



CVRD
BRITISH COLUMBIA

2023

ANNUAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



COWICHAN VALLEY REGIONAL DISTRICT

2023 CVRD ANNUAL REPORT

Prepared by:

CVRD Finance Division
CVRD Communications and Engagement Division

For the year ended December 31, 2023

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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CVRD DIRECTORS

AREA A

Mill Bay/Malahat:
Kate Segall, Vice Chair

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

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 Nation
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

A YEAR IN FOCUS: 2023 CVRD ANNUAL REPORT

FROM THE BOARD CHAIR & VICE-CHAIR

Introduction

It is our honour, on behalf of the Cowichan Valley Regional District (CVRD) Board of Directors, to present the 2023 Annual Report. This year, we embarked on a new chapter, guided by our recently adopted Strategic Plan. This roadmap outlines six key focus areas: livelihood, commitment, infrastructure, community, environment and reconciliation, that will shape the future of our vibrant region.

Building a Culture of Care

2023 saw the CVRD rise to a critical challenge in providing emergency shelter to our most vulnerable neighbours experiencing homelessness. This was no small feat, and we extend our deepest gratitude to the dedicated staff at the Cowichan Community Centre and the tireless volunteers at Lookout Housing, who together provided overnight shelter to an incredible 978 individuals.

We acknowledge the ongoing need for strengthened mental health and addiction support services. We are immensely grateful for our residents' patience and compassion as we navigate this complex issue. Leading this initiative with expertise and care was Emergency Management Cowichan, a program ensuring our communities are prepared for emergencies of all kinds.

Fostering Inclusivity

Responding to provincial guidelines, we are proud to announce the establishment of an Accessibility Advisory Committee in 2023. This dedicated group will work tirelessly to identify existing accessibility barriers and develop best practices, paving the way for a more inclusive Cowichan Valley.

Shaping Our Future

The modernized Official Community Plan (OCP) is a multi-year project that received extensive public input in 2023. This valuable feedback is informing the creation of Local Area Plans, ensuring each distinct community within the CVRD is represented.

Investing in Recreation

Exciting news for recreation enthusiasts! Little Beach Park, a popular tubing destination, was officially added to the public parkland portfolio in Electoral Area F. Additionally, Parks embarked on an update of the Regional Parks & Trails Masterplan, which will prioritize investments for the next decade. Guiding this initiative is the newly appointed Regional Parks Advisory Commission, established in 2023.

Enhancing Sustainability

The CVRD is thrilled to announce a \$6 million grant from the Canada Community Building Fund. These crucial funds will be used to modernize the infrastructure at the Bings Creek Recycling Facility. This project includes a new building for expanded recycling services, alongside upgrades that will support a region-wide three-stream waste management system for the entire Cowichan Valley.

This annual report is just a glimpse into the many achievements and ongoing initiatives of the CVRD. We are committed to fostering a thriving and inclusive future for all our residents. Thank you for being a part of our vibrant Cowichan Valley community.

In Conclusion

We would like to express our sincere gratitude to the 16 members of the CVRD Board of Directors for their dedication and leadership throughout the year. Their commitment to serving our communities is instrumental in all that we accomplish. Together, along with our talented and focussed staff team, we are building a stronger Cowichan Valley, a place where everyone feels welcome, supported, and empowered to reach their full potential.



Aaron Stone
Chairperson, Cowichan Valley Regional District



Kate Segall
Vice-Chair, 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

LETTER

FROM THE CAO

Thank you for taking the time to read the 2023 Annual Report for the Cowichan Valley Regional District. This is an important reference document to highlight the many initiatives and projects that have been implemented or accomplished in the past year. The CVRD is composed of an incredible and diverse team providing essential services across our vast region. Our organizational values (which you can find on page 10 of the Corporate Strategic Plan) guide this work and our continued commitment to providing a wide variety of functions including utilities, fire protection, recreation, parks and a variety of contribution services in sectors such as housing, tourism and watershed protection. Please join me in recognizing the team for their hard work and dedication to advancing the Board's corporate priorities and continuing to provide a range of community, sub-regional and regional services.

2023 marked the first of three years of implementing the new Regional Recreation Service. You'll recall that a referendum was held in the fall of 2022 during the local government election and the public voted "yes" to implementing a new usage base funding model for the nine regionally significant recreation facilities. As property owners now see the regional recreation shift occurring on their tax bills and continue to have questions about the service, I would invite you to visit our CVRD.ca website where we have all of the project information housed. Of course, our Community Services and Finance staff are always here to answer further question that you may have.

In December, 2023 the Board adopted a refreshed Corporate Strategic Plan and staff are working to develop a public reporting dashboard to provide an updated status of the 26 actions currently prioritized and underway. The Board of Directors has maintained the overarching themes from the last Strategic Plan with the addition of a sixth that commits the CVRD to advance reconciliation actions and to weave this work throughout all of the work that we do. Please stay tuned for our first public report on the Plan during the summer of 2024!

I would also like to highlight the corporate commitment of the CVRD to organizational excellence - but what does this mean in practice? We have a renewed focus on the wellness, recruitment and retention of our employees and promote a learning culture. Our organization sees our staff as our greatest asset to continue to support effective decision making and service delivery. We are making strategic investments in learning and development and value supporting our teams to thrive and find creative solutions to challenges. This year we were also honored to receive an Organizational Safety Excellence Award for the BC Municipal Safety Association. I would like to commend our leaders across the organization for working together to accomplish this, along with only nine other local governments in the Province.

Reflecting on the past year and looking to the future, I am always inspired by the privilege it is to serve the public in this capacity. I look forward to continuing this work with our dedicated team of staff, Directors, volunteers and partners throughout the Cowichan Valley.

Warmly,



**Danielle Myles Wilson,
Chief Administrative Officer
Cowichan Valley Regional District**



ORGANIZATIONAL STRUCTURE



GENERAL MANAGER
Corporate Services Department

- Finance
- Human Resources
- Information Technology
- Legislative Services
- Procurement
- Asset Management

EXECUTIVE COORDINATOR

GENERAL MANAGER
Operations Department

- Recycling & Waste Management
- Utilities
- Parks & Trails

GENERAL MANAGER
Land Use Services Department

- Building Inspection & Bylaw Enforcement
- Community Planning
- Development Services
- Strategic Initiatives

GENERAL MANAGER
Community Services Department

- Facilities & Transit
- Arts & Culture
- Cowichan Lake Recreation
- Cowichan Community Centre
- South Cowichan Recreation

GENERAL MANAGER
Strategic Services Department

- Communications & Engagement
- Economic Development
- Emergency Management
- Environmental Services
- Fire Services

2023 STAFFING

Full-time: 222

Part-time: 42

INITIATIVES



PARKLAND ACQUISITION

Through an approved rezoning/subdivision application in Area F – Cowichan Lake South/Skutz Falls, the CVRD received a community amenity contribution of land that includes Little Beach, a popular tubing destination on the Cowichan River. The new public parkland provides year-round access for other recreational users such as fishers and paddle sport enthusiasts, as well as swift water training grounds for local first responders. The CVRD will be working with the Town of Lake Cowichan, Ministry of Transportation and Infrastructure, RCMP and tubing rental companies on overall improvements to the function and safety of this popular riverfront location.



ACCESSIBILITY ADVISORY COMMITTEE

In an effort to ensure its services and infrastructure is easily accessible to all residents of the Cowichan region, the CVRD established a new public committee to provide advice and feedback to the organization in accordance with the Accessible British Columbia Act. Volunteer members serving on the committee will be integral to accomplishing a number of action items during a three-year term, which include providing feedback on accessibility barriers and best practices related to inclusion, diversity, collaboration and universal design.



REGIONAL PARKS & TRAILS MASTER PLAN

The CVRD began the process of updating its Regional Parks and Trails Master Plan in late 2023. The objective of the Plan is to define the direction, policies, priorities, and actions for the Regional Parks and Trails Program over the next 10 years. One of the first steps in the process was to select a volunteer Advisory Group that will provide input and recommendations to the CVRD Board, staff and consultants throughout the planning process.



EMERGENCY WARMING CENTRE

In the winter of 2023, the CVRD took a proactive approach to providing indoor space for the unhoused population during extreme weather events at the Heritage Hall within the Cowichan Community Centre. Between December 12, 2023 and March 31, 2024, the emergency warming centre was opened a total of 43 nights and provided critical overnight shelter and support services to 978 people during that time. Going forward the CVRD will continue to seek out a more suitable, dedicated space to provide this emergency service for the 2024/2025 winter season.



OCP FOR THE ELECTORAL AREAS

In 2023, 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 2023 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.



BINGS CREEK MODERNIZATION

In 2023, the CVRD was awarded \$6 million from the Strategic Priorities Fund (SPF) under the Canada Community-Building Fund to undertake the construction of an organics waste transfer building at the Bings Creek Recycling Centre. The new building will replace a temporary structure and support curbside collection service in member municipalities, First Nations and CVRD Electoral Areas. This funding will also allow the CVRD to expand its existing recycling building, and include upgrades to onsite service road and stormwater management.



EMERGENCY MANAGEMENT COWICHAN

In early 2023, the CVRD and its member municipalities announced the creation Emergency Management Cowichan (EMC), an enhanced regional service to modernize the oversight and delivery of emergency preparedness planning, incident response and recovery support services within the Cowichan region. EMC creates a centralized approach and oversight to the work of responding to incidents like flooding, wildfires and landslides, and brings greater certainty, consistency and efficiency to the staffing and resourcing of the Regional Emergency Operations Centre when these situations occur in the future.



SOLID WASTE MANAGEMENT

In June 2023, the CVRD Board passed a motion that a three-stream curbside collection strategy for all electoral areas be implemented in 2025 as fully public service. While a public-private hybrid model had been previously considered as an option, several factors including the logistics, feasibility and union agreements determined that a single service provider was the best option for the region as a whole. The decision comes after seven years of consideration and planning, and allows the CVRD to create an equitable service model that fulfills a primary objective of its Solid Waste Management Plan.

STRATEGIC FOCUS AREAS





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OUR LIVELIHOODS



2

OUR COMMITMENTS



3

OUR INFRASTRUCTURE



4

OUR COMMUNITIES



5

OUR ENVIRONMENT



6

RECONCILIATION



OUR LIVELIHOODS

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

STATE OF THE COWICHAN ECONOMY REPORT

Economic Development Cowichan (EDC) published the second edition of the State of the Cowichan Economy report in late 2023. This report highlights the latest data and economic trends for the Cowichan Valley Regional District. The report goes through the Census 2021 data, as well as information on the living wage, job vacancy rates, and house prices. The new report takes a broader view of the regional economy, highlighting the latest data and economic trends for the Cowichan Valley Regional District. 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.

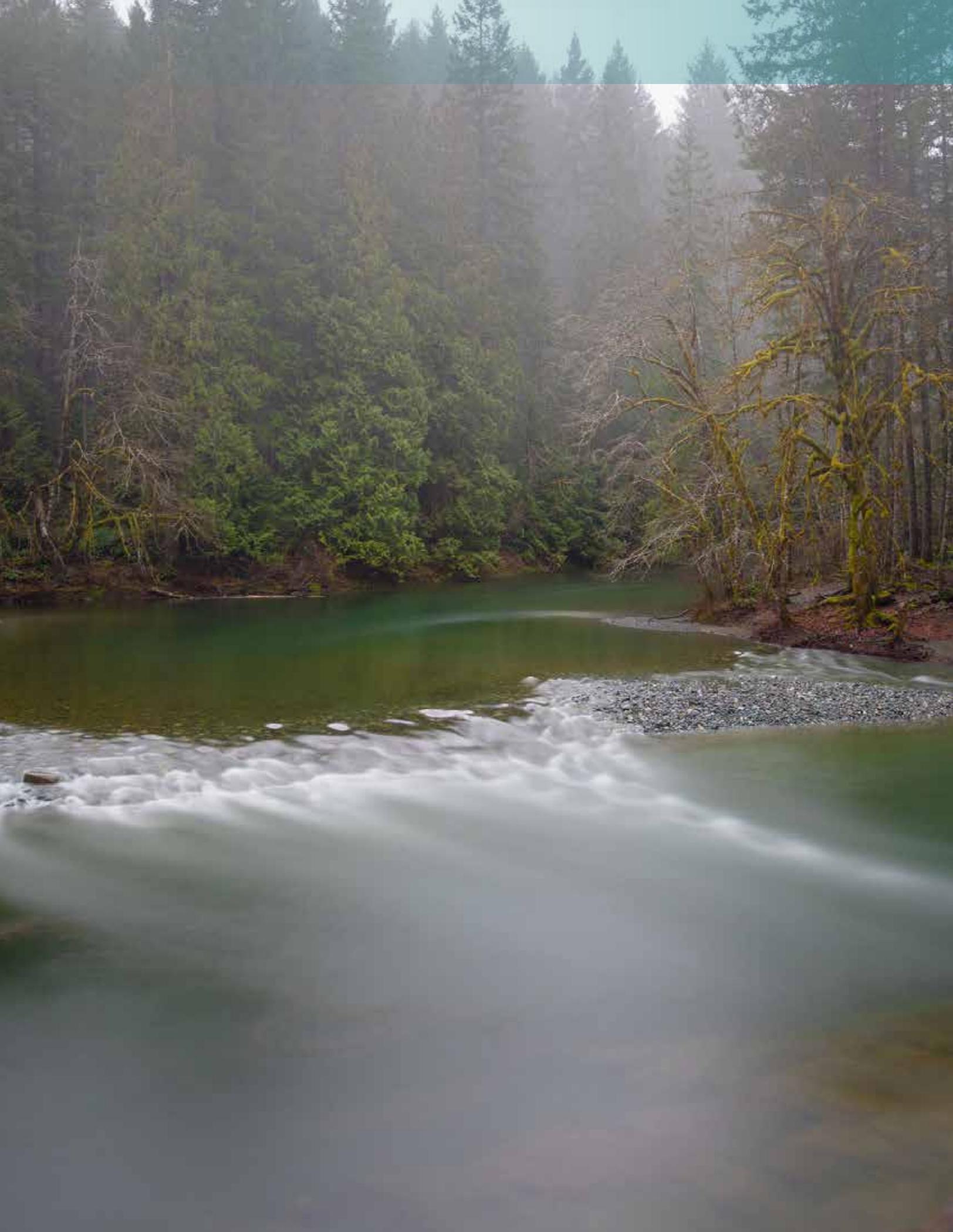
WORKFORCE HOUSING STRATEGY

Economic Development Cowichan (EDC) led the development process for a Workforce Housing Strategy with support from Cowichan Housing Association, inviting employers, workers, developers, public service providers, and others to a series of workshops to identify issues and opportunities for workforce housing in Cowichan. Following the workshops in January, February and May 2023, EDC completed a draft Cowichan Region Workforce Housing Strategy, and sought feedback from stakeholders on the proposed recommendations. The overall goal of the project is to come up with actions for increasing housing availability and affordability for the labour force, to be completed in 2024.

LOCAL BUSINESS SUPPORT

The CVRD, through Economic Development Cowichan, provided continued support to the regional business community in a number of other ways. A full-time contract Special Projects Assistant was hired in September 2023 to work closely with Economic Development Cowichan staff over a 12-month period to implement current approved strategies and plans related to economic diversification, as well as support major initiatives in development. EDC also completed a Cannabis in the Cowichan Valley report that provides a baseline from which to track the emerging legal industry in the region, as well as recommendations for supporting local businesses as they mature. The research resulted in 11 recommendations for nurturing the maturation of the legal cannabis industry in Cowichan, including proposed actions around sector development, local government policy, and advocacy.





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.

CLIMATE ADAPTATION

As a member of the Cowichan Region Climate Adaptation Partners, the CVRD contributed to the development of 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. An inter-governmental advisory group was formed to coordinate implementation of the Plan. In 2023 work began on a priority action in the Plan, to develop a refreshed climate communications program for projections, impacts and actions related to a broad set of hazards including extreme heat and drought, flood, sea level rise, wind and storm events and landslides. This program includes an updated website, online communication tools and print materials.

CHEMAINUS FLOOD MANAGEMENT

The Lower Chemainus Watershed Floodplain Management Plan was completed in spring of 2023 and presented to both the CVRD Board and North Cowichan council. A public information session was held at Halalt First Nation in December to share the results of the flood mapping and management plan with the public. This session included presentations about the Halalt First Nation Watershed Initiative, and about 2023 flood mitigation works including gravel removal and a temporary flood barrier. The CVRD continues to work with North Cowichan, Halalt and Penelakut First Nations, and the provincial government on flood mitigation on the Chemainus River.

COMMUNICATIONS & ENGAGEMENT

In its second year of use by the CVRD, the Plan Your Cowichan engagement website saw double the number of visits and engagements in 2023 compared to 2022. In 2023, Plan Your Cowichan saw 32,000 visits and nearly 5,000 contributions to topics that include a new comprehensive zoning bylaw for Electoral Areas, agricultural policy and regulation, and the World's Largest Hockey Stick.

In 2023, the CVRD Board approved funding to support the redevelopment of the current CVRD website to improve the user experience and enhance the communications tools for residents. The new website is anticipated to be complete in 2025, and will provide efficiencies for staff in updating content, sending out information directly to residents, and inviting input on CVRD services and projects.

COWICHAN COMMUNITY CENTRE

SPORTS. CULTURE.
VANCOUVER ISLAND REGIONAL LIBRARY



COWICHAN PERFORMING ARTS CENTRE

**COWICHAN
PERFORMING
ARTS CENTRE**

5



OUR INFRASTRUCTURE

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

REGIONAL TRANSIT FUTURE ACTION PLAN

In 2023, the CVRD Board endorsed the Cowichan Valley Regional Transit Future Action Plan, outlining service and infrastructure priorities for the next five years. Two immediate priorities were completed in 2023. The first was the South Cowichan Local Area Transit Plan, endorsed by the Board in the fall of 2023, which sets the path for improvements for transit services south of Duncan. The second was the introduction of a mid-day round trip between the Cowichan Valley and Victoria. This was a cost-neutral change through reallocation of existing trips, and the new midday service has been very successful and welcomed by transit users since it was launched. The CVRD Transit division also conducted engagement with Cowichan Tribes, Malahat Nation, and Stz'uminus First Nation in 2023, resulting in service plans for potential new routes and stops within these areas. These improvements are included in the CVRD three-year transit plans, but are subject to securing provincial funding.

ARTS & CULTURE MASTER PLAN

In 2023, the CVRD launched its first-ever Arts & Culture Master Plan, which aims to enhance arts and culture opportunities for locals and visitors across the region. The first phase of this plan sought community input on arts and culture priorities for the region, which will help inform future opportunities for CVRD-owned and operated facilities. The largest venue for arts and culture events in the region, the Cowichan Performing Arts Centre (CPAC), underwent considerable upgrades and renovations in 2023. Accessible seating was increased from 11 seats to 54, and the accessible washroom and lobby of the centre were both renovated to provide better service and experience for patrons of the CPAC.

FINANCIAL REPORTING

For the sixth consecutive year, the CVRD was awarded the Canadian Award for Financial Reporting from the Government Finance Officers Association of the United States and Canada. This award 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 2023, the CVRD continued to engage with the community in the development of the modernized Official Community Plan for the Electoral Areas. Work this year centred around the nine new Local Areas Plans, which included 30 community meetings with over 1200 attendees and an online survey that generated over 200 responses. The Strategic Initiatives – Planning Division of the CVRD also continued consultation with First Nations across the region, as well as agricultural agencies like the Agricultural Land Commission and Ministry of Agriculture.

PARKS & TRAILS VISITATION, RESERVATION AND VOLUNTEERISM

The CVRD continued to track usage of its parks and trails in 2023 to better understand usage and plan for future improvements and updates. The data collected in 2023 indicated an overall 4.7% increase in visits compared to 2022, indicating a sustained upward trend in visitation use post-pandemic. In 2023, several efforts were made to increase the level of awareness and ease of submission for Special Events Permit Applications, Group Use Notifications and Field Trip Requests to CVRD parks.

The CVRD also continued the Parks & Trails Volunteer Program in 2023, offering a diverse range of activities including invasive species removal, habitat restoration, trail maintenance and trail building, coordinated with local schools, organizations and members of the public. Of the 17 events held, seven focused on trail building and maintenance, four focused on invasive species removal, three worked on habitat restoration, and three were hybrid events working on both trail work and invasive species removal.

The Park Ranger Program, established in 2019, was also busy during 2023. The single CVRD Park Ranger performed 1,289 in-field inspections at parks and trails in the nine Electoral Areas and investigated 201 complaints related to CVRD parks and trails.

ZONING AMENDMENTS

The CVRD Community Planning Division began preparing zoning amendment bylaws for the Electoral Areas to be compliant with the Housing Statutes (Residential Development) Amendment Act, 2023, which aims to facilitate an increase in housing supply in communities throughout BC. Bill 44 requires that every zone within the Electoral Areas of the CVRD that permit one single detached dwelling as the principal use to also permit one attached suite. This zoning amendment will ensure the CVRD is compliant with Bill 44, and will be one of several factors to contribute to greater housing affordability in the region in the future.



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.

COWICHAN LAKE WEIR REPLACEMENT

With a new weir design and shoreline assessment completed in 2022, work towards the new Cowichan Lake Weir continued in 2023 by the CVRD, Cowichan Tribes and the Cowichan Watershed Board. Efforts focused on lobbying the provincial government for funding, along with refining the mid and lower Cowichan River flood mitigation projects. These efforts were rewarded in early 2024 when the Province of BC announced \$14 million towards replacement of the 74-year-old weir. The Province's contribution leverages a previous \$4 million provided to the CVRD through the BC Salmon Restoration and Innovation Fund, which allowed study of the engineering requirements to replace the weir, and \$24 million already committed by the Government of Canada through a Federal Disaster Mitigation and Adaptation Fund grant to Cowichan Tribes.

SURFACE WATER QUALITY MONITORING

In 2023, the CVRD implemented the Surface Water Quality Monitoring Program in support of the CVRD Drinking Water and Watershed Protection Program goal to protect water quality at the source. Through field sampling and data analysis, this strategy identifies where surface water quality issues are occurring and may be threatening aquatic ecosystem health, ecosystem services, and drinking water, and enables the identification of water quality management actions. In 2023, the CVRD conducted summer and fall surface water sampling and analysis at 26 different sites in 11 of the CVRD's watersheds.

XWULQW'SELU WATERSHED PLANNING

In response to concerns over water availability in the Koksilah Watershed, in 2023 the CVRD was invited by Cowichan Tribes and the Province of BC to join a collaborative, community-based planning process to develop a Xwulqw'selu Watershed Plan. The CVRD is participating this innovative planning initiative through membership on the Collaborative Community Advisory Table, and specifically contributing to several planning areas related to land use and water storage. The process has already led to a deepened collective understanding of Cowichan Tribes role as authority holder, and what that means for sharing watershed management within their territories.



RECONCILIATION

Building stronger relationships between Indigenous and non-Indigenous Canadians through the ongoing journey of reconciliation.

The CVRD has defined reconciliation as a priority, and is working to increase cooperation and collaboration between Indigenous and non-Indigenous people in our communities.

While still early in the journey towards reconciliation, the CVRD did make significant progress in working with indigenous leaders and community members to advance several projects related to shared natural resources, particularly the Cowichan River and other important watersheds across the region.

In 2023, the CVRD released a video series titled Community Voices of Place, Change and Hope. The series showcases the reflections of community leaders including their views on the importance of our watersheds and water resources, changes that they have experienced in our watersheds and opportunities for the future. The series includes perspectives from members of Quw'utsun, Ts'uubaa-asatx, Halalt, and Penelakut First Nations, and is available to view on the CVRD YouTube channel.

The CVRD Strategic Initiatives - Planning division had ongoing discussions with the Malahat Nation and Ts'uubaa-asatx Nation to understand their interests in land use in adjacent local areas and establish special study areas such as Bamberton in Area A Mill Bay/Malahat to advance those interests.

Also in 2023, the CVRD Solid Waste & Recycling division was awarded \$6 million from the Strategic Priorities Fund to fully fund the construction of an organics waste transfer facility and expand the existing recycling building at the Bings Creek Recycling Centre. The CVRD recognized this project as an opportunity to strengthen relationships with Indigenous communities, and hired an Indigenous Liaison to ensure meaningful engagement with local First Nation communities and help honour the rich history and culture of the Hul'q'umi'num speaking people as part of the project.

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, 2023 including the Audit Report, Consolidated Financial Statements, and supplementary information for the year ended December 31, 2023.

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 2023 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, 2023. The Independent Auditor's Report appears immediately following this letter.

STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

In 2023, the CVRD's financial position maintained positive with a change in the net financial asset position of \$13.95 million going to \$61.13 million. The increase was primarily related to an increase in investments and the 2023 annual surplus. A portion of the 2023 annual surplus was due to grant funding. Net financial assets are the total financial 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 \$1,300,140 and short-term debt increased by \$340,571. Member municipalities' debt decreased by \$3.34 million in 2023 which is offset by a decrease 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 in 2023 to \$171.73 million (2022 - \$166.12 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 \$42.94 million in 2023 with \$9.43 million expended in capital enhancement and repairs. Some of these projects will continue to completion in 2024. Capital expenditures were primarily financed through reserves, grants, debt, and taxation.

STATEMENT OF OPERATIONS

The annual surplus (revenues less expenses) was \$19.55 million in 2023 compared to \$11.91 million in 2022. A significant portion of the increase to the annual surplus is a result of increased grant revenues included in Government Transfers.

The annual operating surplus of \$19.55 million translates to a corresponding increase in accumulated surplus from \$213.32 million to \$232.87 million. This increase is primarily due to increases in reserve funds for operating surplus, as well as an increase in equity in tangible capital assets.

The 2023 Tax Requisition increased 11.49% over the 2022. The primary reasons for the increase were implementation of the Regional Recreation funding model and increased costs to maintain service levels. The year over year tax requisition increase is higher than the 2023 consumer price index increase of 3.7% for Victoria, BC primarily due to the implementation of the Regional Recreation funding model.

Significant financial indicators to highlight for 2023 are as follows:

- Short-term Debt (Note 13 & 23) increased \$340,571 (19.59%) in 2023 from 2022;
- Long-term Debt (Note 13 & 24) decreased \$1,300,140 (10.69%) in 2023 from 2022;

- The Regional District's operating surplus fund increased by \$11.68 million (30.8%)

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 13, 2024 the Board adopted the 2024-2028 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 39 new capital projects in the 2024-2028 Financial Plan resulting in over \$7 million budgeted in 2024 for new capital projects. The largest portion of this (51%) is budgeted for projects for the regions' community and regional parks and approximately a quarter of this (25%) 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 administration office building and solid waste facilities, and for purchases of new vehicles and equipment.

FINANCIAL OUTLOOK

On a macro-economic level, the declining Canadian dollar in 2023 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 2023, there was a moderate change in the Consumer Price Index, increasing by 3.9% for BC and by 3.7% for Victoria. The Bank of Canada's inflation control target range remained unchanged at 1% to 3%. 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 2023 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 2023. I would also like to recognize the remarkable team effort evident throughout the year resulting in this report and the information it contains.



Tracy Bowen, CPA, CGA
Corporate Financial Officer
Cowichan Valley Regional District
May 29, 2024





2023

FINANCIAL STATEMENTS

COWICHAN VALLEY REGIONAL DISTRICT

ELECTED AND APPOINTED OFFICIALS
2023

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. Istace
District of North Cowichan	C. Justice
District of North Cowichan	D. Toporowski
Electoral Area "A" - Mill Bay/Malahat	K. Segall (Vice Chair)
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
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	T. Bowen

COWICHAN VALLEY REGIONAL DISTRICT

**FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

FINANCIAL STATEMENTS

- 1 Statement of Financial Position
 - 2 Statement of Operations
 - 3 Statement of Changes in Net Financial Assets
 - 4 Statement of Cash Flows
- 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
- C Schedule of Growing Communities Fund Grant

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.

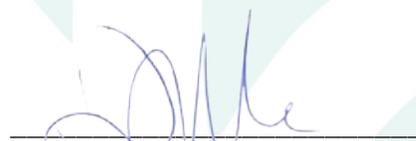
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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



Tracy Bowen, CPA, CGA
Chief Financial Officer



Danielle Myles Wilson
Chief Administrative Officer

May 8, 2024

**KPMG LLP**

St. Andrew's Square II
 800-730 View Street
 Victoria BC V8W 3Y7
 Canada
 Telephone 250 480 3500
 Fax 250 480 3539

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, 2023
- 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, 2023, 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.



Cowichan Valley Regional District
Page 2

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.



Cowichan Valley Regional District
Page 3

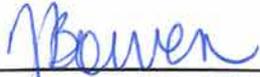
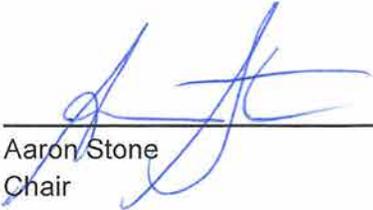
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada
May 8, 2024

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
Financial Assets		
Cash & Cash Equivalents (Note 1)	\$ 53,832,967	\$ 51,663,121
Investments (Note 2)	26,475,574	15,911,015
Accounts Receivable (Note 3)	5,654,461	5,338,421
Land Held for Resale (Note 6)	248,738	-
Debt Recoverable from Members (Note 4)	<u>50,118,052</u>	<u>53,455,714</u>
	<u>\$ 136,329,792</u>	<u>\$ 126,368,271</u>
Liabilities		
Accounts Payable & Accrued Liabilities (Note 7)	\$ 5,272,767	\$ 5,698,529
Deferred Revenue (Note 8)	3,672,684	3,565,227
Restricted Contributions and Performance Deposits (Note 9)	1,529,262	1,896,677
Employee Future Benefits (Note 10)	151,180	146,970
Asset Retirement Obligations (Note 12)	1,516,858	522,071
Short-term Debt (Note 13 & 23)	2,079,256	1,738,685
Long-term Debt		
Regional District (Note 13 & 24)	10,856,724	12,156,864
Members (Note 4)	<u>50,118,052</u>	<u>53,455,714</u>
	<u>\$ 75,196,783</u>	<u>\$ 79,180,737</u>
Net Financial Assets	<u>\$ 61,133,009</u>	<u>\$ 47,187,534</u>
Non-Financial Assets		
Tangible Capital Assets (Note 15 & 22)	\$ 171,399,979	\$ 165,992,892
Inventories	32,020	33,511
Prepaid Expenses	<u>301,838</u>	<u>101,880</u>
	<u>171,733,837</u>	<u>166,128,283</u>
Accumulated Surplus (Note 17)	<u>\$ 232,866,846</u>	<u>\$ 213,315,817</u>
Contingent Liabilities (Note 14)		
Commitments (Note 19)		
		
Tracy Bowen, CPA, CGA Chief Financial Officer		
	Aaron Stone Chair	

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

COWICHAN VALLEY REGIONAL DISTRICT

STATEMENT 2

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023 Budget (Note 16)	2023 Actual	2022 Actual
Revenues			
Tax Requisition	\$ 50,911,624	\$ 50,911,524	\$ 45,665,354
User Fees	11,208,810	5,262,863	4,822,775
Parcel Taxes	3,133,979	3,133,999	2,992,097
Government Transfers - Provincial	12,753,792	9,386,100	3,988,798
Government Transfers - Federal	130,231	2,416,917	2,275,892
Services Provided to Other Local Governments	63,650	63,650	62,400
Revenue from Own Sources	12,294,681	13,020,968	12,397,512
Other Revenue	2,883,256	2,401,972	2,544,181
Interest Income	576,588	2,983,291	1,286,060
Donations	6,000	2,532,430	1,786,082
	<u>\$ 93,962,611</u>	<u>\$ 92,113,714</u>	<u>\$ 77,821,151</u>
Expenses (Note 26)			
General Government Services	11,891,406	10,971,264	9,672,437
Vancouver Island Regional Library	2,390,470	2,390,470	2,150,072
Transportation Services	4,387,449	4,275,637	3,847,016
Electoral Area Services	6,326,137	5,345,818	5,344,165
Protective Services	5,344,376	4,788,170	4,628,893
Parks and Recreation	22,447,663	23,560,704	19,740,973
Environmental Services	12,232,802	13,718,412	13,314,030
Sewer and Water Utilities	11,877,463	7,512,210	7,216,030
	<u>\$ 76,897,766</u>	<u>\$ 72,562,685</u>	<u>\$ 65,913,616</u>
Annual Surplus	\$ 17,064,845	\$ 19,551,029	\$ 11,907,535
Accumulated Surplus, Beginning of Year	<u>213,315,817</u>	<u>213,315,817</u>	<u>201,408,282</u>
Accumulated Surplus, End of Year (Note 17)	<u>\$ 230,380,662</u>	<u>\$ 232,866,846</u>	<u>\$ 213,315,817</u>

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

COWICHAN VALLEY REGIONAL DISTRICT

STATEMENT 3

**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023 Budget (Note 16)	2023 Actual	2022 Actual
Annual Surplus	\$ 17,064,845	\$ 19,551,029	\$ 11,907,535
Additions of Tangible Capital Assets	(42,942,270)	(9,429,514)	(7,562,498)
Contributed Tangible Capital Assets	-	(2,361,741)	(1,780,082)
Amortization of Tangible Capital Assets	-	6,541,469	6,338,557
(Gain)/Loss on Disposal of Tangible Capital Asset	-	(33,039)	130,041
Reclassification - Land Held for Resale	-	248,738	-
Change in Inventories	-	1,491	(14,040)
Change in Prepaid Expenses	-	(199,958)	11,633
Adjustment on adoption of the asset retirement obligation standard	-	(373,000)	-
Increase in Net Financial Assets	<u>(25,877,425)</u>	<u>13,945,475</u>	<u>9,031,146</u>
Net Financial Assets, Beginning of Year	<u>47,187,534</u>	<u>47,187,534</u>	<u>38,156,388</u>
Net Financial Assets, End of Year	<u><u>\$ 21,310,109</u></u>	<u><u>\$ 61,133,009</u></u>	<u><u>\$ 47,187,534</u></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, 2023**

	2023	2022
OPERATING ACTIVITIES		
Annual Surplus	\$ 19,551,029	\$ 11,907,535
Non-cash items included in surplus		
Amortization of Tangible Capital Assets	6,541,469	6,338,557
Contributed Tangible Capital Assets	(2,361,741)	(1,780,082)
Loss (Gain) on Disposal of Tangible Capital Asset	(33,039)	130,041
Debt Actuarial Adjustment	(465,006)	(556,706)
Employee Future Benefits	4,210	8,910
Revaluation of Asset Retirement Obligation	621,787	-
Landfill Closure and Post Closure Costs	-	(283,563)
Change in non-cash working capital balances related to operations		
Accounts Receivable	(316,038)	383,882
Inventories	1,491	(14,040)
Prepaid Expenses	(199,958)	11,633
Accounts Payable and Accrued Liabilities	(425,762)	1,292,615
Deferred Revenue	107,457	1,180,055
Restricted Contributions and Performance Deposits	<u>(367,415)</u>	<u>122,361</u>
Cash provided by operating activities	22,658,484	18,741,198
CAPITAL ACTIVITIES		
Acquisition of Tangible Capital Assets	<u>(9,429,514)</u>	<u>(7,562,498)</u>
Cash used in capital activities	(9,429,514)	(7,562,498)
INVESTING ACTIVITIES		
Investment in Investments	<u>(10,564,561)</u>	<u>(304,589)</u>
Cash provided by investing activities	(10,564,561)	(304,589)
FINANCING ACTIVITIES		
Debt Issued	1,230,326	88,951
Debt Repayment	<u>(1,724,889)</u>	<u>(1,890,847)</u>
Cash used in financing activities	(494,563)	(1,801,896)
Increase in cash	2,169,846	9,072,215
Cash - Beginning of Year	<u>51,663,121</u>	<u>42,590,906</u>
Cash - End of Year (Statement 1)	<u>\$ 53,832,967</u>	<u>\$ 51,663,121</u>
Interest Paid	\$ 656,874	\$ 683,253

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, 2023****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) Investments

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.

COWICHAN VALLEY REGIONAL DISTRICT

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2023****Summary of Significant Accounting Policies (continued)****(e) Financial Instruments**

The Regional District's financial instruments include cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities and debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless the Regional District elects to carry the financial instrument at fair value. The Regional District does not hold any equity instruments or derivatives and has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses. They are recorded in the Statement of Operations when they are realized. There are no unrealized changes in fair value in the years presented; as a result, the Regional District does not have a Statement of Remeasurement Gains and Losses.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost are included in the cost and amortized on an effective interest basis.

(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.

COWICHAN VALLEY REGIONAL DISTRICT

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2023****Summary of Significant Accounting Policies (continued)****(g) Asset Retirement Obligations**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability had occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is initially recorded at the best estimate of the expenditures required to retire a tangible capital asset, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset if the asset is recognized and in productive use. This liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation. The changes in the liability for the passage of time are recorded as accretion expense in the Statement of Operations and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset following the amortization accounting policies outlined in (j). If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The liability for closure and post-closure care relating to landfill sites has been recognized based on estimated future expenditures. The liability is discounted using a present value calculation. The change in this estimated liability during the year is recorded as an expense in operations. Assumptions used in the calculations are revised yearly.

Recoveries related to asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

(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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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.

COWICHAN VALLEY REGIONAL DISTRICT

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2023****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, 2023****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 provisions for contingencies, the valuation of accounts receivables, estimation of employee future benefits, estimated useful life of tangible capital assets, the amount to settle asset retirement obligations, and provisions for contaminated sites. Actual results may vary from those estimates and adjustments will be reported in operations as they become known.

(t) Adoption of New Accounting Policy

On January 1, 2023, the Regional District adopted PS 3450 – Financial Instruments, PS 2601 Foreign Currency Translation, PS1201 Financial Statement Presentation and PS3041 Portfolio Investments. The standard was adopted prospectively from the date of adoption. The new standard provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Regional District's accounting policy choices.

The adoption of this new standard did not result in changes to previously reported amounts in the financial statements.

COWICHAN VALLEY REGIONAL DISTRICT

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Summary of Significant Accounting Policies (continued)

(u) Adoption of New Accounting Policy

On January 1, 2023, the Regional District adopted Public Accounting Standard PS 3280 – Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on a prospective basis at the date of adoption.

On January 1, 2023, the Regional District removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS3280. The liability represents the post-closure care for the landfill sites owned by the Regional District. The asset retirement obligation at January 1, 2023 was \$522,071.

In addition, the Regional District recognized an asset retirement obligation relating to closure costs related to several wells and costs for the removal of a fuel storage tank on Regional District land. An asset retirement obligation liability and expense of \$745,000 was recognized on January 1, 2023.

The Regional District recognized an asset retirement asset and obligation related to asbestos abatement of \$373,000.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1) Cash & Cash Equivalents

	2023	2022
Restricted Cash		
Statutory Reserves	\$ 12,038,836	\$ 12,215,333
Restricted Contributions and Performance Deposits	<u>1,529,262</u>	<u>1,896,677</u>
	13,568,098	14,112,010
Unrestricted Cash	<u>40,264,869</u>	<u>37,551,111</u>
Total Cash	<u>\$ 53,832,967</u>	<u>\$ 51,663,121</u>

2) Investments

Investments are MFA Money Market funds and BC Fossil Fuel Free bond funds. The Money Market fund balance at December 31, 2023 is \$5,675,748 (2022 - \$ 5,402,584). The yield on funds for 2023 was 5.07% (2022 - 1.93%). The BC Fossil Fuel Free bond funds balance at December 31, 2023 is \$10,799,826 (2022 - \$10,508,431). The yield on funds for 2023 was 5.05% (2022 - -3.59%).

Investments also include term deposits with a balance of \$10,000,000 at December 31, 2023 (2022 - \$0) with interest rates ranging from 4.90% to 5.20%. Maturity dates range from 2024 to 2028.

3) Accounts Receivable

	2023	2022
Federal Governments	\$ 340,855	\$ 788,570
Provincial Governments	2,852,526	2,673,802
Local Governments	88,929	86,291
Other Trade Receivables	<u>2,372,151</u>	<u>1,789,758</u>
	<u>\$ 5,654,461</u>	<u>\$ 5,338,421</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.

	2023	2022
District of North Cowichan	\$ 33,806,977	\$ 36,184,389
Town of Ladysmith	13,670,140	14,511,912
Vancouver Island Regional Library	<u>2,640,935</u>	<u>2,759,413</u>
	<u>\$ 50,118,052</u>	<u>\$ 53,455,714</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

	2023	2022
Cash Deposits - Cowichan Valley Regional District	\$ 290,582	\$ 323,775
Cash Deposits - Members	940,332	911,987
Demand Notes - Cowichan Valley Regional District	548,335	615,026
Demand Notes - Members	<u>1,906,413</u>	<u>1,906,413</u>
	<u>\$ 3,685,662</u>	<u>\$ 3,757,201</u>

6) Land Held for Resale

The Regional District had one piece of land held for resale at December 31, 2023. The land was sold in April 2024.

7) Accounts Payable & Accrued Liabilities

	2023	2022
Federal Governments	\$ 267,469	\$ 23,161
Provincial Governments	372,181	10,113
Local Governments	297,702	395,687
Accrued Payroll	931,209	1,642,065
Trade Payables	<u>3,404,206</u>	<u>3,627,503</u>
	<u>\$ 5,272,767</u>	<u>\$ 5,698,529</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

8) Deferred Revenue

	2022	Externally restricted receipts	Revenue earned	2023
Trail Project Grants	\$ 459,000	\$ -	\$ (459,000)	\$ -
Recreation Deposits	462,079	692,857	(648,254)	506,682
Developer Capital Contributions	82,527	-	-	82,527
Other	1,660,668	1,371,253	(896,280)	2,135,641
Subtotal	2,664,274	2,064,110	(2,003,534)	2,724,850
Parkland Cash-in-lieu Contributions	900,953	46,881	-	947,834
	<u>\$ 3,565,227</u>	<u>\$ 2,110,991</u>	<u>\$ (2,003,534)</u>	<u>\$ 3,672,684</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, 2023

9) Restricted Contributions and Performance Deposits

	2023	2022
Warranty Deposits	\$ 1,266,713	\$ 1,305,153
Kinsol Trestle Donations	65,497	65,497
Holdbacks	115,210	301,158
Cowichan Lake Water Protection	76,000	76,000
Arts & Sports Scholarship Fund	34,520	34,241
Nature and Habitat	50,567	50,567
Cowichan Performing Arts	123,611	120,434
Soil Security Deposits	337,808	337,808
Other	(540,664)	(394,181)
	<u>\$ 1,529,262</u>	<u>\$ 1,896,677</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, 2023

10) Employee Future Benefits

	2023	2022
Discount rates	4.10%	4.50%
Expected future inflation rates	3.00%	2.00%
Expected wages/salary increase	3.00%	2.00 - 4.00%

Accrued Benefit Obligation as at December 31, 2023

	2023	2022
Accrued benefit obligation - beginning	\$ 120,458	\$ 134,889
Current service cost	9,963	12,436
Interest on accrued benefit obligation	5,686	3,606
Benefits paid during the year	(8,128)	(6,180)
Actuarial (gain)/loss	145,590	(24,293)
Ending benefit obligation	273,569	120,458
Unamortized net actuarial gain	(122,389)	26,512
Accrued Unfunded Benefit Liability	<u>\$ 151,180</u>	<u>\$ 146,970</u>

The total expense related to these benefits was:

	2023	2022
Current service costs	\$ 9,963	\$ 12,436
Interest on accrued benefit obligation	5,686	3,606
Amortization of actuarial gain	(3,311)	(952)
Total expense	<u>\$ 12,338</u>	<u>\$ 15,090</u>

The total expense 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, 2022 the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local government.

COWICHAN VALLEY REGIONAL DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023****11) 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 \$1,833,159 (2022 - \$1,574,453) for employer contributions, while employees contributed \$1,695,330 (2022 - \$1,456,063) to the plan in fiscal 2023.

12) Asset Retirement Obligations

The Regional District's asset retirement obligations consist of:

a) Landfills

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).

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

12) Asset Retirement Obligations (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 \$7,500 per year of post closure monitoring requirements for the landfill beginning 2019, for up to 21 years (2022 - \$12,500 annually).

The Peerless Road remediation and closure works were completed in 2015. The post-closure maintenance costs are estimated at \$11,400 annually for 16 years (2022 - \$12,400 annually).

The Regional District currently maintains an inactive landfill site on Koksilah Road which has been closed for over 20 years. The Regional District is responsible for long-term groundwater monitoring at this location at a cost estimated at \$8,500 annually for 20 years (2022 - \$8,000 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 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.

	2023	2022
Koksilah Road	\$ 131,168	\$ 132,918
Peerless Road TRP	147,586	173,783
Meade Creek TRP	<u>120,104</u>	<u>215,370</u>
	<u>\$ 398,858</u>	<u>\$ 522,071</u>

The provision is determined using the following assumptions:

	2023	2022
Inflation Rates	2.00%	2.00%
Discount Rates	4.66%	4.28%
Koksilah Road Monitoring	\$8,500 per annum	\$8,000 per annum
Peerless Road Monitoring	\$11,400 per annum	\$12,400 per annum
Meade Creek Monitoring	\$7,500 per annum	\$12,500 per annum

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

12) Asset Retirement Obligations (continued)

b) Water Wells

The Regional District is responsible for wells on Regional District land. Under the Water Sustainability Act, an owner of a well which is not in service must ensure that the well is deactivated or decommissioned as soon as practicable. The process of decommissioning a well involves completely filling in the well by a qualified professional.

c) Asbestos Abatement

Asbestos and other designated hazardous materials represent a health hazard upon disturbance and as a result carry a legal obligation to remove them when a facility undergoes a significant renovation or demolition. The Regional District owns and operates several facilities that are known to have asbestos and as a result recognized an obligation relating to the removal of the hazardous materials upon adoption of the PS 3280 Asset Retirement Obligations. This resulted in a liability of \$373,000 with an equal increase in the historical costs of the associated building assets.

d) Underground Tank Removal

The Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations dictate the requirements for the proper removal and disposal of underground fuel storage tanks upon the expiration of their useful life. This legislated regulation gives rise to an asset retirement obligation for the Regional District for any underground fuel tanks owned. As a result, the Regional District recognized an expense and an increase in the asset retirement liability of \$10,000.

Changes to the asset retirement obligation in the year are as follows:

	Landfill Obligation	Water Wells	Asbestos Abatement	Tank Removal	December 31, 2023
Retirement Obligation					
Opening	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment on adoption of PS 3280	522,071	735,000	373,000	10,000	1,640,071
Revaluation	(123,213)	-	-	-	(123,213)
Closing Balance	\$ 398,858	\$ 735,000	\$ 373,000	\$ 10,000	\$ 1,516,858

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

13) 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 23. Details of Long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts are summarized in Note 24.

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
2024	\$ 712,792	\$ 775,033
2025	592,215	698,687
2026	263,251	698,687
2027	264,932	698,687
2028	246,066	698,687
Thereafter	-	7,286,943
	<u>\$ 2,079,256</u>	<u>\$ 10,856,724</u>

14) Contingent Liabilities

As at December 31, 2023 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.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

15) Tangible Capital Assets

	2023	2022
Land	\$ 59,448,427	\$ 56,756,917
Building	23,863,993	21,039,989
Vehicles, Machinery and Equipment	6,797,960	5,642,174
Engineering Structures	56,327,398	51,827,750
Parks	5,696,445	5,852,377
Other Tangible Capital Assets	10,291,124	10,920,890
Work in Progress	8,974,632	13,952,795
	<u>\$ 171,399,979</u>	<u>\$ 165,992,892</u>

For additional information, see the Schedule of Tangible Capital Assets (Note 22).

During the year land, and sewer/water/drainage systems built by others valued at \$2,361,741 (2022 - \$ 1,780,082) were accepted and recorded as contributed assets.

16) Budget Figures

Budget figures represent the 2023 Financial Plan Bylaw adopted by the Board on March 8, 2023. 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.

	2023
Surplus for the year (Statement 2)	\$ 17,064,845
Add:	
Transfer from Reserves	10,622,085
Prior Year Operating Surplus	9,687,498
MFA Funding - Proceeds from Debt	10,105,717
Difference between operating and reserves on bylaw	(600,000)
Less:	
Debt Principal Repayments/Actuarial Adjustments	(2,930,213)
Transfer to Reserves	(1,810,094)
Purchase of Tangible Capital Assets	(42,942,270)
Difference between operating and reserves on bylaw	802,432
Surplus, per Cowichan Valley Regional District Financial Plan Bylaw No. 4478	<u>\$ -</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

17) Accumulated Surplus

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

	2023	2022
Surplus		
Operating Fund Reserve Fund - Operating Surplus	\$ 49,618,957	\$ 37,935,906
Operating Fund Reserve Fund - Community Works	9,115,988	8,106,160
Operating Fund - Employee Future Benefit	(151,180)	(146,970)
Equity in Tangible Capital Assets	158,712,736	152,097,344
Operating Fund - Asset Retirement Obligation - Landfill Post Closure Costs	(398,858)	(522,071)
Adjustment relating to recognition of asset retirement obligation	<u>(316,887)</u>	<u>-</u>
Total Surplus	216,580,756	197,470,369
Statutory Reserve Funds	<u>16,286,090</u>	<u>15,845,448</u>
Accumulated Surplus (Statement 1)	<u><u>\$ 232,866,846</u></u>	<u><u>\$ 213,315,817</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:

	2023	2022
Community Works Reserve, opening balance	\$ 8,106,160	\$ 7,801,169
Add:		
Community works funds received in year	1,775,266	1,701,815
Interest earned	439,473	184,459
Less:		
Amounts spent on projects	<u>(1,204,911)</u>	<u>(1,581,283)</u>
Community Works Reserve, Ending Balance	<u><u>\$ 9,115,988</u></u>	<u><u>\$ 8,106,160</u></u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

18) 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 26 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, 2023
19) 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 2024 commitment is \$298,394.

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 2023/2024 annual transit operating agreement and memorandum of understanding for these services is \$939,147.

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 2024 commitment is \$414,704.

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 2024 commitment is \$423,278.

Island Corridor Foundation

The Board committed to a \$488,100 contribution for bridge and trestle upgrades along the rail line between Victoria and Courtenay. The parties entered into an agreement in 2014 setting out the payment terms. In 2023, and going forward, \$488,100 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 2024 commitment is \$302,682.

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 2024 commitment is \$3,380,000.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

19) 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 2024 commitment is \$792,715.

20) 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 (2022 - \$60,000).

21) 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.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

22) 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	2023 Total
Cost										
Opening Balance	\$ 56,756,917	\$ 52,676,844	\$ 27,927,975	\$ 50,411,556	\$ 43,983,540	\$ 1,173,151	\$ 22,964,815	\$ 19,095,887	\$ 13,952,795	\$ 288,943,480
Add: Additions	2,691,510	4,511,960	2,185,349	5,930,863	868,895	-	501,930	257,915	8,974,632	25,923,054
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(13,952,795)	(13,952,795)
Less: Disposals	-	-	(228,765)	-	-	-	-	-	-	(228,765)
Closing Balance	<u>59,448,427</u>	<u>57,188,804</u>	<u>29,884,559</u>	<u>56,342,419</u>	<u>44,852,435</u>	<u>1,173,151</u>	<u>23,466,745</u>	<u>19,353,802</u>	<u>8,974,632</u>	<u>300,684,974</u>
Accumulated Amortization										
Opening Balance	-	31,636,855	22,285,801	23,221,230	20,092,959	426,308	17,112,438	8,174,997	-	122,950,588
Add: Amortization	-	1,687,956	1,007,860	1,102,378	1,150,955	46,777	657,862	887,681	-	6,541,469
Less: Disposals	-	-	(207,062)	-	-	-	-	-	-	(207,062)
Closing Balance	-	<u>33,324,811</u>	<u>23,086,599</u>	<u>24,323,608</u>	<u>21,243,914</u>	<u>473,085</u>	<u>17,770,300</u>	<u>9,062,678</u>	-	<u>129,284,995</u>
Net Book Value December 31, 2023	<u>\$ 59,448,427</u>	<u>\$ 23,863,993</u>	<u>\$ 6,797,960</u>	<u>\$ 32,018,811</u>	<u>\$ 23,608,521</u>	<u>\$ 700,066</u>	<u>\$ 5,696,445</u>	<u>\$ 10,291,124</u>	<u>\$ 8,974,632</u>	<u>\$ 171,399,979</u>

22) 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	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>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>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>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

23) Short-term Debt

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payment 2023	Net Balance December 31, 2023	Net Balance December 31, 2022
Administration - HVAC	21-208.2.1	2028	\$ 1,230,326	\$ -	\$ 1,230,326	\$ -
Building Inspection - Vehicle	19-265.6.1	2024	29,410	5,833	3,270	9,103
Bylaw	19-265.6.2	2024	28,820	5,715	3,206	8,921
Com Parks - Area B - Land	20-327.5	2026	880,000	177,618	355,232	532,850
Com Parks - Area E	18-224.2	2023	263,840	54,291	-	54,291
Cowichan Lake Recreation	20-63.1.3	2025	168,445	33,287	66,574	99,861
Community Planning - Renovations	18-77	2023	178,680	38,262	-	38,262
Eng Utilities - Equipment	18-81.12	2023	98,400	14,418	-	14,418
Eng Utilities - Equipment	18-81.12	2023	45,000	6,591	-	6,591
Fire Protection - North Oyster Fire Hall	19-345.6	2024	644,690	150,975	18,935	169,910
ISC - Theatre	18-85.1	2023	349,000	60,859	-	60,859
KPR - Parking Lot Improvements	20-244.1.3	2026	415,000	62,142	124,283	186,425
KPR - Utility Vehicle	19-159	2024	34,120	6,601	6,732	13,333
KPR - Ice Resurfacers	19-159	2024	173,420	33,552	34,221	67,773
KPR - Interior Upgrades	19-159	2024	75,000	18,346	18,347	36,693
Reg Parkland - CVT	17-502	2023	344,000	72,327	-	72,327
Saltair Rec - New Roof	17-472.2	2023	112,318	21,046	-	21,046
SLCC - Parking Lot	18-201	2026	173,325	35,765	69,248	105,013
SWM	20-63.1.5	2025	90,000	15,554	38,994	54,547
SWM - Loader	18-125.2.1	2024	147,550	28,964	16,710	45,674
SWM - Vehicle	18-125.2.2	2024	41,010	8,133	4,561	12,695
Public Safety - SPU	19-225.2.2	2024	128,000	24,990	20,946	45,936
SWM - Peerless Skid Steer	21-208.5	2027	88,951	14,486	67,671	82,157
				<u>\$ 889,755</u>	<u>\$ 2,079,256</u>	<u>\$ 1,738,685</u>

Debt bears interest at variable rates which are paid monthly.
The weighted average interest rate at December 31, 2023 was 5.23% (December 31, 2022 - 2.49%).
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, 2023

24) Long-term Debt

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2023	Net Balance December 31, 2023	Interest Rate
Issued by the Municipal Finance Authority for the Regional District							
Cowichan Lake Recreation	3197	20	2029	2,500,000	\$ 139,790	\$ 964,314	2.25 %
Cowichan Lake Recreation	3197	20	2030	3,700,000	201,637	1,623,524	1.28 %
Kerry Park Recreation	2333	20	2023	1,700,000	129,917	-	2.85 %
Cowichan Community Centre	2320	20	2024	2,500,000	181,956	191,054	2.85 %
Malahat Fire	3630	15	2028	265,000	18,837	106,106	4.52 %
Curbside Collection	3607	15	2028	1,600,000	113,731	640,643	4.52 %
Curbside Collection	3607	15	2029	175,000	11,961	82,510	3.30 %
Solid Waste Mgmt Complex	4105	20	2038	709,700	29,727	569,475	3.15 %
Solid Waste Mgmt Complex	3277	20	2038	300,000	12,566	240,725	3.15 %
Solid Waste Mgmt Complex	4105	20	2039	1,258,300	62,915	975,183	3.20 %
Solid Waste Mgmt Complex	3278	20	2030	590,000	32,153	258,886	1.28 %
Solid Waste Mgmt Complex	3277	20	2030	720,000	39,238	315,929	1.28 %
Solid Waste Mgmt Complex	3277	20	2033	780,000	37,282	465,515	3.85 %
Solid Waste Mgmt Complex	3727	20	2034	871,000	40,031	561,456	3.30 %
Arbutus Ridge Water	3287	20	2031	100,000	5,265	49,329	1.47 %
Carlton Water	3628	10	2024	50,000	5,700	5,927	3.00 %
Central Youbou Water	2665	25	2033	488,000	20,291	253,367	2.90 %
Dogwood Ridge Water	3281	25	2036	94,000	3,589	59,845	1.47 %
Douglas Hill Water	3383	20	2031	150,000	7,898	73,993	1.47 %
Fern Ridge Water	2995	20	2029	23,175	1,296	8,939	2.25 %
Honeymoon Bay Water	2973	20	2030	37,000	2,017	16,235	1.28 %
Honeymoon Bay Water	3981	15	2034	325,000	19,094	251,895	2.24 %
Lambourn Water	3062	20	2030	100,000	5,449	43,879	1.28 %

24) Long-term Debt (continued)

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2023	Net Balance December 31, 2023	Interest Rate
Satellite Park Water	3029	20	2029	160,000	8,947	61,716	2.25 %
Burnum Water	3708	25	2045	250,000	8,120	226,112	1.99 %
Shellwood Water	3625	20	2036	85,000	3,694	61,618	2.60 %
Youbou Water	2902	20	2030	120,000	6,539	52,655	1.28 %
Arbutus Mt Sewer	4233	20	2039	153,855	6,257	129,900	2.66 %
Arbutus Ridge Sewer	3289	20	2031	125,000	6,582	61,661	1.47 %
Arbutus Ridge Sewer	4146	25	2044	2,475,000	74,178	2,190,999	2.24 %
Brulette Place Sewer	3297	15	2029	24,713	1,689	11,652	3.00 %
Cowichan Bay Sewer	2330	20	2023	600,000	45,853	-	2.85 %
Lambourn Sewer	3063	20	2030	150,000	8,174	65,819	1.28 %
Mesachie Lake Sewer	4151	25	2046	251,226	7,767	235,863	2.41 %
Grand Total					<u>\$1,300,140</u>	<u>\$10,856,724</u>	

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

25) Financial risk

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Regional District is exposed to credit risk with respect to the accounts receivable, cash and investments.

The Regional District assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Regional District at December 31, 2023 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. The balance of the allowance for doubtful accounts at December 31, 2023 is \$0 (2022 - \$0).

There have been no significant changes to the credit risk exposure from 2022.

(b) Liquidity risk:

Liquidity risk is the risk that the Regional District will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Regional District manages its liquidity risk by monitoring its operating requirements. The Regional District prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

The contractual maturities of long-term debt are disclosed in note 13.

There have been no significant changes to the liquidity risk exposure from 2022.

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Regional District's surplus or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023****25) Financial risk (continued)****(i) Foreign exchange risk:**

The Regional District does not have any material transactions during the year or financial instruments denominated in foreign currencies at year end.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

The Regional District holds investments and short-term debt with variable interest rates which expose the Regional District to cash flow interest rate risk. The Regional District's long-term debt bears interest at a fixed rate and is subject to interest rate risk at the refinancing date.

There has been no change to the market risk exposure from 2022.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

26) 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	2023 Consolidated
Revenues									
Tax Requisition	\$ 5,128,493	\$ 2,431,351	\$ 3,005,994	\$ 5,321,547	\$ 4,670,059	\$ 22,051,021	\$ 8,221,488	\$ 81,571	\$ 50,911,524
User Fees	-	-	-	2,519	-	(27,558)	1,341,638	3,946,264	5,262,863
Parcel Taxes	-	-	-	35,100	-	19,750	10,200	3,068,949	3,133,999
Government Transfers - Provincial	6,181,778	-	384,221	388,376	770,472	1,158,418	313,883	188,952	9,386,100
Government Transfers - Federal	2,215,331	550	375	1,179	254	53,716	145,497	15	2,416,917
Services Provided Other Local Govt	-	-	-	-	63,650	-	-	-	63,650
Revenue from Own Sources	715,698	-	900,753	1,076,119	38,705	4,626,622	5,620,478	42,593	13,020,968
Other Revenue	88,865	-	3,018	11,113	230,090	352,788	975,984	740,114	2,401,972
Interest Income	2,142,448	-	-	20,584	186,496	378,854	73,936	180,973	2,983,291
Donations	-	-	-	-	17,303	1,589,946	-	925,181	2,532,430
Services Provided to Other Functions	51,519	-	-	267,281	-	(14,871)	(1,013,780)	709,851	-
	<u>16,524,132</u>	<u>2,431,901</u>	<u>4,294,361</u>	<u>7,123,818</u>	<u>5,977,029</u>	<u>30,188,686</u>	<u>15,689,324</u>	<u>9,884,463</u>	<u>92,113,714</u>
Expenses									
Operations and Maintenance	3,173,790	-	56,344	1,307,302	1,559,928	6,070,084	3,899,273	1,923,329	17,990,050
Wages and Benefits	7,050,725	-	211,355	3,366,938	1,263,511	11,707,201	3,972,221	2,290,538	29,862,489
Contract for Services	162,340	-	4,007,938	153,097	535,248	403,505	4,802,829	48,534	10,113,491
Debt Charges - Interest	1,891	-	-	2,548	20,981	272,401	232,026	127,027	656,874
Contributions to Community Facilities	-	-	-	-	-	137,735	-	-	137,735
Grants to Organizations	372,500	-	-	446,883	-	2,200,758	10,200	-	3,030,341
Library Services	-	2,390,470	-	-	-	-	-	-	2,390,470
Fire and Recreation Services Provided by Other Governments	-	-	-	-	881,801	247,526	-	-	1,129,327
Amortization	210,018	-	-	69,050	526,701	2,446,694	925,076	2,363,930	6,541,469
Revaluation of Asset Retirement Obligation	-	-	-	-	-	10,000	(123,213)	735,000	621,787
Contributions to Third Party Capital	-	-	-	-	-	64,800	-	23,852	88,652
	<u>10,971,264</u>	<u>2,390,470</u>	<u>4,275,637</u>	<u>5,345,818</u>	<u>4,788,170</u>	<u>23,560,704</u>	<u>13,718,412</u>	<u>7,512,210</u>	<u>72,562,685</u>
Net Annual Surplus	<u>\$ 5,552,868</u>	<u>\$ 41,431</u>	<u>\$ 18,724</u>	<u>\$ 1,778,000</u>	<u>\$ 1,188,859</u>	<u>\$ 6,627,982</u>	<u>\$ 1,970,912</u>	<u>\$ 2,372,253</u>	<u>\$ 19,551,029</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

26) 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	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>

A teal-tinted photograph of a river scene. In the foreground, there are blurred green leaves. In the middle ground, a large fallen log lies across the river. A person is swimming in the water, and another person is visible further downstream. The background shows a dense forest.

**THE FOLLOWING
SCHEDULES ARE
UNAUDITED**

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE A

STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Function	2023	2022
General Government Services	\$ 12,385,502	\$ 5,325,584
Community Health Network	118,814	60,894
Administration Office	908,197	908,196
I.T. / H.R. / M.I.A. / G.I.S	395,236	395,236
Vancouver Island Regional Library	1,658	1,108
Commuter Transit	668,012	628,021
Transit	1,425,313	1,768,829
9-1-1	142,888	195,970
Grant in Aid	133,252	151,608
Environmental Services	1,286,086	925,690
Emergency Planning	1,139,442	1,123,226
Economic Development	482,014	434,290
Regional Tourism	48,177	1,226
Electoral Feasibility Studies	54,209	34,053
Electoral Area Services	195,298	388,902
Victim Services	181	189
Victim Services - West	16	5
Community Parks	1,666,273	1,353,581
Parks & Trails	242,020	179,392
Regional Parks	607,832	633,832
Kinsol Trestle	564,187	519,795
Bright Angel Park	83,285	52,708
South Cowichan Community Parks	9,731	13,206
Regional Parkland Acquisition	292,153	892,152
Animal Control	86,010	98,899
Building Inspection	674,992	836,060
Bylaw Enforcement	1,185,508	1,049,246
Community Planning	1,227,763	910,264
GM Land Use Services	13,027	-
North Oyster Fire Protection	136,960	72,230
Mesachie Lake Fire Protection	22,713	20,695
Sahtlam Fire Protection	321,936	304,082
Malahat Fire Protection	285,537	229,249
Eagle Heights Fire Protection	1,089	1,089
Honeymoon Bay Fire Protection	157,439	158,610
Youbou Fire Protection	364,559	304,121
GM Strategic Services	223,612	138,136
GM Community Services/Facilities	328,211	345,971
Regional Recreation	3,743	(173,897)
Arts & Culture	96,176	78,389
Cowichan Lake Recreation	1,107,153	736,943

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

Function	2023	2022
Kerry Park Recreation	934,089	872,707
Island Savings Centre	1,683,547	1,716,621
Theatre - Area A	9	12
Theatre - Area B	28	54
Cowichan Sportsplex - Area A	4	5
Mill Bay Recreation	555	708
Saltair Recreation	20,595	14,607
Lake Cowichan Activity Centre	113	73
Cowichan Aquatic Centre - Area F	3	4
Shawnigan Lake Community Centre	727,452	759,428
Cobble Hill Historical Society	3	3
Shawnigan Lake Historical Society	15	20
Senior Centre Grant	24	6
Kaatza Historical Society	32	11
Mill Bay/Malahat Historical Society	3	3
Cowichan Station Assoc - Area B	6	6
Nature and Habitat - Area I	6,822	3,983
Thetis Island Wharf	116,927	105,428
Thetis Island Boat Launch	10,147	9,147
Cowichan Lake Water Protection	12,720	8,327
Cowichan Housing Association	1,355,920	977,329
Safer Futures	48	51
Social Planning	87	91
South Cowichan Community Policing	32	38
Cowichan Community Policing	54,443	54,383
Cowichan Valley Hospice	97	96
Curbside Collection Garbage/Recycling	279,447	446,550
Solid Waste Management Complex	5,441,593	4,139,673
Cowichan Flood Management	610,777	539,291
South Cowichan Water Study Plan	57,067	57,162
Drinking Water & Watershed Protection	1,800,911	1,427,679
Liquid Waste Plan - Central Sector	442,239	432,610
Liquid Waste Plan - South Sector	75,658	89,889
Critical Street Lighting "A"	3,212	2,541
Critical Street Lighting "B"	4,418	4,213
Critical Street Lighting "C"	2,638	2,759
Critical Street Lighting "D"	2,570	1,393
Critical Street Lighting "E"	455	575
Critical Street Lighting "I"	(4)	(2,251)
Mesachie Lake Street Lighting	1,429	1,469
Youbou Street Lighting	9,834	11,173

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE A

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

Function	2023	2022
Brentwood College Street Lighting	67	48
Cowichan Bay Street Lighting	5,560	4,307
Honeymoon Bay Street Lighting	9,867	9,625
Mill Bay Street Lighting	(945)	(739)
Cobble Hill Street Lighting	3,646	3,321
Wilmot Road Street Lighting	15,411	14,950
Sentinel Ridge Street Lighting	12,582	12,038
Twin Cedars Street Lighting	11,064	10,167
Arbutus Mtn. Street Lighting	3,683	17,545
Mill Springs Street Lighting	23,850	22,746
Engineering Services	208,361	280,211
Engineering - Utilities	1,102,036	712,072
Asset Manager	5,638	5,638
Wilmot Road Drainage System	19,097	19,933
Sentinel Ridge Drainage System	21,203	20,528
Shawnigan Lake East Drainage System	8,227	7,718
Arbutus Mtn. Drainage System	11,388	9,375
Lanes Road Drainage System	21,958	20,609
Bald Mtn. Drainage System	17,593	15,419
Cobble Hill Drainage System	32,038	30,700
Arbutus Ridge Drainage System	81,195	61,587
Shawnigan Creek Cleanout System	28,874	24,484
Satellite Park Water System	68,625	61,553
Douglas Hill Water System	57,327	48,383
Lambourn Water System	137,323	101,816
Arbutus Mtn. Water System	7,170	12,694
Malahat Water System	48,387	33,178
Fern Ridge Water System	35,450	32,153
Bald Mtn. Water System	120,293	109,292
Dogwood Ridge Water System	32,342	28,399
Arbutus Ridge Water System	67,093	61,236
Carlton Water System	40,003	32,698
Shellwood Water System	5,574	1,706
Woodley Range Water System	32,862	13,459
Burnum Water System	51,629	44,090
Mesachie Lake Water System	9,147	15,115
Saltair Water System	803,291	469,513
Central Youbou Water Debt	55,367	45,154
Youbou Water System	261,621	240,798
Honeymoon Bay Water System	141,665	105,959
Honeymoon Bay (S.C.) Water System Debt	2,583	1,794

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

Function	2023	2022
Honeymoon Bay Water (well 2) Debt	11,628	8,082
Cherry Point Estates Water System	24,050	24,484
Shawnigan Lake North Water System	599,418	473,047
Shawnigan Lake Weir	10,231	10,471
Kerry Village Water System	34,497	22,425
Cowichan Bay Sewer System	584,988	472,897
Brulette Place Sewer System	65,740	54,535
Sentinel Ridge Sewer System	88,889	12,534
Lambourn Sewer System	29,262	9,908
Arbutus Mtn. Sewer System	34,180	11,787
Malahat Sewer System	47,915	34,760
Mesachie Lake Sewer System	106,709	107,897
Bald Mtn. Sewer System	95,991	57,564
Cobble Hill Sewer	(23,670)	4,312
Mill Springs Sewer System	66,913	81,018
Arbutus Ridge Sewer System	452,422	449,382
Eagle Heights Sewer System	401,096	(18,885)
Maple Hill Sewer System	70,454	65,985
Shawnigan Beach Estates Sewer System	378,512	346,994
Kerry Village Sewer System	60,320	47,606
Youbou Sewer System	116,439	121,129
Operating Fund Surplus Balance	49,618,957	37,935,906
Community Works Reserve Balance	9,115,988	8,106,160
Operating Fund Balance	<u>\$ 58,734,945</u>	<u>\$ 46,042,066</u>

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE B

SCHEDULE OF SAFE RESTART GRANT FOR
THE YEAR ENDED DECEMBER 31, 2023

Opening Balance, December 31, 2022	\$ 221,490
Eligible Costs Incurred:	
General Government Services	(136,070)
Protective Services	(91)
Parks and Recreation	(9,600)
Total Eligible Costs Incurred	<u>(145,761)</u>
Ending Balance, December 31, 2023	<u>\$ 75,729</u>

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE C

SCHEDULE OF GROWING COMMUNITIES FUND GRANT FOR
THE YEAR ENDED DECEMBER 31, 2023

Opening Balance, December 31, 2022	\$ -
Growing Communities Fund Grant received in 2023	5,649,000
Eligible Costs Incurred	-
Ending Balance, December 31, 2023	<u>\$ 5,649,000</u>



2023

FINANCIAL STATISTICS

STATEMENT OF OPERATIONS										
REVENUE	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TAX REQUISITION	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	50,911,524
USER FEES	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	5,262,863
PARCEL TAXES	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	3,133,999
GRANTS	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	11,803,017
SERVICES PROVIDED TO OTHER LOCAL GOVERNMENT:	58,190	51,790	52,570	53,360	68,310	63,871	59,221	61,172	62,400	63,650
REVENUE FROM OWN SOURCES	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	13,020,968
OTHER REVENUE	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	2,401,972
INTEREST INCOME	172,879	168,635	175,073	256,738	466,237	611,357	386,942	494,998	1,286,060	2,983,291
DONATIONS	1,092,836	2,799,166	1,663,385	1,577,150	80,157	787,021	2,339,461	174,904	1,786,082	2,532,430
	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	92,113,714
EXPENSES BY FUNCTION										
GENERAL GOVERNMENT SERVICES	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	10,971,264
VANCOUVER ISLAND REGIONAL LIBRARY	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	2,390,470
TRANSPORTATION SERVICES	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	4,275,637
ELECTORAL AREA SERVICES	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	5,345,818
PROTECTIVE SERVICES	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	4,788,170
PARKS & RECREATION	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	23,560,704
ENVIRONMENTAL SERVICES	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	13,718,412
SEWER & WATER UTILITIES	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	7,512,210
	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	72,562,685
EXPENSES BY OBJECT										
WAGES AND BENEFITS	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	29,862,489
OPERATIONS AND MAINTENANCE	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	17,990,050
CONTRACT FOR SERVICES	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	10,113,491
AMORTIZATION	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	6,541,469
OTHER	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	8,055,186
	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	72,562,685
ACCUMULATED SURPLUS, BEGINNING 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
ANNUAL SURPLUS	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	19,551,029
ACCUMULATED SURPLUS, END OF THE YEAR	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	232,866,846

FINANCIAL STATISTICS

Net Taxable Assessment Values (Final Roll)		2013	2014	2015	2016	2017	2019	2020	2021	2022	2023
ELECTORAL AREA A	Land	483,918,574	467,834,569	470,983,843	482,479,251	538,344,491	737,890,737	739,458,331	818,002,487	1,076,214,838	1,086,233,129
	Improvements	421,835,508	419,165,619	425,593,105	481,269,243	541,106,382	654,457,193	689,782,712	727,337,398	962,384,529	1,230,914,790
	Total	905,754,082	887,000,188	896,576,948	963,748,494	1,079,450,873	1,392,347,930	1,429,241,043	1,545,339,885	2,038,599,367	2,317,147,919
ELECTORAL AREA B	Land	905,890,515	872,312,295	879,776,923	895,610,393	927,060,098	1,266,957,459	1,300,699,237	1,468,028,318	2,261,168,750	2,420,234,450
	Improvements	641,678,521	640,535,193	645,473,079	701,061,869	815,860,616	1,036,969,228	1,072,936,964	1,135,841,026	1,448,506,586	1,897,670,666
	Total	1,547,569,036	1,512,847,488	1,525,250,002	1,596,672,262	1,742,920,714	2,303,926,687	2,373,636,201	2,603,869,344	3,709,675,336	4,317,905,116
ELECTORAL AREA C	Land	428,747,717	419,925,726	420,003,592	412,092,397	458,132,076	654,455,208	600,508,744	658,047,291	977,223,927	985,065,772
	Improvements	447,084,317	437,112,792	449,569,867	505,469,567	568,316,791	670,803,942	706,866,518	749,898,430	956,287,840	1,255,210,201
	Total	875,832,034	857,038,518	869,573,459	917,561,964	1,026,448,867	1,325,259,150	1,307,375,262	1,407,945,721	1,933,511,767	2,240,275,973
ELECTORAL AREA D	Land	273,509,225	268,155,321	274,285,288	276,425,788	293,645,119	377,798,861	414,092,481	437,266,287	648,930,304	696,075,514
	Improvements	263,455,008	254,207,203	248,927,520	280,563,716	316,012,424	413,554,490	423,483,329	448,552,114	579,782,216	748,588,022
	Total	536,964,233	522,362,524	523,212,808	556,989,504	609,657,543	791,353,351	837,575,810	885,818,401	1,228,712,520	1,444,663,536
ELECTORAL AREA E	Land	271,362,977	260,274,809	269,297,783	272,513,989	294,672,426	426,141,872	426,106,880	478,181,452	666,918,645	693,619,066
	Improvements	298,390,233	299,031,548	302,952,959	318,615,209	371,781,885	436,554,970	491,887,427	522,659,132	658,113,099	858,886,161
	Total	569,753,210	559,306,357	572,250,742	591,129,198	666,454,311	862,696,842	917,994,307	1,000,840,584	1,325,031,744	1,552,505,227
ELECTORAL AREA F	Land	285,697,682	278,681,295	286,935,108	310,810,444	333,919,584	427,928,572	447,920,711	502,394,604	612,706,547	742,414,360
	Improvements	125,707,110	126,451,035	128,175,296	128,526,225	150,665,450	202,015,962	212,221,287	218,947,550	319,312,968	386,101,005
	Total	411,404,792	405,132,330	415,110,404	439,336,669	484,585,034	629,944,534	660,141,998	721,342,154	932,019,515	1,128,515,365
ELECTORAL AREA G	Land	396,621,150	372,699,202	369,823,671	377,898,024	403,586,985	512,687,750	537,052,977	589,948,837	758,276,509	847,035,799
	Improvements	184,632,996	187,508,833	191,291,006	211,818,769	245,781,875	276,822,943	307,908,039	337,574,780	449,569,450	556,710,964
	Total	581,254,146	560,208,035	561,114,677	589,716,793	649,368,860	789,510,693	844,961,016	927,523,617	1,207,845,959	1,403,746,763
ELECTORAL AREA H	Land	272,243,698	265,834,857	271,716,288	261,383,543	284,636,678	392,549,976	425,003,555	445,646,384	581,163,503	672,961,699
	Improvements	270,242,700	271,052,325	270,525,676	292,138,348	310,766,965	388,181,313	418,161,104	446,044,321	501,904,090	593,949,823
	Total	542,486,398	536,887,182	542,241,964	553,521,891	595,403,643	780,731,289	843,164,659	891,690,705	1,083,067,593	1,266,911,522
ELECTORAL AREA I	Land	335,436,412	331,914,412	332,905,162	349,546,528	376,747,630	512,333,041	536,178,696	620,518,517	952,093,421	1,151,136,355
	Improvements	143,186,929	149,423,879	148,359,579	165,633,713	194,248,713	275,878,963	287,958,463	306,014,063	443,842,154	535,908,003
	Total	478,623,341	481,338,291	481,264,741	515,180,241	570,996,343	788,212,004	824,137,159	926,532,580	1,395,935,575	1,687,044,358
CITY OF DUNCAN	Land	297,483,060	285,461,203	277,160,363	279,676,368	309,963,641	414,728,298	446,260,083	460,843,083	605,567,283	702,366,984
	Improvements	308,192,725	306,183,957	316,035,497	330,736,867	344,114,942	418,601,235	445,717,075	482,672,800	584,433,725	648,457,175
	Total	605,675,785	591,645,160	593,195,860	610,413,235	654,078,583	833,329,533	891,977,158	943,515,883	1,190,001,008	1,350,824,159
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	2,900,560,476	3,159,419,628	3,338,571,543	4,501,982,229	5,165,976,738
	Improvements	2,224,351,877	2,219,945,464	2,197,420,974	2,302,463,489	2,568,369,821	3,233,370,356	3,480,121,890	3,821,949,589	5,136,729,892	5,887,953,082
	Total	4,346,731,169	4,284,750,358	4,220,777,164	4,340,459,356	4,765,446,173	6,133,930,832	6,639,541,518	7,160,521,132	9,638,712,121	11,053,929,820
TOWN OF LADYSMITH	Land	542,298,812	552,477,381	545,322,332	557,447,713	606,569,973	845,221,639	876,616,777	967,209,319	1,302,886,248	1,498,418,302
	Improvements	579,532,590	564,094,380	570,597,958	603,073,077	695,013,217	881,353,352	945,462,764	979,187,306	1,351,148,337	1,534,460,979
	Total	1,121,831,402	1,116,571,761	1,115,920,290	1,160,520,790	1,301,583,190	1,726,574,991	1,822,079,541	1,946,396,625	2,654,034,585	3,032,879,281
TOWN OF LAKE COWICHAN	Land	169,886,139	59,533,970	159,166,767	161,218,167	172,388,312	247,038,863	256,670,418	267,208,380	419,591,269	537,148,346
	Improvements	207,472,212	199,807,581	204,266,084	211,695,684	243,544,839	316,378,488	346,328,532	382,572,570	519,691,881	609,950,704
	Total	377,358,351	259,341,551	363,432,851	372,913,851	415,933,151	563,417,351	602,998,950	649,780,950	939,283,150	1,147,099,050

DEBT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross Outstanding Long-term Debt:										
Regional District	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	23,430,969
Member Municipalities	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	74,634,975
	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	98,065,944
Less: Principal Payments and Actuarial Adjustments for Debt										
Regional District	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	12,574,245
Member Municipalities	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	24,516,923
Net Long-term Debt	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	60,974,776
General	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	6,995,320
Sewer	914,510	827,944	737,374	642,616	543,474	3,068,599	2,881,389	2,991,633	2,846,394	2,695,893
Water	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	1,165,511
Member Municipalities	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	50,118,052
Net Long-term Debt	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	60,974,776
Property Tax Supported	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	1,101,814
Sewer Utility	100,169	96,842	96,127	95,412	95,412	100,158	246,739	193,374	197,881	197,881
Water Utility	111,179	116,844	117,949	102,921	102,921	91,941	115,739	118,505	114,060	114,060
Total Long-term Debt Servicing Costs *	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	1,413,755
Total Expenses (excluding Municipality Debt payments)	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	72,562,685
Population	80,332	80,332	83,739	83,739	83,739	83,739	83,739	89,000	89,013	89,013
Net Long-term Debt per Capita	551	537	628	586	555	663	619	535	737	685
Long-term Debt Servicing per Capita	25	26	24	23	21	19	21	18	18	16
Long-term Debt Service as % of Expenses	4.01%	3.98%	4.28%	3.73%	3.23%	2.75%	2.97%	2.59%	2.37%	1.95%
Financial Assets	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	136,329,792
Financial Liabilities	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	75,196,783
Net Financial Assets/(Net Debt)	(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	61,133,009

* Does not include Debt Servicing for Municipal Debt

RESERVES

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	13,005,575
Water	504,519	655,813	715,537	733,560	738,053	734,426	573,358	846,763	856,708	786,806	819,542
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	2,460,973
	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	16,286,090

TCA - Tangible Capital Assets

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	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	9,429,514	Statement of Change in Net Debt

Property Tax	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
CITY OF DUNCAN	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	1,725,215
DISTRICT OF NORTH COWICHAN	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	11,675,361
TOWN OF LADYSMITH	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	2,530,269
TOWN OF LAKE COWICHAN	923,179	958,720	928,575	956,807	988,426	1,093,019	1,184,105	1,212,707	1,349,064	1,618,022
ELECTORAL AREAS:										
ELECTORAL AREA A	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	3,780,148
ELECTORAL AREA B	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	7,797,488
ELECTORAL AREA C	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	3,834,527
ELECTORAL AREA D	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	2,836,676
ELECTORAL AREA E	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	3,145,796
ELECTORAL AREA F	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	2,620,673
ELECTORAL AREA G	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	1,634,176
ELECTORAL AREA H	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	1,497,662
ELECTORAL AREA I	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	3,270,221
General Property Taxes	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	47,966,234
Local Service Area	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	2,945,290
Total Annual Property Tax	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	50,911,524



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