



**COWICHAN VALLEY
REGIONAL DISTRICT**

**FINANCIAL STATEMENTS
December 31, 2018**

COWICHAN VALLEY REGIONAL DISTRICT

ELECTED AND APPOINTED OFFICIALS 2018

BOARD OF DIRECTORS

City of Duncan	M. Staples
Town of Ladysmith	A. Stone
Town of Lake Cowichan	T. McGonigle
District of North Cowichan	K. Marsh
District of North Cowichan	A. Siebring
District of North Cowichan	D. Toporowski
Electoral Area "A" - Mill Bay/Malahat	B. Salmon
Electoral Area "B" - Shawnigan Lake	S. Acton (Vice-Chair)
Electoral Area "C" - Cobble Hill	M. Wilson
Electoral Area "D" - Cowichan Bay	L. Iannidinaro
Electoral Area "E" - Cowichan Station/Sahtlam/Glenora	A. Nicholson
Electoral Area "F" - Cowichan Lake South/Skutz Falls	I. Morrison (Chair)
Electoral Area "G" - Saltair/Gulf Island	L. Smith
Electoral Area "H" - North Oyster/Diamond	M. Marcotte
Electoral Area "I" - Youbou/Meade Creek	K. Kuhn

OFFICERS

Chief Administrative Officer	B. Carruthers
Corporate Legislative Officer	J. Barry
Corporate Financial Officer	N. Wehner

COWICHAN VALLEY REGIONAL DISTRICT

**FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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FINANCIAL STATEMENTS

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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.

BDO Canada 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
Corporate Financial Officer

Brian Carruthers
Chief Administrative Officer

April 10, 2019



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Independent Auditor's Report

To the Board of Directors of the Cowichan Valley Regional District

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally-accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CVRD 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 CVRD'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 CVRD, or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

- fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of CVRD'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 CVRD'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 CVRD to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

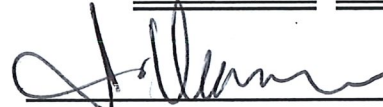
April 10, 2019

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018**

	2018	2017
Financial Assets		
Cash & Cash Equivalents (Note 1)	\$ 27,768,865	\$ 28,571,847
Portfolio Investments (Note 2)	5,151,575	5,067,967
Accounts Receivable (Note 3)	2,335,425	3,108,977
Land Held for Resale (Note 6)	147,000	147,000
Debt Recoverable from Members (Note 4)	<u>33,390,258</u>	<u>35,483,413</u>
	<u>\$ 68,793,123</u>	<u>\$ 72,379,204</u>
Liabilities		
Accounts Payable & Accrued Liabilities (Note 7)	\$ 4,421,638	\$ 4,487,047
Deferred Revenue (Note 8)	2,073,431	2,339,979
Restricted Contributions and Performance Deposits (Note 9)	1,886,263	1,870,053
Employee Future Benefits (Note 10)	312,039	328,019
Landfill Closure and Post Closure Costs (Note 12)	786,358	1,463,335
Short-term Debt (Note 13 & 25)	4,522,708	4,456,222
Long-term Debt		
Regional District (Note 13 & 26)	13,107,865	13,607,137
Members (Note 4)	<u>33,390,258</u>	<u>35,483,413</u>
	<u>\$ 60,500,560</u>	<u>\$ 64,035,205</u>
Net Financial Assets	<u>\$ 8,292,563</u>	<u>\$ 8,343,999</u>
Non-Financial Assets		
Tangible Capital Assets (Note 24)	\$ 154,270,546	\$ 148,249,861
Inventories	30,755	29,484
Prepaid Expenses	<u>192,742</u>	<u>134,375</u>
	<u>154,494,043</u>	<u>148,413,720</u>
Accumulated Surplus (Note 18)	<u>\$ 162,786,606</u>	<u>\$ 156,757,719</u>



Natalie Wehner, CPA, CMA
Corporate Financial Officer



Ian Morrison
Chairperson

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

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 Budget (Note 17)	2018 Actual	2017 Actual
Revenues			
Tax Requisition	\$ 37,932,207	\$ 37,970,405	\$ 36,041,665
User Fees	3,535,740	3,809,540	3,387,089
Parcel Taxes	2,508,207	2,509,027	2,470,690
Government Transfers - Provincial	2,971,984	1,394,389	898,645
Government Transfers - Federal	1,632,267	3,627,418	3,527,322
Services Provided to Other Local Governments	69,555	68,310	53,360
Revenue from Own Sources	8,735,214	9,565,657	9,478,596
Other Revenue	1,455,468	2,125,960	1,958,460
Interest Income	76,000	466,237	256,738
Donations	10,310	80,157	1,577,150
	<u>\$ 58,926,952</u>	<u>\$ 61,617,100</u>	<u>\$ 59,649,715</u>
Expenses (Note 27)			
General Government Services	8,065,263	7,479,334	6,526,412
Vancouver Island Regional Library	1,850,777	1,850,776	1,781,820
Transportation Services	3,208,618	3,099,975	3,086,757
Electoral Area Services	4,591,892	4,308,337	3,741,939
Protective Services	3,421,786	3,429,824	3,131,496
Parks and Recreation	16,121,678	18,866,770	18,021,455
Environmental Services	10,968,177	10,505,049	8,761,130
Sewer and Water Utilities	4,147,288	6,048,148	5,952,476
	<u>\$ 52,375,479</u>	<u>\$ 55,588,213</u>	<u>\$ 51,003,485</u>
Annual Surplus	\$ 6,551,473	\$ 6,028,887	\$ 8,646,230
Accumulated Surplus, Beginning of Year	<u>156,757,719</u>	<u>156,757,719</u>	<u>148,111,489</u>
Accumulated Surplus, End of Year (Note 18)	<u>\$163,309,192</u>	<u>\$162,786,606</u>	<u>\$156,757,719</u>

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

**STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 Budget (Note 17)	2018 Actual	2017 Actual
Annual Surplus	\$ 6,551,473	\$ 6,028,887	\$ 8,646,230
Additions of Tangible Capital Assets	(23,417,369)	(12,409,452)	(8,404,882)
Contributed Tangible Capital Assets	-	(58,500)	(1,396,016)
Amortization of Tangible Capital Assets	-	6,440,056	6,035,238
Reclassification - Work in Progress	-	7,211	-
Change in Inventories	-	(1,271)	1,632
Change in Prepaid Expenses	-	(58,367)	13,780
Increase/(Decrease) in Net Assets	(16,865,896)	(51,436)	4,895,982
Opening Financial Assets	<u>8,343,999</u>	<u>8,343,999</u>	<u>3,448,017</u>
Closing Financial Assets	<u>\$ (8,521,897)</u>	<u>\$ 8,292,563</u>	<u>\$ 8,343,999</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Annual Surplus	\$ 6,028,887	\$ 8,646,230
Non-cash items included in surplus		
Amortization of Tangible Capital Assets	6,440,056	6,035,238
Contributed Tangible Capital Assets	(58,500)	(1,396,016)
Debt Actuarial Adjustment	(616,515)	(591,994)
Employee Future Benefits	(15,980)	(46,044)
Landfill Closure and Post Closure Costs	(676,977)	(621,830)
Change in non-cash working capital balances related to operations		
Accounts Receivable	773,552	(894,497)
Inventories	(1,271)	1,632
Prepaid Expenses	(58,367)	13,780
Accounts Payable and Accrued Liabilities	(65,409)	1,283,602
Deferred Revenue	(266,548)	1,127,754
Restricted Contributions and Performance Bonds	16,210	417,459
Cash provided by operating activities	11,499,138	13,975,314
CAPITAL ACTIVITIES		
Acquisition of Tangible Capital Assets	(12,409,452)	(8,404,882)
Reclassification of Work in Progress	7,211	-
Cash used in capital activities	(12,402,241)	(8,404,882)
INVESTING ACTIVITIES		
Change in Portfolio Investments	(83,608)	(48,878)
Cash provided by investing activities	(83,608)	(48,878)
FINANCING ACTIVITIES		
Debt Issued	3,511,554	2,579,658
Debt Repayment	(3,327,825)	(3,067,643)
Cash provided by (used in) financing activities	183,729	(487,985)
Increase (Decrease) in cash	(802,982)	5,033,569
Cash - Beginning of Year	28,571,847	23,538,278
Cash - End of Year (Statement 1)	\$ 27,768,865	\$ 28,571,847
Interest Paid	879,661	1,021,299
Interest Capitalized to Tangible Capital Assets	\$ 6,443	\$ 4,880

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, 2018

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 which is comprised of the Operating, Capital and Reserve Funds. The financial statements include the financial position, operations, changes in net debt and cash flows of the regional district. Inter-fund and inter-departmental transactions have been eliminated on consolidation.

- i. Operating Funds: These funds include the General, Water and Sewer operations of the Regional District, and are used to record the operating costs of the services provided.
- ii. Capital Funds: These funds include the General, Water and Sewer Capital Funds. They are used to record the acquisition, disposal and amortization of property and equipment and their related financing.
- iii. Reserve Funds: These funds are established by bylaw for capital expenditures or other specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established.

(c) Portfolio Investments

Portfolio investments are comprised entirely of Municipal Finance Authority (MFA) pooled money market funds. The Regional District funds invested with MFA are pooled with other local governments and managed independently by Phillips, Hager & North Ltd and CIBC Mellon Trust. Interest income on investments has been included in deferred revenue, Reserve Funds and Operating Funds based on relative equity in each fund. The investments are carried at market value which approximates cost.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2018

Summary of Significant Accounting Policies (continued)

(d) 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.

(e) Land Held for Sale

Land held for sale include real estate properties which are ready and available to be sold and for which there is an available market. They are valued at the lower or cost or expected net realizable value. No amortization is recorded once classified as land held for sale.

(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 contamination. At this time it has not been determined if this contamination is in excess of an environmental standard requiring remediation. Therefore, no liability was recognized as at December 31, 2018 or 2017. Further assessment will continue to be made in regard to the site and potential contamination. Should a liability be determined to exist it will be recorded when it is determined.

(g) Landfill Closure and Post Closure

The estimated cost to close and provide post closure maintenance to the former landfill sites are based on estimated future expenses in current dollars, discounted and adjusted for estimated inflation. Post closure maintenance is required indefinitely and therefore all estimates use CVRD borrowing rates for the expected 25 year period at a rate of 3.40% annually for discounting purposes (2017 - 3.30%).

(h) Long-Term Debt

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

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2018

Summary of Significant Accounting Policies (continued)

(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 net debt for the year.

(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	20 - 50
Vehicles, Machinery & Equipment	5 - 20
Engineering Structures	10 - 60
Parks	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 sale are recorded at lower of cost and net realizable value 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.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2018

Summary of Significant Accounting Policies (continued)

(m) Accrued Employee Benefits

As determined by collective agreements and contractual arrangements, employee benefit accruals, which include an allowance for vacation entitlement and banked time earned but unpaid, are recorded as an expense in the year in which they are earned. Prior approval is required for carry over of vacation entitlement.

(n) Pension Liability

The long-term, post employment benefit liability of the Regional District will be met by the Municipal Pension Plan into which both the employee and the Regional District contribute.

(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 or reserves where the income is deferred until spent. Operating grants are recognized as earned. 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 on an accrual basis. Permit fees are recognized as revenue when the permit is approved and payment is collected according to rates set in various fees and charges bylaw.

(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. Transfer 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 and has met the eligibility criteria.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2018

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. Estimates of employee future benefits are recorded as expenses in the year they are earned by employees. Landfill closure and post closure costs are recorded as estimated expenses as set out in the regulatory requirement to close and maintain active and inactive landfill sites.

(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 parks, recreation centres, community halls, fire protection, water and sewer services. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocations of assets and liabilities, revenues and expenditures, information concerning reserve funds and other pertinent financial details.

(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. Significant 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, 2018**

1) Cash & Cash Equivalents

	2018	2017
Restricted Cash		
Statutory Reserves	\$ 8,084,503	\$ 7,352,108
Restricted Revenues	<u>1,886,263</u>	<u>1,870,053</u>
	9,970,766	9,222,161
Unrestricted Cash	<u>17,798,099</u>	<u>19,349,686</u>
Total Cash	<u><u>\$ 27,768,865</u></u>	<u><u>\$ 28,571,847</u></u>

2) Portfolio Investments

Portfolio investments are MFA Money Market funds of \$ 5,151,575 (2017 - \$ 5,067,967). The yield on funds for 2018 was 1.65% (2017 - 0.97%).

3) Accounts Receivable

	2018	2017
Federal Governments	\$ 597,115	\$ 2,178,173
Provincial Governments	620,934	32,483
Local Governments	69,174	80,230
Other Trade Receivables	<u>1,048,202</u>	<u>818,091</u>
	<u><u>\$ 2,335,425</u></u>	<u><u>\$ 3,108,977</u></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.

	2018	2017
City of Duncan	\$ 909,552	\$ 1,031,320
District of North Cowichan	20,000,441	21,319,266
Town of Ladysmith	11,598,532	12,229,401
Vancouver Island Regional Library	<u>881,733</u>	<u>903,426</u>
	<u><u>\$ 33,390,258</u></u>	<u><u>\$ 35,483,413</u></u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

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. These amounts are not reported in the financial statements.

	2018	2017
Cash Deposits - Cowichan Valley Regional District	\$ 333,829	\$ 417,076
Cash Deposits - Members	580,489	568,128
Demand Notes - Cowichan Valley Regional District	677,769	801,096
Demand Notes - Members	<u>1,200,344</u>	<u>1,200,344</u>
	<u>\$ 2,792,431</u>	<u>\$ 2,986,644</u>

6) Land Held for Resale

During 2016 the Regional District Board determined that land donated in 2016 for a Community Park was surplus to the Regional District's needs. Currently the process is underway to sell this land.

7) Accounts Payable & Accrued Liabilities

	2018	2017
Federal Governments	\$ 2,165	\$ 839
Provincial Governments	5,926	30,117
Local Governments	98,926	99,796
Accrued Payroll	1,008,590	1,086,633
Other Trade Payables	<u>3,306,031</u>	<u>3,269,662</u>
	<u>\$ 4,421,638</u>	<u>\$ 4,487,047</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

8) Deferred Revenue

	2017	Externally restricted receipts	Revenue earned	2018
Trail Project Grants	\$ 656,727	\$ -	\$ (81,250)	\$ 575,477
Clean Water & Wastewater Grant	390,136	-	(61,674)	328,462
Flood Mitigation Grant	300,000	-	-	300,000
Recreation Deposits	259,923	537,278	(608,094)	189,107
Developer Capital Contributions	82,527	-	-	82,527
Other	144,494	93,025	(169,884)	67,635
Subtotal (Schedule A)	1,833,807	630,303	(920,902)	1,543,208
Parkland Cash-in-lieu Contributions	506,172	24,051	-	530,223
	<u>\$ 2,339,979</u>	<u>\$ 654,354</u>	<u>\$ (920,902)</u>	<u>\$ 2,073,431</u>

- Trail Project Grants consists of grants for the Cowichan Valley and Trans Canada Trail, funded by Bike BC and the Trans Canada Trail Foundation.
- Clean Water & Wastewater Grant is for the Mesachie Lake Wastewater Treatment and Collection upgrade project (Area F), funded by the Federal Government & Province of BC.
- Flood Mitigation Grant from Emergency Management BC for an assessment of Koksilah Village (Cowichan Bay) area to determine options to reduce flooding and opportunities to reduce risk of failure.
- 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 Woodstove Exchange Grant, 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, 2018**

9) Restricted Contributions and Performance Deposits

	2018	2017
Warranty Deposits	\$ 1,110,636	\$ 1,050,985
Kinsol Trestle Donations	65,247	155,045
Holdbacks	358,377	221,911
Cowichan Lake Water Protection	76,000	76,000
Arts & Sports Scholarship Fund	40,685	40,950
Nature and Habitat	34,467	34,467
Cowichan Performing Arts - CFI	40,670	13,468
Other	160,181	277,227
	<u>\$ 1,886,263</u>	<u>\$ 1,870,053</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 (CFI) are funds received through a capital improvement fee on ticket sales at the Cowichan Performing Arts Centre.

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

10) Employee Future Benefits

	2018	2017
Discount rates	2.90%	2.90%
Expected future inflation rates	2.00%	2.00%
Expected wages/salary increase	2.08 - 4.00%	2.08 - 4.00%

Accrued Benefit Obligation as at December 31, 2018

	2018	2017
Accrued benefit obligation - beginning	\$ 116,500	\$ 106,800
Current service cost	11,000	11,000
Interest on accrued benefit obligation	3,800	3,700
Benefits paid during the year	(10,540)	(8,800)
Actuarial (gain)/loss	-	3,800
Ending benefit obligation	<u>120,760</u>	<u>116,500</u>
Unamortized net actuarial gain	<u>191,279</u>	<u>211,519</u>
Accrued Unfunded Benefit Liability	<u><u>\$ 312,039</u></u>	<u><u>\$ 328,019</u></u>

The total expense related to these benefits was:

	2018	2017
Current service costs	\$ 11,000	\$ 11,000
Interest on benefit obligation	3,800	3,700
Actuarial (gain)/loss	-	3,800
Amortization of actuarial gain	<u>(20,240)</u>	<u>(55,744)</u>
Total recovery	<u><u>\$ (5,440)</u></u>	<u><u>\$ (37,244)</u></u>

The total recovery is included in wages and benefits expense.

11) 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, 2017 the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

11) Pension Liability (continued)

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, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged. The next valuation will be as at December 31, 2018, with results available in late 2019.

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 \$1,549,844 (2017 - \$1,443,233) for employer contributions, while employees contributed \$1,370,800 (2017 - \$1,259,360) to the plan in fiscal 2018.

12) 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 that its landfills are managed in a fiscally responsible manner, which includes setting aside funds to pay for landfill closure and 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).

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

12) 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. During fiscal 2018 \$2,362,795 was spent on the project which also includes construction of a recycling centre and closure of the incenerator ash landfill, the estimated cost for completion of the operating centre in 2019 is \$487,500. There will be \$12,000 per year of post closure monitoring requirements for the landfill beginning 2019, for up to 25 years.

The Peerless Road remediation and closure works were completed in 2015. The post-closure maintenance costs are estimated at \$12,000 annually for 25 years (2017 - \$15,000 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 \$12,000 annually for 25 years (2017 - \$7,000 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 estimates 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. This estimate, plus the current costs incurred for closure works, less the Remediation Reserve fund has resulted in a net reduction to landfill expense of \$676,977 (2017 decrease - \$621,830). The annual provision is included in environmental services expenses on the Statement of Operations and the liability on the Statement of Financial Position.

	2018	2017
Meade Creek - Closure	\$ -	\$ 893,857
Meade Creek TRP	318,122	259,246
Peerless Road TRP	318,122	324,057
Koksilah Road	318,122	151,227
Gross liability	954,366	1,628,387
Less: cash held in Remediation Reserve Fund	(168,008)	(165,052)
	<u>\$ 786,358</u>	<u>\$ 1,463,335</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

12) Landfill Closure and Post Closure Costs (continued)

The net recovery for 2018 is a result of the following changes in assumptions:

	2018	2017
Inflation Rates	3.30%	1.85%
Discount Rates	3.40%	3.30%
Koksilah Road Monitoring	\$12,000 per annum	\$7,000 per annum
Peerless Road Monitoring	\$12,000 per annum	\$15,000 per annum
Meade Creek Monitoring	\$12,000 per annum	\$12,000 per annum
Meade Creek Closure	-	\$900,000

13) MFA 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 25. Details of Long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts are summarized in Note 26.

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
2019	\$ 2,566,263	\$ 793,941
2020	933,399	756,330
2021	456,109	725,613
2022	305,820	722,613
2023	261,117	624,761
Thereafter	-	9,484,607
	<u>\$ 4,522,708</u>	<u>\$ 13,107,865</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

14) Consolidated Schedule of Expense by Object

	2018 BUDGET (Note 17)	2018 ACTUAL	2017 ACTUAL
Operations and Maintenance	\$ 17,774,290	\$ 16,232,650	\$ 12,804,908
Wages and Benefits	22,701,523	21,955,586	21,331,597
Contract for Services	7,146,749	7,023,466	6,920,813
Landfill Closure and Post Closure Costs	-	(676,977)	(621,830)
Debt Charges - Interest	1,000,122	879,661	1,021,299
Contributions to Community Facilities	136,527	136,527	142,547
Grants to Organizations	616,824	573,807	578,672
Library Services	1,850,777	1,850,776	1,781,820
Fire & Recreation Services Provided by Other Governments	958,667	958,667	875,581
Amortization	-	6,440,056	6,035,238
Contributions to Third Party Capital	190,000	213,994	132,840
	<u>\$ 52,375,479</u>	<u>\$ 55,588,213</u>	<u>\$ 51,003,485</u>

15) Contingent Liabilities

As at December 31, 2018 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 known, it will be reflected in the Regional District's financial statements.

16) Tangible Capital Assets

	2018	2017
Land	\$ 53,451,488	\$ 52,025,810
Building	23,252,254	22,529,148
Vehicles, Machinery and Equipment	4,862,522	4,635,643
Engineering Structures	48,073,333	48,368,465
Parks	6,828,736	8,044,114
Other Tangible Capital Assets	10,504,568	7,603,542
Work in Progress	7,297,645	5,043,139
	<u>\$ 154,270,546</u>	<u>\$ 148,249,861</u>

For additional information, see the Schedule of Tangible Capital Assets (Note 24).

During the year land, and sewer/water/drainage systems built by others valued at \$ 58,500 (2017 - \$ 1,396,016) were accepted and recorded as contributed assets.

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

17) Budget Figures

Budget figures represent the 2018 Financial Plan Bylaw adopted by the Board on January 10, 2018. The financial plan 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.

	2018
Surplus for the year (Statement 2)	\$ 6,551,473
Add:	
Transfer from Reserves	5,951,970
Prior Year Operating Surplus	4,533,116
MFA Funding	10,659,443
Less:	
Debt Principal Repayments/Actuarial Adjustments	(3,286,051)
Transfer to Reserves	(992,582)
Purchase of Capital Assets	<u>(23,417,369)</u>
Surplus, per Cowichan Valley Regional District Financial Plan Bylaw No. 4172	<u>\$ -</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

18) Accumulated Surplus

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

	2018	2017
Surplus		
Operating Fund Reserve Fund - Operating Surplus	\$ 13,455,819	\$ 12,171,850
Operating Fund Reserve Fund - Community Works	4,371,487	4,752,240
Operating Fund - Future Liabilities - Sick Leave	(312,039)	(328,019)
Operating Fund - Future Liabilities - Landfill Costs	(786,358)	(1,463,335)
Equity in Tangible Capital Assets	<u>136,786,974</u>	<u>130,333,502</u>
Total Surplus	153,515,883	145,466,238
Statutory Reserve Funds	9,438,731	11,456,533
Less: Restricted Remediation Reserve	<u>(168,008)</u>	<u>(165,052)</u>
Accumulated Surplus (Statement 1)	<u><u>\$ 162,786,606</u></u>	<u><u>\$ 156,757,719</u></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:

	2018	2017
Community Works Reserve, opening balance	\$ 4,752,240	\$ 4,228,355
Add:		
Community works funds received in year	1,632,472	1,568,871
Interest earned	85,191	55,682
Less:		
Amounts spent on projects	<u>(2,098,416)</u>	<u>(1,100,668)</u>
Community Works Reserve, Ending Balance	<u><u>\$ 4,371,487</u></u>	<u><u>\$ 4,752,240</u></u>

The Community Works Reserve is included in Operating Surplus (Schedule A).

The Regional District has established a reserve fund for the purpose of paying the costs of undertaking feasibility studies of services it proposes to provide. The net accumulated costs to December 31, 2018, which have not yet been recovered and that are repayable to the Feasibility Reserve upon establishment of the service, is \$ 242,293 (2017 - \$ 252,320).

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

19) 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 27 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, 2018

20) Commitments

911 Agreement

The tri-party 5 year agreement with the Regional District of Nanaimo and the City of Nanaimo commenced January 1, 2016 to provide for emergency answering and fire dispatch service. The net operating costs are shared based on the populations of the jurisdictions of the parties. The Regional District's commitment for 2019 is \$600,000 or 44% of the 911 Central Island call centre expenses.

BC Transit Corporation

The Regional District's transit includes Handydart, Commuter, Youbou, Ladysmith and local service. The remainder due on the 2018/2019 annual transit operating agreement for these services is \$740,483.

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 2019 commitment is \$196,623.

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 2019 commitment is \$312,469.

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 2018 budget included a \$488,100 Regional Grant in Aid which was not paid and 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 2019 commitment is \$201,809.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

21) 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, administrative support services supplied to the Hospital District by the Regional District totaled \$60,000 (2017 - \$64,589).

22) 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.

23) Comparative Figures

Certain 2017 comparative figures have been reclassified to confirm to the current years presentation especially within the Statement of Operations, Consolidated Schedule of Segment Disclosure and Cash note.

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

24) Consolidated Schedule of Tangible Capital Assets

	Engineering Structures										2018 Total	2017 Total
	Land	Buildings	Vehicles, Machinery and Equipment	Water Engineering Structures	Sewer Engineering Structures	Other Engineering Structures	Parks	Other Tangible Capital Assets	Work in Progress			
Cost												
Opening Balance	\$ 52,025,810	\$ 46,145,428	\$ 23,361,292	\$ 43,546,403	\$ 37,159,858	\$ 693,992	\$ 19,374,186	\$ 11,994,903	\$ 5,043,139	\$ 239,345,011	\$ 229,809,356	
Add: Additions	1,425,678	2,145,657	987,430	837,615	412,637	479,159	356,326	3,561,734	7,297,645	17,503,881	12,770,538	
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(5,043,139)	(5,043,139)	(2,969,641)	
Less: Disposals	-	-	(18,181)	-	-	-	-	-	-	(18,181)	(265,242)	
Closing Balance	53,451,488	48,291,085	24,330,541	44,384,018	37,572,495	1,173,151	19,730,512	15,556,637	7,297,645	251,787,572	239,345,011	
Accumulated Amortization												
Opening Balance	-	23,616,280	18,725,649	17,978,026	14,852,972	200,790	11,330,073	4,391,361	-	91,095,150	85,325,152	
Add: Amortization	-	1,422,551	760,551	1,027,298	958,834	38,411	1,571,703	660,708	-	6,440,056	6,035,240	
Less: Disposals	-	-	(18,181)	-	-	-	-	-	-	(18,181)	(265,242)	
Closing Balance	-	25,038,831	19,468,019	19,005,324	15,811,806	239,201	12,901,776	5,052,069	-	97,517,025	91,095,150	
Net Book Value for the year ended December 31, 2018	<u>\$ 53,451,488</u>	<u>\$ 23,252,254</u>	<u>\$ 4,862,522</u>	<u>\$ 25,378,694</u>	<u>\$ 21,760,689</u>	<u>\$ 933,950</u>	<u>\$ 6,828,736</u>	<u>\$ 10,504,568</u>	<u>\$ 7,297,645</u>	<u>\$ 154,270,546</u>		
Net Book Value for the year ended December 31, 2017	<u>\$ 52,025,810</u>	<u>\$ 22,529,148</u>	<u>\$ 4,635,643</u>	<u>\$ 25,568,377</u>	<u>\$ 22,306,886</u>	<u>\$ 493,202</u>	<u>\$ 8,044,114</u>	<u>\$ 7,603,542</u>	<u>\$ 5,043,139</u>		<u>\$ 148,249,861</u>	

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

25) Schedule of Short-term Debt

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payment 2018	Net Balance December 31, 2018	Net Balance December 31, 2017
Administration	14-222	2019	\$ 347,775	\$ 86,831	\$ 88,796	175,627
Com Parks - Area B - Land	12-558T	2018	294,500	62,040	-	62,040
Com Parks - Area B - Land	13-412-3	2018	140,000	29,295	-	29,295
Com Parks - Area B - Land	15-521.2.2	2020	1,259,903	225,403	596,413	821,816
Com Parks - Area C - Boatswain	14-555-1	2021	169,500	33,883	70,088	103,971
Com Parks - Area G - Saltair Land	14-328	2019	136,930	30,400	30,230	60,630
Com Parks - Area D - Land	14-112	2019	155,000	31,397	32,529	63,926
Com Parks - Area E	18-224.2	2023	263,840	-	263,840	-
CLR - Truck/Sports Court Flooring	15-246	2020	57,132	11,226	23,222	34,448
CLR - Dehumidifier	16-131	2020	141,483	27,058	55,966	83,024
CLR - Chiller & Digital Sign	17-24	2022	249,947	47,931	150,398	198,329
Community Planning - Renovations	18-77	2023	178,680	-	178,680	-
Eng Services - Truck	13-428	2019	35,738	7,530	-	7,530
Eng Utilities - Truck	15-239	2020	30,218	5,350	1,537	6,887
Eng Utilities - Vans	16-69.1	2020	85,956	15,692	49,237	64,929
Eng Utilities - Equipment	18-81.12	2023	98,400	4,586	93,814	-
Eng Utilities - Equipment	18-81.12	2023	45,000	2,097	42,903	-
ISC - Theatre	18-85.1	2023	349,000	5,399	343,601	-
KPR - Capital Improvements	13-637	2019	1,750,000	315,137	322,269	637,406
KPR - Arena Improvements	13-637	2021	260,000	45,582	94,281	139,863
Parks & Trails - Truck	15-234	2020	40,000	10,110	10,339	20,449
Parks & Trails - Portable	16-554-2	2021	18,567	2,931	5,575	8,506
Regional Parks - Portable	16-554-2	2021	18,567	1,672	3,982	5,654
Regional Parks - CVT Malahat	16-393.3	2022	450,000	46,120	144,716	190,836
Reg Parkland - Heart/Stocking	16-597	2022	775,000	54,584	-	54,584
Reg Parkland - CVT	17-502	2023	344,000	-	344,000	-
Sahtlam Fire - Fire Truck	15-187-10.2	2020	184,085	36,731	75,978	112,709
Saltair Rec - Saltair C.C.	14-328	2019	167,030	35,475	-	35,475
Saltair Rec - New Roof	17-472.2	2023	137,000	-	112,318	-

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

25) Schedule of Short-term Debt (continued)

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payment 2018	Net Balance December 31, 2018	Net Balance December 31, 2017
SLCC - Elsie Miles School	12-558T	2018	310,500	64,400	-	64,400
SWM - Roll off Truck and Bins	17-54.4	2022	192,397	37,112	116,461	153,573
SWM - Excavator	15-536.2.2	2019	243,298	48,680	49,910	98,590
SWM - Bings Solar Project	16-75.2.3	2020	47,622	8,901	18,411	27,312
SWM - Bings Energy Project	16-75.2.2	2020	72,784	14,385	29,756	44,141
SWM - Meade Creek Capital Prj	4135	2022	1,000,000	1,000,000	-	1,000,000
SWM - Meade Creek Capital Prj	4135	2023	958,300	-	958,300	-
Honeymoon Bay Water - Well	13-509-5	2019	78,720	16,048	-	16,048
Arbutus Mt Sewer	4252	2023	152,316	-	152,316	-
Brulette Sewer - Treatment Plant	3559	2022	48,608	48,608	-	48,608
Cobble Hill Sewer - Upgrades	16-550-4	2022	24,009	4,589	19,420	24,009
Kerry Village Sewer - Upgrades	13-270-2	2018	10,433	2,174	-	2,174
Shawnigan Beach Sewer - Upgrades	16-366-12	2022	44,097	8,429	35,668	44,097
Youbou Sewer - Land	14-340	2019	60,000	7,582	7,754	15,336
				<u>\$ 2,435,368</u>	<u>\$ 4,522,708</u>	<u>\$ 4,456,222</u>

Debt bears interest at a variable rate which is paid monthly.

The weighted average interest rate at December 31, 2018 was 1.04% (December 31, 2017 1.56%).

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, 2018**

26) Schedule of Long-term Debt

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2018	Net Balance December 31, 2018	Interest Rate
Issued by the Municipal Finance Authority for the Regional District							
Administration Building	2339	20	2022	3,020,000	\$ 189,874	\$ 859,300	2.10 %
Cowichan Lake Recreation	3197	20	2029	2,500,000	114,897	1,611,528	4.13 %
Cowichan Lake Recreation	3197	20	2030	3,700,000	163,507	2,555,110	4.50 %
Kerry Park Recreation	2439	20	2023	1,700,000	101,793	590,594	4.90 %
Island Savings Centre	2501	20	2024	2,500,000	142,567	1,018,217	4.90 %
Malahat Fire	3630	15	2028	265,000	15,483	193,318	3.15 %
Sahtlam Fire	3272	10	2020	130,000	14,249	30,230	4.50 %
Curbside Collection	3607	15	2028	1,600,000	93,478	1,167,205	3.15 %
Curbside Collection	3607	15	2029	175,000	9,831	137,887	3.30 %
Solid Waste Mgmt Complex	4178	20	2038	709,700	-	709,700	3.15 %
Solid Waste Mgmt Complex	4174	20	2038	300,000	-	300,000	3.10 %
Solid Waste Mgmt Complex	1866	20	2018	4,500,000	343,897	-	4.65 %
Solid Waste Mgmt Complex	2011	20	2020	600,000	41,089	87,809	4.50 %
Solid Waste Mgmt Complex	3277	20	2030	590,000	26,073	407,436	4.50 %
Solid Waste Mgmt Complex	3278	20	2030	720,000	31,817	497,211	3.73 %
Solid Waste Mgmt Complex	3277	20	2033	780,000	30,643	638,126	3.85 %
Solid Waste Mgmt Complex	3727	20	2034	871,000	32,902	746,792	3.30 %
Arbutus Ridge Water	3287	20	2031	100,000	4,249	73,476	3.25 %
Carlton Water	3628	10	2024	50,000	4,685	32,315	3.00 %
Central Youbou Water	2665	25	2033	488,000	16,678	347,314	5.15 %
Dogwood Ridge Water	3281	25	2036	94,000	2,856	76,173	3.25 %
Douglas Hill Water	3383	20	2031	150,000	6,374	110,214	4.20 %
Fern Ridge Water	2995	20	2029	23,175	1,065	14,939	4.13 %
Honeymoon Bay Water	2973	20	2030	37,000	1,635	25,551	3.73 %
Lambourn Water	3062	20	2030	100,000	4,420	69,056	3.73 %

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

26) Schedule of Long-term Debt (continued)

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2018	Net Balance December 31, 2018	Interest Rate
Satellite Park Water	3029	20	2029	160,000	7,353	103,138	4.13 %
Shellwood Water	3625	20	2036	85,000	3,111	78,883	2.10 %
Youbou Water	2092	20	2030	120,000	5,303	82,868	3.73 %
Arbutus Ridge Sewer	3289	20	2031	125,000	5,312	91,845	3.25 %
Brulette Place Sewer	3297	15	2029	24,713	1,388	19,472	3.00 %
Cobble Hill Sewer	3106	10	2019	25,000	2,849	2,964	4.13 %
Cowichan Bay Sewer	2439	10	2013	600,000	35,927	208,445	4.90 %
Kerry Village Sewer	3019	20	2030	80,000	3,535	55,246	4.50 %
Lambourn Sewer	3063	20	2030	150,000	6,628	103,586	3.73 %
Shawnigan Lake Sewer	1964	20	2019	505,000	36,239	37,880	4.50 %
Shawnigan Lake Sewer	2194	20	2021	110,000	7,262	24,037	3.05 %
Grand Total					<u>\$1,508,969</u>	<u>\$13,107,865</u>	

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

27) Consolidated Schedule of 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	2018 Consolidated
Revenues									
Tax Requisition	\$ 2,954,782	\$ 1,884,619	\$ 2,610,608	\$ 4,304,401	\$ 3,873,996	\$ 16,759,168	\$ 5,517,100	\$ 65,731	\$ 37,970,405
User Fees	-	-	-	2,448	-	(25,822)	813,906	3,019,008	3,809,540
Parcel Taxes	-	-	-	34,200	-	10,000	26,546	2,438,281	2,509,027
Government Transfers - Provincial	380,527	-	75,942	726	52,736	238,742	423,975	221,741	1,394,389
Government Transfers - Federal	1,718,098	-	429	57,037	280	122,031	1,723,118	6,424	3,627,418
Services Provided Other Local Govt	-	-	-	-	68,310	-	-	-	68,310
Revenue from Own Sources	320,701	-	899,376	1,080,055	26,724	4,110,364	3,128,198	239	9,565,657
Other Revenue	215,463	-	23,001	56,821	186,874	278,099	1,081,628	284,074	2,125,960
Interest Income	250,915	-	-	3,055	44,949	94,049	17,761	55,508	466,237
Donations	-	-	-	-	6,500	73,657	-	-	80,157
Services Provided to Other Functions	53,520	-	-	-	-	(13,383)	(496,428)	456,291	-
	<u>5,894,006</u>	<u>1,884,619</u>	<u>3,609,356</u>	<u>5,538,743</u>	<u>4,260,369</u>	<u>21,646,905</u>	<u>12,235,804</u>	<u>6,547,297</u>	<u>61,617,100</u>
Expenses									
Operations and Maintenance	2,507,889	-	28,921	1,356,228	1,249,517	5,309,362	4,064,349	1,716,384	16,232,650
Wages and Benefits	4,530,935	-	88,465	2,347,142	554,500	9,199,542	3,275,496	1,959,506	21,955,586
Contract for Services	202,196	-	2,982,589	139,764	685,074	246,599	2,740,922	26,322	7,023,466
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	(676,977)	-	(676,977)
Debt Charges - Interest	71,216	-	-	149	16,455	427,984	258,565	105,292	879,661
Contributions to Community Facilities	-	-	-	-	-	136,527	-	-	136,527
Grants to Organizations	-	-	-	412,449	-	135,358	26,000	-	573,807
Library Services	-	1,850,776	-	-	-	-	-	-	1,850,776
Fire and Recreation Services Provided by Other Governments	-	-	-	-	637,457	321,210	-	-	958,667
Amortization	167,098	-	-	52,605	286,821	3,040,188	816,694	2,076,650	6,440,056
Contributions to Third Party Capital	-	-	-	-	-	50,000	-	163,994	213,994
	<u>7,479,334</u>	<u>1,850,776</u>	<u>3,099,975</u>	<u>4,308,337</u>	<u>3,429,824</u>	<u>18,866,770</u>	<u>10,505,049</u>	<u>6,048,148</u>	<u>55,588,213</u>
Net Annual Surplus/(Deficit)	<u>\$ (1,585,328)</u>	<u>\$ 33,843</u>	<u>\$ 509,381</u>	<u>\$ 1,230,406</u>	<u>\$ 830,545</u>	<u>\$ 2,780,135</u>	<u>\$ 1,730,755</u>	<u>\$ 499,149</u>	<u>\$ 6,028,887</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

27) Consolidated Schedule of 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	2017 Consolidated
Revenues									
Tax Requisition	\$ 2,554,561	\$ 1,814,783	\$ 2,544,516	\$ 3,893,374	\$ 3,743,136	\$ 16,280,563	\$ 5,145,231	\$ 65,501	\$ 36,041,665
User Fees	-	-	-	2,403	-	(26,547)	797,142	2,614,091	3,387,089
Parcel Taxes	-	-	-	33,499	-	10,000	22,213	2,404,978	2,470,690
Government Transfers - Provincial	246,965	-	73,539	20,502	13,306	346,022	198,311	-	898,645
Government Transfers - Federal	1,626,677	-	454	45,310	275	16,763	1,837,822	21	3,527,322
Services Provided Other Local Govt	-	-	-	-	53,360	-	-	-	53,360
Revenue from Own Sources	130,892	-	783,670	1,104,898	28,898	4,458,373	2,967,615	4,250	9,478,596
Other Revenue	85,770	-	28,086	1,305	148,050	182,124	898,232	614,893	1,958,460
Interest Income	146,935	-	-	1,822	24,817	48,182	8,614	26,368	256,738
Donations	-	-	-	-	5,500	1,180,250	-	391,400	1,577,150
Services Provided to Other Functions	50,736	-	-	-	-	(12,429)	(501,680)	463,373	-
	<u>4,842,536</u>	<u>1,814,783</u>	<u>3,430,265</u>	<u>5,103,113</u>	<u>4,017,342</u>	<u>22,483,301</u>	<u>11,373,500</u>	<u>6,584,875</u>	<u>59,649,715</u>
Expenses									
Operations and Maintenance	1,805,464	-	49,555	940,404	1,052,174	4,872,918	2,251,860	1,832,533	12,804,908
Wages and Benefits	4,338,246	-	124,490	2,213,856	565,578	9,123,597	3,199,633	1,766,197	21,331,597
Contract for Services	166,716	-	2,912,712	116,061	646,129	210,912	2,756,888	111,395	6,920,813
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	(621,830)	-	(621,830)
Debt Charges - Interest	67,386	-	-	-	25,496	429,197	393,723	105,497	1,021,299
Contributions to Community Facilities	-	-	-	-	-	142,547	-	-	142,547
Grants to Organizations	-	-	-	418,727	-	139,045	20,900	-	578,672
Library Services	-	1,781,820	-	-	-	-	-	-	1,781,820
Fire and Recreation Services Provided by Other Governments	-	-	-	-	569,671	305,910	-	-	875,581
Amortization	148,600	-	-	52,891	272,448	2,797,329	759,956	2,004,014	6,035,238
Contributions to Third Party Capital	-	-	-	-	-	-	-	132,840	132,840
	<u>6,526,412</u>	<u>1,781,820</u>	<u>3,086,757</u>	<u>3,741,939</u>	<u>3,131,496</u>	<u>18,021,455</u>	<u>8,761,130</u>	<u>5,952,476</u>	<u>51,003,485</u>
Net Annual Surplus/(Deficit)	<u>\$ (1,683,876)</u>	<u>\$ 32,963</u>	<u>\$ 343,508</u>	<u>\$ 1,361,174</u>	<u>\$ 885,846</u>	<u>\$ 4,461,846</u>	<u>\$ 2,612,370</u>	<u>\$ 632,399</u>	<u>\$ 8,646,230</u>

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Function	2018	2017
General Government Services	\$ 1,707,656	\$ 1,218,293
Community Health Network	169,608	219,005
Administration Office	252,450	244,602
I.T. / H.R. / M.I.A. / G.I.S	505,288	337,006
Vancouver Island Regional Library	1	-
Commuter Transit	336,824	277,866
Transit	211,484	98,894
9-1-1	189,035	160,994
Grant in Aid	84,099	105,385
Environmental Services	210,237	225,214
Emergency Planning	474,339	398,624
Economic Development	193,533	194,299
Regional Tourism	454	16,048
Electoral Feasibility Studies	52,887	52,887
Electoral Area Services	314,949	263,604
Victim Services	233	210
Victim Services - West	30	6
Community Parks	606,928	563,608
Parks & Trails	87,662	(33,755)
Regional Parks	92,044	293,325
Kinsol Trestle	162,137	156,978
Bright Angel Park	10,838	(4,186)
South Cowichan Community Parks	12,558	13,652
Regional Parkland Acquisition	1,222,858	1,295,181
Animal Control	16,136	2,661
Building Inspection	272,620	374,480
Bylaw Enforcement	221,409	-
Community Planning	494,141	269,905
North Oyster Fire Protection	95,958	506,629
Mesachie Lake Fire Protection	23,562	24,168
Sahtlam Fire Protection	148,505	90,105
Malahat Fire Protection	135,419	76,524
Eagle Heights Fire Protection	(59)	-
Honeymoon Bay Fire Protection	52,917	4,273
Youbou Fire Protection	328,359	326,131
GM Community Services/Facilities	154,382	76,539
Arts & Culture	51,357	37,750
Cowichan Lake Recreation	71,223	107,872
Kerry Park Recreation	62,460	104,930
Island Savings Centre	471,629	386,350
Theatre - Area B	-	114

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Function	2018	2017
Cowichan Sportsplex - Area A	4	3
Cowichan Sportsplex - Area C	-	3
Mill Bay Recreation	300	305
Saltair Recreation	(12,278)	33,196
Lake Cowichan Activity Centre	(664)	27
Cowichan Aquatic Centre - Area F	4	5
Shawnigan Lake Community Centre	221,741	179,021
Cobble Hill Historical Society	3	3
Cobble Hill Hall Recreation	-	4
Shawnigan Lake Historical Society	15	14
Senior Centre Grant	52	8
Kaatza Historical Society	60	15
Mill Bay/Malahat Historical Society	4	3
Cowichan Station Assoc - Area B	4	4
Shawnigan Basin Society	-	40
Nature and Habitat - Area I	973	348
Thetis Island Wharf	65,002	58,607
Thetis Island Boat Launch	5,771	4,771
Cowichan Lake Water Protection	4,237	2,823
Cowichan Housing Association	(108,306)	-
Safer Futures	63	65
Social Planning	117	120
South Cowichan Community Policing	27	22
Cowichan Community Policing	453	465
Cowichan Valley Hospice	131	122
Curbside Collection Garbage/Recycling	362,185	611,346
Solid Waste Management Complex	291,808	294,740
Cowichan Flood Management	212,612	105,365
South Cowichan Water Study Plan	28,392	25,561
Drinking Water & Watershed Protection	(101,974)	-
Liquid Waste Plan - Central Sector	228,165	135,477
Liquid Waste Plan - South Sector	2,176	16,644
Critical Street Lighting "A"	2,467	2,073
Critical Street Lighting "B"	2,750	2,296
Critical Street Lighting "C"	3,459	3,003
Critical Street Lighting "D"	3,381	2,819
Critical Street Lighting "E"	858	611
Critical Street Lighting "I"	591	560
Mesachie Lake Street Lighting	871	741
Youbou Street Lighting	10,346	7,879
Cowichan Bay Street Lighting	400	176

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Function	2018	2017
Honeymoon Bay Street Lighting	5,042	3,181
Mill Bay Street Lighting	(12)	-
Cobble Hill Street Lighting	192	(176)
Wilmot Road Street Lighting	7,918	7,010
Sentinel Ridge Street Lighting	6,395	5,843
Twin Cedars Street Lighting	1,553	(739)
Arbutus Mtn. Street Lighting	5,424	3,800
Mill Springs Street Lighting	10,975	14,499
Engineering Services	194,457	104,840
Engineering - Utilities	184,561	156,016
Wilmot Road Drainage System	13,586	11,357
Sentinel Ridge Drainage System	15,853	14,115
Shawnigan Lake East Drainage System	5,899	5,067
Arbutus Mtn. Drainage System	23,622	21,688
Lanes Road Drainage System	13,932	11,728
Bald Mtn. Drainage System	12,266	11,297
Cobble Hill Drainage System	25,752	24,307
Arbutus Ridge Drainage System	8,543	9,883
Shawnigan Creek Cleanout System	16,082	9,597
Satellite Park Water System	10,751	1,051
Douglas Hill Water System	(4,664)	(3,897)
Lambourn Water System	24,226	7,450
Arbutus Mtn. Water System	12,689	10,873
Fern Ridge Water System	14,307	13,702
Bald Mtn. Water System	97,502	69,821
Dogwood Ridge Water System	12,209	7,640
Arbutus Ridge Water System	95,680	79,005
Carlton Water System	13,885	5,359
Shellwood Water System	2,785	(4,712)
Woodley Range Water System	11,964	18,046
Burnum Water System	12,020	14,027
Mesachie Lake Water System	22,043	20,346
Saltair Water System	343,388	471,360
Central Youbou Water Debt	1,233	-
Youbou Water System	212,561	202,277
Honeymoon Bay Water System	20,475	20,475
Honeymoon Bay (S.C.) Water System Debt	1	-
Honeymoon Bay Water (well 2) Debt	51,488	25,744
Cherry Point Estates Water System	22,589	16,633
Shawnigan Lake North Water System	172,050	130,478
Shawnigan Lake Weir	3,275	-

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Function	2018	2017
Kerry Village Water System	(716)	14,558
Cowichan Bay Sewer System	352,422	129,734
Brulette Place Sewer System	20,140	32,609
Sentinel Ridge Sewer System	2,891	5,871
Twin Cedar Sewer System	-	(9,407)
Lambourn Sewer System	9,231	18,238
Arbutus Mtn. Sewer System	247	(17,202)
Cobble Hill Village Sewer System	51,013	48,411
Mesachie Lake Sewer System	47,625	23,395
Bald Mtn. Sewer System	63,224	39,847
Mill Springs Sewer System	124,837	88,676
Arbutus Ridge Sewer System	190,922	150,288
Eagle Heights Sewer System	(8,101)	(7,301)
Maple Hill Sewer System	46,368	47,258
Shawnigan Beach Estates Sewer System	58,869	58,840
Kerry Village Sewer System	6,085	3,017
Youbou Sewer System	61,905	50,576
Operating Fund Surplus Balance	13,455,819	12,171,850
Community Works Reserve Balance	4,371,487	4,752,240
Operating Fund Balance	<u>\$ 17,827,306</u>	<u>\$ 16,924,090</u>