



TOWN OF LAKE COWICHAN

Finance and Administration Committee

Tuesday April 9th, 2019 at 6:00 p.m. – Council Chambers

AGENDA

1. **CALL TO ORDER**

Page #

INTRODUCTION OF LATE ITEMS (if applicable)

2. **APPROVAL OF AGENDA**

3. **BUSINESS ARISING AND UNFINISHED BUSINESS**

Ongoing Items Still Being Addressed:

(a) Municipal Hall Upgrades- Update.

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4. **DELEGATIONS AND REPRESENTATIONS**

(a) Representatives from the Cowichan Lake District Chamber of Commerce re: Year-end report, etc.

5. **CORRESPONDENCE**

None.

6. **VERBAL COMMENT FROM THE PUBLIC ON A SUBSEQUENT ITEM ON THE AGENDA** – (maximum 3 minutes per speaker and maximum time allotted 15 minutes)

7. **REPORTS**

(a) Director of Finance re: Financial Report for the Period ending March, 31st, 2019.

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(b) Building Inspector re: Building Permits for March 2019.

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(c) Lake Cowichan Fire Department Incident Report for March, 2019.

F/C

(d) Bylaw Officers Report for February and March 2019.

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(e) Contract Planner re: Attainable Housing.

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(f) CAO re: Animal Bylaw amendment regarding cruelty to animals.

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(g) CAO re: Purchase of Mower.

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8. **NEW BUSINESS**

(a) Audit Service Plan

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9. **NOTICES OF MOTION**

10. **PUBLIC RELATIONS ITEMS**

11. **QUESTION PERIOD** (maximum 3 minutes per speaker and maximum time allotted 15 minutes) - Limited to items on the agenda

12. IN-CAMERA

(a) Section 92 of the *Community Charter* requires that before a meeting or part of a meeting is closed to the public, the council must state, by resolution, that the meeting is to be closed, and

(b) The basis on which the meeting is to be closed falls under the following:

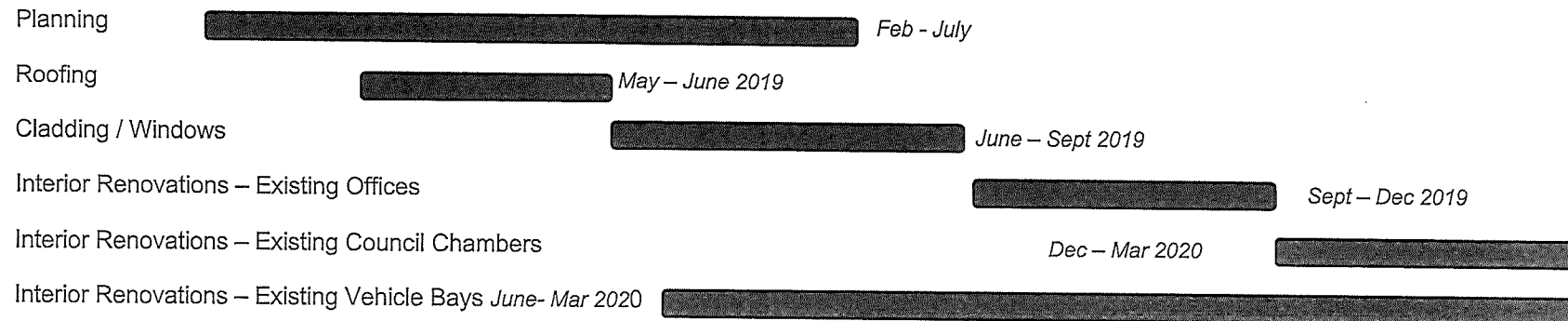
90(1) (c) on labor relations or other employee relations; and s.90(1)(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

13. ADJOURNMENT

**Lake Cowichan Municipal Hall – Renovation
Preliminary Schedule**

April 2, 2019.

Phase





Memo

TO: Chief Administrative Officer

FROM: Director of Finance

DATE: April 3, 2019

SUBJECT: March 31, 2019 Finance Report

The statements of revenue and expenses for the period ended March 31, 2019 are attached for council review. The numbers presented for 2018 have been finalized subject to audit.

The draft 2019 budget figures have been amended to reflect staff and council budget discussions to date. Minor changes will continue to be made as information becomes available and as levies and rates from other government agencies are also available.

The auditors from MNP will be at the office starting April 8th to complete year end work. A meeting date with council will be scheduled in the next few weeks to present the audited financial statements for the year ended December 31, 2018.

A handwritten signature in black ink, appearing to read "R-Gill", written over a horizontal line.

Ronnie Gill, CPA, CGA

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 % |
|--|--------------------|-------------------|--------------------|-------------------|--------------------|------------|
| REVENUES | | | | | | |
| Taxes | 2,011,636 | 2,071,963 | 2,071,964 | 2,133,470 | - | 0% |
| Supplemental Adjustments | - | - | - | - | - | - |
| Grants-In-Lieu | 51,425 | 54,700 | 55,016 | 56,740 | - | 0% |
| Penalties and Interest on Taxes | 69,270 | 65,000 | 63,046 | 60,000 | 527 | 1% |
| Business Licences | 19,550 | 17,500 | 21,800 | 18,000 | 20,100 | 112% |
| Building and Other Permits | 58,767 | 24,400 | 68,731 | 25,000 | 10,980 | 44% |
| Storm Drain Connection Fees | 5,100 | - | 1,890 | - | 60 | - |
| Dog Tags and Fines | 3,310 | 3,200 | 3,590 | 3,200 | 2,600 | 81% |
| Interest on Investments | 63,815 | 30,000 | 92,378 | 30,000 | 5,172 | 17% |
| Fire Service to CVRD | 239,861 | 272,511 | 272,682 | 277,900 | - | 0% |
| BC Wildfire Recoveries | 16,300 | - | 16,896 | - | - | - |
| Garbage Revenues | 372,348 | 370,200 | 380,404 | 383,500 | 335,468 | 87% |
| Lakeview Revenues | 204,104 | 184,000 | 203,016 | 191,000 | 69,253 | 36% |
| Sale of Assets | - | - | - | - | - | - |
| Public Works Revenues | 2,102 | - | 2,689 | - | - | - |
| Fire Department Revenues | 74,790 | - | 49,772 | - | 2,290 | - |
| Other Revenue | 30,123 | 10,200 | 26,767 | 9,250 | 564 | 6% |
| Ambulance Building Lease | 44,829 | 45,000 | 44,829 | 45,000 | 11,207 | 25% |
| Public Health Lease | 16,445 | 16,500 | 16,617 | 16,700 | 4,169 | 25% |
| Clec Revenues | 441,256 | 420,000 | 388,483 | 417,000 | 12,700 | 3% |
| Unconditional Transfers | 471,086 | 436,900 | 477,193 | 451,900 | - | 0% |
| Conditional Transfers | 440,960 | 495,854 | 91,736 | 3,778,000 | - | 0% |
| Conditional Transfer - Town Hall Bldg | - | 2,877,000 | - | - | - | - |
| Transfers From Reserve Funds | - | 586,500 | 75,442 | 630,000 | - | 0% |
| Transfers From Building Reserve | - | 800,000 | - | 481,000 | - | 0% |
| Transfer From Fire Dept Reserves | - | 370,000 | - | 400,000 | - | 0% |
| Transfer From Statutory Reserves | - | - | - | - | - | - |
| Transfer from Parks Dedication Reserve | - | - | - | - | - | - |
| Short term debt | - | - | - | 300,000 | - | 0% |
| Prior year Surplus | - | - | - | - | - | - |
| Police Tax Levy | 145,171 | 156,542 | 156,542 | 160,000 | - | 0% |
| Library Levy | 127,782 | 134,872 | 134,872 | 133,729 | - | 0% |
| Collections For Other Govts. | 2,159,035 | 2,290,836 | 2,251,430 | 2,328,100 | - | 0% |
| | 7,069,065 | 11,733,678 | 6,967,784 | 12,329,489 | 475,089 | 59% |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 % |
|-------------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-----------|
| EXPENDITURES | | | | | | |
| General Government Services | 542,492 | 547,600 | 444,720 | 569,600 | 142,009 | 25% |
| Fire Department | 382,070 | 400,100 | 364,906 | 427,000 | 37,384 | 9% |
| Police Force | 145,171 | 156,542 | 156,542 | 160,000 | - | 0% |
| Bylaw Enforcement & Other | 66,906 | 59,000 | 74,033 | 61,000 | 5,791 | 9% |
| Public Works Administration | 116,234 | 105,400 | 57,320 | 61,300 | 41,904 | 68% |
| Public Works Roads | 377,517 | 419,000 | 291,965 | 435,700 | 34,895 | 8% |
| Public Works - Equipment & Other | (126,327) | - | (129,912) | - | (21,900) | - |
| Garbage Expenses | 388,605 | 394,200 | 395,405 | 402,100 | 59,173 | 15% |
| Planning, Health & Other | 55,113 | 59,000 | 56,442 | 68,300 | 3,372 | 5% |
| Centennial Hall Expenses | - | - | - | - | - | - |
| Info Centre | 20,669 | 22,000 | 19,049 | 22,000 | 878 | 4% |
| Parks | 216,772 | 231,500 | 236,283 | 254,100 | 11,393 | 4% |
| Lakeview Park | 160,342 | 178,400 | 180,398 | 178,300 | 3,870 | 2% |
| CLEC Expense | 522,897 | 471,000 | 481,699 | 472,000 | 36,217 | 8% |
| Lakeview Road | 18,165 | 13,000 | 5,650 | 13,000 | 653 | 5% |
| Transfer To Library | 127,782 | 134,872 | 134,872 | 133,729 | 33,432 | 25% |
| Capital | 1,269,829 | 5,904,445 | 876,052 | 6,414,774 | 49,410 | 1% |
| Debt Charges - Interest | 1,801 | 3,000 | 3,192 | 3,000 | 485 | 16% |
| Debt Payments - Fire | 191,512 | 186,200 | 186,003 | 198,100 | 13,412 | 7% |
| Amortization | 550,198 | - | 593,468 | - | - | - |
| Transfers To Reserve Funds | 179,062 | 136,000 | 181,231 | 136,000 | - | 0% |
| Transfer Equip. Recovery to Reserve | 128,184 | - | 128,726 | - | - | - |
| Transfer To Surplus | - | 21,583 | - | - | - | - |
| Transfers To Other Governments | 2,159,035 | 2,290,836 | 2,251,430 | 2,328,100 | - | 0% |
| | 7,494,027 | 11,733,678 | 6,989,475 | 12,338,103 | 452,377 | 4% |
| Surplus(Deficit) | (424,962) | - | (21,691) | (8,614) | 22,711 | |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of General Government Expenses

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|------------|
| General Government Services | | | | | | |
| Mayor and Council Indemnities | 73,465 | 75,000 | 84,331 | 80,000 | 10,074 | 13% |
| Mayor and Council Expenses | 38,260 | 42,500 | 36,568 | 42,500 | 12,511 | 29% |
| Mildred Child Annex | 2,863 | 3,100 | 2,196 | 3,100 | 453 | 15% |
| Municipal Hall | 17,995 | 25,600 | 18,121 | 25,600 | 2,875 | 11% |
| Office Wages | 419,166 | 425,000 | 431,477 | 435,000 | 58,675 | 13% |
| Office Expenses | 31,051 | 56,500 | 31,706 | 56,500 | 7,100 | 13% |
| Data Processing | 18,837 | 24,600 | 17,137 | 24,600 | 460 | 2% |
| Legal Expense | 21,867 | 15,000 | 26,079 | 30,000 | 15,975 | 53% |
| Audit | 8,190 | 26,000 | 16,695 | 26,000 | 8,505 | 33% |
| Elections | - | 10,000 | 3,666 | 4,000 | - | 0% |
| Insurance | 62,259 | 75,000 | 91,284 | 100,000 | 20,245 | 20% |
| Grants-in-aid | 3,650 | 5,000 | 4,700 | 5,000 | - | 0% |
| Ohtaki expense | - | 6,000 | 3,163 | 6,000 | - | 0% |
| Ohtaki recoveries | - | - | (20) | - | - | - |
| Payroll Benefits Clearing | 64,388 | - | (80,684) | - | 5,136 | - |
| Insurance and administration recover | (219,500) | (241,700) | (241,700) | (268,700) | - | 0% |
| | 542,492 | 547,600 | 444,720 | 569,600 | 142,009 | 25% |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Protective Services Expenses

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|------------------|
| Fire Department | | | | | | |
| Firefighters indemnities | 97,862 | 105,000 | 101,324 | 110,000 | 7,537 | 7% |
| Other Wage Costs | 18,882 | 17,000 | 19,543 | 18,000 | 1,779 | 10% |
| Town Administration | 13,000 | 13,000 | 13,000 | 13,000 | - | 0% |
| Fire Hall Operations and Maint. | 53,258 | 53,400 | 47,687 | 55,200 | 7,616 | 14% |
| Miscellaneous Operations | 85,307 | 103,900 | 104,170 | 111,900 | 13,323 | 12% |
| Training | 26,298 | 26,000 | 21,408 | 28,000 | 940 | 3% |
| Fire Vehicles & Equipment | 54,136 | 76,800 | 56,286 | 80,900 | 6,189 | 8% |
| | <u>348,742</u> | <u>395,100</u> | <u>363,418</u> | <u>417,000</u> | <u>37,384</u> | <u>9%</u> |
| Firesmart | 9,091 | - | - | - | - | - |
| Community Wildfire Protection Plan | 24,236 | 5,000 | 1,488 | 10,000 | - | 0% |
| | <u>33,328</u> | <u>5,000</u> | <u>1,488</u> | <u>10,000</u> | <u>-</u> | <u>30%</u> |
| Total Fire Department | <u>382,070</u> | <u>400,100</u> | <u>364,906</u> | <u>427,000</u> | <u>37,384</u> | <u>9%</u> |
| Bylaw Enforcement & Other | | | | | | |
| BC Wildfire - Recoveries | (16,300) | - | (16,896) | - | - | - |
| Emergency Measures | 16,300 | 6,500 | 20,520 | 5,000 | - | 0% |
| Bylaw Enforcement/Animal Control | 16,324 | 17,000 | 16,455 | 19,000 | 2,018 | 11% |
| Building Inspection | 34,282 | 35,500 | 37,058 | 37,000 | 3,773 | 10% |
| | <u>66,906</u> | <u>59,000</u> | <u>74,033</u> | <u>61,000</u> | <u>5,791</u> | <u>9%</u> |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Public Works Expenses

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|------------------------------------|------------------|----------------|------------------|----------------|-----------------|------------|
| PW Administration | | | | | | |
| Shop and Yard | 26,965 | 35,000 | 47,910 | 47,000 | 10,772 | 23% |
| PW Admin Wages | 205,676 | 210,000 | 165,012 | 180,000 | 27,016 | 15% |
| PW Admin Other | 19,449 | 15,800 | 8,988 | 16,500 | 360 | 2% |
| Safety and Training | 40,944 | 34,000 | 24,810 | 34,000 | 3,756 | 11% |
| Office Administration Charge | 14,200 | 14,700 | 14,700 | 13,900 | - | 0% |
| Recovery from Utilities | (191,000) | (204,100) | (204,100) | (230,100) | - | 0% |
| | 116,234 | 105,400 | 57,320 | 61,300 | 41,904 | 68% |
| Equipment Costs | | | | | | |
| Equipment | 165,583 | - | 144,370 | - | 10,870 | - |
| Equipment Allocations | (291,910) | - | (274,504) | - | (33,070) | - |
| | (126,327) | - | (130,134) | - | (22,201) | - |
| Other Costs | | | | | | |
| Billable Outside Jobs | - | - | 222 | - | 300 | - |
| Billable Outside Jobs - Recoveries | - | - | - | - | - | - |
| | - | - | 222 | - | 300 | - |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Public Works Expenses

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|------------------------------|----------------|----------------|----------------|----------------|----------------|-----------|
| Road Maintenance | | | | | | |
| Banners | 11,451 | 9,000 | 2,826 | 9,000 | - | 0% |
| Boulevards | 45,512 | 31,000 | 25,001 | 31,000 | - | 0% |
| Crack Sealing | 2,151 | 10,000 | - | 10,000 | - | 0% |
| Dangerous Trees | 5,502 | 13,000 | 13,939 | 15,000 | 139 | 1% |
| Ditches & Culverts | 1,866 | 10,000 | 4,177 | 10,000 | - | 0% |
| Dust Control | 3,068 | 4,000 | 3,475 | 4,000 | - | 0% |
| Landscaping | 7,355 | 10,000 | 8,470 | 10,000 | - | 0% |
| Litter Control | 7,085 | 16,000 | 8,557 | 16,000 | 393 | 2% |
| Marking | 10,866 | 10,000 | 3,031 | 10,000 | - | 0% |
| Mowing | 6,105 | 13,000 | 6,050 | 13,000 | 449 | 3% |
| Patching | 19,320 | 15,000 | 11,237 | 20,000 | 832 | 4% |
| Roads-other | 11,177 | 14,000 | 9,635 | 14,000 | 439 | 3% |
| Seasonal decoration | 13,322 | 12,000 | 25,737 | 12,000 | 1,951 | 16% |
| Shoulders | 12,673 | 14,000 | 3,478 | 14,000 | 841 | 6% |
| Sidewalks | 15,578 | 16,000 | 19,361 | 20,000 | 1,405 | 7% |
| Signs | 9,615 | 11,000 | 5,653 | 11,000 | 632 | 6% |
| Snow removal | 48,888 | 50,000 | 4,338 | 50,000 | 16,908 | 34% |
| Storm Drains & Catch Basins | 33,905 | 50,000 | 18,189 | 50,000 | 3,430 | 7% |
| Street Lighting | 82,279 | 79,000 | 88,181 | 84,000 | 6,854 | 8% |
| Street Sweeping | 8,899 | 11,000 | 9,629 | 11,000 | 622 | 6% |
| Office Administration Charge | 20,900 | 21,000 | 21,000 | 21,700 | - | 0% |
| | 377,517 | 419,000 | 291,965 | 435,700 | 34,895 | 8% |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Garbage Collection

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|----------------|------------|
| Garbage Collection | | | | | | |
| Revenues | | | | | | |
| Regular collections | 312,590 | 311,200 | 318,583 | 323,000 | 322,983 | 100% |
| Toter rentals | 3,808 | 3,300 | 4,575 | 3,000 | 3,047 | 102% |
| Penalties | 3,737 | 3,700 | 3,451 | 3,500 | - | 0% |
| Recycling | 52,213 | 52,000 | 53,794 | 54,000 | 9,438 | 17% |
| | 372,348 | 370,200 | 380,404 | 383,500 | 335,468 | 87% |
| Expenditures | | | | | | |
| Regular collection costs | 245,923 | 244,000 | 248,415 | 249,000 | 50,498 | 20% |
| Office Administration Charges | 17,200 | 17,600 | 17,600 | 18,000 | - | 0% |
| PW Administration Charges | 24,100 | 24,600 | 24,600 | 25,100 | - | 0% |
| Tipping Fees | 62,022 | 63,000 | 64,954 | 66,000 | 5,368 | 8% |
| Recycling costs | 39,359 | 45,000 | 39,837 | 44,000 | 3,308 | 8% |
| | 388,605 | 394,200 | 395,405 | 402,100 | 59,173 | 15% |
| Net | (16,257) | (24,000) | (15,002) | (18,600) | 276,295 | |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Other Development Services

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------|
| Public Health | | | | | | |
| Ambulance Building Lease | 44,829 | 45,000 | 44,829 | 45,000 | 11,207 | 25% |
| Public Health Lease | 16,445 | 16,500 | 16,617 | 16,700 | 4,169 | 25% |
| Public Health Expenses | 15,405 | 17,000 | 9,721 | 17,800 | 95 | 1% |
| NET | 45,869 | 44,500 | 51,725 | 43,900 | 15,281 | 35% |
| Planning | | | | | | |
| Planning and Zoning Expenses | 19,632 | 32,500 | 39,673 | 40,000 | 3,027 | 8% |
| Other Functions | | | | | | |
| Town Economic Development | 10,666 | 5,000 | 3,855 | 1,000 | - | 0% |
| Age Friendly Grant | - | - | - | - | - | - |
| Community Garden - water service | 4,863 | - | - | - | - | - |
| Columbarium | - | - | - | - | 250 | - |
| Pacific Marine Circle Route | - | - | - | - | - | - |
| Heritage Advisory | 237 | 500 | 1,036 | 500 | - | 0% |
| Trail signage | - | - | - | - | - | - |
| Cowichan Aquatic Centre | 4,311 | 4,000 | 2,158 | 4,000 | - | 0% |
| 75th Birthday Celebration | - | - | - | 5,000 | - | 0% |
| | 20,076 | 9,500 | 7,048 | 10,500 | 250 | 2% |
| Total Development Services Expenses | 55,113 | 59,000 | 56,442 | 68,300 | 3,372 | 5% |
| Centennial Hall | | | | | | |
| | - | - | - | - | - | - |
| Info Centre | | | | | | |
| PW Labour | 1,212 | 2,500 | 820 | 2,200 | - | 33% |
| Water, Sewer & Garbage | - | 700 | - | 700 | - | 0% |
| Contracted Services | 15,740 | 15,000 | 15,000 | 15,000 | - | 100% |
| Other Expenses | 4,917 | 5,000 | 4,429 | 5,300 | 878 | 89% |
| Recoveries - hydro | (1,200) | (1,200) | (1,200) | (1,200) | - | 100% |
| | 20,669 | 22,000 | 19,049 | 22,000 | 878 | 87% |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Parks

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-------------|
| Parks | | | | | | |
| Beaver Park | 182 | 500 | 4,077 | 6,100 | 4,152 | 68% |
| Bell Tower School | 1,877 | 2,400 | 1,316 | 2,400 | - | 0% |
| Centennial Park | 6,661 | 20,000 | 42,577 | 22,000 | 232 | 1% |
| Central Park | 12,727 | 19,000 | 14,804 | 18,500 | - | 0% |
| Civic Square | 614 | 2,500 | 495 | 2,500 | - | 0% |
| Communities in Bloom | 260 | 3,000 | 125 | 2,000 | - | 0% |
| Community Garden | 199 | - | - | - | - | - |
| Cougar Sign Landscaping | 2,198 | 3,000 | 2,894 | 3,200 | - | 0% |
| Dashwood Park | 213 | 1,200 | 280 | 1,200 | - | 0% |
| Entrance Sign | 38,930 | 10,000 | 8,835 | 10,000 | 355 | 4% |
| Footbridge | 1,986 | 4,500 | 1,758 | 4,500 | 101 | 2% |
| Footpath maintenance | 51 | 2,000 | 400 | 1,600 | - | 0% |
| Gillespie Park | 672 | 1,000 | 594 | 1,000 | - | 0% |
| Greendale Park | 3,235 | 5,700 | 6,745 | 6,700 | - | 0% |
| Heritage Garden | 8,998 | 5,000 | 12,656 | 7,000 | - | 0% |
| Kaatza Museum | 10,830 | 10,000 | 8,746 | 10,800 | 1,605 | 15% |
| Kates Park - King George | 24,694 | 10,000 | 7,145 | 10,000 | 90 | 1% |
| Lakedays Preparation | 684 | 2,000 | 585 | 2,000 | - | 0% |
| Marina Park | 2,176 | 1,700 | 6,043 | 3,200 | 56 | 2% |
| Forest Workers Memorial Park | 5,784 | 6,500 | 6,490 | 6,700 | - | 0% |
| Ohtaki/Kasapi Park | 2,976 | 10,000 | 2,425 | 10,000 | - | 0% |
| Park Bench Maintenance | 1,188 | 5,000 | 1,552 | 5,000 | 1,404 | 28% |
| Parks General | 23,000 | 16,000 | 25,821 | 20,700 | 1,389 | 7% |
| Parkstone Park | 1,162 | 2,000 | 1,980 | 2,500 | - | 0% |
| Joginder Bains Park - Point Ideal | 2,035 | 3,500 | 6,700 | 4,200 | - | 0% |
| Ravine Park | - | 500 | - | - | - | - |
| Riverside Memorial Park | 2,691 | 5,900 | 3,901 | 5,900 | - | 0% |
| Sahtlam Park | 1,179 | 2,500 | 3,637 | 3,000 | - | 0% |
| Saywell Park | 13,592 | 20,000 | 15,557 | 20,500 | 793 | 4% |
| Seniors Centre | 3,117 | 3,100 | 2,813 | 3,100 | - | 0% |
| Ted Burns Nature Preserve | - | 1,000 | 392 | 1,000 | - | 0% |
| Pickleball Courts | 2,393 | 3,000 | 3,557 | 3,200 | - | 0% |
| Town Square | 4,300 | 3,000 | 4,909 | 5,000 | 289 | 6% |
| Trans Canada Trail | 2,198 | 5,000 | 8,146 | 5,900 | - | 0% |
| Trestle Walkway | 830 | 3,000 | 864 | 3,000 | 65 | 2% |
| Vandalism | 129 | 5,000 | 50 | 5,000 | - | 0% |
| Washrooms | 16,244 | 15,000 | 11,859 | 15,000 | 860 | 6% |
| West Entrance | - | - | 455 | 600 | - | 0% |
| Winter Park | 6,073 | 7,000 | 4,098 | 7,000 | - | 0% |
| Office Administration Charge | 10,700 | 11,000 | 11,000 | 12,100 | - | 0% |
| | <u>216,772</u> | <u>231,500</u> | <u>236,283</u> | <u>254,100</u> | <u>11,393</u> | <u>102%</u> |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Parks

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|------------------------------|----------------|----------------|----------------|----------------|----------------|------------|
| Lakeview Park | | | | | | |
| Reservations | 142,693 | 130,000 | 156,349 | 150,000 | 54,080 | 36% |
| Walk Ins | 24,934 | 22,000 | 8,174 | 8,000 | 1,695 | 21% |
| Power Fees | 24,022 | 22,000 | 23,041 | 22,000 | 10,567 | 48% |
| Wood and ice sales | 3,738 | 4,000 | 4,637 | 4,500 | - | 0% |
| Operating Grant | - | - | 2,981 | - | - | - |
| Other Revenue | - | - | - | - | - | - |
| Moorage | 8,717 | 6,000 | 7,833 | 6,500 | 2,911 | 45% |
| | <u>204,104</u> | <u>184,000</u> | <u>203,016</u> | <u>191,000</u> | <u>69,253</u> | <u>36%</u> |
| Office Administration Charge | 8,100 | 8,400 | 8,400 | 8,500 | - | 0% |
| CLEC Admin Charges | 30,000 | 31,000 | 31,000 | 31,000 | - | 0% |
| Summer Student Wages | 52,000 | 55,000 | 53,925 | 55,000 | - | 0% |
| Maintenance Wages | 7,179 | 7,000 | 1,974 | 7,000 | - | 0% |
| Contracted Services | 7,317 | 15,000 | 16,781 | 15,000 | 147 | 1% |
| PW Labour | 348 | 1,000 | 1,574 | 1,500 | - | 0% |
| Hydro and Electricity | 7,706 | 8,000 | 8,393 | 9,000 | 692 | 8% |
| Materials and Supplies | 10,284 | 14,000 | 12,674 | 12,000 | - | 0% |
| Other Expenses | 9,342 | 10,500 | 7,565 | 10,800 | 2,341 | 22% |
| Water, Sewer & Garbage | 9,938 | 8,000 | 9,898 | 8,000 | - | 0% |
| Park Attendant/ Security | 14,443 | 15,000 | 24,688 | 15,000 | 368 | 2% |
| Public Works Charges | 12 | 500 | 612 | 700 | - | 0% |
| Telephone | 1,674 | 3,000 | 2,116 | 3,000 | 323 | 11% |
| Equipment allocations | 2,000 | 2,000 | 800 | 1,800 | - | 0% |
| | <u>160,342</u> | <u>178,400</u> | <u>180,398</u> | <u>178,300</u> | <u>3,870</u> | <u>2%</u> |
| Net | <u>43,763</u> | <u>5,600</u> | <u>22,618</u> | <u>12,700</u> | <u>65,382</u> | |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of CLEC

| | 2017 Actual | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2019 % |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|
| Revenues | | | | | | |
| Group Revenues | 434,256 | 413,000 | 372,745 | 402,000 | 11,700 | 3% |
| Programming revenues | 1,000 | 1,000 | 9,738 | 9,000 | - | 0% |
| Rental Income | 6,000 | 6,000 | 6,000 | 6,000 | 1,000 | 17% |
| JCP | - | - | - | - | - | - |
| | <u>441,256</u> | <u>420,000</u> | <u>388,483</u> | <u>417,000</u> | <u>12,700</u> | <u>3%</u> |
| Expenditures - Variable | | | | | | |
| Program Services | 12,835 | 10,000 | 2,786 | 8,000 | - | 0% |
| Kitchen Wages | 81,244 | 80,000 | 69,458 | 80,000 | 1,773 | 2% |
| Food Supplies | 79,926 | 70,000 | 69,908 | 71,000 | 641 | 1% |
| Custodians | 44,616 | 40,000 | 36,732 | 40,000 | 597 | 1% |
| Equipment | - | - | - | - | - | - |
| Supplies | 4,283 | 4,000 | 3,371 | 4,000 | - | 0% |
| | <u>222,904</u> | <u>204,000</u> | <u>182,255</u> | <u>203,000</u> | <u>3,011</u> | <u>1%</u> |
| Expenditures - Fixed | | | | | | |
| Admin Salaries | 175,810 | 181,000 | 179,131 | 182,000 | 22,733 | 12% |
| Wage Recoveries | (30,000) | (31,000) | (31,000) | (31,000) | - | 0% |
| Housing Allowance | 6,000 | 6,000 | 6,000 | 6,000 | 1,000 | 17% |
| Town Administration | 21,600 | 22,500 | 22,500 | 22,500 | - | 0% |
| Electricity | 23,761 | 24,000 | 20,865 | 22,000 | 3,874 | 18% |
| Heat | 19,685 | 15,000 | 5,624 | 6,000 | - | 0% |
| Telephone & other Utilities | 9,538 | 11,300 | 10,753 | 11,500 | 1,543 | 13% |
| Bad Debts | - | - | - | - | - | - |
| Advertising | - | - | 807 | 1,000 | - | 0% |
| Contracted Services | 19,140 | 8,000 | 28,745 | 10,000 | 624 | 6% |
| Maintenance | 40,288 | 24,000 | 33,059 | 23,000 | 587 | 3% |
| Public Works Charges | 13,382 | 6,000 | 11,069 | 8,000 | 1,003 | 13% |
| Miscellaneous Operations | 790 | 200 | 11,891 | 8,000 | 1,842 | 23% |
| | <u>299,993</u> | <u>267,000</u> | <u>299,444</u> | <u>269,000</u> | <u>33,206</u> | <u>12%</u> |
| Total Expenses | <u>522,897</u> | <u>471,000</u> | <u>481,699</u> | <u>472,000</u> | <u>36,217</u> | <u>8%</u> |
| NET CLEC OPERATIONS | <u>(81,641)</u> | <u>(51,000)</u> | <u>(93,216)</u> | <u>(55,000)</u> | <u>(23,517)</u> | <u>43%</u> |
| NET LAKEVIEW AND CLEC | <u>(37,878)</u> | <u>(45,400)</u> | <u>(70,598)</u> | <u>(42,300)</u> | <u>41,865</u> | |
| Lakeview Park Road | | | | | | |
| Road maintenance | 18,165 | 13,000 | 5,650 | 13,000 | 653 | 43% |
| NET | <u>(56,044)</u> | <u>(58,400)</u> | <u>(76,248)</u> | <u>(55,300)</u> | <u>41,213</u> | |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Capital Expenses

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 Var |
|---------------------------------|--------------------|----------------|--------------------|----------------|--------------------|-------------|
| General | | | | | | |
| Asset appraisal - Insurance | - | - | - | - | - | - |
| Asset management plan | - | 30,000 | - | 50,000 | - | 0% |
| Computer Equipment | - | 20,000 | 6,394 | 15,000 | - | 0% |
| Demo costs - Neva Road | - | 100,000 | 34,315 | 100,000 | - | 0% |
| Hazmat Inventory | 3,828 | 20,000 | - | 10,000 | - | 0% |
| Health Unit Repairs | - | - | - | 10,000 | - | 0% |
| Office Equipment | - | 25,000 | - | 20,000 | 8,034 | 40% |
| Land Purchase | 75,503 | - | 9,911 | 14,000 | 1,200 | 9% |
| Museum | - | 30,000 | - | 30,000 | - | 0% |
| Office Improvements | - | - | - | - | - | - |
| Mildred Child area upgrades | - | - | - | 300,000 | - | 0% |
| Town hall renovations | 2,575 | 3,647,000 | 7,518 | 1,804,000 | 934 | 0% |
| | 81,907 | 3,872,000 | 58,137 | 2,353,000 | 10,167 | 0% |
| CLEC | | | | | | |
| Carpet / Flooring | - | 5,000 | - | 5,000 | - | 0% |
| Electrical upgrades | - | 10,000 | 9,788 | 3,000 | - | 0% |
| Clec JCP | - | 18,000 | 11,629 | - | - | - |
| Mattresses | 4,270 | - | 1,099 | - | - | - |
| Equipment - Propane Stove | 8,769 | - | - | - | - | - |
| Concrete patio/deck renovation | - | - | - | - | - | - |
| Water system/well | - | 90,000 | 44,384 | 50,000 | 1,190 | 2% |
| | 13,039 | 123,000 | 66,899 | 58,000 | 1,190 | 2% |
| Fire Department | | | | | | |
| Gas monitor and controls | - | 10,000 | 7,250 | - | - | - |
| Storz hydrant upgrades | - | 16,000 | 16,675 | - | - | - |
| Office renovation | - | 10,000 | - | 10,000 | - | 0% |
| Heat Pump/Generator Replacement | 8,832 | 15,000 | 11,510 | 15,000 | - | 0% |
| Forestry Hose and Gear | 21,227 | 10,000 | - | 10,000 | - | 0% |
| #6 New Fire truck equipment | - | - | - | 27,000 | - | 0% |
| Misc Fire Equipment | - | - | - | - | - | - |
| FD#16 New Tank | - | - | - | 5,000 | - | 0% |
| Firehall repairs | 6,282 | 6,000 | - | 6,000 | - | 0% |
| Training Ground Facilities | 32,616 | 30,000 | 96,102 | 48,500 | - | 0% |
| Truck purchase | - | 370,000 | - | 700,000 | - | 0% |
| Tools and Equipment | 3,301 | 3,000 | 535 | 3,000 | - | 0% |
| Holmatro upgrade and used pump | - | - | - | - | - | - |
| Hoses and valving | 8,996 | 8,000 | 9,513 | 8,000 | - | 0% |
| | 81,253 | 478,000 | 141,585 | 832,500 | - | 0% |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
General Fund - Schedule of Capital Expenses

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 Var |
|-------------------------------------|--------------------|------------------|--------------------|------------------|--------------------|-------------|
| Public Works | | | | | | |
| Equipment Purchase | 53,136 | 586,500 | 75,442 | 630,000 | 37,364 | 6% |
| Annual Paving Program | 58,314 | - | - | - | - | - |
| Computer Software | - | - | - | - | - | - |
| Cross Walk lights - Post Office | - | 20,000 | - | 20,000 | - | 0% |
| Engineering Design - King George St | - | 20,000 | - | - | - | - |
| North Shore Rd Engineering | - | - | - | - | - | - |
| Garbage facilities - clec | - | 10,000 | - | 20,000 | - | 0% |
| PW Office/Yard - Cap | - | - | - | 100,000 | - | 0% |
| PW Truck Shelter - Cap | - | - | - | - | - | - |
| Sidewalks | - | 50,000 | - | - | - | - |
| Signs - Capital | - | - | - | 50,000 | - | 0% |
| South Shore Road Improvements | - | - | - | - | - | - |
| Renfrew Town Square | - | - | - | - | - | - |
| Refurbish footbridge | - | 200,000 | - | - | - | - |
| Stormwater Mapping | - | - | - | - | - | - |
| Small tools | 2,133 | 5,000 | 2,713 | 5,000 | - | 0% |
| | <u>113,582</u> | <u>891,500</u> | <u>78,155</u> | <u>825,000</u> | <u>37,364</u> | <u>5%</u> |
| Lakeview Park | | | | | | |
| JCP Recoveries - Cap | - | - | - | - | - | - |
| Garbage facilities | - | 22,000 | 3,309 | - | - | - |
| Resurfacing campsites - gravel/sand | - | - | - | - | - | - |
| Floating walkway repairs | - | - | - | 10,000 | - | 0% |
| Lakeview Washrooms | - | - | - | - | - | - |
| | <u>-</u> | <u>22,000</u> | <u>3,309</u> | <u>10,000</u> | <u>-</u> | <u>0%</u> |
| Parks | | | | | | |
| Central Park Washroom/Stage | - | - | - | - | - | - |
| Centennial Park Upgrades | 897,584 | 400,000 | 472,924 | 100,000 | - | 0% |
| Centennial Park Washrooms | - | - | - | 100,000 | - | 0% |
| Columbarium planning | 5,187 | 5,000 | 48,325 | - | - | - |
| Columbarium niche revenue | - | - | - | - | - | - |
| Connecting Communities | - | - | - | 2,005,000 | - | 0% |
| Misc Parks Capital | - | - | - | - | - | - |
| Marina Park Dock Repairs | 42,222 | 15,000 | 5,047 | 25,000 | - | 0% |
| Park Benches | - | - | - | - | 689 | - |
| Pickleball/Tennis Courts | 35,054 | 14,945 | 1,671 | 13,274 | - | 0% |
| Sahtlam Park | - | 10,000 | - | 10,000 | - | 0% |
| Riverside Park - Washrooms JCP | - | 50,000 | - | 50,000 | - | 0% |
| Saywell Park Improvements | - | 23,000 | - | 25,000 | - | 0% |
| Saywell Park JCP | - | - | - | - | - | - |
| Town Square Ramp | - | - | - | 8,000 | - | 0% |
| | <u>980,047</u> | <u>517,945</u> | <u>527,967</u> | <u>2,336,274</u> | <u>689</u> | <u>0%</u> |
| Total General Capital | <u>1,269,829</u> | <u>5,904,445</u> | <u>876,052</u> | <u>6,414,774</u> | <u>49,410</u> | <u>1%</u> |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
Sewer Fund

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 % |
|------------------------------|--------------------|----------------|--------------------|------------------|--------------------|------------|
| Revenues | | | | | | |
| User Rates | 457,201 | 456,000 | 486,145 | 471,000 | 467,213 | 99% |
| Connection Fees | 6,047 | 1,000 | 3,920 | 1,000 | 60 | 6% |
| Penalties And Other Interest | 4,780 | 4,600 | 4,538 | 4,500 | - | 0% |
| Sewer Facilities Grant | - | - | - | - | - | - |
| Conditional Grants | - | - | - | 3,000,000 | - | 0% |
| Parcel Tax | 164,000 | 165,800 | 165,800 | 166,600 | - | 0% |
| Contribution from others | - | - | - | - | - | - |
| Transfer From Surplus | - | 105,400 | - | - | - | - |
| | <u>632,028</u> | <u>732,800</u> | <u>660,403</u> | <u>3,643,100</u> | <u>467,273</u> | <u>13%</u> |
| Expenditures | | | | | | |
| Administration | 1,690 | 2,700 | 2,376 | 3,000 | 15 | 1% |
| Office Administration | 47,300 | 57,000 | 57,000 | 67,000 | - | 0% |
| Consumption Rebates | 325 | 1,000 | 100 | - | - | - |
| PW Administration | 83,800 | 83,900 | 83,900 | 90,000 | - | 0% |
| Discounts | 32,240 | 35,400 | 35,451 | 35,500 | 35,691 | 101% |
| General Maintenance | 38,227 | 65,000 | 64,793 | 67,000 | 7,781 | 12% |
| Connections Maintenance | 2,527 | 9,000 | 2,305 | 9,000 | 134 | 1% |
| Chlorination | 9,862 | 10,000 | 9,008 | 10,000 | 3,006 | 30% |
| New Connections | 3,106 | 4,000 | 3,665 | 5,000 | - | 0% |
| Sewer Flushing | 6,615 | 7,000 | 6,586 | 7,000 | - | 0% |
| Sewer Pump Maintenance | 32,373 | 76,500 | 41,520 | 76,500 | 5,476 | 7% |
| Sewer Lagoon Maintenance | 55,706 | 91,300 | 61,382 | 91,000 | 2,275 | 2% |
| Transfer to Surplus | - | - | - | - | - | - |
| Amortization - Sewer Fund | 93,805 | - | 93,654 | - | - | - |
| Capital | 2,055 | 290,000 | 18,551 | 3,435,000 | - | 0% |
| | <u>409,630</u> | <u>732,800</u> | <u>480,292</u> | <u>3,896,000</u> | <u>54,378</u> | <u>1%</u> |
| Surplus(Deficit) | <u>222,398</u> | <u>-</u> | <u>180,111</u> | <u>(252,900)</u> | <u>412,896</u> | |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
Sewer Fund

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 % |
|-------------------------------|--------------------|----------------|--------------------|------------------|--------------------|-----------|
| <u>SEWER CAPITAL</u> | | | | | | |
| Liftstation Upgrades | - | 40,000 | 18,551 | 60,000 | - | 0% |
| Liftstation #1 Upgrade | - | - | - | 75,000 | - | 0% |
| Sewer I&I | - | 150,000 | - | 150,000 | - | 0% |
| Sewer Treatment Miscellaneous | - | 100,000 | - | - | - | - |
| Sewer Treatment Construction | 2,055 | - | - | 3,000,000 | - | 0% |
| Sewer Lagoon | - | - | - | 150,000 | - | 0% |
| Riverside Force Main | - | - | - | - | - | - |
| | <u>2,055</u> | <u>290,000</u> | <u>18,551</u> | <u>3,435,000</u> | <u>-</u> | <u>0%</u> |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
Water Fund

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 % |
|-----------------------------------|--------------------|------------------|--------------------|------------------|--------------------|------------|
| Revenues | | | | | | |
| User Rates | 547,045 | 555,000 | 576,804 | 575,000 | 563,577 | 98% |
| Connection Fees | 44,270 | 1,000 | 11,860 | 1,000 | 1,360 | 136% |
| Fire Hydrant Installation & other | 3,353 | 3,000 | 31,674 | 4,000 | - | 0% |
| Other Penalties And Interest | 5,756 | 5,500 | 5,410 | 5,400 | (406) | -8% |
| Grant - Water main upgrades | 545,718 | 583,375 | 343,792 | 182,075 | - | 0% |
| Infrastructure Grant | 1,651,313 | 3,248,687 | 3,248,687 | - | - | - |
| CONTRIBUTION FROM OTHERS | - | 28,000 | - | - | - | - |
| Parcel Tax | 234,360 | 236,880 | 236,880 | 238,000 | - | 0% |
| Transfer From Surplus | - | 813,418 | - | - | - | - |
| | <u>3,031,815</u> | <u>5,474,860</u> | <u>4,455,108</u> | <u>1,005,475</u> | <u>564,530</u> | <u>56%</u> |
| Expenditures | | | | | | |
| Administration | 1,934 | 3,400 | 1,504 | 3,400 | - | 0% |
| Office Administration | 66,500 | 76,500 | 76,500 | 92,000 | - | 0% |
| PW Administration | 83,100 | 95,600 | 95,600 | 115,000 | - | 0% |
| Consumption Rebates | 325 | 1,000 | 100 | - | - | - |
| Discounts | 39,646 | 42,900 | 42,938 | 43,000 | 43,470 | 101% |
| Safety and Training | 1,853 | 4,500 | 1,926 | 4,500 | - | 0% |
| Chlorination | 14,608 | 9,000 | 13,975 | 14,000 | 3,757 | 27% |
| Flushing | - | 12,500 | 10,153 | 12,500 | - | 0% |
| Reservoir | 9,557 | 4,500 | 5,783 | 2,000 | 10,328 | 516% |
| General Maintenance | 68,382 | 89,000 | 74,131 | 100,000 | 19,166 | 19% |
| Hydrants | 15,441 | 22,660 | 18,698 | 22,500 | 201 | 1% |
| New Connections | 16,594 | 8,000 | 10,713 | 10,000 | 193 | 2% |
| Connection Maintenance | 56,233 | 75,000 | 52,422 | 75,000 | 9,395 | 13% |
| Water Meters | 21,000 | 13,500 | 20,450 | 20,000 | 1,249 | 6% |
| Pump House Maintenance | 44,432 | 32,500 | 39,402 | 42,000 | 4,692 | 11% |
| Small equipment | - | - | 2,269 | - | 749 | - |
| Booster Pumps Maintenance | 8,425 | 11,300 | 9,244 | 12,000 | - | 0% |
| Slopes water pump station | 5,582 | 8,000 | 5,820 | 8,000 | 149 | 2% |
| Greendale Water Connection | 14,448 | - | 4,023 | - | 541 | - |
| Water treatment plant | - | 50,000 | 1,400 | 95,000 | 13,234 | 14% |
| Transfer to surplus | - | - | - | - | - | - |
| Amortization - Water Fund | 105,708 | - | 111,692 | - | - | - |
| Capital | <u>2,470,128</u> | <u>4,915,000</u> | <u>5,310,230</u> | <u>705,000</u> | <u>1,534</u> | <u>0%</u> |
| | <u>3,043,894</u> | <u>5,474,860</u> | <u>5,908,972</u> | <u>1,375,900</u> | <u>108,659</u> | <u>8%</u> |
| Surplus(Deficit) | <u>(12,080)</u> | <u>-</u> | <u>(1,453,864)</u> | <u>(370,425)</u> | <u>455,871</u> | |

TOWN OF LAKE COWICHAN
Statement of Expenditure - March 31, 2019
Water Fund

| | 2017 YTD Actual | 2018 Budget | 2018 YTD Actual | 2019 Budget | 2019 YTD Actual | 2019 % |
|---------------------------------------|--------------------|------------------|--------------------|----------------|--------------------|-----------|
| <u>WATER CAPITAL</u> | | | | | | |
| Cowichan Lake Road Loop | - | - | - | - | - | - |
| Backup Power-North Shore Pump | - | - | - | - | 7 | - |
| Flow meter / recorder equipment | - | - | - | - | - | - |
| Greendale Road Watermain | 373,647 | 365,000 | 450,770 | - | - | - |
| Greendale Trestle Watermain Upgrade | 37,546 | 200,000 | 7,749 | 340,000 | 1,534 | 0% |
| North Shore Pump Station Backup Power | - | - | - | 100,000 | - | 0% |
| Ohtaki Bridge Watermain Upgrade | - | 200,000 | - | - | - | - |
| Park Rd Watermain Upgrade | - | - | - | - | - | - |
| Wilson Watermain Upgrade | 307,583 | - | - | - | - | - |
| Water main upgrade | - | - | - | - | - | - |
| Water Modelling | - | 31,000 | 24,953 | 35,000 | - | 0% |
| Water Treatment Upgrade | 1,751,351 | 4,050,000 | 4,826,757 | 200,000 | - | 0% |
| Watermain Upgrades | - | 69,000 | - | - | - | - |
| Water metering | - | - | - | 30,000 | - | 0% |
| | <u>2,470,128</u> | <u>4,915,000</u> | <u>5,310,230</u> | <u>705,000</u> | <u>1,534</u> | <u>0%</u> |



Building Report

TO: Chief Administrative Officer

SUBJECT: Building Permit Summary for the Month of MARCH


DATE: APR. 2, 2019

FROM: Building Inspector

Applications

| | Outstanding Permits | | Applications Completed | | Taken out in Current Month |
|----------------------------|---------------------|--------------|------------------------|--------------|----------------------------|
| | Previous Years' | Current Year | Previous Years' | Current Year | |
| Single Family Dwellings | 33 | 5 | 4 | | 4 |
| Commercial | 5 | | | | |
| Carport / garage | 6 | 1 | | | |
| Demolitions | 1 | | | | |
| Renovations | 16 | 6 | | | 4 |
| Deck | 9 | | | | |
| Lawn Sprinkler / Woodstove | | | | | |
| Relocated Home | | | | | |
| Other <u>SHEDS</u> | 1 | | | | |
| TOTALS | 71 | 12 | 4 | 0 | 8 |

| Building Permit Fees | Value of construction | Permit fees |
|-----------------------|-----------------------|-------------|
| For the current month | 906,096.00 | 8,994.00 |
| Year to Date | 1,431,371.00 | 13,528.00 |



 Dennis Young
 22

Bylaw Complaint Report
 Town of Lake Cowichan
 February- March , 2019



| Complaints | # | Outcome |
|---|---|--|
| Dog at Large | | No address on the dog and has not been seen again. |
| Dog barking | | Talked to owner of the dog has been tagged and will keep inside at night |
| Illegal burning | 2 | Both property owners have been warned and will be fined for any more incidents |
| Illegal parking | | Ongoing neighbour dispute warning given and fines will be issued for any more infractions |
| Illegal parking | 9 | Red tags issued compliance on all |
| Overgrown hedge | | Talk to property owner and compliance with a warning |
| Unoccupied residence not wanting to pay utilities | | At first inspection of the residence was complete and could be occupied, on second inspection kitchen and bathroom has be demoed |



MEMORANDUM

TO: JOSEPH FERNANDEZ, CAO
FROM: JAMES VAN HEMERT
SUBJECT: ATTAINABLE HOUSING
DATE: 3/29/2019

Summary of Findings from Background Report from the Cowichan Housing Association

- The Town's median household income is at the lower end of the range within the CVRD (between 40 and 48K annually; Shawinigan Lake, for example, is between 72 and 80K)
- 26.1 % of Lake Cowichan residents are renters (CVRD average is 21.5%)
- 27.9% of Lake Cowichan residents spend more than 30% of their income on housing (compared to just under 25% for the CVRD)

Commentary

For the most part this is a confirmation of what we have already learned in our background study for the OCP update. There is some additional detail, but nothing that suggests we need to modify newly drafted policy and actions for the OCP.

Observations on the Workshop

A workshop was hosted by the Cowichan Housing Association in February at the Riverside Inn. It was very well attended, with standing room only for latecomers. Overall there is a keen level of interest in addressing attainable, affordable and assisted living accommodations for seniors as well as an expanded range of housing types (townhouses, suites, apartments, small houses).

Policy and regulatory tools that local governments can use to address attainable housing are continually being adjusted to accommodate more housing choices (e.g. we have recently adopted Tiny House zone district, duplexes in a zoning amendment for Point Ideal, backyard garden suites). The OCP update will take this a further step with more progressive housing policy.

Summary of Strategy

The strategy seeks the following outcomes (I include a relevant local response):

1. Increase non market rentals

- *Response:* this requires partnerships with developers and income assistance providers; the best first project for the town is for seniors

2. Increase market rentals

- *Response:* Updated draft OCP recommends a new rental only zone district and supports a wider variety of housing types

3. Maintain rental supply

- *Response:* Existing rental supply is limited and consists primarily of dispersed private properties, not purpose built projects

4. Address housing supports

- *Response:* This is primarily a regional and provincial issue and Lake Cowichan can participate as opportunity arises

5. Innovative affordable ownership

- *Response:* The Town's most appropriate role is through policy and regulatory innovation—greater flexibility and more options, something we have already begun to do

A summarizing PowerPoint about the Strategy from the Cowichan Housing is available separately.

w:\planning\housing and population studies\memo to council re attainable housing.docx

Action Planning for Attainable Housing in Cowichan

Lake Cowichan: Session Notes

Thursday, February 21, 2018 at Riverside Inn

4:30 p.m. to 7:30 p.m.

Community Partner: Cowichan Lake Community Services

Overview

The Action Planning for Attainable Housing in Lake Cowichan workshop was attended by approximately 35 community members. The workshop began with a presentation of background information on housing indicators and the results of community consultation on the Attainable Housing Strategy by Cowichan Housing Association and Social Planning Cowichan, followed by an inspirational presentation by Bob Day on the Cowichan Lake Elder Care Society housing project. Attendees then participated in group exercises to discuss goals and priorities for affordable housing, and potential strategies for building capacity, local policies, partnerships and collaboration, and community education, awareness and advocacy. The following is a summary of flip chart notes that were recorded during the session.

World Café Discussion Notes

Goals & Priorities Identified:

- Shared housing, Pocket neighborhoods, clustered housing, protecting farmland with living spaces closer together, more compact forms
- For everyone across the spectrum – seniors, people with disabilities, young families and single folks all have a home
- A thriving Community needs to be successful and prosperous with the necessary housing
- Seniors can stay at home, young families can afford to purchase.
- Incentives for first-time and low-income
- Mixed housing:
 - Tiny homes, co-op housing, emergency service personnel or teacher housing,
 - Clusters of Modular Homes with communal facilities.
 - Apartments, townhouses, duplexes.
 - Senior care facility!
- Remove barriers to secondary Suites:
 - Review the OCP.
- Greater medical support.
- Improved Transit
- Wheelchair accessible
- More land made available example Crown land or schools
- More communication example with First Nations.
- Services, activities for seniors are accessible example. to Lake and Recreation
- More rental housing
- Strategy development
- Zoning for lot sizes tiny homes by town cost of buildings

Policy Strategies Identified

- The 12 samples are good they covered just about everything.
- Explore the pros and cons of removing Strata restrictions and rentals
- Respond to Airbnb extra income vs reduced rental stock
- Secondary homes second home taxes?
- Consider the quality of life continuing well development happens.

- See what other communities are doing and how they have developed, explore other models around the world that are proven
- Engage with residents to listen and inform
 - Promote and encourage Community by getting together
- Demonstrate the need to government when asking for funding
- Embrace innovative and new concepts
 - Barn Building concepts
 - “hero works”
 - FUBU for us by us
 - Community building events
- Ensure supportive recreation, services, etc. are accessible
- Communication plan to increase awareness and advocacy and recommend appropriate protocols
- Find incentives - example reduced fees, speed up long-term fiscal arrangements
- Find a path to home ownership via fiscal policy
- Negotiate conditions and rezoning
- Incentives such as:
 - tax breaks, recognition, barter system, donations, naming-rights, emphasized local involvement in ownership
- Utilize and recruit volunteer experts
- Habitat for Humanity projects – learn from them
- Find Consultants who can guide organizations

Community Engagement, Awareness and Advocacy Strategies Identified:

- Effective communication outlets
 - Email and social media
 - Community presentations
- Identify and engage agencies that can help
- Development fees for housing and zoning
- Reclaim School properties
- Ensuring lifetime tenancy and infill housing
- Zoning restrictions for moving forward but zoning protects us from making mistakes
 - a paradigm shift is in need
- Repackaged statistics so people can relate think of us as your friends
- Engagement and advocacy and education
- Landlord and tenant support and education
- Developer advocacy
- Responding to NIMBY-ism
- **This area needs an advocacy group to get things moving forward with reliable communication**

Memo



TO: Chair, Finance and Administration Committee
SUBJECT: Amendment to Animal Control Bylaw
DATE: April 2, 2019
FROM: Chief Administrative Officer

Background

The Town of Lake Cowichan has an animal control bylaw in place. The committee has directed the addition of language that would prohibit cruelty to animals.

Amendment Proposal

10. CRUELTY TO ANIMALS

10.1 A new section would be added that would reads as follows:

No person shall keep any animal within the Town unless it is provided with:

- a) clean potable drinking water at all times and suitable food of sufficient quantity and quality to allow for normal growth and the maintenance of normal body weight;
- b) food and water receptacles kept clean and disinfected and located so as to avoid contamination by excreta;
- c) the opportunity for periodic exercise sufficiently to maintain good health; and
- d) necessary veterinary medical care when the animal exhibits signs of pain or suffering.

10.2 No person shall keep any animal within the Town unless the animal is provided with outside shelter:

- a) to ensure protection from heat, cold and wet that is appropriate to the animal's weight and type of coat. Such shelters must provide sufficient space to allow any animal the ability to turn about freely and to easily stand, sit and lie in a normal position;
- b) at least 12 times the length of the animal and at least the animal's length in width, and at least as high as the animal's height measured from the floor to

Memo

TO: Chair, Finance and Administration Committee

FROM: Chief Administrative Officer

DATE: April 3, 2019

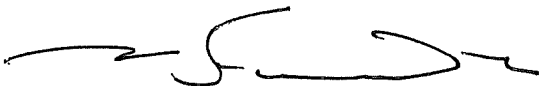
SUBJECT: Purchase of Mower

Council has acknowledged the need for the purchase of a mower during the budget review process.

The Superintendent, Public Work and Engineering Services, has reviewed and has discussions with a supplier, Island Tractor and Supply Ltd., for the purchase of a mower at the quoted price of \$26,919.20 with taxes in.

Recommendation

that the committee approve the purchase of a mower from Island Tractor and Supply Ltd. for a total price of \$26,919.241 inclusive of taxes.



Joseph A. Fernandez
Chief Administrative Officer

Town of Lake Cowichan
Audit Service Plan
Year Ending December 31, 2018
For presentation to the Mayor and Council

January 22, 2019

Members of the Mayor and Council of Town of Lake Cowichan

Dear Mayor and Council:

We are pleased to present our Audit Service Plan for Town of Lake Cowichan (the "Town"). In this plan we describe MNP's audit approach, our engagement team, the scope of our audit and a timeline of anticipated deliverables. We are providing this Audit Service Plan to the Mayor and Council on a confidential basis. It is intended solely for the use of the Mayor and Council and is not intended for any other purpose. Accordingly, we disclaim any responsibility to any other party who may rely on this report.

Our engagement will include an audit of the Town's consolidated financial statements for the year ended December 31, 2018, prepared in accordance with Canadian public sector accounting standards. Our audit will be conducted in accordance with Canadian generally accepted auditing standards.

At MNP, our objective is to perform an efficient, high quality audit which focuses on those areas that are considered higher risk. We adhere to the highest level of integrity and professionalism. We are dedicated to maintaining open channels of communication throughout this engagement and will work with management to coordinate the effective performance of the engagement. Our goal is to exceed the Mayor and Council's expectations and ensure you receive outstanding service.

Our Engagement Letter has also been included along with this report. Our Engagement Letter is the formal written agreement of the terms of our audit engagement as negotiated with management and outlines our responsibilities under Canadian generally accepted auditing standards.

We look forward to discussing our audit service plan with you and look forward to responding to any questions you may have.

Sincerely,

MNP LLP

MNP LLP
Chartered Professional Accountants

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OVERVIEW

To make strategic business decisions with confidence, your stakeholders and the Mayor and Council of Town of Lake Cowichan need relevant, reliable and independently audited financial information. But that's not all. You need an audit team that can deliver insight beyond the numbers and enhance Town of Lake Cowichan's strategic planning and implementation processes so you can embrace new opportunities while effectively managing risk. Our senior team members have extensive knowledge of municipalities from many years of experience. Our audit strategy is risk based, and takes into account the limitations and opportunities you encounter each day, allowing our recommendations to be implemented with greater ease. Committed to your success, MNP delivers meaningful, reliable financial information to not only help you fulfill your compliance obligations, but also to achieve your key strategic goals.

Our Audit Service Plan outlines the strategy we will follow to provide Town of Lake Cowichan's Mayor and Council with our Independent Auditors' Report on the December 31, 2018 financial statements.

TOPICS FOR DISCUSSION

We are committed to providing superior client service by maintaining effective two-way communication.

Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- The management oversight process
- Fraud:
 - How could it occur?
 - Risk of fraud and misstatement?
 - Actual, suspected or alleged fraud?
- Your specific needs and expectations
- Audit Service Plan
- Any other issues and/or concerns

KEY CHANGES AND DEVELOPMENTS

Based on our knowledge of the Town and our discussions with management, we have noted the recent developments set out below. Our audit strategy has been developed giving consideration to these factors.

| Issues and Developments | Summary |
|----------------------------|---|
| New reporting developments | PS 2200 Related Party Disclosures (New) PS 3210 Assets (New) PS 3320 Contingent Assets (New) PS 3380 Contractual Rights (New) PS 3420 Inter-entity Transactions (New) PS 3430 Restructuring Transactions (New) |
| New assurance developments | New and Revised Auditor Reporting Standards |

Detailed information on Key Changes and Developments are included as Appendix A.

MNP'S AUDIT PROCESS

MNP's audit methodology, "The MAP", is a risk based audit approach that is divided into four separate stages: Pre-planning, Planning and Risk Assessment, Risk Response and Completion and Reporting. Our audit process focuses on significant risks identified during the pre-planning and planning and risk assessment stage, ensuring that audit procedures are tailored to your specific circumstances and appropriately address those risks.

The Mayor and Council is responsible for approval of the consolidated financial statements and Town policies, and for monitoring management's performance. The Mayor and Council should consider the potential for management override of controls or other inappropriate influences, such as earnings management, over the financial reporting process. The Mayor and Council, together with management, is also responsible for the integrity of the accounting and financial reporting systems, including controls to prevent and detect fraud and misstatement, and to monitor compliance with relevant laws and regulations.

Effective discharge of these respective responsibilities is directed toward a common duty to provide appropriate and adequate financial accountability, and quality financial disclosure.

AUDIT MATERIALITY

Materiality is an important audit concept. It is used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. Specifically, a misstatement or the aggregate of all misstatements in consolidated financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures) is considered to be material if it is probable that the decision of the party relying on the consolidated financial statements, who has reasonable understanding of business and economic activities, will be changed or influenced by such a misstatement or the aggregate of all misstatements.

The scope of our audit work is tailored to reflect the relative size of operations of the Town and our assessment of the potential for material misstatements in the Town's consolidated financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the Town;
- Changes within the organization, management or accounting systems; and
- Concerns expressed by management.

Judgment is applied separately to the determination of materiality in the audit of each set of consolidated financial statements (and, if applicable, for particular classes of transactions, account balances or disclosures) and is affected by our perception of the financial information needs of users of the financial statements.

In this context, it is reasonable to assume that users understand that financial statements are prepared, presented and audited to levels of materiality; recognize uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and consideration of future events; and make reasonable economic decisions based on the financial statements. The foregoing factors are taken into account in establishing the materiality level.

We propose to use \$300,000 as overall materiality for audit planning purposes.

RISK ASSESSMENT

Based on the preliminary risk assessment procedures performed, we have identified the following significant risks which will be addressed during our audit. We have also outlined the proposed audit response to address those risks. We will update our risk assessment as the audit progresses for additional risks identified and will inform management of any additional significant risks identified.

TIMING OF THE AUDIT

Based on the audit planning performed and areas of audit risks identified, the following timelines for key deliverables have been discussed and agreed upon with management:

| KEY DELIVERABLE | EXPECTED DATE |
|--|---------------|
| Delivery of December 31, 2018 Audit Service Plan to the Mayor and Council | January 2019 |
| Year-end fieldwork procedures | April 2019 |
| Draft year-end consolidated financial statements to be discussed with management | April 2019 |
| Presentation of December 31, 2018 Audit Findings Report to the Mayor and Council | May 2019 |
| Issuance of Independent Auditors' Report | May 2019 |

To meet your requirement of final financial statements released on , we plan to present our audit findings to the Mayor and Council on .

AUDIT TEAM

In order to ensure effective communication between the Mayor and Council and MNP, we outline below the key members of our audit team that will be responsible for the audit of Town of Lake Cowichan and the role they will play:

| NAME | POSITION |
|---------------------------|--------------------|
| Cory Vanderhorst, CPA, CA | Engagement Partner |
| Debbie Bass, CPA, CA | Concurring Partner |
| James Kungel, CPA, CA | Tax Partner |
| Graham Roberts, CPA, CA | Senior Manager |

In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other MNP professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit. Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties' needs are met.

FEES AND ASSUMPTIONS

Our audit fees for the year ended December 31, 2018 are estimated to be the following, exclusive of applicable taxes:

| | DECEMBER 31, 2018 ESTIMATE | DECEMBER 31, 2017 ACTUAL |
|-----------------------------|-------------------------------|-----------------------------|
| Base fee | 16,200 | 15,900 |
| Administrative expense - 5% | 810 | 795 |
| Total | 17,010 | 16,695 |

Our audit fees are based on our estimated audit hours which consider our expectations of required work and our knowledge of the Town. These estimated hours rely on the following assumptions:

- No significant deficiencies in internal controls which cause procedures to be extended
- No major unadjusted misstatements or un-reconciled balances
- Significantly all adjusting entries are completed prior to trial balance and journal entries being provided to audit team
- All management and required staff are available as needed
- Information and working papers required, as outlined in our letter of fiscal year-end requirements, are provided in the mutually agreed form and timing
- There are no changes to the agreed upon audit timetable and reporting requirements

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner so a mutually agreeable solution can be reached.

Pursuant to our billing policy, we will issue interim bills as follows:

- a) On delivery of the audit service plan 50% of the estimated fee;
- b) At the start of year-end field work, 25% of the estimated fee;
- c) Upon the delivery of the final consolidated financial statements and independent auditors' report, 25% of the estimated fee.

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner so a mutually agreeable solution can be reached.

AUDITOR INDEPENDENCE

An essential aspect of all our services to the Town is an independent viewpoint, which recognizes that our responsibilities are to the Mayor and Council. While the concept of independence demands a questioning and objective attitude in conducting our audit, it also requires the absence of financial or other interests in the Town. In accordance with our firm's policy, and the Rules of Professional Conduct, which govern our profession, neither MNP nor any of its team members assigned to the engagement or any of its partners, are permitted to have any involvement in or relationship with the Town that would impair independence or give that appearance.

As auditors, we subscribe to the highest standards and are required to discuss the auditors' independence with the Mayor and Council on an annual basis. Under the standard an auditor shall:

- Disclose to the Mayor and Council in writing, all relationships between the auditor and the Town that in the auditors' professional judgment may reasonably be thought to bear on our independence;
- Confirm in writing that, in its professional judgment, MNP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia; and,
- Discuss the auditors' independence with the Mayor and Council.

We are not aware of any relationships between our Firm and the Town during the year that, in our professional judgment, may reasonably be thought to bear on our independence to date.

We hereby confirm that we are independent auditors with respect to the Town.

During the course of the audit, we will communicate any significant new matters that come to our attention that, in our professional judgment, may reasonably be thought to bear on our independence. At the completion of our audit, we will reconfirm our independence.

We look forward to discussing with you the matters addressed above. We will be prepared to answer any questions you may have regarding our independence, as well as any other matters of interest to you.

APPENDIX A - New and Proposed Reporting Developments

PS 2200 Related Party Disclosures (New)

In March 2015, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 *Related Party Disclosures*.

This new Section defines a related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This Section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

PS 3210 Assets (New)

In June 2015, new PS 3210 *Assets* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 *Financial Statement Concepts*. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3320 Contingent Assets (New)

In June 2015, new PS 3320 *Contingent Assets* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3380 Contractual Rights (New)

In June 2015, new PS 3380 *Contractual Rights* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3420 Inter-entity Transactions (New)

In March 2015, the Public Sector Accounting Board (PSAB) issued new PS 3420 *Inter-entity Transactions*.

The new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new Section are:

- Under a policy of cost allocation, revenues and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with PS 2200 *Related Party Disclosures*.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3430 Restructuring Transactions (New)

In June 2015, new PS 3430 *Restructuring Transactions* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is permitted.

New and Revised Auditor Reporting Standards

In April 2017, the Auditing and Assurance Standards Board adopted the new and revised auditor reporting standards, effective for year ends ending on or after December 15, 2018. As a result of this, the independent auditor's report will be presented in a revised format. The new report provides reporting of going concern matters, as well as entity-specific reporting of other information, and provides enhanced transparency by clarifying the scope of the auditor's work as well as the roles and responsibilities of the auditor, management, and those charged with governance.

APPENDIX B – The Audit Process

Our Plan

Our overall audit strategy is risk-based and controls-oriented. Assessment and identification of risk is performed continuously throughout the audit process. We focus on the risks that have a potential impact on the financial accounting systems and subsequent financial reporting.

Our overall audit strategy does not, and is not intended to involve the authentication of documents, nor are our team members trained or expected to be experts in such authentication. Unless we have reason to believe otherwise, we accept records and documents as genuine. The subsequent discovery of a material misstatement resulting from fraud does not, in and of itself, indicate a failure to comply with Canadian generally accepted auditing standards.

Audit Procedures

To meet our responsibilities in accordance with Canadian generally accepted auditing standards, our audit examination includes:

- Obtaining an understanding of the entity and its environment, including its controls, in order to identify and assess the risk that the consolidated financial statements contain material misstatements due to fraud or misstatement;
- Assessing the adequacy of and examining, on a test basis, the key controls over significant transaction streams and over the general organizational and computer environments;
- Assessing the systems used to ensure compliance with applicable legislative and related authorities pertaining to financial reporting, revenue raising, borrowing, and investing activities;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessing the appropriateness and consistency of accounting principles used and their application;
- Assessing the significant estimates used by management; and,
- Assessing the entity's use of the going concern assumption in the preparation of the consolidated financial statements.

As part of our planning process, we will also undertake to inform the Mayor and Council of concerns relating to management's implementation and maintenance of controls, and the effects of any such concerns on the overall strategy and scope of the audit. These concerns might arise from the nature, extent and frequency of management's assessments of controls in place to detect fraud and misstatement, and of the risk that the consolidated financial statements may be misstated; from a failure by management to appropriately address significant deficiencies in controls identified in prior audits; and, from our evaluation of the Town's control environment, and management's competence and integrity.

Overall Reliance

In general, there are three levels of reliance that we can place on controls, or the absence thereof:

Low/None – where we cannot rely on controls because they are weak or absent, or where it is deemed to be more efficient to carry out a high level of direct substantive tests of transactions and balances. Audit evidence is primarily obtained through detailed verification procedures and sufficient substantive tests of details and transactions.

Moderate – where there are some deficiencies in systems application or procedural controls, or where it is deemed to be inefficient to test systems application controls, but where we can test and rely on the management monitoring systems in place to detect and correct material misstatements in the financial reporting systems. Testing of controls is supplemented with a moderate level of substantive tests of details and transactions.

APPENDIX B – The Audit Process *(continued from previous page)*

High – where a high degree of control is in place in the areas of management monitoring controls AND systems application and procedural controls. Our audit work focuses on testing both management monitoring and systems application and procedural controls, and is supplemented with a low level of substantive tests of details and transactions.

For the December 31, 2018 audit, we are planning to place low/no reliance on the Town's accounting systems. This level of reliance is consistent with the prior year, and will involve substantive tests of transactions and balances.

As part of our audit work we will update our understanding of the entity and its environment, including the controls relevant to our audit of the principal transaction cycles, sufficient to identify and assess the risks of material misstatement of the consolidated financial statements resulting from fraud or misstatement. This will be accomplished through inquiries with management and others within the entity, analytical procedures and observation and inspection. Furthermore, we will consider whether effective controls have been established to adequately respond to the risks arising from the use of IT or manual systems and test the operation of those controls to an extent sufficient to enable us to reduce our substantive work. Our review of the Town's controls will not be sufficient to express an opinion as to their effectiveness or efficiency. Although we will provide the Mayor and Council with any information about significant deficiencies in internal control that have come to our attention, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

Inherent Limitations in the Auditing Process

An auditor cannot obtain absolute assurance that material misstatements in the consolidated financial statements will be detected due to factors such as the use of significant judgment regarding the gathering of evidence and the drawing of conclusions based on the audit evidence acquired; the use of testing of the data underlying the consolidated financial statements; inherent limitations of controls; and, the fact that much of the audit evidence available to the auditor is persuasive, rather than conclusive in nature.

Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. While effective controls reduce the likelihood that misstatements will occur and remain undetected, they do not eliminate that possibility. Therefore, the auditor cannot guarantee that fraud, misstatements and non-compliance with laws and regulations, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

The likelihood of not detecting material misstatements resulting from management fraud is greater than for employee fraud, because management is in a position to manipulate records, present fraudulent information or override controls.

We will inform the appropriate level of management or the Mayor and Council with respect to identified:

- Misstatements resulting from errors, other than clearly trivial misstatements;
- Fraud, or any information obtained that indicates that fraud may exist;
- Evidence obtained that indicates non-compliance or possible non-compliance with laws and regulations, other than that considered inconsequential;
- Significant deficiencies in the design or implementation of controls to prevent and detect fraud or misstatement; and
- Related party transactions that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

Our concern as auditors is with material misstatements, and thus, we are not responsible for the detection of misstatements that are not material to the consolidated financial statements taken as a whole.

