

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
Consolidated Financial Statements

(Audited)

DECEMBER 31, 2022

Draft

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

CONTENTS

Statement of Responsibility	2
Independent Auditors' Report	2
Statements	
Consolidated Statement of Financial Position.....	3
Consolidated Statement of Operations.....	4
Consolidated Statement of Changes in Net Financial Assets.....	5
Consolidated Statement of Cash Flows.....	6
Notes to the Consolidated Financial Statements	7
Schedules	
Taxation.....	26
Grants and Government Transfers.....	27
Operations by Segment.....	28
Supplementary Schedules - Unaudited	
Sales of Services.....	31
Other Revenue from own Sources.....	32
General Government Services.....	33
Protective Services.....	34
Engineering and Public Works.....	35
Environmental Health Services.....	36
Recreation and Cultural Services.....	37
COVID-19 SAFE Restart Grant.....	38

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022, WITH COMPARATIVE INFORMATION FOR 2021

	2022 Actual	2021 Actual
Financial Assets		
Cash (Note 4)	\$ 4,919,023	\$ 13,432,104
Temporary Investments (Note 4)	91,165,028	82,067,554
Accounts receivable (Note 5)	4,890,748	4,336,943
	100,974,799	99,836,601
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	9,946,373	7,898,807
Employee future benefits and compensation payable (Note 7)	3,756,612	3,897,036
Unearned revenue (Note 8)	9,724,467	8,652,907
Restricted reserves (Note 12)	18,183,512	14,979,078
Debt (Note 14)	36,840,235	16,572,074
Temporary financing (Note 15)	-	11,100,000
	78,451,199	63,099,902
Net Financial Assets	22,523,600	36,736,699
Non-Financial Assets		
Tangible capital assets (Note 10)	314,093,229	293,335,991
Inventory of supplies	606,004	544,905
Prepaid items	540,982	312,745
Property acquired for taxes	2,341,177	2,416,867
	317,581,392	296,610,508
Accumulated Surplus (Note 17)	\$ 340,104,992	\$ 333,347,207

Commitments and Contingent Liabilities (Notes 16 and 19)

Approved by:

T. Soldera
Chief Financial Officer

See accompanying notes to the financial statements

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2022, WITH COMPARATIVE INFORMATION FOR 2021

	2022 Budget (Note 18)	2022 Actual	2021 Actual
Revenues			
Taxation (Schedule I)	\$ 40,554,306	\$ 40,420,459	\$ 38,519,675
Sales of services	10,190,474	11,301,521	10,728,853
Other revenue from own sources	2,146,610	2,394,225	2,230,498
Return on investments	645,920	3,152,733	192,667
Grants and government transfers (Schedule II)	10,447,590	3,445,852	4,546,075
Collections from developers and others	3,522,445	3,574,846	1,889,214
Actuarial adjustments to debt	-	537,057	480,087
	<u>67,507,345</u>	<u>64,826,693</u>	<u>58,587,069</u>
Expenses			
General government services	7,281,552	6,860,885	6,573,706
Protective services	12,514,284	12,411,129	10,902,877
Engineering and public works	11,352,069	12,660,741	12,090,247
Environmental health services	2,705,993	2,509,014	2,116,811
Forestry	804,711	568,976	640,730
Community development	1,492,586	1,424,693	1,393,651
Recreation and cultural services	12,633,217	12,753,804	12,103,772
Water	5,209,377	5,054,610	5,092,167
Sewer	4,972,841	3,825,056	3,739,484
	<u>58,966,630</u>	<u>58,068,908</u>	<u>54,653,445</u>
Annual Surplus	<u>\$ 8,540,715</u>	<u>6,757,785</u>	3,933,624
Accumulated surplus, beginning of year (Note 17)		<u>333,347,207</u>	<u>329,413,583</u>
Accumulated surplus, end of year (Note 17)		<u>\$ 340,104,992</u>	<u>\$ 333,347,207</u>

See accompanying notes to the financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2022, WITH COMPARATIVE INFORMATION FOR 2021

	2022 Budget (Note 18)	2022 Actual	2021 Actual
Annual Surplus	\$ 8,540,715	\$ 6,757,785	\$ 3,933,624
Acquisition of tangible capital assets	-	(27,885,728)	(17,058,247)
Contributed tangible capital assets	-	(3,481,509)	(1,767,497)
Amortization of tangible capital assets	9,699,410	10,428,914	10,101,494
Net (gain) loss on sale of tangible capital assets	-	12,426	97,740
Proceeds on sale of tangible capital assets	-	-	10,285
Write-downs of tangible capital assets	-	168,659	22,701
	<u>9,699,410</u>	<u>(20,757,238)</u>	<u>(8,593,524)</u>
Increase in prepaids	-	(228,237)	(109,329)
Increase in inventories	-	(61,099)	(19,153)
Decrease (increase) in property acquired for taxes	-	75,690	(75,690)
	<u>-</u>	<u>(213,646)</u>	<u>(204,172)</u>
Change in net financial assets	18,240,125	(14,213,099)	(4,864,072)
Net financial assets at beginning of year	-	36,736,699	41,600,771
Net financial assets at end of year	<u>\$ 18,240,125</u>	<u>\$ 22,523,600</u>	<u>\$ 36,736,699</u>

See accompanying notes to the financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022, WITH COMPARITIVE INFORMATION FOR 2021

	<u>2022 Actual</u>	<u>2021 Actual</u>
Operating transactions		
Annual surplus	\$ 6,757,785	\$ 3,933,624
Non-cash items included in surplus:		
Amortization	10,428,914	10,101,494
Actuarial adjustment to debt	(537,057)	(480,087)
Write-downs of tangible capital assets	168,659	22,701
Net loss on sale of tangible capital assets	12,426	97,740
Contributed tangible capital assets	<u>(3,481,509)</u>	<u>(1,767,497)</u>
	13,349,218	11,907,975
Changes in non-cash assets and liabilities:		
Accounts receivable	(553,805)	1,472,158
Inventory of supplies	(61,099)	(19,153)
Prepaid items	(228,237)	(109,329)
Property acquired for taxes	75,690	(75,690)
Accounts payable	2,047,566	(1,167,522)
Employee future benefits and compensation payable	(140,424)	177,055
Unearned revenue	1,071,560	1,422,858
Restricted reserves	<u>3,204,434</u>	<u>1,379,310</u>
Cash provided by operating transactions	<u>18,764,903</u>	<u>14,987,662</u>
Capital transactions		
Proceeds on sale of tangible capital assets	-	10,285
Cash applied to acquire tangible capital assets	<u>(27,885,728)</u>	<u>(17,058,247)</u>
Cash applied to capital transactions	<u>(27,885,728)</u>	<u>(17,047,962)</u>
Investing transactions		
Temporary investments	<u>(9,097,474)</u>	2,652,521
Cash applied to investing transactions	<u>(9,097,474)</u>	2,652,521
Financing transactions		
Proceeds from debenture debt	22,000,000	516,700
Proceeds from temporary debt	-	11,100,000
Repayment of temporary debt	(11,100,000)	-
Repayment of debenture debt	<u>(1,194,782)</u>	<u>(1,028,523)</u>
Cash provided by financing transactions	<u>9,705,218</u>	<u>10,588,177</u>
Change in cash	<u>(8,513,081)</u>	11,180,398
Cash, beginning of year	<u>13,432,104</u>	<u>2,251,706</u>
Cash, end of year	<u>\$ 4,919,023</u>	<u>\$ 13,432,104</u>

See accompanying notes to the financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) BASIS OF PRESENTATION

These consolidated financial statements consolidate the following operations:

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

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

Duncan-North Cowichan Joint Utilities Board	53.69%
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Interfund transactions and balances have been eliminated.

b) BASIS OF ACCOUNTING

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

c) CASH AND CASH EQUIVALENTS

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

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d) INVESTMENTS

Investments are recorded at cost which at December 31, 2022, would approximate market value. Investments consist of cash on deposit in the Municipal Finance Authority ("MFA") investment funds that are highly liquid, readily convertible to cash, and are subject to an insignificant risk of change in value.

e) REVENUE RECOGNITION

- i) Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year.
- ii) Sale of services and user fee revenues are recognized when the service or product is rendered by North Cowichan.
- iii) Grant revenues are recognized when the funding becomes receivable.
- iv) Revenue unearned in the current period is recorded as unearned revenue.
- v) Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred or stipulations not met are included in deferred revenue.

f) PROPERTY ACQUIRED FOR TAXES - DEEDED TO MUNICIPALITY

Property acquired for taxes is presented at estimated historical values as either financial assets or non-financial assets. Properties that are presented as a financial asset are those which are readily available for sale during the subsequent period. Properties that are presented as non-financial assets are those that are either not saleable or will not be ready for sale within the subsequent period.

g) EMPLOYEE FUTURE BENEFITS AND COMPENSATION PAYABLE

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

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

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

h) NON-FINANCIAL ASSETS

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

i) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information was not available were recorded at the current fair market values, in the year of recognition, discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

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

Amortization is charged on a monthly basis, starting the month following the date of acquisition and ending in the month of disposition. Capital works in progress are not amortized until the asset is available for productive use. North Cowichan does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Certain assets, which have historical or cultural value including works of art, historical documents, as well as historical and cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Crown lands that have not been purchased by North Cowichan, water, and other natural resources, are not recognized as tangible capital assets.

Tangible capital assets received as contributions are recorded at their estimated fair value at the date North Cowichan acquires ownership and are recorded as revenue.

Land and infrastructure assets contributed to North Cowichan in 2022 totaled \$3,481,509 (2021 - \$1,767,497) and were capitalized at their fair value at the time of receipt.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

i) TANGIBLE CAPITAL ASSETS CONTINUED

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

j) MATERIALS AND SUPPLIES

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

k) LIABILITY FOR CONTAMINATED SITES

North Cowichan recognizes a liability for remediation of a contaminated site when the site is no longer in productive use or an unexpected event resulting in contamination has occurred and the following criteria are satisfied: contamination exceeds an environmental standard, North Cowichan is either directly responsible or has accepted responsibility for remediation, it is expected future economic benefits will be given up and a reasonable estimate of the amount can be made. Future economic benefits are expected to be given up if North Cowichan has an external obligation to remediate a site or has commenced remediation on its own accord.

North Cowichan has determined that no owned properties meet the criteria to recognize a liability for contaminated sites.

l) LEASES

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses incurred.

m) LOAN GUARANTEE

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

n) APPROPRIATED SURPLUS - GENERAL REVENUE FUND

General Revenue Fund appropriations are non-statutory reserves established at the discretion of Council. These reserves are outlined in Note 17.

i) The reserve for property acquired for taxes is an amount set aside to offset the carrying value of property acquired for taxes.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

n) APPROPRIATED SURPLUS - GENERAL REVENUE FUND CONTINUED

- ii) Reserves for future expenditures are amounts set aside from past and current operations for future operating and capital expenditures.
- iii) The reserve for uncollected taxes is an amount set aside to offset uncollected taxes.
- iv) The reserve for the Joint Utilities Board is an amount set aside for future capital expenditures, established at the discretion of the Board.

o) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles as recommended by PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Areas requiring the use of management estimates relate to the determination of accrued sick benefits and retirement liability, collectability of accounts receivable, amortization of capital assets, deferred charges and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

3. FINANCIAL INSTRUMENTS

North Cowichan's financial instruments consist of cash, temporary investments, accounts receivable, accounts payable and accrued liabilities, restricted reserves, temporary financing and debt. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

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

4. CASH AND INVESTMENTS

Cash and investments are comprised of cash on hand, cash on deposit at financial institutions and investments held in Municipal Finance Authority of British Columbia investment funds.

	2022	2021
Cash	\$ 4,919,023	\$ 13,432,104
Temporary Investments	91,165,028	82,067,554
	\$ 96,084,051	\$ 95,499,658

Temporary Investments consist of short-term investments in the Municipal Finance Authority of BC, Govt. Focused Ultra-short bond fund and CIBC high interest savings and the market value is equal to the carrying value. Temporary Investments have yields ranging from nil% to 4.69%.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

4. CASH AND INVESTMENTS CONTINUED

Included in investments are the following restricted amounts that can only be expended in accordance with the terms of the Reserve and Restricted Reserve Funds.

	<u>2022</u>	<u>2021</u>
Restricted investments	\$ 37,660,883	\$ 36,910,496

5. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Property taxes	\$ 2,377,304	\$ 1,896,035
Water rates	390,389	342,353
Federal government	521,524	663,757
Provincial government	516,905	538,108
Local government	942,418	682,952
General	142,208	213,738
	<u>\$ 4,890,748</u>	<u>\$ 4,336,943</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
General	\$ 8,946,342	\$ 7,138,769
Wages and salaries	626,837	626,553
Accrued interest	373,194	133,485
	<u>\$ 9,946,373</u>	<u>\$ 7,898,807</u>

7. EMPLOYEE FUTURE BENEFITS AND COMPENSATION

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

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

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

7. EMPLOYEE FUTURE BENEFITS AND COMPENSATION CONTINUED

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

	<u>2022</u>	<u>2021</u>
Lieu time payable	\$ 1,096,312	\$ 1,099,536
Sick leave cash-out and severance benefits	<u>2,660,300</u>	<u>2,797,500</u>
	<u>\$ 3,756,612</u>	<u>\$ 3,897,036</u>

Under the terms of the union contract, sick leave not taken in a year is carried forward to a maximum accumulation of 180 working days for each employee. On retirement or termination of employment after 5 years of service, sick leave accumulated is paid out at the employee's prevailing wage rate.

North Cowichan also provides 30 days of paid leave at retirement, as prescribed by the Pension (Municipal) Act, at the employee's prevailing wage rate.

The liabilities for sick leave cash-out and severance benefits are based on an actuarial valuation as at December 31, 2022.

	<u>2022</u>	<u>2021</u>
Accrued benefit obligation	\$ 2,822,600	\$ 3,300,000
Unamortized actuarial loss	<u>(162,300)</u>	<u>(502,500)</u>
Accrued benefit liability	<u>2,660,300</u>	<u>2,797,500</u>
Benefit expense:		
Current service cost	432,100	322,200
Interest cost	79,300	47,200
Amortization of net actuarial (gain)/loss	<u>40,400</u>	<u>4,300</u>
	<u>\$ 551,800</u>	<u>\$ 373,700</u>

Significant actuarial assumptions as at December 31st include:

	<u>2022</u>	<u>2021</u>
Valuation interest rate	4.50%	2.50%
Rate of compensation increase	3.00%	3.00%
Expected coverage remaining service life (in years)	10	10

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

8. UNEARNED REVENUE

	2021	Contributions and interest	Revenue earned or refunded	2022
Prepaid taxes and licenses	\$ 2,913,459	\$ 6,619,393	\$ 6,335,777	\$ 3,197,075
Service fees and deposits	3,776,877	2,102,781	1,420,320	4,459,338
Aquatic Centre unearned revenue	84,557	272,243	188,888	167,912
General unearned revenues	1,575,014	785,053	459,925	1,900,142
Water unearned revenue	303,000	49,390	352,390	-
	<u>\$ 8,652,907</u>	<u>\$ 9,828,860</u>	<u>\$ 8,757,300</u>	<u>\$ 9,724,467</u>

9. MUNICIPAL FINANCE AUTHORITY - RESERVE DEPOSITS

North Cowichan issues debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. North Cowichan also executes demand notes in connection with each debenture.

The deposits are included in North Cowichan's financial statements as MFA cash deposits. If the debt is repaid without default, the deposits are refunded to North Cowichan. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon the maturity of a debt issue, the demand notes are released and deposits refunded to North Cowichan. As at December 31, 2022, there were contingent demand notes of \$1,456,895 (2021 - \$838,024) which are not included in the financial statements of North Cowichan.

10. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

Tangible Capital Assets	December 31, 2021	Additions	Disposals and Writedowns	December 31, 2022
Cost				
Land	\$ 53,775,834	\$ 2,308,390	\$ -	\$ 56,084,224
Land improvements	15,502,269	602,459	-	16,104,728
Buildings - Cost	52,343,012	550,027	-	52,893,039
Eng. Struct. - Cost	309,495,737	3,417,634	69,661	312,843,710
Machinery - Cost	47,535,405	2,870,162	42,803	50,362,764
WIP - Cost	14,185,744	22,733,782	1,283,877	35,635,649
Total cost	<u>492,838,001</u>	<u>32,482,454</u>	<u>1,396,341</u>	<u>523,924,114</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

10. TANGIBLE CAPITAL ASSETS CONTINUED

	December 31, 2021	Additions	Disposals and Writedown	December 31, 2022
Accumulated amortization				
Land Imp. - Accum Amort	7,678,466	689,222	-	8,367,688
Buildings - Accum Amort	22,792,266	1,361,822	-	24,154,088
Eng. Struct. - Accum Amort	141,737,216	6,268,543	57,235	147,948,524
Machinery - Accum Amort	27,294,062	2,109,326	42,803	29,360,585
Total accumulated amortization	199,502,010	10,428,913	100,038	209,830,885
Net book value				
Land	53,775,834			56,084,224
Land improvements	7,823,803			7,737,040
Buildings	29,550,746			28,738,951
Engineered structures	167,758,521			164,895,186
Machinery	20,241,343			21,002,179
Work in progress	14,185,744			35,635,649
Total net book value	\$ 293,335,991			\$ 314,093,229

11. FUNDS HELD IN TRUST

These funds account for assets, which must be administered as directed by agreement or statute for certain beneficiaries. In particular, these funds are for the Cemetery Trust Fund. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in North Cowichan's Consolidated Financial Statements. A summary of trust fund activities by North Cowichan is as follows:

	2022	2021
Assets		
Cash and short term investments	\$ 457,567	\$ 439,979
Equity		
Opening balances	439,979	423,707
Contributions	17,588	16,272
	\$ 457,567	\$ 439,979

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

12. RESTRICTED RESERVES

Receipts which are restricted by the legislation of senior governments are deferred and reported as liabilities. Included in liabilities are reserves for development cost charges, the use of which, with any earnings thereon, is restricted by legislation or agreement with external parties. These amounts are recognized as revenue in the period in which corresponding expenditures are incurred.

<u>Development Cost Charges</u>	<u>2022</u>	<u>2021</u>
Opening	\$ 14,979,078	\$ 13,599,768
Contributions	3,215,807	1,380,664
Investment income	(11,373)	(1,354)
	<u>\$ 18,183,512</u>	<u>\$ 14,979,078</u>

13. CANADA COMMUNITY-BUILDING FUND

Canada Community-Building funding (CCBF) is provided by the Government of Canada. The use of the funding is established by a funding agreement between North Cowichan and the Union of British Columbia Municipalities. CCBF may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

<u>Canada Community-Building Agreement Funds</u>	<u>2022</u>	<u>2021</u>
Opening balance of unspent funds	\$ 2,977,771	\$ 1,675,173
Add: Amount received during the year	1,363,979	2,668,820
Add: Return on investment	(5,260)	(2,243)
Less: Amount spent	(1,494,173)	(1,363,979)
	<u>\$ 2,842,317</u>	<u>\$ 2,977,771</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

14. DEBENTURE DEBT

North Cowichan holds debt through the Municipal Finance Authority, pursuant to security issuing bylaws under the authority of the Community Charter, to finance certain capital expenditures. Sinking fund balances, managed by MFA, are used to reduce long-term debt.

	M.F.A. Issue Number	Interest Rate	Maturity Date	Originally Approved	2022 Net Unmatured	2021 Net Unmatured
General Capital Fund						
Maple Bay Fire Hall	95	1.80%	Apr 12, 2025	\$ 1,600,000	\$ 320,193	\$ 420,767
Maple Bay Fire Hall	103	2.65%	Apr 23, 2028	500,000	192,863	220,821
Cowichan Aquatic Ctr	104	2.90%	Nov 20, 2028	15,000,000	5,785,884	6,624,625
Cowichan Aquatic Ctr	106	2.25%	Oct 12, 2029	2,265,500	1,000,539	1,122,345
Duncan Curling Club	N/A	4.00%	Jan 15, 2032	551,500	304,338	331,556
Tier 2 Flood Protection	121	3.39%	Oct 4, 2032	745,475	444,910	480,542
Tier 2 Flood Protection	124	3.15%	Apr 8, 2033	1,000,000	644,611	690,570
Municipal Hall Expansion	126	3.85%	Sep 26, 2033	1,500,000	966,917	1,035,855
Stoney Hill Road	131	2.20%	Apr 8, 2040	2,000,000	1,600,542	1,663,662
Tier 4 Flood Protection	137	2.60%	Apr 19, 2036	1,700,000	1,306,245	1,377,642
Tier 4 Flood Protection	141	2.80%	Apr 7, 2037	200,000	160,483	168,861
RCMP Building	158	4.09%	Sep 23, 2042	22,000,000	22,000,000	-
Fire Equipment loan	N/A	4.51%	Dec 31, 2024	516,700	351,508	516,700
				<u>49,579,175</u>	<u>35,079,033</u>	<u>14,653,946</u>
Water Capital Fund						
Crofton	106	2.25%	Oct 13, 2029	530,000	234,070	262,566
Chemainus	110	4.50%	Apr 08, 2030	1,750,000	863,252	955,396
Chemainus	137	2.60%	Apr 19, 2036	864,000	663,880	700,166
				<u>3,144,000</u>	<u>1,761,202</u>	<u>1,918,128</u>
				<u>\$ 52,723,175</u>	<u>\$ 36,840,235</u>	<u>\$ 16,572,074</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

14. DEBENTURE DEBT CONTINUED

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

	General	Water	Total
Principal repayments:			
2023	\$ 1,856,742	\$ 112,683	\$ 1,969,425
2024	1,887,836	112,683	2,000,519
2025	1,698,313	112,683	1,810,996
2026	1,634,365	112,683	1,747,048
2027	1,635,666	112,683	1,748,349
Thereafter	14,404,400	503,566	14,907,966
	<u>23,117,322</u>	<u>1,066,981</u>	<u>24,184,303</u>
Actuarial adjustments (estimated):			
2023	546,352	49,878	596,230
2024	629,204	55,715	684,919
2025	715,175	61,763	776,938
2026	756,384	68,029	824,413
2027	845,558	74,521	920,079
Thereafter	8,469,041	384,312	8,853,353
	<u>11,961,714</u>	<u>694,218</u>	<u>12,655,932</u>
	<u>\$ 35,079,036</u>	<u>\$ 1,761,199</u>	<u>\$ 36,840,235</u>

Interest paid during the year was \$1,225,773 (2021 - \$819,130).

15. TEMPORARY FINANCING

North Cowichan issues temporary debt instruments through MFA, pursuant to security issuing bylaws under the authority of the Community Charter. Temporary financing is due on demand and will be repaid in full when MFA debenture debt is issued.

	M.F.A. Issue Number	Interest Rate	Maturity Date	Originally Approved	2022 Net Unmatured	2021 Net Unmatured
General Capital Fund	580-1	0.97%	0	\$ 48,000,000	\$ -	\$ 11,100,000
				<u>\$ 48,000,000</u>	<u>\$ -</u>	<u>\$ 11,100,000</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

16. COMMITMENTS AND CONTINGENT LIABILITIES

- a) The Cowichan Valley Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of North Cowichan and other local governments within the Cowichan Valley Regional District.
- b) Loan agreements with the Cowichan Valley Regional District and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Municipal Finance Authority's obligations in respect to such borrowings, the resulting deficiencies become a liability of North Cowichan.
- c) North Cowichan has guaranteed a commercial loan to a maximum of \$400,000 to the Duncan-Cowichan Chamber of Commerce. The loan matures January 1, 2025 at an annual interest rate of 3.75%.
- d) North Cowichan and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021 the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024, with results available in 2025.

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

North Cowichan paid \$1,368,225 (2021 - \$1,378,066) for employer contributions while employees contributed \$1,262,723 (2021 - \$1,221,440) to the Plan in fiscal 2022.

- e) At the end of the year North Cowichan was involved in a number of legal actions the outcomes of which are indeterminate at this time. North Cowichan carries liability insurance with a current deductible of \$25,000.

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

17. ACCUMULATED SURPLUS

	2022	2021
Operating Funds		
Unappropriated:		
General	\$ 6,083,492	\$ 4,470,243
Water Systems	7,000,858	5,698,822
Sewer Systems	19,748,386	18,383,187
	32,832,736	28,552,252
Appropriated:		
Reserves for property acquired for taxes	2,341,177	2,341,177
Reserves for future expenditures	4,958,864	11,984,684
Reserve for uncollected taxes	1,295,091	1,295,091
Reserve for Joint Utilities Board	1,193,211	1,105,246
	9,788,343	16,726,198
	42,621,079	45,278,450
Capital Funds		
General Capital	222,359,451	210,553,143
Water Capital	32,302,018	32,160,965
Sewer Capital	20,728,072	21,234,302
Joint Utilities Board Capital	2,617,001	2,188,930
	278,006,542	266,137,340

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

17. ACCUMULATED SURPLUS CONTINUED

	<u>2022</u>	<u>2021</u>
Reserve Funds		
Land Sales	4,136,630	4,210,978
Machinery and Equipment	3,969,641	5,220,108
Local Area Service	1,347,999	1,257,457
Forest	957,750	1,250,600
Park Development	219,031	225,689
Parkland Purchase	749,763	734,755
Chemainus Parking	178,215	178,531
Agriculture	329,833	330,417
Self-Insurance	225,764	226,163
Climate Action and Energy Plan	693,855	603,355
Maple Bay Sewer	93,521	93,686
Cowichan Aquatic Centre	203,310	711,618
Evans Park	174,513	174,822
Fuller Lake Arena	73,880	74,011
Harbours Crofton	88,468	75,721
Harbours Chemainus	423,787	416,523
Mural Protection	42,703	31,990
Canada Community-Building Fund (Note 13)	2,842,317	2,977,771
Quamichan Lake	556,836	418,744
IT Asset Management	418,465	301,998
COVID-19 Safe Restart Grant	-	951,635
Infrastructure Replacement	1,079,411	830,878
Gravel Pits	557,660	558,647
Affordable Housing	114,019	75,320
	<u>19,477,371</u>	<u>21,931,417</u>
Accumulated Surplus	<u>\$ 340,104,992</u>	<u>\$ 333,347,207</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

18. BUDGET DATA

The budget data presented in these financial statements is based upon the 2022-2026 Financial Plan Bylaw adopted by council February 16, 2022. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2022
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Principal debt repayment	1,265,352
Capital expenditures	79,209,161
Less:	
Amortization	(9,699,410)
Proceeds from borrowing	(43,193,380)
Budgeted transfers to reserve funds	(6,571,017)
Budgeted transfers from accumulated surplus	(12,469,991)
Adjusted Annual Surplus	<u>\$ 8,540,715</u>

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

19. JOINT UTILITIES BOARD

Financial results for the Joint Utilities Board are consolidated into North Cowichan's financial statements proportionately based on the units owned by each partner. In 2022, North Cowichan's proportion for consolidation purposes was 53.69% (2021 – 53.69%). Condensed financial information for the Joint Utilities Boards is as follows:

	<u>2022</u>	<u>2021</u>
Net Financial Assets	\$ 2,222,681	\$ 2,058,836
Non-Financial Assets	<u>4,874,475</u>	<u>4,077,130</u>
Accumulated Surplus	<u>7,097,156</u>	<u>6,135,966</u>
Revenues	\$ 2,255,245	\$ 2,296,773
Expenses	<u>1,294,055</u>	<u>1,332,158</u>
Annual Surplus	<u>961,190</u>	<u>964,615</u>
North Cowichan Proportionate Share:		
Net Financial Assets	\$ 1,193,211	\$ 1,105,246
Non-Financial Assets	<u>2,617,001</u>	<u>2,188,930</u>
Accumulated Surplus	<u>3,810,212</u>	<u>3,294,176</u>
Revenues	\$ 1,210,793	\$ 1,233,088
Expenses	<u>694,750</u>	<u>715,207</u>
Annual Surplus	<u>\$ 516,043</u>	<u>\$ 517,881</u>

The Duncan – North Cowichan Joint Utilities Board is a government partnership that operates and maintains joint sewer lagoons on behalf of the City of Duncan and the District of North Cowichan. The distribution of expenditures related to operations is based on the number of users in each municipality as well as users from surrounding areas in the Cowichan Valley Regional District and the Cowichan Tribes.

The Joint Utilities Board leases the sewage lagoon lands under an operating lease which expires July 31, 2060. North Cowichan's proportionate share of the lease payments for 2023 is \$222,277 and has an annual increase of 2.2%. the proportionate share of the the total lease payments over the remaining term are estimated at \$12.8 million.

Because the percentage of units owned by the partners may change from year-to-year which produces different cost shares for each partner, there may be a write down or write up of asset balances. In 2022 North Cowichan recorded a write up of assets in the amount of \$0 (2021 - \$0).

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

20. SEGMENT REPORTING

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

GENERAL GOVERNMENT SERVICES

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

PROTECTIVE SERVICES

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

ENGINEERING AND PUBLIC WORKS

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

ENVIRONMENTAL HEALTH SERVICES

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

FORESTRY SERVICES

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

COMMUNITY DEVELOPMENT

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

RECREATION AND CULTURE SERVICES

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

WATER

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

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

20. SEGMENT REPORTING CONTINUED

SEWER

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

RESERVE FUNDS

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

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Taxes, grants-in-lieu of taxes and any revenues not directly attributable to a segment are apportioned to the General Revenue Fund service based on the net annual budget. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

21. SUBSEQUENT EVENT

Subsequent to year end, the Province publicly announced the Growing Communities Fund that will provide local governments in the province with one-time funding to address the needs of growing communities. North Cowichan has received \$7,686,000 under this program which will be spent in accordance with the guidelines provided by the province.

22. COMPARATIVE FIGURES

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

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
TAXATION
 FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE I

	2022 Budget	2022	2021
Municipal Purposes:			
General taxation	\$ 34,166,715	\$ 34,012,777	\$ 32,133,370
Business Improvement Area	116,000	133,906	113,559
Local Area Service	95,350	95,348	95,348
Utilities	795,664	795,663	981,451
Grants-in-lieu of taxes	219,630	223,640	218,002
Water systems	2,351,689	2,353,784	2,256,161
Sewer systems	2,809,258	2,805,341	2,721,784
Total Municipal Taxes	<u>40,554,306</u>	<u>40,420,459</u>	<u>38,519,675</u>
Collections for Other Governments:			
School	14,000,000	14,973,302	13,910,383
Cowichan Valley Regional Hospital District	4,200,000	4,220,903	4,103,334
Cowichan Valley Regional District	9,910,400	10,129,087	9,621,701
BC Assessment	410,000	461,238	410,462
Municipal Finance Authority	1,700	2,241	1,703
Total Collections for Other Governments	<u>28,522,100</u>	<u>29,786,771</u>	<u>28,047,583</u>
	<u>69,076,406</u>	<u>70,207,230</u>	<u>66,567,258</u>
Deduct: requisitions remitted to other taxing authorities	<u>(28,522,100)</u>	<u>(29,786,771)</u>	<u>(28,047,583)</u>
Total Taxes Levied	<u>\$ 40,554,306</u>	<u>\$ 40,420,459</u>	<u>\$ 38,519,675</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
GRANTS AND GOVERNMENT TRANSFERS
 FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE II

	2022 Budget	2022	2021
Operating Grants			
Traffic fines revenue	\$ 295,000	\$ 256,489	\$ 299,702
Other grants	1,521,996	1,391,311	1,380,144
	<u>1,816,996</u>	<u>1,647,800</u>	<u>1,679,846</u>
Capital Grants			
Canada Community-Building Fund	2,113,000	1,363,979	2,718,321
<i>Infrastructure Grants (Prov/Fed)</i>			
Sewer	4,667,440	-	-
Other	1,850,154	422,673	122,908
	<u>1,850,154</u>	<u>422,673</u>	<u>122,908</u>
<i>Provincial and Other Grants</i>			
ICBC grants	-	11,400	25,000
	<u>-</u>	<u>11,400</u>	<u>25,000</u>
	<u>\$ 10,447,590</u>	<u>\$ 3,445,852</u>	<u>\$ 4,546,075</u>

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OPERATIONS BY SEGMENT
 FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE III

For the Year Ended December 31, 2022	General government services	Protective services	Engineering and public works	Environmental health services	Forestry services	Community development	Recreation and cultural services	Water	Sewer	Reserve Funds	Capital	Consolidated
Revenues												
Taxation	\$ 6,726,313	\$ 9,951,608	\$ 5,823,938	\$ 617,788	\$ -	\$ 1,458,407	\$ 8,352,751	\$ 2,353,784	\$ 2,805,341	\$ 2,078,772	\$ 251,757	\$ 40,420,459
Sales of services	221,400	618,409	667,734	1,899,268	150,060	-	2,217,116	3,364,475	2,163,059	-	-	11,301,521
Other revenue from own sources	557,415	1,579,117	123,079	-	-	88,932	32,854	12,828	-	-	-	2,394,225
Return on investments	2,649,339	219,151	128,253	13,605	-	32,117	183,942	(9,481)	(32,522)	(31,671)	-	3,152,733
Grants and government transfers	256,489	9,985	-	314,197	97,061	-	970,068	-	-	-	1,798,052	3,445,852
Collections from developers and others	-	-	-	-	-	-	-	-	-	93,337	3,481,509	3,574,846
Actuarial adjustments to debt	18,566	46,544	46,963	-	-	-	380,741	44,243	-	-	-	537,057
	<u>10,429,522</u>	<u>12,424,814</u>	<u>6,789,967</u>	<u>2,844,858</u>	<u>247,121</u>	<u>1,579,456</u>	<u>12,137,472</u>	<u>5,765,849</u>	<u>4,935,878</u>	<u>2,140,438</u>	<u>5,531,318</u>	<u>64,826,693</u>
Expenses												
Salaries, wages and benefits	5,029,770	4,395,151	3,950,916	1,025,806	229,959	1,203,762	5,108,571	1,483,194	907,743	-	-	23,334,872
Contract services	1,517,072	6,021,191	1,707,642	1,006,250	234,234	155,476	2,756,444	725,808	913,492	-	-	15,037,609
Materials and supplies	(76,529)	908,560	1,009,854	401,988	93,569	65,455	3,016,873	1,524,290	916,597	-	-	7,860,657
Amortization	332,822	638,792	5,664,589	74,970	11,214	-	1,373,224	1,261,343	1,071,959	-	-	10,428,913
Interest	57,750	447,435	147,799	-	-	-	498,692	59,975	14,121	-	-	1,225,772
Expenditures before losses, write downs and transfers	6,860,885	12,411,129	12,480,800	2,509,014	568,976	1,424,693	12,753,804	5,054,610	3,823,912	-	-	57,887,823
Loss on sale, write downs and transfer of TCA	-	-	179,941	-	-	-	-	-	1,144	-	-	181,085
	<u>6,860,885</u>	<u>12,411,129</u>	<u>12,660,741</u>	<u>2,509,014</u>	<u>568,976</u>	<u>1,424,693</u>	<u>12,753,804</u>	<u>5,054,610</u>	<u>3,825,056</u>	<u>-</u>	<u>-</u>	<u>58,068,908</u>
Excess of revenues over expenses	<u>\$ 3,568,637</u>	<u>\$ 13,685</u>	<u>\$ (5,870,774)</u>	<u>\$ 335,844</u>	<u>\$ (321,855)</u>	<u>\$ 154,763</u>	<u>\$ (616,332)</u>	<u>\$ 711,239</u>	<u>\$ 1,110,822</u>	<u>\$ 2,140,438</u>	<u>\$ 5,531,318</u>	<u>\$ 6,757,785</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OPERATIONS BY SEGMENT
 FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE III

For the Year Ended December 31, 2021	General government services	Protective services	Engineering and public works	Environmental health services	Forestry services	Community development	Recreation and cultural services	Water	Sewer	Reserve Funds	Capital	Consolidated
Revenues												
Taxation	\$ 6,112,372	\$ 9,038,177	\$ 6,050,446	\$ 598,607	\$ -	\$ 1,471,880	\$ 7,736,054	\$ 2,256,161	\$ 2,721,784	\$ 2,309,417	\$ 224,777	\$ 38,519,675
Sales of services	268,991	591,437	1,096,183	1,723,537	120,040	-	1,554,691	3,249,780	2,124,194	-	-	10,728,853
Other revenue from own sources	329,619	1,355,195	218,005	-	-	121,367	191,560	14,752	-	-	-	2,230,498
Return on investments	33,961	50,217	33,617	3,326	-	8,178	42,983	(141)	(511)	21,037	-	192,667
Grants and government transfers	299,702	62,962	-	42,703	-	-	1,274,480	-	-	-	2,866,228	4,546,075
Collections from developers and others	-	-	-	-	-	-	-	-	-	121,716	1,767,498	1,889,214
Actuarial adjustments to debt	15,914	42,539	39,032	-	-	-	343,798	38,804	-	-	-	480,087
	<u>7,060,559</u>	<u>11,140,527</u>	<u>7,437,283</u>	<u>2,368,173</u>	<u>120,040</u>	<u>1,601,425</u>	<u>11,143,566</u>	<u>5,559,356</u>	<u>4,845,467</u>	<u>2,452,170</u>	<u>4,858,503</u>	<u>58,587,069</u>
Expenses												
Salaries, wages and benefits	5,022,688	4,121,522	3,805,804	728,552	308,285	1,058,376	4,506,277	1,498,154	836,892	-	-	21,886,550
Contract services	1,446,045	5,525,915	1,746,484	876,315	228,390	273,859	2,693,279	702,660	916,218	-	-	14,409,165
Materials and supplies	(197,124)	703,011	763,829	436,023	92,841	61,416	3,066,700	1,495,428	894,542	-	-	7,316,666
Amortization	244,347	517,417	5,610,756	75,921	11,214	-	1,337,756	1,238,140	1,065,942	-	-	10,101,493
Interest	57,750	35,012	146,919	-	-	-	499,760	62,417	17,273	-	-	819,131
Expenditures before losses, write downs and transfers	6,573,706	10,902,877	12,073,792	2,116,811	640,730	1,393,651	12,103,772	4,996,799	3,730,867	-	-	54,533,005
Loss on sale, write downs and transfer of TCA	-	-	16,455	-	-	-	-	95,368	8,617	-	-	120,440
	<u>6,573,706</u>	<u>10,902,877</u>	<u>12,090,247</u>	<u>2,116,811</u>	<u>640,730</u>	<u>1,393,651</u>	<u>12,103,772</u>	<u>5,092,167</u>	<u>3,739,484</u>	<u>-</u>	<u>-</u>	<u>54,653,445</u>
Excess of revenues over expenses	<u>\$ 486,853</u>	<u>\$ 237,650</u>	<u>\$ (4,652,964)</u>	<u>\$ 251,362</u>	<u>\$ (520,690)</u>	<u>\$ 207,774</u>	<u>\$ (960,206)</u>	<u>\$ 467,189</u>	<u>\$ 1,105,983</u>	<u>\$ 2,452,170</u>	<u>\$ 4,858,503</u>	<u>\$ 3,933,624</u>

Supplementary Schedules
(Unaudited)

Draft

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
SALES OF SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE IV

	2022 Budget	2022	2021
General government service	\$ 109,680	\$ 113,005	\$ 145,057
Protective services	336,310	401,677	387,724
Fire protection	243,320	216,732	203,713
Engineering and public works	226,700	667,734	1,096,183
Residential garbage - municipal	1,708,465	1,741,608	1,555,193
Forestry	99,150	150,060	120,040
Cowichan Aquatic Centre	1,921,761	1,731,828	1,143,162
Fuller Lake Arena	262,670	238,519	167,730
Other recreation	64,600	54,627	33,232
Wharves	208,510	192,142	210,568
Miscellaneous	102,420	108,394	123,933
Cemetery	146,760	157,661	168,344
Water	2,810,280	3,364,475	3,249,780
Sewer	1,949,848	2,163,059	2,124,194
	<u>\$ 10,190,474</u>	<u>\$ 11,301,521</u>	<u>\$ 10,728,853</u>

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
OTHER REVENUE FROM OWN SOURCES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE V

	2022 Budget	2022	2021
Licences and permits	\$ 1,199,020	\$ 1,520,562	\$ 1,442,810
Tax penalties and interest	350,270	505,963	273,538
Fines	4,640	28,067	199,234
Rentals	579,520	326,805	300,164
Water	13,160	12,828	14,752
	<u>\$ 2,146,610</u>	<u>\$ 2,394,225</u>	<u>\$ 2,230,498</u>

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
GENERAL GOVERNMENT SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE VI

	2022 Budget	2022	2021
Legislative	\$ 403,537	\$ 373,108	\$ 339,895
Administrative	5,266,167	4,681,037	4,530,003
Financial services	1,134,429	1,137,363	1,192,326
Common services	882,629	881,434	942,533
Miscellaneous	247,910	292,591	152,002
Administration recoveries	(907,080)	(895,220)	(885,150)
Interest	57,750	57,750	57,750
Amortization	196,210	332,822	244,347
	<u>\$ 7,281,552</u>	<u>\$ 6,860,885</u>	<u>\$ 6,573,706</u>

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
PROTECTIVE SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE VII

	2022 Budget	2022	2021
Police protection:			
R.C.M.P. contract	\$ 5,791,212	\$ 5,151,644	\$ 4,794,859
Municipal employees	1,710,697	1,894,834	1,684,481
Crime prevention	7,870	7,100	7,100
Building maintenance	259,250	289,970	207,596
Bylaw enforcement	870,800	800,947	775,875
	<u>8,639,829</u>	<u>8,144,495</u>	<u>7,469,911</u>
Fire protection:			
General fire protection	322,945	362,127	385,062
Chemainus fire hall	375,268	444,682	386,615
Crofton fire hall	354,545	354,472	342,293
Maple Bay fire hall	369,385	414,407	337,758
South End fire hall	486,925	657,959	614,475
	<u>1,909,068</u>	<u>2,233,647</u>	<u>2,066,203</u>
Other protection:			
Building and plumbing inspections	718,175	734,067	614,719
Animal control	181,530	190,993	179,233
Weed control	15,000	3,032	2,430
Mosquito control	22,230	18,668	17,952
	<u>936,935</u>	<u>946,760</u>	<u>814,334</u>
Interest	531,662	447,435	35,012
Amortization	496,790	638,792	517,417
	<u>1,028,452</u>	<u>1,086,227</u>	<u>552,429</u>
	<u>\$ 12,514,284</u>	<u>\$ 12,411,129</u>	<u>\$ 10,902,877</u>

THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
ENGINEERING AND PUBLIC WORKS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE VIII

	2022 Budget	2022	2021
Administration	\$ 2,353,313	\$ 2,325,255	\$ 2,253,293
Small tools and equipment	58,980	63,312	51,831
Workshop and yard maintenance	206,833	231,223	235,326
Roads - construction	51,786	55,202	55,447
Roadway and surfaces maintenance	1,500,804	1,301,643	1,367,659
Snow and ice removal	393,138	757,001	707,847
Bridge - maintenance	6,120	59,827	8,956
Street lighting	512,510	431,527	447,489
Signs and line painting	352,240	358,075	293,560
Drainage	782,365	987,105	950,067
Sidewalk maintenance	21,590	45,006	49,238
Other transportation	272,300	430,759	642,320
Administration recoveries	(761,760)	(377,523)	(746,916)
Loss on sale, write downs and transfer of TCA	-	179,941	16,455
Interest	146,920	147,799	146,919
Amortization	5,454,930	5,664,589	5,610,756
	<u>\$ 11,352,069</u>	<u>\$ 12,660,741</u>	<u>\$ 12,090,247</u>

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
ENVIRONMENTAL HEALTH SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE IX

	2022 Budget	2022	2021
Garbage collection and recycling	\$ 1,596,365	\$ 1,535,475	\$ 1,482,726
Cemetery	241,748	271,979	210,128
Environmental	790,440	626,590	348,036
Amortization	77,440	74,970	75,921
	\$ 2,705,993	\$ 2,509,014	\$ 2,116,811

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
RECREATION AND CULTURAL SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE X

	2022 Budget	2022	2021
Administration	\$ 268,620	\$ 294,174	\$ 243,012
Crofton swimming pool	71,458	65,997	38,534
Cowichan Aquatic Centre	3,953,830	4,015,143	3,342,882
Fuller Lake Arena	1,043,732	1,145,731	1,062,096
Parks common services	78,509	128,580	164,446
Community recreation program	140,640	137,947	105,617
Chemainus parks and playgrounds	488,830	493,119	497,702
Crofton parks and playgrounds	221,418	241,273	228,162
South End parks and playgrounds	1,327,692	1,383,084	1,393,257
Wharves	176,715	158,715	152,915
Library	1,658,657	1,658,657	1,577,297
Grants-in-aid	1,467,386	1,159,468	1,460,336
Interest	500,840	498,692	499,760
Amortization	1,234,890	1,373,224	1,337,756
	<u>\$ 12,633,217</u>	<u>\$ 12,753,804</u>	<u>\$ 12,103,772</u>

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THE CORPORATION OF THE DISTRICT OF NORTH COWICHAN
COVID-19 SAFE RESTART GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (UNAUDITED)

SCHEDULE XI

	2022	2021
Balance, beginning of year	\$ 951,635	\$ 2,750,808
Interest earned	1,691	34
Uses of funds		
Revenue shortfall - Cowichan Aquatic Centre	200,000	1,149,130
General government operating expenses	139,532	88,390
Bylaw enforcement	256,160	119,400
IT operating expenses	290,490	201,227
Parks and recreation operating expenses	-	79,760
Capital expenses	63,762	161,300
	949,944	1,799,207
Balance, end of year	\$ -	\$ 951,635

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