

MUNICIPALITY OF
NORTH
Cowichan



Annual Report
2018

For the Year Ended December 31, 2018
North Cowichan, British Columbia, Canada

The Corporation of the District of North Cowichan

2018 ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

North Cowichan, British Columbia

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The Annual Report is produced by the Financial Services Department and the Communications and Public Engagement Department in cooperation with all other departments.

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MESSAGE FROM THE MAYOR

AL SIEBRING



I am pleased to present the 2018 Annual Report.

Annual Reports are important: they outline key projects and initiatives delivered by your local government and they demonstrate financial accountability to citizens and taxpayers.

The first part of this report highlights the Municipality's 2018 work around the communities of Crofton, Chemainus, Maple Bay, and South End (the area around and adjacent to the City of Duncan). I am particularly proud of Council and the community's work to complete the award-winning Bell McKinnon Local Area Plan, which will guide development of the neighbourhood where the new hospital will be built. I am also pleased that our community hosted three major sporting events in North Cowichan, that our staff completed significant trail and signage improvements in the Municipal Forest Reserve, that our amazing fire fighters succeeded in the major effort during the Maple Mountain wildfire, and that our staff finished a number of important road and infrastructure projects such as Queen Street traffic calming, Maple Bay Road gore lines, and the Elliot Street pump station

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 2018 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, 2018. This section includes an auditor's report, the 2018 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.

Al Siebring
Mayor
T: 250.746.3117
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 2018 Annual Report. Many large and important initiatives occurred in 2018, and I want to highlight a few of them here:

- The early part of 2018 included significant public engagement leading up to a referendum on potential amalgamation of the City of Duncan and North Cowichan. While the referendum passed in North Cowichan, it failed in the City of Duncan, confirming that the two communities will remain separate entities and providing important clarity to the community and our organization.
- The municipal election saw a change in over half of North Cowichan's Council. The fall of 2018 was an important period of setting priorities and identifying the strategic priorities of the new Council, consolidated in the 2019-2022 Council Strategic Plan, which focuses on environmental initiatives moving forward.
- The Bell McKinnon Local Area Plan was adopted to guide development of this important neighbourhood over the next 20-30 years in conjunction with construction of a new regional hospital. I am proud that this Plan won a gold award from the Planning Institute of BC!
- North Cowichan supported adoption of the Regional Cowichan 2050 initiative, and continued to partner with other organizations in the Cowichan Valley Regional District to work together on shared objectives for our communities.
- I initiated a restructuring of our organization to focus on service delivery and strategic alignment with Council's priorities, and we conducted our first ever employee engagement survey, a critical tool to better understand employee morale, job satisfaction and engagement.

There is significant change on the horizon in North Cowichan. A number of major projects are in the planning stages, such as a new high school, new hospital, new RCMP detachment, new Crofton ferry terminal, expansion of the Cowichan Aquatic Centre, relocation of the Joint Utility Board sewage outfall, and other large private sector developments. In addition, our region is quickly becoming a recreation, food, and beverage destination. These factors are an important backdrop and key drivers for the rewrite of our Official Community Plan, kicking off in 2019.

In the background, the day-to-day municipal operations continue: social and sustainability programs; managing parks and recreation facilities; delivering fire and police protection, maintaining road, water, and sewer systems, to name a few.

Once again our amazing staff at North Cowichan worked incredibly hard in 2018 to deliver on Council priorities. I'd like to express sincere gratitude to them.

Ted Swabey
Chief Administrative Officer
T: 250.746.3117
E: ted.swabey@northcowichan.ca



2018 OFFICIALS

MAYOR

Al Siebring

COUNCILLORS

Rob Douglas
 Christopher Justice
 Tek Manhas
 Kate Marsh
 Rosalie Sawrie
 Debra Toporowski

AUDITORS

Grant Thorton

BANKERS

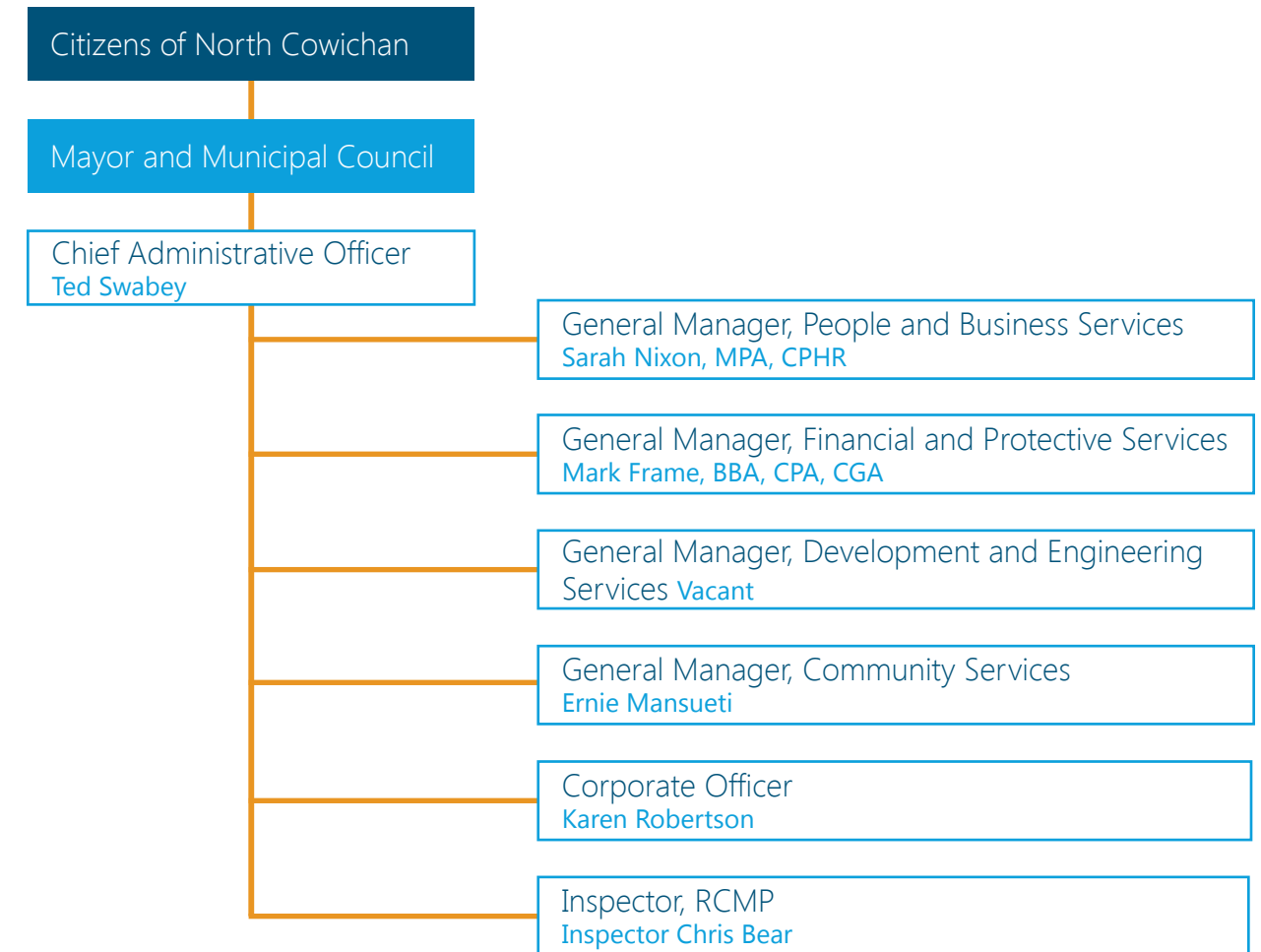
Royal Bank of Canada

SOLICITORS

Young Anderson
 Taylor Granitto

ORGANIZATIONAL STRUCTURE

AS OF DECEMBER 31, 2018



ELECTED OFFICIALS

2018-2022 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 2018 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.



AL SIEBRING

MAYOR



ROB DOUGLAS

COUNCILLOR



CHRISTOPHER JUSTICE

COUNCILLOR



TEK MANHAS

COUNCILLOR



KATE MARSH

COUNCILLOR



ROSALIE SAWRIE

COUNCILLOR



DEBRA TOPOROWSKI

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
- 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
T. Walker	2008-2011
J. Lefebure	2011-2018

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	2016	2017	2018
1 Crime rates ⁱ	8.6%	7.8%	7.3%
2 Vehicle accidents ⁱⁱ	308	304	289
3 Boil water advisories ⁱⁱⁱ	4	2	0
4 Fire calls ^{iv}	721	970	1,158
5 Trails built ^v	2.9 km	0.73km	33.77 km
6 Parks added	0 ha	0.44 ha	0.44 ha

Objective 2 – Foster Economic Well-being

Flourishing and Diverse Local Economy

PERFORMANCE MEASURE	2016	2017	2018
1 Housing starts ^{vi}	141	139	378
2 New commercial building permits ^{vii}	2	19	4
3 New business starts ^{viii}	186	136	125
4 Unemployment rate ^{ix}	4.35%	4.8%	4.6%
5 Assessment base ^x	\$4.39 billion	\$4.82 billion	\$5.4 billion
6 General residential tax rate ^{xi}	4.63	4.41	4.03
7 Average general municipal home taxes	\$1,481	\$1,538	\$1,575

Objective 3 – Foster Environmental Well-being

Environmental Protection and Quality Green Spaces

PERFORMANCE MEASURE	2016	2017	2018
1 Net carbon emissions ^{xii}	0	421	848
2 Trees planted in forest reserve	44,172	48,888	34,310



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 4.0% for Victoria and 5.1% for Nanaimo, with the average being 4.6%. 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.



BLOWN DOWN TREES ON MAPLE MOUNTAIN

WINDSTORM RESPONSE AND RECOVERY

The windstorm that began on December 20 and continued for a few days thereafter was the most significant storm experienced by the Region in the last two decades. Many residents were without power for up to 4 days, and North Cowichan opened two warming centres for people to shower, warm up, and make food. Storm impacts included damaged residences and yards; many blocked roads and downed hydro lines; fallen trees and branches in our parks, trails, and forestry reserves, requiring many safety assessments and significant clean-up. Debris clean-up on roads, parks, trails, and the Municipal Forest Reserve carried well into early 2019.

AWARD-WINNING BELL MCKINNON LOCAL AREA PLAN

The Bell McKinnon neighbourhood is slated to become home to the new Cowichan District Hospital. Throughout 2018, North Cowichan worked with neighbourhood residents to create a plan to guide future development of the area. The new plan will guide North Cowichan and the community in creating a compact, sustainable neighbourhood that provides housing, services, and amenities over the next 20+ years. The plan was awarded a gold medal from the Planning Institute of BC for Excellence in Policy Planning.

NEW ELECTRIC ICE RESURFACER

In 2018, we used the Climate Action and Energy Plan Fund to replace the 12-year old propane Zamboni machine with a new electric ice resurfacer that will save 8.39 tonnes of carbon dioxide equivalent in emissions/year! Ice resurfacers are a critical piece of equipment for arenas, smoothing out the ice surface to make it safer and more stable for users. Each year, the ice resurfacer at Fuller Lake Arena operates for approximately 700 hours, delivering about 2,800 ice cleans. An added benefit of switching to an electric powered machine is that no exhaust emissions will be released into the building when flooding the ice!



BELL MCKINNON LOCAL AREA PLAN WINS GOLD



OLYMPIA ICE BEAR AT FULLER LAKE ARENA

2018 ACCOMPLISHMENTS

REPORT ON MUNICIPAL SERVICES AND OPERATIONS



MAJOR SPORTING EVENTS AND PARTNERSHIPS

In 2018, North Cowichan hosted three major sporting events: Hometown Hockey, the BC Bike Race, and the BC Summer Games. These three events offered fun activities for locals and tourists alike, and proved that our community has the volunteer base and amenities to host world-class events.

HOMETOWN HOCKEY - JANUARY 2018

TRAIL MAPPING AND SIGNAGE IMPROVEMENTS

North Cowichan's Parks and Trails Master Plan lays out an ambitious goal of mapping and signing designated trails throughout the Municipal Forest Reserve. In 2018, North Cowichan focused on improvements to Maple Mountain, one of our highest-use areas. We installed a new kiosk at the main entrance to Maple Mountain and completed signpost installation on the Maple Mountain designated trail network.

North Cowichan also published a new, waterproof map illustrating all designated trails on Maple and Tzouhalem Mountains. This map has been requested by visitors and residents alike for many years and is a big hit already!



MAPLE MOUNTAIN TRAIL KIOSK

SEWER PUMP STATION REPLACEMENT

Elliot Street Sewage Pump Station was originally constructed in 1966. Upgrades in 1984 helped capacity but not corrosion (from sewer gases) and were a stop gap measure at the time. This Pump Station was the last to be upgraded in Chemainus, which completes a renewal that forms the backbone of the collection system. The Pump Station is designed and built to sustain disasters and it exceeds current capacity needs, allowing for growth and development in Chemainus.



CONSTRUCTION OF ELLIOT STREET PUMP STATION





AN AREA OF MAPLE MOUNTAIN AFTER THE FOREST FIRE

FIREFIGHTING YEAR IN REVIEW & MAPLE MOUNTAIN FOREST FIRE

It was a busy year for North Cowichan's paid, on-call firefighters, with the four fire departments responding to 1,158 calls in 2018.

North Cowichan, along with several neighbouring fire departments and the BC Wildfire Service, spent over a week responding to a major wildfire on Maple Mountain. Fortunately, no one was injured and no residences were harmed during this large blaze.

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

QUEEN STREET TRAFFIC CALMING

This project added speed tables and improved sidewalks and crosswalks in the vicinity of the Queen Street playground in Crofton.



QUEEN STREET, CROFTON



MAPLE BAY ROAD

GORE LINES ON MAPLE BAY ROAD

North Cowichan added new double white lines along the shoulder of Maple Bay Road to widen the separation between the shoulder and travel lanes, giving pedestrians and cyclists more buffer from vehicles.

SOLAR PEDESTRIAN LIGHTS AND RAINBOW CROSSWALK

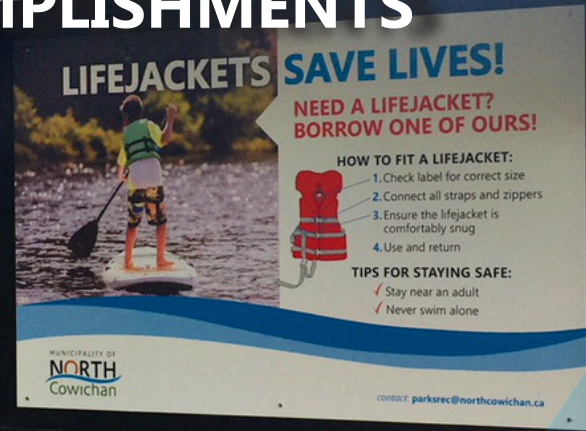
New flashing pedestrian lights were installed at Sherman Road (between the Duncan Curling Club the Sikh Temple), York Road (outside Crofton Elementary School), and James Street (between Duncan High School and the Island Savings Centre). Along with the solar lights on James Street, a rainbow sidewalk was included in the project, a social action initiative brought forward by Cowichan Secondary students aiming to bring about positive change in the community.



JAMES STREET PEDESTRIAN LIGHTS AND RAINBOW CROSSWALK

2018 ACCOMPLISHMENTS

REPORT ON MUNICIPAL SERVICES AND OPERATIONS



LIFEJACKET LOANER STATION

North Cowichan introduced a new lifejacket loaner station at Fuller Lake Park in Chemainus. Loaner lifejackets are available to all park users, aiming to increase water safety and awareness at the beach during the busy summer season. The Canadian Red Cross reports that young children ages 1 to 4 (and men ages 15 to 44) are at the greatest risk of drowning, and one of the best preventative measures, along with active supervision, is wearing a lifejacket.

LIFEJACKET LOANER STATION AT FULLER LAKE PARK

CHEMAINUS WAYFINDING SIGNAGE

The Chemainus Wayfinding Strategy aims to promote tourism development, improve traffic flow in busy summer months and to encourage and support a safe walking experience. The strategy identifies design and desired colour schemes for four vehicle sign types (entry signs, welcome signs, directional signs, and arrival signs) and two pedestrian sign types (primary signs and trailblazer signs). The purpose of the vehicle signs are to direct motorists to key parking areas, and the purpose of the pedestrian signs are to direct pedestrians from the key parking areas to the main destinations in Chemainus.



NEW SIGNAGE IN CHEMAINUS

2018 HIGHLIGHTS FROM HUMAN RESOURCES

North Cowichan's Human Resources team has been extremely busy! In 2018, the team:

- Created a new service model branded to promote service efficiency and enable performance measurement.
- Supported 1,572 human resources/health and safety transactions
- Reviewed 914 job applications, conducted 136 job interviews and filled 84 positions with skilled talent.
- Implemented an online Applicant Tracking and Testing System to streamline and automate elements of recruitment administration
- Updated the Paid on Call Firefighter recruitment process to require medical fitness testing and person-job testing.
- Undertook a management compensation review to ensure management compensation is consistent with mid-market for a mid-sized Municipality.
- Facilitated North Cowichan's first ever employee engagement survey
- Drafted a Council Standard of Conduct Policy
- Built an employee learning library and an online learning platform to allow for cost-effective employee development and orientation training.
- Established a corporate Health and Safety function
- Conducted a comprehensive, risk-based health and safety program audit, generating a multi-year work plan to promote continued legal compliance, best practices and long-term premium reductions.
- Coordinated over 270 health and safety and injury-prevention courses completed in the classroom or online.



2018 ACCOMPLISHMENTS

CHOOSE **OUR** FUTURE



#votecowichan

MUNICIPAL ELECTION - OCTOBER 20, 2018

REPORT ON MUNICIPAL SERVICES AND OPERATIONS

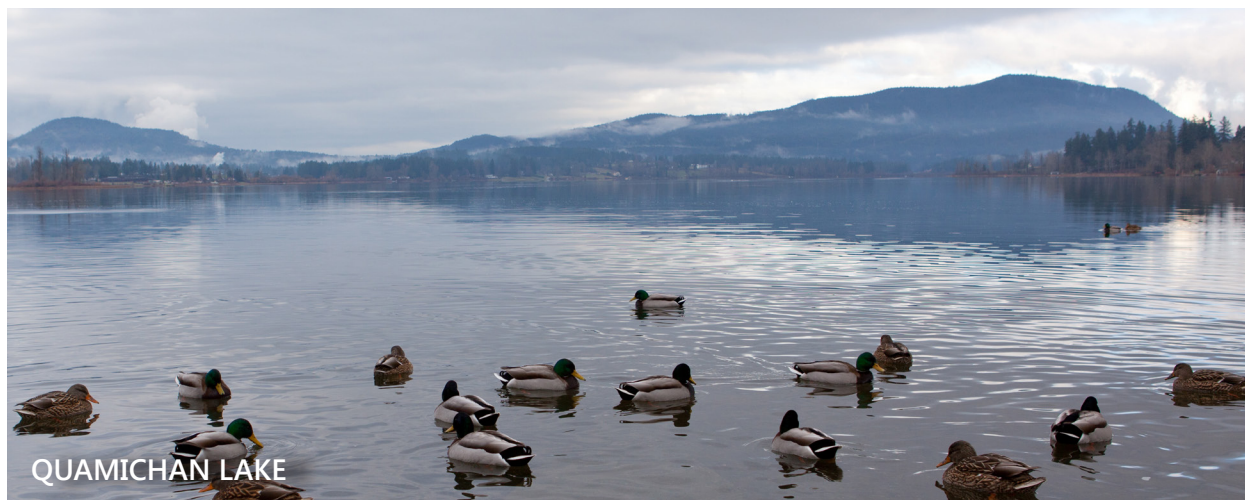
NORTH COWICHAN VOTES

On June 23, 2018, citizens of the Municipality of North Cowichan and the City of Duncan voted in a referendum to decide whether the Municipality and City should amalgamate into a single municipality. The majority of electors in North Cowichan were in favour of amalgamation while the majority of electors in Duncan were opposed to amalgamation, resulting in the referendum not passing and Duncan and North Cowichan continuing to operate as separate municipalities.

On October 20, 2018, North Cowichan residents were back at the polls, voting in the Municipal Election. The results of the election saw North Cowichan with a new mayor and four new faces on Council.

WATER QUALITY MONITORING PROGRAM

In 2018, staff worked with a local environmental consultant and a prospective masters student from the BCIT Ecosystem Restoration Program to develop and implement a baseline water quality monitoring program for Quamichan Lake. Water samples were taken throughout the spring, summer and fall of 2018 and North Cowichan will receive reports with water quality analysis and recommendations for improving water quality in the spring of 2019. Staff have also started to work with the Capital Regional District's Intergovernmental Working Group set up to improve water quality in Elk and Beaver lakes in order to share information and findings in relation to nutrient management and strategies to reduce cyanobacteria blooms.



NEW IN NORTH COWICHAN: OPEN BURNING PERMITS

In 2018, North Cowichan introduced bylaw changes that restricted open burning on properties located within the urban containment boundary (UCB), as these areas have the highest density of homes and businesses that can be adversely affected by smoke. Open burning is now prohibited on properties within the UCB that are less than 2 acres, and a burning permit is now required for properties within the UCB that are greater than 2 acres in size. In 2018, North Cowichan issued 55 burning permits and 5 tickets for improper burning. Staff's approach to the new requirements is to respond to complaints about improper burning and provide information and education about correct burning conditions. Over time, we hope that this education will improve compliance with burning restrictions and continue to enhance air quality.



CHECK BEFORE YOU BURN
SOCIAL MEDIA POST EXAMPLE

- IS THERE A FIRE BAN IN PLACE?
- DO YOU NEED A PERMIT?
- IS THERE A CURRENT OPEN BURNING WINDOW?
- IS THE VENTING INDEX "GOOD"?



REPORT

FROM THE GENERAL MANAGER OF FINANCIAL SERVICES

May 1, 2019

Mayor and Council
District of North Cowichan

Your Worship and Members of Council,

I am pleased to present the District of North Cowichan's 2018 Annual Financial Report for the fiscal year ended December 31, 2018, as required by sections 98 of the *Community Charter*.

This report includes the auditor's report, the 2018 financial statements, and supplementary information for the District of North Cowichan.

The Consolidated Financial Statements are the responsibility of the management of the District 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 District 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 District of North Cowichan and the results of its 2018 operations.

The 2018 audited financial statements were presented to and approved by Council.

As at December 31, 2018, the District had an accumulated surplus of \$301 million, an increase of \$10.5 million for the year. This is largely comprised of net investments in tangible capital assets (\$252 million), which includes land, park infrastructure, roads, and utility assets. Debenture debt decreased by \$1.3 million to \$20.4 million. Principal repayments were \$1 million and actuarial adjustment of \$.3 million reduced debenture debt.

Consolidated revenues increased by \$5 million to \$58.4 million. Taxation increased by \$1.2 million, sales of service increased by \$.3 million, other revenue from own sources decreased \$1.6 million, grants decreased by \$.6 million and collections from developers and others increased by \$2.7 million.

Expenses increased by \$1.1 million to \$47.9 million, and were under the \$49.5 budget by \$1.6 million. Annual Surplus was \$10.5 million (2017 - \$6.5 million)

Capital expenditures for the year were \$8.3 million (2017 - \$9.4 million) including \$2.2 million on water capital, \$1.8 million in roads projects, \$1.7 million on sewer capital, \$1 million on vehicles and equipment, \$.4 million on drainage projects, and \$.4 million on parks projects. Overall capital expenditures were under budget by \$13.8 million. This was due to capital projects being incomplete or postponed during the year.

In 2018, North Cowichan's budget for tax-supported capital was \$3.4 million. This amounted to 11.9% of 2018 property taxes allocated to general capital compared to 12.6% in 2017. 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
General Manager, Financial and Protective Services

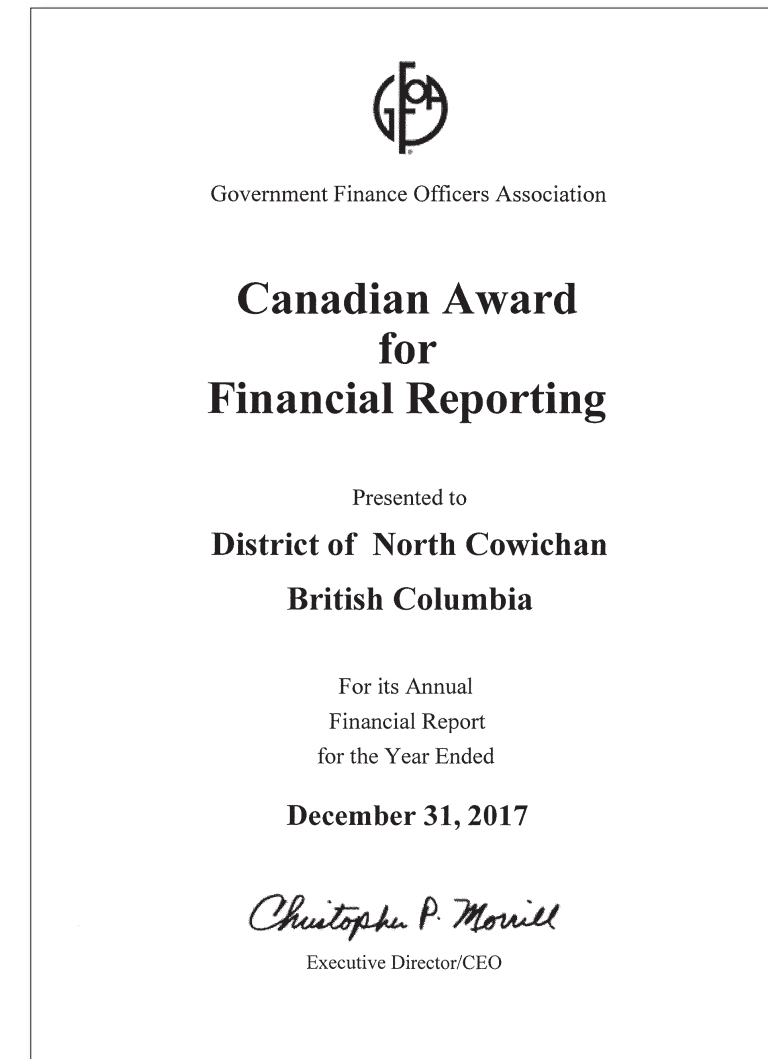
FINANCIAL REPORTING AWARD

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, 2017. 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, 2018

[AUDITED]
DECEMBER 31, 2018

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
General Manager, Financial and Protective Services
May 1, 2019

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Independent auditor's report

To the Mayor and members of Council of The Corporation of The District of North Cowichan

Opinion

We have audited the consolidated financial statements of The Corporation of The District of North Cowichan ("the District"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2018, and the results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the 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.

In preparing the consolidated financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Duncan, Canada
 May 1, 2019

Chartered Professional Accountants

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018, WITH COMPARATIVE FIGURES FOR 2017

	2018 Actual	2017 Actual
Financial Assets		
Cash (Notes 2 and 4)	\$ 3,720,166	\$ 4,662,282
Temporary investments (Notes 2 and 4)	63,950,386	53,843,017
Accounts receivable (Note 5)	3,544,544	3,469,657
Deposit - Municipal Finance Authority (Note 8)	1,220,984	1,212,830
	<u>72,436,080</u>	<u>63,187,786</u>
Financial Liabilities		
Accounts payable and Accrued liabilities (Note 6)	4,843,070	4,228,730
Employee future benefits and compensation payable (Note 2)	3,811,400	3,743,211
Unearned revenue (Note 7)	5,986,952	5,373,985
Reserve - Municipal Finance Authority (Note 8)	1,220,984	1,212,830
Restricted reserves (Note 10)	10,168,279	8,839,639
Debenture debt (Note 12)	20,407,420	21,749,446
	<u>46,438,105</u>	<u>45,147,841</u>
Net Financial Assets	<u>25,997,975</u>	<u>18,039,945</u>
Non-Financial Assets		
Tangible capital assets (Schedule X)	272,162,777	269,688,580
Inventory of supplies (Note 2)	539,270	515,578
Prepaid items	175,488	107,688
Property acquired for taxes (Note 2)	2,341,505	2,341,505
	<u>275,219,040</u>	<u>272,653,351</u>
Accumulated Surplus (Note 14)	<u>\$ 301,217,015</u>	<u>\$ 290,693,296</u>

Commitments and Contingent Liabilities (Note 13)

Approved by:



M. Frame
General Manager, Financial and Protective 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, 2018, WITH COMPARATIVE FIGURES FOR 2017

	2018 Budget	2018 Actual	2017 Actual
Revenues			
Taxation (Schedule I)	\$ 34,662,262	\$ 34,589,122	\$ 33,413,963
Sales of services (Schedule II)	10,992,514	11,036,880	10,765,559
Other revenue from own sources (Schedule III)	1,448,034	1,802,377	3,364,980
Return on investments	389,361	1,070,860	490,440
Grants and government transfers (Schedule IV)	6,092,841	2,774,959	3,417,282
Collections from developers and others	805,000	4,230,918	1,551,330
Actuarial adjustments to debt	-	328,399	368,446
Net gain on sale of tangible capital assets	3,000,000	2,561,425	-
	<u>57,390,012</u>	<u>58,394,940</u>	<u>53,372,000</u>
Expenses			
General government services (Schedule V)	5,063,323	5,176,681	4,640,908
Protective services (Schedule VI)	9,603,083	9,449,524	9,017,816
Engineering and public works (Schedule VII)	10,836,999	10,088,860	10,592,580
Environmental health services (Schedule VIII)	1,713,176	1,512,928	1,437,439
Forestry	1,589,920	1,185,156	1,116,165
Community development	1,493,627	1,295,591	1,031,805
Recreation and cultural services (Schedule IX)	10,853,748	10,826,990	11,009,482
Net loss on sale and write-downs of tangible capital assets	-	80,992	173,463
Water	4,165,488	4,514,520	4,354,540
Sewer	4,214,616	3,739,979	3,455,356
	<u>49,533,980</u>	<u>47,871,221</u>	<u>46,829,554</u>
Annual Surplus	<u>\$ 7,856,032</u>	<u>10,523,719</u>	<u>6,542,446</u>
Accumulated surplus, beginning of year (Note 14)		<u>290,693,296</u>	<u>284,150,850</u>
Accumulated surplus, end of year (Note 14)		<u>\$ 301,217,015</u>	<u>\$ 290,693,296</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, 2018, WITH COMPARATIVE FIGURES FOR 2017

	2018 Budget	2018 Actual	2017 Actual
Annual Surplus	\$ 7,856,032	\$ 10,523,719	\$ 6,542,446
Acquisition of tangible capital assets	(22,090,664)	(8,321,503)	(9,368,628)
Contributed tangible capital assets	-	(4,178,385)	(1,220,283)
Amortization of tangible capital assets	9,200,200	9,452,760	9,048,503
Net gain on sale of tangible capital assets	(3,000,000)	(2,561,425)	-
Net loss on sale of tangible capital assets	-	80,992	135,766
Proceeds on sale of tangible capital assets	-	3,053,365	46,225
Write-downs of tangible capital assets	-	-	37,697
	(15,890,464)	(2,474,196)	(1,320,720)
Increase in prepaids	-	(67,801)	(60,420)
(Increase) decrease in inventories	-	(23,692)	59,383
	-	(91,493)	(1,037)
Change in net financial assets	(8,034,432)	7,958,030	5,220,689
Net financial assets at beginning of year	18,039,945	18,039,945	12,819,256
Net financial assets at end of year	\$ 10,005,513	\$ 25,997,975	\$ 18,039,945

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, 2018, WITH COMPARATIVE FIGURES FOR 2017

	2018 Actual	2017 Actual
Operating transactions		
Annual surplus	\$ 10,523,719	\$ 6,542,446
Non-cash items included in surplus:		
Amortization	9,452,760	9,048,503
Actuarial adjustment to debt	(328,399)	(368,446)
Write-downs of tangible capital assets	-	37,697
Net gain on sale of tangible capital assets	(2,561,425)	-
Net loss on sale of tangible capital assets	80,992	135,766
Contributed tangible capital assets	(4,178,385)	(1,220,283)
	12,989,262	14,175,683
Accounts receivable	(74,887)	809,206
Inventory of supplies	(23,692)	59,383
Prepaid items	(67,802)	(60,420)
Property acquired for taxes	-	405,642
Accounts payable	614,340	392,621
Accumulated sick leave	68,189	(69,577)
Unearned revenue	612,967	1,777,034
Restricted reserves	1,328,640	1,399,376
	15,447,017	18,888,948
Cash provided by operating transactions		
Proceeds on sale of tangible capital assets	3,053,365	46,225
Cash applied to acquire tangible capital assets	(8,321,503)	(9,368,628)
	(5,268,138)	(9,322,403)
Investing transactions		
Temporary investments	(10,107,369)	(7,714,465)
	(10,107,369)	(7,714,465)
Financing transactions		
Proceeds from debenture debt	-	200,000
Repayment of debenture debt	(1,013,626)	(1,063,816)
	(1,013,626)	(863,816)
Cash provided by financing transactions		
	(942,116)	988,264
Change in cash and cash equivalents		
	4,662,282	3,674,018
Cash and Cash equivalents, beginning of year		
	\$ 3,720,166	\$ 4,662,282

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, 2018

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, 2018, 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, 2018

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.

	2018	2017
Properties not available for sale	<u>\$ 2,341,505</u>	<u>\$ 2,341,505</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

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>2018</u>	<u>2017</u>
Lieu time payable	\$ 846,300	\$ 754,811
Sick leave cash-out and severance benefits	<u>2,965,100</u>	<u>2,988,400</u>
	<u>\$ 3,811,400</u>	<u>\$ 3,743,211</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, 2018.

	<u>2018</u>	<u>2017</u>
Accrued benefit obligation	\$ 2,866,200	\$ 2,906,100
Unamortized actuarial gain/(loss)	<u>98,900</u>	<u>82,300</u>
Accrued benefit liability	<u>2,965,100</u>	<u>2,988,400</u>
Benefit expense:		
Current service cost	253,800	253,200
Interest cost	85,600	85,300
Amortization of net actuarial (gain)/loss	<u>(400)</u>	<u>(5,600)</u>
	<u>\$ 339,000</u>	<u>\$ 332,900</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

h) EMPLOYEE FUTURE BENEFITS AND COMPENSATION PAYABLE CONTINUED

Significant actuarial assumptions as at December 31st include:

	<u>2018</u>	<u>2017</u>
Valuation interest rate	3.20%	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, 2018

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 2018 totaled \$4,178,385 (2017 - \$1,220,283) 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, 2018

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.

	2018	2017
Cash	\$ 3,720,166	\$ 4,662,282
Temporary investments	63,950,386	53,843,017
	\$ 67,670,552	\$ 58,505,299

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 1.65% to 2.46%.

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.

	2018	2017
Restricted investments	\$ 24,283,110	\$ 19,253,851

5. ACCOUNTS RECEIVABLE

	2018	2017
Property taxes	\$ 1,757,315	\$ 1,660,600
Water rates	228,064	169,071
Federal government	232,813	234,150
Provincial government	624,155	883,398
Local government	326,910	264,412
General	375,287	258,026
	\$ 3,544,544	\$ 3,469,657



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
General	\$ 4,209,428	\$ 3,830,938
Wages and salaries	479,802	204,110
Accrued interest	153,840	193,682
	\$ 4,843,070	\$ 4,228,730

7. UNEARNED REVENUE

	2017	Contributions and interest	Revenue earned or refunded	2018
Prepaid taxes and licenses	\$ 1,900,093	\$ 4,596,104	\$ 3,951,318	\$ 2,544,879
Service fees and deposits	2,840,679	3,437,021	3,189,777	3,087,923
Aquatic Centre unearned revenue	199,727	592,982	558,273	234,436
General unearned revenues	161,125	6,741	48,152	119,714
Water unearned revenue	272,361	2,743	275,104	-
	\$ 5,373,985	\$ 8,635,591	\$ 8,022,624	\$ 5,986,952

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:

	2018	2017
Cash deposits	\$ 382,960	\$ 374,806
Demand notes	838,024	838,024
	\$ 1,220,984	\$ 1,212,830

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, 2018

9. FUNDS HELD IN TRUST CONTINUED

	2018	2017
Assets		
Cash and short term investments	\$ 386,200	\$ 370,678
	386,200	370,678
Equity		
Opening balances	370,678	355,960
Contributions	15,522	14,718
	\$ 386,200	\$ 370,678

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	2018	2017
Opening	\$ 8,839,639	\$ 7,440,263
Contributions	1,148,414	1,338,167
Return on investment	180,226	61,209
	\$ 10,168,279	\$ 8,839,639

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	2018	2017
Opening balance of unspent funds	\$ 201,114	\$ 100,340
Add: Amount received during the year	1,327,987	1,284,602
Add: Return on investment	3,787	774
Less: Amount spent	(1,427,987)	(1,184,602)
	\$ 104,901	\$ 201,114



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

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	2018 Net Unmatured	2017 Net Unmatured
General Capital Fund						
Maple Bay Fire Hall	95	1.80%	Apr 12, 2025	\$ 1,600,000	\$ 702,063	\$ 789,259
Maple Bay Fire Hall	103	2.65%	Apr 23, 2028	500,000	298,407	322,306
Cowichan Aquatic Ctr	104	2.90%	Nov 20, 2028	15,000,000	8,952,209	9,669,168
Cowichan Aquatic Ctr	106	4.13%	Oct 12, 2029	2,265,500	1,460,367	1,564,487
Duncan Curling Club	N/A	4.00%	Jan 15, 2032	551,500	406,980	430,179
Tier 2 Flood Protection	121	2.90%	Oct 4, 2032	745,475	579,423	609,881
Tier 2 Flood Protection	124	3.15%	Apr 8, 2033	1,000,000	818,110	857,396
Municipal Hall Expansion	126	3.85%	Sep 26, 2033	1,500,000	1,227,166	1,286,094
Stoney Hill Road	131	2.20%	Apr 8, 2040	2,000,000	1,840,501	1,895,507
Tier 4 Flood Protection	137	2.60%	Apr 19, 2036	1,700,000	1,577,668	1,639,886
Tier 4 Flood Protection	141	2.80%	Apr 7, 2037	200,000	192,557	200,000
				<u>27,062,475</u>	<u>18,055,451</u>	<u>19,264,163</u>
Water Capital Fund						
Chemainus	110	4.50%	April 8, 2030	1,750,000	1,208,498	1,285,833
Crofton	106	4.13%	Oct 13, 2029	530,000	341,644	366,002
Chemainus	137	2.60%	Apr 19, 2036	864,000	801,827	833,448
				<u>3,144,000</u>	<u>2,351,969</u>	<u>2,485,283</u>
				<u>\$ 30,206,475</u>	<u>\$ 20,407,420</u>	<u>\$ 21,749,446</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

12. DEBENTURE DEBT CONTINUED

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

	General	Water	Total
Principal repayments:			
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
2023	911,635	107,118	1,018,753
Thereafter	6,276,170	915,344	7,191,514
	<u>10,823,682</u>	<u>1,450,934</u>	<u>12,274,616</u>
Actuarial sinking fund earnings:			
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
2023	552,699	54,163	606,862
Thereafter	4,988,513	688,289	5,676,802
	<u>7,231,772</u>	<u>901,034</u>	<u>8,132,806</u>
	<u>\$ 18,055,454</u>	<u>\$ 2,351,968</u>	<u>\$ 20,407,422</u>

Interest paid during the year was \$1,257,162 (2017 - \$1,334,321).



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2017 the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 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 \$1,196,010 (2017 - \$1,161,428) for employer contributions while employees contributed \$1,048,365 (2017 - \$1,003,768) to the Plan in fiscal 2018.

- 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, 2018

14. ACCUMULATED SURPLUS

	<u>2018</u>	<u>2017</u>
Operating Funds		
Unappropriated:		
General	\$ 3,308,704	\$ 2,754,137
Water Systems	3,732,812	3,326,010
Sewer Systems	<u>13,978,592</u>	<u>13,959,663</u>
	<u>21,020,108</u>	<u>20,039,810</u>
Appropriated:		
Reserves for property acquired for taxes	2,341,505	2,341,505
Reserves for future expenditures	9,223,372	7,266,944
Reserve for uncollected taxes	1,295,091	1,295,091
Reserve for Joint Utilities Board	<u>871,614</u>	<u>794,797</u>
	<u>13,731,582</u>	<u>11,698,337</u>
	<u>34,751,690</u>	<u>31,738,147</u>
Capital Funds		
General Capital	197,043,591	196,112,089
Water Capital	31,110,455	29,475,703
Sewer Capital	22,578,450	21,286,912
Joint Utilities Board Capital	<u>1,617,996</u>	<u>1,666,233</u>
	<u>252,350,492</u>	<u>248,540,937</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

14. ACCUMULATED SURPLUS CONTINUED

	2018	2017
Reserve Funds		
Land sales	4,146,465	1,232,543
Machinery and Equipment	3,030,045	2,982,186
Local Area Service	882,701	752,833
Forest	2,012,439	1,864,667
Park Development	216,215	212,218
Parkland Purchase	442,143	405,359
Chemainus Parking	155,419	152,547
Agriculture	226,779	193,142
Self-Insurance	120,868	118,634
Climate Action and Energy Plan	398,762	348,593
Maple Bay Sewer	89,753	88,094
Cowichan Aquatic Centre	328,609	217,022
Evans Park	167,483	164,387
Fuller Lake Arena	70,904	69,593
Harbours General	26,743	26,249
Harbours Chemainus	373,800	358,263
Mural Protection	28,931	28,396
Gas Tax	104,901	201,114
Infrastructure Replacement	761,380	501,928
Gravel Pits	490,996	474,363
Affordable Housing	39,497	22,081
	<u>14,114,833</u>	<u>10,414,212</u>
Accumulated Surplus	\$ 301,217,015	\$ 290,693,296

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

15. BUDGET DATA

The budget data presented in these financial statements is based upon the 2018-2022 Financial Plan Bylaw adopted by council February 7, 2018. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2018
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Principal debt repayment	1,090,213
Capital expenditures	22,090,663
Less:	
Amortization	(9,200,200)
Budgeted transfers to reserve funds	1,503,742
Budgeted transfers from accumulated surplus	(7,628,386)
Adjusted Annual Surplus	<u>\$ 7,856,032</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 2018 the Corporation's proportion for consolidation purposes was 53.69% (2017 – 53.69%). Condensed financial information for the Joint Utilities Boards is as follows:

	2018	2017
Net Financial Assets	\$ 1,623,484	\$ 1,480,404
Non-Financial Assets	<u>3,013,719</u>	<u>3,103,567</u>
Accumulated Surplus	<u>4,637,203</u>	<u>4,583,971</u>
Revenues	\$ 1,615,680	\$ 1,846,151
Expenses	<u>1,562,448</u>	<u>874,591</u>
Annual Surplus	<u>53,232</u>	<u>971,560</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

16. JOINT UTILITIES BOARD CONTINUED

	2018	2017
North Cowichan Proportionate Share:		
Net Financial Assets	\$ 871,614	\$ 794,797
Non-Financial Assets	1,618,001	1,666,233
Accumulated Surplus	2,489,615	2,461,030
Revenues	\$ 867,424	\$ 991,159
Expenses	838,845	469,549
Annual Surplus	\$ 28,579	\$ 521,610

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 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 \$205,415 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 2018 the Corporation recorded a write up of assets in the amount of \$0 (2017 - \$0).

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.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

17. SEGMENT REPORTING CONTINUED

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.

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.



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
TAXATION
 FOR THE YEAR ENDED DECEMBER 31, 2018

18. LISTING OF OPERATING EXPENDITURES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2018	2017
Salaries, wages and benefits	\$ 18,535,061	\$ 17,515,182
Contract services	13,055,682	12,569,146
Amortization	9,452,760	9,048,503
Materials and supplies	5,489,564	6,188,939
Interest	1,257,162	1,334,321
Loss on sale, write downs and transfer of TCA	80,992	173,463
Total expense	\$ 47,871,221	\$ 46,829,554

19. COMPARATIVE FIGURES

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

SCHEDULE I

	2018 Budget	2018	2017
Municipal Purposes:			
General taxation	\$ 28,784,512	\$ 28,743,000	\$ 27,761,143
Business Improvement Area	106,000	104,361	88,436
Local Area Service	95,348	95,348	95,348
Utilities	985,050	985,116	1,000,745
Grants-in-lieu of taxes	247,610	251,102	240,213
Water systems	1,972,056	1,959,150	1,877,970
Sewer systems	2,471,686	2,451,045	2,350,108
Total Municipal Taxes	34,662,262	34,589,122	33,413,963
Collections for Other Governments:			
School	12,120,000	11,892,401	11,697,782
Cowichan Valley Regional Hospital District	3,488,000	3,394,360	3,122,486
Cowichan Valley Regional District	7,639,000	8,120,734	7,827,059
BC Assessment	355,000	332,048	320,973
Municipal Finance Authority	1,100	1,312	1,176
Total Collections for other governments	23,603,100	23,740,855	22,969,476
	58,265,362	58,329,977	56,383,439
Deduct: requisitions remitted to other taxing authorities	(23,603,100)	(23,740,855)	(22,969,476)
Total Taxes Levied	\$ 34,662,262	\$ 34,589,122	\$ 33,413,963



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
SALES OF SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE II

	2018 Budget	2018	2017
General government service	\$ 150,900	\$ 178,688	\$ 124,427
Protective services	246,736	253,012	275,309
Fire protection	184,230	203,413	398,132
Engineering and public works	311,941	334,745	479,235
Residential garbage - municipal	1,232,600	1,225,360	1,185,209
Forestry	1,896,800	1,463,809	1,250,065
Cowichan Aquatic Centre	2,051,368	1,993,623	2,025,290
Fuller Lake Arena	290,150	284,575	279,866
Other recreation	51,860	75,809	56,608
Wharves	227,470	220,445	224,667
Miscellaneous	110,860	115,851	112,064
Cemetery	121,690	113,700	120,320
Water	2,454,181	2,811,020	2,543,121
Sewer	1,661,728	1,762,830	1,691,246
	<u>\$ 10,992,514</u>	<u>\$ 11,036,880</u>	<u>\$ 10,765,559</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OTHER REVENUE FROM OWN SOURCES
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE III

	2018 Budget	2018	2017
Licences and permits	\$ 861,610	\$ 1,149,627	\$ 968,565
Tax penalties and interest	330,000	338,034	316,513
Fines	4,500	4,202	30,536
Rentals	241,964	299,141	243,618
Land sales	-	-	1,611,386
Water	9,960	11,373	10,832
Sewer	-	-	183,530
	<u>\$ 1,448,034</u>	<u>\$ 1,802,377</u>	<u>\$ 3,364,980</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
GRANTS AND GOVERNMENT TRANSFERS
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE IV

	2018 Budget	2018	2017
Operating Grants			
Traffic fines revenue	\$ 260,000	\$ 271,673	\$ 253,112
Other grants	312,270	83,331	56,490
	<u>572,270</u>	<u>355,004</u>	<u>309,602</u>
Capital grants			
Fuel tax	1,428,000	1,327,987	1,284,602
<i>Infrastructure Grants (Prov/Fed)</i>			
Diking	-	-	394,840
Water	976,910	1,077,668	1,395,938
Sewer	298,661	-	-
Other	2,797,000	-	-
	<u>4,072,571</u>	<u>1,077,668</u>	<u>1,790,778</u>
<i>Provincial and Other Grants</i>			
ICBC grants	20,000	14,300	32,300
	<u>20,000</u>	<u>14,300</u>	<u>32,300</u>
	<u>\$ 6,092,841</u>	<u>\$ 2,774,959</u>	<u>\$ 3,417,282</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
GENERAL GOVERNMENT SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE V

	2018 Budget	2018	2017
Legislative	\$ 259,180	\$ 255,952	\$ 256,781
Administrative	1,813,701	1,905,534	1,630,797
Financial services	2,459,716	2,399,104	1,893,215
Common Services	749,520	814,284	541,404
Miscellaneous	268,610	282,370	578,212
Administration recoveries	(760,704)	(760,304)	(533,660)
Interest	57,750	57,750	57,750
Amortization	215,550	221,991	216,409
	<u>\$ 5,063,323</u>	<u>\$ 5,176,681</u>	<u>\$ 4,640,908</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
PROTECTIVE SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VI

	2018 Budget	2018	2017
Police protection:			
R.C.M.P. contract	\$ 5,113,924	\$ 4,617,418	\$ 4,544,629
Municipal employees	1,421,440	1,461,757	1,318,346
Crime prevention	7,300	7,100	7,100
Building maintenance	236,322	310,324	213,906
Bylaw enforcement	174,292	218,469	193,878
	<u>6,953,278</u>	<u>6,615,068</u>	<u>6,277,859</u>
Fire protection:			
General fire protection	100,554	108,006	95,547
Chemainus fire hall	323,372	375,915	347,982
Crofton fire hall	274,071	315,438	298,979
Maple Bay fire hall	279,866	303,662	326,387
South End fire hall	397,755	416,715	486,905
	<u>1,375,618</u>	<u>1,519,736</u>	<u>1,555,800</u>
Other protection:			
Building and plumbing inspections	545,639	588,413	470,516
Animal control	150,540	150,992	149,804
Weed control	9,748	7,357	8,940
Mosquito control	26,580	18,547	19,637
	<u>732,507</u>	<u>765,309</u>	<u>648,897</u>
Interest	52,050	45,160	52,050
Amortization	489,630	504,251	483,210
	<u>541,680</u>	<u>549,411</u>	<u>535,260</u>
	<u>\$ 9,603,083</u>	<u>\$ 9,449,524</u>	<u>\$ 9,017,816</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
ENGINEERING AND PUBLIC WORKS
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VII

	2018 Budget	2018	2017
Administration	\$ 1,273,037	\$ 1,099,249	\$ 1,267,880
Small tools and equipment	51,110	55,958	51,285
Workshop and yard maintenance	179,835	200,658	205,325
Roads - construction	618,936	437,683	361,950
Roadway and surfaces maintenance	1,906,750	1,206,828	1,439,364
Snow and ice removal	381,320	288,736	670,405
Bridge - maintenance	5,690	2,267	29,327
Street lighting	452,050	486,945	467,290
Signs and line painting	288,029	334,078	279,525
Drainage	616,392	658,890	775,741
Sidewalk maintenance	20,000	8,472	10,005
Other transportation	210,240	177,498	232,264
Administration recoveries	(509,860)	(367,048)	(352,773)
Interest	146,920	146,919	145,423
Amortization	5,196,550	5,351,727	5,009,569
	<u>\$ 10,836,999</u>	<u>\$ 10,088,860</u>	<u>\$ 10,592,580</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
ENVIRONMENTAL HEALTH SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE VIII

	2018 Budget	2018	2017
Garbage collection and recycling	\$ 1,114,669	\$ 1,102,804	\$ 1,072,098
Cemetery	151,890	172,982	148,941
Energy Manager	85,580	94,832	96,380
Energy Upgrades Buildings	273,807	52,479	601
Amortization	87,230	89,831	119,419
	<u>\$ 1,713,176</u>	<u>\$ 1,512,928</u>	<u>\$ 1,437,439</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
RECREATION AND CULTURAL SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE IX

	2018 Budget	2018	2017
Administration	\$ 124,140	\$ 126,643	\$ 107,349
Crofton swimming pool	75,490	81,440	78,426
Cowichan Aquatic Centre	3,691,776	3,635,336	3,686,878
Fuller Lake Arena	974,270	1,040,223	1,138,071
Parks common services	55,980	66,482	84,777
Community recreation program	116,880	105,044	69,876
Chemainus parks and playgrounds	477,290	421,194	454,270
Crofton parks and playgrounds	203,700	193,086	177,942
South End parks and playgrounds	1,248,880	1,313,422	1,216,116
Wharves	182,075	157,358	182,093
Library	1,425,077	1,425,076	1,398,292
Grants-in-aid	266,300	254,026	392,587
Interest	882,850	844,900	883,719
Amortization	1,129,040	1,162,760	1,139,086
	<u>\$ 10,853,748</u>	<u>\$ 10,826,990</u>	<u>\$ 11,009,482</u>





THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE X

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Balance December 31, 2017	2018 Additions	2018 Disposals	2018 Write-downs	Balance December 31, 2018	Balance December 31, 2017	2018 Disposals	Balance December 31, 2018
Land	\$ 42,854,521	\$ 1,512,660	\$ 490,884	\$ -	\$ 43,876,297	\$ -	\$ -	\$ 43,876,297
Land Improvements	13,156,605	309,666	-	-	13,466,271	5,147,175	-	8,009,430
Buildings	47,345,646	177,885	-	-	47,523,531	17,868,442	-	29,477,204
Engineering Structures	283,694,008	7,077,684	77,943	-	290,893,749	117,997,231	51,003	165,696,777
Machinery & Equipment	35,921,792	6,061,831	552,852	-	41,430,771	21,032,284	497,743	14,889,508
Work In Progress	8,761,140	3,191,247	5,831,083	-	6,121,304	-	-	8,761,140
	<u>\$ 431,733,712</u>	<u>\$ 18,330,973</u>	<u>\$ 6,952,762</u>	<u>\$ -</u>	<u>\$ 443,111,923</u>	<u>\$ 162,045,132</u>	<u>\$ 548,746</u>	<u>\$ 269,665,580</u>
								<u>\$ 170,949,146</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OPERATIONS BY SEGMENT
 FOR THE YEAR ENDED DECEMBER 31, 2018

SCHEDULE XI

	For the Year Ended December 31, 2018											
	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	\$ 3,875,561	\$ 7,577,920	\$ 5,314,970	\$ 131,220	\$ -	\$ 893,833	\$ 7,494,928	\$ 1,959,150	\$ 2,451,045	\$ 1,479,299	\$ 3,411,196	\$ 34,589,122
Taxation	294,539	456,425	334,745	1,339,060	1,463,809	-	2,574,452	2,811,020	1,762,830	-	-	11,036,880
Sales of services	377,105	1,067,825	189,702	-	-	152,232	4,140	11,373	-	-	-	1,802,377
Other revenue from own sources	76,896	150,355	105,455	2,604	-	17,735	148,708	73,858	263,876	231,373	-	1,070,860
Return on investments	-	294,173	1,175,025	-	-	-	28,093	1,277,668	-	-	-	2,774,959
Grants and government transfers	-	-	-	-	-	-	-	-	-	-	-	4,230,918
Collections from developers and others	8,556	35,484	16,889	-	-	-	241,274	26,196	-	-	-	328,399
Actuarial adjustments to debt	-	-	2,561,425	-	-	-	-	-	-	-	-	2,561,425
Net gain on sale of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-
	<u>4,632,657</u>	<u>9,582,182</u>	<u>9,698,211</u>	<u>1,472,884</u>	<u>1,463,809</u>	<u>1,063,800</u>	<u>10,491,595</u>	<u>6,159,265</u>	<u>4,477,751</u>	<u>1,710,672</u>	<u>7,642,114</u>	<u>58,394,940</u>
Expenses	4,235,876	3,033,513	2,804,261	500,421	408,285	843,129	4,696,068	1,280,647	732,861	-	-	18,535,061
Salaries, wages and benefits	851,776	5,139,116	1,171,931	579,216	674,540	382,913	2,419,627	676,585	1,159,978	-	-	13,055,682
Contract services	(190,712)	727,484	614,022	343,460	91,907	69,549	1,703,635	1,380,061	750,158	-	-	5,489,564
Materials and supplies	221,991	504,251	5,351,727	89,831	10,424	-	1,162,760	1,041,085	1,070,690	-	-	9,452,760
Amortization	57,750	45,160	148,919	-	-	-	844,900	136,142	26,292	-	-	1,257,162
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures before losses, write downs and transfers	5,176,681	9,449,524	10,088,860	1,512,928	1,185,156	1,295,591	10,826,990	4,514,520	3,739,979	-	-	47,790,229
Loss on sale, write downs and transfer of TCA	-	-	65,262	-	-	-	-	4,232	11,498	-	-	80,992
	<u>5,176,681</u>	<u>9,449,524</u>	<u>10,154,122</u>	<u>1,512,928</u>	<u>1,185,156</u>	<u>1,295,591</u>	<u>10,826,990</u>	<u>4,518,752</u>	<u>3,751,477</u>	<u>-</u>	<u>-</u>	<u>47,871,221</u>
	(544,024)	132,658	(455,911)	(40,044)	278,653	(231,791)	(335,395)	1,640,513	726,274	1,710,672	7,642,114	10,523,719
Excess of revenues over expenses	<u>\$ (544,024)</u>	<u>\$ 132,658</u>	<u>\$ (455,911)</u>	<u>\$ (40,044)</u>	<u>\$ 278,653</u>	<u>\$ (231,791)</u>	<u>\$ (335,395)</u>	<u>\$ 1,640,513</u>	<u>\$ 726,274</u>	<u>\$ 1,710,672</u>	<u>\$ 7,642,114</u>	<u>\$ 10,523,719</u>



THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OPERATIONS BY SEGMENT
 FOR THE YEAR ENDED DECEMBER 31, 2018

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	76,378	2,341	-	9,623	60,970	31,698	99,515	119,452	-	490,440
Grants and government transfers	-	280,112	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
	<u>5,479,352</u>	<u>8,492,641</u>	<u>10,617,454</u>	<u>1,568,620</u>	<u>1,250,065</u>	<u>1,298,260</u>	<u>9,677,572</u>	<u>5,930,774</u>	<u>4,413,788</u>	<u>279,218</u>	<u>4,384,256</u>	<u>53,372,000</u>
Expenses												
Salaries, wages and benefits	3,131,468	2,790,712	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	<u>4,640,908</u>	<u>9,017,816</u>	<u>10,592,580</u>	<u>1,437,439</u>	<u>1,116,165</u>	<u>1,031,805</u>	<u>11,009,482</u>	<u>4,354,540</u>	<u>3,455,356</u>	<u>-</u>	<u>-</u>	<u>46,656,091</u>
Loss on sale, write downs and transfer of TCA	-	-	132,351	-	-	-	-	41,112	-	-	-	173,463
	<u>4,640,908</u>	<u>9,017,816</u>	<u>10,724,931</u>	<u>1,437,439</u>	<u>1,116,165</u>	<u>1,031,805</u>	<u>11,009,482</u>	<u>4,395,652</u>	<u>3,455,356</u>	<u>-</u>	<u>-</u>	<u>46,829,554</u>
Excess of revenues over expenses	<u>\$ 838,444</u>	<u>\$ (525,175)</u>	<u>\$ (107,477)</u>	<u>\$ 131,181</u>	<u>\$ 133,900</u>	<u>\$ 266,455</u>	<u>\$ (1,331,910)</u>	<u>\$ 1,535,122</u>	<u>\$ 958,432</u>	<u>\$ 279,218</u>	<u>\$ 4,364,256</u>	<u>\$ 6,542,446</u>

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DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

[AUDITED]

DECEMBER 31, 2018

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
General Manager, Financial and Protective Services
May 1, 2019

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Independent auditor's report

To the Duncan – North Cowichan Joint Utilities Board,

Opinion

We have audited the financial statements of the Duncan - North Cowichan Joint Utilities Board ("the Partnership"), which comprise the statement of financial position as at December 31, 2018, the statement of operations for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Duncan - North Cowichan Joint Utilities Board as at December 31, 2018, and the results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Duncan, Canada
 May 1, 2019

Chartered Professional Accountants

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018 , WITH COMPARATIVE FIGURES FOR 2017

	<u>2018 Actual</u>	<u>2017 Actual</u>
Financial Assets		
Investments (Notes 3 and 6)	\$ 4,145,875	\$ 4,048,244
Financial Liabilities		
Unearned revenue	<u>2,522,390</u>	<u>2,567,840</u>
Net Financial Assets	<u>1,623,485</u>	<u>1,480,404</u>
Non-Financial Assets		
Tangible capital assets (Schedule I)	<u>3,013,719</u>	<u>3,103,567</u>
Accumulated Surplus	<u>\$ 4,637,204</u>	<u>\$ 4,583,971</u>

Approved by:



M. Frame
General Manager of Financial and Protective Services

See accompanying notes to the financial statements.

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018, WITH COMPARATIVE FIGURES FOR 2017

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
Revenues			
Contributions from:			
The Corporation of the District of North Cowichan	\$ 2,239,591	\$ 733,815	\$ 960,452
The Corporation of the City of Duncan	1,320,299	434,964	567,688
Cowichan Valley Regional District	554,447	213,606	267,731
Cowichan Tribes	83,849	29,791	39,834
Return on investments	20,300	27,880	10,446
Grants and government transfers	556,167	175,624	-
	<u>4,774,653</u>	<u>1,615,680</u>	<u>1,846,151</u>
Expenses			
Administration	42,110	57,670	39,122
Amortization	-	89,849	53,055
Sewer lagoon operations and maintenance	1,682,960	1,414,928	782,415
	<u>1,725,070</u>	<u>1,562,447</u>	<u>874,592</u>
Annual Surplus	\$ 3,049,583	53,233	971,559
Accumulated surplus, beginning of year	<u>4,583,971</u>	<u>4,583,971</u>	<u>3,612,412</u>
Accumulated surplus, end of year	<u>\$ 7,633,554</u>	<u>\$ 4,637,204</u>	<u>\$ 4,583,971</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, 2018, 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 \$382,595 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, 2018

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:

	2018	2017
Balances, beginning of year	\$ 1,480,404	\$ 1,354,759
Add: transfers from current operations	143,081	125,645
Balance, end of year	\$ 1,623,485	\$ 1,480,404

7. LISTING OF OPERATING EXPENDITURES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2018	2017
Salaries, wages and benefits	\$ 171,670	\$ 151,551
Contract services	350,452	35,469
Amortization	89,849	53,055
Materials and supplies	524,679	309,794
Land rent	425,797	324,723
Total expense	\$ 1,562,447	\$ 874,592

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, 2018

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Balance December 31, 2017	2018 Additions	2018 Disposals	Balance December 31, 2017	2018 Additions	2018 Disposals	2017	2018
Buildings	\$ 192,388	-	-	\$ 401	\$ 4,809	-	\$ 191,987	\$ 187,178
Engineering Structures	2,485,489	-	-	277,546	49,710	-	2,207,943	2,158,233
Machinery & Equipment	706,581	-	-	2,944	35,329	-	703,637	668,308
	\$ 3,384,458	\$ -	\$ -	\$ 280,891	\$ 89,848	\$ -	\$ 3,103,567	\$ 3,013,719





The Corporation of the District of North Cowichan

STATISTICAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

[UNAUDITED]

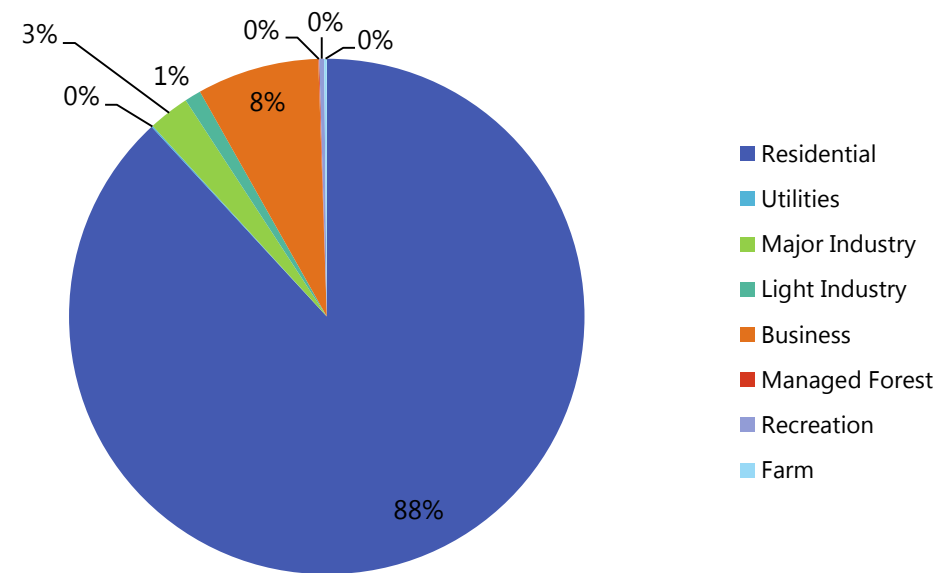
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

TAXABLE ASSESSMENTS OF LAND AND IMPROVEMENTS (IN THOUSANDS)

Property Class	2014	2015	2016	2017	2018
Residential	\$ 3,764,441	\$ 3,722,536	\$ 3,828,667	\$ 4,210,437	\$ 4,796,482
Utilities	5,270	4,683	4,898	4,945	5,074
Major Industry	134,371	134,286	134,226	138,082	140,525
Light Industry	54,388	50,327	49,346	50,965	55,577
Business	336,491	336,459	347,478	381,765	416,935
Managed Forest	2,028	2,201	2,436	2,665	2,956
Recreation	20,423	17,405	16,892	18,044	16,389
Farm	8,215	8,352	8,401	8,605	8,805
	\$ 4,325,627	\$ 4,276,249	\$ 4,392,344	\$ 4,815,508	\$ 5,442,743

2018 Assessment by Property Class



Source: North Cowichan Financial Services

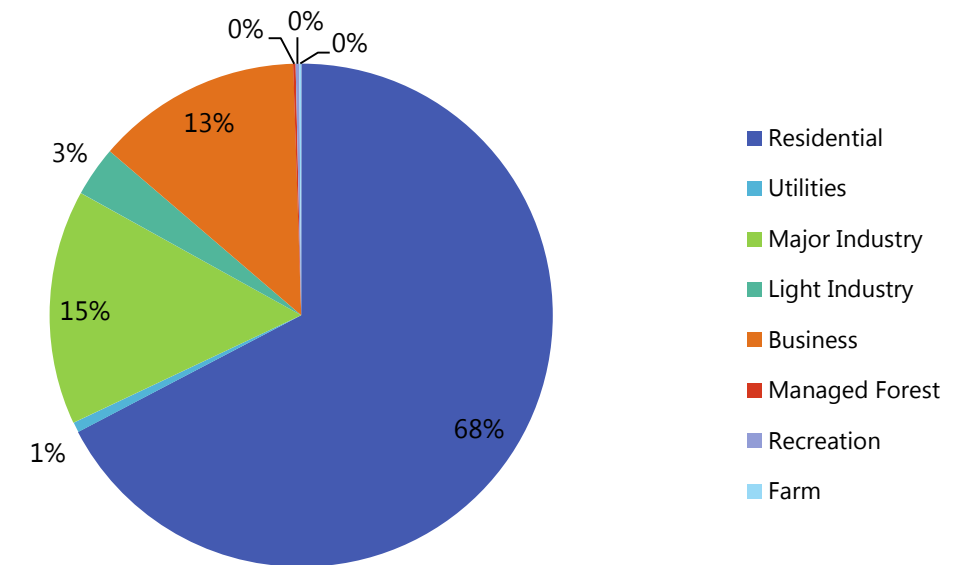
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

TAX REVENUE BY PROPERTY CLASS

Property Class	2014	2015	2016	2017	2018
Residential	\$ 16,320,213	\$ 16,990,317	\$ 17,719,680	\$ 18,581,552	\$ 19,349,627
Utilities	157,310	166,089	178,185	184,022	188,430
Major Industry	3,841,964	3,982,720	4,099,828	4,221,578	4,336,947
Light Industry	1,050,450	1,063,172	930,383	929,968	923,638
Business	3,144,707	3,347,424	3,536,949	3,694,795	3,796,950
Managed Forest	40,991	43,497	45,476	45,153	45,603
Recreation	71,723	54,998	63,172	66,083	66,121
Farm	35,817	36,604	37,496	37,992	35,684
	\$ 24,663,175	\$ 25,684,821	\$ 26,611,169	\$ 27,761,143	\$ 28,743,000

2018 Tax Revenue by Property Class



Source: North Cowichan Financial Services



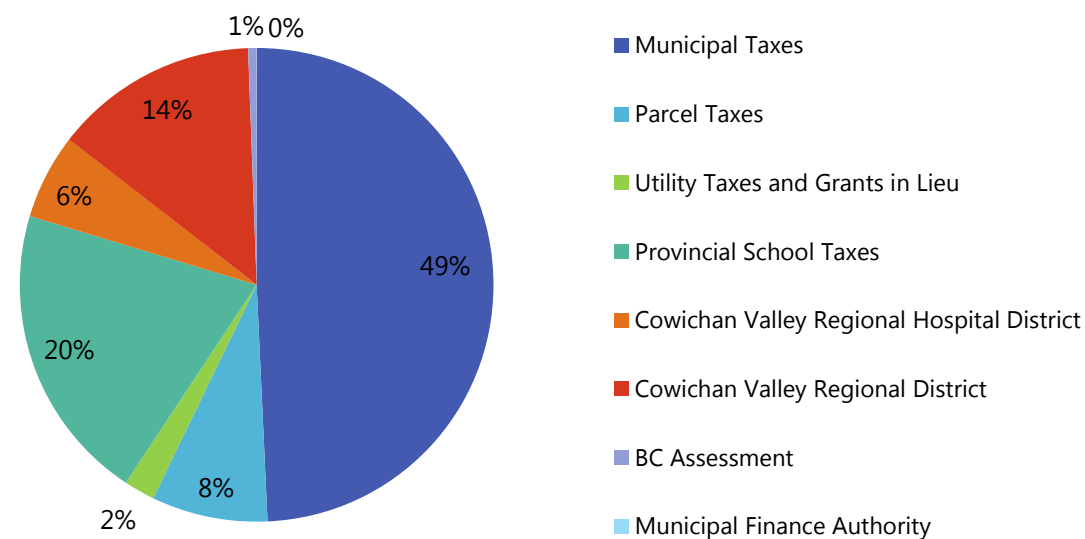
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

PROPERTY TAX LEVIED AND COLLECTED

	2014	2015	2016	2017	2018
Municipal Taxes	\$ 24,663,175	\$ 25,684,821	\$ 26,611,169	\$ 27,761,143	\$ 28,743,000
Parcel Taxes	4,007,250	4,067,800	4,298,945	4,411,862	4,609,904
Utility Taxes and Grants in Lieu	1,207,147	1,191,734	1,237,191	1,240,958	1,236,218
Provincial School Taxes	12,388,510	12,214,842	11,940,758	11,697,782	11,892,401
Cowichan Valley Regional Hospital District	2,664,297	2,823,891	3,128,740	3,122,486	3,394,360
Cowichan Valley Regional District	6,685,258	7,090,899	7,341,902	7,827,059	8,120,734
BC Assessment	378,365	363,022	346,992	320,973	332,048
Municipal Finance Authority	1,059	1,050	1,078	1,176	1,312
	<u>\$ 51,995,061</u>	<u>\$ 53,438,059</u>	<u>\$ 54,906,775</u>	<u>\$ 56,383,439</u>	<u>\$ 58,329,977</u>
Total Current Taxes Levied	\$ 51,995,061	\$ 53,438,059	\$ 54,906,775	\$ 56,383,439	\$ 58,329,977
Total Current Taxes Collected	<u>50,573,959</u>	<u>51,995,426</u>	<u>53,498,333</u>	<u>55,203,987</u>	<u>57,052,819</u>
Outstanding	<u>\$ 1,421,102</u>	<u>\$ 1,442,633</u>	<u>\$ 1,408,442</u>	<u>\$ 1,179,452</u>	<u>\$ 1,277,158</u>
Percentage Collected	<u>97.3%</u>	<u>97.3%</u>	<u>97.4%</u>	<u>97.9%</u>	<u>97.8%</u>

2018 Property Tax by Type



Source: North Cowichan Financial Services

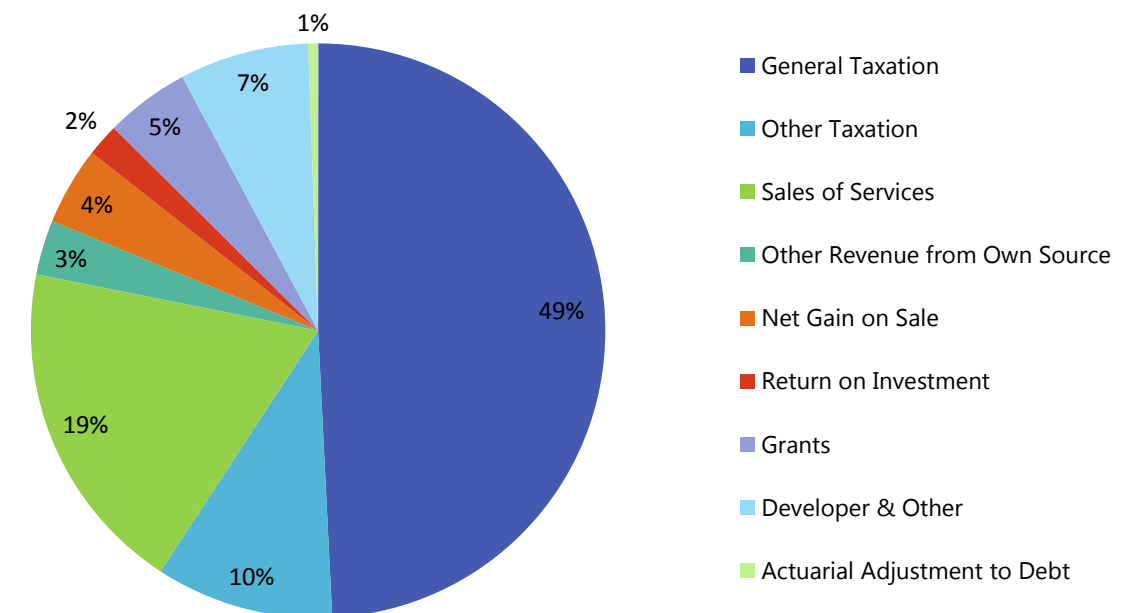
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

SOURCES OF REVENUE

	2014	2015	2016	2017	2018
General Taxation	\$ 24,663,175	\$ 25,684,821	\$ 26,611,169	\$ 27,761,143	\$ 28,743,000
Other Taxation	5,214,397	5,259,534	5,536,136	5,652,820	5,846,122
Sales of Services	9,988,716	9,934,036	10,315,697	10,765,559	11,036,880
Other Revenue from Own Source	1,290,676	1,290,799	2,446,109	3,364,980	1,802,377
Net Gain on Sale	907,014				2,561,425
Return on Investment	485,004	537,184	482,739	490,440	1,070,860
Grants	3,039,959	3,044,440	4,915,296	3,417,282	2,774,959
Developer & Other	1,538,496	1,445,735	1,847,256	1,551,330	4,230,918
Actuarial Adjustment to Debt	268,697	318,574	367,322	368,446	328,399
	<u>\$ 47,396,134</u>	<u>\$ 47,515,123</u>	<u>\$ 52,521,724</u>	<u>\$ 53,372,000</u>	<u>\$ 58,394,940</u>

2018 Sources of Revenue



Source: North Cowichan Financial Services



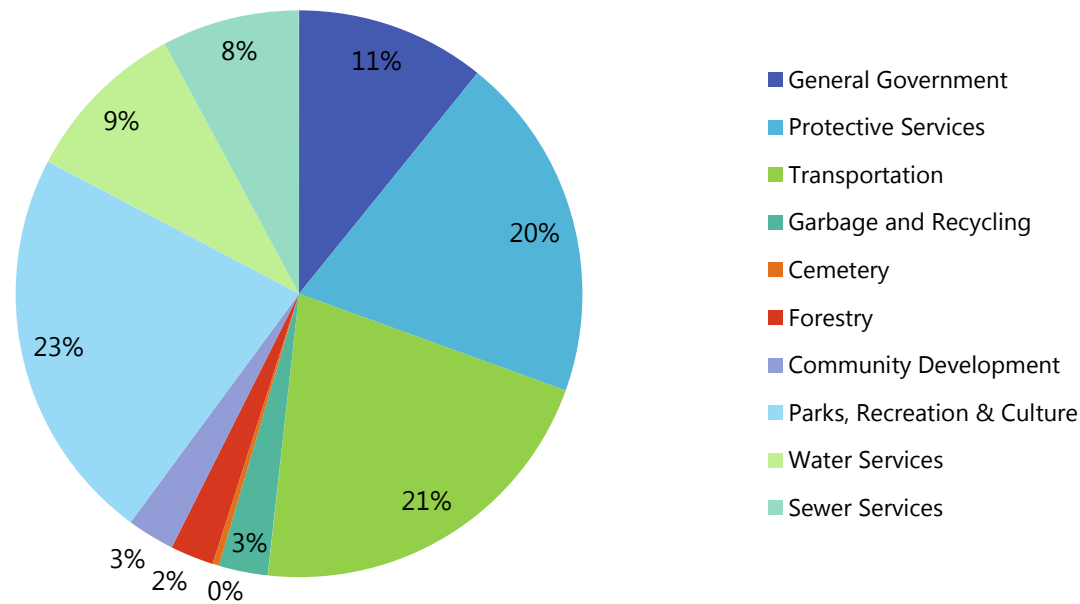
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

EXPENSES BY FUNCTION

	2014	2015	2016	2017	2018
General Government	\$ 3,501,452	\$ 3,524,570	\$ 3,900,171	\$ 4,640,908	\$ 5,176,681
Protective Services	8,028,316	8,204,382	9,094,204	9,017,816	9,449,524
Transportation	9,912,682	9,560,297	9,943,610	10,724,931	10,154,122
Garbage and Recycling	1,222,948	1,216,257	1,283,764	1,288,498	1,339,946
Cemetery	138,673	146,198	135,551	148,941	172,982
Forestry	1,345,038	1,293,708	1,154,654	1,116,165	1,185,156
Community Development	1,340,289	1,101,461	928,399	1,031,805	1,295,591
Parks, Recreation & Culture	9,921,212	10,620,440	10,855,716	11,009,482	10,826,990
Water Services	4,080,995	3,991,686	4,057,931	4,395,652	4,518,752
Sewer Services	3,529,976	3,692,865	3,591,150	3,455,356	3,751,477
	\$ 43,021,581	\$ 43,351,864	\$ 44,945,150	\$ 46,829,554	\$ 47,871,221

2018 Expenses by Function



Source: North Cowichan Financial Services

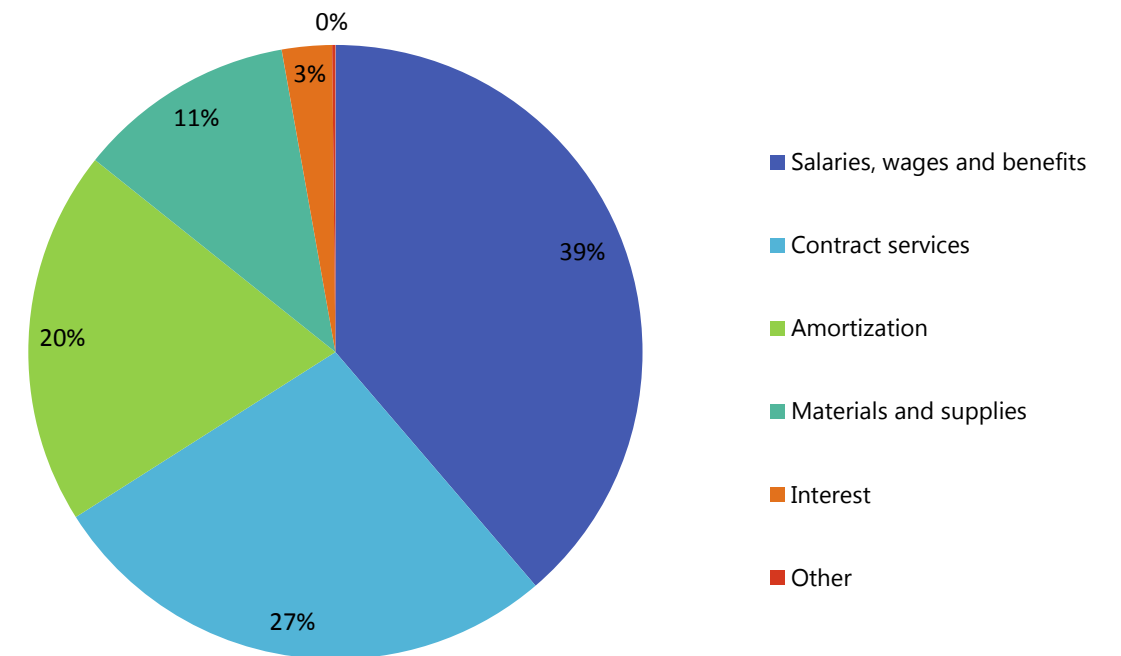
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

EXPENSES BY OBJECT

	2014	2015	2016	2017	2018
Salaries, wages and benefits	\$ 15,765,079	\$ 16,055,345	\$ 16,942,613	\$ 17,515,182	\$ 18,535,061
Contract services	12,134,545	12,160,941	11,933,440	12,569,146	13,055,682
Amortization	8,594,212	8,678,052	8,954,565	9,048,503	9,452,760
Materials and supplies	5,150,889	4,837,885	5,579,720	6,188,939	5,489,564
Interest	1,376,856	1,393,717	1,402,564	1,334,321	1,257,162
Other		225,924	132,248	173,463	80,992
	\$ 43,021,581	\$ 43,351,864	\$ 44,945,150	\$ 46,829,554	\$ 47,871,221

2018 Expenses by Object



Source: North Cowichan Financial Services



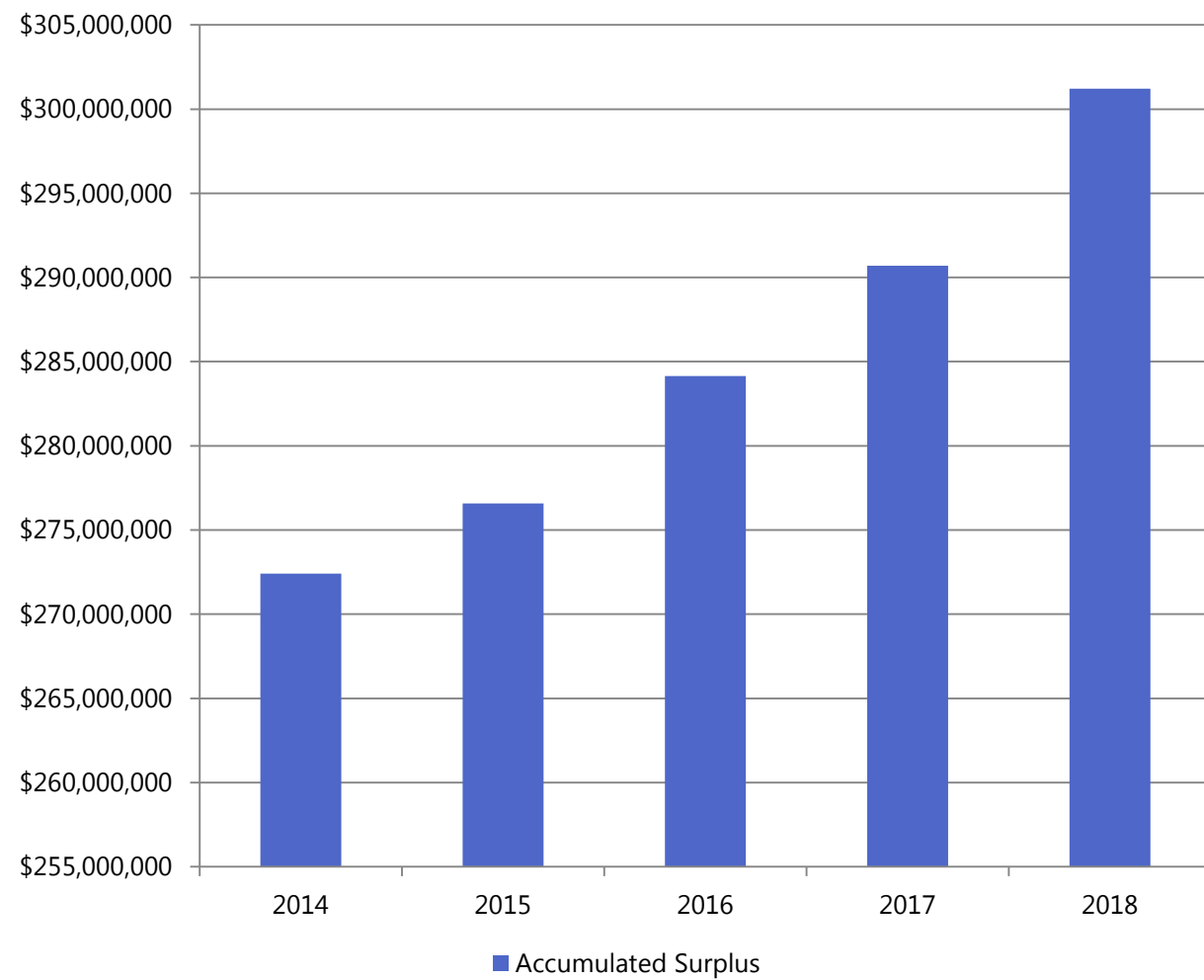
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

ACCUMULATED SURPLUS

	2014	2015	2016	2017	2018
Accumulated Surplus	\$ 272,411,014	\$ 276,574,273	\$ 284,150,850	\$ 290,693,296	\$ 301,217,015
Annual Surplus	\$ 4,374,553	\$ 4,163,259	\$ 7,576,574	\$ 6,542,446	\$ 10,523,719

Accumulated Surplus



Source: North Cowichan Financial Services

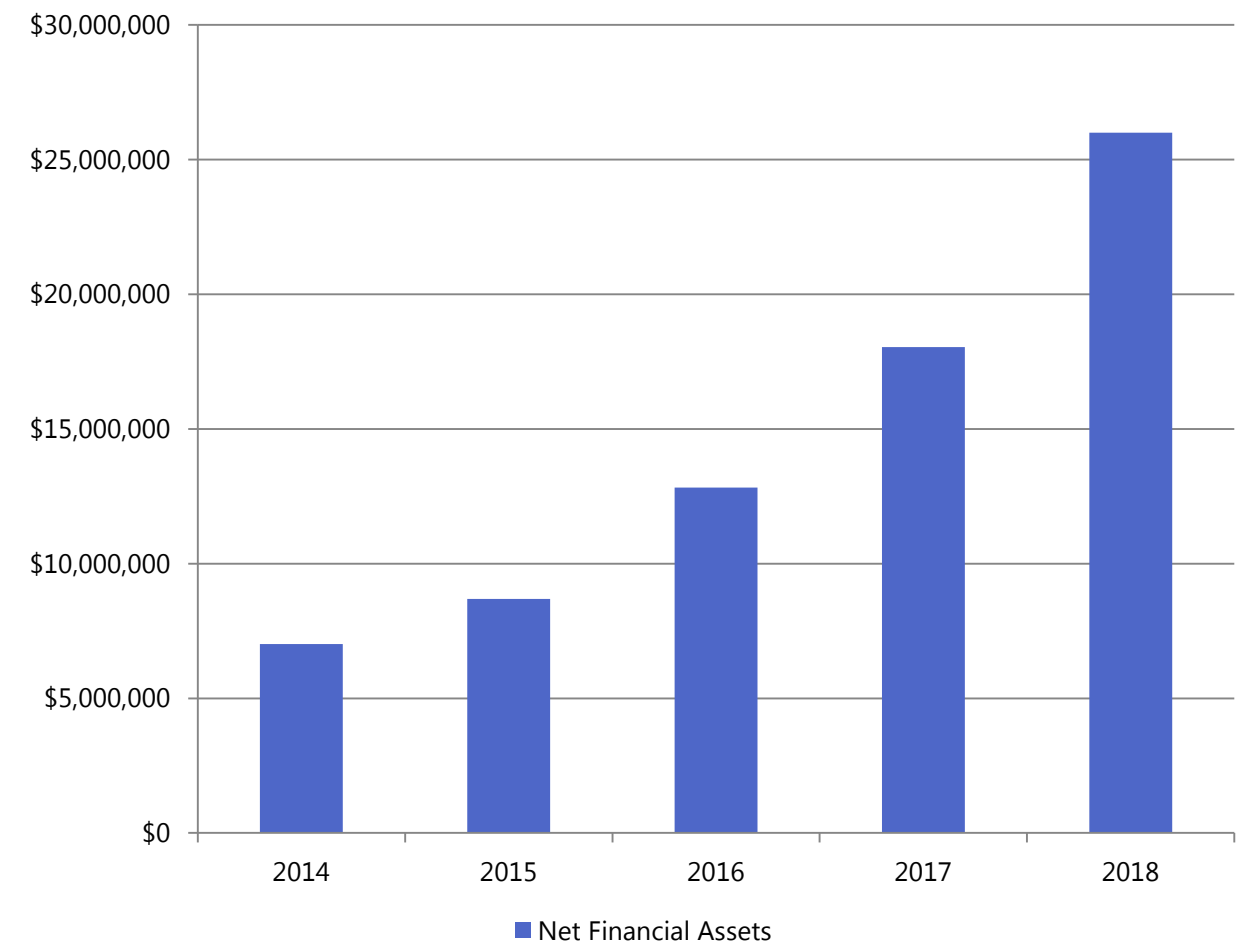
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

NET FINANCIAL ASSETS

	2014	2015	2016	2017	2018
Net Financial Assets	\$ 7,014,708	\$ 8,687,605	\$ 12,819,256	\$ 18,039,945	\$ 25,997,975

Net Financial Assets



Source: North Cowichan Financial Services



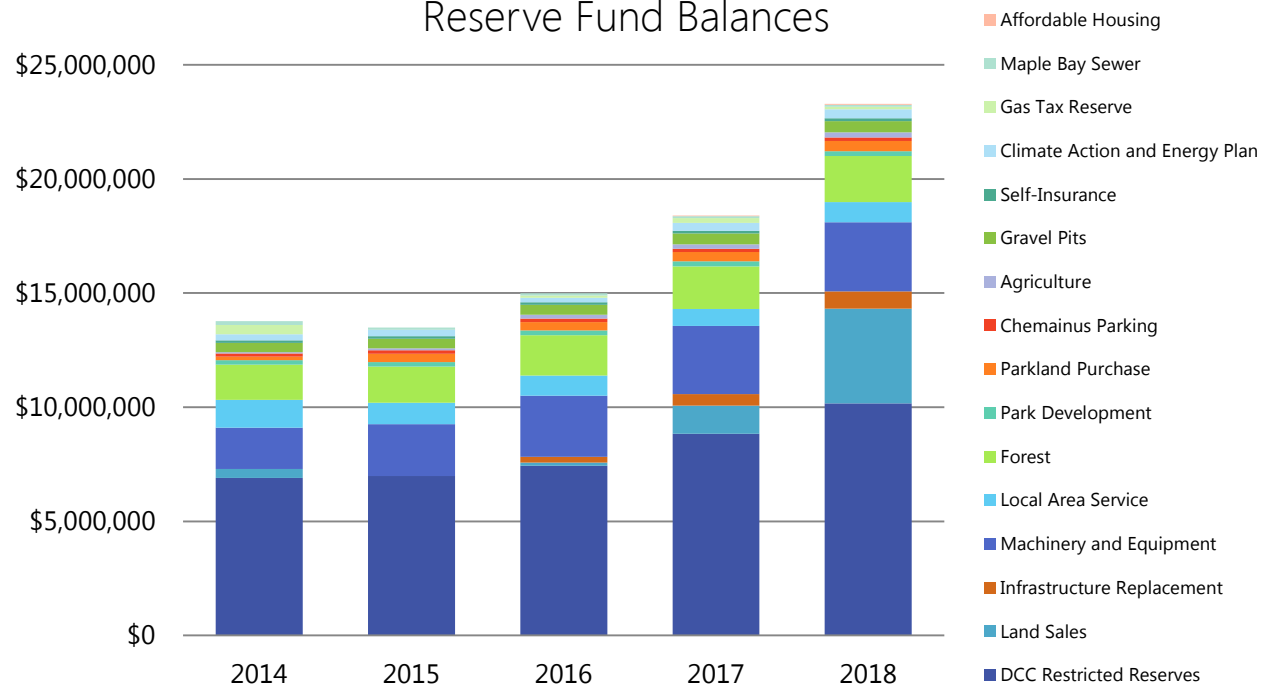
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

RESERVE FUND BALANCES

	2014	2015	2016	2017	2018
DCC Restricted Reserves	\$ 6,902,151	\$ 6,989,093	\$ 7,440,263	\$ 8,839,639	\$ 10,168,279
Land Sales	385,917	0	138,257	1,232,543	4,146,465
Machinery and Equipment	1,820,232	2,274,357	2,675,089	2,982,186	3,030,045
Local Area Service	1,216,897	938,331	881,380	752,833	882,701
Forest	1,537,081	1,571,361	1,773,911	1,864,667	2,012,439
Park Development	192,995	195,792	197,931	212,218	216,215
Parkland Purchase	155,439	373,298	377,377	405,359	442,143
Chemainus Parking	147,604	149,743	151,379	152,547	155,419
Agriculture	50,225	80,953	161,894	193,142	226,779
Self-Insurance	114,790	116,454	117,726	118,634	120,868
Climate Action and Energy Plan	256,763	279,395	197,966	348,593	398,762
Maple Bay Sewer	159,358	86,475	87,420	88,094	89,753
Recreation Facilities	748,222	829,802	784,201	863,910	996,470
Gas Tax Reserve	416,000	0	100,340	201,114	104,901
Infrastructure Replacement	0	0	250,000	501,928	761,380
Gravel Pits	410,902	428,920	433,606	474,363	490,996
Affordable Housing	0	0	0	22,081	39,497
	\$ 14,514,576	\$ 14,313,974	\$ 15,768,740	\$ 19,253,851	\$ 24,283,112

Reserve Fund Balances



Source: North Cowichan Financial Services

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

DEBENTURE DEBT

	2014	2015	2016	2017	2018
Local Area Service Debt *	\$ 2,519,665	\$ 4,215,751	\$ 4,461,545	\$ 4,380,790	\$ 4,192,470
Tax Supported Debt	18,537,149	17,574,522	18,520,163	17,368,656	16,214,950
Total Debenture Debt	\$ 21,056,814	\$ 21,790,273	\$ 22,981,708	\$ 21,749,446	\$ 20,407,420
Debt per Capita	696	711	741	692	639

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

Source: North Cowichan Financial Services

LIABILITY SERVICING

	2014	2015	2016	2017	2018
Liability Servicing Limit	\$ 10,467,636	\$ 10,764,589	\$ 11,423,301	\$ 12,079,962	\$ 12,079,962
Total Liability Servicing Cost	2,719,018	2,670,299	4,087,297	2,583,908	2,583,908
Liability Servicing Capacity Available	\$ 7,748,618	\$ 8,094,290	\$ 7,336,004	\$ 9,496,054	\$ 9,496,054

Source: North Cowichan Financial Services

TAXES COLLECTED FOR OTHER AGENCIES

	2014	2015	2016	2017	2018
School	\$ 12,388,510	\$ 12,214,842	\$ 11,940,758	\$ 11,697,782	\$ 11,892,401
CVRHD	2,664,297	2,823,891	3,128,740	3,122,486	3,394,360
CVRD	6,685,258	7,090,899	7,341,902	7,827,059	8,120,734
BC Assessment	378,365	363,022	346,992	320,973	332,048
MFA	1,059	1,050	1,078	1,176	1,312
	\$ 22,117,489	\$ 22,493,704	\$ 22,759,470	\$ 22,969,476	\$ 23,740,855

Source: North Cowichan Financial Services



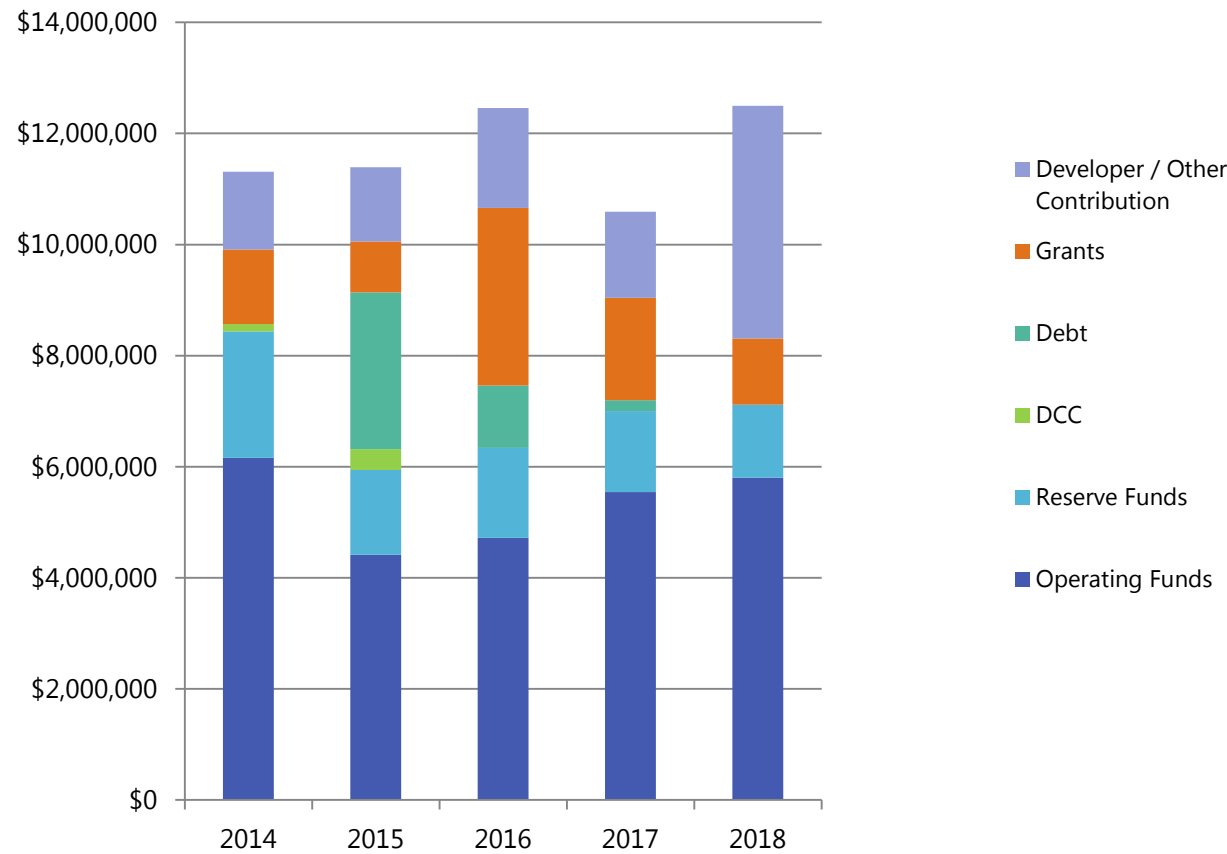
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

CAPITAL EXPENDITURES BY SOURCES OF FINANCING

	2014	2015	2016	2017	2018
Operating Funds	\$ 6,158,480	\$ 4,413,185	\$ 4,718,359	\$ 5,541,462	\$ 5,802,144
Reserve Funds	2,275,092	1,529,485	1,622,366	1,457,148	1,314,598
DCC	133,200	372,000	-	-	-
Debt	-	2,824,800	1,121,522	200,000	-
Grants	1,346,863	913,323	3,199,385	1,840,781	1,191,968
Developer / Other Contribution	1,395,296	1,337,959	1,797,256	1,549,520	4,191,180
	\$ 11,308,931	\$ 11,390,752	\$ 12,458,888	\$ 10,588,911	\$ 12,499,890

Capital Expenditures by Source of Funding



Source: North Cowichan Financial Services

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2014-2018

NEW CONSTRUCTION

	2014	2015	2016	2017	2018
Building Permits Issued	308	249	331	324	336
Construction Value	\$ 36,958,060	\$ 32,299,000	\$ 39,992,424	\$ 47,344,829	\$ 67,257,000

Source: North Cowichan Financial Services

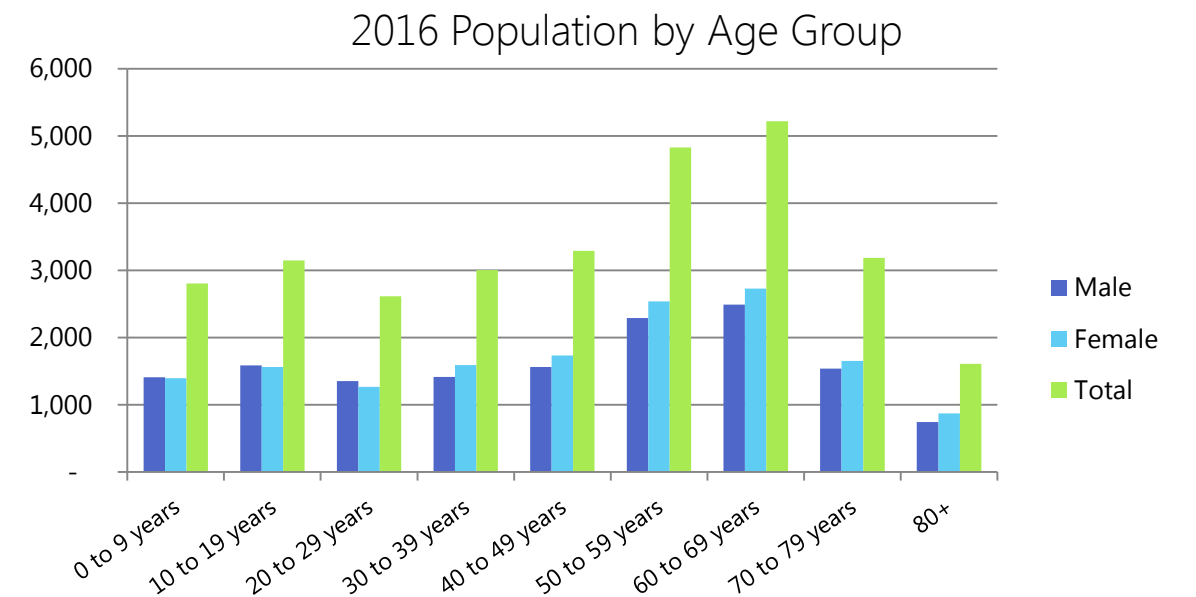
TOTAL POPULATION

	2014	2015	2016	2017	2018
Total population estimates	30,254	30,663	30,994	31,448	31,920
% Change from prior year	2.0%	1.4%	1.1%	1.5%	1.5%

Source: BC Stats

POPULATION BY AGE GROUP

Median age of population 47.1 years



Source: Statistics Canada Census



STATISTICAL INFORMATION

2018 TOP 10 PRINCIPAL CORPORATE TAXPAYERS

Taxpayer	Industry	Tax Contribution
Catalyst Paper Corporation	Industry	\$3,930,209
Calloway Reit (Cowichan) Inc.	Retail	629,258
Western Forest Products Inc.	Industry	574,856
Fiera Properties Core Fund GP Inc.	Retail	517,163
Cowichan Town Centre Market Inc.	Retail	256,552
Chemainus Village Square Ltd	Retail	127,707
Island Timberlands GP Ltd	Industry	111,601
Baljet Car Co. Ltd	Retail	100,470
Alpine-Pacific Leasing Ltd	Retail	96,503
Centra Gas BC Inc	Utility	92,761
Total Tax Contribution from Top 10 Taxpayers		\$6,437,081
Total Municipal Tax		\$28,742,967
Proportion of municipal tax paid by top ten		22.4%

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, 2018

[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
00001-000	5800 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican	857
00016-000	1843 Tzouhalem Rd	Vancouver Island Providence Community Assoc	5,100
00016-002	Donnay Dr	Vancouver Island Providence Community Assoc	3,340
00022-200	1501 Khenipson Rd	Nature Conservancy of Canada	4,510
00172-001	Rail Corridor	Island Corridor Foundation	707
00180-001	Rail Corridor	Island Corridor Foundation	405
00180-002	Rail Corridor	Island Corridor Foundation	722
00184-001	Rail Corridor	Island Corridor Foundation	540
00184-002	Rail Corridor	Island Corridor Foundation	463
00186-001	Rail Corridor	Island Corridor Foundation	156
00197-100	Trans Canada Hwy	Nature Trust of B.C.	2,534
00197-101	Trans Canada Hwy	Nature Trust of B.C.	5,258
00200-000	6045 Trans Canada Hwy	Nature Trust of B.C. & Ducks Unlimited	1,152
00206-100	Beverly St	Cowichan Green Community	1,450
00362-000	5795 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican	8,993
00403-000	5905 Indian Rd	Abbeyfield Houses Society of Duncan	3,056
00433-000	2004 and 2030 Crescent	St. Peter's Crescent Society	1,364
00476-000	1839 Tzouhalem Rd	New Life Community Baptist Church	4,901
00477-000	1815 Tzouhalem Rd	Church of Jesus Christ of Latter-day Saints	3,050
00830-000	3210 Sherman Rd	Vancouver Island Sikh Cultural Soc	2,650
00899-001	Rail Corridor	Island Corridor Foundation	503
00900-001	Rail Corridor	Island Corridor Foundation	350
00947-000	2246 and 2244 Moose Rd	Duncan Community Lodge Society (Loyal Order of the	5,243
01038-001	Beverly St	Chesterfield Sports Society	1,429
01038-002	5847 Chesterfield Ave	Chesterfield Sports Society	3,187
01049-001	Beverly St	Nature Trust of BC	518
01082-000	5810 Garden St	Cowichan Valley Basket Society	1,643
01095-000	5848 Clements St	Clements Centre Society	958
01180-025	Rail Corridor	Island Corridor Foundation	282
01180-050	Rail Corridor	Island Corridor Foundation	359
01232-003	Rail Corridor	Island Corridor Foundation	478
01232-004	Rail Corridor	Island Corridor Foundation	412
01232-005	Rail Corridor	Island Corridor Foundation	68
01232-006	Rail Corridor	Island Corridor Foundation	109
01232-007	Rail Corridor	Island Corridor Foundation	1,322
01232-008	Rail Corridor	Island Corridor Foundation	66
01232-009	Rail Corridor	Island Corridor Foundation	6
01232-010	Rail Corridor	Island Corridor Foundation	1,257
01232-011	Rail Corridor	Island Corridor Foundation	1,719
01242-020	Beverly St	Nature Trust of BC	2,040
01313-000	#2 - 5855 York Rd	Canadian Red Cross	1,061
01572-001	2704 James St	Trinity Evangelical Lutheran Church	1,259
01587-000	5856 Clements St	Clements Centre Society	15,065
01587-000	5856 Clements St	Cowichan Valley Association for Community Living	15,065

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
01640-005	5990 Indian Rd	Maple Bay Rowing Club	1,874
01791-020	5855 Clements St	Cowichan Agricultural Society & Farmers Institute	3,033
01881-000	3441 Gibbins Rd	BC Corporation of Seventh-Day Adventist Church	4,462
01920-000	5860 Banks Rd	Cowichan Valley Hospice Society	1,113
02197-001	3045 Gibbins Rd	Cowichan Valley Division of Family Practice	739
02222-001	Rail Corridor	Island Corridor Foundation	394
02227-000	3968 Gibbins Rd	Vimy Community Club	1,785
02246-005	2731 Boys Rd	Freshwater Fisheries Society of B.C.	487
02310-000	3036 Sherman Rd	Cowichan Valley Church of the Nazarene	1,614
03931-010	Cowichan Bay	Nature Trust of B.C.	58
03995-000	Rail Corridor	Island Corridor Foundation	9,253
03995-001	Rail Corridor	Island Corridor Foundation	400
03995-002	Rail Corridor	Island Corridor Foundation	2,776
03995-003	Rail Corridor	Island Corridor Foundation	3,552
03995-004	Rail Corridor	Island Corridor Foundation	1,722
03995-007	Rail Corridor	Island Corridor Foundation	3,343
03995-008	Rail Corridor	Island Corridor Foundation	3,462
03995-009	Rail Corridor	Island Corridor Foundation	2,579
03995-010	Rail Corridor	Island Corridor Foundation	1,710
03995-011	Rail Corridor	Island Corridor Foundation	2,597
03995-012	Rail Corridor	Island Corridor Foundation	3,164
03995-013	Rail Corridor	Island Corridor Foundation	3,940
03995-014	Rail Corridor	Island Corridor Foundation	609
03995-015	Rail Corridor	Island Corridor Foundation	2,857
03995-016	Rail Corridor	Island Corridor Foundation	2,797
03995-017	Rail Corridor	Island Corridor Foundation	2,143
03995-018	Rail Corridor	Island Corridor Foundation	1,501
03995-019	Rail Corridor	Island Corridor Foundation	3,791
03995-020	Rail Corridor	Island Corridor Foundation	9
03995-021	Rail Corridor	Island Corridor Foundation	1,284
03995-022	Rail Corridor	Island Corridor Foundation	612
03996-000	Rail Corridor	Island Corridor Foundation	8,268
05033-000	Mt. Prevost	Cowichan War Memorial Trustees	101
05038-012	3540 Auchinachie Rd	The Oasis Church Society	1,765
05084-000	Trans Canada Hwy	Nature Trust of B.C.	2,050
05099-000	7380 Trans Canada Hwy	Cowichan Exhibition	40,952
05105-060	7550 Bell McKinnon Rd	BC S.P.C.A..	5,229
05359-005	6124 Ryall Rd	Clements Centre Society	1,477
05359-006	6124 Ryall Rd	Clements Centre Society	4,120
05373-000	3248 Cowichan Valley	Somenos Community Association	1,490
05469-001	2892 Drinkwater Rd.	BC Forest Discovery Centre	3,310
05469-005	2986 Drinkwater Rd	Duncan-Cowichan Chamber of Commerce	2,691
05567-000	6137 Somenos Rd	Cowichan Valley Soccer Assn.	1,407
05977-000	Drinkwater Rd	BC Forest Discovery Centre	1,437



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
05999-000	3253 Sherman Rd	Cowichan Valley Soccer Assn.	3,748
06000-000	3191 Sherman Rd	Duncan Curling Club	7,384
06038-000	2382 Calais Rd	Franciscans of Western Canada	2,990
06355-000	Wicks Rd	Franciscan Poor Clare Nuns (St. Clare's Monastery)	4,830
06474-000	2359 Calais Rd	Franciscan Poor Clare Nuns (St. Clare's Monastery)	4,162
06503-000	6118 Lane Rd	Christian Science Society, Duncan	661
08076-000	PID 009-625-399	Camp Qwanoes	2,727
08314-000	6722 Beaumont Ave	Friends of Cowichan Cadets Society	1,160
08328-000	6735 Beaumont Ave	Maple Bay Rowing Club	2,185
08333-020	Morgan St	Crofton Community Centre Society	2,337
08333-100	8003 York Ave	Crofton Community Centre Society	3,026
08338-000	8104 Musgrave St	Crofton Community Centre Society	4,750
08548-000	1860 Herd Rd	Cowichan Rugby Club	4,043
08595-000	Maple Bay Rd	Nature Conservancy of Canada	7,882
08595-001	1241 Maple Bay Rd	Nature Conservancy of Canada	1,684
08597-000	Aitken Rd	Nature Conservancy of Canada	3,420
08630-000	1148 Barnes Rd	Camp Qwanoes	4,292
08630-001	Water Licence 106188	Camp Qwanoes	4
08630-002	Water Licence 108939	Camp Qwanoes	561
08630-050	1148 Barnes Rd	Camp Qwanoes	718
08633-000	1148 Smith Rd	Camp Qwanoes	10,177
08633-001	1 - 1148 Smith Rd	Camp Qwanoes	131
09119-000	6337 Genoa Bay Rd	Maple Bay Yacht Club	1,841
09542-000	1186 Barnes Rd	Camp Qwanoes	1,962
12266-200	Tsussie Rd	Penelukut Development Society	415
12316-010	1507 Joan Ave	Crofton Old School Museum	\$2,052
12316-011	1507 Joan Ave	Crofton Seniors Society	4,271
12395-000	1675 Robert St	Crofton Community Centre Society	1,341
13951-003		Ducks Unlimited	1,254
15004-005	Rifle Range	Chemainus Rod & Gun Club	411
15054-115	9799 Waterwheel Cres	Chemainus Valley Historical Society	414
15086-200	9574 Bare Point Rd	Chemainus Theatre Festival Society	19,969
15103-001	9745 Chemainus Rd	Chemainus Theatre Festival Foundation	1,111
15105-100	9737 Chemainus Rd	Chemainus Theatre Festival Society	28,464
15117-000	Victoria Rd	Anglican Synod Diocese of BC (St. Michael's and All	1,666
15148-005	9910 Esplanade St	Steeple Housing Society	-
15148-010	9906 Esplanade St	Chemainus Health Care Foundation	-
15152-100	9867 Maple St	Chemainus Health Care Auxiliary	9,491
15592-000	9471 Chemainus Rd	Pentecostal Assemblies (Chemainus Tabernacle)	478
15642-000	9796 Willow St	Chemainus Festival of Murals Society	2,356
15642-001	9796 Willow St	Cowichan Valley Neighbourhood House Association	-
15642-005	9796 Willow St	Chemainus Chamber of Commerce	-
15646-000	9814 Willow St	Trustees of the Chemainus/Crofton Pastoral Charge	660
15656-000	9824 Willow St	Chemainus Seniors Drop-In Centre Society	8,265

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
15736-000	9775 Chemainus Rd	Royal Canadian Legion (Chemainus Legion)	3,772
15791-000	2828 Pine St	Harbour View Housing Society	1,453
15798-101	9758 Chemainus Rd	Chemainus Rotary Club	658
16124-000	2852/2858 Mill St	Anglican Synod Diocese of BC (St. Michael's and All	1,410
16273-000	9877 Esplanade St	Harbour View Housing Society	8,248
16321-020	2816 Henry Rd	Mount Brenton Golf Course Ltd	3,767
16487-000	3318 River Rd	Canadian Baptists of Western Canada (Calvary Baptist	5,459
17849-001		Ducks Unlimited	1,302
17849-002		Ducks Unlimited	98
18008-001	Rail Corridor	Island Corridor Foundation	\$19
18008-002	Rail Corridor	Island Corridor Foundation	22
24001-000	3790 Gibbins Rd	744 (Cowichan) Squadron Admin Society	\$1,246
24017-000	2558 Mt Sicker Rd	Westholme School Society	2,543
24018-000	3039 Sprott Rd	Parkside Academy Society	22,334
Total			<u>\$461,189</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 land and improvements	2015 - 2019	\$4,192
01081-012	102-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	1,972
01081-013	103-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	1,764
01081-014	201-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	3,795
01081-015	202-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	801
01081-016	203-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	821
01081-017	204-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	477
01081-018	205-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	471
01081-019	206-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	816
01081-020	207-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	735
01081-021	302-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	814
01081-022	303-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	831
01081-023	304-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	486
01081-024	305-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	478
01081-025	306-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	826
01081-026	307-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	743
01081-027	401-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	912
01081-028	402-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	923
01081-029	403-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	855
01081-030	404-5822 Garden Street	Class 1 or 6 land and improvements	2015 - 2019	926
05319-575	6157 Scott Road	Class 5 or 6 improvements	2015 - 2024	6,656
05319-610	6200 Scott Road	Class 5 or 6 improvements	2016 - 2025	4,904
12117-101	101-1533 Joan Ave	Class 6 improvements	2017 - 2021	2,337
12117-102	201-1533 Joan Ave	Class 1 improvements	2017 - 2021	631
12117-103	202-1533 Joan Ave	Class 1 improvements	2017 - 2021	664
12117-104	203-1533 Joan Ave	Class 1 improvements	2017 - 2021	602
12117-105	204-1533 Joan Ave	Class 1 improvements	2017 - 2021	671
12117-106	205-1533 Joan Ave	Class 1 improvements	2017 - 2021	598
12117-107	301-1533 Joan Ave	Class 1 improvements	2017 - 2021	689
12117-108	302-1533 Joan Ave	Class 1 improvements	2017 - 2021	664
12117-109	303-1533 Joan Ave	Class 1 improvements	2017 - 2021	627
12117-110	304-1533 Joan Ave	Class 1 improvements	2017 - 2021	671
12117-111	305-1533 Joan Ave	Class 1 improvements	2017 - 2021	598
12117-112	401-1533 Joan Ave	Class 1 improvements	2017 - 2021	689
12117-113	402-1533 Joan Ave	Class 1 improvements	2017 - 2021	664
12117-114	403-1533 Joan Ave	Class 1 improvements	2017 - 2021	627
12117-115	404-1533 Joan Ave	Class 1 improvements	2017 - 2021	671
12117-116	405-1533 Joan Ave	Class 1 improvements	2017 - 2021	598
16522-002	3400 Smiley Rd	Class 5 or 6 improvements	2018 - 2022	8,527
			Total	<u>\$55,723</u>

CHEMAINUS OFF-STREET PARKING

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

January 1, 2018	\$ 152,547
Interest	2,873
Current Year Contributions	
Current Year Expenditures	0
	<hr/>
December 31, 2018	<u>\$ 155,420</u>



DEVELOPMENT COST CHARGES

NIL REPORT

DECLARATION OF DISQUALIFICATION FROM OFFICE

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

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

	Jan. 1, 2018	Interest	Current Year Contributions	Current Year Expenditures	Current Year Amounts Waived*	Dec. 31, 2018
ROADS	902,828	20,798	635,653	-	(304,674)	1,254,605
PARKS	346,190	9,648	269,358	-	-	625,196
CHEMAINUS						
WATER	370,370	7,338	73,435	-	-	451,142
SEWER	200,929	3,937	30,930	-	-	235,796
	571,299	11,274	104,365	-	-	686,938
CROFTON						
WATER	112,722	2,175	5,956	-	-	120,853
SEWER	54,934	1,106	9,230	-	-	65,270
	167,656	3,280	15,186	-	-	186,122
SOUTH END						
DRAINAGE	213,539	4,840	64,706	-	-	283,086
WATER	1,524,026	31,372	405,733	-	(226,374)	1,734,757
SEWER	5,114,100	99,012	416,404	-	(231,942)	5,397,574
	6,851,665	135,225	886,844	-	(458,316)	7,415,417
TOTAL	8,839,638	180,226	1,911,405	-	(762,990)	10,168,279



Karen Robertson
Corporate Officer
May 16, 2019

*Development Cost Charges waived under Section 933.1 of the Local Government Act through Bylaw 3526 Revitalization Tax Exemption Bylaw





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