dec-18		B D E F	E	Area E - Highway 101 Maintenance Repairs - East of Poplars Park (Phase I)	MoTI has completed internal engineering survey and is examining their funding and options. Pending response from MoTI. On hold. Discussions with MoTI resumed since UBCM.	Carryforward	In Progress 25%
40	CS	665	Allen	\$20,000	\$11,306	Gas Tax	2015	Dec-18		B, D, E, F	D	Area D - Lower Road - Planning	Concept plans being reviewed by MoTI. Consultation required. On hold. Discussions with MoTI resumed since UBCM.	Carryforward	In Progress 50%
41	CS	665	Allen	\$20,000	\$10,153	Gas Tax	2015	Dec-18		B, D, E, F	D	Area D - Roberts Creek Village to Pier - Planning	Concept plans being reviewed by MoTI. On hold. Discussions with MoTI resumed since UBCM.	Carryforward	In Progress 50%
42	IS	135	Hall	\$60,000	\$0	CARIP / SS	2017	Dec-18		All	Regional	Corporate Energy Management Program	Scope of work for energy audits coordinated with Asset Management Plan completed. Work will carryforward into 2018. Tendering for energy audits planned for Q2.	Carryforward	Started
43	PD	345	Hall	\$20,000	\$0	Reserves	2018	Dec-18		B, D, E, F and Islands	B, D, E, F and Islands	Ports Approach Load Rating and Ports Safety Audit		Safety	Not Started
44	PD	345	Hall	\$130,000	\$0	Taxation	2018	Dec-18		B, D, E, F and Islands	B, D, E, F and Islands	Ports 5 Year Capital Plan Repairs (Halkett Bay approach, West Bay float)	Design work complete.	Mandatory / BC	Not Started
45	PD	345	Hall	\$450,000	\$0	Short Term Debt	2018	Dec-18		B, D, E, F and Islands	B	Ports - Vaucroft Capital Works		Mandatory / BC	Not Started
46	IS	350	Cooper	\$10,000	\$0	Eco-Fee	2017	Dec-18		All	Regional	Solid Waste Management Plan (SWMP) 5-Year Effectiveness Review	Not started yet. Will be carry-forwarded to 2018 for completion in Q3 2018.	Carryforward	Not Started
47	PD	400	Hall	\$25,000	\$0	Reserves	2018	Dec-18		All	D and E with Regional Impact	Cemetery Business Plan		Mandatory / BC	Not Started
48	PD	504	Allen	\$75,000	\$12,700	Reserves	2017	Dec-18		A-F	B-F	Zoning Bylaw 310	Consultant selected August 2017. Initial meeting conducted in August. Consultant has prepared background report identifying areas of interest with preliminary set of recommendations. Staff and consultant met in October to review background report. White paper coming to Q1 2018 Committee meeting. White paper and questionnaire in development. Status report presented to PCDC February 2018. SCRD advisory committee engagement to commence March 2018. Advisory Committee referral has been conducted and planning is underway for two-part advisory summit.	Carryforward	In Progress 25%
49	PD	540	Hall	\$60,000	\$0	Grant / Operating Reserves	2018	Dec-18		Regional	F	Hillside Development Project Investment Attraction Analysis		Low Cost / High Value	Not Started
50	PD	615	Hall	\$251,650	\$0	Reserves	2018	Dec-18		All excluding A and F Islands	DoS and ToG	Recreation Fitness Equipment Replacement	Project brief and plan developed.	Mandatory / BC	Not Started
51	PD	650	Robinson	\$20,000	\$0	Reserves	2018	Dec-18		A, B, D, E, F	A, B, D, E, F	Regional Parks - Minor Capital Repairs Funding	Capital workplan in development	Mandatory / BC	Started

Apr-18

2018 BUDGET PROJECT STATUS REPORT

Line No.	Dept.	Function	Mgr.	Budget \$	Budget Expended (to date)	Funding Source	Budget Year	Proposed Completion Date	Actual Completion Date	Function Participants	Work Location	Description	Current Status	Category	% Complete
52	IS	370	Crosby	\$4,853,915	\$367,581	Debt / DCCs	2016	Dec-18		Regional	D	Chapman Lake Supply Expansion - Construction, Engineering, Environmental Assessment	Comments received from Sechelt First Nation, BC Parks & FLNRO regarding Chapman Lake EA Report. Staff Report regarding SCR​D responses received at April ISC and forwarded on to BC Parks & FLNRO. Awaiting BC Parks planning process to be completed. Letter dated April 6, 2018 from BC Parks regarding their Public Consultation process as it relates to the Chapman Lake Expansion Project received at the April 12, 2018 Planning & Development Committee meeting.	Carryforward	In Progress 50%
53	CS	110	Legault	\$50,000	\$0	Reserves	2018			Regional	Regional	Update Electronic Document Management System to a new version of Content Server 16	Developing scope of work	Mandatory / BC	Started
54	CS	110	Legault	\$25,000	\$0	Reserves	2018			Regional	Regional	Consulting Services - 2019-2022 Strategic Plan Development		Strategic Plan	Not Started
55	CS	117	Nelson	\$50,000	\$0	Support Services	2018			All	All	Increase Capital Replacements of Information Technology Equipment	Planning is underway.	Mandatory / BC	Not Started
56	PD	210	Michael	\$32,481	\$0	Reserves	2018			E, F and ToG	E, F and ToG	Gibsons and District Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete.	Mandatory / BC	Not Started
57	PD	210	Michael	\$15,000	\$0	Taxation	2018			E, F and ToG	ToG	Gibsons and District Volunteer Fire Department - Painte Exterior of the North Road Fire Hall		Low Cost / High Value	Not Started
58	PD	210	Michael	\$75,000	\$0	Reserves	2018			E, F and ToG	E, F and ToG	Fire Prevention Officer Vehicle		Other	Not Started
59	PD	212	Loveys	\$150,000	\$0	Reserves	2018			D	D	Roberts Creek VFD Roof Replacement		Imminent Asset Failure	Not Started
60	PD	212	Loveys	\$19,489	\$0	Reserves	2018			D	D	Roberts Creek Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete.	Mandatory / BC	Not Started
61	PD	212	Loveys	\$5,000	\$0	Reserves	2018			D	D	Roberts Creek VFD Site Design		Other	Not Started
62	PD	216	Loveys	\$22,737	\$0	Reserves	2018			B	B	Halfmoon Bay Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete.	Mandatory / BC	Not Started
63	PD	218	Loveys	\$11,693	\$0	Reserves	2018			A	A	Egmont and District Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete.	Mandatory / BC	Not Started
64	IS	365	Walkey	\$1,650,000	\$59,363		2017			A and SIGD	A	North Pender Harbour Water Main Upgrades	The second tendering of this grant funded water main replacement work closed on April 6, review of tenders is under way.	Carryforward	Started
65	IS	365	Walkey	\$1,500	\$0	User Fees	2018			A and SIGD	A	North Pender Harbour Water - Demand Reduction Rebate Programs		Strategic Plan	Not Started
66	IS	366	Walkey	\$1,650,000	\$72,951		2017			A	A	South Pender Harbour Water Main Upgrades	The second tendering of this grant funded water main replacement work closed on April 6, review of tenders is under way.	Carryforward	Started
67	IS	366	Walkey	\$2,000	\$0	User Fees	2018			A	A	South Pender Harbour Water - Demand Reduction Rebate Programs		Strategic Plan	Not Started
68	IS	366	Walkey	\$30,000	\$0	5 Year Loan	2018			A	A	South Pender Harbour Water (Utility Services) - Vehicle Replacement	Vehicle tender specifications are being finalized	Other	Started
69	IS	370	Walkey	\$100,000	\$0	Reserves	2018			Regional	F	Langdale Well - Pump Station Upgrade	Design and planning for this work is underway.	Imminent Asset Failure	Started
70	IS	370	Walkey	\$50,000	\$0	Reserves	2018			Regional	E	Regional Water - Well Protection Planning - Phase 2		Regulatory Compliance	Not Started
71	IS	370	Walkey	\$112,500	\$0	Reserves	2018			Regional	B, D and Dos	Regional Water - Exposed Water Main Rehabilitation		Mandatory / BC	Not Started
72	IS	370	Walkey	\$25,000	\$0	User Fees	2018			Regional	A, B, D, E, F and DoS	Regional Water - Demand Reduction Rebate Programs		Strategic Plan	Not Started
73	IS	370	Walkey	\$692,000	\$0	Reserves	2018			Regional	B, D, E, F and DoS	Chapman Water Treatment Plan Chlorination System Upgrade		Integrated 5-Year Plan	Not Started
74	IS	370	Rosenboom	\$325,000	\$0	Reserves	2018			Regional	E, F and DoS	Regional Water - Groundwater Investigation - Stage 2	Report on April 19 ISC	Integrated 5-Year Plan	Not Started
75	IS	370	Walkey	\$5,896,550	\$0	Long Term Debt	2018			Regional	DoS and SIGD	Regional Water - Universal Water Meter Installations - Phase 3 - District of Sechelt	Report on April 19 ISC	Integrated 5-Year Plan	Not Started
76	IS	370	Rosenboom	\$200,000	\$0	DDC's	2018			Regional	Regional	Regional Water Storage Capacity	Report on April 19 ISC	Integrated 5-Year Plan	Not Started
77	IS	370	Walkey	\$200,000	\$0	5 Year Loan	2018			Regional	All	Regional Water (Utility Services) - Vehicle Replacements	Vehicle tender specifications are being finalized	Other	Started

Line No.	Dept.	Function	Mgr.	Budget \$	Budget Expended (to date)	Funding Source	Budget Year	Proposed Completion Date	Actual Completion Date	Function Participants	Work Location	Description	Current Status	Category	% Complete
78	IS	389	Walkey	\$75,000	\$9,041		2017			A	A	Canoe Road Septic Field System Replacement	Engineering RFQ underway	Carryforward	Started
79	IS	390	Walkey	\$65,000	\$7,592		2017			A	A	Merrill Crescent Septic Field Replacement	Engineering RFQ underway	Carryforward	Started
80	PD	615	Robinson	\$12,000	\$0	Reserves	2018			All excluding A and F Islands	ToG	Recommission hot water heat recovery system. Gibsons and Area Community Centre (GACC)	Regulatory changes regarding ammonia in secondary heating systems mean this project is recommended for cancellation.	Integrated 5-Year Plan	Cancelled
81	PD	625	Cole	\$9,000	\$0	Reserves	2018			A	A	Pender Harbour Aquatic and Fitness Centre Hot Water Tank Replacement		Imminent Asset Failure	Started
82	PD	625	Cole	\$10,000	\$0	Reserves	2018			A	A	Bathroom Partitions		Mandatory / BC	Started
83	PD	625	Cole	\$11,000	\$0	Reserves	2018			A	A	Replacement of Stereo System		Low Cost / High Value	Started
84	PD	650	Robinson	\$30,000	\$0	Reserves	2018			A, B, D, E, F	B, D, F	Sports Field Potable Water Use Reduction	Awaiting grant application result.	Integrated 5-Year Plan	Started
85	PD	210-218	Loveys	\$10,000	\$0	Reserves	2018			A, B, D, E, F and ToG	A, B, D, E, F and ToG	VFD Document System - Fire Pro 2 Software Package	Discussion underway with the Fire Departments	Other	Not Started

Line No.	Dept.	Function	Mgr.	Budget \$		Funding Source	Budget Year	Proposed Completion Date	Actual Completion Date	Function Participants	Work Location	Description	Current Status	Category	% Complete
1	IS	352	Cooper	\$12,000		Reserves	2018	Apr-18	Mar-18	Regional	Regional	Sechelt Landfill Generator Replacement	Completed. Generator was replaced March 26, 2018. Have not received invoice yet.	Imminent Asset Failure	Completed
2	CS	615	Hall	\$309,174		Capital Maintenance Budget / Reserves	2016	Mar-18	Mar-18	B, D, E, F (no islands), DoS, ToG and SIGD	ToG	Gibsons and District Aquatic Facility (GDAF) Hot Tub Replacement	Construction manager and trades hired. Demolition completed. Communications plan to support new timeline in place. Concrete work completed. Main pool reopened December. Construction complete. Hot tub planned opening early March 2018, subject to health and building inspection. Completed and opened March 2018.	Carryforward	Completed
3	CS	210	Michael	\$840,000		Capital Reserves	2016	Jan-18	Apr-18	E, F and ToG	ToG	Ladder Truck Replacement for GDVFD	Construction has begun on ladder truck and anticipated delivery date is Jan 1, 2018 Ladder truck has arrived and training is ongoing prior to putting into service.	Carryforward	Completed
4	IS	370	Crosby	\$149,859		TBD	2016	Mar-18	Apr-18	Regional	D, E, F, TOG, DOS	Regional Water Groundwater Investigation Stage 1	Draft report received for review September 19, 2017. Report and presentation by Consultant to be presented to Committee in the 4th Quarter. Final report presented by Consultant at October 19, 2017 Infrastructure Services Committee with subsequent recommendations adopted at October 26, 2017 Board meeting. Groundwater Task Force meetings completed as of February 14, 2018. Report to March ISC to follow. The Regional Groundwater Task Force - Next Steps report was received at the March 15, 2018 ISC meeting and a subsequent staff report will be provided at the April 19, 2018 ISC meeting.	Carryforward	Completed

Open Projects by Year	
Prior to 2015	4
2015	11
2016	10
2017	16
2018	44
TOTAL	85

% Complete Summary		DEFINITION
Not Started	32	36.0% Work has not been started for project.
Started	22	24.7% Work is in preliminary stages.
In Progress 25%	7	7.9% Up to 25% progress
In Progress 50%	14	15.7% Up to 50% progress
In Progress 75%	9	10.1% Up to 75% progress
Completed	4	4.5% 100% Finished
Deferred	0	0.0% Project was deferred by motion.
Cancelled	1	1.1% The project listed as cancelled was determined as a) not required by Board or b) the project evolved into a new project and is referred to in status column (line number)
TOTAL	89	100%

Policy Codes Key
SP - Strategic Plan
WE - We Envision
ITSP - Integrated Transportation Study Plan
CRWP - Comprehensive Regional Water Plan
PRM - Parks and Rec Master Plan
SARP - Chapman Creek Watershed Source Assessment Response Plan
EVDF, HMBF, RCF, GF - Fire Departments (strategic plans)
PDTNP - Parks Division Trail Network Plan
TFP - Transit Future Plan
AAP - Agricultural Area Plan
AMP - Asset Management Plan
ZW/S - Zero Waste / Sustainability

*Not on this list but carry-forward

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 26, 2018

AUTHOR: Tina Perreault, Chief Financial Officer
Brad Wing, Financial Analyst

SUBJECT: PROVINCIAL CHANGES TO MEDICAL SERVICES PLAN PREMIUMS

RECOMMENDATION(S)

THAT the report titled Provincial Changes to Medical Services Plan Premiums be received.

BACKGROUND

In September 2017, as part of its *Budget 2017 Update*, the Provincial Government announced a 50% reduction in Medical Service Plan (MSP) premiums, effective January 1, 2018.

In February 2018, as part of *Budget 2018*, it was announced that MSP premiums would be eliminated effective January 1, 2020 with revenues replaced by an employer health tax to take effect on January 1, 2019. Each local government is effected differently based on their agreements and financial circumstances.

The purpose of this report is to provide information on the projected impact of these changes to the Sunshine Coast Regional District (SCRD).

DISCUSSION

Article 28.A of the Collective Agreement between the SCRD and Unifor Local 466 stipulates that the Regional District shall pay 100% of the cost of the monthly premium per employee membership in the Medical Services Plan of B.C. This article applies to regular full time employees and, by extension, to permanent exempt employees per Section 9.1 of Exempt Employment Bylaw No. 633.

Article 28.B of the Collective Agreement stipulates that regular part-time employees will receive the cash equivalent of benefits at a rate of \$2.93 per hour with provisions for increases based on the percentage increase in benefit costs provided to regular full-time employees. Casual and temporary employees are not entitled to benefits.

The Regional District also pays 100% of the monthly MSP premiums for Rural Area Directors. These costs are funded through rural area taxation only.

The new employer health tax is proposed as a tiered payroll tax that will come into effect on January 1, 2019. With a payroll in excess of \$1.5 million, the Regional District will fall in the top tier and will pay at a rate of 1.95% of total payroll.

Further details on the changes are included in a backgrounder document issued by the Province and attached to this report (Attachment A).

Options and Analysis

Combined benefit costs and payroll taxes are budgeted on an average percentage basis, calculated against total payroll, across all SCRD functions.

The percentage applicable to MSP premiums was calculated at 2.55% in 2017 prior to the 50% reduction that took effect in January 2018. Therefore, elimination of MSP premiums in favour of a 1.95% payroll tax will result in a 24% reduction in MSP related costs once fully transitioned on January 1, 2020.

Costs during the transition period will fluctuate due to the proposed timing of the payroll tax implementation and elimination of MSP premiums. Based on the information available to date, the Regional District will be paying both MSP premiums and the payroll tax during the 2019 fiscal year.

The table below summarizes the estimated impact of the changes from 2017 through 2020 with all dollar values calculated against 2018 total payroll of \$13,115,896 for comparative purposes.

Impact of Provincial Changes to Medical Services Plan Premiums				
Annual Payroll (2018):	\$ 13,115,896			
	2017	2018	2019	2020
Budgeted Rates				
MSP Premiums	2.55%	1.22%	1.22%	0.00%
Payroll Tax	0.00%	0.00%	1.95%	1.95%
Combined Rate	2.55%	1.22%	3.17%	1.95%
Budgeted Annual Cost				
MSP Premiums	334,329	160,096	160,096	-
Payroll Tax	-	-	255,760	255,760
Total Budgeted Annual Cost	\$ 334,329	\$ 160,096	\$ 415,856	\$ 255,760
\$ Increase/(Decrease) over prior year		\$ (174,233)	\$ 255,760	\$ (160,096)
% Increase/(Decrease) over prior year		-52%	160%	-38%
\$ Increase/(Decrease) over 2017 Baseline		\$ (174,233)	\$ 81,527	\$ (78,569)
% Increase/(Decrease) over 2017 Baseline		-52%	24%	-24%

Financial Implications

The timeline of the proposed changes impacts taxation in each year throughout the transition period. The 50% reduction in MSP premiums in 2018 resulted in a tax reduction of approximately \$150,000, equivalent to a 0.83% reduction in overall taxation.

A high level estimate of the impact of the new employer payroll tax on taxation in 2019 indicates an approximate increase of \$220,000 which is equivalent to a 1.16% overall increase over 2018.

Taxation will decrease again in 2020 by approximately \$138,000 with the elimination of MSP premiums. The net decrease in taxation is estimated at \$68,000 once the full transition has been implemented.

User fees are not expected to be impacted during the transition period.

Timeline for next steps or estimated completion date

The Provincial Government has indicated that they will provide further details on the new employer health tax prior to implementation.

Staff will provide an update on these details and any additional impact to the organization as part of the 2019 budget process.

STRATEGIC PLAN AND RELATED POLICIES

This report is supportive of the SCRD Value of Transparency

CONCLUSION

As part of *Budget 2018* the Provincial Government announced that MSP premiums would be eliminated on January 1, 2020, after an initial 50% reduction effective January 1, 2018, with revenue to be replaced by an employer health tax in the form of a payroll tax effective January 1, 2019.

The Regional District pays 100% of MSP premiums for eligible employees and will be subject to the new payroll tax upon implementation at a rate of 1.95% on total payroll.

Related costs will fluctuate during the transition period due to the timing of both the payroll tax implementation and elimination of MSP premiums. The net impact is an overall reduction in MSP related benefit costs once the transition has been fully implemented on January 1, 2020.

Reviewed by:			
Manager		Finance	X S. Zacharias
GM		Legislative	X-A. Legault
CAO	X-J. Loveys	Other	

February 20, 2018

BACKGROUND

ELIMINATING MEDICAL SERVICE PLAN PREMIUMS

Budget 2018 will eliminate Medical Service Plan (MSP) premiums effective Jan. 1, 2020.

By eliminating these unfair and regressive fees, the B.C. government will help lift a significant financial burden off of individuals and families. In total, eliminating MSP premiums will save individuals up to \$900 per year and will save families up to \$1,800 per year.

MSP premiums disproportionately impact low and middle income earners. Currently, all households with adjusted net income of more than \$42,000 per year pay the same amount. This means a person earning \$45,000 per year pays the same premiums as someone earning \$250,000 per year. Eliminating this regressive fee for all British Columbians will result in a fairer tax system that works for everyone.

British Columbia is the only province in Canada that levies MSP premiums. They are complex and expensive for businesses to administer. They also lead to substantial administrative costs for government.

The B.C. government committed to eliminating MSP premiums within four years. The government took the first step in *Budget 2017 Update* by cutting MSP premiums by 50%, starting Jan. 1, 2018 and increasing the threshold for premium assistance by \$2,000.

The decision to eliminate MSP premiums was informed by the MSP Task Force's interim report, including the decision to eliminate premiums all at once, as opposed to phasing them out over time, and to provide advanced notice of the changes.

In order to continue to deliver the services British Columbians depend on, the Province is replacing the revenues from MSP premiums with an employer health tax.

This new payroll tax will come into effect Jan. 1, 2019 with the following rate structure:

- Businesses with a payroll of more than \$1.5 million will pay a rate of 1.95% on their total payroll.
- Businesses with a payroll between \$500,000 and \$1.5 million will pay a reduced tax rate.
- Businesses with a payroll under \$500,000 will not pay the tax.

By exempting businesses with payrolls under \$500,000, the employer health tax is designed to help protect small businesses. At 1.95%, it is also the lowest rate among provinces with a payroll tax in Canada.

Further details about the employer health tax will be provided prior to its implementation on Jan. 1, 2019.

The Province estimates the new tax will raise approximately \$463 million in 2018-19. The B.C. government will use this revenue to help people by investing in services and the economy.

Quick Facts:

- In 2016-17 MSP premiums provided a total of \$2.6 billion in revenue.
- The new employer health tax is estimated to provide \$1.9 billion in revenue per year in 2019-20 and 2020-21.

Contact:

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Ministry of Finance
250 387-1248

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SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 26, 2018

AUTHOR: Brad Wing, Financial Analyst

SUBJECT: GAS TAX COMMUNITY WORKS FUNDING

RECOMMENDATION(S)

THAT the report titled Gas Tax Community Work Funding be received for information.

BACKGROUND

The purpose of this financial report is to provide the Committee with an update on the current status of Gas Tax Community Works Funding including budgeted project commitments, year to date spending and uncommitted funds available to be spent on eligible projects.

Since 2005, \$6,628,353 has been received from the Federal Gas Tax Fund under the 2005-2015 Community Works Fund Agreement and the renewed 2014-2024 Community Works Fund Agreement. Funding is based on Regional District population and payments are advanced on a semi-annual basis with funds allocated to the five rural areas per the following resolution adopted at the May 11, 2017 Board meeting:

163/17 **Recommendation No. 4** *Gas Tax Community Works Funding*

AND THAT 2016 Census population data be used as the basis for allocating Gas Tax Community Works Funding by Electoral Area for funds received after January 1, 2017.

DISCUSSION

Funding Allocation

Community Works Funds are allocated to all local governments in British Columbia based on a per capita funding formula with a funding floor. Consistent with this method, funding received since inception of the Fund has been allocated to each of the five electoral areas based on the most current census data.

Summary of Funding Commitments

Unspent funding received as at December 31, 2017 totaled \$3,753,080. This year's first installment payment estimated at \$338,941 is expected in August. The second installment for the same amount is expected to be received in early December bringing the total available funding for eligible projects in 2018 to \$4,430,962. Of this, \$947,326 is currently committed for projects and \$3,483,636 remains uncommitted.

A summary of Gas Tax Community Works Funding allocations and funding commitments by Electoral Area for 2018 is provided in Table 1 below with more details outlined in Attachment A, Gas Tax Community Works Fund Summary of Commitments worksheet.

Table 1: Summary of Gas Tax Community Works Funding				
Electoral Area	Unspent Funding as at December 31, 2017	2018 Anticipated Payments	2018 Funding Commitments	Uncommitted Funds for Available for 2018
Area A- Egmont/Pender Harbour	\$ 960,337	\$ 122,860	\$ (160,509)	\$ 922,688
Area B - Halfmoon Bay	521,245	127,636	(435,655)	213,226
Area D - Roberts Creek	669,272	160,176	(63,084)	766,364
Area E - Elphinstone	926,018	171,554	(121,721)	975,851
Area F - West Howe Sound	676,208	95,656	(166,357)	605,507
Totals	\$ 3,753,080	\$ 677,882	\$ (947,326)	\$ 3,483,636

Timeline for next steps

Staff intend on bringing a future report in Q3/Q4 2018 on a proposed policy on Gas Tax funds in preparation for the 2019 Budget.

STRATEGIC PLAN AND RELATED POLICIES

The information presented in this report is consistent with the Sunshine Coast Regional District's Financial Sustainability Policy.

CONCLUSION

This report is an update on the current status of Gas Tax Community Works Funding including funding commitments, year to date spending and uncommitted funds available to be spent on eligible projects. There is \$4,430,962 of Gas Tax Community Works Funding available to fund eligible projects in 2018. Of this, \$947,326 has been committed for projects and \$3,483,636 remains uncommitted.

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 26, 2018

AUTHOR: Sherry Reid, Deputy Corporate Officer

SUBJECT: 2018 UNION OF BRITISH COLUMBIA MUNICIPALITIES (UBCM) RESOLUTIONS

RECOMMENDATION(S)

THAT the report titled 2018 Union of British Columbia Municipalities (UBCM) Resolutions be received;

AND THAT the Corporate and Administrative Services Committee identify any further resolutions to be prepared for the 2018 UBCM Convention.

BACKGROUND

The UBCM Convention will be held in Whistler from September 10-14, 2018. The annual convention provides members with the opportunity to bring forward issues and concerns from their communities through resolutions and debate.

DISCUSSION

UBCM urges members to submit resolutions through their Area Associations for consideration. The Sunshine Coast Regional District (SCRD) submitted four resolutions to the Association of Vancouver Island and Coastal Communities (AVICC) for consideration: BC Ferries Medical Priority Loading, Re-evaluation of Resolutions by the Province, Watershed Governance Model and Cycling Infrastructure Funding. Resolutions endorsed at the AVICC annual general meeting will automatically be forwarded to UBCM for consideration at the 2018 Convention.

While UBCM prefers that resolutions be endorsed by Area Associations prior to coming forward at the Convention, issues that arise after the AVICC annual meeting may be submitted directly to UBCM. Staff request that the Committee identify any additional resolutions that should be prepared.

Timeline for next steps or estimated completion date

If new resolutions are identified, staff will prepare and present draft resolutions for consideration at the May 24, 2018 Corporate and Administrative Services Committee meeting. The Committee's recommendation must go to Board for endorsement no later than June 28th in order to meet UBCM's June 30th submission deadline.

STRATEGIC PLAN AND RELATED POLICIES

Submission of resolutions to UBCM is in alignment with SCRD's strategic value of Collaboration and also supports SCRD's mission to provide leadership and quality services to our community through effective and responsive government.

CONCLUSION

Staff recommend that the Committee identify any additional resolutions that should be presented for consideration at the 2018 UBCM Convention. New resolutions must be Board-endorsed prior to their submission to UBCM on or before June 30, 2018.

Reviewed by:			
Manager		Finance	
GM		Legislative	X – A. Legault
CAO	X-J. Loveys	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 26, 2018

AUTHOR: Brad Wing, Financial Analyst

SUBJECT: INVESTMENTS AND RESERVES AS AT MARCH 31, 2018

RECOMMENDATION(S)

THAT the report titled Investments and Reserves as at March 31, 2018 be received for information.

BACKGROUND

This purpose of this report is to provide the Committee with information regarding the status of the Sunshine Coast Regional District's (SCRD's) investments and reserves.

DISCUSSION

As at March 31, 2018 the Regional District had \$16,044,491 of reserve funds and \$4,678,485 of Parkland Acquisition, Development Cost Charges (DCC's) and Gas Tax Community Work Funds invested in term deposits and the Municipal Finance Authority (MFA) bond fund. In addition, the SCRD had \$812,789 of Landfill Closure Reserve funds invested in the MFA bond fund as of the same date. Combined investments totaled \$21,535,765.

Detailed balances of Operating and Capital reserves, Landfill Closure Reserves, Parkland Acquisition, DCC's, and Gas Tax Community Works Fund accounts are shown in Attachments A through C.

The difference between the amounts set aside in reserve and the amount invested is due to the timing of investment transfers and anticipated project funding and cash flow requirements. These differences will be addressed by either a future subscription or redemption to the investment as appropriate.

Short term investments of tax requisition funds collected in August 2017 have been fully redeemed or re-classified as of March 31, 2018.

STRATEGIC PLAN AND RELATED POLICIES

Investment decisions are guided by the Corporate Investment Policy which states that funds are to be invested in a socially responsible manner that will provide the highest investment return with the maximum security while meeting the cash flow and the statutory requirements of the *Community Charter* and *Local Government Act*.

CONCLUSION

The SCRD had \$21,535,765 invested in term deposits and the MFA bond fund as at March 31, 2018 for Reserves, Parkland Acquisition, DCC's, Gas Tax Community Works Funds and Landfill Closure Reserves.

Short term investments of 2017 tax requisition funds have been fully redeemed or re-classified as of March 31, 2018. Differences between amounts set aside in reserves and amounts invested are due to the timing of investment transfers and anticipated short term cash flow requirements. This report is provided for information.

Reviewed by:			
Manager		Finance	X - S. Zacharias
GM		Legislative	
CAO	X – J. Loveys	Other	

Attachment A
Investments of Reserves
As at March 31, 2018

Bylaw	Description	Opening Balance	Transfers	YTD Interest	Closing Balance
General					
504	Administration - Capital	\$ 601.17	\$ -	\$ 2.25	\$ 603.42
495	Administration - Vehicle Acquisition	40,983.76	-	\$ 153.90	41,137.66
648	Administration - Operating	325,455.15	-	\$ 1,222.11	326,677.26
648	Finance - Operating	202,012.17	-	\$ 758.57	202,770.74
496	Office Building Upgrades - Capital	201,205.55	-	\$ 755.54	201,961.09
648	Human Resources - Operating	173,224.20	-	\$ 650.47	173,874.67
504	Information Services - Capital	99,498.60	(7,546.95)	\$ 368.62	92,320.27
648	Information Services - Operating	25,556.71	-	\$ 95.97	25,652.68
648	Area D Grant in Aid - Operating	3,107.71	-	\$ 11.67	3,119.38
648	Elections - Operating	147,913.12	-	\$ 555.42	148,468.54
648	Corporate Sustainability - Operating	91,018.45	-	\$ 341.78	91,360.23
648	Regional Sustainability - Operating	41,400.22	-	\$ 155.47	41,555.69
	Feasibility Studies - Area B	25,924.91	-	\$ 97.35	26,022.26
	Feasibility Studies - Area D	25,924.91	-	\$ 97.35	26,022.26
649	Bylaw Enforcement - Vehicle Acquisition	31,003.74	-	\$ 116.42	31,120.16
677	Bylaw Enforcement - Operating	20,964.13	-	\$ 78.72	21,042.85
	Halfmoon Bay Smoke Control - Operating	1,510.35	-	\$ 5.67	1,516.02
650	Roberts Creek Smoke Control - Operating	11,513.40	-	\$ 43.23	11,556.63
497	Gibsons and District Fire Protection - Land	40,355.49	-	\$ 151.55	40,507.04
489	Gibsons and District Fire Protection - Capital	399,587.41	(175,184.05)	\$ 822.99	225,226.35
678	Gibsons and District Fire Protection - Operating	8,840.63	-	\$ 33.19	8,873.82
490	Roberts Creek Fire Protection - Capital	308,880.89	-	\$ 1,159.87	310,040.76
679	Roberts Creek Fire Protection - Operating	4,432.07	-	\$ 16.64	4,448.71
491	Halfmoon Bay Fire Protection - Capital	323,737.36	-	\$ 1,215.66	324,953.02
	Halfmoon Bay Fire Protection - Operating	1,799.00	-	\$ 6.76	1,805.76
601	Egmont Fire Protection - Capital	120,093.29	-	\$ 450.96	120,544.25
	Egmont Fire Protection - Operating	3,234.07	-	\$ 12.15	3,246.22
492	Emergency Telephone 911 - Capital	418,362.90	-	\$ 1,570.99	419,933.89
	Emergency Telephone 911 - Operating	25,388.42	-	\$ 95.33	25,483.75
493	Sunshine Coast Emergency Planning - Capital	34,716.00	-	\$ 130.37	34,846.37
	Sunshine Coast Emergency Planning - Operating	83,427.97	-	\$ 313.28	83,741.25
651	Animal Control - Vehicle Acquisition	50,334.21	-	\$ 189.01	50,523.22
680	Animal Control - Operating	88,164.97	-	\$ 331.07	88,496.04
529	Transit - Capital	-	-	\$ -	-
652	Transit - Operating	183.19	-	\$ 0.69	183.88
563	Fleet Maintenance - Capital	109,582.05	-	\$ 411.49	109,993.54
	Fleet Maintenance - Operating	64,800.36	-	\$ 243.33	65,043.69
486	Ports - Capital	536,841.18	(185,566.40)	\$ 1,663.93	352,938.71
607	Ports - Operating	66,048.93	-	\$ 248.02	66,296.95
653	Regional Solid Waste - Operating	123,492.39	-	\$ 463.72	123,956.11
670	Zero Waste Initiatives (Eco Fee) - Operating	208,828.41	-	\$ 784.17	209,612.58
653	Landfill - Operating	121,416.83	(61,600.00)	\$ 348.34	60,165.17
654	Refuse Collection - Operating	100,261.46	-	\$ 376.49	100,637.95
655	Cemetery - Operating	210,736.21	-	\$ 791.33	211,527.54
515	Pender Harbour Health Clinic - Capital	44,012.36	-	\$ 165.28	44,177.64
681	Regional Planning - Operating	62,314.16	-	\$ 234.00	62,548.16
656	Rural Planning - Vehicle Acquisition	17,339.04	-	\$ 65.11	17,404.15
657	Rural Planning - Operating	181,764.92	-	\$ 682.55	182,447.47
504	Property Information & Mapping - Capital	65,734.75	-	\$ 246.84	65,981.59
648	Property Information & Mapping - Operating	74,963.65	-	\$ 281.49	75,245.14
	Civic Addressing - Operating	81,890.78	-	\$ 307.51	82,198.29
659	Building Inspection - Vehicles Acquisition	52,937.31	-	\$ 198.79	53,136.10
	Building Inspection - Operating	477,239.06	-	\$ 1,792.07	479,031.13
590	Community Recreation Facilities - Capital	1,640,662.70	(19,466.00)	\$ 6,112.86	1,627,309.56
682	Community Recreation Facilities - Operating	302,221.88	-	\$ 1,134.87	303,356.75
494	Pender Harbour Pool - Capital	71,736.54	-	\$ 269.38	72,005.92
660	Pender Harbour Pool - Operating	87,067.09	-	\$ 326.95	87,394.04
	School Facilities - Joint Use - Operating	13,527.24	-	\$ 50.80	13,578.04
609	Gibsons & Area Library - Capital	77,205.97	-	\$ 289.91	77,495.88
	Gibsons & Area Library - Operating	57.88	-	\$ 0.21	58.09
533	Community Parks - Capital	471,825.79	-	\$ 1,771.74	473,597.53
662	Community Parks - Operating	180,599.93	(1,877.85)	\$ 674.89	179,396.97
683	Bicycle and Walking Paths - Operating	187,906.57	-	\$ 705.61	188,612.18
	Area A - Bicycle and Walking Paths - Operating	62,442.97	-	\$ 234.47	62,677.44
	Regional Recreation Programs - Operating	14,110.69	-	\$ 52.99	14,163.68
	Dakota Ridge - Operating	179,879.35	-	\$ 675.47	180,554.82
Total General Reserve Funds		\$ 9,269,804.57	\$ (451,241.25)	\$ 33,615.63	\$ 8,852,178.95

Attachment A
Investments of Reserves
As at March 31, 2018

Page 2 of 2

Bylaw	Description	Opening Balance	Transfers	YTD Interest	Closing Balance
Water Services					
589	North Pender Harbour - Capital	\$ 474,223.47	\$ (4,762.52)	\$ 1,762.34	\$ 471,223.29
605	North Pender Harbour - Operating	120,515.78	-	\$ 452.55	120,968.33
602	South Pender Harbour - Capital	682,745.15	(4,661.69)	\$ 2,545.74	680,629.20
663	South Pender Harbour - Operating	645,960.30	-	\$ 2,425.63	648,385.93
488	Regional - Capital	5,480,952.21	(73,732.35)	\$ 20,442.24	5,427,662.10
488	Chapman Lake Access Expansion Engineering (Interim)	(373,323.76)	-	\$ (1,401.86)	(374,725.62)
498	Regional - Land	17,082.21	-	\$ 64.15	17,146.36
664	Regional - Operating	1,609,545.15	-	\$ 6,043.98	1,615,589.13
Total Water Services Reserves		\$ 8,657,700.51	\$ (83,156.56)	\$ 32,334.77	\$ 8,606,878.72
Waste Water Plants					
512	Greaves Road - Capital	\$ 2,505.92	\$ -	\$ 9.41	\$ 2,515.33
608	Greaves Road - Operating	9,516.43	-	\$ 35.73	9,552.16
665	Woodcreek Park - Capital	24,431.12	-	\$ 91.75	24,522.87
666	Woodcreek Park - Operating	151,236.76	-	\$ 567.91	151,804.67
512	Sunnyside - Capital	17,125.82	-	\$ 64.30	17,190.12
608	Sunnyside - Operating	6,185.56	-	\$ 23.23	6,208.79
512	Jolly Roger - Capital	34,764.00	-	\$ 130.54	34,894.54
608	Jolly Roger - Operating	24,070.12	-	\$ 90.39	24,160.51
512	Secret Cove - Capital	9,332.04	-	\$ 35.04	9,367.08
608	Secret Cove - Operating	28,245.00	-	\$ 106.06	28,351.06
512	Lee Bay - Capital	228,724.87	-	\$ 858.88	229,583.75
608	Lee Bay - Operating	255,569.46	-	\$ 959.69	256,529.15
512	Square Bay - Capital	31,131.68	-	\$ 116.90	31,248.58
608	Square Bay - Operating	92,844.15	-	\$ 348.64	93,192.79
608	Langdale - Operating	50,367.22	-	\$ 189.14	50,556.36
512	Canoe Road - Capital	3,061.42	-	\$ 11.50	3,072.92
608	Canoe Rd - Operating	3,695.41	-	\$ 13.88	3,709.29
608	Merrill Crescent - Operating	9,115.35	-	\$ 34.23	9,149.58
512	Curran Road - Capital	18,782.38	-	\$ 70.53	18,852.91
608	Curran Road - Operating	58,114.32	-	\$ 218.23	58,332.55
512	Roberts Creek Co-Housing - Capital	2,410.41	-	\$ 9.05	2,419.46
608	Roberts Creek Co-Housing - Operating	23,876.47	-	\$ 89.66	23,966.13
667	Lily Lake Village - Operating	38,392.28	-	\$ 144.16	38,536.44
668	Painted Boat - Capital	1,694.14	-	\$ 6.36	1,700.50
669	Painted Boat - Operating	39,004.72	-	\$ 146.47	39,151.19
Total Waste Water Plants Reserves		\$ 1,164,197.05	\$ -	\$ 4,371.68	\$ 1,168,568.73
Total Reserve Funds		\$ 19,091,702.13	\$ (534,397.81)	\$ 70,322.08	\$ 18,627,626.40

Investments \$ 16,044,491.25
Over/ (Under) Subscribed \$ (2,583,135.15)

Attachment B
Investments of Landfill Closure Reserve
As at March 31, 2018

Account	Opening Balances	YTD Interest	Transfers To (From)	Closing Balance
Pender Harbour Landfill Closure Liability	\$ 465,921		\$ -	\$ 465,921
Pender Harbour (Unfunded)	(467,179)	(3)	-	(467,182)
Net Funded Liability	<u>(1,258)</u>			<u>(1,261)</u>
Sechelt Landfill Closure Liability	5,739,237		-	5,739,237
Sechelt Landfill (Unfunded)	(4,927,533)	1,823	-	(4,925,710)
Net Funded Liability	<u>811,704</u>			<u>813,527</u>
				-
Total Landfill Closure Reserve	\$ 810,445	\$ 1,821	\$ -	\$ 812,266
	Investments			\$ 812,789
	Over (Under) Subscribed *			\$ 523

* note: over(under) subscriptions are due to timing difference in transferring into or out of the investment account.

Attachment C
Investments of Gas Tax, Parkland Aquisition and Development Costs Charges
As at March 31, 2018

Description	Opening Balance	Transfers	YTD Interest	Closing Balance
Gas Tax Community Works Fund				
Area A	\$ 960,336	\$ -	\$ 3,184	\$ 963,521
Area B	521,245	-	1,728	522,974
Area D	669,272	-	2,219	671,491
Area E	926,018	-	3,070	929,089
Area F	676,208	(5,062)	2,221	673,367
Parkland Acquisition	434,301	-	1,440	435,741
Development Cost Charges				
North Pender Harbour Water Service	35,218	-	117	35,335
South Pender Harbour Water Service	149,851	-	497	150,348
Regional Water Service	1,577,268	91,094	5,392	1,673,754
Totals	\$ 5,949,718	\$ 86,032	\$ 19,869	\$ 6,055,619

Investments \$ 4,678,485
Over/ (Under) Subscribed \$ (1,377,135)

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee- April 26, 2018
AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer
SUBJECT: GRANTS STATUS UPDATE

RECOMMENDATION(S)

THAT the report titled Grants Status Update be received for information;

AND THAT a request be submitted to the Union of British Columbia Municipalities for a scope change to the Enterprise Asset Management Software Implementation Project to include hiring of a consultant to complete condition assessments of critical assets.

BACKGROUND

The Sunshine Coast Regional District (SCRD) applies regularly for grants available to undertake projects in every department each year. Staff diligently search for new grant opportunities and alignment where possible, with the Board's Strategic Plan, the Integrated Five-Year Service Plan or currently approved projects.

The purpose of this report is to update the Committee on any recent grant application notifications, pending applications and grants in progress as well as provide information on potential new opportunities expected to be available in the near future.

The last grants status update was presented at the September 21, 2017 Corporate and Administrative Services Committee meeting.

DISCUSSION

Information on recent grant application notifications, pending applications, grants received and in progress and completed grants are detailed in the tables below.

A summary of upcoming opportunities and an update on the status of the Enterprise Asset Management (EAM) Software Implementation project and a potential change in scope to utilize remaining grant funds are included at the end of this section.

Grant Application Notifications

The table below summarizes recent grant application notifications:

Program Name	Administered By	Project	Funding Requested / Received	Status	Area(s) Affected
Community Emergency Preparedness Fund	Union of BC Municipalities	Emergency Social Services Group Lodging Resiliency Project	\$24,400	Approved	Regional
Community Emergency Preparedness Fund	Union of BC Municipalities	Emergency Operations Centre Telecommunications Upgrade Project	\$23,467	Approved	Regional
Infrastructure Planning Grant Program	BC Ministry of Municipal Affairs and Housing	Regional Water Storage Capacity Planning	\$10,000	Approved	A, B, D, E, F and DoS
Gas Tax Strategic Priorities Fund	Union of British Columbia Municipalities	Regional Water Cross Connection Control and Universal Metering Program – Phase 3	\$5,896,550	Denied	A, B, D, E, F and DoS
Canada Cultural Spaces Fund (2017)	Canadian Heritage	Granthams Hall Rehabilitation	\$217,498	Denied	F

Pending Grant Applications

Below is an updated summary of pending grant applications submitted or in progress for which no notification has been received to date:

Program Name	Administered By	Project	Funding Request	Submission Date	Area(s) Affected
Canada Summer Jobs (2018)	Employment and Social Development Canada	Community Parks - Seasonal Student Parks Workers	\$5,730	Jan. 16, 2018	Rural Areas
Infrastructure Planning Grant Program	BC Ministry of Municipal Affairs and Housing	Sunshine Coast Arena and Sports Fields Water Efficiency Study	\$10,000	Jan. 17, 2018	Regional
Economic Development Readiness Program	Islands Coastal Economic Trust	Hillside Development Project Investment Attraction Analysis	TBD	Pending	Regional

Canada Cultural Spaces Fund (2018)	Canadian Heritage	Granthams Hall Rehabilitation	TBD	Pending	F
Age-Friendly Community Grant Program	Union of British Columbia Municipalities	Age-friendly Parks Trail Map	\$20,000	Abandoned (participating in DoS lead project)	Rural Areas

Grants Received and in Progress

The table below summarizes approved grant funding received for project works and programs which are currently planned or in progress:

Program Name	Administered By	Project	Approved Funding	Project Completion Deadline	Area(s) Affected
Active Communities Grant Program	Vancouver Coastal Health	Suncoaster Trail Detailed Planning	\$57,500	Oct. 31, 2018	B, D, E, F, DOS, TOG, SIGD
Healthy Communities Capacity Building Fund	BC Healthy Communities Society	Resilient Streets Program – Roberts Creek	\$20,000	Nov. 30, 2018	D
Gas Tax Strategic Priorities Fund	Union of British Columbia Municipalities	Enterprise Asset Management Software Implementation	\$412,831	Dec. 31, 2018	Regional
New Build Canada Fund – Small Communities Fund	BC Ministry of Municipal Affairs & Housing	Regional Water Cross Connection Control and Universal Metering Program – Phase 2	\$3,446,666	Mar. 31, 2019	A, B, D, E, F and DoS
Clean Water and Waste Water Fund	BC Ministry of Municipal Affairs & Housing	Square Bay Waste Water Treatment Plant Upgrade	\$697,303	Mar. 31, 2019	B
Clean Water and Waste Water Fund	BC Ministry of Municipal Affairs & Housing	Pender Harbour Water Systems Water Main Upgrades	\$2,739,000	Mar. 31, 2019	A
Clean Water and Waste Water Fund	BC Ministry of Municipal Affairs & Housing	Merill Cresnet WWTP Septic System Replacement	\$53,950	Mar. 31, 2019	A
Clean Water and Waste Water Fund	BC Ministry of Municipal Affairs & Housing	Canoe Road WWTP Septic System Replacement	\$62,250	Mar. 31, 2019	A

Completed Grants

The table below is a summary of recently completed grants:

Program Name	Administered By	Project	Funding Received	Completion Date	Area(s) Affected
Canada 150 Community Infrastructure Program	Western Economic Diversification Canada	Dock Repairs and Installations	\$160,100 (pending final claim)	Mar. 31, 2018	B, D, E, F
Canada Summer Jobs (2017)	Employment and Social Development Canada	Community Parks - Seasonal Student Parks Workers	\$4,952	Dec. 31, 2017	Rural Areas
Invasive Plant Program	BC Ministry of Forests, Lands, Natural Resource Operations & Rural Development	Corporate Strategy for Invasive Plant Management on SCRD Owned Property	\$6,000	Dec. 31, 2017	Regional

Upcoming Opportunities

Investing in Canada Infrastructure Plan

The Government of Canada and the Province of British Columbia recently came to an agreement on the Investing in Canada Infrastructure Plan which proposes funding of up to \$3.9 billion in four key areas: public transit; green infrastructure; community, culture and recreation infrastructure; and rural and northern communities infrastructure.

Staff are currently reviewing the program terms and eligible project outcomes in relation to the Regional District's strategic priorities to identify and prioritize eligible projects for consideration by the Board. It is anticipated that program application intakes will open in Fall 2018.

Enterprise Asset Management Software Implementation Project Status

The funding agreement for the EAM Software Implementation Project under the Strategic Priorities Fund was formally executed in September 2016.

This grant provides 100% funding towards eligible project expenditures of up to \$412,831 for the implementation of integrated EAM software. Eligible expenditures include purchase and installation of the software and associated hardware requirements as well as consultant fees for staff training and process development.

The majority of eligible project activities have been completed to date, with actual project costs being significantly less than originally estimated. As a result, there is approximately \$150,000 in approved grant funding that cannot be efficiently utilized under the current project scope.

Staff have investigated potential asset management initiatives that could utilize this funding and identified the hiring of a consultant to complete condition assessments on critical water, waste water, ports and building assets as the most effective use. This initiative aligns with the software

implementation project by delivering the data input necessary to effectively manage the identified assets.

Staff consulted with the grant program manager at the Union of British Columbia Municipalities (UBCM) who advised that a Board resolution requesting a scope change would be required in this instance. Once received, program staff will review the request; however, no indication has been given about the potential for the change to be approved.

Financial Implications

Grants received and in progress have been incorporated into the 2018-2022 Financial Plan. Staff will bring a further report detailing any financial implications if the SCRD is successful in receiving funding for any of the pending grant applications.

Staff do not anticipate any material financial impacts should the scope change request be approved for the EAM software project.

Timeline for next steps or estimated completion date

Staff are continuously monitoring for grant funding opportunities that align with the Board's Strategic Plan and staff workplans and will bring forward a further report with details on new Fall application intakes and opportunities as program details are announced.

STRATEGIC PLAN AND RELATED POLICIES

The SCRD Strategic Plan including Ensuring Fiscal Sustainability, Supporting Sustainable Economic Development and Facilitating Community Development and embodies the spirit of the Mission Statement "To provide leadership and quality services to our community through effective and responsive government."

CONCLUSION

The SCRD applies regularly for grants available to undertake projects in every department each year that align with the Board's Strategic Plan.

Details on recent application notifications, pending grant applications, grants received and in progress and completed grants are provided for information.

There is approximately \$150,000 in grant funding for the EAM software project that cannot be efficiently utilized within the existing project scope. Staff recommend that a scope change request be submitted to UBCM to include the hiring of a consultant to complete condition assessments on critical assets as an eligible project activity.

Staff are continuously monitoring for new funding opportunities and will report back on new application intakes and opportunities as program details are announced.

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 26, 2018

AUTHOR: Vanessa Schilling, Acting Purchasing Officer.

SUBJECT: **CONTRACTS BETWEEN \$50,000 AND \$100,000 FROM JANUARY 1 TO MARCH 31, 2018**

RECOMMENDATION

THAT the report titled Contracts between \$50,000 and \$100,000 – from January 1 to March 31, 2018 be received for information.

BACKGROUND

The Sunshine Coast Regional District's (SCRD) existing Delegation Bylaw No. 710, 2017 directs staff to provide the Committee with a quarterly report of all new contracts entered into that fall between \$50,000 and \$100,000.

This report includes vendor, purpose, function, amount and the authoritative budget.

DISCUSSION

156 contracts/purchase orders were issued during the time period January 1, 2018 to March 31, 2018 with three valued between \$50,000 and \$100,000. Amounts noted do not include applicable taxes.

	Supplier	Account Code	Awarded	Budget
1.	Softchoice Corporation / Toronto, ON Purestorage Flasharray & Software Maintenance and Support	117- IT	\$62,882.30	Capital & Operating
2.	South Coast Ford Sales / Sechelt, BC RFQ 18 324 Supply & Delivery of Pickup Truck with Rear Tilting Dump Box	650 – Parks	\$55,712.00	Capital
3.	Waterhouse Environmental Services / Vancouver, BC ISOPAC & Hydrofloc for Chapman	370 – Water	\$56,913.60	Operating

STRATEGIC PLAN AND RELATED POLICIES

The disclosure of Contract Award aligns with the Board's Strategic Value of "Transparency".

CONCLUSION

SCRD Delegation Bylaw No. 710, 2017 directs staff to provide the Committee with a quarterly report on all new contracts.

Reviewed by:			
Manager		Finance/CFO	X-T. Perreault
GM		Legislative	
CAO	X-J. Loveys	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 26, 2018

AUTHOR: Michelle Goetz, Accounts Payable Technician

SUBJECT: DIRECTOR CONSTITUENCY AND TRAVEL EXPENSES
FOR PERIOD ENDING MARCH 31, 2018

RECOMMENDATION

THAT the report titled Director Constituency and Travel Expenses for Period Ending March 31, 2018 be received for information.

BACKGROUND

The 2018 Financial Plan for line items Legislative Services Constituency Expenses and UBCM/AVICC Constituency Expenses provide a budget of \$19,800 (\$2,500 allowance per Director from [110] and \$1,000 for Electoral Area Directors from [130]) for the expense of running an elected official office. Based on historical use, the amount budgeted is less than the amount available under the policy. Travel Expenses within Legislative Services and UBCM/AVICC – Electoral Area Services provide an allowance of \$36,144 for mileage, meals, hotel and other various charges associated with travelling on Sunshine Coast Regional District (SCRD) business.

DISCUSSION

The total amount posted to Constituency Expenses for the period ending March 31, 2018 is \$1,343 leaving a surplus balance of \$18,457. The total amount posted to Legislative and UBCM/AVICC Travel Expenses is \$10,987 leaving a surplus balance of \$25,157. Figures are based on expense reports submitted up to April 12, 2018 for the period ended March 31, 2018 and a breakdown by Director is provided below.

Detail	Constituency Expense	Travel Expense (Excluding GST)	Travel Expense (Alternate)
Director Area A	\$569	\$4,357	\$-
Director Area B	\$248	\$2,147	\$-
Director Area D	\$110	\$680	\$-
Director Area E	\$182	\$375	\$-
Director Area F/ Vice Chair	\$234	\$1,073	\$-
Director DOS/Chair	\$-	\$2,035	\$-
Director DOS	\$-	\$105	\$-
Director TOG	\$-	\$215	\$-
Director SIGD	\$-	\$-	\$-
Totals	\$1,343	\$10,987	\$-
Budget	\$19,800	\$36,144	
Surplus (Deficit)	\$18,457	\$25,157	*
* Alternate included with Director travel totals.			

STRATEGIC PLAN AND RELATED POLICIES

The disclosure of Director Constituency and Travel Expenses aligns with the Board's Strategic Value of "*Transparency*".

CONCLUSION

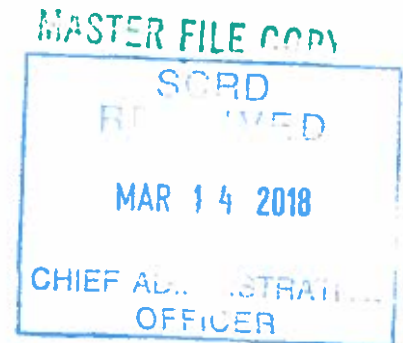
The 2018 Financial Plan for Constituency Expenses and Travel Expenses provides a total budget of \$55,944. For the period ending March 31, 2018, the total amount posted to Constituency and Electoral Expenses is \$12,330 leaving a surplus balance of \$43,614.

Reviewed by:			
Manager	X-S. Zacharias	CFO/Finance	
GM		Legislative	
CAO	X-J. Loveys	Other	



March 9, 2018

Chair Bruce Milne
Sunshine Coast Regional District
1975 Field Road
Sechelt BC V0N 3A1



Dear Chair Milne:

Re: 2017 Resolutions

Please find attached the provincial response to the 2017 resolution(s) put forward by your Board and endorsed by the UBCM membership at Convention.

I trust this information will be of assistance to you. Please feel free to contact Jamee Justason, UBCM Information & Resolutions Coordinator with any questions.

Tel: 604.270.8226 ext. 100 Email: jjustason@ubcm.ca

Sincerely,

President

Enclosure

Whereas the current Annual Operating Agreements (AOA) between BC Transit and local governments provide for base service levels that are equal to the previous year but do not reflect agreed upon expanded transit service levels;

And whereas local governments are expected to authorize future commitments for transit expansion which are subject to cost increases at the discretion of BC Transit:

Therefore be it resolved that UBCM urge the provincial government to provide a rolling 3-year funding commitment to BC Transit in order to provide and secure longer term funding assurances necessary for local governments to adequately budget and plan for transit expansion beyond the current year.

Convention Decision: Endorsed

Provincial Response

Ministry of Transportation & Infrastructure

The Province provides BC Transit communities with the highest per capita level of provincial contributions towards transit operating costs in Canada—about double the national average. Since 2007/08, the Province has provided nearly \$1.2 billion in operating and capital funding to BC Transit, which has increased transit service by 33% over that 10-year period.

The Province is committed to working with BC Transit along with our local government partners to fund transit improvements throughout the province—for both conventional and handyDART services. The Province is providing \$7.6 million in new funding to BC Transit in 2017/18 and 2018/19 to expand conventional, custom (handyDART), and paratransit services. This will allow for a roughly 6% increase in overall transit service levels by the end of the Service Plan period.

The Province acknowledges the benefits that longer-term funding assurances provide in terms of a local government's ability to plan and budget for transit expansion, and will continue to look at options for how funding agreements could be structured with BC Transit.

Whereas an inequity exists between Agricultural Land Commission rules that apply to breweries, distilleries and meaderies under Policy L-21 vs. wineries and cideries under Policy L-03 which impede the economic growth, agricultural production and agri-tourism opportunities in rural communities;

And whereas Agricultural Land Commission Policy L-21 requires that at least 50% of products for breweries, distilleries and meaderies be grown on site:

Therefore be it resolved that the Ministry of Agriculture and the Agricultural Land Commission be requested to revise the Agricultural Land Reserve Use, Subdivision and Procedure Regulation to allow breweries, distilleries and meaderies to contract with another BC grower to meet the 50% farm product requirement.

Convention Decision: Endorsed

Provincial Response

Ministry of Agriculture

The Agricultural Land Reserve Use, Subdivision and Procedure Regulation (ALRUSPR) has been amended to provide parity for breweries, distilleries and meaderies.

Under the ALRUSPR breweries, meaderies and distilleries can now contract with another BC grower to meet the 50% farm product requirement provided the farm on which the brewery, meadery or distillery is located is at least two hectares and producing primary farm product.

These amendments to the ALRUSPR address the requests from industry and local governments for equality under the regulations and ensures that farming remain an integral part of the operation on the ALR.

Other Response

Agricultural Land Commission

The province has already amended the ALC Regulation #171/2002 to provide flexibility for breweries, cideries and distilleries to meet the 50% farm input processing threshold, similar to wineries and cideries (as per attached Order in Council 432).