

SPID Finance Report Fiscal 2017

I am pleased to submit the Finance Report for fiscal 2017.

Budgets

2017 Operating Budget

Through careful management of spending we were slightly under budget in the water department and moderately over budget in the fire department. Costs of administration increased resulting in an operational deficit of \$6,636.

Administration

Administration costs were \$3,074 over budget, mainly due to higher professional fees, insurance costs and water licensing fees.

Fire Department

Fire department costs were \$4,238 over budget primarily due to a higher than expected need to replace equipment and supplies.

Water Department

The water department costs were \$675 under budget due to savings in training, outside contractors, hydro and diesel generator maintenance.

Attached is the management comparison of 2017 actual costs against budget.

2018 Operating Budget

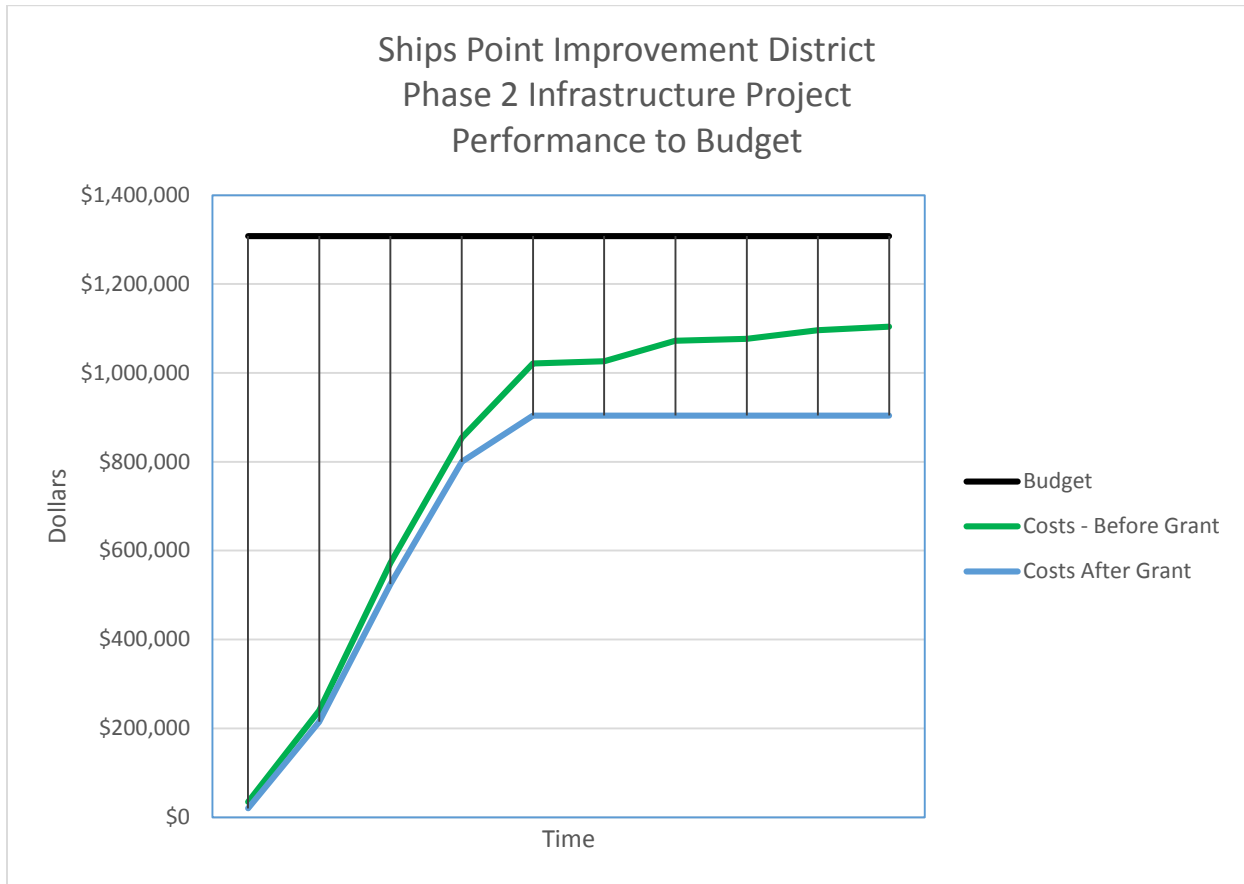
For 2018 we have budgeted for moderate cost decreases in administration and held the fire department budget at 2017 level. The budget for water operations is expected to increase significantly due to the on-streaming of our new water operator. In 2018, we have budgeted for a deficit of \$9,500. Other than the scheduled increase in the capital levy, taxes will not increase at this time to make up for the modest deficit.

Attached is the complete 2018 budget.

Water Infrastructure Renewal Budget

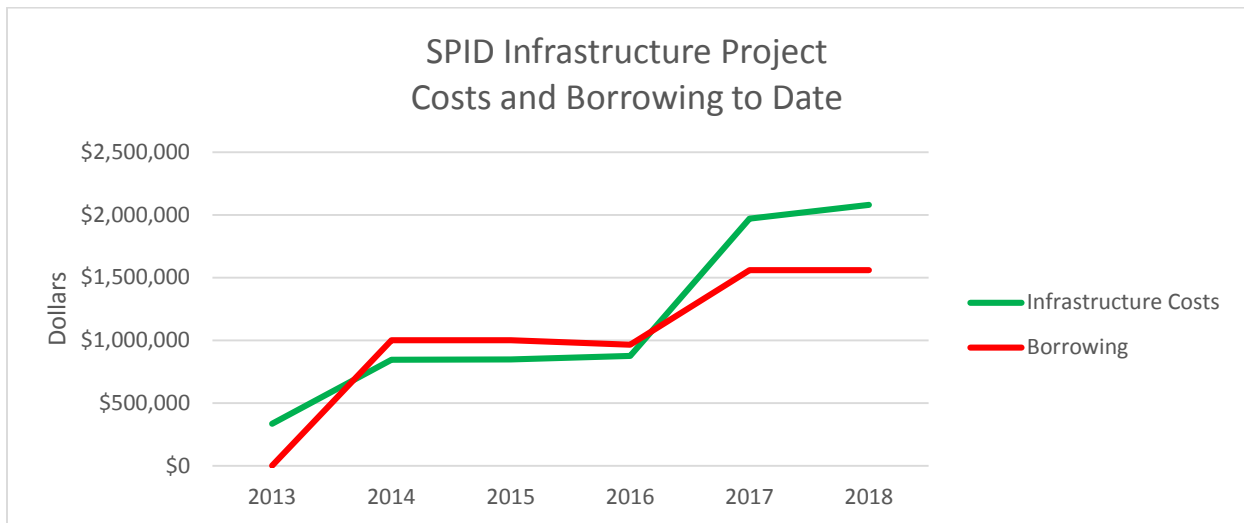
Through careful cost control, the construction of Phase 2 of the Water Infrastructure Renewal Project is under budget by approximately \$203,900 as illustrated in **Chart I**. SPID spent \$1,104,096 vs. a budget amount of \$1,307,989. SPID received a Canada 150 Grant for \$197,754 in 2017 and expects to receive an additional amount of \$2,246 in 2018, which in combination reduce costs by \$200,000 to \$904,096.

Chart I



As illustrated in **Chart II**, SPID has spent \$2,079,828 since inception of the project of which \$1,557,851 is borrowed.

Chart II



Financial Modelling

Following extensive financial modelling, the board concluded that:

1. The optimal amount of borrowing for Phase 2 is \$650,000 and for Phase 3 is \$600,000 both with an amortization periods of 25 years; **(Chart III)**
2. The timing of Phase 3 construction is determined by financing and in the absence of a grant, donation or other capital injection, will most likely begin in 2022; and
3. The capital levy can be expected to continue into the foreseeable future as the Capital Renewal Reserve Fund is not expected to begin significant replenishment until approximately 2038. **(Chart IV)**

Chart III

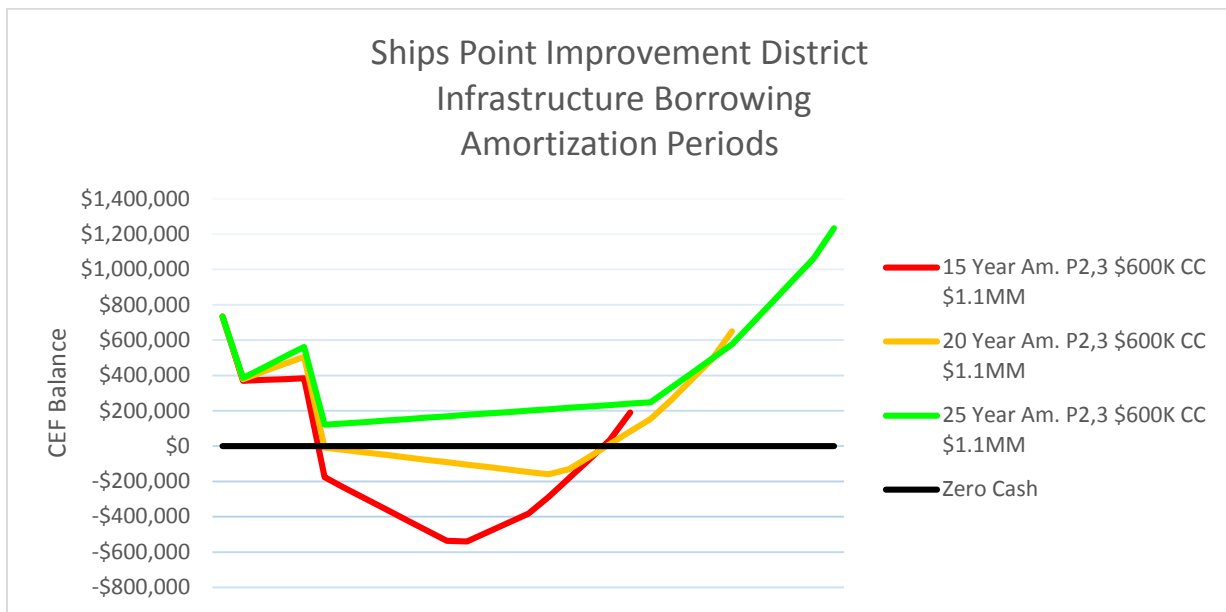
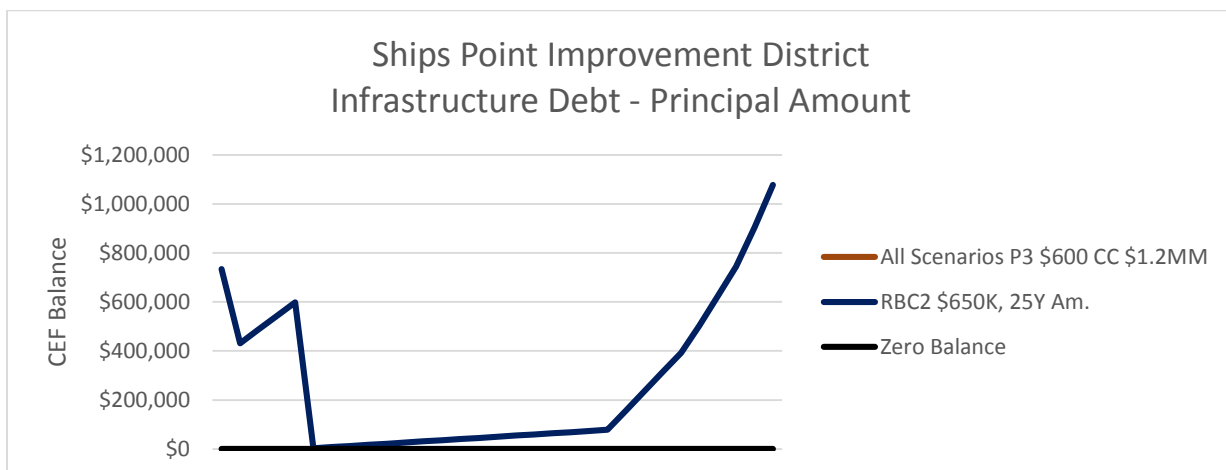


Chart IV.



**Ships Point Improvement District
Comparative Income Statement**

	2017 Actual	2017 Budget	Variance
REVENUE			
REVENUE			
Parcel Tax	61,428	138,926	3,874
Capital Expenditure Fund	143,500	143,500	0
Water Toll	81,372		
Connection Fees	620	1,000	-380
Penalties & Interest	901	1,300	-399
Interest - Investments	6,680	3,500	3,180
Property Search Revenue	550		550
Other Income	503	1,000	-497
Interest- Prov of BC Loan	---		---
Principal Provincial loan	15,102		15,102
Canada Grant	---		---
TOTAL REVENUES	310,656	289,226	21,430
TOTAL REVENUE	310,656	289,226	21,430
EXPENSE			
ADMINISTRATION EXPENSES			
Bank Charges	231		231
Interest on RBC Loan	---		---
Interest on Phase 2 Loan	---		---
Accum. Depreciation Expense	---		---
Honorariums	2,800	2,800	0
Insurance	14,143	13,000	1,143
Paid Interest-Prov of BC Loan	---		---
Legal & Audit Fees	10,261	8,000	2,261
Sub-total	27,435	23,800	3,635
Office Expense	2,447	2,500	-53
Postage	640	500	140
Mileage- Admin/trustees	535	500	35
Assoc. memberships	100		100
Misc. office expense	1,493	1,500	-7
Public Notices & Advertising	660	500	160
Total Office Expense	5,875	5,500	375

Repairs & Maintenance	51	2,300	-2,249
Office Services_	32,803	32,000	803
EI Expense	1,055	700	355
CPP Expense	1,519	900	619
Work Safe BC Expense-Admin	541	1,000	-459
Employee benefits	1,287		1,287
	37,257	36,900	357
Training- admin/trustees	500	2,000	-1,500
Mileage- training	0		0
Subtotal Training/Admin/Trustees	500	2,000	-1,500
Telephone Expense	703	600	103
Internet services	666	600	66
HYDRO- Admin office/training room	1,538	1,500	38
Sub-total	2,908	2,700	208
TOTAL ADMINISTRATION EXPENSE	73,974	70,900	3,074
FIRE DEPARTMENT EXPENSES	2017 Actual	2017 Budget	Variance
Equipment Replacement & Supplies	6,270	2,000	4,270
Communications	56		56
Safety Equipment	1,694		1,694
Fire Equipment	5,364	5,500	-136
First Responder	408		408
Equip replac.&Supplies Subtotal	13,792	7,500	6,292
Insurance, Licences & Fees	141		141
Truck Insurance	1,799	3,500	-1,701
Radio Licences	246		246
FireFighters	3,449	3,200	249
Others	0		0
Insurance Licenses & Fees Subtotal	5,634	6,700	-1,066
Associations Dues	883	1,000	-117
Subscriptions	0		0
Assoc.& Subscriptions Subtotal	883	1,000	-117
Maintenance & Fuel	0		0
Fuel & Oil	560	600	-40
SCBA	170	250	-80

Fire Truck	1,616	2,000	-384
Equipment Minor	610		
Maintenance & Fuel Subtotal	2,957	2,850	107
Fire Hall Maintenance-Exterior	194	400	-206
HYDRO- Fire hall (Shed)	1,943	2,000	-57
Sub-total	2,137	2,400	-263
			0
General Supplies	320	250	70
Mileage	581		581
Fire Chief Office expense Subtotal	901	250	651
Public Relations Expenses	200		
Recognition and service	139	300	-161
Good & Welfare	1,576	2,700	-1,124
Public relations Expense Subtotal	1,915	3,000	-1,085
Stipend - Fire Chief & Deputy Chief	4,856	4,800	56
WorkSafe-FIRE Dept	232		232
Sub-total	5,088	4,800	288
Training	0		
Fire	2,989	3,500	-511
First Responders	480	1,500	-1,020
Mileage	962		962
Subtotal- Training Fire	4,431	5,000	-569
TOTAL FIRE DEPT. EXPENSE	37,738	33,500	4,238
WATER DEPARTMENT EXPENSES	2017 Actual	2017 Budget	Variance
Maintenance Contract (Ground Mtce)	687		687
Maintenance Labour Contract	14,717	8,000	6,717
Sub-total	15,404	8,000	7,404
Mileage- Water Dept	296		296
Repair Parts & Supplies	2,947	1,300	1,647
Training- and EOCP- Water Tech	878	2,500	-1,622
Maint Labour Subtotal	4,121	3,800	321
Outside Contractors- Labour & Parts	3,467	8,500	-5,033
Chlorine Maint & Supplies	3,742	2,500	1,242
Water testing	644	500	144

Repairs & Maintenance Bldg & Equip	928	1,500	-572
WorkSafe BC- Water Dept.	0	150	-150
Miscellaneous	127	500	-373
Utilities_ Water Dept.	1,185	1,000	185
Sub-total	10,091	14,650	-4,559
HYDRO- Pumphouse	9,796	13,000	-3,204
Propane- backup generator	0		0
diesel fuel for generator	122		122
Diesel gen Maint	440	1,200	-760
Utilities subtotal	10,358	14,200	-3,842
Waterworks operating Total	39,975	40,650	-675
BUDGET SURPLUS/ -DEFICIT			6,636

SHIPS POINT IMPROVEMENT DISTRICT
BUDGET 2018

		FIRE	WATER	TOTAL
REVENUE				
Parcel tax/Water toll		\$61,456	\$77,470	\$138,926
Penalty/Interest			\$1,300	\$1,300
Fees			\$1,000	\$1,000
Other			\$1,000	\$1,000
Invest Int		\$1,000	\$2,500	\$3,500
from reserves				\$0
	Total	\$62,456	\$83,270	\$145,726
EXPENSES				
Administration		40.00%	60.00%	
	Trustee Hon	\$1,120	\$1,680	\$2,800
	Wages	\$12,800	\$19,200	\$32,000
	EI/ CPP	\$1,040	\$1,560	\$2,600
	Worksafe BC	\$400	\$600	\$1,000
	Training	\$400	\$600	\$1,000
	Office Expense	\$1,400	\$2,100	\$3,500
	Legal/Audit	\$3,200	\$4,800	\$8,000
	Insurance	\$5,400	\$8,100	\$13,500
	Tel/Internet	\$480	\$720	\$1,200
	Utilities	\$640	\$960	\$1,600
	Repairs/Mtce	\$200	\$300	\$500
	Grnds mtce	\$120	\$180	\$300
		\$0	\$0	
	Total Admin	\$27,200	\$40,800	\$68,000
Operations		FIRE	WATER	TOTAL
	Stipend/Contract	\$4,800	\$33,800	\$38,600
	Worksafe BC	\$150	\$150	\$300
	Training	\$5,000	\$500	\$5,500
	FF Insurance	\$3,200		\$3,200
	Veh Insur/Fees	\$3,500		\$3,500
	Office/misc	\$250	\$500	\$750
	Vol/Social	\$3,000		\$3,000
	Contract mtce		\$3,500	\$3,500
	Trk mtce/fuel	\$3,500		\$3,500
	Mtce Bldg/Grd	\$400	\$600	\$1,000
	Eqpt/Supplies	\$7,500	\$2,000	\$9,500
	Utilities	\$2,000	\$12,000	\$14,000
	Assoc Fees	\$1,000		\$1,000
	Total oper	\$34,300	\$53,050	\$87,350
Total Expense		\$61,500	\$93,850	\$155,350
Surplus/-Deficit		\$956	-\$10,580	-\$9,624

Revenues from Taxes - 2017	# lots	Tax per lot and annual revenues			
		\$			
1/4 acre or less	10	200	2,000		
1/2 acre or less but > than 1/4 acre	188	212	39,856		
1 acre or less but > than 1/2 acre	86	220	18,920		
1 1/2 acre or less but > than 1 acre	2	225	450		
2 1/2 acres or less but > than 1 1/2 acre	1	230	230		
all parcels not classified above	287				
Revenues from taxes	<i>Parcel tax</i>		\$61,456		
	<i>renewal/capital</i>	0	0		
Revenues from water tolls				# lots	2017
single family dwelling				259	\$285 \$73,815.00
single used as multiple				3	\$385 \$1,155.00
additional dwelling				10	\$250 \$2,500.00
Multiple plus additional				272	
Revenues from water tolls					\$77,470.00
	<i>renewal/capital</i>				550 \$157,850
Capital Expenditure Fund					
Annual levy		\$0	\$157,850		\$157,850
Loan Receipts			\$1,000,000		\$1,000,000
Grants			\$200,000		\$200,000
Capital expense projects			\$1,100,000		\$1,100,000
					\$0
	total	\$0	\$1,100,000		\$1,100,000
Loan repayments		\$65,000	\$65,000		\$130,000
Net change in Capital Reserve		-\$65,000	\$192,850		\$127,850