



CORPORATE AND ADMINISTRATIVE SERVICES COMMITTEE

**Thursday, April 23, 2020
SCRD Boardroom, 1975 Field Road, Sechelt, B.C.**

AGENDA

CALL TO ORDER 9:30 a.m.

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

2. Paul Fripp, BDO Canada LLP Annex A
Regarding: i) Audit Final Report to the Board of Pages 1-16
Directors
ii) Independent Auditor's Report for SCRDR pp. 17-18
ii) Independent Auditor's Report for pp. 19-21
Foreshore Leases
iii) SCRDR Draft Audited Financial Statements pp. 22-70
Year Ended December 31, 2019

(Voting – All Directors)

REPORTS

3. General Manager, Corporate Services / Chief Financial Officer Annex B
Sunshine Coast Regional District 2019 Draft Audited Financial pp. 71-76
Statements
i) Audit Final Report to the Board of Directors See pp. 1-16
ii) Independent Auditor's Report for SCRDR See pp. 17-18
iii) Independent Auditor's Report for Foreshore Leases See pp. 19-21
iv) SCRDR Draft Audited Financial Statements Year Ended See pp. 22-70
December 31, 2019

(Voting – All Directors)

4. General Manager, Corporate Services / Chief Financial Officer Annex C
Traffic Fine Revenues pp. 77-80

(Voting – All Directors)

5. Senior Planner
BC Timber Sales (BCTS) Operating Plan 2020-2024, Follow-Up
(Voting – All Directors) Annex D
pp. 81-91
6. Financial Analyst
Gas Tax Community Works Fund Update
(Voting – Electoral Area Directors) Annex E
pp. 92-95
7. Financial Analyst
Status of Operating and Capital Reserves as at March 31, 2020
(Voting – All Directors) Annex F
pp. 96-101
8. Corporate Officer
2020 Union of British Columbia Municipalities (UBCM) Resolutions
(Voting – All Directors) Annex G
pp. 102-105
9. Manager, Purchasing and Risk Management
Contracts between \$50,000 and \$100,000 – January 1 to March 31, 2020
(Voting – All Directors) Annex H
pp. 106-107
10. Accounts Payable Technician
Director Constituency and Travel Expenses (January-March 2020)
(Voting – All Directors) Annex I
pp. 108-109

COMMUNICATIONS

11. Assistant Deputy Minister and Inspector of Municipalities.
Ministry of Municipal Affairs and Housing
Regarding: Regional District Budgeting, Requisition, and Financial Reporting During Covid-19
(Voting – All Directors) Annex J
pp. 110-112
12. Sunshine Coast Community Task Force
Regarding: Request to Increase Grant-in-Aid Program Funding During COVID-19
(Voting – All Directors) Annex K
p. 113

NEW BUSINESS

IN CAMERA

That the public be excluded from attendance at the meeting in accordance with Section 90 (1) (k) of the *Community Charter* – “negotiations and related discussion respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public”.

ADJOURNMENT



SUNSHINE COAST REGIONAL DISTRICT

AUDIT FINAL REPORT TO THE BOARD OF DIRECTORS

April 17, 2020



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SUMMARY

We are pleased to provide this Audit Results Report to assist you in fulfilling your oversight responsibilities with respect to our audit of the financial statements of The Sunshine Coast Regional District (the “District”) for the year ended December 31, 2019. A summary of our report is as follows:

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Board of Directors in fulfilling its responsibilities. This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.



Status of the Audit

As of the date of this report, we have substantially completed our audit of the 2019 financial statements, pending completion of the following items:

- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to financial statement approval date
- ▶ Approval of financial statements by the Board of Directors

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. See the draft audited financial statements package for our draft independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Report to the Board of Directors dated November 15, 2019.



Materiality

As communicated to you in our Planning Report to the Board of Directors, preliminary materiality for all items other than infrastructure was set at \$1,350,000 and materiality for infrastructure was set at \$2,640,000. These levels were based on prior year's final revenues and tangible capital asset figures, respectively.

Final materiality has been revised to \$1,450,000 for all items other than infrastructure and \$2,700,000 for infrastructure, based on current year results.



Audit Findings

Our audit focused on the risks specific to your business and key accounts. Our discussion points below focus on the following items:

- ▶ Recognition of Grant Revenue
- ▶ Management Override of Internal Controls [Mandatory audit consideration]
- ▶ Liability for Landfill Closure
- ▶ Staff Salaries
- ▶ Subsequent Event (COVID-19)



Internal Control Matters

We are required to report to you in writing, any significant deficiencies in internal control that we have identified. The specifics of this communication are included in our report below.



Independence

Our annual letter confirming our independence was provided in our Planning Report dated November 15, 2019. We know of no circumstances that would cause us to amend the previously provided letter.



Adjusted and Unadjusted Differences

We have disclosed all significant adjusted and unadjusted differences and disclosure omissions identified through the course of our audit engagement. Each of these items has been discussed with management.

Management has determined that the unadjusted differences are immaterial both individually and in aggregate to the financial statements taken as a whole. Should the Board of Directors agree with this assessment, we do not propose further adjustments.

For purposes of our discussion, a summary of adjusted and unadjusted differences and disclosure omissions has been presented in Appendix A.



Management Representations

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

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



Fraud Discussion

Through our planning process, and current and prior years' audits, we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the District.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the District, we request that you provide us with this information.

Please refer to the Auditor's Responsibilities for Detecting Fraud in the Planning Report to the Board of Directors.

AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the District's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

AREA OF FOCUS	RISKS NOTED	AUDIT FINDINGS
Recognition of Grant Revenue <i>(Significant audit risk)</i>	Accounting standards relating to grant revenue recognition are complex and open to interpretation. There is a risk that grants or revenues derived from other government transfers may be incorrectly deferred into future periods.	<p>Grant funding was verified through a review of the agreements, and receipt of funding proceeds.</p> <p>Grant expenditures reported to funders were verified through a combination of tests of controls and substantive analytical procedures.</p> <p><i>No audit differences were identified through these procedures.</i></p>
Management Override of Internal Controls <i>(Mandatory audit standards significant risk)</i>	Management is in a unique position to perpetrate fraud due to their ability to, directly or indirectly, manipulate accounting records and prepare misleading financial reports by overriding controls that otherwise appear to be operating effectively.	<p>Examined unusual and non-recurring general journal entries recorded around key reporting dates.</p> <p>Examined adjustments to the financial statements that occurred outside the normal control processes.</p> <p><i>No audit differences were identified through these procedures.</i></p>
Liability for Landfill Closure	A complex area that requires estimation, reliance on expert reports and calculations, and key management assumptions.	<p>Assessed the results of work performed by external engineers regarding the remaining life and associated costs of the closure and post-closure costs.</p> <p>Evaluated key inputs used in the valuation of the landfill closure liability.</p> <p>Reviewed the calculations and disclosures prepared by management.</p> <p><i>No audit differences were identified through these procedures.</i></p>

Staff Compensation	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 readers (rate payers).	<p>Performed payroll system testing and a test of controls over the payroll system.</p> <p>Analytically assessed payroll data, using procedures designed to detect unexpected fluctuations in the number of pay-runs and average pay, as well as service line variance procedures.</p> <p><i>No audit differences were identified through these procedures.</i></p>
Subsequent Event (COVID-19)	Subsequent to year end, the global health crisis known as 'COVID-19' has caused significant disruptions to workforces, financial markets, and the economy at large. Events such as these pose potential cash-flow and other operational risks to many organizations.	<p>Investment holdings were reviewed for classes of securities that have suffered sudden decreases in market value due to this subsequent event.</p> <p>Reviewed and discussed management's assessment of the likely impact that this subsequent event will have on the fiscal 2020 year.</p> <p><i>A 'subsequent event' disclosure has been included in the financial statements.</i></p>

INTERNAL CONTROL MATTERS

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

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

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

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

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

OTHER REQUIRED COMMUNICATIONS

Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.

•BDO Response: None noted.

Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern.

•BDO Response: None noted.

Disagreements with management about matters that, individually or in the aggregate, could be significant to the entity's financial statements or our audit report.

•BDO Response: None noted.

Matters involving non-compliance with laws and regulations.

•BDO Response: None noted.

Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.

•BDO Response: None noted.

Management consultation with other accountants about significant auditing and accounting matters.

•BDO Response: None noted.

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

APPENDICES

Appendix A: Adjusted and unadjusted differences

Appendix B: Management letter

Appendix C: Representation letter

DRAFT

APPENDIX A: ADJUSTED AND UNADJUSTED DIFFERENCES

SUMMARY OF UNADJUSTED DIFFERENCES

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

	Increase (Decrease)			
	Assets	Liabilities	Equity	Net Income
Dr. GST Payable Cr. GST Receivable	\$ (102,093)	\$ 102,093	\$	\$
<i>To consolidate GST accounts for net receivable year-end position - reclassification for presentation purposes.</i>				

SUMMARY OF ADJUSTED DIFFERENCES

The following is a summary of differences that were corrected by management during the course of our audit engagement:

	Increase (Decrease)			
	Assets	Liabilities	Equity	Net Income
Dr. Cash Cr. Accounts Payable and Accrued Liabilities	\$ 446,541	\$ (446,541)	\$	\$
<i>To correct the cash balance at year-end to reflect actual cash on hand.</i>				
Dr. Deferred Revenue Cr. Accounts Receivable	80,051	(80,051)		
<i>To reduce deferred revenue and accounts receivable relating to 2020 arena rentals that were unpaid as of December 31, 2019.</i>				
Total Adjusted Differences	\$ 526,592	\$ (526,592)	\$ -	\$ -

APPENDIX B: MANAGEMENT LETTER

Direct Line: (604) 932-3799
E-mail: pfripp@bdo.ca

April 17, 2020

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.

1. PSAS 3280: Asset Retirement Obligations

Beginning with the December 31, 2022 year end, the provisions of section PS 3280: Asset Retirement Obligation will be in effect. This standard will require that a liability be recognized at any time when there is a legal obligation to incur retirement costs in relation with a tangible capital asset.

This standard is in some ways similar but is broader in scope than the current sections PS 3270: Solid Waste Landfill Closure and PS 3260: Liability for Contaminated Sites. Initial adoption of this standard may place a burden on the District's management to consider and identify potential legal obligations for retirement costs among the District's extensive network of public infrastructure and other tangible capital assets.

We encourage management to continue to formulate a plan to implement this new standard. We encourage management to discuss proposed steps and application of this standard with BDO to ensure that reasonable and adequate steps are taken consistent with those of comparable local governments.

2. Continuity of Controls

Rapid changes to the way we work has been brought on by the current COVID-19 pandemic. Many organizations are seeing disruptions to their established workflow, processes and control structures. We are recommending that, in spite of the challenges we are all currently facing, every effort is made to ensure the continuity of controls within the Districts operations. With particular respect to controls over financial reporting we have noted that the vacancy in the Manager of Financial Services is at risk of compounding with this more general workflow disruption, with the end result being a significant impact on the controls.

We would like to express our gratitude for the co-operation and assistance which we received from yourself and the rest of the Finance Department. Due to some staffing challenges that we have discussed, additional demands inevitably fell to various members of your team throughout the audit, and we appreciate their extra efforts throughout this process.

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

Yours truly,

Paul Fripp, CPA, CA
Partner through a corporation
BDO Canada LLP
Chartered Professional Accountants

APPENDIX C: REPRESENTATION LETTER

This page left intentionally blank - Representation Letter follows on the subsequent pages

DRAFT

April 23, 2020

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

This representation letter is provided in connection with your audit of the financial statements of The Sunshine Coast Regional District for the year ended December 31, 2019, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

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

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated March 15, 2019, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
- All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information Provided

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

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

Fraud and Error

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

General Representations

- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.
- We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the financial statements.
- The entity has complied with all provisions in its agreements related to debt and there were no defaults in principal or interest, or in the covenants and conditions contained in such agreements.
- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements

Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.

- The financial statements and any other information in the annual report provided to you prior to the date of this representation letter are consistent with one another, and there is no material misstatement of the other information.
- We will provide to you, when available and prior to issuance by the entity, the final version of the document(s) comprising the annual report.
- We have performed an assessment of the impact of the global health crisis known as 'COVID-19' on the District's operations subsequent to year ended December 31, 2019. We have discussed with you and disclosed in the notes to the financial statements any practicable estimate of the impact of this event when that impact is estimated to be significant.

Yours truly,

Tina Perreault, CPA, CMA

General Manager, Corporate Services / Chief Financial Officer

Independent Auditor's Report

To the Chairperson and Directors of the Sunshine Coast Regional District

Opinion

We have audited the accompanying financial statements of the Sunshine Coast Regional District (the "District"), which comprise the Statement of Financial Position as at December 31, 2019, the Statements of Change in Net Financial Assets, Operations, 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 financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2019, and the results of its operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 this report. We are independent of the District 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.

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

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

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

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

Auditor's Responsibilities for the Audit of the 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

(Unsigned)

Chartered Professional Accountants
Whistler, British Columbia
April 23, 2020

Independent Auditor's Report

To the Chairperson and Directors of the Sunshine Coast Regional District

Opinion

We have audited the Statement of Foreshore Leases of the Sunshine Coast Regional District (the "District") for the year ended December 31, 2019 and note to the Statement including a summary of significant accounting policies (together the "Statement").

In our opinion, the accompanying Statement for the year ended December 31, 2019, is prepared, in all material respects, in accordance with the General Lease Agreement (the "Agreement") dated January 1, 1994 between the Province of British Columbia, represented by the Minister of Lands, Parks and Housing, and the District.

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 Statement section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the Statement 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the Statement, which describes the basis of accounting. The Statement is prepared to assist the District to meet the reporting requirements of the Agreement referred to above. As a result, the Statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation of the Statement in accordance with the basis of accounting described in Note 1 to the Statement; this includes determining that the basis of accounting is an acceptable basis for the preparation of the Statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement is 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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.

(Unsigned)

Chartered Professional Accountants
Whistler, British Columbia
April 23, 2020

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

December 31, 2019

1. Cash Basis of Accounting

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

Sunshine Coast Regional District

Statement Of Financial Position

December 31, 2019 and 2018

	2019	2018
Financial Assets		
Cash and equivalents	\$ 9,973,783	\$ 3,399,193
Portfolio investments (Note 3)	28,378,454	28,962,730
Accounts receivable (Note 4)	2,712,252	3,492,353
Debt recoverable from member municipalities (Note 10)	12,255,657	13,961,870
Restricted cash: MFA debt reserve fund (Note 12)	466,521	453,118
Total Financial Assets	53,786,667	50,269,264
Liabilities		
Accounts payable and accrued liabilities (Note 5)	4,825,289	3,798,223
Employee future benefits (Note 17)	144,500	223,700
Deferred revenue:		
Development cost charges (Note 6)	2,139,133	2,062,705
Future parks acquisition (Note 7)	635,151	473,101
Other (Note 8)	723,782	1,199,456
Provision for landfill closure and post-closure (Note 9)	6,888,506	6,268,701
Long-term debt (Note 10)	26,160,639	29,178,053
Total Liabilities	41,517,000	43,203,939
Net Financial Assets	12,269,667	7,065,325
Non-Financial Assets		
Inventory and prepaids	791,360	981,205
Land held for resale (Note 13)	1,935,684	1,959,902
Tangible capital assets (Note 11)	135,344,442	132,165,925
Total Non-Financial Assets	138,071,486	135,107,032
Accumulated Surplus (Note 15)	\$150,341,153	\$142,172,357

Tina Perreault
Chief Financial Officer

Lori Pratt
Chair

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

Sunshine Coast Regional District

Statement Of Change In Net Financial Assets

For the Years Ended December 31, 2019 and 2018

	Fiscal Plan 2019 (Note 21)	Actual 2019	Actual 2018
Annual operating surplus	\$ 4,407,928	\$ 8,168,796	\$ 8,011,187
Acquisition of tangible capital assets	(16,225,592)	(8,450,585)	(6,407,972)
Amortization of tangible capital assets	4,418,253	4,822,441	4,437,915
Loss (gain) on disposal of tangible capital assets	-	13,221	38,951
Proceeds from sale of tangible capital assets	-	29,960	-
Write-off of tangible capital assets	-	406,446	-
Change in inventory and prepaids	-	189,845	(83,374)
Development of land held for resale	-	24,218	20,577
	(7,399,411)	5,204,342	6,017,284
Net financial assets (net debt), beginning of year	7,065,325	7,065,325	1,048,041
Net financial assets, end of year	\$ (334,086)	\$ 12,269,667	\$ 7,065,325

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

Sunshine Coast Regional District

Statement Of Operations

For the Years Ended December 31, 2019 and 2018

	Fiscal Plan 2019 (Note 21)	Actual 2019	Actual 2018
Revenue			
Grants in lieu of taxes	\$ 72,000	\$ 89,178	\$ 87,626
Tax requisitions	20,218,598	20,218,598	18,990,745
Frontage and parcel taxes	5,388,416	5,436,222	5,315,525
Government transfers (Note 14)	4,855,517	5,820,491	4,575,356
User fees and service charges	11,529,477	12,447,220	11,974,699
Member municipality debt	1,947,878	1,947,862	1,914,354
Investment income	58,000	822,123	573,302
Contributed tangible capital assets	-	481,660	749,472
Other revenue	956,820	1,588,734	1,846,911
Total Revenue	45,026,706	48,852,088	46,027,990
Expenses (Note 20)			
General government	2,234,238	1,835,229	1,729,901
Protective services	2,821,939	2,685,712	2,686,336
Transportation services	5,690,200	5,857,219	5,451,050
Environmental services	5,101,205	5,882,375	5,081,697
Public health services	335,020	245,522	243,251
Planning and development services	2,224,258	2,049,807	2,103,041
Recreation and cultural services	12,246,703	12,190,274	11,634,256
Water utilities	7,639,722	7,791,709	6,874,202
Sewer utilities	377,615	318,790	316,323
Debt charges member municipalities	1,947,878	1,947,862	1,914,354
Unfunded post-employment benefits	-	(121,207)	(17,608)
Total Expenses	40,618,778	40,683,292	38,016,803
Annual Operating Surplus	4,407,928	8,168,796	8,011,187
Accumulated Surplus, beginning of year	142,172,357	142,172,357	134,161,170
Accumulated Surplus, end of year	\$146,580,285	\$150,341,153	\$142,172,357

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

Sunshine Coast Regional District

Statement Of Cash Flows

For the Years Ended December 31, 2019 and 2018

	2019	2018
Operating Transactions:		
Annual operating surplus	\$ 8,168,796	\$ 8,011,187
Items not involving cash included in annual surplus:		
Amortization of tangible capital assets	4,822,441	4,437,915
Loss (gain) on disposal of tangible capital assets	13,221	38,951
Write-off of tangible capital assets (Note 11)	406,446	-
Contributed tangible capital assets	(481,660)	(749,472)
Employee future benefits	(79,200)	(16,400)
Provision for landfill closure and post-closure costs	619,805	63,544
Change in financial assets and liabilities involving cash:		
Decrease (Increase) in accounts receivable	780,101	(115,457)
Increase in accounts payable and accrued liabilities	1,027,066	44,000
(Decrease) increase in other deferred revenue	(475,674)	(216,801)
Change in inventory and prepaids	189,845	(83,374)
Net Change in Cash from Operating Transactions	14,991,187	11,414,093
Investing Transaction:		
Net increase in portfolio investments	584,276	(3,718,412)
Financing Transactions:		
Debt proceeds	583,400	140,500
Repayment of long-term debt	(1,894,601)	(1,841,879)
Restricted cash: MFA debt reserve fund	(13,403)	(9,649)
Collection of DCC and parkland aquisition (deferred revenue)	238,478	339,168
Net Change in Cash from Financing Transactions	(1,086,126)	(1,371,860)
Capital Transactions:		
Cash used to acquire tangible capital assets	(7,968,925)	(5,658,500)
Proceeds from sale of tangible capital assets	29,960	-
Development of land held for resale	24,218	20,577
Net Change in Cash from Capital Transactions	(7,914,747)	(5,637,923)
Net increase in cash and cash equivalents	6,574,590	685,898
Cash and equivalents, beginning of year	3,399,193	2,713,295
Cash and equivalents, end of year	\$ 9,973,783	\$ 3,399,193

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

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

1. Significant Accounting Policies

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

(a) Reporting entity and consolidation:

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

(b) Fiscal plan:

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

(c) Government transfers:

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

(d) Revenue recognition:

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

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

(e) Expense recognition:

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

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

1. Significant Accounting Policies (Continued)

(f) Use of estimates:

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

(g) Cash and equivalents:

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

(h) Portfolio investments:

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

(i) Deferred revenues:

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

(j) Hillside Development Project land costs:

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

(k) Service severance pay:

Service severance pay to full-time employees hired prior to 1994 with over 20 years of continuous municipal service in British Columbia is payable upon retirement from their employment with the Regional District. The liability for such payments has been accrued and included in employee future benefits liability as set out in (Note 17).

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

1. Significant Accounting Policies (Continued)

(l) Trusts under administration:

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

(m) Non-financial assets:

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

(n) Inventory:

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

(o) Tangible capital assets:

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

On adoption of the PSAS Standard 3150 in 2009, the Standard allowed for the use of estimates in regard to accounting for certain older assets where historical cost records were not available. From time to time since then as the District is updating and improving both infrastructure and related accounting records, these original estimates have been able to be made more precise. Adjustments resulting from updating original estimates to newer more precise information have not been material and are recorded in the year in which the updated information becomes available.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

1. Significant Accounting Policies (Continued)

(o) Tangible capital assets: (Continued)

Estimated useful lives of tangible capital assets are as follows:

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

(p) Liability for Contaminated Sites:

The Regional District recognizes a liability for the costs to remediate a contaminated site when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made. There were no such sites that had contamination in excess of environmental standards as at December 31, 2018.

2. Related Party Transactions:

The Sunshine Coast Regional Hospital District is related to the Sunshine Coast Regional District since the same individuals are members of the Board of Directors of both organizations. As legislated by the Hospital District Act, the officers and employees of the Sunshine Coast Regional District are the corresponding officers and employees of the Hospital District. Each of the Regional District and the Hospital District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year the Hospital District purchased, at cost, \$59,787 (2018 - \$51,989) of administrative support services from the Sunshine Coast Regional District. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

3. Portfolio Investments:

	2019	2018
Municipal Finance Authority ¹	\$ 12,148,463	\$ 9,348,328
Raymond James ²	4,113,400	6,005,400
Blue Shore Financial ³	2,135,064	8,072,878
Sunshine Coast Credit Union ⁴	6,981,527	5,536,124
Canaccord Genuity ⁵	3,000,000	-
	\$ 28,378,454	\$ 28,962,730

¹ Municipal Finance Authority investments are pooled investment funds by which municipalities in B.C. can access high-quality investments, while maintaining a high degree of security and liquidity. Interest rates are variable. The average yield in 2019 was 3.14% (2018 - 1.75%). These investments are for restricted funds, including reserves and development cost charges.

² Investments with Raymond James consist of money market securities at interest rates ranging from 2.50% to 3.07% to maturity in 2020 and 2021, recorded at cost.

³ Investments with Blue Shore Financial consist of money market securities at interest rates of 3.00% to maturity in 2020, recorded at cost.

⁴ Investments with Sunshine Coast Credit Union consist of money market securities at interest rates ranging from 2.65% to 3.10% to maturity in 2020 and 2021, recorded at cost.

⁵ Investments with Cannacoord Genuity consist of money market securities at interest rates ranging from 2.50% to 2.90% to maturity in 2020 and 2021, recorded at cost.

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

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

4. Accounts Receivable:

	2019	2018
Trade accounts receivable	\$ 1,817,604	\$ 2,725,790
Taxes receivable	650,097	486,798
Interest receivable	230,173	255,300
Other accounts receivable	14,378	24,465
	\$ 2,712,252	\$ 3,492,353

5. Accounts Payable and Accrued Liabilities:

	2019	2018
Trade accounts payable	\$ 2,049,572	\$ 1,503,044
Holdbacks payable	127,297	174,479
Other	363,305	231,383
Accrued trade payables	1,382,708	1,086,806
Accrued wages and benefits	794,114	755,356
Taxes payable	108,293	47,155
	\$ 4,825,289	\$ 3,798,223

6. Development Cost Charges:

Development cost charges represent funds received from developers for the sole purpose of funding the capital cost of providing, altering or expanding water facilities in order to serve directly or indirectly, to the development with respect to the charges are imposed. The development cost charges are restricted for the purpose of capital improvements to the water system and will be recognized as revenue in future periods when qualifying capital projects are undertaken.

	December 31, 2018	Restricted Inflows	Revenue Earned	December 31, 2019
Development Cost Charges	\$ 2,062,705	\$ 500,568	\$ (424,140)	\$ 2,139,133

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

7. Future Parks Acquisition:

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

	December 31, 2018	Restricted Inflows	Revenue Earned	December 31, 2019
Future Parks Acquisition	\$ 473,101	\$ 162,050	\$ -	\$ 635,151

8. Deferred Revenue - Other:

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

	December 31, 2018	Restricted Inflows	Revenue Earned	December 31, 2019
Cemetery Care Fund	\$ 173,125	\$ 17,094	\$ -	\$ 190,219
Halfmoon Bay Community Association	211,521	9,307	-	220,828
Grant Funding	615,586	-	(615,586)	-
Other	199,224	652,410	(538,899)	312,735
	\$ 1,199,456	\$ 678,811	\$ (1,154,485)	\$ 723,782

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

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

The Regional District is responsible for the closure and post-closure care costs related to two landfill sites - one in Sechelt and the other in Pender Harbour. The Regional District's estimated liability for these costs is recognized as the landfill site's capacity is used. The recorded liability of \$6,888,506 (2018 - \$6,268,701) represents the portion of the estimated total future costs recognized as at December 31, 2019. The Regional District has set aside funding for future landfill closure and post-closure care costs. The balance of this funding as at December 31, 2019 is \$1,871,865 (2018 - \$1,275,982) resulting in a current funding shortfall of \$5,016,641 (2018 - \$4,992,719).

The Sechelt landfill site is expected to reach its capacity in early 2026 and the Pender Harbour landfill site reached its capacity and was converted to a transfer station in 2015. The remaining liability to be recognized for the Sechelt landfill site is estimated to be \$1,089,621 (2018 - \$1,140,844) based on the remaining capacity of 127,200 cubic meters, which is 14.47% (2018 - 16.36%) of the total capacity. As the Pender Harbour landfill site reached its capacity in 2015, there is no remaining liability to be recognized.

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

Post closure care costs are expected to continue for 30 years following the year of closure at both the Pender Harbour and Sechelt Landfill sites as per Ministry of Environment Criteria issued in 2016.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

10. Long-Term Debt:

Loan Authorization Bylaw	Purpose	Maturing	Interest Rate	2019	2018
MFA Loan Debt					
584	Parks Master Plan	2022	2.25 %	304,855	398,759
550	Comm. Recreation Facilities	2025	4.77 %	6,616,351	7,592,299
544	Water Treatment Plant	2025	1.80 %	1,222,106	1,402,373
557	Field Rd. Admin Building	2026	4.88 %	1,303,726	1,462,442
550	Comm. Recreation Facilities	2026	4.88 %	898,829	1,008,253
556	Fleet Maint. Bldg. Expansion	2026	4.88 %	179,748	201,631
547	Egmont VFD	2026	4.88 %	44,164	49,540
594	Pender Harbour Pool	2029	2.25 %	516,328	557,679
676	S. Pender Water Treatment	2034	3.00 %	1,061,259	1,112,221
617	N. Pender Water initiatives	2035	3.00 %	320,000	340,000
619	S. Pender Water Initiatives	2035	3.00 %	480,000	510,000
707	Square Bay Waste Wtr. Plant	2039	2.66	280,000	-
			1.75%		
Various	Debt issued for member municipalities	2020 to 2038	to 4.85%	12,255,657	13,961,870
				25,483,023	28,597,067
Liability Under Agreement					
MFA	Equipment Financing Loans	2020 to 2024	2.54 %	644,216	580,986
MFA	Septic Field Replacements	2024	2.58 %	33,400	-
				\$ 26,160,639	\$ 29,178,053

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

10. Long-Term Debt: (Continued)

Future principal repayments on existing long-term debt:

2020	\$ 3,631,847
2021	3,684,686
2022	3,760,213
2023	3,095,529
2024	3,151,460
Thereafter	8,836,904
	<hr/>
	\$ 26,160,639

Interest paid on long-term debt:

During the year, gross interest paid or payable on long-term debt was \$1,887,959 (2018 - \$1,916,010). Of this, \$596,875 (2018 - \$616,875) was recovered from member municipalities and \$1,291,084 (2018 - \$1,299,135) was charged to Regional District operations.

Approved debt:

The Regional District has the following authorized, but un-issued debt as at December 31, 2019. The bylaws expire five years from the date of adoption.

Bylaw #704 - Chapman Lake Water Supply Expansion	\$5,000,000
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Issuance of debt authorized under Bylaw #704 is not expected to occur due to the cancellation of the Chapman Lake Supply Expansion Project. The authorization to borrow for the stated purpose remains in effect until the Bylaw is repealed or upon expiry in July 2021.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

11. Tangible Capital Assets:

During the year, tangible capital assets contributed to the Regional District, totaled \$481,660 (2018 - \$749,472) consisting of Water Distribution and Sewer Treatment Infrastructure. Revenue was recognized and the assets capitalized at their fair market value at the time of receipt.

Included in the 2019 disposal of Work in Progress is \$406,446 which was written off in the year due to the cancellation of the Chapman Lake Water Supply Expansion project.

	Land	Land Improvements	Buildings	Furniture, Fixtures & Equipment	Technology Equipment	Machinery & Equipment
Cost, beginning of year	\$ 22,067,595	\$ 1,531,297	\$ 32,886,211	\$ 2,845,875	\$ 3,198,718	\$ 7,723,937
Additions	-	-	154,575	367,543	238,846	883,453
Disposals	-	-	-	(104,972)	-	(73,750)
Cost, end of year	22,067,595	1,531,297	33,040,786	3,108,446	3,437,564	8,533,640
Accumulated amortization, beginning of year	-	989,354	9,907,089	2,070,547	1,880,287	4,005,146
Amortization	-	47,696	842,759	124,089	495,551	475,779
Disposals	-	-	-	(104,973)	-	(73,750)
Accumulated amortization, end of year	-	1,037,050	10,749,848	2,089,663	2,375,838	4,407,175
Net carrying amount, end of year	\$ 22,067,595	\$ 494,247	\$ 22,290,938	\$ 1,018,783	\$ 1,061,726	\$ 4,126,465

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

						2019	2018
Vehicles	Sewer Treatment Infrastructure	Water Supply Infrastructure	Water Distribution Infrastructure	Leasehold Improvements	Work in Progress		
\$6,770,706	\$2,347,310	\$26,213,375	\$71,118,794	\$10,610,593	\$ 3,184,173	\$190,498,584	\$184,725,761
278,789	1,279,990	7,115	5,024,247	28,339	2,261,135	10,524,032	13,241,100
(550,013)	(21,901)	-	-	-	(2,496,695)	(3,247,331)	(7,468,277)
6,499,482	3,605,399	26,220,490	76,143,041	10,638,932	2,948,613	197,775,285	190,498,584
4,641,322	666,333	10,202,886	19,629,440	4,340,255	-	58,332,659	54,490,942
276,784	61,559	750,902	1,238,424	508,898	-	4,822,441	4,437,915
(531,430)	(14,104)	-	-	-	-	(724,257)	(596,198)
4,386,676	713,788	10,953,788	20,867,864	4,849,153	-	62,430,843	58,332,659
\$2,112,806	\$2,891,611	\$15,266,702	\$55,275,177	\$ 5,789,779	\$ 2,948,613	\$135,344,442	\$132,165,925

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

12. Debt Reserve Fund:

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

	2019	2018
Cash Deposits:		
Restricted cash: MFA debt reserve fund	\$ 466,521	\$ 453,118
Cash deposits - Member Municipalities	315,177	331,491
Demand Notes:		
Demand notes - Regional District	919,022	912,888
Demand notes - Member Municipalities	815,691	852,032
	\$ 2,516,411	\$ 2,549,529

13. Land Held for Resale:

Included in the Capital Fund portion of Accumulated Surplus (Note 15) is an accumulated surplus of \$Nil for 2019 (2018 - \$NIL) which represents the surplus (shortfall) of funding for the development of the Hillside Industrial Park. The net proceeds from the sale of lots in the Hillside Development Park have been used to eliminate the capital fund deficit. In 2018, a Reserve Fund was established (Schedule 14). In 2019 and 2018, the Regional District did not sell any of the Hillside lots.

The assets of the Hillside Development Project are as follows:

	2019	2018
Land held for resale	\$ 1,935,684	\$ 1,959,902
Protected lands-not for sale ¹	1,109,877	1,109,877
	\$ 3,045,561	\$ 3,069,779

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

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

14. Government Transfers:

	2019	2019	2018
	Fiscal Plan	Actual	Actual
Operating transfers			
Federal	\$ 93,598	\$ 28,658	\$ 763,595
Provincial	2,014,855	2,103,996	2,082,994
	2,108,453	2,132,654	2,846,589
Capital transfers			
Federal	647,050	1,577,843	106,297
Provincial	2,100,014	2,109,994	1,622,470
	2,747,064	3,687,837	1,728,767
	\$ 4,855,517	\$ 5,820,491	\$ 4,575,356

15. Accumulated Surplus:

	2019	2018
Fund Balances:		
Current Fund ¹	\$ (5,340,974)	\$ (5,584,604)
Capital Fund ²	5,519,592	4,202,165
Reserve funds	25,529,510	23,210,829
Debt reserve funds	466,521	453,118
Financial Equity	26,174,649	22,281,508
Investment in Non-Financial Assets (Note 16)	124,166,504	119,890,849
Accumulated Surplus, end of year	\$ 150,341,153	\$ 142,172,357

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

² Includes \$5,726,685 (2018 - \$4,462,705) advanced from the Gas Tax Community Works Fund.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

16. Investment in Non-financial Assets:

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

	2019	2018
Investment in Non-Financial Assets, beginning of year	\$ 119,890,849	\$ 116,195,567
Add:		
Acquisition of tangible capital assets	8,450,585	6,407,972
Change in inventory and prepaids	(189,845)	83,374
Development of land held for resale	(24,218)	(20,577)
Debt repayments	1,894,601	1,841,879
Accumulated amortization removed on sale of tangible capital assets	724,254	596,198
	10,855,377	8,908,846
Deduct:		
Debt issued and other obligations to finance capital additions	583,400	140,500
Costs of tangible capital assets sold or written off	1,173,881	635,149
Amortization of tangible capital assets	4,822,441	4,437,915
	6,579,722	5,213,564
Investment in Non-financial Assets, end of year	\$ 124,166,504	\$ 119,890,849

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

17. Employee Future Benefits:

Sick Pay

The Regional District provides paid sick leave to qualifying employees. This benefit of one day of sick leave per month accrues to a maximum of 18 days, but is not vested. When the maximum accumulated sick leave was introduced, employees with more than 18 days in their sick-leave bank were grandfathered. These employees maintained their existing sick-leave bank balance at the time this change was introduced. However, their sick-leave bank will not accrue any additional sick leave days until the bank drops below the 18-day maximum. The amount recorded for this benefit is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2019.

Retirement Pay

Regular employees who were hired on or before January 1, 1994 and retire under the provisions of the Municipal Pension Plan are entitled to two weeks pay for each full year of service over 20 years as a retirement benefit. In all instances, the rate of pay used in the calculation of the retirement benefit shall be the rate of pay applicable on the last day worked. The amount recorded for this benefit in 2019 is based on an actuarial evaluation prepared by an independent firm and will be reviewed on a periodic basis. The date of the last actuarial evaluation was as of December 31, 2019.

As of December 31, 2019, \$258,471 (2018 - \$216,464) of the accrued benefit liability has been charged to operations. The remaining \$(113,971) (2018 - \$7,236) has not yet been charged to operations. The significant actuarial assumptions adopted in measuring the Regional District's accrued benefit liability are as follows:

	2019	2018
Discount rates	2.60 %	3.10 %
Expected future inflation rates	2.50 %	2.50 %
Expected wage and salary increases	2.50 %	2.50 %

Accrued Benefit Obligation as at December 31, 2019

	2019	2018
Beginning benefit obligation	\$ 224,100	\$ 235,500
Current service cost	11,000	11,300
Interest on accrued benefit obligation	6,700	6,300
Actuarial loss (gain)	192,400	7,500
Benefits paid during the year	(100,200)	(36,500)
Ending benefit obligation	334,000	224,100
Less: Unamortized net actuarial (loss) gain	(189,500)	(400)
Accrued Benefit Liability	\$ 144,500	\$ 223,700

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

18. Contingent Liabilities:

(a) Pension Plan:

The Regional District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as of December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Sunshine Coast Regional District paid \$1,146,670 (2018 - \$1,089,642) for employer contributions while employees contributed \$1,003,829 (2018 - \$952,626) to the plan in fiscal 2019.

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

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

(b) Reciprocal insurance exchange agreement:

The Regional District is a subscribed member of the Municipal Insurance Association of British Columbia (the "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the Regional District is assessed a premium and a specific deductible for its claims, based on population. The obligation of the Regional District with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint-and-several. The Regional District irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

18. Contingent Liabilities: (Continued)

(c) Third party claims:

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

19. Contractual Obligations:

The Regional District has entered into various agreements and contracts for the provision of services and the construction of assets that extend beyond the current year. Substantive obligations include contracts for the Sechelt Landfill maintenance, garbage collection, port facility reparations, provision of recycling depot collection services, and landfill engineering services, including services relating to landfill closure.

These contractual obligations will become liabilities in the future when the terms of the contract are met. The following disclosure relates to the unperformed portion of the contracts.

2020	\$1,764,793
2021	\$1,184,545
2022	\$ 849,892
2023	\$ 483,898
2024	\$ 483,898

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

20. Expense and Expenditure by Object:

	2019 Fiscal Plan	2019 Actual	2018 Actual
Operating Expenses:			
Salaries, wages and benefits	\$18,506,652	\$17,335,819	\$16,355,368
Operating goods and services	14,429,528	14,866,419	13,971,080
Debt charges - interest	1,316,467	1,291,084	1,299,135
Debt charges member municipalities	1,947,878	1,947,862	1,914,354
Amortization of tangible capital assets	4,418,253	4,822,441	4,437,915
Loss (gain) on disposal of tangible capital assets	-	13,221	38,951
Write-off of tangible capital assets	-	406,446	-
Total Operating Expenses	40,618,778	40,683,292	38,016,803
Capital Expenditures:			
Capital salaries, wages and benefits	-	297,669	399,195
Capital expenditures	16,225,592	8,152,916	6,008,777
Total Capital Expenditures	16,225,592	8,450,585	6,407,972
Total Expenses and Expenditures	\$56,844,370	\$49,133,877	\$44,424,775

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

21. Fiscal Plan:

Fiscal plan amounts represent the Financial Plan Bylaw No. 721 adopted by the Regional District Board on March 28, 2019 with estimates for amortization of tangible capital assets. The Financial Plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current revenues. The reconciliation between the operating surplus and overall surplus/deficit per the fiscal plan is as follows:

	2019
	Fiscal Plan
Budgeted surplus for the year:	\$ -
Addback:	
Capital expenditures	16,225,592
Less:	
Amortization	4,418,253
Proceeds from long-term debt	5,707,060
Debt principal repayment	(1,347,354)
Transfer (to)/from reserves	4,013,692
Transfer (to)/from appropriated surplus	(373,992)
Transfer (to)/from other funds	(646,903)
Prior year surplus/(deficit)	46,908
Operating Surplus	\$ 4,407,928

Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

22. Segmented Reporting:

A segment is a distinguishable activity or group of activities for which financial information is separately reported on. For the purpose of preparing these PSAS compliant financial statements, the basis for segment disclosures is the major regional district funding categories. The segments are as follows:

Current Fund Services

Includes services responsible for the overall direction, monitoring and support to all functions of the Regional District. Additional services provided include Protective Services, Transportation Services, Environmental Services, Public Health Services, Planning and Development Services, and Recreation and Cultural Services.

Water Utilities Fund Services

Provide water services to residents in the Electoral Areas and member municipalities throughout the Sunshine Coast, including North Pender Harbour Water Service, South Pender Harbour Water Service and Regional Water Service. Water is also provided for fire protection, industrial use and irrigation purposes.

Sewer Utilities Fund Services

Provide 15 specific community package treatment plant and septic disposal systems.

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Sunshine Coast Regional District

Notes To The Financial Statements

For the Years Ended December 31, 2019 and 2018

22. Segmented Reporting: (Continued)

	Current Fund Services	Water Utilities Fund Services	Sewer Utilities Fund Services	Actual 2019
Revenue				
Grants in lieu of taxes	\$ 89,178	\$ -	\$ -	\$ 89,178
Tax requisitions	20,218,598	-	-	20,218,598
Frontage and parcel taxes	1,699,779	3,652,293	84,150	5,436,222
Government transfers	3,722,254	2,005,926	92,311	5,820,491
User fees and service charges	7,642,169	4,535,425	269,626	12,447,220
Member municipality debt	1,947,862	-	-	1,947,862
Investment income	532,130	258,240	31,753	822,123
Contributed assets	-	327,031	154,629	481,660
Other revenue	921,976	662,036	4,722	1,588,734
Total Revenue	36,773,946	11,440,951	637,191	48,852,088
Expenses				
Administration	3,612,766	922,627	23,210	4,558,603
Wages and benefits	14,820,174	2,416,111	99,534	17,335,819
Operating	14,856,971	1,831,857	120,044	16,808,872
Debt charges - interest	1,160,865	124,732	5,487	1,291,084
Internal recoveries	(6,490,807)	(10,249)	-	(6,501,056)
Debt charges member municipalities	1,947,862	-	-	1,947,862
Amortization of tangible capital assets	2,681,973	2,077,750	62,718	4,822,441
Loss on disposal of tangible capital assets	(17,011)	22,435	7,797	13,221
Write-off of tangible capital assets	-	406,446	-	406,446
Total Expenses	32,572,793	7,791,709	318,790	40,683,292
Annual Operating Surplus	\$ 4,201,153	\$ 3,649,242	\$ 318,401	\$ 8,168,796

Under the *Local Government Act* [of British Columbia] (the "Act"), all regional district services are separate and distinct, and must be funded as such. The major funding categories which are disclosed as segments above are comprised of numerous individual services. In order to satisfy the requirements of the Act, management tracks revenues, expenditures and fund balances for each service. Financial reporting on each individual service is included in the Regional District's annual report as supplementary schedules, but is not part of these audited financial statements. Readers are cautioned that these supplementary schedules are unaudited.

23. Subsequent Event

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

Sunshine Coast Regional District

Statement of Current Fund (unaudited)

Schedule 1

For the Years Ended December 31, 2019 and 2018

	2019	2018
General Fund		
General Government Services:		
Administration	\$ -	\$ -
Finance	-	-
General Office Building Maintenance	-	457
Human Resources	-	-
Information Services	-	-
Feasibility Studies	-	-
SCRHD Administration	35,432	20,856
Grants in Aid	14,411	25,635
UBCM	-	-
Protective Services:		
Bylaw Enforcement	-	-
Smoke Control	-	1,820
Fire Protection:		
Gibsons and District Fire Protection	-	-
Roberts Creek Fire Protection	-	-
Halfmoon Bay Fire Protection	-	-
Egmont Fire Department	-	-
Emergency Telephone - 911	-	-
Sunshine Coast Emergency Planning	-	-
Animal Control	2,286	2,274
Transportation Services:		
Public Transit	-	-
Maintenance Facility	-	-
Regional Street Lighting	(1,400)	(1,271)
Local Street Lighting	(341)	409
Ports Services	(85,000)	368
Environmental Services:		
Regional Solid Waste	-	-
Refuse Collection	-	-
Public Health Services:		
Cemetery	-	-
Pender Harbour Health Clinic	-	-
Planning and Development Services		
Regional Planning	-	-
Rural Planning	-	(23,282)
Geographic Information Services	-	-
House numbering	-	-
Heritage	1,255	597
Building Inspection Services	-	-
Economic Development	25,995	26,508
Sub-total Carried Forward (next page)	(7,362)	54,371

Sunshine Coast Regional District

Statement of Current Fund (unaudited)

Schedule 1

For the Years Ended December 31, 2019 and 2018

	2019	2018
General Fund (Continued)		
Sub-total Brought Forward (previous page)	(7,362)	54,371
Recreation and Cultural Services:		
Pender Harbour Pool	-	-
School facilities - Joint Use	(33,858)	(8,992)
Gibsons and Area Library	-	-
Museum Service	-	-
Halfmoon Bay & Roberts Creek Library Service	2	5
Community Recreation Facilities Service	-	-
Community Parks	-	-
Bicycle and Walking Paths	-	-
Regional Recreation Programs	(1,073)	-
Dakota Ridge Recreation Service	-	-
Total General Fund	(42,291)	45,384
Water Fund		
Regional Water Services	-	-
Sewer Fund		
Local Sewer Plants	(3,398)	1,524
Total Surplus (Deficit)	(45,689)	46,908
Current Fund		
General Fund Surplus (Deficit)	(45,689)	46,908
Inventory and prepaids	(791,360)	(981,205)
Other	87,737	87,737
Appropriated surplus	311,107	261,911
Unfunded Post Employment Future Benefits	113,971	(7,236)
Unfunded Landfill Closure	(5,016,740)	(4,992,719)
General Current Fund	(5,340,974)	(5,584,604)
Water Fund Surplus	-	-
Sewer Fund Surplus	-	-
Total Current Fund	\$ (5,340,974)	\$ (5,584,604)

Sunshine Coast Regional District

General Revenue, Water Utility and Sewer Funds

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 2

For the Years Ended December 31, 2019 and 2018

	General Revenue Fund	Water utilities	Sewer utilities
Revenue			
Grants in lieu of taxes	\$ 89,178	\$ -	\$ -
Tax requisitions	20,218,598	-	-
Frontage and parcel taxes	1,699,779	3,652,293	84,150
Government transfers	3,722,254	2,005,926	92,311
User fees and service charges	7,642,169	4,535,425	269,626
Member municipality debt	1,947,862	-	-
Investment income	532,130	258,240	31,753
Contributed assets	-	327,031	154,629
Other revenue	921,976	662,036	4,722
Total Revenue	36,773,946	11,440,951	637,191
Expenses			
Administration	3,612,766	922,627	23,210
Wages and benefits	14,941,381	2,416,111	99,534
Operating	14,856,971	1,831,857	120,044
Debt charges - interest	1,160,865	124,732	5,487
Internal recoveries	(6,490,807)	(10,249)	-
Debt charges member municipalities	1,947,862	-	-
Amortization of tangible capital assets	2,681,973	2,077,750	62,718
Loss (gain) on disposal of tangible capital assets	(17,011)	22,435	7,797
Write-off of tangible capital assets	-	406,446	-
Total Expenses	32,694,000	7,791,709	318,790
Annual Operating Surplus (Deficit)	4,079,946	3,649,242	318,401
Add: Proceeds from sale of assets	17,011	12,950	-
Add: Proceeds from long term debt	70,000	200,000	313,400
Less: Debt principle repayment	(1,581,635)	(312,966)	-
Less: Acquisition of tangible capital assets	(2,894,689)	(5,223,272)	(332,624)
Less: Change in Inventory and prepaids	-	-	-
Less: Change in Land held for resale	24,218	-	-
Increase (Decrease) in Financial Equity	(285,149)	(1,674,046)	299,177
Transfer (to)/from reserves	(1,695,372)	(459,620)	(163,689)
Transfer (to)/from appropriated surplus	(49,196)	-	-
Transfer (to)/from unfunded liability	24,021	-	-
Transfer (to)/from unfunded amortization	2,681,973	2,077,750	62,718
Transfer (to)/from unfunded loss on asset	(17,011)	428,881	7,797
Transfer (to)/from other funds	(748,800)	(371,106)	(210,925)
Interfund transfers	1,859	(1,859)	-
Surplus (deficit) from prior year	45,384	-	1,524
Total Surplus (Deficit) for the year	\$ (42,291)	\$ -	\$ (3,398)

Other	Actual 2019	Budget 2019	Actual 2018
\$ -	\$ 89,178	\$ 72,000	\$ 87,626
-	20,218,598	20,218,598	18,990,745
-	5,436,222	5,388,416	5,315,525
-	5,820,491	4,855,517	4,575,356
-	12,447,220	11,529,477	11,974,699
-	1,947,862	1,947,878	1,914,354
-	822,123	58,000	573,302
-	481,660	-	749,472
-	1,588,734	956,820	1,846,911
-	48,852,088	45,026,706	46,027,990
-	4,558,603	4,558,603	4,342,872
(121,207)	17,335,819	18,506,652	16,355,368
-	16,808,872	16,294,727	15,957,579
-	1,291,084	1,316,467	1,299,135
-	(6,501,056)	(6,423,802)	(6,329,371)
-	1,947,862	1,947,878	1,914,354
-	4,822,441	4,418,253	4,437,915
-	13,221	-	38,951
-	406,446	-	-
(121,207)	40,683,292	40,618,778	38,016,803
121,207	8,168,796	4,407,928	8,011,187
-	29,961	-	-
-	583,400	5,707,060	140,500
-	(1,894,601)	(1,347,354)	(1,841,879)
-	(8,450,585)	(16,225,592)	(6,407,972)
189,845	189,845	-	(83,374)
-	24,218	(96,903)	20,577
311,052	(1,348,966)	(7,554,861)	(160,961)
-	(2,318,681)	4,013,692	(3,783,456)
-	(49,196)	(373,992)	(206,230)
(311,052)	(287,031)	(550,000)	(336,227)
-	4,822,441	4,418,253	4,437,915
-	419,667	-	38,951
-	(1,330,831)	-	207,661
-	-	-	-
-	46,908	46,908	(150,745)
\$ -	\$ (45,689)	\$ -	\$ 46,908

Sunshine Coast Regional District

General Revenue Fund

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 3

For the Years Ended December 31, 2019 and 2018

	General government Schedule 4	Protective services Schedule 5	Transportation services Schedule 6
Revenue			
Grants in lieu of taxes	\$ 87,646	\$ 178	\$ -
Tax requisitions	1,547,300	2,843,720	3,367,766
Frontage and parcel taxes	-	-	-
Government transfers	1,608,342	11,757	1,860,544
User fees and service charges	2,628	36,094	854,495
Member municipality debt	1,947,862	-	-
Investment income	229,425	67,037	22,348
Other revenue	169,676	11,780	85,304
Total Revenue	5,592,879	2,970,566	6,190,457
Expenses			
Administration	578,627	330,221	570,472
Wages and benefits	3,691,448	875,079	3,110,496
Operating	1,459,237	1,099,364	3,561,534
Debt charges - interest	147,358	11,040	19,862
Internal recoveries	(4,594,420)	-	(1,555,079)
Debt charges member municipalities	1,947,862	-	-
Amortization of tangible capital assets	552,979	375,470	149,934
Loss (gain) on disposal of tangible capital assets	-	(5,462)	-
Total Expenses	3,783,091	2,685,712	5,857,219
Annual Operating Surplus (Deficit)	1,809,788	284,854	333,238
Add: Proceeds from sale of assets	-	5,462	-
Add: Proceeds from long term debt	70,000	-	-
Less: Debt principle repayment	(239,814)	(70,427)	(21,883)
Less: Acquisition of tangible capital assets	(306,221)	(251,161)	(600,609)
Less: Change in Land held for resale	-	-	-
Increase (Decrease) in Financial Equity	1,333,753	(31,272)	(289,254)
Transfer (to)/from reserves	(326,925)	(341,001)	(397,242)
Transfer (to)/from appropriated surplus	(49,196)	-	-
Transfer (to)/from unfunded liability	-	-	-
Transfer (to)/from unfunded amortization	552,979	375,470	149,934
Transfer (to)/from unfunded loss on asset	-	(5,462)	-
Transfer (to)/from other funds	(1,509,001)	(34)	449,856
Interfund transfers	1,285	491	459
Surplus/(deficit) from prior year	46,948	4,094	(494)
Total Surplus (Deficit) for the year	\$ 49,843	\$ 2,286	\$ (86,741)

Environmental services Schedule 7	Public health services Schedule 8	Planning and development services Schedule 9	Recreation and cultural services Schedule 10	Actual 2019	Budget 2019	Actual 2018
\$ -	\$ -	\$ 1,146	\$ 208	\$ 89,178	\$ 72,000	\$ 87,626
2,036,407	256,453	1,468,742	8,698,210	20,218,598	20,218,598	18,990,745
-	-	-	1,699,779	1,699,779	1,700,534	1,699,954
-	-	-	241,611	3,722,254	2,767,280	2,946,703
3,695,328	58,297	867,582	2,127,745	7,642,169	6,878,090	7,418,261
-	-	-	-	1,947,862	1,947,878	1,914,354
59,137	8,911	33,142	112,130	532,130	58,000	358,608
163,389	105	3,945	487,777	921,976	421,018	1,306,523
5,954,261	323,766	2,374,557	13,367,460	36,773,946	34,063,398	34,722,774
503,087	24,912	391,995	1,213,452	3,612,766	3,612,766	3,475,583
1,043,705	35,904	1,583,172	4,601,577	14,941,381	15,311,118	13,952,830
4,281,321	181,508	380,103	3,893,904	14,856,971	14,368,001	14,044,796
-	-	-	982,605	1,160,865	1,183,444	1,175,095
-	-	(341,308)	-	(6,490,807)	(6,423,802)	(6,322,926)
-	-	-	-	1,947,862	1,947,878	1,914,354
54,262	3,198	35,845	1,510,285	2,681,973	2,602,036	2,602,036
-	-	-	(11,549)	(17,011)	-	2,118
5,882,375	245,522	2,049,807	12,190,274	32,694,000	32,601,441	30,843,886
71,886	78,244	324,750	1,177,186	4,079,946	1,461,957	3,878,888
-	-	-	11,549	17,011	-	-
-	-	-	-	70,000	620,000	110,500
-	-	-	(1,249,511)	(1,581,635)	(1,084,775)	(1,555,493)
(561)	-	(14,780)	(1,721,357)	(2,894,689)	(4,657,433)	(1,611,899)
-	-	24,218	-	24,218	(96,903)	20,577
71,325	78,244	334,188	(1,782,133)	(285,149)	(3,757,154)	842,573
(148,330)	(76,426)	(348,400)	(57,048)	(1,695,372)	2,033,727	(2,710,843)
-	-	-	-	(49,196)	(373,992)	(206,230)
24,021	-	-	-	24,021	(550,000)	(401,993)
54,262	3,198	35,845	1,510,285	2,681,973	2,602,036	2,602,036
-	-	-	(11,549)	(17,011)	-	2,118
-	-	-	310,379	(748,800)	-	20,175
(1,278)	(5,016)	1,794	4,124	1,859	-	4,654
-	-	3,823	(8,987)	45,384	45,383	(107,106)
\$ -	\$ -	\$ 27,250	\$ (34,929)	\$ (42,291)	\$ -	\$ 45,384

Sunshine Coast Regional District

General Revenue Fund - General Government Services

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 4

For the Years Ended December 31, 2019 and 2018

	Administration	Finance	General Office Building Maintenance	Human Resources	Information Services
Revenue					
Grants in lieu of taxes	\$ 87,646	\$ -	\$ -	\$ -	\$ -
Tax requisitions	1,309,139	-	-	-	-
Government transfers	1,581,624	26,718	-	-	-
User fees and service charges	2,628	-	-	-	-
Member municipality debt	-	-	-	-	-
Investment income	195,513	9,805	7,289	4,983	5,965
Other revenue	48,336	68	59,762	-	1,723
Total Revenue	3,224,886	36,591	67,051	4,983	7,688
Expenses					
Administration	540,217	-	-	-	-
Wages and benefits	1,188,230	1,147,659	280,775	419,302	589,022
Operating	596,745	224,170	194,523	98,904	160,399
Debt charges - interest	-	-	144,827	-	2,531
Internal recoveries	(720,264)	(1,487,027)	(834,504)	(551,713)	(1,000,912)
Debt charges member municipalities	-	-	-	-	-
Amortization of tangible capital assets	61,449	214,561	114,843	29,671	132,455
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-
Total Expenses	1,666,377	99,363	(99,536)	(3,836)	(116,505)
Annual Operating Surplus (Deficit)	1,558,509	(62,772)	166,587	8,819	124,193
Add: Proceeds from long term debt	-	-	-	-	70,000
Less: Debt principle repayment	-	-	(166,839)	-	(72,975)
Less: Acquisition of tangible capital assets	(22,500)	-	(67,514)	-	(216,207)
Increase (Decrease) in Financial Equity	1,536,009	(62,772)	(67,766)	8,819	(94,989)
Transfer (to)/from reserves	(39,925)	(151,424)	(45,954)	(38,234)	(40,288)
Transfer (to)/from appropriated surplus	(49,196)	-	-	-	-
Transfer (to)/from unfunded amortization	61,449	214,561	114,843	29,671	132,455
Transfer (to)/from unfunded loss on asset	-	-	-	-	-
Transfer (to)/from other funds	(1,507,965)	-	(1,036)	-	-
Interfund transfers	(372)	(365)	(544)	(256)	2,822
Surplus/(deficit) from prior year	-	-	457	-	-
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -	\$ -	\$ -

Feasibility Studies	Grants in Aid	SCRHD Administration	UBCM	Fiscal Services	Actual 2019	Budget 2019	Actual 2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,646	\$ 72,000	\$ 86,131
-	150,919	-	87,242	-	1,547,300	1,547,300	1,465,374
-	-	-	-	-	1,608,342	967,648	1,003,320
-	-	-	-	-	2,628	-	2,867
-	-	-	-	1,947,862	1,947,862	1,947,878	1,914,354
1,425	85	-	4,360	-	229,425	58,000	168,766
-	-	59,787	-	-	169,676	68,193	267,125
1,425	151,004	59,787	91,602	1,947,862	5,592,879	4,661,019	4,907,937
-	11,296	13,235	13,879	-	578,627	578,627	561,779
-	3,841	28,258	34,361	-	3,691,448	4,146,129	3,547,989
-	147,006	3,718	33,772	-	1,459,237	1,480,084	1,299,219
-	-	-	-	-	147,358	147,584	147,311
-	-	-	-	-	(4,594,420)	(4,635,511)	(4,345,729)
-	-	-	-	1,947,862	1,947,862	1,947,878	1,914,354
-	-	-	-	-	552,979	517,325	517,325
-	-	-	-	-	-	-	2,007
-	162,143	45,211	82,012	1,947,862	3,783,091	4,182,116	3,644,255
1,425	(11,139)	14,576	9,590	-	1,809,788	478,903	1,263,682
-	-	-	-	-	70,000	70,000	70,000
-	-	-	-	-	(239,814)	(179,979)	(240,267)
-	-	-	-	-	(306,221)	(493,320)	(184,241)
1,425	(11,139)	14,576	9,590	-	1,333,753	(124,396)	909,174
(1,425)	(85)	-	(9,590)	-	(326,925)	199,673	(484,482)
-	-	-	-	-	(49,196)	(639,550)	(246,834)
-	-	-	-	-	552,979	517,325	517,325
-	-	-	-	-	-	-	2,007
-	-	-	-	-	(1,509,001)	-	678,828
-	-	-	-	-	1,285	-	1,961
-	25,635	20,856	-	-	46,948	46,948	26,625
\$ -	\$ 14,411	\$ 35,432	\$ -	\$ -	\$ 49,843	\$ -	\$ 46,948

Sunshine Coast Regional District

General Revenue Fund - Protective Services

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 5

For the Years Ended December 31, 2019 and 2018

	Gibsons and District Fire Protection	Roberts Creek Fire Protection	Halfmoon Bay Fire Protection	Egmont Fire Department
Revenue				
Grants in lieu of taxes	\$ 178	\$ -	\$ -	\$ -
Tax requisitions	999,275	458,700	425,139	109,794
Government transfers	-	-	-	-
User fees and service charges	-	225	225	-
Investment income	9,991	14,989	11,752	4,073
Other revenue	4,197	50	-	4,716
Total Revenue	1,013,641	473,964	437,116	118,583
Expenses				
Administration	96,993	42,104	39,283	8,002
Wages and benefits	337,694	118,631	109,075	2,704
Operating	336,869	200,230	194,624	64,325
Debt charges - interest	6,160	-	-	4,880
Amortization of tangible capital assets	153,274	70,700	47,298	19,820
Loss (gain) on disposal of tangible capital assets	(5,385)	(23)	-	-
Total Expenses	925,605	431,642	390,280	99,731
Annual Operating Surplus (Deficit)	88,036	42,322	46,836	18,852
Add: Proceeds from sale of assets	5,385	23	-	-
Less: Debt principle repayment	(65,050)	-	-	(5,377)
Less: Acquisition of tangible capital assets	(168,267)	(21,831)	(29,538)	(16,794)
Increase (Decrease) in Financial Equity	(139,896)	20,514	17,298	(3,319)
Transfer (to)/from reserves	(8,493)	(91,191)	(64,596)	(16,467)
Transfer (to)/from unfunded amortization	153,274	70,700	47,298	19,820
Transfer (to)/from unfunded loss on asset	(5,385)	(23)	-	-
Transfer (to)/from other funds	-	-	-	(34)
Interfund transfers	500	-	-	-
Surplus/(deficit) from prior year	-	-	-	-
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -	\$ -

Smoke Control	Bylaw Enforcement	Emergency Telephone - 911	Sunshine Coast Emergency Planning	Animal Control	Actual 2019	Budget 2019	Actual 2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178	\$ -	\$ 161
299	203,284	403,017	206,076	38,136	2,843,720	2,843,720	2,787,308
-	-	-	11,757	-	11,757	11,777	34,086
300	2,000	-	-	33,344	36,094	33,351	32,304
358	2,275	15,823	3,500	4,276	67,037	-	41,141
-	-	-	2,515	302	11,780	-	330,442
957	207,559	418,840	223,848	76,058	2,970,566	2,888,848	3,225,442
281	36,940	36,027	56,985	13,606	330,221	330,221	338,331
252	122,419	39,891	111,993	32,420	875,079	891,376	745,385
-	10,432	211,145	64,505	17,234	1,099,364	1,214,440	1,216,346
-	-	-	-	-	11,040	11,587	11,959
-	5,673	67,536	6,833	4,336	375,470	374,315	374,315
-	-	(54)	-	-	(5,462)	-	-
533	175,464	354,545	240,316	67,596	2,685,712	2,821,939	2,686,336
424	32,095	64,295	(16,468)	8,462	284,854	66,909	539,106
-	-	54	-	-	5,462	-	-
-	-	-	-	-	(70,427)	(67,863)	(78,097)
-	-	-	(14,731)	-	(251,161)	(736,573)	(339,158)
424	32,095	64,349	(31,199)	8,462	(31,272)	(737,527)	121,851
(2,244)	(37,938)	(131,831)	24,389	(12,630)	(341,001)	358,618	(490,643)
-	5,673	67,536	6,833	4,336	375,470	374,315	374,315
-	-	(54)	-	-	(5,462)	-	-
-	-	-	-	-	(34)	-	(32)
-	170	-	(23)	(156)	491	500	31
1,820	-	-	-	2,274	4,094	4,094	(1,428)
\$ -	\$ -	\$ -	\$ -	\$ 2,286	\$ 2,286	\$ -	\$ 4,094

Sunshine Coast Regional District

General Revenue Fund - Transportation Services

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 6

For the Years Ended December 31, 2019 and 2018

	Public Transit	Maintenance Facility	Regional Street Lighting
Revenue			
Tax requisitions	\$ 2,721,812	\$ -	\$ 36,908
Government transfers	1,860,544	-	-
User fees and service charges	854,495	-	-
Investment income	1,418	6,264	-
Other revenue	47,501	30,556	-
Total Revenue	5,485,770	36,820	36,908
Expenses			
Administration	479,404	35,291	2,125
Wages and benefits	2,548,269	523,764	-
Operating	2,298,578	978,407	34,912
Debt charges - interest	-	19,862	-
Internal recoveries	(298)	(1,554,781)	-
Amortization of tangible capital assets	34,605	36,607	-
Total Expenses	5,360,558	39,150	37,037
Annual Operating Surplus (Deficit)	125,212	(2,330)	(129)
Add: Proceeds from long term debt	-	-	-
Less: Debt principle repayment	-	(21,883)	-
Less: Acquisition of tangible capital assets	-	(33,119)	-
Increase (Decrease) in Financial Equity	125,212	(57,332)	(129)
Transfer (to)/from reserves	(160,417)	21,010	-
Transfer (to)/from unfunded amortization	34,605	36,607	-
Transfer (to)/from other funds	-	(144)	-
Interfund transfers	600	(141)	-
Surplus/(deficit) from prior year	-	-	(1,271)
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ (1,400)

Local Street Lighting	Ports Services	Actual 2019	Budget 2019	Actual 2018
\$ 10,085	\$ 598,961	\$ 3,367,766	\$ 3,367,766	\$ 2,999,309
-	-	1,860,544	1,772,392	1,862,881
-	-	854,495	745,447	824,385
-	14,666	22,348	-	12,149
-	7,247	85,304	20,666	80,833
10,085	620,874	6,190,457	5,906,271	5,779,557
623	53,029	570,472	570,472	478,640
-	38,463	3,110,496	2,912,928	2,978,581
10,212	239,425	3,561,534	3,480,564	3,471,215
-	-	19,862	26,792	19,862
-	-	(1,555,079)	(1,446,983)	(1,643,675)
-	78,722	149,934	146,427	146,427
10,835	409,639	5,857,219	5,690,200	5,451,050
(750)	211,235	333,238	216,071	328,507
-	-	-	450,000	-
-	-	(21,883)	(13,668)	(21,041)
-	(567,490)	(600,609)	(630,000)	(394,049)
(750)	(356,255)	(289,254)	22,403	(86,583)
-	(257,835)	(397,242)	(168,336)	(6,874)
-	78,722	149,934	146,427	146,427
-	450,000	449,856	-	(131)
-	-	459	-	-
409	368	(494)	(494)	(53,333)
\$ (341)	\$ (85,000)	\$ (86,741)	\$ -	\$ (494)

Sunshine Coast Regional District

General Revenue Fund - Environmental Services

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 7

For the Years Ended December 31, 2019 and 2018

	Regional Solid Waste	Refuse Collection	Actual 2019	Actual 2018
Revenue				
Tax requisitions	\$ 2,036,407	\$ -	\$ 2,036,407	\$ 1,772,895
User fees and service charges	2,782,014	913,314	3,695,328	3,567,892
Investment income	54,739	4,398	59,137	24,904
Other revenue	163,389	-	163,389	167,087
Total Revenue	5,036,549	917,712	5,954,261	5,532,778
Expenses				
Administration	414,997	88,090	503,087	537,385
Wages and benefits	1,038,237	5,468	1,043,705	908,713
Operating	3,544,751	736,570	4,281,321	3,582,750
Amortization of tangible capital assets	54,262	-	54,262	52,738
Loss (gain) on disposal of tangible capital assets	-	-	-	111
Total Expenses	5,052,247	830,128	5,882,375	5,081,697
Annual Operating Surplus (Deficit)	(15,698)	87,584	71,886	451,081
Less: Acquisition of tangible capital assets	(561)	-	(561)	(75,933)
Increase (Decrease) in Financial Equity	(16,259)	87,584	71,325	375,148
Transfer (to)/from reserves	(60,746)	(87,584)	(148,330)	65,548
Transfer (to)/from unfunded liability	24,021	-	24,021	(401,993)
Transfer (to)/from unfunded amortization	54,262	-	54,262	52,738
Transfer (to)/from unfunded loss on asset	-	-	-	111
Interfund transfers	(1,278)	-	(1,278)	-
Surplus/(deficit) from prior year	-	-	-	(91,552)
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -	\$ -

Sunshine Coast Regional District

General Revenue Fund - Public Health Services

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 8

For the Years Ended December 31, 2019 and 2018

	Cemetery	Pender Harbour Health Clinic	Actual 2019	Actual 2018
Revenue				
Tax requisitions	\$ 110,053	\$ 146,400	\$ 256,453	\$ 247,776
User fees and service charges	58,297	-	58,297	58,161
Investment income	7,539	1,372	8,911	5,591
Other revenue	105	-	105	-
Total Revenue	175,994	147,772	323,766	311,528
Expenses				
Administration	17,553	7,359	24,912	24,209
Wages and benefits	35,904	-	35,904	37,948
Operating	47,468	134,040	181,508	177,660
Amortization of tangible capital assets	3,198	-	3,198	3,434
Total Expenses	104,123	141,399	245,522	243,251
Annual Operating Surplus (Deficit)	71,871	6,373	78,244	68,277
Increase (Decrease) in Financial Equity	71,871	6,373	78,244	68,277
Transfer (to)/from reserves	(70,053)	(6,373)	(76,426)	(71,711)
Transfer (to)/from unfunded amortization	3,198	-	3,198	3,434
Interfund transfers	(5,016)	-	(5,016)	-
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -	\$ -

Sunshine Coast Regional District

General Revenue Fund - Planning and Development Services

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 9

For the Years Ended December 31, 2019 and 2018

	Regional Planning	Rural Planning	Geographic Information Services	Heritage
Revenue				
Grants in lieu of taxes	\$ 3	\$ -	\$ -	\$ -
Tax requisitions	132,009	901,378	-	871
Government transfers	-	-	-	-
User fees and service charges	422	60,586	422	-
Investment income	1,893	1,384	5,140	-
Other revenue	665	1,300	-	-
Total Revenue	134,992	964,648	5,562	871
Expenses				
Administration	33,940	201,893	-	213
Wages and benefits	85,496	646,868	243,150	-
Operating	6,081	65,194	48,464	-
Internal recoveries	-	-	(341,308)	-
Amortization of tangible capital assets	-	1,584	22,460	-
Total Expenses	125,517	915,539	(27,234)	213
Annual Operating Surplus (Deficit)	9,475	49,109	32,796	658
Less: Acquisition of tangible capital assets	-	-	(14,780)	-
Less: Net change in land held for resale	-	-	-	-
Increase (Decrease) in Financial Equity	9,475	49,109	18,016	658
Transfer (to)/from reserves	(9,475)	(29,767)	(45,058)	-
Transfer (to)/from appropriated surplus	-	-	-	-
Transfer (to)/from unfunded amortization	-	1,584	22,460	-
Transfer (to)/from other funds	-	-	-	-
Interfund transfers	-	2,356	4,582	-
Surplus/(deficit) from prior year	-	(23,282)	-	597
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -	\$ 1,255

House numbering	Building Inspection Services	Economic Development	Hillside	Actual 2019	Budget 2019	Actual 2018
\$ -	\$ -	\$ 1,143	\$ -	\$ 1,146	\$ -	\$ 1,150
-	189,608	217,973	26,903	1,468,742	1,468,742	1,397,967
-	-	-	-	-	-	1,000
35,450	770,702	-	-	867,582	707,370	909,992
2,777	21,948	-	-	33,142	-	32,318
-	1,980	-	-	3,945	600	14,103
38,227	984,238	219,116	26,903	2,374,557	2,176,712	2,356,530
7,491	136,092	12,366	-	391,995	391,995	397,496
18,274	589,175	209	-	1,583,172	1,639,668	1,536,268
88	53,222	207,054	-	380,103	495,766	464,662
-	-	-	-	(341,308)	(341,308)	(333,522)
-	11,801	-	-	35,845	38,137	38,137
25,853	790,290	219,629	-	2,049,807	2,224,258	2,103,041
12,374	193,948	(513)	26,903	324,750	(47,546)	253,489
-	-	-	-	(14,780)	(41,509)	(38,201)
-	-	-	24,218	24,218	(96,903)	20,577
12,374	193,948	(513)	51,121	334,188	(185,958)	235,865
(7,792)	(205,187)	-	(51,121)	(348,400)	144,498	(991,523)
-	-	-	-	-	-	(8,500)
-	11,801	-	-	35,845	38,137	38,137
-	-	-	-	-	-	706,120
(4,582)	(562)	-	-	1,794	(500)	1,702
-	-	26,508	-	3,823	3,823	22,022
\$ -	\$ -	\$ 25,995	\$ -	\$ 27,250	\$ -	\$ 3,823

Sunshine Coast Regional District

General Revenue Fund - Recreation and Cultural Services

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 10

For the Years Ended December 31, 2019 and 2018

	Pender Harbour Pool	School facilities - Joint Use	Gibsons and Area Library	Museum Service	Halfmoon Bay & Roberts Creek Library Service
Revenue					
Grants in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ 2
Tax requisitions	495,835	11,035	700,930	137,682	334,328
Frontage and parcel taxes	72,270	-	-	-	-
Government transfers	-	-	-	-	-
User fees and service charges	96,078	2,910	-	-	-
Investment income	6,133	-	1,344	-	-
Other revenue	13,548	-	7,771	-	-
Total Revenue	683,864	13,945	710,045	137,682	334,330
Expenses					
Administration	55,275	266	47,364	8,096	12,913
Wages and benefits	339,063	-	3,486	-	-
Operating	149,984	38,545	667,717	129,586	250,249
Debt charges - interest	29,170	-	-	-	-
Amortization of tangible capital assets	97,998	-	52,182	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-
Total Expenses	671,490	38,811	770,749	137,682	263,162
Annual Operating Surplus (Deficit)	12,374	(24,866)	(60,704)	-	71,168
Add: Proceeds from sale of assets	-	-	-	-	-
Add: Proceeds from long term debt	-	-	-	-	-
Less: Debt principle repayment	(41,351)	-	-	-	-
Less: Acquisition of tangible capital assets	(27,260)	-	-	-	-
Increase (Decrease) in Financial Equity	(56,237)	(24,866)	(60,704)	-	71,168
Transfer (to)/from reserves	(41,493)	-	(62,649)	-	-
Transfer (to)/from appropriated surplus	-	-	-	-	-
Transfer (to)/from unfunded amortization	97,998	-	52,182	-	-
Transfer to/ (from) unfunded loss on asset	-	-	-	-	-
Transfer (to)/from other funds	(268)	-	-	-	-
Interfund transfers	-	-	71,171	-	(71,171)
Surplus/(deficit) from prior year	-	(8,992)	-	-	5
Total Surplus (Deficit) for the year	\$ -	\$ (33,858)	\$ -	\$ -	\$ 2

Community Recreation Facilities Service	Community Parks	Bicycle and Walking Paths	Dakota Ridge Recreation Service	Regional Recreation Programs	Egmont/Pender Harbour Library Service	Actual 2019	Actual 2018
\$ 206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 184
4,799,019	1,746,696	56,777	216,381	154,719	44,808	8,698,210	8,320,116
1,627,509	-	-	-	-	-	1,699,779	1,699,954
-	241,611	-	-	-	-	241,611	45,416
1,930,378	54,862	-	38,497	5,020	-	2,127,745	2,022,660
71,110	19,846	7,766	5,889	42	-	112,130	73,739
424,141	42,317	-	-	-	-	487,777	446,933
8,852,363	2,105,332	64,543	260,767	159,781	44,808	13,367,460	12,609,002
774,427	262,981	13,713	26,518	9,822	2,077	1,213,452	1,137,743
3,342,548	847,813	6,393	62,274	-	-	4,601,577	4,197,946
1,807,685	544,304	2,329	108,171	152,603	42,731	3,893,904	3,832,944
924,661	28,773	-	1	-	-	982,605	995,963
951,368	256,933	105,838	45,966	-	-	1,510,285	1,469,660
(11,549)	-	-	-	-	-	(11,549)	-
7,789,140	1,940,804	128,273	242,930	162,425	44,808	12,190,274	11,634,256
1,063,223	164,528	(63,730)	17,837	(2,644)	-	1,177,186	974,746
11,549	-	-	-	-	-	11,549	-
-	-	-	-	-	-	-	40,500
(1,085,371)	(122,570)	-	(219)	-	-	(1,249,511)	(1,216,088)
(1,050,356)	(643,741)	-	-	-	-	(1,721,357)	(580,317)
(1,060,955)	(601,783)	(63,730)	17,618	(2,644)	-	(1,782,133)	(781,159)
128,268	15,923	(38,094)	(60,574)	1,571	-	(57,048)	(731,158)
-	-	-	-	-	-	-	49,104
951,368	256,933	105,838	45,966	-	-	1,510,285	1,469,660
(11,549)	-	-	-	-	-	(11,549)	-
(6,938)	317,585	-	-	-	-	310,379	(6,954)
(194)	11,342	(4,014)	(3,010)	-	-	4,124	960
-	-	-	-	-	-	(8,987)	(9,440)
\$ -	\$ -	\$ -	\$ -	\$ (1,073)	\$ -	\$ (34,929)	\$ (8,987)

Sunshine Coast Regional District

Water Utility

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 11

For the Years Ended December 31, 2019 and 2018

	Actual 2019	Budget 2019	Actual 2018
Revenue			
Frontage and parcel taxes	\$ 3,652,293	\$ 3,603,528	\$ 3,532,871
Government transfers	2,005,926	1,995,927	985,543
User fees and service charges	4,535,425	4,391,353	4,344,475
Investment income	258,240	-	191,031
Contributed assets	327,031	-	88,250
Other revenue	662,036	535,802	540,388
Total Revenue	11,440,951	10,526,610	9,682,558
Expenses			
Administration	922,627	922,627	842,507
Wages and benefits	2,416,111	3,052,727	2,314,659
Operating	1,831,857	1,762,334	1,782,857
Debt charges - interest	124,732	127,161	124,040
Internal recoveries	(10,249)	-	(6,445)
Amortization of tangible capital assets	2,077,750	1,774,873	1,779,751
Loss (gain) on disposal of tangible capital assets	22,435	-	36,833
Write-off of tangible capital assets	406,446	-	-
Total Expenses	7,791,709	7,639,722	6,874,202
Annual Operating Surplus (Deficit)	3,649,242	2,886,888	2,808,356
Add: Proceeds from sale of assets	12,950	-	-
Add: Proceeds from long term debt	200,000	4,946,334	30,000
Less: Debt principle repayment	(312,966)	(258,356)	(286,386)
Less: Acquisition of tangible capital assets	(5,223,272)	(11,270,123)	(3,278,874)
Increase (Decrease) in Financial Equity	(1,674,046)	(3,695,257)	(726,904)
Transfer (to)/from reserves	(459,620)	1,920,384	(1,083,441)
Transfer (to)/from unfunded loss on asset	428,881	-	36,833
Transfer (to)/from unfunded amortization	2,077,750	1,774,873	1,779,751
Transfer (to)/from other funds	(371,106)	-	(1,585)
Interfund transfers	(1,859)	-	(4,654)
Total Surplus (Deficit) for the year	\$ -	\$ -	\$ -

Sunshine Coast Regional District

Sewer Fund

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 12

For the Years Ended December 31, 2019 and 2018

	Actual 2019	Budget 2019	Actual 2018
Revenue			
Frontage and parcel taxes	\$ 84,150	\$ 84,354	\$ 82,700
Government transfers	92,311	92,310	643,110
User fees and service charges	269,626	260,034	211,963
Investment income	31,753	-	23,663
Contributed assets	154,629	-	661,222
Other revenue	4,722	-	-
Total Revenue	637,191	436,698	1,622,658
Expenses			
Administration	23,210	23,210	24,782
Wages and benefits	99,534	142,807	105,487
Operating	120,044	164,392	129,926
Debt charges - interest	5,487	5,862	-
Amortization of tangible capital assets	62,718	41,344	56,128
Loss (gain) on disposal of tangible capital assets	7,797	-	-
Total Expenses	318,790	377,615	316,323
Annual Operating Surplus (Deficit)	318,401	59,083	1,306,335
Add: Proceeds from long term debt	313,400	140,726	-
Less: Debt principle repayment	-	(4,223)	-
Less: Acquisition of tangible capital assets	(332,624)	(298,036)	(1,517,199)
Increase (Decrease) Financial Equity	299,177	(102,450)	(210,864)
Transfer (to)/from reserves	(163,689)	59,582	10,828
Transfer (to)/from unfunded amortization	62,718	41,344	56,128
Transfer to/ (from) unfunded loss on asset	7,797	-	-
Transfer to/(from) other funds	(210,925)	-	189,071
Surplus/(deficit) from prior year	1,524	1,524	(43,639)
Total Surplus (Deficit) for the year	\$ (3,398)	\$ -	\$ 1,524

Sunshine Coast Regional District

General Capital Fund - Hillside Development Project

Summary Statement of Revenue, Expenses and Transfers (unaudited)

Schedule 13

For the Years Ended December 31, 2019 and 2018

	Actual 2019	Budget 2019	Actual 2018
Expenses			
Administration	\$ 13,537	\$ 13,537	\$ 8,683
Wages and benefits	5,533	14,126	5,799
Operating expenditures	52,349	128,840	38,728
Total Development Costs	71,419	156,503	53,210
Less: Operating Revenue			
Water leases	75,331	59,600	73,787
Investment income	20,306	-	-
	95,637	59,600	73,787
Net development costs	24,218	(96,903)	20,577
Total Surplus (Deficit) for the year	\$ 24,218	\$ (96,903)	\$ 20,577

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Sunshine Coast Regional District

Statement of Changes in Reserve Fund Balances (unaudited)

Schedule 14

For the Years Ended December 31, 2019 and 2018

Bylaw	Purpose	Balance, Beginning of Year	Investment Earnings	Contributions / Transfers	Balance, End of Year
General Government					
495/504	General Administration Capital	\$ 42,462	\$ 1,145	\$ -	\$ 43,607
648	General Administration Operating	454,754	11,689	22	466,465
496	Administration Building	251,565	6,253	(19,702)	238,116
648	Finance	364,168	9,804	141,619	515,591
648	Human Resources	183,883	4,982	33,251	222,116
504/648	Information Services	219,576	5,965	34,320	259,861
648	Area D Grant in Aid	3,173	86	-	3,259
648	Electoral Area Services	160,906	4,359	5,230	170,495
648	Corporate Sustainability	101,953	2,746	10,410	115,109
648	Regional Sustainability	52,925	1,426	12,493	66,844
	Area B Feasibility Studies	26,473	712	-	27,185
	Area D Feasibility Studies	26,473	712	-	27,185
649/677	Bylaw Enforcement	84,499	2,275	35,663	122,437
	Halfmoon Bay Smoke Control	1,542	42	1,086	2,670
650	Roberts Creek Smoke Control	11,757	316	801	12,874
489/497	Gibsons Fire Protection Capital	366,794	8,923	(22,767)	352,950
678	Gibsons Fire Protection Operating	39,677	1,070	21,269	62,016
490	Roberts Creek Fire Protection	537,055	14,989	76,202	628,246
491	Halfmoon Bay Fire Protection	421,764	11,751	52,845	486,360
601	Egmont Fire Protection	148,984	4,038	12,428	165,450
492	911 Telephone	566,110	15,824	116,007	697,941
493	SC Emergency Planning	130,003	3,500	(27,889)	105,614
651/680	Animal Control	158,803	4,276	8,354	171,433
529/652	Sunshine Coast Transit	52,672	1,418	158,998	213,088
486/607	Ports	491,610	14,666	243,168	749,444
563	Maintenance Facility	240,048	6,120	(27,129)	219,039
	Building Maintenance	-	-	59,403	59,403
653	Regional Solid Waste Operating	51,076	1,376	-	52,452
670	Zero Waste Operating	247,434	6,896	23,233	277,563
653	Landfills Operating	25,442	675	28,566	54,683
654	Refuse Collection Operating	164,498	4,398	83,187	252,083
515	Pender Harbour Health Clinic	49,987	1,373	5,000	56,360
655	Cemetery Operating	276,473	7,539	62,515	346,527
681	Regional Planning	70,298	1,893	7,582	79,773
656/657	Rural Planning	61,696	1,383	28,383	91,462
504/648	Property Information & Mapping	194,739	5,140	39,918	239,797
	House Numbering	106,180	2,776	5,015	113,971
495	Building Inspection	815,540	21,948	183,240	1,020,728
715	Hillside - Operating	757,254	20,306	30,815	808,375
590/609	Community Recreation Facilities	2,494,972	64,139	(192,407)	2,366,704
494/660	Pender Harbour Pool	217,763	5,865	35,628	259,256
609	Gibsons Library	40,068	1,343	61,305	102,716
533/662	Community Parks	723,132	19,446	(35,369)	707,209
683	Bicycle & Walking Paths	212,379	5,771	22,353	240,503
	Area A Bicycle & Walking Paths	74,117	1,995	7,974	84,086
	Regional Recreation Programs	1,570	42	(1,612)	-
	Dakota Ridge	218,746	5,889	54,685	279,320
Total General Reserve Funds		11,942,993	319,280	1,376,093	13,638,366

Sunshine Coast Regional District

Statement of Changes in Reserve Fund Balances

Schedule 14

For the Years Ended December 31, 2019 and 2018

Bylaw	Purpose	Balance, Beginning of Year	Investment Earnings	Contributions / Transfers	Balance, End of Year
Water Revenue					
488	Regional Water Capital	5,099,001	129,695	502,131	5,730,827
	Regional Water Operating	2,879,696	77,223	151,996	3,108,915
498	Regional Water Land	17,443	470	-	17,913
589	North Pender Water Capital	407,931	8,066	(118,343)	297,654
	North Pender Water Operating	220,491	5,936	7,731	234,158
	South Pender Water Capital	735,930	15,603	(228,125)	523,408
	South Pender Water Operating	753,975	19,513	(112,277)	661,211
Total Water Reserve Funds		10,114,467	256,506	203,113	10,574,086
Sewer Revenue					
512/608	Greaves Road	10,181	275	1,112	11,568
512	Sunnyside	24,739	667	1,266	26,672
	Jolly Roger	52,519	1,412	(4,599)	49,332
512/608	Secret Cove	27,706	755	8,474	36,935
	Lee Bay	488,522	13,219	33,366	535,107
512	Square Bay	111,218	3,412	23,425	138,055
	Langdale	33,786	912	2,443	37,141
512/608	Canoe Road	3,324	91	314	3,729
608	Merrill Crescent	887	35	2,166	3,088
512/608	Curran Road	87,405	2,418	11,477	101,300
512/608	Roberts Creek Co-housing	34,406	936	14,051	49,393
608	Lily Lake Village	45,276	1,230	10,195	56,701
512/608	Woodcreek Park	183,329	4,976	16,372	204,677
668/669	Painted Boat	50,071	1,365	11,924	63,360
Total Sewer Reserve Funds		1,153,369	31,703	131,986	1,317,058
Total Reserve Funds		\$ 23,210,829	\$ 607,489	\$ 1,711,192	\$ 25,529,510

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Service Committee – April 23, 2020

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

SUBJECT: SUNSHINE COAST REGIONAL DISTRICT (SCRD) 2019 DRAFT AUDITED FINANCIAL STATEMENTS

RECOMMENDATION(S)

THAT the report titled Sunshine Coast Regional District (SCRD) 2019 Draft Audited Financial Statements, and the following documents be received:

- Final Audit Results and Report to the Members of the Board
- Independent Audit Report-Foreshore Leases (Hillside)
- Draft Audited Financial Statements Year Ended December 31, 2019

AND THAT the Draft Audited Statements for Year Ended December 31, 2019 be approved as presented;

AND FURTHER THAT this recommendation be forwarded to the Board Meeting on April 23, 2020.

BACKGROUND

In accordance with Section 167 (Annual Financial Statements) and Part 6, Division 2 (Audit) of the *Community Charter*, the Financial Statements of the SCRD for the year ending December 31, 2019 are the responsibility of the Financial Officer and are presented to the Board of Directors for approval.

The SCRD must also conduct a detailed audit of the foreshore leases it holds for Hillside as one of the conditions of the head lease with the Province. This information is submitted to the Province annually.

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

In advance of the final audit, BDO presented an "*Audit Planning Report to the SCRD Board*" to communicate key issues, responsibilities and audit strategy for the SCRD's annual financial audit. The following resolution was adopted at the December 12, 2019 Board meeting:

310/19 **Recommendation No. 1** *BDO Canada LLP Audit Planning Letter*

THAT the report titled BC 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, 2019 be received.

Subsequent to approval of the financial statements by the SCRD Board, the Regional District must submit the audited financial statements for the preceding year to the Inspector of Municipalities by May 15. As a result of the COVID-19 pandemic, the Ministry provided correspondence on April 2, 2020, included on this agenda, that it would not be enforcing the deadline this year, however, the SCRD is able to comply.

In accordance with Section 376(1) of the *Local Government Act*, hold a public meeting by June 30 for the purpose of presenting the audited financial statements of the preceding year. This information will be presented at the June 25, 2020 Corporate and Administrative Services Committee meeting.

The financial statements are retrospective in nature which serve to communicate the fiscal status of the SCRD at a point of time (December 31, 2019). The financial statements are also a key element of the SCRD's Annual Report. Although an Annual Report is not a statutory requirement for a Regional District, the SCRD prepares one as the basis of the application to the *Government Finance Officers Associations Canadian Award for Financial Reporting*.

DISCUSSION

Independent Auditor's Report

The Consolidated Financial Statements begin with a report from the external auditor, BDO Canada LLP. The purpose of the Independent Auditor's Report is to express an opinion on the financial statements, accounting policies and any other relevant information related to the financial audit.

The SCRD's Financial Statements are comprised of the following:

- **The Statement of Financial Position:** Provides information on the financial position of the SCRD including Financial Assets, Liabilities, Net Financial (Debt), Non-Financial Assets and Accumulated Surplus.
- **The Statement of Change in Net Assets:** Reports the change in Net Financial Position.
- **The Statement of Operations:** Reports the extent to which expenses are offset by revenues, the annual surplus and the change in accumulated surplus.
- **The Statement of Cash Flows:** Reports the net change in cash resources and how the SCRD financed its activities throughout the year.
- **Notes to the Financial Statements:** This includes Significant Accounting Policies for the SCRD and provides more detailed information for the items within the Statements of Financial Position, Statement of Change in Net Assets, and Statement of Operations.

- **Supporting Schedules:** Includes more detailed information on the various restricted funds (Current, General, Water, Sewer, Revenue, and Reserve Funds) and services established through legislation for the SCRD. These schedules are not included in the scope of the audit.

There are several key terms included in the financial statements which are important in analyzing the results for 2019:

- **Accumulated surplus:** This is a financial performance indicator of the overall health of the organization and represents the net positive resources available in providing current and future services, mostly represented by tangible capital assets. It is the total of all the SCRD's financial and non-financial assets, less the liabilities. It does not represent any cash resources for operations.
- **Annual operating surplus:** This measures the difference between total revenues less expenses, as stated on the *Statement of Financial Operations*. This value also includes non-cash revenue items such as contributed tangible capital assets and does not account for capital expenditures (renewals or investment), debt principle re-payments or proceeds, and transfers. Therefore, public sector accounting standards cause the reported annual surplus to be higher than actual budgeted operations and does not represent a cash surplus.

Statement of Financial Position and Statement of Change In Net Financial Assets

In 2019, the SCRD realized an increase to its financial health with a positive increase in *Net Financial Asset* to \$12.27 million (2018-\$7.06 million). This positive change is partially the result of increased financial assets (cash and equivalents and portfolio investments) stemming from the annual operating surplus and decreases in liabilities such as long-term debt. The increase in cash is the result of timing differences with receiving funds to pay for short term obligations. Portfolio investments are managed in alignment with the SCRD's Investment and Financial Sustainability Policy with the objective of aligning funding and service needs.

Regional District long-term debt decreased by \$1.31 million and member municipalities debt decreased by \$1.70 in 2019. These obligations are offset by an increase to financial assets (debt recoverable from member municipalities) and have a net zero effect on annual operating surplus and accumulated surplus.

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

Provided is the last five fiscal years in comparison:

Year	2015	2016	2017	2018	2019
Net Financial Assets/(Debt)	(\$8,621,504)	(\$3,083,210)	\$1,048,041	\$7,065,325	\$12,269,667

Non-financial assets increased in 2019 to \$138.07 million (2018 - \$135.10 million) as a result of an increase in tangible capital assets. As stated in the "*Notes to the Financial Statements*" 1

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

The capital program was budgeted for \$16.23 million in 2019 with \$8.45 million expended in capital enhancement and replacement. These projects will continue to completion in 2020. The expenditures were primarily financed through reserves, grants, debt, and taxation.

Statement of Operations

The consolidated annual operating surplus (revenues less expenses) was \$8.17 million in 2019 compared to \$8.01 million in 2018. The increase is attributable to higher than expected revenues in some line items such as user fees for transit fare revenues, landfill tipping fees, building permit fees, and water utilities due to growth.

The annual operating surplus of \$8.17 million translates to a corresponding increase in accumulated surplus to \$150.34 million. This figure is reflective of the SCRD's financial assets less its liabilities (net financial assets) plus its non-financial assets.

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

Other financial indicators to highlight for 2019 are as follows:

- Increase in cash and equivalents by \$6.57 million in 2019 is mainly the result of a greater portion of reserve funds being held in a fully liquid investment savings account offered through the Municipal Finance Authority due to anticipated short term requirements for the funds and favorable interest rates as compared to other short term investments. Other items impacting the increase in cash were changes in financial assets and liabilities includes an increase in accounts payable of \$1.03 million and a decrease in accounts receivable of \$700,000.
- The *Provision for Landfill Closure and Post Closure (Note 9)* increased by \$619,805 to \$6.89 million in 2019 (2018 - \$6.27 million) and the liability remains unfunded by \$5.02 million (2018 - \$4.99 million). The SCRD approved an incremental increase to fund the liability as part of the 2018-2022 Financial Plan, by an additional \$125,000 per year;
- Revenue increased by \$2.82 million (6.1%) as a result of increased tax requisitions, user fee revenue and government transfers (grants) including a one-time bonus payment through the Gas Tax Community Works Fund of \$670,880.
- Operating expenses increased by \$2.67 million (7.0%) due mainly to higher expenses incurred for salaries, wages and benefits and operating goods and services. Also contributing to the increase was a higher non-cash expense for amortization of tangible capital assets and the one-time write-off of the Chapman Lake Water Supply Expansion project of \$406,446.
- A net of \$2.32 million (*Schedule 14*) was transferred to reserves to fund future capital projects or expenses which are in line with the Financial Sustainability Policy and Corporate Asset Management Plan.

Adjusted and Unadjusted Differences

The unadjusted difference is for how the SCRD reports GST payables and receivable. BDO proposed a reclassification of GST payable to offset the receivable in AR, to represent the net receivable balance that exists.

The \$446,541 adjusted difference is for cash disbursements due to 2020 payroll amounts posted in 2019. The other adjusted difference for \$80k was related to the recreation deferred revenue/receivables adjustment for arena rentals.

Foreshore Leases-Hillside

In accordance with the General Lease Agreement between the Province of British Columbia and the SCRD, the foreshore leases require to be audited prior to submission of payment for the 50% portion of the leases. Nothing was concluded as a result of the 2019 review and audit.

Pending Accounting Standards

In March 2018, the Public Sector Accounting Board approved a new accounting standard to account for asset retirement obligations (ARO). This standard was highlighted last year and staff are again bringing this to the Board attention as staff continue to try to make progress on this initiative, however, staff vacancies and now the COVID crisis has delayed internal timelines. An ARO is a legal obligation associated with the retirement of a tangible capital asset and will require public bodies to include decommissioning of an asset, post-retirement operation, maintenance and monitoring. The SCRD currently accounts for similar liability for our landfill closure and post-closure costs, but the scope of the new standard will include all tangible capital assets and asbestos removal or site remediation. The effective date of the new standards is on or after April 1, 2021 and will have several implications for the SCRD.

Audit Management Letter

For 2019, management did not have additional items to bring forward for review by the Auditors. The Management letter is Appendix B of BDO's Final Audit Report. COVID-19 has been highlighted as a consideration for 2020 which the SCRD staff will continue to update the Board on impacts to the corporation related to the pandemic.

STRATEGIC PLAN AND RELATED POLICIES

The annual financial audit is a statutory requirement for the SCRD and aligns with the Boards 2019-2023-Strategic Plan Focus Area of Communication and Engagement.

CONCLUSION

In accordance with Section 167 (Annual Financial Statements) and Part 6, Division 2 (Audit) of the *Community Charter*, the Financial Statements of the SCRD for the year ending December 31, 2019 are the responsibility of the Financial Officer and are presented to the Board of Directors for approval.

Staff recommend that the Draft Audited Statements for Year Ended December 31, 2019, as presented by BDO's Independent Auditor's Report, be received and approved by the Corporate

and Administrative Services Committee, and forwarded to the Board Meeting on April 23, 2020 for adoption.

Attachments:

- Audit Final Report to the Board of Directors
- Independent Auditor’s Report SCRD
- Independent Auditor’s Report Foreshore Leases (Hillside)
- SCRD Draft Audited Financial Statements Year Ended December 31, 2019

Reviewed by:			
Manager		Finance	X-B. Wing
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 23, 2020

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

SUBJECT: TRAFFIC FINE REVENUE

RECOMMENDATION(S)

THAT the report titled Traffic Fine Revenue be received for information.

BACKGROUND

On January 30, 2020 the Board adopted the following resolution:

025/20 **Recommendation No. 3** *Provincial Funding for RCMP and Police Based Victims Services*

THAT staff report to a future Committee regarding the RCMP funding model for Rural Areas and how traffic fine revenues are allocated within that funding model.

This topic was partially addressed in February 2016 by request through the excerpted resolution below:

070/16 AND THAT the Sunshine Coast Regional District (SCRD) work with the Town of Gibsons to determine how traffic fine revenues collected in these areas are used by the Province.

This report is for updated information based on the 2020 resolution and includes information from 2016.

DISCUSSION

The Ministry of Public Safety and the Solicitor General updated the financing model for traffic fine revenues in 2007.

Rural communities and municipalities with populations under 5,000 benefit by receiving a reduction in the police tax they pay.

The following is an excerpt from the April 2006 paper titled 'Police Financing in British Columbia: A New Police Financing Model in Small Communities and Rural Areas (adjustments to this model updated November 2006):

Under the new model, the province will recover 50% of its cost for providing local police services to municipalities under 5,000 population and rural areas. This level of recovery remains unchanged from the 2003 model. Using current data, this means that the province would recover approximately \$30 million of the total

provincial cost of \$60 million for providing local police services to these communities.

The formula for apportioning police costs to each community has been improved to include population as well as property assessment values. The inclusion of population in the apportionment formula means that regional differences in residential property values will be moderated somewhat, resulting in a more uniform distribution of police costs throughout the province. The new apportionment formula still reflects ability to pay, and areas with strong tax bases will generally pay more on a home of average value than areas with weaker ones.

The method of requisitioning and collecting the amounts apportioned to each community has been changed to align it with the school tax. The Surveyor of Taxes will requisition municipalities under 5,000 population and rural property taxpayers directly. Regional districts will have no involvement in the requisitioning and collection processes.

The new model will, however, provide some flexibility for regionalization of police financing. Specifically, regional district will be able to request a change in the apportionment and tax rates to be applied in municipalities under 5,000 population and rural areas within the regional district boundaries. The province is committed to working with regional districts to bring about more effective and efficient police services.

The following table summarizes some of the key differences from the 2003 model:

Feature 2003 Model 2006 Updated Model

Feature	2003 Model	2006 Updated Model
Percentage recovery of the province's cost for providing local police services	50%	No change – 50%
Apportionment method	Converted hospital assessments	Converted hospital assessments and population
Requisition and collection of apportioned amounts	Province invoices regional districts	The Surveyor of Taxes will requisition municipalities under 5,000 population and rural property taxpayers directly, in the same manner as the school tax

The Town of Gibsons and Sunshine Coast Regional District (SCRD) currently do not receive traffic fine revenues from the Province. The table below shows values in 2005/2006.

Police Tax Apportioned Amounts and Estimated Tax on Average Value Residential Property

(APPENDIX to Police Financing Report - April 2006)

	Estimated 2005 Population	Police Tax Amount Apportioned to Jurisdiction	2005 Value of Average SFD/Res Property	Police Tax on Average SFD/Res Property
Sunshine Coast				
Gibsons	4,349	\$200,419	\$282,084	\$90
Electoral Areas				
A	2,622	\$206,134	\$228,312	\$54
B	2,599	\$147,139	\$295,033	\$71
D	3,412	\$164,830	\$385,836	\$103
E	3,657	\$129,112	\$251,263	\$77
F	2,177	\$396,927	\$241,780	\$71

For communities with populations over 5,000 the B.C. government transfers 100 percent of net revenues from traffic violations to municipalities that are directly responsible for paying for policing. This provides municipalities additional funds to support community safety and address local policing priorities.

Transfer grant amounts are based on a municipality's policing costs relative to the total policing costs paid by all municipalities.

Powell River and Sechelt both receive traffic fine revenues based on this model as these populations are more than 5,000.

The District of Sechelt has a policy regarding Management of Traffic Fine Revenue which suggests use of funds for reducing vandalism, police ability to deal with drug issues, community awareness of criminal activity, caring for victims of crime, reducing traffic fatalities and awareness, and youth workers to reduce levels of crime. The monies received are distributed as follows: 40% to RCMP Based Standing Programs, 40% to Other Standing Programs, 10% to skateboard park for maintenance, development and insurance, and 10% for one-time grant applications.

Breakdown provided by the Union of British Columbia Municipalities (UBCM):

Municipalities	Number	*Authorized Strength Police Officers	Population
Own Department	12	2,443	1,327,643
Over 15,000 RCMP	31	3,375	2,515,121
5,000-14,999 RCMP	34	444	305,959
*Total Municipalities	77	6,262	4,148,723
Provincial RCMP -		2,602	664,914
Federal RCMP -		1,059	

First Nations 1 Self-Administered Police	10	3,523
FN Community Policing 132 Service Communities	108.5	
Total - All BC -	10,041.5	4,817,160

***Authorized strength** represents the maximum number of positions that the detachment or department has been authorized to fill as of December 31st of each calendar year

Per Drive Smart BC article, there are changes coming for 2020 based on changes that the province has made or is contemplating to modernize the traffic ticket system:

- Expanding the red light Intersection Safety Camera (ISC) to operate continuously
- Implementing speed activated ISCs
- Implementing electronic traffic ticketing
- Potentially replacing the traffic courts with an administrative justice tribunal

STRATEGIC PLAN AND RELATED POLICIES

Regional Collaboration and Partnership and Advocacy reflect the focus of this report as the Municipalities' populations continue to grow there may be opportunity to benefit from the Traffic Fine Revenue Program.

CONCLUSION

The Board requested an update of the RCMP funding model for Rural Areas and how traffic fine revenues are allocated within that funding model. This report is provided for information only.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO	X – D. McKinley	Other	X – T. Crosby

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 23, 2020

AUTHOR: Julie Clark, Planner 1 / Senior Planner

SUBJECT: BC TIMBER SALES (BCTS) OPERATING PLAN 2020-2024, FOLLOW UP

RECOMMENDATIONS

THAT the report titled BC Timber Sales (BCTS) Operating Plan 2020-2024, Follow Up be received;

AND THAT staff invite the Province to make a presentation to Planning and Community Development Committee to outline the MLUP process, scope, timeline and stakeholders for the Sunshine Coast, and how this process relates to the landscape level planning BCTS has referenced in communications with the Sunshine Coast Regional District.

BACKGROUND

BC Timber Sales (BCTS) has an annual referral process to gather feedback from the public on forestry plans for the upcoming 5 years. In addition to inviting public feedback, the Operating Plan is referred to a number of specific agencies to provide comment within their scope of work.

SCRD's technical review of the 2020-2024 Operating Plan was presented to the Planning and Community Development (PCD) Committee on April 9, 2020. The [staff report](#) is Annex B in the linked agenda package.

During the April 9, 2020 PCD meeting the Committee received communications from Elphinstone Logging Focus, including a set of recommendations they requested to be added to the staff recommendations and submitted to BCTS. This communication is included here as Attachment A.

Staff were asked to follow up with a technical review of ELF's recommendations. In conducting this analysis, staff differentiated between areas of SCRD mandate/service/service impacts and conservation advocacy. SCRD does not have planning expertise or capacity (or a mandate) to conduct detailed analysis of wildlife habitat or heritage resources – or of the implications of timber harvest or risk mitigation measures on these areas. Accordingly, many of ELF's comments are best addressed directly to the Province as the responsible body for regulation of wildlife and provincial lands.

ELF's work to research and prepare these points is acknowledged. Environmental conservation groups such as ELF perform a valued role in natural resource management decision-making.

Consideration of each of ELF's points is provided below.

DISCUSSION

ELF recommendations

Staff have prepared the following information for the committee's review. ELF's recommendations are in bold, followed by a list of staff comments, including whether the recommendation falls within SCRD service area or is advocacy-related.

a. SCRD is opposed to proposed blocks that are situated directly in the Mt. Elphinstone Provincial Park expansion area (OCP Bylaw 641), i.e.: A67026 (above Guy's Gulch Trail, running east above Roberts Creek) and blocks that overlap the park expansion boundaries, i.e.: A94817 and TA0021.

- This area is Provincial (Crown) Land, within BCTS Operating Area as designated by FLNRORD, and within the OCP area of Roberts Creek (see Attachment B)
- According to SCRD spatial layers:
 - A67026 outside proposed park expansion (see Attachment C)
 - A94817 outside proposed park expansion (see Attachment C)
- Staff recently learned that ELF are using a different set of park expansion boundaries than SCRD, underpinned by the assumption that existing roads would eventually form boundaries (Attachment D)
- The proposed park expansion is an idea contained in the [Roberts Creek OCP](#) which consists of:
 - Polygon on Map 2
 - Parks, Trails and Recreation introduction:
 - Although Mount Elphinstone Provincial Park has been established, there is no management plan in place for its three separate pieces that have no interconnection, and that needs to be addressed. The OCP supports the expansion of Mount Elphinstone Park to the full 1500 hectares originally requested for the lower elevations of the mountain to protect its many diverse habitats (tailed frog and mushrooms, particularly).
 - OCP Objectives, Section 8: a range of objectives to support many types of parks uses
 - OCP Policy 8.2.5:
 - 5) Provincial Park: 3 separate blocks of land on Mt. Elphinstone - approximately 140 Ha (346 acres) total SCRD should work with the Skwxwú7mesh Nation to acquire or protect the horseshoe patch in largest block for inclusion in the Mt Elphinstone Park. Build or protect trails to link the 3 blocks. SCRD should pursue management and ownership of existing trails i.e. Wagon Trail
- The underlying value is clear in the OCP. The need for biodiversity conservation and corridor protection on the Coast is also clear. The OCP objectives and policy direction need clarifying or operationalizing to be specifically actionable in this area of land that is owned by the Province within the BCTS Operating Area. Further, this conversation belongs alongside a broader planning process for conservation values on the Coast, corridor protection and sustainable harvesting /resource extraction. The lack of process and clarity has made for some challenging discussions over the years about the proposed expansion

- The Modernized Land Use Planning (MLUP) process could be key to informing and advocating for a future specific direction for the proposed expansion of Elphinstone Provincial Park
- b. **SCRD is opposed to all blocks preceding until such time that the Modernized Land Use Plan between the province and shíshálh Nation is completed. SCRD is opposed to what is commonly called a "Talk and Log" approach before new public policy is enacted.**
- MLUP is a Provincial land use planning process
 - Under the Foundation Agreement between the shíshálh Nation and the Province, a strategic land use planning process is agreed to take place in the next 4 years
 - Staff are unclear whether this process (beyond the specific process driven by the Foundation Agreement) includes territory east of the swiya line (Sḵwxwú7mesh Nation territory) or only shíshálh Nation territory
 - Please see Attachment D to note the majority of the proposed blocks on Elphinstone are located east of the swiya line and do not fall within the shíshálh Nation territory
 - Staff recommend seeking clarification from the Province, shíshálh and Sḵwxwú7mesh Nations about the scope, timeline and stakeholders of the MLUP process.
 - Taking a position on the high-level administration of or interrelationship between provincial or First Nations land use planning and forestry is beyond the scope of SCRD services and is an advocacy matter.
- c. **SCRD is opposed to BCTS Blk TA0526 (planned for 2024) within the Chapman Creek Drinking Watershed. SCRD and shíshálh Nation have a Joint Watershed Management Agreement that states both levels of government oppose commercial logging in the Chapman Drinking Watershed. SCRD will be seeking legal counsel on this matter.**
- TA0526 (blocks G052B4R8 and G042B4RC) were reviewed based on their proximity to Chapman community watershed boundaries.
 - Each are outside the boundaries for the watershed according to SCRD and BCTS mapping and as a result were not highlighted in the staff report (Attachment B)
- d. **SCRD is opposed to logging plans in the Dakota Community Watershed, specifically Blk A87126 due to research that has been completed by qualified professionals (McCrory and Millennia Research) showing that the area has a high black bear den population and that Culturally Modified Trees (CMTs) have been registered by The Archeology Department.**
- Bear Dens – staff were unable to locate Provincial legislation that speaks to bears or bear dens
 - Culturally Modified Trees – Provincial legislation, Heritage Conservation Act
 - Not an SCRD service area. Advocacy recommendation

e. BCTS to provide 3 tree lengths, or up to 150m buffer around in undisputed blocks that intersect or run parallel to all community hiking and biking trails.

- SCRD does not have existing trails in proximity to these blocks
- Staff do not have a comment on the adequacy or inadequacy of any particular buffer that may or may not be applied
- Sunshine Coast Trails Society (SCTS) is the umbrella organization working closely with Rec Sites and Trails BC to improve recreational access, exploration and enjoyment within crown land. Staff's understanding is that SCTS and BCTS have built a collaborative relationship to manage forestry impacts to authorized and unauthorized trails on the Coast, using best practices.
- As a large percentage of community hiking and biking trails on the Coast are unauthorized, this advocacy is best to come from Sunshine Coast Trails Society.

f. That BCTS logging plans to comply with the *Heritage Conservation Act* and that these reviews are shared with the SCRD in advance of any activities.

- Existing SCRD recommendation No.5 on page 22 of April 9 PCD agenda includes compliance with *Heritage Conservation Act*
- All users of land are obliged to adhere to the *Heritage Conservation Act*
- SCRD does not have the ability or mandate to be a watchdog or enforce Provincial government legislation (*Heritage Conservation Act*)
- Not an SCRD service area

g. That all BCTS blocks comply with the Forest Practices Board recommendations from their report "Managing At-Risk Plant Communities near Mount Elphinstone Park" and the FLNRORD protocols that address new forest management objectives for managing blue and red listed plant communities that flow from that report.

- Not an SCRD service area.

h. That FLNRORD provide staff with an updated report that addresses the above strategies.

- Staff recommend that updates from the Province be sought in the areas of SCRD service areas, and in particular clarification re MLUP
- SCRD staff have encouraged ELF to submit these recommendations to both BCTS and FLNRORD, and as acknowledged earlier in this report, this work is a valued part of natural resource decision planning and decision making

Analysis

ELF's recommendations speak to a lack of trust in the process of planning, harvesting, monitoring and communicating impacts of forestry activity. Staff note that recommendations from ELF that suggest SCRD has a role to play in process-checking or enforcing Provincial government legislation (*Heritage Conservation Act*, comply with Forest Practices Board) is evidence of the lack of trust.

Staff have observed similar responses and overarching concerns in discussions regarding the proposed blocks in the North Lake Area, the Reed Road Forest / DL 1313 engagement.

SCRD is not positioned (in authority or staffing) to address the challenge of community trust in forestry or other companies, holistic forestry planning, inter-ministry permissions before work takes place or the science of monitoring of impacts that accumulate over time. This statement is not meant to absolve SCRD of care or responsibility. Simply put, SCRD is obligated by the *Local Government Act* to work within established service areas (functions). Coordinated information sharing with groups such as ELF is a way that SCRD can support overall better planning and decision making within the region.

Beyond specific service areas, SCRD can advocate. SCRD is positioned to advocate with the Province for root causes to be addressed, for systems within and between Ministries to be improved, to demonstrate the community's wish for resource extraction that is responsive the current and anticipated complexities of social, environmental, cultural and economic systems on the Coast.

Advocacy of this nature is best directed to the Ministers or Ministries of corresponding Provincial legislation. As BCTS's scope of work is limited to the marketing of timber, advocacy needs to go beyond just BCTS.

Staff feel that it is important to note that when SCRD has raised specific concerns with BCTS that are within their scope of work, such as Suncoaster Trail impacts, BCTS has responded and addressed concerns. Similarly, staff note BCTS has worked to build a collaborative relationship with the Sunshine Coast Trail Society to mitigate trail impacts on the Coast for both authorized and unauthorized trails.

Organization and Intergovernmental Implications

The SCRD and BCTS signed a communication protocol on June 2, 2014. The protocol ensures that BCTS provides timely information about its operational plans and that the SCRD can provide comments back. Each successive year builds on previous years' plans as new field survey information is collected and stakeholder information is considered.

Staff will continue to work cooperatively with BCTS to identify future opportunities for community consultation.

In preparing this report, staff were in touch with ELF and understand that ELF has not submitted feedback to BCTS for the 2020 Operating Plan. In addition to the analysis below, SCRD encourages ELF and others to submit their comments directly to BCTS.

Timeline for next steps or estimated completion date

As per the Communication Protocol, the SCRD has 90 days to comment. The deadline for referral comments from SCRD is April 24, 2020.

Advisory Planning Commissions were scheduled to review the staff report in advance of the Planning and Community Development meeting. Advisory committee meetings have since been canceled due to the COVID-19 emergency. When APC meetings are reinitiated, the report will be referred to APCs and comments will be forwarded to BCTS.

Communications Strategy

BCTS is responsible for consultation related to the Operations Plan. SCRD reviews and in turn refers to Advisory committees for comment in advance of responding to the BCTS referral.

STRATEGIC PLAN AND RELATED POLICIES

Responding to BCTS's 2020-2024 Operating Plan calls on all of the pillars SCRD's 2019-2023 Strategic plan: climate resilience, advocacy, infrastructure and regional collaboration. A multidisciplinary, systems-thinking approach is required to address the concerns described in this report.

CONCLUSION

SCRD received communications from ELF with a request to incorporate further recommendations into SCRD response to BCTS's 2020-2024 Operating Plan. A review of ELF recommendations is provided for the committee.

As per the Communications Protocol, SCRD will respond by April, 24 2020. Advisory committee comments will be shared with BCTS when available.

Attachments

Attachment A – Correspondence from Elphinstone Logging Focus received April 9, 2020

Attachment B – 3D Map BCTS Operating Area

Attachment C – 3D Map Proposed expansion Mt Elphinstone Park, with BCTS blocks

Attachment D – 3D Map of Proposed expansion contrast SCRD and ELF

Reviewed by:			
Manager	X – D. Pady	Finance	
GM	X – I. Hall	Legislative	
CAO	X – D. McKinley	Other	

Received at April 9, 2020 Planning and Community Development Committee

Subject: Elphinstone Logging Focus Comments on BCTS Operating Plan (2020-2024)

From: Elphinstone Logging Focus <loggingfocus@gmail.com>

Sent: April 8, 2020 9:03 PM

To: Andreas Tize; Donna McMahon

Subject: SCRD Staff Report (April 9th)

Hello Andreas and Donna,

In reading over the Staff Recommendations for the BCTS Operating Plan (2020-2024), I would like to propose the following additions to be tabled as amendments.

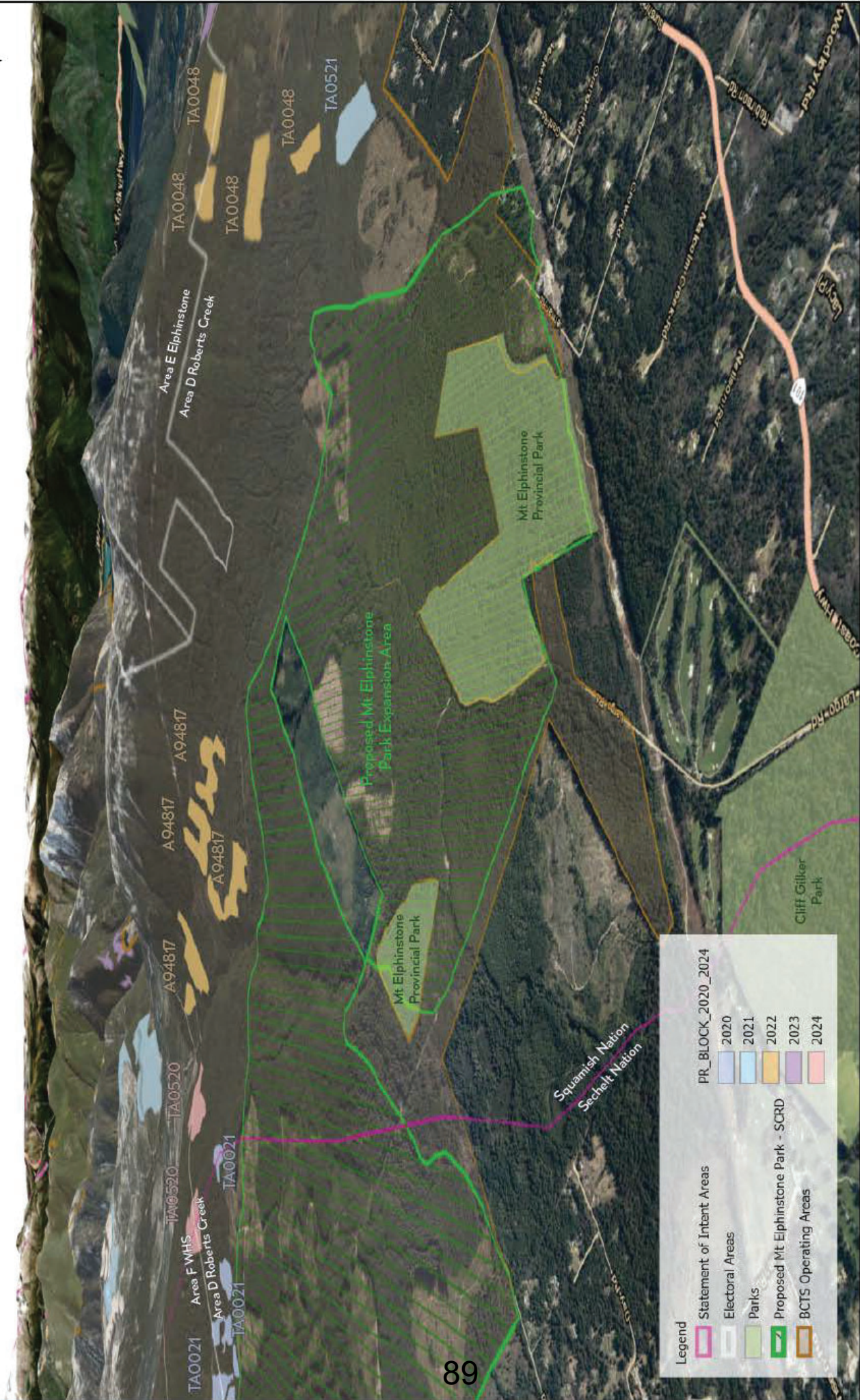
- SCRD is opposed to proposed blocks that are situated directly in the Mt. Elphinstone Provincial Park expansion area (OCP Bylaw 641), i.e.: A67026 (above Guy's Gultch Trail, running east above Roberts Creek) and blocks that overlap the park expansion boundaries, i.e.: A94817 and TA0021.
- SCRD is opposed to all blocks preceding until such time that the Modernized Land Use Plan between the province and shishalh Nation is completed. SCRD is opposed to what is commonly called a "Talk and Log" approach before new public policy is enacted.
- SCRD is opposed to BCTS Blk TA0526 (planned for 2024) within the Chapman Creek Drinking Watershed. SCRD and shishalh Nation have a Joint Watershed Management Agreement that states both levels of government oppose commercial logging in the Chapman Drinking Watershed. SCRD will be seeking legal counsel on this matter.
- SCRD is opposed to logging plans in the Dakota Community Watershed, specifically Blk A87126 due to research that has been completed by qualified professionals (McCrary and Millennia Research) showing that the area has a high black bear den population and that Culturally Modified Trees (CMTs) have been registered by The Archeology Department.
- BCTS to provide 3 tree lengths, or up to 150M buffer around in undisputed blocks that intersect or run parallel to all community hiking and biking trails.
- That BCTS logging plans to comply with the Heritage Conservation Act and that these reviews are shared with the SCRD in advance of any activities.
- That all BCTS blocks comply with the Forest Practices Board recommendations from their report "Managing At-Risk Plant Communities near Mount Elphinstone Park" and the FLNRORD protocols that address new forest management objectives for managing blue and red listed plant communities that flow from that report.
- That, FLNRORD provide Staff with an updated report that addresses the above strategies.

Note for submission to Board and Staff, the Dakota Bear Den Study, the Millennia Research on CMTs in A87126 reports can printed from: <https://loggingfocus.org/2015-research-reports/>

A link is provided to the Forest Practices Board mentioned report that contains the FLNRORD response.

Specially note, the Oct 11, 2018 reply from the ED, Coast Region that spells out a new approach to forest management that should be applied in blocks that are not disputed. <https://www.bcfpb.ca/wp-content/uploads/2018/11/IRC212-Elphinstone-Response-to-Recommendations.pdf>

Ross Muirhead
ELF: Lead Forest Campaigner
604-741-5392 (cell)



Mt Elphinstone Provincial Park Area and BCTS OPERATING AREA

This information has been compiled by the Sunshine Coast Regional District (SCRD) using data derived from a number of sources with varying levels of accuracy. The SCRD disclaims all responsibility for the accuracy or completeness of this information.



Mt Elphinstone Provincial Park Area and PROPOSED EXPANSION AREA

This information has been compiled by the Sunshine Coast Regional District (SCRD) using data derived from a number of sources with varying levels of accuracy. The SCRD disclaims all responsibility for the accuracy or completeness of this information.



Mt Elphinstone Provincial Park Area and PROPOSED EXPANSION AREA

This information has been compiled by the Sunshine Coast Regional District (SCRD) using data derived from a number of sources with varying levels of accuracy. The SCRD disclaims all responsibility for the accuracy or completeness of this information.

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 23, 2020

AUTHOR: Brad Wing, Financial Analyst

SUBJECT: GAS TAX COMMUNITY WORKS FUND UPDATE

RECOMMENDATION(S)

THAT the report titled Gas Tax Community Works Fund Update be received for information.

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, \$8,648,663 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 rural area 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, 2019 totaled \$5,726,685. This year's first installment payment totalling \$332,274 is expected to be received in late July. The second installment of \$332,274 is expected to be received in early December bringing the total available

funding for eligible projects in 2020 to \$6,391,233. Of this, \$377,643 is currently budgeted or committed for projects and \$6,013,590 remains uncommitted.

A summary of CWF allocations and funding commitments by Electoral Area for 2020 is provided in Table 1 below with more detailed information in Attachment A, titled Gas Tax Community Works Fund Summary of Commitments.

Table 1: Summary of Gas Tax Community Works Funding				
Electoral Area	Unspent Funding as at December 31, 2019	2020 Funding Allocations	2020 Funding Commitments	Uncommitted Funds for Available for 2020
Area A- Egmont/Pender Harbour	\$ 1,380,892	\$ 120,444	\$ -	\$ 1,501,336
Area B - Halfmoon Bay	884,755	125,124	(357,643)	652,236
Area D - Roberts Creek	1,188,127	157,026	(10,000)	1,335,153
Area E - Elphinstone	1,492,297	168,180	(10,000)	1,650,477
Area F - West Howe Sound	780,614	93,774	-	874,388
Totals	\$ 5,726,685	\$ 664,548	\$ (377,643)	\$ 6,013,590

Incomplete Projects

There are several incomplete projects which remain open on the SCRD's Annual Expenditure Report to UBCM. Expenditures to date for these projects have not yet resulted in a tangible capital asset, there is no further direction on the projects, and they were not included in the 2020-2024 Financial Plan. These projects are as follows:

Project Title	CWF Funding Applied
Gower Point Road Bicycle/Walking Path - Secret Beach to Gibsons	20,812
Redroofs Road Bicycle/Walking Path - Hwy 101 to Mintie Rd	24,036
Hwy 101 Bicycle/Walking Path Barrier Fencing at Chaster Creek	7,468
Lower Road Bicycle/Walking Path Remaining Sections	11,306
Roberts Creek Village to Pier Bicycle/Walking Path	10,153
Beach Avenue Bicycle/Walking Path from Flume Road South	2,957
Egmont Road Bicycle/Walking Path	5,393
Garden Bay Road Bicycle/Walking Path	6,793
	<u>\$ 88,918</u>

Staff, in coordination with AVICC Regional District members, worked with the Ministry of Transportation & Infrastructure (MoTI) and UBCM on an approach to developing active transportation infrastructure in MoTI right of ways that would allow the above noted projects to proceed.

The Board authorized the signing of the *Active Transportation Infrastructure Memorandum of Understanding* with the Ministry of Transportation and Infrastructure at its regular meeting on January 23, 2020 per resolution 015/20 No. 2. UBCM continues to consider the use of CWF funding for active transportation projects located on provincial lands.

Staff will bring a report to a future Committee on recommended next steps for these projects, along with funding recommendations and Financial Plan amendments.

STRATEGIC PLAN AND RELATED POLICIES

Gas Tax Community Works Funds are intended for capital purposes and, subject to eligibility requirements, can be considered as a funding strategy in the continued development and implementation of a comprehensive asset management strategy.

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 \$6,391,233 of CWF available to fund eligible projects in 2020. Of this, \$377,643 has been committed for projects and \$6,013,590 remains uncommitted.

Reviewed by:			
Manager		CFO/Finance	X-T. Perreault
GM	X – I. Hall	Legislative	
CAO	X – D. McKinley	Other	

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

**Gas Tax Community Works Fund
Summary of Commitments
2020 Funding Year**

		A	B	D	E	F	Total
CWF Funding	Function	<u>Z10159</u>	<u>Z10160</u>	<u>Z10161</u>	<u>Z10162</u>	<u>Z10163</u>	
Balance of 2019 Uncommitted Funds to 2020		\$ 1,346,720	\$ 507,390	\$ 1,151,205	\$ 1,447,134	\$ 757,058	\$ 5,209,507
2019 Interest Earned		34,172	19,722	26,922	35,163	23,556	139,535
Balance of 2019 Committed Funds to 2020 (Carry Forwards)			357,643	10,000	10,000	-	377,643
Funding Available as at December 31, 2019		\$ 1,380,892	\$ 884,755	\$ 1,188,127	\$ 1,492,297	\$ 780,614	\$ 5,726,685
2020 Anticipated Funding Allocation (based on 2016 Census data)							
First Installment (July)		60,222	62,562	78,513	84,090	46,887	332,274
Second Installment (December)		60,222	62,562	78,513	84,090	46,887	332,274
Funding Available for Projects in 2020		\$ 1,501,335	\$ 1,009,880	\$ 1,345,153	\$ 1,660,477	\$ 874,389	\$ 6,391,233
2020 Budgeted and Committed Funding							
Area B - Coopers Green Park - Hall & Parking Design Plans (CF)	650		57,643				57,643
Area B - Coopers Green Hall Replacement (Committed Funds per Res. 209/17 No. 3)	650		300,000				300,000
Area D&E - Lower Road - Ocean Beach Esplanade Connector Trail (CF)	650			10,000	10,000		20,000
		\$ -	\$ 357,643	\$ 10,000	\$ 10,000	\$ -	\$ 377,643
Uncommitted CWF Gas Tax Funds for 2020		\$ 1,501,335	\$ 652,237	\$ 1,335,153	\$ 1,650,477	\$ 874,389	\$ 6,013,590
CWF Funds allocation (per capita basis using 2016 Census data)		18.12%	18.83%	23.63%	25.31%	14.11%	100.00%

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 23, 2020

AUTHOR: Brad Wing, Financial Analyst

SUBJECT: STATUS OF OPERATING AND CAPITAL RESERVES AS AT MARCH 31, 2020

RECOMMENDATION(S)

THAT the report titled Status of Operating and Capital Reserves as at March 31, 2020 be received for information.

BACKGROUND

This purpose of this report is to provide the Committee with information regarding the status of the Sunshine Coast Regional District's (SCRD's) operating and capital reserves, which is provided on a semi-annual basis.

DISCUSSION

As at March 31, 2020 the Regional District had \$24,415,924 of reserve funds and \$7,954,599 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, high interest savings accounts, and individual corporate bond placements. In addition, the SCRD had \$1,855,354 of Landfill Closure Reserve funds invested in term deposits. Combined investments for the above noted funds totaled \$34,225,877.

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

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

Short term investments of tax requisition funds collected in August 2019 have been fully redeemed as of March 31, 2020.

Organizational and Intergovernmental Implications

Amended Financial Plan

Amendments to the 2020-2024 Financial Plan were enacted in response to the COVID-19 pandemic through the adoption of Bylaw No. 724.1 on March 31, 2020. These amendments included adjustments to budgeted transfers to and from reserves in order to mitigate the 2020

taxation increase. The total impact was a reduction in both taxation and the uncommitted reserve balances for taxing services of \$979,549 summarized as follows:

- Change funding source for one-time projects from taxation to reserves - \$223,712
- One-time reduction to budgeted reserve contributions in 2020 - \$306,620
- Defer 50% of increased reserve contributions for fire services to 2021 - \$87,500
- One-time transfers from operating reserves to mitigate tax increase - \$361,717

Provincial Response to Local Government COVID-19 Cash Flow Concerns

On April 16, 2020, the Provincial Government issued new measures intended to support local governments in addressing revenue and cash flow shortfalls as a result of COVID-19. These measures include *‘authorizing local governments to borrow, interest-free, from their existing capital reserves to help pay for operating expenses, such as employee salaries’*.

It is unclear at this time how this measure will apply in the Regional District framework given that each service must be accounted for separately. The current legislation with respect to Regional District reserve funds (*Local Government Act S.377(2)*) would not allow for one service to borrow funds interest free from another service.

Regardless of the above, this measure is simply an alternate form of short-term borrowing intended to address the cash flow impacts of COVID-19. Reserves would need to be replenished at a later date and savings on interest charges would be offset by reduced investment income. As a result, there would be no material financial benefit to the Regional District.

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 \$34,225,877 invested in term deposits, the MFA bond fund, high interest savings accounts and individual corporate bond placements as at March 31, 2020 for Reserves, Parkland Acquisition, DCC's, Gas Tax Community Works Funds and Landfill Closure Reserves. Short term investments of 2019 tax requisition funds have been fully redeemed as of March 31, 2020.

Differences between amounts set aside in reserves and amounts invested are due to the timing of investment transfers and short term cash flow requirements.

Attachments A to C – Investments of Reserves Tables

Reviewed by:			
Manager		CFO/Finance	X – T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

Attachment A
Investments of Reserves
As at March 31, 2020

Bylaw	Description	2019 Opening Balance	Transfers	YTD Interest	Closing Balance	Budgeted Transfers
General						
504	Administration - Capital	\$ 630	\$ -	\$ 6	\$ 637	\$ -
495	Administration - Vehicle Acquisition	42,976	-	422	43,398	-
648	Administration - Operating	430,694	(20,777)	4,150	414,067	(334,945)
648	Administration - Operating (Risk Management)	35,771	-	351	36,122	10,000
648	Finance - Operating	515,591	-	5,062	520,654	(125,000)
496	Office Building Upgrades - Capital	221,232	-	2,172	223,404	-
	Office Building Upgrades - Operating	16,884	-	166	17,050	-
648	Human Resources - Operating	222,116	-	2,181	224,297	(83,712)
504	Information Services - Capital	208,742	(96)	2,049	210,695	(60,233)
648	Information Services - Operating	51,119	-	502	51,621	-
648	Area D Grant in Aid - Operating	3,259	-	32	3,291	-
648	Elections - Operating	170,495	-	1,674	172,169	(50,000)
648	Corporate Sustainability - Operating	115,109	-	1,130	116,240	(19,328)
648	Regional Sustainability - Operating	66,844	-	656	67,500	(1,828)
	Feasibility Studies - Area B	27,185	-	267	27,452	(26,472)
	Feasibility Studies - Area D	27,185	-	267	27,452	(26,472)
649	Bylaw Enforcement - Vehicle Acquisition	64,791	-	636	65,427	-
677	Bylaw Enforcement - Operating	57,646	-	566	58,212	(1,664)
	Halfmoon Bay Smoke Control - Operating	2,670	-	26	2,696	(1,044)
650	Roberts Creek Smoke Control - Operating	12,874	-	126	13,000	(1,044)
497	Gibsons and District Fire Protection - Land	42,317	-	416	42,733	-
489	Gibsons and District Fire Protection - Capital	310,632	(4,203)	3,050	309,480	49,036
678	Gibsons and District Fire Protection - Operating	62,016	-	609	62,625	-
490	Roberts Creek Fire Protection - Capital	489,742	-	4,809	494,551	(377,500)
679	Roberts Creek Fire Protection - Operating	138,504	-	1,360	139,864	(5,000)
491	Halfmoon Bay Fire Protection - Capital	449,548	-	4,414	453,962	(257,500)
	Halfmoon Bay Fire Protection - Operating	36,812	-	361	37,173	(7,000)
601	Egmont Fire Protection - Capital	120,408	-	1,182	121,590	2,500
	Egmont Fire Protection - Operating	45,043	-	442	45,485	-
492	Emergency Telephone 911 - Capital	662,874	-	6,508	669,383	(475,100)
	Emergency Telephone 911 - Operating	35,067	-	344	35,411	(26,814)
493	Sunshine Coast Emergency Planning - Capital	36,404	-	357	36,761	-
	Sunshine Coast Emergency Planning - Operating	69,210	-	680	69,890	(21,869)
651	Animal Control - Vehicle Acquisition	52,781	-	518	53,299	-
680	Animal Control - Operating	118,652	-	1,165	119,817	(1,664)
529	Transit - Capital	-	-	-	-	-
652	Transit - Operating	213,088	-	2,092	215,180	(6,000)
563	Fleet Maintenance - Capital	105,078	-	1,032	106,110	(77,057)
	Fleet Maintenance - Operating	113,961	-	1,119	115,080	(10,000)
	Building Maintenance - Operating	59,403	-	583	59,986	-
486	Ports - Capital	687,857	(39,950)	6,686	654,593	(192,006)
607	Ports - Operating	61,587	-	605	62,192	(22,000)
653	Regional Solid Waste - Operating	52,452	-	515	52,967	-
670	Zero Waste Initiatives (Eco Fee) - Operating	277,563	5,190	2,740	285,493	(93)
653	Landfill - Operating	54,683	-	537	55,220	29,514
654	Refuse Collection - Operating	252,083	-	2,475	254,558	(215,358)
655	Cemetery - Operating	346,527	-	3,402	349,929	(25,000)
515	Pender Harbour Health Clinic - Capital	56,360	-	553	56,914	(20,000)
681	Regional Planning - Operating	79,773	-	783	80,556	(50,000)
656	Rural Planning - Vehicle Acquisition	18,182	-	179	18,360	-
657	Rural Planning - Operating	73,280	-	720	74,000	(18,285)
504	Property Information & Mapping - Capital	61,797	-	607	62,404	-
648	Property Information & Mapping - Operating	178,000	-	1,748	179,747	(30,000)
	Civic Addressing - Operating	113,971	-	1,119	115,090	(25,000)
659	Building Inspection - Vehicles Acquisition	67,761	-	665	68,426	(50,000)
	Building Inspection - Operating	952,968	-	9,357	962,324	(7,775)
715	Hillside - Operating	808,375	-	7,937	816,312	(32,963)
590	Community Recreation Facilities - Capital	2,049,694	(207,648)	19,763	1,861,809	(616,639)
682	Community Recreation Facilities - Operating	317,010	-	3,113	320,123	(224,000)
494	Pender Harbour Pool - Capital	71,485	-	702	72,187	(54,190)
660	Pender Harbour Pool - Operating	187,771	-	1,844	189,614	-
	School Facilities - Joint Use - Operating	-	-	-	-	-
609	Gibsons & Area Library - Capital	77,179	-	758	77,937	-
	Gibsons & Area Library - Operating	25,536	-	251	25,787	-
533	Community Parks - Capital	492,818	(47,468)	4,598	449,947	(424,346)
662	Community Parks - Operating	214,392	-	2,105	216,497	(80,451)
683	Bicycle and Walking Paths - Operating	240,503	-	2,361	242,865	(11,717)
	Area A - Bicycle and Walking Paths - Operating	84,086	-	826	84,911	-
	Regional Recreation Programs - Operating	(0)	-	-	(0)	-
	Dakota Ridge - Operating	279,320	-	2,742	282,063	(58,500)
Total General Reserve Funds		\$ 13,638,366	\$ (314,952)	\$ 133,172	\$ 13,456,586	\$ (4,064,519)

Attachment A
Investments of Reserves
As at March 31, 2020

Page 2 of 2

Bylaw	Description	2019 Opening Balance	Transfers	YTD Interest	Closing Balance	Budgeted Transfers
Water Services						
589	North Pender Harbour - Capital	\$ 297,654	\$ (83,278)	\$ 2,500	\$ 216,876	\$ 25,778
605	North Pender Harbour - Operating	234,158	-	2,299	236,458	(194,629)
602	South Pender Harbour - Capital	523,408	(13,701)	5,141	514,848	(77,000)
663	South Pender Harbour - Operating	661,211	-	6,492	667,703	(150,073)
488	Regional - Capital	5,730,827	(74,393)	55,944	5,712,377	(1,561,079)
498	Regional - Land	17,913	-	176	18,089	-
664	Regional - Operating	3,108,916	(8,733)	30,487	3,130,670	(1,183,584)
Total Water Services Reserves		\$ 10,574,086	\$ (180,106)	\$ 103,039	\$ 10,497,020	\$ (3,140,587)
Waste Water Plants						
512	Greaves Road - Capital	\$ 2,628	\$ -	\$ 26	\$ 2,654	\$ 612
608	Greaves Road - Operating	8,941	-	88	9,028	576
665	Woodcreek Park - Capital	25,619	-	252	25,870	7,446
666	Woodcreek Park - Operating	179,058	-	1,758	180,816	(50,074)
512	Sunnyside - Capital	17,958	-	176	18,135	1,122
608	Sunnyside - Operating	8,713	-	86	8,799	3,212
512	Jolly Roger - Capital	36,454	-	358	36,812	3,162
608	Jolly Roger - Operating	12,878	-	126	13,004	(646)
512	Secret Cove - Capital	9,786	-	96	9,882	3,060
608	Secret Cove - Operating	27,149	-	267	27,416	1,776
512	Lee Bay - Capital	239,844	-	2,355	242,199	17,952
608	Lee Bay - Operating	295,264	-	2,899	298,163	(37,030)
512	Square Bay - Capital	56,197	(5,997)	543	50,743	(11,362)
608	Square Bay - Operating	81,858	-	804	82,662	(25,342)
512	Langdale - Capital	-	-	-	-	4,080
608	Langdale - Operating	37,141	-	365	37,506	(3,472)
512	Canoe Road - Capital	3,210	-	32	3,242	(139)
608	Canoe Rd - Operating	519	-	5	524	2,972
512	Merrill Crescent - Capital	-	-	-	-	436
608	Merrill Crescent - Operating	3,088	-	30	3,118	2,089
512	Curran Road - Capital	19,695	-	193	19,889	10,710
608	Curran Road - Operating	81,605	-	801	82,406	(37,663)
512	Roberts Creek Co-Housing - Capital	2,528	-	25	2,552	6,324
608	Roberts Creek Co-Housing - Operating	46,866	-	460	47,327	(11,016)
667	Lily Lake Village - Operating	56,700	-	557	57,257	(400)
668	Painted Boat - Capital	1,777	-	17	1,794	3,468
669	Painted Boat - Operating	61,584	-	605	62,188	1,500
Total Waste Water Plants Reserves		\$ 1,317,059	\$ (5,997)	\$ 12,923	\$ 1,323,984	\$ (106,647)
Total Reserve Funds		\$ 25,529,510	\$ (501,054)	\$ 249,134	\$ 25,277,590	\$ (7,311,753)
					Investments	\$ 24,415,924
					Accrued Interest	\$ 276,696
					Over/ (Under) Subscribed	\$ (584,970)

Attachment B
Investments of Landfill Closure Reserve
As at March 31, 2020

Account	Opening Balances	YTD Interest	Transfers To (From)	Closing Balance
Pender Harbour Landfill Closure Liability	\$ 450,043		-	\$ 450,043
Pender Harbour (Unfunded)	(450,043)	-	-	(450,043)
Net Funded Liability	-			-
Sechelt Landfill Closure Liability	6,438,462		-	6,438,462
Sechelt Landfill (Unfunded)	(4,566,697)	13,634	-	(4,553,063)
Net Funded Liability	1,871,765			1,885,399
				-
Total Landfill Closure Reserve	\$ 1,871,765	13,634	-	\$ 1,885,399

Investments	1,855,354
Accrued Interest	31,062
Over (Under) Subscribed	1,016

Attachment C
Investments of Gas Tax, Parkland Acquisition and Development Costs Charges
As at March 31, 2020

Description	Opening Balance	Transfers	YTD Interest	Closing Balance
Gas Tax Community Works Fund				
Area A	\$ 1,380,892	\$ -	\$ 15,292	\$ 1,396,184
Area B	884,755	-	9,798	894,553
Area D	1,188,127	-	13,157	1,201,285
Area E	1,492,297	-	16,526	1,508,823
Area F	780,614	-	8,645	789,258
Parkland Acquisition	635,151	-	7,034	642,185
Development Cost Charges				
North Pender Harbour Water Service	36,997	-	410	37,406
South Pender Harbour Water Service	163,016	-	1,805	164,821
Regional Water Service	1,939,120	42,414	21,574	2,003,109
Totals	\$ 8,500,969	\$ 42,414	\$ 94,241	\$ 8,637,624

Investments	\$ 7,954,599
Accrued Interest	24,539
Over/ (Under) Subscribed	\$ (658,486)

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 23, 2020

AUTHOR: Sherry Reid, Corporate Officer

SUBJECT: 2020 UNION OF BRITISH COLUMBIA MUNICIPALITIES (UBCM) RESOLUTIONS

RECOMMENDATION(S)

THAT the report titled 2020 Union of British Columbia Municipalities (UBCM) Resolutions be received;

AND THAT the draft proposed resolutions be approved or amended and forwarded to UBCM for consideration at the 2020 UBCM Convention.

BACKGROUND

The UBCM Convention is scheduled to be held in Victoria from September 21-25, 2020. The annual convention provides members with the opportunity to bring forward issues and concerns from their communities through resolutions and debate.

UBCM urges members to submit resolutions through their Area Associations for consideration. The Sunshine Coast Regional District (SCRD) has submitted six resolutions through the Association of Vancouver Island and Coastal Communities (AVICC) as follows:

1. Business Licensing Authority for Regional Districts;
2. Marine Debris;
3. Medical Cannabis Safety Concerns;
4. Stormwater Management;
5. Secondary Rural Road Maintenance; and,
6. Abandoned Vehicles.

Due to the cancellation of the April 2020 AVICC convention, the above resolutions were not presented for endorsement by the AVICC membership, however, AVICC has automatically forwarded all resolutions to UBCM for consideration at the upcoming September 2020 Convention.

Further to the above, the Board has identified additional resolutions to be prepared on the topics of Police Based Victim Services and the BC Recycling Regulation as follows:

025/20 **Recommendation No. 4** *Provincial Advocacy for RCMP and Police Based Victim Services*

THAT a Union of BC Municipalities (UBCM) resolution be prepared on the topic of Police Based Victim Services;

AND THAT the Sunshine Coast local governments write a letter to the responsible Provincial and Federal Ministries or organizations in support of Police Based Victims Services programs and funding;

AND FURTHER THAT the letter be copied to Nicholas Simons, MLA Sunshine Coast – Powell River, and other Regional Districts who have previously submitted UBCM resolutions on the topic of Police Based Victims Services.

069/20 **Recommendation No. 6** *Industrial, Commercial and Institutional (ICI) Recycling Considerations*

THAT the report titled Industrial, Commercial and Institutional (ICI) Recycling Considerations be received;

AND THAT the Industrial, Commercial and Institutional sector utilize existing recycling services;

AND THAT the SCRD Board send a letter to the BC Ministry of Environment and Climate Change Strategy requesting the BC Recycling Regulation be amended to include Industrial, Commercial and Institutional Packaging and Paper Products;

AND THAT the District of Sechelt, Town of Gibsons, Islands Trust, Sechelt Indian Government District and School District No. 46 be added as signatories to the letter to the BC Ministry of Environment and Climate Change Strategy;

AND FURTHER THAT the SCRD bring forward a resolution to UBCM regarding an amendment to the BC Recycling Regulation to include Industrial, Commercial and Institutional Packaging and Paper Products.

DISCUSSION

Staff have prepared draft resolutions on the topics of Police Based Victims Services and the BC Recycling Regulation as follows:

Police Based Victim Services

Staff have drafted the following resolution for Police Based Victim Services which takes into consideration previous SCRD Board directives as well as previous resolutions endorsed by the UBCM on the same topic:

WHEREAS the Ministry of Public Safety and Solicitor General has primary responsibility for funding Police Based Victim Services programs and local governments are being requested to cost-share funding programs in communities that contribute to policing costs;

AND WHEREAS the existing funding structure may create instability and capacity challenges for Police Based Victim Services programs reliant on a level of funding certainty in order to adequately plan, deliver and sustain programs that support the safety needs of victims and communities:

THEREFORE BE IT RESOLVED THAT UBCM request the Ministry of Public Safety and Solicitor General fully fund Police Based Victim Services programs to ensure they are adequately funded on an ongoing basis to support and sustain the need for victim services in communities throughout BC.

BC Recycling Regulation

In drafting a resolution to request an amendment to Recycling Regulation 449/204 under the authority of the *Environmental Management Act*, staff considered the “Industrial, Commercial And Institutional (ICI) Recycling Considerations” report to the February 20, 2020 Infrastructure Services Committee, as well as resolutions that were previously submitted to UBCM on the same or similar topic. In 2018, a resolution sponsored by the Thompson Nicola Regional District (TNRD) was endorsed by the UBCM membership that requested the same amendment to the Recycling Regulation to “include the Industrial, Commercial and Institutional sector in the requirement for Extended Producer Responsibility Plans for Packaging and Printed Paper.”

The Ministry of Environment and Climate Change Strategy responded as follows:

The Ministry greatly appreciates local government support of the Recycling Regulation (the regulation) and the desire to expand the regulation to include ICI packaging. This regulation is an important part of British Columbia’s work towards zero waste and supporting a circular economy.

B.C. is proud of being a leader in North America for Extended Producer Responsibility

(EPR) programs with more programs having higher capture rates than any other North American jurisdiction. The Ministry has been focused on pursuing continuous improvement with our 22 existing EPR programs, and will consider expanding B.C.’s EPR programs as part of our commitment to the Canadian Council of Ministers of Environment Canada-Wide Action Plan for Extended Producer Responsibility. This plan identifies several product categories for future inclusion in EPR programs, including ICI packaging and printed paper.

Local government engagement in EPR programs is paramount to continuing the strong legacy of EPR in B.C. The Ministry will continue to engage with local government as work progresses on further strengthening current programs, while beginning to prioritize options for future program expansion.

To date, no amendment has been made to the Recycling Regulation to include a product category for Industrial, Commercial and Institutional Packaging and Paper Products. As such, a resolution has been prepared for the Committee’s consideration as follows:

WHEREAS resolution 2018-B68 ‘Packaging and Printed Paper Recycling Regulation Amendment’ was previously endorsed by the UBCM membership;

AND WHEREAS the Province has indicated it will consider expanding BC's Extended Producer Responsibility (EPR) programs for future inclusion of Industrial, Commercial and Institutional (ICI) packaging and paper products as part of their commitment to the Canadian Council of Ministers of Environment Canada-Wide Action Plan for Extended Producer Responsibility:

THEREFORE BE IT RESOLVED THAT UBCM re-affirm support for amending the Recycling Regulation to expand BC's Extended Producer Responsibility (EPR) programs to include product categories for Industrial, Commercial and Institutional packaging and paper products.

Timeline for next steps or estimated completion date

UBCM Resolutions must be finalized and adopted no later than the June 25, 2020 Board meeting in order to meet UBCM's June 30 submission deadline. If amendments are identified, staff will present them for consideration at the May 28, 2020 Corporate and Administrative Services Committee meeting prior to forwarding them to the June 25 Board meeting for final consideration.

STRATEGIC PLAN AND RELATED POLICIES

Submission of resolutions to UBCM is in alignment with SCRD's strategic focus areas for Advocacy, and Regional Collaboration and Partnership.

CONCLUSION

Staff recommend the Committee amend or approve the proposed resolutions which will be forwarded to UBCM by June 30 deadline for consideration at the 2020 UBCM Convention.

Reviewed by:			
Manager	X – R. Cooper	CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Other	

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 23, 2020

AUTHOR: Valerie Cropp – Manager, Purchasing and Risk Management

SUBJECT: **CONTRACTS BETWEEN \$50,000 AND \$100,000 FROM JANUARY 1 TO MARCH 31, 2020**

RECOMMENDATION

THAT the report titled Contracts between \$50,000 and \$100,000 from January 1 to March 31, 2020 be received for information.

BACKGROUND

The Sunshine Coast Regional District's (SCRD) Delegation Bylaw No. 710 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

A total of 171 contracts/purchase orders were issued during the time period January 1 to March 31, 2020 with one valued between \$50,000 and \$100,000.

	Supplier	Account Code	Awarded	Budget
1.	Associated Engineering (BC) Ltd 1937003 Chapman Water Treatment Plant Chlorination System Upgrade	370 - Water	\$ 88,343	Capital

STRATEGIC PLAN AND RELATED POLICIES

The disclosure of Contract Awards aligns with the Board's Purchasing Policy, Delegation Bylaw and the value of transparency.

CONCLUSION

SCRD Delegation Bylaw No. 710 requires that a report be provided quarterly to Committee on contracts between \$50,000 and \$100,000.

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

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Corporate and Administrative Services Committee – April 23, 2020

AUTHOR: Michelle Goetz, Accounts Payable Technician

SUBJECT: DIRECTOR CONSTITUENCY AND TRAVEL EXPENSES FOR PERIOD ENDING MARCH 31, 2020

RECOMMENDATION

THAT the report titled Director Constituency and Travel Expenses for Period Ending March 31, 2020 be received for information.

BACKGROUND

The 2020 Financial Plan for line items Legislative Services Constituency Expenses and UBCM/AVICC Constituency Expenses provide a budget of \$20,300 (\$2,500 allowance per Director from [110] and \$1,000 for Electoral Area Directors from [130]) for the expense of running an elected official office. Based on historical use, the amount budgeted is less than the amount available under the policy. Travel Expenses within Legislative Services and UBCM/AVICC – Electoral Area Services provide an allowance of \$36,144 for mileage, meals, hotel and other various charges associated with travelling on Sunshine Coast Regional District (SCRD) business.

DISCUSSION

The total amount posted to Constituency Expenses for the period ending March 31, 2020 is \$6,817 leaving a surplus balance of \$13,483. The total amount posted to Legislative and UBCM/AVICC Travel Expenses is \$49,456 leaving a remaining balance of \$(13,312). Figures are based on expense reports submitted up to April 9, 2020 for the period ended March 31, 2020 and a breakdown by Director is provided below.

Detail	Constituency Expense	Travel Expense (Excluding GST)	Travel Expense (Alternate)
Director Area A	\$2,277	\$11,600	\$-
Director Area B	\$532	\$14,163	\$-
Director Area D	\$2,144	\$7,312	\$-
Director Area E	\$929	\$8,101	\$32
Director Area F	\$815	\$7,113	\$32
Director DOS (2)	\$120	\$39	\$-
Director TOG	\$-	\$1,064	\$-
Director SIGD	\$-	\$-	\$-
Totals	\$6,817	\$49,456	\$-
Budget	\$20,300	\$36,144	
Surplus (Deficit)	\$13,483	\$(13,312)	*
* Alternate included with Director travel totals.			

STRATEGIC PLAN AND RELATED POLICIES

The disclosure of Director Constituency and Travel Expenses aligns with the Financial Sustainability Policy.

CONCLUSION

The 2020 Financial Plan for Constituency Expenses and Travel Expenses provides a total budget of \$56,444. For the period ending March 31, 2020, the total amount posted to Constituency and Electoral Expenses is \$ 56,273 leaving a remaining balance of \$171.

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



Circular No. 20:12

April 2, 2020

To: All Regional District Financial Administrators

Re: Regional District Budgeting, Requisition, and Financial Reporting During Covid-19

The Ministry recognizes that the current Covid-19 situation creates questions and concerns about regional finance issues and may place administrative burdens on local governments. This circular sets out some things that the Ministry is doing in response, and some suggestions for what you can do right now.

We support your focus right now on the budget and tax requisition cycle because collection of tax revenue is imperative for continuity of regional operations. When considering regional operations and capital for the remainder of the year, I encourage you to practice good financial management, including: maintaining a strong level of cash assets, prioritizing core regional operations, and possibly deferring non-essential capital expenditures until this event passes.

To help you in this focus, this year the ministry will not be enforcing the statutory deadlines for audited financial statements and Local Government Data Entry (LGDE) forms, which are normally due on or before May 14 of each year. If you need to, you can defer these reports until later in the summer. If your regional district does have the resources to complete the submission on time, that would be helpful – but again, focus should be first on the budget and requisition cycle.

If the Covid-19 situation has impaired your normal budgeting process, please remember that you can adopt your 2020-24 financial plan based on year-two of your previous year's plan, with whatever alterations you deem appropriate for the upcoming year.

As some of you may be aware, the Federal Government recently launched the "COVID-19 Economic Response Plan", which provides certain forms of relief to residents and businesses in your community. For more information on this plan, please go to <https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>.

The Province also recently announced a \$5 billion suite of actions in the near term called the “Covid-19 Action Plan”. Including, “Business and light and major industry property classes will see their school property tax cut in half for the 2020 tax year, providing \$500 million in relief for business that own their property and for tenants on triple-net leases.” And, “Payments for Provincial Sales Tax (PST), employer health tax, municipal and regional district tax (hotel tax), carbon tax, motor fuel tax and tobacco tax are also deferred.” For more information on this plan, please go to <https://news.gov.bc.ca/releases/2020PREM0013-000545>.

As you are likely aware, on March 26, the Honourable Mike Farnworth the Minister of Public Safety and Solicitor General issued Ministerial Order (Order M083) under the Emergency Program Act to support the Provincial Health Officer and ensure joint, coordinated efforts among all governments in responding to the COVID-19 pandemic. Order M083 enables local governments to hold meetings electronically and without the public present and provides flexibility to adopt bylaws in one day. The full text of Order M083 can be found online at: http://www.bclaws.ca/civix/document/id/mo/mo/2020_m083.

Should you require further information, please contact you provincial analyst at <https://contacts.localgovernmentinformationsystem.gov.bc.ca/lgics.aspx>.

Also, I am encouraging all local governments, where possible, to submit their bylaws and LGDE reports electronically. We can still receive manual submissions (through mail), but the processing of mailed documents will take longer. Financial reports can be emailed to LGDE@gov.bc.ca and bylaws to LGgovernance@gov.bc.ca.

This is an initial circular to all regional districts. We are already planning for how the financial impacts of Covid could continue to unfold for local governments and their financial situations and we will be sharing additional follow up circulars.

I understand that these are difficult times, but please keep in mind that this is all temporary. If we all logically plan and cooperate collectively with one another, including cooperating with other local governments on expertise and experience, we can get through this while maintaining the local government finance system and critical services that system supports.

Sincerely,

A handwritten signature in black ink, appearing to read 'T Faganello', with a stylized flourish at the end.

Tara Faganello
Assistant Deputy Minister and Inspector of Municipalities
Local Government Division
Ministry of Municipal Affairs and Housing

Cc: Kaye Krishna, DM MAH
Liam Edwards and Sean Grant, MAH
Peter Urbanc, MFA
Gary MacIsaac, UBCM
Duncan Jillings, MoF
Jim Hopkins, MoF
Heather Wood, MoF
Kala Harris, GFOABA



March 29, 2020

Dear SCRD Board,

The Sunshine Coast is entering uncertain times with COVID-19. The community is responding by helping neighbours and donating to local not for profit organizations. Two weeks ago, we started the Flatten the Curve Facebook group, and now it has nearly 2000 members – all looking to help the Sunshine Coast get through this.

We now look to local governments to support our community's resiliency. **Today we are asking for the SCRD to substantially increase funds available through the grant in aid program.** These funds should be made available to local not for profits who are at the front lines of supporting those who need it most.

Not for profit organizations on the Sunshine Coast are our most valuable asset in recovering from COVID-19 and its associated impacts. Organizations such as food banks, seniors' centres, community services, homelessness services, and many others have been doing this work for years. They know how to work with marginalized citizens, and as more and more people lose their incomes, they are the ones who are best equipped to provide support. Demand for their services is going to increase, and we cannot wait for the province or the federal government to recognize the specific needs of the Sunshine Coast.

We recently formed the Sunshine Coast Community Task Force to coordinate the community's response to COVID-19. We will support the SCRD by identifying the greatest needs as the situation evolves. Specifically, our fundraising chair, Sechelt Councillor Matt McLean, will liaise with community organizations to determine financial need. He will also provide this information to the SCRD to help inform grant in aid decisions.

A similar request for funding is going to be made to the District of Sechelt, Town of Gibsons, shíshálh Nation, and School District 46.

Thank you for considering this funding request during your budget deliberations.

Jacqueline Gillis

Chair

Sunshine Coast Community Task Force

Matt McLean

Fundraising Chair

Sunshine Coast Community Task Force