



Consolidated Financial Statements of
CITY OF COLWOOD
Year Ended December 31, 2019

CITY OF COLWOOD
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

Statement of Management Responsibility
Independent Auditor's Report
Consolidated Statement of Financial Position 1
Consolidated Statement of Operations..... 2
Consolidated Statement of Change in Net Financial Assets..... 3
Consolidated Statement of Cash Flows 4
Notes to the Consolidated Financial Statements 5

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

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 decisions affecting the measurement of transactions in which objective judgement 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 consolidated financial statements.

The Council of the City of Colwood met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

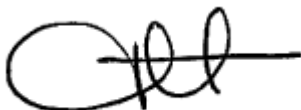
May 11, 2020



Chief Administrative Officer



Chief Financial Officer & Director of Finance



Manager of Finance

Independent Auditor's Report

To the Mayor and Council of the City of Colwood:

Opinion

We have audited the consolidated financial statements of the City of Colwood (the "City"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and the results of its consolidated operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information, consisting of the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Nanaimo, British Columbia

May 11, 2020

MNP LLP

Chartered Professional Accountants

City of Colwood
Consolidated Statement of Financial Position

Statement A

As at December 31, 2019

	2019	2018
Financial Assets:		
Cash and cash equivalents (Note 3)	\$ 30,493,129	\$ 23,546,284
Temporary Investments	-	4,067,029
Portfolio Investments (Note 4)	14,310,804	9,145,221
Property taxes receivable	470,590	447,526
Accounts receivable (Note 5)	854,454	1,262,344
	<u>46,128,977</u>	<u>38,468,404</u>
Financial Liabilities:		
Accounts payable and accrued liabilities (Note 7)	3,909,678	3,614,273
Prepaid property taxes	685,314	488,565
Deferred revenue (Note 8)	15,466,362	11,568,836
Refundable deposits	4,030,611	3,284,250
Debt (Note 9)		
Equipment finance loans	1,330,385	1,518,505
Long-term	9,357,664	10,031,029
Employee future benefits (Note 10)	788,625	798,357
	<u>35,568,639</u>	<u>31,303,815</u>
Net Financial Assets	10,560,338	7,164,589
Commitments and Contingencies (Note 15)		
Subsequent Event (Note 16)		
Non-financial assets:		
Tangible capital assets (Note 11)	148,391,318	145,744,543
Inventory of supplies	816,227	823,384
Prepaid expenses	175,542	149,523
	<u>149,383,087</u>	<u>146,717,450</u>
Accumulated surplus (Note 12)	\$ 159,943,425	\$ 153,882,039

Approved on behalf of the City



Robert Earl
 Chief Administrative Officer



Alan Thomas, CPA, CMA
 Chief Financial Officer & Director of Finance



Jennifer Hepting, CPA, CA
 Manager of Finance

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

City of Colwood
Consolidated Statement of Operations

Statement B

As at December 31, 2019

	Budget (Note 17)	2019	2018
Revenue			
Taxation (Note 13)	\$ 17,468,200	\$ 17,579,130	\$ 16,932,511
User charges	3,695,620	4,133,728	3,502,629
Fines and penalties	125,300	131,933	145,384
Portfolio investment income	-	216,638	211,051
Other investment income	475,000	547,726	476,570
Unconditional government transfers (Note 14)	691,573	772,534	736,437
Conditional government transfers (Note 14)	1,973,900	157,335	551,341
Developer contributions	698,400	5,056,790	3,293,217
Other	58,143	239,570	322,542
	25,186,136	28,835,384	26,171,682
Expenses			
General government	\$ 3,843,300	\$ 4,028,238	\$ 3,173,190
Protective services	7,398,200	6,840,676	6,368,982
Engineering and transportation services	4,452,500	4,052,773	4,408,781
Solid waste management	234,200	260,051	237,960
Planning and development services	2,005,300	1,507,893	1,589,820
Parks, recreation and culture	4,390,336	4,821,599	4,574,754
Sewer services	1,162,500	1,105,912	1,092,041
	23,486,336	22,617,142	21,445,528
Annual surplus from City operations	1,699,800	6,218,242	4,726,154
Gain (Loss) on change in proportionate share of Westshore Parks and Recreation Society (Note 18)	-	(156,856)	62,048
Annual surplus	1,699,800	6,061,386	4,788,202
Accumulated surplus, beginning of year	153,882,039	153,882,039	149,093,837
Accumulated surplus, end of year	\$ 155,581,839	\$ 159,943,425	\$ 153,882,039

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

City of Colwood
Consolidated Statement of Change in Net Financial Assets

Statement C

As at December 31, 2019

	Budget (Note 17)	2019	2018
Annual surplus	\$ 1,699,800	\$ 6,061,386	\$ 4,788,202
Acquisition of tangible capital assets (purchased)	(5,366,924)	(1,648,202)	(937,064)
Acquisition of tangible capital assets (contributed)		(3,941,190)	(2,711,731)
Amortization of tangible capital assets	2,428,300	2,710,946	2,625,289
Loss (Gain) on disposal of tangible capital assets	-	-	(194,568)
Proceeds on disposal of tangible capital assets	-	74,815	1,575,886
Loss (Gain) on change in proportionate share of Westshore Parks and Recreation Society	-	156,856	(62,048)
	<u>(1,238,824)</u>	<u>3,414,611</u>	<u>5,083,966</u>
Consumption of inventory of supplies	-	7,157	15,109
Increase in prepaid expenses	-	(26,019)	(80,422)
	<u>-</u>	<u>(18,862)</u>	<u>(65,313)</u>
Change in net financial assets	(1,238,824)	3,395,749	5,018,653
Net financial assets, beginning of year	7,164,589	7,164,589	2,145,936
Net financial assets, end of year	\$ 5,925,765	\$ 10,560,338	\$ 7,164,589

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

City of Colwood
Consolidated Statement of Cash Flows

Statement D

As at December 31, 2019

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 6,061,386	\$ 4,788,202
Items not involving cash:		
Amortization of tangible capital assets	2,710,946	2,625,289
Loss (Gain) on disposal of tangible capital assets	-	(194,568)
Actuarial adjustment on debt	(173,529)	(203,113)
Loss (Gain) on change in proportionate share of Westshore Parks and Recreation Society	156,856	(62,048)
Developer contributions	(3,941,190)	(2,711,731)
Change in non-cash operating assets and liabilities		
Property taxes receivables	(23,064)	128,891
Accounts receivable	407,890	(78)
Accounts payable and accrued liabilities	295,405	(524,782)
Prepaid property taxes	196,749	152,189
Deferred revenue	3,897,526	3,175,048
Refundable deposits	746,361	(643,977)
Employee future benefit liability	(9,732)	83,100
Inventory of supplies	7,157	15,109
Prepaid expenses	(26,019)	(80,422)
	10,306,742	6,547,109
Capital activities:		
Acquisition of tangible capital assets (purchased)	(1,648,202)	(937,064)
Proceeds on disposal of tangible capital assets	74,815	1,575,886
	(1,573,387)	638,822
Investing activities:		
Cash used in investment transactions	(1,098,556)	(13,212,250)
Financing activities:		
Equipment finance loan payments	(188,119)	(241,293)
Debt Payments	(499,835)	(749,767)
	(687,954)	(991,060)
Increase (decrease) in cash and cash equivalents	6,946,845	(7,017,379)
Cash and cash equivalents, beginning of year	23,546,284	30,563,663
Cash and cash equivalents, end of year	\$ 30,493,129	\$ 23,546,284
Supplemental cash flow information		
Cash paid for interest	\$ 472,891	\$ 594,698
Cash received from interest	\$ 848,128	\$ 666,661

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

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

1. General

The City of Colwood (the "City") is a municipality in the Province of British Columbia incorporated on June 24, 1985 and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The City provides municipal services such as police, fire, public works, engineering, planning, parks, recreation, community development, conference facilities and other general government operations.

2. Significant Accounting Policies

The consolidated financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The financial statements also include the proportionate consolidation of the City's share of the West Shore Parks and Recreation Society.

Basis of accounting

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Government transfers

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

Deferred revenue

Deferred revenue includes non-government grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired. Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

Investment income

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance. Investment income is allocated to various reserves and operating funds on a proportionate basis.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

2. Significant Accounting Policies *(continued from previous page)*

Cash equivalents

Cash equivalents include short-term highly liquid investments that are cashable on demand or have a term to maturity of 90 days or less at acquisition. Cash equivalents also include investment in the Municipal Finance Authority ("MFA") of British Columbia Money Market Funds, which are recorded at cost plus earnings reinvested in the funds.

Temporary Investments

Temporary investments are short-term investments, with an original maturity date of one year or less. The carrying values of temporary investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing.

Portfolio Investments

Portfolio investments are long-term investments, with an original maturity date of more than a year. The carrying values of portfolio investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing. For fixed term securities, such as bonds, any discount or premium arising on purchase is amortized over the period to maturity. Provisions for declines in the market value of portfolio investments are recorded when they are considered to be other than temporary. Declines in the market values of investments are considered to be other than temporary when the carrying value exceeds market value for more than three years.

Long-term debt

Long-term debt is recorded net of principal repayments and actuarial adjustments.

Employee future benefits

The City and its employees make contributions to the Municipal Pension Plan. The City's contributions are expensed as incurred.

Sick leave and other benefits are also available to the City's employees. The costs of these benefits are determined based on length of service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

2. Significant Accounting Policies *(continued from previous page)*

Non-financial assets *(continued from previous page)*

I. Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Building and building improvements	25 - 70
Vehicles, machinery and equipment	5 - 25
Sewer infrastructure	75 - 100
Drainage infrastructure	75 - 100
Parks and land improvements	15 - 40
Roads infrastructure	10 - 75

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

The City has capitalized interest costs associated with the construction of tangible capital assets, during the period of construction only.

Natural resources that have not been purchased are not recognized as assets in the financial statements.

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

II. Inventory of supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost, using the first in, first out method.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

2. Significant Accounting Policies *(continued from previous page)*

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, performing calculations of employee future benefits and estimating the useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for. Developer contributions of tangible capital assets are recorded at the City's best estimate of fair value on the date of contribution, calculated using engineering plans and standardized item cost estimates. Actual results could differ from these estimates.

Refundable deposits

Receipts restricted by third parties are deferred and reported as refundable deposits under certain circumstances. Refundable deposits are returned when the third party meets their obligations, or the deposits are recognized as revenue when qualifying expenditures are incurred.

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 City 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, 2019.

At each financial reporting date, the City 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 City 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.

3. Cash and cash equivalents

	2019		2018
Bank Deposits, operating account	\$ 12,815,106	\$	5,679,480
Bank Deposits, high-interest savings account	8,233,340		9,522,760
MFA – Money Market Funds	4,392,519		4,312,263
Guaranteed Investment Certificate	5,052,164		4,031,781
	\$ 30,493,129	\$	23,546,284

Guaranteed Investment Certificates have interest rates of 2.38% to 2.50% and are cashable after 90 days.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

4. Portfolio Investments

	2019		2018
Term Deposit	\$ 10,261,028	\$	5,163,288
Bonds	4,049,776		3,981,933
	\$ 14,310,804	\$	9,145,221

The term deposits have interest rates of 4.00% and 2.75%, maturing December 2020 and July 2022 respectively. The City holds two \$2,000,000 bonds yielding 2.31%, maturing March 2020 and April 2023.

5. Accounts Receivable

	2019		2018
Trade accounts receivable	\$ 36,328	\$	40,718
CRA receivable, GST	63,695		57,056
Other receivable, Government	232,878		162,086
Other receivable, Non-Government	368,213		907,985
West Shore Parks and Recreation Society	153,340		94,499
	\$ 854,454	\$	1,262,344

6. MFA Deposits

The City 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, 2019, the City had debt reserve funds of \$173,570 (2018 - \$173,145).

7. Accounts payable and accrued liabilities

	2019		2018
Trade accounts payable	\$ 924,974	\$	1,346,562
Government accounts payable	2,351,695		1,781,774
Payroll payable			
Wages	183,906		153,411
Vacation	51,814		117,521
Overtime	66,507		63,210
Deductions	22,563		24,158
Other accruals	176,871		1,654
West Shore Parks and Recreation Society	131,978		125,983
	\$ 3,909,678	\$	3,614,273

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

8. Deferred revenue

	2019		2018
Development cost charges	\$ 6,851,810	\$	5,117,911
Federal Gas Tax funds	5,125,267		3,567,968
Cash in lieu of frontage	1,116,509		1,056,389
Cash in lieu of parklands	527,351		465,683
Building permit fees	643,679		925,972
Other	904,473		148,589
West Shore Parks and Recreation Society	297,723		286,324
	<u>\$ 15,466,362</u>	<u>\$</u>	<u>11,568,836</u>

Development cost charges (DCCs)

Opening balance of unspent DCCs	\$ 5,117,911	\$	3,403,776
Add: DCCs received during the year	1,612,046		1,557,823
Add: Adjustment to DCCs spent on ineligible projects in prior years	-		67,306
Less: Amount spent on projects and recorded as revenue	-		-
Add: Interest earned on unspent DCCs	121,853		89,006
	<u>\$ 6,851,810</u>	<u>\$</u>	<u>5,117,911</u>

Development cost charges (DCCs) include the following

Road	6,027,179		4,440,878
Sewer	824,631		677,033
	<u>\$ 6,851,810</u>	<u>\$</u>	<u>5,117,911</u>

There were no waivers and/or reductions in development cost charges during 2019 or 2018.

Federal Gas Tax funds

Opening balance of unspent Federal Gas Tax funds	\$ 3,567,968	\$	3,096,924
Add: Federal Gas Tax funding received during the year	1,530,980		766,208
Add: Retroactive adjustment to Federal Gas Tax funds spent on projects in prior years	40,102		-
Less: Amount spent on projects and recorded as revenue	(102,281)		(358,028)
Add: Interest earned on unspent Federal Gas Tax funds	88,498		62,864
	<u>\$ 5,125,267</u>	<u>\$</u>	<u>3,567,968</u>

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

9. Debt

Equipment Finance Loans

- a) The City has secured short-term equipment financing loans with the Municipal Finance Authority bearing variable interest rates at an average annual rate of 2.50% (2018 – 2.28%).
- b) Principal repayment on the equipment finance loans for the next five years are estimated as follows; the City will be refinancing the equipment finance loans in 2021.

Equipment Finance Loans	
2020	161,992
2021	177,094
2022	203,211
2023	209,132
2024	213,145
Total	\$ 964,563

- c) Total interest expense during the year was \$35,616 (2018 - \$37,383). Principal paid during the year was \$188,119 (2018 - \$241,293).

Long-Term Debt

The Capital Regional District (CRD) obtains long-term debt, on behalf of the City, through the Municipal Finance Authority (MFA), pursuant to security issuing bylaws under the authority of the Local Government Act, to finance certain capital expenditures.

The loan agreements with the CRD and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the City.

As a condition of the loan agreements, the City is obligated to provide security by way of demand notes and interest-bearing cash deposits (sinking fund balances) based on the amount of the debt. If the debt is repaid without default, the deposits are refunded to the City. The demand notes are held by the MFA and upon maturity of the debt, the demand notes are released. As of December 31, 2019, there are contingent demand notes of \$356,596 (2018 - \$371,551) that are not recorded in the City's financial statements.

- a) Gross amounts of long-term debt and the repayment and actuarial earnings to retire the long-term debt are as follows:

	Rate		Gross long-term debt issued		Repayment & actuarial earnings		Net Debt 2019		Net Debt 2018	Year of Maturity
Issue 105	4.90%	\$	3,396,000	\$	2,036,236	\$	1,359,764	\$	1,601,158	2024
Issue 105	4.90%		720,000		472,580		247,420		303,444	2023
Issue 105	4.90%		1,696,000		1,224,668		471,332		616,515	2022
Issue 105	4.90%		265,000		265,000		-		31,416	2019
Issue 121	2.90%		3,710,323		661,342		3,048,981		3,154,929	2038
Issue 137	2.60%		4,501,000		270,833		4,230,167		4,323,568	2046
Total		\$	14,288,323	\$	4,930,659	\$	9,357,664		10,031,029	

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

9. Debt (continued from previous page)

Long-Term Debt (continued from previous page)

b) Principal payments on long-term debt for the next five years are as follows:

Long-term Debt	
2020	481,888
2021	481,888
2022	481,888
2023	378,884
2024	338,923
Total	\$ 2,163,471

c) Scheduled long-term debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$503,960 (2018 - \$749,767). Total interest expense during the year was \$437,275 (2018 - \$557,315). Included in revenue is \$173,529 (2018 - \$203,113) of actuarial adjustments on the City's annual debt principal repayments invested by MFA. This annual investment income results in a reduction in the overall cost of borrowing.

10. Employee future benefits

The City provides sick leave, personal/emergency/family leave and retirement benefits to its employees. Information about liabilities for the City's employee obligation related to these benefits is as follows:

	2019	2018
West Shore Parks and Recreation Society	\$ 84,164	\$ 88,742
City of Colwood	704,461	709,615
Total employee future benefits	\$ 788,625	\$ 798,357

	2019	2018
Accrued sick leave	\$ 390,000	\$ 363,200
Retirement benefits	314,461	305,200
Termination benefits	-	41,215
Total City of Colwood employee future benefits	\$ 704,461	\$ 709,615

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

10. Employee future benefits (continued from previous page)

	2019	2018
Accrued benefit obligation		
Balance, beginning of year	\$ 671,100	\$ 657,500
Service cost	70,000	72,400
Interest cost	23,700	20,400
Benefits payments	(37,200)	(62,600)
Actuarial loss	27,600	(16,600)
Balance, end of year	755,200	671,100
Unamortized net actuarial gain (loss)	(31,700)	(2,700)
Add: Severance package payable to employees	41,215	134,062
Less: Severance package paid to employees	(41,215)	(92,847)
Less: Retirement benefit paid to employees	(19,039)	-
Total City of Colwood employee future benefits	\$ 704,461	\$ 709,615

The accrued benefit obligation and the benefit costs for the year were estimated by an independent actuarial firm based on an actuarial valuation performed as of December 31, 2019. Key estimates were used in the valuation including the following:

	2019	2018
Discount rates	2.70%	3.30%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58% to 4.50 %	2.58% to 4.50%

Municipal Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated 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 as at December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The City of Colwood paid \$687,951 (2018 - \$642,655) for employer contributions while employees contributed \$588,313 (2018 - \$546,251) to the plan in fiscal 2019.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

10. Employee future benefits *(continued from previous page)*

Municipal Pension Plan *(continued from previous page)*

The next valuation will be as at December 31, 2021, with results available in 2022.

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

GVLRA - CUPE Long-Term Disability Trust

The GVLRA – CUPE Long-Term Disability Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relationship Association (GVLRA) representing a number of employers, including the City, and the Canadian Union of Public Employees (CUPE) representing a number of CUPE locals, including CUPE Local 374. The Trust's sole purpose is to provide a long-term disability income benefit plan. The City and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2018. As of December 31, 2018, the total plan provision for approved and unreported claims was \$18,160,100 with a net surplus of \$3,016,917. The City paid \$45,975 (2018 - \$47,868) for employer contributions and City employees paid \$45,975 (2018 - \$47,868) to the plan in fiscal 2019.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

11. Tangible capital assets

2019	Work in Progress	Land	Building and Building Improvements	Vehicles, Machinery and Equipment	Sewer Infrastructure	Drainage Infrastructure	Park and Land Improvement	Road Infrastructure	West Shore Parks and Recreation Society	Total 2019	Total 2018
Cost											
Balance, beginning of year	169,284	59,196,571	6,330,081	10,733,493	19,402,107	15,435,427	6,444,815	70,591,004	14,898,731	203,561,513	201,412,752
Additions	781,812	-	392,576	158,940	543,000	731,600	132,905	2,702,108	146,901	5,589,392	4,471,449
Disposals	-	-	-	-	-	-	-	-	-	-	(2,379,774)
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Change in Westshore Share	-	-	-	-	-	-	-	-	(417,287)	(417,287)	57,086
Balance, end of year	951,096	59,196,571	6,772,657	10,891,983	19,945,107	16,167,027	6,577,720	73,653,112	14,628,345	208,733,618	203,561,513
Accumulated Amortization											
Balance, beginning of year	-	-	(3,205,554)	(4,754,193)	(2,951,182)	(3,307,832)	(1,348,112)	(37,902,199)	(4,347,898)	(57,816,970)	(55,372,447)
Disposals	-	-	-	-	-	-	-	-	-	-	195,383
Amortization expense	-	-	(187,074)	(570,487)	(204,223)	(143,900)	(156,645)	(1,170,931)	(277,686)	(2,710,946)	(2,625,289)
Change in Westshore Share	-	-	-	-	-	-	-	-	185,616	185,616	(14,617)
Balance, end of year	-	-	(3,392,628)	(5,324,680)	(3,155,405)	(3,451,732)	(1,504,757)	(39,073,130)	(4,439,968)	(60,342,300)	(57,816,970)
Net book value, end of year	951,096	59,196,571	3,330,029	5,567,303	16,789,702	12,715,295	5,072,963	34,579,972	10,188,387	148,391,318	145,744,543
Net book value, beginning of year	169,284	59,196,571	3,124,528	5,979,305	16,450,925	12,127,598	5,096,703	33,048,804	10,550,835	145,744,553	146,040,307

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

11. Tangible capital assets *(continued from previous page)*

a) Work in progress:

Work in progress having a value of \$951,096 (2018 - \$169,283) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed tangible capital assets:

Contributed assets having a value of \$3,941,190 (2018 - \$2,711,731) were acquired from developers as part of subdivision installations, including parks and park improvements, roads, sidewalks, bike lanes, street lighting, drainage and sewer infrastructure. These contributed assets were recognized at an estimate of the fair value of the cost of the materials and installation.

c) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

d) Write-down of tangible capital assets and assets recognized at nominal value:

No write-down of tangible capital assets occurred during the year (2018 - \$0). No tangible capital assets are recognized at nominal value.

e) Gain/loss on disposal of tangible capital assets:

During the year, the City recognized a \$74,815 gain (2018 - \$194,568 loss) on disposal of tangible capital assets. This amount is included in Other revenue on the Consolidated Statement of Operations.

f) West Shore Parks and Recreation Society:

The City's proportionate share of West Shore Parks and Recreation Society assets includes land, building and equipment which are subject to amortization policies consistent with those of the City.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

12. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserve funds as follows:

	2019	2018
Operating Surplus		
General Operating Fund accumulated surplus	\$ 6,275,247	\$ 5,500,886
Sewer Operating surplus	513,418	526,389
Internal Financing (Central Sewer LAS) – to be recovered	(115,950)	(116,568)
Total Operating surplus	\$ 6,672,715	\$ 5,910,707
Reserve funds set aside for specific purposes by Council		
Future Operating Expenditures	\$ 2,012,496	\$ 1,931,672
Capital Projects	2,536,177	2,375,904
Sewer Capital Projects	1,098,973	1,043,317
General Fleet Replacement	756,234	561,249
Fire Fleet Replacement	1,195,524	1,241,104
Sewer Fleet Replacement	125,947	69,755
Equipment Replacement	94,917	101,252
Community Amenities	2,727,197	1,987,699
Affordable Housing	308,529	395,858
RCMP Surplus	965,843	1,450,322
Police Building	418,368	136,764
New Firehall	216,887	212,516
St. John's Heritage Church	108,812	95,151
Infrastructure Deficit	1,857,547	953,431
Public Art	22,458	22,005
Parks	29,580	8,700
West Shore Parks and Recreation Society	113,288	27,723
Total Reserve Funds	\$ 14,588,778	\$ 12,614,422
Invested in tangible capital assets (General Capital and Sewer Capital)	138,824,685	135,341,187
West Shore Parks and Recreation Society Surplus Operating Surplus (Deficit)	(142,753)	15,724
	\$ 159,943,425	\$ 153,882,039

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

13. Taxation

Taxation revenue, reported on the Consolidated Statement of Operations, is made up of the following:

	Budget	2019	2018
General taxation	\$ 14,725,000	\$ 14,710,774	\$ 13,926,260
Payments in place of taxes	2,195,600	2,328,887	2,187,460
Parcel taxes	345,600	342,017	628,025
1% utility taxes	202,000	197,452	190,674
Collections on behalf of other governments			
Provincial Government – School Authorities	-	7,892,566	7,185,251
Capital Regional District	-	2,694,992	2,372,596
Capital Regional Hospital District	-	1,085,037	1,049,032
BC Transit Authority	-	1,093,078	988,677
BC Assessment Authority	-	209,298	197,982
Municipal Finance Authority	-	1,035	922
	\$ 17,468,200	\$ 30,555,136	\$ 28,726,969
Transfers to other governments			
Provincial Government – School Authorities	-	(7,892,566)	(7,185,250)
Capital Regional District	-	(2,694,992)	(2,372,596)
Capital Regional Hospital District	-	(1,085,037)	(1,049,032)
BC Transit Authority	-	(1,093,078)	(988,677)
BC Assessment Authority	-	(209,298)	(197,982)
Municipal Finance Authority	-	(1,035)	(922)
	-	(12,976,006)	(11,794,459)
	\$ 17,468,200	\$ 17,579,130	\$ 16,932,511

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

14. Government transfers

The City recognizes the transfer of government funding as revenue in the period received and when all related eligibility criteria and stipulations have been satisfied. The government transfers reported on the Consolidated Statement of Operations are:

	Budget	2019	2018
Conditional government transfers:			
Federal:			
Gas Tax	\$ 1,891,400	\$ 62,179	\$ 948,588
Infrastructure Grants	-	-	55,817
Provincial:			
Infrastructure Grants	-	13,560	54,550
Climate Action	7,400	6,458	7,810
Other:			
Q Arena Debt Subsidy	75,100	75,138	75,138
West Shore Parks & Recreation	-	-	-
Total Conditional Government Transfers	\$ 1,973,900	\$ 157,335	\$ 1,141,903

Unconditional government transfers:			
Provincial:			
Small Communities	210,000	219,723	227,461
Traffic Fines Revenue Sharing	153,000	123,646	151,051
Casino revenue sharing	326,400	338,162	342,920
Other	-	10,246	246
West Shore Parks & Recreation	2,173	80,757	14,759
Total Unconditional Government Transfers	\$ 691,573	\$ 772,534	\$ 736,437

Gas Tax funding is provided by the Federal government. The use of funding is established by a funding agreement between the City and the Union of British Columbia Municipalities (UBCM). These funds may be used towards designated infrastructure projects that help communities build and revitalize public infrastructure supporting economic growth and a clean environment.

The Small Communities grant is unconditional funding to assist municipalities with populations up to approximately 19,000 residents.

Traffic Fine Revenue Sharing is an unconditional grant provided to assist municipalities in ensuring community safety and addressing community specific strategic priorities. The program returns 100% of net revenues from traffic violations to municipalities that are directly responsible for paying for policing.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

15. Commitments and Contingencies:

a) Contingent liabilities:

The Capital Regional District (the "CRD") debt, under provisions of the Local Government Act, is a direct, joint, and several liability of the CRD and each member municipality within the CRD, including the City of Colwood.

The City is a shareholder and member of the Capital Region Emergency Service Telecommunications Incorporated (CREST) who provides centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service obligations to share in funding ongoing operations any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

The City may be subject to potential repayment or non-collection of property taxes received or receivable pending resolution of property assessments appealed by taxpayers. The outcome of the appeals is not reasonably estimable and repayments or non-collections, if any, will be recorded in the period that they occur.

b) Litigation liability:

The City has been named a defendant in various lawsuits. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. Remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable.

c) Commitments:

The City entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 1992. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2020 estimated cost of this contract is \$3,114,600 (2019 estimate - \$2,938,400).

The City entered into an agreement with Hub Fire Engines for the supply and delivery of a new Fire Engine. Under the terms of this agreement, construction is expected to occur in 2019 with delivery of the Fire Engine in early 2020. The estimated cost of this contract is \$980,000 plus applicable taxes.

16. Subsequent Event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City of Colwood as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

17. Budget

The budget data presented in these consolidated financial statements includes both operating and capital budgets. The City of Colwood budget was approved by Council on April 23, 2019 with the adoption of the Five Year Financial Plan (2019-2023) Bylaw No 1760, 2019. The chart below reconciles the approved budget per the Financial Plan to the budget reported in these consolidated financial statements.

	2019 Budget
Consolidated Budgeted Surplus, per City of Colwood Financial Plan Bylaw No. 1760	\$ -
Add	
Capital Projects, General Capital Fund	5,019,900
Capital Projects, Sewer Capital Fund	25,000
Capital Projects, West Shore Parks and Recreation Society	322,024
Debt repayments	687,700
Transfers to reserves	2,770,700
Less	
Proceeds of borrowing	(28,300)
Transfers from reserves	(3,112,900)
Transfers from surplus	(1,234,000)
Amortization	(2,428,300)
West Shore Parks and Recreation Society – transfer from surplus	(75,444)
West Shore Parks and Recreation Society – transfers from reserves	(246,580)
Consolidated Budgeted Surplus, per City of Colwood Statement of Operations	\$ 1,699,800

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

18. West Shore Parks and Recreation Society

a) Capital asset transfer:

The CRD transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal members (the "Municipalities") effective January 2, 2002. City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca electoral Area). Effective January 1, 2007, the Town of View Royal became a member of the Society. Effective January 1, 2018, the CRD (on behalf of a portion of the Juan de Fuca electoral Area) removed their membership from the Society.

In 2002, the lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-Owners' Agreement. The lands and facilities were reallocated amongst the members in January 1, 2007, when the Town of View Royal became a member. Future improvements are allocated among the members as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement.

The cost sharing formula in the Members' Agreement may produce different cost shares for the members from year-to-year resulting in a gain or loss on the opening fund balances.

The Municipalities have each become members in the Society, which was incorporated to provide parks, recreation and community services to the Municipalities under contract. Under terms of an Operating, Maintenance and Management Agreement, the Society is responsible to equip, maintain, manage, and operate the facilities located at the recreation centre.

b) Consolidation:

Financial results and budget for the Society are consolidated into the City's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2019, the City's proportion for consolidation purposes was 21.73% (2018 - 22.44%).

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

18. West Shore Parks and Recreation Society (continued from previous page)

Condensed financial information for the Society as follows, prior to consolidation:

	2019	2018
Financial assets	\$ 3,480,294	\$ 3,636,125
Financial liabilities	2,362,813	2,233,137
Net financial assets	1,117,481	1,402,988
Non-financial assets	1,308,209	1,030,170
Accumulated surplus	2,425,690	2,433,158
Invested in tangible capital assets	1,041,200	982,438
Reserve funds	1,921,597	2,036,113
Unfunded members' tangible capital assets	(537,107)	(585,393)
Accumulated surplus	2,425,690	2,433,158
Revenues	7,330,284	6,547,215
Requisition from members	4,947,539	4,947,539
Total revenues	12,277,823	11,494,754
Expenses	12,285,291	11,278,796
Annual surplus (deficit)	\$ (7,468)	\$ 215,958

19. Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation.

20. Segmented information

The City is a diversified municipal organization that provides a wide range of services to its citizens which is disclosed in the segmented information. The services provided by the City are as follows:

General Government

The General Government operations provide the functions of Corporate Administration, Finance, Information Technology, Human Resources, Legislative Services and any other functions categorized as non-departmental.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

20. Segmented information *(continued from previous page)*

Protective Services

Protective Services is comprised of different functions, including Police Protection, Fire Protection, Emergency Preparedness and Regulatory services. The Royal Canadian Mounted Police (RCMP) provides policing services to the City. The RCMP ensures the safety of the lives and property of Colwood citizens through the enforcement of criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. The Fire Department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The Emergency Preparedness program ensures that the City is both prepared and able to respond to, and recover from, the effects of a disaster or major catastrophic event. The mandate of the Regulatory Service is to promote, facilitate and enforce general compliance with the provisions of the bylaws that pertain to the health, safety and welfare of the community.

Engineering and Transportation Services

Engineering and Transportation Services is responsible for a wide variety of transportation functions such as parking, engineering operations and streets. As well as providing services around infrastructure, traffic control, transportation planning, review of land development impacts on transportation, traffic management, and pedestrian and cycling issues, on-street parking regulations, including street signs and painting as well as traffic signal timing.

Solid Waste Management

The Solid Waste Management Services provides various community environmental services, including the branch drop-off program and the Spring Clean-Up program.

Planning and Development Services

Planning and Development Services co-ordinates and leads efforts to enhance the City's neighbourhoods, foster arts and culture and work to create a vibrant and dynamic City. Development services provide a full range of planning services related to zoning, development permits, variance permits and current regulatory issues.

Recreation, Parks and Culture

Recreation services facilitates the provision of recreation and wellness programs and services throughout the City. Parks is responsible for the maintenance, planning and development of all park facilities such as natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a safe environment. Parks is also responsible for preserving and enhancing green spaces on public lands.

Sewer Services

The sewer utility protects the environment and human health from the impact of liquid waste generated as a result of human occupation and development in the City.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The General Fund reports on municipal services that are funded primarily by taxation such as property taxes and other tax revenues. Taxation and payments-in-lieu of taxes are apportioned to the General Fund services based on budgeted taxation revenue as presented in the 2019 - 2023 Financial Plan Bylaw No 1760, 2019.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements. The following schedule provides additional financial information for the foregoing segments.

City of Colwood
Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

20. Segmented information (continued from previous page)

2019	General Fund						Sewer Fund		Total 2019
	General Government	Protective Services	Solid Waste Management	Planning and Development Services	Engineering, Public Works and Transportation	Parks, Recreation and Culture	Sewer Services		
Revenue									
Taxation	\$ 3,227,858	\$ 5,481,486	\$ 208,381	\$ 1,208,286	\$ 3,247,518	\$ 3,863,584	\$ 342,017	\$ 17,579,130	
User fees	119,622	1,206,064	15,765	367,178	332,844	1,370,447	721,809	4,133,728	
Government transfers	849,112	-	-	-	-	80,757	-	929,869	
Fines and penalties	123,160	8,773	-	-	-	-	-	131,933	
Investment income	733,788	-	-	-	-	-	30,575	764,364	
Developer contributions	-	-	-	1,093,000	3,843,190	120,600	-	5,056,790	
Other	15,937	63	1,612	-	71,374	150,584	-	239,570	
Total revenue	5,069,477	6,696,386	225,758	2,668,464	7,494,926	5,585,972	1,094,401	28,835,384	
Expenses									
Salaries, wages and benefits	2,257,273	2,617,134	126,171	862,962	1,842,956	607,713	204,307	8,518,516	
Materials, goods and supplies	273,650	150,805	14,088	1,386	155,673	58,844	85,328	739,774	
Property service costs	157,836	293,614	119,105	1,366	371,221	130,395	306,242	1,379,779	
Professional service costs	500,825	3,183,902	687	134,364	33,765	1,530,379	43,234	5,427,156	
Financing costs	525,658	61,198	-	-	68,088	121,407	193,614	969,965	
Other costs	148,887	183,235	-	3,441	717	1,951,003	-	2,287,283	
Amortization	128,647	350,788	-	-	1,536,466	421,858	273,187	2,710,946	
Special projects	35,462	-	-	504,374	43,887	-	-	583,723	
Total expenses	4,028,238	6,840,676	260,051	1,507,893	4,052,773	4,821,599	1,105,912	22,617,142	
Annual surplus (deficit)	\$ 1,041,239	\$ (144,290)	\$ (34,293)	\$ 1,160,571	\$ 3,442,153	\$ 764,373	\$ (11,511)	\$ 6,218,242	

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

20. Segmented information (continued from previous page)

2018	General Fund						Sewer Fund		Total 2018
	General Government	Protective Services	Solid Waste Management	Planning and Development Services	Engineering, Public Works and Transportation	Parks, Recreation and Culture	Sewer Services		
Revenue									
Taxation	\$ 2,732,657	\$ 5,484,777	\$ 204,925	\$ 1,369,106	\$ 3,796,710	\$ 2,716,311	\$ 628,025	\$ 16,932,511	
User fees	185,090	911,955	16,583	184,618	149,301	1,357,715	697,367	3,502,629	
Government transfers	1,273,019	-	-	-	-	14,759	-	1,287,778	
Fines and penalties	143,309	2,075	-	-	-	-	-	145,384	
Investment income	608,977	-	-	-	-	-	78,644	687,621	
Developer contributions	-	-	-	1,939,392	884,275	392,000	77,550	3,293,217	
Other	5,316	37	500	-	194,568	122,121	-	322,542	
Total revenue	4,948,369	6,398,844	222,008	3,493,116	5,024,854	4,602,906	1,481,586	26,171,682	
Expenses									
Salaries, wages and benefits	1,857,110	2,500,384	110,992	830,701	1,960,610	478,597	205,655	7,944,049	
Materials, goods and supplies	276,550	186,514	48,067	3,180	174,484	101,738	90,631	881,164	
Property service costs	182,234	254,987	78,901	1,802	312,578	99,587	268,415	1,198,504	
Professional service costs	452,239	2,718,062	-	159,431	49,561	1,418,702	18,955	4,816,950	
Financing costs	112,835	73,360	-	-	95,452	166,404	228,518	676,569	
Other costs	117,546	266,111	-	1,896	588	1,950,329	-	2,336,470	
Amortization	121,892	341,644	-	-	1,526,914	358,266	279,867	2,625,289	
Special projects	52,784	27,920	-	592,810	288,594	1,131	-	963,239	
Total expenses	3,173,190	6,368,982	237,960	1,589,820	4,408,781	4,574,754	1,092,041	21,445,528	
Annual surplus (deficit)	\$ 1,775,178	\$ 29,862	\$ (15,952)	\$ 1,903,296	\$ 616,073	\$ 28,152	\$ 389,545	\$ 4,726,154	