



## **CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE**

**Thursday, November 22, 2018  
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.**

### **AGENDA**

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**CALL TO ORDER      9:30 a.m.**

#### **AGENDA**

1. Adoption of Agenda

#### **PRESENTATIONS AND DELEGATIONS**

1. Andrea Watson, Sunshine Coast Skating Club  
Regarding: Request for Year Round Ice (March 2018)  
**(Voting – B, D, E, F, ToG, DoS, SIGD)**
2. General Manager, Corporate Services / Chief Financial Officer  
Regarding: A Financial Overview  
**(Voting – All)** Annex A  
Pages 1-16

#### **REPORTS**

3. Senior Leadership Team  
Budget Project Status Report – November 2018  
**(Voting – All)** Annex B  
pp. 17-29
4. General Manager, Corporate Services / Chief Financial Officer  
BDO Canada Audit Planning Letter  
**(Voting – All)** Annex C  
pp. 30-66
5. General Manager, Corporate Services / Chief Financial Officer  
2019 -2023 Financial Plan Process and Timetable  
**(Voting – All)** Annex D  
pp. 67-70
6. Manager, Purchasing and Risk Management  
Contracts between \$50K and \$100K for July-October  
**(Voting – All)** Annex E  
pp. 71-72
7. Manager, Purchasing and Risk Management  
Insurance Invoices Over \$100,000  
**(Voting – All)** Annex F  
pp. 73-74

- |   |                      |
|---|----------------------|
| <b>8.</b> Financial Analyst<br>Gibsons and District Public Library HVAC Unit Replacement<br>Funding<br><b>(Voting – E, F and ToG)</b> | Annex G<br>pp. 75-76 |
| <b>9.</b> Financial Analyst<br>Information Technology Equipment Financing Loan Application<br><b>(Voting – All)</b>                   | Annex H<br>pp. 77-78 |
| <b>10.</b> Financial Analyst<br>Status of Operating and Capital Reserves as at October 31, 2018<br><b>(Voting – All)</b>              | Annex I<br>pp. 79-84 |
| <b>11.</b> Financial Analyst<br>Gas Tax Agreement - Community Works Fund<br><b>(Voting – Electoral Area Directors)</b>                | Annex J<br>pp. 85-87 |

## COMMUNICATIONS

## NEW BUSINESS

## IN CAMERA

## ADJOURNMENT

# A Financial Overview

## Sunshine Coast Regional District (SCRD)

November 22, 2018

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## Overview

- Principles of Regional Districts
- Differences between a Regional District and Municipality
  - Service delivery
  - Finances
- Current Financial Position of the SCRD
  - General overview
  - Debt
  - Reserves
- Questions

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# Regional Districts in BC

## *Principles, Roles, and Responsibilities*

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## SCRD Who We Are & What We Do

Regional Districts **have three basic roles:**



1

Provide a 'vehicle'  
for advancing the  
interests of the region  
as a whole



2

Provide governance  
for the rural areas



3

Provide services  
for some or all areas

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## Voting at a Regional District Board

### Weighted all participants of Service

- Fees & charges
- Parcel tax rolls

### All Directors weighted

- Contracts
- Property acquisition
- Borrowing
- Liabilities
- Financial Plan

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## Service Delivery

- Only those properties within a service area are taxed for the service
- Services are delivered in any combination to electoral areas &/or member municipalities
- BC Surveyor of Taxes collects Regional District taxes in Electoral Areas
- Member Municipalities collect Regional District taxes within municipalities
- Services may also be delivered via contract with third parties

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## Types of Service Delivery



### Regional Services

- Solid Waste-Landfills
- Emergency Services
- 911



### Localized Service

- Water
- Refuse collection
- Fire protection
- Wastewater



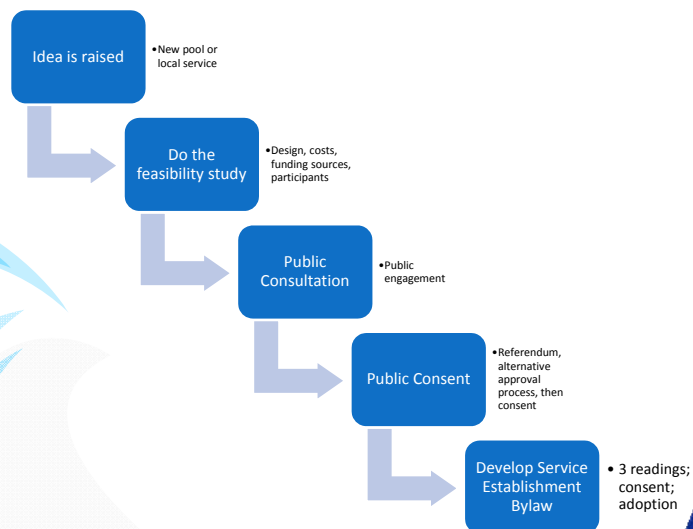
### Examples of Discretionary Local Services

- Recreation
- Libraries
- Street lighting

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## Establishing a Service



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## Differences Between Regional District & Municipality:

### Regional District

- Each service has an independent budget. This also means all reserve and surpluses must remain within a service.
- Funds can not be transferred between service budgets.
- Regional Districts is not the direct taxation authority. Taxes are collected by the Provincial Surveyor of Taxes

### Municipality

- Budgets are more flexible and general surpluses and reserves can be used within a general fund.
- Funds can be transferred amongst different services and funds.
- Municipalities are responsible for collecting all taxes.

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## Differences Between Regional District & Municipality:

### Regional District

- Don't require an Annual Report.
- Permissive tax exemptions are generally approved by BC Assessment as outlined by the **Taxation (Rural Area) Act**

### Municipality

- Require an Annual Report which must be presented by June 30<sup>th</sup>.
- Authority to grant Permissive Tax exemptions and must report publically on them

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## Differences Between Regional District & Municipality continued...

### Tax Rates

RD tax rates are different depending on the services you receive. In a municipality, the tax rate (mill rate) is the same for everyone.

### Tax Basis

Taxpayers are taxed on the basis of property assessments, land & improvements or just improvements depending on the service.

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## Financial Position of the SCRd

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## SCRD Financial Position

	2013* (Restated)	2014* (Restated)	2015	2016	2017
<b>Financial Assets</b>					
Cash and equivalents	\$ 2,242,466	\$ 1,256,824	\$ 1,602,877	\$ 133,906	\$ 2,713,295
Portfolio investments	10,962,935	14,788,175	18,740,758	22,587,720	25,244,318
Accounts receivable	2,097,864	2,286,518	1,657,705	3,186,082	3,376,896
Debt recoverable from municipalities	10,477,143	10,413,106	16,606,413	14,983,219	13,812,149
Restricted cash: MFA debt reserve fund	392,993	417,444	438,175	443,963	443,469
	28,173,401	29,162,067	39,045,928	41,334,890	45,590,127
<b>Liabilities</b>					
Accounts payable and accrued liabilities	3,833,717	3,103,201	3,511,981	3,092,455	3,754,223
Employee future benefits	284,300	306,100	303,800	226,300	240,100
Deferred revenue:					
Development cost charges	907,591	1,079,403	1,162,893	1,246,831	1,762,337
Future parks acquisition	179,668	211,950	297,033	431,467	434,301
Other	2,227,122	794,077	546,881	654,268	1,416,257
Provision for landfill future closure and post-closure costs	5,019,090	5,040,552	4,803,825	5,245,705	6,205,157
Long-term debt	32,318,314	31,930,173	37,041,019	33,521,074	30,729,711
	44,769,802	42,465,456	47,667,432	44,418,100	44,542,086
<b>Net Financial Assets (Net Debt)</b>	<b>(18,596,401)</b>	<b>(13,303,389)</b>	<b>(8,621,504)</b>	<b>(3,083,210)</b>	<b>1,048,041</b>
<b>Non-financial Assets</b>					
Inventory	581,911	673,084	686,650	691,403	897,831
Land held for resale	2,512,349	2,305,968	2,129,698	2,114,089	1,980,479
Tangible capital assets	123,040,367	126,513,499	126,370,692	126,531,499	129,880,061
	126,134,627	129,491,641	129,187,040	129,336,991	132,758,371
<b>Accumulated Surplus</b>	<b>\$ 107,538,226</b>	<b>\$ 116,188,252</b>	<b>\$ 120,565,536</b>	<b>\$ 126,253,771</b>	<b>\$ 133,896,412</b>

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## SCRD Capital Expenditures

Capital Expenditures by Function	2013	2014	2015	2016	2017
General Government	\$ 324,198	\$ 262,684	\$ 798,422	\$ 654,869	\$ 285,189
Protective Services	98,708	160,077	199,206	22,697	1,369,428
Transportation	44,666	117,529	144,248	16,455	182,345
Environmental Services	30,178	130,827	41,823	60,001	41,116
Public Health	4,600	313,498	31,096	-	-
Planning and Development	-	-	64,565	38,470	5,507
Recreation and Culture	1,856,454	791,270	992,530	595,397	551,396
Water Utilities	3,541,260	5,395,586	1,603,483	2,924,293	5,084,431
Sewer Utilities	109,269	20,794	3,703	12,401	149,856
	<b>\$ 6,009,333</b>	<b>\$ 7,192,265</b>	<b>\$ 3,879,076</b>	<b>\$ 4,324,583</b>	<b>\$ 7,669,268</b>

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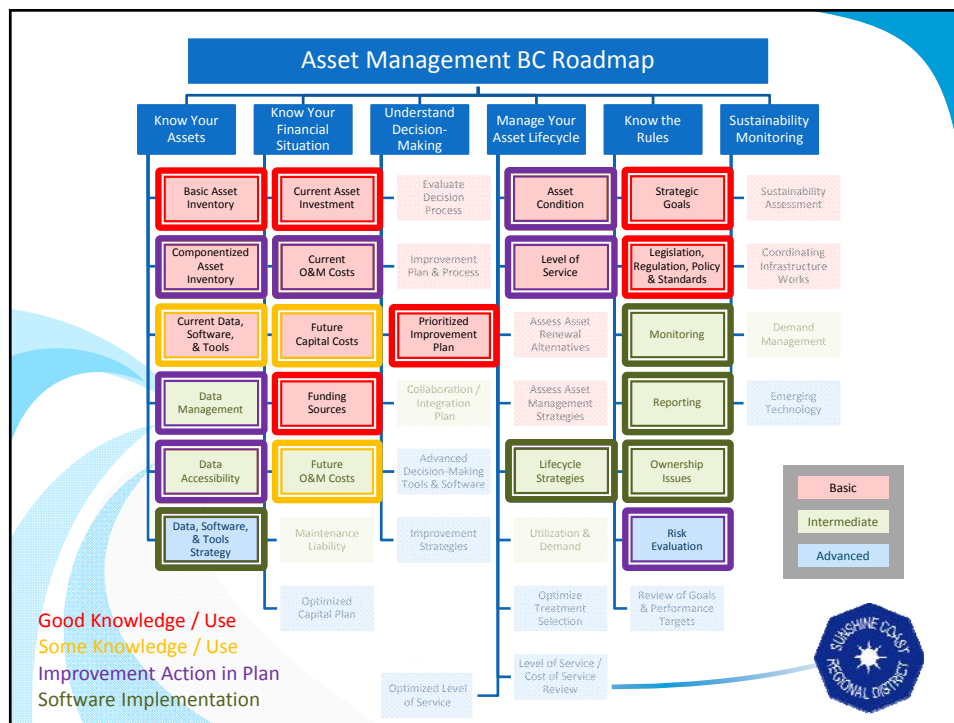


## SCRD Assets

- SCRD has Assets recorded at a historical value of \$129,880,061
- The first edition of the Asset Management Plan estimates replacement cost at over \$254 million.

SCRD Total Infrastructure Assets	Asset Replacement Value (2013 \$)	Required Investment to Clear Backlog (2013 \$)	Required Annual Investment After Clearing Backlog (2013 \$)	Average Current Annual Investment (2013 \$)
Water	\$ 162,032,000	\$ 6,183,000	\$ 4,281,000	\$ 3,012,000
Wastewater	\$ 11,952,000	\$ 273,000	\$ 601,000	\$ 112,000
Fleet	\$ 7,178,000	\$ 2,704,000	\$ 1,201,000	\$ 478,000
Parks	\$ 13,525,000	\$ 1,410,000	\$ 1,250,000	\$ 379,000
Ports	\$ 8,505,000	\$ -	\$ 752,000	\$ 41,000
Transit	\$ 718,000	\$ -	\$ 93,000	\$ 67,000
Facilities	\$ 50,262,000	\$ 4,410,000	\$ 2,434,000	\$ 872,000
<b>Total</b>	<b>\$ 254,172,000</b>	<b>\$ 14,980,000</b>	<b>\$ 10,612,000</b>	<b>\$ 4,961,000</b>

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# Regional Districts in BC

## *Regional District Finance*

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## Legislation for RD Financial Management

### Local Government Act

- Part 11 — Regional Districts: Financial Management
- Division 1 — Financial Planning and Accountability
- Division 2 — Cost Recovery for Services
- Division 3 — Requisition and Tax Collection
- Division 4 — Tax Rates and Exemptions
- Division 5 — Fees, Charges and Interest
- Division 6 — Expenditures and Liabilities

Know the parts which relate to the Community Charter

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## Financial Planning & Budget Process

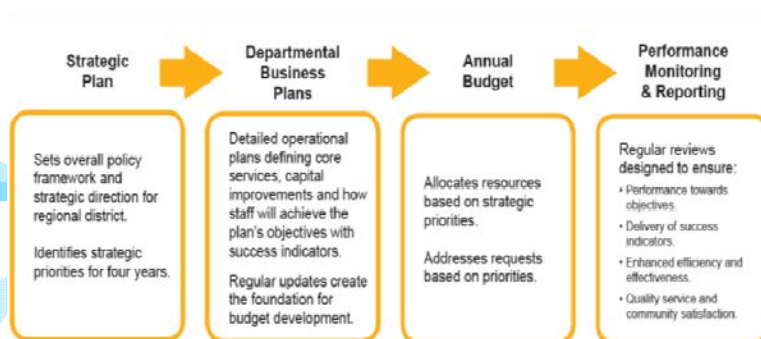


- Authority: Mandated under the *Local Government Act*
- Regional District Bylaw must be adopted by March 31 of each year
- Similar to municipalities- the 5 year financial plan is required for operational and capital budgets. Municipal budget must be adopted by May 31<sup>st</sup> of each year
- Public consultation is required

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## Financial Planning Process



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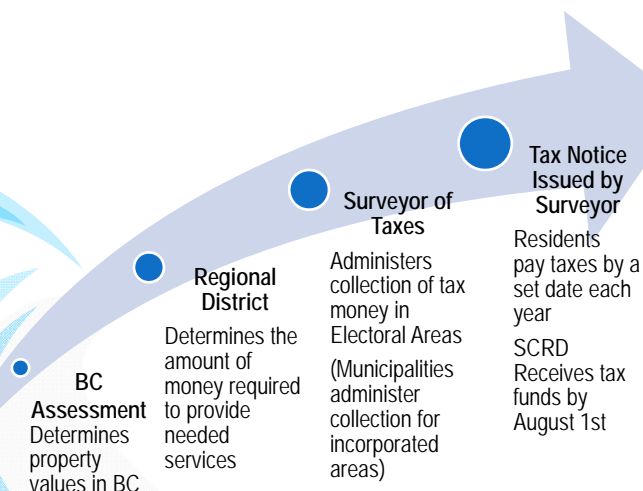
## Five Year Financial Plan

	2016	2019	2020	2021	2022
<b>Revenues</b>					
Grants in Lieu of Taxes	61,881	61,881	61,881	61,881	61,881
Tax Requisitions	18,990,745	19,357,552	19,464,164	19,582,043	19,564,825
Frontage & Parcel Taxes	5,273,215	5,298,027	5,298,027	5,298,027	5,298,027
Government Transfers	6,802,463	2,646,442	2,646,442	2,646,442	2,646,442
User Fees & Service Charges	11,112,720	11,095,679	11,102,842	11,109,750	11,117,004
Member Municipality Debt	1,913,035	1,945,202	1,873,600	1,825,629	1,784,223
Investment Income	58,000	58,000	58,000	58,000	58,000
Contributed Assets	200,000	-	-	-	-
Other Revenue	521,834	433,950	433,950	433,950	451,950
	<b>44,933,893</b>	<b>40,896,733</b>	<b>40,938,706</b>	<b>41,015,922</b>	<b>40,982,152</b>
<b>Expenses</b>					
Administration	4,351,555	4,420,879	4,420,879	4,420,879	4,420,879
Internal Recoveries	(6,214,493)	(6,253,140)	(6,237,571)	(6,250,198)	(6,250,396)
Wages and Benefits	17,614,402	17,910,659	17,910,659	17,910,659	17,926,194
Operating	16,074,873	15,150,963	15,133,926	15,141,034	15,182,331
Debt Charges Member Municipalities	1,913,035	1,945,202	1,873,600	1,825,629	1,784,223
Debt Charges - Interest	1,298,983	1,470,994	1,496,368	1,462,073	1,457,736
Amortization of Tangible Capital Assets	4,103,885	4,103,885	4,103,885	4,103,885	4,103,885
	<b>39,142,240</b>	<b>38,749,442</b>	<b>38,671,746</b>	<b>38,614,161</b>	<b>38,624,852</b>
<b>Operating Surplus / (Deficit)</b>	<b>5,791,653</b>	<b>2,147,291</b>	<b>2,266,960</b>	<b>2,401,761</b>	<b>2,357,300</b>
<b>Other</b>					
Capital Expenditures	(23,996,866)	(1,798,599)	(1,798,599)	(1,798,599)	(1,812,099)
Proceeds from Long Term Debt	11,633,179	70,000	70,000	70,000	70,000
Debt Principal Repayment	(1,347,668)	(1,601,712)	(1,574,881)	(1,584,048)	(1,573,463)
Transfer (to)/from Reserves	3,787,216	(2,211,973)	(2,358,473)	(2,484,107)	(2,436,732)
Transfer (to)/from Appropriated Surplus	108,742	(682,050)	(682,050)	(682,050)	(682,050)
Transfer (to)/from Other Funds	(26,842)	(26,842)	(26,842)	(26,842)	(26,842)
Prior Year Surplus/(Deficit)	(123,899)	-	-	-	-
Unfunded Amortization	4,103,885	4,103,885	4,103,885	4,103,885	4,103,885
	<b>(5,791,653)</b>	<b>(2,147,291)</b>	<b>(2,266,960)</b>	<b>(2,401,761)</b>	<b>(2,357,300)</b>

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## How Taxes are Collected



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## Regional District Tax Rates

- Surveyor of Taxes establishes tax rates to be levied against each property class:

	<u>Property Class</u>	<u>Class Multiple</u>
1	Residential	1.0:1
2	Utilities	3.5:1
3	Supportive Housing	1.0:1
4	Major Industry	3.4:1
5	Light Industry	3.4:1
6	Business and Other	2.45:1
7	Managed Forest Land	3.0:1
8	Recreation/Non-Profit	1.0:1
9	Farm	1.0:1

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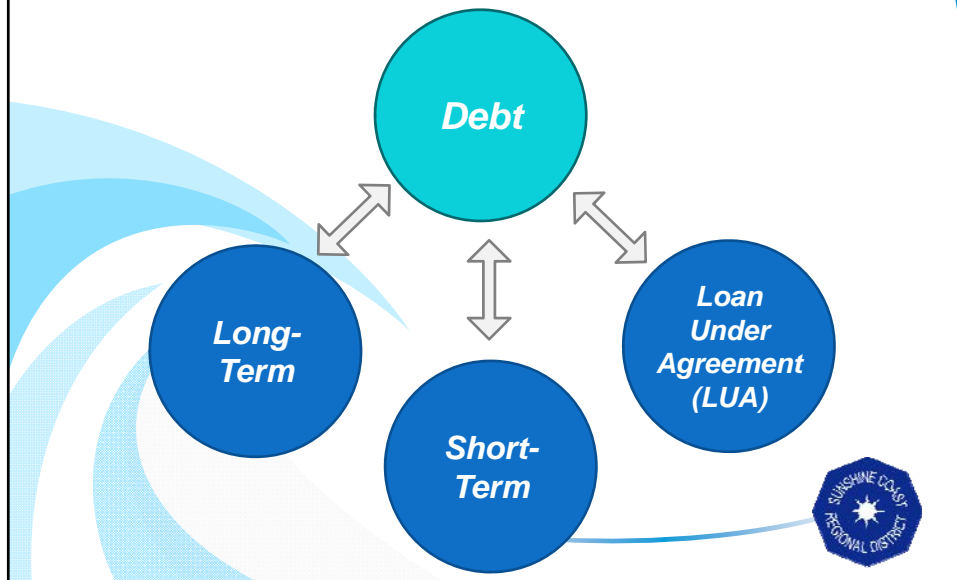
## Regional District Borrowing

- Local governments can only engage in long-term borrowing for items and projects that are considered “capital” in nature.
- Long-term borrowing by local governments must be undertaken through the Municipal Finance Authority (MFA).
- All borrowing is channeled through regional districts, even municipal debt. However, municipalities are responsible for meeting their own debt obligations.
- Long-term borrowing by local governments cannot be undertaken without the approval of the Inspector of Municipalities and elector approval.

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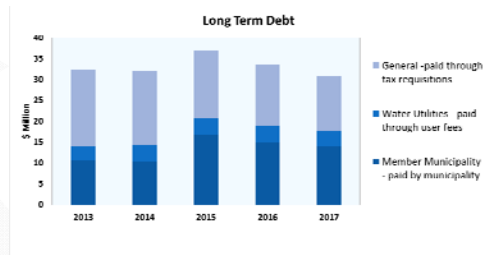


## Regional District Borrowing



## SCRD Debt Position

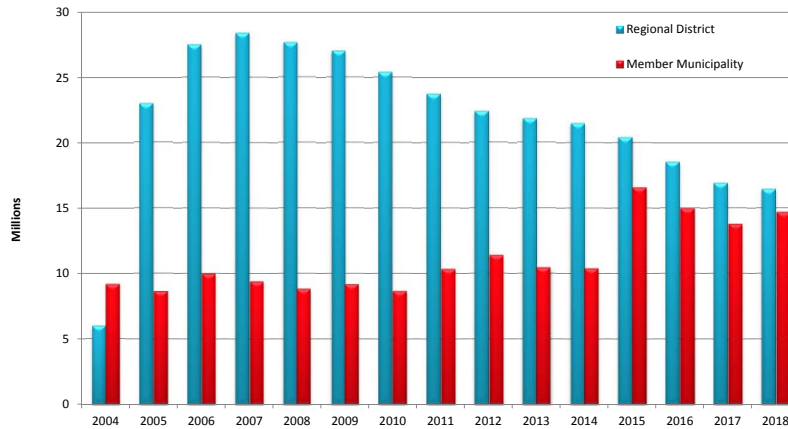
	2013	2014	2015	2016	2017
General government services	\$ 2,289,529	\$ 2,107,365	\$ 2,133,668	\$ 1,988,173	\$ 1,798,884
Protective services	592,570	437,686	285,742	173,168	403,468
Environmental services	75,785	51,507	26,259	-	-
Transportation services	299,048	281,062	262,357	242,903	222,672
Planning	2,113	-	-	-	-
Recreation & culture services	15,181,368	14,831,696	13,565,518	12,161,214	10,798,884
<b>Total debt supported through tax requisitions</b>	<b>18,440,413</b>	<b>17,709,316</b>	<b>16,273,544</b>	<b>14,565,458</b>	<b>13,223,909</b>
Water utilities	3,400,758	3,807,751	4,161,062	3,972,397	3,683,653
<b>Total SCRD debt</b>	<b>21,841,171</b>	<b>21,517,067</b>	<b>20,434,606</b>	<b>18,537,855</b>	<b>16,907,562</b>
Member municipality debt	10,477,143	10,413,106	16,606,413	14,983,219	13,812,149
<b>Total long-term capital debt</b>	<b>\$ 32,318,314</b>	<b>\$ 31,930,173</b>	<b>\$ 37,041,019</b>	<b>\$ 33,521,074</b>	<b>\$ 30,719,711</b>



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## Historical Debt Balances



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## Regional District Reserves

- Division 4 of the Community Charter allows for the establishment of statutory reserve funds and defines how money in a reserve fund can be used.

### **Section 188 (1):**

*A [Board] may, by bylaw, establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund.*

### **Section 189 (1)**

*Subject to this section, money in a reserve fund, and interest earned on it, must be used only for the purpose for which the fund was established.*

- In addition, Section 814 (4) of the Local Government Act states that the provisions of Division 4 of the Community Charter, as they relate to Regional Districts, apply as though each service were the only service provided by the Regional District. In other words, each service requires its own bylaw(s) to establish a statutory reserve fund.

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## Regional District Reserves

- Currently, the SCRD has 2 general classifications of reserves- operating reserves and capital reserves.
- How these funds can be used is outlined in the body of the reserve bylaw and is kept very generic to give flexibility for changes in priority or emerging issues.

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## SCRD Reserves

	2013	2014	2015	2016	2017
General	4,145,599	5,316,604	6,349,854	8,234,086	9,232,152
Water	3,373,741	5,743,631	7,517,915	8,643,408	9,031,026
Sewer	856,880	929,748	976,531	1,094,673	1,164,195
<b>Reserve Fund</b>	<b>\$ 8,376,220</b>	<b>\$ 11,989,983</b>	<b>\$ 14,844,300</b>	<b>\$ 17,972,167</b>	<b>\$ 19,427,373</b>
<b>Development Cost Charges</b>	<b>\$ 907,591</b>	<b>\$ 1,079,403</b>	<b>\$ 1,162,893</b>	<b>\$ 1,246,831</b>	<b>\$ 1,762,337</b>
<b>Future Parks Acquisition</b>	<b>\$ 179,668</b>	<b>\$ 211,950</b>	<b>\$ 297,033</b>	<b>\$ 431,467</b>	<b>\$ 434,301</b>

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## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

**AUTHOR:** SCRD Senior Leadership Team

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

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### RECOMMENDATION(S)

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

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### 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 primary purpose 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 report of the BPSR are bolded for easy reference.

### STRATEGIC PLAN AND RELATED POLICIES

The purpose of the BPSR is to report on projects that move the Strategic Plan forward. It also meets the Core Value of “*Transparency*” and the SCRD’s Mission for 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 the process as well as the 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 \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
1	IS	312	Dykstra	\$20,000	Capital Reserve	2017	Sep-17	All	Regional	Rear Overhead Door on Fleet Wash Bay	Evaluation of quotes underway for construction in December 2018	Carryforward
2	PCD	220	Loveys	\$97,500	Capital Reserves	2014	Oct-17	All	All	Replace Gibsons Tower	Assessment of radio channels ongoing. Meeting to review scheduled for September. Emergency Services staff are completing a full evaluation of the project. <b>Update in Q1 2019.</b>	Carryforward
3	PCD	220	Loveys	\$180,000	Taxation / Capital Reserves	2015	Dec-17	All including Islands	All	Chapman Creek Tower	Assessment of radio channels ongoing. Emergency Services staff are completing a full evaluation of the project. <b>Update in Q1 2019.</b>	Carryforward
4	IS	370	Walkey	\$75,000	Existing User Fees	2015	Dec-17	Regional	All	Zone 2 Reservoir Repairs	<b>Majority of reservoir repairs is underway and scheduled to be completed by end of year. Need for additional repairs to confirmed Q2 2019.</b>	Carryforward
5	IS	381-394	Walkey	\$977,303	Operating Reserve	2016	Dec-17	B	B	Square Bay Waste Water Treatment Plant [387] Replacement - Detailed Engineering Design	<b>Mechanical equipment and electrical installation is underway. Commissioning is expected in November 2018.</b>	Carryforward
6	IS	370	Rosenboom	\$200,000	Existing User Fees	2015	Feb-18	Regional	F	Soames Well Chlorination Project	New chlorination station has been commissioned and is now online. Security fencing has yet to be completed.	Carryforward
7	IS	370	Rosenboom	\$5,545,000	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	<b>Meter installations are continuing and the project is approximately 99% complete.</b>	Carryforward
8	PCD	650	Hall	\$379,614	Capital Reserves	2015	Apr-18	All EA's including Islands	F	Granthams Hall Restoration Design and Engineering	Working with Community to support grant opportunities and fundraising initiatives. An Architect has been 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 January 2018 ISC. Grant resubmitted and report to September CAS Committee. <b>Funding plan confirmed, tender to be issued January 2019. Carryforward item.</b>	Carryforward
9	IS	365	Rosenboom	\$20,000	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
10	PCD	613	Robinson	\$19,150	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. Fall 2018 tender.	Carryforward

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
11	PCD	650	Allen	\$60,000	Taxation	2015, 2016, 2017	Jun-18	All EA including Islands	All EA including Islands	Signage Upgrade	Ongoing installation of Phase 1 and 2. Phase 3 \$20,000 taxed in 2017. Collaboration with First Nations on names/translation in progress. Local woodworker currently preparing sign post for large signs. Sign mockups being confirmed with shishalh Nation. Production anticipated in Q3. <b>Confirming timing of final phase of work, possible carryforward item.</b>	Carryforward
12	PCD	650	Hall	\$113,033	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. Design revised following open house. Project update included in Q2 departmental report. Schematic design completed. Design development and project update report to CAS Committee in Q3. <b>Design to be completed Q1 2019. Balance of work will be a carryforward item.</b>	Carryforward
13	IS	352	Cooper	\$25,000	Reserves	2018	Jul-18	Regional	Regional	Sechelt Landfill 4 x 4 Truck Replacement	<b>Purchase of the to-be-replaced truck scheduled for March 2019.</b>	Mandatory / BC
14	PCD	210 / 650	Michael / Robinson	\$150,000	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. Tender released in August for fall construction. No bids received. Staff are preparing to retender for spring construction. Maintenance to be completed on roof for winter. <b>Carryforward item.</b>	Carryforward
15	CA	114	Perreault	\$75,000	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 delayed in 2017 due to staff capacity. Project Charter/Plan completed and scheduled to go for RFP in Sept/Oct 2018. <b>RFP complete and scheduled for release mid-November 2018. Project scheduled to be completed in Q2 2019.</b>	Carryforward
16	CA	506 / 510	Nelson	\$80,000	Reserves / SS	2017	Sep-18	All	All	Ortho-Photo Acquisition	RPF issued and vendor selection completed. New aerial photographs taken in May 2018. Project completion will be Fall 2018 to allow for image consistency QA work. <b>Image release to SCRd webmap scheduled for Dec 2018.</b>	Carryforward

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
17	PCD	540	Hall	\$10,000	Taxation	2018	Sep-18	Regional	F	Dike Maintenance (Dakota Creek)	Planning ongoing. Project brief developed. Tender prepared for fall work. <b>RFP October 2018. Schedule for work to be confirmed in October. Work to be completed by March 2019.</b>	Regulatory Compliance
18	PCD	615	Hall	\$25,000	Reserves	2018	Sep-18	All excluding A and F Islands	DoS	Water Efficiency Plan Sunshine Coast Arena (SCA)	Scoping underway. Project report at May PCDC. Proceeding with engineering for higher efficiency condenser. Condenser project scheduled completed. <b>Final phase of project to be coordinated with sports field water efficiency project/grant (received Q4 2018). Balance of work is a carryforward item.</b>	Integrated 5-Year Plan
19	PCD	650	Robinson	\$3,349	Taxation	2017	Oct-18	A, B, D, E, F	A-F including Islands	Hazard Tree Assessment Plan / Phase 1 Assessment	Plan started. Progress on internal assessments, scopes of work. Training conducted in hazard tree assessments and chain saw safety to aid in implementation. Additional training completed. Remaining hazard assessment training to take place in Q4 2018.	Carryforward
20	PCD	650	Robinson	\$14,479	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. Lions Park bridge deck improvement planned, to be completed in Q4, 2018. <b>Lions Park bridge deck improvement planned, other projects in development for delivery late 2018/early 2019.</b>	Carryforward
21	IS	350	Cooper	\$5,500	Taxation	2018	Nov-18	Regional	Regional	2018 Wildsafe BC Program	WildSafeBC has hired the Program Coordinator and program commenced on May 22, 2018 and runs until mid-late November 2018.	Low Cost / High Value

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
22	CA	113	Perreault	\$412,000	Reserves / Grant	2016	Dec-18	All	Corporate	Asset Management / Maintenance Management System project	Total project \$412,000 - First phase of Asset Management System-Cityworks implementation went live January 2017. Grant funds still available and extension from UBCM granted to December 31, 2018. Next phase focuses on enhancing the system for Asset Management and extending condition assessments. Asset Management Coordinator (temp), hired late March 2018, 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. Grant scope/agreement amended with UBCM (Board approved) to include condition assessments. Project scope being developed for waste water facilities to assist with asset management planning for these facilities and scheduled completion by Q4 2018. <b>Scope of Grant amended to include facility condition assessments, Ports as well as Waste Water. Projects sceduled to be complete by year-end 2018 with some going into Q1 &amp; Q2 2019, which will require a grant extension from UBCM.</b>	Carryforward
23	PCD	667	Allen	\$161,461	Gas Tax	2013	Dec-18	A	A	Lily Lake Path (Area A) - Planning and Engineering	Engineering is complete for all sections. Applied to MOTI for construction permits. Construction on hold. Discussions with MoTi resumed since UBCM and a report will come forward.	Carryforward
24	PCD	650	Allen	\$60,500	Taxation	2016	Dec-18	All EA's including Islands	B, D, E, F	Suncoaster Trail Planning	Public open houses held for February 27 and March 1 2017. Proposed Route has been linked to Google Earth. 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 for public participation planned in Q1/early Q2 2018. Procurement phase complete and Diamond Head Consulting is selected. Consultant confirmed; project proceeding. Invitations to First Nations, local governments, technical advisory group and stakeholders extended. <b>Community engagement to commence in November. Open house/dialogues Q4 2018. Project planned for completion very early 2019.</b>	Carryforward
25	PCD	665	Allen	\$100,000	Gas Tax	2015	Dec-18	B, D, E, F	F	Area E - Gower to Gibsons - Construction	Survey completed. SROW's required with property owners. Project on hold. Discussions with MoTi resumed since UBCM.	Carryforward

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
26	PCD	665	Allen	\$158,557	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 complete. Project on hold. Discussions with MoTI resumed since UBCM.	Carryforward
27	PCD	665	Allen	\$46,000	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. Project on hold. Discussions with MoTI resumed since UBCM.	Carryforward
28	PCD	665	Allen	\$40,000	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. Project on hold. Discussions with MoTI resumed since UBCM.	Carryforward
29	PCD	665	Allen	\$20,000	Gas Tax	2015	Dec-18	B, D, E, F	D	Area D - Lower Road - Planning	Concept plans being reviewed by MoTI. Consultation required. Project on hold. Discussions with MoTI resumed since UBCM.	Carryforward
30	PCD	665	Allen	\$20,000	Gas Tax	2015	Dec-18	B, D, E, F	D	Area D - Roberts Creek Village to Pier - Planning	Concept plans being reviewed by MoTI. Project on hold. Discussions with MoTI resumed since UBCM.	Carryforward
31	IS	135	Hall	\$60,000	CARIP / SS	2017	Dec-18	All	Regional	Corporate Energy Management Program	Scope of work for energy audits coordinated with Asset Management Plan completed. Tendering for energy audits planned for Q4 2018.	Carryforward
32	PCD	345	Hall	\$20,000	Reserves	2018	Dec-18	B, D, E, F and Islands	B, D, E, F and Islands	Ports Approach Load Rating and Ports Safety Audit	<b>Scope developed. Tendering in Q3 2019.</b>	Safety
33	PCD	345	Hall	\$130,000	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. Recruiting consulting engineer. Reviewing condition reports in preparation for design review. Early Q4 outreach to community planned. <b>Construction tendering winter 2018. Construction will carryforward into 2019.</b>	Mandatory / BC
34	PCD	345	Hall	\$450,000	Short Term Debt	2018	Dec-18	B, D, E, F and Islands	B	Ports - Vaucroft Capital Works	Recruiting consulting engineer. Reviewing condition reports in preparation for design review. Early Q4 outreach to community planned. <b>Construction tendering winter 2018. Construction will carryforward into 2019.</b>	Mandatory / BC
35	IS	350	Cooper	\$10,000	Eco-Fee	2017	Dec-18	All	Regional	Solid Waste Management Plan (SWMP) 5-Year Effectiveness Review	<b>Scope of work being considered with cross reference to legislation changes. Procurement process underway, scheduled to be completed Q1 2019.</b>	Carryforward
36	PCD	400	Hall	\$25,000	Reserves	2018	Dec-18	All	D and E with Regional Impact	Cemetery Business Plan	Planned for initiation of project in Q4. <b>2019 carryforward item.</b>	Mandatory / BC
37	PCD	540	Hall	\$60,000	Grant / Operating Reserves	2018	Dec-18	Regional	F	Hillside Development Project Investment Attraction Analysis	Economic Development Readiness Program - Grant Application pending.	Low Cost / High Value



Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
38	PCD	615	Hall	\$251,650	Reserves	2018	Dec-18	All excluding A and F Islands	DoS and ToG	Recreation Fitness Equipment Replacement	Project brief and plan developed. Tender documents prepared for Q3. Tender scheduled for release, with installation planned for near year end. <b>Completion of installation Q1 2019.</b>	Mandatory / BC
39	PCD	650	Robinson	\$20,000	Reserves	2018	Dec-18	A, B, D, E, F	A, B, D, E, F	Regional Parks - Minor Capital Repairs Funding	Workplan and asset management analysis being completed. Fall work scheduling underway to see project completed by year end.	Mandatory / BC
40	IS	370	Rosenboom	\$4,853,915	Debt / DCCs	2016	Dec-18	Regional	D	Chapman Lake Supply Expansion - Construction, Engineering, Environmental Assessment	BC Parks' Public Consultation process on amending the Management Plan for the Tetrahedron Park concluded June 8, 2018. Recommendation from Minister to Cabinet on approval of amended management plan expect fall 2018, with potential legislative amendment early spring 2019.	Carryforward
41	PCD	504	Allen	\$75,000	Reserves	2017	Apr-19	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. Advisory Summit 1 took place on June 4th and meeting 2 is scheduled for June 20th. Advisory committee members are assisting in setting the scope for and context for up-coming engagement with stakeholders and general public. Advisory summits completed and feedback summary provided to committees. <b>Focus group consultation currently underway. Two public meetings are scehduled for early December.</b>	Carryforward
42	PCD	110	Legault	\$50,000	Reserves	2018	Q2 2019	Regional	Regional	Update Electronic Document Management System to a new version of Content Server 16	Scoping complete and RFP issued September 2018. RFP to close Oct 17. <b>Contract review in progress.</b>	Mandatory / BC
43	PCD	210	Michael	\$75,000	Reserves	2018	Q2 2019	E, F and ToG	E, F and ToG	Fire Prevention Officer Vehicle	<b>Purchase order issued. Delivery Q1 2019.</b>	Carryforward
44	PCD	210	Michael	\$15,000	Taxation	2018	Q4 2018	E, F and ToG	ToG	Gibsons and District Volunteer Fire Department - Paint Exterior of the North Road Fire Hall	Obtaining quotes. Purchase order issued/scheduling work. Painting completed.	Low Cost / High Value
45	PCD	212	Loveys	\$150,000	Reserves	2018		D	D	Roberts Creek VFD Roof Replacement	Scoping being prepared.	Imminent Asset Failure
46	PCD	212	Loveys	\$5,000	Reserves	2018		D	D	Roberts Creek VFD Site Design	Scoping being prepared.	Other

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
47	PCD	220	Loveys	\$25,000	Taxation	2018		All	All	911 Tower and Spectrum Upgrading	To be completed by Q2 2019.	Regulatory Compliance
48	PCD	222	Loveys	\$23,467	Grant	2018		Regional	All	Community Emergency Preparedness Fund - Emergency Operations Centre and Training	Training secured and will be completed by end of 2018.	Other
49	IS	365	Walkey	\$1,650,000		2017		A and SIGD	A	North Pender Harbour Water Main Upgrades	Construction started in October 2018. Completion expected to be in Q1 2019.	Carryforward
50	IS	365	Walkey	\$1,500	User Fees	2018		A and SIGD	A	North Pender Harbour Water - Demand Reduction Rebate Programs	Draft project plan completed and under review for implementation. Program was launched on Nov 1, 2018.	Strategic Plan
51	IS	366	Walkey	\$1,650,000		2017		A	A	South Pender Harbour Water Main Upgrades	Construction started in October 2018. Completion expected to be in Q1 2019.	Carryforward
52	IS	366	Walkey	\$2,000	User Fees	2018		A	A	South Pender Harbour Water - Demand Reduction Rebate Programs	Draft project plan completed and under review for implementation. Program was launched on Nov 1, 2018.	Strategic Plan
53	IS	370	Rosenboom	\$100,000	Reserves	2018		Regional	F	Langdale Well - Pump Station Upgrade	Design and planning underway. Preliminary design of pump station upgrading is 75% complete.	Imminent Asset Failure
54	IS	370	Walkey	\$35,000	User Fees	2018		Regional	A, B, D, E, F, DoS	Regional Water - Base Operating Budget Increase - Chapman Lake Project and Chapman Creek Flow Meter Calibration	Calibration of Flow Meter completed.	Regulatory Compliance
55	IS	370	Walkey	\$50,000	Reserves	2018		Regional	E	Regional Water - Well Protection Planning - Phase 2	Procurement of contractor in progress.	Regulatory Compliance
56	IS	370	Rosenboom	\$112,500	Reserves	2018		Regional	B, D and Dos	Regional Water - Exposed Water Main Rehabilitation	Tendering process closed and bids are currently being reviewed	Mandatory / BC
57	IS	370	Walkey	\$25,000	User Fees	2018		Regional	A, B, D, E, F and DoS	Regional Water - Demand Reduction Rebate Programs	Draft project plan completed and under review for implementation. Program was launched on Nov 1, 2018.	Strategic Plan
58	IS	370	Walkey	\$692,000	Reserves	2018		Regional	B, D, E, F and DoS	Chapman Water Treatment Plan Chlorination System Upgrade	Tendering process to start in November 2018.	Integrated 5-Year Plan
59	IS	370	Rosenboom	\$325,000	Reserves	2018		Regional	E, F and DoS	Regional Water - Groundwater Investigation - Stage 2	Test well drilling has started mid-September and testing of drilled wells will take place early October. Analyses of test drilling results and fesability determination for establishing production wells is underway.	Integrated 5-Year Plan
60	IS	370	Rosenboom	\$5,896,550	Long Term Debt	2018		Regional	DoS and SIGD	Regional Water - Universal Water Meter Installations - Phase 3 - District of Sechelt	Alternative Approval Process did not pass. Further staff report to follow at September Committee meeting. Budget proposal to be presented at Round 1 of Budget 2019 deliberations	Integrated 5-Year Plan
61	IS	370	Rosenboom	\$200,000	DDC's	2018		Regional	Regional	Regional Water Storage Capacity	Project has started and on schedule for a report to ISC in Q1 2019.	Integrated 5-Year Plan
62	IS	370	Walkey	\$200,000	5 Year Loan	2018		Regional	All	Regional Water (Utility Services) - Vehicle Replacements	Vehicle tender has been awarded.	Other
63	IS	389	Rosenboom	\$75,000	Grant/Loan	2017		A	A	Canoe Road Septic Field System Replacement	Engineering awarded and underway. Preliminary design discussed with staff in August, 2018. Further investigative work required by Consultant. Update to be provided in Q1 2019.	Carryforward

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
64	IS	390	Rosenboom	\$65,000	Grant/Loan	2017		A	A	Merrill Crescent Septic Field Replacement	Engineering awarded and underway. Preliminary design received August 29, 2018 for staff review. <b>Update to be provided in Q1 2019.</b>	Carryforward
65	PCD	615	Robinson	\$12,000	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. Project cancelled.	Integrated 5-Year Plan
66	PCD	650	Robinson	\$30,000	Reserves	2018		A, B, D, E, F	B, D, F	Sports Field Potable Water Use Reduction	Grant successful in second round (September 2018). Project plan to be confirmed Q4 of 2018. <b>Work will carryforward into 2019.</b>	Integrated 5-Year Plan

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
1	PCD	216	Loveys	\$35,000	Taxation	2018		B	B	Halfmoon Bay VFD Capital Reserve Increase	Budget updated March 23, 2018	Integrated 5-Year Plan
2	IS	352	Cooper	\$12,000	Reserves	2018	Apr-18	Regional	Regional	Sechelt Landfill Generator Replacement	Completed. Generator was replaced March 26, 2018. Have not received invoice yet.	Imminent Asset Failure
3	PCD	615	Hall	\$309,174	Capital Maintenance Budget / Reserves	2016	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
4	PCD	210	Michael	\$840,000	Capital Reserves	2016	Jan-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
5	IS	370	Crosby	\$149,859	TBD	2016	Mar-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
6	PCD	670	Hall	\$1,240	Taxation	2018	Apr-18	All excluding F Islands	Regional	Base Budget Adjustment	Adjustment completed.	Mandatory / BC

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
7	IS	352	Cooper	\$9,500	Reserves	2018	May-18	Regional	Regional	Sechelt Landfill Environmental Monitoring Plan Update	Plan Update completed and report submitted to MoE on Apr 27, 2018.	Regulatory Compliance
8	IS	352	Cooper	\$6,200	Reserves	2018	May-18	Regional	Regional	Sechelt Landfill Geotechnical and Seismic Assessment Update	Completed. Submitted to MoE May 29, 2018.	Regulatory Compliance
9	CA	640	Perreault	\$125,000	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 preparation for preparing tender. Staff also exploring alternative funding sources through grants. Tender closed and awarded June 15th. Work to be scheduled with successful proponent and should be complete by Q3 2018. Project Completed late July 2018, well under budget.	Carryforward
10	PCD	613	Robinson	\$36,000	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. Engineering completed. Equipment ordered. Construction tendering in Q2. Project Completed - Working on deficiencies.	Carryforward
11	PCD	210-218	Loveys	\$10,000	Reserves	2018		A, B, D, E, F and ToG	A, B, D, E, F and ToG	VFD Document System - Fire Pro 2 Software Package	RFP completed and package installed.	Other
12	PCD	625	Cole	\$10,000	Reserves	2018		A	A	Bathroom Partitions	Contractor confirmed. Work completed in Q3.	Mandatory / BC
13	PCD	650	Robinson	\$28,000	Surplus	2016	Jun-18	All EA's including Islands	A, B, D, E	Playground Surface Replacements	Some surface replacements have been completed and planning for the remaining work is underway. Shirley Macey Water Park resurfacing tendered. Tender awarded. Project completed in September 2018.	Carryforward
14	PCD	625	Cole	\$11,000	Reserves	2018		A	A	Replacement of Stereo System	Contractor confirmed. Work completed in Q3 2018	Low Cost / High Value
15	PCD	210	Michael	\$32,481	Reserves	2018	Q3 2018	E, F and ToG	E, F and ToG	Gibsons and District Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete. RFQ issued 2018-May-25. Purchase order issued and pagers received.	Mandatory / BC
16	PCD	212	Loveys	\$19,489	Reserves	2018		D	D	Roberts Creek Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete. RFQ issued 2018-May-25.	Mandatory / BC
17	PCD	216	Loveys	\$22,737	Reserves	2018		B	B	Halfmoon Bay Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete. RFQ issued 2018-May-25. Purchase order issued and pagers received.	Mandatory / BC
18	PCD	218	Loveys	\$11,693	Reserves	2018		A	A	Egmont and District Volunteer Fire Department Pager Replacement (All Fire Chiefs Initiative)	Scoping complete. RFQ issued 2018-May-25. Purchase order issued and pagers received.	Mandatory / BC
19	IS	366	Walkey	\$30,000	5 Year Loan	2018		A	A	South Pender Harbour Water (Utility Services) - Vehicle Replacement	Vehicle tender specifications and tendering complete. Vehicle (truck) onsite and in use.	Other

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
20	IS	350	Cooper	\$31,000	Taxation	2018	Sep-18	Regional	A	Islands Clean-up Service Expansion	Planning work for 2018 service has commenced. Schedule released. Events completed to date: Gambier and surrounding islands flag stops (Jul 7), Nelson Island flag stops (Jul 14), Trail Island flag stops and Thormanby Island (Aug 11), Keats Island flag stop & on-land (Aug 25), Gambier on-land (Aug 25). No contracted service expenses noted as no invoices have been received yet.	Other
21	PCD	625	Cole	\$9,000	Reserves	2018		A	A	Pender Harbour Aquatic and Fitness Centre Hot Water Tank Replacement	<b>Contractor confirmed. Work to be completed in Q3. Project completed.</b>	Imminent Asset Failure
22	IS	351	Cooper	\$10,000	Reserves	2018	Sep-18	Regional	Regional	Site Improvement at Pender Harbour Transfer Station	<b>All site improvements are completed.</b>	Other
23	IS	310	Dykstra	\$4,500	Taxation	2018		All excluding A	All excluding A	Transit Drivers - Uniform Issuance	Oct 3: Uniforms have been sized, and order submitted to vendor. Four weeks to produce, and will be issued in early November. <b>Uniform delivery scheduled for late November.</b>	Regulatory Compliance
24	PCD	110	Legault	\$13,500	Reserves	2018	Oct-18	Regional	Regional	Replace Director Tablets - Base Operating Budget Increase	Obtained price quotes. Order in progress. <b>Order received and completed.</b>	Mandatory / BC
25	PCD	110	Legault	\$25,000	Reserves	2018	Jun-19	Regional	Regional	Consulting Services - 2019-2022 Strategic Plan Development	Services secured.	Strategic Plan
26	PCD	210	Michael	\$7,500	Taxation	2018	Q4 2018	E, F and ToG	E	Preventative Maintenance Program - Cliff Mahlman Fire Hall	<b>Program developed.</b>	Mandatory / BC
27	PCD	625	Cole	\$20,000	User Fees	2018		A	A	Base Operating Budget Adjustment		Mandatory / BC
28	PCD	400	Hall	\$10,000	Taxation	2018	May-18	All	D and E with Regional Impact	Cemetery Base Budget Adjustment	Bylaw amendments to be drafted following Board Directive. Bylaw prepared for adoption. Adopted.	Mandatory / BC
29	PCD	110	Legault	\$20,000	Taxation	2018	Mar-18	Regional	Regional	Director Remuneration - Base Operating Budget Increase	Completed at budget adoption. No action required.	Mandatory / BC
30	PCD	345	Hall	\$99,594	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. Construction completed. Field inspection and closure documentation late Q2. Final invoicing to occur.	Carryforward

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
31	PCD	345	Hall	\$426,831	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. Construction completed. Field inspection and closure documentation late Q2. Final invoicing to occur.	Carryforward
32	IS	365	Walkey	\$15,500	User Fees	2018		A and SIGD	A	North Pender Harbour Water - Base Operating Budget Increase		Mandatory / BC
33	IS	366	Walkey	\$16,000	User Fees	2018		A	A	South Pender Harbour Water - Base Operating Budget Increase		Mandatory / BC
34	IS	370	Walkey	\$35,100	User Fees	2018		Regional	A, B, D, E, F, DoS	Regional Water - Base Operating Budget Increase - Water Sampling		Regulatory Compliance
35	PCD	650	Allen	\$4,500	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. Board direction to pursue trail development for West Connector. Staff will report on options. Project as scoped completed.	Carryforward
36	PCD	615-621	Robinson	\$40,000	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. Completed.	Carryforward
37	CA	117	Nelson	\$50,000	Support Services	2018		All	All	Increase Capital Replacements of Information Technology Equipment	2018 plan prepared. Replacement of backup data storage equipment procured and deployment in progress. Completed with 2018 Budget process.	Mandatory / BC
38	PCD	222	Loveys	\$24,400	Grant	2018		Regional	All	Community Emergency Preparedness Fund - Emergency Social Services	Purchasing of equipment complete.	Other
39	IS	310	Dykstra	\$14,000	Taxation	2018		All except A	Regional	Preventative Maintenance Program - Transit	Program has been developed and is currently implemented.	Mandatory / BC

Open Projects by Year	
Prior to 2015	4
2015	9

% Complete Summary		DEFINITION
Not Started	2	1.9% Work has not been started for project.
Started	9	8.6% Work is in preliminary stages.

Policy Codes Key
SP - Strategic Plan
WE - We Envision

Line No.	Dept.	Function	Mgr.	Budget \$	Funding Source	Budget Year	Proposed Completion Date	Function Participants	Work Location	Description	Current Status	Category
			2016	7			In Progress 25%	22	21.0%	Up to 25% progress	ITSP - Integrated Transportation Study Plan	
			2017	14			In Progress 50%	13	12.4%	Up to 50% progress	CRWP - Comprehensive Regional Water Plan	
			2018	32			In Progress 75%	19	18.1%	Up to 75% progress	PRM - Parks and Rec Master Plan	
			TOTAL	66			Completed	39	37.1%	100% Finished	SARP - Chapman Creek Watershed Source Assessment Response Plan	
							Deferred	0	0.0%	Project was deferred by motion.	EVDF, HMBF, RCF, GF - Fire Departments (strategic plans)	
							Cancelled	1	1.0%	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)	PDTNP - Parks Division Trail Network Plan	
							TOTAL	105			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

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

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

**SUBJECT:** BDO CANADA AUDIT PLANNING LETTER

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### RECOMMENDATION

**THAT** the report titled BDO Canada Audit Planning Letter be received;

**AND THAT** the Audit Planning Communication from BDO Canada LLP with respect to the Audit of the Financial Statements of the Sunshine Coast Regional District (SCRD) and Foreshore Leases (Hillside) for the year ended December 31, 2018 be received.

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### BACKGROUND

The purpose of BDO's "Audit Planning Report to the SCRD Board" is to communicate key issues, responsibilities and audit strategy which will be undertaken for the Sunshine Coast Regional District's (SCRD's) annual financial audit. The audit conducted by BDO is in accordance with Canadian Generally Accepted Auditing Standards (GAAS), which requires the explicit communication for roles and responsibilities by both parties.

The SCRD Board has the responsibility of providing oversight of the financial reporting process. As part of the two way communication with the auditors, the Board may highlight any areas of specific concerns or questions it may have for the auditors prior to the final audit.

### DISCUSSION

BDO's "Audit Planning Report," summarizing the plans and other matters pertinent to the 2018 audit for the SCRD, SCRHD, and Foreshore (Hillside), which is attached for reference. The 2018 interim audit will be conducted in mid-November 2018 with the final audit expected to be scheduled for the beginning of March 2019. The draft financial statements and audit report is scheduled for presentation at the April 2019 Corporate and Administrative Services Committee in preparation for the SCRD Board's final Adoption.

### STRATEGIC PLAN AND RELATED POLICIES

The annual financial audit is a statutory requirement for the SCRD.

### CONCLUSION

The purpose of this report is to provide information and seek Board direction. It is recommended that the Committee receive BDO's "Audit Planning Report" and that if there are any questions they be identified for staff to forward to BDO prior to the final audit.

Reviewed by:			
Manager – Finance		CFO	
GM		Legislative	
CAO	X – J. Loveys	Other	





# **Sunshine Coast Regional District and Sunshine Coast Regional Hospital District**

Planning Report to the Members of the Board

Prior to audit of the fiscal year ended December 31, 2018





Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
600 Cathedral Place  
925 West Georgia Street  
Vancouver BC V6C 3L2 Canada

E-mail: bcox@bdo.ca

November 9, 2018

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

Dear Board Members:

We are pleased to present our audit plan for the audit of the financial statements of the Sunshine Coast Regional District ("SCRD") and Sunshine Coast Regional Hospital District ("SCRHD") for the year ended December 31, 2018.

Our report is designed to highlight and explain key issues which we believe to be relevant to the audit including audit risks, the nature, extent and timing of our audit work and the terms of our engagement. The audit planning report forms a significant part of our overall communication strategy with the Boards and is designed to promote effective two-way communication throughout the audit process. It is important that we maintain effective two-way communication with the Boards throughout the entire audit process so that we may both share timely information. The audit process will conclude with a Board meeting and the preparation of our final report to the Board.

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

The Boards play an important part in the audit planning process and we look forward to meeting with you to discuss our audit plan as well as 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

### ENGAGEMENT LETTER

The terms and conditions of our engagement are included in the most recent engagement letter, dated November 22, 2017.

### RESPONSIBILITIES

It is important for the Board to understand the responsibilities that rest with the external auditor and the responsibilities of those charged with governance. The responsibilities of BDO, management, and those charged with governance are outlined within the most recent engagement letter, which is dated November 22, 2017.

- Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor's report.
- Report on any non-audit services to be provided to the SCRD and SCRHD by the external auditor.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters, if any.
- Refer to Appendix C & D for full details on the responsibilities of the Management and the Audit Committee, respectively.

### ENGAGEMENT OBJECTIVES

- Express an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in its net debt, and cash flows of the SCRD and SCRHD in accordance with Public Sector Accounting Standards ("PSAS").
- Present significant findings to the Board including key audit and accounting issues, and any other significant matters arising from our work.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit. See Appendix K for prior year's management letter.
- Consult regarding accounting, indirect taxes and reporting matters as requested throughout the year.
- Read the other information included in the SCRD's Annual Report to identify material inconsistencies, if any, with the audited financial statements.



## **AUDIT STRATEGY**

We plan to focus much of our review of transaction streams using “tests of controls” (compliance procedures) in combination with analytical review and testing. Balances will be tested using a combination of compliance procedures and substantive procedures (such as analysis of data and obtaining direct evidence as to the validity of the items).

Refer to Appendix B for a high level overview of our audit strategy.

## **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.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

For purposes of our audit, we have set preliminary materiality at \$890,000 for the SCRD and a preliminary performance materiality (level used for testing) at \$667,500. For the audit of the SCRHD, we have set preliminary materiality at \$43,000 and a preliminary performance materiality at \$32,250.

Our materiality calculation is based on the SCRD and SCRHD’s prior year results. In the event that current year results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to Board members as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Boards, other than those which we determine to be “clearly trivial”. Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We are required to request of management to correct any misstatements identified throughout the audit process.

## **KEY AUDIT AREAS AND PLANNED AUDIT RESPONSES**

Based on our knowledge of the SCRD and SCRHD’s operations, our past experience, and knowledge gained from management and you, 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. We request your input on the following key risks and whether there are any other areas of concern that the Board members have identified.

## KEY AUDIT AREAS AND PLANNED AUDIT RESPONSES (CONTINUED)

Key Audit Area	Comment	Proposed Audit Approach
<b>Management Override of Internal Controls</b>  <i>[Mandatory audit consideration]</i>	<p>The SCRD and SCRHD's current internal control systems could be subject to an override of existing controls by management resulting in unauthorized transactions or unauthorized adjustments to the accounting records.</p>	<p>Review of significant transactions recorded in the various ledgers for unusual or non-recurring adjustments not addressed by other audit procedures.</p>
<b>Recognition of Revenue</b>	<p>Accounting standards relating to grant revenue recognition are complex and open to interpretation. There is a risk that grants or revenue derived from other government transfers may be incorrectly deferred into future periods.</p> <p>Presumed Risk of Fraud in Revenue Recognition</p> <p><i>[Rebuttable audit consideration]</i></p>	<p>Grant funding will be confirmed through a review of the agreements, which ensures that the amounts recorded exist, are complete and are recorded accurately.</p> <p>Grant expenditures will also be reviewed to ensure that they meet the requirements per the grant agreement.</p> <p>Due to the nature of SCRD and SCRHD, we have rebutted the presumption of fraudulent revenue recognition in other revenue streams. Testing on these other revenue streams will be in accordance with the specific risks associated with these streams.</p>
<b>Cash and Investments</b>	<p>Cash planning and investment management are important aspects of good financial controls.</p> <p>Due to its nature, cash and investments are almost always considered to be a risk area in any audit.</p>	<p>Our planned audit procedures include review of reconciliations, substantive testing of transactions and confirmations of end of period balances. We will also review reports on return and investment strategies.</p>

Other key audit areas are as follows:

Key Audit Area	Comment	Proposed Audit Approach
<b>Staff Salaries</b>	A significant single type of expenditure that covers many employees and departments. As a regional district, this figure is often of particular interest to financial statement users (taxpayers and members).	<p>We will perform payroll system testing and a test of controls over the payroll system.</p> <p>We will additionally perform variance and other analytical procedures, and investigate all significant fluctuations or otherwise unexpected results.</p>
<b>Tangible Capital Assets and Accumulated Amortization</b>	It is important that the useful lives of tangible capital assets owned by the SCRCD and SCRHD are appropriate and remain accurate. This involves a high level of estimation and coordination of the finance department with other departments.	We will perform tests of controls for appropriate authorization of purchases combined with substantive testing of additions and disposals in the year and amortization calculations. Useful lives of existing assets will be reviewed for changes in estimates, if applicable.
<b>Liability for Landfill Closure</b>	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 calculation is liability is considered a risk area.	<p>We will review calculations related to the liability recorded, as well as review engineering reports. We will also perform an audit of significant assumptions used for the calculation.</p> <p>We will also review new programs and agreements in this area.</p>

## FRAUD RISK

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board on an annual basis. We have prepared the following comments to facilitate this discussion.

Required Discussion	BDO Response	Question to Boards
Details of existing oversight processes with regards to fraud.	<p>Through our planning process, and based on prior years' audits, we have developed an understanding of your oversight processes including:</p> <ul style="list-style-type: none"> <li>• Annual Board meeting with management to discuss fraud;</li> <li>• Discussions at regular Board meetings and our attendance at some of those meetings;</li> <li>• Review of related party transactions; and</li> <li>• Consideration of tone at the top.</li> </ul>	<p>Are there any new processes or changes in existing processes relating to fraud that we should be aware of?</p> <p>What are your views of the potential areas of fraud within the organization?</p>
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the SCR and SCRHD?

Should you have any concerns or information related to this area, we request that you contact us directly.

Refer to Appendix F for our considerations of possible fraud and illegal activities during the performance of our audit.

## FINAL ENGAGEMENT REPORTING

As part of our final reporting to the Boards, we will provide a communications package to support the Board in discharging their responsibilities. This communication will include any identified significant deficiencies in internal controls. See Appendix H for a comprehensive list of communication requirements throughout the audit.

Due to changes in Canadian Auditing Standards, the format of auditor's reports has changed this year. While the main points in the report have not changed, the new report is longer and more descriptive in several areas including explaining the role of Those Charged With Governance. See an example of how we expect the audit report to read in Appendix L.



## OTHER MATTERS

Timing	<p>The following schedule has been agreed to with management:</p> <ul style="list-style-type: none"><li>• Interim audit fieldwork - November 19 - 21, 2018</li><li>• Year-end audit fieldwork - March 4 - 13, 2019 (tentative)</li><li>• Review of draft financial statements with the Board - To be determined (approximately end of April 2019)</li><li>• Finalization of financial statements - Immediately subsequent to approval by Board members</li></ul>
Independence	<p>Our annual independence letter has been included as Appendix G.</p>
Management Representations	<p>As part of our audit finalization we will obtain written representation from management. The draft representation letter will be included as part of our final report.</p>
New Accounting Standards	<p>Refer to Appendix J for changes in standards.</p>



## APPENDIX A - Your BDO Engagement Team

Name	Title	E-mail	Phone
Bill Cox, FCPA, FCA	Engagement Partner	bcox@bdo.ca	604.443.4716
Patrick Chan, CPA, CA	Senior Manager	pchan@bdo.ca	604.443.4710
Andrew Davies	Audit Fieldwork Leader	andavies@bdo.ca	604.688.5421
Dylan Hughes	Audit Staff	dhughes@bdo.ca	604.688.5421
Annie Lui	Audit Staff	alui@bdo.ca	604.688.5421



## APPENDIX C - Management Responsibilities

All facets of the SCRD and SCRHD's internal controls including those governing the accounting records, systems and financial statements will be impacted by the organization's complexity, the nature of risks, and the related laws, regulations, or stakeholder requirements. It is management's responsibility to determine the level of internal control required to respond reasonably to the SCRD and SCRHD's risks.

The preparation of the SCRD and SCRHD's financial statements including all disclosures in accordance with Canadian public sector accounting standards is the responsibility of management. Among other things, management is responsible for:

1. Designing and implementing internal controls over financial reporting to enable the preparation of financial statements that are free of material misstatements;
2. Informing the SCRD and SCRHD's auditors of any deficiencies in design or operation of internal controls;
3. Updating the SCRD and SCRHD's auditors for any material change in the SCRD and SCRHD's internal controls including if the individuals responsible for the controls that have changed;
4. Identifying and complying with any laws, regulations, and/or agreements which apply to the SCRD and SCRHD;
5. Recording any adjustments required to the financial statements to correct material misstatements;
6. Safeguarding of assets;
7. Providing the auditor with all financial records, and related data which may be related to the recognition, measurement and or disclosure of transactions in the financial statements;
8. Providing accurate copies of all minutes of the regular and closed meetings of Board members;
9. Providing timely, accurate information as requested for the completion of the audit;
10. Allowing unrestricted access to persons or information as requested as part of the audit; and
11. Notifying the auditor of any circumstances which arise between the date the audit work is completed and the approval date of the financial statements.

### Representation Letter

We will make specific inquiries of the SCRD and SCRHD's management about the representations embodied in the financial statements and internal control over financial reporting. During the completion of our audit documentation, we will require management to confirm in writing certain representations in accordance with Canadian generally accepted auditing standards. These representations are to be provided to us in the form of a representations letter which will be provided as near as practicable to, but not after the date of our auditor's report on the financial statements.

## APPENDIX D - Board Responsibilities

### General Responsibilities

It is the Board's responsibility to provide oversight of the financial reporting process. This includes management's preparation of the financial statements, monitoring of the SCRD and SCRHD's internal controls, overseeing the work of the external auditor, facilitating the resolution of disagreements between management and the auditor, as well as the final review of the financial statements and other annual reporting.

### Significant Audit Findings

Based on the work we perform, any significant identified deficiencies in internal control will be reported to you in writing. The purpose of our audit is to express an opinion on the financial statements. While our audit includes a consideration of the internal control structure of the SCRD and SCRHD, our work is focused on those controls relevant to financial reporting. As such, our work was not designed to provide an opinion on the effectiveness of the internal controls.

We will communicate our views regarding any significant qualitative aspects of the SCRD and SCRHD's accounting practices. This would include the selection and application of accounting policies, estimates and financial statement disclosure. If during our audit we feel that the selected policies, estimates or disclosures are not appropriate for the SCRD and SCRHD under its reporting framework, we will communicate these matters to the Board.

In addition, we will communicate:

- Any significant difficulties which arose during the audit;
- Any reasons identified which may cause doubt as to the SCRD and SCRHD's ability to continue as a going concern;
- The written representations we will request from management;
- Any identified unadjusted misstatements; and
- Any identified or suspected fraudulent activities.

## APPENDIX E - Circumstances Affecting Timing and Fees

Our professional fee for the audit is based on careful consideration of the time required to complete the required work. Circumstances may arise during the engagement which could significantly impact the targeted completion dates and or the extent of work required to complete the audit. As a result, additional fees may be necessary. Such circumstances include, but are not limited to, the following:

### Significant Issues

1. Changes in the design or function of internal controls can impact the audit and result in additional substantive testing;
2. Significant number of proposed adjustments which are identified during the audit work;
3. Significant changes are required to the format or information contained in the financial statements;
4. New issues resulting from changes to:
  - a. Accounting standards, policies or practices
  - b. Special events or transactions which were not contemplated in the original budget
  - c. The financial reporting process or systems involved
  - d. Accounting personnel or availability of accounting personnel
  - e. The requirement to include specialists in the audit work
5. Changes to the scope of the audit.

### Audit Execution

1. Audit schedules are not provided in a timely manner, are not mathematically correct, or do not agree to the underlying accounting records.
2. There are significant delays in responding to our requests for information or responses require significant further investigation.
3. The quality of the supporting information for the audit work has deteriorated from our previous experience.
4. A complete working paper package is not provided on the agreed upon date.
5. There is a limitation of access to the financial staff required to complete the audit.

## APPENDIX F - Auditor's Considerations of Possible Fraud and Illegal Activities

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, by:

- Identifying and assessing the risks of material misstatement due to fraud;
- Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- Responding appropriately to fraud or suspected fraud identified during the audit.

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.

During the audit, we will perform risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the SCRD and SCRHD's internal control system, to obtain information for use in identifying the risks of material misstatement due to fraud and make inquiries of management regarding:

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud in the SCRD and SCRHD including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the SCRD and SCRHD; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behavior.

In response to our risk assessment and our inquiries of management, we will perform procedures to address the assessed risks, which may include:

- Inquiring of management, members of the Board and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Performing disaggregated analytical procedures and considering unusual or unexpected relationships identified in the planning of our audit;
- Incorporating an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Performing additional required procedures to address the risk of management's override of controls including:
  - Testing internal controls designed to prevent and detect fraud;
  - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
  - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
  - Evaluating the business rationale for significant unusual transactions.



## APPENDIX G - Independence Letter

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

November 9, 2018

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

Dear Board Members:

We have been engaged to audit the financial statements of the Sunshine Coast Regional District (the "SCRD") and the Sunshine Coast Regional Hospital District (the "SCRHD") for the year ended December 31, 2018.

Canadian generally accepted auditing standards (GAAS) no longer require that we communicate formally to you in regard to Independence Matters, however we consider it to be a good practice. As such, we are reporting to you regarding all relationships between the SCRD and SCRHD (and its related entities) and our firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of British Columbia and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We are not aware of any relationships between the SCRD and SCRHD and our firm that, in our professional judgment, may reasonably be through to bear on our independence.

We hereby confirm that we are independent with respect to the SCRD and SCRHD within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of the date of this letter.

This letter is intended solely for the use of Board members and management and should not be used for any other purposes.

Yours truly,

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

BC/mkn



## APPENDIX H - Communication Requirements

Required Communication	Audit Planning Letter	Audit Results Letter	Communication Completed
1. Our responsibilities under Canadian GAAS	✓		Y
2. Our audit strategy and audit scope	✓		Y
3. Fraud risk factors	✓		Y
4. Going concern matters		✓	N
5. Significant estimates or judgments		✓	N
6. Audit adjustments		✓	N
7. Unadjusted misstatements		✓	N
8. Omitted disclosures		✓	N
9. Disagreements with Management		✓	N
10. Consultations with other accountants or experts		✓	N
11. Major issues discussed with Management in regards to auditor retention		✓	N
12. Significant difficulties encountered during the audit		✓	N
13. Significant deficiencies in internal control		✓	N
14. Material written communication between BDO and Management		✓	N
15. Any relationships which may affect our independence	✓		Y
16. Any illegal acts identified during the audit		✓	N
17. Any fraud or possible fraudulent acts identified during the audit		✓	N
18. Significant transactions with related parties not consistent with ordinary business		✓	N
19. Non-compliance with laws or regulations identified during the audit		✓	N
20. Limitations of scope over our audit, if any		✓	N
21. Written representations made by Management		✓	N
22. Any modifications to our opinion, if required		✓	N

## APPENDIX I - Resources and Services

### OTHER BDO SERVICES

Indirect Tax	<p>NPO's operating in Canada are impacted by commodity taxes in some way or another, and unless managed properly, can have a significant impact on your organization's bottom line. The rules for NPO's can be especially confusing, and as a result many organizations end up paying more than they need to.</p> <p>NPO's must keep on top of changes to ensure they are taking advantage of the maximum refund opportunities. At BDO, we have helped a number of organizations of all sizes with refund opportunities, which can reduce costs for the organization and improve overall financial health.</p> <p>For more information, please visit the following link:</p> <p><a href="#">BDO - Indirect Tax</a></p>
Employer health tax	<p>The NDP government announced a proposed Employer Health Tax (EHT) to take effect starting January 1, 2019. The proposed EHT will impose a payroll tax on employers who meet the payroll threshold and annual payroll tax filing.</p> <p>In advance of detailed legislation to come in the fall, the government recently released additional implementation details.</p> <p>For more information, please visit the following link:</p> <p><a href="#">Employer health tax</a></p>
Employees or subcontractors	<p>Many organizations have been unclear in their agreements with contractors, and left themselves and their contractors exposed to the risk of serious and costly repercussions with the Canada Revenue Agency ("CRA").</p> <p>For more information, please visit the following link:</p> <p><a href="#">Employers or subcontractors</a></p>
Hiring foreign workers	<p>Many Canadian employers are considering hiring international talent, while others have already hired employees from outside Canada, but are not sure how to keep the employee long-term.</p> <p>For more information, please visit the following link:</p> <p><a href="#">Hiring foreign workers</a></p>
Fraud trends in Canada	<p>Organizations are the target of many types of fraud, such as wire fraud and phishing scams. Both small and large businesses across all industries are affected by either employee fraud or external fraud.</p> <p>For more information, please visit the following link:</p> <p><a href="#">Fraud trends in Canada</a></p>

<b>Three critical traits that help board members combat fraud</b>	<p>Board membership carries with it a sense of corporate status and achievement in one's professional life. It may raise one's profile in the corporate world and be rewarded by monetary compensation. It may be seen as an avenue to give back to society and to pursue one's personal interests, such as a cause they feel passionate about - but are there only positives? Is being a director on a board really as rewarding as it sounds?</p> <p>For more information, please visit the following link:</p> <p><a href="#">Three critical traits that help board members combat fraud</a></p>
<b>Employee fraud: a guide for fraud prevention, detection and response</b>	<p>Employee fraud is a serious issue impacting Canadian organizations of all sizes, in all sectors. The impact of employee fraud is not only devastating financially — it can cause lasting reputational damage that many businesses will be unable to overcome.</p> <p>For more information, please visit the following link:</p> <p><a href="#">Employee fraud: a guide for fraud prevention, detection and response</a></p>
<b>Strategic planning</b>	<p>Strategic planning is more than refreshing the last plan with new initiatives. The plan will not be well executed if assumptions are not tested. A thorough plan is essential if organizations want to be successful. Without a strategic plan in place, organizations are poised to stumble, and they often do.</p> <p>For more information, please visit the following link:</p> <p><a href="#">Strategic planning</a></p>
<b>Future enhancements to the Auditors' Report</b>	<p>As Canada continues its commitment to adopting international standards on auditing, it is important to prepare for the new and revised auditor reporting standards that become effective for audits of financial statements for periods ending on or after December 15, 2018.</p> <p>For more information, please visit the following link:</p> <p><a href="#">Future enhancements to the Auditors' Report</a></p>



## BDO PUBLICATIONS

BDO's national and international accounting and assurance department issues publications on the application of Public Sector Accounting Standards (PSAS). In addition, we offer a wide array of publications on Accounting Standards for Private Enterprises (ASPE), International Financial Reporting Standards (IFRS), and Accounting Standards for Not-for-profit Organizations (ASNPO).

For additional information, including links to archived publications and model financial statements, refer to the link below:

<http://www.bdo.ca/en/library/services/assurance-and-accounting/pages/default.aspx>.

## MYPDR

Class is in session! Meeting Your Professional Development Requirements (MYPDR) is an educational program designed to support our clients, contacts and alumni in achieving their ongoing professional development requirements.

Through the MYPDR program, we are committed to providing timely, relevant topics that can support you in meeting your ongoing professional development needs. For more information on the MYPDR program or to register, please visit <https://www.bdo.ca/en-ca/events/>.

## APPENDIX J – Changes in Accounting Standards With Potential to Impact the SCRD and SCRHD

*The following summarizes the status of new standards and the changes to existing standards as of the fall of 2018. The Appendix also reviews Exposure Drafts, Statements of Principles, Projects and Post Implementation Reviews that provide information on the future direction of CPA Public Sector Accounting Handbook.*

### NEW STANDARDS – PSAS

#### *Section PS 3430, Restructuring Transactions*

This Section addresses a problem area for public sector accounting. In the past there was no Canadian standard that addressed acquisition of services and service areas, therefore, accountants looked to the US and international standards for guidance.

This new Section defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities, that does not involve an exchange of consideration based primarily on the fair value of the individual assets and liabilities transferred.

- The net effect of the restructuring transaction should be recognized as a revenue or expense by the entities involved.
- A recipient should recognize individual assets and liabilities received in a restructuring transaction at their carrying amount with applicable adjustments at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- A transferor and a recipient should disclose sufficient information to enable users to assess the nature and financial effects of a restructuring transaction on their financial position and operations.

This Section applies to restructuring transactions occurring in fiscal years beginning on or after April 1, 2018. For entities with a December year, end this means that 2019 is the first year that the standard must be followed. Earlier adoption is permitted.

### NEW STANDARDS – PSAS (NOT YET EFFECTIVE)

#### *Section PS 2601, Foreign Currency Translation*

This Section revises and replaces *PS 2600, Foreign Currency Translation*. The following changes have been made to the Section:

- The definition of currency risk is amended to conform to the definition in *PS 3450, Financial Instruments*;
- The exception to the measurement of items on initial recognition that applies when synthetic instrument accounting is used is removed;
- At each financial statement date subsequent to initial recognition, non-monetary items denominated in a foreign currency that are included in the fair value category in accordance with Section PS 3450 are adjusted to reflect the exchange rate at that date;
- The deferral and amortization of foreign exchange gains and losses relating to long-term foreign currency denominated monetary items is discontinued;
- Until the period of settlement, exchange gains and losses are recognized in the statement of remeasurement gains and losses rather than the statement of operations; and
- Hedge accounting and the presentation of items as synthetic instruments are removed.

The new requirements are to be applied at the same time as *PS 3450, Financial Instruments*, and are effective for fiscal years beginning on or after April 1, 2021. For entities with a December year end this means 2022 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3041, Portfolio Investments***

This Section revises and replaces Section *PS 3040, Portfolio Investments*. The following changes have been made:

- The scope is expanded to include interests in pooled investment funds;
- Definitions are conformed to those in *PS 3450, Financial Instruments*;
- The requirement to apply the cost method is removed, as the recognition and measurement requirements within Section PS 3450 apply, other than to the initial recognition of an investment with significant concessionary terms; and
- Other terms and requirements are conformed to Section PS 3450, including use of the effective interest method.

The new requirements are effective for fiscal years beginning on or after April 1, 2021. For entities with a December year end, this means that 2022 is the first year that the standard must be followed. Earlier adoption is permitted.

#### ***Section PS 3280, Asset Retirement Obligations***

This new Section establishes standards on how to account for and report a liability for asset retirement obligations. The main features of the new Section are:

- An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs associated with a tangible capital asset controlled by the entity increase the carrying amount of the related tangible capital asset (or a component thereof) and are expensed in a rational and systematic manner.
- Asset retirement costs associated with an asset no longer in productive use are expensed.
- Measurement of a liability for an asset retirement obligation should result in the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date.
- Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset (or a component thereof), or an expense, depending on the nature of the remeasurement and whether the asset remains in productive use.
- A present value technique is often the best method with which to estimate the liability.
- As a consequence of the issuance of Section PS 3280:
  - editorial changes have been made to other standards; and
  - SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY, Section PS 3270, has been withdrawn.

This Section applies to fiscal years beginning on or after April 1, 2021 (2022 fiscal year for organizations with December year ends). Earlier adoption is permitted.

Section PS 3270 will remain in effect until the adoption of Section PS 3280 for fiscal periods beginning on or after April 1, 2021, unless a public sector entity elects earlier adoption.

### ***Section PS 3400 Revenue***

This section is related to revenue recognition principles that apply to revenues of governments and government organizations other than government transfers and tax revenue.

The Public Sector Accounting Handbook has two Sections that address two major sources of government revenues, government transfers and tax revenue. Revenues are defined in Section PS 1000, Financial Statement Concepts. Recognition and disclosure of revenues are described in general terms in Section PS 1201, Financial Statement Presentation.

This section addresses recognition, measurement and presentation of revenues that are common in the public sector. It is less complex than the comparable new IFRS standard, although generally consistent in philosophy.

This new Section will be effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

### ***Section PS 3450, Financial Instruments***

This new Section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.

The main features of the new Section are:

- Items within the scope of the Section are assigned to one of two measurement categories: fair value, or cost or amortized cost.
- Almost all derivatives, including embedded derivatives that are not closely related to the host contract, are measured at fair value.
- Fair value measurement also applies to portfolio investments in equity instruments that are quoted in an active market.
- Other financial assets and financial liabilities are generally measured at cost or amortized cost.
- Until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses.
- Budget-to-actual comparisons are not required within the statement of remeasurement gains and losses.
- When the reporting entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category.
- New requirements clarify when financial liabilities are derecognized.
- The offsetting of a financial liability and a financial asset is prohibited in absence of a legally enforceable right to set off the recognized amounts and an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.
- New disclosure requirements of items reported on and the nature and extent of risks arising from financial instruments.

The new requirements are to be applied at the same time as *PS 2601, Foreign Currency Translation* and are effective for fiscal years beginning on or after April 1, 2021. For entities with a December year end this means 2022 is the first year that the standard must be followed. Earlier adoption is permitted. This Standard should be adopted with prospective application except for an accounting policy related to embedded derivatives within contracts, which can be applied retroactively or prospectively.

Note also that Narrow Scope Amendments are expected (see below) that will not impact many readers of this Appendix.

## STATUS OF CURRENT PROJECTS - PSAB

	2018 Q4	2019 Q1
<u>Concepts</u> Underlying Financial Performance		
<u>Employment</u> Benefits	Invitation to Comment #3	
<u>Financial</u> Instruments - Narrow Scope Amendments		Exposure Draft
Public Private Partnerships		Exposure Draft
Revenue	Handbook Release	
Review of International Strategy		

## INVITATION TO COMMENT - PSAS

### *Employment Benefits*

Identified as the top priority in PSAB's 2014 Project Priority Survey, the Board has approved a project to review Section PS 3250, *Retirement Benefits*, and Section PS 3255, *Post-employment Benefits, Compensated Absences and Termination Benefits*. Since the issuance of these Sections decades ago, new types of pension plans have been introduced and there have been changes in the related accounting concepts.

This project will involve looking at issues such as deferral of experience gains and losses, discount rates, how to account for shared risk plans, multi-employer defined benefit plans and vested sick leave benefits. Other improvements to existing guidance will also be considered.

A new, comprehensive Handbook Section on employment benefits will replace the two existing Sections.

To date, two Invitations to Comment have been issued related to Discount Rates and Deferral Provisions. Invitation to Comment #3 is expected in Q4 2018 in regard to Risk Sharing Provisions.

Final standard is on track for release in 2022.

## EXPOSURE DRAFTS - PSAS

### *Financial Instruments - Narrow Scope Amendments*

In conjunction with the decision to move forward with Section PS 3450, *Financial Instruments*, the Public Sector Accounting Board (PSAB) will provide amendments in 3 narrow areas:

1. Accounting treatment of a bond repurchase

The current standard states that, when a public sector entity acquires its own bond from the market, this transaction should be treated as an extinguishment. PSAB is investigating alternatives to this treatment.



2. Scope exclusion of certain activities by the Federal government

Section PS 2601, Foreign Currency Translation, excludes foreign exchange balances "*intended to sustain foreign exchange reserves and orderly conditions in the foreign exchange market for the Canadian dollar or to provide assistance to foreign countries.*" PSAB is investigating whether derivatives that are used as part of such activities should be excluded from the scope.

3. Improvements to transitional provisions

Several improvements to the transitional provisions of Section PS 3450, *Financial Instruments*, were proposed in the Exposure Draft, *Financial Instruments: Transition*, issued in 2014. PSAB is revisiting these improvements to ensure they remain appropriate.

***Public Private Partnerships***

Identified as a priority in PSAB's 2014 Project Priority Survey, the Board approved a project to develop authoritative guidance specific to public private partnerships.

The project is nearing completion with a Statement of Principles issued in 2017 and a final section expected to be issued in Q4 2018.

***Concepts Underlying Financial Performance (Statement of Concepts and Statements of Principles issued)***

The conceptual framework in Sections PS 1000, *Financial Statement Concepts*, and PS 1100, *Financial Statement Objectives*, require review with a focus on measuring the financial performance of public sector entities.

This review was identified as a high priority in the Public Sector Accounting Board's (PSAB) 2010-2013 Strategic Plan in response to a suggestion from the senior government finance community.

This project will consider the concepts underlying the measure of financial performance. The review may result in amendments to the conceptual framework and could also affect Section PS 1201, *Financial Statement Presentation*.

A Statement of Concepts and a Statement of Principles for financial reporting were issued in May 2018. A final exposure draft is expected for Q4 2019.

### ***Review of International Strategy (Consultation Paper Issued)***

In developing the 2017-2020 Strategic Plan, the Public Sector Accounting Board (PSAB) determined the time was appropriate to review its current approach towards International Public Sector Accounting Standards.

Over the 2017-2020 period, the Board intends to:

- conduct research on differences between Canadian Public Sector Accounting Standards and International Public Sector Accounting Standards;
- learn about experiences of other jurisdictions that choose to follow International Public Sector Accounting Standards;
- publish a consultation paper to get the opinion of stakeholders; and develop options for the Board's International Strategy.

A first Consultation Paper was issued in May 2018 with a second Consultation Paper expected in Q1 2019.

### ***Not-for-Profit Project (Consultation Paper Expected Q1 2019)***

When government not-for-profits were brought into the PSA Handbook they were given the option of applying PSAS standards or PSAS standards in conjunction with the "4200 Series" of standards that mirror Part III of the CPA Handbook. It was always recognized that the 4200 Series was likely a stop-gap measure with additional NPO-specific standards being brought into the "regular" PSA Handbook. The situation became more timely with several provinces mandating that their organizations not use the 4200 series.

In 2017 PSAB conducted broad outreach with Government Not-for-Profit Organizations across Canada. A Consultation Paper on this matter is expected in Q1 2019.

## **PROJECTS - PSAB (DEFERRED)**

### ***Impairment of Non-Financial Assets***

Currently, there is a lack of Canadian guidance on the impairment of non-financial assets that have service potential.

The objective of this project is to issue a standard that addresses the impairment of tangible capital assets that have service potential.

The project will define impairment, as well as provide guidance on assessment, recognition, measurement and disclosure of impairment losses.



### *PSA Handbook Terminology*

Application of sections in the CPA Canada Public Sector Accounting (PSA) Handbook for government organizations that previously followed the CPA Canada Handbook – Accounting and were directed to adopt the PSA standards need to be considered.

The PSA Handbook was originally written primarily for government summary financial statements. The term “government” is used throughout the PSA Handbook.

This project will update terminology in the PSA Handbook to clarify standards and guidance that are applicable to public sector entities, which will be specifically defined in the Introduction to the Public Sector Accounting Standards.



## NEW STANDARDS - AUDITING AND ASSURANCE STANDARDS BOARD (AASB)

### *Auditor Reporting*

The following new/revised auditor reporting standards are effective for audits of financial statements for periods ending on or after December 15, 2018.

*CAS 700 - Forming an Opinion and Reporting on Financial Statements.*

*CAS 701 - Communicating Key Audit Matters*

*CAS 705 - Modifications to the Opinion*

*CAS 706 - Emphasis of Matters and Other Matters*

*CAS 720 - Responsibilities Relating to Other Information*

*CAS 570 - Going Concern*

The recently revised Canadian Auditing Standards (CASs) were designed for the unique aspects of the Canadian environment, and with the ultimate objective of providing stakeholders with more useful information by focusing on the key output from the audit process - the auditor's report.

Key changes, which will help improve the communicative value of the auditor's report include:

- Placing the opinion section at the beginning of the report.
- Revised format and structure of the auditor's report.
- Enhanced reporting on going concern matters - including a separate section when there is a material uncertainty relating to going concern.
- Emphasizing the nature of the audit and the role and responsibilities of the auditors.
- Including an explicit statement about the auditor's independence in accordance with relevant ethical standards.
- Emphasizing the importance of the annual report (or similar document) and the auditor's work performed on such other information.
- Providing enhanced descriptions about the responsibilities of management, and those charged with governance where applicable.
- Voluntary reporting of key audit matters.
- For listed entities, disclosure of the name of the engagement partner.

The requirements relating to Key Audit Matters (KAM) are set out under CAS 701, Communicating Key Audit Matters in the Independent Auditor's Report. Unless specifically required by law or regulation, the reporting of KAM is optional. This differs from the international standard whereby KAM are required to be disclosed for all listed entities. Canadian standards do not contain a KAM reporting requirement, but allow for the KAM reporting when:

- The auditor decides to communicate KAM in the auditor's report, or
- The auditor is required by law or regulation to communicate KAM in the auditor's report.

Reporting of KAM is not required for audits of the public sector entities because there is no or regulation that requires it. However, we are aware that some Auditor Generals are considering whether they may apply this for reports prepared by their offices.

## EXPOSURE DRAFT- AASB

### *Auditing Accounting Estimates (Closed for Comments)*

Accounting estimates and related disclosures have become more complex. Stakeholders have indicated that clearer or additional guidance is needed to enable auditors to appropriately deal with these complexities.

The International Auditing and Assurance Standards Board (IAASB) released International Standard on Auditing (ISA) 540 (Revised), its revised standard for the audit of accounting estimates and related disclosures. The new standard reflects the rapidly evolving business environment, keeping pace with the changing market. It requires consideration of the factors such as complexity, subjective management judgement and other inherent risk factors.

The Canadian Standard, CAS 540, is expected to be effective for financial statement audits for periods beginning on or after December 15, 2019.

### ***Identifying and Assessing the Risks of Material Misstatement (Open for Comments)***

There are challenges involved in identifying and assessing audit risks for entities – in particular, those that vary in size and nature. Clearer or additional guidance is needed to help address these challenges.

As a result, the International Auditing and Assurance Standards Board (IAASB) is proposing revisions to ISA 315, *Identifying and Assessing the Risks of Material Misstatement through Understanding of the Entity and its Environment*.

The IAASB proposal includes establishing more robust requirements and appropriately detailed guidance to drive auditors to perform appropriate risk assessment procedures in accordance with the size and nature of the entity. This would be done by focusing on enhancing the auditor's approach to understanding the entity and risk assessment activities in light of the changing environment.

The Canadian Standard, CAS 315, is expected to be effective for financial statement audits for periods beginning on or after December 15, 2020.

## **PROJECTS - AASB**

### ***Group Audits***

Many audits today are audits of group financial statements – also known as group audits – these type of engagements can be very challenging.

This is a result of complex group structures, cultural and language barriers, differences in laws and regulation, involvement of component auditors and many other factors.

The IAASB is proposing revisions to ISA 600, *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* to:

- strengthen the auditor's approach to planning and performance of a group audit; and
- clarify the interaction of ISA 600 to the other ISAs.

The Exposure Draft is expected to be approved during the first quarter of 2020.

### ***Quality Control***

Auditors must effectively manage audit quality, both at the firm and the engagement level, with high-quality audits supporting financial stability.

Through consultations with stakeholders, the International Auditing and Assurance Standards Board (IAASB) identified a need to strengthen standards addressing quality control.



Therefore, the IAASB is proposing revisions to:

- ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*; and
- ISA 220, *Quality Control for an Audit of Financial Statements*.

The IAASB proposals includes revisions to these standards to:

- strengthen and improve a firms' management of quality for all engagements by more explicitly incorporating a quality management approach, fostering the ability of the standards to be applied to a wide range of circumstances; and
- focus on identifying, assessing and responding to quality risks in a broad range of engagement circumstances.

The Exposure Drafts for CSQC 1, CSQC 2 and CAS 220 are expected to be approved during the fourth quarter of 2018.



## APPENDIX K - Prior Year's Management Letter (for information purposes)

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 process of reviewing the policy and procedures. A draft policy will be provided to the new Board (election in 2018) for review and approval. The 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 past 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 policy one 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 L - New Audit Report Format

### INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Directors of the Sunshine Coast Regional District

#### Opinion

We have audited the consolidated financial statements of Sunshine Coast Regional District (SCRD), which comprise the Statement of Financial Position as at December 31, 2018 and the Statements of Operations, Change in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SCRD as at December 31, 2018 and its results of operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

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

#### Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis and other sections in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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



In preparing the financial statements, management is responsible for assessing SCRD's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate SCRD, or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

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

**SUBJECT:** 2019-2023 FINANCIAL PLAN PROCESS AND TIMETABLE

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### RECOMMENDATION(S)

**THAT the report titled 2019-2023 Financial Plan Process and Timetable be received.**

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### BACKGROUND

Section 374(1) of the *Local Government Act* stipulates that a Regional District must adopt a Financial Plan Bylaw annually.

The purpose of this report is to outline the process and timetable for development and adoption of the 2019-2023 Financial Plan Bylaw.

### DISCUSSION

The process for development of the Financial Plan is broken down into six distinct segments beginning with pre-budget in November/December and concluding with adoption of the annual Financial Plan Bylaw March. A detailed summary of the proposed financial plan timetable is presented in Attachment A.

Specifics of the activities associated with each segment of the process are detailed below:

#### 1. Pre-Budget

Staff review and refine existing base budgets and resource allocations, identify projects to be carried forward, and identify and prioritize new proposed initiatives for inclusion in the 2019 budget. The information will be presented at Special Corporate and Administrative Services Committee meetings in late November, along with any projected impacts to taxation and service levels. The intent of the Pre-Budget meeting is to inform the Committee and public of the key items that will be coming forward for consideration during budget deliberations.

The date of the proposed initiatives pre-budget meeting is November 29, 2018.

#### 2. Budget Stakeholders

Budget stakeholders are community organizations that receive funding from the Regional District in support of libraries, museums, community schools and economic development.

The meeting for the Committee to receive Stakeholder budget submissions is November 30, 2018.

3. Public Consultation

Section 375 of the *Local Government Act* specifies that a Board must undertake a process of public consultation regarding the proposed financial plan before it is adopted. Engagement on Regional District services occurs all year long through various formats, including (not limited to) local community events, open houses during events such as “*local government awareness week*”, and individual meetings with community or user groups. Staff are confirming 2019 dates to present the SCRD budget to the member municipalities. The engagement process continues to evolve at the Regional District.

Part of the Regional District’s public consultation process takes place between Rounds 1 and 2, when the budget has evolved, to provide a realistic representation of taxation and service impacts.

4. Round One Deliberations

Budget proposals for proposed initiatives are presented for consideration at a Special Corporate and Administrative Services Committee meeting over two to three days in late January. The Committee has the opportunity to consider each proposal for inclusion in the 2019-2023 Financial Plan. At this stage, proposals can be approved and included in the financial plan, referred to Round Two, deferred or abandoned.

The dates for Round One public meetings are January 21 to review budget proposals expanded from approved proposed initiatives from November; January 22 to review partner and stakeholder submissions and hear the delegations explain programs offered for 2019; and January 23 which will be held as needed for continued Committee discussions and decisions.

5. Round Two Deliberations

Any budget proposals referred from Round One as well as any new items that may have arisen through the Financial Plan process are presented for final consideration at a Special Corporate and Administrative Services Committee meetings over two days in early March. At this stage, all remaining budget proposals can be approved and included in the Financial Plan, deferred or abandoned.

In addition, reports will be presented that detail final project carryforwards to be included in the 2019 budget as well as a summary of prior year surpluses. Prior year surpluses are transferred to reserves per the SCRD’s *Financial Sustainability Policy*.

The dates for round two public meetings are March 4-5, 2019.

6. Adoption

At the conclusion of Round Two, staff prepare the annual Financial Plan Bylaw which must be adopted no later than March 31.

The 2019-2021 Financial Plan Bylaw will be brought forward for three readings and adoption at the regular Board meeting on March 21, 2019.

**STRATEGIC PLAN AND RELATED POLICIES**

Establishing a clear process and timeline for development and adoption of the 2019-2023 Financial Plan Bylaw is a key responsibility of the SCRD Board.

**CONCLUSION**

The Board must adopt a financial plan Bylaw annually by March 31 and undertake a process of public consultation prior to adoption. The process for development of the 2019-2023 Financial Plan consists of six distinct segments which are: pre-budget, budget stakeholders, public consultation, Round One deliberations, Round Two deliberations and adoption. The process will take place between November 2018 and March 2019.

**Attachment A: 2019-2023 Financial Plan Timetable**

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

## 2019-2023 FINANCIAL PLAN TIMETABLE

Activity	2018		2019		
	November	December	January	February	March
<b><u>PRE-BUDGET</u></b>					
SPECIAL CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING (2018 Carry-Forwards and 2019 Departmental Submissions for Proposed Initiatives)	29				
<b><u>BUDGET STAKEHOLDERS</u></b>					
SPECIAL CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING (Community Partners and Stakeholders)	30				
<b><u>ROUND ONE</u></b>					
SPECIAL CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING (R1 Budget)			21		
SPECIAL CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING (Libraries / Museums / PHHC / Community Groups / Economic Development Presentations and R1 Budget)			22-23		
<b><u>COMMUNICATION AND ENGAGEMENT</u></b>					
Public Engagement	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Local Government Show (Coast Cable)					7
PUBLIC AND MUNICIPAL PRESENTATIONS (SCRD Filmed)					1
PUBLIC AND MUNICIPAL PRESENTATIONS (ToG Council Meeting)					5
PUBLIC AND MUNICIPAL PRESENTATIONS (SIGD)					TBC
PUBLIC AND MUNICIPAL PRESENTATIONS (DoS Council Meeting)					6
<b><u>ROUND TWO</u></b>					
SPECIAL CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING (Final Carry-Forward List and Surplus / Deficit Position and R2 Budget)					4
SPECIAL CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING (R2 Budget)					5
<b><u>ADOPTION</u></b>					
Adoption of Financial Plan at REGULAR BOARD					21



## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

**AUTHOR:** Valerie Cropp – Manager, Purchasing and Risk Management

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

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### RECOMMENDATION

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

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### 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

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

	Supplier	Account Code	Awarded	Budget
1.	YMCA of Greater Vancouver  15 229 Agreement Extension for Youth & Child Programs between January 1, 2018 and December 31, 2019.	670 – Rec Program	\$84,032.00	Operating
2.	Cel-Com Systems Ltd  RFQ 18 340 Voice Pager Replacement Program	222 – Emergency	\$65,800.00	Capital
3.	Softchoice Corporation  Purchase of Software & Pure Storage Flash Array	117 – IT	\$79,841.23	Operating
4.	Waterhouse Environmental Services Corporation  Purchase of ISOPAC B-Trains	370- Water	\$81,900.00	Operating

**STRATEGIC PLAN AND RELATED POLICIES**

The disclosure of Contract Award aligns with the Board's Purchasing Policy, Delegation Bylaw and legislative requirements.

**CONCLUSION**

SCRD Delegation Bylaw No. 710, 2017 identifies that a report be provided quarterly to Committee 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

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**TO:** Corporate and Administrative Services Committee - November 22, 2018

**AUTHOR:** Valerie Cropp, Manager, Purchasing and Risk Management

**SUBJECT:** **INSURANCE INVOICES OVER \$100,000: MUNICIPAL INSURANCE ASSOCIATION (MIA) AND AON REED STENHOUSE INC. (AON)**

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### RECOMMENDATION(S)

**THAT the report titled Insurance Invoices over \$100,000: 2019 Municipal Insurance Association (MIA) and Aon Reed Stenhouse Inc. (Aon) be received;**

**AND THAT payment of up to the amount \$85,000 be authorized for liability insurance to MIA;**

**AND THAT payment of up to the amount of \$195,000 be authorized for property insurance to Aon;**

**AND THAT the 2019-2022 Financial Plan be amended to reflect the changes in premiums;**

**AND FURTHER THAT this recommendation be referred to the November 15, 2018 Regular Board Meeting for adoption.**

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### BACKGROUND

Delegation Bylaw 532 requires that all purchases over \$100,000 be authorized by Board Resolution.

Insurance premiums for the Sunshine Coast Regional District (SCRD) are determined in December of the prior year following a review of the current coverage and any changes to property or assets for the SCRD. Staff continue to work with our insurance brokers to finalize amounts, however, this must be executed by year-end to ensure appropriate coverage for the SCRD. Staff will report the final values through the 2019 Budget process.

Through a cost evaluation process the SCRD has chosen to insure liability insurance form MIA and property insurance for Aon to receive the best value to the SCRD.

The purpose of this report is to receive Board approval for 2019 premiums.

### DISCUSSION

Municipal Insurance Association (MIA): The annual estimated assessment of \$80,443 for 2018 represents a combination of per capita rates, claims experience and some administrative costs. There was an increase in the annual cost; 2018 premiums were 73,129. The assessment reflects year over year changes in the SCRD community's population and experience rating.

Experience rating is based on community's claims development in the 2013 to 2017 policy years. Experience premiums and discounts are calculated using the MIABC's member approved experience rating formula.

Included in 2019 is the 'Casual Legal Service' program which provides legal opinion to its members for a cost of \$500 per year and covers advice on all local government issues that are unlimited inquiries (limited to 30 minutes and involve no legal research or the preparation of documents). This is a valuable service for non-complex legal questions not covered under SCRD policy and in addition, the Regional District receives quarterly newsletters, bulletins on court cases and legislation and a number of other resources. At the end of October 2018, the Regional District currently has four open liability claims through MIA and Staff report to the Board twice a per year on these claims.

Aon Reed Stenhouse Inc. (Aon): The estimated premium of \$192,775 which includes the renewal of property, boiler and machinery, crime, recreational instructors, AD&D and commercial general liability insurance. The property rate for 2018 was \$184,071. The increase is a result of our Statement of Values being increased in 2018, however, the premium rate remains the same as 2018.

## **STRATEGIC PLAN AND RELATED POLICIES**

This report speaks to the Board's Policy of *Fiscal Sustainability*.

## **CONCLUSION**

Delegation Bylaw 532 requires that all purchases over \$100,000 be authorized by Board Resolution.

Insurance premiums are determined in December of the prior year following a review of the current coverage and any changes to property or assets for the SCRD.

Staff recommend the payments of up to \$85,000 and \$195,000 be authorized to the Municipal Insurance Association and Aon Reed Stenhouse respectively.

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

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

**AUTHOR:** Brad Wing, Financial Analyst

**SUBJECT:** GIBSONS AND DISTRICT PUBLIC LIBRARY HVAC UNIT REPLACEMENT FUNDING

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### RECOMMENDATION(S)

**THAT the report titled Gibsons and District Public Library HVAC Unit Replacement Funding be received;**

**AND THAT an application for short term capital financing be forgone;**

**AND FURTHER THAT remaining required funding in the amount of \$14,051 be transferred from capital reserves.**

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### BACKGROUND

The following resolution was adopted at the Regular Board meeting on March 23, 2017

110/17      **Recommendation No. 7**      *Gibsons and District Public Library [640] – 2017 R2 Budget Proposal*

*THAT the report titled 2017 R2 Budget Proposal for [640] Gibsons and District Public Library be received;*

*AND THAT the following budget proposals be approved and incorporated into the 2017 Budget:*

- *Budget Proposal 1 – HVAC Unit Replacement (Controls) – 8 units, \$125,000 funded \$50,000 from capital reserves and \$75,000 Short Term Capital Financing;*
- *Budget Proposal 2 – Preventative Maintenance Increases, \$30,000 funded through taxation and included in the base budget.*

The HVAC Unit Replacement project was subsequently carried forward to the 2018 budget and has now been completed.

### DISCUSSION

The Gibsons and District Public Library HVAC Unit Replacement was approved during 2017 budget deliberations. The project was delayed due to the Gibsons Library roof replacement and carried forward to the 2018 budget.

The approved budget for the project was \$125,000 funded from capital reserves of \$50,000 and short term capital financing of \$75,000. The project was completed in September 2018 at a final cost of \$64,051. Cost savings were realized by using internal resources (Asset Management Coordinator) for engineering, contract and project management versus using external contractors, thus resulting in significant cost savings for the project.

A transfer of \$50,000 from capital reserves has been completed resulting in \$14,051 remaining to be funded. This funding was budgeted to come from short term capital financing; however, due to the delay in completing the project and the final project expenditures coming in substantially under budget, an option exists to fund the remaining amount from capital reserves.

The Gibsons and District Public Library capital reserve currently has an uncommitted balance of \$39,549. In addition, the base budget includes an annual contribution of \$50,000 to the reserve for capital renewal. As there are no immediate requirements for these funds, staff recommend forgoing a short term capital financing application for the HVAC replacement in favour of transferring an additional \$14,051 out of capital reserve to cover the remaining required funding.

### **STRATEGIC PLAN AND RELATED POLICIES**

Section 4.3 of the Sunshine Coast Regional District Debt Management Policy states that 'reserves are to be considered as a funding source before debt'.

### **CONCLUSION**

The Gibsons and District Public Library HVAC Unit Replacement project was approved in 2017 with a budget of \$125,000 funded from capital reserves of \$50,000 and short term capital financing of \$75,000.

The project was completed in September 2018 at a final cost of \$64,051. \$50,000 has been transferred from capital reserves per the approved budget resulting in \$14,051 remaining to be funded.

The current uncommitted capital reserve balance is \$39,549 and is available to fund the remaining amount. Staff recommend forgoing the short term capital financing application and transferring \$14,051 from capital reserves to fund the remaining amount.

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

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

**AUTHOR:** Brad Wing, Financial Analyst

**SUBJECT:** INFORMATION TECHNOLOGY EQUIPMENT FINANCING LOAN APPLICATION

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### RECOMMENDATION(S)

**THAT** the report titled Information Technology Equipment Financing Loan Application be received;

**AND THAT** a loan of up to \$70,000 for a term of 3 years be requested through the Municipal Finance Authority Equipment Financing Program under section 403(1)(a) of the Local Government Act (Liabilities Under Agreement) to fund the purchase of Information Technology Hardware.

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### BACKGROUND

The Sunshine Coast Regional District (SCRD) 2018 base budget includes a \$150,000 capital expenditure for Information Technology Hardware equipment replacement. Budgeted funding for this expenditure consists of \$80,000 from internal support service recovery and \$70,000 from short term borrowing under the Municipal Finance Authority's Equipment Financing Program.

In order to apply for a loan under this program, a Board resolution is required specifying the purpose, term and maximum amount to be borrowed.

### DISCUSSION

Information Technology Hardware has an estimated useful life of four to five years on average. Given the short lifespan and regular replacement schedule, an annual capital expenditure of \$150,000 is currently included in the base budget for Function 117.

Internal support service recovery of \$80,000 and short term borrowing of \$70,000 for a term of three years are the budgeted funding sources for this capital expenditure. Debt servicing costs are pooled with existing hardware loans and recovered through the support services allocation based on the number of computers assigned to each function.

Borrowing will be undertaken through the Municipal Finance Authority's Equipment Financing Program. In order to apply for a loan under this program, a Board resolution is required specifying the purpose, term and maximum amount to be borrowed.

To date, \$120,000 of the \$150,000 budget has been expended. Staff recommend proceeding with a \$70,000 equipment financing loan application at this time so that proceeds can be

advanced prior to the fiscal year end on December 31. Final loan authorization is subject to execution of a loan agreement by the applicable signing authorities.

### **STRATEGIC PLAN AND RELATED POLICIES**

Budgeting for replacement of existing assets at the end of their useful life fulfills the Board's strategic objective to align service levels with the sustainable funding policy

The budgeted expenditure and funding source for the replacement of Information Technology Hardware are consistent with the SCRD's Financial Sustainability Policy and Debt Management Policy respectively.

### **CONCLUSION**

The SCRD's base budget includes an annual expenditure of up to \$150,000 for Information Technology Hardware equipment replacement funded from support service recovery of \$80,000 and short term borrowing of \$70,000. Borrowing will be undertaken through the Municipal Finance Authority's Equipment Financing Program. In order to apply for a loan under this program, a Board resolution specifying the purpose, term and maximum amount to be borrowed is required.

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



## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

**AUTHOR:** Brad Wing, Financial Analyst

**SUBJECT:** STATUS OF OPERATING AND CAPITAL RESERVES AS AT OCTOBER 31, 2018

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### RECOMMENDATION(S)

**THAT the report titled Status of Operating and Capital Reserves as at October 31, 2018 be received for information.**

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### 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) operating and capital reserves, which is provided on a quarterly basis.

### DISCUSSION

As at October 31, 2018 the Regional District had \$16,138,953 of reserve funds and \$5,691,270 of Parkland Acquisition, Development Cost Charges (DCC's) and Gas Tax Community Work Funds invested in term deposits, the Municipal Finance Authority (MFA) bond fund and individual corporate bond placements. In addition, the SCRD had \$1,266,000 of Landfill Closure Reserve funds invested in a term deposit. Combined investments totaled \$23,096,223.

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, anticipated budgeted project funding and cash flow requirements. These differences will be addressed by either a future subscription or redemption to the investment as appropriate.

Tax requisition funds collected in August 2018 are held in a high interest savings account and term deposits of various terms based on the SCRD's projected cash flow requirements. The amount held as of October 31 was \$11,500,000.

### 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 \$23,096,223 invested in term deposits, the MFA bond fund and individual corporate bond placements as at October 31, 2018 for Reserves, Parkland Acquisition, DCC's, Gas Tax Community Works Funds and Landfill Closure Reserves.

Additionally, as of October 31, 2018, there was \$11,500,000 of 2018 tax requisition funds invested in a high interest savings account and term deposits. 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 purpose of this report is to provide the Committee with information regarding the status of the SCRD's operating and capital reserves.

**Attachments A to C – Investments of Reserves Tables**

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

**Attachment A**  
**Investments of Reserves**  
**As at October 31, 2018**

Bylaw	Description	2016 Closing Balance	Transfers	YTD Interest	Closing Balance	Budgeted Transfers
<b>General</b>						
504	Administration - Capital	\$ 601.17	\$ -	\$ 8.59	\$ 609.76	\$ -
495	Administration - Vehicle Acquisition	40,983.76	-	585.31	41,569.07	-
648	Administration - Operating	325,455.15	(13,959.36)	4,626.25	316,122.04	(92,500.00)
648	Finance - Operating	202,012.17	-	2,884.98	204,897.15	(37,000.00)
496	Office Building Upgrades - Capital	201,205.55	20,000.00	2,922.12	224,127.67	(55,000.00)
648	Human Resources - Operating	173,224.20	(14,185.00)	2,198.58	161,237.78	(22,185.00)
504	Information Services - Capital	99,498.60	10,000.00	1,445.30	110,943.90	10,000.00
648	Information Services - Operating	25,556.71	-	364.97	25,921.68	-
648	Area D Grant in Aid - Operating	3,107.71	-	44.37	3,152.08	-
648	Elections - Operating	147,913.12	13,550.00	2,140.00	163,603.12	(21,124.00)
648	Corporate Sustainability - Operating	91,018.45	-	1,299.85	92,318.30	(17,500.00)
648	Regional Sustainability - Operating	41,400.22	-	591.24	41,991.46	-
	Feasibility Studies - Area B	25,924.91	-	370.24	26,295.15	-
	Feasibility Studies - Area D	25,924.91	-	370.24	26,295.15	-
649	Bylaw Enforcement - Vehicle Acquisition	31,003.74	-	442.76	31,446.50	-
677	Bylaw Enforcement - Operating	20,964.13	-	299.40	21,263.53	-
	Halfmoon Bay Smoke Control - Operating	1,510.35	-	21.57	1,531.92	-
650	Roberts Creek Smoke Control - Operating	11,513.40	-	164.44	11,677.84	-
497	Gibsons and District Fire Protection - Land	40,355.49	-	576.32	40,931.81	-
489	Gibsons and District Fire Protection - Capital	399,587.41	(76,851.95)	3,429.37	326,164.83	(353,575.00)
678	Gibsons and District Fire Protection - Operating	8,840.63	(3,723.00)	72.80	5,190.43	(4,324.00)
490	Roberts Creek Fire Protection - Capital	308,880.89	84,090.08	4,615.69	397,586.66	(71,989.00)
679	Roberts Creek Fire Protection - Operating	4,432.07	-	63.29	4,495.36	(4,299.00)
491	Halfmoon Bay Fire Protection - Capital	323,737.36	56,437.98	4,760.51	384,935.85	49,763.00
	Halfmoon Bay Fire Protection - Operating	1,799.00	-	25.70	1,824.70	(1,799.00)
601	Egmont Fire Protection - Capital	120,093.29	(4,546.82)	1,703.87	117,250.34	(9,795.00)
	Egmont Fire Protection - Operating	3,234.07	-	46.19	3,280.26	-
492	Emergency Telephone 911 - Capital	418,362.90	109,800.00	6,241.99	534,404.89	(167,700.00)
	Emergency Telephone 911 - Operating	25,388.42	-	362.58	25,751.00	(7,192.00)
493	Sunshine Coast Emergency Planning - Capital	34,716.00	-	495.79	35,211.79	-
	Sunshine Coast Emergency Planning - Operating	83,427.97	-	1,191.46	84,619.43	-
651	Animal Control - Vehicle Acquisition	50,334.21	-	718.82	51,053.03	-
680	Animal Control - Operating	88,164.97	-	1,259.09	89,424.06	-
529	Transit - Capital	-	-	-	-	-
652	Transit - Operating	183.19	-	2.61	185.80	-
563	Fleet Maintenance - Capital	109,582.05	18,295.00	1,609.49	129,486.54	(1,705.00)
	Fleet Maintenance - Operating	64,800.36	(12,044.00)	752.45	53,508.81	(12,044.00)
486	Ports - Capital	536,841.18	(246,364.11)	5,032.48	295,509.55	(247,263.00)
607	Ports - Operating	66,048.93	(84.71)	943.13	66,907.35	(20,000.00)
653	Regional Solid Waste - Operating	123,492.39	(64,710.00)	834.26	59,616.65	(64,710.00)
670	Zero Waste Initiatives (Eco Fee) - Operating	208,828.41	30,432.00	3,151.71	242,412.12	625.00
653	Landfill - Operating	121,416.83	(95,231.34)	774.08	26,959.57	(188,290.00)
654	Refuse Collection - Operating	100,261.46	28,011.00	1,500.03	129,772.49	11.00
655	Cemetery - Operating	210,736.21	18,000.00	3,053.38	231,789.59	(7,000.00)
515	Pender Harbour Health Clinic - Capital	44,012.36	5,000.00	640.71	49,653.07	(7,000.00)
681	Regional Planning - Operating	62,314.16	-	889.91	63,204.07	-
656	Rural Planning - Vehicle Acquisition	17,339.04	-	247.63	17,586.67	-
657	Rural Planning - Operating	181,764.92	(40,431.97)	2,062.04	143,394.99	(97,221.00)
504	Property Information & Mapping - Capital	65,734.75	(11,263.19)	757.31	55,228.87	(39,710.00)
648	Property Information & Mapping - Operating	74,963.65	-	1,070.59	76,034.24	-
	Civic Addressing - Operating	81,890.78	(11,937.81)	1,070.41	71,023.38	(25,000.00)
659	Building Inspection - Vehicles Acquisition	52,937.31	6,000.00	770.61	59,707.92	6,000.00
	Building Inspection - Operating	477,239.06	(8,553.60)	6,794.70	475,480.16	(10,000.00)
715	Hillside - Operating	-	706,120.65	7,380.63	713,501.28	-
590	Community Recreation Facilities - Capital	1,640,662.70	(194,929.11)	23,231.57	1,468,965.16	(732,637.00)
682	Community Recreation Facilities - Operating	302,221.88	5,300.00	4,328.98	311,850.86	(38,850.00)
494	Pender Harbour Pool - Capital	71,736.54	(1,591.40)	1,052.06	71,197.20	(15,000.00)
660	Pender Harbour Pool - Operating	87,067.09	-	1,243.42	88,310.51	-
	School Facilities - Joint Use - Operating	13,527.24	(1,258.00)	175.11	12,444.35	(1,258.00)
609	Gibsons & Area Library - Capital	39,549.04	-	441.53	39,990.57	-
	Gibsons & Area Library - Operating	57.88	-	0.82	58.70	-
533	Community Parks - Capital	471,825.79	20,312.87	6,668.95	498,807.61	(84,451.00)
662	Community Parks - Operating	180,599.93	(284.66)	2,554.34	182,869.61	(103,837.00)
683	Bicycle and Walking Paths - Operating	187,906.57	10,000.00	2,707.86	200,614.43	10,000.00
	Area A - Bicycle and Walking Paths - Operating	62,442.97	-	891.77	63,334.74	-
	Regional Recreation Programs - Operating	14,110.69	(8,186.00)	83.95	6,008.64	(8,186.00)
	Dakota Ridge - Operating	179,879.35	-	2,568.89	182,448.24	-
<b>Total General Reserve Funds</b>		<b>\$ 9,232,147.64</b>	<b>\$ 331,213.55</b>	<b>\$ 131,631.09</b>	<b>\$ 9,694,992.28</b>	<b>\$ (2,493,745.00)</b>

**Attachment A**  
**Investments of Reserves**  
**As at October 31, 2018**

Bylaw	Description	2016 Closing Balance	Transfers	YTD Interest	Closing Balance	Budgeted Transfers
<b>Water Services</b>						
589	North Pender Harbour - Capital	\$ 474,223.47	\$ (4,637.68)	\$ 6,722.37	\$ 476,308.16	\$ (49,860.00)
605	North Pender Harbour - Operating	120,515.78	64,159.00	1,877.28	186,552.06	(156,672.00)
602	South Pender Harbour - Capital	682,745.15	85,965.89	9,929.60	778,640.64	(43,199.00)
663	South Pender Harbour - Operating	645,960.30	-	9,225.05	655,185.35	(133,321.00)
488	Regional - Capital	5,480,952.21	(212,388.15)	76,667.07	5,345,231.13	(359,448.00)
498	Regional - Land	17,082.21	-	243.97	17,326.18	-
664	Regional - Operating	1,609,545.15	1,084,043.88	25,624.11	2,719,213.14	(878,284.00)
<b>Total Water Services Reserves</b>		<b>\$ 9,031,024.27</b>	<b>\$ 1,017,142.94</b>	<b>\$ 130,289.45</b>	<b>\$ 10,178,456.66</b>	<b>\$ (1,620,784.00)</b>
<b>Waste Water Plants</b>						
512	Greaves Road - Capital	\$ 2,505.92	\$ -	\$ 35.78	\$ 2,541.70	\$ -
608	Greaves Road - Operating	9,516.43	(3,028.00)	92.43	6,580.86	(2,807.00)
665	Woodcreek Park - Capital	24,431.12	-	348.89	24,780.01	-
666	Woodcreek Park - Operating	151,236.76	-	2,159.84	153,396.60	6,089.00
512	Sunnyside - Capital	17,125.82	-	244.57	17,370.39	-
608	Sunnyside - Operating	6,185.56	-	88.35	6,273.91	144.00
512	Jolly Roger - Capital	34,764.00	-	496.49	35,260.49	-
608	Jolly Roger - Operating	24,070.12	(11,670.00)	176.13	12,576.25	(12,135.00)
512	Secret Cove - Capital	9,332.04	-	133.27	9,465.31	-
608	Secret Cove - Operating	28,245.00	(8,539.00)	280.74	19,986.74	(7,171.00)
512	Lee Bay - Capital	228,724.87	-	3,266.46	231,991.33	-
608	Lee Bay - Operating	255,569.46	-	3,649.82	259,219.28	10,971.00
512	Square Bay - Capital	31,131.68	-	444.60	31,576.28	-
608	Square Bay - Operating	92,844.15	(181.00)	1,323.32	93,986.47	2,819.00
608	Langdale - Operating	50,367.22	(17,506.00)	467.89	33,329.11	(17,678.00)
512	Canoe Road - Capital	3,061.42	-	43.73	3,105.15	-
608	Canoe Rd - Operating	3,695.41	(2,714.00)	13.80	995.21	(1,463.00)
608	Merrill Crescent - Operating	9,115.35	-	130.18	9,245.53	1,620.00
512	Curran Road - Capital	18,782.38	-	268.23	19,050.61	-
608	Curran Road - Operating	58,114.32	-	829.92	58,944.24	8,952.00
512	Roberts Creek Co-Housing - Capital	2,410.41	-	34.41	2,444.82	-
608	Roberts Creek Co-Housing - Operating	23,876.47	-	340.99	24,217.46	1,876.00
667	Lily Lake Village - Operating	38,392.28	-	548.30	38,940.58	(972.00)
668	Painted Boat - Capital	1,694.14	-	24.20	1,718.34	-
669	Painted Boat - Operating	39,004.72	-	557.04	39,561.76	2,068.00
<b>Total Waste Water Plants Reserves</b>		<b>\$ 1,164,197.05</b>	<b>\$ (43,638.00)</b>	<b>\$ 15,999.38</b>	<b>\$ 1,136,558.43</b>	<b>\$ (7,687.00)</b>
<b>Total Reserve Funds</b>		<b>\$ 19,427,368.96</b>	<b>\$ 1,304,718.49</b>	<b>\$ 277,919.92</b>	<b>\$ 21,010,007.37</b>	<b>\$ (4,122,216.00)</b>
					Investments	\$ 16,138,952.65
					Over/ (Under) Subscribed	\$ (4,871,054.72)

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

<b>Account</b>	<b>Opening Balances</b>	<b>YTD Interest</b>	<b>Transfers To (From)</b>	<b>Closing Balance</b>
Pender Harbour Landfill Closure Liability	465,921		-	465,921
Pender Harbour (Unfunded)	<u>(467,179)</u>	(7)	-	<u>(467,186)</u>
Net Funded Liability	<u>(1,258)</u>			<u>(1,266)</u>
Sechelt Landfill Closure Liability	5,739,237		-	5,739,237
Sechelt Landfill (Unfunded)	<u>(4,927,533)</u>	3,948	450,000	<u>(4,473,585)</u>
Net Funded Liability	<u>811,704</u>			<u>1,265,651</u>
				-
<b>Total Landfill Closure Reserve</b>	<b><u>810,445</u></b>	<b><u>3,940</u></b>	<b><u>450,000</u></b>	<b><u>1,264,386</u></b>
<b>Investments</b>				<b>1,266,000</b>
<b>Over (Under) Subscribed *</b>				<b>1,614</b>

**Attachment C**  
**Investments of Gas Tax, Parkland Acquisition and Development Costs Charges**  
**As at October 31, 2018**

Description	Opening Balance	Transfers	YTD Interest	Closing Balance
<b>Gas Tax Community Works Fund</b>				
Area A	\$ 960,336.42	\$ 47,828.09	\$ 10,460.64	\$ 1,018,625.15
Area B	\$ 521,245.41	44,942.80	5,739.53	571,927.74
Area D	\$ 669,271.95	63,817.61	7,380.86	740,470.42
Area E	\$ 926,018.04	80,088.06	10,187.89	1,016,293.99
Area F	\$ 676,208.26	80,714.86	7,462.12	764,385.24
<b>Parkland Acquisition</b>	\$ 434,300.85	-	4,666.34	438,967.19
<b>Development Cost Charges</b>				
North Pender Harbour Water Service	\$ 35,217.72	-	378.40	35,596.12
South Pender Harbour Water Service	\$ 149,851.19	1,500.00	1,614.73	152,965.92
Regional Water Service	\$ 1,577,267.90	271,530.08	18,941.46	1,867,739.44
<b>Totals</b>	<b>\$ 5,949,717.74</b>	<b>\$ 590,421.50</b>	<b>\$ 66,831.97</b>	<b>\$ 6,606,971.21</b>

Investments \$ 5,691,270  
Over/ (Under) Subscribed \$ (915,701)

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Corporate and Administrative Services Committee – November 22, 2018

**AUTHOR:** Brad Wing, Financial Analyst

**SUBJECT:** GAS TAX AGREEMENT – COMMUNITY WORKS FUND

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### RECOMMENDATION(S)

**THAT the report titled Gas Tax Agreement - Community Works Fund be received for information.**

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### BACKGROUND

The purpose of this financial report is to provide the Committee with an update on the current status of the Community Works Fund (CWF) provided through the Federal Gas Tax Fund in British Columbia (Gas Tax Agreement or GTA) including budgeted project commitments, year to date spending and uncommitted funds available to be spent on eligible projects.

Since 2005, \$6,967,294 has been received from the Gas Tax Fund under the 2005-2015 CWF Agreement and the renewed 2014-2024 CWF 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

CWF 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 CWF 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 \$338,940 was received on July 26. 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 \$4,430,961. Of this, \$981,326 is currently committed for projects and \$3,449,635 remains uncommitted.

A summary of CWF allocations and funding commitments by Electoral Area for 2018 is provided in Table 1 below with more detailed information in Attachment A, titled Gas Tax Community Works Fund Summary of Commitments.

<b>Table 1: Summary of Gas Tax Community Works Funding</b>				
Electoral Area	Unspent Funding as at December 31, 2017	2018 Funding Allocations	2018 Funding Commitments	Uncommitted Funds for Available for 2018
Area A- Egmont/Pender Harbour	\$ 960,337	\$ 122,859	\$ (160,509)	\$ 922,687
Area B - Halfmoon Bay	521,245	127,636	(447,655)	201,226
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	(188,357)	583,507
<b>Totals</b>	<b>\$ 3,753,080</b>	<b>\$ 677,881</b>	<b>\$ (981,326)</b>	<b>\$ 3,449,635</b>

## **STRATEGIC PLAN AND RELATED POLICIES**

The information provided in this report relates to the Key Strategic Priority of Ensuring Fiscal Sustainability and is consistent with the Sunshine Coast Regional District's Financial Sustainability Policy.

## **CONCLUSION**

This report is an update on the current status of the CWF (provided through the Federal Gas Tax Fund) including funding commitments, year to date spending and uncommitted funds available to be spent on eligible projects. There is \$4,430,961 of CWF available to fund eligible projects in 2018. Of this, \$981,326 has been committed for projects and \$3,449,635 remains uncommitted.

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

**Attachment A:** Gas Tax Community Works Funds – Summary of Commitments



**Gas Tax Community Works Fund  
Summary of Commitments  
2018 Funding Year**

		<b>A</b>	<b>B</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>Total</b>
<b>CWF Funding</b>	<b>Function</b>	<b>Z10159</b>	<b>Z10160</b>	<b>Z10161</b>	<b>Z10162</b>	<b>Z10163</b>	
Balance of 2017 Uncommitted Funds to 2018		\$ 794,404	\$ 182,114	\$ 602,926	\$ 799,439	\$ 506,010	\$ 2,884,893
2017 Interest Earned		5,423	2,670	3,262	4,859	3,841	20,053.96
Balance of 2017 Committed Funds to 2018 (Carry Forwards)		160,509	336,462	63,084	121,721	166,357	848,133
<b>Funding Available as at December 31, 2017</b>		<b>\$ 960,336</b>	<b>\$ 521,245</b>	<b>\$ 669,272</b>	<b>\$ 926,018</b>	<b>\$ 676,208</b>	<b>\$ 3,753,080</b>
<b>2018 Anticipated Funding Allocation (based on 2016 Census data)</b>							
First Installment (August)		61,430	63,818	80,088	85,777	47,828	338,940
Second Installment (December)		61,430	63,818	80,088	85,777	47,828	338,940
<b>Funding Available for Projects in 2018</b>		<b>\$ 1,083,196</b>	<b>\$ 648,881</b>	<b>\$ 829,448</b>	<b>\$ 1,097,572</b>	<b>\$ 771,864</b>	<b>\$ 4,430,961</b>
<b>2018 Budgeted Funding Commitments</b>							
Area A - Lily Lake Area Bicycle/Walking Path (CF)	667	160,509					160,509
Area B - Redroofs Rd Bicycle/Walking Path - Hwy 101 to Mintie (CF)	665		140,964				140,964
Area B - Coopers Green Park - Hall & Parking Design Plans (CF)	650		106,691				106,691
Area B - Coopers Green Hall Replacement - \$100k in each of 2017, 2018 & 2019 (CF)	650		200,000				200,000
Area D - Beach Avenue Bicycle Path, South of Flume (CF)	665			44,543			44,543
Area D - Lower Road, Remaining Sections - Planning (CF)	665			8,694			8,694
Area D - Village to Pier - Planning (CF)	665			9,847			9,847
Area E - Highway 101 Bicycle/Walking Path - Barrier Fencing Replacement (CF)	665				32,532		32,532
Area E - Gower Point Rd Bicycle/Walking Path - Secret Beach to Gibsons (CF)	665				89,189		89,189
Area F - Granthams Hall Restoration - Design & Engineering (CF)	650					188,357	188,357
		<b>\$ 160,509</b>	<b>\$ 447,655</b>	<b>\$ 63,084</b>	<b>\$ 121,721</b>	<b>\$ 188,357</b>	<b>\$ 981,326</b>
<b>Uncommitted CWF Gas Tax Funds for 2018</b>		<b>\$ 922,687</b>	<b>\$ 201,226</b>	<b>\$ 766,364</b>	<b>\$ 975,851</b>	<b>\$ 583,507</b>	<b>\$ 3,449,635</b>
<b>CWF Funds allocation (per capita basis using 2016 Census data)</b>		<b>18.12%</b>	<b>18.83%</b>	<b>23.63%</b>	<b>25.31%</b>	<b>14.11%</b>	<b>100.00%</b>