



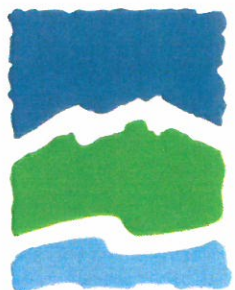
REGIONAL DISTRICT OF NANAIMO

STATEMENT OF FINANCIAL INFORMATION

FOR THE YEAR ENDED

DECEMBER 31, 2017

(In compliance with the Financial Information Act of British Columbia, Chapter 140)



REGIONAL DISTRICT OF NANAIMO

The information contained in this booklet represents the Regional District of Nanaimo's filing under the Financial Information Act for the year ended December 31st, 2017 and has been presented to and received by the Board of the Regional District of Nanaimo at a meeting held June 12, 2018.

The financial summary information included in this report is extracted from the 2017 audited annual financial statements prepared by the Regional District. The full text of the financial statements may be obtained from the Regional District offices or through its website at www.rdn.bc.ca.

Signed in accordance with the requirements of the Financial Information Regulation, Schedule 1, and Section 9(2).

A handwritten signature in black ink, appearing to read 'Bill Veenhof', written over a horizontal line.

Bill Veenhof
Chairperson

A handwritten signature in black ink, appearing to read 'Wendy Idema', written over a horizontal line. The word 'for' is written in a smaller, cursive font to the left of the signature.

Wendy Idema
Director of Finance

**REGIONAL DISTRICT OF NANAIMO
STATEMENT OF FINANCIAL INFORMATION
For the year ended December 31, 2017**

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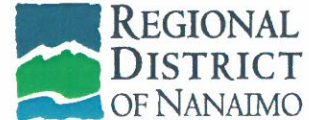
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Management's Responsibility



To the Members of the Board of the Regional District of Nanaimo:

This statement is provided to clarify and outline the roles and responsibilities of the management team, the elected Board of Directors and the independent auditors in relation to the preparation and review of the Regional District of Nanaimo's annual financial results.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Regional Board of Directors is composed entirely of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for delegating the authority for approval of the consolidated financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Regional District's external auditors. The external auditors have full and free access to the Board and management to discuss their audit findings.

MNP LLP, an independent firm of Chartered Professional Accountants, has been appointed by the Regional Board of Directors to audit the consolidated financial statements and report to them; their report follows.

April 19, 2018

A handwritten signature in black ink, appearing to read "D. Deane", is written over a horizontal line.

Director of Finance

Independent Auditors' Report

To the Members of the Board of the Regional District of Nanaimo:

We have audited the accompanying consolidated financial statements of the Regional District of Nanaimo, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and related schedules on pages 26 and 28 to 35 for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Nanaimo as at December 31, 2017 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The supplementary information on 27 and 36 to 51 have been presented for purposes of additional analysis and are unaudited. We do not express an opinion on these schedules because our examination did not extend to the detailed information therein.

Nanaimo, British Columbia

May 8, 2018

MNP LLP

Chartered Professional Accountants

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

| | | <u>2017</u> | <u>2016</u> |
|-------------------------------------|-----------|-----------------------|-----------------------|
| Financial Assets | | | |
| Cash and short-term deposits | (Note 2) | \$ 84,180,386 | \$ 65,426,660 |
| Accounts receivable | (Note 3) | 8,925,705 | 6,145,802 |
| Investments | (Note 4) | 34,193,566 | 31,559,740 |
| Other jurisdictions debt receivable | (Note 12) | 60,630,952 | 64,943,861 |
| Other assets | (Note 5) | 579,903 | 94,229 |
| | | <u>188,510,512</u> | <u>168,170,292</u> |
| Financial Liabilities | | | |
| Short-term loans | (Note 6) | 277,473 | 371,107 |
| Accounts payable | (Note 7) | 7,534,004 | 6,294,470 |
| Other liabilities | (Note 8) | 4,433,281 | 4,529,854 |
| Unfunded liabilities | (Note 9) | 15,088,181 | 12,797,451 |
| Deferred revenue | (Note 10) | 30,321,851 | 22,453,326 |
| Long-term debt | (Note 11) | 95,489,278 | 84,448,850 |
| | | <u>153,144,068</u> | <u>130,895,058</u> |
| Net Financial Assets | | <u>\$ 35,366,444</u> | <u>\$ 37,275,234</u> |
| Non-financial Assets | | | |
| Tangible capital assets | (Note 13) | 211,111,824 | 198,227,258 |
| Prepaid expenses | | 1,896,230 | 1,414,768 |
| Inventories | | 47,831 | 43,399 |
| | | <u>213,055,885</u> | <u>199,685,425</u> |
| Accumulated Surplus | (Note 14) | <u>\$ 248,422,329</u> | <u>\$ 236,960,659</u> |

Contingent Liabilities (Note 21)

APPROVED:



W. Idema, CPA, CGA
Director of Finance

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Budget</u> (Note 17) | <u>2017</u> | <u>2016</u> |
|---|----------------------------|--------------------------|-------------------|
| Revenue | | | |
| Property taxes | \$ 48,026,015 | \$ 48,026,015 | \$ 45,498,181 |
| Operating revenues | 22,075,578 | 24,712,090 | 22,975,645 |
| Grant revenues | 12,491,811 | 9,287,684 | 15,735,117 |
| Developer contributions | 4,718,595 | 2,535,951 | 3,162,137 |
| Other | 2,127,254 | 1,186,434 | 918,080 |
| Interest on investments | 150,000 | 877,722 | 924,812 |
| Grants in lieu of taxes | 149,290 | 197,398 | 319,413 |
| MFA debt surplus refunds | - | - | 5,118 |
| | <u>89,738,543</u> | <u>86,823,294</u> | <u>89,538,503</u> |
| Expenses | | | |
| General Government | 3,216,261 | 3,761,080 | 2,734,694 |
| Strategic & Community Development | 4,118,439 | 3,304,814 | 3,481,604 |
| Wastewater & Solid Waste Management | 21,239,544 | 26,217,493 | 22,796,558 |
| Water, Sewer & Street lighting | 4,780,476 | 5,566,153 | 5,484,414 |
| Public Transportation | 20,729,762 | 19,601,485 | 19,218,611 |
| Protective Services | 4,855,364 | 5,471,779 | 4,708,898 |
| Parks, Recreation & Culture | 10,639,435 | 11,438,820 | 10,639,364 |
| | <u>69,579,281</u> | <u>75,361,624</u> | <u>69,064,143</u> |
| Surplus for the year | \$ 20,159,262 | \$ 11,461,670 | \$ 20,474,360 |
| Accumulated surplus, Beginning of the year | 236,960,659 | 236,960,659 | 216,486,299 |
| Accumulated surplus, End of the year (Note 14) | \$ 257,119,921 | \$ 248,422,329 | \$ 236,960,659 |

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>Budget</u> (Note 17) | <u>2017</u> | <u>2016</u> |
|--|----------------------------|-----------------------------|----------------------|
| Surplus for the year | \$ 20,159,262 | \$ 11,461,670 | \$ 20,474,360 |
| Acquisition of tangible capital assets | (65,901,871) | (20,700,693) | (27,275,629) |
| Amortization of tangible capital assets | - | 7,216,168 | 6,846,859 |
| Proceeds on disposal of tangible capital assets | - | 444,701 | 413,977 |
| Loss (Gain) on disposal of tangible capital assets | - | 155,258 | (43,204) |
| Change in prepaid expenses | - | (481,462) | (553,338) |
| Change in inventories | - | (4,432) | (2,632) |
| Increase (decrease) in Net Financial Assets | (45,742,609) | (1,908,790) | (139,607) |
| Net Financial Assets, Beginning of the year | 37,275,234 | 37,275,234 | 37,414,841 |
| Net Financial Assets, End of the year (Pg. 3) | <u>\$ (8,467,375)</u> | <u>\$ 35,366,444</u> | <u>\$ 37,275,234</u> |

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------------|----------------------|
| Operating Transactions | | |
| Surplus for the year | \$ 11,461,670 | \$ 20,474,360 |
| Non-cash items included in surplus | | |
| Amortization of tangible capital assets | 7,216,168 | 6,846,859 |
| Contributed tangible capital assets | (2,266,000) | (1,867,000) |
| Loss (Gain) on disposal of tangible capital assets | 155,258 | (43,204) |
| Debt actuarial adjustments | (347,372) | (310,997) |
| Change in non-cash working capital balances related to operations | | |
| Increase in accounts receivable | (2,779,902) | (1,090,735) |
| Increase in other assets | (485,674) | (71,090) |
| Increase in accounts payable | 1,239,534 | 264,462 |
| Increase in deferred revenues | 7,868,525 | 2,076,935 |
| (Decrease) Increase in other liabilities | (96,573) | 107,535 |
| Increase in prepaid expenses | (481,462) | (553,338) |
| Increase in inventory | (4,432) | (2,632) |
| Increase in unfunded liabilities | 2,290,730 | 230,538 |
| | 23,770,470 | 26,061,693 |
| Cash provided by operating transactions | | |
| Capital Transactions | | |
| Acquisition of tangible capital assets | (18,434,693) | (25,408,629) |
| Proceeds on disposal of tangible capital assets | 444,701 | 413,977 |
| | (17,989,992) | (24,994,652) |
| Cash used in capital transactions | | |
| Investment Transactions | | |
| Cash provided by (used in) investment transactions | (2,633,826) | (5,426,474) |
| Financing Transactions | | |
| Short and long term debt issued | 16,779,875 | 6,309,389 |
| Decrease in capital lease obligation | - | (211,229) |
| Repayment of short and long-term debt | (1,172,801) | (899,990) |
| | 15,607,074 | 5,198,170 |
| Cash provided by financing transactions | | |
| Net change in cash and short-term deposits | 18,753,726 | 838,737 |
| Cash and short-term deposits, Beginning of the year | 65,426,660 | 64,587,923 |
| Cash and short-term deposits, End of the year (Pg. 3) | (Note 2) \$ 84,180,386 | \$ 65,426,660 |

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

The Regional District was incorporated in 1967 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of district wide local government services to the residents of seven electoral areas and four municipalities within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste collection and disposal, and street lighting.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The Regional District follows Canadian public sector accounting standards issued by the Public Sector Accounting Board (PSAB) of CPA Canada.

Consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the activities related to all funds belonging to the one economic entity of the Regional District. In accordance with those standards, inter-departmental and inter-fund transactions have been removed to ensure financial activities are recorded on a gross basis. The consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements include the Regional District of Nanaimo's proportionate share of the Arrowsmith Water Service (a joint venture agreement with the City of Parksville and Town of Qualicum Beach) and the Englishman River Water Service (a joint venture agreement with the City of Parksville). The Regional District's share of the joint ventures is accounted for on a proportionate basis as follows:

| | |
|--------------------------------|-------|
| Arrowsmith Water Service | 22.4% |
| Englishman River Water Service | 26.0% |

Any inter-entity transactions are eliminated on consolidation.

(b) Short-term deposits

Short-term deposits are carried at the lower of cost and market value.

(c) Long-term investments

Long-term investments are carried at cost less any amortized premium. It is the intention of the Regional District to hold these instruments to maturity. Any premium has been amortized on a straight-line basis using the earlier of the date of maturity or call date.

(d) Non-Financial Assets

i. Tangible capital assets

Tangible capital assets are physical assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Section 3150 of Public Sector Accounting Handbook requires governments to record and amortize the assets over their estimated useful lives. Tangible capital assets are reported at historical cost and include assets financed through operating budgets, short-term and long-term debt, and leases. Tangible capital assets, when acquired, are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Tangible capital asset cost less any estimated residual value is amortized on a straight-line basis over estimated useful lives as follows:

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

| Asset Category | Useful Life Range (years) |
|---------------------------------|------------------------------|
| Land | n/a |
| Land Improvements | 15 - 50 |
| Building | 20 - 50 |
| Equipment, Furniture & Vehicles | 5 - 20 |
| Engineering Structures | |
| Water | 25 - 75 |
| Sewer | 45 - 75 |
| Wastewater | 30 - 75 |
| Solid Waste | 20 - 50 |
| Transportation | 20 - 50 |

In the year of acquisition and in the year of disposal, amortization is recorded as half of the annual expense for that year. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions (examples are parklands as a result of subdivision, donated land and infrastructure built by property developers which is transferred to the Regional District) are recorded as assets and revenues at their fair value at the date of receipt.

iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(e) Debt servicing cost

Interest is recorded on an accrual basis.

(f) Financial Instruments

Financial instruments consist of cash and short-term deposits, accounts receivable, investments, other jurisdictions debt receivable, short-term loans, accounts payable, other liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned.

Property tax revenues and grants in lieu are recognized as revenue when levied. Operating revenues such as user fees, tipping fees, garbage, and recycling collection fees are recognized when charged to the customer, when amounts are measurable and when collectability is reasonably assured. Interest on investments is recorded when earned on an accrual basis. Developer contributions are recorded as deferred revenues when received and recognized as revenue in the year in which the associated expenses are incurred. Donations of tangible assets are recognized as revenue on the date of receipt. Other revenues are recognized as revenue when amounts can be reasonably estimated and collectability is reasonably assured.

The Regional District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Regional District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

(h) Expense recognition

Operating expenses are recorded on an accrual basis.

Estimates of employee future benefits are recorded as expenses in the year they are earned. Landfill closure and post closure costs are recognized as costs as landfill capacity is used.

(i) Contingent liabilities

Contingent liabilities are recognized in accordance with PS 3300, which requires that an estimate be recorded when it is likely that a future event will confirm that a liability has been incurred by the financial statement date and that the amount can be reasonably estimated.

(j) 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 employee retirement benefits, landfill closure and post closure liabilities, likelihood of collection of accounts receivable, useful lives of tangible capital assets and provisions for contingencies. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Regional District is responsible for. Actual results may vary from those estimates and adjustments will be reported in operations as they become known. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provisions recognized.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Regional District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2017.

At each financial reporting date, the Regional District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(l) Recent accounting pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines 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.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3210 Assets

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

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 basis 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. The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

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 restructuring transactions. 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 encouraged.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017**

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PS 3420 Inter-entity Transactions

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:

- i. Under a policy of cost allocation, revenues and expenses are recognized on a gross basis.
- ii. Transactions are measured at the carrying amount, except in specific circumstances.
- iii. 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.
- iv. 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.
- v. 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.

2. CASH AND SHORT-TERM DEPOSITS

In 2017, all cash and short-term deposits were held by the General Revenue Fund including \$37,468,755 held by the Municipal Finance Authority. Interest income has been allocated to restricted receipt accounts (development cost charges), reserve accounts/funds and unexpended loan proceeds for capital projects based on the relative equity.

3. ACCOUNTS RECEIVABLE

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Province of British Columbia | \$ 122,750 | \$ 10,917 |
| Government of Canada | 680,614 | 480,916 |
| Regional and local governments | 654,769 | 299,688 |
| Gas Tax Revenue Transfer program | - | 1,966,894 |
| Clean Water/ Wastewater Revenue Transfer Program | 482,502 | - |
| BC Transit Annual Operating Agreement | 1,001,008 | 1,049,568 |
| Accrued investment interest | 240,029 | 92,658 |
| Solid Waste commercial accounts | 897,589 | 559,942 |
| Utility services customers | 409,862 | 431,533 |
| Developer DCC instalments | 199,804 | 183,967 |
| Developer DCC contributions - Bowser Sewer Project | 2,634,912 | - |
| Other trade receivables | 1,601,866 | 1,069,719 |
| | <u>\$ 8,925,705</u> | <u>\$ 6,145,802</u> |

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

4. INVESTMENTS

| | | |
|--|----------------------|----------------------|
| | <u>2017</u> | <u>2016</u> |
| Investments at cost less amortized premium | \$ <u>34,193,566</u> | \$ <u>31,559,740</u> |

As at December 31, 2017, the following investments were held by the Regional District:

| Investment | Amortized Purchase Price | Accrued Interest | Total Book Value | Market Value at December 31, 2017 |
|---------------------------|-----------------------------|---------------------|----------------------|---|
| BNS 2.05% deposit note | \$ 5,076,500 | \$ 7,128 | \$ 5,083,628 | \$ 5,076,500 |
| TD 1.78% deposit note | 5,000,000 | 38,282 | 5,038,282 | 5,038,282 |
| CCCU 2.05% deposit note | 3,105,295 | 7,606 | 3,112,901 | 3,105,295 |
| BMO 3.30% coupon note | 3,000,000 | 13,678 | 3,013,678 | 2,982,928 |
| CCAP 1.50% deposit note | 2,966,649 | 44,546 | 3,011,195 | 2,966,649 |
| BMO 1.50% extendible note | 2,802,000 | 8,107 | 2,810,107 | 2,810,107 |
| BMO 1.60% extendible note | 2,050,000 | 6,380 | 2,056,380 | 2,000,749 |
| BMO 2.00% extendible note | 2,000,000 | 1,767 | 2,001,767 | 1,937,241 |
| TD 2.00% extendible note | 2,000,000 | 15,233 | 2,015,233 | 2,016,019 |
| BMO 2.10% extendible note | 1,515,000 | 6,724 | 1,521,724 | 1,513,566 |
| TD 2.00% extendible note | 1,500,000 | 7,069 | 1,507,069 | 1,509,543 |
| CCAP 2.20% deposit note | 995,000 | 6,057 | 1,001,057 | 995,000 |
| CCAP 2.20% deposit note | 995,000 | 5,817 | 1,000,817 | 995,000 |
| CCAP 2.20% deposit note | 995,000 | 5,577 | 1,000,577 | 995,000 |
| TD 1.00% deposit note | 193,122 | - | 193,122 | 193,122 |
| | <u>\$ 34,193,566</u> | <u>\$ 173,971</u> | <u>\$ 34,367,537</u> | <u>\$ 34,135,002</u> |

5. OTHER ASSETS

| | | |
|---|-------------------|------------------|
| | <u>2017</u> | <u>2016</u> |
| Security deposits for building or development permit applications | \$ <u>579,903</u> | \$ <u>94,229</u> |

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

6. SHORT-TERM LOANS

During 2017, the Regional District entered into one additional short-term loan agreement totalling \$75,000 with the Municipal Finance Authority. In 2017, principal payments of \$168,634 were made. The maturity dates of the loans range between 1 to 5 years. The interest rates for these loans are variable, which at December 31 was 1.94%.

| | <u>2017</u> | <u>2016</u> |
|-----------------------------|-------------------|-------------------|
| Compactor | \$ 43,121 | \$ 168,917 |
| Land - Community Parks EA B | 150,400 | 188,000 |
| Trailer and Kubota | 8,952 | 14,190 |
| Land - Community Parks EA F | 75,000 | - |
| | <u>\$ 277,473</u> | <u>\$ 371,107</u> |

Short-term loan payments for the next five years are:

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>TOTAL</u> |
|-------------|-------------|-------------|-------------|-------------|------------------|
| \$101,006 | \$56,267 | \$52,600 | 52,600 | \$15,000 | <u>\$277,473</u> |

7. ACCOUNTS PAYABLE

| | <u>2017</u> | <u>2016</u> |
|------------------------------------|---------------------|---------------------|
| Payable to Federal Government | \$ 198,935 | \$ 184,852 |
| Payable to Provincial Government | 785,638 | 649,643 |
| Payable to other local governments | 1,119,919 | 344,667 |
| Trade and other payables | 5,429,512 | 5,115,308 |
| | <u>\$ 7,534,004</u> | <u>\$ 6,294,470</u> |

8. OTHER LIABILITIES

| | <u>2017</u> | <u>2016</u> |
|---|---------------------|---------------------|
| Wages and benefits payable | \$ 1,711,006 | \$ 1,415,977 |
| Retirement benefits payable - see note 9(a) i | 2,243,138 | 2,429,167 |
| Other benefits payable | - | 281,437 |
| Permit deposits | 479,137 | 403,273 |
| | <u>\$ 4,433,281</u> | <u>\$ 4,529,854</u> |

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

9. UNFUNDED LIABILITIES

Unfunded liabilities represent the estimated amount of cumulative future expenses required to meet obligations which result from current operations. These liabilities are related to contractual employment obligations and landfill operations which are governed by Provincial statute. Special reserves which have been set aside to meet those obligations are described below.

(a) Employee Benefits

- i. Retirement Benefits - The Regional District provides vested sick leave benefits to its employees who retire where they can qualify for a one time payout of up to 60 days of their accumulated unused sick leave. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on service. The actuarial valuation was calculated at December 31, 2017.

The accrued post-employment benefits are as follows:

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Balance, beginning of year | \$ 1,777,474 | \$ 1,789,202 |
| Current service costs | 149,400 | 146,529 |
| Benefits paid | (156,899) | (181,278) |
| Interest cost | 54,096 | 50,889 |
| Amortization of Net Actuarial Loss/ (Gain) | (26,222) | (27,868) |
| Balance, end of year | <u>\$ 1,797,849</u> | <u>\$ 1,777,474</u> |

The significant actuarial assumptions adopted in measuring the Regional District's post-employment benefits are as follows:

| | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|
| Discount Rate | 2.90% | 3.30% |
| Expected Inflation Rate and Wage & Salary Increases | 2.50% | 2.50% |

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Retirement benefits payable - balance reported in Note 8 | \$ 2,243,138 | \$ 2,429,167 |
| Consolidation adjustment for actuarial valuation | (445,289) | (651,693) |
| Accrued benefit balance, end of year | <u>\$ 1,797,849</u> | <u>\$ 1,777,474</u> |

- ii. Other – Includes vacation pay adjustments and statutory and other benefits provided for in the collective agreement and which are paid in the normal course of business in the following year. The vacation pay liability at December 31, 2017 is \$109,294 (2016, \$112,303). The statutory benefits liability at December 31, 2017 is \$144,842 (2016, \$145,318).

(b) Landfill Closure and Post Closure Maintenance Costs

In accordance with PS 3270, liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Landfill Closure costs include placing a permanent cover over the face of the landfill. Post Closure Maintenance costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 200 years after the landfill is permanently closed.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

9. UNFUNDED LIABILITIES (CONTINUED)

i. Landfill Closure costs - are estimated based on the open area of the remaining unused capacity of the landfill site. In 2009, a revised design and operations plan was approved for the landfill which provides additional airspace for future needs. This plan extended the estimated life of the landfill to 2030 which has since been updated to 2036 based on most recent usage data. The plan includes remediation and reuse of previously filled areas as well as extending perimeter berms for the development of new airspace.

At December 31, 2017, there were approximately 1,617,463 cubic meters of airspace available for waste and daily cover. Landfill Closure costs are estimated at \$9,677,527 (2016, \$8,721,122). As at December 31, 2017, \$1,843,650 (2016, \$1,775,783) has been set aside in reserves for this purpose. The balance of Landfill Closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

ii. Post Closure Maintenance costs – are costs estimated to manage the closed landfill for a statutory period of 200 years (increased from 25 years in 2015). Post Closure Maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate which is the difference between the long-term MFA borrowing rate and the 5 year average Consumer Price Index. The current estimate for annual Post Closure Maintenance costs are \$575,000 for year 1-5; \$475,000 for year 6-10; \$275,000 for year 11-25; and \$100,000 for year 26-200. Total Post Closure Maintenance costs are estimated to be \$5,601,807 (2016, \$4,470,400) based on 66% of the total landfill capacity being filled at this date, a 19 year lifespan to 2036, final closure in 2037, and a discount rate of 1.67%. Post Closure Maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

| <u>Unfunded Liability Balances</u> | <u>2017</u> | <u>2016</u> |
|------------------------------------|----------------------|----------------------|
| Employee Retirement Benefits | \$ (445,289) | \$ (651,693) |
| Employee Other Benefits | \$254,136 | \$257,622 |
| Landfill Closure Costs | 9,677,527 | 8,721,122 |
| Post Closure Maintenance Costs | 5,601,807 | 4,470,400 |
| Unfunded Liability | <u>\$ 15,088,181</u> | <u>\$ 12,797,451</u> |
| Reserves On Hand | <u>\$ 1,843,676</u> | <u>\$ 1,494,261</u> |

10. DEFERRED REVENUE

| | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Parkland Cash-in-Lieu receipts | \$ 1,658,185 | \$ 1,716,243 |
| Development Cost Charges | 17,424,967 | 12,070,854 |
| Subtotal (Pg. 35) | <u>19,083,152</u> | <u>13,787,097</u> |
| Gas Tax Revenue Transfer program – Community Works Fund | 8,310,258 | 8,097,324 |
| Clean Water/ Wastewater Revenue Transfer program | 2,414,272 | - |
| General Revenue Fund | 514,169 | 568,905 |
| | <u>\$ 30,321,851</u> | <u>\$ 22,453,326</u> |

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

10. DEFERRED REVENUE (CONTINUED)

Parkland Cash-in-Lieu - are amounts collected from developers under the authority of Section 941 of the Local Government Act, where the Board has determined that cash rather than land for parkland purposes may be accepted as a condition of subdivision. These funds are held for the purpose of purchasing parkland.

Development Cost Charges - are amounts collected or payable as a result of new subdivision or building developments under the authority of Section 933 of the *Local Government Act*. The purpose of Section 933 is to collect funds for infrastructure which will be built as a result of population growth. Development Cost Charge bylaws have been enacted for the future expansion of wastewater treatment facilities, sewer, water and a bulk water system.

Community Works Fund - is a component of the federal government's "Investing in Canada Program" which was established to transfer a portion of gas tax revenues to local governments to address infrastructure deficits. Additional information on the Regional District of Nanaimo's use of the Community Works Fund grants is included in the schedule on Pg. 36.

11. LONG-TERM DEBT

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars.

Details of long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts, are summarized in the Schedule of Long-Term Debt on pages 29 to 32.

| | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Long-Term debt - Regional District services | \$ 34,858,326 | \$ 19,504,989 |
| Vancouver Island Regional Library | 14,785,940 | 15,192,042 |
| Member municipalities | 45,845,012 | 49,751,819 |
| Total Long-Term Debt | <u>\$ 95,489,278</u> | <u>\$ 84,448,850</u> |

Payments of principal on issued debt of the Regional District, not including member municipalities, for the next five years are:

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>TOTAL</u> |
|-------------|-------------|-------------|-------------|-------------|--------------------|
| \$1,975,339 | \$1,932,887 | \$1,928,850 | \$1,928,963 | \$1,860,693 | <u>\$9,626,732</u> |

12. OTHER JURISDICTIONS DEBT RECEIVABLE

Pursuant to the *Local Government Act*, the Regional District acts as the agency through which its member municipalities and other jurisdictions borrow funds from the Municipal Finance Authority. The annual cost of servicing this debt is recovered entirely from the borrowing jurisdiction. However, the Regional District is joint and severally liable for this debt in the event of default.

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|----------------------|----------------------|
| Town of Qualicum Beach | \$ 3,703,491 | \$ 4,166,428 |
| City of Parksville | 1,258,210 | 1,660,091 |
| City of Nanaimo | 40,883,311 | 43,925,300 |
| Vancouver Island Regional Library | 14,785,940 | 15,192,042 |
| | <u>\$ 60,630,952</u> | <u>\$ 64,943,861</u> |

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

13. TANGIBLE CAPITAL ASSETS

| Net Book Value | <u>2017</u> | <u>2016</u> |
|-----------------------------------|-----------------------|-----------------------|
| Land | \$ 42,610,826 | \$ 40,194,826 |
| Land improvements | 11,191,795 | 5,625,050 |
| Buildings | 31,821,555 | 32,623,629 |
| Engineered structures | 97,312,780 | 99,823,719 |
| Equipment, furniture and vehicles | 8,415,197 | 8,775,919 |
| Assets under construction | 19,759,671 | 11,184,115 |
| | <u>\$ 211,111,824</u> | <u>\$ 198,227,258</u> |

In 2017, parkland dedications valued at \$2,266,000 were accepted and recorded as contributed assets. During 2016, parkland dedications and a wharf on Gabriola Island valued at \$1,867,000 were accepted and recorded as contributed assets.

The Consolidated Schedule of Tangible Capital Assets (Pg. 28) provides details of acquisitions, disposals and amortization for the year.

14. ACCUMULATED SURPLUS

The financial operations of the Regional District are divided into three funds: capital fund, general revenue fund and reserve fund. For accounting purposes, each fund is treated as a separate entity.

General Revenue Fund – represents the accumulated operating surplus of the Regional District which has not otherwise been allocated by the Board as reserves for special purposes.

Capital Fund – represents amounts which have been expended by or returned to the General Revenue Fund or a Reserve Fund for the acquisition of tangible capital assets and includes related debt and refunds of debenture debt sinking fund surpluses.

Reserves - represents that portion of the accumulated operating surplus that has been set aside to fund future expenses. It includes both statutory reserves created by bylaw under the authority of the *Local Government Act* and reserve accounts, which may be used by the Board without legislative restrictions.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

14. ACCUMULATED SURPLUS (CONTINUED)

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

| | <u>2017</u> | <u>2016</u> |
|--|-----------------------|-----------------------|
| Surplus | | |
| General Revenue Fund - Unappropriated Surplus | \$ 12,297,424 | \$ 12,328,194 |
| General Revenue Fund - Appropriated Surplus | 3,906,208 | - |
| General Revenue Fund - Total Operating Surplus (Note 15) | <u>16,203,632</u> | <u>12,328,194</u> |
| Net investment in Tangible capital assets (Note 16) | 175,976,025 | 178,351,162 |
| Capital Fund advances | 4,779,379 | (97,812) |
| Unfunded liabilities | <u>(15,088,181)</u> | <u>(12,797,451)</u> |
| | <u>181,870,855</u> | <u>177,784,093</u> |
| General Revenue Fund - Reserves Accounts | | |
| Landfill closure | 1,843,650 | 1,775,783 |
| Property insurance deductible-fire departments | 31,010 | 31,240 |
| Liability insurance deductible | 153,187 | 151,675 |
| Regional Sustainability Initiatives | 12,467 | 22,275 |
| Island Corridor Foundation | - | 799,000 |
| Dashwood Fire | 453 | 7,516 |
| San Pareil Boundary Amendment | 10,097 | 10,000 |
| Regional parks and trails donations | 57,921 | 57,174 |
| Vehicle fleet replacement (various departments) | <u>1,007,139</u> | <u>1,097,949</u> |
| | <u>3,115,924</u> | <u>3,952,612</u> |
| Restricted Reserve Funds (Pg. 34) | 63,435,550 | 55,223,954 |
| Total Reserves | <u>66,551,474</u> | <u>59,176,566</u> |
| Accumulated Surplus (Pg. 3) | <u>\$ 248,422,329</u> | <u>\$ 236,960,659</u> |

15. CONSOLIDATION ADJUSTMENTS

The figures reported in the consolidated financial statements differ from the supporting schedules due to differences in grouping and presentation as well as the elimination of inter-fund and inter-departmental transactions. The Net Operating Surplus in the General Revenue Fund Schedule of Revenue and Expenses has been adjusted as follows to conform to PSAB requirements:

| | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Net Operating Surplus (Pg. 37) | \$ 16,053,022 | \$ 12,163,068 |
| Add: Water User Fee Revenue year end accrual (billed May 2017) | 150,610 | 165,126 |
| Net Operating Surplus adjusted for statement presentation (Note 14) | <u>\$ 16,203,632</u> | <u>\$ 12,328,194</u> |

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

16. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Net investment in Tangible capital assets represents the historic cost of capital expenses less debt obligations incurred to purchase and develop the infrastructure.

| | <u>2017</u> | <u>2016</u> |
|---|-----------------------|-----------------------|
| Tangible capital assets (Pg. 3) | \$ 211,111,824 | \$ 198,227,258 |
| Short-term loans (Pg. 3) | (277,473) | (371,107) |
| Long-term debt - Regional District only (Note 11) | (34,858,326) | (19,504,989) |
| Net investment in Tangible capital assets (Note 14) | <u>\$ 175,976,025</u> | <u>\$ 178,351,162</u> |

17. BUDGET FIGURES

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 28, 2017. The financial plan includes capital expenses but does not include amortization expense. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted "Surplus for the year" shown on Pg. 4 is provided to show which items must be added or removed to reflect to the budgeted financial plan values which are shown compared to actual expenses on Pg. 36 (General Revenue Fund Schedule of Revenue and Expenses).

| | <u>2017 Budget</u> |
|---|---------------------|
| Budgeted Surplus for the year (Pg. 4) | \$ 20,159,262 |
| Add: | |
| Transfers from reserves | 31,936,392 |
| Proceeds of borrowing | 19,144,870 |
| Prior year operating surplus | 12,163,067 |
| Less: | |
| Capital expenses | (65,901,871) |
| Prior Year consolidation adjustments | |
| Debt principal repayments/actuarial adjustments | |
| Budgeted principal payments | \$ 4,371,769 |
| Add: Actuarial Adjustments | 347,372 |
| Less: Principal payments for member municipalities | <u>(3,187,018)</u> |
| Transfer to reserves | <u>(8,369,629)</u> |
| Consolidated Budgeted Surplus, per Regional District of Nanaimo Financial Plan Bylaw No.1755 (Pg. 37) | <u>\$ 7,599,968</u> |

18. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS

The Regional District secures its long-term borrowing through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2017, the Regional District had debt reserve funds of \$535,176 (2016, \$360,247).

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

19. NORTH ISLAND 9-1-1 CORPORATION

A 9-1-1 emergency call answering service is provided by the North Island 9-1-1 Corporation, which is owned by the Regional Districts of Comox Valley, Strathcona, Mount Waddington, Alberni Clayoquot, Nanaimo and Powell River. The shares in the corporation are owned as follows:

| | |
|-------------------|----------|
| Alberni Clayoquot | 3 shares |
| Comox Valley | 6 shares |
| Strathcona | 4 shares |
| Mount Waddington | 1 share |
| Nanaimo | 5 shares |
| Powell River | 2 shares |

The Regional District's investment in shares of the North Island 9-1-1 Corporation is recorded at cost as it does not fall under the definition of a government partnership (PS 3060.06). The Regional District's share of the corporation is equal to 23.8% and the degree of control is proportionate to the ownership share. As no benefits are expected from the ownership, it has not been accounted for as an equity investment.

20. PENSION LIABILITY

The Regional District of Nanaimo and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from the 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.

The most recent valuation for the Municipal Pension Plan was at December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1.927 billion was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Regional District of Nanaimo paid \$2,036,380 (2016, \$1,947,226) for employer contributions to the Plan in fiscal 2017.

| | <u>2017</u> | <u>2016</u> |
|------------------|---------------------|---------------------|
| Employer Portion | \$ 2,036,380 | \$ 1,947,226 |
| Employee Portion | <u>1,782,863</u> | <u>1,701,930</u> |
| | <u>\$ 3,819,243</u> | <u>\$ 3,649,156</u> |

21. CONTINGENT LIABILITIES

Contingent liabilities are recognized by the Regional District in accordance with PS 3300.15. As at December 31, 2017, there were outstanding claims against the Regional District, however, no liability has been accrued because amounts are undeterminable and the likelihood of the Regional District having to make payment is uncertain.

REGIONAL DISTRICT OF NANAIMO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2017

22. ENVIRONMENTAL REGULATIONS

The Regional District is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenses to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

23. EXPENSES BY OBJECT

| | <u>Budget</u> | <u>2017</u> | <u>2016</u> |
|--------------------------------|----------------------|----------------------|----------------------|
| Operating goods and services | \$ 35,659,503 | \$ 34,896,300 | \$ 31,956,377 |
| Wages and benefits | 32,666,102 | 29,704,749 | 29,012,116 |
| Debt interest | 1,253,676 | 1,253,676 | 1,018,253 |
| Amortization expense | - | 7,216,168 | 6,846,859 |
| Unfunded expenditures (Note 9) | - | 2,290,731 | 230,538 |
| Total Expenditures by Object | <u>\$ 69,579,281</u> | <u>\$ 75,361,624</u> | <u>\$ 69,064,143</u> |

24. ARROWSMITH WATER SERVICE AND ENGLISHMAN RIVER WATER SERVICE JOINT VENTURES

The Arrowsmith Water Service (AWS) was formed in 1996 as a joint venture between the Regional District of Nanaimo, the City of Parksville and the Town of Qualicum Beach. The AWS was established to develop a bulk water supply available to the participants in the service and to construct the Arrowsmith Dam as a first step in that development as well as to provide for protection of the fisheries habitat of the Englishman River.

The Englishman River Water Service (ERWS) is a joint venture between the City of Parksville and the Regional District of Nanaimo, formed to secure a bulk water supply from the Englishman River. This regional partnership supplements existing well supply sources owned and operated by the City of Parksville and Nanoose Bay Peninsula Water Service Area. The ERWS development plan includes a new river water supply intake, new water treatment plant and distribution system.

Financial results and budget for the joint ventures are consolidated in the Regional District of Nanaimo's financial statements proportionately based on the joint venture agreements: 22.4% of the Arrowsmith Water Service and 26% of the Englishman River Water Service.

The following table summarizes the financial statements of the two joint ventures.

| | <u>Arrowsmith Water Service 2017</u> | <u>Englishman River Water Service 2017</u> |
|------------------------------|--|--|
| Financial assets | \$ 339,630 | \$ 5,449,669 |
| Non-financial assets | 6,457,416 | 20,716,122 |
| Accumulated surplus | <u>6,797,046</u> | <u>26,165,791</u> |
| Revenues | | |
| Joint venturer contributions | \$ 134,767 | \$ 13,624,920 |
| Capital grant | - | 6,464,168 |
| | <u>134,767</u> | <u>20,089,088</u> |
| Expenses | | |
| Operating | 104,767 | 6,470 |
| Annual surplus (deficit) | <u>\$ 30,000</u> | <u>\$ 20,082,618</u> |

25. CONTAMINATED SITES

At the reporting date, only one site was identified as potentially contaminated due to past industrial use at this site and on the neighbouring property; these findings remain unchanged from the December 31, 2015 year end. For this site there is insufficient information to determine whether contamination exceeding the relevant environmental standard is likely to exist, or whether remediation is required. The future cost and responsibility for remediation of this site is not currently determinable.

26. COMPARATIVE FIGURES

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

**REGIONAL DISTRICT OF NANAIMO
GENERAL REVENUE FUND
SCHEDULE OF REVENUE AND EXPENSES
as at December 31, 2017
(UNAUDITED)**

| | Corporate Services (Schedule A) | Strategic & Community Development (Schedule B) | Regional & Community Utilities (Schedule C) | Recreation & Parks & Services (Schedule D) | Transportation & Emergency Services (Schedule E) | Actual 2017 | Budget 2017 | Actual 2016 |
|---|---------------------------------------|---|--|---|---|----------------|----------------|----------------|
| REVENUES | | | | | | | | |
| Tax requisition | \$ 3,938,708 | \$ 2,520,650 | \$ 17,978,926 | \$ 10,469,799 | \$ 15,186,692 | \$ 50,094,775 | \$ 50,094,775 | \$ 47,489,129 |
| Grants | 490,057 | 109,992 | 2,050,238 | 990,173 | 5,647,224 | 9,287,684 | 6,608,044 | 15,735,117 |
| Grants in Lieu | 77,470 | 5,921 | 51,438 | 6,933 | 55,636 | 197,398 | 149,290 | 319,413 |
| Interest | 269,174 | - | - | - | - | 269,174 | 150,000 | 194,279 |
| Permit fees | - | 378,178 | - | 446,950 | - | 825,128 | 564,154 | 5,793,557 |
| Operating revenues | - | 1,978,476 | 7,211,237 | 1,754,583 | 4,613,062 | 15,557,358 | 14,391,924 | 14,418,694 |
| Disposal fees | - | - | 9,183,048 | - | - | 9,183,048 | 8,161,519 | 8,554,506 |
| Other | 11,431,909 | - | 14,080,737 | - | 2,218,351 | 27,730,997 | 76,045,172 | 21,445,377 |
| | 16,207,318 | 4,993,217 | 50,555,624 | 13,668,438 | 27,720,965 | 113,145,562 | 156,164,878 | 113,950,072 |
| EXPENSES | | | | | | | | |
| General administration | 169,290 | 354,202 | 1,757,390 | 638,629 | 1,446,649 | 4,366,160 | 4,523,659 | 4,227,994 |
| Professional fees | 395,762 | 156,653 | 893,587 | 174,228 | 34,959 | 1,655,189 | 2,464,845 | 1,722,647 |
| Community grants | 730,367 | - | - | - | - | 730,367 | 787,764 | 65,022 |
| Legislative | 462,429 | - | - | 10 | - | 462,439 | 511,635 | 456,127 |
| Program costs | - | 344,018 | 148,092 | 599,785 | - | 1,091,895 | 1,109,238 | 884,761 |
| Vehicle and Equip operating | 207,630 | 83,571 | 1,836,606 | 153,713 | 4,735,005 | 7,016,525 | 7,733,120 | 6,939,068 |
| Building operating | 364,668 | 37,313 | 1,491,156 | 730,935 | 497,991 | 3,122,063 | 3,286,720 | 2,971,935 |
| Other operating | 607,128 | 609,066 | 10,170,616 | 931,968 | 3,722,439 | 16,041,217 | 17,354,348 | 15,149,572 |
| Wages & benefits | 4,197,736 | 2,447,100 | 7,510,367 | 4,478,117 | 11,914,539 | 30,547,859 | 32,666,102 | 29,012,116 |
| Capital expenses | 203,738 | 29,510 | 17,277,174 | 1,172,737 | 631,664 | 19,314,823 | 65,906,871 | 26,149,354 |
| | 7,338,748 | 4,061,433 | 41,084,988 | 8,880,122 | 22,983,246 | 84,348,537 | 136,344,302 | 87,578,596 |
| OPERATING SURPLUS | 8,868,570 | 931,784 | 9,470,636 | 4,788,316 | 4,737,719 | 28,797,025 | 19,820,576 | 26,371,476 |
| Debt retirement | | | | | | | | |
| - interest | 3,006,908 | - | 678,922 | 406,689 | 168,065 | 4,260,584 | 4,725,283 | 4,455,182 |
| - principal | 3,187,012 | - | 599,209 | 419,201 | 171,390 | 4,376,812 | 4,371,768 | 4,785,082 |
| Contingency | - | - | - | - | - | - | - | - |
| Reserve contributions | 210,695 | 120,000 | 6,072,283 | 1,611,628 | 891,650 | 8,906,256 | 8,369,629 | 9,641,791 |
| Transfers to other govts | 2,431,027 | 78,842 | - | 2,073,473 | 2,780,077 | 7,363,419 | 6,916,996 | 7,153,132 |
| | 8,835,642 | 198,842 | 7,350,414 | 4,510,991 | 4,011,182 | 24,907,071 | 24,383,676 | 26,035,187 |
| CURRENT YEAR SURPLUS (DEFICIT) | 32,928 | 732,942 | 2,120,222 | 277,325 | 726,537 | 3,889,954 | (4,563,100) | 336,289 |
| Prior year's surplus applied | 1,368,962 | 1,313,637 | 4,510,067 | 1,725,784 | 3,244,618 | 12,163,068 | 12,163,068 | 11,826,779 |
| NET OPERATING SURPLUS | \$ 1,401,890 | \$ 2,046,579 | \$ 6,630,289 | \$ 2,003,109 | \$ 3,971,155 | \$ 16,053,022 | \$ 7,599,968 | \$ 12,163,068 |

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
LONG-TERM DEBT SUMMARY BY FUNCTION
DECEMBER 31, 2017**

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------------|
| REGIONAL DISTRICT | | | | | |
| RAVENSONG AQUATIC CENTRE | 611,532 | 313,224 | - | - | \$ - |
| OCEANSIDE PLACE ARENA | 4,314,003 | 3,954,686 | 3,580,996 | 3,192,358 | 2,788,175 |
| REGIONAL PARKS | 2,053,653 | 1,984,688 | 1,912,964 | 1,838,371 | 1,760,795 |
| COMMUNITY PARKS | 333,617 | 310,004 | 285,373 | 259,679 | 232,873 |
| WASTEWATER MANAGEMENT | | | | 5,000,000 | 19,813,921 |
| FIRE PROTECTION | 1,656,878 | 4,352,441 | 4,160,535 | 4,189,644 | 3,994,473 |
| SEWER SERVICES | 1,915,450 | 1,822,604 | 1,956,994 | 1,848,406 | 1,735,515 |
| WATER SUPPLY SERVICES | 2,030,455 | 2,891,369 | 2,587,690 | 3,176,528 | 4,532,574 |
| VANCOUVER ISLAND REGIONAL LIBRARY | <u>16,319,013</u> | <u>15,957,989</u> | <u>15,582,525</u> | <u>15,192,042</u> | <u>14,785,940</u> |
| TOTAL REGIONAL DISTRICT | 29,234,601 | 31,587,005 | 30,067,078 | 34,697,031 | 49,644,266 |
| MEMBER MUNICIPALITIES | <u>45,903,812</u> | <u>52,213,097</u> | <u>53,520,830</u> | <u>49,751,819</u> | <u>45,845,012</u> |
| TOTAL LONG-TERM DEBT (Pg. 3) | <u><u>75,138,413</u></u> | <u><u>83,800,102</u></u> | <u><u>83,587,908</u></u> | <u><u>84,448,850</u></u> | <u><u>\$ 95,489,278</u></u> |

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2017**

| FUNCTION | ISSUER | FUNDS | BYLAW NUMBER | MATURITY DATE | INTEREST RATE | ORIGINAL VALUE | 2017 DEBT O/S | 2016 DEBT O/S |
|---|---------------------------------------|-------|-----------------|------------------|------------------|---------------------|---------------------|---------------------|
| OCEANSIDE PLACE ARENA | | | | | | | | |
| | MFA 97 | CDN | 1365 | Apr 19,2023 | 4.830 | 6,470,646 | 2,788,175 | 3,192,358 |
| | TOTAL OCEANSIDE PLACE ARENA | | | | | 6,470,646 | 2,788,175 | 3,192,358 |
| REGIONAL PARKS | | | | | | | | |
| | MFA 126 | CDN | 1629 | Sep 26,2033 | 3.850 | 2,053,653 | 1,760,795 | 1,838,371 |
| | TOTAL REGIONAL PARKS | | | | | 2,053,653 | 1,760,795 | 1,838,371 |
| COMMUNITY PARKS ELECTORAL AREA B | | | | | | | | |
| | MFA 78 | CDN | 1299 | Dec 03, 2022 | 2.250 | 100,000 | 34,741 | 40,729 |
| | MFA 79 | CDN | 1303 | Jun 03, 2023 | 5.250 | 80,000 | 32,583 | 37,145 |
| | MFA 81 | CDN | 1304 | Apr 22, 2024 | 4.900 | 80,000 | 37,145 | 41,490 |
| | MFA 93 | CDN | 1305 | Apr 06, 2025 | 5.100 | 80,000 | 36,891 | 41,001 |
| | MFA 97 | CDN | 1306 | Apr 19, 2026 | 4.660 | 80,000 | 43,768 | 47,745 |
| | MFA 101 | CDN | 1307 | Apr 11, 2027 | 2.250 | 80,000 | 47,745 | 51,569 |
| | TOTAL COMMUNITY PARKS | | | | | 500,000 | 232,873 | 259,679 |
| FIRE PROTECTION SERVICES | | | | | | | | |
| MEADOWOOD FIRE | | | | | | | | |
| | MFA 110 | CDN | 1587 | Apr 08, 2030 | 4.500 | 1,773,410 | 1,303,033 | 1,378,388 |
| NANAIMO RIVER FIRE | | | | | | | | |
| | MFA 99 | CDN | 1488 | Apr 19,2027 | 4.430 | 20,761 | 11,358 | 12,390 |
| NANOOSE BAY FIRE | | | | | | | | |
| | MFA 130 | CDN | 1617 | Oct 14, 2034 | 3.000 | 2,790,000 | 2,497,528 | 2,598,866 |
| COOMBS-HILLIERS FIRE | | | | | | | | |
| | MFA 139 | CDN | 1538 | Oct 5, 2026 | 2.100 | 200,000 | 182,554 | 200,000 |
| | TOTAL FIRE PROTECTION SERVICES | | | | | 4,784,171 | 3,994,473 | 4,189,644 |
| SEWER SERVICES | | | | | | | | |
| BARCLAY CRESCENT SEWER | | | | | | | | |
| | MFA 102 | CDN | 1486 | Dec 01, 2027 | 4.820 | 895,781 | 534,615 | 577,431 |
| CEDAR SEWER | | | | | | | | |
| | MFA 106 | CDN | 1571 | Oct 13, 2029 | 4.130 | 926,180 | 639,592 | 680,521 |
| | MFA 106 | CDN | 1572 | Oct 13, 2029 | 4.130 | 27,200 | 18,784 | 19,986 |
| | MFA 106 | CDN | 1573 | Oct 13, 2029 | 4.130 | 108,800 | 75,134 | 79,942 |
| | MFA 106 | CDN | 1574 | Oct 13, 2029 | 4.130 | 61,200 | 42,263 | 44,967 |
| | MFA 110 | CDN | 1584 | Apr 08, 2030 | 4.500 | 232,286 | 170,675 | 180,545 |
| | MFA 117 | CDN | 1626 | Oct 12, 2031 | 3.250 | 51,620 | 40,122 | 42,231 |
| | | | | | | 1,407,286 | 986,570 | 1,048,192 |
| HAWTHORNE RISE SEWER | | | | | | | | |
| | MFA 131 | CDN | 1696 | Apr 8, 2035 | 2.200 | 173,300 | 160,829 | 167,172 |
| REID ROAD SEWER | | | | | | | | |
| | MFA 133 | CDN | 1709 | Oct 2, 2035 | 2.750 | 57,650 | 53,501 | 55,611 |
| | TOTAL SEWER SERVICES | | | | | \$ 2,534,017 | \$ 1,735,515 | \$ 1,848,406 |

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2017**

| FUNCTION | ISSUER | FUNDS | BYLAW NUMBER | MATURITY DATE | INTEREST RATE | ORIGINAL VALUE | 2017 DEBT O/S | 2016 DEBT O/S | |
|---|---|-------|-----------------|------------------|------------------|----------------------|----------------------|----------------------|----------------------|
| WATER - SAN PAREIL | | | | | | | | | |
| | MFA 81 | CDN | 1367 | Apr 22, 2019 | 4.900 | 89,476 | 16,029 | 23,475 | |
| | MFA 97 | CDN | 1395 | Apr 19, 2021 | 4.660 | 40,000 | 13,059 | 16,016 | |
| | MFA 106 | CDN | 1395 | Oct 13, 2024 | 4.130 | 94,439 | 50,981 | 57,188 | |
| | MFA 117 | CDN | 1395 | Oct 12, 2026 | 3.250 | 49,056 | 32,806 | 35,786 | |
| | | | | | | <u>272,971</u> | <u>112,875</u> | <u>132,465</u> | |
| WATER - SAN PAREIL FIRE IMPROVEMENTS | | | | | | | | | |
| | MFA 127 | CDN | 1689 | Apr 07, 2034 | 3.300 | 1,114,600 | 997,758 | 1,038,242 | |
| | | | | | | <u>1,114,600</u> | <u>997,758</u> | <u>1,038,242</u> | |
| WATER - DRIFTWOOD | | | | | | | | | |
| | MFA 80 | CDN | 1301 | Oct 03, 2023 | 4.900 | 100,614 | 40,979 | 46,716 | |
| | | | | | | <u>100,614</u> | <u>40,979</u> | <u>46,716</u> | |
| WATER - MELROSE TERRACE | | | | | | | | | |
| | MFA 103 | CDN | 1539 | Apr 23, 2018 | 4.650 | 14,349 | 1,701 | 3,337 | |
| | | | | | | <u>14,349</u> | <u>1,701</u> | <u>3,337</u> | |
| BULK WATER - FRENCH CREEK | | | | | | | | | |
| | MFA 69 | CDN | 1127 | Sep 24, 2018 | 4.650 | 503,655 | 38,490 | 75,147 | |
| | | | | | | <u>503,655</u> | <u>38,490</u> | <u>75,147</u> | |
| BULK WATER - NANOOSE | | | | | | | | | |
| | MFA 69 | CDN | 1128 | Sep 24, 2018 | 4.650 | 864,095 | 66,035 | 128,926 | |
| | MFA 74 | CDN | 1226 | Jun 01, 2021 | 5.900 | 2,195,223 | 624,621 | 762,639 | |
| | MFA 80 | CDN | 1239 | Oct 03, 2023 | 4.900 | 176,295 | 71,802 | 81,856 | |
| | MFA 142 | CDN | 1242 | Oct 04, 2037 | 3.150 | 168,875 | 168,875 | - | |
| | MFA 142 | CDN | 1244 | Oct 04, 2037 | 3.150 | 1,476,000 | 1,476,000 | - | |
| | | | | | | <u>4,880,488</u> | <u>2,407,333</u> | <u>973,421</u> | |
| NANOOSE BAY PENINSULA WATER | | | | | | | | | |
| | MFA 139 | CDN | 1723 | Oct 05, 2036 | 2.100 | 350,000 | 336,975 | 350,000 | |
| | MFA 139 | CDN | 1750 | Oct 05, 2036 | 2.100 | 557,200 | 536,463 | 557,200 | |
| | | | | | | <u>907,200</u> | <u>873,438</u> | <u>907,200</u> | |
| WESTURNE HEIGHTS | | | | | | | | | |
| | MFA 142 | CDN | 1720 | Oct 04, 2037 | 3.150 | 60,000 | 60,000 | - | |
| | | | | | | <u>60,000</u> | <u>60,000</u> | | |
| | TOTAL WATER SUPPLY MANAGEMENT | | | | | | <u>7,853,877</u> | <u>4,532,574</u> | <u>3,176,528</u> |
| WASTEWATER SERVICES | | | | | | | | | |
| SOUTHERN COMMUNITY WASTEWATER | | | | | | | | | |
| | MFA 139 | CDN | 1742 | Oct 05, 2036 | 2.100 | 5,000,000 | 4,813,921 | 5,000,000 | |
| | MFA 142 | CDN | 1762 | Oct 04, 2037 | 3.150 | 15,000,000 | 15,000,000 | - | |
| | TOTAL WASTEWATER MANAGEMENT | | | | | | <u>20,000,000</u> | <u>19,813,921</u> | <u>5,000,000</u> |
| DEBT HELD FOR OTHER JURISDICTIONS | | | | | | | | | |
| VANCOUVER ISLAND REGIONAL LIBRARY | | | | | | | | | |
| | MFA 117 | CDN | 1634 | Oct 12, 2041 | 3.250 | 8,000,000 | 7,053,867 | 7,227,411 | |
| | MFA 126 | CDN | 1674 | Sep 26, 2038 | 3.850 | 8,610,000 | 7,732,073 | 7,964,631 | |
| | TOTAL - VANCOUVER ISLAND REGIONAL LIBRARY | | | | | | <u>\$ 16,610,000</u> | <u>\$ 14,785,940</u> | <u>\$ 15,192,042</u> |
| TOTAL LONG-TERM DEBT - REGIONAL DISTRICT | | | | | | <u>\$ 60,806,364</u> | <u>\$ 49,644,266</u> | <u>\$ 34,697,028</u> | |

See notes to consolidated financial statements

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2017**

| FUNCTION | ISSUER | FUNDS | BYLAW NUMBER | MATURITY DATE | INTEREST RATE | ORIGINAL VALUE | 2017 DEBT O/S | 2016 DEBT O/S |
|---|------------------------------|-------|-----------------|------------------|------------------|-------------------|------------------|------------------|
| CITY OF PARKSVILLE | | | | | | | | |
| | MFA68 | CDN | 1109 | Mar 24, 2018 | 4.650 | 1,200,000 | 91,706 | 179,045 |
| | MFA69 | CDN | 1129 | Sep 24, 2018 | 4.650 | 1,970,000 | 150,550 | 293,932 |
| | MFA74 | CDN | 1227 | Jun 01, 2021 | 5.900 | 290,000 | 82,516 | 100,748 |
| | MFA75 | CDN | 1238 | Dec 01, 2021 | 5.690 | 1,050,000 | 298,763 | 364,779 |
| | MFA78 | CDN | 1283 | Dec 03, 2022 | 2.250 | 765,000 | 265,767 | 311,574 |
| | MFA93 | CDN | 1420 | Apr 06, 2025 | 5.100 | 800,000 | 368,908 | 410,013 |
| | TOTAL CITY OF PARKSVILLE | | | | | 6,075,000 | 1,258,210 | 1,660,091 |
| TOWN OF QUALICUM BEACH | | | | | | | | |
| | MFA136 | CDN | 1729 | Nov 30, 2025 | 2.750 | 4,629,364 | 3,703,491 | 4,166,428 |
| | TOTAL TOWN OF QUALICUM BEACH | | | | | 4,629,364 | 3,703,491 | 4,166,428 |
| CITY OF NANAIMO | | | | | | | | |
| | MFA72 | CDN | 1197 | Jun 01, 2020 | 6.450 | 4,500,000 | 966,732 | 1,261,630 |
| | MFA73 | CDN | 1219 | Dec 01, 2020 | 6.360 | 4,100,000 | 880,801 | 1,149,486 |
| | MFA99 | CDN | 1489 | Oct 19, 2026 | 4.430 | 15,000,000 | 8,206,571 | 8,952,209 |
| | MFA101 | CDN | 1489 | Apr 11, 2027 | 2.250 | 15,000,000 | 8,952,209 | 9,669,168 |
| | MFA 102 | CDN | 1530 | Dec 01, 2027 | 2.250 | 3,750,000 | 2,238,052 | 2,417,292 |
| | MFA 126 | CDN | 1688 | Sep 26, 2033 | 3.850 | 13,300,000 | 11,403,371 | 11,905,777 |
| | MFA 127 | CDN | 1694 | Apr 07, 2034 | 3.300 | 9,200,000 | 8,235,575 | 8,569,738 |
| | TOTAL CITY OF NANAIMO | | | | | 64,850,000 | 40,883,311 | 43,925,300 |
| TOTAL LONG-TERM DEBT - MEMBER MUNICIPALITIES | | | | | | \$ 75,554,364 | \$ 45,845,012 | \$ 49,751,819 |
| TOTAL LONG-TERM DEBT | | | | | | \$ 136,360,728 | \$ 95,489,278 | \$ 84,448,847 |

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF DIRECTORS REMUNERATION & EXPENSES FOR 2017**

| Area | Name | Remuneration | | | | Expenses | | Total 2017 | Total 2016 |
|-------------------------|-----------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| | | Taxable Payroll | Exempt Allowance | Total 2017 | Total 2016 | 2017 | | | |
| | | | | | | 2017 | 2016 | | |
| H (Chairperson) | Veenhof, B. | \$ 33,977.50 | \$ 16,988.75 | \$ 50,966.25 | \$ 50,646.79 | \$ 13,956.10 | \$ 13,932.88 | \$ 64,922.35 | \$ 64,579.67 |
| A | McPherson, A. | \$ 20,961.47 | \$ 10,480.74 | \$ 31,442.21 | \$ 31,721.53 | \$ 12,218.83 | \$ 9,236.01 | \$ 43,661.04 | \$ 40,957.54 |
| B | Houle, H. | \$ 20,334.81 | \$ 10,167.40 | \$ 30,502.21 | \$ 31,765.45 | \$ 12,483.96 | \$ 6,673.18 | \$ 42,986.17 | \$ 38,438.63 |
| C | Young, M. | \$ 19,888.14 | \$ 9,944.07 | \$ 29,832.21 | \$ 28,933.45 | \$ 4,975.12 | \$ 4,877.03 | \$ 34,807.33 | \$ 33,810.48 |
| E | Rogers, B. | \$ 20,281.47 | \$ 10,140.74 | \$ 30,422.21 | \$ 29,236.63 | \$ 11,959.24 | \$ 8,485.24 | \$ 42,381.45 | \$ 37,721.87 |
| F | Fell, J. | \$ 18,144.01 | \$ 9,072.00 | \$ 27,216.01 | \$ 28,520.65 | \$ 11,259.27 | \$ 10,828.91 | \$ 38,475.28 | \$ 39,349.56 |
| G | Stanhope, J. | \$ 20,646.55 | \$ 10,323.28 | \$ 30,969.83 | \$ 30,414.89 | \$ 8,817.43 | \$ 7,569.96 | \$ 39,787.26 | \$ 37,984.85 |
| Lantzville | Haime, C. | \$ - | \$ - | \$ - | \$ 14,629.59 | \$ - | \$ 230.67 | \$ - | \$ 14,860.26 |
| Lantzville | Colclough, B. | \$ 9,746.00 | \$ 4,873.00 | \$ 14,619.00 | \$ 1,052.92 | \$ 362.85 | \$ 24.02 | \$ 14,981.85 | \$ 1,076.94 |
| Nanaimo | McKay, B. | \$ 10,026.00 | \$ 5,013.00 | \$ 15,039.00 | \$ 15,282.51 | \$ 343.13 | \$ 332.84 | \$ 15,382.13 | \$ 15,615.35 |
| Nanaimo | Bestwick, B. | \$ 9,606.00 | \$ 4,803.00 | \$ 14,409.00 | \$ 14,512.50 | \$ 294.16 | \$ 332.10 | \$ 14,703.16 | \$ 14,844.60 |
| Nanaimo | Kipp, J. | \$ 9,372.67 | \$ 4,686.34 | \$ 14,059.01 | \$ 14,262.51 | \$ 237.60 | \$ 295.40 | \$ 14,296.61 | \$ 14,557.91 |
| Nanaimo | Hong, J. | \$ 9,699.34 | \$ 4,849.67 | \$ 14,549.01 | \$ 14,542.50 | \$ 185.10 | \$ 205.84 | \$ 14,734.11 | \$ 14,748.34 |
| Nanaimo | Pratt, W. | \$ 2,705.63 | \$ 1,352.82 | \$ 4,058.45 | \$ 14,972.51 | \$ 43.20 | \$ 339.60 | \$ 4,101.65 | \$ 15,312.11 |
| Nanaimo | Fuller, G. | \$ 6,700.37 | \$ 3,350.19 | \$ 10,050.56 | \$ 560.00 | \$ 236.07 | \$ 84.59 | \$ 10,286.63 | \$ 644.59 |
| Nanaimo | Thorpe, I. | \$ 9,886.00 | \$ 4,943.00 | \$ 14,829.00 | \$ 14,592.51 | \$ 209.15 | \$ 49.96 | \$ 15,038.15 | \$ 14,642.47 |
| Nanaimo | Yoachim, B. | \$ 9,279.34 | \$ 4,639.67 | \$ 13,919.01 | \$ 13,702.50 | \$ 410.40 | \$ 415.60 | \$ 14,329.41 | \$ 14,118.10 |
| Nanaimo | Brennan, D. | \$ 1,066.96 | \$ 533.48 | \$ 1,600.44 | \$ 560.00 | \$ 28.80 | \$ 58.53 | \$ 1,629.24 | \$ 618.53 |
| Parksville | Lefebvre, M. | \$ 9,959.34 | \$ 4,979.67 | \$ 14,939.01 | \$ 15,462.51 | \$ 891.79 | \$ 1,234.14 | \$ 15,830.80 | \$ 16,696.65 |
| Parksville | Oates, K. | \$ 1,440.29 | \$ 720.15 | \$ 2,160.44 | \$ - | \$ 242.54 | \$ - | \$ 2,402.98 | \$ - |
| Qualicum Beach | Westbroek, T. | \$ 10,486.00 | \$ 5,243.00 | \$ 15,729.00 | \$ 15,332.50 | \$ 1,435.21 | \$ 1,626.70 | \$ 17,164.21 | \$ 16,959.20 |
| | | \$ 254,207.89 | \$ 127,103.97 | \$ 381,311.86 | \$ 380,704.45 | \$ 80,589.95 | \$ 66,833.20 | \$ 461,901.81 | \$ 447,537.65 |
| Board Alternates | | | | | | | | | |
| A | Wilson, K. | \$ 373.33 | \$ 186.67 | \$ 560.00 | \$ - | \$ 146.57 | \$ - | \$ 706.57 | \$ - |
| C | Pinker, C. | \$ - | \$ - | \$ - | \$ 640.00 | \$ - | \$ 79.20 | \$ - | \$ 719.20 |
| E | Van Eynde, F. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 74.97 | \$ - | \$ 74.97 |
| E | Lowe, K. | \$ 53.33 | \$ 26.67 | \$ 80.00 | \$ 320.00 | \$ 19.03 | \$ 58.14 | \$ 99.03 | \$ 378.14 |
| F | McLean, J. | \$ 393.33 | \$ 196.67 | \$ 590.00 | \$ 560.00 | \$ 171.04 | \$ 219.57 | \$ 761.04 | \$ 779.57 |
| G | Derkach, L. | \$ - | \$ - | \$ - | \$ 80.00 | \$ - | \$ - | \$ - | \$ 80.00 |
| H | Recalma, M. | \$ 106.67 | \$ 53.33 | \$ 160.00 | \$ 80.00 | \$ 51.94 | \$ 52.90 | \$ 211.94 | \$ 132.90 |
| Parksville | Powell, S. | \$ - | \$ - | \$ - | \$ 350.00 | \$ - | \$ 108.96 | \$ - | \$ 458.96 |
| Parksville | Beil, M. | \$ 53.33 | \$ 26.67 | \$ 80.00 | \$ - | \$ 20.57 | \$ - | \$ 100.57 | \$ - |
| Qualicum Beach | Horner, N. | \$ 320.00 | \$ 160.00 | \$ 480.00 | \$ - | \$ 113.55 | \$ - | \$ 593.55 | \$ - |
| Qualicum Beach | Luchtmeijer, B. | \$ - | \$ - | \$ - | \$ 430.00 | \$ - | \$ 108.67 | \$ - | \$ 538.67 |
| | | \$ 1,299.99 | \$ 650.01 | \$ 1,950.00 | \$ 2,460.00 | \$ 522.70 | \$ 702.41 | \$ 2,472.70 | \$ 3,162.41 |
| | | | | | | | | | |
| | TOTAL | \$ 255,507.88 | \$ 127,753.98 | \$ 383,261.86 | \$ 383,164.45 | \$ 81,112.65 | \$ 67,535.61 | \$ 464,374.51 | \$ 450,700.06 |

REPORTING OF REMUNERATION AND EXPENSES DISCLOSED UNDER SECTION 168 OF THE COMMUNITY CHARTER

| <u>Elected Official</u> | <u>Title</u> | <u>Associated Business</u> | <u>Description of Expense</u> | <u>Value</u> |
|-------------------------|--------------|----------------------------|-------------------------------|--------------|
| None to report for 2017 | | | | |

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF EARNINGS, TRAVEL AND OTHER EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

| Employee Name | Position | Earnings | Expenses | |
|----------------------|-----------------|--|-----------------|-------------|
| Exempt staff | | | | |
| ALEXANDER | E. RANDAL | General Manager, Regional & Community Utilities | \$ 160,985.72 | \$ 2,439.27 |
| ARMET | THOMAS W. | Manager, Building & Bylaw Services | 119,208.18 | 480.25 |
| BANMAN | DEAN E. | Manager, Recreation Services | 119,208.18 | 3,282.53 |
| BEAUCHAMP | ERICA | Superintendent, Transit Planning & Scheduling | 95,619.11 | 6,758.81 |
| BROWN | TYLER J. | Intergovernmental Liaison | 95,329.09 | 617.09 |
| CARLYLE | PHYLLIS L. | Chief Administrative Officer | 226,931.30 | 8,327.39 |
| CHESTNUT | MIKE J. | Superintendent, Aquatic Services | 96,528.56 | 897.86 |
| DEPOL | SEAN R. | Manager, Waste Water Services | 128,158.72 | 2,973.79 |
| DESILETS | MICHAEL J. | Project Engineer | 105,181.22 | 380.00 |
| DOBBS | MARK A. | Superintendent, Parks Operations & Capital Projects | 98,701.40 | 247.47 |
| DOLAN | KELLI J. | Manager, Human Resources | 96,042.10 | 9,833.80 |
| GARBUTT | GEOFFREY W. | General Manager, Strategic & Community Development | 160,836.24 | 5,228.47 |
| GARDINER | DOUGLAS | Fire & Rescue Service Coordinator | 86,116.28 | 2,548.54 |
| GARDNER | LARRY A. | Manager, Solid Waste Services | 125,924.92 | 1,860.36 |
| HAMILTON | JANE A. | Superintendent, Landfill Operations | 98,485.76 | 2,990.58 |
| HANSEN | CURTIS W. | Superintendent, Transit Operations | 97,353.56 | 248.30 |
| HARRISON | JOAN E. | Director, Corporate Services | 139,309.28 | 1,967.86 |
| HILL | JACQUELINE R. | Manager, Administrative Services | 119,443.46 | 6,939.46 |
| HOLM | JEREMY J. | Manager, Current Planning | 122,422.16 | 1,040.77 |
| IDEMA | WENDY J. | Director, Finance | 142,645.72 | 3,112.53 |
| KING | HANNAH L. | Superintendent, Recreation Program Services | 97,874.94 | 478.20 |
| LUNDMAN | IAN E. | Superintendent, Wastewater Services | 100,118.45 | 3,884.10 |
| MANHAS | MANVIR | Manager, Capital Accounting & Financial Reporting | 119,920.47 | 2,527.83 |
| MARCELLUS | JOHN W. | Superintendent, Arena Services | 97,701.32 | 798.14 |
| MARSHALL | DARREN L. | Manager, Transit Operations | 112,995.56 | 3,475.22 |
| MARSHALL | WENDY S. | Manager, Parks Services | 120,903.35 | 2,007.12 |
| MAUCH | R. MAURICE | Project Engineer | 112,995.56 | 1,761.20 |
| METCALF | EMILY J. | Human Resources Advisor | 79,615.42 | 1,355.00 |
| MIDGELY | CHRISTOPHER M. | Manager, Strategic Initiatives & Asset Management | 119,208.18 | 2,547.61 |
| MILLER | BRANDON J. | Superintendent, Fleet & Transit Service Delivery | 95,553.56 | 3,437.99 |
| MOODY | MICHAEL R. | Manager, Information Services | 119,208.18 | 1,844.14 |
| MOORE | TIFFANY A. | Manager, Accounting Services | 118,704.25 | 2,985.05 |
| OSBORNE | THOMAS W. | General Manager, Recreation & Parks Services | 163,908.54 | 2,577.47 |
| PEARCE | DANIEL A. | Director, Transportation & Emergency Services | 129,715.90 | 5,551.48 |
| ROUTLEDGE | BENJAMIN L. | Superintendent, Scale & Transfer Services | 82,404.16 | 1,287.27 |
| ST PIERRE | GERALD A. | Project Engineer | 105,328.18 | 4,901.40 |
| THOMPSON | PAUL D. | Manager, Long Range Planning | 121,897.16 | 3,052.09 |
| TRUDEAU | DENNIS M. | General Manager, Transportation & Emergency Services | 131,098.12 | 879.47 |
| CUPE staff | | | | |
| AINGE | JEFFREY T. | Asset Management Coordinator | 77,530.70 | 1,400.34 |
| APPLETON | BRENT M. | Transit Mechanic | 77,604.60 | - |
| BANDURKA | GREG D. | Dispatch - HandyDART | 79,631.51 | - |
| BANNATYNE | CLAYTON D. | Chief Facility Operator (Ravensong and Oceanside) | 77,267.38 | 609.35 |
| BASTARACHE | CEDRIC J. | HandyDART Driver | 77,715.56 | - |
| BESSELING | LAWRENCE J. | Operator 3 - FCPC | 84,116.60 | 2,429.76 |
| BLOCK | PETER H. | Serviceperson Driver | 80,402.50 | - |
| BOOGAARDS | STEPHEN D. | Planner | 75,440.60 | 1,118.86 |
| CHOI | BYEONG TAEK | Serviceperson Driver | 90,473.93 | - |
| CRAMER | KELSEY A. | Parks Planner | 76,024.88 | 3,328.76 |
| DORKEN | HEATHER J. | Utilities Technician 3 | 80,639.07 | 1,742.28 |
| EDWARDS | ANDREW C. | Serviceperson Driver | 77,873.18 | 135.00 |
| EISON | ROBERT P. | Chief Operator - FCPC | 88,456.39 | 599.00 |
| FEE | STEWART J. | Serviceperson Driver | 91,776.61 | - |
| GREEN | GREIG W. | Transit Shop Staff | 78,027.23 | - |
| GUIZZETTI | KEVIN L. | Transfer Station Supervisor - Solid Waste | 78,474.74 | 418.67 |
| HALE | BRIAN P. | Utilities Technician 3 | 80,666.42 | 1,093.78 |
| HILL | WILLIAM R. | Chief Operator - Equipment and Maintenance | 79,395.22 | - |

| | | | | |
|------------------|----------------|---|-----------|----------|
| HOGeweide | KEVIN J. | Serviceperson Driver | 79,431.39 | - |
| HOOVER | CRAIG M. | Senior Operator - GNPCC | 83,738.65 | 2,462.68 |
| HORSBURGH | SHARON | Sustainability Coordinator | 83,392.19 | 3,378.62 |
| JAWORSKI | LYNDON A. | Utilities Technician 2 | 77,392.97 | 4,491.17 |
| JONES | LESLIE G. | Serviceperson Driver | 81,110.64 | 29.95 |
| KAIN | RANDY V. | Dispatch - HandyDART | 77,580.41 | - |
| KALLEN | TONY J. | Operator 3 - GNPCC | 82,309.19 | 710.46 |
| KAROD | SODI | Serviceperson Driver | 76,630.86 | - |
| KELLER | GREG B. | Senior Planner | 86,426.85 | 1,052.23 |
| KEMP | GLENN C. | Transit Shop/Charge Hand | 75,919.26 | 256.00 |
| KERMAN | CHRIS S. | Senior Operator - FCPC | 85,146.10 | 730.15 |
| KUZIEK | PETER A. | Serviceperson Driver | 90,452.04 | - |
| LIEW | ALEX K. | Serviceperson Driver | 81,741.02 | - |
| LOBB | JONATHAN M. | Parks Operations Coordinator | 75,019.69 | 370.00 |
| MACDONALD | RYAN W. | Information Services Coordinator | 80,579.47 | 4,426.69 |
| MACLENNAN | RICHARD H. | Chief Mechanic | 81,818.34 | 315.00 |
| MARKS | L. KRISTEEN | Planner | 76,780.29 | 1,103.86 |
| MATHESON | JANE S. | Accountant | 79,690.94 | 2,295.04 |
| MATTHEWS | JOHN L. | Serviceperson Driver | 76,749.98 | - |
| MCCULLOCH | ELAINE R. | Parks Planner | 77,751.38 | 3,913.28 |
| MICHEL | JOAN L. | Parks and Trails Coordinator | 75,766.59 | 686.58 |
| MOWATT | JACK F. | Serviceperson Driver | 76,502.75 | 29.95 |
| NIELSEN | RODNEY O. | Serviceperson Driver | 75,121.52 | - |
| NORUM | SHELLEY E. | Wastewater Coordinator | 76,516.65 | 754.39 |
| OMAN | TRAVIS K. | Parks Technician | 75,931.75 | 438.80 |
| PARKS | LARRY J. | Maintenance Operator - GNPCC | 75,912.91 | 710.46 |
| PHILLIPS | SHANE M. | Utilities Technician 2 | 79,585.49 | 2,627.45 |
| PISANI | JULIE C. | Drinking Water and Watershed Protection Coordinator | 76,357.26 | 1,274.21 |
| POROLISEANU | FLAVIU A. | Database Systems Coordinator | 76,040.13 | 2,604.92 |
| POWELL | RYAN W. | Laboratory Technician - GNPCC | 77,885.61 | 1,455.07 |
| ROACH | JEREMY | Serviceperson Driver | 75,288.10 | - |
| SAKAI | DAVID Y. | Transit Dispatch Assistant | 88,646.47 | - |
| SCHAEFER | GERALD L. | Building Inspector Supervisor | 83,397.87 | 500.25 |
| SCHILE | JOY (JAMA) M. | Senior Planner | 82,718.06 | 3,181.31 |
| SHORTMAN | JIM R. | Serviceperson Driver | 83,234.23 | - |
| SIMPSON | COURTNEY D. | Senior Planner | 85,877.85 | 681.15 |
| SINGBEIL | DONALD A. | Transit Bodyman | 93,470.53 | 521.54 |
| SINGBEIL | JEFFREY D. | Operator 2 - GNPCC | 82,728.29 | 1,396.52 |
| SKEELES | GEOFFREY C. | Transit Shop Staff | 78,185.84 | - |
| SKWARCZYNSKI | ROBERT L. | Chief Operator - GNPCC | 81,794.82 | 2,954.13 |
| SOPER | KAREN S. | Supervisor - Landfill | 78,369.47 | 673.26 |
| STEARMAN | RANDALL C. | Utilities Technician 2 | 76,667.49 | 2,552.73 |
| STEFANIW | TREVOR M. | Transit Dispatch Assistant | 85,933.48 | - |
| SUHAN | ZACHARY R. | Operator 3 - GNPCC | 80,212.50 | 2,451.80 |
| VAN OSSENBRUGGEN | CHRISTOPHER J. | Regional Parks Operations Coordinator | 84,063.22 | 603.11 |
| WARNER | DEREK R. | Serviceperson Driver | 82,221.09 | 29.95 |
| WEBSTER | PARIS J. | Operator 2 - GNPCC | 75,268.11 | 1,174.40 |
| WELZ | DAVID A. | Chief Operator - Water Services | 92,257.36 | 1,489.67 |
| WICKMAN | MARTIN D. | Operator 3 - FCPC | 77,024.06 | 1,032.23 |
| YAMASAKI | DALE K. | Transit Dispatch | 78,519.83 | - |
| ZMURCHYK | CRAIG J. | Serviceperson Driver | 79,267.79 | - |

Total Individual Earnings Paid over \$75,000

10,015,528.16 175,760.72

Total Summary Earnings Paid under \$75,000

15,742,666.05 179,515.88

Total All Earnings Paid

\$ 25,758,194.21 \$ 355,276.60

The amount paid as remuneration reported in this schedule differs from the amount reported in the Schedule of Revenues and Expenses and Note 24 to the Financial Statements. The amount reported in the Schedule of Revenues and Expenses and Note 24 includes amounts paid for employee benefits including Municipal Pension Plan premiums, Employment Insurance and Canada Pension Plan contributions, Long Term Disability, Medical, Dental and Worksafe premiums.

REGIONAL DISTRICT OF NANAIMO
STATEMENT OF SEVERANCE AGREEMENTS

There were two severance agreements under which payments commenced between the Regional District of Nanaimo and its non-unionized employees during fiscal year 2017.

These agreements represent 30 months of compensation based on the value of salary and benefits.

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017

| Supplier | Amount |
|---|---------------|
| ACE COURIER SERVICES | 40,333 |
| AC TAXI LTD | 28,126 |
| ACKLANDS-GRAINGER INC | 43,456 |
| ACME SUPPLIES LTD | 27,768 |
| AECOM CANADA LIMITED | 922,333 |
| ANDREW SHERET LTD | 30,798 |
| AQUATECH WEST | 56,896 |
| ARROWSMITH COMMUNITY RECREATION ASSOCIATION | 72,328 |
| BAKER SUPPLY LTD | 28,805 |
| BALLISTIC ARTS MEDIA STUDIOS INC | 29,148 |
| BC HYDRO | 1,406,427 |
| BC TRANSIT | 3,828,528 |
| BEAVER ELECTRICAL MACHINERY LTD | 189,119 |
| BERK'S INTERTRUCK LTD | 121,186 |
| BI PURE WATER (CANADA) INC | 28,233 |
| BLACK PRESS GROUP LTD | 67,032 |
| BLUE WAVE DEVELOPMENTS LTD | 35,438 |
| BOW HORN BAY VOLUNTEER FIRE DEPARTMENT | 283,355 |
| CANADA POST CORPORATION | 63,794 |
| CAPEWELL DESIGN | 33,784 |
| CHEMTRADE CHEMICALS CANADA LTD | 293,917 |
| CINTAS | 33,625 |
| CITY OF NANAIMO | 593,972 |
| CITY OF PARKSVILLE | 1,751,977 |
| CLEARTECH INDUSTRIES INC | 107,119 |
| CMF CONSTRUCTION LTD | 53,575 |
| CMJ EQUIPMENT LTD | 30,279 |
| COAST ENVIRONMENTAL LTD | 230,757 |
| COASTAL ANIMAL CONTROL SERVICES OF BC LTD | 140,515 |
| CO-GEN MECHANICAL SERVICES LTD | 355,202 |
| COPCAN CIVIL LTD | 276,485 |
| CORIX WATER PRODUCTS LP | 80,691 |
| CRANBERRY FIRE PROTECTION DISTRICT | 45,050 |
| CULLEN DIESEL POWER LTD | 57,662 |
| DASHWOOD VOLUNTEER FIRE DEPARTMENT | 445,765 |
| DAVID STALKER EXCAVATING LTD | 640,576 |
| DBL DISPOSAL SERVICES LTD | 198,609 |
| DEBRO CONTRACTING | 31,099 |
| DELL CANADA INC | 189,505 |
| DYNAMIC SPECIALTY VEHICLES LTD | 64,541 |
| ESRI CANADA LIMITED | 58,492 |
| EPCOR WATER (WEST) INC | 112,315 |
| ERRINGTON VOLUNTEER FIRE DEPARTMENT | 323,064 |
| EXTENSION VOLUNTEER FIRE FIGHTERS ASSOCIATION | 31,124 |
| FH BLACK & COMPANY INCORPORATED | 25,725 |
| FINNING CANADA | 188,342 |
| FOOTPRINTS SECURITY PATROL INC | 54,865 |

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017

| Supplier | Amount |
|---|---------------|
| FORTIS BC | 142,138 |
| FOUR STAR WATERWORKS LTD | 69,372 |
| G & G ROOFING LTD | 106,240 |
| G3 CONSULTING LTD | 75,614 |
| GABRIOLA ISLAND CHAMBER OF COMMERCE | 61,728 |
| GABRIOLA RECREATION SOCIETY | 77,394 |
| GARDAWORLD CASH SERVICES CANADA CORPORATION | 31,319 |
| GEOADVICE ENGINEERING INC | 32,869 |
| GEOWARE INC | 28,635 |
| GRAND & TOY | 71,483 |
| GREAT WEST EQUIPMENT | 155,032 |
| GREATPACIFIC CONSULTING LTD | 48,717 |
| GREGG DISTRIBUTORS (BC) LTD | 64,877 |
| GROVER COMMUNICATIONS INC | 58,454 |
| GUILLEVIN INTERNATIONAL CO | 47,942 |
| GW SOLUTIONS INC | 31,292 |
| HABITAT SYSTEMS INCORPORATED | 52,238 |
| HACH SALES & SERVICE CANADA LTD | 46,519 |
| HARMAC PACIFIC | 91,529 |
| HARRIS COMPUTER SYSTEMS | 131,508 |
| HEROLD ENGINEERING LIMITED | 64,057 |
| HORIZON RECRUITMENT INC | 27,641 |
| HPS POWER LTD | 43,639 |
| HUB FIRE ENGINES & EQUIPMENT LTD | 165,384 |
| INDACHEM INC | 111,888 |
| INSURANCE CORPORATION OF BC | 497,818 |
| ISLAND AGGREGATES LTD | 48,995 |
| ISLAND COMMUNICATIONS LTD | 27,104 |
| ISLAND TRACTOR & SUPPLY LTD | 53,516 |
| ISLAND WESTCOAST DEVELOPMENTS LTD | 382,604 |
| JE ANDERSON & ASSOCIATES | 46,199 |
| KAL TIRE | 131,775 |
| KALICUM DRILLING LTD | 27,263 |
| KERR WOOD LEIDAL | 72,169 |
| KIVELA CONTRACTING | 29,093 |
| KNAPPETT INDUSTRIES (2006) LTD | 260,706 |
| KOERS & ASSOCIATES ENGINEERING LTD | 241,390 |
| LAIRD WHEATON GM | 39,084 |
| LEWKOWICH ENGINEERING ASSOCIATES LTD | 61,864 |
| LIQUID CAPITAL EXCHANGE CORP | 25,870 |
| MAGNUM DISPOSAL SERVICES | 381,006 |
| MARCEL EQUIPMENT LIMITED | 538,000 |
| MAXXAM ANALYTICS | 58,142 |
| MCELHANNEY CONSULTING SERVICES LTD | 84,476 |
| MCNALLY CONSTRUCTION INC | 319,430 |
| MICROSOFT CORPORATION | 141,473 |
| MID ISLAND CONSUMER SERVICES CO-OP | 26,550 |

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017

| Supplier | Amount |
|---|---------------|
| MID ISLAND FENCE PRODUCTS LTD | 100,652 |
| MILESTONE EQUIPMENT CONTRACTING INC | 203,739 |
| MINISTER OF FINANCE | 536,044 |
| MNP | 32,038 |
| MONK OFFICE | 69,096 |
| MONKEY BUSINESS GYMNASTICS | 47,373 |
| MOTION CANADA | 97,036 |
| MUNICIPAL INSURANCE ASSOCIATION OF BC | 138,947 |
| MUNICIPAL PENSION PLAN | 2,039,810 |
| NAC CONSTRUCTORS LTD | 8,287,744 |
| NAI COMMERCIAL CENTRAL VANCOUVER ISLAND LTD | 383,603 |
| NANAIMO ORGANIC WASTE LTD | 1,360,170 |
| NANAIMO TOYOTA | 34,554 |
| NEILSON-WELCH CONSULTING INC | 41,062 |
| NESSSELBECK RI CINDY | 38,333 |
| NOORT INVESTMENTS | 80,429 |
| NORTH ISLAND 911 CORP | 640,241 |
| ONO TRADING CO CANADA LTD | 27,210 |
| OPUS INTERNATIONAL CONSULTANTS (CANADA) | 40,217 |
| ORCA HEALTH & SAFETY CONSULTING INC | 53,728 |
| PACIFIC BLUE CROSS | 1,639,880 |
| PACIFIC NORTHWEST RAPTORS | 130,092 |
| PARKLAND REFINING (BC) LTD | 429,015 |
| PARKSVILLE CHRYSLER LTD | 51,860 |
| PARKSVILLE HEAVY EQUIPMENT | 125,831 |
| PETRO-CANADA | 103,545 |
| PRICE'S ALARM SYSTEMS LTD | 25,572 |
| PRINT THREE | 48,554 |
| PURE TECHNOLOGIES | 220,500 |
| RC STRATEGIES INC | 57,330 |
| RECEIVER GENERAL FOR CANADA | 1,307,315 |
| REESOR ROB | 28,948 |
| RLC ENTERPRIZE LTD | 54,049 |
| ROB MARSHALL VENTURES | 56,476 |
| ROBIE'S CONTRACTING LTD | 49,261 |
| ROCK STEADY RESTORATIONS LTD | 281,809 |
| SAINAS CONSULT INC | 33,455 |
| SCHOOL DISTRICT NO 69 (QUALICUM) | 55,057 |
| SECURIGUARD SERVICES LIMITED | 96,153 |
| SHAW CABLE | 32,299 |
| SHAW ELECTRICAL SERVICES LTD | 224,189 |
| SIMSON MAXWELL | 39,746 |
| SNC-LAVALIN INC | 43,771 |
| SOUTHERN RAILWAY OF VANCOUVER ISLAND LTD | 105,440 |
| SOUTHWESTERN FLOWTECH & ENVIRONMENTAL LTD | 51,319 |
| STANTEC CONSULTING LTD | 104,069 |
| STAR WEST PETROLEUM LTD | 54,628 |

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| Supplier | Amount |
|---|-------------------|
| STEWART MCDANNOLD STUART | 204,189 |
| STEWART MCDANNOLD STUART - IN TRUST | 694,963 |
| STRAIN LANDSCAPES | 128,351 |
| SYLVIS ENVIRONMENTAL SERVICES INC | 397,240 |
| TELUS COMMUNICATIONS | 199,693 |
| TELUS MOBILITY | 66,258 |
| TELUS SERVICES INC | 79,313 |
| THE COMMUNICATION CONNECTION INC | 26,380 |
| THE PUBLIC SECTOR DIGEST INC | 29,542 |
| TOMKO SPORTS SYSTEMS INC | 25,686 |
| TOWN OF QUALICUM BEACH | 278,028 |
| TRANE CANADA | 45,612 |
| TREE ISLAND INDUSTRIES LTD | 84,730 |
| TRINEX INTERNET SOLUTIONS INC | 101,948 |
| UNIVAR CANADA LTD | 70,389 |
| UPSTREAM CONSULTING BC | 37,103 |
| URBAN SYSTEMS LTD | 80,850 |
| VADIM COMPUTER MANAGEMENT GROUP | 41,575 |
| VANCOUVER ISLAND UNIVERSITY | 70,842 |
| VWR INTERNATIONAL CO | 47,542 |
| WACOR HOLDINGS LTD | 868,552 |
| WASTE CONNECTIONS OF CANADA INC | 2,960,362 |
| WATERHOUSE ENVIRONMENTAL SERVICES CORPORATION | 177,261 |
| WATERLINE RESOURCES INC | 33,790 |
| WEST BRIDGE CORPORATION | 89,300 |
| WESTBURNE WEST | 37,081 |
| WESTCOAST INDUSTRIAL VALVES AND PUMPS | 42,375 |
| WESTERN FINANCIAL GROUP | 76,808 |
| WESTERRA EQUIPMENT LP | 99,388 |
| WESTLUND | 29,740 |
| WILLIS CANADA INC | 242,925 |
| WOODGROVE CHRYSLER | 34,381 |
| WORKSAFEBC | 620,790 |
| XCG CONSULTANTS LTD | 95,182 |
| TOTAL SUPPLIERS PAID OVER \$25,000 | 46,904,136 |
| TOTAL SUPPLIERS PAID UNDER \$25,000 | 4,302,702 |
| TOTAL ALL SUPPLIERS PAID | 51,206,837 |

The Regional District prepares its records using generally accepted accounting principles. This will result in differences between amounts recorded as an expense in the financial statements and the amount paid to a vendor in the year. The amounts reported here represent actual cash outlays in 2017 - some of which relate to goods or services received and recorded in 2016.

**REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF COMMUNITY GRANTS AND CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

(these amounts are not included in Total Paid to Suppliers)

| | |
|---|---------|
| ARROWSMITH COMMUNITY RECREATION ASSOCIATION | 3,394 |
| ARROWSMITH SEARCH & RESCUE SOCIETY | 10,000 |
| BALLENAS SECONDARY SCHOOL | 3,500 |
| BARD TO BROADWAY THEATRE SOCIETY | 1,660 |
| BOW HORNE BAY COMMUNITY CLUB | 2,400 |
| BOWSER ELEMENTARY SCHOOL PAC | 1,000 |
| BOWSER SENIOR HOUSING SOCIETY | 1,500 |
| CENTRAL VANCOUVER ISLAND JOB OPPORTUNITIES | 10,000 |
| CITY OF PARKSVILLE | 659,000 |
| COASTAL INVASIVE PLANT SPECIES COMMITTEE | 16,500 |
| CORCAN MEADOWOOD RESIDENTS ASSOCIATION | 2,650 |
| DISTRICT 69 FAMILY RESOURCE ASSOCIATION | 2,700 |
| ECHO PLAYERS THEATRE GROUP | 5,000 |
| ERRINGTON CO-OP PRESCHOOL | 1,000 |
| ERRINGTON ELEMENTARY SCHOOL | 1,000 |
| ERRINGTON WAR MEMORIAL HALL ASSOCIATION | 950 |
| GABRIOLA COMMUNITY BUS FOUNDATION | 130,200 |
| GABRIOLA ISLAND AGRICULTURAL ASSOCIATION | 1,000 |
| GABRIOLA ISLAND COMMUNITY HALL ASSOCIATION | 17,365 |
| GABRIOLA ISLAND GOLF CLUB | 26,030 |
| GABRIOLA ISLAND RECYCLING ORGANIZATION | 31,325 |
| GABRIOLA SENIOR CITIZEN'S ASSOCIATION | 10,000 |
| INCLUSION PARKSVILLE SOCIETY | 3,000 |
| ISLAND ROOTS MARKET CO-OPERATIVE | 25,000 |
| JOHN HOWARD SOCIETY | 5,000 |
| LADIES AUXILIARY TO ROYAL CANADIAN LEGION | 8,148 |
| LADYSMITH VICTIM SERVICES | 1,000 |
| LIGHTHOUSE COMMUNITY CENTRE SOCIETY | 25,144 |
| LIGHTHOUSE COUNTRY MARINE RESCUE SOCIETY | 5,000 |
| MOUNT ARROWSMITH BIOSPHERE REGION- VIU | 3,000 |
| MUDGE ISLAND CITIZENS SOCIETY | 3,697 |
| NANAIMO ABORIGINAL CENTRE | 10,000 |
| NANAIMO AND AREA LAND TRUST | 30,000 |
| NANAIMO MARINE RESCUE SOCIETY | 17,500 |
| NANAIMO RCMP VICTIM SERVICES PROGRAM | 10,000 |
| NANAIMO SEARCH & RESCUE SOCIETY | 5,975 |
| NANOOSE BAY ACTIVITIES AND RECREATION SOCIETY | 110,763 |
| NANOOSE FIRST NATION | 1,200 |
| OCEANSIDE BUILDING LEARNING TOGETHER SOCIETY | 1,709 |
| OCEANSIDE COMMUNITY ARTS COUNCIL | 2,435 |

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF COMMUNITY GRANTS AND CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

(these amounts are not included in Total Paid to Suppliers)

| | |
|---|---------------------|
| OCEANSIDE COMMUNITY SAFETY VOLUNTEERS | 65,420 |
| OCEANSIDE ELEMENTARY SCHOOL PAC | 20,000 |
| OCEANSIDE HOSPICE SOCIETY | 4,832 |
| OCEANSIDE KIDFEST SOCIETY | 1,300 |
| OCEANSIDE MINOR SOFTBALL ASSOCIATION | 2,500 |
| OCEANSIDE VOLUNTEER ASSOCIATION | 200 |
| PARKSVILLE INDOOR SLOW PITCH LEAGUE | 1,100 |
| PARKSVILLE LIONS CLUB | 1,000 |
| PARKSVILLE OCEANSIDE PICKLEBALL SOCIETY | 1,000 |
| QUALICUM BEACH CHAMBER OF COMMERCE | 5,000 |
| QUALICUM BEACH COMMUNITY EDUCATION & WELLNESS SOCIETY | 1,250 |
| QUALICUM BEACH ELEMENTARY SCHOOL PAC | 2,500 |
| QUALICUM FIRST NATION | 1,250 |
| QUALICUM WOODS RESIDENTS ASSOCIATION | 375 |
| RAVENSONG AQUATIC CLUB | 1,000 |
| ROYAL CANADIAN LEGION-BRANCH 211 | 800 |
| ROYAL CANADIAN LEGION-BRANCH 76 | 1,600 |
| SCHOOL DISTRICT 69 | 2,000 |
| SNUNEYMUXW FIRST NATION | 301,160 |
| THE GABRIOLA ISLAND HISTORICAL & MUSEUM SOCIETY | 12,000 |
| THE PORT THEATRE SOCIETY | 71,932 |
| THE WHALERS FOOTBALL SUPPORT SOCIETY | 2,000 |
| TOWN OF QUALICUM BEACH | 6,500 |
| TULNUXW LELUM BOWSER CULTURAL LEARNING SPACE | 4,422 |
| VAN ISLE WALKING SOCCER | 1,000 |
| VANCOUVER ISLAND NORTH FILM COMMISSION | 5,000 |
| YELLOW POINT DRAMA GROUP | 4,800 |
| TOTAL COMMUNITY GRANTS AND CONTRIBUTIONS | \$ 1,728,685 |