



2024 ANNUAL REPORT

Municipality of North Cowichan, BC
For the year ended December 31, 2024

The Municipality of North Cowichan sits on the traditional territories of the Quw'utsun First Nation, which includes the Cowichan Tribes, the Halalt First Nation, the Lyackson First Nation, the Penelakut Tribe, and the Stz'uminus First Nation. The Municipality also sits on the traditional territory of the Snuneymuxw First Nation.

MUNICIPALITY OF NORTH COWICHAN 2024 ANNUAL REPORT

For the year ended December 31, 2024
The Annual Report is produced by the Financial Services Department and the Communications and Public Engagement Department in cooperation with all other departments.

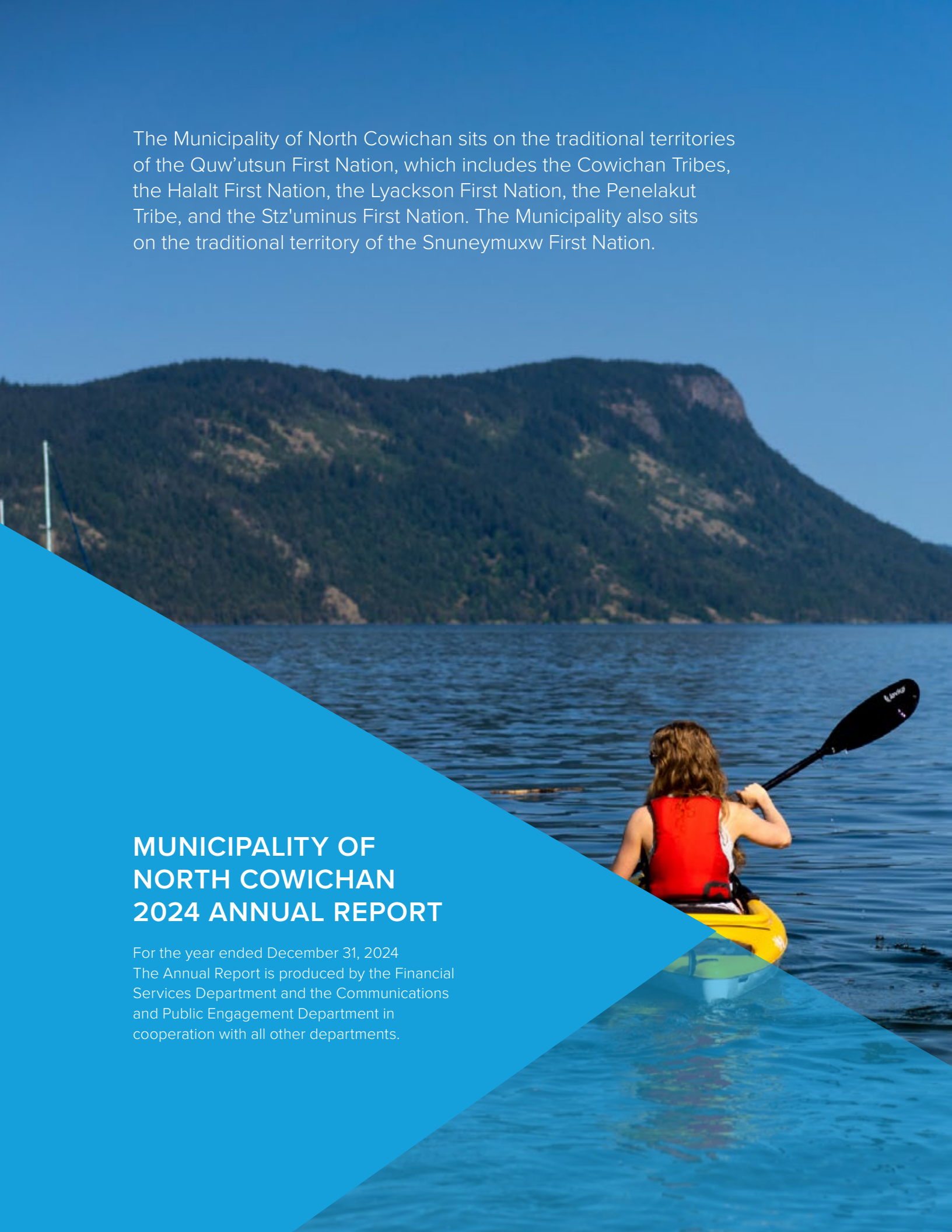


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A MESSAGE FROM THE **MAYOR**



As we reflect on 2024, I am proud of the meaningful progress we've made toward building a more inclusive, sustainable, and resilient North Cowichan. Council remained focused on delivering policy decisions that reflect our community's priorities while strengthening partnerships that help us move forward together.

Housing remained a top priority this year. We took important steps to support affordability and meet provincial requirements while staying true to the vision outlined in our Official Community Plan. With the support of BC Housing and the Community Land Trust, we advanced an affordable housing project on Sherman Road and received project feasibility funding for an affordable housing project in Chemainus from BC Housing. Council also approved zoning bylaw changes ahead of the province's Bill 44 deadline, allowing for more diverse housing options in our fully serviced areas. Compact housing developments within the Urban Containment Boundary will help address our housing shortage and promote sustainable growth.

Council's commitment to environmental leadership continued through support for the Climate Action and Energy Plan, electric fleet adoption, and community grants that helped reduce local emissions. Our approval of the Climate Change Risk Assessment and Adaptation Strategy sets a strong foundation for future climate resilience.

We deepened relationships with Indigenous partners, supporting initiatives such as National Indigenous Peoples Day, co-management planning for the Municipal Forest Reserve, and joint safety initiatives with Cowichan Tribes. These partnerships reflect our shared responsibility to build a future rooted in respect, reconciliation, and collaboration.

Economic and community development were also key areas of focus. Work continued on the development of the crucial Economic Development Action Plan with the engagement of the business community. We supported sustainability through programs like the Circular Economy Accelerator. Council also continued its advocacy for enhanced mental health and recovery services, including direct engagement with local and regional service providers as we work toward facilitating similar services here in North Cowichan.

In October, two-term councillor Debra Toporowski was elected to the B.C. legislature in the provincial election, and stepped down as a member of council. Debra brought a unique and thoughtful voice to council discussions and she will be missed. But we now have her voice to help carry our requests for provincial support in Victoria.

Looking ahead, our work on implementation of the Master Transportation Plan (which was adopted in 2024), local area plans, and regional collaboration on water stewardship will guide us through 2025 and beyond. None of this work would be possible without the vision of Council, the dedication of staff, and the support of our residents.

On behalf of Council, thank you for your continued involvement in making North Cowichan a place we are all proud to call home.



Mayor Rob Douglas

A MESSAGE FROM THE CAO



2024 was a year marked by dedication, adaptability, and continued innovation from staff across all departments. As CAO, I am proud of the professionalism and care with which our team delivered high-quality service, while advancing Council's strategic priorities and responding to community needs.

Our organization continued to strengthen relationships with Indigenous partners through joint initiatives and cultural learning opportunities. Staff volunteered at events led by Cowichan Tribes and completed Indigenous awareness training to further our commitment to reconciliation, cultural understanding, and inclusion.

Service improvements were front and centre this year. From accessible infrastructure upgrades at Kin Beach and Sherman Road parks, to the completion of the new RCMP building on Ford Road, staff ensured these projects were delivered with attention to detail and community value. The RCMP facility, designed with sustainability and modern policing needs in mind, represents a significant milestone in North Cowichan's service infrastructure, and was done so under budget, a phenomenal achievement in today's challenging construction environment.



We also re-engaged with residents face-to-face for the first time since the pandemic, hosting budget open houses to hear directly from the community. This return to in-person engagement complemented a year of growing digital reach, including a 137% increase in our social media audience, and continued improvements to our already robust online services.

Staff across departments demonstrated responsiveness to both emerging issues and long-term planning goals. Early adoption of zoning amendments aligned us with new provincial housing requirements ahead of deadlines. Our social planning team led a community-focused update to the Safer Community Plan, while engineering staff supported climate resilience efforts through assessments for EV infrastructure and lake health restoration.

The recreation team extended ice time at Fuller Lake Arena into spring for the first time, supporting growing interest in youth hockey and figure skating. Meanwhile, our operations team responded to over

2,600 service calls, ensuring water, roads, and infrastructure operated at a high level of service as our residents have come to expect.

Behind the scenes, the Social Wellness Team continued to foster a positive workplace culture with events that brought staff together and supported causes like Movember, Pink Shirt Day, and the regional holiday fundraiser Stuff the Truck. These activities reflect the care and compassion that are foundational to our organization.

To all staff – thank you for your hard work, adaptability, and dedication to serving the people of North Cowichan. Together, we continue to build a stronger, more inclusive municipality that puts people and service at the heart of everything we do.

A handwritten signature in black ink, appearing to read 'Ted Swabey'.

Ted Swabey
Chief Administrative Officer



COMMUNITY PROFILE

North Cowichan is located on the east coast of Vancouver Island in the Cowichan Valley Regional District. It is centrally located between the cities of Victoria to the south, and Nanaimo to the north. Vancouver is located to the east, separated by the Salish Sea. Spanning 195 square kilometers, North Cowichan is the largest District Municipality by area on Vancouver Island. North Cowichan is a community of communities, including Crofton, Chemainus, Maple Bay, Quamichan, Bell McKinnon, Berkey's Corner, and South End Centre/ University Village. Each unique area has its own history and values, as well as natural and built environments that define its character. North Cowichan's Official Community Plan recognizes and addresses specific needs at the neighbourhood or community level to celebrate that character.

North Cowichan's approximately 32,000 residents enjoy all the pleasures of a relaxed, active lifestyle in a mostly rural setting which also affords many of the amenities of city life. North Cowichan offers the best of both worlds, making it one of the most desirable places to call home. The incredible landscape and location can be attributed to North Cowichan quickly becoming known as a hub for recreation, sports, and eco-tourism.



31,990

Total population (2021)



0-14 13.9%



15-64 57.4%



65+ 28.7%

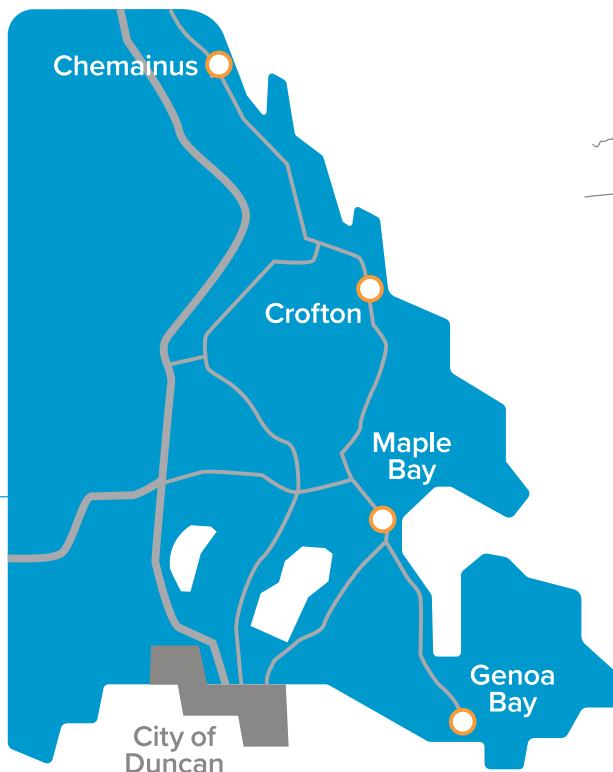
Average
age
47.3



\$78,500

Median family income (2020)

The Municipality of North Cowichan



Chemainus

Seaside artisan hub, renowned Chemainus Theatre, fishing and swimming at Fuller Lake, Old Town, Waterwheel Park, Chemainus Lake, Kinsmen Beach Park, and access to water front.



Crofton

1.5km oceanfront seawalk, warm, swimmable waters at Osborne Bay Park, 20-minute ferry to Salt Spring Island, outdoor community pool (summer), easy access to Maple Mountain.



Maple Bay and Genoa Bay

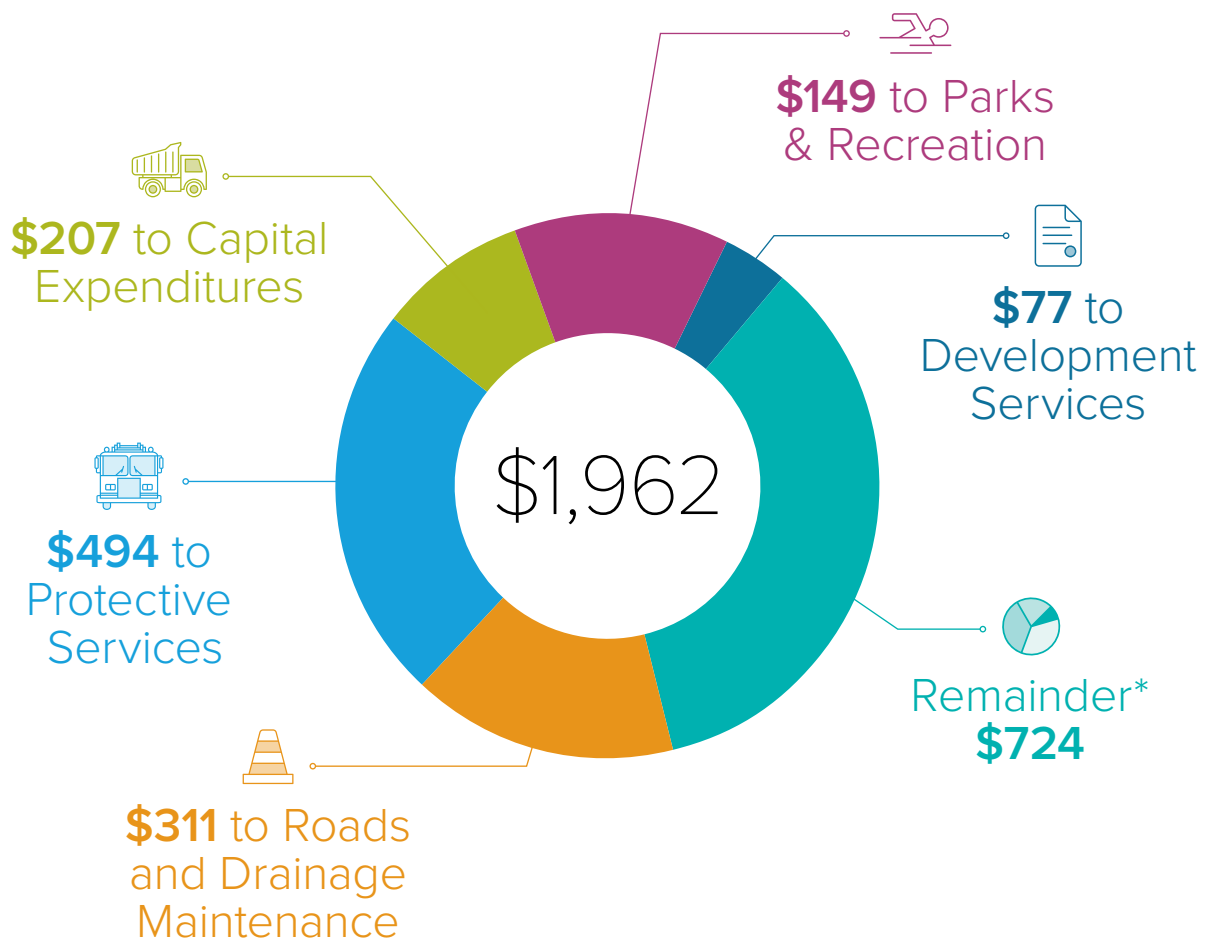
Seaside villages, marinas, beach walking, easy access to hiking and mountain biking at Mount Tzouhalem, Maple Mountain and Stoney Hill Park, and multiple kayak access points.



South End

Urban meets rural with markets, local vineyards, brewpubs and distilleries, and the retail hub in downtown Duncan. Also home to Cowichan Campus of Vancouver Island University, Queen Margaret's School and Cowichan Secondary School. Recreation opportunities at sports fields, Sportsplex, Cowichan Aquatic Centre, and Cowichan Community Centre.

Breakdown of Municipal Tax for 2024:



A homeowner in North Cowichan whose home had an average assessed value of \$767,412 paid **\$1,962** in *municipal* property taxes in 2024.

*General government, Debt repayment, Library services, Reserve fund, and Energy and environment.





MAYOR AND COUNCIL

The Municipality of North Cowichan is governed by an elected Mayor and six Councillors, each elected for a four-year term. The current Council was elected in the fall of 2022 for the 2022-2026 term. The responsibility of municipal governments is set out in the Community Charter, mandating Council set the direction and adopt the policies and budget to guide our community. Our Council meets regularly,

on the first and third Wednesday of every month. Residents have the option of attending all open Council and Committee of the Whole meetings either in-person at Municipal Hall or by video conference using the Cisco Webex platform. Council encourages public participation and feedback to foster two-way dialogue and open, participatory governance.



Robert Douglas
Mayor



Mike Cajouw
Councillor



Bruce Findlay
Councillor



Chris Istace
Councillor



Christopher Justice
Councillor



Tek Manhas
Councillor

On October 31, Debra Toporowski announced she would be stepping down from her role as Councillor, effective immediately, following her election as member of the provincial legislature. A by-election to fill the vacancy is set to take place in April 2025.

Vacant
Councillor



COUNCIL'S STRATEGIC PLAN

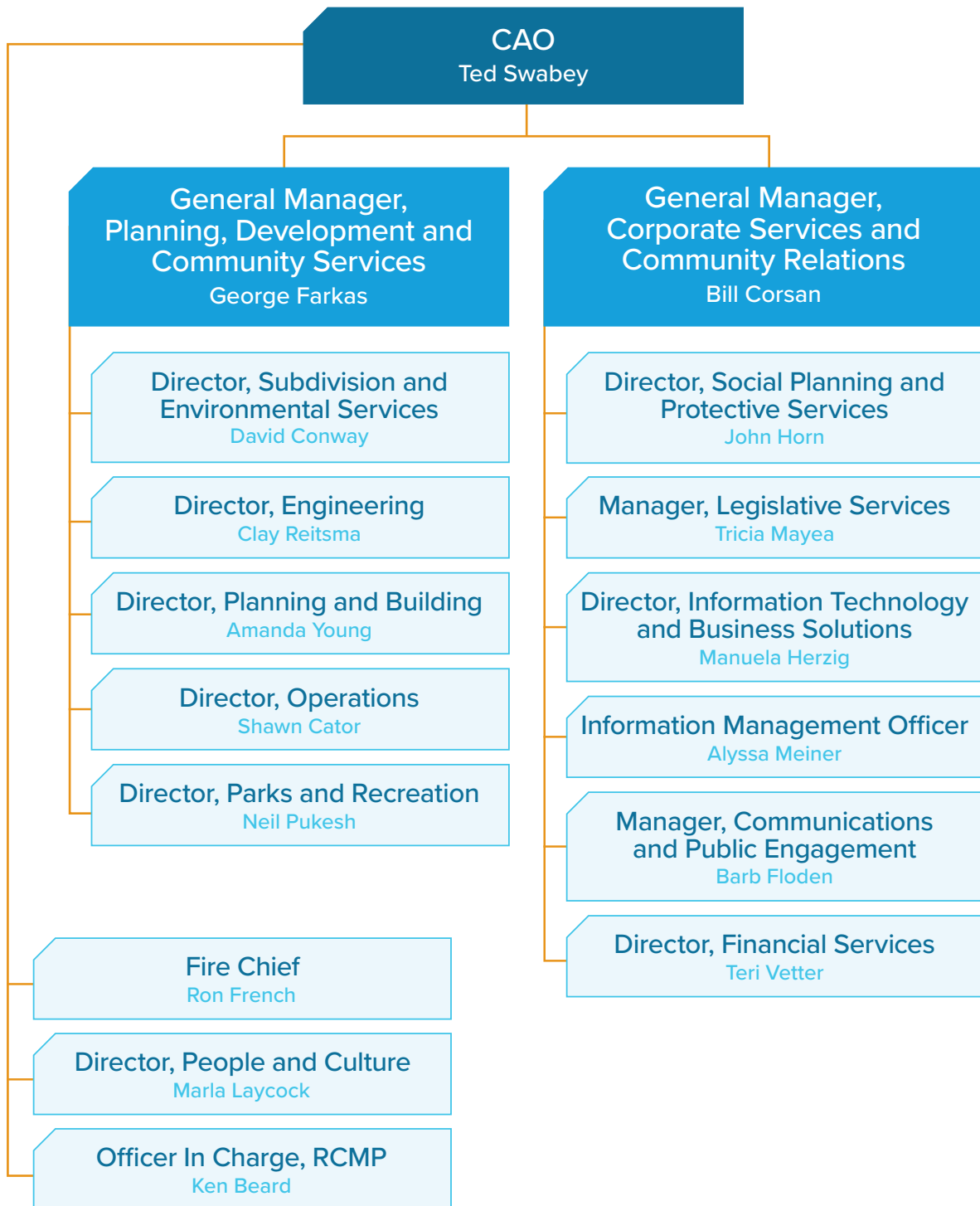
Council's Strategic Plan sets out several years' worth of projects and initiatives to realize Council's vision and objectives for their term, based on the following strategic priorities: **Engagement**, **Housing**, **Environment**, **Economy**, **Community**, **Service**, and **Inclusion**.

The Plan serves as a critical foundation for decision making, budgeting, annual work and project planning, workforce planning, and performance measurement. This aligns

with the Council Strategic Plan Administrative Policy that establishes a clear process to support Council's oversight role of monitoring staff progress towards implementing the Strategic Plan. Under the policy, staff provide quarterly updates to Council each year to outline progress towards meeting the Strategic Plan's objectives. This Annual Report highlights, beginning on page 17, the progress made within each of Council's strategic priority areas, from January 1 through December 31, 2024.

ORGANIZATIONAL STRUCTURE

as of December 31, 2024





COUNCIL'S STRATEGIC PRIORITIES

Our 2024 Annual Report highlights successes of each council priority area, key performance indicators, and progress. Here's a look at what we did in 2024.

ENGAGEMENT

HOUSING

ENVIRONMENT

ECONOMY

COMMUNITY

SERVICE

INCLUSION



ENGAGEMENT

Through collaborative relationships with other governments, Indigenous peoples, stakeholder partners and engaging the community at large, we achieve optimum outcomes for all.



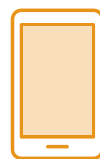
137%

increase in reach
on social media

North Cowichan remained committed to building strong relationships with local First Nations throughout 2024. An agreement was made with Halalt First Nation to install a fish counter using old Chemainus Road bridge abutments using low voltage power from an unused circuit on the bridge, and with energy costs paid for by the municipality. Council offered assistance to the local First Nations for events and celebrations related to National Indigenous Peoples Day in June, and municipal staff volunteered at Cowichan Tribes' event. Khowutzun Forest Services initiated Firesmart services projects on Mount Tzouhalem and Maple Mountain to support North Cowichan's fire mitigation strategies. Staff continued to meet with the Quw'utsun Nation throughout the year, working towards the development of a request for proposals for a co-management framework and plan for the Municipal Forest Reserve.



172,970 new
website visitors



58%
of users access the site
on a mobile device

Several recreation staff participated in an Indigenous awareness training session through the Local Government Management Association to further education and understanding of First Nation cultural awareness.

North Cowichan's bylaw staff participated in joint patrols with Cowichan Tribes bylaw officers, and protective services staff were a part of the Public Safety Working Group of Cowichan Tribes, as we work closely with these groups on our shared commitment to fostering safer communities.

Our work towards lobbying higher levels of government to support North Cowichan resulted in \$30,000 in funding to resource the Cowichan Interagency Response Team (Situation Table), and another \$30,000 from Infrastructure and Communities Canada to support the 2024 Point in Time count of people experiencing homelessness.

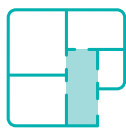
Supporting community groups and organizations included facilitating over 40 special events throughout the year, with an improved and streamlined process for approvals and inquiries related to event planning.

We continued to work collaboratively with our regional government partners, which included working with the Cowichan Valley Regional District on flood response planning and renewing the Emergency Management Cowichan service agreement. Staff also worked with our local government counterparts on the strategic alignment of communication related to water conservation and ongoing water use issues. This collaborative approach helped ensure clear, consistent messaging and a unified approach to water stewardship across the region.



HOUSING

We have sustainable housing opportunities that represent the interests of all our citizens.



38 new lots created by Subdivisions

In 2024, North Cowichan remained focused on addressing the housing crisis in ways that balanced the needs of residents with the growth framework and policy direction set out in the Official Community Plan. We continued to seek opportunities to partner with organizations to support affordable housing initiatives.

Project development funding was received from BC Housing in the amount of \$237,250 for the Elliott Street site in Chemainus, and site planning for this project progressed throughout the year.

Site contamination issues that were previously identified at the 3191 Sherman Road housing site were fully resolved in early 2024, with no remediation needed. The site proceeded to the subdivision stage, and in September it was announced that 92 units of affordable co-op housing



105

single family building
permits issued.

21

subdivision applications
approved

was confirmed for the site, in partnership with the Community Land Trust.

Staff reacted quickly to the province's Bill 44 requirements, preparing zoning bylaw amendments early in the year to comply with these new requirements. These were completed and adopted by Council on June 19, ahead of the province's June 30 deadline. As a result, three to four dwelling units are now permitted on most residential lots within the urban areas of North Cowichan.

Council authorized some variances for parking and height to move forward multiple compact housing developments; an apartment complex with 262 units at the corner of Ford and Drinkwater roads, a six-storey mixed-use building with ground-floor commercial use and 210 residential apartment units on Beverly Street, and a 100-unit mixed-use building at 3096 Gibbins Road. These are all located within the Urban Containment Boundary and will add much-needed stock to the rental housing market.



816 new dwelling units
authorized by building permit



296 building
permits issued



ENVIRONMENT

We lead in environmental policies and practices to support the future health of our community.



2,560 trees planted



495 downloads of the MNC Curbside App

North Cowichan maintained its commitment to environmental policies and practices aimed at reducing climate impacts, supporting mitigation efforts, and promoting sustainability.

Implementation of the Climate Action and Energy Plan continued with an engineering assessment for electric fleet charging design. After successful trials, procurement began for electric fleet vehicle acquisition. By the fourth quarter, three new electric fleet vehicles had been acquired and were in operation, and staff applied to BC Hydro to help support electric vehicle infrastructure.

Two North Cowichan businesses completed the Circular Economy Accelerator Program, offered through Vancouver Island Coast Economic Developers Association – Ron Anderson and Sons and Maple Bay Marina. The program supports local businesses who seek to adopt circular economy



principles, reduce waste and emissions, and develop innovative practices. The program is continuing to run through 2025, with additional opportunities for North Cowichan businesses to participate.

As of September 2024 (the last reporting period of the year), 341 homes in North Cowichan had converted to electric heat pumps, resulting in an estimated 1,100-tonne reduction in greenhouse gas emissions annually. One of these homes was Abbeyfield House, a home that provides seniors with independent living in a safe and comfortable setting. Their switch from a gas furnace to a heat pump was supported in part by a Community Climate Action Grant from North Cowichan, resulting in cost savings as well as a more comfortable and energy-efficient home.

Work continues toward environmental improvements for Quamichan and Somenos Lakes. Staff began working on reports to identify actions that could be taken by various levels of government to

support and fund the studies needed and funding required to slow the degradation of these lakes. A report assessing lake sediment chemistry and options for aeration to help remediate cyanobacteria blooms on Quamichan Lake is being assessed and options evaluated by staff.

Our strong partnership with Somenos Marsh Wildlife Society continues as we supported their restoration of riparian tree habitat around Somenos Creek, and their efforts to remove invasive parrot's feather. The successful removal of invasive purple loosestrife from sites in Somenos Lake was completed in the fall, with ongoing efforts required to prevent regrowth.

The Climate Change Risk Assessment and Adaptation Strategy was approved by Council in September. It identifies actions to help North Cowichan respond to the effects of extreme weather on our local infrastructure, natural environment, economy, and community well-being.



ECONOMY

We attract and retain great talent and sustainable businesses and have opportunities for all.

With a revision of the Economic Development Action Plan underway, a survey was developed seeking feedback from business and industry representatives and workshops occurred with the Economic Development Committee. Further engagement with the business community included interviews with local businesses, a workshop with the Chemainus Business Improvement Association, and coordination with Cowichan Valley Regional District engagement activities. Work on the plan continued throughout the year and interim reporting on strategic direction was provided to the Economic Development Committee and Council in the fall.

An application was submitted to the Rural Economic Diversification and Infrastructure Program to support the design of a new reservoir to service the industrial properties off Highway 18.



293 new business licences in 2023

Council and senior staff toured multiple local business sites, including Canadian Bavarian Millwork & Lumber Ltd, Ron Anderson & Sons, and Paulcan and Jemico Enterprises. These visits support a deeper understanding of local industries and help inform decisions that strengthen the community's economic resilience.

A new Agricultural Advisory Committee was established, and committee members recruited. The committee's mandate it to provide advice to Council on agricultural initiatives, policies and practices, and to contribute to the development of an agricultural and food security strategic plan. The committee's inaugural meeting took place in April.

We continued to support Rowing Canada's relocation in North Cowichan, with discussions about Phase 3: National Training Centre Shell House, and in June, Mayor Douglas and CAO Swabey attended an event to send off the Olympic and Paralympic teams to the 2024 Olympics and Paralympics in Paris.

The Belgian Waffle Ride brought over 400 gravel bike racers to North Cowichan in September. Participants competed in three distances, including the main event that covered 195 kilometres of gravel road and single track trail. The Cowichan Trail Stewardship Society hosted the Mount Prevost Combine in November which attracted amateur mountain bikers to participate in a three-day downhill race showcasing youth talent for future professional development.



COMMUNITY

We are a mix of unique, inspiring, sustainable, and safe neighbourhoods enjoyed by residents, businesses, and visitors.



77 (239ha)
actively maintained
parks

We remained actively engaged in addressing the opioid crisis, continuing to push for coordinated support and resources from all levels of government. Our advocacy continued for additional substance use services to provincial ministries, and we provided letters of support to Lookout Housing and Health Society for their grant application for a peer outreach program. To continue to grow our understanding, staff toured the Port Alberni Public Safety Building, and the Mayor, Council and senior staff attended site visits at local recovery centres including Together We Can in Vancouver, Cowichan Tribe's Tsow-Tun Le Lum Society, and Cedars Recovery in Cobble Hill. An ongoing dialogue around increasing recovery options including discussions with potential service operators and site investigations remains top of mind.



2,462 rental hours at
Fuller Lake Arena

North Cowichan's social planning team met with stakeholders and began working towards updating the Safer Community Plan, with the goal of identifying the infrastructure needed to effectively address homelessness, mental health, and addictions. To hear from the community, an in-person safer community dialogue took place in June with the goal of hearing from people who are most impacted by public disorder in the corridor area. A survey was also available for the broader community's input. A what we heard report was presented to Council in November, and finalization of the plan is underway.

To offer continued programming into the spring months, Fuller Lake Arena extended its ice season into May for the first time. The new 3-on-3 youth spring hockey league attracted more than 130 participants, and the increased rental hours helped boost and support the local figure skating and adult hockey community groups.



254,491 drop-in visits to the
Cowichan Aquatic Centre

Throughout the year, staff worked on the phasing and implementation of the Bell McKinnon Local Area Plan, including draft policies to help realize development in the area in accordance with the local area plan's vision. These policies were presented to Council in late 2024, and progress continues in 2025.

Encouraging appropriate development cost charges and amenities to support development made progress with Council directing staff to consult the development community to gather feedback that will help to guide decisions around changes to community amenity contributions.



SERVICE

We provide responsive, efficient, transparent, and engaged service that contributes value to the community.

Maintaining the existing high level of service in the community remained a continued focus this year, as did projects and upgrades to improve accessibility. During the Cowichan Aquatic Centre's annual maintenance closure, the main entrance doors to the facility were replaced with automatic sliding doors. Upgrades took place at a number of our parks, including a major playground resurfacing at Sherman Road Park that now meets CSA accessibility standards. The park also received an accessible picnic table and new pathway.

In March, we celebrated the official opening of the new accessible washroom facility at Kin Beach Park in Chemainus. The washroom, which replaced an older building, was funded through the provincial Tourism Dependent Community Fund. Several other park improvements were completed, many of which were also supported by the



2,682 calls for service received by our Operations Department

Rotary Club of Chemainus: an outdoor shower, planting of new trees, a covered picnic shelter, landscaping, and parking area improvements.

Art Mann Park received new playground equipment featuring enhanced safety, accessibility, and inclusion features. New surfacing was also installed, as well as a rubberized pathway, and an accessible picnic table. A new aluminum dock was installed providing universal water access for kayaks, canoes, and retractable cleats for boat use.

In June, we celebrated the grand opening of the new RCMP building on Ford Road. This new, modern facility accommodates the advances in operations and policing technologies to provide enhanced public safety, while bringing several policing departments and agencies together under one roof. The state-of-the-art building includes numerous energy saving and sustainable features and came in \$1.6 million under budget.

For the first time since the pandemic, we hosted in-person community open houses in November and December to seek input from residents on the following year's budget. Feedback received on municipal services, capital projects, user fees and other revenue sources were considered by Council as they made decisions during the 2025 budget process.

Council adopted the Master Transportation Plan in June. The plan was informed through extensive public and stakeholder engagement and provides clear direction on improving transportation options for all people over the next 20 years. It sets direction for incorporating pedestrian-oriented and multi-modal transportation options within growth centres, and ensuring other areas are connected through well-planned roadways and active transportation options.



Water

3 water systems

280 km of water mains

2 major watersheds

8 domestic water booster pump stations

5 dams

14 reservoirs



Road and Sidewalk Maintenance

305 kms of roads

240 kms of sidewalks

166 kms of storm pipes

1,100 culverts to maintain



INCLUSION

Council will act to maintain and strengthen North Cowichan as an economically thriving and sustainable community of unique and inclusive towns and neighbourhoods.

Staff and Council participated in Pink Shirt Day wearing pink across all worksites in recognition that we all share the responsibility to create a safe and respectful workplace. Pink Shirt Day is more than just a policy, a plan, or simply wearing pink – it's a commitment to fostering a community where everyone feels safe and valued. By participating, we help amplify the message that bullying has no place in our schools, workplaces, or neighbourhoods.

North Cowichan's Social Wellness Team coordinates staff activities throughout the year, providing not only entertainment and engagement with colleagues, but learning and community support. From fun Halloween costume contests, to raising money for community initiatives like Movember and Stuff the Truck, they foster a strong sense of inclusion in the workplace while making a positive impact beyond the office.





FINANCIAL REPORT



REPORT FROM THE DIRECTOR OF FINANCIAL SERVICES

May 8, 2025

Mayor and Council

District of North Cowichan

Your Worship and Members of Council,

I am pleased to present the District of North Cowichan's (North Cowichan) 2024 Annual Financial Report for the fiscal year ended December 31, 2024, as required by section 98 of the *Community Charter*.

This report includes the auditor's report, the 2024 financial statements, and supplementary information for North Cowichan.

The preparation of the Consolidated Financial Statements is the responsibility of North Cowichan's management and has been carried out by municipal staff in accordance with Canadian public sector accounting standards for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. These standards have been applied consistently with the prior year.

To ensure the integrity of financial reporting and the protection of municipal assets, North Cowichan maintains a system of internal accounting controls. These controls are regularly reviewed and tested through contracted audit services on a cyclical basis.

The audit firm KPMG was appointed by Council and is responsible for expressing an opinion as to whether the consolidated financial statements fairly present the financial position of North Cowichan and the results of its 2024 operations.

Total financial assets increased to \$111.9 million in 2024, up from \$107.5 million in 2023. Key changes include cash holdings rose significantly from \$3 million to \$9.3 million, indicating improved liquidity. Accounts receivable increased from \$9.3 million to \$15.8 million in 2024 and Portfolio investments declined from \$95.1 million to \$86.8 million. Total liabilities slightly decreased to \$115.9 million in 2024 from \$116.3 million in 2023. Non-financial assets grew to \$371.7 million in 2024, up from \$364.9 million in 2023. This increase was primarily driven by an increase in tangible capital assets, which rose from \$361.4 million to \$368.1 million, reflecting continued investment in infrastructure and community assets. The accumulated surplus increased by \$11.6 million, reaching \$367.6 million in 2024 compared to \$356.1 million in 2023.


Total consolidated revenues decreased from \$82.5 million in 2023 to \$80 million. Taxation remained stable at \$45.5 million, and Sales of services increased to \$14.2 million, up from \$12.3 million in 2023. Total expenses rose to \$69.5 million in 2024, up from \$64.8 million in 2023. Protective services grew to \$16.8 million from \$13.2 million and Recreation and cultural services increased to \$14.5 million. North Cowichan recorded an annual surplus of \$10.5 million down from \$17.8 million in 2023.

Accumulated remeasurement loss at year-end improved to \$(689,613) from \$(1.8 million) in 2023. No new losses were recorded from accounting standard changes, unlike in 2023.

In 2024, North Cowichan reported a net improvement of \$3.7 million in its financial position, shifting from a net financial debt of \$(8.8) million to \$(4.0) million. This positive change was driven by a \$10.5 million annual surplus and lower-than-budgeted capital asset acquisitions, partially offset by contributed assets and adjustments related to asset retirement obligations.

The total cost of tangible capital assets increased from \$582.4 million in 2023 to \$601.2 million in 2024. This growth was driven by \$65.5 million in additions, including significant investments in buildings, land, and land improvements. Amortization expense for the year totaled \$12.7 million, reflecting the ongoing use of capital assets and disposals and write-downs amounted to \$46.6 million, primarily from reductions in Work in Progress (WIP) and engineered structures. The net book value of tangible capital assets increased from \$361.4 million in 2023 to \$368.1 million in 2024.

Respectfully,



Teri Vetter, CPA, CGA, BCom
Director, Financial Services

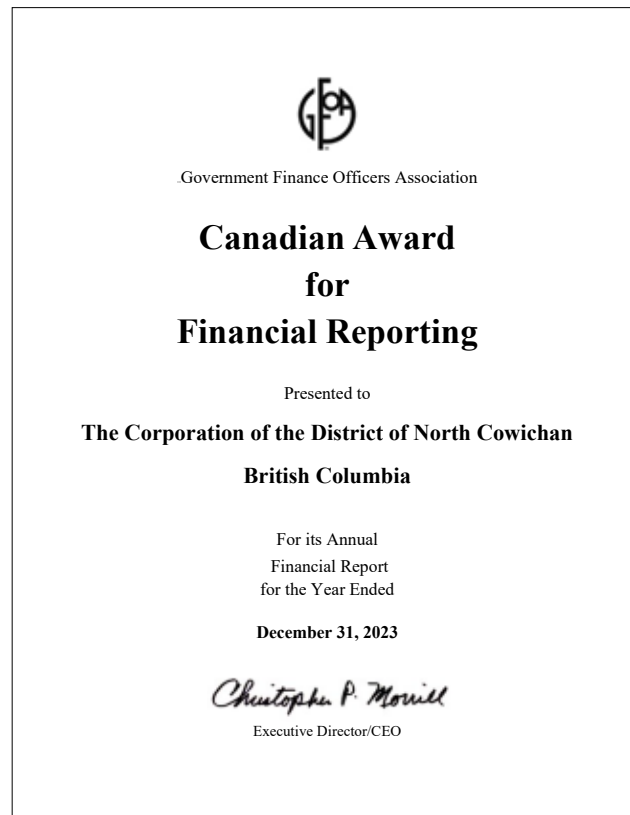
FINANCIAL REPORTING AWARD

Canadian Award For Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Municipality of North Cowichan for its Annual Report of the fiscal year ended December 31, 2023. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

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



The Municipality of North Cowichan

CONSOLIDATED FINANCIAL STATEMENTS

(Audited) December 31, 2024



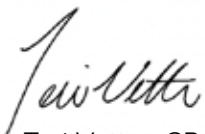
STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the District of North Cowichan and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative control designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The North Cowichan Municipal Council met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters before approving the consolidated financial statements.

KPMG LLP, as the Municipality's appointed external auditors, has audited the consolidated financial statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector accounting standards.



Teri Vetter, CPA, CGA, BCom
Director, Financial Services
May 8, 2025



KPMG LLP

St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250 480 3500
Fax 250 480 3539

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councilors of the Corporation of the District of North Cowichan

Opinion

We have audited the consolidated financial statements of the Corporation of the District of North Cowichan (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of change in net financial assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and its consolidated results of operations, its consolidated changes in net debt, its consolidated remeasurement gains and losses, and its consolidated 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 auditor's report.

We are independent of the Entity 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.

Other Matter – Supplementary Information

The supplementary information included in notes 12, 15 and 18 as well as in Schedules I – X does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

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 the Entity'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 the Entity or to cease operations, or has no realistic alternative but to do so.

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 the financial statements.

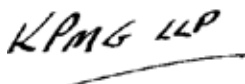
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 the Entity'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 the Entity 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



Chartered Professional Accountants

Victoria, Canada
May 8, 2025



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024, with comparative information for 2023

	2024 ACTUAL	2023 ACTUAL
Financial Assets		
Cash (Note 4)	\$ 9,307,715	\$ 3,029,488
Temporary investments (Note 4)	86,762,957	95,131,066
Accounts receivable (Note 5)	15,809,064	9,343,073
	111,879,736	107,503,627
Liabilities		
Accounts payable and accrued liabilities (Note 6)	8,369,287	9,330,771
Employee future benefits and compensation payable (Note 7)	4,532,035	4,288,307
Unearned revenue (Note 8)	18,791,811	17,351,273
Asset retirement obligation (Note 11)	28,215,854	29,849,921
Restricted reserves (Note 14)	24,403,609	21,219,421
Debt (Note 16)	31,584,655	34,274,193
	115,897,251	116,313,886
Net Financial Debt	(4,017,515)	(8,810,259)
Non-Financial Assets		
Tangible capital assets (Note 10)	368,084,191	361,413,490
Inventory of supplies	674,475	660,639
Prepaid items	566,119	459,513
Property acquired for taxes	2,341,177	2,341,177
	371,665,962	364,874,819
Accumulated Surplus (Note 19)	\$ 367,648,447	\$ 356,064,560

Commitments and Contingent Liabilities (Notes 9, 18 and 21)

Approved by:



Teri Vetter, CPA, CGA, BCom
Director, Financial Services

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2024, with comparative information for 2023

	2024 BUDGET (Note 20)	2024 ACTUAL	2023 ACTUAL
Revenues			
Taxation (Schedule I)	\$ 45,572,923	\$ 45,512,849	\$ 42,974,453
Sales of services	10,997,812	14,247,632	13,610,860
Other revenue from own sources	3,346,238	4,212,448	3,228,027
Return on investments	1,534,760	2,570,478	3,085,324
Grants and government transfers (Schedule II)	32,639,518	4,756,109	11,976,566
Collections from developers and others	3,510,027	7,978,045	7,063,829
Actuarial adjustments to debt	-	678,221	594,727
	97,601,278	79,955,782	82,533,786
Expenses (Schedule III)			
General government services	7,881,873	8,099,336	7,891,059
Protective services	15,128,027	16,783,167	13,206,802
Engineering and public works	12,573,505	12,436,221	13,102,715
Environmental health services	4,320,448	2,988,444	2,813,217
Forestry	759,356	465,466	708,551
Community development	2,351,787	2,067,455	1,596,649
Recreation and cultural services	13,137,330	14,506,934	13,689,445
Water	5,770,665	6,081,653	5,786,918
Sewer	5,416,440	6,058,036	5,974,431
	67,339,431	69,486,712	64,769,787
Annual Surplus	\$ 30,261,847	10,469,070	17,763,999
Surplus from Operations, beginning of year (Note 19)		357,868,991	340,104,992
Surplus from Operations, end of year (Note 19)		\$ 368,338,060	\$ 357,868,991

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended December 31, 2024

	2024 ACTUAL	2023 ACTUAL
Accumulated remeasurement gains (losses) at the beginning of the year	\$ (1,804,460)	\$ -
Unrealized gains (losses) attributable to:		
Adoption of new accounting standards	-	(2,501,215)
Unrealized gains (losses) on portfolio investments	241,841	(62,206)
Realized losses reclassified to Statement of Operations	873,006	758,961
Accumulated remeasurement gains (losses) at end of year	\$ (689,613)	\$ (1,804,460)



CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

For the year ended December 31, 2024, with comparative information for 2023

	2024 BUDGET (Note 20)	2024 ACTUAL	2023 ACTUAL
Annual Surplus	\$ 30,261,847	\$ 10,469,070	\$ 17,763,999
Acquisition of tangible capital assets	(78,544,873)	(17,894,592)	(24,359,609)
Contributed tangible capital assets	-	(4,442,976)	(6,982,329)
Amortization of tangible capital assets	10,087,300	12,710,677	12,374,328
Net loss on sale of tangible capital assets	-	(35,462)	49,799
Proceeds on sale of tangible capital assets	-	86,778	121,384
Asset retirement obligation (Note 2)	-	2,860,662	(29,849,921)
Write-downs of tangible capital assets	-	44,207	174,237
	(68,457,573)	(6,670,706)	(47,320,261)
Decrease (Increase) in prepaids	-	(106,607)	81,497
Increase in inventories	-	(13,836)	(54,634)
	-	(120,443)	26,863
Change in net financial assets	(38,195,726)	3,677,921	(29,529,399)
Net financial assets at beginning of year	-	(8,810,259)	22,523,600
Decrease in accumulated remeasurement gain	-	1,114,823	(1,804,460)
Net Debt at end of year	\$ (38,195,726)	\$ (4,017,515)	\$ (8,810,259)

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024, with comparative information for 2023

	2024 ACTUAL	2023 ACTUAL
Operating transactions		
Annual surplus	\$ 10,469,070	\$ 17,763,999
Non-cash items included in surplus		
Amortization	12,710,677	12,374,328
Accretion	1,226,594	1,151,850
Actuarial adjustment to debt	(678,221)	594,727
Write-downs of tangible capital assets	44,207	174,237
Net loss on sale of tangible capital assets	(35,462)	49,799
Contributed tangible capital assets	(4,442,976)	(6,982,329)
	19,293,889	23,937,157
Changes in non-cash assets and liabilities		
Accounts receivable	(6,465,991)	(4,452,325)
Inventory of supplies	(13,836)	(54,635)
Prepaid items	(106,603)	81,498
Accounts payable	(961,484)	(615,602)
Employee future benefits and compensation payable	243,728	531,695
Unearned revenue	1,440,538	7,626,806
Restricted reserves	3,184,188	3,035,909
Cash provided by operating transactions	16,614,429	30,090,503
Capital transactions		
Proceeds on sale of tangible capital assets	86,778	121,384
Cash applied to acquire tangible capital assets	(17,894,592)	(24,359,609)
Cash applied to capital transactions	(17,807,814)	(24,238,225)
Investing transactions		
Portfolio investments	9,482,932	(5,770,498)
Cash applied to investing transactions	9,482,932	(5,770,498)
Financing transactions		
Repayment of debenture debt	(2,011,320)	(1,971,315)
Cash provided by financing transactions	(2,011,320)	(1,971,315)
Change in cash	6,278,227	(1,889,535)
Cash, beginning of year	3,029,488	4,919,023
Cash, end of year	\$ 9,307,715	\$ 3,029,488

See accompanying notes to the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 (PSAS) 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%
---	--------

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*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) INVESTMENTS AND FINANCIAL INSTRUMENTS

Investments are recorded at fair 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.

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

Financial instruments are recorded at fair value on initial recognition. Derivative instruments, equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to carry MFA Pooled Investment Funds (PIF) at fair value.

Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Consolidated Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method. All financial assets are assessed for impairment on an annual basis.

When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Consolidated Statement of Remeasurement Gains and Losses. When the asset is sold, the unrealized gains and losses previously recognized on the Consolidated Statement of Remeasurement Gains and Losses are reversed and recognized in the Consolidated Statement of Operations.

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

e) ASSET RETIREMENT

A liability for an Asset Retirement Obligation (ARO) is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the District to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an ARO incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an ARO are expected to occur over extended future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) ASSET RETIREMENT (continued)

When a liability for an ARO is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. ARO's which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the District reviews the carrying amount of the liability. The District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

f) 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. Building permit revenue is recognized when/as performance obligations are satisfied.
- 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.

g) PROPERTY ACQUIRED FOR TAXES - DEEDED TO MUNICIPALITY

Property acquired for taxes is presented at estimated historical values as either financial assets or nonfinancial 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.

h) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

i) 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.

j) 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. Contributed assets are recorded at their estimated fair value upon receipt. 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 2024 totaled \$4,442,976 (2023 -\$6,982,329).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) MATERIALS AND SUPPLIES

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

l) 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.

m) 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.

n) 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.

o) 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 19.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

p) USE OF ESTIMATES

The preparation of financial statements 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 tangible capital assets, deferred charges, ARO's 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. CHANGE IN ACCOUNTING POLICY

On January 1, 2024, the District adopted Public Sector Accounting Standard PS 3400 Revenue (PS 3400) on a prospective basis. The new accounting standard provides direction on accounting for revenues that are not in scope of other existing standards. All revenue streams in scope of PS 3400 have historically been accounted for in accordance with the new standards with the exception of building permit revenue stream. Management has assessed the impact of the adoption of PS 3400 on the financial statements and have identified a \$189,852 reduction to other revenue from own sources in 2024.

On January 1, 2024, the District adopted Public Sector Accounting Standard PS 3160 - Public Private Partnerships's on a prospective basis. This new accounting standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. Management assessed the impact of adopting PS 3160 on the financial statements of the District and found no existing arrangements that meet the criteria for recognition as a public private partnership.

On January 1, 2024, the District adopted Public Sector Guideline PSG-8, Purchased Intangibles, applied on a prospective basis (PSG-8). PSG-8 defines purchased intangibles as identifiable, non-monetary, economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. Management has assessed the impact of adopting PSG-8 and found that at present, no such items meet the criteria to be recognized as a purchased intangible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

	2024	2023
Cash	\$ 9,307,715	\$ 3,029,488
Portfolio Investments	86,762,957	95,131,066
	\$ 96,070,672	\$ 98,160,554

Investments consist of short-term investments in the Municipal Finance Authority of BC, Government Focused Ultra-short bond fund, CIBC high interest savings, Canaccord, and Raymond James and the market value is equal to the carrying value. Investments have yields ranging from 3.98% to 6.22%.

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.

	2024	2023
Restricted investments	\$ 51,035,246	\$ 49,623,593

5. ACCOUNTS RECEIVABLE

	2024	2023
Property taxes	\$ 2,569,654	\$ 2,252,692
Utility rates	2,983,318	2,834,727
Federal government	2,256,974	380,647
Provincial government	2,443,388	1,686,374
Local government	1,090,026	1,381,168
General	4,465,704	807,465
	\$ 15,809,064	\$ 9,343,073

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
General	\$ 7,047,282	\$ 8,271,418
Wages and salaries	909,227	657,769
Accrued interest	412,778	401,584
	\$ 8,369,287	\$ 9,330,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

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

	2024	2023
Lieu time payable	\$ 1,329,335	\$ 1,279,507
Sick leave cash-out and severance benefits	3,202,699	3,008,800
	\$ 4,532,035	\$ 4,288,307

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 payouts and severance benefits are based on an actuarial valuation as at December 31, 2024.

	2024	2023
Accrued benefit obligation	\$ 3,351,300	\$ 3,121,600
Unamortized actuarial gain/(loss)	(148,600)	(112,800)
Accrued benefit liability	\$ 3,202,700	\$ 3,008,800
Benefit expense:		
Current service cost	\$ 440,900	\$ 400,100
Interest cost	128,800	131,500
Amortization of net actuarial (gain)/loss	26,400	18,700
	\$ 596,100	\$ 550,300

Significant actuarial assumptions as at December 31st include:

	2024	2023
Valuation interest rate	4.20%	4.10%
Rate of compensation increase	3.00%	3.00%
Expected coverage remaining service life (in years)	8.9	8.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. UNEARNED REVENUE	2023	Contributions and interest	Revenue earned or refunded	2024
Prepaid taxes and licenses	\$ 3,018,669	\$ 6,817,544	\$ 6,374,262	\$ 3,461,952
Service fees and deposits	4,623,125	1,849,371	1,492,129	4,980,367
Aquatic Centre unearned revenue	226,783	422,994	421,389	228,387
General unearned revenues	9,482,696	1,450,505	812,096	10,121,105
	\$ 17,351,273	\$ 10,540,414	\$ 9,099,876	\$ 18,791,811

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 debt reserve funds 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 debt reserve funds refunded to North Cowichan. As at December 31, 2024, there were contingent demand notes of \$1,456,895 (2023 - \$1,456,895) which are not included in the financial statements of North Cowichan.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2023	Additions	Disposals and Writedowns	2024
Cost				
Land	\$ 58,866,767	\$ 3,696,760	\$ -	\$ 62,563,529
Land improvements	16,813,506	3,322,723	11,000	20,125,228
Buildings - Cost	56,569,076	44,048,901	-	100,617,976
Eng. Struct. - Cost	350,150,203	3,867,593	2,946,538	351,071,258
Machinery - Cost	51,957,841	3,318,435	476,131	54,800,146
WIP - Cost	48,014,448	7,213,414	43,174,469	12,053,392
Total cost	\$ 582,371,841	\$ 65,467,826	\$ 46,608,138	\$ 601,231,529
Accumulated amortization				
Land Imp. - Accum Amort	\$ 9,032,981	\$ 816,532	\$ 11,000	\$ 9,838,513
Buildings - Accum Amort	25,648,627	2,354,152	-	28,002,779
Eng. Struct. - Accum Amort	155,096,235	7,112,933	72,706	162,136,462
Machinery - Accum Amort	31,180,508	2,427,060	437,984	33,169,584
Total accumulated amortization	\$ 220,958,351	\$ 12,710,677	\$ 521,690	\$ 233,147,338
Net book value				
Land	\$ 58,866,767			\$ 62,563,529
Land improvements	7,780,525			10,286,715
Buildings	30,920,449			72,615,197
Engineered structures	195,053,968			188,934,796
Machinery	20,777,333			21,630,562
Work in progress	48,014,448			12,053,392
Total net book value	\$ 361,413,490			\$ 368,084,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. ASSET RETIREMENT OBLIGATION

North Cowichan owns and operates buildings that are known to contain asbestos and lead paint, which represent an environmental hazard upon demolition or renovation of the asset and there is a legal obligation related to the removal and disposal of the hazardous materials. Following the adoption of PS 3280 - Asset Retirement Obligations, North Cowichan recognized an obligation relating to the removal of asbestos and lead paint in these buildings as estimated at January 1, 2023. The buildings had an estimated useful life of 20 to 50 years when purchased or constructed.

North Cowichan has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those at the date of adoption of the standard. Estimated costs have been discounted using the present value calculation with a discount rate of 4.53% (2023 - 4.17%).

	2024	2023
Total Asset Retirement Obligations		
Balance, beginning of year	\$ 29,849,921	\$ -
Liabilities incurred for asbestos and lead removal	-	1,075,773
Sewer Lagoon Lease obligation	-	27,622,298
Change in estimated cash flows	(2,860,661)	-
Accretion expense	1,226,594	1,151,850
Estimated total liability	\$ 28,215,854	\$ 29,849,921

12. GROWING COMMUNITY FUND (UNAUDITED)

The province of British Columbia distributed conditional Growing Community Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia. North Cowichan received \$7,686,000 of GCF funding and will spend the grant in accordance with the guidelines provided by the province.

	2024	2023
Opening balance of unspent funds	\$ 6,760,855	\$ -
Amount received during the year	-	7,686,000
Investment Income	281,817	261,567
Eligible costs		
Fire Hall Replacement	3,219,848	1,186,712
	\$ 3,822,824	\$ 6,760,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. 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. Trust funds are not included in North Cowichan's Consolidated Financial Statements. A summary of trust fund activities by North Cowichan is as follows:

	2023	2023
Assets		
Cash and short term investments	\$ 544,220	\$ 494,775
Equity		
Opening balances	494,775	457,567
Contributions	49,445	37,208
	\$ 544,220	\$ 494,775

14. 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.

	2023	2023
Development Cost Charges		
Opening	\$ 21,219,421	\$ 18,183,512
Contributions	2,077,258	2,109,723
Investment income (loss)	1,106,930	926,186
	\$ 24,403,609	\$ 21,219,421

15. CANADA COMMUNITY-BUILDING FUND (UNAUDITED)

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.

	2024	2023
Opening balance of unspent funds	\$ 3,453,523	\$ 2,842,317
Amount received during the year	1,520,040	1,422,951
Investment Income	174,749	130,454
Eligible Costs	(338,817)	(942,199)
	\$ 4,809,495	\$ 3,453,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. 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	2024 Net Unmatured	2023 Net Unmatured
General Capital Fund						
Maple Bay Fire Hall	95	0.91%	Apr 12, 2025	\$ 1,600,000	\$ 109,901	\$ 216,601
Maple Bay Fire Hall	103	3.79%	Apr 23, 2028	500,000	133,547	163,786
Cowichan Aquatic Ctr	104	4.30%	Nov 20, 2028	15,000,000	4,006,411	4,913,593
Cowichan Aquatic Ctr	106	4.10%	Oct 12, 2029	2,265,500	742,116	873,861
Duncan Curling Club	N/A	2.11%	Jan 15, 2032	551,500	246,534	276,015
Tier 2 Flood Protection	121	3.39%	Oct 4, 2032	745,475	367,733	406,985
Tier 2 Flood Protection	124	4.52%	Apr 8, 2033	1,000,000	545,941	596,814
Municipal Hall Expansion	126	4.52%	Sep 26, 2033	1,500,000	818,911	895,221
Stoney Hill Road	131	2.20%	Apr 8, 2040	2,000,000	1,467,598	1,535,213
Tier 4 Flood Protection	137	2.60%	Apr 19, 2036	1,700,000	1,155,868	1,232,350
Tier 4 Flood Protection	141	2.80%	Apr 7, 2037	200,000	142,967	151,855
RCMP Building	158	4.09%	Sep 23, 2042	22,000,000	20,416,884	21,222,053
Fire Equipment loan	N/A	2.80%	Dec 31, 2024	516,700	-	191,204
				49,579,175	30,154,411	32,675,551
Water Capital Fund						
Crofton	106	4.10%	Oct 13, 2029	530,000	173,613	204,435
Chemainus	110	1.28%	April 8, 2030	1,750,000	669,178	767,883
Chemainus	137	2.60%	Apr 19, 2036	864,000	587,453	626,324
				3,144,000	1,430,244	1,598,642
				\$ 52,723,175	\$ 31,584,655	\$ 34,274,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. DEBT (continued)

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

	General	Water	Total
Principal repayments:			
2025	\$ 1,708,633	\$ 112,683	\$ 1,821,316
2026	1,644,686	112,683	1,757,369
2027	1,645,987	112,683	1,758,670
2028	1,644,405	112,683	1,757,088
2029	1,128,232	112,683	1,240,915
Thereafter	11,637,033	213,864	11,850,894
	<u>19,408,976</u>	<u>777,279</u>	<u>20,186,252</u>
Actuarial adjustments (estimated):			
2025	707,790	61,763	769,553
2026	748,255	68,029	816,284
2027	836,625	74,521	911,146
2028	928,319	81,247	1,009,565
2029	403,460	88,214	491,674
Thereafter	7,120,986	279,192	7,400,178
	<u>10,745,435</u>	<u>652,965</u>	<u>11,398,400</u>
	<u>\$ 30,154,411</u>	<u>\$ 1,430,244</u>	<u>\$ 31,584,655</u>

Interest paid during the year was \$1,953,325 (2023 - \$1,754,963).

17. LOCAL GOVERNMENT HOUSING INITIATIVE FUND (UNAUDITED)

The Province of British Columbia distributed conditional Housing Initiative Fund grants to local governments in January 2024 to support and supplement local government activities and projects in meeting the new legislative requirements arising from Bill 44, 46, and 47. The Local Government Housing Initiative Fund provided a onetime total of \$51 million in funding to all 161 municipalities and 27 regional districts in British Columbia. North Cowichan received \$299,774 in 2024 and will be expending the funding in accordance with the guidelines provided by the province.

	2024
Amount received during the year	\$ 299,774
Eligible expenses	99,681
Total remaining	<u>\$ 200,093</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. COMMITMENTS AND CONTINGENT LIABILITIES

a) 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%.

b) North Cowichan and its employees contribute to the Municipal Pension Plan (a jointly trusted 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, 2023 the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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.

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 \$1,575,424 (2023 - \$1,452,265) for employer contributions while employees contributed \$1,452,206 (2023 - \$1,340,379) to the Plan in fiscal 2024.

c) 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, and believes it is adequately insured to mitigate any material financial impact.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. ACCUMULATED SURPLUS

Operating Funds

Unappropriated:

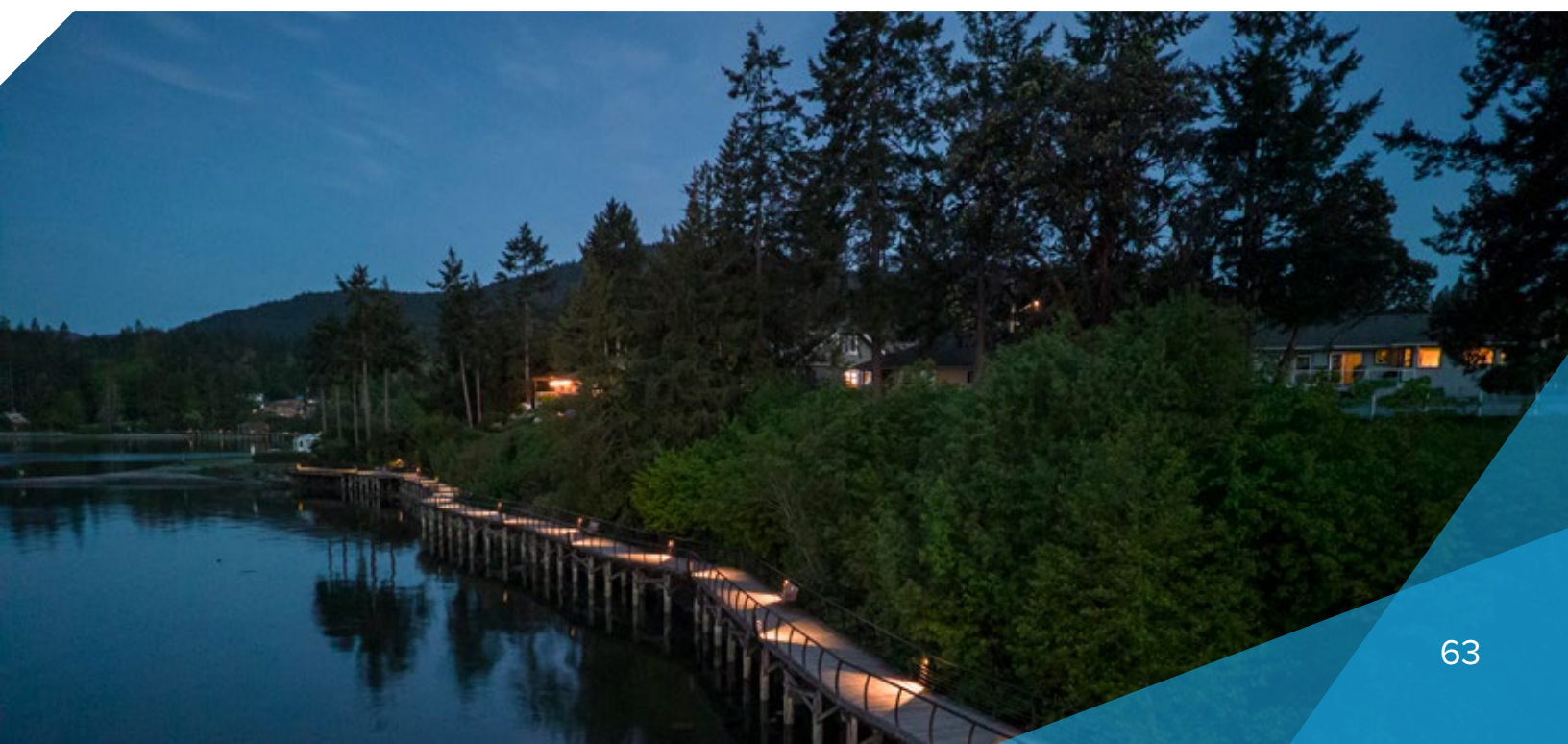
	2024	2023
General	\$ 3,910,134	\$ 5,112,381
Water Systems	7,699,610	7,202,638
Sewer Systems	25,382,794	22,180,289
	36,992,538	34,495,308

Appropriated:

Reserves for property acquired for taxes	2,341,177	2,341,177
Reserves for future expenditures	(9,289,704)	(7,870,498)
Reserve for uncollected taxes	1,295,091	1,295,091
Reserve for Joint Utilities Board	(25,639,300)	(27,454,792)
	(31,292,736)	(31,689,022)
	5,699,802	2,806,286

Capital Funds

General Capital	255,076,580	242,766,396
Water Capital	34,260,514	33,610,893
Sewer Capital	20,307,493	20,637,259
Joint Utilities Board Capital	26,362,036	29,644,101
	\$ 336,006,623	\$ 326,658,649



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. ACCUMULATED SURPLUS (continued)

	2023	2022
Reserve Funds		
Land Sales	\$ 3,684,548	\$ 4,317,566
Machinery and Equipment	4,231,630	4,528,884
Local Area Service	1,631,114	1,500,071
Forest	559,936	792,775
Park Development	241,009	229,401
Parkland Purchase	223,489	866,761
Chemainus Parking	196,098	186,654
Agriculture	362,929	345,449
Self-Insurance	183,417	236,453
Climate Action and Energy Plan	721,109	803,831
Maple Bay Sewer	102,905	97,949
Cowichan Aquatic Centre	381,967	130,000
Evans Park	122,212	142,776
Fuller Lake Arena	539,851	77,378
Harbours Crofton	111,585	93,696
Harbours Chemainus	482,715	451,852
Mural Protection	2,968	2,825
Canada Community-Building Fund (Note 15)	4,809,495	3,453,524
Quamichan Lake	832,081	683,200
IT Asset Management	727,198	618,278
Growing Community Fund (Note 12)	3,725,906	6,760,855
Infrastructure Replacement	1,702,435	1,380,516
Gravel Pits	613,616	584,063
Affordable Housing	138,945	119,328
Buildings	302,477	-
	26,631,635	28,404,085
Accumulated remeasurement losses	368,338,060	357,869,020
Accumulated Surplus	(689,613)	(1,804,460)
	\$ 367,648,447	\$ 356,064,560

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. BUDGET DATA

The budget data presented in these financial statements is based upon the 2024-2028 Financial Plan Bylaw adopted by council February 7, 2024. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2024
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Principal debt repayment	2,058,688
Capital expenditures	78,544,876
Less:	
Amortization	(10,087,300)
Proceeds from borrowing	(5,000,000)
Budgeted transfers to reserve funds	(11,861,927)
Budgeted transfers from accumulated surplus	(23,392,490)
Adjusted Annual Surplus	\$ 30,261,847

21. 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 2024, North Cowichan's proportion for consolidation purposes was 53.69% (2023 – 53.69%). Condensed financial information for the Joint Utilities Boards is as follows:

	2024	2023
Net Financial Assets (Debt)	\$ (47,756,232)	\$ (51,137,618)
Non-Financial Assets	49,102,417	55,215,650
Accumulated Surplus	1,346,185	4,078,032
Revenues	\$ 2,114,933	\$ 1,904,858
Expenses	4,846,780	4,923,982
Annual Surplus (Deficit)	(2,731,847)	(3,019,124)
North Cowichan Proportionate Share:		
Net Financial Assets	\$ (25,639,300)	\$ (27,454,693)
Non-Financial Assets (Debt)	26,362,036	29,644,101
Accumulated Surplus	722,736	2,189,408
Revenues	\$ 1,135,462	\$ 1,022,678
Expenses	2,602,133	2,643,581
Annual Surplus (Deficit)	\$ (1,466,671)	\$ (1,620,903)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. JOINT UTILITIES BOARD (continued)

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 2025 is \$232,416 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 2024 North Cowichan recorded an adjustment to assets in the amount of \$0 (2023 - \$0).

22. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. SEGMENT REPORTING (continued)

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.

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.

23. COMPARATIVE FIGURES

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

TAXATION

For the year ended December 31, 2024

SCHEDULE I

	2024 BUDGET	2024	2023
Municipal Purposes:			
General taxation	\$ 38,330,877	\$ 38,297,671	\$ 35,936,040
Business Improvement Area	146,287	146,287	143,419
Local Area Service	95,350	95,348	95,348
Utilities	917,177	917,177	1,083,443
Grants-in-lieu of taxes	329,295	361,832	330,139
Water systems	2,624,050	2,604,882	2,464,103
Sewer systems	3,129,887	3,089,652	2,921,961
Total Municipal Taxes	45,572,923	45,512,849	42,974,453
Collections for Other Governments:			
School	15,810,000	17,015,675	16,188,739
Cowichan Valley Regional Hospital District	4,369,680	4,678,491	4,385,764
Cowichan Valley Regional District	13,712,470	14,563,995	11,764,010
BC Assessment	479,961	514,778	502,693
Municipal Finance Authority	2,332	2,572	2,565
Total Collections for Other Governments	34,374,443	36,775,511	32,843,771
	79,947,366	82,288,360	75,818,224
Deduct: requisitions remitted to other taxing authorities	(34,374,443)	(36,775,511)	(32,843,771)
Total Taxes Levied	\$ 45,572,923	\$ 45,512,849	\$ 42,974,453

GRANTS AND GOVERNMENT TRANSFERS

For the year ended December 31, 2024

SCHEDULE II

	2024 BUDGET	2024	2023
Operating Grants			
Traffic fines revenue	\$ 260,000	\$ 240,000	\$ 234,000
Other grants	1,418,795	2,935,911	10,125,904
	1,678,795	3,175,911	10,359,904
Capital Grants			
Canada Community-Building Fund	3,931,402	1,520,040	1,422,951
Infrastructure Grants (Prov/Fed)			
Diking	23,658,157	-	-
Water	500,000	-	-
Sewer	2,871,164	-	-
Other	-	53,058	165,011
	27,029,321	53,058	165,011
Provincial and Other Grants			
ICBC grants	-	7,100	28,700
	-	7,100	28,700
	\$ 32,639,518	\$ 4,756,109	\$ 11,976,566



OPERATIONS BY SEGMENT

For the year ended December 31, 2024

SCHEDULE III

	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	\$ 5,716,037	\$ 10,082,955	\$ 5,355,725	\$ 1,932,358	\$ -	\$ 1,250,412	\$ 9,112,410	\$ 2,604,882	\$ 3,089,652	\$ 1,695,316	\$ 4,673,102	\$ 45,512,849
Sales of services	726,033	1,392,501	936,716	2,297,755	121,919	-	2,686,709	3,567,102	2,518,897	-	-	14,247,632
Other revenue from own sources	673,136	3,039,229	158,384	-	-	242,416	14,400	53,018	31,865	-	-	4,212,448
Return on investments	870,936	22,567	582,518	95,359	40,280	500,037	71,867	365,074	1,128,710	(1,106,870)	-	2,570,478
Grants and government transfers	240,000	284,731	-	175,884	150,000	15,373	2,309,923	-	-	-	1,580,198	4,756,109
Collections from developers and others	-	-	-	-	-	-	3,510,027	-	-	25,042	4,442,976	7,978,045
Actuarial adjustments to debt	21,167	82,179	60,038	-	-	-	459,122	55,715	-	-	-	678,221
	8,247,309	14,904,162	7,093,381	4,501,356	312,199	2,008,238	18,164,458	6,645,791	6,769,124	613,488	10,696,276	79,955,782
Expenses												
Salaries, wages and benefits	\$ 5,715,975	5,700,342	4,232,501	1,110,993	168,302	1,536,643	6,092,632	1,729,073	1,002,786	-	-	27,289,247
Contract services	2,011,559	7,196,346	1,948,878	1,194,700	203,497	463,795	3,421,318	1,134,163	1,217,353	-	-	18,791,609
Materials and supplies	(176,779)	1,281,991	186,630	634,631	84,585	67,017	2,698,593	1,819,239	910,608	-	-	7,506,515
Amortization	472,447	1,660,329	5,892,748	48,120	9,082	-	1,549,458	1,333,184	1,745,309	-	-	12,710,677
Accretion	8,334	4,659	4,233	-	-	-	29,384	5,297	1,174,687	-	-	1,226,594
Interest	67,800	939,500	164,272	-	-	-	715,549	58,911	7,293	-	-	1,953,325
Expenditures before losses, write downs and transfers	8,099,336	16,783,167	12,429,262	2,988,444	465,466	2,067,455	14,506,934	6,079,867	6,058,036	-	-	69,477,967
Loss on sale, write downs and transfer of TCA	-	-	6,959	-	-	-	-	1,786	-	-	-	8,745
	8,099,336	16,783,167	12,436,221	2,988,444	465,466	2,067,455	14,506,934	6,081,653	6,058,036	-	-	69,486,712
Excess of revenues over expenses	\$ 147,973	\$ (1,879,005)	\$ (5,342,840)	\$ 1,512,912	\$ (153,267)	\$ (59,217)	\$ 3,657,524	\$ 564,138	\$ 711,088	\$ 613,488	\$ 10,696,276	\$ 10,469,070

OPERATIONS BY SEGMENT

For the year ended December 31, 2024

SCHEDULE III

	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	\$ 6,911,554	\$ 10,727,760	\$ 5,648,844	\$ (148,827)	\$ -	\$ 1,478,297	\$ 7,687,731	\$ 2,464,103	\$ 2,921,961	\$ 2,004,283	\$ 3,278,747	\$ 42,974,453
Sales of services	163,823	597,690	706,261	2,201,070	167,016	-	2,422,685	3,692,675	2,370,519	-	-	12,321,739
Other revenue from own sources	586, 129	2,321,047	136,476	-	-	107,597	14,531	39,402	22,845	-	-	3,228,027
Return on investments	(380,830)	490,364	258,207	(6,803)	-	67,573	351,405	253,677	870,167	1,181,564	-	3,085,324
Grants and government transfers	234,000	964,158	-	180,082	100,000	-	8,881,664	-	-	-	1,616,662	11,976,566
Collections from developers and others	-	-	-	-	-	-	1,289,121	-	-	81,500	6,982,329	8,352,950
Actuarial adjustments to debt	21,323	50,680	53,683	-	-	-	419,163	49,878	-	-	-	594,727
	7,535,999	15,151,699	6,803,471	2,225,522	267,016	1,653,467	21,066,300	6,499,735	6,185,492	3,267,347	11,877,738	82,533,786
Expenses												
Salaries, wages and benefits	5,388,871	4,501,119	4,086,380	1,105,625	301,112	1,306,937	5,696,081	1,609,958	934,809	-	-	24,930,892
Contract services	1,806,223	5,993,430	1,952,728	1,063,189	300,413	230,435	3,159,133	1,192,711	1,124,350	-	-	16,822,612
Materials and supplies	77,889	989,706	792,735	579,898	95,812	59,277	2,444,942	1,560,225	910,621	-	-	7,511,105
Amortization	557,683	778,541	5,888,262	64,505	11,214	-	1,868, 118	1,365,757	1,840,249	-	-	12,374,329
Accretion	-	-	-	-	-	-	-	-	1,151,850	-	-	1,151,850
Interest	60,393	944,006	160,574	-	-	-	521,171	58,267	10,551	-	-	1,754,962
Expenditures before losses, write downs and tranfers	7,891,059	13,206,802	12,880,679	2,813,217	708,551	1,596,649	13,689,445	5,786,918	5,972,430	-	-	64,545,750
Loss on sale, write downs and transfer of TCA	-	-	222,036	-	-	-	-	-	2,001	-	-	224,037
	7,891,059	13,206,802	13,102,715	2,813,217	708,551	1,596,649	13,689,445	5,786,918	5,974,431	-	-	64,769,787
Excess of revenues over expenses	\$ (355,060)	\$ 1,944,897	\$ (6,299,244)	\$ (587,695)	\$ (441,535)	\$ 56,818	\$ 7,376,855	\$ 712,817	\$ 211,061	\$ 3,267,347	\$ 11,877,738	\$ 17,763,999

SUPPLEMENTARY SCHEDULES

(Unaudited)

SALES OF SERVICES

For the year ended December 31, 2024

SCHEDULE IV

	2024 BUDGET	2024	2023
General government service	\$ 43,310	\$ 34,922	\$ 34,308
Protective services	400,152	1,087,747	383,717
Fire protection	274,048	304,754	213,973
Engineering and public works	343,789	936,716	706,261
Residential garbage - municipal	1,998,474	2,077,033	2,000,767
Forestry	108,200	121,919	167,016
Cowichan Aquatic Centre	1,493,543	2,013,357	2,887,204
Fuller Lake Arena	299,016	343,471	560,353
Other recreation	58,550	85,772	70,031
Wharves	216,938	244,110	194,219
Miscellaneous	110,123	691,110	129,514
Cemetery	177,750	220,722	200,303
Water	3,239,085	3,567,102	3,692,675
Sewer	2,234,834	2,518,897	2,370,519
	\$ 10,997,812	\$ 14,247,632	\$ 13,610,860

OTHER REVENUE FROM OWN SOURCES

For the year ended December 31, 2024

SCHEDULE V

	2024 BUDGET	2024	2023
Licences and permits	\$ 1,402,674	\$ 1,569,334	\$ 2,148,473
Tax penalties and interest	439,421	638,058	545,586
Fines	9,190	12,446	5,249
Rentals	1,480,510	1,907,727	466,472
Water	14,443	53,018	39,402
Sewer	-	31,865	22,845
	\$ 3,346,238	\$ 4,212,448	\$ 3,228,027

GENERAL GOVERNMENT SERVICES

For the year ended December 31, 2024

SCHEDULE VI

	2024 BUDGET	2024	2023
Legislative	\$ 476,276	\$ 414,908	\$ 422,889
Administrative	5,597,141	5,632,597	5,098,125
Financial services	1,271,084	1,213,307	1,252,306
Common services	992,032	1,183,122	1,225,244
Miscellaneous	280,150	158,140	187,169
Administration recoveries	(1,006,740)	(1,051,319)	(912,750)
Interest	67,800	67,800	60,393
Amortization	204,130	472,447	557,683
Accretion	-	8,334	-
	\$ 7,881,873	\$ 8,099,336	\$ 7,891,059

PROTECTIVE SERVICES

For the year ended December 31, 2024 (unaudited)

SCHEDULE VII

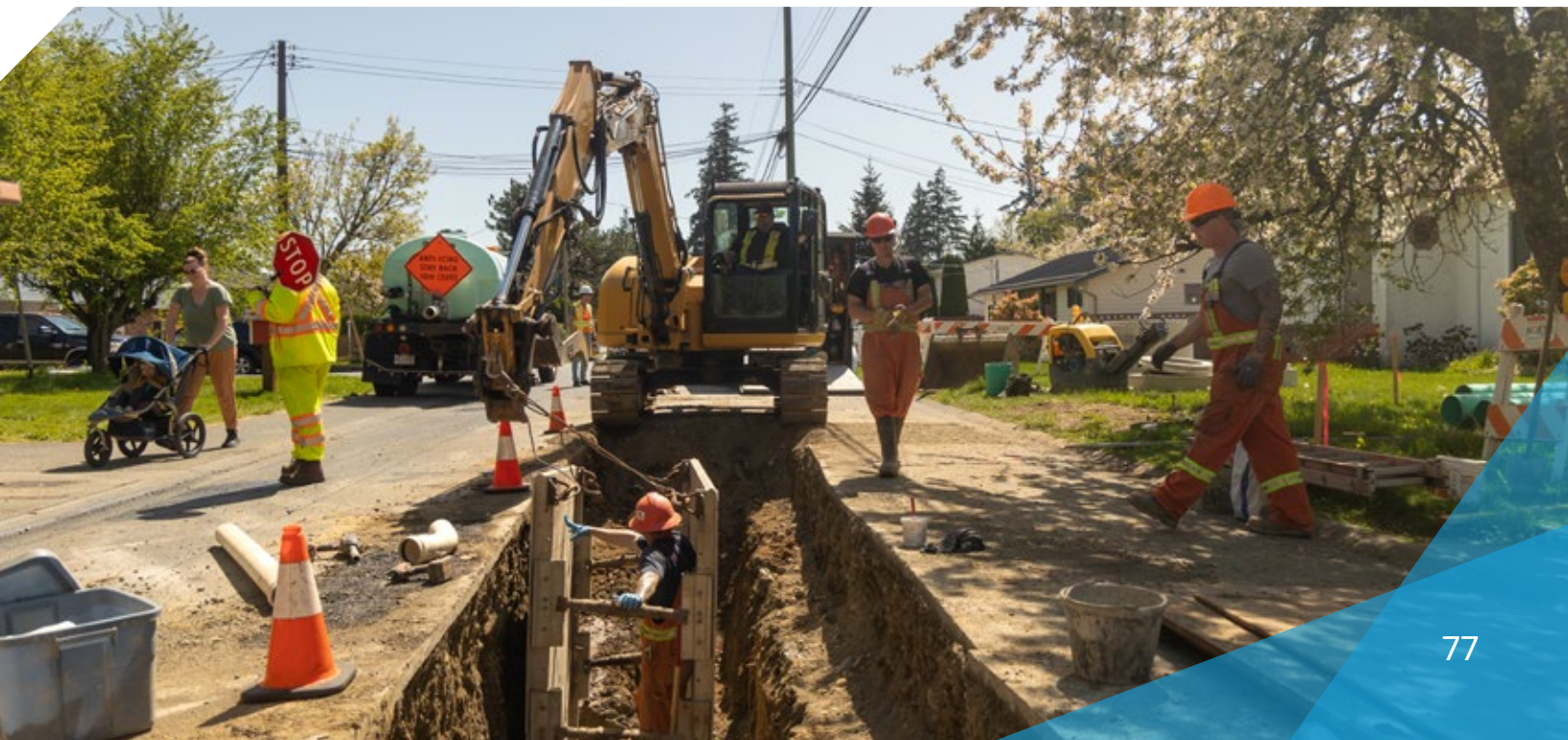
	2024 BUDGET	2024	2023
Police protection:			
R.C.M.P. contract	\$ 6,235,870	\$ 6,160,698	\$ 5,259,809
Municipal employees	1,903,718	1,903,926	1,969,167
Crime prevention	26,420	308,532	7,100
Building maintenance	607,455	563,872	277,415
Bylaw enforcement	922,978	1,001,526	669,051
	9,696,441	9,938,554	8,182,542
Fire protection:			
General fire protection	663,395	789,795	387,890
Chemainus fire hall	555,913	533,490	408,038
Crofton fire hall	533,989	467,808	438,330
Maple Bay fire hall	523,482	542,996	490,918
South End fire hall	678,998	857,619	593,290
	2,955,777	3,191,708	2,318,466
Other protection:			
Building and plumbing inspections	795,877	830,442	770,651
Animal control	188,260	194,700	187,374
Weed control	15,294	4,726	5,055
Mosquito control	20,400	18,549	20,167
	1,019,831	1,048,417	983,247
Interest	939,118	939,500	944,006
Amortization	516,860	1,660,329	778,541
Accretion	-	4,659	-
	1,455,978	2,604,488	1,722,547
	\$ 15,128,027	\$ 16,783,167	\$ 13,206,802

ENGINEERING AND PUBLIC WORKS

For the year ended December 31, 2024 (unaudited)

SCHEDULE VIII

	2024 BUDGET	2024	2023
Administration	\$ 2,927,435	\$ 2,564,597	\$ 2,526,578
Small tools and equipment	57,040	51,608	54,301
Workshop and yard maintenance	238,419	265,898	257,398
Roads - construction	54,619	40,384	49,227
Roadway and surfaces maintenance	1,412,575	1,723,402	1,653,129
Snow and ice removal	554,518	510,576	494,245
Bridge - maintenance	26,757	7,661	2,636
Street lighting	442,970	397,890	481,462
Signs and line painting	424,147	417,086	395,936
Drainage	934,398	1,093,676	1,041,492
Sidewalk maintenance	41,980	22,466	24,858
Other transportation	277,70	512,731	429,271
Administration recoveries	(793,400)	(1,239,966)	(578,690)
Loss on sale, write downs and transfer of TCA	-	6,959	222,036
Interest	164,272	164,272	160,574
Amortization	5,675,310	5,892,748	5,888,262
Accretion	-	4,233	-
	\$ 12,573,505	\$ 12,436,221	\$ 13,102,715



ENVIRONMENTAL HEALTH SERVICES

For the year ended December 31, 2024 (unaudited)

SCHEDULE IX

	2024 BUDGET	2024	2023
Garbage collection and recycling	\$ 2,929,555	\$ 1,893,298	\$ 1,648,394
Cemetery	200,449	225,450	238,146
Environmental	1,109,874	821,576	862,172
Amortization	80,570	48,120	64,505
	\$ 4,320,448	\$ 2,988,444	\$ 2,813,217



RECREATION AND CULTURAL SERVICES

For the year ended December 31, 2024 (unaudited)

SCHEDULE X

	2024 BUDGET	2024	2023
Administration	\$ 228,184	\$ 256,319	\$ 296,352
Crofton swimming pool	75,446	91,358	79,738
Cowichan Aquatic Centre	4,351,230	4,904,507	4,611,670
Fuller Lake Arena	1,237,976	1,363,058	1,312,529
Parks common services	2,017,959	322,676	164,973
Community recreation program	193,307	184,470	174,356
Chemainus parks and playgrounds	77,878	571,352	590,914
Crofton parks and playgrounds	60,914	241,991	241,796
South End parks and playgrounds	73,022	1,460,801	1,465,330
Wharves	186,385	183,878	186,775
Library	2,136,007	2,136,007	1,793,335
Grants-in-aid	717,764	496,126	382,388
Interest	496,478	715,549	521,171
Amortization	1,284,780	1,549,458	1,868,118
Accretion	-	29,384	-
	\$ 12,339,010	\$ 14,506,934	\$ 13,689,445





**Duncan - North Cowichan
Joint Utilities Board**

FINANCIAL STATEMENTS

(Audited) December 31, 2024



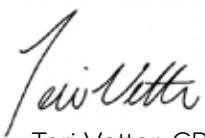
STATEMENT OF RESPONSIBILITY

The accompanying financial statements are the responsibility of the management of the Duncan - North Cowichan Joint Utilities Board and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative control designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The North Cowichan Municipal Council met with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters before approving the financial statements.

KPMG LLP, as the Duncan – North Cowichan Joint Utilities Board’s appointed external auditors, has audited the financial statements. The Auditor’s report is addressed to the Duncan – North Cowichan Joint Utilities Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the Duncan – North Cowichan Joint Utilities Board in accordance with Canadian public sector accounting standards.



Teri Vetter, CPA, CGA, BCom
Director, Financial Services
May 8, 2025



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250 480 3500
Fax 250 480 3539

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Duncan – North Cowichan Joint Utilities Board

Opinion

We have audited the financial statements of Duncan – North Cowichan Joint Utilities Board (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations 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 auditor's report.

We are independent of the Entity 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 the Entity'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 the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 the financial statements.

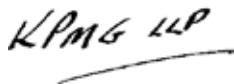
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 the Entity'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 the Entity 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.
- 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.



Chartered Professional Accountants

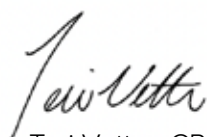
Victoria, Canada
May 8, 2025

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024, with comparative information for 2023

	2024 ACTUAL	2023 ACTUAL
Financial Assets		
Investments (Notes 4 and 6)	\$ 4,609,104	\$ 4,412,575
Liabilities		
Asset retirement obligation (Note 7)	50,453,431	53,595,259
Unearned revenue	1,911,905	1,954,934
	52,365,336	55,550,193
Net Financial Liabilities	(47,756,232)	(51,137,618)
Non-Financial Assets		
Tangible capital assets (Schedule I)	49,102,417	55,215,650
Accumulated Surplus (Note 8)	\$ 1,346,185	\$ 4,078,032

Approved by:



Teri Vetter, CPA, CGA, BCom
Director, Financial Services

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

For the year ended December 31, 2024, with comparative information for 2023

	2025 BUDGET (Note 10)	2024 ACTUAL	2023 ACTUAL
Revenues			
Contributions from:			
The Corporation of the Municipality of North Cowichan	\$ 2,543,955	\$ 924,339	\$ 786,520
The Corporation of the City of Duncan	1,452,035	482,807	425,353
Cowichan Valley Regional District	651,949	256,409	219,271
Cowichan Tribes	104,503	43,123	37,430
Return on investments	-	124,357	119,760
Grants and government transfers	1,780,200	283,898	316,524
	6,532,642	2,114,933	1,904,858
Expenses (Note 9)			
Administration	62,400	63,847	62,844
Amortization	89,850	1,312,412	1,458,801
Accretion	-	2,186,492	2,145,457
Sewer lagoon operations and maintenance	1,345,041	1,284,029	1,256,880
	1,497,291	4,846,780	4,923,982
Annual Surplus (Deficit)	5,035,350	(2,731,847)	(3,019,124)
Accumulated surplus, beginning of year	4,078,032	4,078,032	7,097,156
Accumulated surplus, end of year	\$ 9,113,383	\$ 1,346,185	\$ 4,078,032

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) BASIS OF ACCOUNTING

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

b) REVENUE RECOGNITION

- i) Revenues from transactions without performance obligations are recognized when the Board has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources. Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the Board satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.
- ii) Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made, 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 unearned revenue.

c) CASH AND CASH EQUIVALENTS

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

d) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	15 to 50 years
Engineering Structures	10 to 60 years
Machinery & Equipment	5 to 40 years

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.

Tangible capital assets are written down when conditions indicate they no longer contribute to the Board'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.

f) ASSET RETIREMENT

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Board to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) ASSET RETIREMENT (continued)

At each financial reporting date, the board reviews the carrying amount of the liability. The Board recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Board continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

g) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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. An area requiring the use of management estimates relate to the determination of amortization of capital assets and asset retirement obligations. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2024, the Board adopted Public Sector Accounting Standard PS 3400 Revenue (PS 3400) on a prospective basis. The new accounting standard provides direction on accounting for revenues that are not in scope of other existing standards. All revenue streams in scope of PS 3400 have historically been accounted for in accordance with the new standards. Management has assessed the adoption of PS 3400 and have determined that it has had no impact on the financial statements.

3. SUMMARY OF OPERATIONS

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.

4. INVESTMENTS

Investments are carried at cost, which at December 31, 2024, would approximate market value. The balance of investments has been internally restricted by the Board and is to be expended in accordance with the terms of the reserve for capital expenditure.

5. OPERATING LEASE

The Board leases the sewage lagoon lands under an operating lease which expires July 31, 2060. Lease payments for 2024 are \$432,902 and have an annual increase of 2.2%. The total lease payments over the remaining term are estimated at \$23.9 million.

6. FINANCIAL INSTRUMENTS

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

Financial instruments are recorded at fair value on initial recognition. Derivative instruments, equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost unless management has elected to carry the instruments at fair value. Management has elected not to carry any instruments at fair value.

Unrealized changes in fair value are recognized in the Statement of Remeasurment Gains and Losses until they are realized, when they are transferred to the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method. All financial assets are assessed for impairment on an annual basis.

When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. When the asset is sold, the unrealized gains and losses previously recognized in the Statement of Remeasurement Gains and Losses are reversed and recognized in the Statement of Operations.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. ASSET RETIREMENT OBLIGATION

Lease Obligation

The Board has a lease obligation that requires the full remediation of the land it leases to operate and maintain joint sewer lagoons to be returned to its original state at the end of the lease. Following the adoption of PS 3280 - Asset retirement obligations, the Board recognized an obligation relating to full remediation of the leased lands as estimated at January 1, 2023. The lease term was for 49 years and expires on July 31, 2060. Estimated costs have been discounted using the present value calculation with a discount rate of 4.53% (2023 - 4.17%). The increase in these capital assets is amortized on a straight-line basis over the remaining term of the lease.

Discount and inflation rates in the future are estimates and subject to change. These changes can impact ARO's value significantly when being applied over an extended period of time.

	2024	2023
Total Asset Retirement Obligation		
Balance, beginning of year	\$ 53,595,259	\$ -
Retirement obligation	-	51,449,802
Change in estimated cash flows	(5,328,320)	-
Accretion expense	2,186,492	2,145,457
Estimated total liability	\$ 50,453,431	\$ 53,595,259

8. CAPITAL RESERVE FUNDS

Included in the accumulated surplus are capital reserve funds. The Capital reserve funds are non-statutory reserves, for the purpose of future capital expenditures, established at the discretion of the Board. Balances and changes are outlined as follows:

	2024	2023
Balances, beginning of year	\$ 2,457,641	\$ 2,222,681
Add: transfers from current operations	239,557	234,960
Balance, end of year	\$ 2,697,198	\$ 2,457,641

9. LISTING OF OPERATING EXPENSES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2024	2023
Salaries, wages and benefits	\$ 272,061	\$ 264,214
Contract services	65,805	34,923
Amortization	1,312,412	1,458,801
Accretion	2,186,492	2,145,457
Materials and supplies	577,108	582,561
Land rent	432,902	438,026
Total expenses	\$ 4,846,780	\$ 4,923,982

10. BUDGET DATA

The budget data presented in these financial statements is based upon the 2024-2028 Financial Plan Bylaw. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2024
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Capital expenditures	5,010,000
Less:	
Amortization	(89,850)
Budgeted transfers to reserve funds	115,200
Adjusted Annual Surplus	\$ 5,035,350

11. FINANCIAL STATEMENT PRESENTATION

The statements of changes in net financial liabilities, remeasurement gains and losses, and cash flows have not been prepared as they are not considered to provide any additional useful information.

TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2024

SCHEDULE I

	COST					ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	BALANCE December 31, 2023	2024 Additions	2024 Disposals	2024 Write-downs	BALANCE December 31, 2024	BALANCE December 31, 2023	2024 Additions	2024 Disposals	BALANCE December 31, 2024	2023	2024
Buildings	\$ 192,388	\$ -	\$ -	\$ -	\$ 192,388	\$ 29,259	\$ 4,810	\$ -	\$ 34,069	\$ 163,129	\$ 158,319
Engineering Structures	53,935,292	-	-	5,328,320	48,606,972	1,944,758	1,272,273	-	3,217,031	51,990,534	45,389,941
Machinery & Equipment	706,581	-	-	-	706,581	214,918	35,329	-	250,247	491,663	456,334
Work In Progress	2,570,324	527,499	-	-	3,097,823	-	-	-	-	2,570,324	3,097,823
	\$ 57,404,585	\$ 527,499	\$ -	\$ 5,328,320	\$ 52,603,764	\$ 2,188,935	\$ 1,312,412	\$ -	\$ 3,501,347	\$ 55,215,650	\$ 49,102,417





STATISTICAL INFORMATION

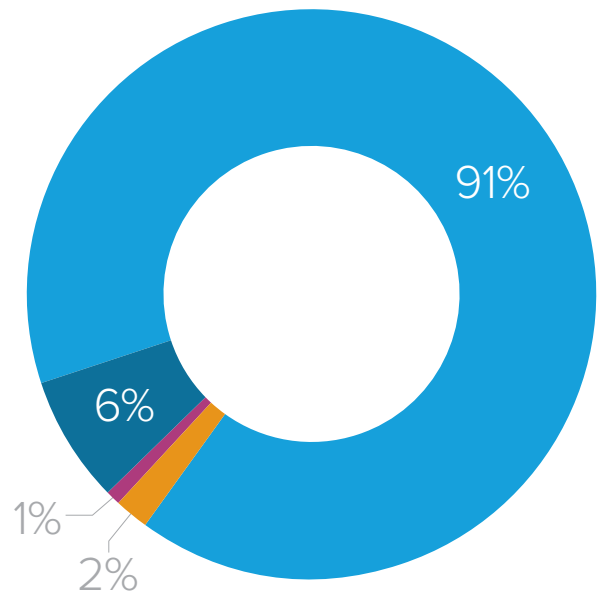
Five-Year Statistical Review 2020-2024

TAXABLE ASSESSMENTS OF LAND AND IMPROVEMENTS

(in thousands)

	2020	2021	2022	2023	2024
Property Class					
Residential	\$ 5,999,969	\$ 6,509,352	\$ 8,916,434	\$ 10,246,957	\$ 10,171,688
Utilities	7,160	7,345	8,118	9,003	9,717
Major Industry	149,278	152,940	160,298	172,253	183,014
Light Industry	77,075	84,007	104,474	132,346	143,209
Business	454,800	463,139	546,013	613,122	630,090
Managed Forest	3,344	3,278	3,119	3,251	3,413
Recreation	20,682	20,663	20,823	21,566	22,189
Farm	8,777	8,776	8,830	8,573	8,558
	\$ 6,721,085	\$ 7,249,500	\$ 9,768,109	\$ 11,207,071	\$ 11,171,878

2024 Assessment by Property Class

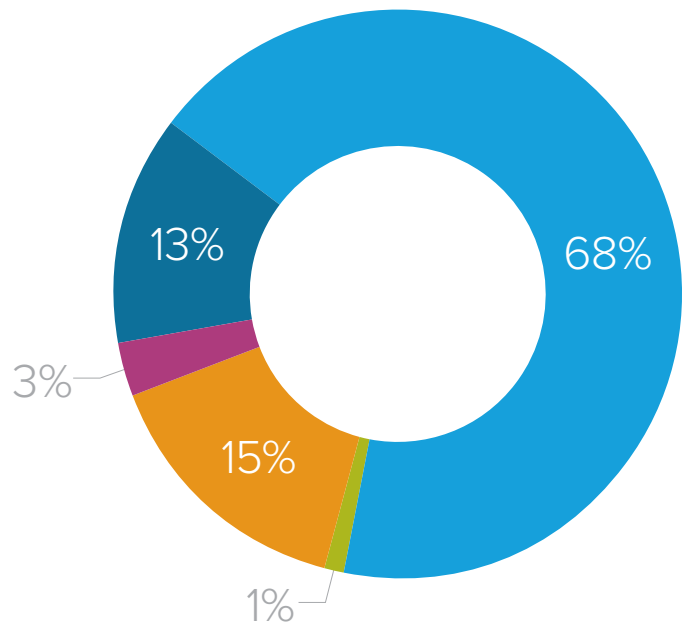
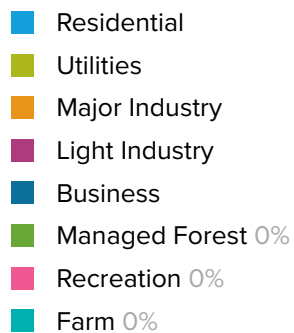


Source: North Cowichan Financial Services

TAX REVENUE BY PROPERTY CLASS

Property Class	2020	2021	2022	2023	2024
Residential	\$ 20,968,476	\$ 21,849,015	\$ 22,977,758	\$ 24,204,481	\$ 26,065,098
Utilities	203,131	208,252	324,640	360,120	366,861
Major Industry	4,522,661	4,636,703	5,019,030	5,431,855	5,545,892
Light Industry	1,026,503	1,041,584	1,118,286	1,191,828	1,250,972
Business	4,088,352	4,246,377	4,446,116	4,640,479	4,918,124
Managed Forest	47,831	49,037	57,468	62,184	67,258
Recreation	72,274	72,815	53,660	54,928	59,463
Farm	30,777	29,587	22,756	22,962	24,003
	\$ 30,960,005	\$ 32,133,370	\$ 34,019,714	\$ 35,968,837	\$ 38,297,671

2024 Tax Revenue by Property Class



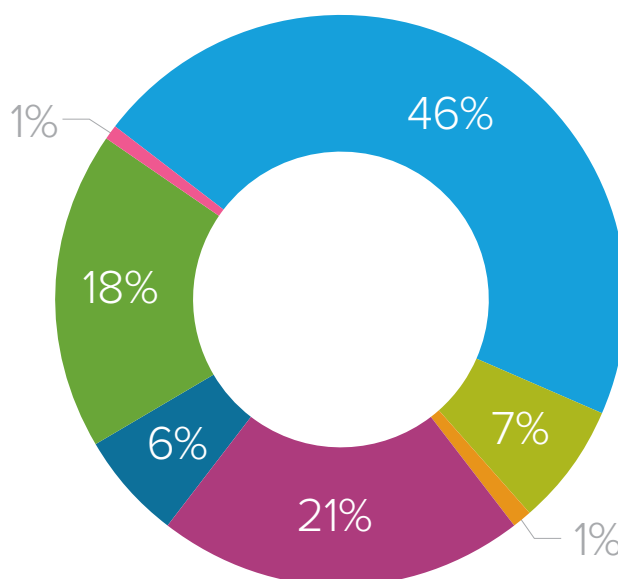
Source: North Cowichan Financial Services

PROPERTY TAX LEVIED AND COLLECTED

	2020	2021	2022	2023	2024
Municipal Taxes	\$ 30,960,005	\$ 32,133,370	\$ 34,012,776	\$ 35,936,040	\$ 38,297,672
Parcel Taxes	4,988,698	5,186,852	5,388,380	5,624,831	5,936,168
Utility Taxes and Grants in Lieu	1,292,031	1,199,453	1,019,303	1,413,582	1,279,009
Provincial School Taxes	11,828,581	13,910,383	14,973,302	16,188,739	17,015,675
Cowichan Valley Regional Hospital District	4,107,571	4,103,334	4,220,903	4,385,764	4,678,491
Cowichan Valley Regional District	9,335,402	9,621,701	10,129,087	11,764,010	14,563,995
BC Assessment	394,024	410,462	461,238	502,693	514,778
Municipal Finance Authority	1,592	1,703	2,241	2,565	2,572
	\$ 62,907,904	\$ 66,567,258	\$ 70,207,230	\$ 75,818,224	\$ 82,288,360
Total Current Taxes Levied	\$ 62,907,904	\$ 66,567,258	\$ 70,207,230	\$ 75,818,224	\$ 82,288,360
Total Current Taxes Collected	61,571,743	65,119,490	67,829,926	74,279,656	80,527,417
Outstanding	\$ 1,336,161	\$ 1,447,768	\$ 2,377,304	\$ 1,538,568	\$ 1,760,943
Percentage Collected	97.9%	97.8%	96.6%	98.0%	97.9%

2024 Property Tax by Type

- Municipal Taxes
- Parcel Taxes
- Utility Taxes and Grants in Lieu
- Provincial School Taxes
- Cowichan Valley Regional Hospital District
- Cowichan Valley Regional District
- BC Assessment
- Municipal Finance Authority 0%

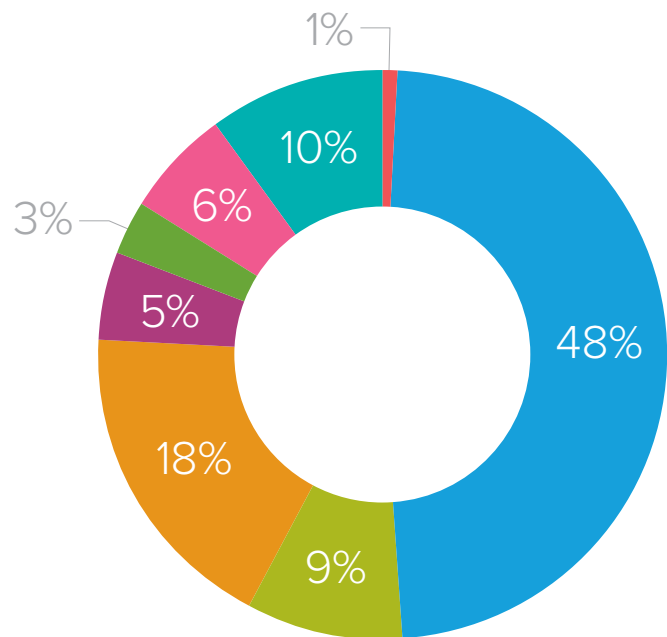
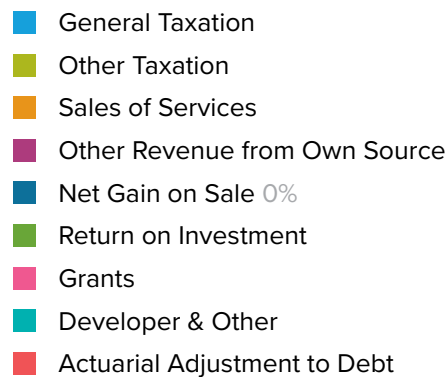


Source: North Cowichan Financial Services

SOURCES OF REVENUE

	2020	2021	2022	2023	2024
General Taxation	\$ 30,960,005	\$ 32,133,370	\$ 34,012,776	\$ 35,936,040	\$ 38,297,671
Other Taxation	6,280,731	6,386,305	6,407,683	7,038,413	7,215,178
Sales of Services	9,268,220	10,728,853	11,301,521	13,610,860	14,247,632
Other Revenue from Own Source	1,699,830	2,230,498	2,394,225	3,228,027	4,212,448
Net Gain on Sale	-	-	-	-	-
Return on Investment	1,126,420	192,667	3,152,733	3,085,324	2,570,478
Grants	8,977,994	4,546,075	3,445,852	11,976,566	4,756,109
Developer & Other	11,080,199	1,889,214	3,574,846	7,063,829	7,978,045
Actuarial Adjustment to Debt	433,412	480,087	537,057	594,727	678,221
	\$ 69,826,811	\$ 58,587,069	\$ 64,826,693	\$ 82,533,786	\$ 79,955,782

2024 Sources of Revenue



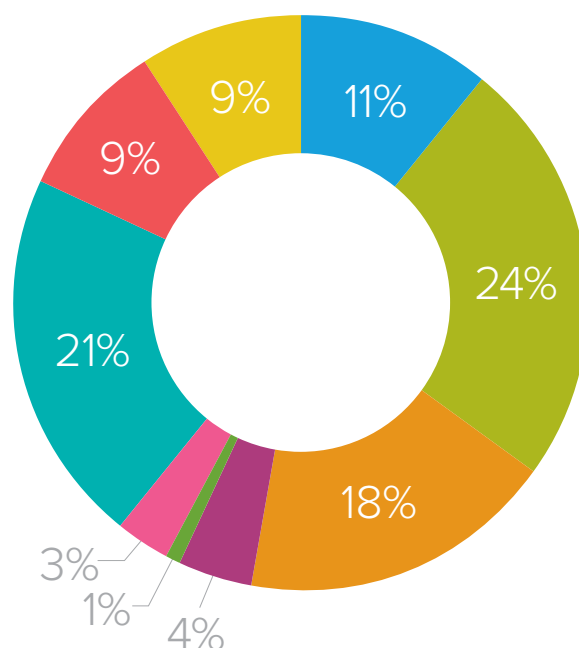
Source: North Cowichan Financial Services

EXPENSES BY FUNCTION

	2020	2021	2022	2023	2024
General Government	\$ 6,002,079	\$ 6,573,706	\$ 6,860,885	\$ 7,891,059	\$ 8,099,336
Protective Services	10,370,277	10,902,877	12,411,129	13,206,802	16,783,167
Transportation	10,643,521	12,090,247	12,660,741	13,102,715	12,436,221
Garbage and Recycling	1,785,214	1,906,683	2,237,035	2,575,071	2,762,994
Cemetery	205,134	210,128	271,979	238,146	225,450
Forestry	849,501	640,730	568,976	708,551	465,466
Community Development	1,168,202	1,393,651	1,424,693	1,596,649	2,067,455
Parks, Recreation & Culture	9,449,782	12,103,772	12,753,804	13,689,445	14,506,934
Water Services	4,687,674	5,092,167	5,054,610	5,786,918	6,081,653
Sewer Services	3,660,999	3,739,484	3,825,056	5,974,431	6,058,036
	\$ 48,822,383	\$ 54,653,445	\$ 58,068,908	\$ 64,769,787	\$ 69,486,712

2024 Expenses by Function

- General Government
- Protective Services
- Transportation
- Garbage and Recycling
- Cemetery 0%
- Forestry
- Community Development
- Parks, Recreation & Culture
- Water Services
- Sewer Services

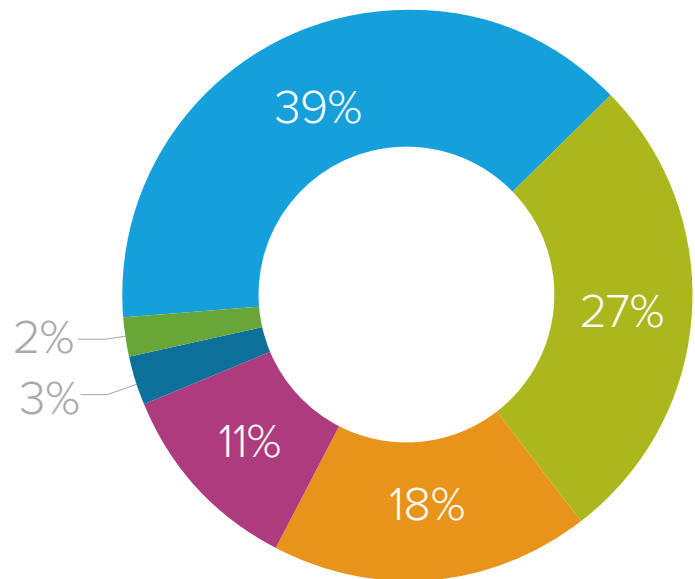
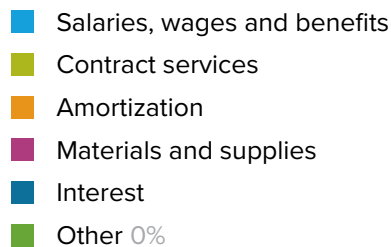


Source: North Cowichan Financial Services

EXPENSES BY OBJECT

	2020	2021	2022	2023	2024
Salaries, wages and benefits	\$ 18,813,861	\$ 21,886,551	\$ 23,334,870	\$ 24,930,892	\$ 27,289,247
Contract services	13,713,891	14,409,164	15,037,609	16,822,612	18,791,609
Amortization	9,852,916	10,101,494	10,428,914	12,374,329	12,710,677
Materials and supplies	5,571,622	7,316,666	7,860,657	7,511,105	7,506,515
Interest	845,205	819,130	1,225,773	1,754,962	1,953,325
Other	24,887	120,440	181,085	1,375,887	1,235,339
	\$ 48,822,382	\$ 54,653,445	\$ 58,068,908	\$ 64,769,787	\$ 69,486,712

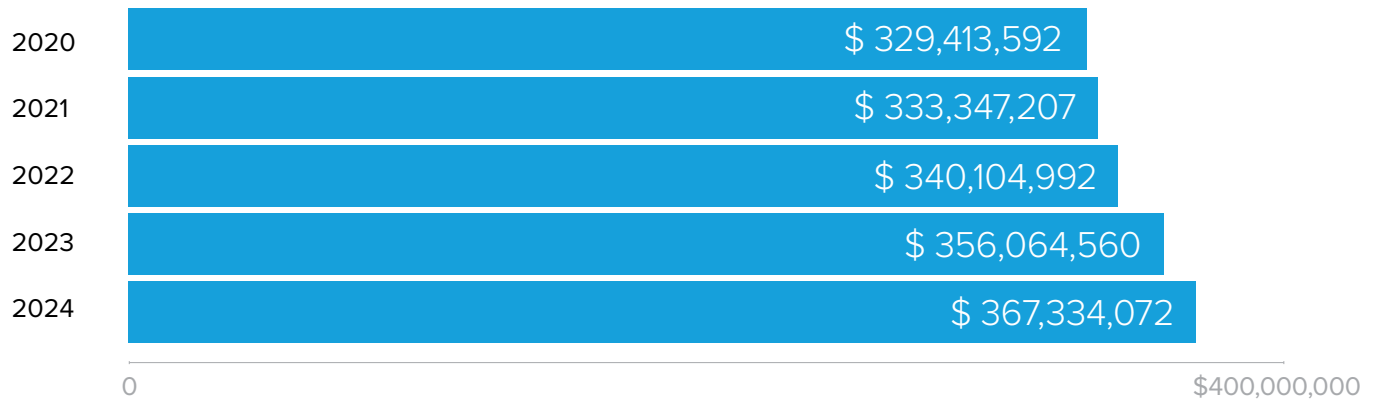
2024 Expenses by Object



Source: North Cowichan Financial Services

ACCUMULATED SURPLUS

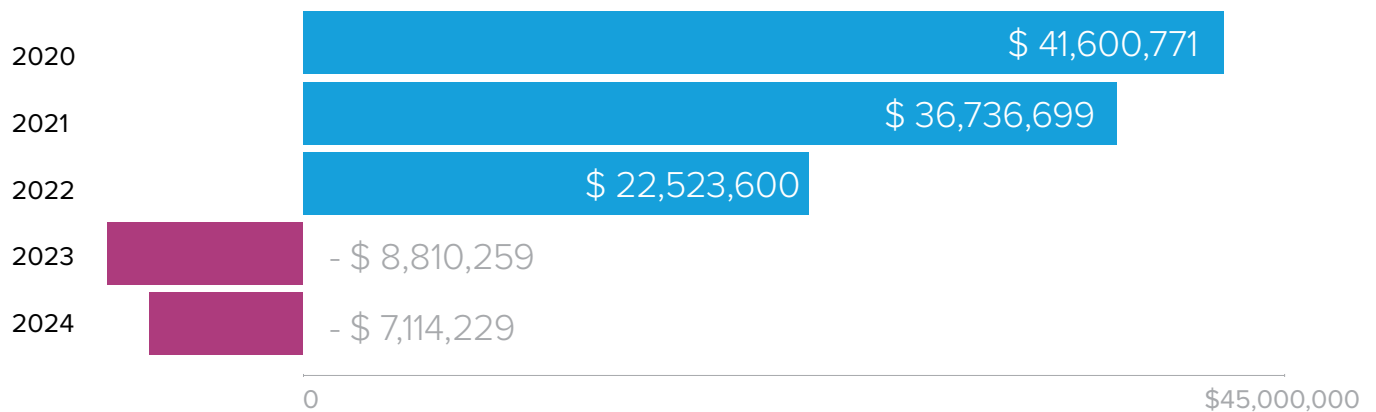
	2020	2021	2022	2023	2024
Accumulated Surplus	\$ 329,413,592	\$ 333,347,207	\$ 340,104,992	\$ 356,064,560	\$ 367,334,072
Annual Surplus	\$ 21,004,428	\$ 3,933,624	\$ 6,757,785	\$ 17,763,999	\$ 10,469,070



Source: North Cowichan Financial Services

NET FINANCIAL ASSETS

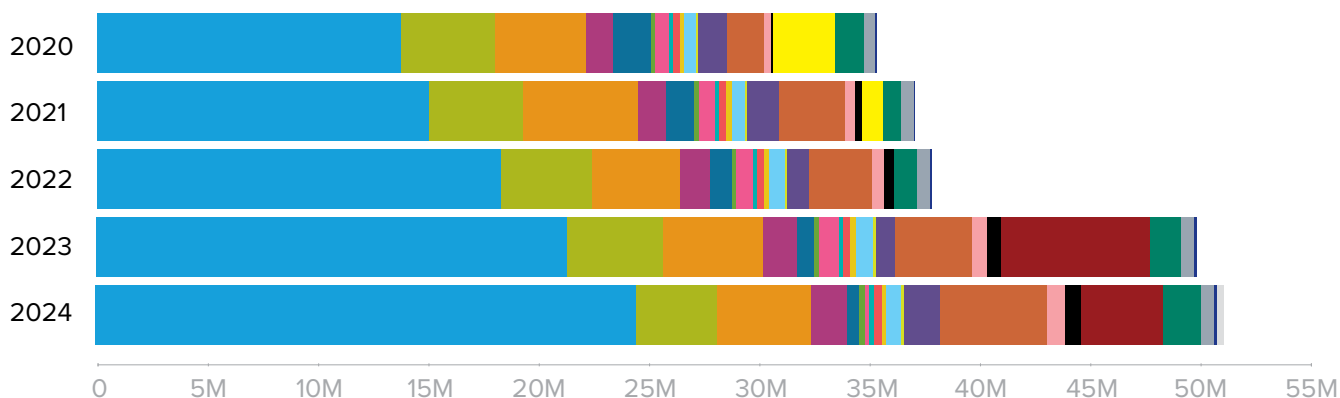
	2020	2021	2022	2023	2024
Net Financial Assets	\$ 41,600,771	\$ 36,736,699	\$ 22,523,600	- \$ 8,810,259	- \$ 4,017,515



Source: North Cowichan Financial Services

RESERVE FUND BALANCES

	2020	2021	2022	2023	2024
DCC Restricted Reserves	\$ 13,599,768	\$ 14,979,078	\$ 18,183,512	\$ 21,219,421	\$ 24,403,609
Land Sales	4,211,105	4,210,978	4,136,630	4,317,566	3,684,548
Machinery and Equipment	4,124,170	5,220,108	3,969,641	4,528,884	4,231,630
Local Area Service	1,152,699	1,257,457	1,347,999	1,500,071	1,631,114
Forest	1,740,130	1,250,600	957,750	792,775	559,936
Park Development	225,696	225,689	219,031	229,401	241,009
Parkland Purchase	621,099	734,755	749,763	866,761	223,489
Chemainus Parking	170,540	178,531	178,215	186,654	196,098
Agriculture	300,426	330,417	329,833	345,449	362,929
Self-Insurance	176,169	226,163	225,764	236,453	183,417
Climate Action & Energy Plan	542,814	603,355	693,855	803,831	721,109
Maple Bay Sewer	93,689	93,686	93,521	97,949	102,905
Recreation Facilities	1,323,415	1,484,685	1,006,661	898,527	1,641,298
Gas Tax Reserve	1,675,173	2,977,771	2,842,317	3,453,524	4,809,495
Quamichan Lake	318,754	418,744	556,836	683,200	832,081
IT Asset Management	62,000	301,998	418,465	618,278	727,198
Growing Community Fund	-	-	-	6,760,855	3,725,906
COVID-19 Safe Restart Grant	2,750,808	951,635	-	-	-
Infrastructure Replacement	1,299,858	830,878	1,079,411	1,380,516	1,702,435
Gravel Pits	534,363	558,647	557,660	584,063	613,616
Affordable Housing	75,323	75,320	114,019	119,418	138,945
Buildings	-	-	-	-	302,477
	\$ 34,997,999	\$ 36,910,495	\$ 37,660,883	\$ 49,623,596	\$ 51,035,244



Source: North Cowichan Financial Services

DEBENTURE DEBT

	2020	2021	2022	2023	2024
Local Area Service Debt *	\$ 3,794,263	\$ 3,581,790	\$ 3,361,744	\$ 3,133,855	\$ 2,897,842
Tax Supported Debt	13,769,721	12,990,284	33,478,491	31,140,338	28,686,813
Total Debenture Debt	\$ 17,563,984	\$ 16,572,074	\$ 36,840,235	\$ 34,274,193	\$ 31,584,655
Debt per Capita	541	504	1105	992	916

* includes water and sewer local area services and Stoney Hill Road local area service

Source: North Cowichan Financial Services

LIABILITY SERVICING

	2020	2021	2022	2023	2024
Liability Servicing Limit	\$ 12,417,282	\$ 13,003,525	\$ 14,395,257	\$ 15,691,379	\$ 16,486,792
Total Liability Servicing Cost	1,945,042	6,093,492	4,903,473	6,115,677	6,333,243
Liability Servicing Capacity Available	\$ 6,675,440	\$ 6,910,033	\$ 9,491,784	\$ 9,575,702	\$ 10,153,549

Source: North Cowichan Financial Services

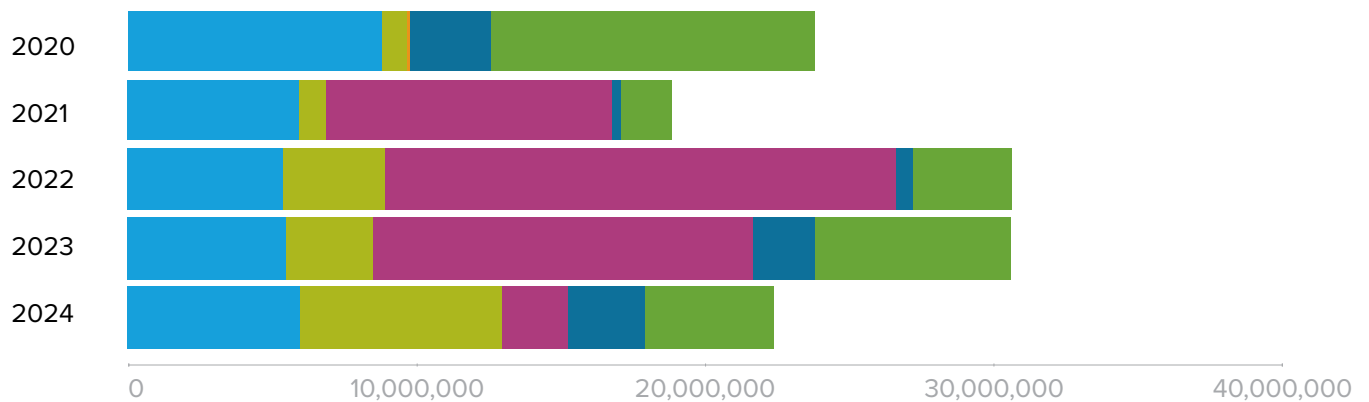
TAXES COLLECTED FOR OTHER AGENCIES

	2020	2021	2022	2023	2024
School	\$ 11,828,581	\$ 13,910,383	\$ 14,973,302	\$ 16,188,739	\$ 17,015,674
CVRHD	4,107,571	4,103,334	4,220,903	4,385,764	4,678,491
CVRD	9,335,402	9,621,701	10,129,087	11,764,010	14,563,995
BC Assessment	394,024	410,462	461,238	502,693	514,778
MFA	1,592	1,703	2,241	2,565	2,572
Total	\$ 25,667,170	\$ 28,047,583	\$ 29,786,771	\$ 32,843,771	\$ 36,775,510

Source: North Cowichan Financial Services

CAPITAL EXPENDITURES BY SOURCES OF FINANCING

	2020	2021	2022	2023	2024
Operating Funds	\$ 8,514,182	\$ 5,920,289	\$ 5,515,744	\$ 5,609,437	\$ 5,949,092
Reserve Funds	868,386	954,392	3,610,028	3,087,720	6,984,798
DCC	96,000	-	-	-	-
Debt	-	9,861,612	18,163,164	13,489,447	2,295,583
Grants	2,724,609	321,935	596,792	2,173,005	2,665,119
Developer / Other Contribution	10,866,949	1,767,497	3,481,509	6,982,329	4,442,976
	\$ 23,070,126	\$ 18,825,725	\$ 31,367,237	\$ 31,341,938	\$ 22,337,568



Source: North Cowichan Financial Services

NEW CONSTRUCTION

	2020	2021	2022	2023	2024
Building Permits Issued	301	329	257	228	240
Construction Value	\$ 64,246,000	\$ 116,931,000	\$ 162,473,385	\$ 309,714,042	\$ 107,576,044

Source: North Cowichan Financial Services

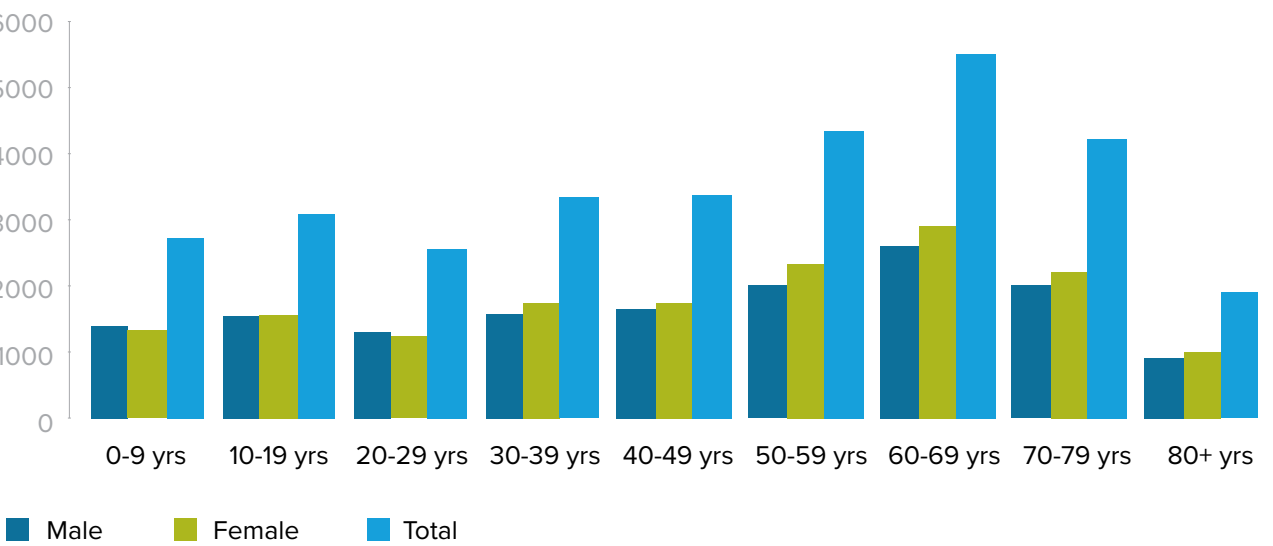
TOTAL POPULATION

	2020	2021	2022	2023	2024
Total population estimates	32,621	33,087	33,673	33,737	34,495
% Change from prior year	1.3%	1.4%	1.8%	0.2%	2.2%

Source: BC Stats

2021 Population by Age Group

Median age of population 47.1 years



Source: Statistics Canada Census

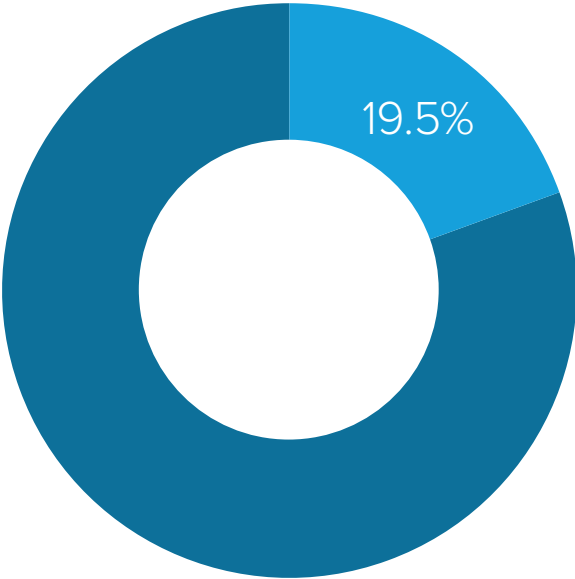
2024 TOP 10 PRINCIPAL CORPORATE TAXPAYERS

Taxpayer	INDUSTRY	TAX CONTRIBUTION
Domtar Inc	Industry	\$ 4,934,672
Western Forest Products Inc	Industry	745,164
Calloway Reit (Cowichan) Inc	Retail	441,493
Fiera Real Estate Core Fund GP Inc	Retail	343,088
Beverly Corners Management Ltd	Retail	307,160
Centra Gas BC Inc	Utility	199,248
Island Timberlands GP Ltd	Industry	136,034
Chemainus Village Square Ltd	Retail	133,907
Baljet Car Co. Ltd	Retail	131,686
Duncan Storage Ltd	Retail	113,783
Total Tax Contribution from Top 10 Taxpayers		\$ 7,486,235
Total Municipal Tax		\$ 38,297,671
Proportion of municipal tax paid by top ten		19.5%

2024 Principle Corporate Taxpayers Percentage Paid

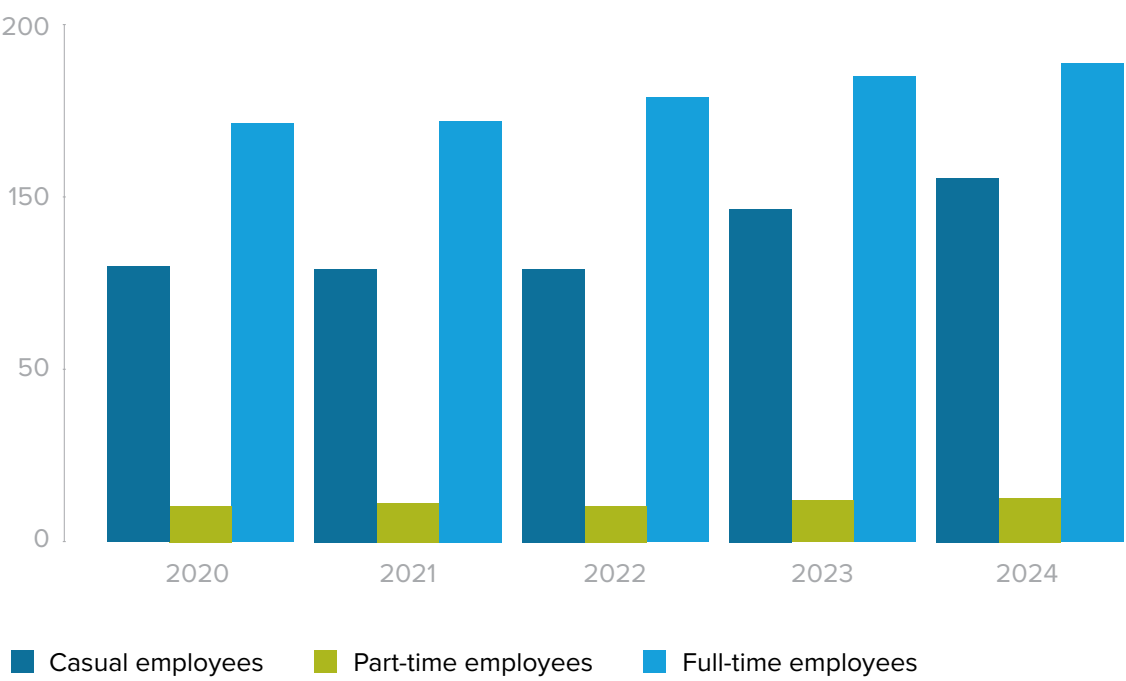
- Corporate Taxpayers
- Other

Source: North Cowichan Financial Services



EMPLOYEE STATISTICS

	2020	2021	2022	2023	2024
Casual employees	106	105	105	128	140
Part-time employees	14	15	14	16	17
Full-time employees	161	162	171	179	184



Source: North Cowichan Financial Services



OTHER INFORMATION

PERMISSIVE TAX EXEMPTIONS

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
24001.000	3790 Gibbins Rd	744 (Cowichan) Squadron Admin Society – Air Cadets	\$ 1,990
403.000	5905 Indian Rd	Abbeyfield Houses Society of Duncan	4,380
16124.000	2852 & 2858 Mill St	Anglican Synod Diocese of BC (St. Michael's& All Angels' Anglican Church)	1,481
15117.000	Victoria St	Anglican Synod Diocese of BC (St. Michael's& All Angels' Anglican Church)	2,621
362.000	5795 & 5825 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican Church)	12,561
1.000	5800 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican Church)	3,374
1.000	5800 Church Rd	Anglican Synod Diocese of BC (St. Peter's Anglican Church)	1,560
5105.060	7550 Bell McKinnon Rd	B.C. S.P.C.A.	7,014
1881.000	3441 Gibbins Rd	BC Corporation of the Seventh-Day Adventist Church (Duncan)	5,294
5977.000	2892 Drinkwater Rd	BC Forest Museum Society	1,957
5469.001	2892 Drinkwater Rd	BC Forest Museum Society	4,648
16487.000	3318 River Rd	Canadian Baptists of Western Canada (Calvary Baptist Church Society)	9,228
1313.000	#2 - 5855 York Rd	Canadian Red Cross	1,927
15152.100	9867 Maple St	Chemainus Health Care Auxiliary	10,821
15004.005	Rifle Range	Chemainus Rod & Gun Club	574
15798.101	9758 Chemainus Rd	Chemainus Rotary Club	863
15656.000	9824 Willow St	Chemainus Seniors Drop-In Centre Society	9,994
15086.200	9574 Bare Point Rd	Chemainus Theatre Festival Society	27,291
15103.001	9747 Chemainus Rd	Chemainus Theatre Festival Society	2,528
15105.100	9737 Chemainus Rd	Chemainus Theatre Festival Society	18,842
15054.115	Unit 101 – 9799 Waterwheel Cres	Chemainus Valley Historical Society	305
1038.001	Beverly St	Chesterfield Sports Society	2,200
1038.002	5847 Chesterfield Ave	Chesterfield Sports Society	4,462
6503.000	6118 Lane Rd	Christian Science Society, Duncan	955
977.000	5814 Banks Rd	Clements Centre Society	16,618
1095.000	5848 Clements St	Clements Centre Society	1,095
1587.000	5856 Clements St	Clements Centre Society	6,281
5359.005	6124 Ryall Rd	Clements Centre Society	2,036
5359.006	6124 Ryall Rd	Clements Centre Society	4,001
1791.020	5855 Clements St	Cowichan Agricultural Society & Farmers Institute	3,665
7443.000	Rainbow Island	Cowichan Community Land Trust	111
1081.012	101-5822 Garden St	Cowichan District Hospital Foundation	2,395
5099.000	7380 Trans Canada Hwy	Cowichan Exhibition	48,215
206.100	2431 Beverly Street	Cowichan Green Community	1,841
15644.001		Cowichan Neighbourhood House Association	3,472
8548.000	1860 Herd Rd	Cowichan Rugby Club	5,600
3504.003	2685 James Street	Cowichan Valley Arts Council	4,232
1082.000	5810 Garden St	Cowichan Valley Basket Society	3,019
1083.000	5804 Garden St	Cowichan Valley Basket Society	4,978
2310.000	3036 Sherman Rd	Cowichan Valley Church of the Nazarene	2,071

PERMISSIVE TAX EXEMPTIONS (continued)

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
1920.000	5860 Banks Rd	Cowichan Valley Hospice Society	1,114
15040.000	2876 Fuller Lake Rd	Cowichan Valley Minor Hockey Assoc.	24,927
5999.000	3253 Sherman Rd	Cowichan Valley Soccer Association	4,017
5567.000	6137 Somenos Rd	Cowichan Valley Soccer Association	1,564
12395.000	1675 Robert St	Crofton Community Centre Society	2,575
8338.000	8104 Musgrave St	Crofton Community Centre Society	6,585
8333.020	Morgan St	Crofton Community Centre Society	3,051
8333.100	8003 York Ave	Crofton Community Centre Society	3,588
12316.010	1507 Joan Ave	Crofton Old School Museum Society	2,532
12316.011	1507 Joan Ave	Crofton Seniors Society	6,602
13951.003	Swallowfield Road	Ducks Unlimited	1,613
17849.001	District Lot 2	Ducks Unlimited	1,649
17849.002	District Lot 2A	Ducks Unlimited	123
947.000	2246 & 2244 Moose Rd	Duncan Community Lodge Society	8,088
06000.000	3191 Sherman Rd	Duncan Curling Club	8,067
3504.003	2865 James Street	Duncan Dynamics Gymnastics Club	4,232
5469.005	2896 Drinkwater Rd	Duncan-Cowichan Chamber of Commerce	2,416
2246.005	2731 Boys Rd	Freshwater Fisheries Society of B.C.	1,169
8314.000	6722 Beaumont Ave	Friends of Cowichan Cadets Society	1,655
16273.000	9877 Esplanade St	Harbour View Housing Society	10,002
15791.000	2828 Pine St	Harbour View Housing Society	1,726
1180.050	Rail Corridor	Island Corridor Foundation	487
3995.000	Rail Corridor	Island Corridor Foundation	15,200
1180.025	Rail Corridor	Island Corridor Foundation	382
No Folio	Rail Corridor	Island Corridor Foundation	15,200
3995.000	Rail Corridor	Island Corridor Foundation	15,200
3995.000	Rail Corridor	Island Corridor Foundation	15,200
3995.000	Rail Corridor	Island Corridor Foundation	15,200
No Folio	Rail Corridor	Island Corridor Foundation	15,200
3995.000	Rail Corridor	Island Corridor Foundation	15,200
3995.000	Rail Corridor	Island Corridor Foundation	15,200
172.001	Rail Corridor	Island Corridor Foundation	964
180.002	Rail Corridor	Island Corridor Foundation	982
899.001	Rail Corridor	Island Corridor Foundation	682
186.001	Rail Corridor	Island Corridor Foundation	212
900.001	Rail Corridor	Island Corridor Foundation	474
2222.001	Rail Corridor	Island Corridor Foundation	436
1232.003	Rail Corridor	Island Corridor Foundation	533
1232.004	Rail Corridor	Island Corridor Foundation	459
1232.005	Rail Corridor	Island Corridor Foundation	76
184.001	Rail Corridor	Island Corridor Foundation	736
184.002	Rail Corridor	Island Corridor Foundation	631
180.001	Rail Corridor	Island Corridor Foundation	551
1232.006	Rail Corridor	Island Corridor Foundation	146

PERMISSIVE TAX EXEMPTIONS (continued)

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
1232.007	Rail Corridor	Island Corridor Foundation	3,340
1232.008	Rail Corridor	Island Corridor Foundation	168
1232.009	Rail Corridor	Island Corridor Foundation	16
1232.010	Rail Corridor	Island Corridor Foundation	3,172
1232.011	Rail Corridor	Island Corridor Foundation	4,320
3995.002	Rail Corridor	Island Corridor Foundation	7,000
3995.004	Rail Corridor	Island Corridor Foundation	4,320
3995.007	Rail Corridor	Island Corridor Foundation	8,480
18008.002	Rail Corridor	Island Corridor Foundation	71
3995.003	Rail Corridor	Island Corridor Foundation	9,000
3995.010	Rail Corridor	Island Corridor Foundation	4,320
3995.011	Rail Corridor	Island Corridor Foundation	6,520
3995.009	Rail Corridor	Island Corridor Foundation	6,480
3995.008	Rail Corridor	Island Corridor Foundation	8,720
3995.012	Rail Corridor	Island Corridor Foundation	8,000
3995.013	Rail Corridor	Island Corridor Foundation	10,000
3995.014	Rail Corridor	Island Corridor Foundation	1,536
3995.018	Rail Corridor	Island Corridor Foundation	3,792
3995.017	Rail Corridor	Island Corridor Foundation	5,400
3995.019	Rail Corridor	Island Corridor Foundation	9,600
3995.015	Rail Corridor	Island Corridor Foundation	7,200
3995.016	Rail Corridor	Island Corridor Foundation	7,040
3995.020	Rail Corridor	Island Corridor Foundation	24
3995.021	Rail Corridor	Island Corridor Foundation	3,240
3995.022	Rail Corridor	Island Corridor Foundation	1,548
3995.001	Rail Corridor	Island Corridor Foundation	618
3996.000	Rail Corridor	Island Corridor Foundation	12,600
1640.005	5990 Indian Rd	Maple Bay Rowing Club	21
8328.000	6735 Beaumont Ave	Maple Bay Rowing Club	3,035
9119.000	6337 Genoa Bay Rd	Maple Bay Yacht Club	2,979
16321.020	2816 Henry Rd	Mount Brenton Golf Course Ltd	3,792
8595.001	1241 Maple Bay Rd	Nature Conservancy of Canada	2,036
22.200	1501 Khenipsen Rd	Nature Conservancy of Canada	5,765
8595.000	Maple Bay Rd	Nature Conservancy of Canada	11,490
8597.000	Aitken Rd	Nature Conservancy of Canada	4,673
5084.000	Trans Canada Hwy	Nature Trust of BC	1,064
197.100	Trans Canada Hwy	Nature Trust of BC	3,490
197.101	Trans Canada Hwy	Nature Trust of BC	2,718
3931.010	Cowichan Bay	Nature Trust of BC	66
173.000	3776 Gibbins Rd	Nature Trust of BC	2,926
1049.001	Beverly St	Nature Trust of BC	703
1242.210	Beverly St	Nature Trust of BC	2,872
200.000	6045 Trans Canada Hwy	Nature Trust of BC	1,567
476.000	1839 Tzouhalem Rd	New Life Community Baptist Church	12,185

PERMISSIVE TAX EXEMPTIONS (continued)

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	TAXES
24018.000	3039 Sprott Road	Parkside Academy Society	26,807
5373.000	3248 Cowichan Valley Hwy	Somenos Community Association	1,676
433.000	2004 & 2030 Crescent Rd	St. Peter's Crescent Society	5,173
15148.020	9910 Esplanade Street	Steeple's Housing Society	9,884
477.000	1815 Tzouhalem Rd	The Church of Jesus Christ of Latter-day Saints	7,823
5038.012	3540 Auchinachie Rd	The Oasis Church Society	5,655
15592.000	9471 Chemainus Rd	The Pentecostal Assemblies of Canada (Chemainus Tabernacle)	1,002
15736.000	9775 Chemainus Rd	The Royal Canadian Legion, Chemainus (Pacific No. 191)	7,865
1313.000	101-5855 York Rd	The Sword Ministries Society	1,887
15646.000	9814 Willow St	The Trustees of the Chemainus/Crofton Pastoral Charge of the United Church of Canada	1,208
1572.001	2704 James St	Trinity Evangelical Lutheran Church	2,019
16.002	Donnay Drive	Vancouver Island Providence Community Association	3,978
16.000	1843 Tzouhalem Rd	Vancouver Island Providence Community Association	4,613
830.000	3210 Sherman Rd	Vancouver Island Sikh Cultural Society (Sikh Temple, Duncan)	9,027
6355.000	Wicks Rd	Vancouver Island Vipassana Association	6,079
6474.000	2359 Calais Rd	Vancouver Island Vipassana Association	1,100
2227.000	3968 Gibbins Rd	Vimy Community Club	2,305
24017.000	2558 Mt Sicker Rd	Westholme School Society	3,895
TOTAL			\$ 773,051



REVITALIZATION TAX EXEMPTIONS

ROLL #	PROPERTY ADDRESS	OWNER OR OCCUPANT	EXTENT OF EXEMPTION	TERM	TAXES
05319-575	6157 Scott Rd	0938395 BC Ltd.	Class 5 or 6 improvements	2015 - 2024	17,445
05319-610	6200 Scott Rd	1401811 BC Ltd.	Class 5 or 6 improvements	2016 - 2025	5,130
TOTAL					\$ 22,575



CHEMAINUS OFF-STREET PARKING

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

January 1, 2024	\$ 186,652
Interest	9,446
Current Year Contributions	-
Current Year Expenditures	0
December 31, 2023	\$ 196,098



DEVELOPMENT COST CHARGES

Report prepared as required under section 569 of the *Local Government Act*

	Jan. 1, 2024	Interest	Current Year Contributions	Current Year Expenditures	Current Year Amounts Waived	Dec. 31, 2024
Roads	\$ 5,195,591	\$ 274,066	\$ 705,910	\$ -	\$ -	\$ 6,175,567
Parks	1,695,554	91,180	309,783	-	-	2,096,517
Chemainus						
Water	693,167	39,832	113,636	-	-	846,635
Sewer	334,216	18,688	40,375	-	-	393,279
	1,027,383	58,520	154,011	-	-	1,239,914
Crofton						
Water	160,202	8,193	3,752	-	-	172,147
Sewer	104,288	5,348	3,692	-	-	113,328
	264,490	13,541	7,444	-	-	285,475
South End						
Drainage	722,783	37,263	47,281	-	-	807,327
Water	3,966,208	205,255	421,959	-	-	4,593,422
Sewer	8,347,412	427,043	430,931	-	-	9,205,386
	13,036,403	669,561	900,171	-	-	14,606,135
Total	\$ 21,219,421	\$ 1,106,868	\$ 2,077,319	\$ -	\$ -	\$ 24,403,609

DECLARATION OF DISQUALIFICATION FROM OFFICE

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

A handwritten signature in black ink, appearing to read "J. Mayea", with a stylized, cursive script.

Tricia Mayea
Corporate Officer
May 23, 2025



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