

Financial Statements

Year ended December 31, 2024



Comox Valley Regional District
Financial Statements
December 31, 2024

	Page
Statement of Management's Responsibility for Financial Reporting	
Independent Auditor's Report	
Statement of Financial Position	6
Statement of Operations	7
Statement of Change in Net Debt	8
Statement of Remeasurement Gains (Losses)	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Schedules	
A Schedule of Segment Disclosure by Service 2024	35
B Schedule of Segment Disclosure by Service 2023	36
C Schedule of Tangible Capital Assets	37
D Schedule of Long-Term Debt	38

Management's Responsibility for Financial Reporting

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and are outlined under "Significant Accounting Policies" in the notes to the financial statements. Management is responsible for the integrity and objectivity of these statements as well as the supplementary statements and schedules.

Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. Management also maintains a program of proper business compliance.

The board of directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control.

MNP LLP, Chartered Professional Accountants, the Comox Valley Regional District's independent auditor, has conducted an examination of the financial statements in accordance with Canadian generally accepted auditing standards and has expressed their opinion in a report accompanying this statement.



L. Wiwcharuk, CPA, CMA
Officer responsible for Financial Administration,
pursuant to Section 237 of the Local Government Act

May 13, 2025

To the Board of the Comox Valley Regional District:

Opinion

We have audited the financial statements of the Comox Valley Regional District (the "Regional District"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, statement of remeasurement gains (losses), statement of change in net debt and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2024, and the results of its operations, remeasurement gains and losses, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Regional District 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 Regional District'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 Regional District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District'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 Regional District'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 Regional District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Courtenay, British Columbia

May 13, 2025

MNP LLP

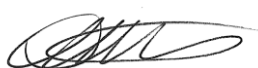
Chartered Professional Accountants

Comox Valley Regional District
Statement of Financial Position
As at December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash	\$ 66,849,446	\$ 64,323,264
Investments (Note 3)	84,568,561	82,637,824
Receivables (Note 4)	9,118,350	5,429,640
Security deposits	44,346	46,000
Debt recoverable from member municipalities (Note 5)	15,109,624	16,948,472
Total Financial Assets	<u>175,690,327</u>	<u>169,385,200</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	13,599,654	13,265,226
Deferred developer contributions (Note 7)	14,169,236	19,540,412
Deferred government transfers (Note 8)	30,999,476	31,843,164
Short-term debt (Note 9)	18,420,422	4,264,600
Long-term debt		
Member municipalities (Note 5)	15,109,624	16,948,472
Regional district - capital (Note 10 and Schedule D)	72,755,128	77,114,048
Asset retirement obligation (Note 11)	33,902,662	33,123,195
Deferred revenue	1,150,933	718,039
Total Liabilities	<u>200,107,135</u>	<u>196,817,156</u>
Net Debt	<u>(24,416,808)</u>	<u>(27,431,956)</u>
Non-Financial Assets		
Prepaid expenses	244,947	223,922
Inventory of supplies	360,737	346,476
Tangible capital assets (Schedule C)	364,785,560	339,031,068
Total Non-Financial Assets	<u>365,391,244</u>	<u>339,601,466</u>
Accumulated Surplus	<u>340,974,436</u>	<u>312,169,510</u>
Accumulated Surplus consists of:		
Accumulated surplus (Note 13)	342,105,706	313,413,085
Accumulated remeasurement loss	(1,131,270)	(1,243,575)
Accumulated Surplus	<u>\$ 340,974,436</u>	<u>\$ 312,169,510</u>

Contingent Liabilities (Note 15)

Commitments (Note 16)



L. Wiwcharuk, CPA, CMA
Officer responsible for Financial Administration,
pursuant to Section 237 of the Local Government Act (RSBC 2015)



W. Cole-Hamilton
Chair

Comox Valley Regional District
Statement of Operations
Year ended December 31, 2024

	2024 Budget (Note 19)	2024 Actual	2023 Actual
Revenue			
Taxation	\$ 48,510,899	\$ 48,778,233	\$ 43,656,739
Sales of services, fees and other revenue	29,746,620	32,044,540	31,013,666
Government grants and transfers	8,905,420	5,672,959	7,091,108
Contributions from others	8,294,268	13,698,293	4,523,055
Investment income	800,000	6,353,369	4,603,261
Gain on disposal of tangible capital assets	-	124,872	36,161
Gain on revisions to estimates of asset retirement obligations	-	705,507	-
Total Revenue	<u>96,257,207</u>	<u>107,377,773</u>	<u>90,923,990</u>
Expenses			
General government services	11,889,382	8,178,482	7,618,395
Protective services	7,520,970	7,110,924	6,206,466
Transportation services	4,731,537	4,370,474	3,626,113
Environmental health services	26,240,492	21,134,336	18,761,874
Public health and welfare services	820,808	335,740	412,074
Environmental development services	4,572,061	3,441,026	3,119,917
Recreation and cultural services	15,179,778	14,330,516	12,907,330
Water services	13,950,366	13,270,413	12,292,670
Sewer services	8,438,482	6,513,241	5,888,158
Total Expenses	<u>93,343,876</u>	<u>78,685,152</u>	<u>70,832,997</u>
Annual Surplus	2,913,331	28,692,621	20,090,993
Accumulated Surplus, beginning of year	313,413,085	313,413,085	293,322,092
Accumulated Surplus, end of year	<u>\$ 316,326,416</u>	<u>\$ 342,105,706</u>	<u>\$ 313,413,085</u>

Comox Valley Regional District
Statement of Change in Net Debt
Year Ended December 31, 2024

	2024 Budget (Note 19)	2024 Actual	2023 Actual
Annual Surplus	\$ 2,913,331	\$ 28,692,621	\$ 20,090,993
Amortization of tangible capital assets	14,582,846	14,582,846	12,284,372
Acquisition of tangible capital assets	(82,011,030)	(39,894,779)	(18,642,696)
Change in prepaid expenses	-	(21,025)	21,701
Change in inventory of supplies	-	(14,261)	(33,212)
Gain on disposal of tangible capital assets	-	(124,872)	(36,161)
Proceeds on disposal of tangible capital assets	-	132,240	36,161
Increase in tangible capital assets related to asset retirement obligations	-	(449,927)	-
Transfer of tangible capital assets from other local government	-	-	(34,857)
Net remeasurement gains	-	112,305	849,669
Decrease (Increase) in Net Debt	(64,514,853)	3,015,148	14,535,970
Net Debt, beginning of year	(27,431,956)	(27,431,956)	(41,967,926)
Net Debt, end of year	<u>\$ (91,946,809)</u>	<u>\$ (24,416,808)</u>	<u>\$ (27,431,956)</u>

Comox Valley Regional District
Statement of Remeasurement Gains (Losses)
Year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Accumulated remeasurement loss, beginning of year	\$ (1,243,575)	\$ (2,093,244)
Unrealized gains (losses) attributable to:		
Pooled fund investments	112,305	849,669
Accumulated remeasurement loss, end of year	<u><u>\$ (1,131,270)</u></u>	<u><u>\$ (1,243,575)</u></u>

Comox Valley Regional District
Statement of Cash Flows
Year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Operating Transactions		
Annual Surplus	\$ 28,692,621	\$ 20,090,993
Changes in non-cash operating balances		
Prepaid expenses	(21,025)	21,701
Inventory of supplies	(14,261)	(33,212)
Receivables	(3,688,710)	2,919,337
Security deposits	1,654	27,946
Accounts payable and accrued liabilities	334,428	1,581,509
Deferred developer contributions	(5,371,176)	2,412,289
Deferred government transfers	(843,688)	31,843,163
Other liabilities	432,894	5,922
Items not utilizing cash		
Amortization of tangible capital assets	14,582,846	12,284,372
Accretion expense	1,309,433	1,288,918
Gain on disposal of tangible capital assets	(124,872)	(36,161)
Gain on revisions to estimates of asset retirement obligations	(705,507)	-
Settlement of asset retirement obligations	(274,386)	-
Actuarial adjustment of debenture debt	(661,476)	(1,030,715)
Contributions of tangible capital assets	(2,171,000)	-
Transfer of tangible capital assets from others	-	(34,857)
Cash Provided by Operating Transactions	<u>31,477,775</u>	<u>71,341,205</u>
Capital Transactions		
Acquisition of tangible capital assets	(37,723,779)	(18,642,696)
Proceeds on disposal of tangible capital assets	132,240	36,161
Cash Used for Capital Transactions	<u>(37,591,539)</u>	<u>(18,606,535)</u>
Investment Transactions		
Cash Used for Net Investment Transactions	<u>(1,818,432)</u>	<u>(40,898,444)</u>
Financing Transactions		
Long-term debt issued	-	25,385,858
Long-term debt repayments	(3,697,444)	(6,388,910)
Short-term debt issued	14,484,884	-
Short-term debt repayment	(329,062)	(15,590,401)
Cash Provided by Financing Transactions	<u>10,458,378</u>	<u>3,406,547</u>
Increase in Cash	<u>2,526,182</u>	<u>15,242,773</u>
Cash, beginning of year	<u>64,323,264</u>	<u>49,080,491</u>
Cash, end of year	<u><u>\$ 66,849,446</u></u>	<u><u>\$ 64,323,264</u></u>

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

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

1) Nature of Organization

The Comox Valley Regional District (CVRD) was incorporated on February 15, 2008 by letters patent issued by the province of British Columbia. Its principal activities are the provision and coordination of local government services to the residents of three unincorporated electoral areas and three municipalities within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency disaster planning, public transportation, parks and recreation, water supply and distribution, wastewater disposal, solid waste collection and disposal and street lighting.

2) Significant Accounting Policies

a) Basis of Accounting

It is the policy of the CVRD to follow Canadian public sector accounting standards and to apply such standards consistently. As part of this policy, the resources and operations of the CVRD are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The financial statements are prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. The financial statements include the financial position, operations, changes in net financial assets (debt), remeasurement gains (losses), and cash flows of the one economic entity of the CVRD. Interfund transactions and fund balances have been eliminated on consolidation.

b) Financial Instruments

Investments are held by the Municipal Finance Authority (MFA) in their pooled investment funds which include money market and bond funds and by Royal Bank Canada and Scotiabank Canada in guaranteed investment certificates (GICs). CVRD funds invested with MFA are pooled with other local governments and managed independently by Phillips, Hager & North Ltd.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

2. Significant Accounting Policies (continued)

b) Financial Instruments (continued)

Financial instruments are classified into two categories fair value or cost.

- (i) Fair value category: investments quoted in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances reversed from the Statement of Remeasurement Gains and Losses.

- (ii) Cost category: investments not quoted in an active market, financial assets and liabilities are recorded at cost or amortized cost. Gains and losses are recognized in the Statement of Operations when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, the CVRD determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial adjusted cost base.

c) Inventory

Inventory of supplies are recorded at cost as a non-financial asset.

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

2. Significant Accounting Policies (continued)

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 business.

e) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is to be recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the CVRD:
 - a. is directly responsible; or
 - b. accepts responsibility; and
- (iv) it is expected that future economic benefits will be given up;
- (v) a reasonable estimate of the amount can be made.

As a result of a review of CVRD sites, no liability has been recorded in these financial statements. If a liability is determined, it will be recorded net of any expected recoveries.

f) Tangible Capital Assets

Tangible capital assets are a special class of non-financial assets and are recorded at cost, net of disposals, write-downs and amortization and are classified according to their functional use. Cost of the tangible capital assets includes all amounts that are directly attributable to acquisition, construction including installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the contribution with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset. Assets under construction are not amortized until the asset is put into use.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

2. Significant Accounting Policies (continued)

f) Tangible Capital Assets (continued)

Estimated useful lives are as follows:

Land improvements	10 to 60 years
Buildings	15 to 50 years
Building improvements	3 to 20 years
Machinery, equipment, vehicles and fixtures	5 to 35 years
Water infrastructure	
Undergrounds systems, pumping stations	40 to 100 years
Reservoirs	80 years
Sewer infrastructure	
Mechanical, electrical and pump components	15 to 20 years
Aggregate system	30 years
Trunk and outfall network	45 to 80 years

The CVRD is fortunate to have natural assets that reduce the need for engineered infrastructure that would otherwise be required. This includes a wide range of natural assets that provide water services, to assist in the supply of drinking water, dilution and treatment of wastewater, mitigation of storm water flows, and shoreline erosion. Canadian public sector accounting standards do not allow for the valuation and recording of such assets in financial statements at this time and, as such, these natural assets are not reported in these financial statements. Nevertheless, the CVRD acknowledges the importance of these assets and the need to manage them in conjunction with engineered infrastructure.

g) Accrued Employee Benefits

Based on obligations as determined by collective agreements and contractual arrangements, employee benefit accruals, which includes an allowance for vacation entitlement, are recorded in the year in which they are earned.

h) Post Employment Benefits

The long-term, post employment benefit liability of the CVRD will be met by the Municipal Pension Plan into which both employees and the CVRD contribute. The CVRD is only liable for the interim retirement benefits for early retirees, from the date of retirement to the effective start date of the Municipal Pension Plan. Any liability for these benefits is accrued when the event occurs and the obligation arises.

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

2. Significant Accounting Policies (continued)

i) Government Transfers

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

j) Revenue Recognition

Property tax revenues in the form of local government requisitions are recognized in the year they are levied. Interest and operating grants are recognized as earned. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied. User fees, transit, tipping fees, garbage and recycling collection fees are recognized as revenue at the time the services or products are provided, and when collection is reasonably assured in accordance with rates set in various fees and charges bylaws. Permit fees are recognized evenly over the life of the permit as the performance obligations are extinguished. Development cost charges are recognized as revenue in the year the capital project for which they were collected is undertaken. Other revenues are recorded when earned.

k) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the determination of tangible capital assets, their useful life, provisions for contingencies, assets retirement obligations and the timing and duration of the retirement costs. Actual results may vary from the estimates and adjustments will be reported and reflected in operations as they become known.

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

2. Significant Accounting Policies (continued)

l) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, there is a legal obligation for the CVRD to incur costs in relation to a specific Tangible Capital Asset ("TCA"), the past transaction or event causing the liability has already occurred and economic benefits will need to be given up in order to remediate the liability and a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date.

After initial recording, the liability is increased for the passage of time, with the increase being reflected as accretion expense in the statements of operations. The carrying amount of the liability is reassessed annually and updated as new information becomes available. Changes in estimates are recorded prospectively and the liability is derecognized when retirement activities are completed. At remediation, the CVRD will derecognize the liability that was established. Gains or losses may be recognized upon settlement as a result of difference in actual liability as compared to estimated liability.

The asset retirement cost is capitalized as part of the carrying value of the assets to which it is associated and depreciated over the useful life of the asset in accordance with the CVRD's tangible capital asset policy Note 2. f). At remediation, the CVRD will derecognize the liability that was established.

m) Change in Accounting Policies

i) PS3400 - Revenue

On January 1, 2024, the CVRD adopted the Public Sector Accounting Board's (PSAB) new accounting standard PS3400, Revenue. Under the new accounting standard, there are two types of revenue transactions being exchange and non-exchange. If the transaction creates one or more performance obligations, it is an exchange transaction. If no performance obligations exist, it is a non-exchange transaction. As a result of adopting the new standard, the CVRD has recorded deferred revenue of \$383,024 for the year ending December 31, 2024 resulting from building permit fees received at the time of permit issuance. The fees will be recognized as revenue as the building inspections are performed over the life of the permit.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

2. Significant Accounting Policies (continued)

m) Change in Accounting Policies (continued)

ii) PSG-8 – Purchased Intangibles

Effective January 1, 2024, the CVRD adopted Public Sector Guideline (PSG-8), Purchased Intangibles. 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. Management assessed the impact of PSG-8 and found that at present no such items meet the criteria to be recognized as a purchased intangible.

3. Investments

	2024	2023
Municipal Finance Authority	\$ 52,232,682	\$ 45,631,519
Scotiabank Canada	8,302,907	19,316,955
Royal Bank Canada	24,032,972	17,689,350
	<u>\$ 84,568,561</u>	<u>\$ 82,637,824</u>

Investments consist of term deposits with interest rates ranging from 5.20% to 6.48% and funds invested with the Municipal Finance Authority (MFA) in money market and bond funds (pooled funds). The CVRD has elected to record MFA bond funds (pooled funds) at fair market value. The carrying cost of the MFA pooled funds at December 31, 2024 is \$53,363,952 (2023 - \$47,843,719).

4. Receivables

	2024	2023
Government of Canada	\$ 1,212,639	\$ 697,433
Province of British Columbia	1,230,198	225,674
Regional and local governments	3,540,355	1,632,036
Other trade receivables	3,135,158	2,874,497
	<u>\$ 9,118,350</u>	<u>\$ 5,429,640</u>

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

5. Debt Recoverable from Member Municipalities

Pursuant to the Local Government Act, the CVRD acts as the agency through which its member municipalities borrow funds from the Municipal Finance Authority (MFA). The annual cost of servicing this municipal debt is recovered entirely from the borrowing member municipality. However, in the event of default the CVRD and the other member municipalities are contingently liable to the MFA for this debt.

	2024	2023
City of Courtenay	\$ 8,948,196	\$ 10,419,071
Village of Cumberland	6,161,428	6,529,401
	\$ 15,109,624	\$ 16,948,472

6. Accounts Payable and Accrued Liabilities

	2024	2023
Government of Canada	\$ 221,423	\$ 159,830
Province of British Columbia	1,308,327	1,115,984
Regional and local governments	429,420	2,486,078
Accrued interest on long-term debenture debt	539,428	549,216
Trade and other payables	11,101,056	8,954,118
	\$ 13,599,654	\$ 13,265,226

7. Deferred Developer Contributions

The CVRD receives contributions from developers for the development of the water, sewer and parks infrastructure. These contributions are recognized as revenue in the years in which the capital projects are undertaken. Developer contributions paid in advance of infrastructure works are recorded on the financial statements as follows:

	2024	2023
Developer contributions, opening balance	\$ 19,540,412	\$ 17,128,123
Contributions received during the year	1,077,189	5,210,837
Interest earned on developer contributions	1,033,792	849,157
Expended on capital projects during the year	(7,482,157)	(3,647,705)
Developer contributions, closing balance	\$ 14,169,236	\$ 19,540,412

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

8. Deferred Government Transfers

The CVRD has received advance payments under government grant programs. Continuity of deferred government transfers is as follows:

	2024	2023
Deferred government transfers, opening balance	\$ 31,843,164	\$ -
Restricted inflows	603,386	32,082,021
Revenue recognized	(1,447,074)	(238,857)
Deferred government transfers, closing balance	<u>\$ 30,999,476</u>	<u>\$ 31,843,164</u>

9. Short-Term Debt

Short-term debt consists of borrowing from the Municipal Finance Authority for the purpose of interim funding or for funding smaller projects. The debt bears interest at a variable daily rate which is paid monthly. The rate at December 31, 2024 was 4.05% (December 31, 2023 – 5.61%). Regular principal payments are not required but the loans must be repaid within five years of borrowing. Loan authorization bylaws are in place for some for the short-term debt which provides the authority for them to be converted to debenture debt.

	2024	2023
Greater Merville Fire Hall – due 2026	\$ 1,510,384	\$ 1,560,384
Comox Valley Tourism Building – due 2026	142,425	215,425
King Coho Sewer – due 2026	13,500	20,250
Denman Hornby Internet Connectivity – due 2027	579,229	648,541
Parks & Greenways Land Acquisition – due 2027	390,000	520,000
Sewer Conveyance Project – due 2027	14,549,606	1,300,000
Baynes Sound Community Building Acquisition – due 2029	479,000	-
Denman Island Fire Vehicle – due 2029	524,865	-
Black Creek & Oyster River Fire Vehicle – due 2029	231,413	-
	<u>\$ 18,420,422</u>	<u>\$ 4,264,600</u>

Interest on the above short-term debt recorded in the Statement of Operations in 2024 is \$238,545 (2023 – \$733,156).

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

10. Long-Term Debt

Details of long-term debt, including maturity dates, interest rates and outstanding amounts, are summarized on Schedule D – Schedule of Long-Term Debt.

Payments of principal on the issued debt of the CVRD, not including municipal debt, are as follows:

2025	\$ 4,301,839
2026	3,944,200
2027	3,687,444
2028	3,573,683
2029	3,667,602
Future years including actuarial	53,580,360
Total	<u>\$ 72,755,128</u>

Interest on long-term debt recorded in the various function areas of the Statement of Operations in 2024 is \$3,153,845 (2023 - \$3,030,232) before consideration of actuarial adjustments.

11. Asset Retirement Obligation

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. Where cash flows are expected over future periods, the liability is recognized using a present value technique wherein cash flows are discounted using an MFA borrowing rate of 4.49% and the estimated liabilities at retirement are based on a 2% inflation rate based on the midpoint of Bank of Canada's target inflation range of 1% to 3%. The total estimated liability is based on the sum of the discounted future cash flows using a present value technique.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

11. Asset Retirement Obligation (continued)

Changes in the asset retirement obligations for the twelve months ended December 31, 2024 and December 31, 2023 are set forth in the table below:

	Hazardous Materials Abatement	Removal and Remediation	Landfill Closure and Post Closure	Total 2024	Total 2023
Opening balance	\$14,261,198	\$49,503	\$18,812,494	\$33,123,195	\$31,834,277
Liability incurred in the current period	6,867	-	-	6,867	-
Liability settled in the current period	-	-	(274,386)	(274,386)	-
Revisions to estimates	(838,531)	(1,731)	577,815	(262,447)	-
Accretion expense	448,987	2,141	858,305	1,309,433	1,288,918
Closing balance	\$13,878,521	\$49,913	\$19,974,228	\$33,902,662	\$33,123,195

Hazardous Materials Abatement

The CVRD owns buildings and water infrastructure containing asbestos, which represents a health hazard as per the Canadian Environmental Protection Act and BC Hazardous Waste Regulation. It is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The buildings and water infrastructure with asbestos remediation are expected to have useful lives of 15-50 years and 40-100 years respectively and the remediation cost is expected to be incurred at the end of useful life for each asset.

The CVRD owns machinery and building improvements that contain Freon. Freon is considered to be an ozone depleting substance, and the Environmental Management Act requires recovery of freon based substances using devices or methods that meet prescribed performance standards. The machinery and building improvements with freon removal are expected to have useful lives of 20 years and the remediation cost is expected to be incurred at the end of useful life for each asset.

The CVRD has not designated funds for settling the abatement activities.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

11. Asset Retirement Obligation (continued)

Hazardous Materials Abatement (continued)

The following table highlights the key assumptions management used to estimate the liability for hazardous materials:

	2024	2023
Discount rate	4.49%	3.9% - 4.67%
Inflation rate	2.0%	2.0%
Undiscounted future cash flows	\$28,720,401	\$28,650,607

Removal and Remediation

The CVRD has assets that are required to be dismantled and removed from a piece of land or building at the end of their useful life because of contractual and/or legislative requirements. The cost is expected to be incurred on machinery and sewer infrastructure with expected useful lives of 5-35 years and 15-80 years respectively and the cost is expected to be incurred at the end of useful life for each asset.

The CVRD has not designated funds for settling the removal and remediation activities.

The following table highlights the key assumptions management used to estimate the liability for removal and remediation:

	2024	2023
Discount rate	4.49%	4.67%
Inflation rate	2.0%	2.0%
Undiscounted future cash flows	\$71,801	\$74,702

Landfill Closure and Post Closure

All landfills owned and managed by CVRD are required to have a closure plan that outlines closure and post closure activities as per the BC Landfill Criteria for Municipal Solid Waste and the provincial Waste Management Act. The closure plan for each landfill provides estimates for the cost of closure and post-closure activities and expected timeline for post-closure activities. The reported liability is based on estimates and assumptions with respect to events extending over the post closure period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

11. Asset Retirement Obligation (continued)

Landfill Closure and Post-Closure (continued)

Post-closure care is estimated to continue for 30 years after final closure of the landfill sites which are planned between 2026 and 2041, with three landfill sites already closed in 1998, 2019 and 2022. The CVRD is committed to ensuring that the seven landfills in its care are managed in a fiscally responsible manner, which has included setting aside funds to pay for landfill closure and post-closure activities in accordance with the Solid Waste Management Plan updated in 2012 and amended in 2021 to include the organics facility and transfer station.

The CVRD has designated funds for settling the closure and post closure liability as outlined in Note 13.

The following table summarizes the key assumptions used by management to estimate the liability for landfill closure and post closure.

	2024	2023
Discount rate	4.49%	4.67%
Inflation rate	2.0%	2.0%
Undiscounted future cash flows	\$46,680,959	\$48,039,082

12. Municipal Finance Authority Debt Reserve Fund

The CVRD secures its long-term borrowing through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is retained by MFA as a debt reserve fund. As at December 31, 2024, the cash balance of the debt reserve funds was \$1,137,958 (2023 - \$1,140,737). Debt reserve funds are not recorded elsewhere in the financial statements.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

13. Accumulated Surplus

	2024	2023
Future expenditure reserve funds	\$ 25,364,787	\$ 17,592,003
Capital works reserve funds	46,332,863	37,967,442
Community works reserve funds (Note 14)	11,224,545	10,559,434
Growing communities funds (Note 23)	4,240,381	4,470,059
Landfill closure and post closure reserve funds	4,697,191	3,901,828
Operating surplus	10,545,184	14,108,910
	102,404,951	88,599,676
Equity in tangible capital assets	239,700,755	224,813,409
Accumulated Surplus, end of year	\$ 342,105,706	\$ 313,413,085

14. Community Works Fund

Community Works Fund is a component of the Gas Tax Agreement funding provided by the Government of Canada and administered through the Union of British Columbia Municipalities (UBCM). Community Works Funds transfers are recorded as revenue when received, then held in reserves until spent on eligible expenditures and projects.

	2024	2023
Opening balance, Community Works Funds	\$ 10,559,434	\$ 9,522,751
Add: Amounts received during the year	1,191,376	1,123,282
Add: Interest income	593,984	448,888
Less: Amounts allocated to projects during the year	(1,120,249)	(535,487)
Closing balance, Community Works Funds	\$ 11,224,545	\$10,559,434

15. Contingent Liabilities

As at December 31, 2024, there existed outstanding claims against the CVRD. These claims have been referred to legal counsel and to liability insurers. It is not possible to determine the potential liability, if any, with respect to these matters. However, at such time that a liability becomes known, it will be reflected in the CVRD financial statements.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

16. Commitments

As at December 31, 2024, the CVRD had the following significant commitments:

Village of Cumberland – solid waste host community agreement. This agreement, which expires December 31, 2032, provides for a community benefit payment of \$300,000 per year over the twenty-year term of the agreement.

Berry & Vale Contracting Ltd. – for the operations of the Campbell River waste management centre transfer station, hauling of waste to the Comox Valley waste management centre and organics compost operations. The outstanding commitment of the agreement, which expires December 31, 2029, is approximately \$13,965,560.

Wacor Holdings Ltd. – construction services related to the Sewer Conveyance Project. The outstanding commitment as at December 31, 2024 is \$14,907,054.

Maple Knappett JV – design, build, decommission and upgrade services related to the Sewer Conveyance Project. The outstanding commitment as at December 31, 2024 is \$37,193,556.

Carollo Engineers Canada Ltd. – for the Comox Valley Water Pollution Control Centre site master plan finalization and detailed design of phase 4 upgrades. The outstanding commitment as at December 31, 2024 is \$2,743,196.

17. Pension Liability

The CVRD and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the Plan had 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 the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

17. Pension Liability (Continued)

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

The CVRD paid \$1,566,862 (2023 - \$1,446,411) for employer contributions while employees contributed \$1,438,292 (2023 - \$1,327,669) to the plan in fiscal 2024.

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 the individual employers participating in the plan.

18. Segmented Information

The CVRD is a diversified local government providing a wide range of services to approximately 72,445 residents, including electoral area services, regional sustainability, finance & administration, sewage treatment, recreation, transportation, regional emergency services and water supply. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocations of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and departmental accountabilities. The following is a description of the types of services included in each of the main service segments of the CVRD's financial statements. A detailed summary of the 2024 revenues and expenses can be found in Schedule A of the accompanying financial statements. Schedule B contains comparative figures for the year ended December 31, 2023.

General Government

General government is comprised of member municipality and electoral area governance, general administration which includes legislative services, finance, human resources and information systems, feasibility studies and grants in aid.

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

18. Segmented Information (continued)

Protective Services

Protective services include volunteer fire departments, search and rescue grants, emergency programs, 9-1-1 emergency answering service, building inspection and various bylaw compliance services.

Transportation

Transportation services include the Comox Valley transit service, streetlighting and drainage services and a contribution service to the Comox Valley airport.

Environmental Health

Environmental health is responsible for solid waste for both the Comox Valley and Strathcona Regional Districts through waste reduction and education programs and operation of the CVRD's waste management centres and transfer stations. Other services include road-side refuse collection, pesticide awareness education and liquid waste management planning for the electoral areas of the Regional District.

Public Health and Welfare

Public health and welfare consist of a grant to the City of Courtenay for assistance in the operations of the cemetery, a homelessness supports service as well as a land acquisition service for the purpose of an emergency shelter or supportive housing initiative.

Environmental Development

Environmental development consists of rural land use planning, long-term planning including the regional growth strategy, economic development, geographic information systems and rural house numbering.

Recreation and Cultural

Recreation and cultural consists of full-service recreation facilities offering fitness, ice and aquatic programs, curling, community parks and trail networks, exhibition grounds of the community and contributions towards community halls, various arts and cultural facilities, heritage conservation and the Vancouver Island Regional Library.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

18. Segmented Information (continued)

Water

The CVRD manages and operates both water supply and water distribution systems. The bulk water supply system provides treated water to the City of Courtenay, the Town of Comox and a water service area within the electoral areas of the Regional District. The CVRD distributes water to the residents of a total of six rural water service areas.

Sewer

The CVRD owns and operates a secondary wastewater treatment facility for wastewater from the City of Courtenay and the Town of Comox, including the operations of a bio-solids composting facility that retails a soil amendment branded as Skyrocket. Two rural sewerage systems for service areas within the CVRD are also operated.

19. Budget

The budget amounts presented throughout these financial statements represent the five-year financial plan bylaw #760 adopted by the CVRD Board on March 12, 2024.

The financial plan bylaw was prepared on a modified accrual basis while Canadian public sector accounting standards require financial statements to be prepared on a full accrual basis. The financial plan anticipated use of surpluses accumulated in prior years to reduce current year expenditures in excess of current year revenues. In addition, capital acquisitions were recognized as expenditures in the financial plan rather than including amortization expense. While the Board does not budget for amortization expense or accretion expense, estimates have been added to the Statement of Operations for comparability purposes.

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

19. Budget (continued)

The summary below reconciles the 2024 adopted financial plan to the financial statement budget figures:

Financial plan bylaw, surplus for the year	\$ -
Add:	
Capital acquisitions	82,011,030
Debt principal payments	3,952,927
Budgeted transfers to reserves	19,488,402
Less:	
Debt proceeds	(38,588,286)
Budgeted transfers from reserves	(34,192,854)
Budgeted transfers from prior years' operating surpluses	(13,865,609)
Accretion expense	(1,309,433)
Amortization	(14,582,846)
Budgeted Annual Surplus	<u><u>\$2,913,331</u></u>

20. North Island 9-1-1 Corporation

9-1-1 emergency answering and fire dispatch services for northern Vancouver Island, and part of the Sunshine Coast are provided by the North Island 9-1-1 Corporation which is owned by the regional districts of Alberni-Clayoquot, Comox Valley, Mount Waddington, Nanaimo, qathet and Strathcona. The CVRD owns 31.26 of the 100 issued shares in the corporation which are recorded at cost.

During the year, administrative and information technology support services supplied to the North Island 9-1-1 Corporation by the CVRD totaled \$365,460 (2023 - \$324,413).

Payables to regional and local governments at year end include \$NIL (2023 - \$1,500,000) due to the North Island 9-1-1 Corporation. Receivables from regional and local governments at year end include \$56,265 (2023 - \$119,849) due from the North Island 9-1-1 Corporation.

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

21. Comox-Strathcona Regional Hospital District

The board members of the CVRD sit on the board of the Comox-Strathcona Regional Hospital District (CSRHD) together with the board members of the Strathcona Regional District. The CVRD and the Regional Hospital District are separate legal entities as defined by separate letters patent and authorized by separate legislation.

During the year, administrative support services supplied to the Regional Hospital District by the CVRD totaled \$230,231 (2023 - \$230,231).

Receivables from regional and local governments at year end include \$1,271 (2023 - \$2,876) due from the CSRHD.

22. Provincial COVID-19 Safe Restart Grant

COVID-19 Safe Restart Grants for Local Governments was funding provided to local governments to assist with the increased operating costs and revenue shortfalls as a result of the COVID-19 pandemic. COVID-19 Safe Restart Grant funds may be used towards specific eligible costs for funding revenue shortfalls, facility reopening and operating costs, emergency planning and response costs, bylaw enforcement and protective services, computers and other technology costs, and services for vulnerable persons.

The CVRD received the first COVID-19 Safe Restart Grant instalment in November 2020 and transferred the \$723,000 balance to the general administration reserve for allocations in the 2021 Financial Plan. In March 2021 the CVRD received the second installment of \$402,000. The following is a schedule of the COVID-19 Safe Restart Grant receipts, spending and allocation of unspent funds.

	2024	2023
Opening balance, COVID 19 Safe Restart funds	\$ 362,801	\$ 389,301
Add: Amounts received during the year	-	-
Less: Amounts expended during the year		
Emergency operations preparedness and community support	(3,716)	-
Rural fire department support for increase preparedness	(27,648)	-
Rural community halls	(50,000)	(26,500)
Closing balance, COVID 19 Safe Restart funds	\$ 281,437	\$ 362,801

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

22. Provincial COVID-19 Safe Restart Grant (continued)

The balance of unspent funds has been allocated as follows:

	2024	2023
Emergency operations preparedness and community support	\$ 49,770	\$ 49,770
Information technology resilience	29,833	29,833
Rural fire department support	12,352	40,000
Rural community halls	105,519	155,519
General administration	35,679	35,679
Neighbourhood emergency preparedness program	6,284	10,000
Community self-service online tools	42,000	42,000
Closing balance, COVID 19 Safe Restart funds	\$ 281,437	\$ 362,801

23. Growing Communities Fund Grant

The Province of British Columbia distributed conditional Growing Communities 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.

The CVRD received \$4,497,000 of GCF funding in March 2023. The following is a schedule of the GCF grant receipts, spending and allocation of unspent funds.

	2024	2023
Opening balance, Growing Communities funds	\$ 4,470,059	\$ -
Add: Amounts received during the year	-	4,497,000
Less: Amounts expended during the year		
Mt. Washington Fire Hall	(146,056)	(26,941)
Union Bay Fire Hall	(65,675)	-
Parks and Trails	(17,947)	-
Closing balance, Growing Communities funds	\$ 4,240,381	\$ 4,470,059

Comox Valley Regional District
Notes to the Financial Statements
Year ended December 31, 2024

23. Growing Communities Fund Grant (continued)

The balance of unspent funds has been allocated as follows:

	2024	2023
Denman Island fire hall replacement	\$ 850,000	\$ 850,000
Mt. Washington fire hall	427,003	573,059
Union Bay fire hall replacement	1,129,325	1,195,000
Parks and trails	217,053	235,000
Artificial turf field	808,500	808,500
Sewer conveyance project	808,500	808,500
Closing balance, Growing Communities Funds	\$ 4,240,381	\$ 4,470,059

Work related to Housing Needs Reports and pre-zoning requirements:

In 2024, the Mt. Washington Fire Hall project continued. This project will improve emergency response service and permit servicing of new lots and of existing lots at a higher density. It will help property owners in the Mt. Washington neighborhood qualify for home insurance.

24. Financial Risks and Concentration of Risk

The CVRD is potentially exposed to credit risk, market and interest rate risk, and liquidity risk from the CVRD's financial instruments. Qualitative and quantitative analysis of the significant risks from the CVRD's financial instruments is provided below by type of risk

a) Credit Risk:

Credit risk primarily arises from cash, investments and accounts receivable. The risk exposure is limited to their carrying amounts as at the date of the statement of financial position.

Accounts receivable primarily consist of amounts receivable from other government organizations and residents. To reduce the risk, the CVRD regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2024, the amount of allowance for uncollectible amounts was nil (2023 - nil). The CVRD historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

24. Financial Risks and Concentration of Risk (continued)

b) Market and Interest Rate Risk:

Market risk is the risk that changes in market prices and inputs, which will affect the interest income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

The CVRD manages market risk by holding cash balances with top rated Canadian Schedule I financial institutions. The investments are managed following the investment policy which is approved by the CVRD's Board of Directors. The CVRD periodically reviews its investments and is satisfied that the portfolio investments are being managed in accordance with the investment policy.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The CVRD's investments are disclosed in Note 3 and changes in the fair value of investments have parallel changes in unrealized gains or losses until realized on disposal. The CVRD's exposure to interest rate risk in relation to debt instruments is limited to long-term debt and short-term financing. The risk applies only to long-term debt when amortization periods exceed the initial locked-in term. Short-term financing is subject to daily floating rates, which can result in variability over the course of short-term financing. Interest rate risk related to debt instruments is managed through budget and cash forecasts.

Interest rates have increased during the year, which primarily affects interest costs of short-term debt, and interest earnings on investments.

b) Liquidity Risk:

Liquidity risk is the risk that the CVRD will not be able to meet its financial obligations as they become due. The CVRD manages liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

25. Comparative Figures

Certain 2024 comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

Comox Valley Regional District

Notes to the Financial Statements

Year ended December 31, 2024

26. Subsequent Event

As of date of the financial statements, the Regional District is assessing the impact of any new tariffs on its procurement, and overall financial performance. Management has not yet fully determined the potential effect on future operation but anticipates the increased tariffs to may impact operating and capital expenditures.

Comox Valley Regional District
Schedule of Segment Disclosure by Service
Year ended December 31, 2024

	General Revenue Fund							Water Fund	Sewer Fund	2024 Actual	2024 Budget (Note 19)
	General Government	Protective Services	Transportation	Environmental Health	Public Health	Environmental Development	Recreation & Culture				
Revenue											
Taxation	\$ 2,435,823	\$ 6,941,227	\$ 3,701,349	\$ 6,019,008	\$ 1,276,835	\$ 3,472,960	\$ 14,381,889	\$ 1,250,459	\$ 9,298,683	\$ 48,778,233	\$ 48,510,899
Sales of services, fees and other revenue	442,070	322,415	1,090,598	12,987,326	-	161,967	2,813,803	12,561,368	1,664,993	32,044,540	29,746,620
Government grants and transfers	1,554,554	1,119,579	82,107	7,680	-	815,063	1,336,587	8,000	749,389	5,672,959	8,905,420
Contributions from others	-	76,319	-	-	-	-	2,313,000	219,150	11,089,824	13,698,293	8,294,268
Investment income	2,715,553	394,837	108,665	949,446	32,163	121,492	647,750	983,860	399,603	6,353,369	800,000
Gain/(loss) on disposal of capital assets	8,500	16,216	-	-	-	16,221	6,250	77,685	-	124,872	-
Gain on revisions to estimates of asset retirement obligations	-	-	-	28,421	-	-	-	677,086	-	705,507	-
Total Revenue	7,156,500	8,870,593	4,982,719	19,991,881	1,308,998	4,587,703	21,499,279	15,777,608	23,202,492	107,377,773	96,257,207
Expenses											
Personnel costs	5,090,280	2,037,971	133,329	3,502,367	-	2,160,822	6,254,071	3,062,654	2,097,106	24,338,600	26,779,684
Grants	418,947	2,802,638	-	1,255,137	197,729	397,054	3,047,419	25,000	-	8,143,924	8,756,194
General goods and services	1,733,723	1,553,722	4,224,752	8,878,873	138,011	766,772	3,775,930	4,026,269	2,360,569	27,458,621	35,400,416
Debt charges	147,510	131,656	-	1,175,031	-	41,872	49,280	985,611	209,935	2,740,895	4,564,360
Transfer to other local government	30,147	-	-	-	-	-	20,000	-	-	50,147	-
Amortization of tangible capital assets	757,495	583,207	12,393	5,403,937	-	74,506	1,182,618	4,723,859	1,844,831	14,582,846	14,582,846
Accretion expense	380	1,730	-	858,305	-	-	1,198	447,020	800	1,309,433	1,309,433
Landfill closure/post closure costs	-	-	-	60,686	-	-	-	-	-	60,686	1,950,943
Total Expenses	8,178,482	7,110,924	4,370,474	21,134,336	335,740	3,441,026	14,330,516	13,270,413	6,513,241	78,685,152	93,343,876
Annual Surplus (Deficit)	\$ (1,021,982)	\$ 1,759,669	\$ 612,245	\$ (1,142,455)	\$ 973,258	\$ 1,146,677	\$ 7,168,763	\$ 2,507,195	\$ 16,689,251	\$ 28,692,621	\$ 2,913,331

Comox Valley Regional District
Schedule of Segment Disclosure by Service
Year ended December 31, 2023

	General Revenue Fund							Water Fund	Sewer Fund	2023 Actual	2023 Budget
	General Government	Protective Services	Transportation	Environmental Health	Public Health	Environmental Development	Recreation & Culture				
Revenue											
Taxation	\$ 2,410,113	\$ 5,948,680	\$ 3,558,005	\$ 6,018,817	\$ 627,302	\$ 3,571,551	\$ 12,136,682	\$ 1,008,694	\$ 8,376,895	\$ 43,656,739	\$ 43,496,827
Sales of services, fees and other revenue	398,511	919,647	919,830	11,953,370	-	146,383	2,908,822	12,335,571	1,431,532	31,013,666	27,203,945
Government grants and transfers	5,998,898	416,734	-	43,320	-	405,411	148,814	77,931	-	7,091,108	3,029,714
Contributions from others	-	-	76,155	8,465	-	-	119,996	559,388	3,759,051	4,523,055	4,020,586
Investment income	2,128,342	282,866	72,764	594,937	14,451	88,195	446,356	695,750	279,600	4,603,261	150,000
Gain/(loss) on disposal of capital assets	-	-	-	-	-	-	21,161	15,000	-	36,161	-
Gain on revisions to estimates of asset retirement obligations	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	10,935,864	7,567,927	4,626,754	18,618,909	641,753	4,211,540	15,781,831	14,692,334	13,847,078	90,923,990	77,901,072
Expenses											
Personnel costs	4,871,354	1,968,070	135,832	3,464,253	-	1,860,717	5,829,636	2,834,663	1,946,834	22,911,359	24,459,836
Grants	547,540	2,601,686	-	1,328,177	375,790	568,662	2,751,214	-	-	8,173,069	8,731,444
General goods and services	1,478,367	1,006,007	3,498,268	7,578,759	36,284	569,387	3,109,080	3,172,576	2,010,614	22,459,342	28,037,237
Debt charges	152,837	140,069	(20,380)	928,644	-	51,430	40,377	1,145,108	168,487	2,606,572	4,267,333
Transfer to other local government	-	-	-	-	-	-	-	-	-	-	20,500
Amortization of tangible capital assets	567,914	488,988	12,393	3,679,686	-	69,721	1,171,035	4,699,572	1,761,419	12,450,728	12,450,728
Accretion expense	383	1,646	-	839,346	-	-	5,988	440,751	804	1,288,918	2,577,836
Landfill closure/post closure costs	-	-	-	943,009	-	-	-	-	-	943,009	3,729,338
Total Expenses	7,618,395	6,206,466	3,626,113	18,761,874	412,074	3,119,917	12,907,330	12,292,670	5,888,158	70,832,997	84,274,252
Annual Surplus (Deficit)	\$ 3,317,469	\$ 1,361,461	\$ 1,000,641	\$ (142,965)	\$ 229,679	\$ 1,091,623	\$ 2,874,501	\$ 2,399,664	\$ 7,958,920	\$ 20,090,993	\$ (6,373,180)

Comox Valley Regional District
Schedule of Tangible Capital Assets
Year ended December 31, 2024

	Land and Improvements	Buildings and Improvements	Machinery Equipment Vehicles Fixtures	Water Infrastructure	Sewer Infrastructure	Tangible Capital Assets under Construction	2024	2023
Cost								
Balance, beginning	\$ 99,389,080	\$ 61,195,471	\$ 25,262,679	\$ 202,506,608	\$ 69,949,653	\$ 20,798,554	\$ 479,102,045	\$ 460,503,038
Add:								
Additions	4,663,983	925,049	3,732,856	805,084	204,367	33,354,104	43,685,443	57,429,375
Tangible capital assets transferred from others	-	-	-	-	-	-	-	201,214
Less:								
Disposals / Write downs	(68,517)	-	(385,703)	(677,086)	-	-	(1,131,306)	(244,903)
Projects completed in year	-	-	-	-	-	(3,340,737)	(3,340,737)	(38,786,679)
Balance, ending	103,984,546	62,120,520	28,609,832	202,634,606	70,154,020	50,811,921	518,315,445	479,102,045
Accumulated Amortization								
Balance, beginning	19,763,076	26,605,985	12,037,402	45,592,291	36,072,223	-	140,070,977	127,865,151
Add:								
Amortization	5,032,307	1,633,114	1,902,166	4,489,053	1,526,206	-	14,582,846	12,284,372
Accumulated amortization on tangible capital assets transferred from others	-	-	-	-	-	-	-	166,357
Less:								
Accumulated Amortization on disposals	(68,517)	-	(378,335)	(677,086)	-	-	(1,123,938)	(244,903)
Balance, ending	24,726,866	28,239,099	13,561,233	49,404,258	37,598,429	-	153,529,885	140,070,977
Net Book Value of Tangible Capital Assets	\$ 79,257,680	\$ 33,881,421	\$ 15,048,599	\$ 153,230,348	\$ 32,555,591	\$ 50,811,921	\$ 364,785,560	\$ 339,031,068

Comox Valley Regional District
Schedule of Long-Term Debt
December 31, 2024

Issue #	Maturity Date	Rate	Beginning Balance	Debt Issued	Principal Payments	Actuarial Additions	Ending Balance	Interest Charges
General Capital Fund								
Administration								
MFA 150	2045	1.99%	\$ 7,416,513	\$ -	\$ 256,008	\$ 15,670	\$ 7,144,835	\$ 163,180
Hornby Island Fire								
MFA 150	2040	1.99%	1,094,761	-	51,550	3,155	1,040,056	24,925
Comox Strathcona Waste Management								
MFA 150	2040	1.99%	7,102,712	-	334,450	20,471	6,747,791	161,713
MFA 153	2041	2.99%	13,248,537	-	578,816	26,340	12,643,381	347,503
MFA 159	2043	4.15%	17,171,717	-	600,997	-	16,570,720	712,626
Black Creek/Oyster Bay Fire								
MFA 95	2025	4.80%	178,357	-	53,686	34,174	90,497	63,240
CV Sports/Aquatic Centre								
MFA 150	2030	1.99%	725,044	-	91,902	5,625	627,517	20,025
Total General Capital Fund			46,937,641	-	1,967,409	105,435	44,864,797	1,493,213
Water Capital Fund								
Black Creek/Oyster Bay Water								
MFA 112	2030	3.73%	877,582	-	73,523	39,285	764,774	25,600
Union Bay Water								
MFA 159	2043	4.15%	3,214,141	-	112,492	-	3,101,649	133,387
Regional Water								
MFA 85	2024	5.45%	174,241	-	68,953	105,288	-	125,058
MFA 95	2025	4.80%	330,721	-	99,549	63,368	167,804	117,264
MFA 99	2026	4.75%	965,272	-	158,747	150,477	656,048	224,541
MFA 156	2041	2.58%	18,376,254	-	802,843	36,534	17,536,877	516,000
MFA 160	2043	4.97%	5,000,000	-	173,202	-	4,826,798	248,500
Total Water Capital Fund			28,938,211	-	1,489,309	394,952	27,053,950	1,390,350
Sewer Capital Fund								
Regional Sewer								
MFA 95	2025	4.80%	406,126	-	122,246	77,816	206,064	144,000
MFA 99	2026	4.75%	52,274	-	8,597	8,149	35,528	12,160
MFA 102	2027	2.25%	779,796	-	109,883	75,124	594,789	114,122
Total Sewer Capital Fund			1,238,196	-	240,726	161,089	836,381	270,282
Total Regional District Capital Debenture Debt			\$ 77,114,048	\$ -	\$ 3,697,444	\$ 661,476	\$ 72,755,128	\$ 3,153,845