

# 2020 ANNUAL REPORT

Municipality of North Cowichan, BC  
For the year ended December 31, 2020

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## MUNICIPALITY OF NORTH COWICHAN 2020 ANNUAL REPORT

For the year ended December 31, 2020

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

# A MESSAGE FROM THE MAYOR



To say that 2020 was an unusual year would be the height of understatement. In many ways, both globally and locally, the year was defined by the COVID-19 pandemic and our collective response to it. As you read through this Annual Report, I urge you remember that everything we achieved during the year was done within a context where our staff were mostly working from home, while Council was operating in new and unprecedented ways, all amid a lot of uncertainty.

When the pandemic was first declared, we closed our playgrounds, recreational facilities, and Municipal Hall. We held a brief Council meeting on March 18 in which we suspended all further meetings of Council until we could get some clarity on how to move forward. Subsequently, we saw an amazing response from staff; critical technological infrastructure was up and running very quickly and we were once again able to conduct Municipal and Council business. Council meetings resumed in April, and all subsequent meetings were held virtually for the balance of the year. Residents were still able to participate, provide input, and ask questions.

Due to the economic uncertainty in the early days of the pandemic, Council re-examined its budget priorities and reduced the proposed tax increase to 1.41%, with a focus on recovery budgets for the following years. This reduction included a short-term 10% pay cut for Mayor and Council. And yet, in spite of the overall budget reductions, we made noteworthy progress towards the key actions in our Council Strategic Plan.

2020 saw the launch of our Official Community Plan public engagement, which included a notable response to our public survey. This helped us develop a clear vision and goals for the OCP review. We also launched our BC Energy Step Code Incentive program, an initiative to help reduce our overall carbon footprint in support of our Climate Action goals.

We improved processes to give residents added options and flexibility to do business with us. This included a new electronic application process for building permits and development applications, and the launch of online credit card payments for dog licences.

We continued to focus on developing strong relationships with our Indigenous neighbours, including a reconsideration of our approach on the Forestry Review. On that file, we enacted a pause on the public consultation process in July in order to facilitate government-to-government engagement with the Cowichan Nation to help us better understand their interests in the Municipal Forest Reserve.

I am particularly proud that we made significant progress in 2020 towards replacing the deteriorating North Cowichan-Duncan RCMP detachment. Electors approved the borrowing of funds to construct the new facility, and we held a ceremonial groundbreaking in August to mark this important and significant step forward.

I commend Mr. Swabey, his staff, and members of Council for their ability to embrace the unique challenges of the year within a context where delivering exceptional service to the community was always top of mind.

A handwritten signature in black ink, appearing to read 'Al Siebring', written in a cursive style.

Mayor Al Siebring

# A MESSAGE FROM THE CAO



I am pleased to present the Municipality of North Cowichan's 2020 Annual Report. This past year presented challenges for our organization, challenges that we have not seen before, but it also gave us the opportunity to be innovative while continuing to serve the community during the COVID-19 pandemic.

At the outset of the pandemic, we transformed dozens of business processes in order to meet the needs of staff and citizens, when Municipal Hall closed temporarily and we shifted many office staff to working remotely from home. The investment made in our IT infrastructure allowed staff to work remotely and has improved, immensely, our business continuity during the pandemic and for future service delivery interruptions we may experience. A key objective in our Operational Strategic Plan is that the health and safety of employees is embedded in our core business and culture, and that was incredibly evident in 2020. A significant number of precautionary measures were immediately put in place to protect the health and safety of front-line and on-the-ground staff, our essential workers who continued to work on site to maintain core infrastructure and to serve residents. These organizational changes responding to Public Health Orders and business processes required strong leadership from the Senior Leadership Team.

Despite the challenges we saw in 2020, we had many successes. After a brief pause with public meetings and public engagement, we resumed these activities through digital means, advancing many of Council's strategic priorities. The Municipality stretched its internal resource capacity to support this rapid business transformation from face-to-face to electronic service delivery; Council meetings and Committee of the Whole meetings resumed electronically, as did Public Hearings, workshops, online open houses, and webinars all continued, albeit digitally, for our Official Community Plan public engagement, Step Code Incentive Program, Climate Action and Energy Plan, and more.

I am thrilled to report that we made significant strides in 2020 towards updating and modernizing two key municipal facilities. Replacing the aging North Cowichan-Duncan RCMP detachment is one of our top priorities, and a considerable milestone was achieved in 2020 when we obtained elector approval to borrow the funds necessary to construct the new detachment. Construction is underway and should be complete in late 2022.

A major retrofit and expansion of the Cowichan Aquatic Centre, made possible through a \$2.377 million Federal Gas Tax Grant, was completed in 2020. This project delivers the community many improvements including an expanded competitive pool deck, gym, group fitness rooms, and spin room; along with new folding bleachers and an additional accessible change room. The project was carried out during the facility closure due to COVID-19, minimally impacting staff and patrons.




A year of incredible change that came with incredible learning, 2020 is not one that we will ever forget. I am so proud of the resiliency shown by staff and their unwavering commitment to our community during this time of crisis and uncertainty. I know that everything we learned and accomplished this year has made us stronger and has set us up for many more successes down the road.

A handwritten signature in black ink, appearing to read 'Ted Swabey'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ted Swabey



29,676  
Total population (2016)

-  0-14 14.6%
-  15-64 60.4%
-  65+ 24.9%

Average age  
45.8



\$64,169 Median family income (2015)

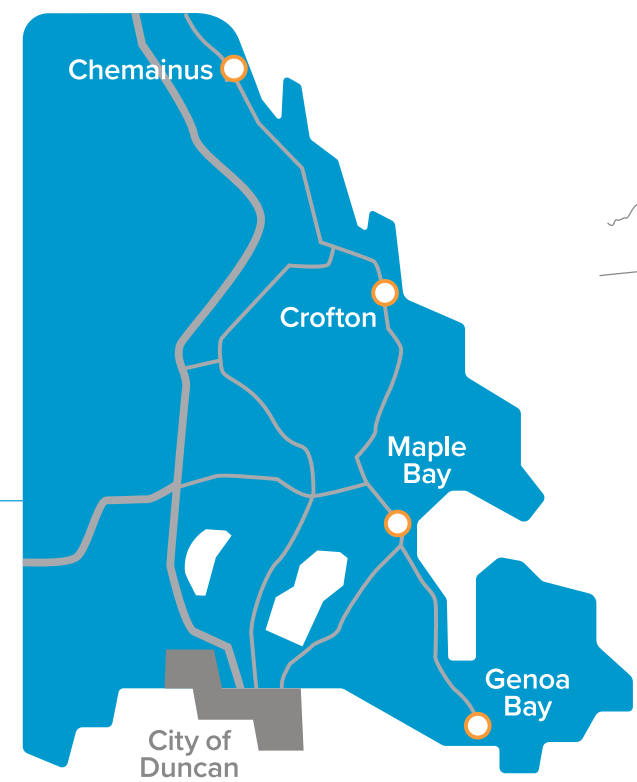
# COMMUNITY PROFILE

North Cowichan is located on the east coast of Vancouver Island in the Cowichan Valley Regional District. It 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, North Cowichan is made up of several unique communities that include Chemainus, Crofton, Maple Bay, and the South End which is comprised of smaller neighbourhoods that are centered around the greater-Duncan area.

North Cowichan's approximately 30,000 residents enjoy all the pleasures of a relaxed, active lifestyle in a mostly rural setting which also affords many of the amenities of city life. North Cowichan offers the best of both worlds, making it one of the most desirable places to call home. The incredible landscape and location can be attributed to North Cowichan quickly becoming known as a hub for recreation, sports, and eco-tourism.



## The Municipality of North Cowichan



**Chemainus**  
Artisan hub, renowned Chemainus Theatre, fishing and swimming at Fuller Lake, Old Town, Waterwheel Park and high school and elementary school.



**Crofton**  
1.5km oceanfront seawalk, warm, swimmable waters at Osborne Bay Park, easy, 20-minute ferry to Salt Spring Island, outdoor community pool (summer), easy access to Maple Mountain and an elementary school.

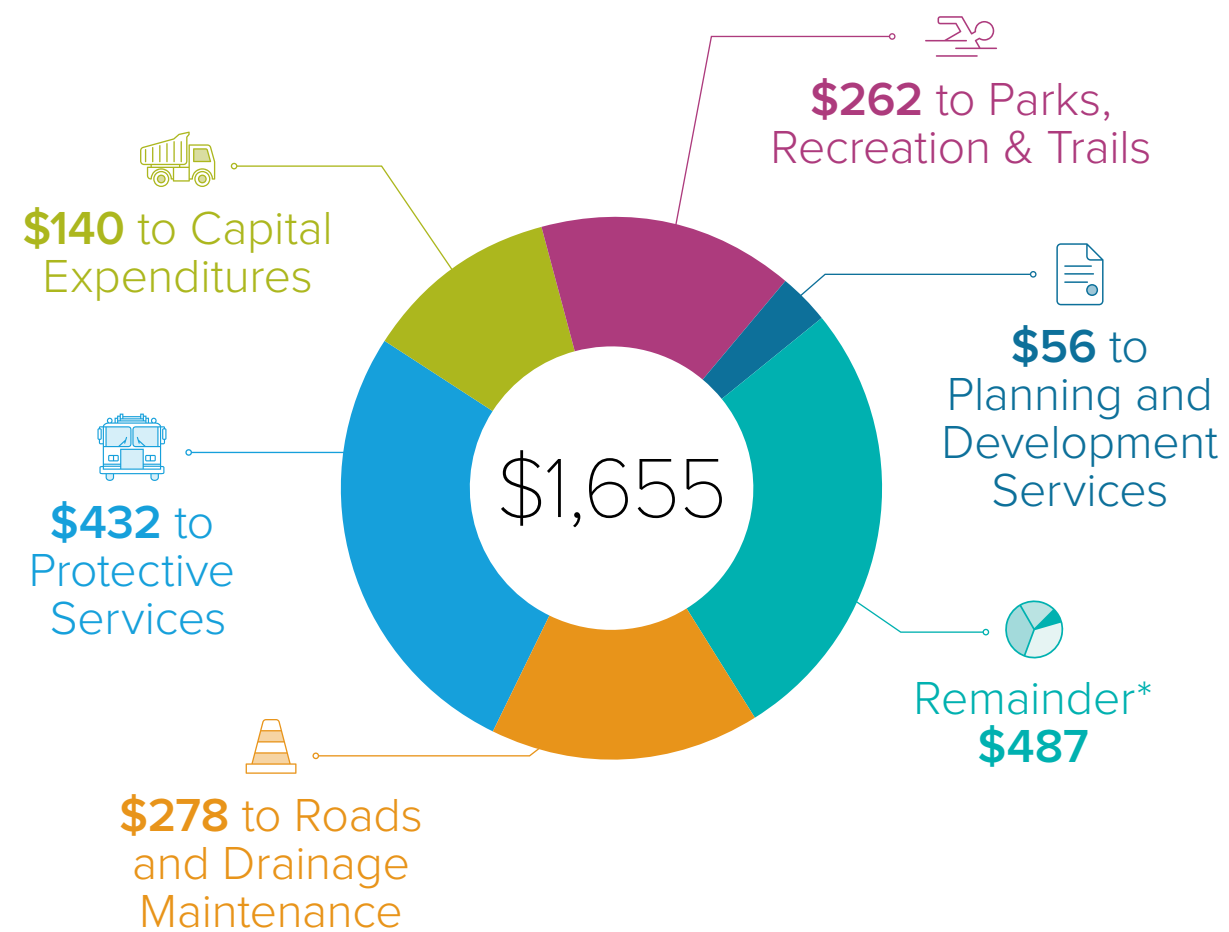


**Maple Bay and Genoa Bay**  
Seaside villages, marinas, beach walking, easy access to hiking and mountain biking at Mount Tzouhalem, Maple Mountain and Stoney Hill Park.



**South End**  
Urban meets rural with Saison Market Vineyard, the Duncan Farmers Market, local vineyards, brewpubs and distilleries and the community's retail hub in downtown Duncan. Also home to Cowichan Campus of Vancouver Island University, Queen Margaret's School and Cowichan High School.

## Breakdown of Municipal Tax for 2020:



A homeowner in North Cowichan whose home had an average assessed value of \$473,578 paid **\$1,655** in *municipal* property taxes in 2020.

\*General government, Debt repayment, Library services, Reserve fund, and Energy and environment.





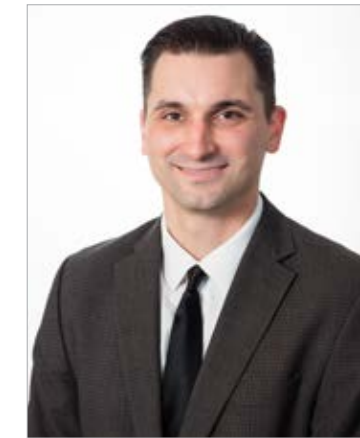
# MAYOR AND COUNCIL

The Municipality of North Cowichan is governed by an elected Mayor and six Councillors, each elected for a four-year term. The current Council was elected in the fall of 2018 for the 2018-2022 term. The responsibility of municipal governments is set out in the Community Charter, mandating Council set the direction and adopt the

policies and budget to guide our community. Our Council meets regularly, on the first and third Wednesday of every month. Residents are encouraged to attend (virtually, for the time being) all open meetings. Council encourages public participation and feedback to foster two-way dialogue and open, participatory governance.



**Al Siebring**  
Mayor



**Rob Douglas**  
Councillor



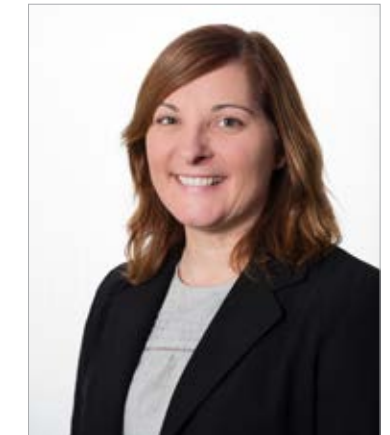
**Christopher Justice**  
Councillor



**Tek Manhas**  
Councillor



**Kate Marsh**  
Councillor



**Rosalie Sawrie**  
Councillor



**Debra Toporowski**  
Councillor



# COUNCIL'S STRATEGIC PLAN

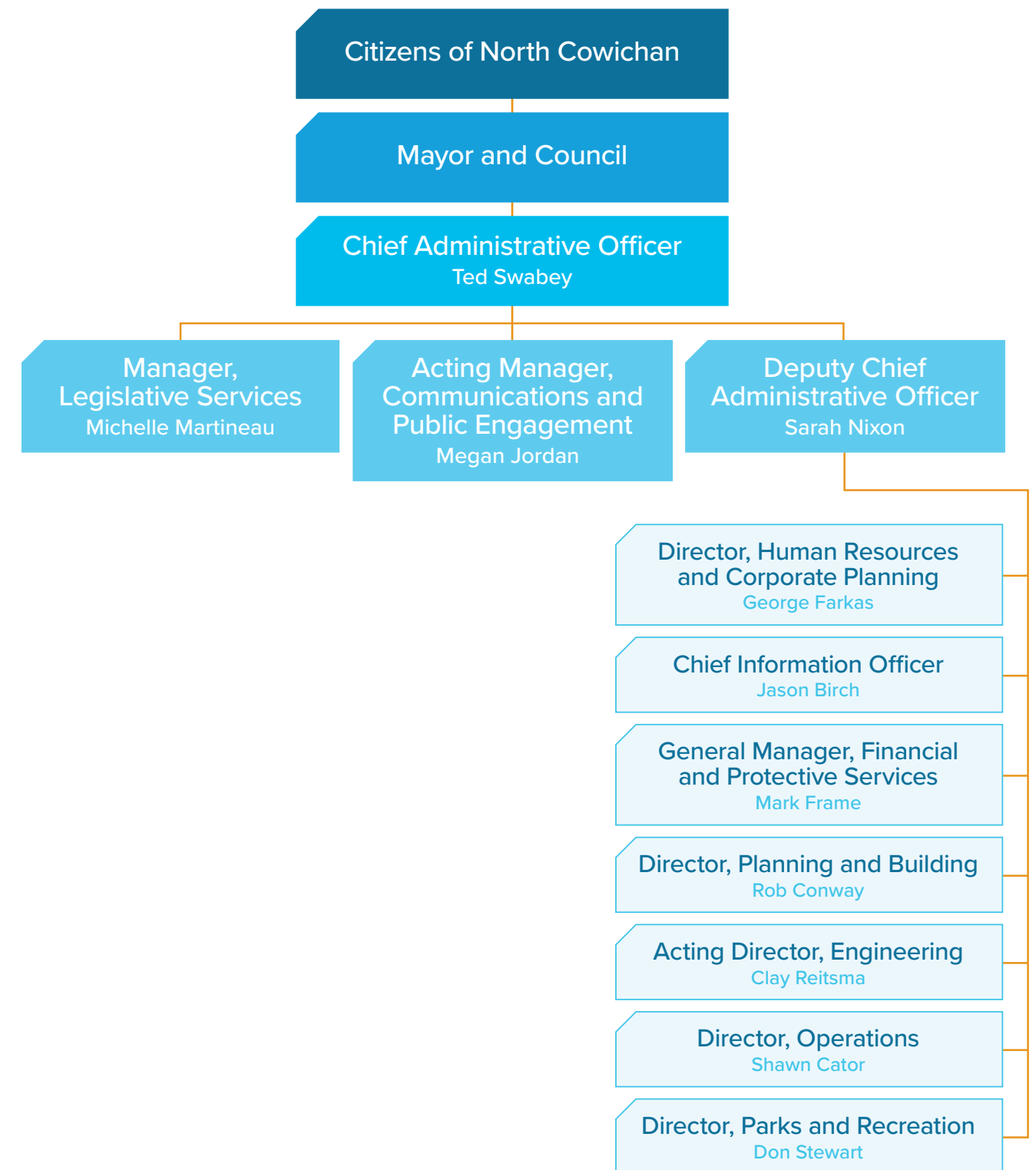
2020 was a year of change and adaptation. While everything paused early in 2020 in reaction to the global pandemic, Council soon found their bearings and made good progress on the priorities outlined in their 2019-2022 Council Strategic Plan. The Plan sets out several years' worth of projects and initiatives to realize Council's vision and objectives, based on the following strategic priorities: **Engagement, Housing, Environment, Economy, Community, Service,** and **Inclusion.**

The Council Strategic Plan serves as a critical foundation for decision making; budgeting; annual work and project planning; workforce planning; and performance measurement

and performance management. In March 2020, Council adopted the Council Strategic Plan Administrative Policy, which establishes a clear process to support Council's oversight role of monitoring staff progress towards implementing the Strategic Plan. Under the policy, staff will provide quarterly updates to Council by March 31, June 30, September 30, and December 31 of each year to outline progress towards meeting the Strategic Plan's objectives.

This Annual Report highlights, beginning on page 17, the progress made within each of Council's strategic priority areas, from January 1 through December 31, 2020.

## ORGANIZATIONAL STRUCTURE as of December 31, 2020







# COUNCIL'S STRATEGIC PRIORITIES

Our 2020 Annual Report highlights successes of each council priority area, key performance indicators, and progress. Here's a look at what we did in 2020.

ENGAGEMENT

HOUSING

ENVIRONMENT

ECONOMY

COMMUNITY

SERVICE

INCLUSION



# ENGAGEMENT

The year began with a number of milestones achieved to move forward significant public engagement projects; Council approved the plan for the public engagement on the future of the Municipal Forest Reserve, awarded the contract for the Official Community Plan project, and recruited and selected Working Group members for the forestry engagement.

Responding to the COVID-19 pandemic in early spring altered these processes, but the organization quickly shifted to delivering services electronically, and engagement continued, albeit virtually.

An important step towards Council's goal in developing strong relationships with Indigenous peoples was the facilitation of government-to-government consultation with the Cowichan Nation so we could better understand their issues and interests in the Municipal Forest Reserve, which is located on the traditional territories of seven local First Nations. This resulted in a pause on the public engagement process, but Council agreed was necessary and important to respect the Indigenous right to self-governance and to consult First Nations in a meaningful way. Consultation with First Nations continued with other projects during this time: the Official Community Plan



16% increase in reach on social media

project, the Joint Utilities Board Sewage Treatment Plant Outfall Relocation project, and ongoing work with the Halalt First Nation to resolve flooding issues.

Work began in the fall on the Community Engagement Framework and Policy project that will establish a step-wise approach for municipal-led engagement and communications activities to support meaningful engagement. This will articulate the municipality's high-level commitment to the public concerning community and stakeholder engagement; provide clarity on how community input can affect the municipal decision-making process; and include tools to help staff and Council plan, implement, evaluate and report on engagement activities to foster continuous improvement. With the first phase of the project complete, next steps include public engagement on the draft policy and the development of a toolkit for staff.



53 official media releases were issued

To best address the needs of Cowichan residents during this challenging year, we collaborated on a regional approach to tackling the COVID-19 pandemic through a Regional Emergency Operation Centre, working closely with our local government partners. We participated on the COVID-19 Task Force for Vulnerable Populations, creating temporary tent sites to house vulnerable, homeless, and precariously housed persons.

Continued discussions with other levels of government occurred throughout the year, resulting in many accomplishments: a deferred property tax deadline and reduced penalties to support those struggling most during the pandemic, and numerous successful grants including a \$4.4 million COVID-19 Safe Restart Grant for 2020-2022.



# HOUSING

We continued to see housing affordability and supply issues in 2020, much like recent years.

Active steps towards addressing these problems continued, despite the added challenges of the pandemic. Working closely with the Cowichan Housing Association on homelessness and affordability, a housing project with B.C. Housing was approved that will provide 51 new permanent, low-barrier and supportive homes at 2983 Drinkwater Road.

After a brief pause early in the pandemic, the Planning, Building, and Engineering teams quickly resumed accepting and processing building, subdivision, and development applications. A new digital building permit process was developed allowing applicants to apply, pay for, and receive a building permit without the need to meet in-person, meeting the demands of the community while adhering to provincial health regulations.

We continued to work closely with the Community Land Trust Foundation on two affordable housing projects, one on Sherman Road in the South End, and the other on Willow Street in Chemainus. Council approved leases and housing agreements for both sites in late 2020, which will have a mixture of townhouse, apartment, and accessible units with 92 residential units on Sherman Road and 22 on Willow Street.

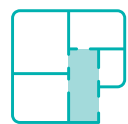


**221**

new dwelling units authorized by building permit

**151**

single family building permits issued. The remainder were secondary suites, duplexes and multi-family dwellings.



**107**

new lots created by Subdivisions



**19**

subdivision applications approved



**301**

building permits issued



**47,722** trees planted  
in the Municipal Forest Reserve

# ENVIRONMENT

Building on Council's commitment to apply an environmental lens to all major projects, this priority area reaches all corners of the organization and saw much progress this year.



**1,374**  
downloads  
of the MNC  
Curbside App

Work on updating the Climate Action and Energy Plan continued, with the goal of modelling emissions and developing strategies to achieve a target of an 80% reduction in Green House Gas emissions (GHGs). Community engagement took place, through digital means, and gathered feedback on potential emissions reduction strategies. The project will continue into 2021, with the results anticipated to help inform environmental policies in the concurrent Official Community Plan update, and other future projects.

The Joint Utilities Board Sewage Outfall Relocation Project continued to make significant progress in 2020. Consultation with six First Nations regarding the location of the outfall terminus to Cowichan Bay reached completion, while conversations with First Nations about the pipe route (land and marine components) continues.

Public engagement on the proposed marine and land pipe routes began in 2020, targeted at those who could be most affected by the potential route. The contract for the Receiving Environment Monitoring Program (REMP) was awarded, and the RFP for design consultants for design of the new pump, land-based pipe, and marine-based pipe closed December 31. The goal of moving the outfall terminus to a location in deeper water will benefit our partnership with indigenous government, and have a positive impact on the Cowichan River estuary.

We adopted the BC Energy Step Code, and an incentive program, in an effort to further support our environmental priorities. GHG emissions from residential buildings contribute 7.5% to community-wide emissions, and 14% of non-industrial community emissions. Early participation in the Step Code program is expected to have a positive effect on the energy efficiency of North Cowichan's building stock by encouraging a higher energy

efficiency standard in advance of mandatory requirements. This is expected to help reduce our overall carbon footprint.

A renewed focus on waste reduction education was implemented this year, beginning with a new recycling contract, and a requirement for the contractor to complete curbside inspections with the goal of reducing contamination. The number of recycling and composting facilities in the municipality expanded, and a social media campaign focused on waste reduction education commenced.

The year ended with Council reinstating the Environmental Advisory Committee (EAC), with recruitment of volunteers beginning in December. Once formed in the New Year, the EAC will provide valuable advice on corporate planning to reduce GHG emissions within our community; other environmental matters, such as natural areas, watershed protection, air quality, climate adaptation; and any emerging issues referred by Council.



# ECONOMY

North Cowichan strives to have a prosperous municipality where we attract and retain great talent and sustainable businesses, and have opportunities for all.

2020 required flexible and innovative practices to ensure local businesses could keep their doors open safely. In spring of 2020, Council directed staff to expedite requests for patio and other outdoor expansion permits for the food service industry who relied on this seating to stay open and serve guests.

Given the financial impacts to residents and local business owners during the COVID-19 pandemic, we also adopted an Alternative Municipal Tax Collection Scheme Bylaw that postponed the penalty deadline for paying property taxes by three months, providing relief and some financial breathing room for taxpayers.

A planned retrofit and expansion of the Cowichan Aquatic Centre took place during the summer months, while the Cowichan Aquatic Centre was closed to patrons due to public health orders. The renovation was almost entirely funded through a \$2.377 million Federal Gas Tax Grant, minimizing impact to taxpayers. Upgrades included approximately 1,000 square feet of additional space in the fitness area, foldout bleachers for swim competitions, increased deck space, and a second accessible change room. The expanded pool deck and user group space will allow us to bid on more competitive opportunities and enhance our ability to attract more sports tourism.

Late in the year, we were notified that the Municipality received a \$4.4 million grant from the Ministry of Municipal Affairs and Housing under the Local Government COVID-19 Safety Restart Grant. The funds will help North Cowichan cover increased operating costs and decreased revenues due to the COVID-19 pandemic, rather than increasing taxes to cover shortfalls. In 2020, that meant that approximately \$610,000 was used to cover revenue shortfalls at the Cowichan Aquatic Centre and Fuller Lake Arena, and \$681,000 was used to cover the additional operating expenses incurred in as a result of the pandemic. The remaining funds were transferred into the COVID-19 Safe Restart Grant Reserve Fund, and will be used in future year's budgets to offset additional expenditures related to effects of the pandemic.



**264** new business licences in 2020



# COMMUNITY

The global pandemic and provincial health orders meant that residents stayed close to home and within their own communities for most of the year, as we have never seen before.

While recreational facilities were required to close down, the Municipality's southern west coast location provided the ideal setting for year-round outdoor recreation. Our municipally sanctioned trails remained open throughout the pandemic providing outdoor spaces for residents to recreate responsibly.

The demand and number of users on our trail systems was higher than ever before. Residents seeking fresh air and social connection flocked to the trails within our parks and the Municipal Forest Reserve, and we responded by making accommodations and managing volume of visitors (approximately 40% more than 2019) to ensure adherence to physical distancing requirements.

We strive for safe, inclusive and inspiring neighbourhoods, and so the concerns in our communities around homelessness, addiction, and the opioid crises remain a key priority. We continued to implement the Safer Community Plan, in collaboration with other regional leaders. Temporary tenting sites were provided in the Fuller Lake Arena parking lot to support vulnerable, homeless, and precariously housed persons. The Cowichan Leadership Group also continues to lobby the provincial government to help address the opioid crisis.

A major project identified in the 2011 Chemainus Revitalization Plan, the Chemainus Road construction project neared completion in 2020. The project included many improvements to this arterial route for the community of Chemainus, including new underground servicing and a new roundabout at River Road to ease congestion and to help the flow of traffic into and out of Chemainus. The establishment of paved bike lanes meets our goal of maintaining opportunities for multi-modal transportation. Additional improvements included new sidewalk, newly paved roadway, landscaping and rain gardens, new signage, and new fencing on the east side of Chemainus Road.



**67,000**  
drop-in visits to the  
Cowichan Aquatic Centre



**912**  
rental hours at  
Fuller Lake Arena



Substantial progress to update North Cowichan's Official Community Plan (OCP) took place this year, including awarding the contract for the project to MODUS, who initiated engagement planning early in 2020. At the onset of the pandemic, Council made the difficult decision to pause all public engagement processes for 90 days to allow the Municipality to respond to the emerging global crisis. In May, however, this decision was rescinded with a revised plan to proceed with engagement

focused on digital means. A community-wide survey launched in late summer that sought to capture residents' vision for the future. With a positive response rate of approximately 1,200 people, the input captured in the survey will help to shape the draft vision and goals of the updated OCP. A gap analysis technical review was also completed, and the community character mapping process began.



**25km**  
of sanctioned  
recreational trails were  
added in the Municipal  
Forest Reserve





# SERVICE

Providing a high level of service to our communities is at the core of what we do, and is essential for achievement of all other priorities. The shift in business processes in response to the pandemic was unprecedented for the Municipality, but being able to deliver essential services was our top priority.

Various new procedures were quickly established to allow for Council meetings, Public Hearings and virtual engagement processes to continue during COVID-19, despite the inability to meet in person. The 2021 Budget Committee of the Whole meetings were made available to the public for electronic (online and telephone) participation, and were promoted to raise awareness of the budget process including how residents could participate in it.

Examining the manner in which municipal services could be safely delivered greatly affected our Information technology (IT) department, who had to quickly pivot in order to support dozens of staff who were now required to work from home. New infrastructure, new software and programs, and new processes were essential and a top priority so that we could continue to serve citizens and meet the needs of the public.

We implemented a new system to accept online credit card payments for dog licence renewals and business licence payments, giving residents more options and the ability to do municipal business from home.

Delivering protective services to our communities is a crucial element of our municipal operations. The current North Cowichan-Duncan RCMP detachment no longer meets the needs of the police officers and employees, current building standards, or health, safety and security requirements, and requires replacement. An Alternative Approval Process (AAP) was held this year to seek elector approval to borrow the funds, an estimated \$48,000,000, to build a new facility. The AAP was successful with just 4.6% of estimated electors validly submitting elector response forms. Construction will begin in 2021, and should be complete in the fall of 2022.

A review of RCMP service levels commenced in 2020, starting with a Council workshop

to identify Council's objective and desired outcomes of the review, and to identify the scope of work to be undertaken by a consultant. The project involves both a financial review and a community safety response model gap analysis, both of which will be complete in 2021.

Recognizing the great work of staff, and supporting them during a challenging year was also a pivotal part of 2020. A temporary intranet was launched in order to best communicate with staff, both on and off the network. We developed an employee health and well-being resource page on the intranet, and over 35 COVID-19 safety guidelines. The closure of North Cowichan's recreational facilities in March resulted in laying off many recreation staff, however, we developed a redeployment program so that these staff members had an opportunity to perform alternate work. With the reopening of Cowichan Aquatic Centre and Fuller Lake Arena in the fall, many of these staff are now back to their regular duties.



**2,722** calls for service received by our Operations Department





**0**  
work safe  
orders



**2,451**  
initial human resources/  
health and safety  
service requests

## Water

- 280 km** of water mains
- 2** major watersheds
- 8** domestic water booster pump stations
- 5** dams
- 14** reservoirs



**67** Freedom  
of Information  
Requests  
**100% CLOSED WITHIN 30 DAYS**



**83** Council and  
Committee of the  
Whole meetings in  
2020, generating over  
**29,511** pages produced  
to support Council and  
Committee meetings



## Road and Sidewalk Maintenance

- 280 kms** of roads
- 237 kms** of sidewalks
- 150 kms** of ditching
- 160 kms** of storm pipes
- 1,000** culverts to maintain



**4,772** Information Technology  
Help Desk Tickets opened

**4,269 TICKETS CLOSED**



**1,489** job  
applications  
processed



**109** job  
interviews  
conducted

**59**  
vacant  
positions  
filled

**4%**  
exempt  
employee  
turnover

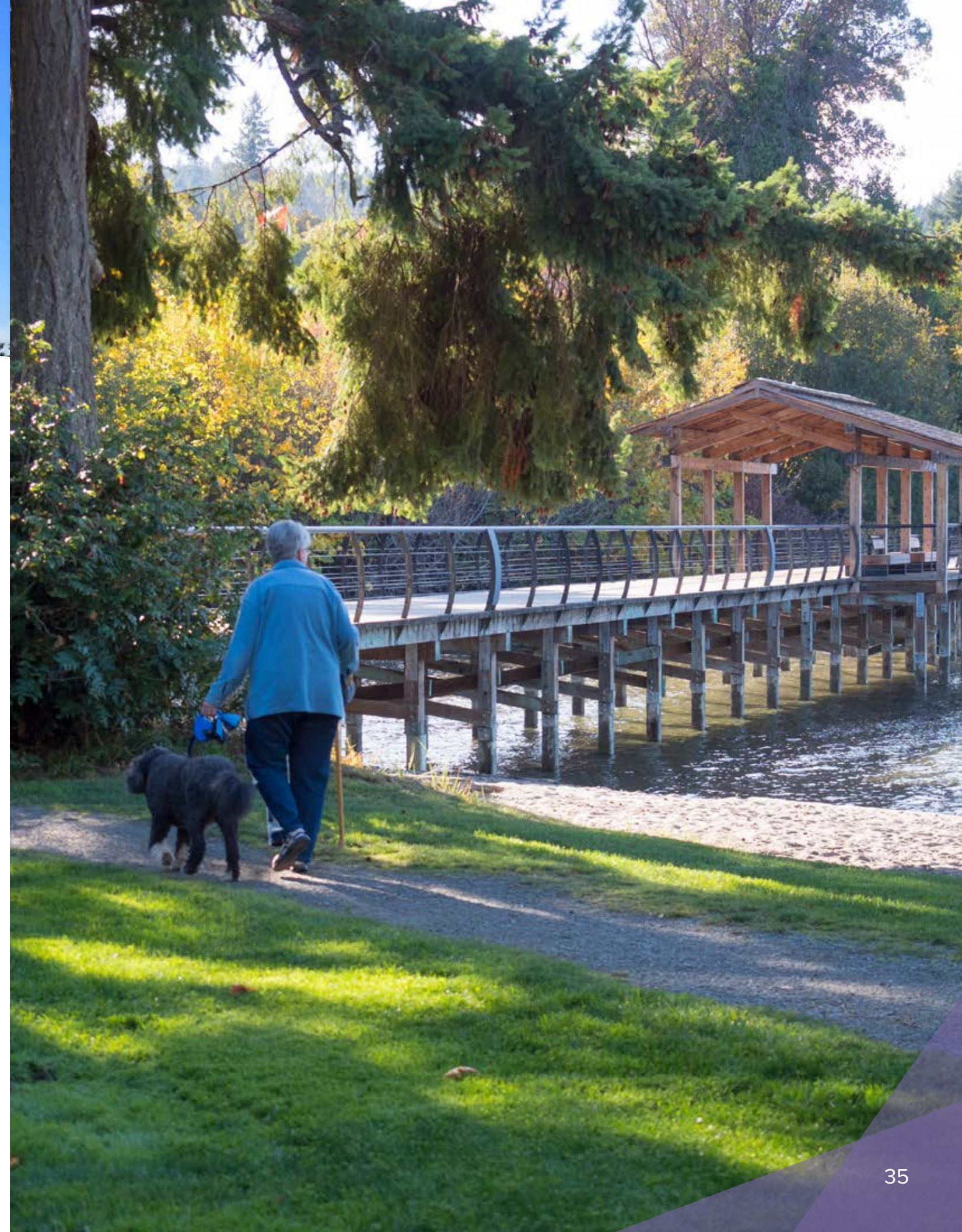


# INCLUSION

In late 2020, the Municipality began reporting out on initiatives that contribute to Council's Strategic Plan commitment to maintain and strengthen the Municipality as an economically thriving and sustainable community of unique and inclusive towns and neighbourhoods.

As such, we have added this new **Inclusion** section into the 2020 Annual Report.

There has been an increased focus and effort to engage with those we do not usually hear from such as youth, seniors, newcomers, and others. We have begun doing so through, for example, the utilization of captions in social media videos for those who may have a hearing impairment and increased usage of radio ads to more effectively reach out to members of the community who may struggle with literacy or not have access to a computer or the newspaper. The Municipality has also commenced reviewing its existing human resources policies and procedures to support diversity and inclusion within the Municipality.





# FINANCIAL REPORT



# REPORT FROM THE DIRECTOR OF FINANCIAL SERVICES

Mayor and Council  
District of North Cowichan

Your Worship and Members of Council,

I am pleased to present the District of North Cowichan's 2020 Annual Financial Report for the fiscal year ended December 31, 2020, as required by section 98 of the Community Charter.

This report includes the auditor's report, the 2020 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 KPMG 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 2020 operations.

The 2020 audited financial statements were presented to and approved by Council.

As of December 31, 2020, the District had accumulated surplus of \$329 million, an increase of \$21 million for the year. This is largely composed of net investments in tangible capital assets (\$285 million), which includes land, roads, buildings, utility assets and park infrastructure. Debenture debt decreased by \$1.4 million to \$17.6 million. Principal repayments were \$1 million and the actuarial adjustment to debt was \$0.4 million.

Consolidated revenues increased by \$12.5 million from \$57.3 million to \$69.8 million. The increase is largely due to developer contributions. Expenses decreased by \$1.2 million from \$50.1 million to \$48.8 million, due largely to temporary closures of recreation facilities and curtailment of forestry operations throughout the year.

Capital expenditures for the year were \$12.1 million (2019 - \$6.6 million), including \$0.9 million on water capital, \$0.3 million on sewer capital, \$2.2 million on the new RCMP precinct, \$0.1 million on information technologies, \$4.3 million on roads projects, \$0.4 million on vehicles and equipment, \$0.4 million on drainage projects, \$2.6 million on the Cowichan Aquatic Centre renovation and equipment, \$0.2 million on parks projects, \$0.1 million on building upgrades, \$0.3 million on fire trucks and equipment and \$0.3 million on the Fuller Lake Arena.

Overall capital expenditures were under budget by \$13.5 million. This was due to projects being incomplete or postponed during the year, which is in large part due to the uncertainties related to the COVID-19 pandemic. The Sportsplex Field House project (\$1.4 million) was delayed due to site planning and design delays. \$1.3 million of roads projects were postponed due to archeological studies or scope changes such as the Canada Avenue complete streets project and Murchie Road construction. \$0.5 million of roads projects were delayed due to delays in related projects such as the New RCMP precinct. The new RCMP building construction was under budget by \$4.1 million due delays regarding the final decisions on the building and site works designs and materials. \$1.7 million of water projects were postponed including the \$0.6 million water main from Beverly Street to Drinkwater Road and \$0.5 million for the Smiley Road water main replacement. \$1.2 million of sewer projects were postponed. \$0.9 million of building upgrades and maintenance were postponed due to design and feasibility study delays.

In 2020, North Cowichan's budget for tax-supported capital was \$2.8 million. This amounted to 9% of 2020 property taxes allocated to general capital compared to 12.4% in 2019. Council deferred capital contributions for 2020 in direct response to the COVID 19 pandemic in an effort to help reduce the tax increase for struggling tax payers. Council's Revenue, Tax and Budget Policy adopted in 2010 requires adequate capital funding of 10-15% of property tax revenues. Council will gradually increase the contribution over the next few years to be back on target with this policy.

Respectfully,

Talitha Soldera, CPA, CGA  
Director of Financial Services  
May 6, 2021

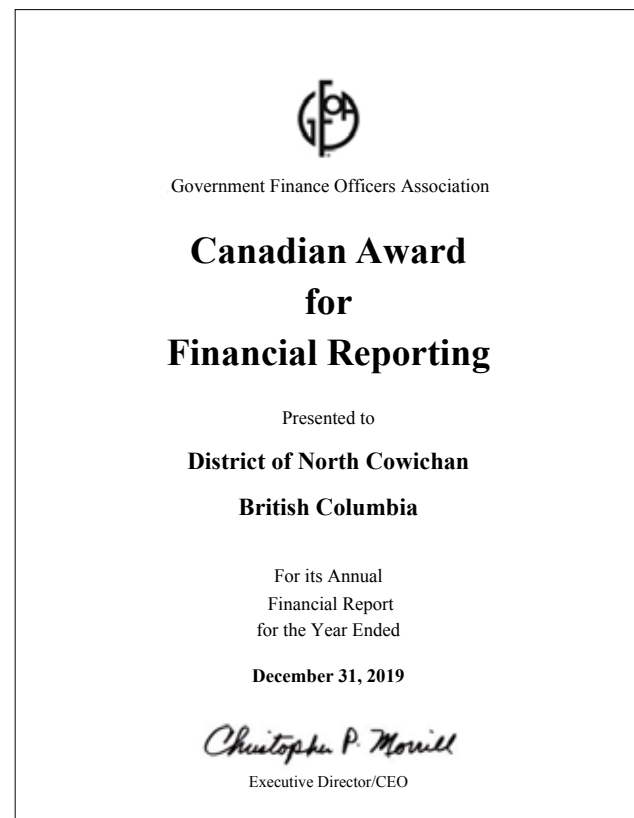
# FINANCIAL REPORTING AWARD

## Canadian Award For Financial Reporting

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, 2019. 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 to determine its eligibility for another award.



## The Corporation of The District of North Cowichan

# CONSOLIDATED FINANCIAL STATEMENTS

(Audited) December 31, 2020



# 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.

KPMG 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.

Talitha Soldera, CPA, CGA  
Director of Financial Services  
May 13, 2021



KPMG LLP  
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Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors 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 Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Other Matter – Comparative Information

The financial statements for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 6, 2020.

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

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

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

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

### Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
May 12, 2021

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020, with comparative figures for 2019

	2020 ACTUAL	2019 ACTUAL
<b>Financial Assets</b>		
Cash (Note 4)	\$ 2,251,706	\$ 2,266,463
Temporary investments (Note 4)	84,720,075	73,350,782
Accounts receivable (Note 5)	5,809,101	3,469,410
Deposit - Municipal Finance Authority (Note 9)	399,945	391,881
	<b>93,180,827</b>	<b>79,478,536</b>
<b>Financial Liabilities</b>		
Accounts payable and Accrued liabilities (Note 6)	9,066,329	4,657,259
Employee future benefits and compensation payable (Note 2)	3,719,981	3,901,220
Unearned revenue (Note 8)	7,230,049	5,826,092
Reserve - Municipal Finance Authority (Note 9)	399,945	391,881
Restricted reserves (Note 11)	13,599,768	11,848,893
Debenture debt (Note 13)	17,563,984	19,012,952
	<b>51,580,056</b>	<b>45,638,297</b>
	<b>41,600,771</b>	<b>33,840,239</b>
<b>Net Financial Assets</b>		
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule X)	284,742,467	271,565,986
Inventory of supplies (Note 2)	525,752	539,943
Prepaid items	203,425	121,490
Property acquired for taxes (Note 2)	2,341,177	2,341,505
	<b>287,812,821</b>	<b>274,568,924</b>
	<b>\$ 329,413,592</b>	<b>\$ 308,409,163</b>
<b>Accumulated Surplus (Note 15)</b>		
Commitments and Contingent Liabilities (Note 14)		

Approved by:



Talitha Soldera, CPA, CGA  
Director of Financial Services

See accompanying notes to the financial statements.



# CONSOLIDATED STATEMENT OF OPERATIONS

As at December 31, 2020, with comparative figures for 2019

	2020 BUDGET (Note 16)	2020 ACTUAL	2019 ACTUAL
<b>Revenues</b>			
Taxation (Schedule I)	\$ 37,219,879	\$ 37,240,736	\$ 36,103,076
Sales of services (Schedule II)	9,313,122	9,268,220	11,525,631
Other revenue from own sources (Schedule III)	1,554,097	1,699,830	1,964,092
Return on investments	635,892	1,126,420	1,401,890
Grants and government transfers (Schedule IV)	6,058,460	8,977,994	3,286,917
Collections from developers and others	1,118,051	11,080,199	2,595,164
Actuarial adjustments to debt	-	433,412	379,897
Net gain on sale of tangible capital assets	-	-	63,759
	<u>55,899,501</u>	<u>69,826,811</u>	<u>57,320,426</u>
<b>Expenses</b>			
General government services (Schedule V)	6,321,285	6,002,079	6,043,676
Protective services (Schedule VI)	10,821,899	10,370,277	10,015,012
Engineering and public works (Schedule VII)	10,980,878	10,643,521	10,400,515
Environmental health services (Schedule VIII)	1,835,350	1,990,348	1,746,068
Forestry	1,126,170	849,501	1,328,549
Community development	1,309,898	1,168,202	1,168,797
Recreation and cultural services (Schedule IX)	10,450,477	9,449,782	10,832,246
Water	4,279,212	4,687,674	4,614,827
Sewer	4,747,562	3,660,999	3,978,588
	<u>51,872,731</u>	<u>48,822,383</u>	<u>50,128,278</u>
<b>Annual Surplus</b>	<u>\$ 4,026,770</u>	<u>21,004,428</u>	<u>7,192,148</u>
<b>Accumulated surplus, beginning of year (Note 15)</b>		<u>308,409,164</u>	<u>301,217,015</u>
<b>Accumulated surplus, end of year (Note 15)</b>		<u>\$ 329,413,592</u>	<u>\$ 308,409,163</u>

See accompanying notes to the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

As at December 31, 2020, with comparative figures for 2019

	2020 BUDGET (Note 16)	2020 ACTUAL	2019 ACTUAL
<b>Annual Surplus</b>	<u>\$ 5,140,023</u>	<u>\$ 21,004,428</u>	<u>\$ 7,192,148</u>
Acquisition of tangible capital assets	-	(12,203,177)	(6,707,957)
Contributed tangible capital assets	-	(10,866,949)	(2,411,588)
Amortization of tangible capital assets	9,757,400	9,852,916	9,569,240
Net gain on sale of tangible capital assets	-	-	(63,759)
Net loss on sale of tangible capital assets	-	(3,144)	15,963
Proceeds on sale of tangible capital assets	-	15,842	70,074
Write-downs of tangible capital assets	-	28,032	124,817
	<u>9,757,400</u>	<u>(13,176,480)</u>	<u>596,790</u>
(Increase) decrease in prepaids	-	(81,935)	54,001
Decrease (increase) in inventories	-	14,191	(673)
Decrease in property acquired for taxes	-	328	-
	<u>-</u>	<u>(67,416)</u>	<u>53,328</u>
<b>Change in net financial assets</b>	<u>13,784,170</u>	<u>7,760,532</u>	<u>7,842,266</u>
<b>Net financial assets at beginning of year</b>	<u>33,840,238</u>	<u>33,840,239</u>	<u>25,997,973</u>
<b>Net financial assets at end of year</b>	<u>\$ 47,624,408</u>	<u>\$ 41,600,771</u>	<u>\$ 33,840,239</u>

See accompanying notes to the financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

As at December 31, 2020, with comparative figures for 2019

	2020 ACTUAL	2019 ACTUAL
<b>Operating transactions</b>		
Annual surplus	\$ 21,004,429	\$ 7,192,149
<b>Non-cash items included in surplus:</b>		
Amortization	9,852,916	9,569,240
Actuarial adjustment to debt	(433,412)	(379,897)
Write-downs of tangible capital assets	28,032	124,817
Net gain on sale of tangible capital assets	-	(63,759)
Net loss on sale of tangible capital assets	(3,144)	15,963
Contributed tangible capital assets	(10,866,949)	(2,411,588)
	<b>19,581,872</b>	<b>14,046,925</b>
Accounts receivable	(2,339,691)	75,134
Inventory of supplies	14,191	(673)
Prepaid items	(81,937)	53,996
Property acquired for taxes	328	-
Accounts payable	4,409,070	(185,811)
Employee future benefits and compensation payable	(181,239)	89,820
Unearned revenue	1,403,957	(160,860)
Restricted reserves	1,750,875	1,680,614
Cash provided by operating transactions	<b>24,557,426</b>	<b>15,599,145</b>
<b>Capital transactions</b>		
Proceeds on sale of tangible capital assets	15,842	70,074
Cash applied to acquire tangible capital assets	(12,203,177)	(6,707,957)
Cash applied to capital transactions	<b>(12,187,335)</b>	<b>(6,637,883)</b>
<b>Investing transactions</b>		
Temporary investments	(11,369,293)	(9,400,396)
Cash applied to investing transactions	<b>(11,369,293)</b>	<b>(9,400,396)</b>
<b>Financing transactions</b>		
Repayment of debenture debt	(1,015,555)	(1,014,571)
Cash provided by financing transactions	<b>(1,015,555)</b>	<b>(1,014,571)</b>
<b>Change in cash and cash equivalents</b>	<b>(14,757)</b>	<b>(1,453,705)</b>
<b>Cash and Cash equivalents, beginning of year</b>	<b>2,266,463</b>	<b>3,720,168</b>
<b>Cash and Cash equivalents, end of year</b>	<b>\$ 2,251,706</b>	<b>\$ 2,266,463</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

## 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.

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, include travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In March 2020, the District closed all Municipal recreational facilities, closed the Municipal Hall to the public and moved to essential service provision only in response to the COVID-19 pandemic. Management is currently assessing the risk to the organization and developing plans to respond to those risks. This includes revising financial plans to consider the impacts related to COVID-19 on all areas of the District.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time.

## 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%**  
Interfund transactions and balances have been eliminated

**2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on deposit in qualifying institutions as defined in the Community Charter.

**d) INVESTMENTS**

Investments are recorded at cost which at December 31, 2020, 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.

**e) 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.

**f) 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.

**g) 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.

**2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

- 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, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred are included in deferred revenue.

**h) 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.

**i) 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 and other retirement benefits are also available to the Corporation's employees. The cost of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary increases. The obligation under these benefit plans is accrued based on project benefits as the employees render services necessary to earn the future benefits.

**j) 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 15.

- 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.

**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.

**I) 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. The Corporation does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

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 2020 totaled \$10,866,949 (2019 -\$2,411,588) and were capitalized at their fair value at the time of receipt.

Tangible capital assets are written down when conditions indicate they no longer contribute to the Corporation's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

**m) MATERIALS AND SUPPLIES**

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

**n) LOAN GUARANTEE**

Periodically the Corporation provides loan guarantees on specific debt issued by related authorities and other entities not consolidated in the Corporation's financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of the Corporation until the Corporation considers it likely that the borrower will default on the specific loan obligation. Should a default occur, the Corporation's liability would be recorded in the consolidated financial statements.

**o) 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.

**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.

	2020	2019
<b>Cash</b>	<b>\$ 2,251,706</b>	\$ 2,266,463
<b>Temporary investments</b>	<b>84,720,075</b>	73,350,782
	<b>\$ 86,971,781</b>	\$ 75,617,245

Temporary Investments consist of short-term investments in the Municipal Finance Authority of BC, Govt. Focused Ultra-short bond fund and CIBC high interest savings and the market value is equal to the carrying value. Temporary Investments have yields ranging from .90% to 2.04%.

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.

	2020	2019
<b>Restricted investments</b>	<b>\$ 34,997,998</b>	\$ 29,167,218

**5. ACCOUNTS RECEIVABLE**

	2020	2019
<b>Property taxes</b>	<b>\$ 1,965,667</b>	\$ 1,929,934
<b>Water rates</b>	<b>325,810</b>	296,064
<b>Federal government</b>	<b>420,226</b>	314,076
<b>Provincial government</b>	<b>2,667,788</b>	252,479
<b>Local government</b>	<b>278,973</b>	491,537
<b>General</b>	<b>150,637</b>	185,320
	<b>\$ 5,809,101</b>	\$ 3,469,410

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2020	2019
<b>General</b>	<b>\$ 8,323,295</b>	\$ 4,226,731
<b>Wages and salaries</b>	<b>616,705</b>	288,105
<b>Accrued interest</b>	<b>126,329</b>	142,423
	<b>\$ 9,066,329</b>	\$ 4,657,259

**7. EMPLOYEE FUTURE BENEFITS AND COMPENSATION**

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:

	2020	2019
<b>Lieu time payable</b>	<b>\$ 981,281</b>	\$ 890,820
<b>Sick leave cash-out and severance benefits</b>	<b>2,738,700</b>	3,010,400
	<b>\$ 3,719,981</b>	\$ 3,901,220

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, 2020.

	2020	2019
<b>Accrued benefit obligation</b>	<b>\$ 2,947,800</b>	\$ 2,954,000
<b>Unamortized actuarial gain/(loss)</b>	<b>(209,100)</b>	56,400
<b>Accrued benefit liability</b>	<b>\$ 2,738,700</b>	\$ 3,010,400
<b>Benefit expense:</b>		
<b>Current service cost</b>	<b>\$ 289,500</b>	\$ 262,100
<b>Interest cost</b>	<b>67,000</b>	91,000
<b>Amortization of net actuarial (gain)/loss</b>	<b>(13,600)</b>	(2,100)
	<b>\$ 342,900</b>	\$ 351,000

**7. EMPLOYEE FUTURE BENEFITS AND COMPENSATION** (continued)

Significant actuarial assumptions as at December 31st include:

	2020	2019
<b>Valuation interest rate</b>	<b>1.60%</b>	2.40%
<b>Rate of compensation increase</b>	<b>2.25%</b>	2.25%
<b>Expected coverage remaining service life</b> (in years)	<b>11</b>	10

**8. UNEARNED REVENUE**

	2019	Contributions and interest	Revenue earned or refunded	2020
<b>Prepaid taxes and licenses</b>	\$ 2,542,580	\$ 6,268,669	\$ 6,121,193	<b>\$ 2,690,055</b>
<b>Service fees and deposits</b>	3,005,510	2,387,630	1,338,061	<b>4,055,079</b>
<b>Aquatic Centre unearned revenue</b>	183,152	125,745	266,150	<b>42,747</b>
<b>General unearned revenues</b>	94,850	387,655	40,337	<b>442,168</b>
	<b>\$ 5,826,091</b>	<b>\$ 9,169,699</b>	<b>\$ 7,765,741</b>	<b>\$ 7,230,049</b>

**9. 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 deposits are included in the Corporation's financial statements as MFA cash deposits. If the debt is repaid without default, the deposits are refunded to the Corporation. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon the maturity of a debt issue, the demand notes are released and deposits refunded to the Corporation. As at December 31, 2020, there were contingent demand notes of \$838,024(2019 -\$838,024) which are not included in the financial statements of the Corporation.

**10. 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:

	2020	2019
<b>Assets</b>		
<b>Cash and short term investments</b>	<b>\$ 423,707</b>	\$ 406,419
	<b>423,707</b>	406,419
<b>Equity</b>		
<b>Opening balances</b>	<b>406,419</b>	386,200
<b>Contributions</b>	<b>17,288</b>	20,219
	<b>\$ 423,707</b>	\$ 406,419

**11. 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.

	2020	2019
<b>Development Cost Charges</b>		
<b>Opening</b>	<b>\$ 11,848,893</b>	\$ 10,168,279
<b>Contributions</b>	<b>1,586,744</b>	1,497,948
<b>Return on investment</b>	<b>260,131</b>	246,666
<b>Amount spent</b>	<b>(96,000)</b>	(64,000)
	<b>\$ 13,599,768</b>	\$ 11,848,893

**12. 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.

	2020	2019
<b>Federal Gas Tax Agreement Funds</b>		
<b>Opening balance of unspent funds</b>	<b>\$ 1,641,753</b>	\$ 104,901
<b>Add: Amount received during the year</b>	<b>1,304,840</b>	2,632,266
<b>Add: Return on investment</b>	<b>33,420</b>	8,865
<b>Less: Amount spent</b>	<b>(1,304,840)</b>	(1,104,279)
	<b>\$ 1,675,173</b>	\$ 1,641,753

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**13. DEBENTURE DEBT**

The Corporation holds debt through the Municipal Finance Authority, 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	2020 Net Unmatured	2019Net Unmatured
<b>General Capital Fund</b>						
Maple Bay Fire Hall	95	1.80%	Apr 12, 2025	\$ 1,600,000	\$ 518,413	\$ 611,818
Maple Bay Fire Hall	103	2.65%	Apr 23, 2028	500,000	247,703	273,552
Cowichan Aquatic Ctr	104	2.90%	Nov 20, 2028	15,000,000	7,431,107	8,206,571
Cowichan Aquatic Ctr	106	2.25%	Oct 12, 2029	2,265,500	1,239,466	1,352,082
Duncan Curling Club	N/A	4.00%	Jan 15, 2032	551,500	357,708	382,836
Tier 2 Flood Protection	121	2.90%	Oct 4, 2032	745,475	514,803	547,746
Tier 2 Flood Protection	124	3.15%	Apr 8, 2033	1,000,000	734,761	777,253
Municipal Hall Expansion	126	3.85%	Sep 26, 2033	1,500,000	1,102,142	1,165,880
Stoney Hill Road	131	2.20%	Apr 8, 2040	2,000,000	1,724,648	1,783,571
Tier 4 Flood Protection	137	2.60%	Apr 19, 2036	1,700,000	1,446,624	1,513,273
Tier 4 Flood Protection	141	2.80%	Apr 7, 2037	200,000	176,994	184,890
				27,062,475	15,494,369	16,799,472
<b>Water Capital Fund</b>						
Chemainus	110	4.50%	April 8, 2030	1,750,000	1,044,425	1,128,070
Crofton	106	2.25%	Oct 13, 2029	530,000	289,965	316,311
Chemainus	137	2.60%	Apr 19, 2036	864,000	735,225	769,099
				3,144,000	2,069,615	2,213,480
				\$ 30,206,475	\$ 17,563,984	\$ 19,012,952

**13. DEBENTURE DEBT (continued)**

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

	General	Water	Total
<b>Principal repayments:</b>			
2021	\$ 909,461	\$ 107,118	\$ 1,016,579
2022	910,526	107,118	1,017,644
2023	911,635	107,118	1,018,753
2024	912,789	107,118	1,019,907
2025	913,990	107,118	1,021,108
Thereafter	4,449,388	701,107	5,150,495
	9,007,789	1,236,697	10,244,486
<b>Actuarial sinking fund earnings:</b>			
2021	446,691	42,332	489,023
2022	498,676	48,134	546,810
2023	552,699	54,163	606,862
2024	608,839	60,426	669,265
2025	667,180	66,934	734,114
Thereafter	3,712,495	560,929	4,273,424
	6,486,580	832,918	7,319,498
	\$ 15,494,369	\$ 2,069,615	\$ 17,563,984

Interest paid during the year was \$845,205 (2019 - \$936,729).

**14. 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, 2025 at an annual interest rate of 3.75%.

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, 2019 the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2021, with results available in 2022.

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 \$1,278,094 (2019 - \$1,253,377) for employer contributions while employees contributed \$1,135,522 (2019 - \$1,115,108) to the Plan in fiscal 2020.

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.

**15. ACCUMULATED SURPLUS**

	2020	2019
<b>Operating Funds</b>		
<b>Unappropriated:</b>		
<b>General</b>	<b>\$ 4,426,273</b>	<b>\$ 4,071,993</b>
<b>Water Systems</b>	<b>4,989,435</b>	<b>4,164,137</b>
<b>Sewer Systems</b>	<b>16,840,437</b>	<b>15,064,228</b>
	<b>26,256,145</b>	<b>23,300,358</b>
<b>Appropriated:</b>		
<b>Reserves for property acquired for taxes</b>	<b>2,341,177</b>	<b>2,341,505</b>
<b>Reserves for future expenditures</b>	<b>9,314,633</b>	<b>10,052,275</b>
<b>Reserve for uncollected taxes</b>	<b>1,295,091</b>	<b>1,295,091</b>
<b>Reserve for Joint Utilities Board</b>	<b>1,034,693</b>	<b>953,434</b>
	<b>13,985,594</b>	<b>14,642,305</b>
	<b>40,241,739</b>	<b>37,942,663</b>
<b>Capital Funds</b>		
<b>General Capital</b>	<b>212,023,583</b>	<b>197,772,583</b>
<b>Water Capital</b>	<b>31,986,242</b>	<b>31,584,622</b>
<b>Sewer Capital</b>	<b>22,022,196</b>	<b>22,116,948</b>
<b>Joint Utilities Board Capital</b>	<b>1,741,601</b>	<b>1,674,020</b>
	<b>\$ 267,773,622</b>	<b>\$ 253,148,173</b>





**15. ACCUMULATED SURPLUS** (continued)

	2020	2019
<b>Reserve Funds</b>		
Land Sales	4,211,105	4,217,773
Machinery and Equipment	4,124,170	3,558,998
Local Area Service	1,152,699	1,019,925
Forest	1,740,130	2,145,499
Park Development	225,696	221,194
Parkland Purchase	621,099	553,755
Chemainus Parking	170,540	167,137
Agriculture	300,426	265,031
Self-Insurance	176,169	123,652
Climate Action and Energy Plan	542,814	494,610
Maple Bay Sewer	93,689	91,820
Cowichan Aquatic Centre	586,636	452,426
Evans Park	174,827	171,339
Fuller Lake Arena	74,013	72,537
Harbours Crofton	57,973	41,659
Harbours Chemainus	408,535	391,378
Mural Protection	21,431	39,797
Gas Tax (Note 12)	1,675,173	1,641,753
Quamichan Lake	318,754	52,511
IT Asset Management	62,000	-
COVID-19 Safe Restart Grant	2,750,808	-
Infrastructure Replacement	1,299,858	1,028,913
Gravel Pits	534,363	523,702
Affordable Housing	75,323	42,918
	<u>21,398,231</u>	<u>17,318,327</u>
<b>Accumulated Surplus</b>	<b>\$ 329,413,592</b>	<b>\$ 308,409,163</b>

**16. BUDGET DATA**

The budget data presented in these financial statements is based upon the 2020-2024 Financial Plan Bylaw adopted by council April 15, 2020. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2020
<b>Financial Plan Bylaw surplus for the year</b>	<b>\$ -</b>
<b>Add back:</b>	
Principal debt repayment	1,089,460
Capital expenditures	25,748,749
<b>Less:</b>	
Amortization	(9,757,400)
Proceeds from borrowing	(4,000,000)
Budgeted transfers to reserve funds	(1,901,479)
Budgeted transfers from accumulated surplus	(7,152,560)
<b>Adjusted Annual Surplus</b>	<b>\$ 4,026,770</b>

**17. 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 2020, the Corporation's proportion for consolidation purposes was 53.69% (2019 – 53.69%). Condensed financial information for the Joint Utilities Boards is as follows:

	2020	2019
<b>Net Financial Assets</b>	<b>\$ 1,927,423</b>	<b>\$ 1,776,069</b>
<b>Non-Financial Assets</b>	<b>3,243,929</b>	<b>3,118,061</b>
<b>Accumulated Surplus</b>	<b>5,171,352</b>	<b>4,894,130</b>
<b>Revenues</b>	<b>\$ 1,609,455</b>	<b>\$ 1,494,661</b>
<b>Expenses</b>	<b>1,322,234</b>	<b>1,237,734</b>
<b>Annual Surplus</b>	<b>277,221</b>	<b>256,927</b>
<b>North Cowichan Proportionate Share:</b>		
<b>Net Financial Assets</b>	<b>\$ 1,034,6933</b>	<b>\$ 953,434</b>
<b>Non-Financial Assets</b>	<b>1,741,601</b>	<b>1,674,020</b>
<b>Accumulated Surplus</b>	<b>2,776,294</b>	<b>2,627,454</b>
<b>Revenues</b>	<b>\$ 864,082</b>	<b>\$ 802,452</b>
<b>Expenses</b>	<b>715,248</b>	<b>664,513</b>
<b>Annual Surplus</b>	<b>\$ 148,834</b>	<b>\$ 137,939</b>

**17. JOINT UTILITIES BOARD (continued)**

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 \$214,921 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 2020 the Corporation recorded a write up of assets in the amount of \$0 (2019 - \$0).

**18. SEGMENT REPORTING**

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

**General Government Services**

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

**Protective Services**

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

**Engineering And Public Works**

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

**Environmental Health Services**

This segment is comprised of garbage and recycling collection, energy management 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.

**17. SEGMENT REPORTING (continued)**

**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 accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

**19. LISTING OF OPERATING EXPENSES BY OBJECT TYPE**

The following provides a summary of operating expenses by object:

	2020	2019
<b>Salaries, wages and benefits</b>	<b>\$ 18,813,862</b>	\$ 19,350,928
<b>Contract services</b>	<b>13,713,891</b>	14,008,575
<b>Amortization</b>	<b>9,852,916</b>	9,569,240
<b>Materials and supplies</b>	<b>5,571,622</b>	6,122,026
<b>Interest</b>	<b>845,205</b>	936,729
<b>Loss on sale, write downs and transfer of TCA</b>	<b>24,887</b>	140,780
<b>Total expense</b>	<b>\$ 48,822,383</b>	\$ 50,128,278

# TAXATION

For the year ended December 31, 2020

## SCHEDULE I

	2020 BUDGET	2020	2019
<b>Municipal Purposes:</b>			
General taxation	30,957,598	\$ 30,960,005	\$ 30,011,990
Business Improvement Area	104,300	116,522	106,940
Local Area Service	95,348	95,348	95,348
Utilities	1,081,400	1,079,159	1,065,554
Grants-in-lieu of taxes	212,400	212,873	241,416
Water systems	2,144,050	2,145,121	2,051,052
Sewer systems	2,624,78	2,631,708	2,530,776
<b>Total Municipal Taxes</b>	<b>37,219,879</b>	<b>37,240,736</b>	<b>36,103,076</b>
<b>Collections for Other Governments:</b>			
School	12,363,000	11,828,581	12,286,609
Cowichan Valley Regional Hospital District	3,992,000	4,107,571	3,703,379
Cowichan Valley Regional District	9,012,600	9,335,402	8,750,061
BC Assessment	363,000	394,024	345,836
Municipal Finance Authority	1,100	1,592	1,469
<b>Total Collections for Other Governments</b>	<b>25,731,700</b>	<b>25,667,170</b>	<b>25,087,354</b>
	62,951,579	62,907,906	61,190,430
Deduct: requisitions remitted to other taxing authorities	(25,731,700)	(25,667,170)	(25,087,354)
<b>Total Taxes Levied</b>	<b>\$ 37,219,879</b>	<b>\$ 37,240,736</b>	<b>\$ 36,103,076</b>

# SALES OF SERVICES

For the year ended December 31, 2020

## SCHEDULE II

	2020 BUDGET	2020	2019
General government service	\$ 124,400	\$ 128,387	\$ 125,935
Protective services	326,450	307,886	248,164
Fire protection	245,650	210,969	219,387
Engineering and public works	173,441	271,914	343,629
Residential garbage - municipal	1,389,900	1,438,958	1,304,755
Forestry	277,160	384,443	1,609,091
Cowichan Aquatic Centre	1,466,323	950,331	2,054,025
Fuller Lake Arena	256,573	154,775	268,877
Other recreation	59,040	44,691	62,172
Wharves	189,340	191,031	219,880
Miscellaneous	315,864	130,399	103,802
Cemetery	127,870	135,095	139,804
Water	2,618,132	2,887,262	2,892,951
Sewer	1,742,979	2,032,079	1,933,159
	\$ 9,313,122	\$ 9,268,220	\$ 11,525,631

# OTHER REVENUE FROM OWN SOURCES

For the year ended December 31, 2020

## SCHEDULE III

	2020 BUDGET	2020	2019
Licences and permits	\$ 929,613	\$ 1,014,153	\$ 1,278,595
Tax penalties and interest	340,000	308,933	370,615
Fines	4,500	29,056	8,320
Rentals	269,824	335,971	295,395
Water	10,160	11,717	11,167
	\$ 1,554,097	\$ 1,699,830	\$ 1,964,092

# GRANTS AND GOVERNMENT TRANSFERS

For the year ended December 31, 2020

## SCHEDULE IV

	2020 BUDGET	2020	2019
<b>Operating Grants</b>			
Traffic fines revenue	\$ 295,000	\$ 294,973	\$ 254,242
Other grants	248,260	4,634,272	237,770
	543,260	4,929,245	492,012
<b>Capital Grants</b>			
Fuel tax	3,781,000	3,632,343	2,632,266
<b>Infrastructure Grants (Prov/Fed)</b>			
Water	-	-	120,039
Sewer	667,000	-	-
Other	1,067,200	334,506	-
<b>Provincial and Other Grants</b>			
ICBC grants	-	81,900	42,600
	-	81,900	42,600
	\$ 6,058,460	\$ 8,977,994	\$ 3,286,917

# GENERAL GOVERNMENT SERVICES

For the year ended December 31, 2020

## SCHEDULE V

	2020 BUDGET	2020	2019
Legislative	\$ 316,540	\$ 299,736	\$ 350,358
Administrative	4,499,338	4,137,375	4,138,387
Financial services	997,884	1,038,317	978,660
Common services	939,868	797,145	1,044,939
Miscellaneous	166,455	160,996	124,858
Administration recoveries	(880,480)	(876,570)	(859,020)
Interest	57,750	57,750	57,750
Amortization	223,930	207,330	207,744
	\$ 6,321,285	\$ 6,002,079	\$ 6,043,676



# PROTECTIVE SERVICES

For the year ended December 31, 2020

## SCHEDULE VI

	2020 BUDGET	2020	2019
<b>Police protection:</b>			
R.C.M.P. contract	\$ 5,439,669	\$ 5,005,848	\$ 4,993,901
Municipal employees	1,568,822	1,520,969	1,459,929
Crime prevention	7,640	7,100	7,100
Building maintenance	252,305	250,696	300,581
Bylaw enforcement	517,400	578,333	405,195
	7,785,836	7,362,946	7,166,706
<b>Fire protection:</b>			
General fire protection	227,134	263,867	200,490
Chemainus fire hall	361,771	346,853	335,557
Crofton fire hall	333,215	310,946	346,917
Maple Bay fire hall	352,665	343,546	365,115
South End fire hall	469,849	432,398	433,023
	1,744,634	1,697,610	1,681,102
<b>Other protection:</b>			
Building and plumbing inspections	542,729	570,324	462,317
Animal control	173,800	178,569	154,171
Weed control	9,190	2,951	2,973
Mosquito control	15,000	21,830	17,404
	740,719	773,674	636,865
Interest	42,050	38,968	42,050
Amortization	508,660	497,079	488,289
	550,710	536,047	530,339
	\$ 10,821,899	\$ 10,370,277	\$ 10,015,012

# ENGINEERING AND PUBLIC WORKS

For the year ended December 31, 2020

## SCHEDULE VII

	2020 BUDGET	2020	2019
Administration	\$ 1,795,529	\$ 1,602,256	\$ 1,464,507
Small tools and equipment	57,170	55,796	56,330
Workshop and yard maintenance	204,945	248,564	207,342
Roads - construction	217,603	61,744	67,863
Roadway and surfaces maintenance	1,565,403	1,400,727	1,224,265
Snow and ice removal	384,609	502,553	606,540
Bridge - maintenance	5,940	4,089	11,085
Street lighting	472,610	458,497	479,307
Signs and line painting	333,650	297,006	332,055
Drainage	826,819	795,555	577,846
Sidewalk maintenance	20,840	18,378	4,088
Other transportation	264,130	222,421	341,986
Administration recoveries	(713,830)	(741,280)	(578,044)
Loss on sale, write downs and transfer of TCA	-	14,263	60,381
Interest	146,920	146,919	146,919
Amortization	5,398,540	5,556,033	5,398,045
	\$ 10,980,878	\$ 10,643,521	\$ 10,400,515



# ENVIRONMENTAL HEALTH SERVICES

For the year ended December 31, 2020

## SCHEDULE VIII

	2020 BUDGET	2020	2019
Garbage collection and recycling	\$ 1,278,738	\$ 1,436,058	\$ 1,316,239
Cemetery	149,635	205,134	173,935
Energy Manager	-	-	134,211
Energy Upgrades Buildings	316,357	273,235	45,762
Amortization	90,620	75,921	75,921
	<b>\$ 1,835,350</b>	<b>\$ 1,990,348</b>	\$ 1,746,068

# RECREATION AND CULTURAL SERVICES

For the year ended December 31, 2020

## SCHEDULE IX

	2020 BUDGET	2020	2019
Administration	\$ 197,718	\$ 189,723	\$ 142,308
Crofton swimming pool	77,098	19,428	71,667
Cowichan Aquatic Centre	3,468,748	2,651,852	3,897,481
Fuller Lake Arena	968,871	954,055	962,470
Parks common services	84,223	66,120	69,119
Community recreation program	135,350	81,211	136,013
Chemainus parks and playgrounds	436,761	376,698	408,623
Crofton parks and playgrounds	197,476	189,641	198,253
South End parks and playgrounds	1,237,479	1,245,148	1,303,538
Wharves	169,367	169,002	163,995
Library	1,533,901	1,533,901	1,485,124
Grants-in-aid	226,150	233,744	218,099
Loss on sale, write downs and transfer of TCA	-	-	31,490
Interest	544,405	500,787	535,144
Amortization	1,172,930	1,238,472	1,208,922
	<b>\$ 10,450,477</b>	<b>\$ 9,449,782</b>	\$ 10,832,246



# TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2020

## SCHEDULE X

	COST				BALANCE December 31, 2020	ACCUMULATED AMORTIZATION			BALANCE December 31, 2020	NET BOOK VALUE	
	BALANCE December 31, 2019	2020 Additions	2020 Disposals	2020 Write-downs		BALANCE December 31, 2019	2020 Additions	2020 Disposals		2019	2020
Land	\$ 45,917,815	\$ 7,176,141	-	\$ -	\$ 53,093,956	\$ -	\$ -	\$ -	\$ -	\$ 45,917,815	\$ 53,093,956
Land Improvements	14,037,403	598,977	-	-	14,636,380	6,358,870	652,061	-	7,010,931	7,678,533	7,625,449
Buildings	48,180,050	367,465	-	-	48,547,515	20,263,073	1,215,051	-	21,478,124	27,916,977	27,069,391
Engineering Structures	295,874,282	6,993,531	31,230	-	302,836,583	129,605,551	6,110,573	19,713	135,696,411	166,268,731	167,140,172
Machinery & Equipment	45,174,118	1,237,508	172,313	-	46,239,313	23,749,548	1,875,231	171,132	25,453,647	21,424,570	20,785,666
Work In Progress	2,359,360	7,326,881	630,376	28,032	9,027,833	-	-	-	-	2,359,360	9,027,833
	\$ 451,543,028	\$ 23,700,503	\$ 833,919	\$ 28,032	\$ 474,381,580	\$ 179,977,042	\$ 9,852,916	\$ 190,845	\$ 189,639,113	\$ 271,565,986	\$ 284,742,467



# OPERATIONS BY SEGMENT

For the year ended December 31, 2020

## SCHEDULE XI

	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
<b>Revenues</b>												
Taxation	\$ 5,305,067	\$ 8,735,216	\$ 5,567,938	\$ 234,022	\$ -	\$ 1,256,636	\$ 8,135,520	\$ 2,145,121	\$ 2,631,708	\$ 1,976,524	\$ 1,252,984	\$ 37,240,736
Sales of services	258,786	518,855	271,914	1,574,053	384,443	-	1,340,828	2,887,262	2,032,079	-	-	9,268,220
Other revenue from own sources	374,860	1,029,951	169,803	-	-	90,853	22,646	11,717	-	-	-	1,699,830
Return on investments	68,183	112,268	71,561	3,008	-	16,151	104,561	79,462	307,227	334,999	-	1,126,420
Grants and government transfers	-	420,354	5,644,691	-	-	5,000	2,373,433	200,000	-	-	334,506	8,977,994
Collections from developers and others	-	-	-	-	-	-	-	-	-	-	11,080,199	11,080,199
Actuarial adjustments to debt	13,365	43,644	31,383	-	-	-	308,274	36,746	-	-	-	433,412
	6,020,261	10,860,288	11,757,290	1,811,083	384,443	1,368,640	12,285,272	5,360,308	4,971,014	2,340,523	12,667,689	69,826,811
<b>Expenses</b>												
Salaries, wages and benefits	4,817,932	3,489,008	2,981,830	676,403	312,563	846,700	3,585,217	1,315,562	788,646	-	-	18,813,861
Contract services	1,060,591	5,602,577	1,351,943	804,252	413,767	282,018	2,545,159	608,844	1,044,740	-	-	13,713,891
Materials and supplies	(141,524)	742,645	592,533	433,772	111,957	39,484	1,580,147	1,459,188	753,420	-	-	5,571,622
Amortization	207,330	497,079	5,556,033	75,921	11,214	-	1,238,472	1,214,846	1,052,021	-	-	9,852,916
Interest	57,750	38,968	146,919	-	-	-	500,787	79,905	20,877	-	-	845,205
<b>Expenditures before losses, write downs and transfers</b>	6,002,079	10,370,277	10,629,258	1,990,348	849,501	1,168,202	9,449,782	4,678,345	3,659,704	-	-	48,797,495
Loss on sale, write downs and transfer of TCA	-	-	14,263	-	-	-	-	9,329	1,295	-	-	24,887
	6,002,079	10,370,277	10,643,521	1,990,348	849,501	1,168,202	9,449,782	4,687,674	3,660,999	-	-	48,822,382
	18,182	490,011	1,113,769	(179,265)	(465,058)	200,438	2,835,490	672,634	1,310,015	2,340,523	12,667,689	21,004,428
<b>Excess of revenues over expenses</b>	<b>\$ 18,182</b>	<b>\$ 490,011</b>	<b>\$ 1,113,769</b>	<b>\$ (179,265)</b>	<b>\$ (465,058)</b>	<b>\$ 200,438</b>	<b>\$ 2,835,490</b>	<b>\$ 672,634</b>	<b>\$ 1,310,015</b>	<b>\$ 2,340,523</b>	<b>\$ 12,667,689</b>	<b>\$ 21,004,428</b>



# OPERATIONS BY SEGMENT

For the year ended December 31, 2019

## SCHEDULE XI

	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
<b>Revenues</b>												
Taxation	\$ 5,114,966	\$ 8,827,164	\$ 5,251,432	\$ 181,489	\$ -	\$ 1,005,683	\$ 8,066,153	\$ 2,051,052	\$ 2,530,776	\$ 1,815,696	\$ 1,258,665	\$ 36,103,076
Sales of services	229,737	467,551	343,629	1,444,559	1,609,091	-	2,604,954	2,892,951	1,933,159	-	-	11,525,631
Other revenue from own sources	396,895	1,183,727	246,224	-	-	112,762	13,317	11,167	-	-	-	1,964,092
Return on investments	116,927	201,785	120,045	4,149	-	22,989	184,389	85,831	322,540	343,235	-	1,401,890
Grants and government transfers	-	269,291	2,713,817	-	-	155,700	28,070	120,039	-	-	-	3,286,917
Collections from developers and others	-	-	-	-	-	-	-	-	-	-	2,595,164	2,595,164
Actuarial adjustments to debt	10,913	39,492	24,005	-	-	-	274,117	31,370	-	-	-	379,897
Net gain on sale of tangible capital assets	-	-	63,759	-	-	-	-	-	-	-	-	63,759
	5,869,438	10,989,010	8,762,911	1,630,197	1,609,091	1,297,134	11,171,000	5,192,410	4,786,475	2,158,931	3,853,829	57,320,426
<b>Expenses</b>												
Salaries, wages and benefits	4,547,593	3,251,099	2,831,887	570,762	332,630	908,098	4,787,990	1,285,212	835,654	-	-	19,350,926
Contract services	1,264,504	5,544,032	1,176,455	747,389	900,958	186,414	2,428,118	631,014	1,129,691	-	-	14,008,575
Materials and supplies	(33,915)	689,542	786,828	351,996	83,747	74,285	1,840,582	1,485,291	843,671	-	-	6,122,027
Amortization	207,744	488,289	5,398,045	75,921	11,214	-	1,208,922	1,080,192	1,098,914	-	-	9,569,241
Interest	57,750	42,050	146,919	-	-	-	535,144	131,199	23,667	-	-	936,729
<b>Expenditures before losses, write downs and transfers</b>	6,043,676	10,015,012	10,340,134	1,746,068	1,328,549	1,168,797	10,800,756	4,612,908	3,931,597	-	-	49,987,497
Loss on sale, write downs and transfer of TCA	-	-	60,380	-	-	-	31,490	1,919	46,991	-	-	140,781
	6,043,676	10,015,012	10,400,514	1,746,068	1,328,549	1,168,797	10,832,246	4,614,827	3,978,588	-	-	50,128,278
<b>Excess of revenues over expenses</b>	<b>\$ (174,238)</b>	<b>\$ 973,998</b>	<b>\$ (1,637,603)</b>	<b>\$ (115,871)</b>	<b>\$ 280,542</b>	<b>\$ 128,337</b>	<b>\$ 338,754</b>	<b>\$ 577,583</b>	<b>\$ 807,887</b>	<b>\$ 2,158,931</b>	<b>\$ 3,853,829</b>	<b>\$ 7,192,148</b>

# COVID-19 SAFE RESTART GRANT

For the year ended December 31, 2020

## SCHEDULE XII

	2020
<b>Balance, beginning of year</b>	\$ -
<b>Receipt of funds</b>	<b>4,419,000</b>
<b>Uses of funds:</b>	
Revenue shortfall - Cowichan Aquatic Centre	844,471
Revenue shortfall - Fuller Lake Arena	144,222
Unplanned pandemic expenditures	681,400
	<u>1,670,093</u>
<b>Balance, end of year</b>	<b><u>\$ 2,748,907</u></b>

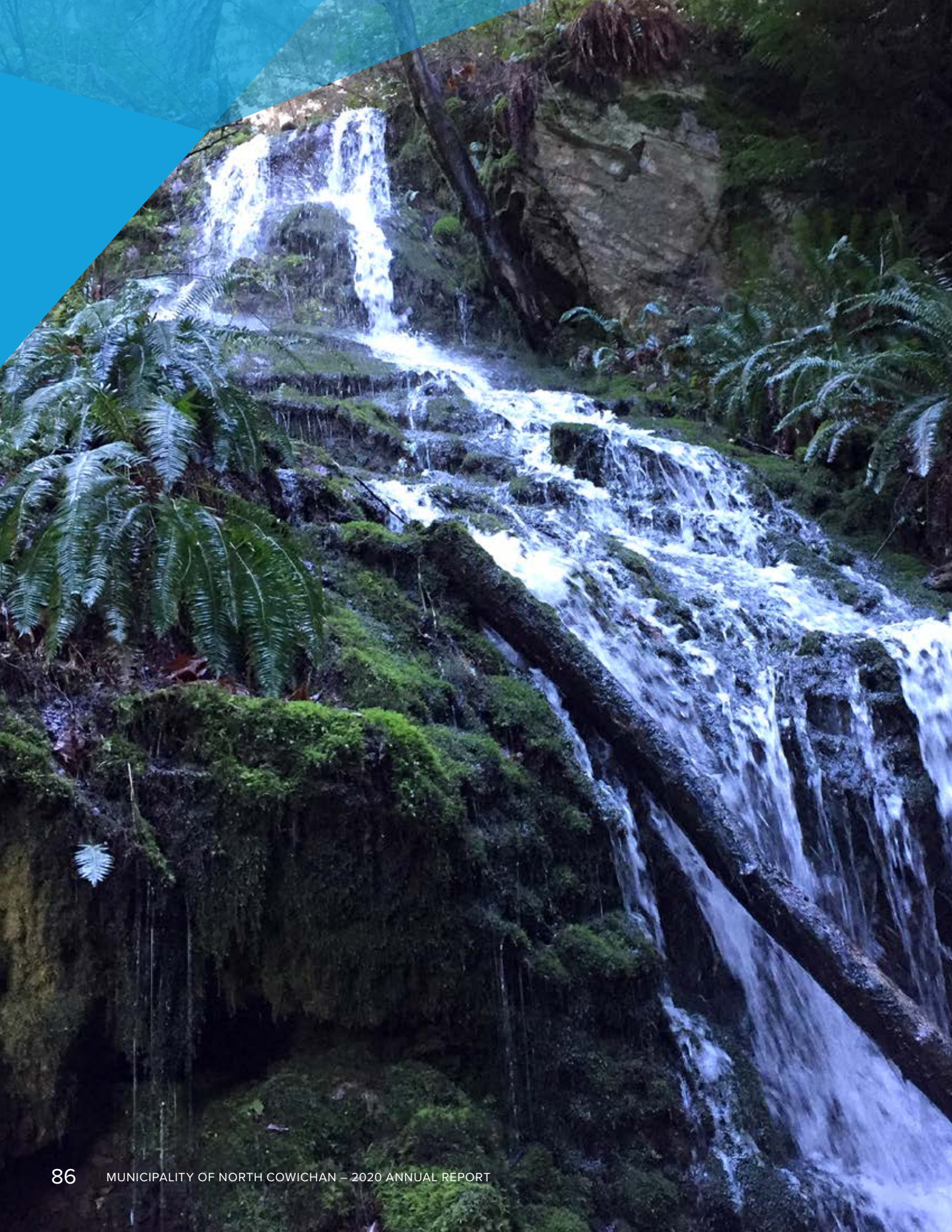




**Duncan - North Cowichan  
Joint Utilities Board**

# FINANCIAL STATEMENTS

(Audited) December 31, 2020



# STATEMENT OF RESPONSIBILITY

The accompanying consolidated 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.

KPMG 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.

Talitha Soldera, CPA, CGA  
Director of Financial Services  
May 13, 2021



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Canada  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Duncan – North Cowichan Joint Utilities Board

### Opinion

We have audited the financial statements of A Duncan – North Cowichan Joint Utilities Board (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Other Matter – Comparative Information

The financial statements for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 6, 2020.

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

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

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

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

### Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada  
May 12, 2021

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2020, with comparative figures for 2019

	2020 ACTUAL	2019 ACTUAL
<b>Financial Assets</b>		
Investments (Notes 3 and 5)	\$ 4,401,600	\$ 4,343,491
<b>Financial Liabilities</b>		
Unearned revenue	2,483,177	2,567,422
<b>Net Financial Assets</b>	1,927,423	1,776,069
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule I)	3,243,928	3,118,061
<b>Accumulated Surplus</b>	\$ 5,171,351	\$ 4,894,130

Approved by:



Talitha Soldera, CPA, CGA  
Director of Financial Services

See accompanying notes to the financial statements.

# STATEMENT OF OPERATIONS

As at December 31, 2020, with comparative figures for 2019

	2020 BUDGET	2020 ACTUAL	2019 ACTUAL
<b>Revenues</b>			
Contributions from:			
The Corporation of the District of North Cowichan	\$ 921,110	\$ 676,435	\$ 757,977
The Corporation of the City of Duncan	548,295	395,448	447,810
Cowichan Valley Regional District	229,874	201,710	221,087
Cowichan Tribes	33,639	27,008	30,402
Return on investments	-	36,154	37,385
Grants and government transfers	667,000	272,700	-
	2,399,918	1,609,455	1,494,661
<b>Expenses</b>			
Administration	50,860	59,181	59,764
Amortization	-	89,849	89,849
Sewer lagoon operations and maintenance	1,050,093	1,183,204	1,088,121
	1,100,953	1,332,234	1,237,734
<b>Annual Surplus</b>	\$ 1,298,965	277,221	256,927
<b>Accumulated surplus, beginning of year</b>	4,894,130	4,894,130	4,637,203
<b>Accumulated surplus, end of year</b>	\$ 6,193,095	\$ 5,171,351	\$ 4,894,130

See accompanying notes to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

## 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, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred are included in deferred revenue.

### c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit in qualifying institutions as defined in the Community Charter.

### d) 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### e) 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.

Tangible capital assets are written down when conditions indicate they no longer contribute to the Board's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

### f) 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.

## 3. INVESTMENTS

Investments are carried at cost, which at December 31, 2020, 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 \$400,300 per annum with an estimated annual increase of 2.2%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

**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.

**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:

	2020	2019
<b>Balances, beginning of year</b>	<b>\$ 1,776,069</b>	\$ 1,623,485
<b>Add: transfers from current operations</b>	<b>151,354</b>	152,584
<b>Balance, end of year</b>	<b>\$ 1,927,423</b>	<b>\$ 1,776,069</b>

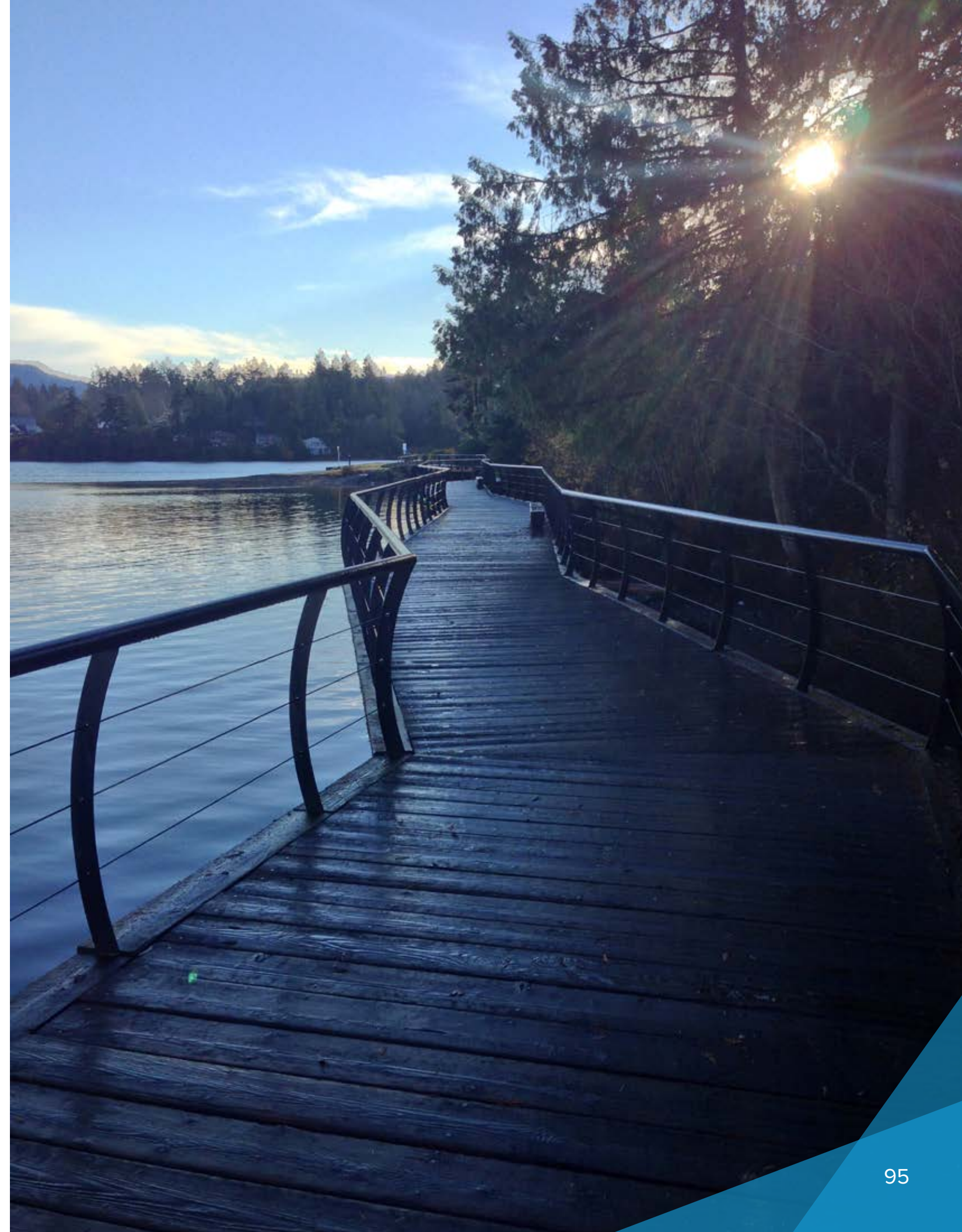
**7. LISTING OF OPERATING EXPENSES BY OBJECT TYPE**

The following provides a summary of operating expenses by object:

	2020	2019
<b>Salaries, wages and benefits</b>	<b>\$ 236,577</b>	\$ 210,870
<b>Contract services</b>	<b>48,192</b>	37,420
<b>Amortization</b>	<b>89,849</b>	89,849
<b>Materials and supplies</b>	<b>569,807</b>	520,133
<b>Land rent</b>	<b>387,809</b>	379,461
<b>Total expense</b>	<b>\$ 1,332,234</b>	<b>\$ 1,237,733</b>

**8. STATEMENT OF CASH FLOWS**

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





# TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2020

## SCHEDULE I

	COST				BALANCE December 31, 2020	ACCUMULATED AMORTIZATION			BALANCE December 31, 2020	NET BOOK VALUE	
	BALANCE December 31, 2019	2020 Additions	2020 Disposals	2020 Write-downs		BALANCE December 31, 2019	2020 Additions	2020 Disposals		2019	2020
Buildings	\$ 192,388	\$ -	\$ -	\$ -	\$ 192,388	\$ 10,020	\$ 4,810	\$ -	\$ 14,830	\$ 182,368	\$ 177,558
Engineering Structures	2,485,490	-	-	-	2,485,490	376,966	49,711	-	426,677	2,108,524	2,058,813
Machinery & Equipment	706,581	-	-	-	706,581	73,602	35,329	-	108,931	632,979	597,650
Work In Progress	194,191	215,716	-	-	409,907	-	-	-	-	194,191	409,907
	\$ 3,578,650	\$ 215,716	\$ -	\$ -	\$ 3,794,366	\$ 460,588	\$ 89,849	\$ -	\$ 550,438	\$ 3,118,062	\$ 3,243,928





# STATISTICAL INFORMATION

Five-Year Statistical Review 2016-2020

# TAXABLE ASSESSMENTS OF LAND AND IMPROVEMENTS

(in thousands)

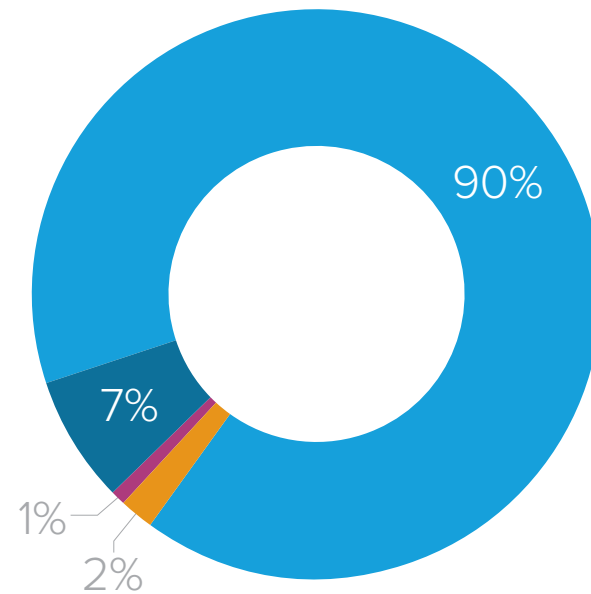
Property Class	2016	2017	2018	2019	2020
Residential	\$ 3,828,667	\$ 4,210,437	\$ 4,796,482	\$ 5,550,950	\$ 5,999,969
Utilities	4,898	4,945	5,074	6,711	7,160
Major Industry	134,226	138,082	140,525	144,613	149,278
Light Industry	49,346	50,965	55,577	62,067	77,075
Business	347,478	381,765	416,935	415,602	454,800
Managed Forest	2,436	2,665	2,956	3,299	3,344
Recreation	16,892	18,044	16,389	17,328	20,682
Farm	8,401	8,605	8,805	8,795	8,777
<b>Total</b>	<b>\$ 4,392,344</b>	<b>\$ 4,815,508</b>	<b>\$ 5,442,743</b>	<b>\$ 6,209,365</b>	<b>\$ 6,721,085</b>

# TAX REVENUE BY PROPERTY CLASS

Property Class	2016	2017	2018	2019	2020
Residential	\$ 17,719,680	\$ 18,581,552	\$ 19,349,627	\$ 20,237,836	\$ 20,968,476
Utilities	178,185	184,022	188,430	200,314	203,131
Major Industry	4,099,828	4,221,578	4,336,947	4,473,299	4,522,661
Light Industry	930,383	929,968	923,638	983,708	1,026,503
Business	3,536,949	3,694,795	3,796,950	3,974,130	4,088,352
Managed Forest	45,476	45,153	45,603	47,333	47,831
Recreation	63,172	66,083	66,121	63,183	72,274
Farm	37,496	37,992	35,684	32,187	30,777
<b>Total</b>	<b>\$ 26,611,169</b>	<b>\$ 27,761,143</b>	<b>\$ 28,743,000</b>	<b>\$ 30,011,990</b>	<b>\$ 30,960,005</b>

## 2020 Assessment by Property Class

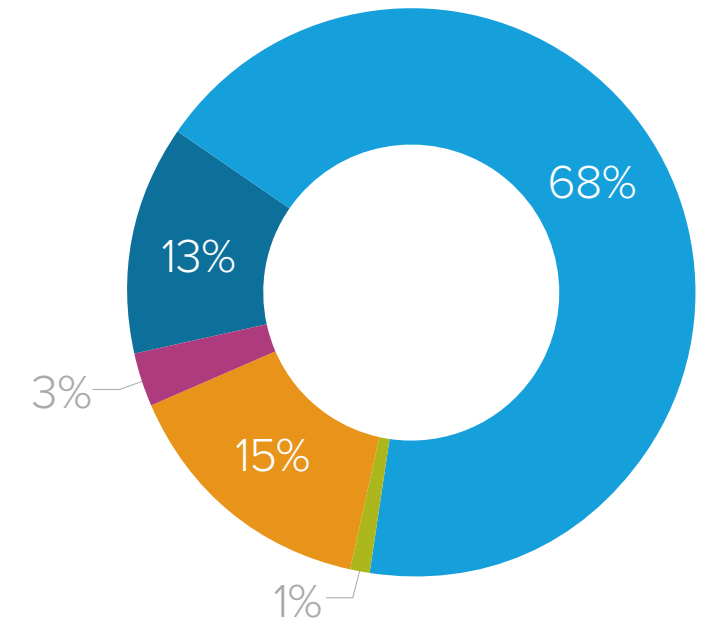
- Residential
- Utilities 0%
- Major Industry
- Light Industry
- Business
- Managed Forest 0%
- Recreation 0%
- Farm 0%



Source: North Cowichan Financial Services

## 2020 Tax Revenue by Property Class

- Residential
- Utilities
- Major Industry
- Light Industry
- Business
- Managed Forest 0%
- Recreation 0%
- Farm 0%



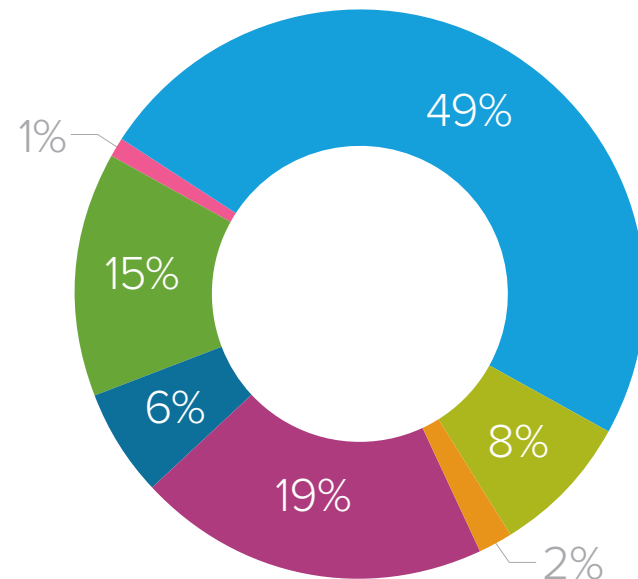
Source: North Cowichan Financial Services

# PROPERTY TAX LEVIED AND COLLECTED

	2016	2017	2018	2019	2020
Municipal Taxes	\$ 26,611,169	\$ 27,761,143	\$ 28,743,000	\$ 30,011,990	<b>\$ 30,960,005</b>
Parcel Taxes	4,298,945	4,411,862	4,609,904	4,784,116	<b>4,988,698</b>
Utility Taxes and Grants in Lieu	1,237,191	1,240,958	1,236,218	1,306,970	<b>1,292,031</b>
Provincial School Taxes	11,940,758	11,697,782	11,892,401	12,286,609	<b>11,828,581</b>
Cowichan Valley Regional Hospital District	3,128,740	3,122,486	3,394,360	3,703,379	<b>4,107,571</b>
Cowichan Valley Regional District	7,341,902	7,827,059	8,120,734	8,750,061	<b>9,335,402</b>
BC Assessment	346,992	320,973	332,048	345,836	<b>394,024</b>
Municipal Finance Authority	1,078	1,176	1,312	1,469	<b>1,592</b>
	<b>\$ 54,906,775</b>	<b>\$ 56,383,439</b>	<b>\$ 58,329,977</b>	<b>\$ 61,190,430</b>	<b>\$ 62,907,904</b>
Total Current Taxes Levied	\$ 54,906,775	\$ 56,383,439	\$ 58,329,977	\$ 61,190,430	<b>\$ 62,907,904</b>
Total Current Taxes Collected	53,498,333	55,203,987	57,052,819	59,868,904	<b>61,571,743</b>
Outstanding	<b>\$ 1,408,442</b>	<b>\$ 1,179,452</b>	<b>\$ 1,277,158</b>	<b>\$ 1,321,526</b>	<b>\$ 1,336,161</b>
Percentage Collected	<b>97.4%</b>	<b>97.9%</b>	<b>97.8%</b>	<b>97.8%</b>	<b>97.9%</b>

## 2020 Property Tax by Type

- Municipal Taxes
- Parcel Taxes
- Utility Taxes and Grants in Lieu
- Provincial School Taxes
- Cowichan Valley Regional Hospital District
- Cowichan Valley Regional District
- BC Assessment
- Municipal Finance Authority 0%



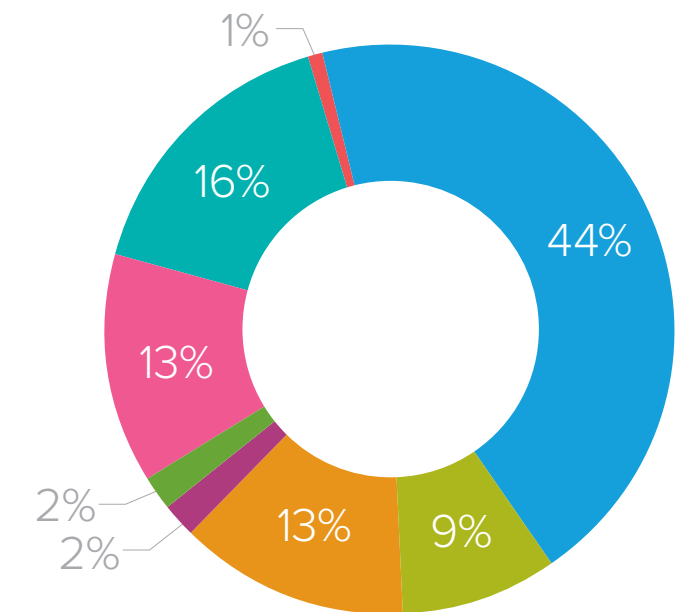
Source: North Cowichan Financial Services

# SOURCES OF REVENUE

	2016	2017	2018	2019	2020
General Taxation	\$ 26,611,169	\$ 27,761,143	\$ 28,743,000	\$ 30,011,990	<b>\$ 30,960,005</b>
Other Taxation	5,536,136	5,652,820	5,846,122	6,091,086	<b>6,280,731</b>
Sales of Services	10,315,697	10,765,559	11,036,880	11,525,631	<b>9,268,220</b>
Other Revenue from Own Source	2,446,109	3,364,980	1,802,377	1,964,092	<b>1,699,830</b>
Net Gain on Sale	-	-	2,561,425	63,759	-
Return on Investment	482,739	490,440	1,070,860	1,401,890	<b>1,126,420</b>
Grants	4,915,296	3,417,282	2,774,959	3,286,917	<b>8,977,994</b>
Developer & Other	1,847,256	1,551,330	4,230,918	2,595,164	<b>11,080,199</b>
Actuarial Adjustment to Debt	367,322	368,446	328,399	379,897	<b>433,412</b>
	<b>\$ 52,521,724</b>	<b>\$ 53,372,000</b>	<b>\$ 58,394,940</b>	<b>\$ 57,320,426</b>	<b>\$ 69,826,811</b>

## 2020 Sources of Revenue

- General Taxation
- Other Taxation
- Sales of Services
- Other Revenue from Own Source
- Net Gain on Sale 0%
- Return on Investment
- Grants
- Developer & Other
- Actuarial Adjustment to Debt

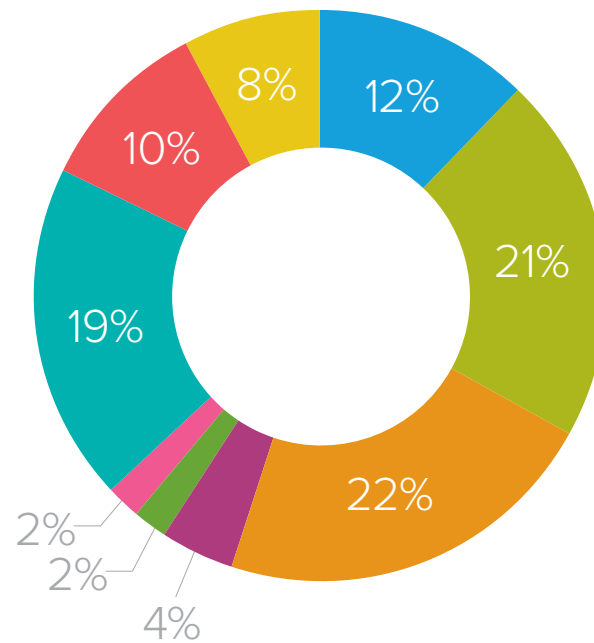
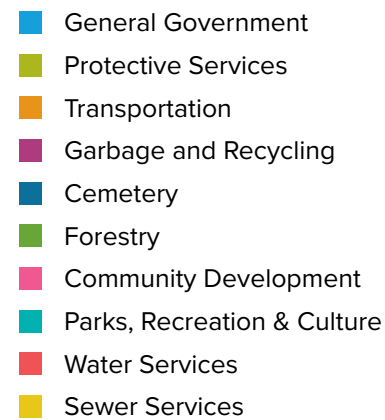


Source: North Cowichan Financial Services

## EXPENSES BY FUNCTION

	2016	2017	2018	2019	2019
General Government	\$ 3,900,171	\$ 4,640,908	\$ 5,176,681	\$ 6,043,676	\$ <b>6,002,079</b>
Protective Services	9,094,204	9,017,816	9,449,524	10,015,012	<b>10,370,277</b>
Transportation	9,943,610	10,724,931	10,154,122	10,400,514	<b>10,643,521</b>
Garbage and Recycling	1,283,764	1,288,498	1,339,946	1,572,133	<b>1,785,214</b>
Cemetery	135,551	148,941	172,982	173,935	<b>205,134</b>
Forestry	1,154,654	1,116,165	1,185,156	1,328,549	<b>849,501</b>
Community Development	928,399	1,031,805	1,295,591	1,168,797	<b>1,168,202</b>
Parks, Recreation & Culture	10,855,716	11,009,482	10,826,990	10,832,245	<b>9,449,782</b>
Water Services	4,057,931	4,395,652	4,518,752	4,614,828	<b>4,687,674</b>
Sewer Services	3,591,150	3,455,356	3,751,477	3,978,588	<b>3,660,999</b>
	<b>\$ 44,945,150</b>	<b>\$ 46,829,554</b>	<b>\$ 47,871,221</b>	<b>\$ 50,128,277</b>	<b>\$ 48,822,383</b>

## 2020 Expenses by Function

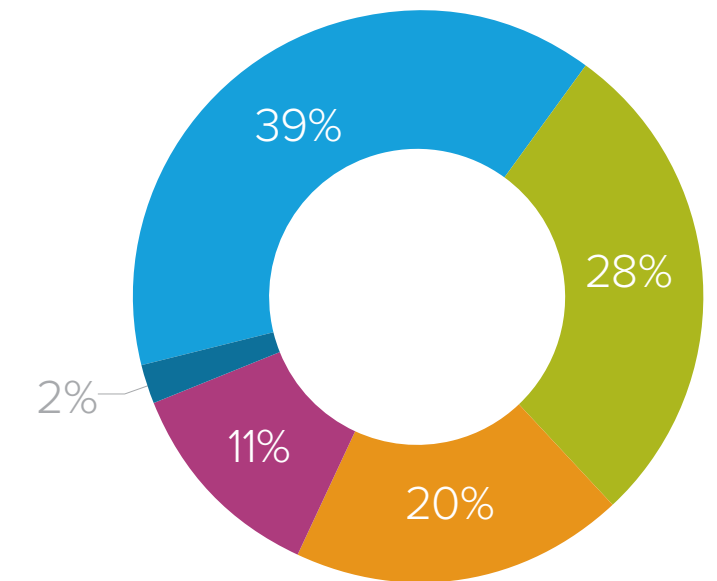
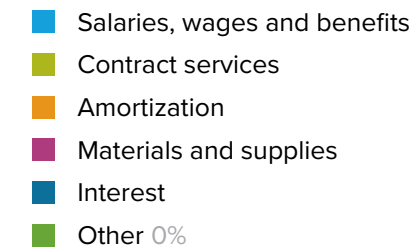


Source: North Cowichan Financial Services

## EXPENSES BY OBJECT

	2016	2017	2018	2019	2020
Salaries, wages and benefits	\$ 16,942,613	\$ 17,515,182	\$ 18,535,062	\$ 19,350,926	\$ <b>18,813,861</b>
Contract services	11,933,440	12,569,146	13,055,682	14,008,575	<b>13,713,891</b>
Amortization	8,954,565	9,048,503	9,452,760	9,569,240	<b>9,852,916</b>
Materials and supplies	5,579,720	6,188,939	5,489,563	6,122,027	<b>5,571,622</b>
Interest	1,402,564	1,334,321	1,257,162	936,729	<b>845,205</b>
Other	132,248	173,463	80,992	140,780	<b>24,887</b>
	<b>\$ 44,945,150</b>	<b>\$ 46,829,554</b>	<b>\$ 47,871,221</b>	<b>\$ 50,128,277</b>	<b>\$ 48,822,382</b>

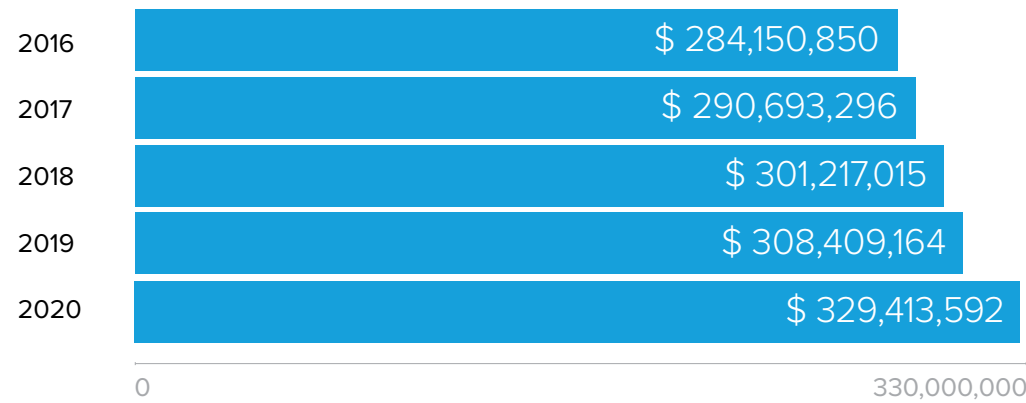
## 2020 Expenses by Object



Source: North Cowichan Financial Services

# ACCUMULATED SURPLUS

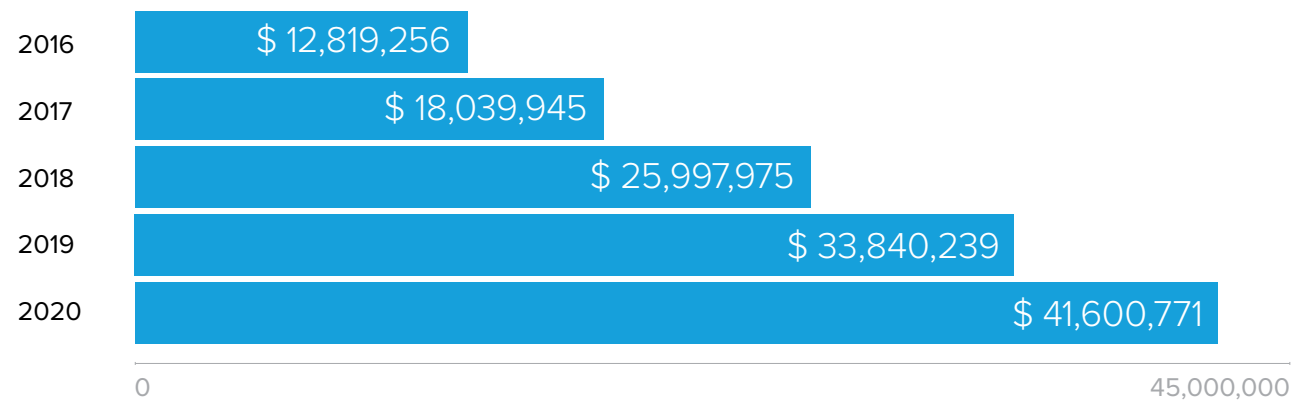
	2016	2017	2018	2019	2020
Accumulated Surplus	\$ 284,150,850	\$ 290,693,296	\$ 301,217,015	\$ 308,409,164	<b>\$ 329,413,592</b>
Annual Surplus	\$ 7,576,574	\$ 6,542,446	\$ 10,523,719	\$ 7,192,149	<b>\$ 21,004,428</b>



Source: North Cowichan Financial Services

# NET FINANCIAL ASSETS

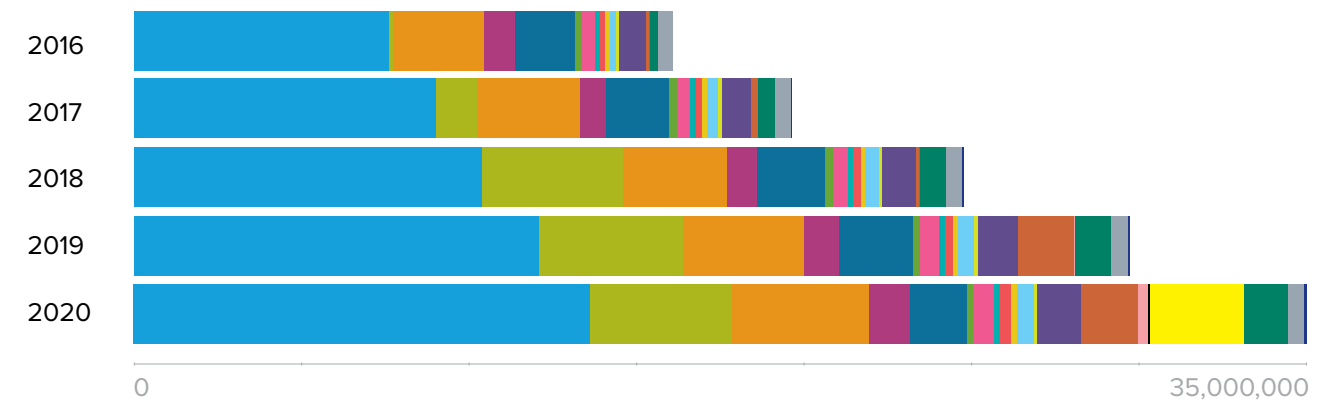
	2016	2017	2018	2019	2020
Net Financial Assets	\$ 12,819,256	\$ 18,039,945	\$ 25,997,975	\$ 33,840,239	<b>\$ 41,600,771</b>



Source: North Cowichan Financial Services

# RESERVE FUND BALANCES

	2016	2017	2018	2019	2020
DCC Restricted Reserves	\$ 7,440,263	\$ 8,839,639	\$ 10,168,279	\$ 11,848,893	<b>\$ 13,599,768</b>
Land Sales	138,257	1,232,543	4,146,465	4,217,773	<b>4,211,105</b>
Machinery and Equipment	2,675,089	2,982,186	3,030,045	3,558,998	<b>4,124,170</b>
Local Area Service	881,380	752,833	882,701	1,019,925	<b>1,152,699</b>
Forest	1,773,911	1,864,667	2,012,439	2,145,499	<b>1,740,130</b>
Park Development	197,931	212,218	216,215	221,194	<b>225,696</b>
Parkland Purchase	377,377	405,359	442,143	553,755	<b>621,099</b>
Chemainus Parking	151,379	152,547	155,419	167,137	<b>170,540</b>
Agriculture	161,894	193,142	226,779	265,031	<b>300,426</b>
Self-Insurance	117,726	118,634	120,868	123,652	<b>176,169</b>
Climate Action & Energy Plan	197,966	348,593	398,762	494,610	<b>542,814</b>
Maple Bay Sewer	87,420	88,094	89,753	91,820	<b>93,689</b>
Recreation Facilities	784,201	863,910	996,470	1,169,136	<b>1,323,415</b>
Gas Tax Reserve	100,340	201,114	104,901	1,641,753	<b>1,675,173</b>
Quamichan Lake	-	-	-	52,511	<b>318,754</b>
IT Asset Management	-	-	-	-	<b>62,000</b>
COVID-19 Safe Restart Grant	-	-	-	-	<b>2,750,808</b>
Infrastructure Replacement	250,000	501,928	761,380	1,028,913	<b>1,299,858</b>
Gravel Pits	433,606	474,363	490,996	523,702	<b>534,363</b>
Affordable Housing	-	22,081	39,497	42,918	<b>75,323</b>
<b>Total</b>	<b>\$ 15,768,740</b>	<b>\$ 19,253,851</b>	<b>\$ 24,283,112</b>	<b>\$ 29,167,220</b>	<b>\$ 34,997,999</b>



Source: North Cowichan Financial Services

## DEBENTURE DEBT

	2016	2017	2018	2019	2020
Local Area Service Debt *	\$ 4,461,545	\$ 4,380,790	\$ 4,192,470	\$ 3,997,051	\$ <b>3,794,263</b>
Tax Supported Debt	18,520,163	17,368,656	16,214,950	15,015,901	<b>13,769,721</b>
<b>Total Debenture Debt</b>	<b>\$ 22,981,708</b>	<b>\$ 21,749,446</b>	<b>\$ 20,407,420</b>	<b>\$ 19,012,952</b>	<b>\$ 17,563,984</b>
<b>Debt per Capita</b>	<b>747</b>	<b>696</b>	<b>642</b>	<b>592</b>	<b>541</b>

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

Source: North Cowichan Financial Services

## LIABILITY SERVICING

	2016	2017	2018	2019	2020
Liability Servicing Limit	\$ 11,423,301	\$ 12,079,962	\$ 12,200,913	\$ 12,821,970	\$ <b>12,417,282</b>
Total Liability Servicing Cost	4,087,297	2,583,908	2,631,766	2,021,114	<b>1,945,042</b>
<b>Liability Servicing Capacity Available</b>	<b>\$ 7,336,004</b>	<b>\$ 9,496,054</b>	<b>\$ 9,569,147</b>	<b>\$ 10,800,856</b>	<b>\$ 10,472,240</b>

Source: North Cowichan Financial Services

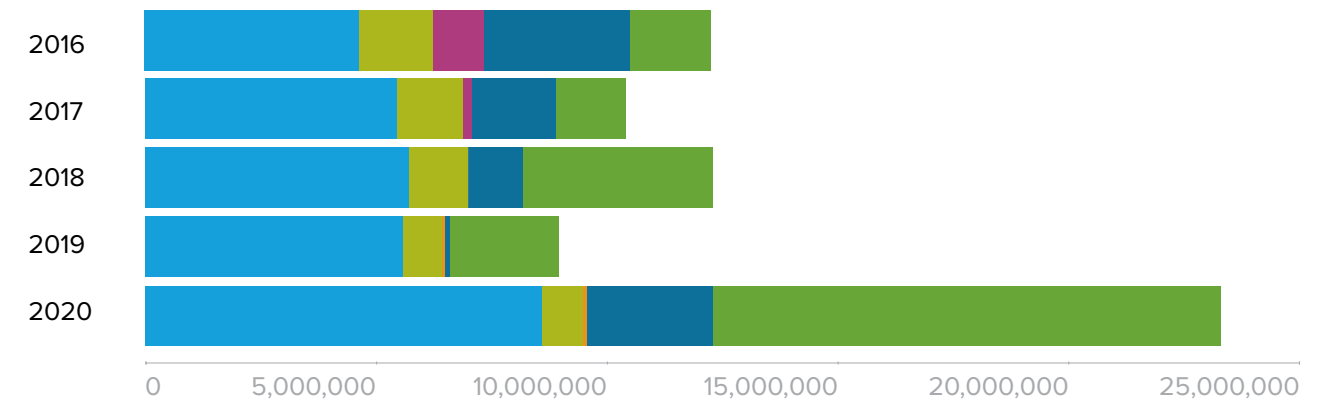
## TAXES COLLECTED FOR OTHER AGENCIES

	2016	2017	2018	2019	2020
School	\$ 11,940,758	\$ 11,697,782	\$ 11,892,401	\$ 12,286,609	\$ <b>11,828,581</b>
CVRHD	3,128,740	3,122,486	3,394,360	3,703,379	<b>4,107,571</b>
CVRD	7,341,902	7,827,059	8,120,734	8,750,061	<b>9,335,402</b>
BC Assessment	346,992	320,973	332,048	345,836	<b>394,024</b>
MFA	1,078	1,176	1,312	1,469	<b>1,592</b>
<b>Total</b>	<b>\$ 22,759,470</b>	<b>\$ 22,969,476</b>	<b>\$ 23,740,855</b>	<b>\$ 25,087,354</b>	<b>\$ 25,667,170</b>

Source: North Cowichan Financial Services

## CAPITAL EXPENDITURES BY SOURCES OF FINANCING

	2016	2017	2018	2019	2020
Operating Funds	\$ 4,718,359	\$ 5,541,462	\$ 5,802,144	\$ 5,668,683	\$ <b>8,514,182</b>
Reserve Funds	1,622,366	1,457,148	1,314,598	868,674	<b>868,386</b>
DCC	-	-	-	64,000	<b>96,000</b>
Debt	1,121,522	200,000	-	-	-
Grants	3,199,385	1,840,781	1,191,968	106,600	<b>2,724,609</b>
Developer / Other Contribution	1,797,256	1,549,520	4,191,180	2,411,588	<b>10,866,949</b>
<b>Total</b>	<b>\$ 12,458,888</b>	<b>\$ 10,588,911</b>	<b>\$ 12,499,890</b>	<b>\$ 9,119,545</b>	<b>\$ 23,070,126</b>



Source: North Cowichan Financial Services

## NEW CONSTRUCTION

	2016	2017	2018	2019	2020
Building Permits Issued	331	324	336	277	251
Construction Value	\$ 39,992,424	\$ 47,344,829	\$ 67,257,000	\$ 85,833,000	\$ 55,800,000

Source: North Cowichan Financial Services

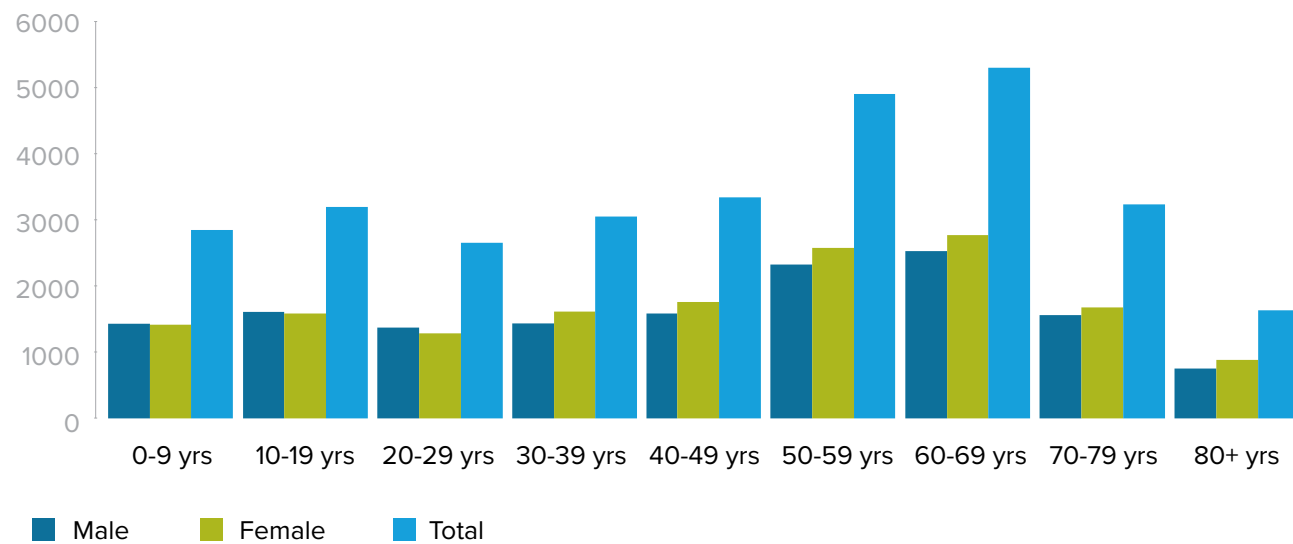
## TOTAL POPULATION

	2016	2017	2018	2019	2020
Total population estimates	30,760	31,236	31,782	32,120	32,475
% Change from prior year	2.2%	1.5%	1.7%	1.1%	1.1%

Source: BC Stats

## 2016 Population by Age Group

Median age of population 47.1 years



Source: Statistics Canada Census

## 2020 TOP 10 PRINCIPAL CORPORATE TAXPAYERS

Taxpayer	INDUSTRY	TAX CONTRIBUTION
Catalyst Paper Corp	Industry	\$ 4,090,312
Western Forest Products Inc	Industry	601,612
Calloway Reit (Cowichan) Inc	Retail	542,555
Fiera Properties Core Fund GP Inc	Retail	410,142
Beverly Corners Management Ltd	Retail	281,651
Chemainus Village Square Ltd	Retail	122,856
Baljet Car Co. Ltd	Retail	114,917
Centra Gas BC Inc	Utility	111,717
Island Timberlands GP Ltd	Industry	108,903
SACPYR Investments Ltd	Retail	86,161

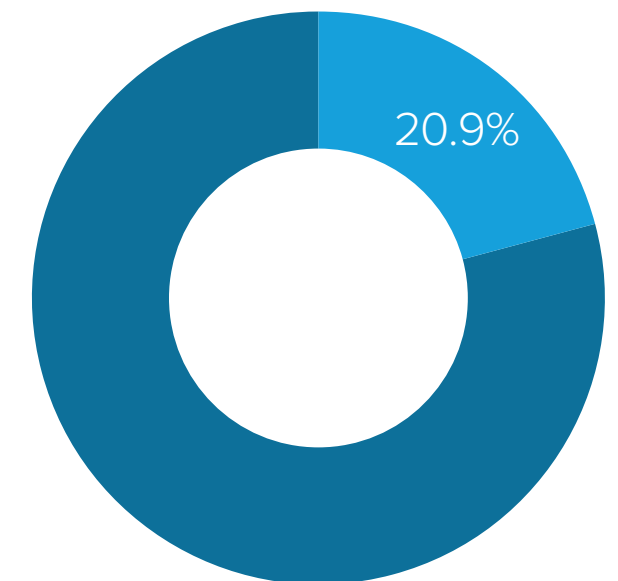
**Total Tax Contribution from Top 10 Taxpayers** \$ 6,470,825

**Total Municipal Tax** \$ 30,960,005

**Proportion of municipal tax paid by top ten** 20.9%

## 2020 Principle Corporate Taxpayers Percentage Paid

■ Corporate Taxpayers  
■ Other



Source: North Cowichan Financial Services





# OTHER INFORMATION

# PERMISSIVE TAX EXEMPTIONS

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
00001-000	5800 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican Church)	\$ 1,362
00016-000	1843 Tzouhalem Rd	Vancouver Island Providence Community Assoc	5,052
00016-002	Donnay Dr	Vancouver Island Providence Community Assoc	3,809
00022-200	1501 Khenipson Rd	Nature Conservancy of Canada	5,032
00172-001	Rail Corridor	Island Corridor Foundation	849
00180-001	Rail Corridor	Island Corridor Foundation	486
00180-002	Rail Corridor	Island Corridor Foundation	867
00184-001	Rail Corridor	Island Corridor Foundation	646
00184-002	Rail Corridor	Island Corridor Foundation	556
00186-001	Rail Corridor	Island Corridor Foundation	187
00197-100	Trans Canada Hwy	Nature Trust of B.C.	3,037
00197-101	Trans Canada Hwy	Nature Trust of B.C.	6,172
00200-000	6045 Trans Canada Hwy	Nature Trust of B.C. & Ducks Unlimited	1,384
00206-100	Beverly St	Cowichan Green Community	1,657
00362-000	5795 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican Church)	9,042
00403-000	5905 Indian Rd	Abbeyfield Houses Society of Duncan	3,093
00433-000	2004 & 2030 Crescent Rd	St. Peter's Crescent Society	1,569
00476-000	1839 Tzouhalem Rd	New Life Community Baptist Church	5,096
00477-000	1815 Tzouhalem Rd	Church of Jesus Christ of Latter-day Saints	3,249
00830-000	3210 Sherman Rd	Vancouver Island Sikh Cultural Soc	3,190
00899-001	Rail Corridor	Island Corridor Foundation	601
00900-001	Rail Corridor	Island Corridor Foundation	419
00947-000	2246 and 2244 Moose Rd	Duncan Community Lodge Society (Loyal Order of the Moose)	5,266
00977-000	5814 Banks Rd	Clements Centre Society	3,740
01038-001	Beverly St	Chesterfield Sports Society	3,058
01038-002	5847 Chesterfield Ave	Chesterfield Sports Society	10,281
01049-001	Beverly St	Nature Trust of BC	619
01081-012	101-5822 Garden St	Cowichan District Hospital Foundation	2,303
01082-000	5810 Garden St	Cowichan Valley Basket Society	1,781
01095-000	5848 Clements St	Clements Centre Society	1,204
01180-025	Rail Corridor	Island Corridor Foundation	338
01180-050	Rail Corridor	Island Corridor Foundation	430
01232-003	Rail Corridor	Island Corridor Foundation	587
01232-004	Rail Corridor	Island Corridor Foundation	507
01232-005	Rail Corridor	Island Corridor Foundation	84
01232-006	Rail Corridor	Island Corridor Foundation	134
01232-007	Rail Corridor	Island Corridor Foundation	1,509
01232-008	Rail Corridor	Island Corridor Foundation	77
01232-009	Rail Corridor	Island Corridor Foundation	6
01232-010	Rail Corridor	Island Corridor Foundation	1,433
01232-011	Rail Corridor	Island Corridor Foundation	1,963
01242-020	Beverly St	Nature Trust of BC	2,432

# PERMISSIVE TAX EXEMPTIONS (continued)

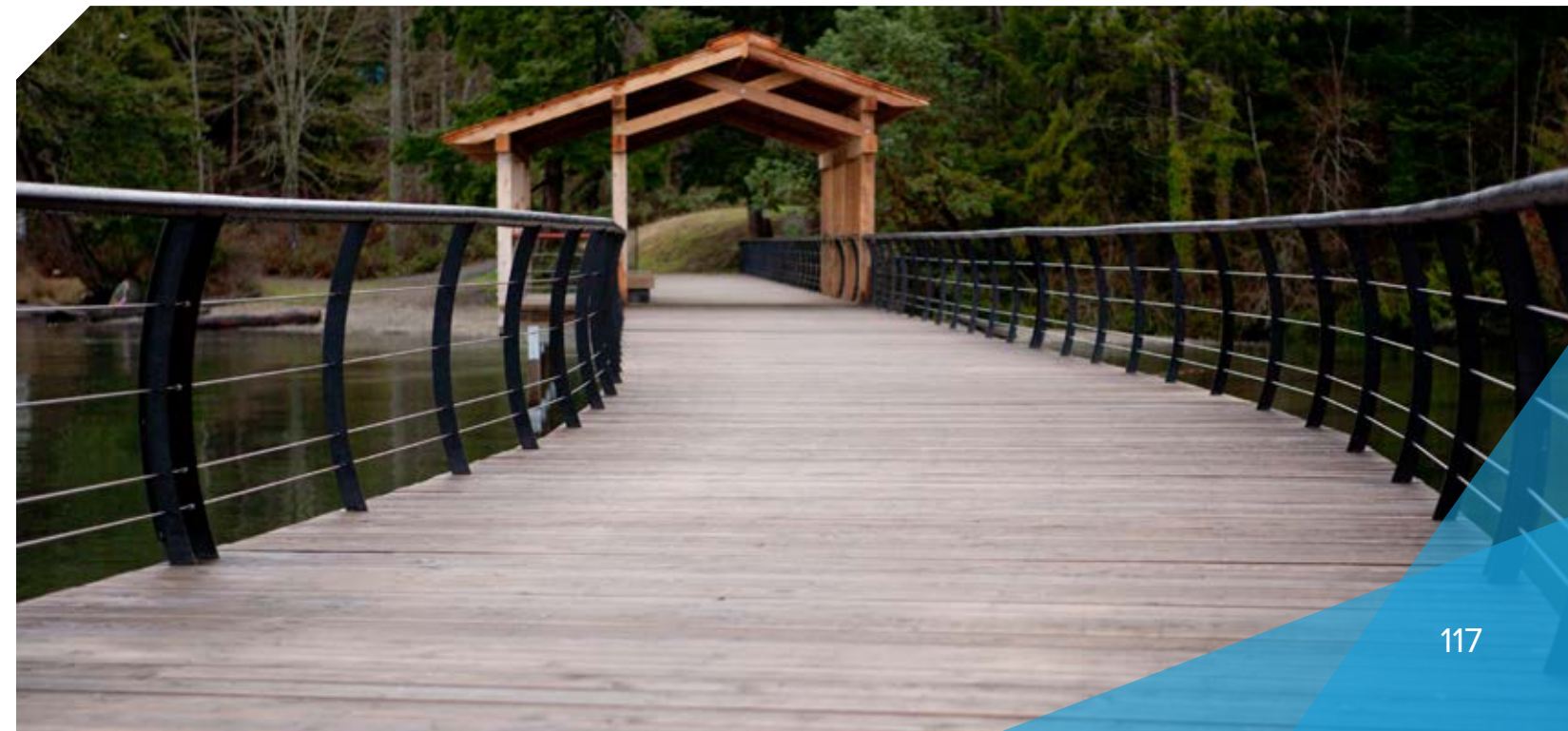
ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
01313-000	#2 - 5855 York Rd	Canadian Red Cross	2,897
01572-001	2704 James St	Trinity Evangelical Lutheran Church	1,265
01587-000	5856 Clements St	Cowichan Valley Association for Community Living	17,067
01640-005	5990 Indian Rd	Maple Bay Rowing Club	1,761
01791-020	5855 Clements St	Cowichan Agricultural Society & Farmers Institute	3,544
01881-000	3441 Gibbins Rd	BC Corporation of Seventh-Day Adventist Church (Duncan)	4,439
01920-000	5860 Banks Rd	Cowichan Valley Hospice Society	1,298
02197-001	3045 Gibbins Rd	Cowichan Valley Division of Family Practice	770
02222-001	Rail Corridor	Island Corridor Foundation	482
02227-000	3968 Gibbins Rd	Vimy Community Club	2,017
02246-005	2731 Boys Rd	Freshwater Fisheries Society of B.C.	449
02310-000	3036 Sherman Rd	Cowichan Valley Church of the Nazarene	2,224
03931-010	Cowichan Bay	Nature Trust of B.C.	65
03995-000	Rail Corridor	Island Corridor Foundation	10,553
03995-001	Rail Corridor	Island Corridor Foundation	457
03995-002	Rail Corridor	Island Corridor Foundation	3,149
03995-003	Rail Corridor	Island Corridor Foundation	4,057
03995-004	Rail Corridor	Island Corridor Foundation	1,963
03995-007	Rail Corridor	Island Corridor Foundation	3,830
03995-008	Rail Corridor	Island Corridor Foundation	3,943
03995-009	Rail Corridor	Island Corridor Foundation	2,922
03995-010	Rail Corridor	Island Corridor Foundation	1,952
03995-011	Rail Corridor	Island Corridor Foundation	2,950
03995-012	Rail Corridor	Island Corridor Foundation	3,603
03995-013	Rail Corridor	Island Corridor Foundation	4,511
03995-014	Rail Corridor	Island Corridor Foundation	692
03995-015	Rail Corridor	Island Corridor Foundation	3,234
03995-016	Rail Corridor	Island Corridor Foundation	3,177
03995-017	Rail Corridor	Island Corridor Foundation	2,443
03995-018	Rail Corridor	Island Corridor Foundation	1,713
03995-019	Rail Corridor	Island Corridor Foundation	4,340
03995-020	Rail Corridor	Island Corridor Foundation	9
03995-021	Rail Corridor	Island Corridor Foundation	1,464
03995-022	Rail Corridor	Island Corridor Foundation	698
03996-000	Rail Corridor	Island Corridor Foundation	8,681
05038-012	3540 Auchinachie Rd	The Oasis Church Society	1,863
05084-000	Trans Canada Hwy	Nature Trust of B.C.	2,411
05099-000	7380 Trans Canada Hwy	Cowichan Exhibition	41,197
05105-060	7550 Bell McKinnon Rd	BC S.P.C.A.	6,154
05359-005	6124 Ryall Rd	Clements Centre Society	1,908
05359-006	6124 Ryall Rd	Clements Centre Society	3,582
05373-000	3248 Cowichan Valley Hwy	Somenos Community Association	1,635

PERMISSIVE TAX EXEMPTIONS (continued)

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
05469-001	2892 Drinkwater Rd	BC Forest Discovery Centre	3,598
05469-005	2986 Drinkwater Rd	Duncan-Cowichan Chamber of Commerce	2,673
05567-000	6137 Somenos Rd	Cowichan Valley Soccer Assn.	1,726
05977-000	Drinkwater Rd	BC Forest Discovery Centre	1,723
05999-000	3253 Sherman Rd	Cowichan Valley Soccer Assn.	4,453
06000-000	3191 Sherman Rd	Duncan Curling Club	7,314
06038-000	2382 Calais Rd	Franciscans of Western Canada	3,187
06503-000	6118 Lane Rd	Christian Science Society, Duncan	925
08076-000	PID 009-625-399	Camp Qwanoes	2,988
08314-000	6722 Beaumont Ave	Friends of Cowichan Cadets Society	1,336
08328-000	6735 Beaumont Ave	Maple Bay Rowing Club	2,324
08333-020	Morgan St	Crofton Community Centre Society	2,474
08333-100	8003 York Ave	Crofton Community Centre Society	3,585
08338-000	8104 Musgrave St	Crofton Community Centre Society	5,407
08548-000	1860 Herd Rd	Cowichan Rugby Club	4,120
08595-000	Maple Bay Rd	Nature Conservancy of Canada	8,804
08595-001	1241 Maple Bay Rd	Nature Conservancy of Canada	1,913
08597-000	Aitken Rd	Nature Conservancy of Canada	3,239
08630-000	1148 Barnes Rd	Camp Qwanoes	4,651
08630-001	Water Licence 106188	Camp Qwanoes	3
08630-002	Water Licence 108939	Camp Qwanoes	600
08630-050	1148 Barnes Rd	Camp Qwanoes	776
08633-000	1148 Smith Rd	Camp Qwanoes	13,520
08633-001	1 - 1148 Smith Rd	Camp Qwanoes	122
09119-000	6337 Genoa Bay Rd	Maple Bay Yacht Club	2,055
09542-000	1186 Barnes Rd	Camp Qwanoes	2,009
12266-200	Tsussie Rd	Penelukut Development Society	479
12316-010	1507 Joan Ave	Crofton Old School Museum	2,188
12316-011	1507 Joan Ave	Crofton Seniors Society	4,605
12395-000	1675 Robert St	Crofton Community Centre Society	1,844
13951-003		Ducks Unlimited	1,478
15004-005	Rifle Range	Chemainus Rod & Gun Club	489
15054-115	9799 Waterwheel Cres	Chemainus Valley Historical Society	384
15086-200	9574 Bare Point Rd	Chemainus Theatre Festival Society	18,488
15103-001	9745 Chemainus Rd	Chemainus Theatre Festival Foundation	1,350
15105-100	9737 Chemainus Rd	Chemainus Theatre Festival Society	26,360
15117-000	Victoria Rd	Anglican Synod Diocese of BC (St. Michael's and All Angels' Anglican Church)	2,213
15152-100	9867 Maple St	Chemainus Health Care Auxiliary	10,733
15103-001	Chemainus Rd	Chemainus Theatre Foundation	1,350
15592-000	9471 Chemainus Rd	Pentecostal Assemblies (Chemainus Tabernacle)	524
15644-001	Units 1&2 9806 Willow St	Cowichan Neighbourhood House Association	3,635

PERMISSIVE TAX EXEMPTIONS (continued)

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
15646-000	9814 Willow St	Trustees of the Chemainus/Crofton Pastoral Charge	860
15656-000	9824 Willow St	Chemainus Seniors Drop-In Centre Society	9,213
15736-000	9775 Chemainus Rd	Royal Canadian Legion (Chemainus Legion)	5,333
15791-000	2828 Pine St	Harbour View Housing Society	1,820
15798-101	9758 Chemainus Rd	Chemainus Rotary Club	714
16124-000	2852/2858 Mill St	Anglican Synod Diocese of BC (St. Michael's and All Angels' Anglican Church)	1,573
16273-000	9877 Esplanade St	Harbour View Housing Society	9,610
16321-020	2816 Henry Rd	Mount Brenton Golf Course Ltd	4,333
16487-000	3318 River Rd	Canadian Baptists of Western Canada (Calvary Baptist Church)	6,888
17849-001		Ducks Unlimited	1,534
17849-002		Ducks Unlimited	115
18008-002	Rail Corridor	Island Corridor Foundation	25
24001-000	3790 Gibbins Rd	744 (Cowichan) Squadron Admin Society	1,470
24017-000	2558 Mt Sicker Rd	Westholme School Society	2,668
24018-000	3039 Sprott Rd	Parkside Academy Society	15,816
<b>TOTAL</b>			<b>\$ 486,092</b>



# REVITALIZATION TAX EXEMPTIONS

ROLL #	PROPERTY ADDRESS	EXTENT OF EXEMPTION	TERM	TAXES
05319-575	6157 Scott Rd	Class 5 or 6 improvements	2015 - 2024	9,294
05319-610	6200 Scott Rd	Class 5 or 6 improvements	2016 - 2025	4,642
12117-102	201-1533 Joan Ave	Class 1 improvements	2017 - 2021	598
12117-103	202-1533 Joan Ave	Class 1 improvements	2017 - 2021	629
12117-104	203-1533 Joan Ave	Class 1 improvements	2017 - 2021	573
12117-105	204-1533 Joan Ave	Class 1 improvements	2017 - 2021	636
12117-106	205-1533 Joan Ave	Class 1 improvements	2017 - 2021	570
12117-107	301-1533 Joan Ave	Class 1 improvements	2017 - 2021	653
12117-108	302-1533 Joan Ave	Class 1 improvements	2017 - 2021	629
12117-109	303-1533 Joan Ave	Class 1 improvements	2017 - 2021	594
12117-110	304-1533 Joan Ave	Class 1 improvements	2017 - 2021	636
12117-111	305-1533 Joan Ave	Class 1 improvements	2017 - 2021	570
12117-112	401-1533 Joan Ave	Class 1 improvements	2017 - 2021	653
12117-113	402-1533 Joan Ave	Class 1 improvements	2017 - 2021	629
12117-114	403-1533 Joan Ave	Class 1 improvements	2017 - 2021	594
12117-115	404-1533 Joan Ave	Class 1 improvements	2017 - 2021	636
12117-116	405-1533 Joan Ave	Class 1 improvements	2017 - 2021	570
16522-002	3400 Smiley Rd	Class 5 or 6 improvements	2018 - 2022	10,771
<b>TOTAL</b>				<b>\$ 33,876</b>

# CHEMAINUS OFF-STREET PARKING

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

January 1, 2020	\$ 167,137
Interest	3,402
Current Year Contributions	-
Current Year Expenditures	-
<b>December 31, 2020</b>	<b>\$ 170,539</b>



# DEVELOPMENT COST CHARGES

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

	Jan. 1, 2020	Interest	Current Year Contributions	Current Year Expenditures	Current Year Amounts Waived	Dec. 31, 2020
<b>Roads</b>	\$ 1,713,986	\$ 41,733	\$ 606,563	\$ -	\$ (96,000)	\$ 2,266,282
<b>Parks</b>	839,540	19,465	196,289	-	-	1,055,294
<b>Chemainus</b>						
Water	465,234	10,304	95,565	-	-	571,103
Sewer	242,785	5,286	38,147	-	-	286,218
	708,018	15,590	133,712	-	-	857,320
<b>Crofton</b>						
Water	133,252	2,748	3,457	-	-	139,457
Sewer	75,871	1,589	4,285	-	-	81,745
	209,124	4,337	7,742	-	-	221,203
<b>South End</b>						
Drainage	372,872	8,382	59,810	-	-	441,064
Water	2,114,860	46,737	277,600	-	(6,187)	2,433,010
Sewer	5,890,492	123,888	311,215	-	-	6,325,595
	8,378,225	179,007	648,625	-	(6,187)	9,199,670
<b>Total</b>	<b>\$ 11,848,893</b>	<b>\$ 260,132</b>	<b>\$ 1,592,931</b>	<b>\$ -</b>	<b>\$ (102,187)</b>	<b>\$ 13,599,769</b>

# NIL REPORT DECLARATION OF DISQUALIFICATION FROM OFFICE

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



Michelle Martineau  
Corporate Officer  
May 18, 2021



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