



Annual Report 2012

YEAR ENDED DECEMBER 31, 2012

The Corporation of the District of North Cowichan

2012 Annual Report

FOR THE YEAR ENDED DECEMBER 31, 2012

NORTH COWICHAN, BRITISH COLUMBIA

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MAYOR'S MESSAGE

Council's difficult decision to shift taxes and adjust tax rates in 2012 has netted the desired results. Our largest taxpayer rebounded from creditor protection, and we have reached a stable set of competitive tax rates while continuing to provide excellent services to our community.

Council has established key initiatives for economic stimulation and sustainability such as a new bylaw to encourage revitalization and the creation of Local Area Plans for Crofton and University Village. These plans, coupled with improved staffing and streamlined development procedures, will provide both certainty and opportunity to the development community. As we continue to pursue densification of our core areas, we are able to encourage smart growth, provide better and more efficient services, and achieve environmental benefits including reduced greenhouse gas emissions - all at reduced costs to the taxpayer.

Council is currently considering a public road through the Maple Bay peninsula and balancing the desire of local residents to build the road with public concerns about increased development in a pristine and ecologically-rich area. Staff will be presenting critical background information and options to Council over the next few months.

Dikes that will protect significantly developed areas of North Cowichan, Duncan, and Cowichan Tribes from flooding are being completed along Lakes Road and Beverly Street to the Trans Canada Highway.

A first-class trail will run along the top of the dike and provide an additional recreational opportunity for residents and visitors. Council is currently considering locating a new police building on a piece of municipal land on the dry side of the dike and has applied to exclude approximately four acres of land from the Agricultural Land Reserve. However, some members of the community are opposed to this exclusion expressing concerns that this area needs to be protected. If the Agricultural Land Commission approves North Cowichan's application, Council will consider environmental and other community concerns before making any final commitments on the site.

We have worked successfully with five electoral areas of the Cowichan Valley Regional District to remove two-tier fees at the Cowichan Aquatic Centre and bring them in under service contracts to help pay operating costs. We expect increased attendance numbers which in turn allows additional programming and improved admissions revenues. We continue to work with remaining Electoral Areas "F" and "I" and the Town of Lake Cowichan, and are hopeful that their citizens will be given an opportunity to vote for inclusion in the aquatic centre. Their inclusion would end the two-tier fee structure completely.

The final phase of the Crofton Seawalk is complete and the community is justifiably proud of this jewel on Crofton's waterfront. With the trail connector over Maple Mountain partially complete, there will be even more

opportunities for hiking. Planning and Development staff have started work with the community on the Crofton Local Area Plan and the results will play a vital role in creating a sustainable community.

Chemainus has had its share of excitement as well. After considerable controversy, there was general agreement that the proposed new library was best suited to the old fire hall site on Willow Street. This decision allowed the community to move ahead on planning a revitalized Waterwheel Square which will also include expansion of the Chemainus Museum.

Our success in having the old Chemainus Elementary School site returned to North Cowichan will allow us to work with the community to determine the best use of the site and certainly consideration of a long-anticipated home for the skate park will be paramount.

I would like to thank Island Timberlands for its cooperation so the important Chemainus Road upgrade from River Road to the theatre can proceed this year as part of the Chemainus Town Centre Revitalization Plan.

To have a successful economy and a healthy community, we also need a healthy environment. North Cowichan's acclaimed Climate Action and Energy Plan (CAEP) is complete, adopted and will be launched at our June 8 communityforclimate fair. The CAEP provides us with a blueprint to do our part to reduce the biggest threat to our community - climate change. Through our

community survey, we found there was a division of opinion on whether there should be a 1% tax to fund CAEP projects, and Council respected that by implementing a 0.5% tax to fund projects that reduce energy use and reduce greenhouse gas emissions.

We continue to carefully and strategically invest in our community, build the economy, provide the services that we want and need, and protect the environment that has to sustain us.

It is important for our citizens to know that their opinions on controversial issues (such as the Stoney Hill road or the new police site) are essential in helping Council make informed and well-balanced decisions which reflect the vision of the community. We need and welcome your input and carefully consider each comment as we strive to balance social, economic, environmental and land use issues.

If you do not have time to share your views at a Council or committee meeting, please take a moment to contact me by email at mayor@northcowichan.ca, or by phone at 250.746.3115. If you are interested in keeping apprised of issues in the community, please register at www.northcowichan.ca and click the *Notifications* link.

Jon Lefebure, Mayor



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2012 OFFICIALS

MAYOR

Jon Lefebure

COUNCILLORS

Ruth Hartmann
 John Koury
 Barb Lines
 Kate Marsh
 Al Siebring
 Jennifer Woike

AUDITORS

Hayes Stewart Little & Co.

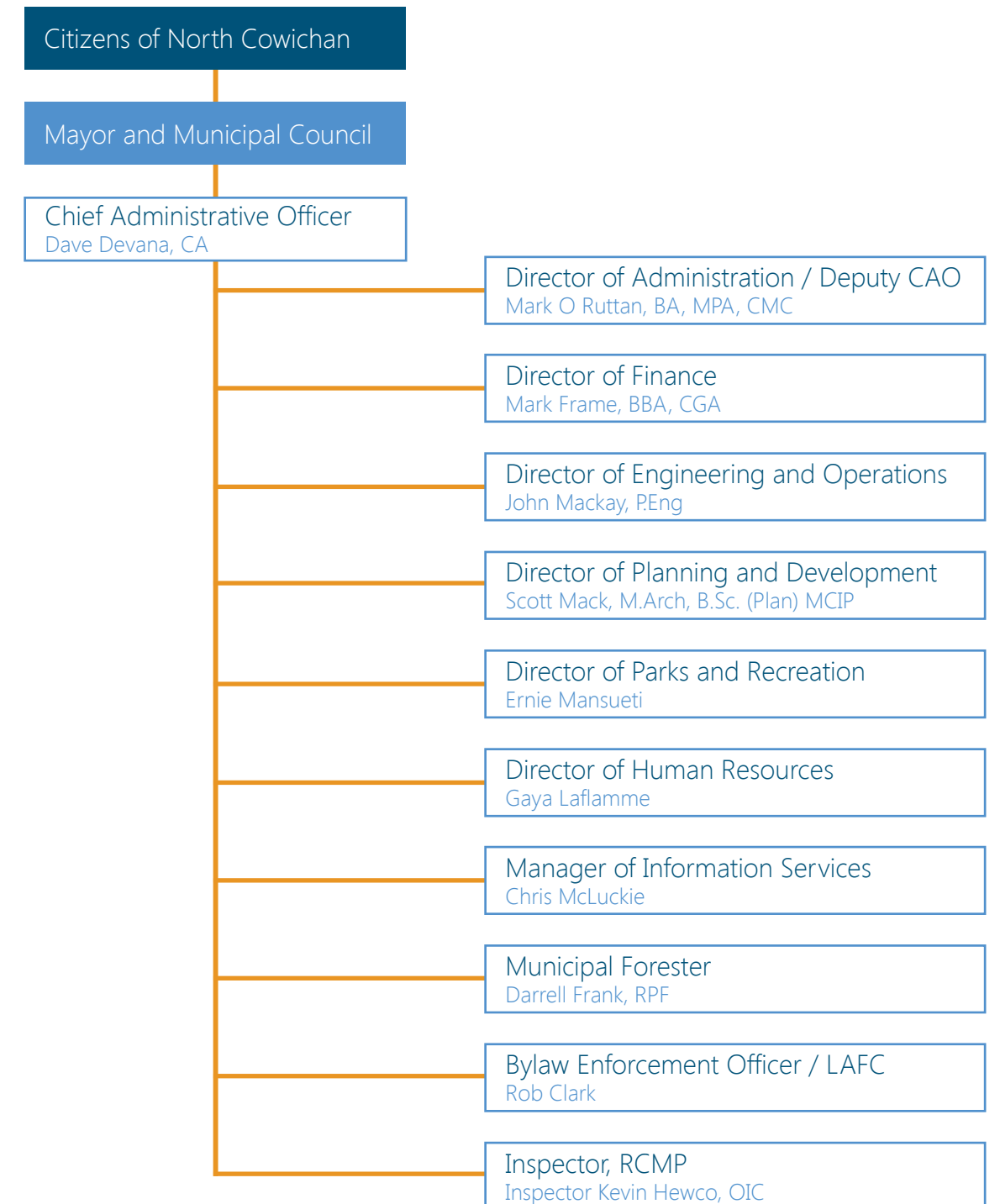
BANKERS

Royal Bank of Canada

SOLICITORS

Young Anderson
 Taylor Granitto

ORGANIZATIONAL STRUCTURE



ELECTED OFFICIALS

2011-2014 MAYOR & MUNICIPAL COUNCIL

The Municipal Council is North Cowichan's governing body. North Cowichan's Municipal Council is comprised of a Mayor and six Councillors. Each member of the Municipal Council was elected in November 2011 for a three-year term. Under the *Community Charter*, Council's role is to provide good government; service its citizens' needs and wants; stewardship of its public assets; and a positive economic, social and environmental climate.

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



JON LEFEBURE

Mayor



RUTH HARTMANN

Councillor



JOHN KOURY

Councillor



BARB LINES

Councillor



KATE MARSH

Councillor



AL SIEBRING

Councillor



JENNIFER WOIKE

Councillor

COUNCIL APPOINTMENTS

COMMITTEES, COMMISSIONS AND BOARDS

INTERNAL COMMITTEES, COMMISSIONS AND BOARDS

Agricultural Advisory Committee	Economic Development Advisory Committee
Athletic Commission	Forestry Advisory Committee
Chemainus Advisory Committee	Joint Utilities Board
Climate Change Advisory Committee	Parks and Recreation Advisory Committee
Communications Committee	Protective Services Committee
Community Planning Advisory Committee	Sports Wall of Fame Nomination Committee

EXTERNAL APPOINTMENTS

COUNCIL APPOINTEE / LIAISON

BC Forest Discovery Centre	John Koury
Chemainus Festival of Murals Society	Jon Lefebure
Chemainus and District Chamber of Commerce	Jon Lefebure
City of Duncan Tourism Advisory Committee	Ruth Hartmann
Cowichan Lodge Redevelopment Committee	Barb Lines
Cowichan Region Community Policing Advisory Committee	Al Siebring
Cowichan Success-By-Six	Kate Marsh
	Jon Lefebure (Alternate - Kate Marsh)
Cowichan Valley Regional District Board	Ruth Hartmann (Alternate - Jennifer Woike)
	Barb Lines (Alternate - Al Siebring)
Cowichan Valley Regional District Safety Advisory Committee	John Koury
Crofton Community Centre Society	Barb Lines, Liaison
Duncan - Cowichan Chamber of Commerce	Ruth Hartmann
Island Agriculture Show Steering Committee	Jennifer Woike
	Al Siebring (Alternate - John Koury)
Island Savings Centre Commission	Barb Lines (Alternate - Kate Marsh)
	Jennifer Woike (Alternate - Ruth Hartmann)
Maple Bay Community Association	Al Siebring
Mayor's Advisory Committee on Disabilities (City of Duncan)	John Koury
Regional Health Advisory Committee	Barb Lines
Social Planning Cowichan Board	Kate Marsh
Somenos Management Committee	Kate Marsh
Vancouver Island Regional Library Board	Kate Marsh (Alternate - John Koury)





CROFTON SEAWALK AND MAPLE MOUNTAIN MULTIPURPOSE TRAIL

The Crofton Seawalk project originally emerged as a community-driven project in 2000 and now that it is complete, links various waterfront activities to existing marine and cultural facilities. Funding was provided by: 1) Western Economic Diversification Canada (Government of Canada) - \$250,000; 2) Crofton Community Centre Society - \$50,000; and 3) Municipality of North Cowichan - \$500,000. This funding also includes Phase I of the Maple Mountain Multi-Purpose Trail which will link Osborne Bay Park to Maple Bay.

REGIONAL VISITOR INFORMATION CENTRE

The construction of a new regional Visitor Information Centre at the BC Forest Discovery Centre site, on the south-east corner of the Trans Canada Highway and Drinkwater Road, is underway. The project is being managed by North Cowichan for the BC Forest Discovery Centre and the Duncan-Cowichan Chamber of Commerce. The Visitor Information Centre is scheduled for completion in November 2013.



CROFTON SEAWALK

MUNICIPAL HALL EXPANSION

North Cowichan took advantage of the recent economic downturn and low construction costs to begin construction of a much-needed addition to the Municipal Hall. Construction costs are on target to meet the \$3 million budget. The current building, constructed in 1967, had reached capacity. The addition, scheduled for completion at the end of 2013, is expected to meet North Cowichan's growth needs for the next 25 years.



FLOOD PROTECTION WORKS

To ensure protection of property after the 2009 flood, diking continued north along Lakes Road from Tzouhalem Road to Beverly Street, and west along Beverly Street to Trans Canada Highway. Constructed with two-thirds funding from the Federal and Provincial Governments and one-third funding from the Municipality of North Cowichan and neighbouring jurisdictions, the dike will provide flood protection to the developed areas of the South End of North Cowichan, the City of Duncan, and Cowichan Tribes' lands. The dike includes a 2.5 kilometre trail along the top, offering an additional recreational opportunity for the public.



KITCHEN ORGANICS COLLECTION

Since the Kitchen Pitch-In Organics Collection Program began in May 2012, residents have reduced their average household garbage by 46.5% in the first year. Collected kitchen organics are now transformed into compost instead of going to the landfill and generating methane – a potent greenhouse gas.



Municipality of North Cowichan Climate Action & Energy Plan



CLIMATE ACTION AND ENERGY PLAN

North Cowichan started the implementation phase of an exciting project that will help guide the future of land use, local economy, energy use and emissions reductions in our community. The Climate Action and Energy Plan (CAEP) is helping North Cowichan lower its energy usage and carbon footprint while improving the local economy and leading to a better quality of life for residents and visitors.

AGRICULTURAL WORK PLAN

Council approved the Agricultural Advisory Committee's *Work and Implementation Plan* that establishes the following priorities to guide the work of the Agricultural Advisory Committee: 1) water management; 2) economic development; 3) regulatory barriers; 4) bylaws, policy and land use; and 5) an agriculture reserve fund.

BOYS ROAD ULTRAVIOLET (UV) WATER TREATMENT PLANT

A new ultra-violet (UV) water treatment plant is being constructed on Boys Road to provide continuous disinfection of the well water supply for south end water users without the use of chemicals. This treatment uses the most up-to-date technology and meets provincial water treatment standards.

OBJECTIVES AND MEASURES

Prepared in compliance with sections 98(2)(d) and (f) of the *Community Charter*, this statement sets out Council's broad objectives for 2012-2014, corresponding performance measures, and a progress report for the previous year. Council's objectives were selected in support of North Cowichan's vision (to be the best place on Vancouver Island to live, work and play!) and mission (to foster social, economic and environmental well-being through good government, desirable services, and responsible stewardship). It is anticipated that the future format and content of the report will integrate progress monitoring and reporting on the key objectives and measures contained in North Cowichan's *Official Community Plan*.

OBJECTIVE 1 FOSTER SOCIAL WELL-BEING

To Create Healthy, Safe, Inclusive and Vibrant Communities

Performance Measure	2011 Progress	2012 Progress
1 Crime rates ¹	8.06 per 100 population	7.48 per 100 population
2 Vehicle accidents ²	265	268
3 Boil water advisories ³	0	0
4 Fire calls ⁴	774	757
5 Trails built ⁵	unavailable	unavailable
6 Parks added ⁶	unavailable	unavailable

OBJECTIVE 2 FOSTER ECONOMIC WELL-BEING

To Encourage a Flourishing and Diverse Local Economy

Performance Measure	2011 Progress	2012 Progress
1 Housing starts ⁷	91	96
2 Non-residential building permits ⁸	3	11
3 New business starts ⁹	157	176
4 Unemployment rate ¹⁰	11.1%	6.9%
6 Assessment base ¹¹	\$4,464,497,975	\$4,468,307,003
7 General residential tax rate ¹²	2.8540	3.8203
8 Avg. general municipal home taxes	\$969	\$1,281 ¹³

OBJECTIVE 3 FOSTER ENVIRONMENTAL WELL-BEING

To Protect the Environment & Create Quality Green Spaces

Performance Measure	2011 Progress	2012 Progress
1 Net carbon emissions ¹⁴	1,280 tonnes CO ₂ e	748 tonnes CO ₂ e
2 Trees planted in forest reserve	43,150	54,057

NOTES OBJECTIVES AND MEASURES

- The crime rate is a reflection of community safety and security, as well as an indicator of other social and economic problems. The crime rate includes actual confirmed crimes against persons, crimes against property, and other Criminal Code offences.
- The number of vehicle accidents is a measure of traffic safety. This measure includes fatalities and damages over \$1,000.
- The number of boil water advisories is a measure of the health and safety of municipal water systems. The number of advisories has been reduced due to the development of the new Chemainus wells.
- The number of response calls to the North Cowichan Fire Department is an indicator of building safety. While the number of calls was down slightly, value of fire losses was up (\$1,293,000 in 2012 compared to \$1,067,500 in 2011).
- The kilometres of trails built includes formal trails built by or for the Municipality.
- The acres of parks added includes municipal and regional parks added during the previous year.
- Housing starts includes new single and multi-family home starts. This figure is considered a good leading indicator for home sales and a major indicator of economic activity and consumer confidence.
- The number of non-residential building permits issued is an important measure of a jurisdiction's economic activity and attractiveness to investors.
- The number of new business formations is an important measure of economic and entrepreneurial activity.
- The unemployment rate is estimated by BC Stats for North Cowichan, Duncan and Electoral Areas D & E. It comprises the number of unemployed persons expressed as a percentage of the labour force.
- The total net taxable assessment base for North Cowichan provides an estimate of the market value of all land and improvements assessed for general municipal purposes.
- Competitive property tax rates are an important measure of economic well-being. This figure represents the general portion of the residential property tax rate per \$1,000 of assessed value.
- Increase includes \$275 tax shift from Class 4 - Major Industry to Class 1 - Residential.
- Net carbon emissions are the amount of net greenhouse gas emissions per equivalent tonne of carbon dioxide emitted by North Cowichan's municipal operations. This figure is reported annually in the Climate Action Revenue Incentive Program report to the Province of BC and includes significant offsets from introducing household organic waste composting.

HISTORICAL REEVES & MAYORS

SINCE INCORPORATION IN 1873

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

MAP OF NORTH COWICHAN



REPORT

FROM THE DIRECTOR OF FINANCE

May 7, 2013

Mayor and Council
Municipality of North Cowichan
Your Worship and Members of Council,

I am pleased to present the Municipality of North Cowichan's 2012 Annual Financial Report for the fiscal year ended December 31, 2012, as required by sections 98 and 167 of the *Community Charter*.

This report includes the auditor's report, the 2012 financial statements, and supplementary information for the Municipality of North Cowichan.

The Consolidated Financial Statements are the responsibility of the management of the Municipality of North Cowichan and were prepared by municipal staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, and have been applied on a basis consistent with that of the preceding year.

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

The audit firm Hayes, Stewart, Little and Company was appointed by Council and is responsible for expressing an opinion as to whether the consolidated financial statements fairly present the financial position of the Municipality of North Cowichan and the results of its 2012 operations.

The 2012 audited financial statements were presented to and approved by Council.

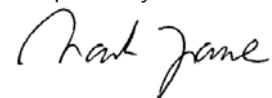
As at December 31, 2012, the Municipality had an accumulated surplus of \$256.7 million, an increase of \$4.3 million for the year. This is largely comprised of net investments in tangible capital assets (\$227 million), which includes land, park infrastructure, roads, and utility assets. Debenture debt decreased slightly by \$0.5 million to \$21.5 million. The reserves decreased by \$2.1 million to \$6.2 million as a result of an increased investment in capital assets.

Consolidated revenues decreased by \$6 million, taxation increased by \$1.4 million, grants decreased by \$1.7 million and collections from developers and others decreased by \$6 million. Expenses increased by \$0.9 million.

Capital expenditures for the year were \$11.6 million including \$1.8 million in roads projects, \$1.4 million on the Municipal Hall expansion, \$0.5 million on phase 3 of the Crofton Seawalk, \$1 million on the Lakes Road/Beverly Street dike, \$0.6 million on garbage trucks, \$0.5 million on the Chemainus River bridge, \$0.9 million for the Boys Road ultraviolet treatment, and \$2.17 million in infrastructure contributed by developers.

In 2012, North Cowichan increased the budget for tax supported capital from \$2.76 million to \$2.86 million. This amounted to 12.7% of 2012 property taxes being allocated to general capital compared to 13% in 2011. This is consistent with Council's Revenue, Tax and Budget Policy adopted in 2010 requiring adequate capital funding of 10-15% of property tax revenues.

Respectfully,



Mark Frame, CGA
Director of Finance

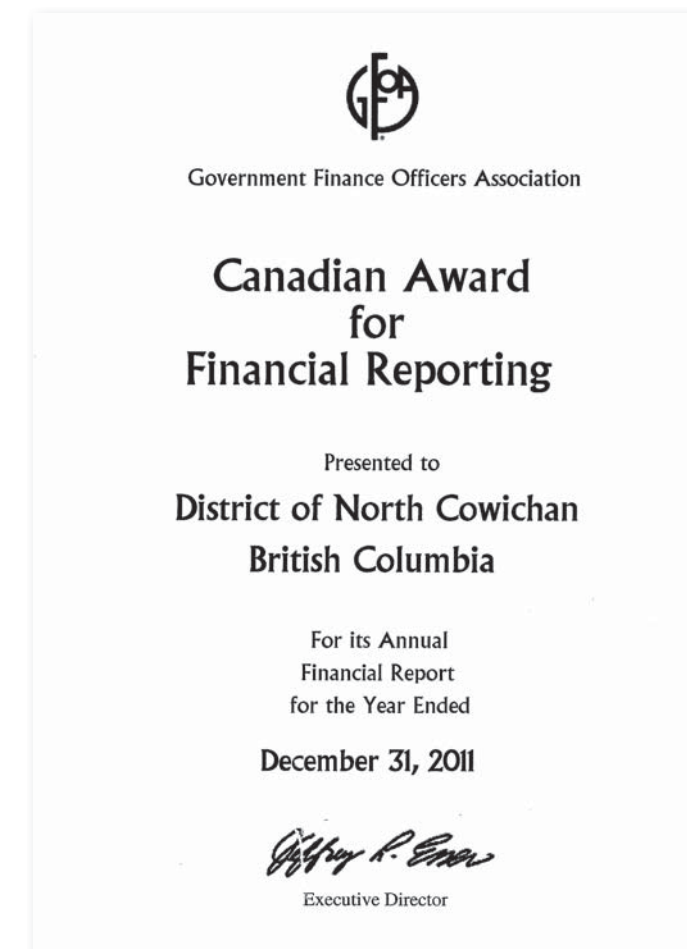
FINANCIAL REPORTING AWARD

CANADIAN AWARD FOR FINANCIAL PLANNING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the District of North Cowichan for its Annual Report of the fiscal year ended December 31, 2011. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

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





The Corporation of the District of North Cowichan

Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2012

[AUDITED]

DECEMBER 31, 2012

STATEMENT OF RESPONSIBILITY

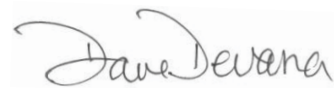
FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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 generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

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.

Hayes Stewart Little & Company, 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 generally accepted accounting principles.



Dave Devana
Chief Administrative Officer
May 7, 2013

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Corporation of The District of North Cowichan, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statement of operations, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of The District of North Cowichan as at December 31, 2012 and its financial performance, changes in net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including Schedules 1 to 11, has been presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole.



Duncan, BC
May 7, 2013

Chartered Accountants

DUNCAN 823 Canada Ave. Duncan, BC V9L 1V2 Tel: 250.746.4406 Fax: 250.746.1950	NANAIMO 30 Front St. Nanaimo, BC V9R 5H7 Tel: 250.753.2544 Fax: 250.754.1903	VICTORIA 1000-747 Fort St. Victoria, BC V8W 3E9 Tel: 250.383.8994 Fax: 250.383.8904
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Duncan: 888.746.4406 | Nanaimo: 888.754.9551 | Victoria: 855.383.8994

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012, WITH COMPARATIVE FIGURES FOR 2011

	2012 ACTUAL	2011 ACTUAL
FINANCIAL ASSETS		
Cash and cash equivalents (Notes 2 and 4)	\$ 3,111,980	\$ 3,965,639
Temporary investments (Notes 2 and 4)	36,459,064	33,095,765
Accounts receivable (Note 5)	3,583,586	5,916,804
Property acquired for taxes (Note 2)	4,137,296	4,261,469
Deposit - Municipal Finance Authority (Note 9)	1,365,559	1,330,536
	<u>48,657,485</u>	<u>48,570,213</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	4,120,279	5,222,038
Employee future benefits and wages payable (Note 2)	3,233,289	2,863,719
Unearned revenue (Note 7)	3,757,362	3,978,195
Reserve - Municipal Finance Authority (Note 9)	1,365,559	1,330,536
Restricted reserves (Note 11)	7,195,898	6,543,479
Debenture debt (Note 13)	21,503,802	21,971,921
	<u>41,176,189</u>	<u>41,909,888</u>
NET FINANCIAL ASSETS	<u>7,481,296</u>	<u>6,660,325</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule X)	248,608,324	245,134,455
Inventory of supplies (Note 2)	606,464	598,081
Prepaid items	54,172	97,932
	<u>249,268,960</u>	<u>245,830,468</u>
ACCUMULATED SURPLUS (NOTE 15)	<u>\$ 256,750,256</u>	<u>\$ 252,490,793</u>

COMMITMENTS AND CONTINGENT LIABILITIES (NOTE 14)

Approved by:



M. Frame,
 Director of Finance

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2012, WITH COMPARATIVE FIGURES FOR 2011

	2012 BUDGET (NOTE 16)	2012 ACTUAL	2011 ACTUAL
REVENUE			
Taxation (Schedule I)	\$ 27,546,795	\$ 27,897,043	\$ 26,463,737
Sales of services (Schedule II)	8,862,399	8,896,641	8,655,047
Other revenue from own sources (Schedule III)	1,041,158	1,041,398	1,068,696
Gain on sale	-	15,726	2,510
Return on investments	233,912	497,351	515,044
Grants and government transfers (Schedule IV)	11,816,389	2,589,619	4,274,832
Collections from developers and others	1,005,958	2,173,267	8,208,308
Transfer from cemetery trust	-	4,000	4,839
	<u>50,506,611</u>	<u>43,115,045</u>	<u>49,193,013</u>
EXPENSES			
General government services (Schedule V)	2,822,369	3,027,446	2,917,207
Protective Services (Schedule VI)	7,960,226	7,357,668	7,498,767
Transportation services (Schedule VII)	9,297,283	9,144,856	9,048,272
Environmental health services (Schedule VIII)	1,391,378	1,619,496	1,296,428
Forestry services	1,408,700	1,214,269	1,323,529
Environmental development services	1,009,701	928,357	863,639
Recreation and cultural services (Schedule IX)	7,961,906	7,913,099	8,002,144
Interest	1,419,954	1,413,970	1,470,697
Water	3,482,092	3,200,407	3,215,051
Sewer	3,278,958	3,098,018	2,767,970
Write down of asset	-	-	127,385
Loss on sale	-	255,720	-
Actuarial adjustment to debt	-	(287,724)	(617,175)
	<u>40,032,567</u>	<u>38,855,582</u>	<u>37,913,914</u>
ANNUAL SURPLUS	<u>\$ 10,474,044</u>	<u>4,259,463</u>	<u>11,279,099</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR (NOTE 15)		<u>252,490,793</u>	<u>241,211,694</u>
ACCUMULATED SURPLUS, END OF YEAR (NOTE 15)		<u>\$ 256,750,256</u>	<u>\$ 252,490,793</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
**CONSOLIDATED STATEMENT OF CHANGES
 IN NET FINANCIAL ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2012, WITH COMPARATIVE FIGURES FOR 2011

	2012 BUDGET (NOTE 16)	2012 ACTUAL	2011 ACTUAL
ANNUAL SURPLUS	\$ 10,474,044	\$ 4,259,463	\$ 11,279,099
Acquisition of tangible capital assets	(29,208,729)	(11,607,938)	(18,644,542)
Amortization of tangible capital assets	7,902,000	7,839,474	7,487,622
Gain on sale of tangible capital assets	-	(15,726)	(2,510)
Loss on sale of tangible capital assets	-	225,720	-
Proceeds on sale of tangible capital assets	-	84,600	9,844
Write-downs of tangible capital assets	-	-	127,385
	<u>(21,306,729)</u>	<u>(3,473,870)</u>	<u>(11,022,201)</u>
Decrease (Increase) in prepaids	-	43,761	(21,390)
Increase in inventories	-	(8,383)	(2,130)
	-	35,378	(23,520)
CHANGE IN NET FINANCIAL ASSETS	(10,832,685)	820,971	233,378
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>6,660,325</u>	<u>6,660,325</u>	<u>6,426,947</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u>(4,172,360)</u>	\$ <u>7,481,296</u>	\$ <u>6,660,325</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2012, WITH COMPARATIVE FIGURES FOR 2011

	2012 ACTUAL	2011 ACTUAL
OPERATING TRANSACTIONS		
Annual surplus	\$ 4,259,463	\$ 11,279,099
Non-cash items included in surplus:		
Amortization of tangible capital assets	7,839,474	7,487,622
Actuarial adjustment to debt	(287,724)	(617,175)
Write-downs of tangible capital assets	-	127,385
Loss (Gain) on sale of tangible capital assets	209,994	(2,510)
	<u>12,021,207</u>	<u>18,274,421</u>
Temporary investments	(3,363,299)	(1,001,918)
Accounts receivable	2,333,218	3,205,256
Inventory of supplies	(8,383)	(2,130)
Prepaid items	43,761	(21,390)
Land acquired for taxes	124,173	(124,260)
Accounts payable	(1,101,759)	858,174
Accumulated sick leave	369,570	329,034
Unearned revenue	(220,833)	(262,992)
Restricted reserves	652,419	(584,538)
	<u>10,850,074</u>	<u>20,669,657</u>
Cash provided by operating transactions		
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	84,600	9,844
Cash applied to acquire tangible capital assets	(11,607,938)	(18,644,542)
Cash applied to capital transactions	(11,523,338)	(18,634,698)
FINANCING TRANSACTIONS		
Proceeds from other debt	-	551,500
Proceeds from debenture debt	745,475	-
Repayment of debenture debt	(925,870)	(952,676)
	<u>(180,395)</u>	<u>(401,176)</u>
Cash applied to financing transactions		
CHANGE IN CASH AND CASH EQUIVALENTS	(853,659)	1,633,783
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,965,639</u>	<u>2,331,856</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>3,111,980</u>	\$ <u>3,965,639</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

1. GENERAL

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) BASIS OF PRESENTATION

These consolidated financial statements consolidate the following operations:

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

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

Duncan-North Cowichan Joint Utilities Board	54.2%
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b) BASIS OF ACCOUNTING

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

c) REVENUE RECOGNITION

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

d) CASH AND CASH EQUIVALENTS

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

e) INVESTMENTS

Investments are recorded at cost which at December 31, 2012, 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.

f) PROPERTY ACQUIRED FOR TAXES – DEEDED TO MUNICIPALITY

Land is shown at estimated historical cost.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

g) EMPLOYEE FUTURE BENEFITS AND WAGES PAYABLE

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

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

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

	<u>2012</u>	<u>2011</u>
Wages payable	\$669,805	\$561,424
Sick leave cash-out and severance benefits	2,563,484	2,302,295
	<u>\$3,233,289</u>	<u>\$2,863,719</u>

Under the terms of the union contract, sick leave not taken in a year is carried forward to a maximum accumulation for 180 working days for each employee. On retirement or termination of employment after 5 years of service, sick leave accumulated is paid out at the employee's prevailing wage rate. The Corporation also provides 30 days of paid leave at retirement, as prescribed by the Pension (Municipal) Act, at the employee's prevailing wage rate.

The liabilities for sick leave cash-out and severance benefits are based on an actuarial valuation as at December 31, 2012.

	<u>2012</u>	<u>2011</u>
Accrued benefit obligation	\$2,588,522	\$2,420,583
Unamortized actuarial gain/(loss)	(25,038)	(118,288)
Accrued benefit liability	<u>\$2,563,484</u>	<u>\$2,302,295</u>
Benefit expense:		
Current service cost	\$246,965	\$232,018
Interest cost	70,235	87,249
Amortization of net actuarial (gain)/loss	15,317	11,909
	<u>\$332,517</u>	<u>\$331,176</u>

Significant actuarial assumptions as at December 31st include:

	<u>2012</u>	<u>2011</u>
Valuation interest rate	2.80%	2.80%
Rate of compensation increase	3.75%	3.75%
Expected coverage remaining service life (in years)	10.0	10.3

h) 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 mural protection is an amount set aside for the protection, enhancement and maintenance of the Chemainus murals and is established by by-law.
- v) The reserve for the Joint Utilities Board is an amount set aside for future capital expenditures, established at the discretion of the Board.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 CONTINUED - FOR THE YEAR ENDED DECEMBER 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

i) 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.

j) 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.

k) 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.

l) 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 Corporation does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

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

Amortization is charged on a monthly basis, starting the month following the date of acquisition and ending in the month of disposition. Capital works in progress are not amortized until the asset is available for productive use. Certain assets, which have historical or cultural value including works of art, historical documents, as well as historical and cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Corporation, water, and other natural resources, are not recognized as tangible capital assets.

i) Contributions of 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 2012 totaled \$2,173,267 (2011 - \$7,133,337) and were capitalized at their fair value at the time of receipt.

m) MATERIALS AND SUPPLIES

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

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, 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 the Municipal Finance Authority of British Columbia investments funds.

	2012	2011
Cash	\$3,111,980	\$3,965,639
Temporary Investments	36,459,064	33,095,765
	\$39,571,044	\$37,061,404

Temporary Investments consist of short-term investments in the Municipal Finance Authority of BC money market and intermediate funds and the market value is equal to the carrying value. Temporary Investments have yields ranging from 1.03% to 1.70%.

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.

	2012	2011
Restricted investments	\$13,621,425	\$15,135,348

5. ACCOUNTS RECEIVABLE

	2012	2011
Property taxes	\$1,861,523	\$2,045,472
Water rates	129,569	123,433
Federal government	407,391	548,940
Provincial government	604,222	2,237,475
Local government	200,036	617,601
General	380,845	343,883
	\$3,583,586	\$5,916,804

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2012	2011
General	\$3,537,228	\$4,669,416
Salaries and wages	375,567	350,333
Accrued Interest	207,484	202,289
	\$4,120,279	\$5,222,038

7. UNEARNED REVENUE

	2012	2011
Prepaid taxes and licenses	\$1,265,845	\$1,128,589
Service fees and deposits	1,990,886	2,148,890
Aquatic Centre unearned revenue	95,855	124,513
General unearned revenues	190,046	288,874
Cowichan Place – City of Duncan	214,730	287,329
	\$3,757,362	\$3,978,195

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 CONTINUED - FOR THE YEAR ENDED DECEMBER 31, 2012

8. LISTING OF OPERATING EXPENSES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2012	2011
Salaries, wages and benefits	\$14,061,378	\$13,415,581
Contract services	10,409,730	11,434,673
Amortization	7,839,474	7,487,622
Materials and supplies	6,172,112	5,674,503
Interest	1,413,970	1,470,697
Other	(1,041,082)	(1,569,162)
Total expense	\$38,855,582	\$37,913,914

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

	2012	2011
Cash deposits	\$404,249	\$385,098
Demand notes	961,310	945,438
	\$1,365,559	\$1,330,536

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:

	2012	2011
Assets		
Cash and short term investments	\$299,738	\$291,469
Equity		
Opening balances	\$291,469	\$282,530
Contributions	12,269	13,778
Transfer to general revenue fund	(4,000)	(4,839)
	\$299,738	\$291,469

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.

Development Cost Charges	2012	2011
Opening balances	\$6,543,479	\$7,128,017
Contributions	560,383	366,910
Return on investment	92,036	123,524
Transfer to capital	-	(1,074,972)
	\$7,195,898	\$6,543,479

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.

Federal Gas Tax Agreement Funds	2012	2011
Opening balance of unspent funds	\$0	\$0
Add: Amount received during the year	790,580	790,580
Less: Amount spent	(790,580)	(790,580)
Closing balance of unspent funds	\$0	\$0

13. DEBENTURE DEBT

	M.F.A Issue Number	Interest Rate	Maturity Date	Originally Approved	2012 Net Unmatured	2011 Net Unmatured
General Capital Fund						
Chemainus Safety Bld	60	4.75%	Apr 12, 2015	\$1,950,000	\$426,115	\$554,845
Maple Bay Fire Hall	95	4.17%	Apr 12, 2025	1,600,000	1,175,618	1,243,605
Maple Bay Fire Hall	103	4.65%	Apr 23, 2028	500,000	428,698	447,586
Cowichan Aquatic Ctr	104	5.15%	Nov 20, 2028	15,000,000	12,860,945	13,427,568
Cowichan Aquatic Ctr	106	4.13%	Oct 12, 2029	2,265,500	2,028,010	2,110,298
Duncan Curling Club	N/A	4.00%	Jan 15, 2032	551,500	533,244	551,500
Tier 2 Flood Protection	121	2.90%	Oct 4, 2032	745,475	745,475	
				22,612,475	18,198,105	18,335,402
Water Systems Capital Fund						
Chemainus	64	4.43%	Sept 25, 2016	300,000	85,361	104,222
Chemainus	110	4.50%	April 8, 2030	1,750,000	1,630,113	1,691,232
Crofton	106	4.13%	Oct 13, 2029	530,000	474,441	493,691
South End	63	4.00%	Dec 1, 2016	590,000	167,876	204,971
South End	63	4.00%	Dec 1, 2016	200,000	56,907	69,482
				3,370,000	2,414,698	2,563,598
Sewer Systems Capital Fund						
Chemainus	65	4.55%	Apr 24, 2017	1,207,000	419,322	491,595
Crofton	65	4.55%	Apr 24, 2017	728,700	253,157	296,790
South End	60	4.75%	Apr 12, 2015	1,000,000	218,520	284,536
				2,935,700	890,999	1,072,921
				\$28,918,175	\$21,503,802	\$21,971,921

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 CONTINUED - FOR THE YEAR ENDED DECEMBER 31, 2012

13. DEBENTURE DEBT - CONTINUED

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

	Year	General	Water	Sewer	Total
Principal repayments:	2013	\$753,335	\$109,531	\$88,783	\$951,649
	2014	754,109	109,531	88,783	952,423
	2015	754,915	109,531	88,783	953,229
	2016	696,780	109,531	58,540	864,851
	2017	697,653	76,566	58,541	832,760
	Thereafter	7,874,185	977,564	-	8,851,749
			<u>11,530,977</u>	<u>1,492,254</u>	<u>383,430</u>
Actuarial sinking fund earnings:	2013	191,083	46,011	102,235	339,329
	2014	229,452	52,952	111,786	394,190
	2015	269,422	60,207	121,814	451,443
	2016	213,563	67,789	82,344	363,696
	2017	249,120	21,215	89,390	359,725
	Thereafter	5,514,488	674,270	-	6,188,758
			<u>6,667,128</u>	<u>922,444</u>	<u>507,569</u>
		<u>\$18,198,105</u>	<u>\$2,414,698</u>	<u>\$890,999</u>	<u>\$21,503,802</u>

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 and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multiemployer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The latest valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan. The Corporation paid \$894,968 for employer contributions to the plan in fiscal 2012 (2011 - \$816,902). Employee contributions in 2012 were \$799,753 (2011 - \$741,064).

The above pension valuation represents the most current information as at February 8, 2013.

- d) 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.
- e) The Corporation has entered into three operating leases for photocopiers with terms ranging from 36 to 60 months. Under the operating leases, the Corporation is required to make monthly lease payments calculated by a formula specified in the agreement. Payments in 2012 totaled \$19,019. As at December 31, 2012 the estimated balance outstanding was \$29,596.

15. ACCUMULATED SURPLUS

	2012	2011
Operating Funds		
Unappropriated:		
General	\$1,177,681	\$997,346
Water Systems	4,139,347	3,920,470
Sewer Systems	7,981,647	7,437,417
	<u>13,298,675</u>	<u>12,355,233</u>
Appropriated:		
Reserves for property acquired for taxes:		
Property deeded to municipality	4,137,209	4,137,209
Reserves for future expenditures:		
General fund	3,495,262	2,089,812
Wharves	328,748	341,671
Ice arena	67,053	67,053
Reserve for uncollected taxes	1,531,868	1,531,868
Reserve for mural protection	18,826	11,207
Reserve for Joint Utilities Board	456,732	390,155
	<u>10,035,698</u>	<u>8,568,975</u>
	<u>23,334,373</u>	<u>20,924,208</u>
Capital Funds		
General Capital	176,683,372	174,216,090
Water Capital	24,719,780	24,451,168
Sewer Capital	24,470,451	23,800,767
Joint Utility Board Capital	1,331,483	794,022
	<u>227,205,086</u>	<u>223,262,047</u>
Reserve Funds		
Reverted Property Reserve	1,499,182	2,331,708
New Works of Extensions	-	806,528
New Works Pollution	-	155,520
Machinery and Equipment	1,371,486	1,779,890
Local Improvement	846,899	729,242
Forest Reserve	825,324	807,139
Park Development	187,797	185,292
Parkland Acquisition	603,298	756,651
Offsite Parking	142,102	160,402
Oceanfront	83,235	82,125
Self-Insurance	111,698	-
Climate Action and Energy Plan	18,700	-
Maple Bay Sewer	155,066	152,998
Gravel Pits	366,010	357,043
	<u>6,210,797</u>	<u>8,304,538</u>
	<u>\$256,750,256</u>	<u>\$252,490,793</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 CONTINUED - FOR THE YEAR ENDED DECEMBER 31, 2012

16. BUDGET DATA

The budget data presented in these financial statements is based upon the 2012-2016 Financial Plan Bylaw adopted by council May 2, 2012. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

Financial Plan Bylaw surplus for the year	\$0
Add back:	
Principal debt repayment	1,051,385
Capital expenditures	29,208,729
Less:	
Amortization	(7,902,000)
Proceeds from borrowing	(2,221,000)
Budgeted transfers from reserve funds	(4,605,897)
Budgeted transfers from Development Cost Charges	(563,000)
Budgeted transfers from accumulated surplus	(4,494,173)
	\$10,474,044
Adjusted Annual Surplus	\$10,474,044

17. SEGMENT REPORTING

The Corporation's operations and activities are organized and reported by fund. Services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, 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.

Transportation Services

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

Environmental Health Services

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

Forestry Services

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

Environmental Development Services

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

Recreation and Culture Services

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

17. SEGMENT REPORTING - CONTINUED

Water

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

Sewer

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

Reserve Funds

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

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

18. COMPARATIVE FIGURES

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

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE I TAXATION

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
MUNICIPAL PURPOSES			
General taxation	\$ 22,490,411	\$ 22,493,092	\$ 21,337,238
Business Improvement Area	98,600	91,827	98,993
Utilities	820,510	820,259	739,227
Grants in lieu of taxes	230,950	253,065	233,573
Tax Penalties	221,900	327,287	502,211
Water systems	1,622,743	1,636,133	1,563,188
Sewer systems	<u>2,061,681</u>	<u>2,275,380</u>	<u>1,989,307</u>
Total Municipal Taxes	<u>27,546,795</u>	<u>27,897,043</u>	<u>26,463,737</u>
COLLECTIONS FOR OTHER GOVERNMENTS			
School	11,850,300	12,155,133	12,057,995
Cowichan Valley Regional Hospital District	1,218,700	1,900,740	1,575,368
Cowichan Valley Regional District	4,983,521	6,036,143	5,550,043
BC Assessment	383,900	381,558	389,030
Municipal Finance Authority	<u>1,030</u>	<u>1,082</u>	<u>1,076</u>
Total Collections for other governments	<u>18,437,451</u>	<u>20,474,656</u>	<u>19,573,512</u>
	<u>45,984,246</u>	<u>48,371,699</u>	<u>46,037,249</u>
Deduct: requisitions remitted to other taxing authorities	<u>(18,437,451)</u>	<u>(20,474,656)</u>	<u>(19,573,512)</u>
TOTAL TAXES COLLECTED	<u>\$ 27,546,795</u>	<u>\$ 27,897,043</u>	<u>\$ 26,463,737</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE II SALES OF SERVICE

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
General government service	\$ 35,200	\$ 34,962	\$ 49,667
Protective services	250,000	255,306	261,839
Fire protection	158,950	160,623	151,975
Transportation service	74,280	130,725	53,556
Residential garbage - municipal	1,127,000	1,112,692	1,069,332
Forestry	1,424,075	1,232,674	1,267,650
Cowichan aquatic centre	1,639,127	1,568,310	1,561,920
Fuller Lake arena	288,070	284,275	278,806
Other recreation	18,110	35,908	25,252
Wharves	202,000	195,808	188,982
Miscellaneous	83,000	100,993	94,322
Cemetery	120,080	104,175	112,069
Water	1,937,909	2,135,305	1,961,628
Sewer	<u>1,504,598</u>	<u>1,544,885</u>	<u>1,578,049</u>
	<u>\$ 8,862,399</u>	<u>\$ 8,896,641</u>	<u>\$ 8,655,047</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE III OTHER REVENUE FROM OWN SOURCES

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
Licences and Permits	\$ 752,710	\$ 741,729	\$ 746,543
Fines	1,800	3,900	1,125
Rentals	265,063	276,064	258,180
Water	9,385	19,705	62,848
Sewer	12,200	-	-
	<u>\$ 1,041,158</u>	<u>\$ 1,041,398</u>	<u>\$ 1,068,696</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE IV GRANTS AND GOVERNMENT TRANSFERS

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
OPERATING GRANTS			
Traffic Fines Revenue	\$ 400,000	\$ 399,603	\$ 400,908
Other Grants	100,722	123,705	40,150
	<u>500,722</u>	<u>523,308</u>	<u>441,058</u>
CAPITAL GRANTS			
Fuel Tax	791,000	790,580	790,580
<i>Infrastructure Grants (Federal)</i>			
Ball Fields	-	-	73,011
<i>Infrastructure Grants (Prov/Fed)</i>			
Flood Control	3,396,667	-	-
Biosolid Facility - Chemainus	-	-	1,280,698
Biosolid Facility - Crofton	-	-	955,899
Chemainus River Bridge	5,018,000	507,034	-
Dyking - Joint Utilities Board	-	396,697	507,472
	<u>8,414,667</u>	<u>903,731</u>	<u>2,744,069</u>
<i>ICBC Grants</i>	80,000	72,000	85,000
<i>Provincial and other Grants</i>			
Osborne Bay Sea Trail	300,000	300,000	-
Cowichan Commons Trail	-	-	141,114
Other Provincial Grants	70,000	-	-
Visitor Information Centre	1,410,000	-	-
Maple Bay Wharf	250,000	-	-
	<u>2,030,000</u>	<u>300,000</u>	<u>141,114</u>
	<u>\$ 11,816,389</u>	<u>\$ 2,589,619</u>	<u>\$ 4,274,832</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE V GENERAL GOVERNMENT SERVICES

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
Legislative	\$ 215,109	\$ 226,182	\$ 217,383
Administration	1,095,769	1,131,236	1,084,491
Financial management	1,398,670	1,464,107	1,386,781
Common services	431,080	546,333	586,709
Other government services	137,400	156,452	165,110
Administration recoveries	(589,859)	(555,953)	(629,727)
Amortization	<u>134,200</u>	<u>59,089</u>	<u>106,460</u>
	<u>\$ 2,822,369</u>	<u>\$ 3,027,446</u>	<u>\$ 2,917,207</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE VI PROTECTIVE SERVICES

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
POLICE PROTECTION			
R.C.M.P. contract	\$ 4,092,351	\$ 3,689,920	\$ 3,785,554
Municipal employees	1,137,669	1,026,136	1,039,871
Crime Prevention	-	7,000	4,161
Building maintenance	224,690	169,975	250,328
By-law enforcement	<u>53,210</u>	<u>57,973</u>	<u>56,100</u>
	<u>5,507,920</u>	<u>4,951,004</u>	<u>5,136,014</u>
FIRE PROTECTION			
General fire protection	106,640	94,279	96,169
Chemainus fire hall	287,490	271,639	261,431
Crofton fire hall	252,850	246,593	247,972
Maple Bay fire hall	235,575	248,182	225,178
South End fire hall	<u>371,360</u>	<u>311,391</u>	<u>333,157</u>
	<u>1,253,915</u>	<u>1,172,084</u>	<u>1,163,907</u>
OTHER PROTECTION			
Building and plumbing inspections	486,026	542,373	503,894
Animal control	145,800	150,564	150,010
Weed control	6,765	7,172	10,084
Mosquito control	<u>41,300</u>	<u>40,650</u>	<u>38,968</u>
	<u>679,891</u>	<u>740,759</u>	<u>702,956</u>
AMORTIZATION	<u>518,500</u>	<u>493,821</u>	<u>495,890</u>
	<u>\$ 7,960,226</u>	<u>\$ 7,357,668</u>	<u>\$ 7,498,767</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE VII TRANSPORTATION SERVICES

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
Administration	\$ 1,296,768	\$ 1,198,322	\$ 1,201,633
Small tools and equipment	62,380	62,059	65,031
Workshop and yard maintenance	141,150	176,563	133,362
Roads - construction	287,739	339,856	322,761
Roadway surfaces maintenance	1,725,345	1,492,149	1,574,426
Snow and ice removal	375,064	409,501	390,991
Bridge - maintenance	21,450	23,926	2,808
Street lighting	353,780	389,761	369,073
Signs and line painting	246,413	231,591	241,599
Drainage	505,063	560,447	524,967
Sidewalk maintenance	36,430	35,465	35,376
Other transportation	176,956	157,661	174,880
Engineering and public works recoveries	(294,055)	(232,559)	(189,377)
Amortization	<u>4,362,800</u>	<u>4,300,114</u>	<u>4,200,742</u>
	<u>\$ 9,297,283</u>	<u>\$ 9,144,856</u>	<u>\$ 9,048,272</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE VIII ENVIRONMENTAL HEALTH SERVICES

	<u>2012 BUDGET</u> (NOTE 16)	2012	<u>2011</u>
Garbage collection and recycling	\$ 1,071,363	\$ 1,373,035	\$ 1,014,856
Mountain View Cemetery	166,915	127,699	173,891
Other	-	-	835
Carbon Offsets	36,200	-	-
Amortization	<u>116,900</u>	<u>118,762</u>	<u>106,846</u>
	<u>\$ 1,391,378</u>	<u>\$ 1,619,496</u>	<u>\$ 1,296,428</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE IX RECREATION AND CULTURAL SERVICES

	2012 BUDGET (NOTE 16)	2012	2011
Administration	\$ 110,960	\$ 87,479	\$ 95,472
Crofton swimming pool	63,975	50,799	73,245
Cowichan aquatic centre	2,934,578	2,926,282	3,003,824
Fuller Lake arena	901,415	959,342	953,667
Parks common services	40,390	26,762	56,230
Community recreation program	79,030	86,590	175,838
Chemainus parks and playgrounds	411,507	377,519	364,071
Crofton parks and playgrounds	142,603	188,353	123,755
South end parks and playgrounds	960,998	854,712	790,920
Pioneer park complex	-	-	141,325
Wharves	169,120	142,498	177,975
Library	1,107,130	1,107,132	1,036,708
Grants-in-aid	112,600	114,437	112,910
Amortization Expense	927,600	991,194	896,204
	<u>\$ 7,961,906</u>	<u>\$ 7,913,099</u>	<u>\$ 8,002,144</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE X TANGIBLE CAPITAL ASSETS

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Balance December 31, 2011	2012 Additions	2012 Disposals	Balance December 31, 2011	2012 Additions	2012 Disposals	2011	2012
Land	\$ 34,441,819	\$ 1,070,370	\$ -	\$ -	\$ -	\$ -	\$ 34,441,819	\$ 35,512,189
Land Improvements	7,686,458	183,300	-	2,615,577	335,199	-	5,070,881	4,918,982
Buildings	38,804,967	2,743,102	31,652	11,759,782	1,017,446	26,904	27,045,185	28,766,093
Engineering Structures	244,876,982	4,455,169	183,265	85,792,621	5,022,336	94,384	159,084,361	158,428,313
Machinery & Equipment	25,672,875	5,297,299	908,141	13,554,863	1,464,493	707,175	12,118,012	15,749,852
Work In Progress	7,374,197	4,472,490	6,613,792	-	-	-	7,374,197	5,232,895
	<u>\$ 358,857,298</u>	<u>\$ 18,221,730</u>	<u>\$ 7,736,850</u>	<u>\$ 113,722,843</u>	<u>\$ 7,839,474</u>	<u>\$ 828,463</u>	<u>\$ 245,134,455</u>	<u>\$ 248,608,324</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE XI OPERATIONS BY SEGMENT

	General government services	Protective services	Transportation services	Environmental health services	Forestry services	Environmental development services	Recreation and cultural services	Waterworks	Sewer System	Reserve Funds	Capital	Consolidated
REVENUES												
Taxes*	\$ 2,301,924	\$ 5,486,648	\$ 7,957,568	\$ 125,417	\$ -	\$ 769,635	\$ 5,044,797	\$ 1,636,133	\$ 2,275,380	\$ -	\$ 2,299,541	\$ 27,897,043
Sales of service	135,556	416,329	130,725	1,216,867	1,232,674	-	2,084,300	2,135,305	1,544,885	-	-	8,896,641
Other revenue from own source	35,882	834,883	29,086	-	-	118,098	3,744	19,705	-	-	-	1,041,398
Gain on sale	-	-	7,601	8,125	-	-	-	-	-	-	-	15,726
Return on investments*	20,169	48,072	69,722	1,099	-	6,743	44,201	51,871	95,846	158,573	1,055	497,351
Provincial and other government grants	-	404,603	815,280	50,000	-	30,000	14,005	-	-	-	1,275,731	2,589,619
Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
Collections from developers and others	-	-	-	-	-	-	-	-	-	-	2,173,267	2,173,267
Transfer from cemetery trust	-	-	-	4,000	-	-	-	-	-	-	-	4,000
	2,493,531	7,190,535	9,009,982	1,405,508	1,232,674	924,476	7,191,047	3,843,014	3,916,111	158,573	5,749,594	43,115,045
EXPENSES												
Wages and salaries	2,590,327	2,168,296	2,355,207	463,838	294,722	699,957	3,722,000	1,021,534	745,489	6	-	14,061,376
Contracted services	508,756	4,093,802	1,108,271	517,920	817,398	172,905	1,821,071	308,988	1,024,864	35,756	-	10,409,731
Material and supplies	483,365	601,749	1,369,205	362,511	102,149	35,496	1,517,058	973,031	571,083	156,465	-	6,172,112
Amortization	59,089	493,821	4,300,114	118,762	-	-	991,194	896,854	979,640	-	-	7,839,474
Other	(614,093)	-	93,892	28,958	-	-	(137,178)	17,209	(142,146)	-	-	(753,358)
Interest	6,121	182,595	-	-	-	-	887,759	168,477	169,018	-	-	1,413,970
Actuarial adjustment to debt	-	(86,110)	-	-	-	-	(69,105)	(39,369)	(93,139)	-	-	(287,723)
	3,033,565	7,454,153	9,226,689	1,491,989	1,214,269	908,358	8,732,799	3,346,724	3,254,809	192,227	-	38,855,582
Excess of revenues over expenses	\$ (540,034) \$	(263,618) \$	(216,707) \$	(86,481) \$	18,405 \$	16,118 \$	(1,541,752) \$	496,290 \$	661,302 \$	(33,654) \$	5,749,594 \$	4,259,463

* PRORATED BASED ON NET ANNUAL BUDGET

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE XI OPERATIONS BY SEGMENT

	General government services	Protective services	Transportation services	Environmental health services	Forestry services	Environmental development services	Recreation and cultural services	Waterworks	Sewer System Reserve Funds	Capital	Consolidated	
REVENUES												
Taxes*	\$ 2,365,251	\$ 5,095,039	\$ 6,358,868	\$ 219,444	\$ -	\$ 480,301	\$ 5,670,447	\$ 1,563,188	\$ 1,989,307	\$ -	\$ 2,219,681	\$ 25,961,526
Sales of service	394,233	413,814	53,556	1,181,400	1,267,650	-	1,816,989	1,961,628	1,565,749	-	-	8,655,019
Other revenue from own source	31,615	765,024	48,526	-	-	157,011	3,672	62,848	-	28	-	1,068,724
Gain on sale	-	-	2,510	-	-	-	-	-	-	-	-	2,510
Return on investments*	74,724	160,967	200,894	6,933	-	15,174	179,145	56,074	118,520	201,979	2,845	1,017,255
Provincial and other government grants	-	405,908	790,580	-	-	-	29,150	-	-	-	3,049,194	4,274,832
Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
Collections from developers and others	-	-	-	-	-	-	-	-	-	-	8,208,308	8,208,308
Transfer from cemetery trust	-	-	-	4,839	-	-	-	-	-	-	-	4,839
	2,865,823	6,840,751	7,454,934	1,412,616	1,267,650	652,486	7,699,403	3,643,738	3,673,576	202,007	13,480,028	49,193,013
EXPENSES												
Wages and salaries	2,485,169	2,068,570	2,248,679	424,922	345,308	628,359	3,552,755	955,759	702,513	3,547	-	13,415,581
Contracted services	490,488	4,354,662	1,220,350	549,217	872,367	212,954	1,939,604	452,958	1,272,220	69,853	-	11,434,673
Material and supplies	491,271	579,646	1,318,870	216,443	105,854	17,018	1,570,084	917,667	457,519	131	-	5,674,503
Amortization	106,460	495,890	4,200,742	106,846	-	-	896,204	888,668	792,812	-	-	7,487,622
Other	(656,182)	-	117,694	(1,000)	-	-	43,497	-	(455,996)	-	-	(951,987)
Interest	22,310	182,595	-	-	-	-	867,032	238,371	160,389	-	-	1,470,697
Actuarial adjustment to debt	-	(76,639)	-	-	-	-	(44,147)	(411,913)	(84,476)	-	-	(617,175)
	2,939,516	7,604,724	9,106,335	1,296,428	1,323,529	858,331	8,825,029	3,041,510	2,844,981	73,531	-	37,913,914
Excess of revenues over expenses	\$ (73,693) \$	(763,972) \$	(1,651,402) \$	116,188 \$	(55,879) \$	(205,845) \$	(1,125,626) \$	602,229 \$	828,594 \$	128,476 \$	13,480,028 \$	11,279,098

* PRORATED BASED ON NET ANNUAL BUDGET

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Duncan - North Cowichan Joint Utilities Board,

Report on Financial Statements

We have audited the accompanying financial statements of the Duncan - North Cowichan Joint Utilities Board, which comprise the statement of financial position as at December 31, 2012, and the statements of operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Committee as at December 31, 2012 and its financial performance and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Hayes Stewart Little & Co.

Duncan, BC
May 7, 2013

Chartered Accountants

<p>DUNCAN 823 Canada Ave. Duncan, BC V9L 1V2 Tel: 250.746.4406 Fax: 250.746.1950</p>	<p>NANAIMO 30 Front St. Nanaimo, BC V9R 5H7 Tel: 250.753.2544 Fax: 250.754.1903</p>	<p>VICTORIA 1000-747 Fort St. Victoria, BC V8W 3E9 Tel: 250.383.8994 Fax: 250.383.8904</p>
<p>Duncan: 888.746.4406 Nanaimo: 888.754.9551 Victoria: 855.383.8994</p>		

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012, WITH COMPARATIVE FIGURES FOR 2011

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Investments (Notes 3 & 6)	\$ <u>842,637</u>	\$ <u>719,809</u>
NET FINANCIAL ASSETS	<u>842,637</u>	<u>719,809</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule I)	<u>2,456,492</u>	<u>1,464,914</u>
ACCUMULATED SURPLUS	<u>\$ 3,299,129</u>	<u>\$ 2,184,723</u>

M. Frame

M. FRAME,
DIRECTOR OF FINANCE

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2012, WITH COMPARATIVE FIGURES FOR 2011

	<u>2012 BUDGET</u>	<u>2012</u>	<u>2011</u>
REVENUE			
Contributions from:			
The Corporation of the District of North Cowichan	\$ 822,338	\$ 601,024	\$ 894,126
The Corporation of the City of Duncan	496,327	360,420	538,650
Cowichan Valley Regional District	198,429	173,313	242,579
Cowichan Tribes	23,878	21,287	24,517
Government Grant	811,309	729,110	936,250
Interest received	9,000	7,629	6,197
	<u>2,361,281</u>	<u>1,892,783</u>	<u>2,642,319</u>
EXPENSES			
Administration	48,577	35,685	50,286
Amortization	-	28,998	-
Sewer lagoon operation and maintenance	971,540	713,694	1,005,721
	<u>1,020,117</u>	<u>778,377</u>	<u>1,056,007</u>
ANNUAL SURPLUS	1,341,164	1,114,406	1,586,312
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>2,184,723</u>	<u>2,184,723</u>	<u>598,411</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 3,525,887</u>	<u>\$ 3,299,129</u>	<u>\$ 2,184,723</u>

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

1. SUMMARY OF OPERATIONS

The Duncan – North Cowichan Joint Utilities Board 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 Corporation's significant policies:

a) BASIS OF ACCOUNTING

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

b) REVENUE RECOGNITION

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

c) CASH AND CASH EQUIVALENTS

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

d) USE OF ESTIMATES

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

e) NON-FINANCIAL ASSETS

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

f) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. The Board does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Engineering Structures	10 to 60 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.

DUNCAN - NORTH COWICHAN JOINT UTILITIES BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 CONTINUED - FOR THE YEAR ENDED DECEMBER 31, 2012

3. **INVESTMENTS**

Investments are carried at cost, which at December 31, 2012, 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 a forty-nine year operating lease with the lease expiring July 31, 2060. Future minimum lease payments are \$300,110 per annum with an estimated annual increase of 2.2%.

5. **FINANCIAL INSTRUMENTS**

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

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

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:

	2012	2011
Balances, beginning of year	\$719,809	\$598,411
Add: transfer from current operations	122,828	121,398
Balance, end of year	<u>\$842,637</u>	<u>\$719,809</u>

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

The following provides a summary of operating expenses by object:

	2012	2011
Salaries, wages and benefits	\$100,339	\$108,914
Contract services	58,004	225,488
Amortization	28,997	-
Materials and supplies	294,695	279,507
Land Rent	296,342	442,098
Total expense	<u>\$778,377</u>	<u>\$1,056,007</u>

8. **STATEMENT OF CASH FLOWS**

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

DUNCAN-NORTH COWICHAN JOINT UTILITIES BOARD
 SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE I TANGIBLE CAPITAL ASSETS

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Balance December 31, 2011	2012 Additions	Balance December 31, 2012	Balance December 31, 2011	2012 Disposals	Balance December 31, 2012	2011	2012
Engineering Structures	-	2,485,490 \$	2,485,490 \$	-	28,998 \$	28,998 \$	-	2,456,492
Work In Progress	1,464,914	-	1,464,914	1,464,914	-	-	1,464,914	-
	<u>\$ 1,464,913</u>	<u>\$ 2,485,490</u>	<u>\$ 2,485,490</u>	<u>\$ -</u>	<u>\$ 28,998</u>	<u>\$ 28,998</u>	<u>\$ 1,464,914</u>	<u>\$ 2,456,492</u>

Engineering Structures
 Work In Progress



The Corporation of the District of North Cowichan

Statistical Information
FOR THE YEAR ENDED DECEMBER 31, 2012

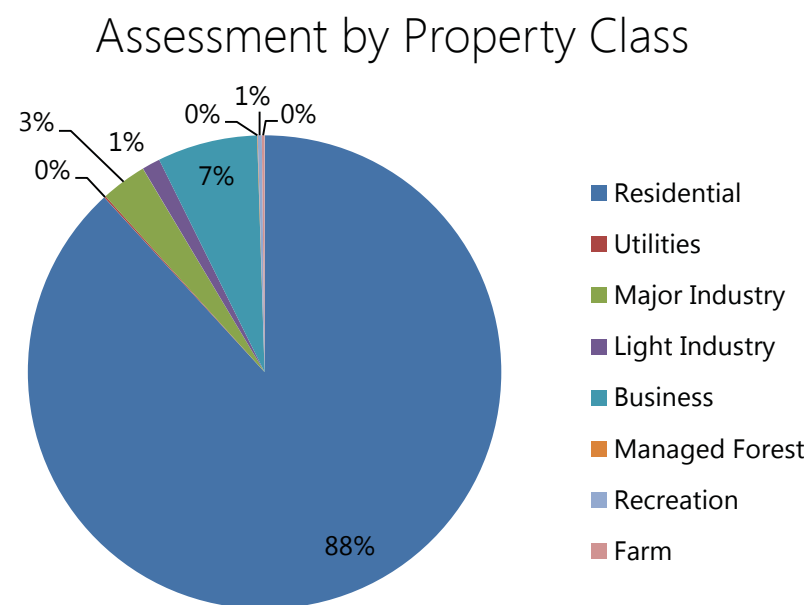
[UNAUDITED]

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

TAXABLE ASSESSMENTS OF LAND AND IMPROVEMENTS 2008-2012 (IN THOUSANDS)

PROPERTY CLASS	2008	2009	2010	2011	2012
Residential	\$3,685,937	\$3,747,541	\$3,754,510	\$3,952,085	\$3,940,355
Utilities	4,810	4,753	4,804	4,966	5,008
Major Industry	153,279	152,018	145,926	140,001	139,792
Light Industry	54,701	53,992	61,648	59,294	55,841
Business	194,713	213,242	258,689	285,121	304,847
Managed Forest	1,903	1,847	2,021	1,842	1,730
Recreation	15,971	13,765	13,775	13,071	12,410
Farm	7,644	8,047	8,028	8,119	8,324
	\$4,118,958	\$4,195,205	\$4,249,401	\$4,464,499	\$4,468,307



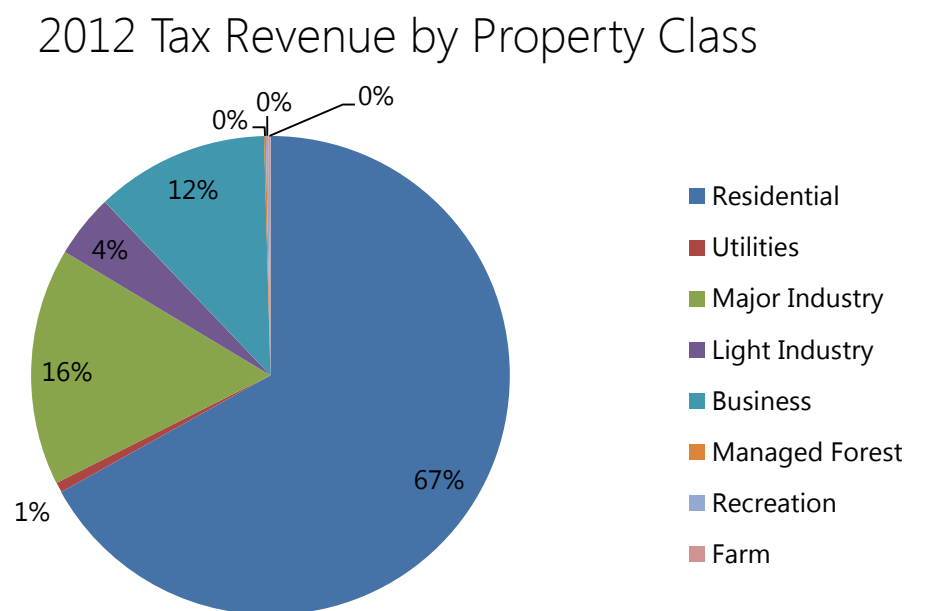
SOURCE: BC ASSESSMENT

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

TAX REVENUE BY PROPERTY CLASS 2008-2012

PROPERTY CLASS	2008	2009	2010	2011	2012
Residential	\$6,785,277	\$8,029,480	\$9,441,758	\$11,278,037	\$15,048,039
Utilities	118,874	116,299	133,040	145,100	153,043
Major Industry	7,445,930	6,589,982	6,089,982	6,329,325	3,604,805
Light Industry	854,347	821,062	952,633	1,051,981	959,972
Business	1,505,718	1,723,699	2,105,616	2,390,129	2,628,819
Managed Forest	48,211	45,559	56,185	47,319	29,734
Recreation	20,331	29,498	32,146	37,305	36,879
Farm	91,049	90,278	74,347	58,042	31,801
	\$16,869,737	\$17,445,857	\$18,885,707	\$21,337,238	\$22,493,092
Percent collected at year end	97.0%	70.0%	73.6%	93.3%	94.1%



SOURCE: BC ASSESSMENT

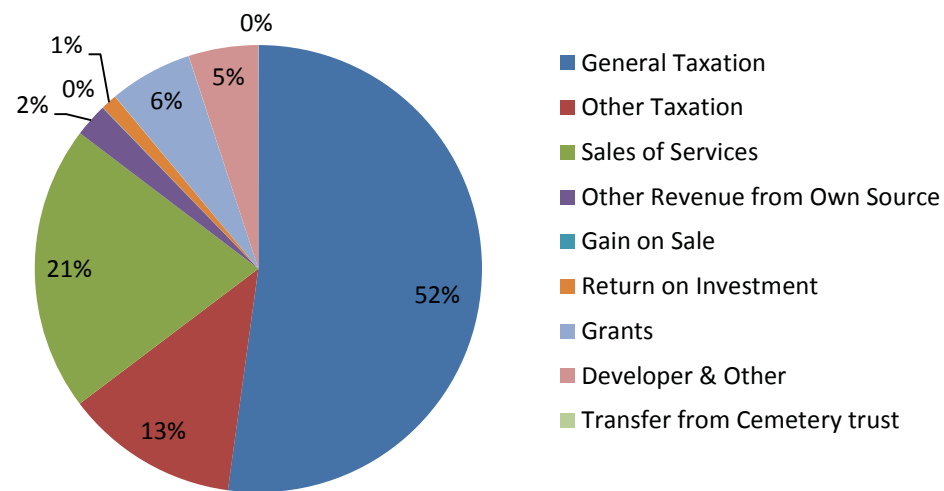
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

SOURCES OF REVENUE 2008-2012

	2008	2009	2010	2011	2012
General Taxation	\$16,869,738	\$17,445,856	\$18,885,707	\$21,337,238	\$22,493,092
Other Taxation	3,904,460	4,373,979	4,716,621	5,126,499	5,403,951
Sales of Services	6,601,926	8,061,405	7,850,498	8,655,047	8,896,641
Other Revenue from Own Source	1,118,760	937,002	1,217,893	1,068,696	1,041,398
Gain on Sale	2,822,329	-	581,944	2,510	15,726
Return on Investment	1,607,821	1,521,025	1,209,059	515,044	497,351
Grants	1,093,866	4,037,985	3,583,390	4,274,832	2,589,619
Developer & Other	8,210,050	3,087,164	3,485,061	8,208,308	2,173,267
Transfer from Cemetery trust	12,748	10,122	3,245	4,839	4,000
	<u>\$42,241,698</u>	<u>\$39,474,538</u>	<u>\$41,533,418</u>	<u>\$49,193,013</u>	<u>\$43,115,045</u>

2012 Sources of Revenue



SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

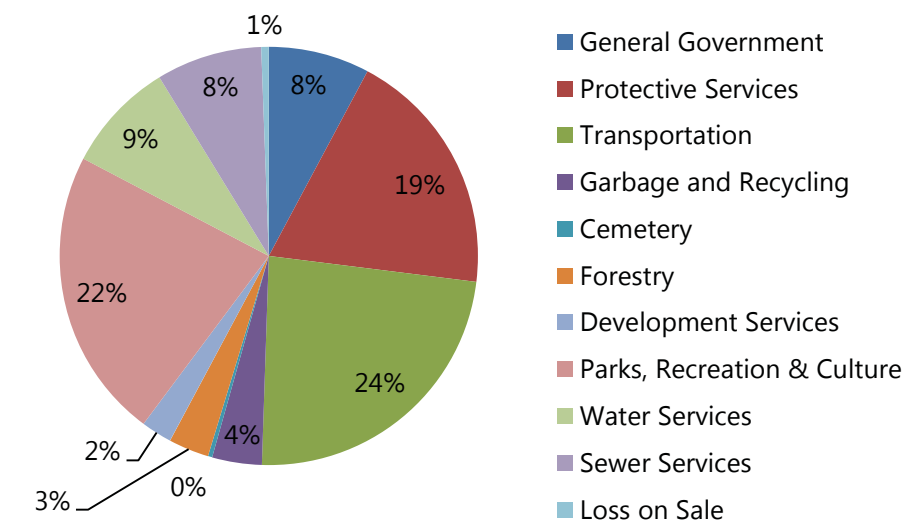
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

EXPENSES BY FUNCTION 2008-2012

	2008	2009	2010	2011	2012
General Government	\$2,775,175	\$3,295,338	\$3,058,750	\$2,939,517	\$3,033,567
Protective Services	5,697,485	6,985,546	7,171,748	7,604,723	7,454,153
Transportation	4,545,039	9,244,407	8,901,986	9,048,272	9,144,856
Garbage and Recycling	938,597	1,106,949	1,191,522	1,122,537	1,491,797
Cemetery	148,744	153,007	160,619	173,891	127,699
Forestry	1,126,918	1,062,675	1,191,351	1,323,529	1,214,269
Development Services	757,285	738,330	742,159	863,639	928,357
Parks, Recreation & Culture	6,553,385	8,242,444	8,156,023	8,825,029	8,731,752
Water Services	1,888,264	2,475,041	2,941,810	3,041,508	3,329,515
Sewer Services	1,630,020	2,424,352	2,909,598	2,843,884	3,173,897
Loss on Sale	-	105,304	6,996	127,385	225,720
	<u>\$26,060,912</u>	<u>\$35,833,393</u>	<u>\$36,432,562</u>	<u>\$37,913,914</u>	<u>\$38,855,582</u>

2012 Expenses



SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

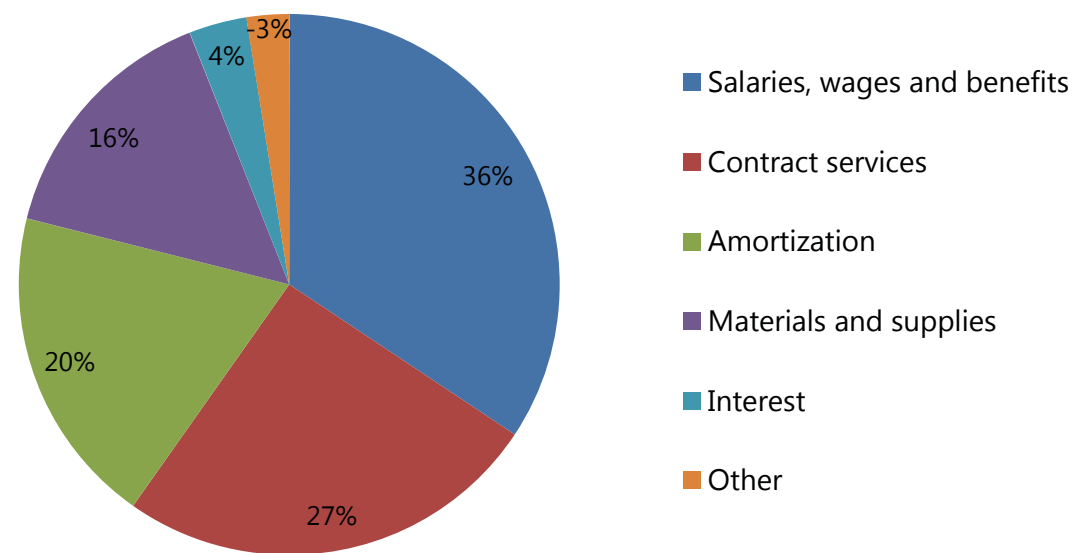
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

EXPENSES BY OBJECT 2008-2012

	2008	2009	2010	2011	2012
Salaries, wages and benefits	\$10,133,156	\$11,801,046	\$12,316,155	\$13,415,581	\$14,061,378
Contract services	10,757,018	10,878,591	10,899,271	11,434,673	10,409,730
Amortization	6,100,997	6,886,261	7,120,674	7,487,622	7,839,474
Materials and supplies	5,190,001	5,873,638	5,359,211	5,674,503	6,172,112
Interest	1,034,621	1,350,041	1,426,913	1,470,697	1,413,970
Other	-802,186	-956,185	-689,662	-1,569,162	-1,041,082
	<u>\$32,413,607</u>	<u>\$35,833,392</u>	<u>\$36,432,562</u>	<u>\$37,913,914</u>	<u>\$38,855,582</u>

2012 Expenses by Object



SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

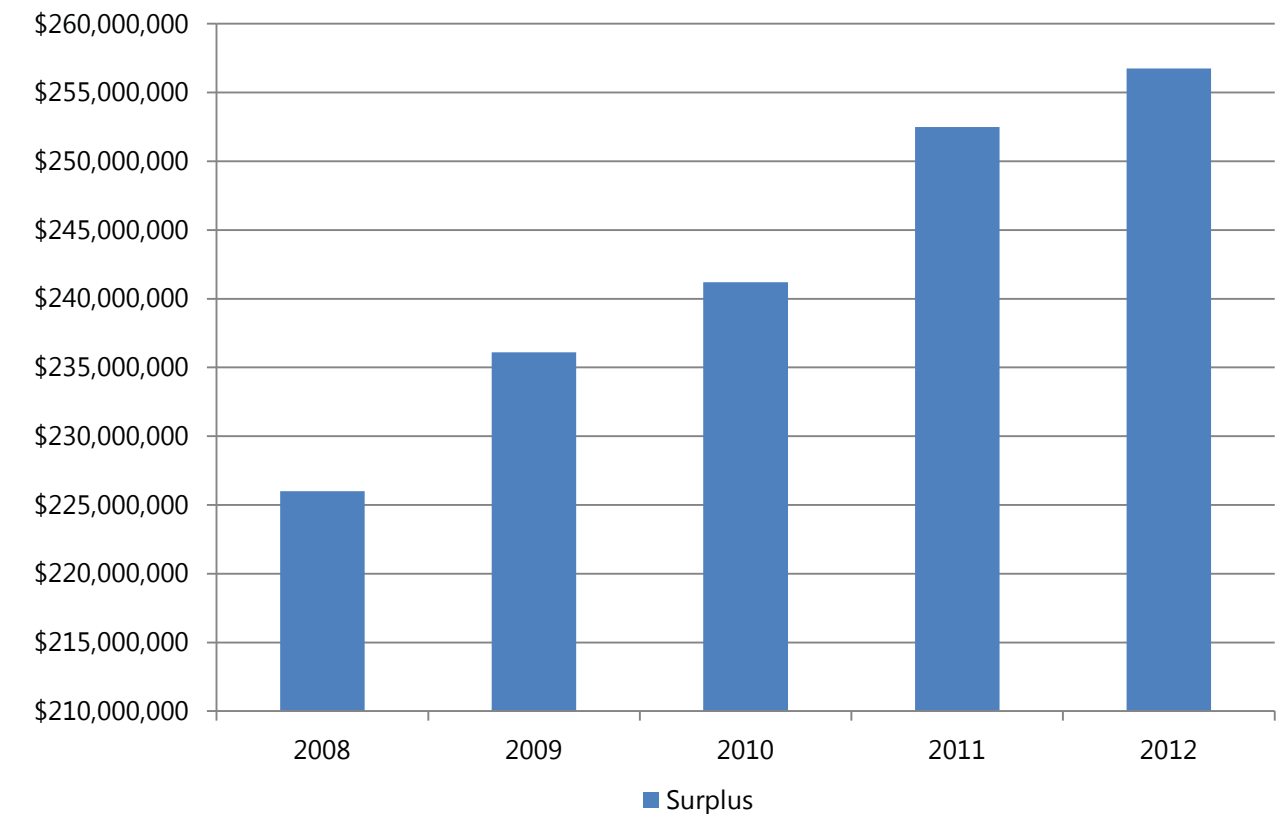
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

ACCUMULATED SURPLUS

	2008	2009	2010	2011	2012
ACCUMULATED SURPLUS	\$232,469,693	\$236,110,838	\$241,211,694	\$252,490,793	\$256,750,256
ANNUAL SURPLUS	\$9,828,091	\$3,641,145	\$5,100,856	\$11,279,099	\$4,259,463

Accumulated Surplus



SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

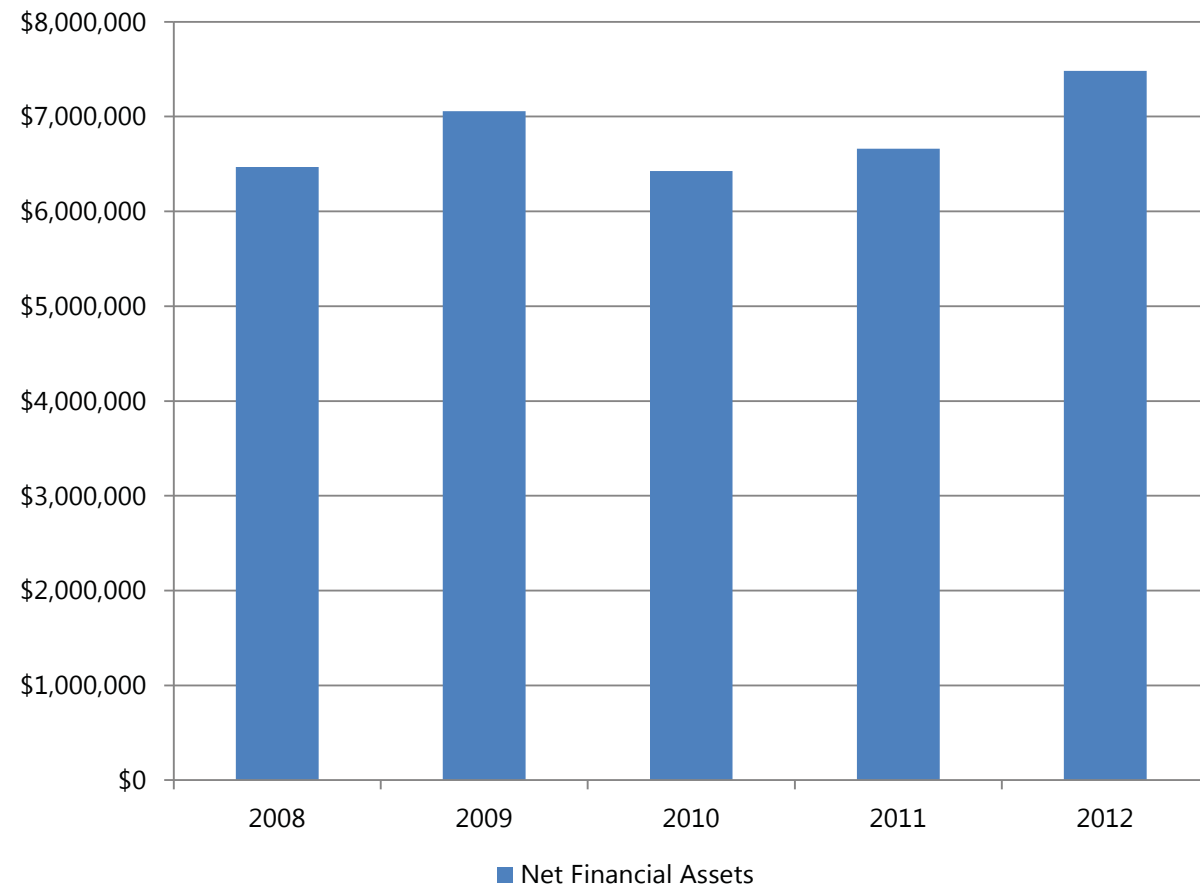
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

NET FINANCIAL ASSETS

	2008	2009	2010	2011	2012
NET FINANCIAL ASSETS	\$6,467,331	\$7,057,461	\$6,426,947	\$6,660,325	\$7,481,296

Net Financial Assets



SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

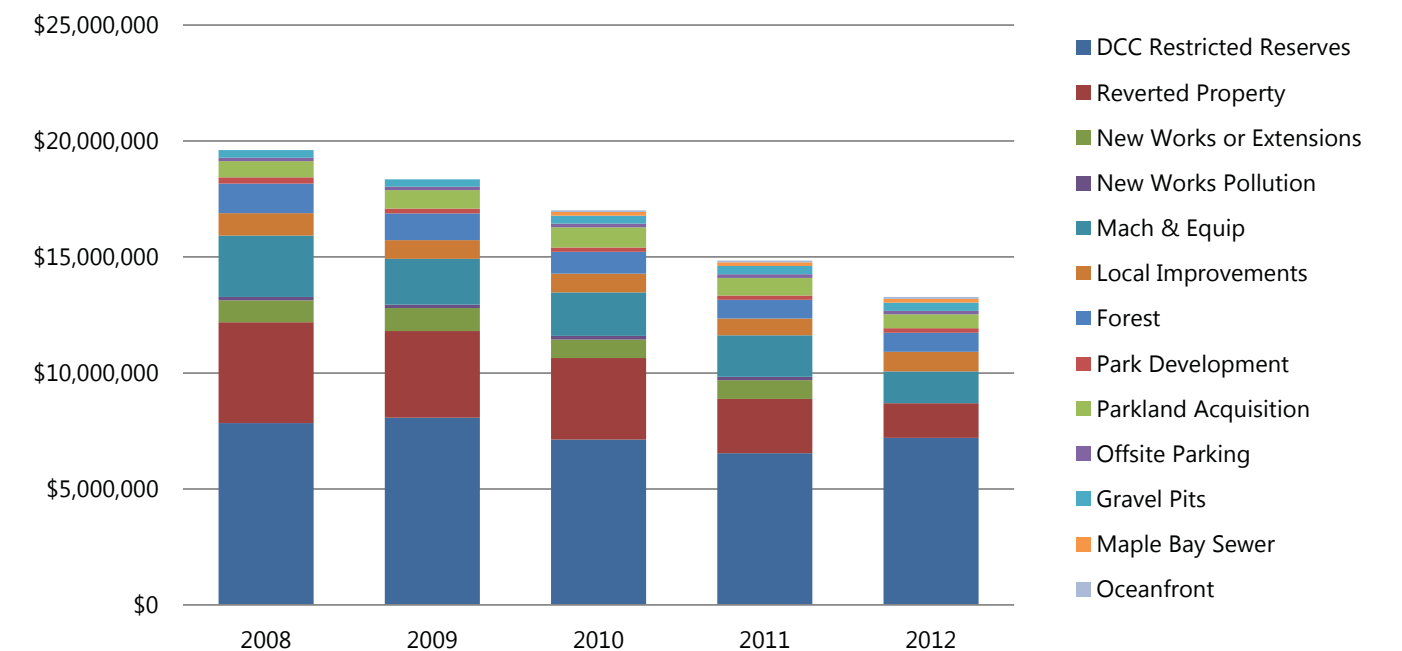
STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

RESERVE FUND BALANCES

	2008	2009	2010	2011	2012
DCC RESTRICTED RESERVES	\$7,835,281	\$8,066,620	\$7,128,016	\$6,543,479	\$7,195,898
REVERTED PROPERTY	4,350,374	3,742,470	3,515,852	2,331,708	1,499,182
NEW WORKS OR EXTENSIONS	948,556	984,530	796,968	806,528	-
NEW WORKS POLLUTION	145,646	151,170	152,926	155,520	-
MACH & EQUIP	2,648,197	1,975,953	1,882,624	1,779,890	1,371,486
LOCAL IMPROVEMENTS	965,945	810,336	803,482	729,242	846,899
FOREST	1,266,644	1,148,739	943,249	807,139	825,324
PARK DEVELOPMENT	273,603	207,570	182,202	185,292	187,797
PARKLAND ACQUISITION	694,436	796,920	877,758	756,651	603,298
OFFSITE PARKING	154,743	141,849	158,759	160,402	142,102
GRAVEL PITS	322,220	325,764	344,437	357,043	366,010
SELF INSURANCE	-	-	-	-	111,698
CLIMATE ACTION	-	-	-	-	18,700
MAPLE BAY SEWER	-	-	150,445	152,998	155,066
OCEANFRONT	-	-	80,755	82,125	83,235
	<u>\$19,605,645</u>	<u>\$18,351,921</u>	<u>\$17,017,473</u>	<u>\$14,848,017</u>	<u>\$13,406,695</u>

Reserve Fund Balances



SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

STATISTICAL INFORMATION FIVE-YEAR STATISTICAL REVIEW 2008-2012

DEBENTURE DEBT

	2008	2009	2010	2011	2012
Debenture Debt	\$20,578,183	\$22,375,955	\$22,990,272	\$21,971,921	\$21,503,802
Debt per Capita	704	759	771	763	713

LIABILITY SERVICING

	2008	2009	2010	2011	2012
Liability Servicing Limit	\$7,290,184	\$8,049,144	\$8,359,564	\$9,027,106	\$9,398,637
Total Liability Servicing Cost	1,314,221	4,945,570	2,320,821	2,760,466	2,609,840
Liability Servicing Capacity Available	\$5,975,963	\$3,103,574	\$6,038,743	\$6,266,640	\$6,788,797

TAXES COLLECTED FOR OTHER AGENCIES

	2008	2009	2010	2011	2012
School	\$12,198,511	\$11,623,880	\$11,990,562	\$12,057,995	\$12,155,133
CVRHD	823,168	973,386	1,218,527	1,575,368	1,900,740
CVRD	4,628,140	4,604,784	4,982,589	5,550,043	6,036,143
BC Assessment	354,456	376,079	392,807	389,030	381,558
MFA	860	1,004	1,028	1,076	1,082
	\$18,005,135	\$17,579,133	\$18,585,513	\$19,573,512	\$20,474,656

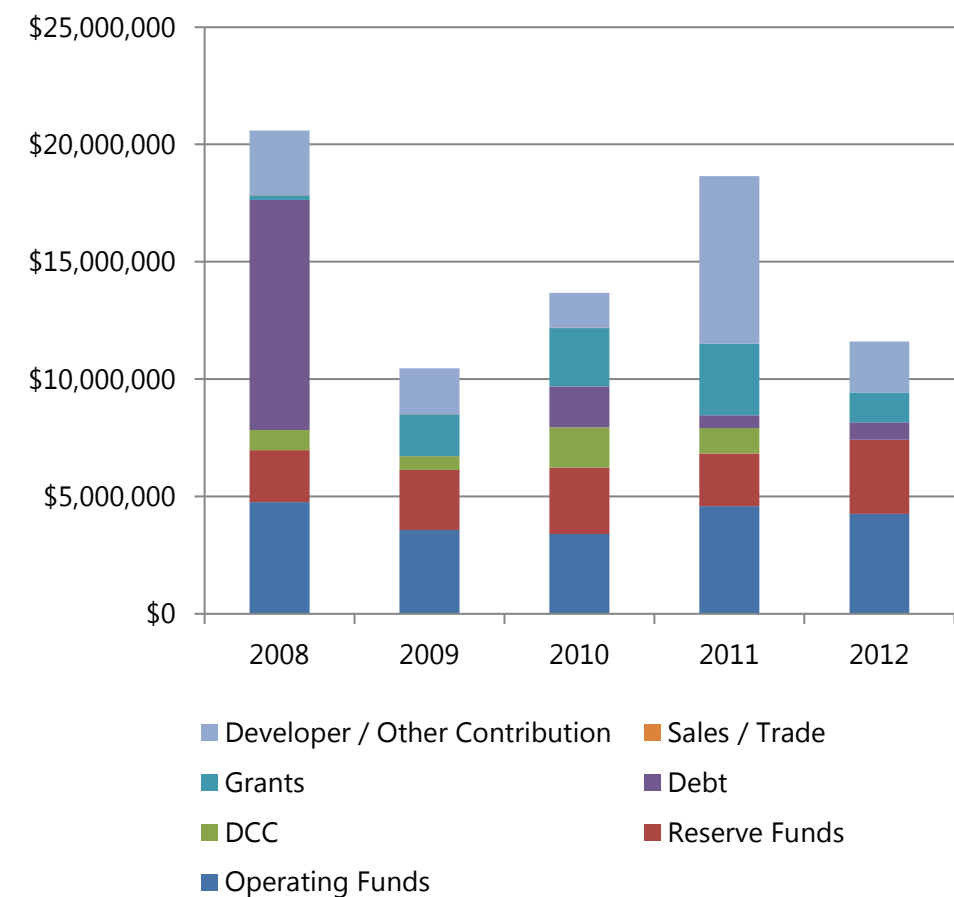
SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

STATISTICAL INFORMATION FIVE-YEAR STATISTICAL REVIEW 2008-2012

CAPITAL EXPENDITURES AND SOURCES OF FINANCING

	2008	2009	2010	2011	2012
Operating Funds	\$4,762,174	\$3,564,628	\$3,405,084	\$4,582,019	\$4,256,479
Reserve Funds	2,215,716	2,569,549	2,829,997	2,253,520	3,156,986
DCC	849,908	575,922	1,709,481	1,074,972	-
Debt	9,809,353	-	1,750,000	551,500	745,475
Grants	193,942	1,785,130	2,487,159	3,049,194	1,275,731
Sales / Trade	6,800	7,000	2,765	-	-
Developer / Other Contribution	2,759,668	1,954,264	1,491,450	7,133,337	2,173,267
	\$20,597,561	\$10,456,493	\$13,675,936	\$18,644,542	\$11,607,938

Capital Expenditures by Source of Funding



SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

STATISTICAL INFORMATION

FIVE-YEAR STATISTICAL REVIEW 2008-2012

NEW CONSTRUCTION

	2008	2009	2010	2011	2012
Building Permits Issued	378	404	395	262	296
Construction Value	\$58,430,239	\$33,732,982	\$57,975,216	\$41,480,281	\$44,012,722

SOURCE: NORTH COWICHAN FINANCE DEPARTMENT

TOTAL POPULATION

	2008	2009	2010	2011	2012
Total population estimates	29,244	29,493	29,837	28,807	30,168
% Change from prior year	1.50%	0.90%	1.20%	-3.45%	4.72%

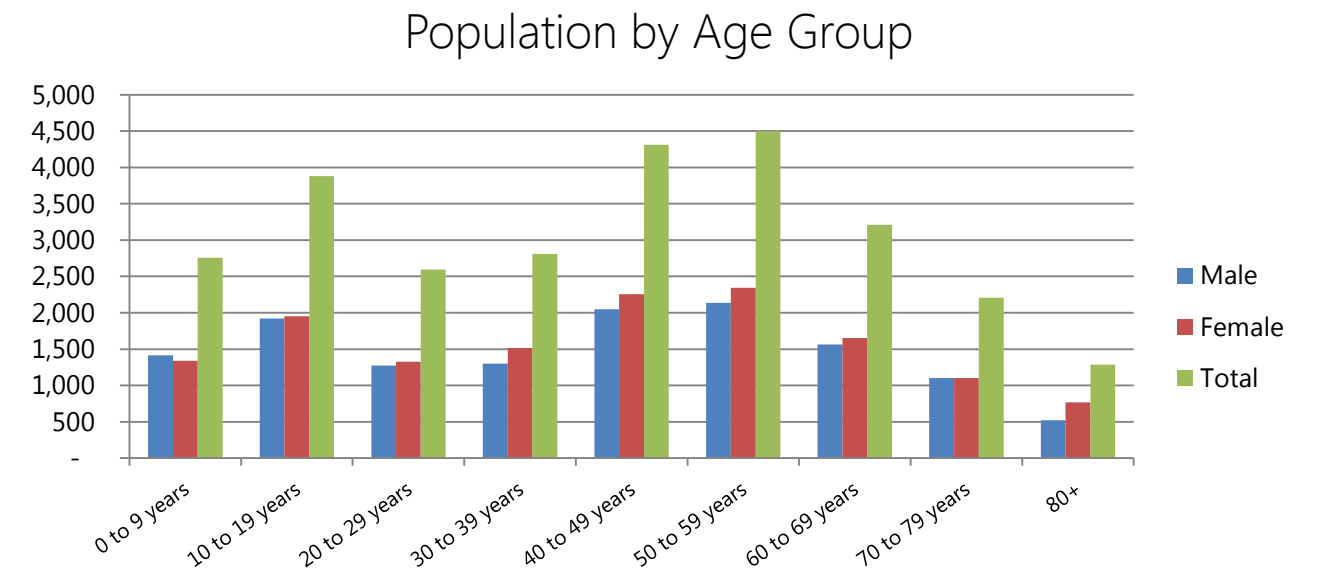
SOURCE: BC STATS

STATISTICAL INFORMATION

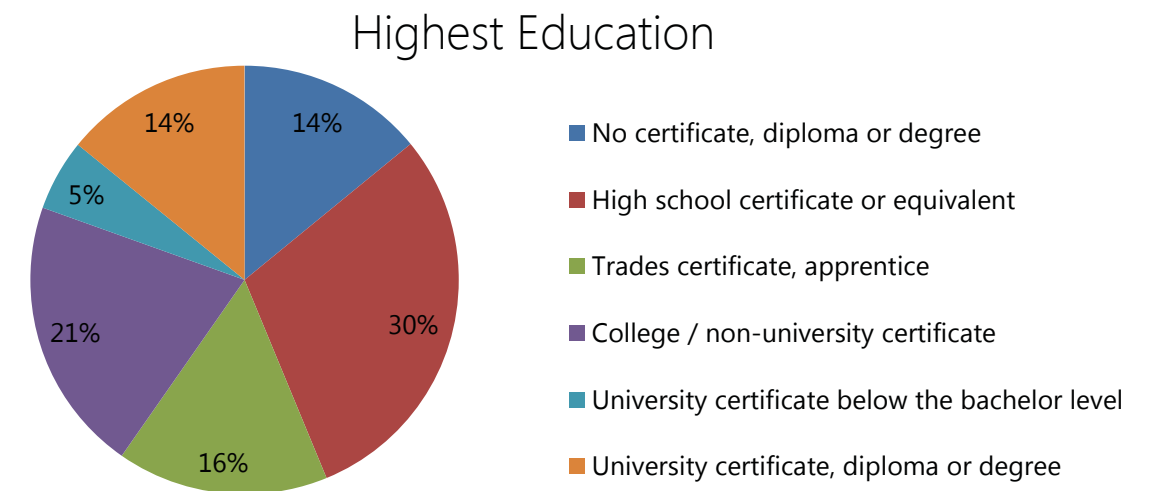
DEMOGRAPHIC STATISTICS

2006 POPULATION BY AGE GROUP

Mean age of population: 44.4 Years



2006 POPULATION AGED 25-65 HIGHEST EDUCATION LEVEL



SOURCE: STATISTICS CANADA CENSUS

STATISTICAL INFORMATION

2012 PRINCIPAL TAXPAYERS

TOP 10 PRINCIPAL CORPORATE TAXPAYERS

TAXPAYER	INDUSTRY	TAX CONTRIBUTION
Catalyst Paper Corporation	Industry	\$3,277,780
Western Forest Products Inc.	Industry	563,056
Calloway Reit (Cowichan) Inc.	Retail	387,782
Riocan Holdings	Retail	337,773
Cowichan Town Centre Market Inc.	Retail	181,462
Alpine-Pacific Leasing Ltd	Retail	117,614
Island Timberlands GP Ltd	Industry	93,183
Peter Baljet Chevrolet Buick GMC Ltd	Retail	88,291
Shell Canada Limited	Business	75,000
Centra Gas British Columbia Inc.	Utility	70,244
TOTAL TAX CONTRIBUTION FROM TOP 10 TAXPAYERS		\$5,192,185
TOTAL MUNICIPAL TAX		\$22,493,092
PROPORTION OF MUNICIPAL TAX PAID BY TOP TEN		23.1%

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The Corporation of the District of North Cowichan

Other Information

FOR THE YEAR ENDED DECEMBER 31, 2012

REPORT

PERMISSIVE TAX EXEMPTIONS

Amount of Municipal Property Taxes that would have been imposed if no tax exemption in dollars.

Roll #	Class	Civic Address	Owner	Assessment 2012	Taxes 2012
00001.000	6	5800 Church Rd	St. Peter's Anglican Church	175,000	530
00001.000	8	5800 Church Rd	St. Peter's Anglican Church	168,000	510
00016.000	9	1843 Tzouhalem Rd.	Sisters of St. Ann	119,716	460
00016.000	1	1843 Tzouhalem Rd.	Sisters of St. Ann	1,274,000	4,900
00016.001	1	Donnay Dr	Sisters of St. Ann	332,000	1,300
00022.200	1	1501 Khenipsen Rd	Nature Conservancy of Canada	1,057,000	4,000
00172.001	1	Rail Corridor	Island Corridor Foundation	204,000	780
00180.001	1	Rail Corridor	Island Corridor Foundation	90,400	350
00180.002	1	Rail Corridor	Island Corridor Foundation	210,000	800
00184.001	1	Rail Corridor	Island Corridor Foundation	131,000	500
00184.002	1	Rail Corridor	Island Corridor Foundation	99,000	380
00186.001	1	Rail Corridor	Island Corridor Foundation	46,100	180
00197.100	8	Trans Canada Hwy	Nature Trust of B.C.	625,000	1,900
00197.101	6	Trans Canada Hwy	Nature Trust of B.C.	515,000	4,400
00200.000	1	6045 Trans Canada Hwy	Nature Trust of B.C.	272,000	1,000
00203.001	6	Boys Rd	City of Duncan	35,000	300
00205.100	6	495 Beech ave	Duncan Christian School	346,000	1,000
00361.000	6	5825 Church Rd	St. Peter's Anglican Church	392,000	1,200
00362.000	6	5795 Church Rd	St. Peter's Anglican Church	540,000	1,600
00362.000	8	5795 Church Rd	St. Peter's Anglican Church	164,000	490
00433.000	1	2004 and 2030 Crescent Rd.	St. Peter's Crescent Society	398,000	1,200
00476.000	6	1839 Tzouhalem Rd	New Life Community Baptist Church	481,000	1,500
00476.000	8	1839 Tzouhalem Rd	New Life Community Baptist Church	148,000	450
00477.000	6	1815 Tzouhalem Rd	Church of Jesus Christ of Latter-day	292,000	880
00477.000	8	1815 Tzouhalem Rd	Church of Jesus Christ of Latter-day	141,000	430
00830.000	6	3210 Sherman Rd	Sikh Temple	228,000	690
00830.000	8	3210 Sherman Rd	Sikh Temple	120,000	360
00880.000	6	660 Brownsey Ave	Queen Margaret's School	788,000	2,400

Roll #	Class	Civic Address	Owner	Assessment 2012	Taxes 2012
00899.001	1	Rail Corridor	Island Corridor Foundation	113,000	430
00900.001	1	Rail Corridor	Island Corridor Foundation	84,900	320
00947.000	1	2244-6 Moose Rd	Loyal Order of the Moose	205,700	790
00947.000	6	2244-6 Moose Rd	Loyal Order of the Moose	306,900	2,600
00947.000	8	2244-6 Moose Rd	Loyal Order of the Moose	314,500	950
00955.000	6	1031 Government St	Queen Margaret's School	445,000	1,300
00977.000	6	5814 Banks Rd	Steiner Educational Society	216,000	1,900
00999.000	6	660 Brownsey Ave	Queen Margaret's School	1,016,000	3,100
01038.001	8	lot 1...Plan VIP73093	Chesterfield Sports Society	340,000	1,000
01038.002	8	5847 Chesterfield	Chesterfield Sports Society	789,000	2,400
01082.000	6	5810 Garden St	Cowichan Valley Basket Society	123,400	1,100
01180.025	1	Rail Corridor	Island Corridor Foundation	80,000	310
01180.050	1	Rail Corridor	Island Corridor Foundation	85,600	330
01202.000	6	3186 Gibbins Rd	City of Duncan	931,100	8,000
01232.003	1	Rail Corridor	Island Corridor Foundation	109,000	420
01232.004	1	Rail Corridor	Island Corridor Foundation	89,000	340
01232.005	1	Rail Corridor	Island Corridor Foundation	14,900	57
01232.006	1	Rail Corridor	Island Corridor Foundation	22,300	85
01232.007	2	Rail Corridor	Island Corridor Foundation	25,200	770
01232.008	2	Rail Corridor	Island Corridor Foundation	1,200	37
01232.009	2	Rail Corridor	Island Corridor Foundation	100	3
01232.010	2	Rail Corridor	Island Corridor Foundation	23,900	730
01232.011	2	Rail Corridor	Island Corridor Foundation	32,700	1,000
01572.001	8	2704 James St	Trinity Evangelical Lutheran	291,000	880
01587.000	6	5856 Clements St	Association for Community Living	1,312,000	11,000
01608.000	6	2085 Maple Bay Rd	Queen of Angels School	1,348,000	4,100
01640.005	6	5990 Indian Rd	Maple Bay Rowing Club	184,000	1,600
01640.005	8	5991 Indian Rd	Maple Bay Rowing Club	3,900	12,000
01791.020	6	5855 Clements St	Cowichan Agricultural Society	283,400	2,400
01881.000	6	3441 Gibbins Rd	Duncan Seventh-day Adventist Church	139,000	420
01881.000	8	3441 Gibbins Rd	Duncan Seventh-day Adventist Church	77,900	240
01918.000	6	5781 Chesterfield	Duncan Christian School	258,000	780
01920.000	1	3122 Gibbins Rd	Cowichan Valley Hospice Society	198,100	760
01920.000	6	3122 Gibbins Rd	Cowichan Valley Hospice Society	15,200	130
02217.000	6	Arbutus Ave	Queen Margaret's School	344,000	1,000

REPORT

PERMISSIVE TAX EXEMPTIONS - CONTINUED

Amount of Municipal Property Taxes that would have been imposed if no tax exemption in dollars.

Roll #	Class	Civic Address	Owner	Assessment 2012	Taxes 2012
02222.001	1	Rail Corridor	Island Corridor Foundation	146,000	560
02227.000	6	3968 Gibbins Rd	Vimy Community Club	38,900	330
02227.000	8	3968 Gibbins Rd	Vimy Community Club	376,000	1,100
02246.005	1	2731 Boys Rd	Freshwater Fisheries Society of B.C.	158,000	600
02246.005	9	2731 Boys Rd	Freshwater Fisheries Society of B.C.	2,534	10
02310.000	6	3036 Sherman Rd	Cowichan Valley Church of the Nazarene	113,700	340
02310.000	8	3036 Sherman Rd	Cowichan Valley Church of the Nazarene	168,000	510
03910.000	6	Agira Rd	City of Duncan	4,900	42
03931.010	6	Cowichan Bay	Nature Trust of B.C.	6,100	52
03995.000	2	Rail Corridor	Island Corridor Foundation	240,000	7,300
03995.001	6	Rail Corridor	Island Corridor Foundation	16,400	140
03995.002	2	Rail Corridor	Island Corridor Foundation	52,900	1,600
03995.003	2	Rail Corridor	Island Corridor Foundation	68,000	2,100
03995.004	2	Rail Corridor	Island Corridor Foundation	32,800	1,000
03995.007	2	Rail Corridor	Island Corridor Foundation	64,200	2,000
03995.008	2	Rail Corridor	Island Corridor Foundation	65,900	2,000
03995.009	2	Rail Corridor	Island Corridor Foundation	49,100	1,500
03995.010	2	Rail Corridor	Island Corridor Foundation	32,600	1,000
03995.011	2	Rail Corridor	Island Corridor Foundation	49,400	1,500
03995.012	2	Rail Corridor	Island Corridor Foundation	60,400	1,800
03995.013	2	Rail Corridor	Island Corridor Foundation	75,400	2,300
03995.014	2	Rail Corridor	Island Corridor Foundation	11,600	350
03995.015	2	Rail Corridor	Island Corridor Foundation	54,400	1,700
03995.016	2	Rail Corridor	Island Corridor Foundation	53,200	1,600
03995.017	2	Rail Corridor	Island Corridor Foundation	40,800	1,200
03995.018	2	Rail Corridor	Island Corridor Foundation	28,600	870
03995.019	2	Rail Corridor	Island Corridor Foundation	72,600	2,200
03995.020	2	Rail Corridor	Island Corridor Foundation	100	3

Roll #	Class	Civic Address	Owner	Assessment 2012	Taxes 2012
03995.021	2	Rail Corridor	Island Corridor Foundation	24,400	750
03995.022	2	Rail Corridor	Island Corridor Foundation	11,600	350
03996.000	2	Rail Corridor	Island Corridor Foundation	266,000	8,100
03998.000	2	water pipes	City of Duncan	320,000	9,800
05033.000	8	Mt. Prevost	Cowichan War Memorial Trustees	27,400	83
05084.000	6	Trans Canada Hwy	Nature Trust of B.C.	219,000	1,900
05099.000	1	7380 Tans Canada Hwy	Cowichan Exhibition Society	38,100	150
05099.000	6	7380 Tans Canada Hwy	Cowichan Exhibition Society	4,294,000	37,000
05105.060	6	7550 Bell Mckinnon Rd	BC S.P.C.A.	468,000	4,000
05359.005	1	6124 Ryall Rd #1	Clements Centre Society	386,000	1,500
05359.006	1	6125 Ryall Rd #2	Clements Centre Society	205,000	780
05359.007	1	6126 Ryall Rd #3	Clements Centre Society	456,000	1,700
05373.000	6	3248 Cowichan Val Hwy	Somenos Community Association	33,800	290
05373.000	8	3248 Cowichan Val Hwy	Somenos Community Association	296,000	890
05469.001	6	Drinkwater Rd	BC Forest Discovery Centre	276,000	2,400
05469.001	8	Drinkwater Rd	BC Forest Discovery Centre	255,000	770
05567.000	8	3253 Sherman Rd	Cowichan Valley Soccer Assn.	357,000	1,100
05977.000	8	Drinkwater Rd	BC Forest Discovery Centre	328,000	990
05999.000	6	3253 Sherman Rd	Cowichan Valley Soccer Assn.	41,000	350
05999.000	8	3253 Sherman Rd	Cowichan Valley Soccer Assn.	853,000	2,600
06000.000	6	3191 Sherman Rd	Duncan Curling Club	661,000	5,700
06355.000	6	Wicks Rd	St. Clare's Monastery	463,000	1,400
06474.000	1	2359 Calais Rd	St. Clare's Monastery	310,900	940
06474.000	6	2359 Calais Rd	St. Clare's Monastery	492,000	1,500
06474.000	8	2359 Calais Rd	St. Clare's Monastery	48,700	150
06503.000	8	6118 Lane Rd	Christian Science Society	174,600	530
08076.000	8	PID 009-625-399	Camp Qwanoes	877,000	2,600
08314.000	8	6722 Beaumont Ave	Navy League of Canada	424,100	1,300
08328.000	6	6735 Beaumont Ave	Maple Bay Rowing Club	45,700	390
08328.000	8	6735 Beaumont Ave	Maple Bay Rowing Club	367,000	1,100
08333.020	6	Morgan St	Crofton Community Centre Society	267,000	2,300
08333.100	1	8003 York Ave	Crofton Community Centre Society	678,000	2,600
08338.000	6	8104 Musgrave St	Crofton Community Centre Society	401,000	3,400
08548.000	6	1860 Herd Rd	Cowichan Rugby Club	166,000	1,400
08548.000	8	1860 Herd Rd	Cowichan Rugby Club	668,000	2,000

REPORT

PERMISSIVE TAX EXEMPTIONS - CONTINUED

Amount of Municipal Property Taxes that would have been imposed if no tax exemption in dollars.

Roll #	Class	Civic Address	Owner	Assessment 2012	Taxes 2012
08595.000	6	Maple Bay Rd	Nature Conservancy of Canada	842,000	7,200
08595.001	1	1241 Maple Bay Rd	Nature Conservancy of Canada	494,800	1,900
08597.000	8	Aitken Rd	Nature Conservancy of Canada	712,000	6,100
08630.001	8	Water Licence 106188	Camp Qwanoes	1,000	3
08630.002	8	Water Licence 108939	Camp Qwanoes	1,000	3
08633.000	1	1148 Smith Rd	Camp Qwanoes	580,000	2,200
08633.000	6	1148 Smith Rd	Camp Qwanoes	218,100	1,900
08633.000	8	1148 Smith Rd	Camp Qwanoes	45,300	140
08633.001	1	Manufactured Home 52719	Camp Qwanoes	41,300	160
12143.000	8	1597 Joan Ave	All Saints Anglican Church	71,800	220
12266.000	6	Crofton Rd	St. Jude's Catholic Church	26,900	81
12316.010	6	1507 Joan Ave	Crofton Old School Museum	30,400	260
12316.010	8	1508 Joan Ave	Crofton Old School Museum	250,000	750
12316.011	6	1507 Joan Ave	Crofton Seniors Society	467,000	4,000
12395.000	6	1675 Roberts St	Crofton Community Centre Society	147,000	1,300
15004.005	8	Rifle Range	Chemainus Rod & Gun Club	85,900	260
15040.001	6	2876 Fuller Lake Rd	Chemainus Western Horsemens' Club	200	2
15040.001	8	2876 Fuller Lake Rd	Chemainus Western Horsemens' Club	24,200	73
15040.002	6	2876 Fuller Lake Rd	Cowichan Minor Hockey Association	8,100	70
15054.115	8	9799 Waterwheel Cres	Chemainus Valley History Society	132,000	400
15086.200	6	9574 Bare Point Rd	Chemainus Theatre Festival Foundation	1,829,000	16,000
15105.100	6	9737 Chemainus Rd	Chemainus Theatre Festival Foundation	2,815,000	24,000
15117.000	6	Victoria Rd	St. Michael's and All Angels' Anglican	142,000	430
15148.005	1	9910 Esplanade St	Chemainus Health Care Housing	2,571,000	7,800
15148.010	6	9906 Esplanade St	Chemainus Health Care Foundation	267,000	2,300
15152.100	6	9867 Maple St	Chemainus Health Care Auxiliary	642,000	5,500
15592.000	8	9471 Chemainus Rd	Chemainus Pentecostal Tabernacle	104,000	310

Roll #	Class	Civic Address	Owner	Assessment 2012	Taxes 2012
15642.000	6	9796 & 9800 Willow St	Chemainus Arts and Business Council	183,100	1,600
15642.001	6	9796 & 9800 Willow St	Cowichan Neighbourhood House Assoc.	353,000	3,000
15642.005	6	9769 Willow St	Chemainus Chamber of Commerce	79,500	680
15646.000	8	9814 Willow St.	Chemainus United Church	175,000	530
15656.000	6	9824 Willow St	Chemainus Seniors Drop in	701,000	6,000
15736.000	6	9776 Chemainus Rd	Chemainus Legion	262,500	2,300
15736.000	8	9776 Chemainus Rd	Chemainus Legion	128,400	390
15791.000	1	2828 Pine St	Harbour View Housing Society	1,137,000	4,300
15798.101	6	9758 Chemainus Rd	Chemainus Rotary Club	48,700	420
16108.100	6	9727 and 9745 Elm St	St Joseph's Elementary School	507,000	1,500
16124.000	8	2852 2858 Mill St	St. Michael's and All Angels' Anglican	360,200	1,100
16273.000	1	9877 Esplanade St	Harbour View Housing Society	1,923,000	7,300
16487.000	6	3318 River Rd	Calvary Baptist Church	524,800	1,600
16487.000	8	3318 River Rd	Calvary Baptist Church	32,100	97
18008.002	6	Rail Corridor	Island Corridor Foundation	2,000	61
24001.000	8	3790 Gibbins Rd	744 (Cowichan) Squadron Administration	305,000	920
24017.000	6	2558 Mt. Sicker Rd	Westholme School Society	188,000	1,600
				Total	352,522

REPORT

CHEMAINUS OFF-STREET PARKING

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

JANUARY 1, 2012	\$160,402
INTEREST	1,700
CURRENT YEAR CONTRIBUTIONS	-
CURRENT YEAR EXPENDITURES	-20,000
	<hr/>
DECEMBER 31, 2012	<u>\$142,102</u>

REPORT

DEVELOPMENT COST CHARGES

	JANUARY 1, 2012	INTEREST	CURRENT YEAR CONTRIBUTIONS	CURRENT YEAR EXPENDITURES	DECEMBER 31, 2012
ROADS	\$ -	\$126	\$131,603	\$ -	\$131,729
PARKS	-	9	2,778	-	2,787
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CHEMAINUS					
ROADS	308,364	4,236	7,470	-	320,070
WATER	168,188	2,620	74,212	-	245,020
SEWER	61,613	921	18,376	-	80,910
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	538,165	7,777	100,058	-	646,000
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CROFTON					
WATER	79,778	1,287	20,778	-	101,843
SEWER	26,603	549	18,676	-	45,828
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	106,381	1,836	39,454	-	147,671
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SOUTH END					
ROADS	265,113	4,477	91,302	-	360,892
DRAINAGE	16,805	249	4,016	-	21,070
WATER	1,510,763	20,787	42,474	-	1,574,024
SEWER	4,106,252	56,775	148,698	-	4,311,725
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	5,898,933	82,288	286,490	-	6,267,711
<hr/>					
TOTAL	<u>\$6,543,479</u>	<u>\$92,036</u>	<u>\$560,383</u>	<u>\$ -</u>	<u>\$7,195,898</u>

REPORT

DECLARATION OF DISQUALIFICATION FROM OFFICE

NIL REPORT

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



Mary Beth MacKenzie
Deputy Municipal Clerk
May 7, 2013

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MUNICIPALITY OF
NORTH
Cowichan

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