

THE CORPORATION OF THE CITY OF DUNCAN

December 31, 2014

Consolidated Financial Statements

(Audited)

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Corporation of the City of Duncan and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada.

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

Council of the City 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.



Peter de Verteuil, CPA, CGA
Chief Administrative Officer

Independent Auditor's Report

To the Mayor and Council of the City of Duncan:

We have audited the accompanying consolidated financial statements of the City of Duncan, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, change in net financial assets, cash flows and schedules 1, 2, 5, 6, 7 and 8, 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 City of Duncan as at December 31, 2014 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 Matters

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including Schedules 1 to 13, has been presented for purposes of additional analysis. The supplementary information in Schedules 1, 2, 5, 6, 7 and 8 has been subjected to the auditing procedures applied in the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on Schedules 3, 4, 9, 10, 11, 12 and 13 because our examination did not extend to the detailed information therein.

Duncan, British Columbia

May 4, 2015

MNP LLP
Chartered Accountants

THE CORPORATION OF THE CITY OF DUNCAN

Consolidated Financial Statements

For the Year Ended December 31, 2014

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**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014**

	2014	2013
FINANCIAL ASSETS		
Cash and investments (Note 3)	\$ 15,312,382	\$ 13,918,001
Accounts receivable (Note 4)	974,582	1,021,226
Deposit - Municipal Finance Authority (Note 5)	24,418	23,730
	<u>16,311,382</u>	<u>14,962,957</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	833,715	691,328
Sick and severance liabilities (Note 13(b))	417,713	414,540
Refundable deposits (Note 7)	124,704	111,989
Deferred revenue (Note 8)	1,343,791	1,153,629
Restricted revenue (Note 9)	1,794,223	1,750,620
Obligations under capital lease (Note 10)	13,261	44,069
Debenture debt (Note 11)	1,368,408	1,471,981
	<u>5,895,815</u>	<u>5,638,156</u>
NET FINANCIAL ASSETS	<u>10,415,567</u>	<u>9,324,801</u>
NON-FINANCIAL ASSETS		
Inventory	98,445	109,899
Prepaid expenses	30,913	33,642
Tangible capital assets (Schedule 6)	24,360,080	23,818,917
	<u>24,489,438</u>	<u>23,962,458</u>
ACCUMULATED SURPLUS (Schedule 2)	<u>\$ 34,905,005</u>	<u>\$ 33,287,259</u>

COMMITMENTS AND CONTINGENCIES (NOTE 12)



Director of Finance

See accompanying notes to the financial statements

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2014**

	2014 Budget (Note 14)	2014 Actual	2013 Actual
REVENUE (Schedule 5)			
Taxation and grants in lieu of taxes	\$ 3,674,731	\$ 3,673,788	\$ 3,589,046
Sale of services and connection fees	3,185,435	3,418,316	3,169,244
Grants	364,981	363,401	582,493
Licenses, permits, penalties and fines	569,513	590,184	583,260
Capital contributions from developers	-	129,740	96,345
Donations and bequests	-	-	33,625
Return on investments	103,000	280,124	238,905
Gain(Loss) on disposal of assets	-	39,457	(39,585)
Assets constructed by developers	-	66,000	73,353
Increase in proportionate share of Joint Utilities Board assets	-	7,085	42,229
Development cost charges utilized	-	-	65,196
Gas Tax funds utilized	693,000	215,716	345,903
Total revenue	<u>8,590,660</u>	<u>8,783,811</u>	<u>8,780,014</u>
EXPENSES (Schedule 5)			
General government services	1,226,333	1,274,906	1,177,869
Protective services	654,056	665,013	608,176
Transportation services	1,511,694	1,605,256	1,932,881
Environmental health services	315,252	278,573	208,327
Environmental development services	201,790	180,574	139,490
Recreation and cultural services	934,769	1,137,590	1,017,338
Water services	1,267,163	1,295,927	1,148,079
Sewer services	820,030	728,226	632,036
Total expenses (Note 16)	<u>6,931,087</u>	<u>7,166,065</u>	<u>6,864,196</u>
ANNUAL SURPLUS	<u>1,659,573</u>	<u>1,617,746</u>	<u>1,915,818</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>33,287,259</u>	<u>33,287,259</u>	<u>31,371,441</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 34,946,832</u>	<u>\$ 34,905,005</u>	<u>\$ 33,287,259</u>

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2014

	2014 Budget (Note 14)	2014 Actual	2013 Actual
ANNUAL SURPLUS	\$ 1,659,573	\$ 1,617,746	\$ 1,915,818
Purchase of tangible capital assets	(5,827,211)	(1,700,091)	(2,865,111)
Tangible capital assets acquired in kind	-	(66,000)	(73,353)
Increase (decrease) in proportionate share of Joint Utilities Board tangible capital assets	-	(5,054)	(31,443)
Amortization of tangible capital assets	1,086,188	1,187,440	1,188,880
Net book value of disposed of tangible capital assets	-	42,543	53,814
Decrease (increase) in inventories	-	11,454	(21,758)
Decrease (increase) in prepaid items	-	2,728	(18,675)
	<u>(4,741,023)</u>	<u>(526,980)</u>	<u>(1,767,646)</u>
CHANGE IN NET FINANCIAL ASSETS	(3,081,450)	1,090,766	148,172
NET FINANCIAL ASSETS, Beginning of Year	<u>9,324,801</u>	<u>9,324,801</u>	<u>9,176,629</u>
NET FINANCIAL ASSETS, End of Year	<u>\$ 6,243,351</u>	<u>\$ 10,415,567</u>	<u>\$ 9,324,801</u>

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
Cash and investments provided by (used for)		
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,617,746	\$ 1,915,818
Non-cash items included in annual surplus:		
Amortization	1,187,440	1,188,880
Tangible capital assets acquired in-kind	(66,000)	(73,353)
Increase (decrease) in proportionate share of Joint Utilities Board tangible capital assets	(5,054)	(31,443)
Actuarial adjustment on debenture debt	(17,236)	(13,130)
(Gain)/Loss on disposal/write down of tangible capital assets	(39,457)	39,585
	<u>2,677,439</u>	3,026,357
Changes in non-cash items:		
Accounts receivable	46,644	247,949
Deposit - Municipal Finance Authority	(688)	(1,103)
Inventories	11,454	(21,759)
Prepaid items	2,728	(18,675)
Accounts payable and accrued liabilities	142,388	(188,380)
Sick and severance liability	3,173	12,322
Refundable deposits	12,715	(46,529)
Deferred revenue	190,162	(153,866)
Restricted revenue	43,603	68,717
	<u>3,129,618</u>	2,925,033
Cash provided by (used for) operating transactions	<u>3,129,618</u>	2,925,033
CAPITAL TRANSACTIONS		
Proceeds on disposal of tangible capital assets	82,000	14,229
Purchases of tangible capital assets	(1,700,091)	(2,865,111)
Cash provided by (used for) capital transactions	<u>(1,618,091)</u>	(2,850,882)
FINANCING TRANSACTIONS		
Principal repaid - capital lease obligation	(30,808)	(30,199)
Principal repaid - long term debt	(86,338)	(86,338)
Cash provided by (used for) financing transactions	<u>(117,146)</u>	(116,537)
INCREASE (DECREASE) IN CASH AND INVESTMENTS	<u>1,394,381</u>	(42,386)
CASH AND INVESTMENTS, BEGINNING OF YEAR	<u>13,918,001</u>	13,960,387
CASH AND INVESTMENTS, END OF YEAR	<u>\$ 15,312,382</u>	<u>\$ 13,918,001</u>

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

1. General

The Corporation of the City of Duncan ("the City") is incorporated under the provisions of the British Columbia *Local Government Act*. Its principal activities are the provision of local government services to the City, as governed by the *Community Charter* and the *Local Government Act*.

The consolidated financial statements have been prepared by management in accordance with Canadian accounting standards as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada. The notes to the consolidated financial statements are an integral part of these statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis for these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the consolidated financial statements.

2. Significant Accounting Policies

a) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost. Revenue recognition policy is described in Note 2(g). Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay. Budget information has been aggregated to comply with these reporting standards.

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in fund balances and financial position of the City of Duncan. These financial statements consolidate the following operations:

General Revenue Fund
General Capital Fund
Reserve Funds

Waterworks Utility Revenue Fund
Waterworks Utility Capital Fund
Sewer Utility Revenue Fund
Sewer Utility Capital Fund

b) Reporting Entity

The City has a partnership agreement with the Municipality of North Cowichan for the operation of the Joint Utilities Board, and as such, consistent with generally accepted accounting treatment for government partnerships, the Joint Utilities Board is accounted for on a proportionate consolidation basis whereby the City's pro-rata share of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-partnership balances and transactions have been eliminated. The City's proportionate share of the Duncan-North Cowichan Joint Utilities Board fluctuates based on current capacity units being used which is 32.62% for 2014 (2013 - 32.41%).

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

2. Significant Accounting Policies (continued)

c) Investments

Investments are recorded at the lower of cost and market value. At year end, cost was substantially the same as market value.

d) Inventory

Inventory is recorded at the lower of cost and net realizable value, determined on an average cost basis.

e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

f) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The City does not capitalize interest charges as part of the cost of its tangible capital assets. The cost, less residual value, of tangible capital assets (excluding land) is amortized on a straight-line basis over the estimated useful life of the asset, commencing in the year that the asset is put into service. In the year that the asset is put into service, amortization is claimed for a proportionate number of in-service months. Assets under construction are not amortized until the asset is available for productive use. Estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 50 years
Buildings and Leasehold Improvements	
Buildings	15 to 50 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	10-20 years
Machinery, equipment and furniture	5-15 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	5 years

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

2. Significant Accounting Policies (continued)

Infrastructure Assets

Transportation

Land	Indefinite
Road surface	10 to 20 years
Road grade	60 years
Sidewalk surface	20 to 30 years
Sidewalk grade	60 years
Bridges	50 years
Traffic lights and equipment	30 years

Water and Sewer

Underground networks	40 to 80 years
Dams and other surface water structures	50 to 60 years

Repairs and maintenance costs are expensed. Betterments which extend the estimated useful life of the asset or enhance the service potential of the asset are capitalized.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. The City of Duncan Totem collection has been recorded as a capital asset due to its integral relationship to the economic and tourism strategy and identity of the City. The Totem collection has been recorded at cost. Intangibles and crown lands that have not been purchased by the City, such as forests, water and other natural resources are not recognized as tangible capital assets.

g) Revenue Recognition

Tax revenues are recognized in the year that they are levied. 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. Sewer and water fees are recognized when the service has been received by the customer. Other sales of service and other revenue from own sources are recognized when the service is provided or the amount is earned and when the amount can be estimated and when collection is reasonably assured.

Externally restricted grant and other operating revenues received from other organizations in advance of specified future expenses are deferred until they are earned by being matched against those expenses.

Development revenues and other levies which are restricted by the legislation of senior governments or by agreement with external parties for specified future expenses are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts.

Development Cost Charges are imposed for the sole purpose of providing funds for the City to pay the capital cost of providing, altering, or expanding sewage, water, drainage and highway facilities and for acquiring park land, in order to serve directly or indirectly, the development in respect of which the charges are imposed. These revenues are comprised of the amounts shown in notes 8 and 9.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

2. Significant Accounting Policies (continued)

h) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

i) Use of Estimates

Preparation of financial statements in accordance with Canadian public sector accounting standards 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 reporting period.

Significant areas requiring the use of management estimates relate to the useful lives of tangible capital assets, valuation of contributed tangible capital assets, determination of accrued sick benefits, collectability of accounts receivable, accrued liabilities and contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement. These estimates and assumptions are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known.

j) Financial Instruments

The City's financial instruments consist of cash and investments, accounts receivable, accounts payable and accrued liabilities, refundable deposits and debenture debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, credit or currency risks arising from these financial instruments.

k) Comparative Figures

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

l) Recent Accounting Pronouncements

PS 3260

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 Liability for Contaminated Sites to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The City expects to apply PS 3260 for its consolidated financial statements dated December 31, 2015. The City has not yet determined the effect of the new section on its consolidated financial statements.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

3. Cash and Investments

Cash and investments are comprised of the following:

	<u>2014</u>	<u>2013</u>
Cash	\$ 10,247,704	\$ 9,292,767
Temporary investments	<u>5,064,678</u>	<u>4,625,234</u>
	<u>\$ 15,312,382</u>	<u>\$ 13,918,001</u>

Temporary investments are comprised of term deposits with original maturities longer than 90 days.

Included in cash and temporary investments are funds held for deferred and restricted revenues totalling \$3,138,014 (2013 - \$2,904,249) and funds held for statutory reserve funds and reserve accounts totalling \$6,528,530 (2013 - \$5,770,034). Details of these balances can be found on Schedule 8.

4. Accounts Receivable

	<u>2014</u>	<u>2013</u>
Property taxes	\$ 211,841	\$ 225,032
Water and sewer fees	508,986	528,888
Provincial government	5,296	5,847
Federal government	61,137	190,275
Other municipalities and regional governments	79,191	7,627
Other receivables	<u>108,256</u>	<u>63,607</u>
	974,707	1,021,276
Less: allowance for doubtful accounts	<u>(125)</u>	<u>(50)</u>
	<u>\$ 974,582</u>	<u>\$ 1,021,226</u>

5. Municipal Finance Authority - Reserve Deposits

The City issues debt instruments through the Municipal Finance Authority (MFA). As a condition of these borrowings, a portion of the debenture proceeds are withheld by the MFA as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. The details of the cash deposits and demand notes at year end are as follows:

	<u>2014</u>	<u>2013</u>
Cash deposits	<u>\$ 24,418</u>	<u>\$ 23,730</u>

The demand note will only be recorded as an asset and liability if a local government, under the joint and several agreement of the regional district, defaults on their loan obligation. Upon this action of default, the MFA may call the outstanding demand notes of the deficient regional district at which point the demand notes then become both an asset and a liability of the associated members. Once the defaulting local government repays in full the defaulted position, the MFA will refund all called demand notes.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

6. Accounts Payable and Accrued Liabilities

	<u>2014</u>	<u>2013</u>
Trade accounts and accrued liabilities	\$ 436,313	\$ 373,333
Contractor holdbacks	47,905	60,534
Salaries and wages	155,995	112,829
Other governments	193,502	144,632
	<u>\$ 833,715</u>	<u>\$ 691,328</u>

7. Refundable Deposits

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 111,989	\$ 158,518
Deposits received	104,368	186,788
Deposits and interest refunded	(91,655)	(231,793)
Increase (decrease) in interest payable	2	(1,524)
	<u>\$ 124,704</u>	<u>\$ 111,989</u>

8. Deferred Revenue

	<u>2013</u>	<u>Receipts & Interest</u>	<u>Recognized as Revenue</u>	<u>2014</u>
Federal Gas Tax Agreement funds	\$ 711,485	270,784	(215,716)	\$ 766,553
Prepaid property taxes	396,918	548,967	(396,918)	548,967
Other revenue prepaid	44,226	104,177	(121,132)	27,271
Other grants	1,000	-	-	1,000
	<u>\$ 1,153,629</u>	<u>\$ 923,928</u>	<u>\$ (733,766)</u>	<u>\$ 1,343,791</u>

Federal Gas Tax Agreement Funds

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the City and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated projects, as specified in the funding agreements. These amounts are recognized as revenue in the period in which the corresponding expenditures are incurred.

Federal Gas Tax Continuity:

	<u>2014</u>	<u>2013</u>
Opening balance of unspent funds	\$ 711,485	\$ 858,169
Less: Gas Tax Funds Utilized	(215,716)	(345,903)
Add: amount received during the year	252,066	183,934
Add: interest earned during the year	18,718	15,285
	<u>\$ 766,553</u>	<u>\$ 711,485</u>

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

9. Restricted Revenues

Receipts that are restricted by the legislation of senior governments are initially deferred and reported as liabilities. Included in liabilities is the Development Cost Charges Reserve, the use of which, together with any earnings thereon, is restricted by legislation. These amounts are recognized as revenue in the period in which corresponding expenditures are incurred.

Development Cost Charges:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 1,750,620	\$ 1,681,903
Contributions from developers	426	104,399
Used during the year	-	(65,196)
Return on investments	<u>43,177</u>	<u>29,514</u>
Balance, end of the year	<u>\$ 1,794,223</u>	<u>\$ 1,750,620</u>

10. Obligation Under Capital Lease

MFA lease payable for a 2005 Fire Truck, repayable at \$2,617 per month including interest at 1.25%, due April 28, 2015 with a final payment of \$2,854.

Future minimum lease payments under the capital lease together with the obligation due under the capital lease are as follows:

2015	<u>\$ 13,322</u>
Total minimum lease payments	13,322
Less amount representing future interest at 1.25%	<u>(61)</u>
Balance of obligation	<u>\$ 13,261</u>

Assets under capital lease includes the 2005 Fire Truck as follows:

	<u>2014</u>	<u>2013</u>
Cost of leased tangible capital asset	\$ 358,683	\$ 358,683
Accumulated amortization of leased tangible capital asset	<u>(179,342)</u>	<u>(161,407)</u>
	<u>\$ 179,341</u>	<u>\$ 197,276</u>

Amortization expense includes \$17,934 (2013 - \$17,934) on leased tangible capital assets.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

11. Debenture Debt

	<u>2014</u>	<u>2013</u>
General Fund:		
Debenture debt for the 2008 Cowichan Aquatic Centre, interest at 3.25%, maturing 2026 - MFA Issue #117	\$ 1,223,950	\$ 1,302,274
Sewer Utility Fund:		
Debenture debt for 1999 Lagoon Improvements, interest at 3.15%, maturing 2019 - MFA Issue #70	<u>144,458</u>	<u>169,707</u>
	<u>\$ 1,368,408</u>	<u>\$ 1,471,981</u>

Principal payments in the next five years are as follows:

2015	\$ 86,338
2016	86,338
2017	86,338
2018	86,338
2019	86,338
2020 and beyond	<u>936,718</u>
	<u>\$ 1,368,408</u>

Interest expense includes \$57,788 (2013 - \$60,355) with respect to these obligations.

12. Commitments and Contingencies

a) Commitment:

The Cowichan Aquatic Centre is jointly owned by the City of Duncan and the Municipality of North Cowichan. Per an operating agreement, the City contributes towards the ongoing operations of the Centre. This agreement commits the City to contribute to the operating costs of the Centre based on the City's proportionate share of property tax assessments.

b) Contingent Liabilities:

The Cowichan Valley Regional District debt is, under the provisions of the *Local Government Act*, a direct, joint and several liability of the Regional District and each member municipality within the Regional District, including The Corporation of the City of Duncan. The loan agreements with the Cowichan Valley Regional District and the Municipal Finance Authority provide that if any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the City.

c) Reciprocal Insurance Exchange Agreement

The City is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the *Insurance Act* of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact on any subscriber. Under the Reciprocal Insurance Exchange Agreement the City is assessed a premium and specific deductible for its claims based on population. The obligation of the City with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint and several.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

12. Commitments and Contingencies (continued)

d) Contingent Liability

As of December 31, 2014 there are four claims against the City. In the opinion of management and legal counsel, the outcome of the claims, now pending, is not determinable. As the outcome is not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to the operations in the year of resolution.

13. Retirement Benefits

a) Pension Liability:

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.370 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Duncan paid \$162,692 (2013 - \$159,801) for employer contributions while employees contributed \$157,083 (2013 - \$140,157) to the plan in fiscal 2014.

b) Sick Leave and Severance Liability:

The City provides compensated absences and pays out sick time on retirement to a maximum of six months pay. The City also provides severance pay on retirement or disability at the rate of one and one half and two days per total years of continuous service. The estimated sick leave and severance liability has been calculated by management under the following actuarial assumptions:

- annual inflation rate is 2.3%
- discount rate is 3.5%
- the probability of staff remaining for the required vesting period of 20 years is 100%

Based on these assumptions, sick leave and severance benefits accrued at December 31, 2014 is \$417,713 (2013 - \$414,540).

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

14. Budget Figures

Budget figures represent the Financial Plan Bylaw No. 3113 adopted by Council on May 5, 2014. The financial plan anticipated the use of surpluses accumulated in previous years to balance against current year expenses in excess of current year revenues. The following schedule reconciles the consolidated surplus as presented in the Financial Plan approved by Council to the consolidated surplus as shown on the consolidated Statement of Operations.

Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Principal debt repayments	117,146
Transfers to Reserves	1,024,978
Capital expenditures	5,827,211
Less:	
Budgeted transfers from accumulated surplus	
General	(707,980)
Sewer	(314,519)
Water	(1,300,444)
Capital	-
Budgeted transfers from own reserves	
General	(387,107)
Sewer	(134,000)
Water	(265,000)
Capital	(1,114,524)
Amortization	(1,086,188)
Debt Proceeds	-
Adjusted Annual Surplus	<u><u>\$ 1,659,573</u></u>

15. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, fire protection, recreation, garbage collection and parkland. Distinguishable functional segments have been separately disclosed in the segmented information. Budgeted costs are determined for each segment based on Council approval of management recommendations based on Council's overall vision and strategy for the community. Budgeted revenues from fees and charges, external funding, or internal allocations from the City's reserves is also determined in the same manner. Actual expenses are coded at the time of purchase to the appropriate segment and payroll expenses are either allocated based on actual hours spent in each segment or using a pre-determined allocation subject to annual review. The nature of the segments and the activities they encompass are as follows:

General Government:

Corporate Services and Finance Departments. These departments provide the communications link between Council and other Municipal Departments and the general public, providing assistance and advice to citizens with respect to Council/Committee processes, reporting procedures and decisions.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

15. Segmented Information (continued)

Protective Services:

Fire protection, bylaw enforcement and building inspection.

Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the City of Duncan.

Fire protection is provided by the Duncan Volunteer Fire Department.

The Building Department maintains the quality of life for citizens by regulating all construction within the City, using the City's Building Bylaw, the BC Building Code, the BC Fire Code, and other related bylaws and enactments of the City of Duncan including the development permit guidelines within the Official Community Plan.

Transportation:

Transportation includes the following essential services to the City:

Providing and maintaining the City's roads, sidewalks, street lights, signage and line markings and storm drainage.

Parking control is also included under Transportation.

Maintenance of a separate system of underground pipes for storm water.

Environmental and Public Health:

Environmental Health is primarily the garbage, recycling and organics collection programs operating in the City of Duncan and also includes the operation of the public washrooms on Canada Avenue and in Centennial Park. In 2011 the City began separating organics and collecting all three waste streams with City crews. In 2013 the City began a trial program for the pickup of yard waste and glass. This became a regular municipal service in 2014. Also included in Environmental Health are any environmental programs of the City, such as the expenditures of the City's Environment Committee.

Development Services:

Development Services provides short-term and long-term planning services.

Long-term planning includes work with the community on reviewing the City's Official Community Plan and other long-term plans and strategies, and the review and updating of relevant bylaws such as zoning and signage. Short-term planning includes the processing of subdivision and development applications.

Recreation and Culture:

Recreation and Culture contributes to the quality of life and personal wellness of the community through the provision of a variety of programs, services and facilities. The City's various parks, including Centennial Park and Spray Park, McAdam Park, Rotary Park and Trails, City Square, and the City's financial contributions to the Cowichan Aquatic Centre and Kinsmen Park are included in Recreation and Culture.

Water and Sewer Services:

Water and Sewer Services include the operations and maintenance of the City's Water and Sewer systems. The City's water system serves approximately 15,000 people, extending into portions of the Municipality of North Cowichan, the Cowichan Valley Regional District Electoral areas "D" and "E", and also Cowichan Tribes territory. The City has four well sites, and two reservoirs for water distribution.

The City maintains a separate system of underground pipes to collect sewer and waste water for treatment at the Joint Utilities Board (JUB) Lagoons that are jointly owned with the Municipality of North Cowichan.

The City's proportional costs of maintaining the JUB Lagoons is included in Sewer services.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

15. Segmented Information (continued)

Capital Funding:

Capital Funding reflects the monies required to fund capital projects during a fiscal year. Included in capital funding are transfers from restricted reserves, grants, donations, investment income and proceeds from sale of real property.

16. Operating Expenses By Object

	<u>2014</u>	<u>2013</u>
Amortization	\$ 1,187,440	\$ 1,188,880
Capital fund expenses	364,156	557,087
Contract services	953,809	814,499
Fuel	81,902	86,140
Goods and services	941,517	874,632
Grants in Aid	96,235	142,084
Hydro	322,622	301,270
Insurance	138,063	108,791
Interest	61,746	64,480
Leases	8,508	8,477
Professional fees	147,154	110,953
Travel, conference and training	84,257	94,756
Wages	2,795,892	2,525,277
Actuarial adjustment to debt	<u>(17,236)</u>	<u>(13,130)</u>
	<u>\$ 7,166,065</u>	<u>\$ 6,864,196</u>

17. Environmental Regulations

The City is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the City 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.

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 1
Audited

	General Capital Assets				Infrastructure					Totals	
	Land	Land Improvements and Parks	Buildings and Leasehold Improvements	Vehicles and Equipment	Storm Water Engineering Structures	Roads & Sidewalks	Water	Sewer	Assets Under Construction	2014	2013
Cost											
Opening costs	\$ 1,476,976	\$ 3,947,390	\$ 5,594,811	\$ 4,803,755	\$ 3,414,787	\$ 13,148,611	\$ 10,502,487	\$ 2,819,767	\$ 106,670	\$ 45,815,251	\$ 43,459,693
Additions during the year	75,000	29,269	329,325	93,601	12,636	419,454	377,978	36,145	392,683	1,766,091	2,938,464
Disposals and write-downs	(210)	-	(42,551)	(34,383)	-	(192,459)	-	-	-	(269,603)	(582,906)
Capitalization of assets under construction			20,800						(20,800)	-	-
Closing costs	1,551,766	3,976,659	5,902,385	4,862,973	3,427,423	13,375,606	10,880,465	2,855,912	478,553	47,311,739	45,815,251
Accumulated Amortization											
Opening accumulated amortization		925,142	2,776,161	2,244,585	1,558,223	9,189,092	4,421,277	1,661,892	-	22,776,372	22,132,694
Amortization:											
General Government			24,804	33,647						58,451	34,201
Protective Services			9,542	103,979						113,521	111,471
Transportation		17,546	13,313	115,450	56,872	268,853				472,034	537,188
Environmental Health				24,649						24,649	24,649
Water		677	3,665	14,468			176,947			195,757	176,158
Sewer			1,224					41,365		42,589	39,187
Recreation and Culture		164,392	78,332	13,824		7,676				264,224	249,915
Total amortization	-	182,615	130,880	306,017	56,872	276,529	176,947	41,365	-	1,171,225	1,172,769
Disposals and write-downs			(42,551)	(3,725)		(180,785)				(227,061)	(529,091)
Closing accumulated amortization	-	1,107,757	2,864,490	2,546,877	1,615,095	9,284,836	4,598,224	1,703,257	-	23,720,536	22,776,372
Net Book Value of Tangible Capital Assets	\$ 1,551,766	\$ 2,868,902	\$ 3,037,895	\$ 2,316,096	\$ 1,812,328	\$ 4,090,770	\$ 6,282,241	\$ 1,152,655	\$ 478,553	\$ 23,591,203	\$ 23,038,879

Additions during the year include assets contributed by developers:

Water Infrastructure	\$ 33,590	\$ 68,225
Storm Water Infrastructure	1,564	-
Roads & Sidewalks	30,846	5,128
	<u>\$ 66,000</u>	<u>\$ 73,353</u>

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
Year Ended December 31, 2014**

**SCHEDULE 2
Audited**

	<u>2014</u>	<u>2013</u>
OPERATING FUNDS		
Unappropriated		
General	\$ 293,205	\$ 606,530
Waterworks Utility	3,659,232	3,372,438
Sewer Utility	1,088,409	921,915
Total Unappropriated	<u>5,040,846</u>	<u>4,900,883</u>
Appropriated		
Sewer Utility: Joint Utilities Board Reserve	357,218	313,475
Total Appropriated	<u>357,218</u>	<u>313,475</u>
Total Operating Funds	<u>5,398,064</u>	<u>5,214,358</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net book value tangible capital assets (Schedule 6)	24,360,080	23,818,917
Less: Long term debt	(1,368,408)	(1,471,981)
Less: Obligation under capital lease	(13,261)	(44,069)
Total Net Investment in Tangible Capital Assets	<u>22,978,411</u>	<u>22,302,867</u>
RESERVE FUNDS		
Sale of real property	209,111	218,300
Sale of property - Cowichan Place	43,972	150,267
Parking improvement	537,819	524,879
Parking improvement - Restricted	113,418	110,689
Machinery and equipment	1,398,902	1,074,142
Operating reserves	419,115	471,919
Capital works and other miscellaneous reserves	244,367	157,657
Public art	9,399	26,251
Pioneer park	48,531	47,363
Aquannis Centre	25,320	23,026
Municipal Finance Authority debt issue refunds	36,605	35,724
Small communities grant	-	199,855
Fire hall	110,053	124,210
Storm infrastructure	42,544	51,876
Downtown revitalization	16,952	16,544
Melba Schappert bequest	48,641	47,470
Police bridging capital	1,734,887	1,146,703
General capital	1,862	1,817
Waterworks Utility	678,595	552,358
Sewer Utility	808,437	788,985
Total Reserve Funds	<u>6,528,530</u>	<u>5,770,034</u>
Total Accumulated Surplus	<u>\$ 34,905,005</u>	<u>\$ 33,287,259</u>

**THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014**

**SCHEDULE 3
Unaudited**

	2014 Budget	2014 Actual	2013 Actual
Taxation and Grants in Lieu of Taxes			
Property taxes - General	\$ 3,517,305	\$ 3,517,042	\$ 3,431,576
Special Assessments			
Business improvement area (BIA)	180,000	180,000	175,000
Vancouver Island Regional Library (VIRL)	198,968	198,968	185,708
Utilities	103,926	103,926	104,116
Frontage and parcel taxes	43,500	43,440	43,460
	<u>526,394</u>	<u>526,334</u>	<u>508,284</u>
	<u>4,043,699</u>	<u>4,043,376</u>	<u>3,939,860</u>
Grants in lieu of taxation:			
Federal government	<u>10,000</u>	<u>9,380</u>	<u>9,894</u>
Collection for other governments:			
School authorities tax levy	2,029,800	1,934,505	1,964,112
Provincial policing levy	255,000	273,652	267,237
Cowichan Valley Regional District levy	1,252,777	1,252,777	1,244,898
Regional hospital district	404,678	404,678	361,515
	<u>3,942,255</u>	<u>3,865,612</u>	<u>3,837,762</u>
Joint boards and commissions:			
Municipal Finance Authority	161	161	163
British Columbia Assessment Authority	54,430	54,430	55,399
Subtotal	<u>54,591</u>	<u>54,591</u>	<u>55,562</u>
Less: Transfers to other governments	<u>(3,996,846)</u>	<u>(3,920,203)</u>	<u>(3,893,324)</u>
Less: Transfers to BIA	<u>(180,000)</u>	<u>(180,000)</u>	<u>(175,000)</u>
Less: Transfers to VIRL	<u>(198,968)</u>	<u>(198,968)</u>	<u>(185,708)</u>
Total Taxation and Grants in Lieu of Taxes	<u>3,674,731</u>	<u>3,673,788</u>	<u>3,589,046</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 3
Unaudited

	2014 Budget	2014 Actual	2013 Actual
Sale of Services			
General Revenue Fund			
Garbage and recycling fees	201,103	195,486	173,772
Cowichan Tribes fire service agreement	95,000	104,900	85,842
Eagle Heights fire protection	169,000	161,825	156,987
Administration recoveries	14,000	14,738	18,291
Public Works miscellaneous recoveries	5,000	5,250	4,999
Cowichan Tribes roads contribution	565	330	327
Sports fields	12,000	10,248	11,026
	<u>496,668</u>	<u>492,777</u>	<u>451,244</u>
Waterworks Utility Revenue Fund			
Sale of water	1,769,704	1,861,387	1,714,298
Service charges	23,200	24,115	23,214
Water studies	1,000	1,200	1,039
	<u>1,793,904</u>	<u>1,886,702</u>	<u>1,738,551</u>
Sewer Utility Revenue Fund			
Sewer rentals	894,763	921,245	875,182
Service charges	100	220	200
	<u>894,863</u>	<u>921,465</u>	<u>875,382</u>
Capital Connection Fees			
General Capital	-	23,541	16,325
Water Capital	-	49,581	69,980
Sewer Capital	-	44,250	17,762
	<u>-</u>	<u>117,372</u>	<u>104,067</u>
Total Sale of Services	<u><u>3,185,435</u></u>	<u><u>3,418,316</u></u>	<u><u>3,169,244</u></u>

**THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014**

**SCHEDULE 3
Unaudited**

	2014 Budget	2014 Actual	2013 Actual
Licences, Permits, Rentals and Penalties			
Trade licenses	68,000	70,220	67,915
Delivery vehicle licenses	1,200	1,247	1,349
Building permits and other fees	31,250	29,340	31,146
Dog licenses	6,000	5,213	5,000
	<u>106,450</u>	<u>106,020</u>	<u>105,410</u>
Equipment charges less operating costs	162,452	183,837	153,252
Parking and bylaw infraction fines	29,500	25,709	35,393
Parking permits and revenues	55,550	53,818	56,149
Rentals	154,131	152,857	172,426
Penalties and interest on taxes	36,000	38,554	36,020
	<u>437,633</u>	<u>454,775</u>	<u>453,240</u>
Donations and contributions	-	10	950
Other revenues and fees	25,430	29,379	23,660
	<u>25,430</u>	<u>29,389</u>	<u>24,610</u>
Total Licences, Permits, Rentals and Penalties	<u><u>569,513</u></u>	<u><u>590,184</u></u>	<u><u>583,260</u></u>

**THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014**

**SCHEDULE 3
Unaudited**

	2014 Budget	2014 Actual	2013 Actual
Other Income			
Investment income			
General Fund	41,000	34,821	38,484
Waterworks Fund	50,000	78,953	50,135
Sewer Fund	12,000	22,385	13,535
Reserve Fund	-	143,965	100,731
General Capital Fund - Interest and MFA refund	-	-	36,020
	<u>103,000</u>	<u>280,124</u>	<u>238,905</u>
Donations and Bequests			
General Capital	-	-	19,243
Developer Contributions to Public Art Reserve	-	-	1,091
Estate of Melba Schappert	-	-	13,291
	<u>-</u>	<u>-</u>	<u>33,625</u>
Asset Disposal			
Gain(Loss) on Disposal of Tangible Capital Assets	-	39,457	(39,585)
	<u>-</u>	<u>39,457</u>	<u>(39,585)</u>
Assets Contributed by developers			
General Capital	-	32,410	5,128
Water Capital	-	33,590	68,225
	<u>-</u>	<u>66,000</u>	<u>73,353</u>
Development Cost Charges Utilized			
Water Capital	-	-	36,773
Sewer Capital	-	-	28,423
	<u>-</u>	<u>-</u>	<u>65,196</u>
Capital Contributions from developers			
Parking Infrastructure	-	-	16,000
Water CCCs	-	129,740	80,345
	<u>-</u>	<u>129,740</u>	<u>96,345</u>

**THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014**

**SCHEDULE 3
Unaudited**

	2014 Budget	2014 Actual	2013 Actual
Other Income			
Gas Tax Funds Utilized	693,000	215,716	345,903
Government grants			
Unconditional Transfers from Other Governments			
Municipality of North Cowichan - Aquannis Centre	-	1,726	1,051
Municipality of North Cowichan - Cowichan Place	-	-	1,868
Provincial Revenue Sharing	345,675	343,523	345,675
	<u>345,675</u>	<u>345,249</u>	<u>348,594</u>
Conditional Transfers from Other Governments			
Federal government	-	-	157,000
Provincial government	6,000	5,297	8,047
Municipality of North Cowichan - Joint Parks	13,306	12,855	13,161
	<u>19,306</u>	<u>18,152</u>	<u>178,208</u>
Total Government grants	<u>364,981</u>	<u>363,401</u>	<u>526,802</u>
Other Grants	<u>-</u>	<u>-</u>	<u>55,691</u>
Total Other Income	<u>1,160,981</u>	<u>1,094,438</u>	<u>1,396,235</u>
Total Revenue	<u>\$ 8,590,660</u>	<u>\$ 8,776,726</u>	<u>\$ 8,737,785</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 4
Unaudited

	2014 Budget	2014 Actual	2013 Actual
General Government Services			
Legislative	\$ 132,664	\$ 123,280	\$ 118,167
General administrative:			
Office salaries and benefits	775,865	817,609	773,216
Travel, conventions and receptions	46,000	46,312	43,859
Sick leave and severance expense	40,000	49,488	68,761
Computer services	57,600	55,822	54,560
Legal	20,000	40,840	11,905
Accounting and audit	19,000	16,175	19,348
Communications and consulting	62,200	75,757	60,987
City Hall maintenance and operation	78,160	76,698	68,012
Office supplies	38,725	39,625	48,310
Telephone and postage	25,300	22,375	20,330
Advertising	14,000	11,528	11,809
Insurance	69,246	78,849	49,171
Internal recoveries	(422,279)	(422,279)	(397,212)
	<u>823,817</u>	<u>908,799</u>	<u>833,056</u>
Other:			
Grants to organizations	21,250	19,400	28,488
Operation and maintenance	4,069	3,789	3,640
General elections	15,575	17,698	-
Senior citizen sewer and water rebates	700	606	625
Tourism	113,798	106,336	131,876
Sundry	4,700	4,579	3,814
Margaret Moss building	76,713	908	-
	<u>236,805</u>	<u>153,316</u>	<u>168,443</u>
Total general government services	<u>1,193,286</u>	<u>1,185,395</u>	<u>1,119,666</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 4
Unaudited

	2014 Budget	2014 Actual	2013 Actual
Protective Services			
Fire:			
Chief and officers honorarium	23,000	19,075	19,310
Call pay	119,000	105,966	101,429
Training	45,400	35,236	43,915
Firefighters' WCB and insurance	7,100	8,588	7,438
Telephone and radio alarm system	10,715	10,117	9,463
Fire hall operation and maintenance	30,497	35,499	31,495
Vehicle operation and maintenance	37,118	34,202	32,799
Fire investigation and prevention	15,100	38,542	12,551
Hydrant rental	13,000	12,596	12,404
Other	62,576	66,941	48,692
	<u>363,506</u>	<u>366,762</u>	<u>319,496</u>
Other protection:			
Animal control	18,500	18,040	18,344
Building inspection:			
Salaries and benefits	100,000	79,646	86,055
Travel and transportation	4,000	3,900	3,900
Other	5,300	4,762	4,402
Flood control	3,000	-	1,783
Storm water quality testing	8,000	3,559	3,605
Evening patrols and security cameras	46,700	52,759	47,023
	<u>185,500</u>	<u>162,666</u>	<u>165,112</u>
Total protective services	<u>549,006</u>	<u>529,428</u>	<u>484,608</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 4
Unaudited

	2014 Budget	2014 Actual	2013 Actual
Transportation Services			
Common services:			
Public works administration salaries and benefits	303,988	307,665	310,866
Other administration costs	80,600	91,588	67,824
Operation and maintenance of workshop and yard	52,700	38,453	55,173
Small tools and equipment	7,000	2,995	8,315
Engineering	137,300	159,113	107,683
Public works administration recoveries	(289,160)	(289,160)	(213,000)
	<u>292,428</u>	<u>310,654</u>	<u>336,861</u>
Road transport:			
Street maintenance	76,500	84,958	74,161
Sidewalk maintenance	72,000	67,976	39,194
Drainage	58,250	95,053	60,401
Street sweeping	50,000	55,125	44,096
Snow removal	50,000	61,509	38,958
Boulevard and median maintenance	59,000	53,371	72,915
Tree maintenance	20,000	26,140	8,873
Totem maintenance	15,000	6,210	7,343
Traffic lines and signs	75,600	77,334	70,555
Street lighting	87,097	97,390	91,202
Traffic light maintenance and control	30,439	26,093	28,798
Off street free parking lots	9,170	6,912	11,194
Other	947	1,294	710
	<u>604,003</u>	<u>659,365</u>	<u>548,400</u>
Parking:			
Parking control	72,890	37,116	74,531
Parking lots and areas	23,918	26,614	24,450
	<u>96,808</u>	<u>63,730</u>	<u>98,981</u>
Other:			
Other bylaw enforcement	100	33,181	61
Transit pass rebate program	15,000	3,924	3,534
	<u>15,100</u>	<u>37,105</u>	<u>3,595</u>
Total transportation services	<u>1,008,339</u>	<u>1,070,854</u>	<u>987,837</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 4
Unaudited

	2014 Budget	2014 Actual	2013 Actual
Environmental Health Services			
Solid waste collection and disposal	220,487	189,730	151,247
Comfort stations	25,869	25,901	23,741
Environmental programs	44,999	27,899	4,554
Other	800	-	596
	<u>292,155</u>	<u>243,530</u>	<u>180,138</u>
Development Services			
Planning salaries and benefits	126,190	117,976	111,775
Materials and contracted services	75,600	62,598	27,715
	<u>201,790</u>	<u>180,574</u>	<u>139,490</u>
Recreation and Cultural Services			
General Parks and Playgrounds	414,378	430,390	409,159
Joint Parks Contributions	5,638	5,500	5,257
Cowichan Aquatic Centre - Municipality of North Cowichan	219,500	233,521	214,313
Senior Citizens' Activity Centre	5,253	16,313	5,366
Museum	8,700	9,243	9,125
	<u>653,469</u>	<u>694,967</u>	<u>643,220</u>
Interest			
Interest in General Fund			
General Government	1,000	1,161	1,130
Protective Services	600	2,798	2,995
Recreation and Cultural Services	47,125	47,125	47,125
	<u>48,725</u>	<u>51,084</u>	<u>51,250</u>
Interest in Sewer Fund	13,230	10,663	13,230
	<u>61,955</u>	<u>61,747</u>	<u>64,480</u>
Water and Sewer Services			
Waterworks	1,116,720	1,054,305	954,619
Sewer	768,179	652,617	597,677
	<u>1,884,899</u>	<u>1,706,922</u>	<u>1,552,296</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 4
Unaudited

	2014 Budget	2014 Actual	2013 Actual
Amortization			
General government services	32,047	58,451	34,201
Protective services	104,450	113,521	111,471
Transportation services	503,355	472,034	537,188
Environmental health services	23,097	24,649	24,649
Recreation and cultural services	234,175	264,224	249,915
Water services	150,443	195,757	176,158
Sewer services	38,621	42,589	39,187
	<u>1,086,188</u>	<u>1,171,225</u>	<u>1,172,769</u>
Other			
Capital expense	-	364,156	557,087
Actuarial debt adjustment	-	(17,236)	(13,130)
	<u>-</u>	<u>346,920</u>	<u>543,957</u>
Total Expenses	<u>\$ 6,931,087</u>	<u>\$ 7,191,562</u>	<u>\$ 6,888,461</u>

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2014

SCHEDULE 5
Audited

	General Government		Protective Services		Transportation Services		Environmental Health Services		Development Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE										
Taxation and grants in lieu of taxes	\$ 3,673,788	\$ 3,589,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services and connection fees	14,738	18,291	266,725	242,829	29,121	21,651	195,486	173,772	-	-
Grants	348,820	351,722	-	-	-	55,691	-	-	-	-
Licenses, permits, penalties and fines	326,820	338,466	-	-	263,364	244,794	-	-	-	-
Capital contributions from developers	-	-	-	-	-	16,000	-	-	-	-
Donations and bequests	-	13,291	-	-	-	-	-	-	-	-
Return on investments	178,786	175,235	-	-	-	-	-	-	-	-
Gain(Loss) on disposal of assets	59,790	-	-	8,929	(20,333)	(29,790)	-	-	-	-
Assets contributed by developers	-	-	-	-	32,410	5,128	-	-	-	-
Increase in proportionate share of JUB assets	-	-	-	-	-	-	-	-	-	-
Development cost charges utilized	-	-	-	-	-	-	-	-	-	-
Gas Tax funds utilized	214,887	343,515	-	-	-	-	-	-	829	2,388
Total revenue	\$ 4,817,629	\$ 4,829,566	\$ 266,725	\$ 251,758	\$ 304,562	\$ 313,474	\$ 195,486	\$ 173,772	\$ 829	\$ 2,388
EXPENSES										
Operating expenses										
Payroll	\$ 1,008,153	\$ 957,974	\$ 246,809	\$ 233,368	\$ 818,252	\$ 666,551	\$ 66,639	\$ 56,927	\$ 117,976	\$ 111,775
Other	177,242	161,692	282,619	251,240	252,602	321,286	176,891	123,211	62,598	27,715
Total Operating expenses	1,185,395	1,119,666	529,428	484,608	1,070,854	987,837	243,530	180,138	180,574	139,490
Capital fund expenses	29,899	22,872	19,266	9,102	62,368	407,856	10,394	3,540	-	-
Decrease in proportionate share of JUB assets	-	-	-	-	-	-	-	-	-	-
Amortization	58,451	34,201	113,521	111,471	472,034	537,188	24,649	24,649	-	-
Interest	1,161	1,130	2,798	2,995	-	-	-	-	-	-
Actuarial adjustment to debt	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 1,274,906	\$ 1,177,869	\$ 665,013	\$ 608,176	\$ 1,605,256	\$ 1,932,881	\$ 278,573	\$ 208,327	\$ 180,574	\$ 139,490
Surplus (Deficit)	\$ 3,542,723	\$ 3,651,697	\$ (398,288)	\$ (356,418)	\$ (1,300,694)	\$ (1,619,407)	\$ (83,087)	\$ (34,555)	\$ (179,745)	\$ (137,102)

* The general government category includes revenues and expenses that cannot be attributed to a particular sector.

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2014

SCHEDULE 5
Audited

	Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE								
Taxation and grants in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,673,788	\$ 3,589,046
Sale of services and connection fees	10,248	11,026	1,936,283	1,808,531	965,715	893,144	3,418,316	3,169,244
Grants	14,581	175,080	-	-	-	-	363,401	582,493
Licenses, permits, penalties and fines	-	-	-	-	-	-	590,184	583,260
Capital contributions from developers	-	-	129,740	80,345	-	-	129,740	96,345
Donations and bequests	-	20,334	-	-	-	-	-	33,625
Return on investments	-	-	78,953	50,135	22,385	13,535	280,124	238,905
Gain(Loss) on disposal of assets	-	(2,625)	-	(16,099)	-	-	39,457	(39,585)
Assets contributed by developers	-	-	33,590	68,225	-	-	66,000	73,353
Increase in proportionate share JUB assets	-	-	-	-	7,085	42,229	7,085	42,229
Development cost charges utilized	-	-	-	36,773	-	28,423	-	65,196
Gas Tax funds utilized	-	-	-	-	-	-	215,716	345,903
Total revenue	\$ 24,829	\$ 203,815	\$ 2,178,566	\$ 2,027,910	\$ 995,185	\$ 977,331	\$ 8,783,811	\$ 8,780,014
EXPENSES								
Operating expenses								
Payroll	\$ 245,071	\$ 225,832	\$ 222,753	\$ 201,524	\$ 70,239	\$ 71,326	\$ 2,795,892	\$ 2,525,277
Other	449,896	417,388	831,552	753,095	540,666	485,975	2,774,066	2,541,602
Total Operating expenses	694,967	643,220	1,054,305	954,619	610,905	557,301	5,569,958	5,066,879
Capital fund expenses								
Decrease in proportionate share JUB assets	-	-	-	-	-	-	-	-
Amortization	264,224	249,915	195,757	176,158	58,804	55,298	1,187,440	1,188,880
Interest	47,125	47,125	-	-	10,663	13,230	61,747	64,480
Actuarial adjustment to debt	(5,909)	(2,896)	-	-	(11,327)	(10,234)	(17,236)	(13,130)
Total expenses	\$ 1,137,590	\$ 1,017,338	\$ 1,295,927	\$ 1,148,079	\$ 728,226	\$ 632,036	\$ 7,166,065	\$ 6,864,196
Surplus (Deficit)	\$ (1,112,761)	\$ (813,523)	\$ 882,639	\$ 879,831	\$ 266,959	\$ 345,295	\$ 1,617,746	\$ 1,915,818

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2014

SCHEDULE 6
Audited

	The Corporation of The City of Duncan		Joint Utilities Board (JUB) Proportionate Share		Total	
	2014	2013	2014	2013	2014	2013
STATEMENT OF FINANCIAL POSITION						
Cash and investments (Note 3)	\$ 14,955,164	\$ 13,604,526	\$ 357,218	\$ 313,475	\$ 15,312,382	\$ 13,918,001
Tangible capital assets (Schedule 1)	\$ 23,591,203	\$ 23,038,879	\$ 768,877	\$ 780,038	\$ 24,360,080	\$ 23,818,917
Equity in tangible capital assets (Schedule 7)	\$ 22,209,534	\$ 21,522,829	\$ 768,877	\$ 780,038	\$ 22,978,411	\$ 22,302,867
Accumulated surplus (Schedule 9)	\$ 33,778,910	\$ 32,193,746	\$ 1,126,095	\$ 1,093,513	\$ 34,905,005	\$ 33,287,259
INVESTMENT IN TANGIBLE CAPITAL ASSETS						
Acquisition of tangible capital assets (Schedule 1)	\$ 1,766,091	\$ 2,938,464	\$ 5,054	\$ 31,443	\$ 1,771,145	\$ 2,969,907
STATEMENT OF OPERATIONS						
Sewer services grant revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total government grant revenue (Schedule 3)	\$ 363,401	\$ 526,802	\$ -	\$ -	\$ 363,401	\$ 526,802
Increase in proportionate share JUB assets	\$ -	\$ -	\$ 7,085	\$ 42,229	\$ 7,085	\$ 42,229
Total revenues (Schedule 3)	\$ 8,776,726	\$ 8,737,785	\$ 7,085	\$ 42,229	\$ 8,783,811	\$ 8,780,014
Sewer services expenses	\$ 652,617	\$ 597,677	\$ (41,712)	\$ (40,376)	\$ 610,905	\$ 557,301
Sewer services interest	\$ 10,663	\$ 13,230	\$ -	\$ -	\$ 10,663	\$ 13,230
Decrease in proportionate share JUB assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer services amortization (Schedule 4)	\$ 42,589	\$ 39,187	\$ 16,215	\$ 16,111	\$ 58,804	\$ 55,298
Total expenses (Schedule 4)	\$ 7,191,562	\$ 6,888,461	\$ (25,497)	\$ (24,265)	\$ 7,166,065	\$ 6,864,196

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 7
Audited

	<u>2014</u>	<u>2013</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net Investment in Tangible Capital Assets, beginning of year	\$ 21,522,829	\$ 19,681,282
Add: Purchase of tangible capital assets	1,700,091	2,865,111
Tangible capital assets acquired in-kind	66,000	73,353
Debt repayment	117,146	116,536
Actuarial adjustment to debt	17,236	13,130
Less: Amortization	(1,171,225)	(1,172,769)
Net book value of disposed of tangible capital assets	<u>(42,543)</u>	<u>(53,814)</u>
Net Investment in Tangible Capital Assets	<u>\$ 22,209,534</u>	<u>\$ 21,522,829</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 8
Audited

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Investment income	\$ -	\$ 143,965	\$ 100,731
Municipality of North Cowichan - Aquannis Centre	-	1,726	1,051
Municipality of North Cowichan - Cowichan Place	-	-	1,868
Bequest from estate of Melba Schappert	-	-	13,291
Parking infrastructure contributions from developers	-	-	16,000
Developer contributions to Public Art Reserve	-	-	1,091
Water capital contributions from developers	-	129,740	80,345
NET REVENUES	-	275,431	214,377
TRANSFERS			
Transfers from operating fund	637,871	722,908	810,376
Transfers from (to) general capital fund	(1,114,524)	(221,498)	(1,000,262)
Transfers from (to) sewer capital fund	(134,000)	-	-
Transfers from (to) water capital fund	(265,000)	(18,345)	(347,146)
CHANGE IN RESERVE FUND BALANCES	(875,653)	758,496	(322,655)
FUND SURPLUS, BEGINNING OF YEAR	4,757,271	5,770,034	6,092,689
FUND SURPLUS, END OF YEAR	\$ 3,881,618	\$ 6,528,530	\$ 5,770,034

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 8
Audited

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
SUMMARY OF RESERVE FUND POSITIONS		
Sale of real property	* \$ 209,111	\$ 218,300
Sale of property - Cowichan Place	43,972	150,267
Parking improvement	537,819	524,879
Parking improvement - Restricted	* 113,418	110,689
Machinery and equipment	1,398,902	1,074,142
Operating reserves	419,115	471,919
Capital works and other miscellaneous reserves	244,367	157,657
Public art	9,399	26,251
Pioneer Park	48,531	47,363
Aquannis Centre	25,320	23,026
Municipal Finance Authority debt issue refunds	36,605	35,724
Small communities grant	-	199,855
Fire hall	110,053	124,210
Storm infrastructure	42,544	51,876
Downtown revitalization	16,952	16,544
Melba Schappert bequest	48,641	47,470
Police bridging capital	1,734,887	1,146,703
General capital cost contributions	1,862	1,817
Water capital cost contributions	304,289	187,057
Water capital reserve	374,306	365,300
Sewer capital cost contributions	138,812	135,472
Sewer capital reserve	669,625	653,513
Total Reserve Fund Equity	\$ 6,528,530	\$ 5,770,034
RESERVES HELD AS LIABILITIES		
Federal Gas Tax funds (Note 8)	* 766,553	711,485
Restricted revenue (Note 9)	* 1,794,223	1,750,620
Total Reserve Funds	\$ 9,089,306	\$ 8,232,139

* Restricted Cash and Temporary Investments (Note 3)

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION - FUNDS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 9
Unaudited

	General Fund		Reserve Fund		Waterworks Utility Fund		Sewer Utility Fund		Equity in Capital Assets		2014	2013
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	Total	Total
FINANCIAL ASSETS												
Cash and investments	\$ 1,287,384	\$ 1,271,262	\$ 9,089,306	\$ 8,232,139	\$ 3,516,478	\$ 3,202,439	\$ 1,061,996	\$ 898,686	\$ -	\$ -	\$ 14,955,164	\$ 13,604,526
Accounts receivable (Note 4)	807,186	828,541	-	-	148,373	176,201	19,023	16,484	-	-	974,582	1,021,226
Deposits - Municipal Finance Authority (Note 5)	16,303	15,844	-	-	-	-	8,115	7,886	-	-	24,418	23,730
	<u>\$ 2,110,873</u>	<u>\$ 2,115,647</u>	<u>\$ 9,089,306</u>	<u>\$ 8,232,139</u>	<u>\$ 3,664,851</u>	<u>\$ 3,378,640</u>	<u>\$ 1,089,134</u>	<u>\$ 923,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,954,164</u>	<u>\$ 14,649,482</u>
LIABILITIES												
Accounts payable and accrued liabilities (Note 6)	\$ 832,990	\$ 690,241	\$ -	\$ -	\$ -	\$ -	\$ 725	\$ 1,087	\$ -	\$ -	\$ 833,715	\$ 691,328
Sick and severance liabilities (Note 13(b))	417,713	414,540	-	-	-	-	-	-	-	-	417,713	414,540
Refundable deposits (Note 7)	124,704	111,989	-	-	-	-	-	-	-	-	124,704	111,989
Deferred revenue (Note 8)	571,619	435,888	766,553	711,485	5,619	6,202	-	54	-	-	1,343,791	1,153,629
Restricted revenue (Note 9)	-	-	1,794,223	1,750,620	-	-	-	-	-	-	1,794,223	1,750,620
Obligations under capital lease (Note 10)	-	-	-	-	-	-	-	-	13,261	44,069	13,261	44,069
Debenture debt (Note 11)	-	-	-	-	-	-	-	-	1,368,408	1,471,981	1,368,408	1,471,981
	<u>1,947,026</u>	<u>1,652,658</u>	<u>2,560,776</u>	<u>2,462,105</u>	<u>5,619</u>	<u>6,202</u>	<u>725</u>	<u>1,141</u>	<u>1,381,669</u>	<u>1,516,050</u>	<u>5,895,815</u>	<u>5,638,156</u>
NET FINANCIAL ASSETS	<u>\$ 163,847</u>	<u>\$ 462,989</u>	<u>\$ 6,528,530</u>	<u>\$ 5,770,034</u>	<u>\$ 3,659,232</u>	<u>\$ 3,372,438</u>	<u>\$ 1,088,409</u>	<u>\$ 921,915</u>	<u>\$ (1,381,669)</u>	<u>\$ (1,516,050)</u>	<u>\$ 10,058,349</u>	<u>\$ 9,011,326</u>
NON-FINANCIAL ASSETS												
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,591,203	\$ 23,038,879	\$ 23,591,203	\$ 23,038,879
Inventory	98,445	109,899	-	-	-	-	-	-	-	-	98,445	109,899
Prepaid expenses	30,913	33,642	-	-	-	-	-	-	-	-	30,913	33,642
	<u>129,358</u>	<u>143,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,591,203</u>	<u>23,038,879</u>	<u>23,720,561</u>	<u>23,182,420</u>
ACCUMULATED SURPLUS	<u>\$ 293,205</u>	<u>\$ 606,530</u>	<u>\$ 6,528,530</u>	<u>\$ 5,770,034</u>	<u>\$ 3,659,232</u>	<u>\$ 3,372,438</u>	<u>\$ 1,088,409</u>	<u>\$ 921,915</u>	<u>\$ 22,209,534</u>	<u>\$ 21,522,829</u>	<u>\$ 33,778,910</u>	<u>\$ 32,193,746</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF GENERAL REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 10
Unaudited

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Taxes	\$ 3,664,731	\$ 3,664,408	\$ 3,579,152
Grants in lieu of taxes	10,000	9,380	9,894
Sale of services	496,668	492,777	451,244
Government transfers - unconditional	345,675	343,523	188,675
Government transfers - conditional	19,306	18,152	178,208
Gas Tax Funds utilized	5,000	829	2,388
Investment income	41,000	34,821	38,484
Other revenue from own sources	569,513	590,184	583,260
Total revenue	<u>5,151,893</u>	<u>5,154,074</u>	<u>5,031,305</u>
EXPENSES			
General government	1,193,286	1,185,395	1,119,666
Protective services	549,006	529,428	484,608
Transportation services	1,008,339	1,070,854	987,837
Environmental health services	292,155	243,530	180,138
Environmental development services	201,790	180,574	139,490
Recreation and cultural services	653,469	694,967	643,220
Interest	48,725	51,084	51,250
Total expenses	<u>3,946,770</u>	<u>3,955,832</u>	<u>3,606,209</u>
NET REVENUES	1,205,123	1,198,242	1,425,096
TRANSFERS			
Transfers to general capital fund	(1,128,509)	(641,996)	(591,737)
Transfers to reserve fund	(637,871)	(722,908)	(810,376)
Transfers from waterworks operating fund	-	-	57,889
Transfers to parcel taxes - sewer fund	(43,500)	(43,440)	(43,460)
Long term debt repayment	(103,223)	(103,223)	(102,613)
NET INCREASE (DECREASE) IN FUND	(707,980)	(313,325)	(65,201)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>606,530</u>	<u>606,530</u>	<u>671,731</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ (101,450)</u>	<u>\$ 293,205</u>	<u>\$ 606,530</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF WATERWORKS UTILITY REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 11
Unaudited

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Sale of water	\$ 1,769,704	\$ 1,861,387	\$ 1,714,298
Water studies	1,000	1,200	1,039
Service charges	23,200	24,115	23,214
Investment income	50,000	78,953	50,135
Total revenue	<u>1,843,904</u>	<u>1,965,655</u>	<u>1,788,686</u>
EXPENSES			
Administration	517,826	516,671	432,322
Transmission and distribution	334,134	318,654	326,426
Pumping	264,760	218,980	195,871
Total expenses	<u>1,116,720</u>	<u>1,054,305</u>	<u>954,619</u>
NET REVENUES	727,184	911,350	834,067
TRANSFERS			
Transfers to waterworks utility capital fund	(2,027,628)	(624,556)	(508,203)
Transfer to general fund	-	-	(57,889)
NET INCREASE (DECREASE) IN FUND	(1,300,444)	286,794	267,975
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,372,438</u>	<u>3,372,438</u>	<u>3,104,463</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 2,071,994</u>	<u>\$ 3,659,232</u>	<u>\$ 3,372,438</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF SEWER UTILITY REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 12
Unaudited

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Sewer rentals	\$ 894,763	\$ 921,245	\$ 875,182
Service charges	100	220	200
Investment income	12,000	22,385	13,535
Total revenue	<u>906,863</u>	<u>943,850</u>	<u>888,917</u>
EXPENSES			
Administration	239,711	217,361	193,600
Collection and disposal	163,071	158,880	152,805
Cost sharing - municipal government	(19,800)	(23,490)	(17,059)
Joint Utilities Board	385,197	299,866	268,331
Interest on debenture debt	13,230	10,663	13,230
Total expenses	<u>781,409</u>	<u>663,280</u>	<u>610,907</u>
NET REVENUES	125,454	280,570	278,010
TRANSFERS			
Transfers to sewer capital fund	(469,550)	(143,593)	(179,889)
Transfers from general revenue fund - parcel tax	43,500	43,440	43,460
Long-term debt repayment	(13,923)	(13,923)	(13,923)
NET INCREASE (DECREASE) IN FUND	(314,519)	166,494	127,658
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>921,915</u>	<u>921,915</u>	<u>794,257</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 607,396</u>	<u>\$ 1,088,409</u>	<u>\$ 921,915</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF CAPITAL FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2014

SCHEDULE 13
Unaudited

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Connection fees			
General Capital	\$ -	\$ 23,541	\$ 16,325
Water Capital	-	49,581	69,980
Sewer Capital	-	44,250	17,762
Grants	-	-	212,691
Investment Income - Interest and MFA refunds	-	-	36,020
Donations - General Capital	-	-	19,243
Gain (Loss) on disposal of tangible capital assets	-	39,457	(39,585)
Assets Constructed by Developers			
General Capital	-	32,410	5,128
Water Capital	-	33,590	68,225
Development Cost Charges utilized	-	-	65,196
Gas Tax Funds utilized	688,000	214,887	343,515
Total revenue	688,000	437,716	814,500
EXPENSES (not capitalized) (Schedule 5)			
General government services	-	29,899	22,872
Protective services	-	19,266	9,102
Transportation services	-	62,368	407,856
Environmental health services	-	10,394	3,540
Recreation and cultural services	-	137,183	79,974
Water services	-	45,865	17,302
Sewer services	-	59,181	16,441
Total expenses	-	364,156	557,087
NET REVENUES	688,000	73,560	257,413
TRANSFERS			
Transfers from (to) general operating fund	1,128,509	641,996	591,737
Transfers from (to) water operating fund	2,027,628	624,556	508,203
Transfers from (to) sewer operating fund	469,550	143,593	179,889
Transfers from (to) general reserve funds	1,114,524	221,498	1,000,262
Transfers from (to) water reserve funds	265,000	18,345	347,146
Transfers from (to) sewer reserve funds	134,000	-	-
Tangible capital asset purchases	(5,827,211)	(1,700,091)	(2,865,111)
Tangible capital assets acquired in-kind	-	(66,000)	(73,353)
Net book value of disposed of tangible capital assets	-	42,543	53,814
NET INCREASE (DECREASE) IN FUND	-	-	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-	-
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ -	\$ -