



Annual Report 2017

For the Year Ended December 31, 2017
North Cowichan, British Columbia, Canada

The Corporation of the District of North Cowichan

2017 ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

North Cowichan, British Columbia

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The Annual Report is produced by the Financial Services Department of the Municipality of North Cowichan in cooperation with all civic departments.

TABLE OF CONTENTS

INTRODUCTION

Message from the Mayor	2
Message from the CAO	3
Officials	4
Organizational Structure	5
Elected Officials	6
Council Appointments	7
Past Reeves & Mayors	8
Map of North Cowichan	9
Objectives and Measures	10-11
Accomplishments	12-21
Report from the Director of Finance	22
Financial Reporting Award	23

FINANCIAL STATEMENTS

CORPORATION OF THE DISTRICT OF NORTH COWICHAN CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Responsibility	27
Independent Auditor's Report	28
Consolidated Statement of Financial Position	30
Consolidated Statement of Operations	31
Consolidated Statement of Changes in Net Financial Assets	32
Consolidated Statement of Cash Flow	33
Notes to the Consolidated Financial Statements	34-50
Schedules to the Consolidated Financial Statements	51-62

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD CONSOLIDATED FINANCIAL STATEMENTS

Statement of Responsibility	67
Independent Auditor's Report	68
Statement of Financial Position	70
Statement of Operations	71
Notes to the Financial Statements	72-74
Schedule to the Financial Statements	75

STATISTICAL INFORMATION

Five-year Statistical Review	78-89
Top 10 Principal Taxpayers	90

OTHER INFORMATION

Permissive Tax Exemptions	94-96
Revilization Tax Exemptions	97
Chemainus Off-street Parking	98
Development Cost Charges	99
Declaration of Disqualification from Office	100

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MESSAGE FROM THE MAYOR

JON LEFEBURE



I am pleased to present the 2017 Annual Report.

Annual Reports serve an important purpose: they outline key projects and initiatives conducted by your local government and they demonstrate financial accountability to citizens and taxpayers.

The first part of this report highlights the Municipality's work around the communities of Crofton, Chemainus, Maple Bay, and South End (the area around and adjacent to the City of Duncan) over 2017. I am particularly proud of Council's work to support new housing starts, including the Municipally-led project to develop 115-120 units of attainable housing on two Municipally-owned properties. I am also pleased with our focus on enhancing Municipal infrastructure, through completion of the Canada Avenue pump station and flood wall, installation of new watermains on Beverly Street, Osborne Bay Road, near Quamichan Park, and our work to install new sidewalks.

North Cowichan's work has a tangible impact on the way that residents experience life in our communities, but our work is not always highly visible. I hope you take a few minutes to read the summary of 2017 accomplishments on pages 12 to 21, to learn more about the great work happening across our communities.

The second part of this report provides an overview of North Cowichan's financial performance for the fiscal year ending on December 31, 2017. This section includes an auditor's report, the 2017 financial statements, and supplementary financial information. Disclosure of this information is an important part of Council's transparency and accountability to citizens.

On behalf of Council, I conclude with thanks to CAO Ted Swabey and all North Cowichan employees who work diligently to deliver projects and manage Municipal finances in a way that stewards and enhances this beautiful place we call home.

Jon Lefebure
Mayor
T: 250.746.3203
E: mayor@northcowichan.ca

MESSAGE FROM THE CAO

TED SWABEY, CHIEF ADMINISTRATIVE OFFICER



On behalf of the employees of the Municipality of North Cowichan, I am proud to present the 2017 Annual Report. This report provides citizens with a look at North Cowichan's key initiatives and finances for the period ending December 31, 2017.

I believe that North Cowichan is in a period of transition. New residents are moving to our communities, drawn by world-class outdoor experiences, attainable housing prices, and close proximity to the centres of Victoria and Nanaimo. Change is on the horizon as more and more people discover the great things on offer in the Cowichan Valley. At this juncture, it's critical to plan for the community we want to become. What's important to us? How do we successfully get there?

Municipal operations are not just pipes and pavement like they were 50 years ago. Now, a municipality provides social, wellness, and sustainability programs; builds and maintains a wide range of infrastructure; manages parks and recreational facilities; provides fire and police protection; and a myriad of other services that contribute to our day-to-day lives. The scope of what a municipality does and what its residents expect continues to grow, with citizens expressing a continued desire to be more engaged.

2017 was a year of change and re-stabilization for the Municipality. During this year, we completed some major infrastructure projects and allocated new staff resources to three very important program areas for our future development: community planning, environmental management, and health and safety. Citizen engagement was at the forefront in 2017, with the launch of PlaceSpeak, an online tool for residents to provide input to local governments across the Cowichan Region, and completion of a Citizens' Assembly process, which recommended that the Councils of Duncan and North Cowichan pursue a referendum on amalgamation.

The next few years will be critical, as Municipal Council, staff, and citizens work together to establish a plan for our future. I believe we're headed in the right direction.

Ted Swabey
Chief Administrative Officer
T: 250.746.3203
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2017 OFFICIALS

MAYOR

Jon Lefebure

COUNCILLORS

Joyce Behnsen
 Rob Douglas
 Maeve Maguire
 Kate Marsh
 Al Siebring
 Tom Walker

AUDITORS

Grant Thorton

BANKERS

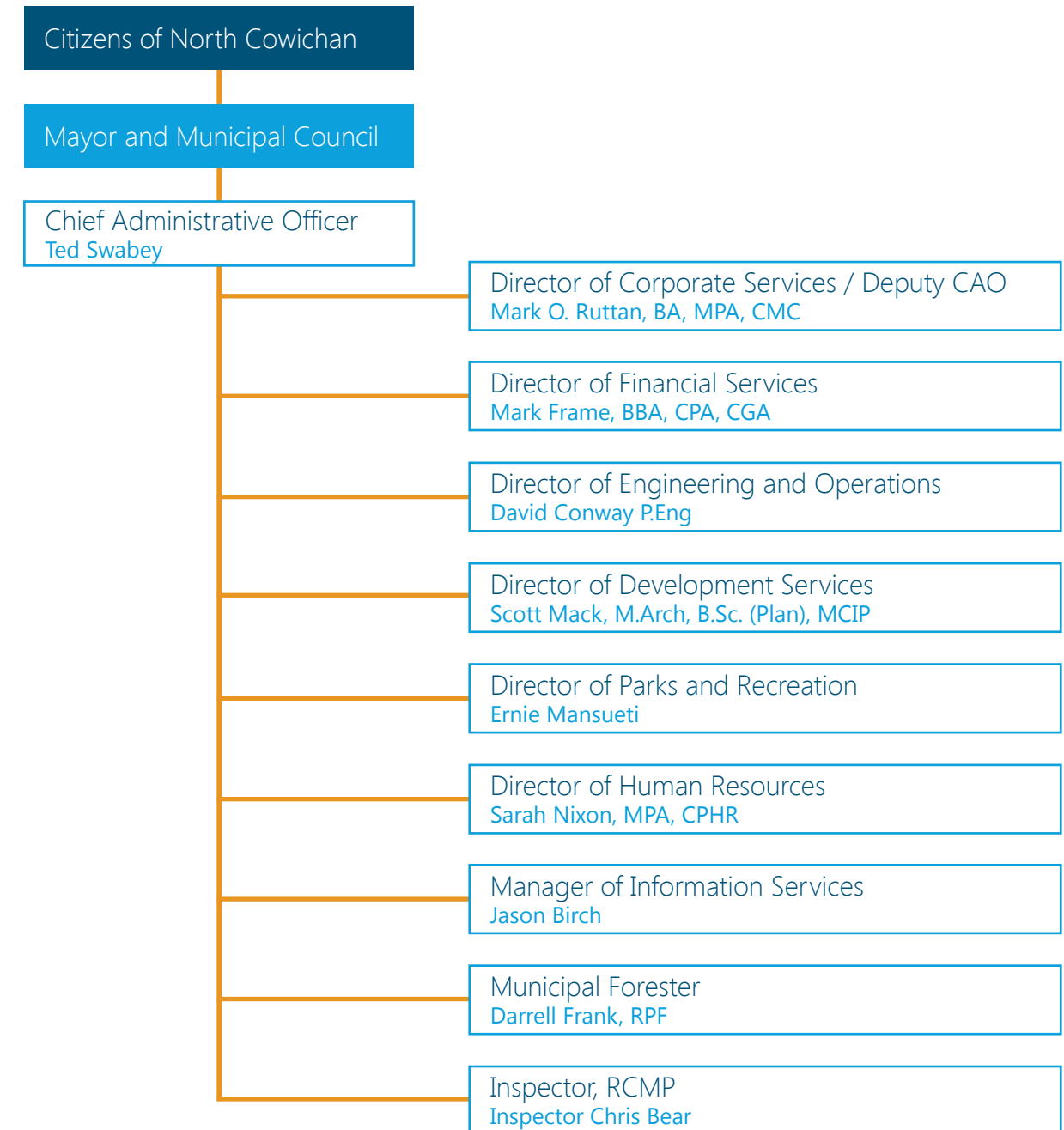
Royal Bank of Canada

SOLICITORS

Young Anderson
 Taylor Granitto

ORGANIZATIONAL STRUCTURE

AS OF DECEMBER 31, 2017



ELECTED OFFICIALS

2014-2018 MAYOR & MUNICIPAL COUNCIL

The Municipal Council is North Cowichan's governing body. North Cowichan's Municipal Council is comprised of a Mayor and six Councillors. Each member of the Municipal Council was elected in November 2014 for a four-year term. Under the *Community Charter*, Council's role is to provide good government; services its citizens need and want; stewardship of its public assets; and a positive economic, social and environmental climate.

Council usually holds two regular council meetings each month, which are open to the public. Meeting agendas and schedules are available from the Municipal Hall and on the website at www.northcowichan.ca.



JON LEFEBURE

MAYOR



JOYCE BEHNSEN

COUNCILLOR



ROB DOUGLAS

COUNCILLOR



MAEVE MAGUIRE

COUNCILLOR



KATE MARSH

COUNCILLOR



AL SIEBRING

COUNCILLOR



TOM WALKER

COUNCILLOR

COUNCIL APPOINTMENTS

COMMITTEES, COMMISSIONS, AND BOARDS

INTERNAL COMMITTEES

- Agricultural Advisory Committee
- Audit Committee
- Board of Variance
- Chemainus Advisory Committee
- Community Planning Advisory Committee
- Environmental Advisory Committee
- Forestry Advisory Committee
- Joint Utilities Board
- Parcel Tax Roll Review Panel
- Parks and Recreation Advisory Committee
- Protective Services Committee
- Public Works Committee
- Quamichan Lake Water Quality Task Force
- Sports Wall of Fame Nomination Committee

EXTERNAL APPOINTMENTS

- BC Forest Discovery Centre
- Chemainus Festival of Murals Society
- Chemainus and District Chamber of Commerce
- City of Duncan Tourism Advisory Committee
- Cowichan Communities Health Network
- Cowichan Region Community Policing Advisory Committee Society
- Cowichan Success-By-Six
- Cowichan Valley Regional District Board
- Cowichan Valley Regional District Community Safety Advisory Commission
- Crofton Community Centre Society
- Duncan – Cowichan Chamber of Commerce
- Island Agriculture Show Steering Committee
- Island Corridor Foundation Local Government Liaison Committee
- Island Savings Centre Commission
- Maple Bay Community Association
- Mayor's Advisory Committee on Disabilities (City of Duncan)
- Regional Recreation Select Committee (CVRD)
- Social Planning Cowichan Board
- Somenos Management Committee
- Vancouver Island Regional Library Board

PAST REEVES & MAYORS SINCE INCORPORATION IN 1873

T.J. Skinner	1873
A.H. Green	1874
J. Morley	1875-1877
W. Drinkwater	1878-1879, 1888-1893
W.H. Lomas	1880-1882
W.C. Duncan	1883
J.N. Evans	1884, 1886-1887, 1900-1903, 1915-1917, 1923-1928
H.O. Wellburn	1885
S.H. Davie	1894-1895, 1904-1906
T.A. Wood	1896-1899
H. Bonsall	1907
J.Mc.L. Campbell	1908
A.C. Aitken	1909-1911, 1922-1923
P.W. Anketell Jones	1912-1913
J.I. Mutter	1914, 1918-1919
A.A.D. Herd	1920
E.W. Paitson	1921-1922
G.A. Tisdall	1929-1937
D.D. Chapman	1938-1949
A.E. Beasley	1950-1953
C.A.P. Murison	1954-1959
D.C. Morton	1960-1969
G.C. Smith	1970-1977
G.W. Whittaker	1978-1979
G.P. Bruce	1980-1987
H.R. Hollett	1988-1996, 2000-2002
A. Murray	1997-1999
J. Lefebure	2002-2008, 2011-2018 (Current)
T. Walker	2008-2011

MAP OF NORTH COWICHAN AND ITS SURROUNDING COMMUNITIES

Located on the east coast of Vancouver Island in the Cowichan Valley Regional District, North Cowichan is centrally located between the cities of Victoria to the south, and Nanaimo to the north. Vancouver is located to the east, separated by the Salish Sea. Spanning 195 square kilometers, North Cowichan is the largest District Municipality by area on Vancouver Island. A "Community of Communities," the core communities include Chemainus, Crofton, and the South End which is comprised of smaller neighbourhoods such as Maple Bay, Westholme, and University Village centered in the greater-Duncan area.



OBJECTIVES AND MEASURES

Prepared in compliance with sections 98 (2) (d) and (f) of the *Community Charter*, this statement sets out Council's broad objectives for 2018 and 2019, corresponding performance measures, and progress achieved during the previous year. Council's primary objectives are to foster North Cowichan's social, economic and environmental well-being in order to be the best place on Vancouver Island to live, work and play.

Objective 1 – Foster Social Well-Being

Healthy, Safe, Inclusive and Vibrant Communities

PERFORMANCE MEASURE	2015	2016	2017
1 Crime rates ⁱ	8.03%	8.6%	7.8%
2 Vehicle accidents ⁱⁱ	295	308	304
3 Boil water advisories ⁱⁱⁱ	1	4	2
4 Fire calls ^{iv}	765	721	970
5 Trails built ^v	21 km	2.9 km	.73 km
6 Parks added	19.78 ha	0	0.44 ha

Objective 2 – Foster Economic Well-being

Flourishing and Diverse Local Economy

PERFORMANCE MEASURE	2015	2016	2017
1 Housing starts ^{vi}	89	141	139
2 New commercial building permits ^{vii}	9	2	19
3 New business starts ^{viii}	140	186	136
4 Unemployment rate ^{ix}	5.3%	4.35%	4.8%
5 Assessment base ^x	\$4.28 billion	\$4.39 billion	\$4.82 billion
6 General residential tax rate ^{xi}	4.57	4.63	4.41
7 Average general municipal home taxes	\$1,425	\$1,481	\$1,538

Objective 3 – Foster Environmental Well-being

Environmental Protection and Quality Green Spaces

PERFORMANCE MEASURE	2015	2016	2017
1 Net carbon emissions ^{xii}	0	0	
2 Trees planted in forest reserve	42,380	44,172	48,888



Notes

- i. The crime rate is a reflection of community safety and security, as well as an indicator of other social and economic problems. The crime rate includes actual confirmed crimes against persons, crimes against property, and other Criminal Code offences per 100 population.
- ii. The number of vehicle accidents is a measure of traffic safety. These measures include fatal, non-fatal incidents with damages over \$1,000.
- iii. The number of boil water advisories is a measure of the health and safety of municipal water systems.
- iv. The number of response calls to the North Cowichan Fire Department is an indicator of building safety.
- v. The kilometres of trails built includes formal trails built by or for the Municipality.
- vi. Housing starts includes new single and multi-family home starts. This figure is considered a good leading indicator for home sales and a major indicator of economic activity and consumer confidence.
- vii. The number of new commercial building permits issued is one important measure of a jurisdiction's economic activity and attractiveness to investors.
- viii. The number of new business licences issued is an important measure of economic and entrepreneurial activity.
- ix. The unemployment rate is estimated by Statistics Canada based on 3.9% for Victoria and 5.7% for Nanaimo, with the average being 4.8%. It comprises the number of unemployed persons expressed as a percentage of the labour force. Source: Statistics Canada Tables 282-0129 and 282-0134 – Labour force survey estimates.
- x. The total net taxable assessment base for North Cowichan provides an estimate of the market value of all land and improvements assessed for general municipal purposes, according to BC Assessment's revised roll (expressed as billions of dollars).
- xi. Competitive property tax rates are an important measure of economic well-being. This figure represents the general portion of the residential property tax rate per \$1,000 of assessed value.
- xii. Net carbon emissions are the amount of net greenhouse gas emissions per equivalent tonne of carbon dioxide emitted by North Cowichan's municipal operations. This figure includes offsets from Municipal initiatives to reduce corporate emissions.

2017 ACCOMPLISHMENTS



CROFTON SKATE PARK

REPORT ON MUNICIPAL SERVICES AND OPERATIONS

OPENING OF THE "GERRY HURST" CROFTON SKATE PARK

The long-awaited "Gerry Hurst Skate Park" opened in 2017, located on a 1.2-acre Municipally-owned property at 1537 Chaplin Street in Crofton. The park is over 5,500 square feet and accommodates different skill levels, boarders, bikes and scooters.

Long-time community advocate Gerry Hurst began the quest for a Skate Park in Crofton in the late 1990s by creating a Skate Park Youth Committee and started a variety of fundraising campaigns. Through his leadership and guidance, the group raised over \$13,000 for the future park.

BEVERLY STREET IMPROVEMENTS AND WATER MAIN EXTENSION

New water main was installed under Beverly Street from York Road to the Trans-Canada Highway as part of the Municipality's ongoing commitment to improve water supply and resiliency. This work was timed to coincide with redevelopment of Beverly Street to include bicycle lanes, sidewalks and a roundabout. This stretch of Beverly Street was identified in the 2015 award-winning University Village Local Area Plan (UVLAP) as a priority location for revitalization and enhancement.



BEVERLY STREET

NEW PEDESTRIAN BRIDGE AT QUAMICHAN PARK

A new pre-fabricated aluminum truss pedestrian bridge was constructed over Somenos Creek near Beverly Street and Lakes Road. The project also included trail improvements and the replacement of approximately 120 metres of watermain.



PEDESTRIAN BRIDGE OVER SOMENOS CREEK



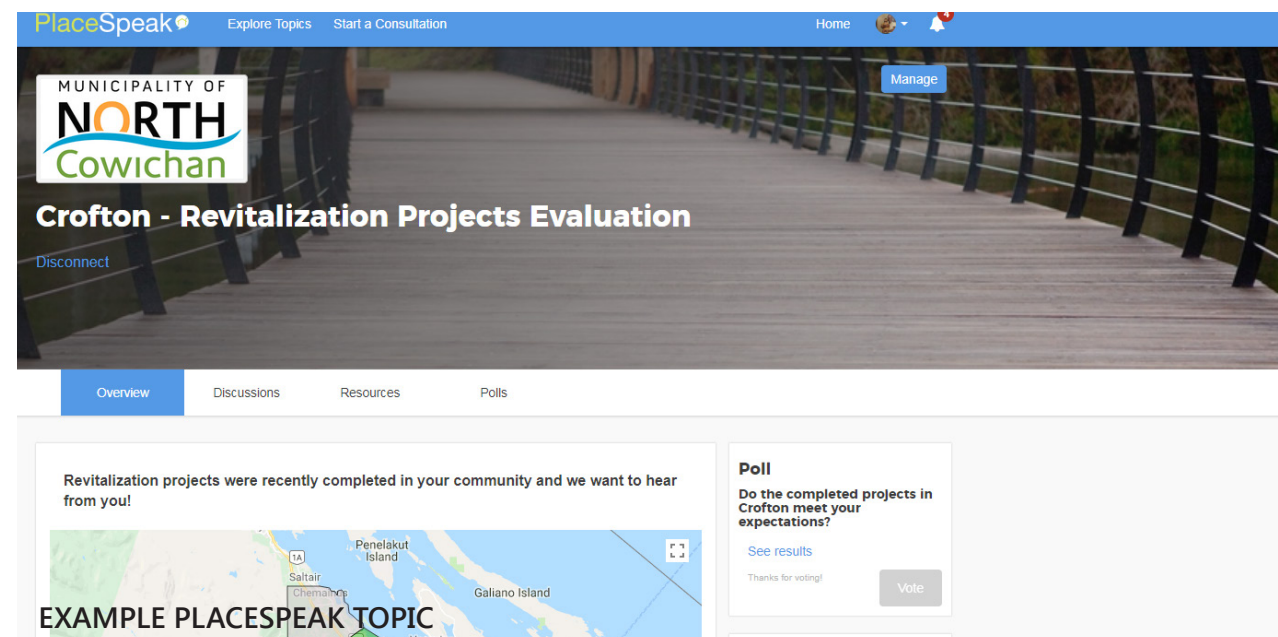
2017 HOUSING INITIATIVES

Housing was a major priority in 2017. Council undertook a number of initiatives to increase the housing stock, including:

- Rezoned two Municipally-owned properties to support between 115-120 units of affordable housing in partnership with the Community Land Trust Foundation of BC.
- Rezoned a number of private properties in support of multi-family residential projects (total units proposed = 444)
- Amended the Zoning Bylaw to allow attached secondary suites in the Residential Restricted (R2) and Residential Restricted Properties (R2-A) and Cliffs Comprehensive Development (CD1) zones, and to reduce the minimum parcel area for an attached suite in the Residential One and Two-Family (R3) zone from 650m² to 450m². Homeowners of about 2300 properties can now develop an attached secondary suite without paying \$2500 for a rezoning application.
- Negotiated a \$500 amenity contribution per unit under the new Kingsview Comprehensive Development Plan. This amenity contribution will create a fund that can be used for affordable housing

LAUNCH OF PLACESPEAK

In January, North Cowichan, along with the Cowichan Valley Regional District and its other member municipalities, launched Placespeak, an online location-based citizen engagement platform. The use of PlaceSpeak has increased the ways in which the Municipality hears from, connects with, and communicates with its residents regarding important community initiatives.



CHEMAINUS SKATE PARK WASHROOM

A pre-fabricated concrete washroom was installed at the Chemainus Skate Park. This washroom will also serve the future users of the Food Forest and Dog Park, which are planned for developed nearby.



CHEMAINUS SKATE PARK

2017 ACCOMPLISHMENTS



REPORT ON MUNICIPAL SERVICES AND OPERATIONS

FIREFIGHTING YEAR IN REVIEW

It was a busy year for North Cowichan's paid, on-call fire departments, with the four fire departments responding to 970 calls in 2017. In addition, a new pumper truck joined the Maple Bay Fire Department and North Cowichan deployed over 20 Fire Fighters to fight wildfires in Williams Lake and other interior locations. Finally, two new Fire Chiefs were elected: Matt Ludvigson in Crofton and Rob MacDowell in South End.

We thank our fire departments and appreciate their hard work, dedication, and service!

NO. 33 - MAPLE BAY FIRE HALL'S NEW PUMPER TRUCK

TRAFFIC CALMING AND SAFETY

Speed tables were installed on Drinkwater Road west of Somenos Road which reduced traffic speed and volumes. Speed reader boards were installed at two playgrounds on busy streets, Herd Road in Maple Bay and Queen Street in Crofton.



DRINKWATER ROAD



ESPLANADE STREET, CHEMAINUS

SIDEWALK CONSTRUCTION

North Cowichan recognizes the importance of sidewalks in building healthy, active communities. A number of new sidewalks were installed in 2017, including on Esplanade Street in Chemainus and on Sherman Road in the Municipality's south end.

COMPLETED FLOOD WALL AND PUMP STATION

The Canada Avenue pump station is the last key component to the major new flood protection system that began construction after the devastating flood of 2009. It consists of two high capacity Archimedes screw type pumps plus related works including concrete flood walls. This station is capable of keeping a large part of Duncan and surrounding North Cowichan properties from flooding during a large rainfall event.



CANADA AVENUE PUMP STATION





CHEMAINUS LAKE DOCK

The popular fishing dock at Chemainus Lake was replaced and upgraded to a larger size. The new dock includes wood decking and rails, with the design geared to enable fishing.

BOAT RAMP RESURFACING – MAPLE BAY

The Maple Bay boat ramp was tired and in need of upgrades. In 2017, the footprint of the existing boat ramp was widened and a concrete overlay was added to smooth out and refresh the surface.

CHEMAINUS LAKE DOCK

COUNCIL ADOPTS PARKS AND TRAILS MASTER PLAN

North Cowichan's parks and trails attract significant locals and tourist attention. The Parks and Trails Master Plan was developed over 16 months and adopted by Council in 2017. The Plan provides a strategic framework to guide the resourcing, development, management, and expansion of the Municipality's parks and trails over the next 15 years.



MAPLE MOUNTAIN

PEDESTRIAN SOLAR LIGHTS

These flashing crosswalks are extremely popular and North Cowichan is installing approximately 2 per year, prioritizing high volume pedestrian locations and school areas. In 2017, two locations were signalized for pedestrians: Cowichan Lake Road at Avondale Road and Somenos Road at Auchinachie Road.



SOMENOS ROAD AT AUCHINACHIE ROAD

2017 HIGHLIGHTS FROM HUMAN RESOURCES

North Cowichan's Human Resources team has been extremely busy! In 2017, the team:

- Recruited and on-boarded a new Director of Human Resources.
- Processed over 750 job applications, conducted 123 job interviews and filled 75 positions with skilled talent.
- Negotiated a new, four year collective agreement with CUPE Local 358 that fairly balances the interests of unionized employees and North Cowichan taxpayers.
- Achieved a 70 percent reduction in grievances filed compared to 2016, through proactive and informal dispute resolution.
- Established a new employee benefit insurance provider and saved \$37,584, effective in 2018.

2017 ACCOMPLISHMENTS



MEMBERS OF THE DUNCAN-NORTH COWICHAN CITIZENS' ASSEMBLY

REPORT ON MUNICIPAL SERVICES AND OPERATIONS

CITIZENS' ASSEMBLY ON AMALGAMATION

In 2014, residents of Duncan and North Cowichan voted to explore the possibility of amalgamation. In 2017, a Citizens' Assembly was commissioned by the elected Councils of both municipalities to provide residents with an opportunity to actively participate in developing and evaluating the case for amalgamation. Thirty-six area residents served on the Assembly, which functioned as an impartial advisory body that worked to represent all residents.

At the end of its review, the Assembly concluded that Duncan and North Cowichan would be stronger together, and recommended that Councils pursue a referendum on amalgamation.

MOBILE FOOD VENDING

North Cowichan's Zoning Bylaw has not been revised for some time, and previously did not allow for mobile vending or "food trucks". In 2017, North Cowichan worked with the business community to identify numerous areas where mobile vendors are now allowed to operate. Since the bylaws were revised, a number of new food trucks have received business licences in North Cowichan.



COMPLETION OF THE CROFTON REVITALIZATION PROJECT

In 2017, North Cowichan completed a major revitalization project in Crofton's downtown area. The project included installation of a new storm main and beautification through refreshed sidewalks, elevated intersections, customized street lighting, new street furniture, and spectacular landscaping.



QUEEN STREET AT JOAN AVENUE, CROFTON



REPORT

FROM THE DIRECTOR OF FINANCIAL SERVICES

May 2, 2018

Mayor and Council
Municipality of North Cowichan

Your Worship and Members of Council,

I am pleased to present the Municipality of North Cowichan's 2017 Annual Financial Report for the fiscal year ended December 31, 2017, as required by sections 98 of the *Community Charter*.

This report includes the auditor's report, the 2017 financial statements, and supplementary information for the Municipality of North Cowichan.

The Consolidated Financial Statements are the responsibility of the management of the Municipality of North Cowichan and were prepared by municipal staff in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and have been applied on a basis consistent with that of the preceding year.

The Municipality maintains a system of internal accounting controls designed to safeguard the assets of the Corporation and to provide reliable financial information. We confirm and test these systems on a cyclical basis by contracted audit services.

The audit firm Grant Thornton was appointed by Council and is responsible for expressing an opinion as to whether the consolidated financial statements fairly present the financial position of the Municipality of North Cowichan and the results of its 2017 operations.

The 2017 audited financial statements were presented to and approved by Council.

As at December 31, 2017, the Municipality had an accumulated surplus of \$290.7 million, an increase of \$6.5 million for the year. This is largely comprised of net investments in tangible capital assets (\$248.5 million), which includes land, park infrastructure, roads, and utility assets. Debenture debt decreased by \$1.2 million to \$21.75 million. New debt related to the Tier 4 Flood Protection of \$2 million was incurred, principal repayments of \$1.1 million and actuarial adjustment of \$3 million reduced debenture debt. Reserves increased by \$2.1 million to \$10.4 million.

Consolidated revenues increased by \$9 million to \$53.4 million. Taxation increased by \$1.3 million, sales of service increased by \$4 million, other revenue from own sources increased \$1.0 million (\$1.6 million land sales), grants decreased by \$1.5 million (Tier 4 Flood Protection project finished), and collections from developers and others decreased by \$3 million.

Expenses increased by \$1.9 million from 2016 to \$46.8 million, and were under the \$47.4 budget by \$.6 million. Annual Surplus was \$6.5 million (2016 - \$7.6 million)

Capital expenditures for the year were \$10.6 million (2016 - \$12.5 million) including \$3.6 million on water capital, \$1.75 million in roads projects, \$.83 million on flood protection works, \$.63 million on recreation capital, \$.39 million on vehicles and equipment and \$.33 million on fire trucks.

In 2017, North Cowichan maintained the budget for tax supported capital at \$3.5 million. This amounted to 12.6% of 2017 property taxes being allocated to general capital compared to 12.4% in 2016. This is consistent with Council's Revenue, Tax and Budget Policy adopted in 2010 requiring adequate capital funding of 10-15% of property tax revenues.

Respectfully,



Mark Frame, CPA, CGA
Director of Financial Services

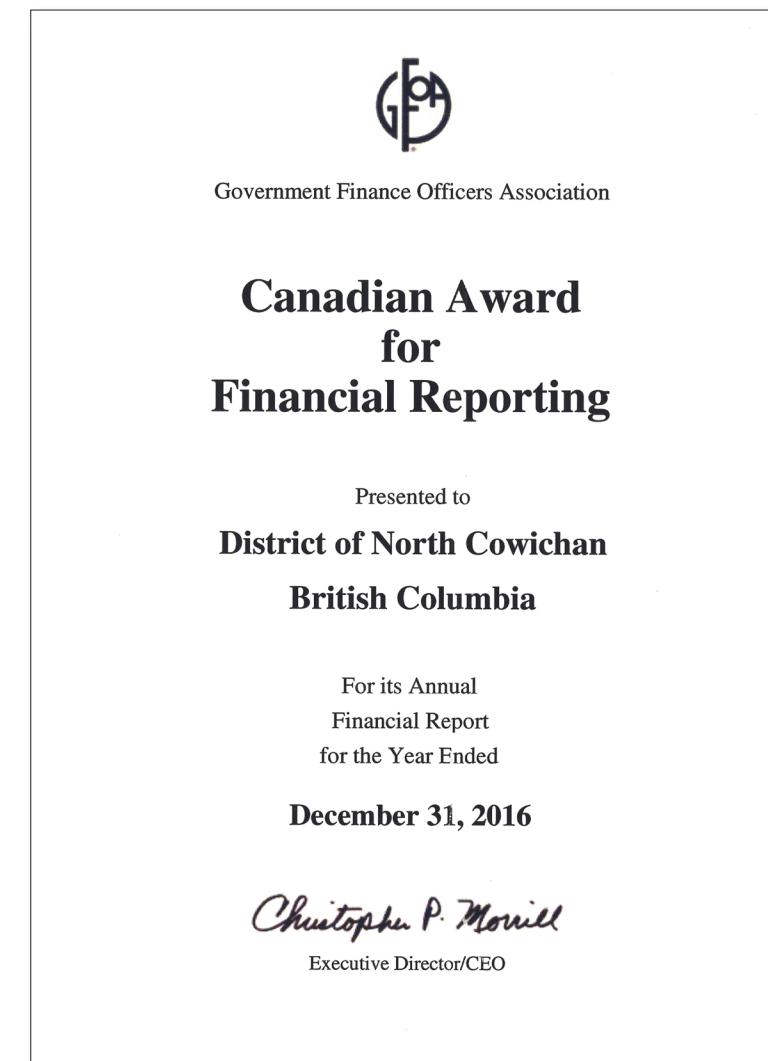
FINANCIAL REPORTING AWARD

CANADIAN AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the District of North Cowichan for its Annual Report of the fiscal year ended December 31, 2016. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles, and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.





The Corporation of the
District of North Cowichan

CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

[AUDITED]
DECEMBER 31, 2017

Statement of Responsibility

The accompanying consolidated financial statements are the responsibility of the management of the District of North Cowichan and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative control designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The North Cowichan Municipal Council met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters before approving the consolidated financial statements.

Grant Thornton LLP, as the Municipality's appointed external auditors, has audited the consolidated financial statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Mark Frame
Director of Financial Services
May 2, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of
THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN

Grant Thornton LLP
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Duncan, BC
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Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Corporation of The District of North Cowichan, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of The District of North Cowichan as at December 31, 2017 and its operations, changes in its net debt, and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.



Duncan, BC
May 2, 2018

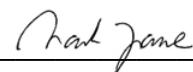
Chartered Professional Accountants

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017, WITH COMPARATIVE FIGURES FOR 2016

	2017 Actual	2016 Actual
Financial Assets		
Cash (Notes 2 and 4)	\$ 4,662,282	\$ 3,674,018
Temporary investments (Notes 2 and 4)	53,843,017	46,128,552
Accounts receivable (Note 5)	3,469,657	4,278,863
Property acquired for taxes (Note 2)	-	405,642
Deposit - Municipal Finance Authority (Note 8)	1,212,830	1,321,932
	<u>63,187,786</u>	<u>55,809,007</u>
Financial Liabilities		
Accounts payable and Accrued liabilities (Note 6)	4,228,730	3,836,109
Employee future benefits and compensation payable (Note 2)	3,743,211	3,812,788
Unearned revenue (Note 7)	5,373,985	3,596,951
Reserve - Municipal Finance Authority (Note 8)	1,212,830	1,321,932
Restricted reserves (Note 10)	8,839,639	7,440,263
Debenture debt (Note 12)	21,749,446	22,981,708
	<u>45,147,841</u>	<u>42,989,751</u>
Net Financial Assets	<u>18,039,945</u>	<u>12,819,256</u>
Non-Financial Assets		
Tangible capital assets (Schedule X)	269,688,580	268,367,860
Inventory of supplies (Note 2)	515,578	574,961
Prepaid items	107,688	47,268
Property acquired for taxes (Note 2)	2,341,505	2,341,505
	<u>272,653,351</u>	<u>271,331,594</u>
Accumulated Surplus (Note 14)	<u>\$ 290,693,296</u>	<u>\$ 284,150,850</u>

Commitments and Contingent Liabilities (Note 13)

Approved by:



M. Frame

Director of Financial Services

See accompanying notes to the financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017, WITH COMPARATIVE FIGURES FOR 2016

	2017 Budget	2017 Actual	2016 Actual
Revenues			
Taxation (Schedule I)	\$ 33,462,020	\$ 33,413,963	\$ 32,147,305
Sales of services (Schedule II)	10,407,060	10,765,559	10,315,697
Other revenue from own sources (Schedule III)	3,172,226	3,364,980	2,446,109
Return on investments	396,362	490,440	482,739
Grants and government transfers (Schedule IV)	7,124,166	3,417,282	4,915,296
Collections from developers and others	497,362	1,551,330	1,847,256
Actuarial adjustments to debt	-	368,446	367,322
	<u>55,059,196</u>	<u>53,372,000</u>	<u>52,521,724</u>
Expenses			
General government services (Schedule V)	4,085,981	4,640,908	3,900,171
Protective services (Schedule VI)	9,303,104	9,017,816	9,102,024
Transportation service (Schedule VII)	10,680,120	10,592,580	9,866,083
Environmental health services (Schedule VIII)	1,617,062	1,437,439	1,419,315
Forestry	1,544,700	1,116,165	1,154,654
Community development	1,432,420	1,031,805	928,399
Recreation and cultural services (Schedule IX)	10,661,953	11,009,482	10,805,796
Net loss on sale and write-downs of tangible capital assets	-	173,463	86,741
Transfer of asset	-	-	45,507
Water	4,204,978	4,354,540	4,057,931
Sewer	3,873,995	3,455,356	3,578,529
	<u>47,404,313</u>	<u>46,829,554</u>	<u>44,945,150</u>
Annual Surplus	<u>\$ 7,654,883</u>	<u>6,542,446</u>	<u>7,576,574</u>
Accumulated surplus, beginning of year (Note 14)		<u>284,150,850</u>	<u>276,574,276</u>
Accumulated surplus, end of year (Note 14)		<u>\$ 290,693,296</u>	<u>\$ 284,150,850</u>

See accompanying notes to the financial statements



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2017, WITH COMPARATIVE FIGURES FOR 2016

	2017 Budget	2017 Actual	2016 Actual
Annual Surplus	\$ 7,654,883	\$ 6,542,446	\$ 7,576,574
Acquisition of tangible capital assets	(20,539,835)	(10,588,911)	(12,458,888)
Amortization of tangible capital assets	9,040,200	9,048,503	8,954,565
Net loss on sale of tangible capital assets	-	135,766	68,134
Proceeds on sale of tangible capital assets	-	46,225	26,996
Transfer of asset	-	-	45,507
Write-downs of tangible capital assets	-	37,697	18,607
	<u>(11,499,635)</u>	<u>(1,320,720)</u>	<u>(3,345,079)</u>
Decrease (Increase) in prepaids	-	(60,420)	30,704
Decrease in inventories	-	59,383	4,954
Increase in property acquired for taxes	-	-	(135,501)
	<u>-</u>	<u>(1,037)</u>	<u>(99,843)</u>
Change in net financial assets	(3,844,752)	5,220,689	4,131,652
Net financial assets at beginning of year	12,819,256	12,819,256	8,687,604
Net financial assets at end of year	<u>\$ 8,974,504</u>	<u>\$ 18,039,945</u>	<u>\$ 12,819,256</u>

See accompanying notes to the financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2017, WITH COMPARATIVE FIGURES FOR 2016

	2017 Actual	2016 Actual
Operating transactions		
Annual surplus	\$ 6,542,446	\$ 7,576,574
Non-cash items included in surplus:		
Amortization	9,048,503	8,954,565
Actuarial adjustment to debt	(368,446)	(367,322)
Write-downs of tangible capital assets	37,697	18,607
Net loss on sale of tangible capital assets	135,766	68,134
	<u>15,395,966</u>	<u>16,250,558</u>
Accounts receivable	809,206	375,831
Inventory of supplies	59,383	4,954
Prepaid items	(60,420)	30,704
Property acquired for taxes	405,642	302,671
Accounts payable	392,621	(1,182,110)
Accumulated sick leave	(69,577)	206,868
Unearned revenue	1,777,034	332,720
Restricted reserves	1,399,376	451,170
	<u>20,109,231</u>	<u>16,773,366</u>
Cash provided by operating transactions		
Capital transactions		
Proceeds on sale of tangible capital assets	46,225	26,996
Transfer of asset	-	45,507
Cash applied to acquire tangible capital assets	(10,588,911)	(12,458,888)
	<u>(10,542,686)</u>	<u>(12,386,385)</u>
Cash applied to capital transactions		
Investing transactions		
Temporary investments	(7,714,465)	(5,895,650)
	<u>(7,714,465)</u>	<u>(5,895,650)</u>
Cash applied to investing transactions		
Financing transactions		
Proceeds from debenture debt	200,000	2,564,000
Repayment of temporary debt	-	(1,534,260)
Repayment of debenture debt	(1,063,816)	(1,005,244)
	<u>(863,816)</u>	<u>24,496</u>
Cash provided by financing transactions		
Change in cash and cash equivalents	988,264	(1,484,173)
Cash and Cash equivalents, beginning of year	3,674,018	5,158,191
Cash and Cash equivalents, end of year	<u>\$ 4,662,282</u>	<u>\$ 3,674,018</u>

See accompanying notes to the financial statements



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL

The Corporation of the District of North Cowichan (the Corporation) was incorporated in 1873 under a statute of the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The principal activities include community development, parks and recreation, police and fire protection, road transportation, forestry management, cemetery, solid waste, water utility, sewer utility, and fiscal services.

2. SIGNIFICANT ACCOUNTING POLICIES

It is the Corporation's policy to follow Canadian public sector accounting standards and to apply such principles consistently. The following is a summary of the Corporation's significant policies:

a) BASIS OF PRESENTATION

These consolidated financial statements consolidate the following operations:

- General Capital Fund
- General Revenue Fund
- Reserve Fund
- Water Systems Capital Fund
- Water Systems Revenue Fund
- Sewer Systems Capital Fund
- Sewer Systems Revenue Fund

The Corporation has an interest in a significant cost sharing arrangement; the Duncan - North Cowichan Joint Utilities Board. Adjustments have been made to these consolidated statements to include the Corporation's proportionate share of assets, liabilities and net revenues over expenditures of the administrative body at approximately the following percentage:

Duncan-North Cowichan Joint Utilities Board	53.69%
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b) BASIS OF ACCOUNTING

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the delivery of goods or services and/or upon the creation of a legal obligation to pay. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

c) INVESTMENTS

Investments are recorded at cost which at December 31, 2017, would approximate market value. Investments consist of cash on deposit in the Municipal Finance Authority ("MFA") investment funds that are highly liquid, readily convertible to cash, and are subject to an insignificant risk of change in value.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d) LIABILITY FOR CONTAMINATED SITES

The Corporation recognizes a liability for remediation of a contaminated site when the site is no longer in productive use or an unexpected event resulting in contamination has occurred and the following criteria are satisfied: contamination exceeds an environmental standard, the Corporation is either directly responsible or has accepted responsibility for remediation, it is expected future economic benefits will be given up and a reasonable estimate of the amount can be made. Future economic benefits are expected to be given up if the Corporation has an external obligation to remediate a site or has commenced remediation on its own accord.

The Corporation has determined that no owned properties meet the criteria to recognize a liability for contaminated sites.

e) REVENUE RECOGNITION

- i) Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year.
- ii) Sale of services and user fee revenues are recognized when the service or product is rendered by the Corporation.
- iii) Grant revenues are recognized when the funding becomes receivable.
- iv) Revenue unearned in the current period is recorded as deferred revenue.
- v) Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit in qualifying institutions as defined in the community charter.

g) PROPERTY ACQUIRED FOR TAXES - DEEDED TO MUNICIPALITY

Property acquired for taxes is presented at estimated historical values as either financial assets or non-financial assets. Properties that are presented as a financial asset are those which are readily available for sale during the subsequent period. Properties that are presented as non-financial assets are those that are either not saleable or will not be ready for sale within the subsequent period.

	<u>2017</u>	<u>2016</u>
Properties available for sale	\$ -	\$ 405,642
Properties not available for sale	2,341,505	2,341,505
	<u>\$ 2,341,505</u>	<u>\$ 2,747,147</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

h) EMPLOYEE FUTURE BENEFITS AND COMPENSATION PAYABLE

The Corporation and its employees make contributions to the Municipal Pension Plan. The Corporation's contributions are expensed as paid.

Sick leave cash-out and severance benefits accrue to the Corporation's employees. The liability relating to these benefits is determined in accordance with Section PS 3255 of the Public Sector Accounting Handbook of the Chartered Professional Accountants of Canada. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service life of employees.

The following amounts are the accrued liabilities in respect of Employee Future Benefits and wages payable:

	<u>2017</u>	<u>2016</u>
Lieu time payable	\$ 754,811	\$ 754,588
Sick leave cash-out and severance benefits	<u>2,988,400</u>	<u>3,058,200</u>
	<u>\$ 3,743,211</u>	<u>\$ 3,812,788</u>

Under the terms of the union contract, sick leave not taken in a year is carried forward to a maximum accumulation for 180 working days for each employee. On retirement or termination of employment after 5 years of service, sick leave accumulated is paid out at the employee's prevailing wage rate.

The Corporation also provides 30 days of paid leave at retirement, as prescribed by the Pension (Municipal) Act, at the employee's prevailing wage rate.

The liabilities for sick leave cash-out and severance benefits are based on an actuarial valuation as at December 31, 2017.

	<u>2017</u>	<u>2016</u>
Accrued benefit obligation	\$ 2,906,100	\$ 2,918,700
Unamortized actuarial gain/(loss)	<u>82,300</u>	<u>139,500</u>
Accrued benefit liability	<u>2,988,400</u>	<u>3,058,200</u>
Benefit expense:		
Current service cost	253,200	293,400
Interest cost	85,300	64,900
Amortization of net actuarial (gain)/loss	<u>(5,600)</u>	<u>36,600</u>
	<u>\$ 332,900</u>	<u>\$ 394,900</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

h) EMPLOYEE FUTURE BENEFITS AND COMPENSATION PAYABLE CONTINUED

Significant actuarial assumptions as at December 31st include:

	<u>2017</u>	<u>2016</u>
Valuation interest rate	3.00%	3.00%
Rate of compensation increase	2.75%	2.75%
Expected coverage remaining service life (in years)	10	10

i) APPROPRIATED SURPLUS - GENERAL REVENUE FUND

General Revenue Fund appropriations are non-statutory reserves established at the discretion of Council. These reserves are outlined in Note 14.

- i) The reserve for property acquired for taxes is an amount set aside to offset the carrying value of property acquired for taxes.
- ii) Reserves for future expenditures are amounts set aside from past and current operations for future operating and capital expenditures.
- iii) The reserve for uncollected taxes is an amount set aside to offset uncollected taxes.
- iv) The reserve for the Joint Utilities Board is an amount set aside for future capital expenditures, established at the discretion of the Board.

j) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles as recommended by PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits and retirement liability, collectability of accounts receivable, amortization of capital assets, deferred charges and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

k) LEASES

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses incurred.



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

l) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

m) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information was not available were recorded at the current fair market values, in the year of recognition, discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land	Indefinite
Land Improvements	10 to 30 years
Buildings	15 to 50 years
Engineering Structures	10 to 60 years
Machinery & Equipment	5 to 40 years
Capital Works In Progress	Life determined when complete

Amortization is charged on a monthly basis, starting the month following the date of acquisition and ending in the month of disposition. Capital works in progress are not amortized until the asset is available for productive use.

Certain assets, which have historical or cultural value including works of art, historical documents, as well as historical and cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Corporation, water, and other natural resources, are not recognized as tangible capital assets.

Tangible capital assets received as contributions are recorded at their estimated fair value at the date the Corporation acquires ownership and are recorded as revenue.

Land and infrastructure assets contributed to the Corporation in 2017 totaled \$1,220,283 (2016 - \$1,001,685) and were capitalized at their fair value at the time of receipt.

n) MATERIALS AND SUPPLIES

Inventories of materials and supplies are valued at weighted average cost with allowance made for damaged or obsolete goods.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

3. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, temporary investments, accounts receivable, accounts payable and accrued liabilities, restricted reserves, temporary financing and debenture debt. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest or credit risks arising from these financial instruments.

4. CASH AND INVESTMENTS

Cash and investments are comprised of cash on hand, cash on deposit at financial institutions and investments held in Municipal Finance Authority of British Columbia investment funds.

	2017	2016
Cash	\$ 4,662,282	\$ 3,674,018
Temporary investments	53,843,017	46,128,552
	\$ 58,505,299	\$ 49,802,570

Temporary Investments consist of short-term investments in the Municipal Finance Authority of BC money market and intermediate funds and the market value is equal to the carrying value. Temporary Investments have yields ranging from .78% to .97%.

Included in investments are the following restricted amounts that can only be expended in accordance with the terms of the Reserve and Restricted Reserve Funds.

	2017	2016
Restricted investments	\$ 19,253,851	\$ 15,768,741

5. ACCOUNTS RECEIVABLE

	2017	2016
Property taxes	\$ 1,660,600	\$ 1,953,001
Water rates	169,071	139,537
Federal government	234,150	249,728
Provincial government	883,398	445,971
Local government	264,412	1,165,537
General	258,026	325,089
	\$ 3,469,657	\$ 4,278,863



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
General	\$ 3,830,938	\$ 3,438,233
Wages and salaries	204,110	189,050
Accrued interest	193,682	208,826
	\$ 4,228,730	\$ 3,836,109

7. UNEARNED REVENUE

	2016	Contributions and interest	Revenue earned or refunded	2017
Prepaid taxes and licenses	\$ 1,735,972	\$ 3,926,808	\$ 3,762,689	\$ 1,900,091
Service fees and deposits	1,469,706	2,110,393	739,420	2,840,679
Aquatic Centre unearned revenue	211,789	469,102	481,164	199,727
General unearned revenues	179,484	19,295	37,653	161,126
Water unearned revenue	-	830,738	558,376	272,362
	\$ 3,596,951	\$ 7,356,336	\$ 5,579,302	\$ 5,373,985

8. MUNICIPAL FINANCE AUTHORITY - RESERVE DEPOSITS

The Corporation issues debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The Corporation also executes demand notes in connection with each debenture whereby the Corporation may be required to loan certain amounts to the Municipal Finance Authority.

The details of the cash deposits and demand notes at year end are as follows:

	2017	2016
Cash deposits	\$ 374,806	\$ 411,735
Demand notes	838,024	910,197
	\$ 1,212,830	\$ 1,321,932

9. FUNDS HELD IN TRUST

These funds account for assets, which must be administered as directed by agreement or statute for certain beneficiaries. In particular, these funds are for the Cemetery Trust Fund. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the Corporation's Consolidated Financial Statements. A summary of trust fund activities by the Corporation is as follows:

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
Assets		
Cash and short term investments	\$ 370,678	\$ 355,960
	370,678	355,960
Equity		
Opening balances	355,960	342,956
Contributions	14,718	13,004
	\$ 370,678	\$ 355,960

10. RESTRICTED RESERVES

Receipts which are restricted by the legislation of senior governments are deferred and reported as liabilities. Included in liabilities are reserves for development cost charges, the use of which, with any earnings thereon, is restricted by legislation or agreement with external parties. These amounts are recognized as revenue in the period in which corresponding expenditures are incurred.

Development Cost Charges	2017	2016
Opening	\$ 7,440,263	\$ 6,989,093
Contributions	1,338,167	372,978
Return on investment	61,209	78,192
	\$ 8,839,639	\$ 7,440,263

11. FEDERAL GAS TAX AGREEMENT FUNDS

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Corporation and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

Federal Gas Tax Agreement Funds	2017	2016
Opening balance of unspent funds	\$ 100,340	\$ -
Add: Amount received during the year	1,284,602	1,267,713
Add: Return on investment	774	340
Less: Amount spent	(1,184,602)	(1,167,713)
	\$ 201,114	\$ 100,340



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

12. DEBENTURE DEBT

The Corporation issues debt instruments through MFA, pursuant to security issuing bylaws under the authority of the Community Charter, to finance certain capital expenditures. Sinking fund balances, managed by MFA, are used to reduce long-term debt.

	M.F.A. Issue Number	Interest Rate	Maturity Date	Originally Approved	2017 Net Unmatured	2016 Net Unmatured
General Capital Fund						
Maple Bay Fire Hall	95	1.80%	Apr 12, 2025	\$ 1,600,000	\$ 789,259	\$ 873,505
Maple Bay Fire Hall	103	4.65%	Apr 23, 2028	500,000	322,306	345,285
Cowichan Aquatic Ctr	104	5.15%	Nov 20, 2028	15,000,000	9,669,168	10,358,552
Cowichan Aquatic Ctr	106	4.13%	Oct 12, 2029	2,265,500	1,564,487	1,664,602
Duncan Curling Club	N/A	4.00%	Jan 15, 2032	551,500	430,179	452,471
Tier 2 Flood Protection	121	2.90%	Oct 4, 2032	745,475	609,881	639,168
Tier 2 Flood Protection	124	3.15%	Apr 8, 2033	1,000,000	857,396	895,171
Municipal Hall Expansion	126	3.85%	Sep 26, 2033	1,500,000	1,286,094	1,342,757
Stoney Hill Road	131	2.20%	Apr 8, 2040	2,000,000	1,895,507	1,948,652
Tier 4 Flood Protection	137	2.60%	Apr 19, 2036	1,700,000	1,639,886	1,700,000
Tier 4 Flood Protection	141	2.80%	Apr 7, 2037	200,000	200,000	-
				<u>27,062,475</u>	<u>19,264,163</u>	<u>20,220,163</u>
Water Capital Fund						
Chemainus	110	4.50%	April 8, 2030	1,750,000	1,285,833	1,360,193
Crofton	106	4.13%	Oct 13, 2029	530,000	366,002	389,423
Chemainus	137	2.60%	Apr 19, 2036	864,000	833,448	864,000
				<u>3,144,000</u>	<u>2,485,283</u>	<u>2,613,616</u>
Sewer Capital Fund						
Chemainus	65	4.55%	Apr 24, 2017	-	-	92,241
Crofton	65	4.55%	Apr 24, 2017	-	-	55,688
				<u>-</u>	<u>-</u>	<u>147,929</u>
				<u>\$ 30,206,475</u>	<u>\$ 21,749,446</u>	<u>\$ 22,981,708</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Future payments on net outstanding debt over the next five years and thereafter are as follows:

	General	Water	Total
Principal repayments:			
2018	\$ 906,508	\$ 107,118	\$ 1,013,626
2019	907,453	107,118	1,014,571
2020	908,437	107,118	1,015,555
2021	909,461	107,118	1,016,579
2022	910,526	107,118	1,017,644
Thereafter	7,187,804	1,022,461	8,210,265
	<u>11,730,189</u>	<u>1,558,051</u>	<u>13,288,240</u>
Actuarial sinking fund earnings:			
2018	302,203	26,196	328,399
2019	348,527	31,370	379,897
2020	396,666	36,746	433,412
2021	446,691	42,332	489,023
2022	498,676	48,134	546,810
Thereafter	5,541,212	742,453	6,283,665
	<u>7,533,975</u>	<u>927,231</u>	<u>8,461,206</u>
	<u>\$ 19,264,164</u>	<u>\$ 2,485,282</u>	<u>\$ 21,749,446</u>

Interest paid during the year was \$1,334,321 (2016 - \$1,402,564).



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

13. COMMITMENTS AND CONTINGENT LIABILITIES

- a) The Cowichan Valley Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the Corporation and other local governments within the Cowichan Valley Regional District.
- b) Loan agreements with the Cowichan Valley Regional District and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Municipal Finance Authority's obligations in respect to such borrowings; the resulting deficiencies become a liability of the Corporation.
- c) The Corporation has guaranteed a commercial loan to a maximum of \$400,000 to the Duncan-Cowichan Chamber of Commerce. The loan matures January 1, 2020.
- d) The Corporation and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016 the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The next valuation will be as at December 31, 2018, with results available in 2019. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Corporation paid \$1,161,428 (2016 - \$1,176,391) for employer contributions while employees contributed \$1,003,768 (2016 - \$1,012,256) to the Plan in fiscal 2017.

- e) At the end of the year the Corporation was involved in a number of legal actions the outcomes of which are indeterminate at this time. The Corporation carries liability insurance with a current deductible of \$25,000.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

14. ACCUMULATED SURPLUS

	<u>2017</u>	<u>2016</u>
Operating Funds		
Unappropriated:		
General	\$ 2,754,137	\$ 2,652,456
Water Systems	3,326,010	4,225,795
Sewer Systems	13,959,663	12,846,950
	<u>20,039,810</u>	<u>19,725,201</u>
Appropriated:		
Reserves for property acquired for taxes	2,341,505	2,747,147
Reserves for future expenditures	7,266,944	5,331,759
Reserve for uncollected taxes	1,295,091	1,295,091
Reserve for Joint Utilities Board	794,797	727,341
	<u>11,698,337</u>	<u>10,101,338</u>
	<u>31,738,147</u>	<u>29,826,539</u>
Capital Funds		
General Capital	196,112,089	195,959,050
Water Capital	29,475,703	26,961,724
Sewer Capital	21,286,912	21,862,972
Joint Utilities Board Capital	1,666,233	1,212,088
	<u>248,540,937</u>	<u>245,995,834</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
Reserve Funds		
Land sales	1,232,543	138,257
Machinery and Equipment	2,982,186	2,675,089
Local Area Service	752,833	881,380
Forest	1,864,667	1,773,911
Park Development	212,218	197,931
Parkland Purchase	405,359	377,377
Chemainus Parking	152,547	151,379
Agriculture	193,142	161,894
Self-Insurance	118,634	117,726
Climate Action and Energy Plan	348,593	197,966
Maple Bay Sewer	88,094	87,420
Cowichan Aquatic Centre	217,022	130,020
Evans Park	164,387	163,129
Fuller Lake Arena	69,593	69,061
Harbours General	26,249	26,048
Harbours Chemainus	358,263	346,909
Mural Protection	28,396	49,034
Gas Tax	201,114	100,340
Infrastructure Replacement	501,928	250,000
Gravel Pits	474,363	433,606
Affordable Housing	22,081	-
	<u>10,414,212</u>	<u>8,328,477</u>
Accumulated Surplus	<u>\$ 290,693,296</u>	<u>\$ 284,150,850</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

15. BUDGET DATA

The budget data presented in these financial statements is based upon the 2017-2021 Financial Plan Bylaw adopted by council May 3, 2017. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2017
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Principal debt repayment	1,142,576
Capital expenditures	20,539,135
Less:	
Amortization	(9,040,200)
Proceeds from borrowing	(783,600)
Budgeted transfers to reserve funds	700,033
Budgeted transfers from accumulated surplus	(4,903,061)
Adjusted Annual Surplus	<u>\$ 7,654,883</u>

16. JOINT UTILITIES BOARD

Financial results for the Joint Utilities Board are consolidated into the Corporation's financial statements proportionately based on the units owned by each partner. In 2017 the Corporation's proportion for consolidation purposes was 53.69% (2016 – 53.69%). Condensed financial information for the Joint Utilities Boards is as follows:

	2017	2016
Net Financial Assets	\$ 1,480,404	\$ 1,327,944
Non-Financial Assets	3,103,567	2,284,468
Accumulated Surplus	<u>4,583,971</u>	<u>3,612,412</u>
Revenues	1,846,151	985,358
Expenses	874,591	906,471
Annual Surplus	<u>\$ 971,560</u>	<u>\$ 78,887</u>

The Duncan – North Cowichan Joint Utilities Board is a government partnership that operates and maintains joint sewer lagoons on behalf of the City of Duncan and the District of North Cowichan. The distribution of expenditures related to operations is based on the number of users in each municipality as well as users from surrounding areas in the Cowichan Valley Regional District and the Cowichan Tribes.



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

The Joint Utilities Board leases the sewage lagoon lands under an operating lease which expires July 31, 2060. The Corporation's proportionate share of the future minimum lease payments is \$199,348 per annum with an estimated annual increase of 2.2%.

Because the percentage of units owned by the partners may change from year-to-year which produces different cost shares for each partner, there may be a write down or write up of asset balances. In 2017 the Corporation recorded a write up of assets in the amount of \$0 (2016 - \$20,412).

17. SEGMENT REPORTING

The Corporation's operations and activities are organized and reported by fund. Services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, which is outlined in Schedule XI, along with the services they provide as follows:

GENERAL GOVERNMENT SERVICES

This segment includes Administration, Finance, Information Technology and other corporate services.

PROTECTIVE SERVICES

This segment includes police protection, fire protection, building and plumbing inspections, animal control, weed control, and other protective services.

ENGINEERING AND PUBLIC WORKS

This segment is responsible for the construction and maintenance of the Corporation's infrastructure, including drainage and transportation systems.

ENVIRONMENTAL HEALTH SERVICES

This segment is comprised of garbage and recycling collection and the Mountain View Cemetery.

FORESTRY SERVICES

This segment is responsible for the maintenance and management of the Municipal Forest Reserve.

COMMUNITY DEVELOPMENT

This segment includes planning and development, which includes processing development applications and developing related policies and regulations.

RECREATION AND CULTURE SERVICES

The Parks and Recreation department manages, facilitates, and maintains a system of services, facilities, and parks to enhance the quality of life for the citizens of North Cowichan.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

WATER

This segment includes all of the operating activities related to the treatment and distribution of water throughout the Corporation.

SEWER

This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the Corporation.

RESERVE FUNDS

These funds have been created to hold assets for specific future requirements pursuant to the Community Charter.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Taxes, grants-in-lieu of taxes and any revenues not directly attributable to a segment are apportioned to the General Revenue Fund service based on the net annual budget.

18. LISTING OF OPERATING EXPENDITURES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2017	2016
Salaries, wages and benefits	\$ 17,515,182	\$ 16,942,613
Contract services	12,569,146	11,933,440
Amortization	9,048,503	8,954,565
Materials and supplies	6,188,939	5,579,720
Interest	1,334,321	1,402,564
Loss on sale, write downs and transfer of TCA	173,463	132,248
Total expense	\$ 46,829,554	\$ 44,945,150

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
TAXATION
 FOR THE YEAR ENDED DECEMBER 31, 2017

20. SUBSEQUENT EVENT

The Corporation entered into an agreement to sell three lots that were not in productive use in the amount of \$3,000,000. One of these lots had been operated as a gravel pit and has known contamination; as a condition of the sale, the purchaser has agreed to post a \$250,000 bond to remediate the site which includes remediating the contamination. This bond was posted subsequent to the end of year on February 22, 2018. As the liability has been transferred to the purchaser, the Corporation has not recorded the liability in its records. However, if the agreement for sale does not complete, the liability would revert back to the Corporation.

SCHEDULE I

	2017 Budget	2017	2016
Municipal Purposes:			
General taxation	\$ 27,761,967	\$ 27,761,143	\$ 26,611,169
Business Improvement Area	86,200	88,436	84,258
Local Area Service	95,348	95,348	95,348
Utilities	1,000,387	1,000,745	971,701
Grants-in-lieu of taxes	237,270	240,213	265,490
Water systems	1,889,928	1,877,970	1,811,154
Sewer systems	2,390,920	2,350,108	2,308,185
Total Municipal Taxes	<u>33,462,020</u>	<u>33,413,963</u>	<u>32,147,305</u>
Collections for Other Governments:			
School	11,700,000	11,697,782	11,940,758
Cowichan Valley Regional Hospital District	3,122,500	3,122,486	3,128,740
Cowichan Valley Regional District	7,827,000	7,827,059	7,341,902
BC Assessment	320,800	320,973	346,992
Municipal Finance Authority	1,200	1,176	1,078
Total Collections for other governments	<u>22,971,500</u>	<u>22,969,476</u>	<u>22,759,470</u>
	<u>56,433,520</u>	<u>56,383,439</u>	<u>54,906,775</u>
Deduct: requisitions remitted to other taxing authorities	<u>(22,971,500)</u>	<u>(22,969,476)</u>	<u>(22,759,470)</u>
Total Taxes Levied	<u>\$ 33,462,020</u>	<u>\$ 33,413,963</u>	<u>\$ 32,147,305</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
SALES OF SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE II

	2017 Budget	2017	2016
General government service	\$ 114,400	\$ 124,427	\$ 125,257
Protective services	245,442	275,309	231,510
Fire protection	167,320	398,132	167,283
Transportation service	195,941	479,235	305,309
Residential garbage - municipal	1,176,083	1,185,209	1,177,342
Forestry	1,660,900	1,250,065	1,568,954
Cowichan Aquatic Centre	2,029,449	2,025,290	2,029,470
Fuller Lake Arena	293,390	279,866	288,142
Other recreation	43,600	56,608	54,406
Wharves	223,010	224,667	215,624
Miscellaneous	113,368	112,064	89,982
Cemetery	132,540	120,320	126,589
Water	2,371,359	2,543,121	2,334,675
Sewer	1,640,258	1,691,246	1,601,154
	<u>\$ 10,407,060</u>	<u>\$ 10,765,559</u>	<u>\$ 10,315,697</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OTHER REVENUE FROM OWN SOURCES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE III

	2017 Budget	2017	2016
Licences and permits	\$ 824,790	\$ 968,565	\$ 805,696
Tax penalties and interest	330,000	316,513	344,797
Fines	4,500	30,536	44,668
Rentals	233,074	243,618	221,439
Land sales	1,770,000	1,611,386	928,542
Water	9,862	10,832	100,967
Sewer	-	183,530	-
	<u>\$ 3,172,226</u>	<u>\$ 3,364,980</u>	<u>\$ 2,446,109</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
GRANTS AND GOVERNMENT TRANSFERS
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE IV

	2017 Budget	2017	2016
Operating Grants			
Traffic fines revenue	\$ 304,000	\$ 253,112	\$ 270,307
Other grants	86,970	56,490	147,891
	<u>390,970</u>	<u>309,602</u>	<u>418,198</u>
Capital grants			
Fuel tax	1,268,000	1,284,602	1,267,713
<i>Infrastructure Grants (Prov/Fed)</i>			
Diking	334,846	394,840	3,156,049
Water	5,100,350	1,395,938	-
	<u>5,435,196</u>	<u>1,790,778</u>	<u>3,156,049</u>
<i>Provincial and Other Grants</i>			
ICBC grants	30,000	32,300	30,000
Other	-	-	43,336
	<u>30,000</u>	<u>32,300</u>	<u>73,336</u>
	<u>\$ 7,124,166</u>	<u>\$ 3,417,282</u>	<u>\$ 4,915,296</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
GENERAL GOVERNMENT SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE V

	2017 Budget	2017	2016
Legislative	\$ 251,960	\$ 256,781	\$ 235,363
Administrative	1,673,120	1,630,797	1,420,810
Financial services	1,773,470	1,893,215	1,670,926
Common Services	497,291	541,404	425,125
Miscellaneous	142,980	578,212	409,030
Administration recoveries	(527,320)	(533,660)	(528,280)
Interest	57,750	57,750	60,526
Amortization	216,730	216,409	206,671
	<u>\$ 4,085,981</u>	<u>\$ 4,640,908</u>	<u>\$ 3,900,171</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
PROTECTIVE SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE VI

	2017 Budget	2017	2016
Police protection:			
R.C.M.P. contract	\$ 4,905,166	\$ 4,544,629	\$ 4,746,230
Municipal employees	1,361,935	1,318,346	1,346,488
Crime prevention	7,140	7,100	7,000
Building maintenance	231,845	213,906	200,898
Bylaw enforcement	161,405	193,878	149,912
	<u>6,667,491</u>	<u>6,277,859</u>	<u>6,450,528</u>
Fire protection:			
General fire protection	114,894	95,547	99,809
Chemainus fire hall	313,983	347,982	308,467
Crofton fire hall	267,233	298,979	295,868
Maple Bay fire hall	270,017	326,387	292,783
South End fire hall	376,553	486,905	412,274
	<u>1,342,680</u>	<u>1,555,800</u>	<u>1,409,201</u>
Other protection:			
Building and plumbing inspections	573,700	470,516	508,070
Animal control	147,140	149,804	149,876
Weed control	9,883	8,940	13,012
Mosquito control	26,240	19,637	20,473
	<u>756,963</u>	<u>648,897</u>	<u>691,431</u>
Interest	52,050	52,050	52,050
Amortization	483,920	483,210	498,814
	<u>535,970</u>	<u>535,260</u>	<u>550,864</u>
	<u>\$ 9,303,104</u>	<u>\$ 9,017,816</u>	<u>\$ 9,102,024</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
ENGINEERING AND PUBLIC WORKS
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE VII

	2017 Budget	2017	2016
Administration	\$ 1,377,093	\$ 1,267,880	\$ 1,386,931
Small tools and equipment	50,860	51,285	50,382
Workshop and yard maintenance	162,316	205,325	139,639
Roads - construction	413,380	361,950	281,761
Roadway and surfaces maintenance	1,868,104	1,439,364	1,307,512
Snow and ice removal	376,805	670,405	470,133
Bridge - maintenance	5,610	29,327	2,576
Street lighting	446,213	467,290	461,990
Signs and line painting	284,516	279,525	247,129
Drainage	589,724	775,741	672,559
Sidewalk maintenance	33,360	10,005	24,505
Other transportation	209,360	232,264	276,188
Administration recoveries	(300,320)	(352,773)	(496,765)
Interest	146,119	145,423	128,059
Amortization	5,016,980	5,009,569	4,913,484
	<u>\$ 10,680,120</u>	<u>\$ 10,592,580</u>	<u>\$ 9,866,083</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
ENVIRONMENTAL HEALTH SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE VIII

	2017 Budget	2017	2016
Garbage collection and recycling	\$ 1,046,922	\$ 1,072,098	\$ 1,049,689
Cemetery	166,470	148,941	135,551
Energy Manager	96,070	96,380	68,444
Energy Upgrades Buildings	188,000	601	45,769
Amortization	119,600	119,419	119,862
	<u>\$ 1,617,062</u>	<u>\$ 1,437,439</u>	<u>\$ 1,419,315</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
RECREATION AND CULTURAL SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE IX

	2017 Budget	2017	2016
Administration	\$ 105,460	\$ 107,349	\$ 91,970
Crofton swimming pool	69,300	78,426	102,137
Cowichan Aquatic Centre	3,507,779	3,686,878	3,781,896
Fuller Lake Arena	955,070	1,138,071	1,031,709
Parks common services	55,170	84,777	41,661
Community recreation program	105,797	69,876	105,406
Chemainus parks and playgrounds	465,180	454,270	403,394
Crofton parks and playgrounds	198,000	177,942	155,982
South End parks and playgrounds	1,231,300	1,216,116	1,270,272
Wharves	155,626	182,093	158,077
Library	1,398,293	1,398,292	1,347,292
Grants-in-aid	390,450	392,587	299,051
Interest	883,758	883,719	884,592
Amortization	1,140,770	1,139,086	1,132,357
	<u>\$ 10,661,953</u>	<u>\$ 11,009,482</u>	<u>\$ 10,805,796</u>





THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE X

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2016	2017 Additions	2017 Disposals	2017 Write-downs	Balance December 31, 2016	2017 Additions	2017 Disposals	Balance December 31, 2017	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	42,175,241	921,058	241,777	-	42,854,522	-	-	-	42,175,241	42,854,522
Land Improvements	12,689,951	556,954	90,300	-	13,156,605	4,640,406	90,300	5,147,175	8,049,545	8,009,430
Buildings	46,536,030	809,616	-	-	47,345,646	16,676,632	1,191,809	17,868,441	29,859,398	29,477,205
Engineering Structures	279,168,693	4,798,059	272,744	-	283,694,008	112,530,509	209,791	117,997,232	166,638,184	165,696,776
Machinery & Equipment	35,014,094	1,161,315	253,618	-	35,921,791	19,699,329	250,156	21,032,284	15,314,765	14,889,507
Work In Progress	6,330,727	3,764,291	1,296,181	37,697	8,761,140	-	-	-	6,330,727	8,761,140
	\$ 421,914,736	\$ 12,011,293	\$ 2,154,620	\$ 37,697	\$ 431,733,712	\$ 153,546,876	\$ 9,048,503	\$ 162,045,132	\$ 288,367,860	\$ 289,688,560

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OPERATIONS BY SEGMENT
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE XI

For the Year Ended December 31, 2017	General government services	Protective services	Engineering and public works	Environmental health services	Forestry services	Community development	Recreation and cultural services	Water	Sewer	Reserve Funds	Capital	Consolidated
Revenues												
Taxation	3,242,421	6,611,238	8,730,403	260,750	-	1,071,880	6,791,341	1,877,970	2,350,108	-	2,477,852	33,413,963
Sales of services	236,490	673,441	479,235	1,305,529	1,250,065	-	2,586,432	2,543,121	1,691,246	-	-	10,765,559
Other revenue from own sources	1,965,041	856,881	120,500	-	-	205,500	22,696	10,832	183,530	-	-	3,364,980
Return on investments	29,110	59,353	78,378	2,341	-	9,623	60,970	31,698	99,515	119,452	-	490,440
Grants and government transfers	-	260,112	1,198,695	-	-	11,257	6,440	1,445,938	-	100,000	394,840	3,417,282
Collections from developers and others	-	-	-	-	-	-	-	-	-	59,766	1,491,564	1,551,330
Actuarial adjustments to debt	6,290	31,616	10,243	-	-	-	209,693	21,215	89,389	-	-	368,446
	5,479,352	8,492,641	10,617,454	1,568,620	1,250,065	1,298,260	9,677,572	5,930,774	4,413,788	279,218	4,364,256	53,372,000
Expenses												
Salaries, wages and benefits	3,131,468	2,730,712	3,132,724	522,227	325,087	815,668	4,676,113	1,354,444	826,739	-	-	17,515,182
Contract services	832,494	5,041,119	1,375,235	536,839	667,651	155,718	2,440,655	626,016	893,419	-	-	12,569,146
Materials and supplies	402,787	710,725	929,629	258,954	118,162	60,419	1,869,909	1,210,084	628,271	-	-	6,188,940
Amortization	216,409	483,210	5,009,569	119,419	5,265	-	1,139,086	1,025,246	1,050,298	-	-	9,048,502
Interest	57,750	52,050	145,423	-	-	-	883,719	138,750	56,629	-	-	1,334,321
Expenditures before losses, write downs and transfers	4,640,908	9,017,816	10,592,580	1,437,439	1,116,165	1,031,805	11,009,482	4,354,540	3,455,356	-	-	46,656,091
Loss on sale, write downs and transfer of TCA	-	-	132,351	-	-	-	-	41,112	-	-	-	173,463
	4,640,908	9,017,816	10,724,931	1,437,439	1,116,165	1,031,805	11,009,482	4,395,652	3,455,356	-	-	46,829,554
Excess of revenues over expenses	\$ 838,444	\$ (525,175)	\$ (107,477)	\$ 131,181	\$ 133,900	\$ 266,455	\$ (1,331,910)	\$ 1,535,122	\$ 958,432	\$ 279,218	\$ 4,364,256	\$ 6,542,446



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OPERATIONS BY SEGMENT
 FOR THE YEAR ENDED DECEMBER 31, 2017

SCHEDULE XI

	For the Year Ended December 31, 2016											
	General government services	Protective services	Engineering and public works	Environmental health services	Forestry services	Community development	Recreation and cultural services	Water	Sewer	Reserve Funds	Capital	Consolidated
Revenues												
Taxation	\$ 2,951,251	\$ 6,195,004	\$ 8,680,029	\$ 267,443	\$ -	\$ 879,140	\$ 6,430,182	\$ 1,811,154	\$ 2,308,185	\$ -	\$ 2,624,917	\$ 32,147,305
Sales of services	215,240	398,793	305,309	1,303,931	1,568,954	-	2,587,641	2,334,675	1,601,154	-	-	10,315,697
Other revenue from own sources	1,307,847	828,921	53,548	-	-	149,690	5,136	100,967	-	-	-	2,446,109
Return on investments	22,341	46,894	65,705	2,024	-	6,655	48,674	35,148	130,596	124,702	-	482,739
Grants and government transfers	-	277,307	1,178,761	-	-	56,366	53,477	50,000	-	100,000	3,199,385	4,915,296
Collections from developers and others	-	-	-	-	-	-	-	-	-	50,000	1,797,256	1,847,256
Actuarial adjustments to debt	4,110	27,883	5,866	-	-	-	179,330	67,789	82,344	-	-	387,322
	<u>4,500,789</u>	<u>7,774,802</u>	<u>10,289,218</u>	<u>1,573,398</u>	<u>1,568,954</u>	<u>1,091,851</u>	<u>9,304,440</u>	<u>4,399,733</u>	<u>4,122,279</u>	<u>274,702</u>	<u>7,621,558</u>	<u>52,521,724</u>
Expenses												
Salaries, wages and benefits	3,026,112	2,660,754	2,991,690	476,880	326,687	753,766	4,513,528	1,331,932	861,260	-	-	16,942,609
Contract services	457,238	5,196,784	1,163,702	533,999	741,273	129,150	2,385,960	426,694	898,640	-	-	11,933,440
Materials and supplies	149,624	693,622	669,148	288,574	83,852	45,483	1,889,359	1,114,113	645,947	-	-	5,579,722
Amortization	206,671	498,814	4,913,484	119,862	2,842	-	1,132,357	1,027,923	1,052,613	-	-	8,954,566
Interest	60,526	52,050	128,059	-	-	-	884,592	157,269	120,069	-	-	1,402,565
Expenditures before losses, write downs and transfers	<u>3,900,171</u>	<u>9,102,024</u>	<u>9,866,083</u>	<u>1,419,315</u>	<u>1,154,654</u>	<u>928,399</u>	<u>10,805,796</u>	<u>4,057,931</u>	<u>3,578,529</u>	<u>-</u>	<u>-</u>	<u>44,812,902</u>
Loss on sale, write downs and transfer of TCA	-	(7,820)	77,527	-	-	-	49,920	-	12,621	-	-	132,248
	<u>3,900,171</u>	<u>9,094,204</u>	<u>9,943,610</u>	<u>1,419,315</u>	<u>1,154,654</u>	<u>928,399</u>	<u>10,855,716</u>	<u>4,057,931</u>	<u>3,591,150</u>	<u>-</u>	<u>-</u>	<u>44,945,150</u>
Excess of revenues over expenses	<u>\$ 600,618</u>	<u>\$ (1,319,402)</u>	<u>\$ 345,608</u>	<u>\$ 154,083</u>	<u>\$ 414,300</u>	<u>\$ 163,452</u>	<u>\$ (1,551,276)</u>	<u>\$ 341,802</u>	<u>\$ 531,129</u>	<u>\$ 274,702</u>	<u>\$ 7,621,558</u>	<u>\$ 7,576,574</u>

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DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

[AUDITED]

DECEMBER 31, 2017

Statement of Responsibility

The accompanying financial statements are the responsibility of the management of the Duncan - North Cowichan Joint Utilities Board and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative control designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The North Cowichan Municipal Council met with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters before approving the financial statements.

Grant Thornton LLP, as the Duncan – North Cowichan Joint Utilities Board’s appointed external auditors, has audited the financial statements. The Auditor’s report is addressed to the Duncan – North Cowichan Joint Utilities Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the Duncan – North Cowichan Joint Utilities Board in accordance with Canadian public sector accounting standards.



Mark Frame
Director of Financial Services
May 2, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Duncan - North Cowichan Joint Utilities Board,

Grant Thornton LLP
823 Canada Avenue
Duncan, BC
V9L 1V2
T +1 250 746 4406
F +1 250 746 1950
www.GrantThornton.ca

Report on Financial Statements

We have audited the accompanying financial statements of the Duncan - North Cowichan Joint Utilities Board, which comprise the statement of financial position as at December 31, 2017, and the statement of operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Duncan - North Cowichan Joint Utilities Board as at December 31, 2017 and its operations for the year then ended in accordance with Canadian public sector accounting standards.



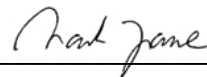
Duncan, BC
May 2, 2018

Chartered Professional Accountants

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 , WITH COMPARATIVE FIGURES FOR 2016

	<u>2017 Actual</u>	<u>2016 Actual</u>
Financial Assets		
Investments (Notes 3 and 6)	\$ 4,048,244	\$ 1,354,759
Financial Liabilities		
Unearned revenue	<u>2,567,840</u>	<u>26,814</u>
Net Financial Assets	<u>1,480,404</u>	<u>1,327,945</u>
Non-Financial Assets		
Tangible capital assets (Schedule I)	3,103,567	2,257,653
Prepaid items	-	26,814
	<u>3,103,567</u>	<u>2,284,467</u>
Accumulated Surplus	<u>\$ 4,583,971</u>	<u>\$ 3,612,412</u>

Approved by:



M. Frame
Director of Financial Services

See accompanying notes to the financial statements.

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017, WITH COMPARATIVE FIGURES FOR 2016

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
Revenues			
Contributions from:			
The Corporation of the District of North Cowichan	\$ 1,468,279	\$ 960,452	\$ 499,033
The Corporation of the City of Duncan	869,915	567,688	296,877
Cowichan Valley Regional District	360,847	267,731	154,757
Cowichan Tribes	51,118	39,834	21,295
Return on investments	16,700	10,446	13,397
	<u>2,766,859</u>	<u>1,846,151</u>	<u>985,359</u>
Expenses			
Administration	41,570	39,122	39,511
Amortization	50,000	53,055	49,710
Sewer lagoon operations and maintenance	920,010	782,415	817,249
	<u>1,011,580</u>	<u>874,592</u>	<u>906,470</u>
Annual Surplus	\$ 1,755,279	971,559	78,889
Accumulated surplus, beginning of year	<u>3,612,412</u>	<u>3,612,412</u>	<u>3,533,523</u>
Accumulated surplus, end of year	<u>\$ 5,367,691</u>	<u>\$ 4,583,971</u>	<u>\$ 3,612,412</u>

See accompanying notes to the financial statements



1. SUMMARY OF OPERATIONS

The Duncan – North Cowichan Joint Utilities Board is a government partnership that operates and maintains joint sewer lagoons on behalf of the City of Duncan and the District of North Cowichan. The distribution of expenditures related to operations is based on the number of users in each municipality.

2. SIGNIFICANT ACCOUNTING POLICIES

It is the Board's policy to follow Canadian public sector accounting standards and to apply such principles consistently. The following is a summary of the Board's significant policies:

a) Basis of Accounting

The Board follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the delivery of goods or services and/or upon the creation of a legal obligation to pay. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

b) Revenue recognition

- i) Contributions from partners are recognized when invoiced.
- ii) Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit in qualifying institutions as defined in the community charter.

d) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles as recommended by PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. A significant area requiring the use of management estimates relate to the determination of amortization of capital assets. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

f) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	15 to 50 years
Engineering Structures	10 to 60 years
Machinery & Equipment	5 to 40 years

Amortization is charged on a monthly basis, starting the month following the date of acquisition and ending in the month of disposition. Capital works in progress are not amortized until the asset is available for productive use.

3. INVESTMENTS

Investments are carried at cost, which at December 31, 2017, would approximate market value. The balance of investments has been internally restricted by the Board and is to be expended in accordance with the terms of the reserve for capital expenditure.

4. OPERATING LEASE

The Board leased the sewage lagoon lands under an operating lease which expires July 31, 2060. Future minimum lease payments are \$371,295 per annum with an estimated annual increase of 2.2%.

5. FINANCIAL INSTRUMENTS

The Board's financial instruments consist of investments. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest or credit risks arising from these financial instruments.



DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

6. CAPITAL RESERVE FUNDS

The Capital reserve funds are non-statutory reserves, for the purpose of future capital expenditures, established at the discretion of the Board. Balances and changes are outlined as follows:

	2017	2016
Balances, beginning of year	\$ 1,354,759	\$ 1,226,161
Add: transfers from current operations	125,646	128,598
Balance, end of year	\$ 1,480,405	\$ 1,354,759

7. LISTING OF OPERATING EXPENDITURES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2017	2016
Salaries, wages and benefits	\$ 151,551	\$ 131,530
Contract services	35,469	99,942
Amortization	53,055	49,710
Materials and supplies	309,794	307,555
Land rent	324,723	317,733
Total expense	\$ 874,592	\$ 906,470

8. STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared as it is not considered to provide any additional information.

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Balance December 31, 2016	2017 Additions	2017 Disposals	Balance December 31, 2016	2017 Additions	2017 Disposals	2016	2017
Buildings	-	192,388	-	-	401	-	-	191,987
Engineering Structures	2,485,490	-	-	227,837	49,710	-	2,257,653	2,207,943
Machinery & Equipment	-	706,561	-	-	2,944	-	-	703,637
	\$ 2,485,490	\$ 898,969	\$ -	\$ 227,837	\$ 53,055	\$ -	\$ 2,257,653	\$ 3,103,567





The Corporation of the District of North Cowichan

STATISTICAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2017

[UNAUDITED]

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

TAXABLE ASSESSMENTS OF LAND AND IMPROVEMENTS (IN THOUSANDS)

Property Class	2013	2014	2015	2016	2017
Residential	\$ 3,855,900	\$ 3,764,441	\$ 3,722,536	\$ 3,828,667	\$ 4,210,437
Utilities	5,053	5,270	4,683	4,898	4,945
Major Industry	138,177	134,371	134,286	134,226	138,082
Light Industry	57,710	54,388	50,327	49,346	50,965
Business	330,410	336,491	336,459	347,478	381,765
Managed Forest	2,206	2,028	2,201	2,436	2,665
Recreation	12,872	20,423	17,405	16,892	18,044
Farm	8,414	8,215	8,352	8,401	8,605
	\$ 4,410,742	\$ 4,325,627	\$ 4,276,249	\$ 4,392,344	\$ 4,815,508

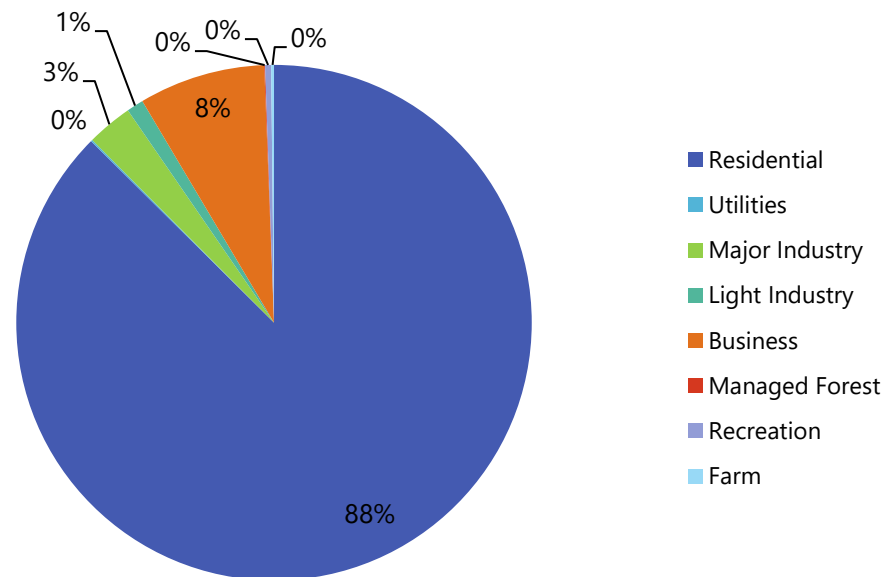
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

TAX REVENUE BY PROPERTY CLASS

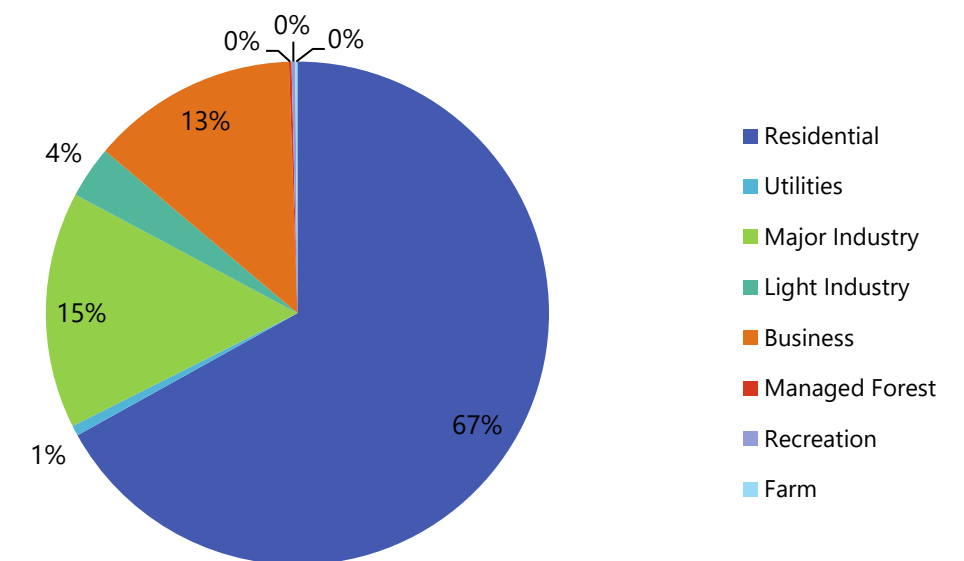
Property Class	2013	2014	2015	2016	2017
Residential	\$ 15,773,792	\$ 16,320,213	\$ 16,990,317	\$ 17,719,680	\$ 18,581,552
Utilities	158,711	157,310	166,089	178,185	184,022
Major Industry	3,743,516	3,841,964	3,982,720	4,099,828	4,221,578
Light Industry	1,037,669	1,050,450	1,063,172	930,383	929,968
Business	2,902,512	3,144,707	3,347,424	3,536,949	3,694,795
Managed Forest	40,770	40,991	43,497	45,476	45,153
Recreation	47,310	71,723	54,998	63,172	66,083
Farm	32,916	35,817	36,604	37,496	37,992
	\$ 23,737,196	\$ 24,663,175	\$ 25,684,821	\$ 26,611,169	\$ 27,761,143

2017 Assessment by Property Class



Source: North Cowichan Financial Services

2017 Tax Revenue by Property Class



Source: North Cowichan Financial Services



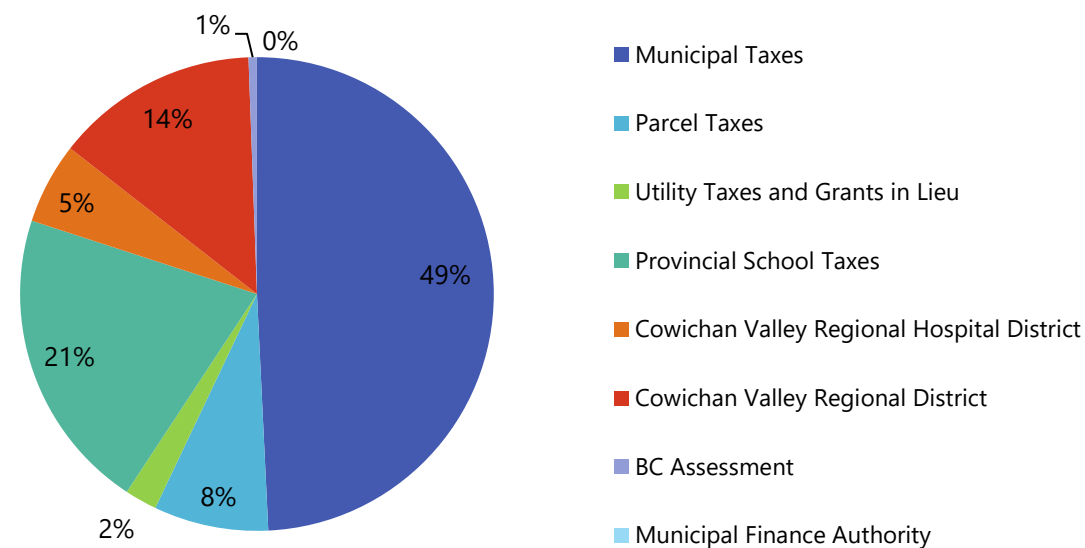
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

PROPERTY TAX LEVIED AND COLLECTED

	2013	2014	2015	2016	2017
Municipal Taxes	\$ 23,737,196	\$ 24,663,175	\$ 25,684,821	\$ 26,611,169	\$ 27,761,143
Parcel Taxes	3,907,627	4,007,250	4,067,800	4,298,945	4,411,862
Utility Taxes and Grants in Lieu	1,147,859	1,207,147	1,191,734	1,237,191	1,240,958
Provincial School Taxes	12,400,567	12,388,510	12,214,842	11,940,758	11,697,782
Cowichan Valley Regional Hospital District	2,388,779	2,664,297	2,823,891	3,128,740	3,122,486
Cowichan Valley Regional District	6,462,047	6,685,258	7,090,899	7,341,902	7,827,059
BC Assessment	385,024	378,365	363,022	346,992	320,973
Municipal Finance Authority	1,077	1,059	1,050	1,078	1,176
	<u>\$ 50,430,176</u>	<u>\$ 51,995,061</u>	<u>\$ 53,438,059</u>	<u>\$ 54,906,775</u>	<u>\$ 56,383,439</u>
Total Current Taxes Levied	\$ 50,430,176	\$ 51,995,061	\$ 53,438,059	\$ 54,906,775	\$ 56,383,439
Total Current Taxes Collected	<u>48,875,118</u>	<u>50,573,959</u>	<u>51,995,426</u>	<u>53,498,333</u>	<u>55,203,987</u>
Outstanding	<u>\$ 1,555,058</u>	<u>\$ 1,421,102</u>	<u>\$ 1,442,633</u>	<u>\$ 1,408,442</u>	<u>\$ 1,179,452</u>
Percentage Collected	<u>96.9%</u>	<u>97.3%</u>	<u>97.3%</u>	<u>97.4%</u>	<u>97.9%</u>

2017 Property Tax by Type



Source: North Cowichan Financial Services

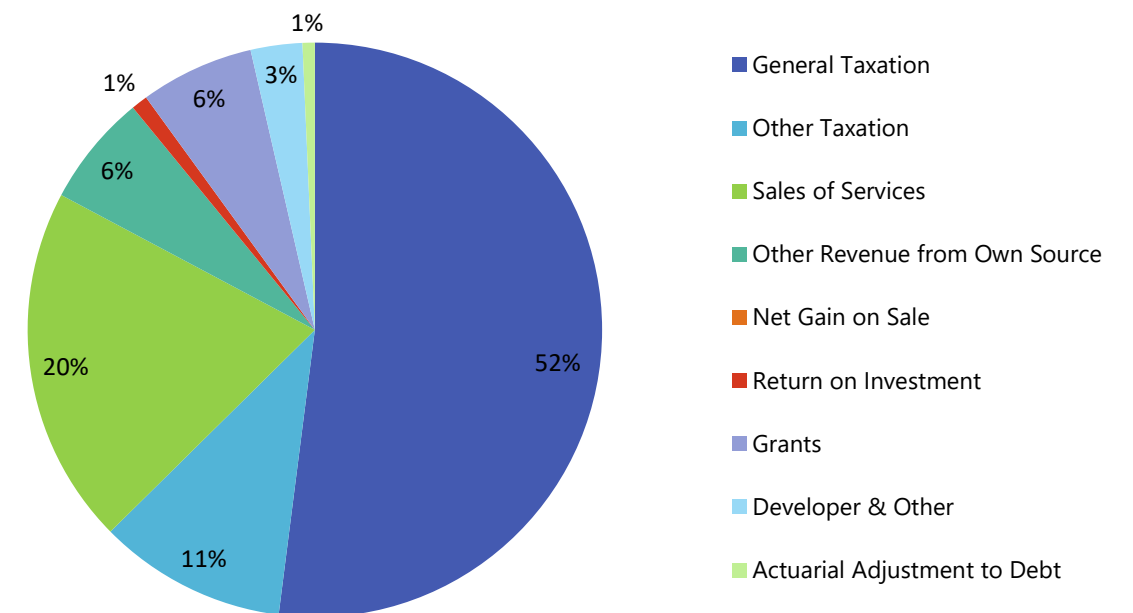
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

SOURCES OF REVENUE

	2013	2014	2015	2016	2017
General Taxation	\$ 23,737,196	\$ 24,663,175	\$ 25,684,821	\$ 26,611,169	\$ 27,761,143
Other Taxation	5,055,486	5,214,397	5,259,534	5,536,136	5,652,820
Sales of Services	10,152,123	9,988,716	9,934,036	10,315,697	10,765,559
Other Revenue from Own Source	1,393,689	1,290,676	1,290,799	2,446,109	3,364,980
Net Gain on Sale	10,889	907,014			
Return on Investment	518,519	485,004	537,184	482,739	490,440
Grants	8,106,819	3,039,959	3,044,440	4,915,296	3,417,282
Developer & Other	1,713,654	1,538,496	1,445,735	1,847,256	1,551,330
Actuarial Adjustment to Debt	779,480	268,697	318,574	367,322	368,446
	<u>\$ 51,467,855</u>	<u>\$ 47,396,134</u>	<u>\$ 47,515,123</u>	<u>\$ 52,521,724</u>	<u>\$ 53,372,000</u>

2017 Sources of Revenue



Source: North Cowichan Financial Services



STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

EXPENSES BY FUNCTION

	2013	2014	2015	2016	2017
General Government	\$ 3,314,040	\$ 3,501,452	\$ 3,524,570	\$ 3,900,171	\$ 4,640,908
Protective Services	8,209,668	8,028,316	8,204,382	9,094,204	9,017,816
Transportation	8,963,242	9,912,682	9,560,297	9,943,610	10,724,931
Garbage and Recycling	1,306,716	1,222,948	1,216,257	1,283,764	1,288,498
Cemetery	139,066	138,673	146,198	135,551	148,941
Forestry	1,459,565	1,345,038	1,293,708	1,154,654	1,116,165
Community Development	1,032,004	1,340,289	1,101,461	928,399	1,031,805
Parks, Recreation & Culture	9,346,503	9,921,212	10,620,440	10,855,716	11,009,482
Water Services	3,477,279	4,080,995	3,991,686	4,057,931	4,395,652
Sewer Services	3,117,937	3,529,976	3,692,865	3,591,150	3,455,356
	\$ 40,366,020	\$ 43,021,581	\$ 43,351,864	\$ 44,945,150	\$ 46,829,554

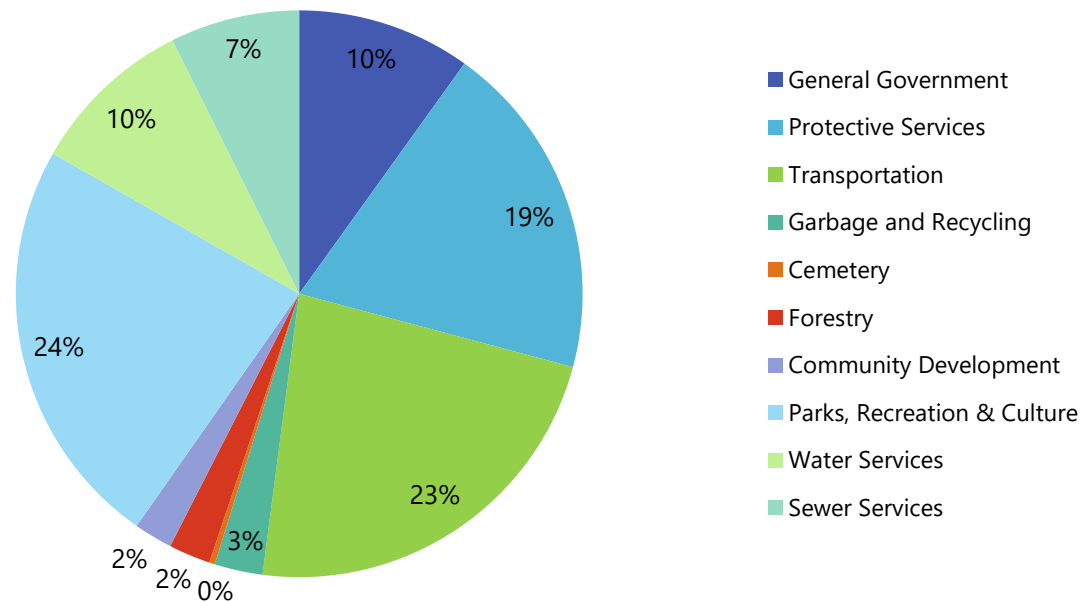
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

EXPENSES BY OBJECT

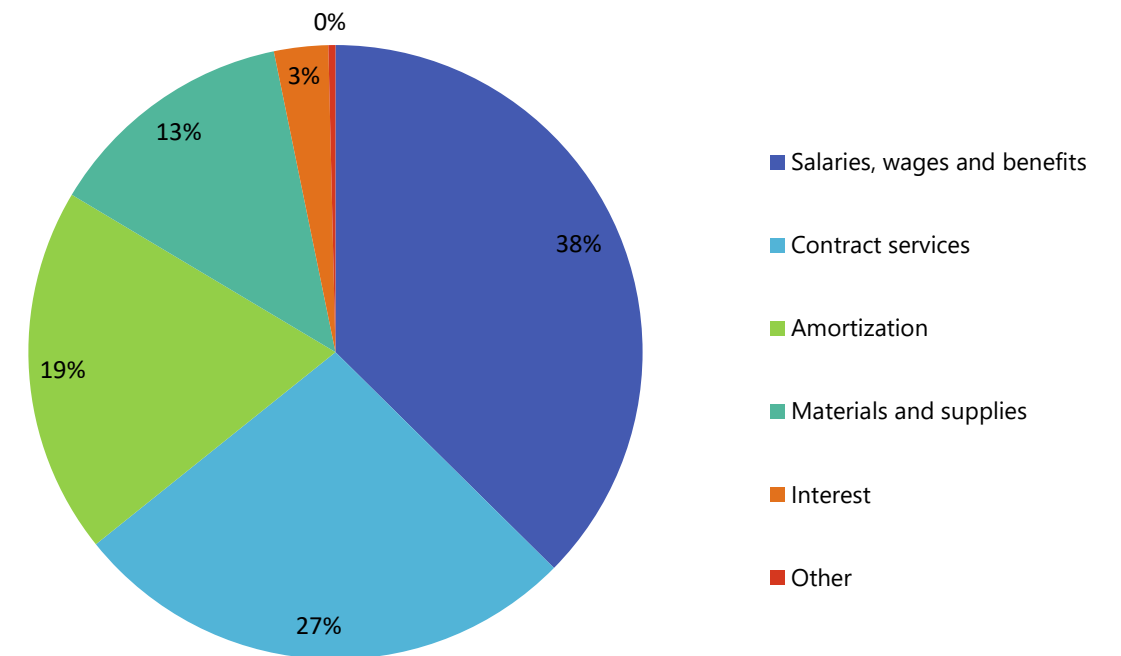
	2013	2014	2015	2016	2017
Salaries, wages and benefits	\$ 14,841,612	\$ 15,765,079	\$ 16,055,345	\$ 16,942,613	\$ 17,515,182
Contract services	11,448,716	12,134,545	12,160,941	11,933,440	12,569,146
Amortization	8,198,485	8,594,212	8,678,052	8,954,565	9,048,503
Materials and supplies	4,506,994	5,150,889	4,837,885	5,579,720	6,188,939
Interest	1,370,213	1,376,856	1,393,717	1,402,564	1,334,321
Other			225,924	132,248	173,463
	\$ 40,366,020	\$ 43,021,581	\$ 43,351,864	\$ 44,945,150	\$ 46,829,554

2017 Expenses



Source: North Cowichan Financial Services

2017 Expenses by Object



Source: North Cowichan Financial Services



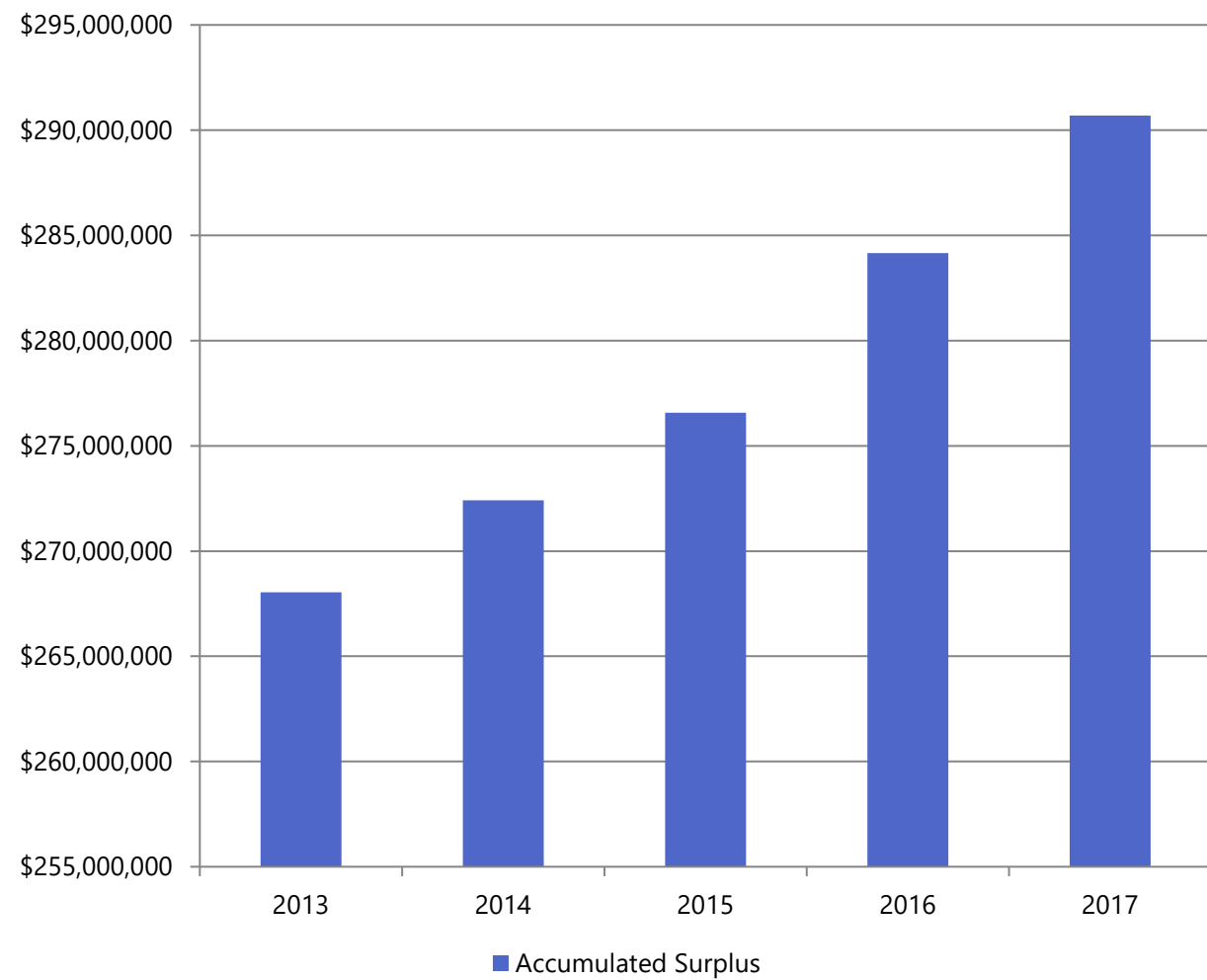
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

ACCUMULATED SURPLUS

	2013	2014	2015	2016	2017
Accumulated Surplus	\$ 268,036,461	\$ 272,411,014	\$ 276,574,273	\$ 284,150,850	\$ 290,693,296
Annual Surplus	\$ 11,101,835	\$ 4,374,553	\$ 4,163,259	\$ 7,576,574	\$ 6,542,446

Accumulated Surplus



Source: North Cowichan Financial Services

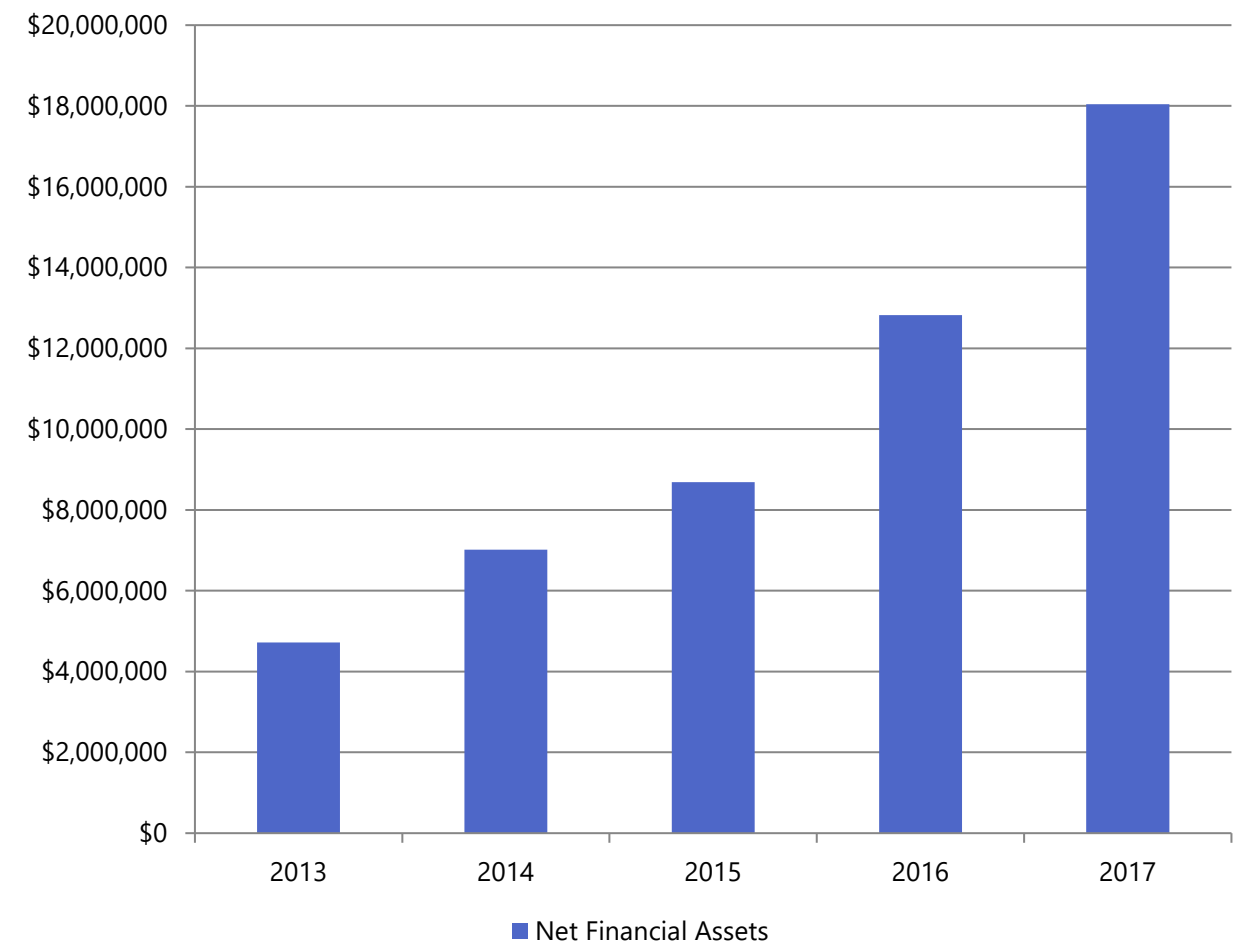
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

NET FINANCIAL ASSETS

	2013	2014	2015	2016	2017
Net Financial Assets	\$ 4,723,509	\$ 7,014,708	\$ 8,687,605	\$ 12,819,256	\$ 18,039,945

Net Financial Assets



Source: North Cowichan Financial Services



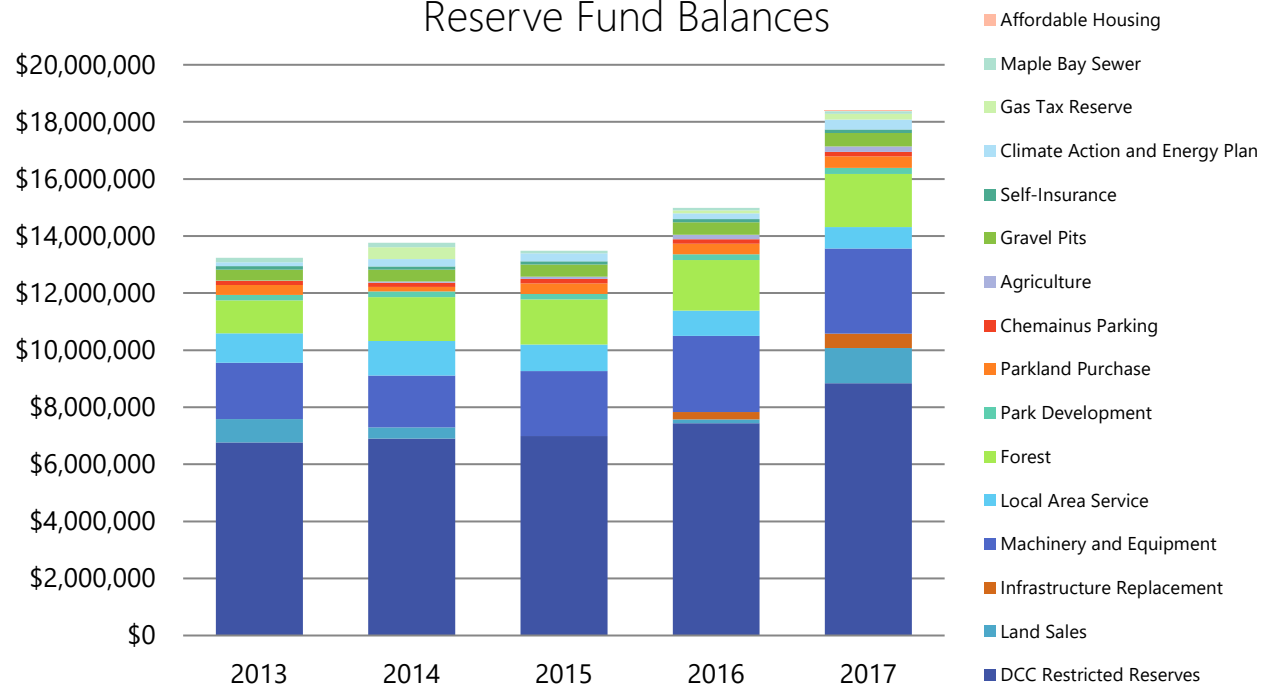
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

RESERVE FUND BALANCES

	2013	2014	2015	2016	2017
DCC Restricted Reserves	\$ 6,765,155	\$ 6,902,151	\$ 6,989,093	\$ 7,440,263	\$ 8,839,639
Land Sales	820,481	385,917	0	138,257	1,232,543
Machinery and Equipment	1,968,575	1,820,232	2,274,357	2,675,089	2,982,186
Local Area Service	1,039,722	1,216,897	938,331	881,380	752,833
Forest	1,148,454	1,537,081	1,571,361	1,773,911	1,864,667
Park Development	190,499	192,995	195,792	197,931	212,218
Parkland Purchase	352,891	155,439	373,298	377,377	405,359
Chemainus Parking	145,695	147,604	149,743	151,379	152,547
Agriculture	10,000	50,225	80,953	161,894	193,142
Self-Insurance	113,306	114,790	116,454	117,726	118,634
Climate Action and Energy Plan	136,969	256,763	279,395	197,966	348,593
Maple Bay Sewer	157,297	159,358	86,475	87,420	88,094
Recreation Facilities	0	748,222	829,802	784,201	863,910
Gas Tax Reserve	0	416,000	0	100,340	201,114
Infrastructure Replacement	0	0	0	250,000	501,928
Gravel Pits	384,897	410,902	428,920	433,606	474,363
Affordable Housing	0	0	0	0	22,081
	\$ 13,233,941	\$ 14,514,576	\$ 14,313,974	\$ 15,768,740	\$ 19,253,851

Reserve Fund Balances



Source: North Cowichan Financial Services

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

DEBENTURE DEBT

	2013	2014	2015	2016	2017
Local Area Service Debt *	\$ 2,519,665	\$ 2,519,665	\$ 4,215,751	\$ 4,461,545	\$ 4,380,790
Tax Supported Debt	19,462,739	18,537,149	17,574,522	18,520,163	17,368,656
Total Debenture Debt	\$ 21,982,404	\$ 21,056,814	\$ 21,790,273	\$ 22,981,708	\$ 21,749,446
Debt per Capita	746	704	725	760	710

* includes water and sewer local area services and Stoney Hill Road local area service

Source: North Cowichan Financial Services

LIABILITY SERVICING

	2013	2014	2015	2016	2017
Liability Servicing Limit	\$ 10,270,490	\$ 10,467,636	\$ 10,764,589	\$ 11,423,301	\$ 12,079,962
Total Liability Servicing Cost	2,856,862	2,719,018	2,670,299	4,087,297	2,583,908
Liability Servicing Capacity Available	\$ 7,413,628	\$ 7,748,618	\$ 8,094,290	\$ 7,336,004	\$ 9,496,054

Source: North Cowichan Financial Services

TAXES COLLECTED FOR OTHER AGENCIES

	2013	2014	2015	2016	2017
School	\$ 12,400,567	\$ 12,388,510	\$ 12,214,842	\$ 11,940,758	\$ 11,697,782
CVRHD	2,388,779	2,664,297	2,823,891	3,128,740	3,122,486
CVRD	6,462,047	6,685,258	7,090,899	7,341,902	7,827,059
BC Assessment	385,024	378,365	363,022	346,992	320,973
MFA	1,077	1,059	1,050	1,078	1,176
	\$ 21,637,494	\$ 22,117,489	\$ 22,493,704	\$ 22,759,470	\$ 22,969,476

Source: North Cowichan Financial Services



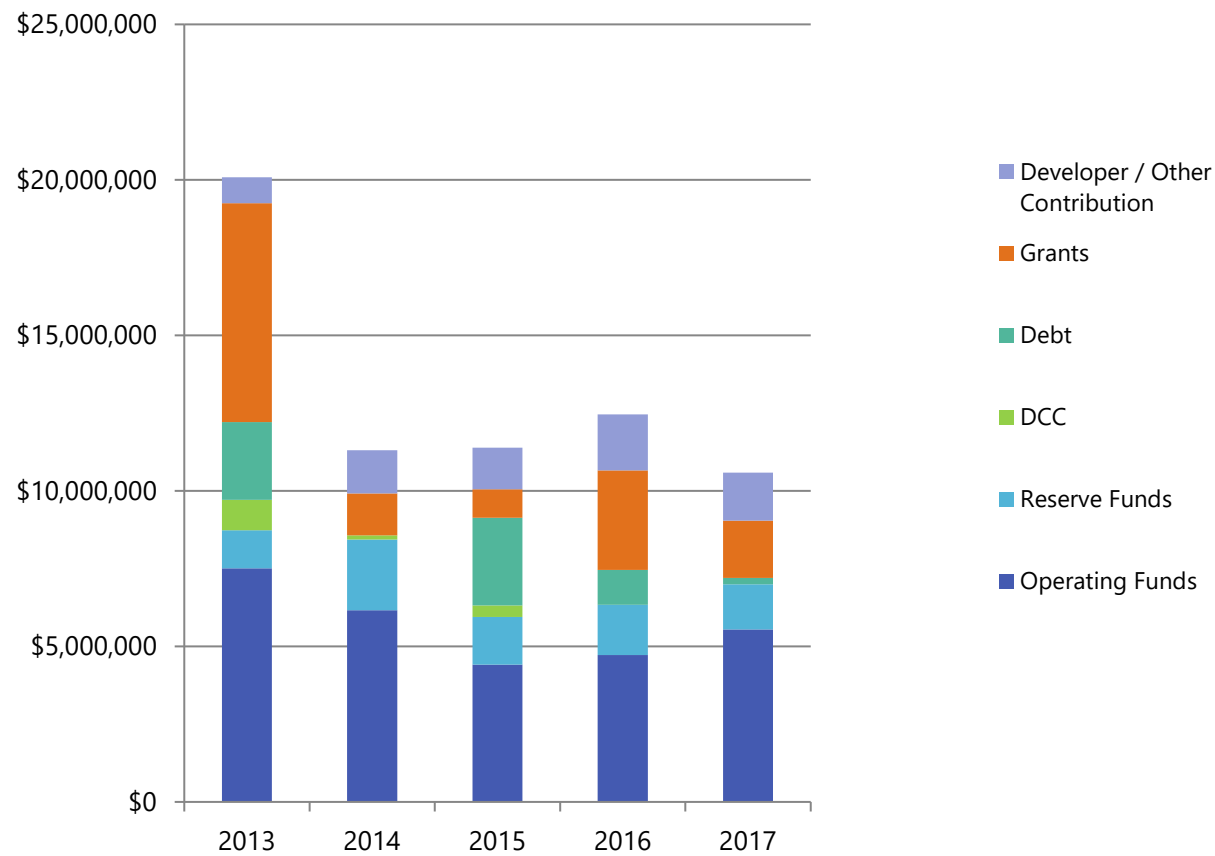
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

CAPITAL EXPENDITURES BY SOURCES OF FINANCING

	2013	2014	2015	2016	2017
Operating Funds	\$ 7,511,079	\$ 6,158,480	\$ 4,413,185	\$ 4,718,359	\$ 5,541,462
Reserve Funds	1,224,538	2,275,092	1,529,485	1,622,366	1,457,148
DCC	977,600	133,200	372,000	-	-
Debt	2,500,000	-	2,824,800	1,121,522	200,000
Grants	7,034,261	1,346,863	913,323	3,199,385	1,840,781
Developer / Other Contribution	835,729	1,395,296	1,337,959	1,797,256	1,549,520
	<u>\$ 20,083,207</u>	<u>\$ 11,308,931</u>	<u>\$ 11,390,752</u>	<u>\$ 12,458,888</u>	<u>\$ 10,588,911</u>

Capital Expenditures by Source of Funding



Source: North Cowichan Financial Services

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2013-2017

NEW CONSTRUCTION

	2013	2014	2015	2016	2017
Building Permits Issued	251	308	249	331	324
Construction Value	\$ 41,849,005	\$ 36,958,060	\$ 32,299,000	\$ 39,992,424	\$ 47,344,829

Source: North Cowichan Financial Services

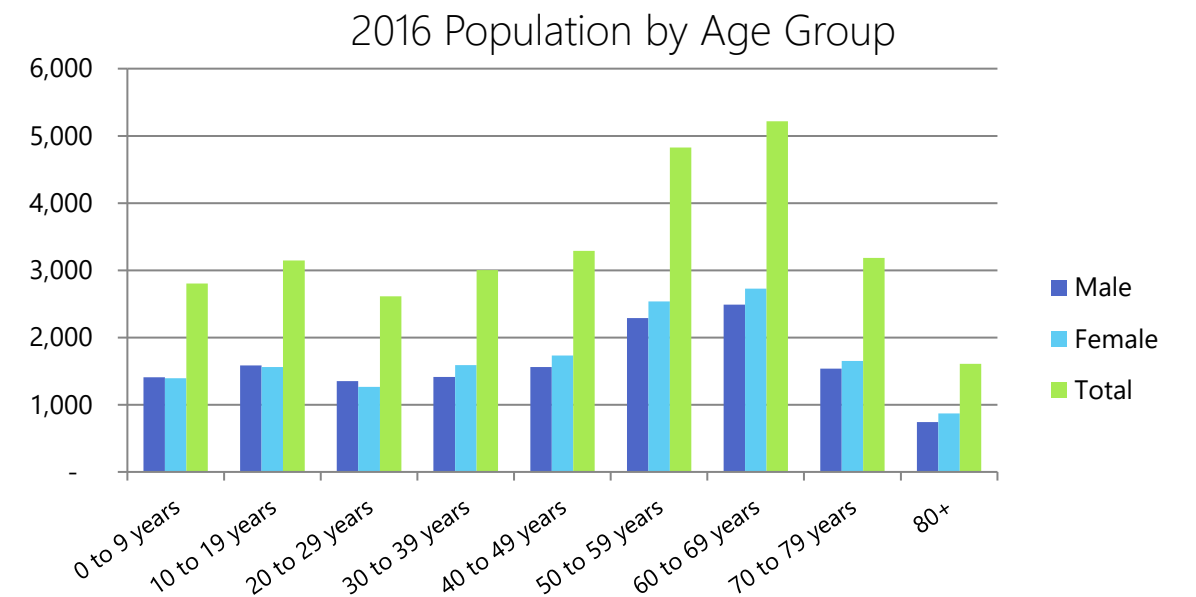
TOTAL POPULATION

	2013	2014	2015	2016	2017
Total population estimates	29,472	29,895	30,064	30,229	30,616
% Change from prior year	0.3%	1.4%	0.6%	0.5%	1.3%

Source: BC Stats

POPULATION BY AGE GROUP

Median age of population 47.1 years



Source: Statistics Canada Census



STATISTICAL INFORMATION

2017 TOP 10 PRINCIPAL CORPORATE TAXPAYERS

Taxpayer	Industry	Tax Contribution
Catalyst Paper Corporation	Industry	\$3,837,658
Calloway Reit (Cowichan) Inc.	Retail	673,391
Western Forest Products Inc.	Industry	528,607
Riocan Holdings Inc.	Retail	522,345
Cowichan Town Centre Market Inc.	Retail	259,119
Chemainus Village Square Ltd	Retail	130,611
Island Timberlands GP Ltd	Industry	107,072
Alpine-Pacific Leasing Ltd	Retail	96,787
Centra Gas BC Inc	Utility	94,642
Baljet Car Co. Ltd.	Retail	91,310
Total Tax Contribution from Top 10 Taxpayers		\$6,341,542
Total Municipal Tax		\$27,761,143
Proportion of municipal tax paid by top ten		22.8%

Source: North Cowichan Financial Services

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The Corporation of the District of North Cowichan

OTHER INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2017

[UNAUDITED]

PERMISSIVE TAX EXEMPTIONS

AMOUNT OF MUNICIPAL PROPERTY TAXES THAT WOULD HAVE BEEN IMPOSED IF NO EXEMPTION IN DOLLARS

Roll #	Property Address	Owner or Occupant	Taxes
24001-000	3790 Gibbins Rd	744 (Cowichan) Squadron Admin Society	\$1,089
00403-000	5905 Indian Rd	Abbeyfield Houses Society of Duncan	3,512
15117-000	Victoria Rd	Anglican Synod Diocese of BC (St. Michael's and All Angels' Anglican Church)	1,395
16124-000	2852/2858 Mill St	Anglican Synod Diocese of BC (St. Michael's and All Angels' Anglican Church)	1,555
00362-000	5795 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican Church)	8,496
00001-000	5800 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican Church)	3,210
01881-000	3441 Gibbins Rd	BC Corporation of Seventh-Day Adventist Church (Duncan)	4,379
05469-001	2892 Drinkwater Rd.	BC Forest Discovery Centre	3,041
05977-000	Drinkwater Rd	BC Forest Discovery Centre	1,256
05105-060	7550 Bell McKinnon Rd	BC S.P.C.A.	4,572
08630-001	Water Licence 106188	Camp Qwanoes	4
08630-002	Water Licence 108939	Camp Qwanoes	4
08633-000	1148 Smith Rd	Camp Qwanoes	11,873
08633-001	1 - 1148 Smith Rd	Camp Qwanoes	167
08076-000	PID 009-625-399	Camp Qwanoes	2,692
08630-000	1148 Barnes Rd	Camp Qwanoes	5,066
08630-050	1148 Barnes Rd	Camp Qwanoes	790
09542-000	1186 Barnes Rd	Camp Qwanoes	1,968
16487-000	3318 River Rd	Canadian Baptists of Western Canada (Calvary Baptist Church)	6,542
01313-000	#2 - 5855 York Rd	Canadian Red Cross	2,945
15642-005	9796 Willow St	Chemainus Chamber of Commerce	810
15642-000	9796 Willow St	Chemainus Festival of Murals Society	1,833
15152-100	9867 Maple St	Chemainus Health Care Auxiliary	7,818
15148-010	9906 Esplanade St	Chemainus Health Care Foundation	3,885
15004-005	Rifle Range	Chemainus Rod & Gun Club	317
15798-101	9758 Chemainus Rd	Chemainus Rotary Club	497
15656-000	9824 Willow St	Chemainus Seniors Drop-In Centre Society	5,648
15103-001	9745 Chemainus Rd	Chemainus Theatre Festival Foundation	1,104
15105-100	9737 Chemainus Rd	Chemainus Theatre Festival Society	26,679
15086-200	9574 Bare Point Rd	Chemainus Theatre Festival Society	18,348
15054-115	9799 Waterwheel Cres	Chemainus Valley Historical Society	412
01038-001	Beverly St	Chesterfield Sports Society	1,256
01038-002	5847 Chesterfield Ave	Chesterfield Sports Society	2,868
06503-000	6118 Lane Rd	Christian Science Society, Duncan	73
00477-000	1815 Tzouhalem Rd	Church of Jesus Christ of Latter-day Saints	7,487
01095-000	5848 Clements St	Clements Centre Society	1,105
01587-000	5856 Clements St	Clements Centre Society	13,155
05359-005	6124 Ryall Rd	Clements Centre Society	1,650
05359-006	6124 Ryall Rd	Clements Centre Society	4,691
01791-020	5855 Clements St	Cowichan Agricultural Society & Farmers Institute	2,743
05099-000	7380 Trans Canada Hwy	Cowichan Exhibition	42,001
00206-100	Beverly St	Cowichan Green Community	1,174
08548-000	1860 Herd Rd	Cowichan Rugby Club	3,699
01587-000	5856 Clements St	Cowichan Valley Association for Community Living	13,155
01082-000	5810 Garden St	Cowichan Valley Basket Society	1,250
02310-000	3036 Sherman Rd	Cowichan Valley Church of the Nazarene	1,833
02197-001	3045 Gibbins Rd	Cowichan Valley Division of Family Practice	549
01920-000	5860 Banks Rd	Cowichan Valley Hospice Society	1,073
15040-002	2876 Fuller Lake Rd	Cowichan Valley Minor Hockey Club	166
15642-001	9796 Willow St	Cowichan Valley Neighborhood House Association	3,720
05999-000	3253 Sherman Rd	Cowichan Valley Soccer Assn.	3,247
05567-000	6137 Somenos Rd	Cowichan Valley Soccer Assn.	1,231
05033-000	Mt. Prevost	Cowichan War Memorial Trustees	97
08338-000	8104 Musgrave St	Crofton Community Centre Society	3,982
08333-020	Morgan St	Crofton Community Centre Society	2,044
12395-000	1675 Robert St	Crofton Community Centre Society	1,192
08333-100	8003 York Ave	Crofton Community Centre Society	3,398

PERMISSIVE TAX EXEMPTIONS CONTINUED

AMOUNT OF MUNICIPAL PROPERTY TAXES THAT WOULD HAVE BEEN IMPOSED IF NO EXEMPTION IN DOLLARS

Roll #	Property Address	Owner or Occupant	Taxes
12316-010	1507 Joan Ave	Crofton Old School Museum	\$1,918
12316-011	1507 Joan Ave	Crofton Seniors Society	4,210
13951-003		Ducks Unlimited	1,319
17849-001		Ducks Unlimited	1,368
17849-002		Ducks Unlimited	103
00947-000	2246 and 2244 Moose Rd	Duncan Community Lodge Society (Loyal Order of the Moose)	4,728
06000-000	3191 Sherman Rd	Duncan Curling Club	6,675
05469-005	2986 Drinkwater Rd	Duncan-Cowichan Chamber of Commerce	2,443
06474-000	2359 Calais Rd	Franciscan Poor Clare Nuns (St. Clare's Monastery)	4,412
06355-000	Wicks Rd	Franciscan Poor Clare Nuns (St. Clare's Monastery)	4,204
06038-000	2382 Calais Rd	Franciscans of Western Canada	3,190
02246-005	2731 Boys Rd	Freshwater Fisheries Society of B.C.	611
08314-000	6722 Beaumont Ave	Friends of Cowichan Cadets Society	1,142
16273-000	9877 Esplanade St	Harbour View Housing Society	9,562
15791-000	2828 Pine St	Harbour View Housing Society	5,476
00172-001	Rail Corridor	Island Corridor Foundation	746
00180-001	Rail Corridor	Island Corridor Foundation	428
00180-002	Rail Corridor	Island Corridor Foundation	759
00184-001	Rail Corridor	Island Corridor Foundation	569
00184-002	Rail Corridor	Island Corridor Foundation	485
00186-001	Rail Corridor	Island Corridor Foundation	164
00899-001	Rail Corridor	Island Corridor Foundation	530
00900-001	Rail Corridor	Island Corridor Foundation	369
01180-025	Rail Corridor	Island Corridor Foundation	297
01180-050	Rail Corridor	Island Corridor Foundation	378
01232-003	Rail Corridor	Island Corridor Foundation	503
01232-004	Rail Corridor	Island Corridor Foundation	436
01232-005	Rail Corridor	Island Corridor Foundation	79
01232-006	Rail Corridor	Island Corridor Foundation	115
01232-007	Rail Corridor	Island Corridor Foundation	1,261
01232-008	Rail Corridor	Island Corridor Foundation	63
01232-009	Rail Corridor	Island Corridor Foundation	4
01232-010	Rail Corridor	Island Corridor Foundation	1,198
01232-011	Rail Corridor	Island Corridor Foundation	1,641
02222-001	Rail Corridor	Island Corridor Foundation	622
03995-000	Rail Corridor	Island Corridor Foundation	12,056
03995-001	Rail Corridor	Island Corridor Foundation	328
03995-002	Rail Corridor	Island Corridor Foundation	2,649
03995-003	Rail Corridor	Island Corridor Foundation	3,412
03995-004	Rail Corridor	Island Corridor Foundation	1,645
03995-007	Rail Corridor	Island Corridor Foundation	3,219
03995-008	Rail Corridor	Island Corridor Foundation	3,308
03995-009	Rail Corridor	Island Corridor Foundation	2,460
03995-010	Rail Corridor	Island Corridor Foundation	1,634
03995-011	Rail Corridor	Island Corridor Foundation	2,478
03995-012	Rail Corridor	Island Corridor Foundation	3,029
03995-013	Rail Corridor	Island Corridor Foundation	3,758
03995-014	Rail Corridor	Island Corridor Foundation	580
03995-015	Rail Corridor	Island Corridor Foundation	2,728
03995-016	Rail Corridor	Island Corridor Foundation	2,668
03995-017	Rail Corridor	Island Corridor Foundation	2,047
03995-018	Rail Corridor	Island Corridor Foundation	1,433
03995-019	Rail Corridor	Island Corridor Foundation	3,639
03995-020	Rail Corridor	Island Corridor Foundation	7
03995-021	Rail Corridor	Island Corridor Foundation	1,224
03995-022	Rail Corridor	Island Corridor Foundation	584
03996-000	Rail Corridor	Island Corridor Foundation	10,456



PERMISSIVE TAX EXEMPTIONS CONTINUED

AMOUNT OF MUNICIPAL PROPERTY TAXES THAT WOULD HAVE BEEN IMPOSED IF NO EXEMPTION IN DOLLARS

Roll #	Property Address	Owner or Occupant	Taxes
18008-001	Rail Corridor	Island Corridor Foundation	\$20
18008-002	Rail Corridor	Island Corridor Foundation	18
01640-005	5990 Indian Rd	Maple Bay Rowing Club	1,796
08328-000	6735 Beaumont Ave	Maple Bay Rowing Club	2,046
09119-000	6337 Genoa Bay Rd	Maple Bay Yacht Club	1,850
08595-001	1241 Maple Bay Rd	Nature Conservancy of Canada	1,624
08597-000	Aitken Rd	Nature Conservancy of Canada	2,992
00022-200	1501 Khenipson Rd	Nature Conservancy of Canada	4,289
08595-000	Maple Bay Rd	Nature Conservancy of Canada	6,151
03931-010	Cowichan Bay	Nature Trust of B.C.	59
05084-000	Trans Canada Hwy	Nature Trust of B.C.	1,812
00197-100	Trans Canada Hwy	Nature Trust of B.C.	2,212
00197-101	Trans Canada Hwy	Nature Trust of B.C.	4,631
00200-000	6045 Trans Canada Hwy	Nature Trust of B.C. & Ducks Unlimited	1,213
00476-000	1839 Tzouhalem Rd	New Life Community Baptist Church	10,793
12266-200	Tsussie Rd	Penelukut Development Society	364
24018-000	3039 Sprott Rd	Parkside Academy Society	-
15592-000	9471 Chemainus Rd	Pentecostal Assemblies (Chemainus Tabernacle)	630
15736-000	9775 Chemainus Rd	Royal Canadian Legion (Chemainus Legion)	3,226
05373-000	3248 Cowichan Valley Hwy	Somenos Community Association	1,349
00433-000	2004 and 2030 Crescent Rd	St. Peter's Crescent Society	4,747
15148-005	9910 Esplanade St	Steeple Housing Society	11,407
01572-001	2704 James St	Trinity Evangelical Lutheran Church	2,795
15646-000	9814 Willow St	Trustees of the Chemainus/Crofton Pastoral Charge	1,070
00016-000	1843 Tzouhalem Rd	Vancouver Island Providence Community Assoc	6,124
00016-002	Donnay Dr	Vancouver Island Providence Community Assoc	3,129
00830-000	3210 Sherman Rd	Vancouver Island Sikh Cultural Soc	9,282
02227-000	3968 Gibbins Rd	Vimy Community Club	1,479
24017-000	2558 Mt Sicker Rd	Westholme School Society	2,161
Total			<u>\$467,368</u>

REVITALIZATION TAX EXEMPTIONS

AMOUNT OF MUNICIPAL PROPERTY TAXES THAT WOULD HAVE BEEN IMPOSED IF NO EXEMPTION IN DOLLARS

Roll #	Property Address	Extent of Exemption	Term	Taxes
01081-011	101-2728 James Street	Class 1 or 6 improvements	2015 - 2019	\$3,754
01081-012	102-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	1,712
01081-013	103-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	1,528
01081-014	201-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	3,378
01081-015	202-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	880
01081-016	203-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	905
01081-017	204-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	523
01081-018	205-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	516
01081-019	206-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	894
01081-020	207-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	803
01081-021	302-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	893
01081-022	303-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	914
01081-023	304-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	532
01081-024	305-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	524
01081-025	306-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	906
01081-026	307-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	815
01081-027	401-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	995
01081-028	402-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	1,004
01081-029	403-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	931
01081-030	404-5822 Garden Street	Class 1 or 6 improvements	2015 - 2019	1,016
05319-575	6157 Scott Road	Class 5 or 6 improvements	2015 - 2024	5,929
05319-610	6200 Scott Road	Class 5 or 6 improvements	2016 - 2025	4,863
12117-101	101-1533 Joan Ave	Class 6 improvements	2017 - 2021	4,107
12117-102	201-1533 Joan Ave	Class 1 improvements	2017 - 2021	684
12117-103	202-1533 Joan Ave	Class 1 improvements	2017 - 2021	719
12117-104	203-1533 Joan Ave	Class 1 improvements	2017 - 2021	653
12117-105	204-1533 Joan Ave	Class 1 improvements	2017 - 2021	728
12117-106	205-1533 Joan Ave	Class 1 improvements	2017 - 2021	649
12117-107	301-1533 Joan Ave	Class 1 improvements	2017 - 2021	746
12117-108	302-1533 Joan Ave	Class 1 improvements	2017 - 2021	719
12117-109	303-1533 Joan Ave	Class 1 improvements	2017 - 2021	680
12117-110	304-1533 Joan Ave	Class 1 improvements	2017 - 2021	728
12117-111	305-1533 Joan Ave	Class 1 improvements	2017 - 2021	649
12117-112	401-1533 Joan Ave	Class 1 improvements	2017 - 2021	746
12117-113	402-1533 Joan Ave	Class 1 improvements	2017 - 2021	719
12117-114	403-1533 Joan Ave	Class 1 improvements	2017 - 2021	680
12117-115	404-1533 Joan Ave	Class 1 improvements	2017 - 2021	728
12117-116	405-1533 Joan Ave	Class 1 improvements	2017 - 2021	649
Total				<u>\$29,351</u>



CHEMAINUS OFF-STREET PARKING

Report prepared as required under section 906 (9) of the Local Government Act

January 1, 2017	\$	151,379
Interest		1,168
Current Year Contributions		
Current Year Expenditures		0
December 31, 2017	\$	<u>152,547</u>

DEVELOPMENT COST CHARGES

Report prepared as required under section 937.01 of the Local Government Act

	Jan. 1, 2017	Interest	Current Year Contributions	Current Year Expenditures	Dec. 31, 2017
ROADS	417,789	4,584	480,455	-	902,828
PARKS	134,651	1,621	209,918	-	346,190
CHEMAINUS					
WATER	164,185	1,769	204,415	-	370,370
SEWER	113,733	1,089	86,106	-	200,929
	<u>277,918</u>	<u>2,859</u>	<u>290,521</u>	<u>-</u>	<u>571,298</u>
CROFTON					
WATER	110,551	858	1,312	-	112,722
SEWER	52,893	415	1,626	-	54,934
	<u>163,444</u>	<u>1,274</u>	<u>2,938</u>	<u>-</u>	<u>167,656</u>
SOUTH END					
DRAINAGE	172,612	1,445	39,481	-	213,539
WATER	1,411,512	11,302	101,213	-	1,524,027
SEWER	4,862,336	38,124	213,641	-	5,114,101
	<u>6,446,460</u>	<u>50,872</u>	<u>354,335</u>	<u>-</u>	<u>6,851,667</u>
TOTAL	<u>7,440,263</u>	<u>61,209</u>	<u>1,338,167</u>	<u>-</u>	<u>8,839,639</u>



NIL REPORT

DECLARATION OF DISQUALIFICATION FROM OFFICE

No application has been made for any Council or former Council member to be disqualified from office under section 111 of the *Community Charter*.



Mark O. Ruttan
Director of Administration
May 18, 2018

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