



**CVRD**  
BRITISH COLUMBIA

2020

# ANNUAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2020





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# LETTER

## FROM THE BOARD CHAIR

On behalf of the Cowichan Valley Regional District (CVRD) Board of Directors, I am proud to share the 2020 Annual Report.

Now more than halfway through our 2018-2022 term of office, the CVRD has made tremendous progress on a number of key initiatives. 2020 was a challenging year for our Board, and the organization as a whole, as we responded to the unprecedented COVID-19 global pandemic. I am proud to say that through the sharing of our values, goals and priorities, the Board was able to finalize and adopt a 2020-2022 Strategic Plan. The pandemic and its unparalleled impact on our lives was top of mind for us as we drafted this guiding document, and it continues to play a major role as we provide governance and leadership to our communities and the region at large.

Looking back at 2020, this document provides highlights of our progress towards the strategic focus areas of the 2020-2022 Strategic Plan. While it does not encapsulate all of the incredible work done by the CVRD over the last year to continue service provision and advance new projects and initiatives, the Annual Report allows us to showcase some of our major achievements and progress on the action items of our new Strategic Plan. It's intended to build public confidence that our Board priority projects can progress in a timely manner, such as those associated with protection of our precious water resources, effective regional land use planning, and responsible, transparent management of our assets and finances.

Water supply, climate change adaptation and environmental matters continue to be priorities for our region. Engaging citizens, fiscal responsibility, and a renewed focus on core services remain key focus areas for the Board in this term. Our diverse Board is united by our cautious optimism for the future of our region, our enthusiasm to deliver timely and efficient services, and our commitment to fostering engaged communities and informed residents. While this annual report outlines what we accomplished in 2020, it also speaks to the importance of moving forward and planning ahead.

I am extremely proud of our ability to continue service delivery through 2020, while we shifted and adapted to constantly changing circumstances. While there are many indications that the worst of this pandemic is behind us, I anticipate our recovery from it will be a prevalent theme throughout the duration of this term of office. I am also in awe of our ability as a region of diverse and distinct communities to come together during these trying times to support one another, and it gives me great hope for the future. And I am confident that our Board, with the support of our dedicated staff across the region, will work together each and every day to ensure a high quality of life for our residents.



**Chairperson, Cowichan Valley Regional District**  
**Aaron Stone**



## CVRD DIRECTORS

<b>AREA A</b> Mill Bay/Malahat: Blaise Salmon	<b>AREA F</b> Cowichan Lake South/ Skutz Falls: Ian Morrison, Vice Chair	<b>TOWN OF LAKE COWICHAN</b> Tim McGonigle	<b>FIRST NATIONS TERRITORIES</b> Cowichan Tribes Stz'uminus First Nations The Penelakut Tribe Ditidaht First Nation Malahat First Nation Pacheedaht First Nation Halalt First Nation Lyackson First Nation Lake Cowichan First Nation
<b>AREA B</b> Shawnigan Lake: Sierra Acton	<b>AREA G</b> Saltair/Gulf Islands: Lynne Smith	<b>TOWN OF LADYSMITH</b> Aaron Stone, Chair	
<b>AREA C</b> Cobble Hill: Mike Wilson	<b>AREA H</b> North Oyster/Diamond: Vacant Alternate: Colin Haime	<b>CITY OF DUNCAN</b> Michelle Staples	
<b>AREA D</b> Cowichan Bay: Lori Iannidinardo	<b>AREA I</b> Youbou/Meade Creek: Klaus Kuhn	<b>MUNICIPALITY OF NORTH COWICHAN</b> Al Siebring	
<b>AREA E</b> Cowichan Station/ Sahtlam/Glenora: Alison Nicholson		<b>MUNICIPALITY OF NORTH COWICHAN</b> Debra Toporowski	



# LETTER

## FROM THE CAO

I am pleased to submit the Cowichan Valley Regional District (CVRD) 2020 Annual Report. It is an opportunity to reflect upon 2020 and share our accomplishments with the public and our stakeholders.

The CVRD provides over 180 separate services to approximately 83,000 residents in four municipalities and nine electoral areas. Featuring a mosaic of distinct and unique communities, each with their own identities and aspirations, the regional district includes a rapidly growing population in the semirural southern electoral areas, the urban amenities and energy of our municipalities, and the more rural atmosphere of our western and northern communities. The CVRDs team of experienced professionals are committed to serving our residents. From providing technical expertise at community engagement sessions, to garbage/recycling management, emergency management, economic development, regional parks, recreation, land use planning, bylaw enforcement, fire protection, and water and sewer system planning and maintenance, CVRD staff consistently provide professional and dedicated service.

The CVRD Board of Directors and staff are guided by the 2020- 2022 Strategic Plan, which ensures appropriate effort is placed on continuing to provide quality service to our residents while protecting our water resources and planning for a sustainable region now and into the future. The plan also responds to the COVID-19 epidemic and its impacts on area residents and the CVRD organization. It has been a challenging year for everyone and I am proud of our staff for being flexible and responsive so that we were able to continue offering services to our residents through 2020.



**Chief Administrative Officer**  
**Brian Carruthers**

## REGIONAL SNAPSHOT

### Size of region

**3,473 km<sup>2</sup>**

### Population

**83,739** 45% in electoral areas (37,356)  
55% in municipalities (46,383)

### Population density per km<sup>2</sup>

**24.1**

### Population growth (since 2011)

**4.2%**

### Average age

**45.7**

### Number of households

**35,275**

### Average household income

**\$65,191**

### LARGEST INDUSTRIES

- Retail
- Health Care and Social Assistance
- Construction
- Education
- Public Administration

### LARGEST EMPLOYERS

- Catalyst Paper Corporation
- School District #79 (Cowichan Valley)
- Cowichan Tribes





## ORGANIZATIONAL STRUCTURE





# INITIATIVES



## COWICHAN LAKE WEIR DESIGN

Significant work continued towards establishing a new weir on Cowichan Lake, made possible by a \$4 million grant from the BC Salmon Restoration and Innovation Fund (BCSRIF). Through the partnership created between Cowichan Tribes, Paper Excellence, the Cowichan Watershed Board and the CVRD, an engagement process was launched with the public and stakeholder groups to identify and rank potential community benefits associated with the project, including white water recreation and a pedestrian platform across the new weir.



## FLOODING EMERGENCY RESPONSE

In early February, heavy sustained rains across the Cowichan region led to the response to major flooding event that impacted several low-lying areas of the region. Most significantly impacted was the Crofton area of North Cowichan and the Halalt First Nation, where over two dozen residents were evacuated sub.



## COWICHAN DISTRICT HOSPITAL

The project was officially green-lighted by the Province of BC in late 2020, with provincial funding set aside in the budget and Island Health project staff launching the first phase of procurement for the \$800+ million project. Following that news, in early 2021 a land transfer ceremony was held on the site of the new hospital with representatives from Cowichan Tribes, the Cowichan Valley Regional Hospital District and Vancouver Island Health Authority, a symbolic milestone for the project.



## COMMUNITY SATISFACTION SURVEY

The results of a region-wide scientific survey were released in early 2020, confirming that residents of the Cowichan Valley are highly satisfied with their quality of life. A total of 669 residents participated in a statistically valid survey, with another 419 residents completing a similar online survey. Overall, residents reported a high-level of satisfaction with CVRD services, with Parks & Trails identified as the most important service delivered by the CVRD. Residents also identified homelessness as the single most important issue facing the region, followed by climate change, cost of living and Cowichan River water levels.



## AFFORDABLE HOUSING PROJECT SUPPORT

A new housing development in Ladysmith was the first to receive financial contribution through the Cowichan Valley Regional District's affordable housing service. The Ladysmith Resource Centre Association is leading a residential development of 36 units for low and moderate-income families, seniors and persons with a developmental disability. The estimated cost of the proposed development is \$10,308,822, with \$317,000 coming from the CVRD Housing Trust Fund.



## PANDEMIC RECOVERY PLANNING

In response to the unparalleled economic impact of the COVID-19 pandemic, a partnership was initiated between Economic Development Cowichan, the Duncan Cowichan Chamber of Commerce and Community Futures Cowichan, to conduct a Post-Disaster Needs Assessment. Businesses across the region participated in a survey designed to measure the impact of the COVID-19 event on business operations in the Cowichan, providing these agencies and local governments with important data to focus support efforts at a local level.



## FIRE SERVICE MUTUAL AID AGREEMENT

2020 saw the establishment of an important agreement to ensure all Cowichan communities have back-up emergency response assistance. The Cowichan Valley Fire Department Regional Mutual Aid Agreement creates a no-charge reciprocal system of emergency response and assistance available to all 17 local fire departments throughout the region, and represents the first time a single, regional agreement has been established.

Two months after the Agreement was ratified, it was put to use when over 70 firefighters from departments across the CVRD and Regional District of Nanaimo responded a major industrial fire at Schnitzer Steel near the Nanaimo Airport.



## REGIONAL CHILDCARE PLAN

Together with its partner municipalities, the CVRD led a coordinated local government approach to develop the Cowichan Region Childcare Plan. Major findings of the project are that the region currently has only a 22% childcare coverage rate for children 0 – 12, with the greatest need identified for infants and toddlers (aged 0 – 2). Cost and availability of spaces are major barriers for families in the region. The regional plan makes a number of recommendations, including the increased availability of spaces, extended hours to accommodate shift work, and greater cultural diversity across childcare centres.



## STRATEGIC PLAN ADOPTION

After 18 months of discussion and deliberation, in November 2020 the Board of Directors for the CVRD adopted a strategic plan to guide the duration of their term of office and support recovery from the COVID-19 pandemic. The Strategic Plan 2020-2022 presents a series of strategic objectives chosen by the Board to address the opportunities and challenges facing the regional community, and forms the basis of the 2020 Annual Report. Focus areas of the plan include the economic impacts of COVID 19, changes to climate, the health of Cowichan ecosystems and water resources, and the need for progressive growth management. Opportunities for reconciliation with First Nations are also reflected in the Board's objectives, as are resident expectations related to meaningful engagement, cost effective services, and strong fiscal accountability.



# STRATEGIC FOCUS AREAS





## OUR LIVELIHOODS

*Create opportunities aimed at building economic prosperity in our communities, and for all of our residents across the entire region.*

### ECONOMIC DEVELOPMENT INITIATIVES

In 2020, Economic Development Cowichan (EDC) played a significant leadership role in the region, launching numerous initiatives aimed at strengthening resilience in the business community. Early in the year, EDC hosted a virtual education session about creating a thriving 'circular economy' in the Cowichan Valley, based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. Later in the year, the Cowichan Talks Tech two-day workshop brought established and burgeoning entrepreneurs together to focus on technology, trends and opportunities for business innovation.

As the pandemic took hold in the spring, EDC was active in the regional emergency response led by the CVRD and provided valuable information and connections to create local supplies of hand sanitizer and personal protective equipment to essential business operations. It's partnership with business support agencies such as Chambers of Commerce, Business Improvement Associations and Community Futures, on the Post-Disaster Needs Assessment Survey enabled ongoing data collection to guide those agencies response and support where it was needed most in the Cowichan business community.

The hiring of an Economic Development Analyst in 2020 brought additional experience to the regional service. With additional funding to add a second Analyst position in 2021 to further strengthen and enhance economic recovery following the pandemic.

### SOCIAL VALUES DIRECTORY

In 2020 the CVRD also made significant progress to establish 'social procurement' within its day-to-day purchasing and contracting, as a Coastal Communities Social Procurement Initiative (CCSPI) member. In early 2021, the CVRD began developing a directory of local businesses that deliver community values, which will be used for more immediate, lower value, routine purchasing needs. This will make it easier for local, community-minded businesses to participate in regional district purchasing opportunities, and enables local tax dollars to be reinvested into the Cowichan region.





# OUR COMMITMENTS

*Honour our commitments to Smart Growth management, local First Nations, meaningful community engagement, and significant climate action. Promote climate action initiatives, reduce our own greenhouse gas emissions, and protect our communities from the adverse impacts of climate change.*

## IMPROVING GOVERNANCE CAPACITY

In 2020 the CVRD Board of Directors participated in a number of training sessions and workshops to collectively improve their governance capacity. This included participating in Effective Decision-Making training and attendance at Local Government Leadership Academy programs. Additional training is slated for 2021 in an ongoing effort to develop the Board's governance skills and competencies.

## ENHANCING COMMUNITY ENGAGEMENT

In recognition of the growing demand for meaningful and innovative public engagement opportunities, the CVRD Board approved additional funding in the 2021 to support the creation of a second full-time position within its Communication & Engagement function. This increased staffing will better enable the continuous improvement of these efforts and through greater in-house expertise and capacity to support the many major CVRD-led projects underway and on the horizon.

## COWICHAN WEIR REPLACEMENT

Significant work was completed in the feasibility and engineering stages for the replacement of water storage infrastructure on Cowichan Lake. In early 2020 public input was gathered design criteria for visual and recreational objectives, and the preliminary weir design was completed. In the second half of the year, the recommended final design was developed, which will be presented to the public in July 2021. The second half of the year also saw work also begin on the shoreline assessment project, the first component of which is a survey of the present natural boundary of Cowichan Lake. The next phase of that project will be modelling to understand how both climate change and the new, higher Cowichan Lake Weir could affect the shoreline and impact shorefront property.







### NATURAL HAZARD RISK ASSESSMENT

In 2020 the CVRD completed a range of Nature Hazard Risk Assessment for flood, sea level rise and slope failure to determine potential impacts to some of our communities. This included an update of the CVRD watershed webmap to visually shows the extent of natural hazard risk assessments completed. An example of this work was the updated Youbou Area Geohazard Risk Assessment, which used high-resolution LiDAR data to model landslide runouts from the steep slopes above Youbou and Lake Cowichan.

Updated flood mapping and assessments was also completed for Shawnigan Lake, Cowichan River (Riverbottom area), and the lower Cowichan/Koksilah floodplain. Additional floodplain mapping will continue in 2021 with the Chemainus River, as will coastal slope stability assessments in specific oceanfront areas of concern.

### CLIMATE ADAPTATION

In 2020 the CVRD Climate Change Adaptation and Risk Management Strategy was endorsed by the Board of Directors. The strategic document proposes key actions to improve the resiliency of infrastructure, increase community health and emergency management, increase green growth and sustainable development and enhance local biodiversity. The implementation of the strategy will enable local governments, organizations and the public to become more prepared.



# OUR INFRASTRUCTURE

*Work within our financial means to provide and maintain the infrastructure systems required to meet the needs of our communities.*

## ASSET MANAGEMENT PLANNING

In early 2020, the CVRD adopted the Corporate Strategic Asset Management Plan, and implementation of the plan officially began. This multi-year organizational improvement initiative includes the development of Sustainable Service Delivery Plans for each asset system, with financial strategies to address infrastructure renewal and maintenance requirements, bringing greater efficiencies and predictability to how CVRD manages infrastructure operations and decision making.

To increase knowledge, improve capabilities and aid in the Asset Management implementation, CVRD staff have participated in the Certified Asset Management Professional program through the PEMAC Asset Management Association of Canada, and the Asset Management Planning Certificate through NAMSCanada. This has enabled the CVRD to continue building in-house subject matter expertise to better integrate Asset management principals in into daily activities.

In 2020 the CVRD was also acknowledged for its work in asset management by the BC Community Energy Association with a Climate Adaptation Award, which recognized the innovative approach of developing a climate change risk assessment framework for its infrastructure. This approach enables the CVRD to consider and develop risk-mitigating activities for climate change impacts as part of its asset management planning.

In 2020 the CVRD Board approved funding for the procurement of an asset management software system to monitor and manage asset inventories, link infrastructure data to GIS and automate maintenance activities. The implementation of the new software is planned to start in mid-2021, and will greatly enhance the ability for CVRD to further implement asset management best practices.





### INTER-REGIONAL TRANSIT ENHANCEMENT

The new \$16.2 M Cowichan Valley Regional Transit System operations and maintenance facility located in the Koksilah business park had its grand opening celebration in March 2020. The new 4.5-acre site will allow for future growth to accommodate up to 50 buses to support the conventional, handyDART and commuter services. In addition to providing for transit service operational efficiencies, the sustainable building design supports greenhouse gas reduction targets and includes base infrastructure to accommodate future compressed natural gas fleet and a fueling station.

Stakeholder and public engagement for the CVRD – Regional District of Nanaimo (RDN) inter-regional transit initiative was also launched in 2020, with nearly 2,000 participants responding to a BC Transit-led survey. Planning for the inter-regional route continues in 2021 with the results of the public engagement process having been presented to CVRD Board committees in early 2021. The service is targeted for implementation in 2022 pending a formal agreement between the partners, secured additional buses and confirmed provincial government funding.

### ACTIVE TRANSPORTATION PLANNING

The CVRD worked with BC Ministry of Transportation and Infrastructure to complete an active transportation framework between Vancouver Island and Sunshine Coast regional Districts. The Board approved the MOU between the partner governments, which enables the development of roadside pathways within the electoral areas of the CVRD. In early 2021 the CVRD also began work to develop a Regional Active Transportation Plan that reflects the priorities of the four municipalities and nine electoral areas. It's anticipated that the first phase of public engagement for the project will commence in mid-2021 to seek resident input on priority areas and connections.

### FISCAL STEWARDSHIP

In 2020, the Finance division of the CVRD introduced quarterly reporting to the Board of Directors for capital projects and those functions that were most impacted by COVID restrictions. This new reporting was well timed as it provided transparency to how revenues were reduced for services like CVRD recreation centres, the Cowichan Performing Arts Centre, and transit.

Early on in the pandemic, the CVRD developed a COVID cost centre as a way to track costs for potential recovery funding at a later date. The establishment of this cost centre meant that as soon as funding was announced by the Province, those functions that were most impacted we were able to get immediate relief in the amount of \$600,000 to support those impacted services.

Unlike municipalities, most regional districts were unable to adjust their budgets at the onset of the pandemic, therefore tax requisitions for all CVRD functions remained at pre-approved amounts. While this was not ideal for providing taxpayer relief, it did help maintain services throughout the duration of the pandemic, which exceeded the calendar year of 2020, ensuring better service recovery in 2021.



# OUR COMMUNITIES

*Work to enhance the livability of our communities for residents of all backgrounds and income levels.*

## UNIFIED OFFICIAL COMMUNITY PLAN

In 2020 the CVRD continued a major strategic initiative to harmonize and modernize the seven Electoral Area Official Community Plans (OCPs) and eight Zoning Bylaws to create one unified OCP and Zoning Bylaw for all Electoral Areas. The single OCP creates standardized information that enables clear, consistent and flexible policy, regulation and guidelines to ensure efficient and cost-effective decision-making.

Following a full year of review and refinement, the unified OCP was given second reading by the CVRD Board in December, and referred to the electoral area Advisory Planning Commissions (APCs) and a number of external agencies for comment. After incorporating all suggested revisions, presentations to the APCs, Cowichan Tribes and Lyackson First Nation were delivered in early 2021 and it is anticipated the amended OCP and zoning bylaw will go to public hearing in the fall of 2021.

Once the harmonized OCP and Zoning Bylaw has been adopted by the CVRD Board, they will be fine-tuned through a modernization process to ensure they are aligned with emerging land use issues in the region.

## REGIONAL HOUSING NEEDS ASSESSMENT

In 2020 the CVRD completed a Regional Housing Needs Assessment (HNA) in partnership with its member municipalities. In addition to one overarching report for the Cowichan region, specific findings for each electoral area and municipalities within the CVRD were portrayed in sub-regional reports. The study determined that the regional population is expected to grow by 14% over the next five years, requiring the addition of 1,500 new homes and/or rental units. The HNA will help local governments understand what kinds of housing are most needed in our communities now and in the future, which will help inform official community plans, housing objectives and policies, and development decisions.

## DEVELOPMENT SERVICES MODERNIZATION

In 2020 the CVRD Board approved funding of approximately \$380,000 to advance the implementation of a land management and development tracking software system, a key component to modernize the development approval function of land use services. The development services modernization process, launched in early 2021, will be a two-year comprehensive review of CVRD development application processes to incorporate best practices as well as feedback through engagement with development industry stakeholders. The CVRD is hopeful to receive additional grant funding in 2021 to support the continuation of this work.





## OUR ENVIRONMENT

*We are committed to protecting our natural assets and diverse ecosystems for the benefit of the entire region, including its natural environment, and the current and future generations of people who choose to live here.*

### DRINKING WATER & WATERSHED PROTECTION

In 2020 the CVRD Drinking Water and Watershed Management strategy was endorsed by the Board. This strategy defines the key focus areas of the new Drinking Water & Watershed Protection (DWWP) service for the next ten years. Last year also saw the development and Board approval of a permanent Regional Surface Water Quality Monitoring Strategy for all regional watersheds. Locations for water sampling have been identified and sampling is anticipated to begin in late 2021.

Water quality targets were also developed for the Cowichan Bay benchlands watershed and the Mill Bay area. These watersheds have been priorities of the CVRD for some years, and the work done was helpful to move other pieces of the DWWP service forward.

In 2020 the CVRD also formally established the Cowichan Watershed Board (CWB) and The Shawnigan Basin Society (SBS) as strategic partners. The CWB received funding through the DWWP service to continue work on public outreach, support the CVRD and Cowichan Tribes in achieving long term solutions to the Cowichan River water supply issue and to further clarify the relationship between the organizations. The SBS received funding to provide support to the CVRD in the development of a standardized watershed management planning framework that can be applied to the region's watersheds.

### REGIONAL PARKS AND TRAILS

In 2020 the CVRD Board increased the 2021 budget for the Regional Parkland Acquisition fund to \$750,000, after a significant decrease in funding for the service in previous years. This increase to previous funding levels realigns the acquisition fund with the Parks & Trails Master Plan, and reflects the public desire and objectives of the plan to increase the number of outdoor recreation spaces as well as protect sensitive natural ecosystems and significant representative landscapes.

A dramatic increase in the use of CVRD parks was also evident during 2020, as outdoor spaces across the Cowichan region provided respite for residents to safely recreate and explore outdoor spaces. Overall, the CVRD parks surveyed saw a 34% increase in park visitations, including the Cowichan Valley Trail. The pandemic also saw increased frequency of cleaning schedules to ensure clean surfaces and meet provincial guidelines for COVID-19.





# LETTER

I am pleased to submit the Cowichan Valley Regional District's Annual Report. The purpose of this report is to present the financial results for the fiscal year ended December 31, 2020 including the Audit Report, Consolidated Financial Statements, and supplementary information for the year ended December 31, 2020.

FINANCIAL STATEMENTS

The financial statements are the responsibility of the CVRD's management and have been prepared in compliance with Section 376/377 of the Local Government Act and Section 167 of the Community Charter and in accordance with Generally Accepted Accounting Principles approved by the Public Sector Accounting Board and the Chartered Professional Accountants of Canada. The CVRD maintains a system of internal accounting controls, including policies and procedures, designed to safeguard the assets of the regional district as well as provide timely and reliable financial information.

The 2020 Financial Statements have been audited by BDO Canada LLP, the CVRD's independent external auditor, who have expressed that in their opinion these statements present fairly, in all material aspects, the financial position of the Regional District as at December 31, 2020. The Independent Auditor's Report appears immediately following this letter.

STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGE IN NET DEBT

In 2020, the CVRD's financial position maintained stable with a change in the net financial asset position of \$9.49 million going to \$24.54 million. The increase was related to an increase in cash resulting from, increase in operating reserves, fewer capital projects, and increased grant funding.

The CVRD's long-term debt decreased by \$1,218,688 and short-term debt decreased by \$928,114. Member municipalities' debt decreased by \$2.44 million in 2020 which are offset by a decrease to financial assets in the form of debt recoverable from members and has no net effect on annual operating surplus and accumulated surplus.

Non-financial assets increased slightly in 2020 to \$161.1 million (2019 - \$157.2 million) as a result of an increase in tangible capital 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 business. The capital program was budgeted for \$23.0million in 2020 with \$8.15 million expended in capital enhancement and repairs. Some of these projects will continue to completion in 2021. Capital expenditures were primarily financed through reserves, grants, debt, and taxation.

STATEMENT OF OPERATIONS

The accumulated surplus (revenues less expenses) was \$13.2 million in 2020 compared to \$9.63 million in 2019. The increase to accumulated surplus was the result of additional grant revenue in conjunction with a decrease in expenses for services that were impacted by COVID, primarily Parks and Recreation.

The annual operating surplus of \$13.2 million translates to a corresponding increase in accumulated surplus from \$172.4 million to \$185.6 million. This increase is primarily due to an increase in equity in tangible capital assets as well as a decrease in future liabilities such as landfill closure costs.

Significant financial indicators to highlight for 2020 are as follows:

- Short-term Debt (Note 12 & 25) decreased \$928,114 (29.1%) in 2020 from 2019;
- Long-term Debt (Note 12 & 26) decreased \$1,218,688 (7.6%) in 2020 from 2019;
- The regional district's operating surplus fund increased by \$6.2 million (34.2%)

THE FINANCIAL PLANNING PROCESS

The Local Government Act Sections 374 and 375 require regional districts to complete a five-year financial plan and institute a public participation process to explain the plan. The financial plan in the form of a bylaw must be adopted by March 31 of each year. On February 10, 2021 the Board adopted the 2021-2025 Financial Plan as part of its financial planning process. The regional district has adopted a budget calendar that includes earlier adoption of the budget to allow for an improved capital spending process.

The regional district approved 32 new capital projects in the 2021-2025 Financial Plan resulting in over \$11 million budgeted in 2020 for capital projects. More than half of this (70%) is budgeted for projects for the regions' water and sewer utilities.

The remainder of the expenditures are for capital improvements to our existing infrastructure such as the community recreation facilities, community parks and volunteer fire departments.

FINANCIAL OUTLOOK

On a macro-economic level, the declining Canadian dollar in 2020 resulted in certain expenses increasing in cost beyond initial budgets. It is difficult for a local government body to mitigate foreign currency risks as they are prohibited from making speculative investments for hedging purposes. Management continues to look at strategies to soften these impacts.

In 2020, due to COVID there was a moderate change in the Consumer Price Index decreasing by 1.5% to .8% for BC and by 1.4% to 1.1% for Victoria. The Bank of Canada's target rate for 2020 also decreased by 1.2% to 0.7%. Management also incorporates construction and municipal pricing indexes into budgets which are significantly impacted by changes in these sectors. The regional district is predominantly affected by rising fuel, energy, and wage costs. The CVRD continues to mitigate rising energy and fuel costs by employing strategic use of energy efficient products such as lighting as well as entering into cost reducing agreements with suppliers through partnerships with other local governments in order to achieve economies of scale.

As part of the Board's Strategic Focus area of Sound Fiscal Management, the regional district completed its Corporate Asset Management plan, identifying the infrastructure deficit. The regional district is now working on the implementation plan on how to fund the deficit in a strategic and sustainable manner. This will ensure that service levels are sustainable and infrastructure can be maintained at the lowest cost possible.

CONCLUSION

In keeping with the Board's Strategic Focus area of Sound Fiscal Management (specifically Budget Transparency and increasing awareness and confidence in the regional district's Five-year Financial Plan) the CVRD has completed the 2020 Annual Report. As a reflection of the regional district's commitment to excellence in financial management and reporting the annual report will be submitted to the Government Financial Officers Association for consideration of the Canadian Award for Financial Reporting.

On behalf of the CVRD, I would like to acknowledge all the members of the Board and staff for their contributions to a successful 2020. I would also like to recognize the remarkable team effort evident throughout the year resulting in this report and the information it contains.



Natalie Wehner, CPA, CMA  
Corporate Financial Officer  
Cowichan Valley Regional District  
June 7, 2021





2020

# FINANCIAL STATEMENTS



COWICHAN VALLEY REGIONAL DISTRICT

COWICHAN VALLEY REGIONAL DISTRICT

ELECTED AND APPOINTED OFFICIALS  
2020

FINANCIAL STATEMENTS  
DECEMBER 31, 2020

BOARD OF DIRECTORS

City of Duncan	M. Staples
Town of Ladysmith	A. Stone (Chair)
Town of Lake Cowichan	T. McGonigle
District of North Cowichan	K. Marsh
District of North Cowichan	A. Siebring
District of North Cowichan	D. Toporowski
Electoral Area "A" - Mill Bay/Malahat	B. Salmon (Vice-Chair)
Electoral Area "B" - Shawnigan Lake	S. Acton
Electoral Area "C" - Cobble Hill	M. Wilson
Electoral Area "D" - Cowichan Bay	L. Iannidinardo
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	L. Smith
Electoral Area "H" - North Oyster/Diamond	B. Maartman
Electoral Area "I" - Youbou/Meade Creek	K. Kuhn

Management's Responsibility for Financial Reporting  
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OFFICERS

Chief Administrative Officer	B. Carruthers
Corporate Legislative Officer	A. Legault
Corporate Financial Officer	N. Wehner





175 Ingram Street  
Duncan, BC V9L 1N8  
www.cvr.bc.ca

Office: 250.746.2500  
Fax: 250.746.2513  
Toll Free: 1.800.665.3955

Management's Responsibility for Financial Reporting

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors are composed of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management including internal controls over the financial reporting process, auditing matters and financial reporting issues.

BDO Canada LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to management and the Board to discuss their audit findings.

Natalie Wehner, CPA, CMA  
Corporate Financial Officer

Brian Carruthers  
Chief Administrative Officer

April 28, 2021





Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
Unit 1100 -Royal Centre  
1055 West Georgia Street P.O. Box 11101  
Vancouver, BC V6E 3P3 Canada

Independent Auditor’s Report

To the Board of Directors of the Cowichan Valley Regional District

Opinion

We have audited the financial statements of the Cowichan Valley Regional District (“CVRD”) which comprise the Statement of Financial Position as at December 31, 2020 and the Statements Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, CVRD financial statements present fairly, in all material respects, the financial position of CVRD as at December 31, 2020 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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



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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

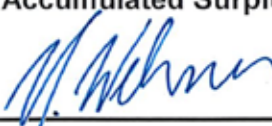
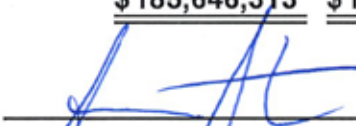
*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
May 4, 2021

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COWICHAN VALLEY REGIONAL DISTRICT		STATEMENT 1
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020		
	2020	2019
<b>Financial Assets</b>		
Cash & Cash Equivalents (Note 1)	\$ 30,396,877	\$ 35,181,544
Portfolio Investments (Note 2)	15,348,092	5,247,451
Accounts Receivable (Note 3)	4,665,501	3,074,622
Land Held for Resale	-	398,000
Debt Recoverable from Members (Note 4)	37,028,959	39,464,472
	<u>\$ 87,439,429</u>	<u>\$ 83,366,089</u>
<b>Liabilities</b>		
Accounts Payable & Accrued Liabilities (Note 6)	\$ 4,605,148	\$ 4,675,233
Deferred Revenue (Note 7)	1,320,464	2,174,877
Restricted Contributions and Performance Deposits (Note 8)	1,693,399	1,852,910
Employee Future Benefits (Note 9)	191,127	234,606
Landfill Closure and Post Closure Costs (Note 11)	989,481	692,418
Short-term Debt (Note 24 & 12)	2,254,619	3,182,733
Long-term Debt		
Regional District (Note 25 & 12)	14,815,466	16,034,154
Members (Note 4)	37,028,959	39,464,472
	<u>\$ 62,898,663</u>	<u>\$ 68,311,403</u>
<b>Net Financial Assets</b>	<u>\$ 24,540,766</u>	<u>\$ 15,054,686</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 23)	\$161,006,844	\$157,201,155
Inventories	22,987	37,619
Prepaid Expenses	75,716	124,939
	<u>161,105,547</u>	<u>157,363,713</u>
<b>Accumulated Surplus (Note 17)</b>	<u><b>\$185,646,313</b></u>	<u><b>\$172,418,399</b></u>
		
Natalie Wehner, CPA, CMA Corporate Financial Officer		
		
Aaron Stone Chairperson		

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

COWICHAN VALLEY REGIONAL DISTRICT		STATEMENT 2	
STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020			
	2020 Budget (Note 16)	2020 Actual	2019 Actual
Revenues			
Tax Requisition	\$ 42,696,820	\$ 42,808,496	\$ 40,717,383
User Fees	5,285,663	4,475,660	4,542,802
Parcel Taxes	2,642,020	2,601,250	2,524,310
Government Transfers - Provincial	7,023,553	4,825,965	2,629,452
Government Transfers - Federal	3,739,990	3,353,423	4,313,795
Services Provided to Other Local Governments	59,221	59,221	63,871
Revenue from Own Sources	9,558,116	8,608,159	10,579,222
Other Revenue	1,559,467	1,889,468	1,937,057
Interest Income	101,193	386,942	611,357
Donations	10,060	2,339,461	787,021
	<u>\$ 72,676,103</u>	<u>\$ 71,348,045</u>	<u>\$ 68,706,270</u>
Expenses (Note 26)			
General Government Services	9,149,910	7,897,985	7,832,419
Vancouver Island Regional Library	2,021,109	2,021,109	1,925,176
Transportation Services	3,789,178	2,927,404	3,143,180
Electoral Area Services	5,127,256	4,393,583	4,709,690
Protective Services	3,761,767	3,907,311	3,634,190
Parks and Recreation	17,921,347	17,217,099	19,913,685
Environmental Services	13,957,214	13,418,042	11,839,052
Sewer and Water Utilities	5,454,517	6,337,598	6,077,085
	<u>\$ 61,182,298</u>	<u>\$ 58,120,131</u>	<u>\$ 59,074,477</u>
Annual Surplus	\$ 11,493,805	\$ 13,227,914	\$ 9,631,793
Accumulated Surplus, Beginning of Year	<u>172,418,399</u>	<u>172,418,399</u>	<u>162,786,606</u>
Accumulated Surplus, End of Year (Note 17)	<u>\$183,912,204</u>	<u>\$185,646,313</u>	<u>\$172,418,399</u>

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



COWICHAN VALLEY REGIONAL DISTRICT		STATEMENT 3	
STATEMENT OF CHANGES IN NET DEBT FOR THE YEAR ENDED DECEMBER 31, 2020			
	2020 Budget (Note 16)	2020 Actual	2019 Actual
Annual Surplus	\$ 11,493,805	\$ 13,227,914	\$ 9,631,793
Additions of Tangible Capital Assets	-	(8,152,922)	(9,277,995)
Contributed Tangible Capital Assets	-	(2,319,205)	(530,231)
Amortization of Tangible Capital Assets	-	6,666,438	6,852,800
(Gain)/Loss on Disposal of Tangible Capital Asset	-	-	24,817
Change in Inventories	-	14,632	(6,864)
Change in Prepaid Expenses	-	49,223	67,803
Increase in Net Assets	11,493,805	9,486,080	6,762,123
Opening Financial Assets	15,054,686	15,054,686	8,292,563
Closing Financial Assets	\$ 26,548,491	\$ 24,540,766	\$ 15,054,686

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

COWICHAN VALLEY REGIONAL DISTRICT		STATEMENT 4	
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020			
	2020	2019	
OPERATING ACTIVITIES			
Annual Surplus	\$ 13,227,914	\$ 9,631,793	
Non-cash items included in surplus			
Amortization of Tangible Capital Assets	6,666,438	6,852,800	
Contributed Tangible Capital Assets	(2,319,205)	(530,231)	
Loss on Disposal of Tangible Capital Asset	-	24,817	
Debt Actuarial Adjustment	(491,826)	(460,468)	
Employee Future Benefits	(43,479)	(77,433)	
Landfill Closure and Post Closure Costs	297,063	(93,940)	
Change in non-cash working capital balances related to operations			
Accounts Receivable	(1,590,879)	(739,197)	
Inventories	14,632	(6,864)	
Prepaid Expenses	49,223	67,803	
Accounts Payable and Accrued Liabilities	(70,085)	253,595	
Deferred Revenue	(854,413)	101,446	
Restricted Contributions and Performance Bonds	(159,511)	(33,353)	
Land Held for Resale	398,000	(251,000)	
Cash provided by operating activities	15,123,872	14,739,768	
CAPITAL ACTIVITIES			
Acquisition of Tangible Capital Assets	(8,152,922)	(9,277,995)	
Cash used in capital activities	(8,152,922)	(9,277,995)	
INVESTING ACTIVITIES			
Investment in Portfolio Investments	(10,100,641)	(95,876)	
Cash provided by investing activities	(10,100,641)	(95,876)	
FINANCING ACTIVITIES			
Debt Issued	508,445	5,514,175	
Debt Repayment	(2,163,421)	(3,467,393)	
Cash provided by (used in) financing activities	(1,654,976)	2,046,782	
Increase (Decrease) in cash	(4,784,667)	7,412,679	
Cash - Beginning of Year	35,181,544	27,768,865	
Cash - End of Year (Statement 1)	\$ 30,396,877	\$ 35,181,544	
Interest Paid	\$ 759,736	\$ 896,204	

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



COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

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 debt 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) Portfolio Investments

Portfolio investments are comprised entirely of Municipal Finance Authority (MFA) pooled money market funds. The Regional District funds invested with MFA are pooled with other local governments and managed independently by Phillips, Hager & North Ltd and CIBC Mellon Trust. Interest income on investments has been included in deferred revenue and Restricted Reserve Funds based on relative equity in each fund. The investments are carried at market value which approximates cost.

(e) Financial Instruments

Financial instruments consist of cash, portfolio investments, receivables, debt and accounts payable. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest rate, currency or credit risk from these financial instruments.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

Summary of Significant Accounting Policies (continued)

(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.

(g) Landfill Closure and Post Closure

The estimated present value of landfill closure and post-closure costs is recognized as a liability. This liability is recognized based on estimated future expenses, including estimated inflation discounted to current date and accrued based on the proportion of the total capacity of the landfill used as of the date of the statement of financial position. The change in this estimated liability during the year is recorded as an expense in operations. These estimates are reviewed and adjusted annually and any changes are recorded on the prospective basis.

(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.



COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

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	20 - 50
Vehicles, Machinery & Equipment	5 - 20
Engineering Structures	10 - 60
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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

Summary of Significant Accounting Policies (continued)

(m) Accrued Employee Benefits

Under the terms of various collection 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 additions, 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 or reserves 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. Transfer 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 and has met the eligibility criteria.



COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

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. Significant areas requiring management estimates are the determination of landfill closure and post closure liabilities, provisions for contingencies, estimation of employee future benefits, estimated useful life of tangible capital assets, and provisions for contaminated sites. Actual results may vary from those estimates and adjustments will be reported in operations as they become known.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

1) Cash & Cash Equivalents

	2020	2019
Restricted Cash		
Statutory Reserves	\$ 9,248,719	\$ 6,841,602
Restricted Contributions and Performance Deposits	1,693,399	1,852,910
	10,942,118	8,694,512
Unrestricted Cash	19,454,759	26,487,032
Total Cash	<u>\$ 30,396,877</u>	<u>\$ 35,181,544</u>

2) Portfolio Investments

Portfolio investments are MFA Money Market funds and BC Fossil Fuel Free bond funds. The Money Market fund balance at December 31, 2020 is \$5,291,899 (2019 - \$ 5,247,451 ). The yield on funds for 2020 was 0.85% (2019 - 1.86%). The BC Fossil Fuel bond funds balance at December 31, 2020 is \$10,056,193 (2019 - nil).The yield on funds for 2020 was 0.56% (2019 - n/a).

3) Accounts Receivable

	2020	2019
Federal Governments	\$ 1,288,009	\$ 671,726
Provincial Governments	2,160,584	1,331,856
Local Governments	47,940	45,689
Other Trade Receivables	1,168,968	1,025,351
	<u>\$ 4,665,501</u>	<u>\$ 3,074,622</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.

	2020	2019
City of Duncan	\$ 683,651	\$ 782,756
District of North Cowichan	17,206,277	18,630,115
Town of Ladysmith	16,156,313	16,962,428
Vancouver Island Regional Library	2,982,718	3,089,173
	<u>\$ 37,028,959</u>	<u>\$ 39,464,472</u>



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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. These amounts are not reported in the financial statements.

	2020	2019
Cash Deposits - Cowichan Valley Regional District	\$ 367,517	\$ 372,980
Cash Deposits - Members	682,078	668,326
Demand Notes - Cowichan Valley Regional District	711,792	739,820
Demand Notes - Members	1,332,811	1,332,811
	<u>\$ 3,094,198</u>	<u>\$ 3,113,937</u>

6) Accounts Payable & Accrued Liabilities

	2020	2019
Federal Governments	\$ 28,506	\$ 3,780
Provincial Governments	6,178	101,801
Local Governments	227,856	229,847
Accrued Payroll	1,043,824	1,200,049
Trade Payables	3,298,784	3,139,756
	<u>\$ 4,605,148</u>	<u>\$ 4,675,233</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

7) Deferred Revenue

	2019	Externally restricted receipts	Revenue earned	2020
Trail Project Grants	\$ 575,477	\$ -	\$ (575,477)	\$ -
Clean Water & Wastewater Grant	100,150	-	(100,150)	-
Flood Mitigation Grant	270,627	-	(270,627)	-
Recreation Deposits	229,431	164,696	(257,517)	136,611
Developer Capital Contributions	82,527	-	-	82,527
Other	242,764	3,780	(109,908)	136,635
Subtotal (Schedule A)	1,500,976	168,476	(1,313,679)	355,773
Parkland Cash-in-lieu Contributions	673,901	290,790	-	964,691
	<u>\$ 2,174,877</u>	<u>\$ 459,266</u>	<u>\$ (1,313,679)</u>	<u>\$ 1,320,464</u>

- Trail Project Grants consists of grants for the Cowichan Valley and Trans Canada Trail, funded by Bike BC and the Trans Canada Trail Foundation.
- Clean Water & Wastewater Grant is for the Mesachie Lake Wastewater Treatment and Collection upgrade project (Area F), funded by the Federal Government & Province of BC.
- Flood Mitigation Grant from Emergency Management BC for an assessment of Koksilah Village (Cowichan Bay) area to determine options to reduce flooding and opportunities to reduce risk of failure.
- 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, 2020

8) Restricted Contributions and Performance Deposits

	2020	2019
Warranty Deposits	\$ 1,053,403	\$ 959,804
Kinsol Trestle Donations	65,347	65,297
Holdbacks	37,523	270,598
Cowichan Lake Water Protection	76,000	76,000
Arts & Sports Scholarship Fund	37,600	38,623
Nature and Habitat	50,567	50,567
Cowichan Performing Arts	58,109	53,242
Soil Security Deposits	204,868	181,728
Other	109,982	157,051
	<u>\$ 1,693,399</u>	<u>\$ 1,852,910</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.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

9) Employee Future Benefits

	2020	2019
Discount rates	2.10%	2.50%
Expected future inflation rates	2.00%	2.00%
Expected wages/salary increase	1.00 - 2.00%	2.08 - 4.00%

Accrued Benefit Obligation as at December 31, 2020

	2020	2019
Accrued benefit obligation - beginning	\$ 126,215	\$ 120,760
Current service cost	12,414	11,275
Interest on accrued benefit obligation	3,902	2,980
Benefits paid during the year	(8,178)	(8,800)
Actuarial loss	8,397	-
Ending benefit obligation	142,750	126,215
Unamortized net actuarial gain	48,377	108,391
Accrued Unfunded Benefit Liability	<u>\$ 191,127</u>	<u>\$ 234,606</u>

The total expense related to these benefits was:

	2020	2019
Current service costs	\$ 12,414	\$ 11,275
Interest on accrued benefit obligation	3,902	2,980
Amortization of actuarial gain	(51,617)	(82,888)
Total recovery	<u>\$ (35,301)</u>	<u>\$ (68,633)</u>

The total recovery is included in wages and benefits expense.

10) 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, 2019 the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local government.

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



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

10) Pension Liability (continued)

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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of 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 \$1,563,544 (2019 - \$1,592,969) for employer contributions, while employees contributed \$1,387,405 (2019 - \$1,410,889) to the plan in fiscal 2020.

11) Landfill Closure and Post Closure Costs

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).

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 \$12,000 per year of post closure monitoring requirements for the landfill beginning 2019, for up to 24 years (2019 - \$12,000 annually).

The Peerless Road remediation and closure works were completed in 2015. The post-closure maintenance costs are estimated at \$12,000 annually for 23 years (2019 - \$12,000 annually).

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

11) Landfill Closure and Post Closure Costs (continued)

The Regional District currently maintains an inactive landfill site on Koksilah Road which has been closed for 20 years. The Regional District is responsible for long-term groundwater monitoring at this location at a cost estimated at \$14,500 annually for 23 years (2019 - \$12,000 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.

	2020	2019
Meade Creek TRP	\$ 464,192	\$ 300,149
Peerless Road TRP	384,158	300,149
Koksilah Road	403,118	311,600
Gross liability	1,251,468	911,898
Less: cash held in Remediation Reserve Fund	(261,987)	(219,480)
	<u>\$ 989,481</u>	<u>\$ 692,418</u>

The provision is determined using the following assumptions:

	2020	2019
Inflation Rates	4.20%	2.20%
Discount Rates	2.76%	2.57%
Koksilah Road Monitoring	\$14,500 per annum	\$12,000 per annum
Peerless Road Monitoring	\$12,000 per annum	\$12,000 per annum
Meade Creek Monitoring	\$12,000 per annum	\$12,000 per annum



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

12) MFA 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 24. Details of Long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts are summarized in Note 25.

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
2021	\$ 791,927	\$ 917,160
2022	648,664	913,834
2023	615,813	822,501
2024	148,301	752,943
2025	49,914	673,172
Thereafter	-	10,735,856
	<u>\$ 2,254,619</u>	<u>\$ 14,815,466</u>

13) Consolidated Schedule of Expense by Object

	2020 BUDGET	2020 ACTUAL	2019 ACTUAL
Operations and Maintenance	\$21,260,226	\$ 14,991,359	\$ 15,587,663
Wages and Benefits	25,966,596	23,085,498	23,832,530
Contract for Services	8,230,815	8,166,484	8,021,055
Landfill Closure and Post Closure Costs	-	297,063	(93,940)
Debt Charges - Interest	979,457	759,736	896,204
Contributions to Community Facilities	125,685	125,685	168,006
Grants to Organizations	1,066,615	905,685	815,563
Library Services	2,021,109	2,021,109	1,925,176
Fire & Recreation Services Provided by Other Governments	1,141,795	1,080,283	1,028,621
Amortization	-	6,666,438	6,852,800
Contributions to Third Party Capital	390,000	20,791	40,799
	<u>\$61,182,298</u>	<u>\$ 58,120,131</u>	<u>\$ 59,074,477</u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

14) Contingent Liabilities

As at December 31, 2020 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.

15) Tangible Capital Assets

	2020	2019
Land	\$ 55,048,908	\$ 53,791,488
Building	24,177,475	25,562,868
Vehicles, Machinery and Equipment	5,485,518	5,168,555
Engineering Structures	52,341,918	51,857,923
Parks	6,909,020	7,548,268
Other Tangible Capital Assets	9,312,110	9,808,959
Work in Progress	7,731,895	3,463,094
	<u>\$ 161,006,844</u>	<u>\$ 157,201,155</u>

For additional information, see the Schedule of Tangible Capital Assets (Note 23).

During the year land, and sewer/water/drainage systems built by others valued at \$2,319,205 (2019 - \$530,231 ) were accepted and recorded as contributed assets.



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

16) Budget Figures

Budget figures represent the 2020 Financial Plan Bylaw adopted by the Board on December 11, 2020. 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.

	2020
Surplus for the year (Statement 2)	\$ 11,493,805
<b>Add:</b>	
Transfer from Reserves	5,143,556
Prior Year Operating Surplus	2,896,854
MFA Funding - proceeds from debt	7,991,634
<b>Less:</b>	
Debt Principal Repayments/Actuarial Adjustments	(2,515,980)
Debt Principal recorded as operating on bylaw	(2,167,150)
Purchase of Tangible Capital Assets	(23,082,719)
Difference between capital and bylaw	240,000
Surplus, per Cowichan Valley Regional District Financial Plan Bylaw No. 4299	\$ -

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

17) Accumulated Surplus

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

	2020	2019
<b>Surplus</b>		
Operating Fund Reserve Fund - Operating Surplus	\$ 24,184,719	\$ 18,011,792
Operating Fund Reserve Fund - Community Works	5,169,890	6,390,123
Operating Fund - Employee Future Benefit	(191,127)	(234,606)
Operating Fund - Landfill Post Closure Costs	(989,481)	(692,418)
Equity in Tangible Capital Assets	143,936,759	138,382,268
Total Surplus	172,110,760	161,857,159
Statutory Reserve Funds	13,797,540	10,780,721
Less: Restricted Remediation Reserve	(261,987)	(219,481)
Accumulated Surplus (Statement 1)	\$ 185,646,313	\$ 172,418,399

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:

	2020	2019
Community Works Reserve, opening balance	\$ 6,390,123	\$ 4,371,487
<b>Add:</b>		
Community works funds received in year	1,628,092	3,259,857
Interest earned	91,130	120,827
<b>Less:</b>		
Amounts spent on projects	(2,939,455)	(1,362,048)
Community Works Reserve, Ending Balance	\$ 5,169,890	\$ 6,390,123



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

19) Commitments

911 Agreement

The tri-party 5 year agreement with the Regional District of Nanaimo and the City of Nanaimo commenced January 1, 2016 to provide for emergency answering and fire dispatch service. The net operating costs are shared based on the populations of the jurisdictions of the parties. The Regional District's commitment for 2021 is 500,000 or 44% of the 911 Central Island call centre expenses.

BC Transit Corporation

The Regional District's transit includes Handydart, Commuter, Youbou, Ladysmith and local service. The remainder due on the 2020/2021 annual transit operating agreement for these services is \$559,862.

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 2021 commitment is \$257,738.

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 2021 commitment is \$330,670.

Island Corridor Foundation

The Board committed to a \$488,100 contribution for bridge and trestle upgrades along the rail line between Victoria and Courtney. The parties entered into an agreement in 2014 setting out the payment terms. The 2020 budget includes a \$488,100 that 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 2021 commitment is \$170,429.

Regional Disposal

A three year agreement for the transportation of CVRD municipal solid waste, commencing March 2019. Termination of this agreement requires 180 days notice. The 2021 commitment is \$2,675,000.

Easy Living Landscape Ltd



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

19) Commitments (continued)

A two year agreement for landscaping service for CVRD parks commencing November 2019. The 2021 commitment is \$ 613,653.

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 (2019 - \$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.

22) Subsequent Events

Subsequent to year end, the Cowichan Valley Regional District had a flood in the main Administration building that required a full evacuation of staff and will require substantial repair and renovation costs. All costs are expected to be fully covered through insurance claims, and therefore management does not anticipate a material impact to the District.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

23) Consolidated Schedule of 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	2020 Total	2019 Total	
<b>Cost</b>												
Opening Balance	\$ 53,791,488	\$ 52,201,297	\$ 25,213,766	\$ 47,406,684	\$ 40,347,944	\$ 1,173,151	\$ 22,086,158	\$ 15,632,108	\$ 3,463,095	\$ 261,315,691	\$ 251,787,573	
Add: Additions	1,257,420	272,568	1,188,742	1,537,353	1,116,002	-	568,751	262,492	7,731,895	13,935,223	17,105,871	
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(3,463,095)	(3,463,095)	(7,297,645)	
Less: Disposals	-	-	(107,407)	-	-	-	(41,714)	-	-	(149,121)	(280,105)	
Closing Balance	55,048,908	52,473,865	26,295,101	48,944,037	41,463,946	1,173,151	22,613,195	15,894,600	7,731,895	271,638,698	261,315,694	
<b>Accumulated Amortization</b>												
Opening Balance	-	26,638,429	20,045,211	20,020,222	16,763,657	285,977	14,537,890	5,823,151	-	104,114,537	97,517,027	
Add: Amortization	-	1,657,961	871,779	1,043,129	1,079,457	46,776	1,207,999	759,339	-	6,666,438	6,852,800	
Less: Disposals	-	-	(107,407)	-	-	-	(41,714)	-	-	(149,121)	(255,288)	
Closing Balance	-	28,296,390	20,809,583	21,063,351	17,843,114	332,753	15,704,175	6,582,490	-	110,631,854	104,114,539	
Net Book Value for the year ended December 31, 2020	<u>\$ 55,048,908</u>	<u>\$ 24,177,475</u>	<u>\$ 5,485,518</u>	<u>\$ 27,880,686</u>	<u>\$ 23,620,832</u>	<u>\$ 840,398</u>	<u>\$ 6,909,020</u>	<u>\$ 9,312,110</u>	<u>\$ 7,731,895</u>	<u>\$ 161,006,844</u>		
Net Book Value for the year ended December 31, 2019	<u>\$ 53,791,488</u>	<u>\$ 25,562,868</u>	<u>\$ 5,168,555</u>	<u>\$ 27,386,462</u>	<u>\$ 23,584,288</u>	<u>\$ 887,173</u>	<u>\$ 7,548,268</u>	<u>\$ 9,808,957</u>	<u>\$ 3,463,094</u>		<u>\$ 157,201,155</u>	



COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

24) Schedule of Short-term Debt

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payment 2020	Net Balance December 31, 2020	Net Balance December 31, 2019
Building Inspection - Vehicle	19-265.6.1	2024	\$ 29,410	\$ 5,832	\$ 21,266	\$ 27,097
Bylaw	19-265.6.2	2024	28,820	5,714	20,840	26,554
Com Parks - Area B - Land	15-521.2.2	2020	1,259,903	301,605	-	301,605
Com Parks - Area C - Boatswain	14-555-1	2021	169,500	35,437	-	35,437
Com Parks - Area E	18-224.2	2023	263,840	51,083	161,212	212,295
CLR - Truck/Sports Court Flooring	15-246	2020	57,132	11,741	-	11,741
CLR - Dehumidifier	16-131	2020	141,483	28,296	-	28,296
CLR - Chiller & Digital Sign	17-24	2022	249,947	50,125	51,258	101,383
Cowichan Lake Recreation	20-63.1.3	2025	168,445	-	168,445	-
Community Planning - Renovations	18-77	2023	178,680	34,081	110,603	144,684
Eng Utilities - Vans	16-69.1	2020	85,956	16,400	16,437	32,837
Eng Utilities - Equipment	18-81.12	2023	98,400	19,714	55,365	75,079
Eng Utilities - Equipment	18-81.12	2023	45,000	9,016	25,318	34,334
Fire Protection - North Oyster Fire Hall	19-345.6	2024	644,690	171,370	473,320	644,690
ISC - Theatre	18-85.1	2023	349,000	70,197	206,769	276,966
KPR - Utility Vehicle	19-159	2024	34,120	6,727	27,393	34,120
KPR - Ice Resurfacer	19-159	2024	173,420	34,190	139,230	173,420
KPR - Interior Upgrades	19-159	2024	75,000	14,287	60,713	75,000
Parks & Trails - Portable	16-554-2	2021	18,567	3,758	-	3,758
Regional Parks - Portable	16-554-2	2021	18,567	2,270	-	2,270
Regional Parks - CVT Malahat	16-393.3	2022	450,000	47,672	49,880	97,552
Reg Parkland - CVT	17-502	2023	344,000	66,429	213,096	279,525
Sahtlam Fire - Fire Truck	15-187-10.2	2020	184,085	38,415	-	38,415
Saltair Rec - New Roof	17-472.2	2023	137,000	27,558	70,485	98,043
SWM - Roll off Truck and Bins	17-54.4	2022	192,397	38,814	39,694	78,508
SWM	20-63.1.3	2025	90,000	-	90,000	-
SWM - Bings Solar Project	16-75.2.3	2020	47,622	9,309	-	9,309
SWM - Bings Energy Project	16-75.2.2	2020	72,784	15,045	-	15,045
SWM - Loader	18-125.2.1	2024	147,550	29,256	106,692	135,948
SWM - Vehicle	18-125.2.2	2024	41,010	8,131	29,654	37,785
Public Safety - SPU	19-225.2.2	2024	128,000	25,273	98,716	123,989
Shawnigan Beach Sewer - Upgrades	16-366-12	2022	44,097	8,815	18,233	27,048
				<u>\$ 1,186,560</u>	<u>\$ 2,254,619</u>	<u>\$ 3,182,733</u>

Debt bears interest at variable rates which are paid monthly.  
The weighted average interest rate at December 31, 2020 was 1.64% (December 31, 2019 - 2.50%).  
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  
FOR THE YEAR ENDED DECEMBER 31, 2020

25) Schedule of Long-term Debt

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2020	Net Balance December 31, 2020	Interest Rate
<b>Issued by the Municipal Finance Authority for the Regional District</b>							
Administration Building	2339	20	2022	3,020,000	\$ 209,336	\$ 450,596	2.10 %
Cowichan Lake Recreation	3197	20	2029	2,500,000	124,273	1,367,762	4.13 %
Cowichan Lake Recreation	3197	20	2030	3,700,000	176,852	2,208,209	4.50 %
Kerry Park Recreation	2439	20	2023	1,700,000	112,227	371,485	4.90 %
Cowichan Community Centre	2501	20	2024	2,500,000	157,180	711,341	4.90 %
Malahat Fire	3630	15	2028	265,000	16,746	160,471	3.15 %
Sahtlam Fire	3272	10	2020	130,000	15,411	-	4.50 %
Curbside Collection	3607	15	2028	1,600,000	101,106	968,881	3.15 %
Curbside Collection	3607	15	2029	175,000	10,633	117,030	3.30 %
Solid Waste Mgmt Complex	4178	20	2038	709,700	27,204	656,084	3.15 %
Solid Waste Mgmt Complex	4174	20	2038	300,000	11,499	277,336	3.10 %
Solid Waste Mgmt Complex	4178	20	2039	1,258,300	62,915	1,163,928	4.00 %
Solid Waste Mgmt Complex	2011	20	2020	600,000	44,870	-	4.50 %
Solid Waste Mgmt Complex	3277	20	2030	590,000	28,201	352,120	4.50 %
Solid Waste Mgmt Complex	3278	20	2030	720,000	34,414	429,706	3.73 %
Solid Waste Mgmt Complex	3277	20	2033	780,000	33,143	573,114	3.85 %
Solid Waste Mgmt Complex	3727	20	2034	871,000	35,587	676,987	3.30 %
Arbutus Ridge Water	3287	20	2031	100,000	4,596	64,461	3.25 %
Carlton Water	3628	10	2024	50,000	5,066	22,377	3.00 %
Central Youbou Water	2665	25	2033	488,000	18,039	311,930	5.15 %
Dogwood Ridge Water	3281	25	2036	94,000	3,089	70,113	3.25 %
Douglas Hill Water	3383	20	2031	150,000	6,894	96,692	4.20 %
Fern Ridge Water	2995	20	2029	23,175	1,152	12,679	4.13 %
Honeymoon Bay Water	2973	20	2030	37,000	1,769	22,082	3.73 %
Honeymoon Bay Water	4284	15	2034	325,000	17,474	307,526	2.24 %
Lambourn Water	3062	20	2030	100,000	4,780	59,681	3.73 %
Satellite Park Water	3029	20	2029	160,000	7,953	87,537	4.13 %
Burnum Water	4313	25	2045	250,000	-	250,000	1.99 %
Shellwood Water	3625	20	2036	85,000	3,333	72,331	2.10 %
Youbou Water	2092	20	2030	120,000	5,735	71,618	3.73 %
Arbutus Mt Sewer	4233	20	2039	153,855	5,726	148,129	2.66 %
Arbutus Ridge Sewer	3289	20	2031	125,000	5,745	80,576	3.25 %
Arbutus Ridge Sewer	4284	25	2044	2,475,000	67,884	2,407,116	2.24 %
Brulette Place Sewer	3297	15	2029	24,713	1,501	16,527	3.00 %
Cowichan Bay Sewer	2439	10	2013	600,000	39,610	131,112	4.90 %
Kerry Village Sewer	3019	20	2030	80,000	51,569	-	4.50 %
Lambourn Sewer	3063	20	2030	150,000	7,170	89,522	3.73 %
Shawnigan Lake Sewer	2194	20	2021	110,000	8,006	8,407	3.05 %
Grand Total					<u>\$1,468,688</u>	<u>\$14,815,466</u>	



COWICHAN VALLEY REGIONAL DISTRICT									
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020									
26) Consolidated Schedule of 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	2020 Consolidated
Revenues									
Tax Requisition	\$ 3,814,473	\$ 2,058,125	\$ 3,005,994	\$ 5,011,459	\$ 4,217,666	\$ 17,310,233	\$ 7,322,815	\$ 67,731	\$ 42,808,496
User Fees	-	-	-	1,731	-	(22,251)	1,247,591	3,248,589	4,475,660
Parcel Taxes	-	-	-	34,100	-	16,000	33,070	2,518,080	2,601,250
Government Transfers - Provincial	942,459	-	434,927	91,634	201,213	771,330	448,384	1,936,018	4,825,965
Government Transfers - Federal	1,719,785	604	485	5,550	299	112,151	1,147,133	367,416	3,353,423
Services Provided Other Local Govt	-	-	-	-	59,221	-	-	-	59,221
Revenue from Own Sources	326,164	-	589,127	1,319,202	11,800	2,136,126	4,198,194	27,546	8,608,159
Other Revenue	74,411	-	2,062	9,037	137,707	270,892	1,043,613	351,746	1,889,468
Interest Income	234,372	-	-	2,934	22,082	72,429	15,689	39,436	386,942
Donations	-	-	-	-	2,250	857,426	-	1,479,785	2,339,461
Services Provided to Other Functions	49,042	-	-	19,871	-	(26,871)	(584,974)	542,932	-
	7,160,706	2,058,729	4,032,595	6,495,518	4,652,238	21,497,465	14,871,515	10,579,279	71,348,045
Expenses									
Operations and Maintenance	2,074,737	-	28,992	1,230,780	1,329,146	4,292,006	4,213,635	1,822,063	14,991,359
Wages and Benefits	5,166,379	-	105,006	2,531,639	633,557	9,002,079	3,558,697	2,088,141	23,085,498
Contract for Services	94,463	-	2,793,406	98,519	745,741	258,469	4,147,526	28,360	8,166,484
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	297,063	-	297,063
Debt Charges - Interest	67,950	-	-	3,117	22,746	281,682	238,958	145,283	759,736
Contributions to Community Facilities	-	-	-	-	-	125,685	-	-	125,685
Grants to Organizations	300,000	-	-	468,739	-	104,396	32,550	-	905,685
Library Services	-	2,021,109	-	-	-	-	-	-	2,021,109
Fire and Recreation Services Provided by Other Governments	-	-	-	-	718,817	361,466	-	-	1,080,283
Amortization	194,456	-	-	60,789	457,304	2,791,316	929,613	2,232,960	6,666,438
Contributions to Third Party Capital	-	-	-	-	-	-	-	20,791	20,791
	7,897,985	2,021,109	2,927,404	4,393,583	3,907,311	17,217,099	13,418,042	6,337,598	58,120,131
Net Annual Surplus/(Deficit)	\$ (737,279)	\$ 37,620	\$ 1,105,191	\$ 2,101,935	\$ 744,927	\$ 4,280,366	\$ 1,453,473	\$ 4,241,681	\$ 13,227,914

COWICHAN VALLEY REGIONAL DISTRICT									
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020									
26) Consolidated Schedule of 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	2019 Consolidated
Revenues									
Tax Requisition	\$ 3,637,260	\$ 1,960,811	\$ 2,747,708	\$ 4,850,203	\$ 4,097,428	\$ 16,697,246	\$ 6,658,996	\$ 67,731	\$ 40,717,383
User Fees	-	-	-	2,272	-	(25,396)	919,310	3,646,616	4,542,802
Parcel Taxes	-	-	-	34,400	-	16,000	26,418	2,447,492	2,524,310
Government Transfers - Provincial	299,348	-	77,622	622	40,847	669,904	474,245	1,066,864	2,629,452
Government Transfers - Federal	3,381,256	-	410	1,305	267	85,109	410,784	434,664	4,313,795
Services Provided Other Local Govt	-	-	-	-	63,871	-	-	-	63,871
Revenue from Own Sources	413,864	-	966,477	1,048,036	33,702	4,297,677	3,810,520	8,946	10,579,222
Other Revenue	96,120	-	1,501	15,455	129,104	199,234	1,011,072	484,571	1,937,057
Interest Income	368,082	-	-	4,022	42,573	99,418	25,273	71,989	611,357
Donations	-	-	-	-	256,500	340,290	-	190,231	787,021
Services Provided to Other Functions	43,080	-	-	24,371	-	(26,371)	(555,829)	514,749	-
	8,239,010	1,960,811	3,793,718	5,980,686	4,664,292	22,353,111	12,780,789	8,933,853	68,706,270
Expenses									
Operations and Maintenance	2,275,549	-	(6,202)	1,156,993	1,240,694	5,450,600	3,666,369	1,803,660	15,587,663
Wages and Benefits	4,795,157	-	101,831	2,969,339	582,304	9,912,753	3,437,800	2,033,346	23,832,530
Contract for Services	277,110	-	3,047,551	96,046	696,088	294,771	3,604,081	5,408	8,021,055
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	(93,940)	-	(93,940)
Debt Charges - Interest	69,384	-	-	4,773	16,893	431,103	259,583	114,468	896,204
Contributions to Community Facilities	-	-	-	-	-	168,006	-	-	168,006
Grants to Organizations	250,000	-	-	428,643	-	110,920	26,000	-	815,563
Library Services	-	1,925,176	-	-	-	-	-	-	1,925,176
Fire and Recreation Services Provided by Other Governments	-	-	-	-	683,990	344,631	-	-	1,028,621
Amortization	165,219	-	-	53,896	414,221	3,200,901	939,159	2,079,404	6,852,800
Contributions to Third Party Capital	-	-	-	-	-	-	-	40,799	40,799
	7,832,419	1,925,176	3,143,180	4,709,690	3,634,190	19,913,685	11,839,052	6,077,085	59,074,477
Net Annual Surplus/(Deficit)	\$ 406,591	\$ 35,635	\$ 650,538	\$ 1,270,996	\$ 1,030,102	\$ 2,439,426	\$ 941,737	\$ 2,856,768	\$ 9,631,793



## COWICHAN VALLEY REGIONAL DISTRICT SCHEDULE A (Unaudited)

STATEMENT OF OPERATING SURPLUS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2020

Function	2020	2019
General Government Services	\$ 3,472,400	\$ 2,380,526
Community Health Network	44,570	106,759
Administration Office	330,032	317,138
I.T. / H.R. / M.I.A. / G.I.S	395,236	395,236
Vancouver Island Regional Library	605	-
Commuter Transit	520,939	410,318
Transit	1,119,270	412,568
9-1-1	284,829	235,153
Grant in Aid	139,408	101,557
Environmental Services	640,294	475,858
Emergency Planning	568,538	491,747
Economic Development	346,344	184,469
Regional Tourism	849	643
Electoral Feasibility Studies	44,296	45,657
Electoral Area Services	534,344	388,550
Victim Services	206	201
Victim Services - West	22	6
Community Parks	820,711	682,467
Parks & Trails	107,231	95,328
Regional Parks	383,772	57,804
Kinsol Trestle	408,408	322,415
Bright Angel Park	20,739	20,575
South Cowichan Community Parks	18,346	16,405
Regional Parkland Acquisition	688,034	1,224,996
Animal Control	53,565	39,058
Building Inspection	247,607	154,782
Bylaw Enforcement	803,942	628,207
Community Planning	709,954	314,171
North Oyster Fire Protection	59,084	59,415
Mesachie Lake Fire Protection	53,086	41,642
Saltair Fire Protection	-	(1)
Sahtlam Fire Protection	181,094	143,504
Malahat Fire Protection	142,799	187,947
Eagle Heights Fire Protection	42	(114)
Honeymoon Bay Fire Protection	76,983	76,213
Youbou Fire Protection	191,970	384,371
GM Community Services/Facilities	238,249	186,681
Arts & Culture	64,375	61,414
Cowichan Lake Recreation	382,833	1,301
Kerry Park Recreation	525,072	97,255
Island Savings Centre	934,332	522,788

**THE FOLLOWING  
SCHEDULES ARE  
UNAUDITED**



## COWICHAN VALLEY REGIONAL DISTRICT SCHEDULE A (Unaudited)

STATEMENT OF OPERATING SURPLUS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2020

Function	2020	2019
Theatre - Area A	12	-
Theatre - Area B	56	-
Cowichan Sportsplex - Area A	5	5
Mill Bay Recreation	508	553
Saltair Recreation	12,856	10,842
Lake Cowichan Activity Centre	80	20
Cowichan Aquatic Centre - Area F	6	4
Shawnigan Lake Community Centre	574,683	330,499
Cobble Hill Historical Society	3	3
Cobble Hill Hall Recreation	-	(1,731)
Shawnigan Lake Historical Society	19	16
Senior Centre Grant	35	7
Kaatza Historical Society	45	12
Mill Bay/Malahat Historical Society	5	4
Cowichan Station Assoc - Area B	6	5
Shawnigan Basin Society	-	1
Nature and Habitat - Area I	2,436	1,790
Thetis Island Wharf	74,410	77,398
Thetis Island Boat Launch	7,159	6,158
Cowichan Lake Water Protection	7,100	6,087
Cowichan Housing Association	842,977	392,966
Safer Futures	55	55
Social Planning	101	105
South Cowichan Community Policing	37	24
Cowichan Community Policing	389	398
Cowichan Valley Hospice	114	118
Curbside Collection Garbage/Recycling	406,083	197,010
Solid Waste Management Complex	1,779,073	1,164,324
Cowichan Flood Management	301,072	283,958
South Cowichan Water Study Plan	62,671	73,530
Drinking Water & Watershed Protection	604,174	169,080
Liquid Waste Plan - Central Sector	412,829	320,397
Liquid Waste Plan - South Sector	23,243	1,688
Critical Street Lighting "A"	259	(1,355)
Critical Street Lighting "B"	3,769	3,258
Critical Street Lighting "C"	3,212	3,470
Critical Street Lighting "D"	3,612	3,589
Critical Street Lighting "E"	1,297	1,045
Critical Street Lighting "I"	792	730
Mesachie Lake Street Lighting	1,535	1,167
Youbou Street Lighting	14,128	12,360

## COWICHAN VALLEY REGIONAL DISTRICT SCHEDULE A (Unaudited)

STATEMENT OF OPERATING SURPLUS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2020

Function	2020	2019
Brentwood College Street Lighting	17	(20)
Cowichan Bay Street Lighting	2,251	559
Honeymoon Bay Street Lighting	8,674	6,566
Mill Bay Street Lighting	(245)	(210)
Cobble Hill Street Lighting	2,433	151
Wilmot Road Street Lighting	12,065	9,182
Sentinel Ridge Street Lighting	10,174	7,710
Twin Cedars Street Lighting	5,394	709
Arbutus Mtn. Street Lighting	12,460	6,625
Mill Springs Street Lighting	25,878	17,481
Engineering Services	230,372	247,500
Engineering - Utilities	370,361	153,027
Asset Manager	4,830	5,639
Wilmot Road Drainage System	15,049	14,163
Sentinel Ridge Drainage System	19,206	17,518
Shawnigan Lake East Drainage System	6,729	6,688
Arbutus Mtn. Drainage System	27,585	25,567
Lanes Road Drainage System	18,168	15,985
Bald Mtn. Drainage System	14,037	13,119
Cobble Hill Drainage System	28,304	27,012
Arbutus Ridge Drainage System	15,455	14,673
Shawnigan Creek Cleanout System	13,408	13,758
Satellite Park Water System	43,332	22,552
Douglas Hill Water System	22,039	7,958
Lambourn Water System	37,925	25,252
Arbutus Mtn. Water System	20,208	13,475
Malahat Water System	(1,330)	(1,569)
Fern Ridge Water System	22,311	17,843
Bald Mtn. Water System	61,538	123,212
Dogwood Ridge Water System	21,475	15,129
Arbutus Ridge Water System	63,116	112,111
Carlton Water System	20,431	20,386
Shellwood Water System	820	9,478
Woodley Range Water System	16,713	17,091
Burnum Water System	51,006	32,407
Mesachie Lake Water System	12,799	14,401
Saltair Water System	242,451	297,279
Central Youbou Water Debt	23,194	12,214
Youbou Water System	178,558	273,899
Honeymoon Bay Water System	65,018	(11,542)
Honeymoon Bay (S.C.) Water System Debt	215	1



COWICHAN VALLEY REGIONAL DISTRICT		SCHEDULE A (Unaudited)
STATEMENT OF OPERATING SURPLUS BY FUNCTION FOR THE YEAR ENDED DECEMBER 31, 2020		
Function	2020	2019
Honeymoon Bay Water (well 2) Debt	990	77,232
Cherry Point Estates Water System	26,571	24,674
Shawnigan Lake North Water System	183,160	186,628
Shawnigan Lake Weir	4,894	4,060
Kerry Village Water System	12,875	6,282
Cowichan Bay Sewer System	321,051	897,102
Brulette Place Sewer System	41,452	31,037
Sentinel Ridge Sewer System	16,426	10,630
Twin Cedar Sewer System	27,126	27,126
Lambourn Sewer System	(5,992)	(33,507)
Arbutus Mtn. Sewer System	7,009	7,008
Malahat Sewer System	(1,512)	(1,879)
Cobble Hill Village Sewer System	-	518
Mesachie Lake Sewer System	123,552	58,187
Bald Mtn. Sewer System	44,497	29,600
Cobble Hill Sewer	37,733	48,366
Mill Springs Sewer System	164,699	143,026
Arbutus Ridge Sewer System	313,562	316,683
Eagle Heights Sewer System	63,677	(4,574)
Maple Hill Sewer System	57,536	53,367
Shawnigan Beach Estates Sewer System	196,785	116,656
Kerry Village Sewer System	24,056	14,594
Youbou Sewer System	84,914	69,423
Operating Fund Surplus Balance	24,184,719	18,011,793
Community Works Reserve Balance	5,169,890	6,390,123
Operating Fund Balance	\$ 29,354,609	\$ 24,401,916

COWICHAN VALLEY REGIONAL DISTRICT

SCHEDULE B (Unaudited)

SCHEDULE OF SAFE RESTART GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020
Safe Restart Grant received November 2020	\$ 903,000
<b>Elible Costs Incurred:</b>	
Computer and technology costs to improve connectivity and virtual communications	(51,401)
Revenue shortfalls	(219,481)
General Government Services	(32,210)
Transportation Services	(570)
Electoral Area Services	(5,065)
Protective Services	(9,842)
Parks and Recreation	(209,851)
Environmental Services	(25,740)
Sewer and Water Utilities	(16,323)
Total Eligible Costs Incurred	(570,483)
Balance December 31, 2020	\$ 332,517



2020

FINANCIAL  
STATISTICS

REVENUE	2013	2014	2015	2016	2017	2018	2019	2020
TAX REQUISITION	29,982,616	30,691,543	32,420,102	34,007,525	36,041,665	37,970,405	40,717,383	42,808,496
USER FEES	3,581,182	3,371,780	3,660,070	3,431,420	3,387,089	3,809,540	4,542,802	4,475,660
PARCEL TAXES	1,986,300	2,105,555	2,197,535	2,309,152	2,470,690	2,509,027	2,524,310	2,601,250
GRANTS	8,770,436	6,323,011	3,730,301	4,618,944	4,425,967	5,021,807	6,943,247	8,179,388
SERVICES PROVIDED TO OTHER LOCAL GOVERNMENT	59,870	58,190	51,790	52,570	53,360	68,310	63,871	59,221
REVENUE FROM OWN SOURCES	8,264,968	8,164,611	8,485,747	9,112,444	9,478,596	9,565,657	10,579,222	8,608,159
OTHER REVENUE	2,956,612	2,249,199	2,839,679	1,960,835	1,958,460	2,125,960	1,937,057	1,889,468
INTEREST INCOME	176,066	172,879	168,635	175,073	256,738	466,237	611,357	386,942
DONATIONS	2,279,141	1,092,836	2,799,166	1,663,385	1,577,150	80,157	787,021	2,339,461
	58,057,191	54,229,604	56,353,025	57,331,348	59,649,715	61,617,100	68,706,270	71,348,045
EXPENSES BY FUNCTION								
GENERAL GOVERNMENT SERVICES	6,168,724	6,910,467	6,156,700	5,695,821	6,526,412	7,479,334	7,832,419	7,897,985
VANCOUVER ISLAND REGIONAL LIBRARY	1,483,948	1,573,705	1,648,088	1,692,096	1,781,820	1,850,776	1,925,176	2,021,109
TRANSPORTATION SERVICES	2,533,920	2,756,314	2,972,047	3,015,172	3,086,757	3,099,975	3,143,180	2,927,404
ELECTORAL AREA SERVICES	2,902,802	3,058,303	3,498,614	3,559,181	3,741,939	4,308,337	4,709,690	4,393,583
PROTECTIVE SERVICES	2,511,906	2,624,245	2,857,763	3,367,827	3,131,496	3,429,824	3,634,190	3,907,311
PARKS & RECREATION	15,914,116	16,208,096	16,564,131	16,963,700	18,021,455	18,866,770	19,913,685	17,217,099
ENVIRONMENTAL SERVICES	13,861,717	12,739,855	12,763,247	7,581,326	8,761,130	10,505,049	11,839,052	13,418,042
SEWER & WATER UTILITIES	4,579,258	4,823,124	5,186,334	5,751,480	5,952,476	6,048,148	6,077,085	6,337,598
	49,956,391	50,694,109	51,646,924	47,626,603	51,003,485	55,588,213	59,074,477	58,120,131
EXPENSES BY OBJECT								
WAGES AND BENEFITS	18,079,762	19,077,017	19,507,802	20,131,994	21,331,597	21,955,586	23,832,530	23,085,498
OPERATIONS AND MAINTENANCE	15,887,776	15,504,533	13,634,781	13,204,833	12,804,908	16,232,650	15,587,663	14,991,359
CONTRACT FOR SERVICES	6,515,111	6,259,678	6,982,660	6,902,286	6,920,813	7,023,466	8,021,055	8,166,484
AMORTIZATION	5,482,284	5,750,645	5,892,702	5,910,115	6,035,238	6,440,056	6,852,800	6,666,438
OTHER	3,991,458	4,102,236	5,628,979	1,477,375	3,910,929	3,936,455	4,780,429	5,210,352
	49,956,391	50,694,109	51,646,924	47,626,603	51,003,485	55,588,213	59,074,477	58,120,131
ACCUMULATED SURPLUS, BEGINNING OF THE YEAR	122,064,348	130,165,148	133,700,643	138,406,744	148,111,489	156,757,719	162,786,606	172,418,399
ANNUAL SURPLUS	8,100,800	3,535,495	4,706,101	9,704,745	8,646,230	6,028,887	9,631,793	13,227,914
ACCUMULATED SURPLUS, END OF THE YEAR	130,165,148	133,700,643	138,406,744	148,111,489	156,757,719	162,786,606	172,418,399	185,646,313



		2013	2014	2015	2016	2017	2018	2019	2020
ELECTORAL AREA A	Land	483,918,574	467,834,569	470,983,843	482,479,251	538,344,491	641,622,585	737,890,737	739,458,331
	Improvements	421,835,508	419,165,619	425,593,105	481,269,243	541,106,382	589,848,095	654,457,193	689,782,712
	Total	905,754,082	887,000,188	896,576,948	963,748,494	1,079,450,873	1,231,470,680	1,392,347,930	1,429,241,043
ELECTORAL AREA B	Land	905,890,515	872,312,295	879,776,923	895,610,393	927,060,098	1,077,640,811	1,266,957,459	1,300,699,237
	Improvements	641,678,521	640,535,193	645,473,079	701,061,869	815,860,616	906,555,166	1,036,969,228	1,072,936,964
	Total	1,547,569,036	1,512,847,488	1,525,250,002	1,596,672,262	1,742,920,714	1,984,195,977	2,303,926,687	2,373,636,201
ELECTORAL AREA C	Land	428,747,717	419,925,726	420,003,592	412,092,397	458,132,076	551,705,415	654,455,208	600,508,744
	Improvements	447,084,317	437,112,792	449,569,867	505,469,567	568,316,791	602,865,830	670,803,942	706,866,518
	Total	875,832,034	857,038,518	869,573,459	917,561,964	1,026,448,867	1,154,571,245	1,325,259,150	1,307,375,262
ELECTORAL AREA D	Land	273,509,225	268,155,321	274,285,288	276,425,788	293,645,119	309,564,517	377,798,861	414,092,481
	Improvements	263,455,008	254,207,203	248,927,520	280,563,716	316,012,424	389,587,902	413,554,490	423,483,329
	Total	536,964,233	522,362,524	523,212,808	556,989,504	609,657,543	699,152,419	791,353,351	837,575,810
ELECTORAL AREA E	Land	271,362,977	260,274,809	269,297,783	272,513,989	294,672,426	358,334,059	426,141,872	426,106,880
	Improvements	298,390,233	299,031,548	302,952,959	318,615,209	371,781,885	399,696,255	436,554,970	491,887,427
	Total	569,753,210	559,306,357	572,250,742	591,129,198	666,454,311	758,030,314	862,696,842	917,994,307
ELECTORAL AREA F	Land	285,697,682	278,681,295	286,935,108	310,810,444	333,919,584	377,934,417	427,928,572	447,920,711
	Improvements	125,707,110	126,451,035	128,175,296	128,526,225	150,665,450	185,987,850	202,015,962	212,221,287
	Total	411,404,792	405,132,330	415,110,404	439,336,669	484,585,034	563,922,267	629,944,534	660,141,998
ELECTORAL AREA G	Land	396,621,150	372,699,202	369,823,671	377,898,024	403,586,985	454,906,353	512,687,750	537,052,977
	Improvements	184,632,996	187,508,833	191,291,006	211,818,769	245,781,875	269,404,017	276,822,943	307,908,039
	Total	581,254,146	560,208,035	561,114,677	589,716,793	649,368,860	724,310,370	789,510,693	844,961,016
ELECTORAL AREA H	Land	272,243,698	265,834,857	271,716,288	261,383,543	284,636,678	334,127,423	392,549,976	425,003,555
	Improvements	270,242,700	271,052,325	270,525,676	292,138,348	310,766,965	357,816,681	388,181,313	418,161,104
	Total	542,486,398	536,887,182	542,241,964	553,521,891	595,403,643	691,944,104	780,731,289	843,164,659
ELECTORAL AREA I	Land	335,436,412	331,914,412	332,905,162	349,546,528	376,747,630	456,188,632	512,333,041	536,178,696
	Improvements	143,186,929	149,423,879	148,359,579	165,633,713	194,248,713	230,876,413	275,878,963	287,958,463
	Total	478,623,341	481,338,291	481,264,741	515,180,241	570,996,343	687,065,045	788,212,004	824,137,159
CITY OF DUNCAN	Land	297,483,060	285,461,203	277,160,363	279,676,368	309,963,641	375,546,301	414,728,298	446,260,083
	Improvements	308,192,725	306,183,957	316,035,497	330,736,867	344,114,942	384,902,532	418,601,235	445,717,075
	Total	605,675,785	591,645,160	593,195,860	610,413,235	654,078,583	760,448,833	833,329,533	891,977,158
DISTRICT OF NORTH COWICHAN	Land	2,122,379,292	2,064,804,894	2,023,356,190	2,037,995,867	2,197,076,352	2,481,246,055	2,900,560,476	3,159,419,628
	Improvements	2,224,351,877	2,219,945,464	2,197,420,974	2,302,463,489	2,568,369,821	2,898,060,067	3,233,370,356	3,480,121,890
	Total	4,346,731,169	4,284,750,358	4,220,777,164	4,340,459,356	4,765,446,173	5,379,306,122	6,133,930,832	6,639,541,518
TOWN OF LADYSMITH	Land	542,298,812	552,477,381	545,322,332	557,447,713	606,569,973	700,405,664	845,221,639	876,616,777
	Improvements	579,532,590	564,094,380	570,597,958	603,073,077	695,013,217	830,747,976	881,353,352	945,462,764
	Total	1,121,831,402	1,116,571,761	1,115,920,290	1,160,520,790	1,301,583,190	1,531,153,640	1,726,574,991	1,822,079,541
TOWN OF LAKE COWICHAN	Land	169,886,139	59,533,970	159,166,767	161,218,167	172,388,312	179,449,061	247,038,863	256,670,418
	Improvements	207,472,212	199,807,581	204,266,084	211,695,684	243,544,839	296,890,890	316,378,488	346,328,532
	Total	377,358,351	259,341,551	363,432,851	372,913,851	415,933,151	476,339,951	563,417,351	602,998,950

	2013	2014	2015	2016	2017	2018	2019	2020
Gross Outstanding Long-term Debt:								
Regional District	28,441,175	29,109,888	29,109,888	29,034,888	27,984,888	27,687,588	27,399,743	27,119,743
Member Municipalities	39,018,175	36,068,175	38,068,175	49,100,675	48,210,675	46,274,975	54,504,975	54,084,975
	67,459,350	65,178,063	67,178,063	78,135,563	76,195,563	73,962,563	81,904,718	81,204,718
Less: Principal Payments and Actuarial Adjustments for Debt								
Regional District	9,984,054	10,952,578	12,481,590	13,900,726	14,377,751	14,579,723	11,365,589	12,304,277
Member Municipalities	11,329,247	9,942,277	11,570,659	11,643,658	12,727,262	12,884,718	15,040,503	17,056,016
Net Long-term Debt	46,146,049	44,283,208	43,125,814	52,591,179	49,090,550	46,498,122	55,498,626	51,844,425
General	16,300,533	16,066,688	14,689,896	13,269,608	11,892,863	11,550,462	11,686,647	10,485,050
Sewer	971,353	914,510	827,944	737,374	642,616	543,474	3,068,599	2,881,389
Water	1,185,235	1,176,112	1,110,459	1,127,180	1,071,657	1,013,929	1,278,908	1,449,027
Member Municipalities	27,688,928	26,125,898	26,497,516	37,457,017	35,483,413	33,390,257	39,464,472	37,028,959
Net Long-term Debt	46,146,049	44,283,208	43,125,814	52,591,179	49,090,550	46,498,122	55,498,626	51,844,425
Property Tax Supported	1,734,326	1,822,305	1,843,654	1,823,655	1,703,942	1,595,692	1,430,233	1,363,500
Sewer Utility	114,419	100,169	96,842	96,127	95,412	95,412	100,158	246,739
Water Utility	111,179	111,179	116,844	117,949	102,921	102,921	91,941	115,739
Total Long-term Debt Servicing Costs *	1,959,924	2,033,653	2,057,339	2,037,731	1,902,275	1,794,025	1,622,332	1,725,978
Total Expenses (excluding Municipality Debt payments)	49,956,391	50,694,109	51,646,924	47,626,603	51,003,485	55,588,213	59,074,477	58,120,131
Population	80,332	80,332	80,332	83,739	83,739	83,739	83,739	83,739
Net Long-term Debt per Capita	574	551	537	628	586	555	663	619
Long-term Debt Servicing per Capita	24	25	26	24	23	21	19	21
Long-term Debt Service as % of Expenses	3.92%	4.01%	3.98%	4.28%	3.73%	3.23%	2.75%	2.97%
Financial Assets	53,603,655	50,458,479	55,078,573	68,375,864	72,379,204	68,793,123	83,366,089	87,439,429
Financial Liabilities	62,616,170	59,195,311	60,283,189	64,927,847	64,035,205	60,500,560	68,311,403	62,898,663
Net Financial Assets/(Net Debt)	(9,012,515)	(8,736,832)	(5,204,616)	3,448,017	8,343,999	8,292,563	15,054,686	24,540,766

\* Does not include Debt Servicing for Municipal Debt

	2013	2014	2015	2016	2017	2018	2019	2020
CITY OF DUNCAN	1,244,899	1,273,726	1,376,091	1,359,871	1,409,224	1,511,036	1,535,572	1,626,435
DISTRICT OF NORTH COWICHAN	6,520,731	6,698,753	7,211,645	7,393,971	7,820,168	8,097,809	8,676,697	9,253,593
TOWN OF LADYSMITH	798,889	1,017,593	1,137,609	1,144,312	1,239,007	1,331,489	1,479,379	1,581,985
TOWN OF LAKE COWICHAN	925,222	923,179	958,720	928,575	956,807	988,426	1,093,019	1,184,105
ELECTORAL AREAS:								
ELECTORAL AREA A	2,320,314	2,342,039	2,454,371	2,648,763	2,836,118	3,043,344	3,215,864	3,336,634
ELECTORAL AREA B	4,657,232	4,773,110	4,936,524	5,299,136	5,534,740	5,785,921	6,277,696	6,495,921
ELECTORAL AREA C	2,366,280	2,413,626	2,531,916	2,708,394	3,004,234	3,011,940	3,220,219	3,230,365
ELECTORAL AREA D	1,790,909	1,830,859	1,909,199	2,005,122	2,063,273	2,244,910	2,377,813	2,486,646
ELECTORAL AREA E	1,843,357	1,887,932	1,986,324	2,053,695	2,189,824	2,338,669	2,476,082	2,677,821
ELECTORAL AREA F	1,920,971	1,899,483	2,054,608	2,177,665	2,277,632	2,406,552	2,614,379	2,754,402
ELECTORAL AREA G	927,785	937,829	978,817	1,039,774	1,110,583	1,181,302	1,248,383	1,323,352
ELECTORAL AREA H	867,216	895,129	981,459	1,027,640	1,062,957	1,154,094	1,260,296	1,349,236
ELECTORAL AREA I	1,839,202	1,889,491	1,964,652	2,118,785	2,195,781	2,403,748	2,606,951	2,797,840
General Property Taxes	28,023,007	28,782,749	30,481,935	31,905,703	33,700,347	35,499,240	38,082,350	40,098,336
Local Service Area	1,959,608	1,908,795	1,938,167	2,101,822	2,341,318	2,471,166	2,635,033	2,710,160
Total Annual Property Tax	29,982,615	30,691,544	32,420,102	34,007,525	36,041,665	37,970,406	40,717,383	42,808,496

This is just Requisition not Parcel Tax (in SCRD)

	2013	2014	2015	2016	2017	2018	2019	2020
Acquisition of Tangible Capital Assets	10,162,919	8,191,714	4,452,740	5,541,233	8,404,882	12,402,241	9,277,995	8,152,922

Reserves	2013	2014	2015	2016	2017	2018	2019	2020
General	6,422,151	6,825,749	8,197,048	8,188,328	8,484,440	6,376,474	8,154,748	10,090,111
Water	504,519	655,813	715,537	733,560	738,053	734,426	573,358	846,763
Sewer	1,534,601	1,677,401	1,874,877	1,947,909	2,234,040	2,327,831	2,052,615	2,860,666
	8,461,271	9,158,963	10,787,462	10,869,797	11,456,533	9,438,731	10,780,721	13,797,540





**CVRD**  
BRITISH COLUMBIA