



**COWICHAN VALLEY
REGIONAL DISTRICT**

**FINANCIAL STATEMENTS
December 31, 2019**

COWICHAN VALLEY REGIONAL DISTRICT

ELECTED AND APPOINTED OFFICIALS 2019

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
Electoral Area "B" - Shawnigan Lake	S. Acton
Electoral Area "C" - Cobble Hill	M. Wilson
Electoral Area "D" - Cowichan Bay	L. Iannidinaro
Electoral Area "E" - Cowichan Station/Sahtlam/Glenora	A. Nicholson
Electoral Area "F" - Cowichan Lake South/Skutz Falls	I. Morrison (Vice-Chair)
Electoral Area "G" - Saltair/Gulf Island	L. Smith
Electoral Area "H" - North Oyster/Diamond	M. Marcotte
Electoral Area "I" - Youbou/Meade Creek	K. Kuhn

OFFICERS

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

COWICHAN VALLEY REGIONAL DISTRICT

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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FINANCIAL STATEMENTS

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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

May 13, 2020



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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, 2019 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, 2019 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 error as 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.

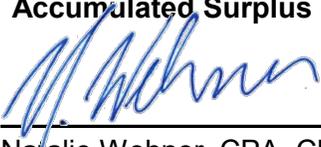
BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

May 13, 2020

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	2019	2018
Financial Assets		
Cash & Cash Equivalents (Note 1)	\$ 35,181,544	\$ 27,768,865
Portfolio Investments (Note 2)	5,247,451	5,151,575
Accounts Receivable (Note 3)	3,074,622	2,335,425
Land Held for Resale (Note 6)	398,000	147,000
Debt Recoverable from Members (Note 4)	<u>39,464,472</u>	<u>33,390,258</u>
	<u>\$ 83,366,089</u>	<u>\$ 68,793,123</u>
Liabilities		
Accounts Payable & Accrued Liabilities (Note 7)	\$ 4,675,233	\$ 4,421,638
Deferred Revenue (Note 8)	2,174,877	2,073,431
Restricted Contributions and Performance Deposits (Note 9)	1,852,910	1,886,263
Employee Future Benefits (Note 10)	234,606	312,039
Landfill Closure and Post Closure Costs (Note 12)	692,418	786,358
Short-term Debt (Note 25 & 13)	3,182,733	4,522,708
Long-term Debt		
Regional District (Note 26 & 13)	16,034,154	13,107,865
Members (Note 4)	<u>39,464,472</u>	<u>33,390,258</u>
	<u>\$ 68,311,403</u>	<u>\$ 60,500,560</u>
Net Financial Assets	<u>\$ 15,054,686</u>	<u>\$ 8,292,563</u>
Non-Financial Assets		
Tangible Capital Assets (Note 24)	\$ 157,201,155	\$ 154,270,546
Inventories	37,619	30,755
Prepaid Expenses	<u>124,939</u>	<u>192,742</u>
	<u>157,363,713</u>	<u>154,494,043</u>
Accumulated Surplus (Note 18)	<u>\$ 172,418,399</u>	<u>\$ 162,786,606</u>
		
_____ Natalie Wehner, CPA, CMA Corporate Financial Officer	_____ Aaron Stone Chairperson	

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

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019 Budget (Note 17)	2019 Actual	2018 Actual
Revenues			
Tax Requisition	\$ 40,717,383	\$ 40,717,383	\$ 37,970,405
User Fees	4,677,812	4,542,802	3,809,540
Parcel Taxes	2,552,643	2,524,310	2,509,027
Government Transfers - Provincial	4,440,918	2,629,452	1,394,389
Government Transfers - Federal	282,463	4,313,795	3,627,418
Services Provided to Other Local Governments	63,871	63,871	68,310
Revenue from Own Sources	9,343,086	10,579,222	9,565,657
Other Revenue	1,792,680	1,937,057	2,125,960
Interest Income	101,000	611,357	466,237
Donations	10,060	787,021	80,157
	<u>\$ 63,981,916</u>	<u>\$ 68,706,270</u>	<u>\$ 61,617,100</u>
Expenses (Note 27)			
General Government Services	9,344,413	7,832,419	7,479,334
Vancouver Island Regional Library	1,925,175	1,925,176	1,850,776
Transportation Services	3,394,784	3,143,180	3,099,975
Electoral Area Services	5,168,154	4,709,690	4,308,337
Protective Services	3,552,177	3,634,190	3,429,824
Parks and Recreation	17,119,986	19,913,685	18,866,770
Environmental Services	11,137,920	11,839,052	10,505,049
Sewer and Water Utilities	5,301,216	6,077,085	6,048,148
	<u>\$ 56,943,825</u>	<u>\$ 59,074,477</u>	<u>\$ 55,588,213</u>
Annual Surplus	<u>\$ 7,038,091</u>	<u>\$ 9,631,793</u>	<u>\$ 6,028,887</u>
Accumulated Surplus, Beginning of Year	<u>162,786,606</u>	<u>162,786,606</u>	<u>156,757,719</u>
Accumulated Surplus, End of Year (Note 18)	<u><u>\$169,824,697</u></u>	<u><u>\$172,418,399</u></u>	<u><u>\$162,786,606</u></u>

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

**STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019 Budget (Note 17)	2019 Actual	2018 Actual
Annual Surplus	\$ 7,038,091	\$ 9,631,793	\$ 6,028,887
Additions of Tangible Capital Assets	(15,237,333)	(9,277,995)	(12,402,241)
Contributed Tangible Capital Assets	-	(530,231)	(58,500)
Amortization of Tangible Capital Assets	-	6,852,800	6,440,056
Loss on Disposal of Tangible Capital Asset	-	24,817	-
Change in Inventories	-	(6,864)	(1,271)
Change in Prepaid Expenses	-	67,803	(58,367)
Increase/(Decrease) in Net Assets	(8,199,242)	6,762,123	(51,436)
Opening Financial Assets	<u>8,292,563</u>	<u>8,292,563</u>	<u>8,343,999</u>
Closing Financial Assets	<u>\$ 93,321</u>	<u>\$ 15,054,686</u>	<u>\$ 8,292,563</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Annual Surplus	\$ 9,631,793	\$ 6,028,887
Non-cash items included in surplus		
Amortization of Tangible Capital Assets	6,852,800	6,440,056
Contributed Tangible Capital Assets	(530,231)	(58,500)
Loss on Disposal of Tangible Capital Asset	24,817	-
Debt Actuarial Adjustment	(460,468)	(616,515)
Employee Future Benefits	(77,433)	(15,980)
Landfill Closure and Post Closure Costs	(93,940)	(676,977)
Change in non-cash working capital balances related to operations		
Accounts Receivable	(739,197)	773,552
Inventories	(6,864)	(1,271)
Prepaid Expenses	67,803	(58,367)
Accounts Payable and Accrued Liabilities	253,595	(65,409)
Deferred Revenue	101,446	(266,548)
Restricted Contributions and Performance Bonds	(33,353)	16,210
Land Held for Resale	(251,000)	-
Cash provided by operating activities	14,739,768	11,499,138
CAPITAL ACTIVITIES		
Acquisition of Tangible Capital Assets	(9,277,995)	(12,402,241)
Cash used in capital activities	(9,277,995)	(12,402,241)
INVESTING ACTIVITIES		
Change in Portfolio Investments	(95,876)	(83,608)
Cash provided by investing activities	(95,876)	(83,608)
FINANCING ACTIVITIES		
Debt Issued	5,514,175	3,511,554
Debt Repayment	(3,467,393)	(3,327,825)
Cash provided by financing activities	2,046,782	183,729
Increase (Decrease) in cash	7,412,679	(802,982)
Cash - Beginning of Year	27,768,865	28,571,847
Cash - End of Year (Statement 1)	\$ 35,181,544	\$ 27,768,865
Interest Paid	896,204	879,661
Interest Capitalized to Tangible Capital Assets	\$ -	\$ 6,443

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, 2019

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) 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.

(d) 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.

(e) Land Held for Sale

Land held for sale include real estate properties which are ready and available to be sold and for which there is an available market. They are valued at the lower of cost or expected net realizable value.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2019

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 contamination. At this time it has not been determined if this contamination is in excess of an environmental standard requiring remediation. Therefore, no liability was recognized as at December 31, 2019 or 2018. Further assessment will continue to be made in regard to the site and potential contamination. Should a liability be determined to exist it will be recorded when it is determined.

(g) Landfill Closure and Post Closure

The estimated cost to close and provide post closure maintenance to the former landfill sites are based on estimated future expenses in current dollars, discounted and adjusted for estimated inflation. Post closure maintenance is required and therefore all estimates use CVRD borrowing rates for the expected 25 year period at a rate of 2.20% annually for discounting purposes (2018 - 3.40%).

(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 net debt for the year.

COWICHAN VALLEY REGIONAL DISTRICT

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

(m) Accrued Employee Benefits

As determined by collective agreements and contractual arrangements, employee benefit accruals, which include an allowance for vacation entitlement and banked time earned but unpaid, are recorded as an expense in the year in which they are earned. Prior approval is required for carry over of vacation entitlement.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2019

Summary of Significant Accounting Policies (continued)

(n) Pension Liability

The long-term, post employment benefit liability of the Regional District will be met by the Municipal Pension Plan into which both the employee and the Regional District contribute. Contributions are expensed as incurred.

(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. Operating grants are recognized as earned. 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.

(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. Estimates of employee future benefits are recorded as expenses in the year they are earned by employees. Landfill closure and post closure costs are recorded as estimated expenses as set out in the regulatory requirement to close and maintain active and inactive landfill sites.

COWICHAN VALLEY REGIONAL DISTRICT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED DECEMBER 31, 2019

Summary of Significant Accounting Policies (continued)

(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 parks, recreation centres, community halls, fire protection, water and sewer services.

(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, 2019**

1) Cash & Cash Equivalents

	2019	2018
Restricted Cash		
Statutory Reserves	\$ 6,841,602	\$ 8,084,503
Restricted Revenues	<u>1,852,910</u>	<u>1,886,263</u>
	8,694,512	9,970,766
Unrestricted Cash	<u>26,487,032</u>	<u>17,798,099</u>
Total Cash	<u><u>\$ 35,181,544</u></u>	<u><u>\$ 27,768,865</u></u>

2) Portfolio Investments

Portfolio investments are MFA Money Market funds of \$ 5,247,451 (2018 - \$ 5,151,575). The yield on funds for 2019 was 1.86% (2018 - 1.65%).

3) Accounts Receivable

	2019	2018
Federal Governments	\$ 671,726	\$ 597,115
Provincial Governments	1,331,856	620,934
Local Governments	45,689	69,174
Other Trade Receivables	<u>1,025,351</u>	<u>1,048,202</u>
	<u><u>\$ 3,074,622</u></u>	<u><u>\$ 2,335,425</u></u>

4) Debt Recoverable from Members

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

	2019	2018
City of Duncan	\$ 782,756	\$ 909,552
District of North Cowichan	18,630,115	20,000,441
Town of Ladysmith	16,962,428	11,598,532
Vancouver Island Regional Library	<u>3,089,173</u>	<u>881,733</u>
	<u><u>\$ 39,464,472</u></u>	<u><u>\$ 33,390,258</u></u>

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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.

	2019	2018
Cash Deposits - Cowichan Valley Regional District	\$ 372,980	\$ 333,829
Cash Deposits - Members	668,326	580,489
Demand Notes - Cowichan Valley Regional District	739,820	677,769
Demand Notes - Members	<u>1,332,811</u>	<u>1,200,344</u>
	<u>\$ 3,113,937</u>	<u>\$ 2,792,431</u>

6) Land Held for Resale

The Regional District currently has two pieces of land held for resale. These pieces are currently on the market and being actively promoted for sale by a realtor.

7) Accounts Payable & Accrued Liabilities

	2019	2018
Federal Governments	\$ 3,780	\$ 2,165
Provincial Governments	101,801	5,926
Local Governments	229,847	98,926
Accrued Payroll	1,200,049	1,008,590
Other Trade Payables	<u>3,139,756</u>	<u>3,306,031</u>
	<u>\$ 4,675,233</u>	<u>\$ 4,421,638</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

8) Deferred Revenue

	2018	Externally restricted receipts	Revenue earned	2019
Trail Project Grants	\$ 575,477	\$ -	\$ -	\$ 575,477
Clean Water & Wastewater Grant	328,462	40,769	(269,081)	100,150
Flood Mitigation Grant	300,000	-	(29,373)	270,627
Recreation Deposits	189,107	308,129	(267,805)	229,431
Developer Capital Contributions	82,527	-	-	82,527
Other	67,635	344,116	(168,986)	242,764
Subtotal (Schedule A)	1,543,208	693,014	(735,245)	1,500,976
Parkland Cash-in-lieu Contributions	530,223	143,678	-	673,901
	<u>\$ 2,073,431</u>	<u>\$ 836,692</u>	<u>\$ (735,245)</u>	<u>\$ 2,174,877</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, 2019

9) Restricted Contributions and Performance Deposits

	2019	2018
Warranty Deposits	\$ 959,804	\$ 1,110,636
Kinsol Trestle Donations	65,297	65,247
Holdbacks	270,598	358,377
Cowichan Lake Water Protection	76,000	76,000
Arts & Sports Scholarship Fund	38,623	40,685
Nature and Habitat	50,567	34,467
Cowichan Performing Arts - CFI	53,242	40,670
Soil Security Deposits	181,728	-
Other	157,051	160,181
	<u>\$ 1,852,910</u>	<u>\$ 1,886,263</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 (CFI) 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, 2019**

10) Employee Future Benefits

	2019	2018
Discount rates	2.50%	2.90%
Expected future inflation rates	2.00%	2.00%
Expected wages/salary increase	2.08 - 4.00%	2.08 - 4.00%

Accrued Benefit Obligation as at December 31, 2019

	2019	2018
Accrued benefit obligation - beginning	\$ 120,760	\$ 116,500
Current service cost	11,275	11,000
Interest on accrued benefit obligation	2,980	3,800
Benefits paid during the year	<u>(8,800)</u>	<u>(10,540)</u>
Ending benefit obligation	126,215	120,760
Unamortized net actuarial gain	<u>108,391</u>	<u>191,279</u>
Accrued Unfunded Benefit Liability	<u><u>\$ 234,606</u></u>	<u><u>\$ 312,039</u></u>

The total expense related to these benefits was:

	2019	2018
Current service costs	\$ 11,000	\$ 11,000
Interest on benefit obligation	3,800	3,800
Amortization of actuarial gain	<u>(82,888)</u>	<u>(20,240)</u>
Total recovery	<u><u>\$ (68,088)</u></u>	<u><u>\$ (5,440)</u></u>

The total recovery is included in wages and benefits expense.

11) Pension Liability

The Regional District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018 the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

11) Pension Liability (continued)

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 \$1,592,969 (2018 - \$1,549,844) for employer contributions, while employees contributed \$1,410,889 (2018 - \$1,370,800) to the plan in fiscal 2019.

12) 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 that its own landfills are managed in a fiscally responsible manner, which includes setting aside funds to pay for landfill closure and 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 25 years (2018 - \$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 24 years (2018 - \$12,000 annually).

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

12) 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 \$12,000 annually for 24 years (2018 - \$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.

	2019	2018
Meade Creek TRP	\$ 300,149	\$ 318,122
Peerless Road TRP	300,149	318,122
Koksilah Road	<u>311,600</u>	<u>318,122</u>
Gross liability	911,898	954,366
Less: cash held in Remediation Reserve Fund	<u>(219,480)</u>	<u>(168,008)</u>
	<u><u>\$ 692,418</u></u>	<u><u>\$ 786,358</u></u>

The provision is determined using the following assumptions:

	2019	2018
Inflation Rates	2.20%	3.30%
Discount Rates	2.57%	3.40%
Koksilah Road Monitoring	\$12,000 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, 2019**

13) 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 25. Details of Long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts are summarized in Note 26.

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
2020	\$	1,181,561	\$	929,117
2021		730,299		898,400
2022		589,698		895,073
2023		568,244		803,741
2024		112,931		630,246
Thereafter		-		11,877,577
		<u>\$ 3,182,733</u>		<u>\$ 16,034,154</u>

14) Consolidated Schedule of Expense by Object

	2019 BUDGET	2019 ACTUAL	2018 ACTUAL
Operations and Maintenance	\$19,351,714	\$ 15,587,663	\$ 15,788,645
Wages and Benefits	24,631,109	23,832,530	22,399,591
Contract for Services	7,688,662	8,021,055	7,023,466
Landfill Closure and Post Closure Costs	-	(93,940)	(676,977)
Debt Charges - Interest	1,030,945	896,204	879,661
Contributions to Community Facilities	148,275	168,006	119,365
Grants to Organizations	899,324	815,563	590,969
Library Services	1,925,175	1,925,176	1,850,776
Fire & Recreation Services Provided by Other Governments	1,028,621	1,028,621	958,667
Amortization	-	6,852,800	6,440,056
Contributions to Third Party Capital	240,000	40,799	213,994
	<u>\$56,943,825</u>	<u>\$ 59,074,477</u>	<u>\$ 55,588,213</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

15) Contingent Liabilities

As at December 31, 2019 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.

16) Tangible Capital Assets

	2019	2018
Land	\$ 53,791,488	\$ 53,451,488
Building	25,562,868	23,252,254
Vehicles, Machinery and Equipment	5,168,555	4,862,522
Engineering Structures	51,857,923	48,073,333
Parks	7,548,268	6,828,736
Other Tangible Capital Assets	9,808,959	10,504,568
Work in Progress	<u>3,463,094</u>	<u>7,297,645</u>
	<u>\$ 157,201,155</u>	<u>\$ 154,270,546</u>

For additional information, see the Schedule of Tangible Capital Assets (Note 24).

During the year land, and sewer/water/drainage systems built by others valued at \$530,231 (2018 - \$58,500) were accepted and recorded as contributed assets.

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

17) Budget Figures

Budget figures represent the 2019 Financial Plan Bylaw adopted by the Board on March 13, 2019. The financial plan 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.

	2019
Surplus for the year (Statement 2)	\$ 7,038,091
Add:	
Transfer from Reserves	4,886,136
Prior Year Operating Surplus	3,275,603
MFA Funding	4,232,404
Less:	
Debt Principal Repayments/Actuarial Adjustments	(2,754,997)
Transfer to Reserves	(1,579,904)
Purchase of Tangible Capital Assets	(15,237,333)
Difference between capital and bylaw	<u>140,000</u>
Surplus, per Cowichan Valley Regional District Financial Plan Bylaw No. 4263	<u><u>\$ -</u></u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

18) Accumulated Surplus

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

	2019	2018
Surplus		
Operating Fund Reserve Fund - Operating Surplus	\$ 18,011,792	\$ 13,455,819
Operating Fund Reserve Fund - Community Works	6,390,123	4,371,487
Operating Fund - Future Liabilities - Sick Leave	(234,606)	(312,039)
Operating Fund - Future Liabilities - Landfill Costs	(692,418)	(786,358)
Equity in Tangible Capital Assets	<u>138,382,268</u>	<u>136,786,974</u>
Total Surplus	161,857,159	153,515,883
Statutory Reserve Funds	10,780,721	9,438,731
Less: Restricted Remediation Reserve	<u>(219,481)</u>	<u>(168,008)</u>
Accumulated Surplus (Statement 1)	<u><u>\$ 172,418,399</u></u>	<u><u>\$ 162,786,606</u></u>

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

	2019	2018
Community Works Reserve, opening balance	\$ 4,371,487	\$ 4,752,240
Add:		
Community works funds received in year	3,259,857	1,632,472
Interest earned	120,827	85,191
Less:		
Amounts spent on projects	<u>(1,362,048)</u>	<u>(2,098,416)</u>
Community Works Reserve, Ending Balance	<u><u>\$ 6,390,123</u></u>	<u><u>\$ 4,371,487</u></u>

The Community Works Reserve is included in Operating Surplus (Schedule A).

The Regional District has established a reserve fund for the purpose of paying the costs of undertaking feasibility studies of services it proposes to provide. The net accumulated costs to December 31, 2019, which have not yet been recovered and that are repayable to the Feasibility Reserve upon establishment of the service, is \$ 242,293 (2018 - \$ 242,293).

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

19) 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 27 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, 2019

20) 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 2020 is \$600,000 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 2019/2020 annual transit operating agreement for these services is \$764,509.

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 2020 commitment is \$252,186.

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 2020 commitment is \$322,198.

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 2019 budget included a \$488,100 Regional Grant in Aid which was not paid and 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 2020 commitment is \$187,591.

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 2020 commitment is \$2,058,000.

COWICHAN VALLEY REGIONAL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

20) Commitments (continued)

Easy Living Landscape Ltd

A two year agreement for landscaping service for CVRD parks commencing November 2019. The 2020 commitment is \$628,620.

21) 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, administrative support services supplied to the Hospital District by the Regional District totaled \$60,000 (2018 - \$60,000).

22) 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.

23) Comparative Figures

Certain 2018 comparative figures have been reclassified to confirm to current years presentation especially within the Consolidated Schedule of Segment Disclosure and Consolidated Schedule by Expense by Object notes.

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

24) 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	2019 Total	2018 Total	
Cost												
Opening Balance	\$ 53,451,488	\$ 48,291,085	\$ 24,330,542	\$ 44,384,018	\$ 37,572,495	\$ 1,173,151	\$ 19,730,512	\$ 15,556,637	\$ 7,297,645	\$ 251,787,573	\$ 239,345,011	
Add: Additions	340,000	3,910,212	1,163,329	3,022,666	2,775,452	-	2,355,646	75,472	3,463,094	17,105,871	17,503,881	
Less: Completed W.I.P.	-	-	-	-	-	-	-	-	(7,297,645)	(7,297,645)	(5,043,139)	
Less: Disposals	-	-	(280,105)	-	-	-	-	-	-	(280,105)	(18,181)	
Closing Balance	53,791,488	52,201,297	25,213,766	47,406,684	40,347,947	1,173,151	22,086,158	15,632,109	3,463,094	261,315,694	251,787,572	
Accumulated Amortization												
Opening Balance	-	25,038,832	19,468,019	19,005,324	15,811,806	239,201	12,901,776	5,052,069	-	97,517,027	91,095,150	
Add: Amortization	-	1,599,597	832,480	1,014,898	951,853	46,777	1,636,114	771,081	-	6,852,800	6,440,056	
Less: Disposals	-	-	(255,288)	-	-	-	-	-	-	(255,288)	(18,181)	
Closing Balance	-	26,638,429	20,045,211	20,020,222	16,763,659	285,978	14,537,890	5,823,150	-	104,114,539	97,517,025	
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>\$ 9,808,959</u>	<u>\$ 3,463,094</u>	<u>\$ 157,201,155</u>		
Net Book Value for the year ended December 31, 2018	<u>\$ 53,451,488</u>	<u>\$ 23,252,254</u>	<u>\$ 4,862,522</u>	<u>\$ 25,378,694</u>	<u>\$ 21,760,690</u>	<u>\$ 933,950</u>	<u>\$ 6,828,736</u>	<u>\$ 10,504,568</u>	<u>\$ 7,297,645</u>		<u>\$ 154,270,546</u>	

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

25) Schedule of Short-term Debt

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payment 2019	Net Balance December 31, 2019	Net Balance December 31, 2018
Administration	14-222	2019	\$ 347,775	\$ 88,796	\$ -	\$ 88,796
Building Inspection - Vehicle	19-265.6.1	2024	29,410	2,313	27,097	-
Bylaw	19-265.6.2	2024	28,820	2,266	26,554	-
Com Parks - Area B - Land	15-521.2.2	2020	1,259,903	294,808	301,605	596,413
Com Parks - Area C - Boatswain	14-555-1	2021	169,500	34,651	35,437	70,088
Com Parks - Area G - Saltair Land	14-328	2019	136,930	30,230	-	30,230
Com Parks - Area D - Land	14-112	2019	155,000	32,529	-	32,529
Com Parks - Area E	18-224.2	2023	263,840	51,545	212,295	263,840
CLR - Truck/Sports Court Flooring	15-246	2020	57,132	11,481	11,741	23,222
CLR - Dehumidifier	16-131	2020	141,483	27,670	28,296	55,966
CLR - Chiller & Digital Sign	17-24	2022	249,947	49,015	101,383	150,398
Community Planning - Renovations	18-77	2023	178,680	33,996	144,684	178,680
Eng Utilities - Truck	15-239	2020	30,218	1,537	-	1,537
Eng Utilities - Vans	16-69.1	2020	85,956	16,400	32,837	49,237
Eng Utilities - Equipment	18-81.12	2023	98,400	18,735	75,079	93,814
Eng Utilities - Equipment	18-81.12	2023	45,000	8,569	34,334	42,903
Fire Protection - North Oyster Fire Hall	19-345.6	2024	644,690	-	644,690	-
ISC - Theatre	18-85.1	2023	349,000	66,635	276,966	343,601
KPR - Capital Improvements	13-637	2019	1,750,000	322,269	-	322,269
KPR - Arena Improvements	13-637	2021	260,000	94,281	-	94,281
KPR - Utility Vehicle	19-159	2024	34,120	-	34,120	-
KPR - Ice Resurfacer	19-159	2024	173,420	-	173,420	-
KPR - Interior Upgrades	19-159	2024	75,000	-	75,000	-
Parks & Trails - Truck	15-234	2020	40,000	10,339	-	10,339
Parks & Trails - Portable	16-554-2	2021	18,567	1,817	3,758	5,575
Regional Parks - Portable	16-554-2	2021	18,567	1,712	2,270	3,982
Regional Parks - CVT Malahat	16-393.3	2022	450,000	47,164	97,552	144,716
Reg Parkland - CVT	17-502	2023	344,000	64,475	279,525	344,000
Sahtlam Fire - Fire Truck	15-187-10.2	2020	184,085	37,563	38,415	75,978

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

25) Schedule of Short-term Debt (continued)

	Board Resolution	Maturity Dates	Originally Authorized	Principal Payment 2019	Net Balance December 31, 2019	Net Balance December 31, 2018
Saltair Rec - New Roof	17-472.2	2023	137,000	14,275	98,043	112,318
SWM - Roll off Truck and Bins	17-54.4	2022	192,397	37,953	78,508	116,461
SWM - Excavator	15-536.2.2	2019	243,298	49,910	-	49,910
SWM - Bings Solar Project	16-75.2.3	2020	47,622	9,102	9,309	18,411
SWM - Bings Energy Project	16-75.2.2	2020	72,784	14,711	15,045	29,756
SWM - Meade Creek Capital Prj	4135	2023	958,300	958,300	-	958,300
SWM - Loader	18-125.2.1	2024	147,550	11,602	135,948	-
SWM - Vehicle	18-125.2.2	2024	41,010	3,225	37,785	-
Public Safety - SPU	19-225.2.2	2024	128,000	4,011	123,989	-
Arbutus Mt Sewer	4252	2023	152,316	152,316	-	152,316
Cobble Hill Sewer - Upgrades	16-550-4	2022	24,009	19,420	-	19,420
Shawnigan Beach Sewer - Upgrades	16-366-12	2022	44,097	8,620	27,048	35,668
Youbou Sewer - Land	14-340	2019	60,000	7,754	-	7,754
				<u>\$ 2,641,995</u>	<u>\$ 3,182,733</u>	<u>\$ 4,522,708</u>

Debt bears interest at variable rates which are paid monthly.

The weighted average interest rate at December 31, 2019 was 2.50% (December 31, 2018 1.04%).

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, 2019**

26) Schedule of Long-term Debt

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2019	Net Balance December 31, 2019	Interest Rate
Issued by the Municipal Finance Authority for the Regional District							
Administration Building	2339	20	2022	3,020,000	\$ 199,368	\$ 659,932	2.10 %
Cowichan Lake Recreation	3197	20	2029	2,500,000	119,493	1,492,035	4.13 %
Cowichan Lake Recreation	3197	20	2030	3,700,000	170,049	2,385,061	4.50 %
Kerry Park Recreation	2439	20	2023	1,700,000	106,882	483,712	4.90 %
Cowichan Community Centre	2501	20	2024	2,500,000	149,696	868,521	4.90 %
Malahat Fire	3630	15	2028	265,000	16,101	177,217	3.15 %
Sahtlam Fire	3272	10	2020	130,000	14,819	15,411	4.50 %
Curbside Collection	3607	15	2028	1,600,000	97,218	1,069,987	3.15 %
Curbside Collection	3607	15	2029	175,000	10,224	127,663	3.30 %
Solid Waste Mgmt Complex	4178	20	2038	709,700	26,412	683,288	3.15 %
Solid Waste Mgmt Complex	4174	20	2038	300,000	11,165	288,835	3.10 %
Solid Waste Mgmt Complex	4178	20	2039	1,258,300	31,458	1,226,843	4.00 %
Solid Waste Mgmt Complex	2011	20	2020	600,000	42,939	44,870	4.50 %
Solid Waste Mgmt Complex	3277	20	2030	590,000	27,115	380,321	4.50 %
Solid Waste Mgmt Complex	3278	20	2030	720,000	33,091	464,120	3.73 %
Solid Waste Mgmt Complex	3277	20	2033	780,000	31,869	606,257	3.85 %
Solid Waste Mgmt Complex	3727	20	2034	871,000	34,218	712,574	3.30 %
Arbutus Ridge Water	3287	20	2031	100,000	4,419	69,057	3.25 %
Carlton Water	3628	10	2024	50,000	4,872	27,443	3.00 %
Central Youbou Water	2665	25	2033	488,000	17,345	329,969	5.15 %
Dogwood Ridge Water	3281	25	2036	94,000	2,971	73,202	3.25 %
Douglas Hill Water	3383	20	2031	150,000	6,628	103,586	4.20 %
Fern Ridge Water	2995	20	2029	23,175	1,108	13,831	4.13 %
Honeymoon Bay Water	2973	20	2030	37,000	1,700	23,851	3.73 %
Honeymoon Bay Water	4284	15	2034	325,000	-	325,000	2.24 %

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

26) Schedule of Long-term Debt (continued)

	L/A Bylaw	Term	Maturity Dates	Originally Authorized	Principal Payment 2019	Net Balance December 31, 2019	Interest Rate
Lambourn Water	3062	20	2030	100,000	4,595	64,461	3.73 %
Satellite Park Water	3029	20	2029	160,000	7,648	95,490	4.13 %
Shellwood Water	3625	20	2036	85,000	3,219	75,664	2.10 %
Youbou Water	2092	20	2030	120,000	5,515	77,353	3.73 %
Arbutus Mt Sewer	4233	20	2039	153,855	-	153,855	2.66 %
Arbutus Ridge Sewer	3289	20	2031	125,000	5,524	86,321	3.25 %
Arbutus Ridge Sewer	4284	25	2044	2,475,000	-	2,475,000	2.24 %
Brulette Place Sewer	3297	15	2029	24,713	1,444	18,028	3.00 %
Cobble Hill Sewer	3106	10	2019	25,000	2,964	-	4.13 %
Cowichan Bay Sewer	2439	10	2013	600,000	37,723	170,722	4.90 %
Kerry Village Sewer	3019	20	2030	80,000	3,677	51,569	4.50 %
Lambourn Sewer	3063	20	2030	150,000	6,894	96,692	3.73 %
Shawnigan Lake Sewer	1964	20	2019	505,000	37,880	-	4.50 %
Shawnigan Lake Sewer	2194	20	2021	110,000	7,624	16,413	3.05 %
Grand Total					<u>\$1,285,867</u>	<u>\$16,034,154</u>	

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

27) 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	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	-
	<u>8,239,010</u>	<u>1,960,811</u>	<u>3,793,718</u>	<u>5,980,686</u>	<u>4,664,292</u>	<u>22,353,111</u>	<u>12,780,789</u>	<u>8,933,853</u>	<u>68,706,270</u>
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
	<u>7,832,419</u>	<u>1,925,176</u>	<u>3,143,180</u>	<u>4,709,690</u>	<u>3,634,190</u>	<u>19,913,685</u>	<u>11,839,052</u>	<u>6,077,085</u>	<u>59,074,477</u>
Net Annual Surplus/(Deficit)	<u>\$ 406,591</u>	<u>\$ 35,635</u>	<u>\$ 650,538</u>	<u>\$ 1,270,996</u>	<u>\$ 1,030,102</u>	<u>\$ 2,439,426</u>	<u>\$ 941,737</u>	<u>\$ 2,856,768</u>	<u>\$ 9,631,793</u>

COWICHAN VALLEY REGIONAL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

27) 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	2018 Consolidated
Revenues									
Tax Requisition	\$ 2,954,782	\$ 1,884,619	\$ 2,610,608	\$ 4,304,401	\$ 3,873,996	\$ 16,759,168	\$ 5,517,100	\$ 65,731	\$ 37,970,405
User Fees	-	-	-	2,448	-	(25,822)	813,906	3,019,008	3,809,540
Parcel Taxes	-	-	-	34,200	-	10,000	26,546	2,438,281	2,509,027
Government Transfers - Provincial	380,527	-	75,942	726	52,736	238,742	423,975	221,741	1,394,389
Government Transfers - Federal	1,718,098	-	429	57,037	280	122,031	1,723,118	6,424	3,627,418
Services Provided Other Local Govt	-	-	-	-	68,310	-	-	-	68,310
Revenue from Own Sources	320,701	-	899,376	1,080,055	26,724	4,110,364	3,128,198	239	9,565,657
Other Revenue	215,463	-	23,001	56,821	186,874	278,099	1,081,628	284,074	2,125,960
Interest Income	250,915	-	-	3,055	44,949	94,049	17,761	55,508	466,237
Donations	-	-	-	-	6,500	73,657	-	-	80,157
Services Provided to Other Functions	53,520	-	-	-	-	(13,383)	(496,428)	456,291	-
	<u>5,894,006</u>	<u>1,884,619</u>	<u>3,609,356</u>	<u>5,538,743</u>	<u>4,260,369</u>	<u>21,646,905</u>	<u>12,235,804</u>	<u>6,547,297</u>	<u>61,617,100</u>
Expenses									
Operations and Maintenance	2,507,889	-	28,921	1,187,954	1,249,516	5,033,632	4,064,349	1,716,383	15,788,644
Wages and Benefits	4,530,935	-	88,465	2,515,416	554,500	9,475,272	3,275,496	1,959,506	22,399,590
Contract for Services	202,196	-	2,982,589	139,764	685,074	246,599	2,740,922	26,322	7,023,466
Landfill Closure/Post Closure Costs	-	-	-	-	-	-	(676,977)	-	(676,977)
Debt Charges - Interest	71,216	-	-	149	16,455	427,984	258,565	105,292	879,661
Contributions to Community Facilities	-	-	-	-	-	119,365	-	-	119,365
Grants to Organizations	-	-	-	412,449	-	152,520	26,000	-	590,969
Library Services	-	1,850,776	-	-	-	-	-	-	1,850,776
Fire and Recreation Services Provided by Other Governments	-	-	-	-	637,457	321,210	-	-	958,667
Amortization	167,098	-	-	52,605	286,821	3,040,188	816,694	2,076,650	6,440,056
Contributions to Third Party Capital	-	-	-	-	-	50,000	-	163,994	213,994
	<u>7,479,334</u>	<u>1,850,776</u>	<u>3,099,975</u>	<u>4,308,337</u>	<u>3,429,823</u>	<u>18,866,770</u>	<u>10,505,049</u>	<u>6,048,147</u>	<u>55,588,211</u>
Net Annual Surplus/(Deficit)	<u>\$ (1,585,328)</u>	<u>\$ 33,843</u>	<u>\$ 509,381</u>	<u>\$ 1,230,406</u>	<u>\$ 830,546</u>	<u>\$ 2,780,135</u>	<u>\$ 1,730,755</u>	<u>\$ 499,150</u>	<u>\$ 6,028,889</u>

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Function	2019	2018
General Government Services	\$ 2,380,526	\$ 1,707,656
Community Health Network	106,759	169,608
Administration Office	317,138	252,450
I.T. / H.R. / M.I.A. / G.I.S	395,236	505,288
Vancouver Island Regional Library	-	1
Commuter Transit	410,318	336,824
Transit	412,568	211,484
9-1-1	235,153	189,035
Grant in Aid	101,557	84,099
Environmental Services	475,858	210,237
Emergency Planning	491,747	474,339
Economic Development	184,469	193,533
Regional Tourism	643	454
Electoral Feasibility Studies	45,657	52,887
Electoral Area Services	388,550	314,949
Victim Services	201	233
Victim Services - West	6	30
Community Parks	682,467	606,928
Parks & Trails	95,328	87,662
Regional Parks	57,804	92,044
Kinsol Trestle	322,415	162,137
Bright Angel Park	20,575	10,838
South Cowichan Community Parks	16,405	12,558
Regional Parkland Acquisition	1,224,996	1,222,858
Animal Control	39,058	16,136
Building Inspection	154,782	272,620
Bylaw Enforcement	628,207	221,410
Community Planning	314,171	494,141
North Oyster Fire Protection	59,415	95,958
Mesachie Lake Fire Protection	41,642	23,562
Saltair Fire Protection	(1)	-
Sahtlam Fire Protection	143,504	148,505
Malahat Fire Protection	187,947	135,419
Eagle Heights Fire Protection	(114)	(59)
Honeymoon Bay Fire Protection	76,213	52,917
Youbou Fire Protection	384,371	328,359
GM Community Services/Facilities	186,681	154,382
Arts & Culture	61,414	51,357
Cowichan Lake Recreation	1,301	71,224
Kerry Park Recreation	97,255	62,460
Island Savings Centre	522,788	471,629

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Function	2019	2018
Cowichan Sportsplex - Area A	5	4
Mill Bay Recreation	553	300
Saltair Recreation	10,842	(12,278)
Lake Cowichan Activity Centre	20	(664)
Cowichan Aquatic Centre - Area F	4	4
Shawnigan Lake Community Centre	330,499	221,741
Cobble Hill Historical Society	3	3
Cobble Hill Hall Recreation	(1,731)	-
Shawnigan Lake Historical Society	16	15
Senior Centre Grant	7	52
Kaatza Historical Society	12	60
Mill Bay/Malahat Historical Society	4	4
Cowichan Station Assoc - Area B	5	4
Nature and Habitat - Area I	1,790	973
Thetis Island Wharf	77,398	65,002
Thetis Island Boat Launch	6,158	5,771
Cowichan Lake Water Protection	6,087	4,237
Cowichan Housing Association	392,966	(108,306)
Safer Futures	55	63
Social Planning	105	117
South Cowichan Community Policing	24	27
Cowichan Community Policing	398	453
Cowichan Valley Hospice	118	131
Curbside Collection Garbage/Recycling	197,010	362,185
Solid Waste Management Complex	1,164,324	291,808
Cowichan Flood Management	283,958	212,612
South Cowichan Water Study Plan	73,530	28,392
Drinking Water & Watershed Protection	169,080	(101,974)
Liquid Waste Plan - Central Sector	320,397	228,165
Liquid Waste Plan - South Sector	1,688	2,176
Critical Street Lighting "A"	(1,355)	2,467
Critical Street Lighting "B"	3,258	2,750
Critical Street Lighting "C"	3,470	3,459
Critical Street Lighting "D"	3,589	3,381
Critical Street Lighting "E"	1,045	858
Critical Street Lighting "I"	730	591
Mesachie Lake Street Lighting	1,167	871
Youbou Street Lighting	12,360	10,346
Brentwood College Street Lighting	(20)	-
Cowichan Bay Street Lighting	559	400
Honeymoon Bay Street Lighting	6,566	5,042

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Function	2019	2018
Mill Bay Street Lighting	(210)	(12)
Cobble Hill Street Lighting	151	192
Wilmot Road Street Lighting	9,182	7,918
Sentinel Ridge Street Lighting	7,710	6,395
Twin Cedars Street Lighting	709	1,553
Arbutus Mtn. Street Lighting	6,625	5,424
Mill Springs Street Lighting	17,481	10,975
Engineering Services	247,500	194,457
Engineering - Utilities	153,027	184,561
Asset Manager	5,639	-
Wilmot Road Drainage System	14,163	13,586
Sentinel Ridge Drainage System	17,518	15,853
Shawnigan Lake East Drainage System	6,688	5,899
Arbutus Mtn. Drainage System	25,567	23,622
Lanes Road Drainage System	15,985	13,932
Bald Mtn. Drainage System	13,119	12,266
Cobble Hill Drainage System	27,012	25,752
Arbutus Ridge Drainage System	14,673	8,543
Shawnigan Creek Cleanout System	13,758	16,082
Satellite Park Water System	22,552	10,751
Douglas Hill Water System	7,958	(4,664)
Lambourn Water System	25,252	24,226
Arbutus Mtn. Water System	13,475	12,689
Malahat Water System	(1,569)	-
Fern Ridge Water System	17,843	14,307
Bald Mtn. Water System	123,212	97,502
Dogwood Ridge Water System	15,129	12,209
Arbutus Ridge Water System	112,111	95,680
Carlton Water System	20,386	13,885
Shellwood Water System	9,478	2,785
Woodley Range Water System	17,091	11,964
Burnum Water System	32,407	12,020
Mesachie Lake Water System	14,401	22,043
Saltair Water System	297,279	343,388
Central Youbou Water Debt	12,214	1,233
Youbou Water System	273,899	212,561
Honeymoon Bay Water System	(11,542)	20,475
Honeymoon Bay (S.C.) Water System Debt	1	1
Honeymoon Bay Water (well 2) Debt	77,232	51,488
Cherry Point Estates Water System	24,674	22,589
Shawnigan Lake North Water System	186,628	172,050

**STATEMENT OF OPERATING SURPLUS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Function	2019	2018
Shawnigan Lake Weir	4,060	3,275
Kerry Village Water System	6,282	(716)
Cowichan Bay Sewer System	897,102	352,422
Brulette Place Sewer System	31,037	20,140
Sentinel Ridge Sewer System	10,630	2,891
Twin Cedar Sewer System	27,126	-
Lambourn Sewer System	(33,507)	9,231
Arbutus Mtn. Sewer System	7,008	247
Malahat Sewer System	(1,879)	-
Cobble Hill Village Sewer System	518	51,013
Mesachie Lake Sewer System	58,187	47,625
Bald Mtn. Sewer System	29,600	63,224
Cobble Hill Sewer	48,366	-
Mill Springs Sewer System	143,026	124,837
Arbutus Ridge Sewer System	316,683	190,922
Eagle Heights Sewer System	(4,574)	(8,101)
Maple Hill Sewer System	53,367	46,368
Shawnigan Beach Estates Sewer System	116,656	58,869
Kerry Village Sewer System	14,594	6,085
Youbou Sewer System	69,423	61,905
Operating Fund Surplus Balance	18,011,792	13,455,819
Community Works Reserve Balance	6,390,123	4,371,487
Operating Fund Balance	<u>\$ 24,401,915</u>	<u>\$ 17,827,306</u>