



**COWICHAN VALLEY  
REGIONAL DISTRICT**

**FINANCIAL STATEMENTS**  
**December 31, 2023**

## **COWICHAN VALLEY REGIONAL DISTRICT**

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### **ELECTED AND APPOINTED OFFICIALS 2023**

#### **BOARD OF DIRECTORS**

City of Duncan	M. Staples
Town of Ladysmith	A. Stone (Chair)
Town of Lake Cowichan	T. McGonigle
District of North Cowichan	R. Douglas
District of North Cowichan	C. Istace
District of North Cowichan	C. Justice
District of North Cowichan	D. Toporowski
Electoral Area "A" - Mill Bay/Malahat	A. Segall (Vice Chair)
Electoral Area "B" - Shawnigan Lake	S. Acton
Electoral Area "C" - Cobble Hill	M. Wilson
Electoral Area "D" - Cowichan Bay	H. Abbott
Electoral Area "E" - Cowichan Station/Sahtlam/Glenora	A. Nicholson
Electoral Area "F" - Cowichan Lake South/Skutz Falls	I. Morrison
Electoral Area "G" - Saltair/Gulf Island	J. McClinton
Electoral Area "H" - North Oyster/Diamond	B. Maartman
Electoral Area "I" - Youbou/Meade Creek	K. Deck

#### **OFFICERS**

Chief Administrative Officer	D. Myles-Wilson
Corporate Legislative Officer	P. Robins
Chief Financial Officer	T. Bowen

## **COWICHAN VALLEY REGIONAL DISTRICT**

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### **FINANCIAL STATEMENTS DECEMBER 31, 2023**

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**STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

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

Tracy Bowen, CPA, CGA  
Chief Financial Officer

Aaron Stone  
Chair

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

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

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

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

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

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

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

## COWICHAN VALLEY REGIONAL DISTRICT

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

#### Summary of Significant Accounting Policies

##### (a) General

The Regional District was incorporated in 1967 under the provisions of the *Local Government Act*, a statute of the Province of B.C. Its principal activities are the provision of district wide local government services to the residents of the nine electoral areas and four municipalities, within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste/recycling collection and disposal, and street lighting.

##### (b) Basis of Presentation

The Financial Statements of the Cowichan Valley Regional District (the Regional District), are prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The Financial Statements reflect the combined results and activities of the reporting entity. The financial statements include the financial position, operations, changes in net financial assets and cash flows of the regional district. Inter-fund and inter-departmental transactions have been eliminated on consolidation.

##### (c) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, demand deposits and reserves. The funds are held for the purpose of meeting short-term cash commitments rather than for investing.

##### (d) Investments

Investments are comprised entirely of Municipal Finance Authority (MFA) pooled investment funds. The Regional District funds invested with MFA are pooled with other local governments and managed independently by Phillips, Hager & North Ltd. Interest income on investments has been included in deferred revenue when required by the funding government or related Act and Restricted Reserve Funds based on relative equity in each fund.



## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **Summary of Significant Accounting Policies (continued)**

##### **(e) Financial Instruments**

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

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

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

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

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

##### **(f) Liability for Contaminated Sites**

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up, and a reasonable estimate can be made.

Management has assessed its potential liabilities, including sites that are no longer in productive use and sites for which the Regional District accepts responsibility. There is a portion of a site, at Bings Creek Drop Off Depot, which has been determined to have evidence of minor contamination due to historical use of the property. The CVRD continuously monitors the ground water at the site and no contamination in excess of an environmental standard is believed to exist, therefore no liability is recorded.

## COWICHAN VALLEY REGIONAL DISTRICT

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

#### Summary of Significant Accounting Policies (continued)

##### **(g) Asset Retirement Obligations**

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

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

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

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

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

##### **(h) Long-Term Debt**

Long-term debt is recorded net of repayment and actuarial adjustments.

##### **(i) Non-Financial Assets**

Non-financial assets are held for use in the provision of services and are not normally available to discharge liabilities. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year together with the net surplus (deficit) for the year, provides the change in the Financial Assets.

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## COWICHAN VALLEY REGIONAL DISTRICT

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

#### Summary of Significant Accounting Policies (continued)

##### (j) Tangible Capital Assets

Tangible capital assets are non-financial assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Tangible capital assets are recorded at cost and amortized. Contributed tangible capital assets are reported at their estimated fair market value. The costs of tangible capital assets includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost recorded, less any estimated residual value, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset Category	Useful Life Range (years)
Land	N/A
Building	10 - 100
Vehicles, Machinery & Equipment	5 - 20
Engineering Structures	10 - 100
Parks Infrastructure	10 - 60
Other Tangible Capital Assets	10 - 50

Assets under construction are not amortized until the asset is put into use.

##### (k) Inventories

Inventories of merchandise held for consumption are recorded at lower of cost and replacement cost on the Statement of Financial Position. Inventories of materials and supplies are included as expenses in the Statement of Operations when consumed.

##### (l) Deferred Revenue

Funds received for specific purposes which are externally restricted by regulation, legislation or agreement and are not available for general purposes, are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

## COWICHAN VALLEY REGIONAL DISTRICT

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

#### Summary of Significant Accounting Policies (continued)

##### **(m) Accrued Employee Benefits**

Under the terms of various collective agreements and compensation policies, the District provides paid sick leave to eligible employees and in certain agreements allows for unused sick days to accumulate. There are no payouts of unused sick days at termination. In addition, employees acquire certain employee benefits on termination and retirement. These include days for severance based on years of service, vacation based on years of service, Worker's Compensation top-up, and a full year's vacation entitlement in the year of retirement. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

##### **(n) Pension Liability**

The District and its employees participate in the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments made in the year are expensed.

##### **(o) Revenue Recognition**

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned. Property tax revenues in the form of local government requisitions are recognized in the year they are levied. Parcel Taxes are recognized in the year they are levied. Interest income is recognized as earned as income in the Statement of Operations, except interest on restricted liabilities where the income is deferred until spent. Donations are recorded when received. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees, transit, tipping fees, garbage and recycling collection fees are recognized as revenue as earned. Permit fees are recognized as revenue when the permit is approved and payment is collected according to rates set in various fees and charges bylaws.

##### **(p) Government Transfers**

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Revenue is recognized in the statement of operations as the stipulation liabilities are settled.

When the Regional District is deemed the transferor, the transfer expense is recognized when the recipient is authorized to receive the transfer and has met the eligibility criteria.

## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **Summary of Significant Accounting Policies (continued)**

##### **(q) Expense Recognition**

Expenses are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due. Expenses include the accrual of interest payable on debt to the end of the fiscal period.

##### **(r) Segment Disclosure**

The Cowichan Valley Regional District is a diversified local government providing a wide range of services to over 83,730 residents, including general government, Vancouver Island Regional Library, Transportation services, Electoral Area services, Protective services, parks and recreation, environmental services and sewer and water utilities.

##### **(s) Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Areas requiring management estimates are provisions for contingencies, the valuation of accounts receivables, estimation of employee future benefits, estimated useful life of tangible capital assets, the amount to settle asset retirement obligations, and provisions for contaminated sites. Actual results may vary from those estimates and adjustments will be reported in operations as they become known.

##### **(t) Adoption of New Accounting Policy**

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

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

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

## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **Summary of Significant Accounting Policies (continued)**

##### **(u) Adoption of New Accounting Policy**

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

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

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

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

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**COWICHAN VALLEY REGIONAL DISTRICT**

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

**1) Cash & Cash Equivalents**

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

**2) Investments**

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

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

**3) Accounts Receivable**

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

**4) Debt Recoverable from Members**

Pursuant to the *Local Government Act*, the Regional District acts as the agent through which its members borrow funds from the Municipal Finance Authority. The annual cost of servicing the debt is recovered entirely from the borrowing member. However, the Regional District is jointly and severally liable for member debt in the event of default.

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

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## COWICHAN VALLEY REGIONAL DISTRICT

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

#### 5) Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority (Authority) of British Columbia provides capital financing for Regional Districts and their Members. The Authority is required to establish a Debt Reserve Fund into which each Regional District and Members, who share in the proceeds of a debt issue through the District, are required to pay certain amounts set out in the debt agreements.

Interest earned on these funds (less administrative expenses) becomes an obligation of the Authority to the Regional District. If at any time insufficient funds are provided by the Regional District or their Members, the Authority will then use these funds to meet payments on its obligations. When this occurs, the Regional District may be called upon to restore the fund. The MFA holds demand notes related to the Regional District's debt. The demand notes are not recorded as they only become payable should debt be in default or the MFA requires the funds to meet debt obligations.

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

#### 6) Land Held for Resale

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

#### 7) Accounts Payable & Accrued Liabilities

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



**COWICHAN VALLEY REGIONAL DISTRICT**

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

**8) Deferred Revenue**

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

- Trail Project Grants consists of funds for the Cowichan Valley Trail NorthWatts project.
- Recreation Deposits consists of payments in advance for recreation programs, unredeemed recreation program awards, and facility rental deposits.
- Developer Capital Contributions were contributed for improvements to the Shawnigan Lake Water System.
- Other funds include dog licenses, bus passes, and miscellaneous deferred revenue.
- Parkland Cash-in-Lieu Contributions consists of funds collected from developers under the authority of Section 941 of the *Local Government Act*, in lieu of land for parkland purposes as a condition of the subdivision. These funds are restricted for future purchases of parkland.

## COWICHAN VALLEY REGIONAL DISTRICT

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

#### 9) Restricted Contributions and Performance Deposits

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

- Warranty Deposits are funds received from the developer for warranty and deficiencies on various infrastructure projects and also includes developer landscape bonds. Should the funds be required they are recognized in the year of the applicable expenditure. Upon successful completion of the warranty period funds will be returned to the developer.
- Kinsol Trestle Donations are funds received for major restoration work on the Kinsol Trestle.
- Holdback funds are monies held from payments to contractors for work on the North Oyster Fire Hall, Arbutus Ridge WWTP, Kerry Park Recreation HVAC and Saltair Rail with Trail project to ensure completion of said projects.
- Cowichan Lake Water Protection funds are received when a lot is sold at Creekside Development. The interest earned on these deposits is used to fund projects for the protection of waters and riparian areas on Cowichan Lake.
- The Arts & Sports Scholarship Fund was established by monies received from the Province of B.C. as a Legacy of Appreciation for hosting the BC Festival of Arts and monies received from BC Hydro Cowichan and Chemainus Valley's Commonwealth Games Power Smart Sport and Culture Tour Committee. The interest earned is added to the fund and annually two Arts and two Sports Scholarships are provided to deserving local students.
- Nature and Habitat funds are received through voluntary contributions for projects that environmentally enhance Electoral Area I-Youbou/Meade Creek.
- Cowichan Performing Arts are funds received through a capital improvement fee on ticket sales at the Cowichan Performing Arts Centre.
- Soil Security Deposits are funds received through issuance of Soil Deposit permits.

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**COWICHAN VALLEY REGIONAL DISTRICT**

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

**10) Employee Future Benefits**

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

**Accrued Benefit Obligation as at December 31, 2023**

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

The total expense related to these benefits was:

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

The total expense is included in wages and benefits expense.

**11) Pension Liability**

The Regional District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022 the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local government.

## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **11) Pension Liability (continued)**

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of the employer contributions made during the fiscal year (defined contributions pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Cowichan Valley Regional District paid \$1,833,159 (2022 - \$1,574,453) for employer contributions, while employees contributed \$1,695,330 (2022 - \$1,456,063) to the plan in fiscal 2023.

#### **12) Asset Retirement Obligations**

The Regional District's asset retirement obligations consist of:

##### **a) Landfills**

The provincial Environmental Management Act, as well as the BC Landfill Criteria for Municipal Solid Waste (LCMSW), sets out the regulatory requirements to close and maintain active and inactive landfill sites.

Several solid waste program initiatives are included in the Cowichan Valley Regional District (CVRD) Solid Waste Management Plan (SWMP) Amendment No. 3, which was approved by the Minister of Environment in 2007. The CVRD is committed to ensuring landfills the CVRD has taken responsibility for are managed in a fiscally responsible manner, which includes setting aside funds to pay for landfill post-closure activities. During 2011, the CVRD instituted a \$2 per tonne tipping fee surcharge on all municipal solid waste received for disposal in order to fund borrowing for closure of historic landfill and ash landfill sites. These funds are held in the Remediation Reserve fund.

Although the CVRD does not operate an active landfill site, the Regional District is responsible for four former landfills, three of which are associated with old Thermal Reduction Plants (TRPs, municipal solid waste incinerators).

## COWICHAN VALLEY REGIONAL DISTRICT

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

#### 12) Asset Retirement Obligations (continued)

At the Meade Creek ashfill site, the Regional District has completed the works to consolidate and encapsulate the ash waste on site which allows for on-site risk management. There will be \$7,500 per year of post closure monitoring requirements for the landfill beginning 2019, for up to 21 years (2022 - \$12,500 annually).

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

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

Also on Koksilah Road is a former ash landfill site. This site is on Cowichan Tribes land and was closed by Cowichan Tribes with funding provided by Aboriginal Affairs and Northern Development Canada (AANDC). A portion of the ash waste was exported to an out-of-region landfill with the remainder being encapsulated on-site. Long term monitoring is being undertaken by Cowichan Tribes. The CVRD is of the opinion that it will not be required to contribute towards any long term monitoring costs and therefore has reported no liability in respect of this site.

The table below sets out the closure and post closure liability based on consultant and senior staff estimates.

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

The provision is determined using the following assumptions:

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

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**COWICHAN VALLEY REGIONAL DISTRICT**

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

**12) Asset Retirement Obligations (continued)**

b) Water Wells

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

c) Asbestos Abatement

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

d) Underground Tank Removal

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

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

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

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**COWICHAN VALLEY REGIONAL DISTRICT**

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

**13) Debt**

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars. Details of Short-term debt are summarized in Note 23. Details of Long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts are summarized in Note 24.

Payments of principal on issued debt of the Regional District, not including other members debt, for the next five years are:

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

**14) Contingent Liabilities**

As at December 31, 2023 there existed outstanding claims against the Regional District. These claims have been referred to legal counsel and the Regional District's liability insurers. It is not possible to determine the Regional District's potential liability, if any, with respect to these matters. However, at such time that a liability becomes likely and can be reasonably estimated, it will be reflected in the Regional District's financial statements.

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**COWICHAN VALLEY REGIONAL DISTRICT**

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

**15) Tangible Capital Assets**

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

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

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

**16) Budget Figures**

Budget figures represent the 2023 Financial Plan Bylaw adopted by the Board on March 8, 2023. The financial plan was performed on cash/funding basis, which budgeted for capital expenditures rather than amortization expense, and reflects the use of prior year operating surpluses as part of its annual budget. The carry forward of operating surpluses by the department is a requirement under the Local Government Act of BC. The financial plan forms the basis of taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the "Surplus for the year" is provided to show which items must be added or removed from the budget on Statement 2 to reflect the financial plan.

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



## COWICHAN VALLEY REGIONAL DISTRICT

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

#### 17) Accumulated Surplus

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

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

The Regional District tracks the unspent amounts received under the Renewed Gas Tax Agreement in the Community Works Reserve Fund. The continuity of this fund is presented in the table below:

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

## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **18) Segment Disclosure**

Segmentation has been determined on a functional basis with consideration to service delivery and departmental accountabilities. Categories of service that have been separately disclosed in the segmented information on Note 26 provide the following services:

##### **General Government**

General Government is comprised of electoral area governance, general administration which includes legislative services, finance, human resources and information systems, feasibility studies and economic development.

##### **Vancouver Island Regional Library**

Vancouver Island Regional Library is comprised of the Vancouver Island Regional Library.

##### **Transportation Services**

Transportation Services is comprised of local, Handydart, and Commuter transit.

##### **Electoral Area Services**

Electoral Area Services is comprised of grants in aid, animal control, building inspection, planning, bylaw enforcement, Cowichan and South Cowichan policing, environmental fund and all street lighting.

##### **Protective Services**

Protective Services is comprised of emergency planning, victim services, and all the fire departments.

##### **Parks and Recreation**

Parks and Recreation is comprised of all parks, all recreation centres, halls and societies, and the theatre.

##### **Environmental Services**

Environmental Services is comprised of the curbside garbage/recycling collection, solid waste site and environmental initiatives.

##### **Sewer & Water Utilities**

Sewer and Water utilities are comprised of all the drainage, water and sewer systems within the Regional District.

## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **19) Commitments**

##### **911 Agreement**

A five year agreement with the North Island 9-1-1 Corporation commenced June 28, 2021 to provide for emergency answering and fire dispatch services. Termination of this agreement requires 12 months notice prior to expiration. The 2024 commitment is \$298,394.

##### **BC Transit Corporation**

The Regional District's transit includes Handydart, Commuter, Youbou, Ladysmith and local service. A five year memorandum of understanding was signed in March 2022 for the new Nanaimo route. The remainder due on the 2023/2024 annual transit operating agreement and memorandum of understanding for these services is \$939,147.

##### **City of Duncan**

A five year agreement for the delivery of fire protection services to the Eagle Heights Fire Service Area, commenced December 2003 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2024 commitment is \$414,704.

##### **Town of Lake Cowichan**

A five year agreement for the delivery of fire protection services to the Cowichan Lake Fire Service Area, commenced March 2005 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2024 commitment is \$423,278.

##### **Island Corridor Foundation**

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

##### **Town of Ladysmith and Municipality of North Cowichan**

A five year agreement for the delivery of fire protection services to Saltair Fire Service Area commenced July 1972 and is currently running year to year. Termination of this agreement requires 12 months notice prior to expiration. The 2024 commitment is \$302,682.

##### **Regional Disposal**

A three year (with two year extension) agreement for the transportation of CVRD municipal solid waste, commencing March 2019. Termination of this agreement requires 180 days notice. The 2024 commitment is \$3,380,000.

## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **19) Commitments (continued)**

##### **Easy Living Landscape Ltd**

A three year agreement for landscaping services for CVRD parks was entered in to in December 2021 and commenced January 1, 2022. The 2024 commitment is \$792,715.

#### **20) Cowichan Valley Regional Hospital District**

The Cowichan Valley Regional Hospital District is related to the Cowichan Valley Regional District since the same individuals are members of the board of directors of both organizations. As legislated by the Hospital District Act, the officers and employees of the Regional District are the corresponding officers and employees of the hospital district. The Regional District and the Hospital District are separate legal entities as defined by the separate letters patent and authorized by separate legislation.

During the year, management and administrative support services supplied to the Hospital District by the Regional District totaled \$60,000 (2022 - \$60,000 ).

#### **21) Environmental Regulations**

The Regional District is subject to environmental regulations, which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

# COWICHAN VALLEY REGIONAL DISTRICT

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

### 22) Tangible Capital Assets

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

# COWICHAN VALLEY REGIONAL DISTRICT

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

### 22) Tangible Capital Assets (continued)

	Engineering Structures									
	Land	Buildings	Vehicles, Machinery and Equipment	Water Engineering Structures	Sewer Engineering Structures	Other Engineering Structures	Parks	Other Tangible Capital Assets	Work in Progress	2022 Total
<b>Cost</b>										
Opening Balance	\$ 56,031,471	\$ 52,498,833	\$ 26,822,323	\$ 49,419,472	\$ 43,489,653	\$ 1,173,151	\$ 22,629,727	\$ 17,896,673	\$ 9,925,800	\$ 279,887,103
Add: Additions	845,756	178,011	1,270,800	992,084	493,887	-	335,088	1,199,214	13,952,795	19,267,635
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(9,925,800)	(9,925,800)
Less: Disposals	(120,310)	-	(165,148)	-	-	-	-	-	-	(285,458)
Closing Balance	<u>56,756,917</u>	<u>52,676,844</u>	<u>27,927,975</u>	<u>50,411,556</u>	<u>43,983,540</u>	<u>1,173,151</u>	<u>22,964,815</u>	<u>19,095,887</u>	<u>13,952,795</u>	<u>288,943,480</u>
<b>Accumulated Amortization</b>										
Opening Balance	-	29,967,771	21,557,238	22,138,670	18,940,345	379,531	16,434,664	7,349,966	-	116,768,185
Add: Amortization	-	1,669,084	884,717	1,082,560	1,152,614	46,777	677,774	825,031	-	6,338,557
Less: Disposals	-	-	(156,154)	-	-	-	-	-	-	(156,154)
Closing Balance	<u>-</u>	<u>31,636,855</u>	<u>22,285,801</u>	<u>23,221,230</u>	<u>20,092,959</u>	<u>426,308</u>	<u>17,112,438</u>	<u>8,174,997</u>	<u>-</u>	<u>122,950,588</u>
Net Book Value December 31, 2022	<u>\$ 56,756,917</u>	<u>\$ 21,039,989</u>	<u>\$ 5,642,174</u>	<u>\$ 27,190,326</u>	<u>\$ 23,890,581</u>	<u>\$ 746,843</u>	<u>\$ 5,852,377</u>	<u>\$ 10,920,890</u>	<u>\$ 13,952,795</u>	<u>\$ 165,992,892</u>

**COWICHAN VALLEY REGIONAL DISTRICT**

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

**23) Short-term Debt**

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

Debt bears interest at variable rates which are paid monthly.

The weighted average interest rate at December 31, 2023 was 5.23% (December 31, 2022 - 2.49%).

Regular principal payments are not required but debt must be paid within five years of borrowing.

**COWICHAN VALLEY REGIONAL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
202331, DECEMBER ENDED YEAR THE FOR**

**24) Long-term Debt**

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



**COWICHAN VALLEY REGIONAL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
202331, DECEMBER ENDED YEAR THE FOR**

**24) Long-term Debt (continued)**

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

## **COWICHAN VALLEY REGIONAL DISTRICT**

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

#### **25) Financial risk**

##### **(a) Credit risk:**

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

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

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

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

##### **(b) Liquidity risk:**

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

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

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

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

##### **(c) Market risk:**

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

**COWICHAN VALLEY REGIONAL DISTRICT**

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

**25) Financial risk (continued)**

(i) Foreign exchange risk:

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

(ii) Interest rate risk:

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

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

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

**COWICHAN VALLEY REGIONAL DISTRICT**

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

**26) Segment Disclosure**

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

## COWICHAN VALLEY REGIONAL DISTRICT

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

#### 26) Segment Disclosure (continued)

	General Government Services	Vancouver Island Regional Library	Transportation Services	Electoral Area Services	Protective Services	Parks and Recreation	Environmental Services	Sewer and Water Utilities	2022 Consolidated
<b>Revenues</b>									
Tax Requisition	\$ 4,230,715	\$ 2,190,494	\$ 3,005,994	\$ 4,953,448	\$ 4,351,128	\$ 18,681,132	\$ 8,174,602	\$ 77,841	\$ 45,665,354
User Fees	-	-	-	2,464	-	(23,709)	1,271,162	3,572,858	4,822,775
Parcel Taxes	-	-	-	34,100	-	19,750	-	2,938,247	2,992,097
Government Transfers - Provincial	540,387	-	475,762	137,775	991,280	1,153,736	299,481	390,377	3,988,798
Government Transfers - Federal	1,886,758	554	441	1,294	260	4,001	382,564	20	2,275,892
Services Provided Other Local Govt	-	-	-	-	62,400	-	-	-	62,400
Revenue from Own Sources	789,895	-	813,554	1,469,679	36,232	4,039,732	5,236,188	12,232	12,397,512
Other Revenue	312,197	-	7,903	171,693	143,704	623,559	804,264	480,861	2,544,181
Interest Income	932,373	-	-	8,496	74,105	154,227	32,081	84,778	1,286,060
Donations	-	-	-	-	6,000	657,638	-	1,122,444	1,786,082
Services Provided to Other Functions	50,018	-	-	7,871	-	(14,871)	(668,778)	625,760	-
	<u>8,742,343</u>	<u>2,191,048</u>	<u>4,303,654</u>	<u>6,786,820</u>	<u>5,665,109</u>	<u>25,295,195</u>	<u>15,531,564</u>	<u>9,305,418</u>	<u>77,821,151</u>
<b>Expenses</b>									
Operations and Maintenance	2,202,248	-	72,475	1,581,747	1,825,527	5,877,860	3,953,877	2,400,845	17,914,579
Wages and Benefits	6,379,231	-	156,331	3,076,400	901,305	10,265,599	3,576,210	2,301,640	26,656,716
Contract for Services	250,627	-	3,618,210	191,259	593,791	400,822	4,948,404	25,040	10,028,153
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	(290,075)	-	(290,075)
Debt Charges - Interest	62,737	-	-	1,924	15,891	262,300	209,957	130,444	683,253
Contributions to Community Facilities	-	-	-	-	-	125,584	-	-	125,584
Grants to Organizations	570,000	-	-	423,785	-	107,372	-	-	1,101,157
Library Services	-	2,150,072	-	-	-	-	-	-	2,150,072
Fire and Recreation Services Provided by Other Governments	-	-	-	-	820,716	372,743	-	-	1,193,459
Amortization	207,594	-	-	69,050	471,663	2,328,693	915,657	2,345,900	6,338,557
Contributions to Third Party Capital	-	-	-	-	-	-	-	12,161	12,161
	<u>9,672,437</u>	<u>2,150,072</u>	<u>3,847,016</u>	<u>5,344,165</u>	<u>4,628,893</u>	<u>19,740,973</u>	<u>13,314,030</u>	<u>7,216,030</u>	<u>65,913,616</u>
Net Annual Surplus/(Deficit)	<u>\$ (930,094)</u>	<u>\$ 40,976</u>	<u>\$ 456,638</u>	<u>\$ 1,442,655</u>	<u>\$ 1,036,216</u>	<u>\$ 5,554,222</u>	<u>\$ 2,217,534</u>	<u>\$ 2,089,388</u>	<u>\$ 11,907,535</u>

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

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

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

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

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

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



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

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

**COWICHAN VALLEY REGIONAL DISTRICT****SCHEDULE B**

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

Opening Balance, December 31, 2022 \$ 221,490

**Eligible Costs Incurred:**

General Government Services (136,070)

Protective Services (91)

Parks and Recreation (9,600)

Total Eligible Costs Incurred (145,761)

Ending Balance, December 31, 2023 \$ 75,729

**COWICHAN VALLEY REGIONAL DISTRICT****SCHEDULE C**

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

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