



CVRD
BRITISH COLUMBIA

2022

ANNUAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2022

COWICHAN VALLEY REGIONAL DISTRICT
2022 CVRD ANNUAL REPORT

Prepared by:

CVRD Finance Division
CVRD Communications and Engagement Division

For the year ended December 31, 2022

CVRD Office: 175 Ingram Street | Duncan, British Columbia

We acknowledge that for thousands of years the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, Lyackson, Pauquachin, Ditidaht & Pacheedaht Peoples have walked gently on the unceded territories where we now work.

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LETTER

FROM THE BOARD CHAIR

On behalf of the Cowichan Valley Regional District (CVRD) Board of Directors, I am proud to share the 2022 Annual Report. Now embarking on the 2022-2026 term of office, the CVRD has made excellent progress on a number of key initiatives.

Through the referendum held in conjunction with the 2022 election, a new funding model for regional recreation has been adopted. This has been a long-standing priority for the CVRD, with many attempts undertaken over the previous decades to ensure that operational funding for major recreation facilities is requisitioned equitably throughout the region. With the support of voters across the region, a new funding model based on facility usage has been adopted. Our board and staff team are focused on mitigating the impacts to the maximum extent possible as we recognise the model affects taxation across the region. Over the coming term, we will be implementing new governance structures to ensure fair representation across the region so that those who pay, have a say.

While we continue to focus on sound fiscal management, ensuring the quality and serviceability of community assets across the CVRD remains a key priority. Historically, local governments have not been as prudent as they should in planning and saving for the maintenance and end of life replacement of key assets. We are changing that. Our staff continues to develop and refine asset management and reserve funding policies, with the support of our Board, to ensure we adequately care for our treasured assets and amenities, and to plan for their eventual replacement.

In addition to this important work, we continue to manage the impacts and forge a recovery path coming out of the COVID-19 pandemic. We've had to be flexible and nimble, responding to organizational and broader community challenges. Staffing remains a key focus for the CVRD, to ensure we recruit, train, and retain quality staff. Local government is a people business, and having top quality people in our organisation is the best way we can deliver great service to our communities.

With the election of a new Board of Directors in 2022, and the addition of a new CAO and key staff throughout our organisation, progress is being made in support of our governance and quality of service goals. New Board members create opportunities and bring fresh perspectives and ideas on a community level, and the regional governance model that we uphold. I wish to thank those outgoing Directors for their service and hope they will continue to stay involved in shaping the future of our region and their communities. Our new CAO and senior management staff have already helped steer the CVRD in a direction of further innovation, modernization, and efficiency in service delivery. These combined are strengthening our culture of service first and high achievement.

On the topic of service improvement and innovation, new technology tools are helping the CVRD to modernize, including a new system of recruitment for Human Resources, a new records management system to ensure our files are stored securely and accessibly, and new ways to manage and track development applications to ensure residents are aware and integrated into the approval process.

All of this and more was done in the busy year of 2022, and we're just getting started. I am constantly impressed by our ability, as a region of diverse and distinct communities, to come together during these trying times. Our collaborative spirit and support for one another gives me great hope for the future. I am confident that our Board, with the support of our dedicated staff and partners across the region, will continue to work together every day to ensure a higher quality of life for our residents.



Aaron Stone
Chairperson, Cowichan Valley Regional District



CVRD DIRECTORS

- AREA A**
Mill Bay/Malahat:
Kate Segall
- AREA B**
Shawnigan Lake:
Sierra Acton
- AREA C**
Cobble Hill:
Mike Wilson
- AREA D**
Cowichan Bay:
Hilary Abbott
- AREA E**
Cowichan Station/
Sahtlam/Glenora:
Alison Nicholson, Vice Chair

- AREA F**
Cowichan Lake South/
Skutz Falls:
Ian Morrison
- AREA G**
Saltair/Gulf Islands:
Jesse McClinton
- AREA H**
North Oyster/Diamond:
Ben Maartman
- AREA I**
Youbou/Meade Creek:
Karen Deck

- TOWN OF LAKE COWICHAN**
Tim McGonigle
- TOWN OF LADYSMITH**
Aaron Stone, Chair
- CITY OF DUNCAN**
Michelle Staples
- MUNICIPALITY OF NORTH COWICHAN**
Rob Douglas
- MUNICIPALITY OF NORTH COWICHAN**
Tek Manhas
- MUNICIPALITY OF NORTH COWICHAN**
Debra Toporowski
- MUNICIPALITY OF NORTH COWICHAN**
Christopher Justice

- FIRST NATIONS TERRITORIES**
Cowichan Tribes
Stz'uminus First Nations
Penelakut Tribe
Ditidaht First Nation
Malahat First Nation
Pacheedaht First Nation
Pauquachin First Nation
Halalt First Nation
Lyackson First Nation
Ts'uubaa-asatx First Nation

LETTER

FROM THE CAO

As Chief Administrative Officer, I am pleased to present the 2022 Annual Report for the Cowichan Valley Regional District (CVRD). In these pages, you will find an overview of the various projects and initiatives as prioritized by the Board of Directors. The CVRD provides 180 services to residents of the region, spanning from North Oyster and Diamond in the north to the Malahat in the south. Our services are provided at the regional, sub-regional and local level, tailored to meet the needs and priorities of our unique and diverse communities.

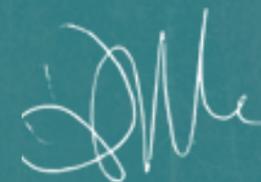
I am honoured to have joined this organization in October 2022 and to lead an incredible group of dedicated and professional public servants. We have been fortunate to retain and recruit some of the most talented staff in a variety of disciplines, which enables us to continue to provide the high quality of service that our residents expect from us. Our vast network of parks, trails and amenities is a core part of our service, establishing our region as one of the best places to live anywhere in the world. The pride our team has for the Cowichan region is tangible and shines through the work that we do every day.

In late 2022, the Board began a new Corporate Strategic Planning process with the goal to finalize a new plan in 2023 to guide and set priorities for the next four years. Considering the pressures of the COVID-19 pandemic, it is remarkable to consider that the last Strategic Plan was successfully implemented in the midst of unprecedented fiscal and human resource challenges. We are committed to maintaining this track record of actioning and achieving the ambitious goals set out by the Board.

In 2022, our planning team shepherded the harmonization of our electoral area Official Community Plans to completion, and began the process to modernize the consolidated plan. We also saw a successful referendum on regional recreation, a culmination of nearly a decade of hard work by our staff and partners in the community. Congratulations to everyone who had a role in these significant achievements, both truly an example of perseverance and regional collaboration.

We now have a Board of 16 members; in the October, 2022 election we saw four, fresh new faces join our Board of Directors to represent electoral areas, along with an additional seat added to represent North Cowichan, in respect of the population growth experienced within the municipality. Staff have proactively put forwards solid waste projects to infrastructure funding programs to improve regional waste management services. These significant projects include upgrades to our main transfer station at Bings Creek as well as expansion of an organics collection program for the rural areas, which through improved site efficiency and waste diversion will move us meaningfully forward in meeting our environmental and fiscal stewardship goals.

2023 is looking to be a busy and productive year ahead, but please join me in showing appreciation to our hard-working staff for their achievements in 2022. We look forward to continuing to serve you all in 2023 and in the years ahead.



Danielle Myles Wilson,
Chief Administrative Officer
Cowichan Valley Regional District

REGIONAL SNAPSHOT

Size of region

3,473 km²

Population

89,013

45% in electoral areas (39,661)

55% in municipalities (49,352)

Population density per km²

25.6

Population growth (since 2016)

6.3%

Average age

47.0

Number of households

37,290

Average household income

\$74,725* (*2020 StatsCan)

LARGEST INDUSTRIES

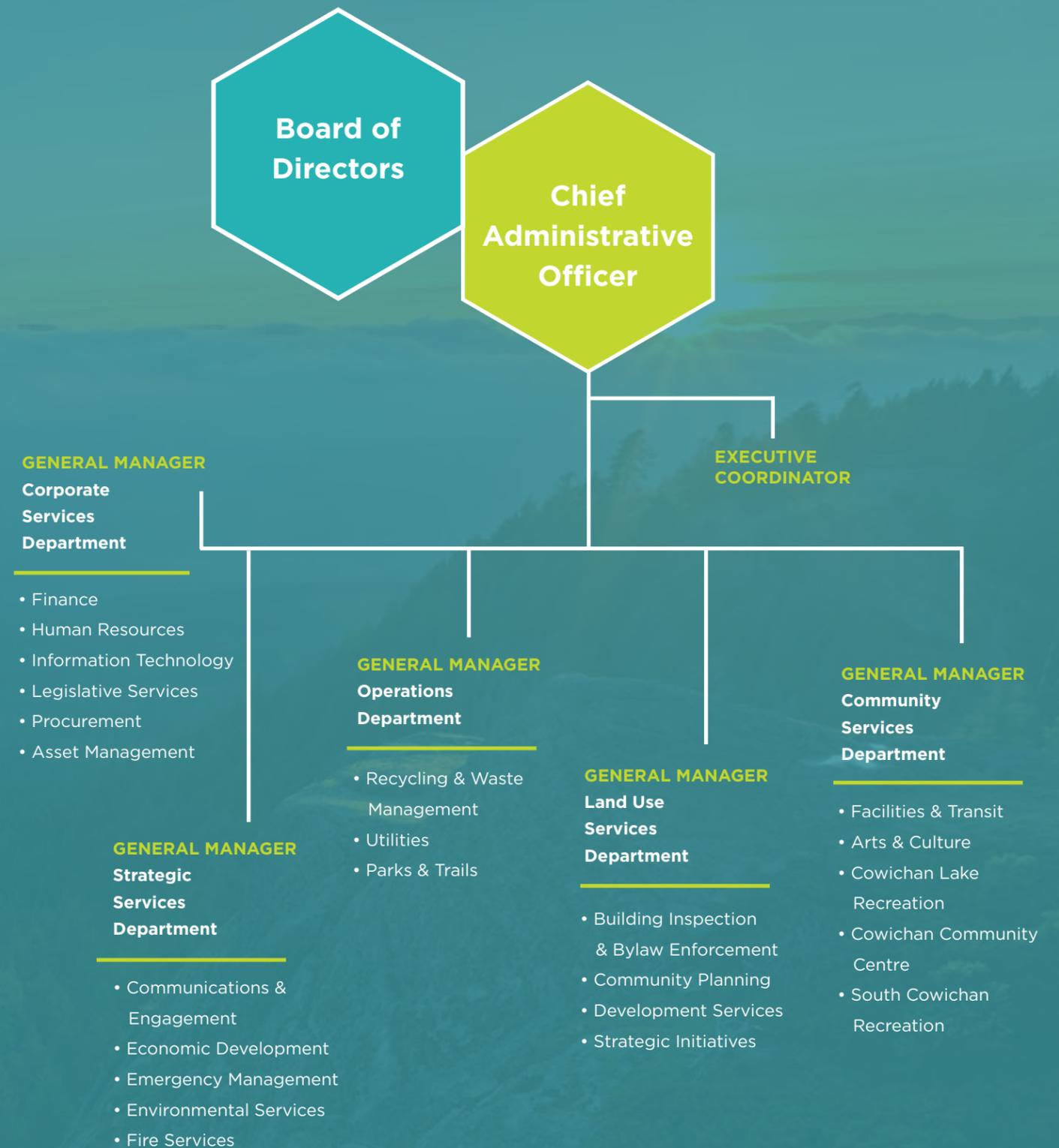
- Retail
- Health Care and Social Assistance
- Construction
- Education
- Public Administration

LARGEST EMPLOYERS

- Catalyst Paper Corporation
- School District #79 (Cowichan Valley)
- Cowichan Tribes



ORGANIZATIONAL STRUCTURE



2022 STAFFING

Full-time: 227

Part-time: 45

INITIATIVES



COWICHAN LAKE WEIR REPLACEMENT

Following the completion of new weir design for Cowichan Lake, a shoreline assessment was completed to understand how a raised weir could impact the shoreline and properties surrounding the lake. The results of this work were presented to the public in a series of presentations, which included a 'Property View Tool' that provided property owners with a map of their property and how different lake levels may affect their property.



NEW CHIEF ADMINISTRATIVE OFFICER

In 2022, the CVRD completed recruitment for a new CAO and welcomed Danielle Myles Wilson to the organization. Danielle joined the organization from the District of Port Edward, and brings a wealth of knowledge to the CVRD from her career in local, regional and provincial government roles. Danielle replaced outgoing CAO, Brian Carruthers, who led the CVRD for over seven years.



OCP FOR THE ELECTORAL AREAS

In 2022 the CVRD continued work on a multi-year major strategic initiative to modernize the Official Community Plan for the Electoral Areas (OCP). The OCP sets out a vision for the electoral areas over the next 5-10 years consistent with the Cowichan 2050 Regional Collaboration Framework. Extensive public engagement took place in 2022 in the effort to receive community affirmation of the modernized OCP's policy direction, proposed growth containment boundaries, land use designations and local area plans.



REGIONAL RECREATION

The Board advanced the alternate usage-based funding model for nine regionally significant recreation facilities, asking residents to vote on the proposal in a region-wide referendum. Residents approved the usage-based model, with a total of 9,345 votes 'Yes' and 8,009 votes 'No.' The Board adopted bylaw 4438 to officially begin the implementation, phased in over a three-year period.



FLOODING RESPONSE AND RECOVERY

In early 2022 the CVRD continued to coordinate response and recovery efforts to the flooding that occurred in late 2021, which directly impacted hundreds of residents through evacuation orders and extensive damage to personal property. In addition to impacting roadways and residential properties, the flooding also caused considerable damage to public infrastructure, including major washouts in sections of the Cowichan Valley Trail that forced closures during the 2022 calendar year.



LABOUR AGREEMENT

In late 2022, the CVRD concluded successful negotiations with the Canadian Union of Public Employees (CUPE) Local 358 on a four-year collective agreement until December 31, 2025. CUPE Local 358 represents approximately 240 CVRD employees and this agreement allows for the continued high level of service delivery provided by the regional district for the next four years.



FIRESMART PROGRAM

The CVRD, in partnership with North Cowichan and Cowichan Tribes, launched the FireSmart program to assist residents to make their homes and properties more resilient to the threat of wildfires. Throughout the year, FireSmart Coordinators held 13 community presentations across the region, and assessed 170 homes and eight farms in areas determined to be at highest risk from wildfires. The program met and exceeded its goal of educating residents in preparedness and risk reduction in 2022, and the program was extended for the Cowichan region in 2023.



SOLID WASTE MANAGEMENT

In 2022 the CVRD launched an engagement process for a proposed three-stream curbside collection service, inviting community members to share ideas and learn more about waste disposal. Following an initial engagement process, the CVRD then proposed a series of proposed options for enhanced programs, factoring in costs and additional collected materials. In 2023 the CVRD will evaluate the input and present the findings to the Board of Directors for direction to create this new service across all nine Electoral Areas.

STRATEGIC FOCUS AREAS



OUR LIVELIHOODS

Create opportunities aimed at building economic prosperity in our communities, and for all of our residents across the entire region.

INTERNET & CELLULAR CONNECTIVITY STRATEGY

After conducting extensive background research and securing funding for the project in 2021, Economic Development Cowichan (EDC) launched the Cowichan Regional Internet & Cellular Connectivity Strategy project in early 2022. Working in collaboration with consultants, EDC staff undertook a process of research, analysis, education, and engagement that has resulted in the development of a Regional Connectivity Strategy and four Community Connectivity Plans. The project work plan included a roadshow of community engagement events to help inform Community Connectivity Plans in Thetis and Penelakut Islands, Cowichan Station, Ditidaht First Nation, and the Cowichan Lake region. These plans provide a roadmap for these communities to tackle their connectivity challenges and meet their needs long into the future.

STATE OF THE COWICHAN ECONOMY REPORT

In May 2022, Economic Development Cowichan launched its first State of the Cowichan Economy report. The new report is a continuation of the post-COVID-19 recovery dashboard, but differs in that it takes a broader view of the regional economy, highlighting the latest data and economic trends for the Cowichan Valley Regional District. The first State of the Cowichan Economy report highlights new demographic data published from Census 2021, as well as information on labour and business, building and real estate, tourism, and transportation. The data showed that regional Cowichan population is growing due to inward migration, bringing much-needed new entrepreneurs and workers to the region. However, while residential construction was shown to be booming, overall housing needs are not being met. The report also showed the varying impacts on the tourism industry due to the recent pandemic.

CIRCULAR ECONOMY ACCELERATOR PROGRAM

In partnership with Vancouver Island Coast Economic Developers Association (VICEDA), Economic Development Cowichan supported the development of a Circular Economy Accelerator Program – the first of its kind in Canada – designed to support businesses who seek to adopt circular economy principles, reduce waste and emissions, and develop innovative practices to spur the transition to a sustainable, resilient economy. The program provided hands-on support to 16 businesses across Vancouver Island and the Sunshine Coast, including 4 Cowichan-based businesses.



OUR COMMITMENTS

Honour our commitments to Smart Growth management, local First Nations, meaningful community engagement, and significant climate action. Promote climate action initiatives, reduce our own greenhouse gas emissions, and protect our communities from the adverse impacts of climate change.

'PLAN YOUR COWICHAN' ENGAGEMENT WEBSITE

In 2022 the CVRD continued to use Plan Your Cowichan, a new online engagement tool for residents to provide input on major initiatives and projects. Through Plan Your Cowichan, the CVRD was able to connect with and hear from hundreds of residents in 2021 on over a dozen important topics, including the Official Community Plan for Electoral Areas, regional active transportation, regional recreation funding and curbside collection of waste and recycling. In 2022 Plan Your Cowichan saw 15,800 unique site visits, resulting in thousands of comments, survey completions and other forms of input.

CLIMATE ADAPTATION IMPLEMENTATION FRAMEWORK

The Cowichan Region Climate Adaptation Partners developed a CVRD Board approved Climate Adaptation Strategy and implementation framework, which includes local solutions to help the region prepare. The actions and activities of these are reflected in the Cowichan Adapts Implementation Plan, which is focused on activities to improve built infrastructure, enhance collective health and emergency preparedness systems, enable green economic growth, and preserve local biodiversity.

COWICHAN WEIR REPLACEMENT

With the completion of a new weir design for Cowichan Lake in 2021, a shoreline assessment was completed in 2022 to understand how a raised weir could impact the shoreline and properties surrounding the lake. The new weir is designed to be 70cm higher than the existing weir to add storage capacity. This will allow more water to be captured in early spring and released throughout the dry summer and fall months, improving the health of aquatic habitat for fish and vegetation, as well as supporting ongoing recreation and economic development. As part of this work, the consultant Keir Wood Leidal Associates Ltd., was awarded the 2023 Award of Merit by the Association of Consulting Engineering Companies British Columbia (ACEC) for their groundbreaking tool; Shoreline Impacts Calculator for Changing Climates.



OUR INFRASTRUCTURE

Work within our financial means to provide and maintain the infrastructure systems required to meet the needs of our communities.

COWICHAN DISTRICT HOSPITAL REPLACEMENT PROJECT

In 2022, Island Health completed the competitive procurement phase and initiated site construction on the \$1.446B Cowichan District Hospital Replacement Project. The Cowichan Valley Regional Hospital District is a funding partner of the project, contributing \$282.6 million to the new hospital, which will be three times larger than the current hospital. The new Cowichan District Hospital will have capacity for 204 beds, with state-of-the-art equipment and increased service capacity in the emergency department, ICU, operating rooms, mental health and substance use, pediatric, maternity, medical imaging and more.

COWICHAN PERFORMING ARTS CENTRE

In late 2022 the Cowichan Performing Arts Centre underwent a significant renovation, including the replacement of 731 theatre seats that were original to the facilities opening in 1978. The theatre refreshment area was also restructured to focus on local products. In addition to the physical makeover, the CPAC launched a new website in 2022, enhancing the ability to promote and sell performances. The CVRD Arts and Culture Division hosted a series of Digital Literacy workshops with non-profit arts groups in our region, and provided a total of \$30,700 in grants to regional arts organizations, \$50,000 to regional Arts Councils, and awarded two \$750 bursaries to local students.

FINANCIAL REPORTING

For the fifth consecutive year, the CVRD was awarded the Canadian Award for Financial Reporting from the Government Finance Officers' Association of the United States and Canada, which recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a municipal or regional government. The Canadian Award for Financial Reporting was established to encourage local governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.



OUR COMMUNITIES

Work to enhance the livability of our communities for residents of all backgrounds and income levels.

OFFICIAL COMMUNITY PLAN FOR THE ELECTORAL AREAS

In the spring of 2022, the CVRD continued to engage with the community in the development of the modernized Official Community Plan for the Electoral Areas. Over 65 Community Circles were held - kitchen table conversations focused on the OCP policy goals and local area plans.

November 2022 provided a shift from virtual public engagement to in-person events with the relaxing of public health restrictions, and the CVRD held the first Ideas Fair at the Cobble Hill Farmers Institute. Over 300 residents participated in the event, which included posters, interactive tables, videos and presentation. A highlight of the Ideas Fair was the Ideas Book - a living document that captures and celebrates the community's contribution to the OCP. The Ideas Book was created following the Spring 2022 Community Circles, and subsequently updated with community feedback gathered at the November Ideas Fair.

COWICHAN BUSINESS WALKS

Economic Development Cowichan secured funding from Island Coastal Economic Trust to hire an Economic Development Analyst for a 12-month part-time term. In 2022, one of the activities led by this staff position was to host a series of Business Walks in the communities of Cobble Hill, Cowichan Bay and Shawnigan Lake. Teams of staff and elected officials walked door-to-door speaking with the owners and managers of local businesses about what it's like to do business in the community. In total, the CVRD met with 149 businesses in the region, with online survey options available for any businesses not available on the day. The initiative was invaluable to understanding key challenges of operating local businesses, and informing priority areas of action for EDC staff in the future.

REGIONAL WATER CONSERVATION

For the 2022 year, the CVRD worked with its partner municipalities, First Nations and improvement districts to enhance the various water restrictions for the region. This included a new Stage 4 restriction to reflect the extreme summer droughts of Southern Vancouver Island, and enable a coordinated approach to water restrictions in the Cowichan region that are directly related to the Provincial Drought Level. In October, extended extreme drought conditions required the activation of Stage 4 water restrictions for the first time in the region.



OUR ENVIRONMENT

We are committed to protecting our natural assets and diverse ecosystems for the benefit of the entire region, its natural environment, and the current and future generations of people who choose to live here.

REGIONAL AIRSHED PROTECTION STRATEGY UPDATE

In 2022, CVRD staff worked with municipal partners, the province, First Nations and community stewards to develop an updated 2022 Regional Airshed Protection Strategy update. In support of the strategy update, the BC Ministry of Environment and Climate Change Strategy conducted an Air Quality Study, which showed that air quality continues to be poor during the fall and winter due to open burning and woodstove use, but also during the summer due to wildfires. The updated strategy contains ongoing priority actions that have already been effective in reducing wood smoke, as well as new actions to address wildfire smoke and make further reductions to smoke from open burning and wood burning appliances.

SOUTH COWICHAN LIQUID WASTE MANAGEMENT PLAN

The CVRD completed an analysis of the economic costs and benefits for the proposed Liquid Waste Management Plan for South Cowichan. The economic analysis found that with careful management of phasing, financing and cost recoveries, the cost to develop a unified system in the southern communities of the CVRD could be kept comparable with the level in other communities on Vancouver Island. A model was developed to assess probable demand based on demographic projections and planned growth that will allow the CVRD to determine estimate charges to residents. The proposed financial framework included three tiers of potential options to cover all costs including planning, capital, operations, maintenance, monitoring and administrative.

UPDATED NOXIOUS WEED CONTROL BYLAW

In 2022, the CVRD updated its Noxious Weed Control Bylaw (2022) to include Poison Hemlock, with a coordinated education campaign to support more robust control and work towards eradication of this high priority plant. When the bylaw was adopted in 2016, it included only one invasive plant, Giant Hogweed, so that monitoring, notification and enforcement activities could be pilot tested for expansion to other plants. Now in its seventh year, the CVRD Bylaw Enforcement division have indicated that minimal effort from their staff have been needed to enforce the bylaw. The inclusion of Poison Hemlock is important as it can have severe health impacts for those who may ingest plant parts. Current locations include places where children frequently gather including parks, schools and road sides.



LETTER

I am pleased to submit the Cowichan Valley Regional District's Annual Report. The purpose of this report is to present the financial results for the fiscal year ended December 31, 2022 including the Audit Report, Consolidated Financial Statements, and supplementary information for the year ended December 31, 2022.

FINANCIAL STATEMENTS

The financial statements are the responsibility of the CVRD's management and have been prepared in compliance with Section 376/377 of the Local Government Act and Section 167 of the Community Charter and in accordance with Generally Accepted Accounting Principles approved by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. The CVRD maintains a system of internal accounting controls, including policies and procedures, designed to safeguard the assets of the regional district as well as provide timely and reliable financial information.

The 2022 Financial Statements have been audited by KPMG Canada LLP, the CVRD's independent external auditor, who have expressed that in their opinion these statements present fairly, in all material aspects, the financial position of the Regional District as at December 31, 2022. The Independent Auditor's Report appears immediately following this letter.

STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGE IN NET DEBT

In 2022, the CVRD's financial position maintained stable with a change in the net financial asset position of \$9.03 million going to \$47.18 million. The increase was related to an increase in cash from less investing activities in portfolio investments, increase in operating reserves, and increased grant funding. Net financial asset is total assets minus the total liabilities of an entity. The CVRD has more assets than liabilities putting it in a "positive" net financial asset position. The CVRD's long-term debt decreased by \$1,483,174 and short-term debt decreased by \$875,428. Member municipalities' debt increased by \$19.5 million in 2022 which are offset by an increase to financial assets in the form of debt

recoverable from members and has no net effect on annual operating surplus and accumulated surplus.

Non-financial assets increased slightly in 2022 to \$166.12 million (2021 - \$163.25 million) as a result of an increase in tangible capital 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. The capital program was budgeted for \$37.08 million in 2022 with \$7.56 million expended in capital enhancement and repairs. Some of these projects will continue to completion in 2023. Capital expenditures were primarily financed through reserves, grants, debt, and taxation.

STATEMENT OF OPERATIONS

The accumulated surplus (revenues less expenses) was \$11.9 million in 2022 compared to \$15.76 million in 2021. The decrease to accumulated surplus was largely the result of a reduction in grant revenue.

The annual operating surplus of \$11.9 million translates to a corresponding increase in accumulated surplus from \$201.41 million to \$213.3 million. This increase is primarily due to increases in reserve funds for operating surplus and Community Works, as well as an increase in equity in tangible capital assets.

The 2022 Tax Requisition increased 4.09% over the 2021, reason for the increase was due to increased costs to maintain service levels. The over tax requisition increase is in line with the 2022 consumer price index increase of 4.5% for Victoria, BC. Significant financial indicators to highlight for 2022 are as follows:

- Short-term Debt (Note 12 & 22) decreased \$875,428 (33.48%) in 2022 from 2021;
- Long-term Debt (Note 12 & 23) decreased \$1,483,174 (10.9%) in 2022 from 2021;
- The regional district's operating surplus fund increased by \$6.39 million (20.3%)

THE FINANCIAL PLANNING PROCESS

The Local Government Act Sections 374 and 375 require regional districts to complete a five-year financial plan and institute a public participation process to explain the plan. The financial plan in the form of a bylaw must be adopted by March 31 of each year. On March 8, 2023 the Board adopted the 2023-2027 Financial Plan as part of its financial planning process. The regional district has adopted a budget calendar that includes earlier adoption of the budget to allow for an improved capital spending process.

The regional district approved 43 new capital projects in the 2023-2027 Financial Plan resulting in over \$9 million budgeted in 2023 for new capital projects. The largest portion of this (54%) is budgeted for projects for the regions' community and regional parks and approximately a quarter of this (28%) is budgeted for projects for the regions' water and sewer utilities.

The remainder of the expenditures are for capital improvements to our existing infrastructure such as the community recreation facilities and for purchases of new vehicles and equipment.

FINANCIAL OUTLOOK

On a macro-economic level, the declining Canadian dollar in 2021 resulted in certain expenses increasing in cost beyond initial budgets. It is difficult for a local government body to mitigate foreign currency risks as they are prohibited from making speculative investments for hedging purposes. Management continues to look at strategies to soften these impacts.

In 2022, there was a moderate change in the Consumer Price Index increasing by 4.1% to 6.9% for BC and by 4.1% to 6.8% for Victoria. The Bank of Canada's target rate for 2022 also increased by 0.3% to 1.0%. Management also incorporates construction and municipal pricing indexes into budgets which are significantly impacted by changes in these sectors. The regional district is predominantly affected by rising fuel, energy, and wage costs. The CVRD continues to mitigate rising energy and fuel costs by employing strategic use of energy efficient products such as lighting as well as entering into cost reducing agreements with suppliers through partnerships with other local governments in order to achieve economies of scale.

As part of the Board's Strategic Focus area of Sound Fiscal Management, the regional district completed its Corporate Asset Management plan, identifying the infrastructure deficit. The regional district is working on the implementation plan on how to fund the deficit in a strategic and sustainable manner. This will ensure that service levels are sustainable and infrastructure can be maintained at the lowest cost possible.

CONCLUSION

In keeping with the Board's Strategic Focus area of Sound Fiscal Management (specifically Budget Transparency and increasing awareness and confidence in the regional district's Five-year Financial Plan) the CVRD has completed the 2022 Annual Report. As a reflection of the regional district's commitment to excellence in financial management and reporting the annual report will be submitted to the Government Financial Officers Association for consideration of the Canadian Award for Financial Reporting.

On behalf of the CVRD, I would like to acknowledge all the members of the Board and staff for their contributions to a successful 2022. I would also like to recognize the remarkable team effort evident throughout the year resulting in this report and the information it contains.



Natalie Wehner, CPA, CMA
Corporate Financial Officer
Cowichan Valley Regional District
May 26, 2023



2022

FINANCIAL STATEMENTS

COWICHAN VALLEY REGIONAL DISTRICT

COWICHAN VALLEY REGIONAL DISTRICT

ELECTED AND APPOINTED OFFICIALS
2022

FINANCIAL STATEMENTS
DECEMBER 31, 2022

BOARD OF DIRECTORS

City of Duncan	M. Staples
Town of Ladysmith	A. Stone (Chair)
Town of Lake Cowichan	T. McGonigle
District of North Cowichan	R. Douglas
District of North Cowichan	C. Justice
District of North Cowichan	T. Manhas
District of North Cowichan	D. Toporowski
Electoral Area "A" - Mill Bay/Malahat	A. Segall
Electoral Area "B" - Shawnigan Lake	S. Acton
Electoral Area "C" - Cobble Hill	M. Wilson
Electoral Area "D" - Cowichan Bay	H. Abbott
Electoral Area "E" - Cowichan Station/Sahtlam/Glenora	A. Nicholson (Vice Chair)
Electoral Area "F" - Cowichan Lake South/Skutz Falls	I. Morrison
Electoral Area "G" - Saltair/Gulf Island	J. McClinton
Electoral Area "H" - North Oyster/Diamond	B. Maartman
Electoral Area "I" - Youbou/Meade Creek	K. Deck

OFFICERS

Chief Administrative Officer	D. Myles-Wilson
Corporate Legislative Officer	P. Robins
Chief Financial Officer	N. Wehner

Management's Responsibility for Financial Reporting
Independent Auditor's Report

FINANCIAL STATEMENTS

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- 2 Statement of Operations
- 3 Statement of Changes in Net Debt
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- Summary of Significant Accounting Policies
- Notes to the Financial Statements

UNAUDITED SUPPORTING SCHEDULES

- A Statement of Operating Surplus by Function
- B Schedule of Restart Grant



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Management's Responsibility for Financial Reporting

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors are composed of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management including internal controls over the financial reporting process, auditing matters and financial reporting issues.

KPMG LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to management and the Board to discuss their audit findings.

Natalie Wehner, CPA, CMA
Chief Financial Officer

Danielle Myles Wilson
Chief Administrative Officer

May 10, 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Cowichan Valley Regional District

Opinion

We have audited the financial statements of Cowichan Valley Regional District (the Entity), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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.
- 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.

Chartered Professional Accountants

Victoria, Canada
May 10, 2023

COWICHAN VALLEY REGIONAL DISTRICT STATEMENT 1

COWICHAN VALLEY REGIONAL DISTRICT STATEMENT 2

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
Financial Assets		
Cash & Cash Equivalents (Note 1)	\$ 51,663,121	\$ 42,590,906
Portfolio Investments (Note 2)	15,911,015	15,606,426
Accounts Receivable (Note 3)	5,338,421	5,722,303
Debt Recoverable from Members (Note 4)	53,455,714	33,936,253
	<u>\$126,368,271</u>	<u>\$ 97,855,888</u>
Liabilities		
Accounts Payable & Accrued Liabilities (Note 6)	\$ 5,698,529	\$ 4,405,914
Deferred Revenue (Note 7)	3,565,227	2,385,172
Restricted Contributions and Performance Deposits (Note 8)	1,896,677	1,774,316
Employee Future Benefits (Note 9)	146,970	138,060
Landfill Closure and Post Closure Costs (Note 11)	522,071	805,634
Short-term Debt (Note 22 & 12)	1,738,685	2,614,113
Long-term Debt		
Regional District (Note 23 & 12)	12,156,864	13,640,038
Members (Note 4)	53,455,714	33,936,253
	<u>\$ 79,180,737</u>	<u>\$ 59,699,500</u>
Net Financial Assets	<u>\$ 47,187,534</u>	<u>\$ 38,156,388</u>
Non-Financial Assets		
Tangible Capital Assets (Note 14 & 21)	\$165,992,892	\$163,118,910
Inventories	33,511	19,471
Prepaid Expenses	101,880	113,513
	<u>166,128,283</u>	<u>163,251,894</u>
Accumulated Surplus (Note 16)	<u>\$213,315,817</u>	<u>\$201,408,282</u>
Contingent Liabilities (Note 13)		
Commitments (Note 18)		


Natalie Wehner, CPA, CMA
Chief Financial Officer


Aaron Stone
Chair

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 Budget (Note 15)	2022 Actual	2021 Actual
Revenues			
Tax Requisition	\$ 45,665,354	\$ 45,665,354	\$ 43,869,057
User Fees	10,620,627	4,822,775	4,727,264
Parcel Taxes	2,990,716	2,992,097	2,723,289
Government Transfers - Provincial	13,593,881	3,988,798	7,408,687
Government Transfers - Federal	626,904	2,275,892	4,877,771
Services Provided to Other Local Governments	62,400	62,400	61,172
Revenue from Own Sources	10,514,241	12,397,512	9,517,252
Other Revenue	3,064,611	2,544,181	2,329,676
Interest Income	176,193	1,286,060	494,998
Donations	10,060	1,786,082	174,904
	<u>\$ 87,324,987</u>	<u>\$ 77,821,151</u>	<u>\$ 76,184,070</u>
Expenses (Note 24)			
General Government Services	10,756,279	9,672,437	9,332,338
Vancouver Island Regional Library	2,150,072	2,150,072	2,044,044
Transportation Services	4,181,931	3,847,016	3,276,830
Electoral Area Services	4,813,670	5,344,165	4,273,590
Protective Services	5,171,398	4,628,893	3,888,305
Parks and Recreation	20,020,781	19,740,973	17,471,916
Environmental Services	10,430,727	13,314,030	13,422,213
Sewer and Water Utilities	11,534,188	7,216,030	6,712,865
	<u>\$ 69,059,046</u>	<u>\$ 65,913,616</u>	<u>\$ 60,422,101</u>
Annual Surplus	\$ 18,265,941	\$ 11,907,535	\$ 15,761,969
Accumulated Surplus, Beginning of Year	<u>201,408,282</u>	<u>201,408,282</u>	<u>185,646,313</u>
Accumulated Surplus, End of Year (Note 17)	<u>\$219,674,223</u>	<u>\$213,315,817</u>	<u>\$201,408,282</u>

The accompanying notes are an integral part of these financial statements.

COWICHAN VALLEY REGIONAL DISTRICT STATEMENT 3

STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 Budget (Note 15)	2022 Actual	2021 Actual
Annual Surplus	\$ 18,265,941	\$ 11,907,535	\$ 15,761,969
Additions of Tangible Capital Assets	(37,086,912)	(7,562,498)	(8,406,136)
Contributed Tangible Capital Assets	-	(1,780,082)	-
Amortization of Tangible Capital Assets	-	6,338,557	6,294,070
(Gain)/Loss on Disposal of Tangible Capital Asset	-	130,041	-
Change in Inventories	-	(14,040)	3,516
Change in Prepaid Expenses	-	11,633	(37,797)
Increase in Net Financial Assets	(18,820,971)	9,031,146	13,615,622
Net Financial Assets, Beginning of Year	38,156,388	38,156,388	24,540,766
Net Financial Assets, End of Year	<u>\$ 19,335,417</u>	<u>\$ 47,187,534</u>	<u>\$ 38,156,388</u>

The accompanying notes are an integral part of these financial statements.

COWICHAN VALLEY REGIONAL DISTRICT STATEMENT 4

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual Surplus	\$ 11,907,535	\$ 15,761,969
Non-cash items included in surplus		
Amortization of Tangible Capital Assets	6,338,557	6,294,070
Contributed Tangible Capital Assets	(1,780,082)	-
Loss on Disposal of Tangible Capital Asset	130,041	-
Debt Actuarial Adjustment	(556,706)	(505,910)
Employee Future Benefits	8,910	(53,067)
Landfill Closure and Post Closure Costs	(283,563)	(183,847)
Change in non-cash working capital balances related to operations		
Accounts Receivable	383,882	(1,056,802)
Inventories	(14,040)	3,516
Prepaid Expenses	11,633	(37,797)
Accounts Payable and Accrued Liabilities	1,292,615	(199,234)
Deferred Revenue	1,180,055	1,064,708
Restricted Contributions and Performance Bonds	122,361	80,917
Cash provided by operating activities	18,741,198	21,168,523
CAPITAL ACTIVITIES		
Acquisition of Tangible Capital Assets	(7,562,498)	(8,406,136)
Cash used in capital activities	(7,562,498)	(8,406,136)
INVESTING ACTIVITIES		
Investment in Portfolio Investments	(304,589)	(258,334)
Cash provided by investing activities	(304,589)	(258,334)
FINANCING ACTIVITIES		
Debt Issued	88,951	1,719,551
Debt Repayment	(1,890,847)	(2,029,575)
Cash used in financing activities	(1,801,896)	(310,024)
Increase in cash	9,072,215	12,194,029
Cash - Beginning of Year	42,590,906	30,396,877
Cash - End of Year (Statement 1)	<u>\$ 51,663,121</u>	<u>\$ 42,590,906</u>
Interest Paid	\$ 683,253	\$ 668,911

The accompanying notes are an integral part of these financial statements.

COWICHAN VALLEY REGIONAL DISTRICT

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2022**
Summary of Significant Accounting Policies**(a) General**

The Regional District was incorporated in 1967 under the provisions of the *Local Government Act*, a statute of the Province of B.C. Its principal activities are the provision of district wide local government services to the residents of the nine electoral areas and four municipalities, within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste/recycling collection and disposal, and street lighting.

(b) Basis of Presentation

The Financial Statements of the Cowichan Valley Regional District (the Regional District), are prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The Financial Statements reflect the combined results and activities of the reporting entity. The financial statements include the financial position, operations, changes in net financial assets and cash flows of the regional district. Inter-fund and inter-departmental transactions have been eliminated on consolidation.

(c) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, demand deposits and reserves. The funds are held for the purpose of meeting short-term cash commitments rather than for investing.

(d) Portfolio Investments

Portfolio investments are comprised entirely of Municipal Finance Authority (MFA) pooled investment funds. The Regional District funds invested with MFA are pooled with other local governments and managed independently by Phillips, Hager & North Ltd. Interest income on investments has been included in deferred revenue when required by the funding government or related Act and Restricted Reserve Funds based on relative equity in each fund.

(e) Financial Instruments

Financial instruments consist of cash, portfolio investments, receivables, debt and accounts payable. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest rate, currency or credit risk from these financial instruments.

COWICHAN VALLEY REGIONAL DISTRICT

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2022**
Summary of Significant Accounting Policies (continued)**(f) Liability for Contaminated Sites**

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized 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.

Management has assessed its potential liabilities, including sites that are no longer in productive use and sites for which the Regional District accepts responsibility. There is a portion of a site, at Bings Creek Drop Off Depot, which has been determined to have evidence of minor contamination due to historical use of the property. The CVRD continuously monitors the ground water at the site and no contamination in excess of an environmental standard is believed to exist, therefore no liability is recorded.

(g) Landfill Closure and Post Closure

The estimated present value of landfill closure and post-closure costs is recognized as a liability. This liability is recognized based on estimated future expenses, including estimated inflation discounted to current date and accrued based on the proportion of the total capacity of the landfill used as of the date of the statement of financial position. The change in this estimated liability during the year is recorded as an expense in operations. These estimates are reviewed and adjusted annually and any changes are recorded on the prospective basis.

(h) Long-Term Debt

Long-term debt is recorded net of repayment and actuarial adjustments.

(i) Non-Financial Assets

Non-financial assets are held for use in the provision of services and are not normally available to discharge liabilities. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year together with the net surplus (deficit) for the year, provides the change in the Financial Assets.

COWICHAN VALLEY REGIONAL DISTRICT

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Summary of Significant Accounting Policies (continued)

(j) Tangible Capital Assets

Tangible capital assets are non-financial assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Tangible capital assets are recorded at cost and amortized. Contributed tangible capital assets are reported at their estimated fair market value. The costs of tangible capital assets includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost recorded, less any estimated residual value, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset Category	Useful Life Range (years)
Land	N/A
Building	10 - 100
Vehicles, Machinery & Equipment	5 - 20
Engineering Structures	10 - 100
Parks Infrastructure	10 - 60
Other Tangible Capital Assets	10 - 50

Assets under construction are not amortized until the asset is put into use.

(k) Inventories

Inventories of merchandise held for consumption are recorded at lower of cost and replacement cost on the Statement of Financial Position. Inventories of materials and supplies are included as expenses in the Statement of Operations when consumed.

(l) Deferred Revenue

Funds received for specific purposes which are externally restricted by regulation, legislation or agreement and are not available for general purposes, are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

Summary of Significant Accounting Policies (continued)

(m) Accrued Employee Benefits

Under the terms of various collective agreements and compensation policies, the District provides paid sick leave to eligible employees and in certain agreements allows for unused sick days to accumulate. There are no payouts of unused sick days at termination. In addition, employees acquire certain employee benefits on termination and retirement. These include days for severance based on years of service, vacation based on years of service, Worker's Compensation top-up, and a full year's vacation entitlement in the year of retirement. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

(n) Pension Liability

The District and its employees participate in the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments made in the year are expensed.

(o) Revenue Recognition

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned. Property tax revenues in the form of local government requisitions are recognized in the year they are levied. Parcel Taxes are recognized in the year they are levied. Interest income is recognized as earned as income in the Statement of Operations, except interest on restricted liabilities where the income is deferred until spent. Donations are recorded when received. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees, transit, tipping fees, garbage and recycling collection fees are recognized as revenue as earned. Permit fees are recognized as revenue when the permit is approved and payment is collected according to rates set in various fees and charges bylaws.

(p) Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Revenue is recognized in the statement of operations as the stipulation liabilities are settled.

When the Regional District is deemed the transferor, the transfer expense is recognized when the recipient is authorized to receive the transfer and has met the eligibility criteria.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Summary of Significant Accounting Policies (continued)

(q) Expense Recognition

Expenses are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due. Expenses include the accrual of interest payable on debt to the end of the fiscal period.

(r) Segment Disclosure

The Cowichan Valley Regional District is a diversified local government providing a wide range of services to over 83,730 residents, including general government, Vancouver Island Regional Library, Transportation services, Electoral Area services, Protective services, parks and recreation, environmental services and sewer and water utilities.

(s) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Areas requiring management estimates are the determination of landfill closure and post closure liabilities, provisions for contingencies, estimation of employee future benefits, estimated useful life of tangible capital assets, and provisions for contaminated sites. Actual results may vary from those estimates and adjustments will be reported in operations as they become known.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1) Cash & Cash Equivalents

	2022	2021
Restricted Cash		
Statutory Reserves	\$ 12,215,333	\$ 11,202,102
Restricted Contributions and Performance Deposits	1,896,677	1,774,316
	<u>14,112,010</u>	<u>12,976,418</u>
Unrestricted Cash	37,551,111	29,614,488
Total Cash	<u>\$ 51,663,121</u>	<u>\$ 42,590,906</u>

2) Portfolio Investments

Portfolio investments are MFA Money Market funds and BC Fossil Fuel Free bond funds. The Money Market fund balance at December 31, 2022 is \$5,402,584 (2021 - \$ 5,299,986). The yield on funds for 2022 was 1.93% (2021 - 0.15%). The BC Fossil Fuel Free bond funds balance at December 31, 2021 is \$10,508,431 (2021 - \$10,306,439).The yield on funds for 2022 was -3.59% (2021 - -0.92%).

3) Accounts Receivable

	2022	2021
Federal Governments	\$ 788,570	\$ 703,903
Provincial Governments	2,673,802	3,372,957
Local Governments	86,291	132,367
Other Trade Receivables	1,789,758	1,513,076
	<u>\$ 5,338,421</u>	<u>\$ 5,722,303</u>

4) Debt Recoverable from Members

Pursuant to the Local Government Act, the Regional District acts as the agent through which its members borrow funds from the Municipal Finance Authority. The annual cost of servicing the debt is recovered entirely from the borrowing member. However, the Regional District is jointly and severally liable for member debt in the event of default.

	2022	2021
District of North Cowichan	\$ 36,184,389	\$ 15,723,818
Town of Ladysmith	14,511,912	15,339,599
Vancouver Island Regional Library	2,759,413	2,872,836
	<u>\$ 53,455,714</u>	<u>\$ 33,936,253</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

5) Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority (Authority) of British Columbia provides capital financing for Regional Districts and their Members. The Authority is required to establish a Debt Reserve Fund into which each Regional District and Members, who share in the proceeds of a debt issue through the District, are required to pay certain amounts set out in the debt agreements.

Interest earned on these funds (less administrative expenses) becomes an obligation of the Authority to the Regional District. If at any time insufficient funds are provided by the Regional District or their Members, the Authority will then use these funds to meet payments on its obligations. When this occurs, the Regional District may be called upon to restore the fund. The MFA holds demand notes related to the Regional District's debt. The demand notes are not recorded as they only become payable should debt be in default or the MFA requires the funds to meet debt obligations.

	2022	2021
Cash Deposits - Cowichan Valley Regional District	\$ 323,775	\$ 374,039
Cash Deposits - Members	911,987	674,664
Demand Notes - Cowichan Valley Regional District	615,026	712,257
Demand Notes - Members	<u>1,906,413</u>	<u>1,287,541</u>
	<u>\$ 3,757,201</u>	<u>\$ 3,048,501</u>

6) Accounts Payable & Accrued Liabilities

	2022	2021
Federal Governments	\$ 23,161	\$ 165,630
Provincial Governments	10,113	6,827
Local Governments	395,687	382,842
Accrued Payroll	1,642,065	1,134,808
Trade Payables	<u>3,627,503</u>	<u>2,715,807</u>
	<u>\$ 5,698,529</u>	<u>\$ 4,405,914</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

7) Deferred Revenue

	2021	Externally restricted receipts	Revenue earned	2022
Trail Project Grants	\$ -	\$ 459,000	\$ -	\$ 459,000
Recreation Deposits	944,991	657,237	(1,140,149)	462,079
Developer Capital Contributions	82,527	-	-	82,527
Other	<u>476,836</u>	<u>1,426,784</u>	<u>(242,952)</u>	<u>1,660,668</u>
Subtotal	1,504,354	2,543,021	(1,383,101)	2,664,274
Parkland Cash-in-lieu Contributions	<u>880,818</u>	<u>20,135</u>	<u>-</u>	<u>900,953</u>
	<u>\$ 2,385,172</u>	<u>\$ 2,563,156</u>	<u>\$ (1,383,101)</u>	<u>\$ 3,565,227</u>

- Trail Project Grants consists of funds for the Cowichan Valley Trail NorthWatts project.
- Recreation Deposits consists of payments in advance for recreation programs, unredeemed recreation program awards, and facility rental deposits.
- Developer Capital Contributions were contributed for improvements to the Shawnigan Lake Water System.
- Other funds include dog licenses, bus passes, and miscellaneous deferred revenue.
- Parkland Cash-in-Lieu Contributions consists of funds collected from developers under the authority of Section 941 of the *Local Government Act*, in lieu of land for parkland purposes as a condition of the subdivision. These funds are restricted for future purchases of parkland.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

8) Restricted Contributions and Performance Deposits

	2022	2021
Warranty Deposits	\$ 1,305,153	\$ 1,268,467
Kinsol Trestle Donations	65,497	65,397
Holdbacks	301,158	80,363
Cowichan Lake Water Protection	76,000	76,000
Arts & Sports Scholarship Fund	34,241	36,872
Nature and Habitat	50,567	50,567
Cowichan Performing Arts	120,434	70,298
Soil Security Deposits	337,808	301,600
Other	(394,181)	(175,248)
	<u>\$ 1,896,677</u>	<u>\$ 1,774,316</u>

- Warranty Deposits are funds received from the developer for warranty and deficiencies on various infrastructure projects and also includes developer landscape bonds. Should the funds be required they are recognized in the year of the applicable expenditure. Upon successful completion of the warranty period funds will be returned to the developer.
- Kinsol Trestle Donations are funds received for major restoration work on the Kinsol Trestle.
- Holdback funds are monies held from payments to contractors for work on the North Oyster Fire Hall, Arbutus Ridge WWTP, Kerry Park Recreation HVAC and Saltair Rail with Trail project to ensure completion of said projects.
- Cowichan Lake Water Protection funds are received when a lot is sold at Creekside Development. The interest earned on these deposits is used to fund projects for the protection of waters and riparian areas on Cowichan Lake.
- The Arts & Sports Scholarship Fund was established by monies received from the Province of B.C. as a Legacy of Appreciation for hosting the BC Festival of Arts and monies received from BC Hydro Cowichan and Chemainus Valley's Commonwealth Games Power Smart Sport and Culture Tour Committee. The interest earned is added to the fund and annually two Arts and two Sports Scholarships are provided to deserving local students.
- Nature and Habitat funds are received through voluntary contributions for projects that environmentally enhance Electoral Area I-Youbou/Meade Creek.
- Cowichan Performing Arts are funds received through a capital improvement fee on ticket sales at the Cowichan Performing Arts Centre.
- Soil Security Deposits are funds received through issuance of Soil Deposit permits.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

9) Employee Future Benefits

	2022	2021
Discount rates	4.50%	2.50%
Expected future inflation rates	2.00%	2.00%
Expected wages/salary increase	2.00 - 4.00%	2.00 - 3.00%

Accrued Benefit Obligation as at December 31, 2022

	2022	2021
Accrued benefit obligation - beginning	\$ 134,889	\$ 142,750
Current service cost	12,436	12,783
Interest on accrued benefit obligation	3,606	3,076
Benefits paid during the year	(6,180)	(18,160)
Actuarial (gain)/loss	(24,293)	(5,560)
Ending benefit obligation	120,458	134,889
Unamortized net actuarial gain	26,512	3,171
Accrued Unfunded Benefit Liability	<u>\$ 146,970</u>	<u>\$ 138,060</u>

The total expense related to these benefits was:

	2022	2021
Current service costs	\$ 12,436	\$ 12,783
Interest on accrued benefit obligation	3,606	3,076
Amortization of actuarial gain	(952)	(50,766)
Total expense/(recovery)	<u>\$ 15,090</u>	<u>\$ (34,907)</u>

The total expense/(recovery) is included in wages and benefits expense.

10) Pension Liability

The Regional District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021 the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local government.

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FOR THE YEAR ENDED DECEMBER 31, 2022

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10) Pension Liability (continued)

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 at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of the employer contributions made during the fiscal year (defined contributions 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 individual employers participating in the plan.

The Cowichan Valley Regional District paid \$1,574,453 (2021 - \$1,609,372) for employer contributions, while employees contributed \$1,456,063 (2021 - \$1,427,397) to the plan in fiscal 2022.

11) Landfill Closure and Post Closure Costs

The provincial Environmental Management Act, as well as the BC Landfill Criteria for Municipal Solid Waste (LCMSW), sets out the regulatory requirements to close and maintain active and inactive landfill sites.

Several solid waste program initiatives are included in the Cowichan Valley Regional District (CVRD) Solid Waste Management Plan (SWMP) Amendment No. 3, which was approved by the Minister of Environment in 2007. The CVRD is committed to ensuring landfills the CVRD has taken responsibility for are managed in a fiscally responsible manner, which includes setting aside funds to pay for landfill post-closure activities. During 2011, the CVRD instituted a \$2 per tonne tipping fee surcharge on all municipal solid waste received for disposal in order to fund borrowing for closure of historic landfill and ash landfill sites. These funds are held in the Remediation Reserve fund.

Although the CVRD does not operate an active landfill site, the Regional District is responsible for four former landfills, three of which are associated with old Thermal Reduction Plants (TRPs, municipal solid waste incinerators).

11) Landfill Closure and Post Closure Costs (continued)

At the Meade Creek ashfill site, the Regional District has completed the works to consolidate and encapsulate the ash waste on site which allows for on-site risk management. There will be \$12,500 per year of post closure monitoring requirements for the landfill beginning 2019, for up to 21 years (2021 - \$12,000 annually).

The Peerless Road remediation and closure works were completed in 2015. The post-closure maintenance costs are estimated at \$12,400 annually for 17 years (2021 - \$12,000 annually).

The Regional District currently maintains an inactive landfill site on Koksilah Road which has been closed for 20 years. The Regional District is responsible for long-term groundwater monitoring at this location at a cost estimated at \$8,000 annually for 21 years (2021 - \$14,500 annually).

Also on Koksilah Road is a former ash landfill site. This site is on Cowichan Tribes land and was closed by Cowichan Tribes with funding provided by Aboriginal Affairs and Northern Development Canada (AANDC). A portion of the ash waste was exported to an out-of-region landfill with the remainder being encapsulated on-site. Long term monitoring is being undertaken by Cowichan Tribes. The CVRD is of the opinion that it will not be required to contribute towards any long term monitoring costs and therefore has reported no liability in respect of this site.

The table below sets out the closure and post closure liability based on consultant and senior staff estimates.

	2022	2021
Koksilah Road	\$ 132,918	\$ 314,838
Peerless Road TRP	173,783	220,555
Meade Creek TRP	215,370	270,241
	<u>\$ 522,071</u>	<u>\$ 805,634</u>

The provision is determined using the following assumptions:

	2022	2021
Inflation Rates	2.00%	2.00%
Discount Rates	4.28%	3.31%
Koksilah Road Monitoring	\$8,000 per annum	\$14,500 per annum
Peerless Road Monitoring	\$12,400 per annum	\$12,000 per annum
Meade Creek Monitoring	\$12,500 per annum	\$12,000 per annum

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12) Debt

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars. Details of Short-term debt are summarized in Note 22. Details of Long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts are summarized in Note 23.

Payments of principal on issued debt of the Regional District, not including other members debt, for the next five years are:

	Short-term Debt	Long-term Debt
2023	\$ 901,642	\$ 835,135
2024	462,170	765,577
2025	344,112	685,806
2026	18,125	685,806
2027	12,636	685,806
Thereafter	-	8,498,734
	<u>\$ 1,738,685</u>	<u>\$ 12,156,864</u>

13) Contingent Liabilities

As at December 31, 2022 there existed outstanding claims against the Regional District. These claims have been referred to legal counsel and the Regional District's liability insurers. It is not possible to determine the Regional District's potential liability, if any, with respect to these matters. However, at such time that a liability becomes likely and can be reasonably estimated, it will be reflected in the Regional District's financial statements.

14) Tangible Capital Assets

	2022	2021
Land	\$ 56,756,917	\$ 56,031,472
Building	21,039,989	22,531,065
Vehicles, Machinery and Equipment	5,642,174	5,265,084
Engineering Structures	51,827,750	52,623,722
Parks	5,852,377	6,195,063
Other Tangible Capital Assets	10,920,890	10,546,704
Work in Progress	13,952,795	9,925,800
	<u>\$ 165,992,892</u>	<u>\$ 163,118,910</u>

For additional information, see the Schedule of Tangible Capital Assets (Note 21).

During the year land, and sewer/water/drainage systems built by others valued at \$1,780,082 (2021 - \$ -) were accepted and recorded as contributed assets.

15) Budget Figures

Budget figures represent the 2022 Financial Plan Bylaw adopted by the Board on March 23, 2022. The financial plan was performed on cash/funding basis, which budgeted for capital expenditures rather than amortization expense, and reflects the use of prior year operating surpluses as part of its annual budget. The carry forward of operating surpluses by the department is a requirement under the Local Government Act of BC. The financial plan forms the basis of taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the "Surplus for the year" is provided to show which items must be added or removed from the budget on Statement 2 to reflect the financial plan.

	2022
Surplus for the year (Statement 2)	\$ 18,265,941
Add:	
Transfer from Reserves	8,357,524
Prior Year Operating Surplus	7,446,628
MFA Funding - Proceeds from Debt	7,081,084
Less:	
Debt Principal Repayments/Actuarial Adjustments	(2,407,462)
Transfer to Reserves	(1,656,803)
Capital Expenditures	<u>(37,086,912)</u>
Surplus, per Cowichan Valley Regional District Financial Plan Bylaw No. 4369	<u>\$ -</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

16) Accumulated Surplus

Accumulated Surplus consists of individual fund surpluses (deficits) and reserves as follows:

	2022	2021
Surplus		
Operating Fund Reserve Fund - Operating Surplus	\$ 37,935,906	\$ 31,545,172
Operating Fund Reserve Fund - Community Works	8,106,160	7,801,169
Operating Fund - Employee Future Benefit	(146,970)	(138,060)
Operating Fund - Landfill Post Closure Costs	(522,071)	(805,634)
Equity in Tangible Capital Assets	<u>152,097,344</u>	<u>146,864,759</u>
Total Surplus	197,470,369	185,267,406
Statutory Reserve Funds	<u>15,845,448</u>	<u>16,140,876</u>
Accumulated Surplus (Statement 1)	<u>\$ 213,315,817</u>	<u>\$ 201,408,282</u>

The Regional District tracks the unspent amounts received under the Renewed Gas Tax Agreement in the Community Works Reserve Fund. The continuity of this fund is presented in the table below:

	2022	2021
Community Works Reserve, opening balance	\$ 7,801,169	\$ 5,169,890
Add:		
Community works funds received in year	1,701,815	3,329,907
Interest earned	184,459	35,997
Less:		
Amounts spent on projects	<u>(1,581,283)</u>	<u>(734,625)</u>
Community Works Reserve, Ending Balance	<u>\$ 8,106,160</u>	<u>\$ 7,801,169</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

17) Segment Disclosure

Segmentation has been determined on a functional basis with consideration to service delivery and departmental accountabilities. Categories of service that have been separately disclosed in the segmented information on Note 24 provide the following services:

General Government

General Government is comprised of electoral area governance, general administration which includes legislative services, finance, human resources and information systems, feasibility studies and economic development.

Vancouver Island Regional Library

Vancouver Island Regional Library is comprised of the Vancouver Island Regional Library.

Transportation Services

Transportation Services is comprised of local, Handydart, and Commuter transit.

Electoral Area Services

Electoral Area Services is comprised of grants in aid, animal control, building inspection, planning, bylaw enforcement, Cowichan and South Cowichan policing, environmental fund and all street lighting.

Protective Services

Protective Services is comprised of emergency planning, victim services, and all the fire departments.

Parks and Recreation

Parks and Recreation is comprised of all parks, all recreation centres, halls and societies, and the theatre.

Environmental Services

Environmental Services is comprised of the curbside garbage/recycling collection, solid waste site and environmental initiatives.

Sewer & Water Utilities

Sewer and Water utilities are comprised of all the drainage, water and sewer systems within the Regional District.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
18) Commitments**911 Agreement**

A five year agreement with the North Island 9-1-1 Corporation commenced June 28, 2021 to provide for emergency answering and fire dispatch services. Termination of this agreement requires 12 months notice prior to expiration. The 2023 commitment is \$289,703.

BC Transit Corporation

The Regional District's transit includes Handydart, Commuter, Youbou, Ladysmith and local service. A five year memorandum of understanding was signed in March 2022 for the new Nanaimo route. The remainder due on the 2022/2023 annual transit operating agreement and memorandum of understanding for these services is \$841,475.

City of Duncan

A five year agreement for the delivery of fire protection services to the Eagle Heights Fire Service Area, commenced December 2003 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2023 commitment is \$269,613.

Town of Lake Cowichan

A five year agreement for the delivery of fire protection services to the Cowichan Lake Fire Service Area, commenced March 2005 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2023 commitment is \$349,957.

Island Corridor Foundation

The Board committed to a \$488,100 contribution for bridge and trestle upgrades along the rail line between Victoria and Courtney. The parties entered into an agreement in 2014 setting out the payment terms. The 2023 budget includes a \$488,100 that continues to be held in surplus.

Town of Ladysmith and Municipality of North Cowichan

A five year agreement for the delivery of fire protection services to Saltair Fire Service Area commenced July 1972 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2023 commitment is \$185,447.

Regional Disposal

A three year (with two year extension) agreement for the transportation of CVRD municipal solid waste, commencing March 2019. Termination of this agreement requires 180 days notice. The 2023 commitment is \$3,379,730.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
18) Commitments (continued)**Easy Living Landscape Ltd**

A three year agreement for landscaping services for CVRD parks was entered in to in December 2021 and commenced January 1, 2022. The 2023 commitment is \$762,226.

PSD Citywide

A five year agreement for the Citywide Asset Management Software System Implementation commenced September 30, 2021. The anticipated 2023 commitment is \$53,000, which is comprised of Year 2 implementation fees.

19) Cowichan Valley Regional Hospital District

The Cowichan Valley Regional Hospital District is related to the Cowichan Valley 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 Regional District are the corresponding officers and employees of the hospital district. The Regional District and the Hospital District are separate legal entities as defined by the separate letters patent and authorized by separate legislation.

During the year, management and administrative support services supplied to the Hospital District by the Regional District totaled \$60,000 (2021 - \$60,000).

20) Environmental Regulations

The Regional District is subject to environmental regulations, which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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FOR THE YEAR ENDED DECEMBER 31, 2022

21) Tangible Capital Assets

	Engineering Structures									
	Land	Buildings	Vehicles, Machinery and Equipment	Water Engineering Structures	Sewer Engineering Structures	Other Engineering Structures	Parks	Other Tangible Capital Assets	Work in Progress	2022 Total
Cost										
Opening Balance	\$ 56,031,471	\$ 52,498,833	\$ 26,822,323	\$ 49,419,472	\$ 43,489,653	\$ 1,173,151	\$ 22,629,727	\$ 17,896,673	\$ 9,925,800	\$ 279,887,103
Add: Additions	845,756	178,011	1,270,800	992,084	493,887	-	335,088	1,199,214	13,952,795	19,267,635
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(9,925,800)	(9,925,800)
Less: Disposals	(120,310)	-	(165,148)	-	-	-	-	-	-	(285,458)
Closing Balance	<u>56,756,917</u>	<u>52,676,844</u>	<u>27,927,975</u>	<u>50,411,556</u>	<u>43,983,540</u>	<u>1,173,151</u>	<u>22,964,815</u>	<u>19,095,887</u>	<u>13,952,795</u>	<u>288,943,480</u>
Accumulated Amortization										
Opening Balance	-	29,967,771	21,557,238	22,138,670	18,940,345	379,531	16,434,664	7,349,966	-	116,768,185
Add: Amortization	-	1,669,084	884,717	1,082,560	1,152,614	46,777	677,774	825,031	-	6,338,557
Less: Disposals	-	-	(156,154)	-	-	-	-	-	-	(156,154)
Closing Balance	<u>-</u>	<u>31,636,855</u>	<u>22,285,801</u>	<u>23,221,230</u>	<u>20,092,959</u>	<u>426,308</u>	<u>17,112,438</u>	<u>8,174,997</u>	<u>-</u>	<u>122,950,588</u>
Net Book Value December 31, 2022	<u>\$ 56,756,917</u>	<u>\$ 21,039,989</u>	<u>\$ 5,642,174</u>	<u>\$ 27,190,326</u>	<u>\$ 23,890,581</u>	<u>\$ 746,843</u>	<u>\$ 5,852,377</u>	<u>\$ 10,920,890</u>	<u>\$ 13,952,795</u>	<u>\$ 165,992,892</u>

21) Tangible Capital Assets (continued)

	Engineering Structures									
	Land	Buildings	Vehicles, Machinery and Equipment	Water Engineering Structures	Sewer Engineering Structures	Other Engineering Structures	Parks	Other Tangible Capital Assets	Work in Progress	2021 Total
Cost										
Opening Balance	\$ 55,048,908	\$ 52,473,865	\$ 26,295,101	\$ 48,944,037	\$ 41,463,946	\$ 1,173,151	\$ 22,613,195	\$ 15,894,600	\$ 7,731,895	\$ 271,638,698
Add: Additions	982,564	24,969	684,959	475,430	2,025,704	-	16,532	2,002,073	9,925,800	16,138,031
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(7,731,895)	(7,731,895)
Less: Disposals	-	-	(157,737)	-	-	-	-	-	-	(157,737)
Closing Balance	<u>56,031,472</u>	<u>52,498,834</u>	<u>26,822,323</u>	<u>49,419,467</u>	<u>43,489,650</u>	<u>1,173,151</u>	<u>22,629,727</u>	<u>17,896,673</u>	<u>9,925,800</u>	<u>279,887,097</u>
Accumulated Amortization										
Opening Balance	-	28,296,388	20,809,583	21,063,351	17,843,114	332,753	15,704,175	6,582,490	-	110,631,854
Add: Amortization	-	1,671,381	905,393	1,075,314	1,097,237	46,777	730,489	767,479	-	6,294,070
Less: Disposals	-	-	(157,737)	-	-	-	-	-	-	(157,737)
Closing Balance	<u>-</u>	<u>29,967,769</u>	<u>21,557,239</u>	<u>22,138,665</u>	<u>18,940,351</u>	<u>379,530</u>	<u>16,434,664</u>	<u>7,349,969</u>	<u>-</u>	<u>116,768,187</u>
Net Book Value December 31, 2021	<u>\$ 56,031,472</u>	<u>\$ 22,531,065</u>	<u>\$ 5,265,084</u>	<u>\$ 27,280,802</u>	<u>\$ 24,549,299</u>	<u>\$ 793,621</u>	<u>\$ 6,195,063</u>	<u>\$ 10,546,704</u>	<u>\$ 9,925,800</u>	<u>\$ 163,118,910</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

22) Short-term Debt

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payment 2022	Net Balance December 31, 2022	Net Balance December 31, 2021
Building Inspection - Vehicle Bylaw	19-265.6.1	2024	\$ 29,410	\$ 6,078	\$ 9,103	\$ 15,181
Com Parks - Area B - Land	19-265.6.2	2024	28,820	5,956	8,921	14,877
Com Parks - Area E	20-327.5	2026	880,000	177,620	532,850	710,470
Cowichan Lake Recreation	18-224.2	2023	263,840	54,290	54,291	108,581
Community Planning - Renovations	20-63.1.3	2025	168,445	33,287	99,861	133,148
Eng Utilities - Equipment	18-77	2023	178,680	38,260	38,262	76,522
Eng Utilities - Equipment	18-81.12	2023	98,400	20,507	14,418	34,925
Fire Protection - North Oyster Fire Hall	18-81.12	2023	45,000	9,379	6,591	15,970
ISC - Theatre	19-345.6	2024	644,690	150,975	169,910	320,885
KPR - Parking Lot Improvements	18-85.1	2023	349,000	73,052	60,859	133,911
KPR - Utility Vehicle	20-244.1.3	2026	415,000	114,411	186,425	300,836
KPR - Ice Resurfacer	19-159	2024	34,120	7,018	13,333	20,352
KPR - Interior Upgrades	19-159	2024	173,420	35,671	67,773	103,444
Reg Parkland - CVT	19-159	2024	75,000	11,862	36,693	48,555
Saltair Rec - New Roof	17-502	2023	344,000	72,327	72,327	144,654
SLCC - Parking Lot	17-472.2	2023	112,318	21,046	21,046	42,092
SWM	18-201	2026	173,325	33,647	105,013	138,660
SWM - Loader	20-63.1.5	2025	90,000	17,626	54,547	72,200
SWM - Vehicle	18-125.2.1	2024	147,550	30,494	45,674	76,167
Public Safety - SPU	18-125.2.2	2024	41,010	8,475	12,695	21,170
Shawnigan Beach Sewer - Upgrades	19-225.2.2	2024	128,000	26,359	45,936	72,294
SWM - Peerless Skid Steer	16-366-12	2022	44,097	9,219	-	9,219
	21-208.5	2027	88,951	6,794	82,157	-
			<u>\$ 964,353</u>	<u>\$ 1,738,685</u>	<u>\$ 2,614,113</u>	

Debt bears interest at variable rates which are paid monthly.
The weighted average interest rate at December 31, 2022 was 2.49% (December 31, 2021 - 0.93%).
Regular principal payments are not required but debt must be paid within five years of borrowing.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

23) Long-term Debt

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2022	Net Balance December 31, 2022	Interest Rate
Issued by the Municipal Finance Authority for the Regional District							
Administration Building	2252	20	2022	3,020,000	\$ 230,793	\$ -	2.25 %
Cowichan Lake Recreation	3197	20	2029	2,500,000	134,414	1,104,104	2.25 %
Cowichan Lake Recreation	3197	20	2030	3,700,000	194,819	1,825,161	1.28 %
Kerry Park Recreation	2333	20	2023	1,700,000	123,730	129,917	2.85 %
Cowichan Community Centre	2320	20	2024	2,500,000	173,291	373,010	2.85 %
Malahat Fire	3630	15	2028	265,000	18,112	124,943	3.15 %
Curbside Collection	3607	15	2028	1,600,000	109,356	754,374	3.15 %
Curbside Collection	3607	15	2029	175,000	11,500	94,471	3.30 %
Solid Waste Mgmt Complex	4105	20	2038	709,700	28,861	599,202	3.15 %
Solid Waste Mgmt Complex	3277	20	2038	300,000	12,200	253,291	3.15 %
Solid Waste Mgmt Complex	4105	20	2039	1,258,300	62,915	1,038,098	4.00 %
Solid Waste Mgmt Complex	3278	20	2030	590,000	31,066	291,039	1.28 %
Solid Waste Mgmt Complex	3277	20	2030	720,000	37,910	355,167	1.28 %
Solid Waste Mgmt Complex	3277	20	2033	780,000	35,848	502,797	3.85 %
Solid Waste Mgmt Complex	3727	20	2034	871,000	38,490	601,487	3.30 %
Arbutus Ridge Water	3287	20	2031	100,000	5,087	54,594	1.47 %
Carlton Water	3628	10	2024	50,000	5,480	11,627	3.00 %
Central Youbou Water	2665	25	2033	488,000	19,511	273,658	2.90 %
Dogwood Ridge Water	3281	25	2036	94,000	3,467	63,434	1.47 %
Douglas Hill Water	3383	20	2031	150,000	7,631	81,891	1.47 %
Fern Ridge Water	2995	20	2029	23,175	1,246	10,235	2.25 %
Honeymoon Bay Water	2973	20	2030	37,000	1,948	18,252	1.28 %
Honeymoon Bay Water	3981	15	2034	325,000	18,539	270,989	2.24 %

23) Long-term Debt (continued)

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2022	Net Balance December 31, 2022	Interest Rate
Lambourn Water	3062	20	2030	100,000	5,266	49,328	1.28 %
Satellite Park Water	3029	20	2029	160,000	8,602	70,663	2.25 %
Burnum Water	3708	25	2045	250,000	7,962	234,233	1.99 %
Shellwood Water	3625	20	2036	85,000	3,570	65,312	2.60 %
Youbou Water	2902	20	2030	120,000	6,319	59,194	1.28 %
Arbutus Mt Sewer	4233	20	2039	153,855	6,075	136,157	2.66 %
Arbutus Ridge Sewer	3289	20	2031	125,000	6,359	68,243	3.25 %
Arbutus Ridge Sewer	4146	25	2044	2,475,000	72,019	2,265,177	2.24 %
Brulette Place Sewer	3297	15	2029	24,713	1,624	13,341	3.00 %
Cowichan Bay Sewer	2330	20	2023	600,000	43,669	45,853	2.85 %
Lambourn Sewer	3063	20	2030	150,000	7,898	73,993	1.28 %
Mesachie Lake Sewer	4151	25	2046	251,226	7,597	243,629	2.41 %
Grand Total					<u>\$1,483,174</u>	<u>\$12,156,864</u>	

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

24) Segment Disclosure

	General Government Services	Vancouver Island Regional Library	Transportation Services	Electoral Area Services	Protective Services	Parks and Recreation	Environmental Services	Sewer and Water Utilities	2022 Consolidated
Revenues									
Tax Requisition	\$ 4,230,715	\$ 2,190,494	\$ 3,005,994	\$ 4,953,448	\$ 4,351,128	\$ 18,681,132	\$ 8,174,602	\$ 77,841	\$ 45,665,354
User Fees	-	-	-	2,464	-	(23,709)	1,271,162	3,572,858	4,822,775
Parcel Taxes	-	-	-	34,100	-	19,750	-	2,938,247	2,992,097
Government Transfers - Provincial	540,387	-	475,762	137,775	991,280	1,153,736	299,481	390,377	3,988,798
Government Transfers - Federal	1,886,758	554	441	1,294	260	4,001	382,564	20	2,275,892
Services Provided Other Local Govt	-	-	-	-	62,400	-	-	-	62,400
Revenue from Own Sources	789,895	-	813,554	1,469,679	36,232	4,039,732	5,236,188	12,232	12,397,512
Other Revenue	312,197	-	7,903	171,693	143,704	623,559	804,264	480,861	2,544,181
Interest Income	932,373	-	-	8,496	74,105	154,227	32,081	84,778	1,286,060
Donations	-	-	-	-	6,000	657,638	-	1,122,444	1,786,082
Services Provided to Other Functions	50,018	-	-	7,871	-	(14,871)	(668,778)	625,760	-
	<u>8,742,343</u>	<u>2,191,048</u>	<u>4,303,654</u>	<u>6,786,820</u>	<u>5,665,109</u>	<u>25,295,195</u>	<u>15,531,564</u>	<u>9,305,418</u>	<u>77,821,151</u>
Expenses									
Operations and Maintenance	2,202,248	-	72,475	1,581,747	1,825,527	5,877,860	3,953,877	2,400,845	17,914,579
Wages and Benefits	6,379,231	-	156,331	3,076,400	901,305	10,265,599	3,576,210	2,301,640	26,656,716
Contract for Services	250,627	-	3,618,210	191,259	593,791	400,822	4,948,404	25,040	10,028,153
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	(290,075)	-	(290,075)
Debt Charges - Interest	62,737	-	-	1,924	15,891	262,300	209,957	130,444	683,253
Contributions to Community Facilities	-	-	-	-	-	125,584	-	-	125,584
Grants to Organizations	570,000	-	-	423,785	-	107,372	-	-	1,101,157
Library Services	-	2,150,072	-	-	-	-	-	-	2,150,072
Fire and Recreation Services Provided by Other Governments	-	-	-	-	820,716	372,743	-	-	1,193,459
Amortization	207,594	-	-	69,050	471,663	2,328,693	915,657	2,345,900	6,338,557
Contributions to Third Party Capital	-	-	-	-	-	-	-	12,161	12,161
	<u>9,672,437</u>	<u>2,150,072</u>	<u>3,847,016</u>	<u>5,344,165</u>	<u>4,628,893</u>	<u>19,740,973</u>	<u>13,314,030</u>	<u>7,216,030</u>	<u>65,913,616</u>
Net Annual Surplus/(Deficit)	<u>\$ (930,094)</u>	<u>\$ 40,976</u>	<u>\$ 456,638</u>	<u>\$ 1,442,655</u>	<u>\$ 1,036,216</u>	<u>\$ 5,554,222</u>	<u>\$ 2,217,534</u>	<u>\$ 2,089,388</u>	<u>\$ 11,907,535</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

24) Segment Disclosure (continued)

	General Government Services	Vancouver Island Regional Library	Transportation Services	Electoral Area Services	Protective Services	Parks and Recreation	Environmental Services	Sewer and Water Utilities	2021 Consolidated
Revenues									
Tax Requisition	\$ 3,599,398	\$ 2,081,944	\$ 3,005,994	\$ 4,949,537	\$ 4,165,571	\$ 18,096,938	\$ 7,892,834	\$ 76,841	\$ 43,869,057
User Fees	-	-	-	2,047	-	(26,414)	1,257,553	3,494,078	4,727,264
Parcel Taxes	-	-	-	34,100	-	19,750	-	2,669,439	2,723,289
Government Transfers - Provincial	1,388,001	-	566,406	75,626	76,614	195,222	311,384	4,795,434	7,408,687
Government Transfers - Federal	3,369,582	554	441	4,487	260	80,365	1,427,080	(4,998)	4,877,771
Services Provided Other Local Govt	-	-	-	-	61,172	-	-	-	61,172
Revenue from Own Sources	493,413	-	602,151	1,256,047	38,903	2,193,120	4,879,332	54,286	9,517,252
Other Revenue	69,408	-	1,910	26,450	913,351	264,047	996,282	58,228	2,329,676
Interest Income	400,143	-	-	2,534	17,387	39,901	8,947	26,086	494,998
Donations	-	-	-	-	84,500	90,404	-	-	174,904
Services Provided to Other Functions	50,018	-	-	7,871	-	(14,871)	(644,707)	601,689	-
	<u>9,369,963</u>	<u>2,082,498</u>	<u>4,176,902</u>	<u>6,358,699</u>	<u>5,357,758</u>	<u>20,938,462</u>	<u>16,128,705</u>	<u>11,771,083</u>	<u>76,184,070</u>
Expenses									
Operations and Maintenance	2,452,414	-	24,631	911,327	1,230,425	4,587,564	4,624,161	1,992,681	15,823,203
Wages and Benefits	5,731,499	-	130,311	2,787,454	685,166	9,458,883	3,740,614	2,194,415	24,728,342
Contract for Services	100,896	-	3,121,888	100,236	723,545	261,601	4,405,768	10,576	8,724,510
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	(495,380)	-	(495,380)
Debt Charges - Interest	67,950	-	-	1,366	13,539	239,228	211,609	135,219	668,911
Contributions to Community Facilities	-	-	-	-	-	125,180	-	-	125,180
Grants to Organizations	787,000	-	-	404,157	-	99,933	-	-	1,291,090
Library Services	-	2,044,044	-	-	-	-	-	-	2,044,044
Fire and Recreation Services Provided by Other Governments	-	-	-	-	756,112	372,113	-	-	1,128,225
Amortization	192,579	-	-	69,050	479,518	2,327,414	935,441	2,290,068	6,294,070
Contributions to Third Party Capital	-	-	-	-	-	-	-	89,906	89,906
	<u>9,332,338</u>	<u>2,044,044</u>	<u>3,276,830</u>	<u>4,273,590</u>	<u>3,888,305</u>	<u>17,471,916</u>	<u>13,422,213</u>	<u>6,712,865</u>	<u>60,422,101</u>
Net Annual Surplus/(Deficit)	<u>\$ 37,625</u>	<u>\$ 38,454</u>	<u>\$ 900,072</u>	<u>\$ 2,085,109</u>	<u>\$ 1,469,453</u>	<u>\$ 3,466,546</u>	<u>\$ 2,706,492</u>	<u>\$ 5,058,218</u>	<u>\$ 15,761,969</u>

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE A

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)**

Function	2022	2021
General Government Services	\$ 5,325,584	\$ 4,519,147
Community Health Network	60,894	33,818
Administration Office	908,196	505,870
I.T. / H.R. / M.I.A. / G.I.S	395,236	395,236
Vancouver Island Regional Library	1,108	554
Commuter Transit	628,021	561,417
Transit	1,768,829	1,683,841
9-1-1	195,970	256,370
Grant in Aid	150,696	175,571
Environmental Services	925,690	886,263
Emergency Planning	1,123,226	645,340
Economic Development	434,290	403,897
Regional Tourism	1,226	1,055
Electoral Feasibility Studies	34,053	31,323
Electoral Area Services	388,902	576,213
Victim Services	189	212
Victim Services - West	5	20
Community Parks	1,353,581	1,051,177
Parks & Trails	179,392	169,048
Regional Parks	633,832	466,362
Kinsol Trestle	519,795	471,275
Bright Angel Park	52,708	48,043
South Cowichan Community Parks	13,206	18,348
Regional Parkland Acquisition	892,152	793,053
Animal Control	98,899	79,595
Building Inspection	836,060	383,967
Bylaw Enforcement	1,049,246	929,833
Community Planning	910,264	1,110,931
North Oyster Fire Protection	72,230	70,816
Mesachie Lake Fire Protection	20,695	20,645
Sahtlam Fire Protection	304,082	226,108
Malahat Fire Protection	229,249	190,151
Eagle Heights Fire Protection	1,089	17,656
Honeymoon Bay Fire Protection	158,610	146,757
Youbou Fire Protection	304,121	254,053
GM Strategic Services	138,136	-
GM Community Services/Facilities	345,971	304,707
Regional Recreation	(173,897)	-
Arts & Culture	78,389	82,154
Cowichan Lake Recreation	736,943	596,056
Kerry Park Recreation	872,707	810,664

**THE FOLLOWING
SCHEDULES ARE
UNAUDITED**

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE A

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)**

Function	2022	2021
Island Savings Centre	1,716,621	1,055,002
Theatre - Area A	12	12
Theatre - Area B	54	56
Cowichan Sportsplex - Area A	5	5
Mill Bay Recreation	708	449
Glenora Recreation	-	1,440
Saltair Recreation	14,607	14,814
Lake Cowichan Activity Centre	73	127
Cowichan Aquatic Centre - Area F	4	4
Shawnigan Lake Community Centre	759,428	676,352
Cobble Hill Historical Society	3	3
Shawnigan Lake Historical Society	20	20
Senior Centre Grant	6	33
Kaatza Historical Society	11	40
Mill Bay/Malahat Historical Society	3	3
Cowichan Station Assoc - Area B	6	6
Nature and Habitat - Area I	3,983	2,805
Thetis Island Wharf	105,428	88,868
Thetis Island Boat Launch	9,147	8,147
Cowichan Lake Water Protection	8,327	6,479
Cowichan Housing Association	977,329	802,263
Safer Futures	51	55
Social Planning	91	102
South Cowichan Community Policing	38	39
Cowichan Community Policing	54,383	54,494
Cowichan Valley Hospice	96	114
Curbside Collection Garbage/Recycling	446,550	441,561
Solid Waste Management Complex	4,139,673	3,150,040
Cowichan Flood Management	539,291	475,585
South Cowichan Water Study Plan	57,162	57,354
Drinking Water & Watershed Protection	1,427,679	1,045,927
Liquid Waste Plan - Central Sector	432,610	422,172
Liquid Waste Plan - South Sector	89,889	75,201
Critical Street Lighting "A"	2,541	1,766
Critical Street Lighting "B"	4,213	3,993
Critical Street Lighting "C"	2,759	3,000
Critical Street Lighting "D"	1,393	2,433
Critical Street Lighting "E"	575	1,019
Critical Street Lighting "I"	(2,251)	(613)
Mesachie Lake Street Lighting	1,469	1,557
Youbou Street Lighting	11,173	12,785

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE A

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)**

Function	2022	2021
Brentwood College Street Lighting	48	27
Cowichan Bay Street Lighting	4,307	3,117
Honeymoon Bay Street Lighting	9,625	9,409
Mill Bay Street Lighting	(739)	(544)
Cobble Hill Street Lighting	3,321	2,894
Wilmot Road Street Lighting	14,950	13,010
Sentinel Ridge Street Lighting	12,038	10,224
Twin Cedars Street Lighting	10,167	7,187
Arbutus Mtn. Street Lighting	17,545	14,418
Mill Springs Street Lighting	22,746	27,925
Engineering Services	280,211	140,476
Engineering - Utilities	712,072	495,822
Asset Manager	5,638	5,638
Wilmot Road Drainage System	19,933	16,827
Sentinel Ridge Drainage System	20,528	19,889
Shawnigan Lake East Drainage System	7,718	7,250
Arbutus Mtn. Drainage System	9,375	21,997
Lanes Road Drainage System	20,609	19,248
Bald Mtn. Drainage System	15,419	14,750
Cobble Hill Drainage System	30,700	29,538
Arbutus Ridge Drainage System	61,587	38,711
Shawnigan Creek Cleanout System	24,484	19,451
Satellite Park Water System	61,553	59,433
Douglas Hill Water System	48,383	30,493
Lambourn Water System	101,816	71,550
Arbutus Mtn. Water System	12,694	16,253
Malahat Water System	33,178	15,964
Fern Ridge Water System	32,153	28,358
Bald Mtn. Water System	109,292	87,027
Dogwood Ridge Water System	28,399	22,670
Arbutus Ridge Water System	61,236	68,210
Carlton Water System	32,698	26,896
Shellwood Water System	1,706	2,916
Woodley Range Water System	13,459	14,669
Burnum Water System	44,090	41,263
Mesachie Lake Water System	15,115	19,149
Saltair Water System	469,513	442,983
Central Youbou Water Debt	45,154	34,174
Youbou Water System	240,798	143,545
Honeymoon Bay Water System	105,959	100,157
Honeymoon Bay (S.C.) Water System Debt	1,794	1,004

COWICHAN VALLEY REGIONAL DISTRICT SCHEDULE A

STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)

Function	2022	2021
Honeymoon Bay Water (well 2) Debt	8,082	4,536
Cherry Point Estates Water System	24,484	30,027
Shawnigan Lake North Water System	473,047	352,595
Shawnigan Lake Weir	10,471	7,707
Kerry Village Water System	22,425	22,635
Cowichan Bay Sewer System	472,897	367,712
Brulette Place Sewer System	54,535	49,476
Sentinel Ridge Sewer System	12,534	13,711
Twin Cedar Sewer System	-	27,126
Lambourn Sewer System	9,908	(1,279)
Arbutus Mtn. Sewer System	11,787	6,925
Malahat Sewer System	34,760	17,089
Mesachie Lake Sewer System	107,897	100,942
Bald Mtn. Sewer System	57,564	46,518
Cobble Hill Sewer	4,312	21,713
Mill Springs Sewer System	81,018	139,175
Arbutus Ridge Sewer System	449,382	404,692
Eagle Heights Sewer System	(18,885)	(7,806)
Maple Hill Sewer System	65,985	58,557
Shawnigan Beach Estates Sewer System	346,994	285,636
Kerry Village Sewer System	47,606	35,715
Youbou Sewer System	121,129	94,724
Operating Fund Surplus Balance	37,935,906	31,545,172
Community Works Reserve Balance	8,106,160	7,801,169
Operating Fund Balance	\$ 46,042,066	\$ 39,346,341

COWICHAN VALLEY REGIONAL DISTRICT SCHEDULE B

SCHEDULE OF SAFE RESTART GRANT FOR
THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)

Opening Balance, December 31, 2021	\$ 688,565
Eligible Costs Incurred:	
Revenue shortfalls	(88,000)
General Government Services	(250,385)
Electoral Area Services	(28)
Protective Services	(46,600)
Parks and Recreation	(71,973)
Environmental Services	(6,207)
Sewer and Water Utilities	(3,882)
Total Eligible Costs Incurred	(467,075)
Ending Balance December 31, 2022	<u>\$ 221,490</u>

2022

FINANCIAL STATISTICS

STATEMENT OF OPERATIONS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUE										
TAX REQUISITION	29,982,616	30,691,543	32,420,102	34,007,525	36,041,665	37,970,405	40,717,383	42,808,496	43,869,057	45,665,354
USER FEES	3,581,182	3,371,780	3,660,070	3,431,420	3,387,089	3,809,540	4,542,802	4,475,660	4,727,264	4,822,775
PARCEL TAXES	1,986,300	2,105,555	2,197,535	2,309,152	2,470,690	2,509,027	2,524,310	2,601,250	2,723,289	2,992,097
GRANTS	8,770,436	6,323,011	3,730,301	4,618,944	4,425,967	5,021,807	6,943,247	8,179,388	12,286,458	6,264,690
SERVICES PROVIDED TO OTHER LOCAL GOVERNMENTS	59,870	58,190	51,790	52,570	53,360	68,310	63,871	59,221	61,172	62,400
REVENUE FROM OWN SOURCES	8,264,968	8,164,611	8,485,747	9,112,444	9,478,596	9,565,657	10,579,222	8,608,159	9,517,252	12,397,512
OTHER REVENUE	2,956,612	2,249,199	2,839,679	1,960,835	1,958,460	2,125,960	1,937,057	1,889,468	2,329,676	2,544,181
INTEREST INCOME	176,066	172,879	168,635	175,073	256,738	466,237	611,357	386,942	494,998	1,286,060
DONATIONS	2,279,141	1,092,836	2,799,166	1,663,385	1,577,150	80,157	787,021	2,339,461	174,904	1,786,082
	58,057,191	54,229,604	56,353,025	57,331,348	59,649,715	61,617,100	68,706,270	71,348,045	76,184,070	77,821,151
EXPENSES BY FUNCTION										
GENERAL GOVERNMENT SERVICES	6,168,724	6,910,467	6,156,700	5,695,821	6,526,412	7,479,334	7,832,419	7,897,985	9,332,338	9,672,437
VANCOUVER ISLAND REGIONAL LIBRARY	1,483,948	1,573,705	1,648,088	1,692,096	1,781,820	1,850,776	1,925,176	2,021,109	2,044,044	2,150,072
TRANSPORTATION SERVICES	2,533,920	2,756,314	2,972,047	3,015,172	3,086,757	3,099,975	3,143,180	2,927,404	3,276,830	3,847,016
ELECTORAL AREA SERVICES	2,902,802	3,058,303	3,498,614	3,559,181	3,741,939	4,308,337	4,709,690	4,393,583	4,273,590	5,344,165
PROTECTIVE SERVICES	2,511,906	2,624,245	2,857,763	3,367,827	3,131,496	3,429,824	3,634,190	3,907,311	3,888,305	4,628,893
PARKS & RECREATION	15,914,116	16,208,096	16,564,131	16,963,700	18,021,455	18,866,770	19,913,685	17,217,099	17,471,916	19,740,973
ENVIRONMENTAL SERVICES	13,861,717	12,739,855	12,763,247	7,581,326	8,761,130	10,505,049	11,839,052	13,418,042	13,422,213	13,314,030
SEWER & WATER UTILITIES	4,579,258	4,823,124	5,186,334	5,751,480	5,952,476	6,048,148	6,077,085	6,337,598	6,712,865	7,216,030
	49,956,391	50,694,109	51,646,924	47,626,603	51,003,485	55,588,213	59,074,477	58,120,131	60,422,101	65,913,616
EXPENSES BY OBJECT										
WAGES AND BENEFITS	18,079,762	19,077,017	19,507,802	20,131,994	21,331,597	21,955,586	23,832,530	23,085,498	24,728,342	26,656,716
OPERATIONS AND MAINTENANCE	15,887,776	15,504,533	13,634,781	13,204,833	12,804,908	16,232,650	15,587,663	14,991,359	15,823,203	17,914,579
CONTRACT FOR SERVICES	6,515,111	6,259,678	6,982,660	6,902,286	6,920,813	7,023,466	8,021,055	8,166,484	8,724,510	10,028,153
AMORTIZATION	5,482,284	5,750,645	5,892,702	5,910,115	6,035,238	6,440,056	6,852,800	6,666,438	6,294,070	6,338,557
OTHER	3,991,458	4,102,236	5,628,979	1,477,375	3,910,929	3,936,455	4,780,429	5,210,352	4,851,976	4,975,611
	49,956,391	50,694,109	51,646,924	47,626,603	51,003,485	55,588,213	59,074,477	58,120,131	60,422,101	65,913,616
ACCUMULATED SURPLUS, BEGINNING OF THE YEAR	122,064,348	130,165,148	133,700,643	138,406,744	148,111,489	156,757,719	162,786,606	172,418,399	185,646,313	201,408,282
ANNUAL SURPLUS	8,100,800	3,535,495	4,706,101	9,704,745	8,646,230	6,028,887	9,631,793	13,227,914	15,761,969	11,907,535
ACCUMULATED SURPLUS, END OF THE YEAR	130,165,148	133,700,643	138,406,744	148,111,489	156,757,719	162,786,606	172,418,399	185,646,313	201,408,282	213,315,817

Net Taxable Assessment Values (Final Roll)											
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ELECTORAL AREA A	Land	483,918,574	467,834,569	470,983,843	482,479,251	538,344,491	641,622,585	737,890,737	739,458,331	818,002,487	1,076,214,838
	Improvements	421,835,508	419,165,619	425,593,105	481,269,243	541,106,382	589,848,095	654,457,193	689,782,712	727,337,398	962,384,529
	Total	905,754,082	887,000,188	896,576,948	963,748,494	1,079,450,873	1,231,470,680	1,392,347,930	1,429,241,043	1,545,339,885	2,038,599,367
ELECTORAL AREA B	Land	905,890,515	872,312,295	879,776,923	895,610,393	927,060,098	1,077,640,811	1,266,957,459	1,300,699,237	1,468,028,318	2,261,168,750
	Improvements	641,678,521	640,535,193	645,473,079	701,061,869	815,860,616	906,555,166	1,036,969,228	1,072,936,964	1,135,841,026	1,448,506,586
	Total	1,547,569,036	1,512,847,488	1,525,250,002	1,596,672,262	1,742,920,714	1,984,195,977	2,303,926,687	2,373,636,201	2,603,869,344	3,709,675,336
ELECTORAL AREA C	Land	428,747,717	419,925,726	420,003,592	412,092,397	458,132,076	551,705,415	654,455,208	600,508,744	658,047,291	977,223,927
	Improvements	447,084,317	437,112,792	449,569,867	505,469,567	568,316,791	602,865,830	670,803,942	706,866,518	749,898,430	956,287,840
	Total	875,832,034	857,038,518	869,573,459	917,561,964	1,026,448,867	1,154,571,245	1,325,259,150	1,307,375,262	1,407,945,721	1,933,511,767
ELECTORAL AREA D	Land	273,509,225	268,155,321	274,285,288	276,425,788	293,645,119	309,564,517	377,798,861	414,092,481	437,266,287	648,930,304
	Improvements	263,455,008	254,207,203	248,927,520	280,563,716	316,012,424	389,587,902	413,554,490	423,483,329	448,552,114	579,782,216
	Total	536,964,233	522,362,524	523,212,808	556,989,504	609,657,543	699,152,419	791,353,351	837,575,810	885,818,401	1,228,712,520
ELECTORAL AREA E	Land	271,362,977	260,274,809	269,297,783	272,513,989	294,672,426	358,334,059	426,141,872	426,106,880	478,181,452	666,918,645
	Improvements	298,390,233	299,031,548	302,952,959	318,615,209	371,781,885	399,696,255	436,554,970	491,887,427	522,659,132	658,113,099
	Total	569,753,210	559,306,357	572,250,742	591,129,198	666,454,311	758,030,314	862,696,842	917,994,307	1,000,840,584	1,325,031,744
ELECTORAL AREA F	Land	285,697,682	278,681,295	286,935,108	310,810,444	333,919,584	377,934,417	427,928,572	447,920,711	502,394,604	612,706,547
	Improvements	125,707,110	126,451,035	128,175,296	128,526,225	150,665,450	185,987,850	202,015,962	212,221,287	218,947,550	319,312,968
	Total	411,404,792	405,132,330	415,110,404	439,336,669	484,585,034	563,922,267	629,944,534	660,141,998	721,342,154	932,019,515
ELECTORAL AREA G	Land	396,621,150	372,699,202	369,823,671	377,898,024	403,586,985	454,906,353	512,687,750	537,052,977	589,948,837	758,276,509
	Improvements	184,632,996	187,508,833	191,291,006	211,818,769	245,781,875	269,404,017	276,822,943	307,908,039	337,574,780	449,569,450
	Total	581,254,146	560,208,035	561,114,677	589,716,793	649,368,860	724,310,370	789,510,693	844,961,016	927,523,617	1,207,845,959
ELECTORAL AREA H	Land	272,243,698	265,834,857	271,716,288	261,383,543	284,636,678	334,127,423	392,549,976	425,003,555	445,646,384	581,163,503
	Improvements	270,242,700	271,052,325	270,525,676	292,138,348	310,766,965	357,816,681	388,181,313	418,161,104	446,044,321	501,904,090
	Total	542,486,398	536,887,182	542,241,964	553,521,891	595,403,643	691,944,104	780,731,289	843,164,659	891,690,705	1,083,067,593
ELECTORAL AREA I	Land	335,436,412	331,914,412	332,905,162	349,546,528	376,747,630	456,188,632	512,333,041	536,178,696	620,518,517	952,093,421
	Improvements	143,186,929	149,423,879	148,359,579	165,633,713	194,248,713	230,876,413	275,878,963	287,958,463	306,014,063	443,842,154
	Total	478,623,341	481,338,291	481,264,741	515,180,241	570,996,343	687,065,045	788,212,004	824,137,159	926,532,580	1,395,935,575
CITY OF DUNCAN	Land	297,483,060	285,461,203	277,160,363	279,676,368	309,963,641	375,546,301	414,728,298	446,260,083	460,843,083	605,567,283
	Improvements	308,192,725	306,183,957	316,035,497	330,736,867	344,114,942	384,902,532	418,601,235	445,717,075	482,672,800	584,433,725
	Total	605,675,785	591,645,160	593,195,860	610,413,235	654,078,583	760,448,833	833,329,533	891,977,158	943,515,883	1,190,001,008
DISTRICT OF NORTH COWICHAN	Land	2,122,379,292	2,064,804,894	2,023,356,190	2,037,995,867	2,197,076,352	2,481,246,055	2,900,560,476	3,159,419,628	3,338,571,543	4,501,982,229
	Improvements	2,224,351,877	2,219,945,464	2,197,420,974	2,302,463,489	2,568,369,821	2,898,060,067	3,233,370,356	3,480,121,890	3,821,949,589	5,136,729,892
	Total	4,346,731,169	4,284,750,358	4,220,777,164	4,340,459,356	4,765,446,173	5,379,306,122	6,133,930,832	6,639,541,518	7,160,521,132	9,638,712,121
TOWN OF LADYSMITH	Land	542,298,812	552,477,381	545,322,332	557,447,713	606,569,973	700,405,664	845,221,639	876,616,777	967,209,319	1,302,886,248
	Improvements	579,532,590	564,094,380	570,597,958	603,073,077	695,013,217	830,747,976	881,353,352	945,462,764	979,187,306	1,351,148,337
	Total	1,121,831,402	1,116,571,761	1,115,920,290	1,160,520,790	1,301,583,190	1,531,153,640	1,726,574,991	1,822,079,541	1,946,396,625	2,654,034,585
TOWN OF LAKE COWICHAN	Land	169,886,139	59,533,970	159,166,767	161,218,167	172,388,312	179,449,061	247,038,863	256,670,418	267,208,380	419,591,269
	Improvements	207,472,212	199,807,581	204,266,084	211,695,684	243,544,839	296,890,890	316,378,488	346,328,532	382,572,570	519,691,881
	Total	377,358,351	259,341,551	363,432,851	372,913,851	415,933,151	476,339,951	563,417,351	602,998,950	649,780,950	939,283,150

Gross Outstanding Long-term Debt:										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Regional District	28,441,175	29,109,888	29,109,888	29,034,888	27,984,888	27,687,588	27,399,743	27,119,743	26,560,969	26,450,969
Member Municipalities	39,018,175	36,068,175	38,068,175	49,100,675	48,210,675	46,274,975	54,504,975	54,084,975	54,084,975	74,634,975
	67,459,350	65,178,063	67,178,063	78,135,563	76,195,563	73,962,563	81,904,718	81,204,718	80,645,944	101,085,944
Less: Principal Payments and Actuarial Adjustments for Debt										
Regional District	9,984,054	10,952,578	12,481,590	13,900,726	14,377,751	14,579,723	11,365,589	12,304,277	12,920,931	14,294,105
Member Municipalities	11,329,247	9,942,277	11,570,659	11,643,658	12,727,262	12,884,718	15,040,503	17,056,016	20,148,722	21,179,261
Net Long-term Debt	46,146,049	44,283,208	43,125,814	52,591,179	49,090,550	46,498,122	55,498,626	51,844,425	47,576,291	65,612,579
General	16,300,533	16,066,688	14,689,896	13,269,608	11,892,863	11,550,462	11,686,647	10,485,050	9,290,367	8,047,059
Sewer	971,353	914,510	827,944	737,374	642,616	543,474	3,068,599	2,881,389	2,991,633	2,846,394
Water	1,185,235	1,176,112	1,110,459	1,127,180	1,071,657	1,013,929	1,278,908	1,449,027	1,358,038	1,263,412
Member Municipalities	27,688,928	26,125,898	26,497,516	37,457,017	35,483,413	33,390,257	39,464,472	37,028,959	33,936,253	53,455,714
Net Long-term Debt	46,146,049	44,283,208	43,125,814	52,591,179	49,090,550	46,498,122	55,498,626	51,844,425	47,576,291	65,612,579
Property Tax Supported Sewer Utility	1,734,326	1,822,305	1,843,654	1,823,655	1,703,942	1,595,692	1,430,233	1,363,500	1,253,354	1,250,838
Water Utility	114,419	100,169	96,842	96,127	95,412	95,412	100,158	246,739	193,374	197,881
Total Long-term Debt Servicing Costs *	1,959,924	2,033,653	2,057,339	2,037,731	1,902,275	1,794,025	1,622,332	1,725,978	1,565,233	1,562,779
Total Expenses (excluding Municipality Debt payments)	49,956,391	50,694,109	51,646,924	47,626,603	51,003,485	55,588,213	59,074,477	58,120,131	60,422,101	65,913,616
Population	80,332	80,332	80,332	83,739	83,739	83,739	83,739	83,739	89,000	89,013
Net Long-term Debt per Capita	574	551	537	628	586	555	663	619	535	737
Long-term Debt Servicing per Capita	24	25	26	24	23	21	19	21	18	18
Long-term Debt Service as % of Expenses	3.92%	4.01%	3.98%	4.28%	3.73%	3.23%	2.75%	2.97%	2.59%	2.37%
Financial Assets	53,603,655	50,458,479	55,078,573	68,375,864	72,379,204	68,793,123	83,366,089	87,439,429	97,855,888	126,368,271
Financial Liabilities	62,616,170	59,195,311	60,283,189	64,927,847	64,035,205	60,500,560	68,311,403	62,898,663	59,699,500	79,180,737
Net Financial Assets/(Net Debt)	(9,012,515)	(8,736,832)	(5,204,616)	3,448,017	8,343,999	8,292,563	15,054,686	24,540,766	38,156,388	47,187,534 </

Reserves										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General	6,422,151	6,825,749	8,197,048	8,188,328	8,484,440	6,376,474	8,154,748	10,090,111	12,454,710	12,660,378
Water	504,519	655,813	715,537	733,560	738,053	734,426	573,358	846,763	856,708	786,806
Sewer	1,534,601	1,677,401	1,874,877	1,947,909	2,234,040	2,327,831	2,052,615	2,860,666	2,829,458	2,398,264
Total	8,461,271	9,158,963	10,787,462	10,869,797	11,456,533	9,438,731	10,780,721	13,797,540	16,140,876	15,845,448

Acquisition of Tangible Capital Assets									
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
10,162,919	8,191,714	4,452,740	5,541,233	8,404,882	12,402,241	9,277,995	8,152,922	8,406,136	7,562,498

Property Tax										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CITY OF DUNCAN	1,244,899	1,273,726	1,376,091	1,359,871	1,409,224	1,511,036	1,535,572	1,626,435	1,642,211	1,614,253
DISTRICT OF NORTH COWICHAN	6,520,731	6,698,753	7,211,645	7,393,971	7,820,168	8,097,809	8,676,697	9,253,593	9,537,377	10,044,530
TOWN OF LADYSMITH	798,889	1,017,593	1,137,609	1,144,312	1,239,007	1,331,489	1,479,379	1,581,985	1,652,887	1,782,043
TOWN OF LAKE COWICHAN	925,222	923,179	958,720	928,575	956,807	988,426	1,093,019	1,184,105	1,212,707	1,349,064
ELECTORAL AREAS:										
ELECTORAL AREA A	2,320,314	2,342,039	2,454,371	2,648,763	2,836,118	3,043,344	3,215,864	3,336,634	3,405,592	3,497,933
ELECTORAL AREA B	4,657,232	4,773,110	4,936,524	5,299,136	5,534,740	5,785,921	6,277,696	6,495,921	6,735,116	7,271,808
ELECTORAL AREA C	2,366,280	2,413,626	2,531,916	2,708,394	3,004,234	3,011,940	3,220,219	3,230,365	3,278,431	3,495,584
ELECTORAL AREA D	1,790,909	1,830,859	1,909,199	2,005,122	2,063,273	2,244,910	2,377,813	2,486,646	2,488,364	2,642,661
ELECTORAL AREA E	1,843,357	1,887,932	1,986,324	2,053,695	2,189,824	2,338,669	2,476,082	2,677,821	2,777,254	2,854,433
ELECTORAL AREA F	1,920,971	1,899,483	2,054,608	2,177,665	2,277,632	2,406,552	2,614,379	2,754,402	2,758,119	2,466,206
ELECTORAL AREA G	927,785	937,829	978,817	1,039,774	1,110,583	1,181,302	1,248,383	1,323,352	1,373,352	1,386,853
ELECTORAL AREA H	867,216	895,129	981,459	1,027,640	1,062,957	1,154,094	1,260,296	1,349,236	1,358,514	1,284,309
ELECTORAL AREA I	1,839,202	1,889,491	1,964,652	2,118,785	2,195,781	2,403,748	2,606,951	2,797,840	2,886,795	3,126,404
General Property Taxes	28,023,007	28,782,749	30,481,935	31,905,703	33,700,347	35,499,240	38,082,350	40,098,336	41,106,719	42,816,080
Local Service Area	1,959,608	1,908,795	1,938,167	2,101,822	2,341,318	2,471,166	2,635,033	2,710,160	2,762,338	2,849,274
Total Annual Property Tax	29,982,615	30,691,544	32,420,102	34,007,525	36,041,665	37,970,406	40,717,383	42,808,496	43,869,057	45,665,354

This is just Requisition not Parcel Tax (in SCR D)



CVRD
BRITISH COLUMBIA