



# DUNCAN

City of Duncan, British Columbia, Canada



# 2016 Annual Report

For the Year Ended December 31, 2016





Corporation of the  
City of Duncan  
British Columbia

# 2016 Annual Report

Fiscal Year Ended  
December 31, 2016

This Annual Report has been prepared by the  
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Back Cover  
City of Duncan 2013  
Centennial Pole  
Carver: Calvin Hunt

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Phil Ives





**Our Annual report  
provides an  
opportunity every  
year for citizens  
and stakeholders  
to review our  
accomplishments,  
and to see what  
objectives we have  
set for the coming  
years ahead.**





# contents

## Introduction Section

### Foreward

Mayor & Council	1
Message from the Mayor	3
Former Mayors & Award Recipients	4
Organization Chart	5
Core Values	6

### Department Information

Chief Administrative Officer	7
Corporate Services	8
Finance & Administration	9
Development Services	10
Protective Services	11
Fire Department	13
Public Works Services	14
Engineering Services	16

### Vision, Goals & Progress

Managed Growth	17
Well Served Community	19
Economy & Business Community	21
Community Connections	23
Stewardship of the Environment	25
Stewardship of the City Organization	27

## Financial Section

Letter of Transmittal	31
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### 2016 Financial Statements

Statement of Responsibility	34
Auditor's Report	35
Financial Position	37
Operations	38
Change in Net Financial Assets	39
Cash Flows	40
Notes to Financial Statements	41
Schedule of Tangible Capital Assets	57
Schedule of Accumulated Surplus	58
Schedule of Revenues	59

Schedule of Expenses	64
Operations by Program	69
Details & Reconciliation to Core Government Results	71
Equity in Tangible Capital Assets	72
Schedule of Change in Reserve Fund Balances	73
Financial Position by Fund	72
General Revenue Fund Operations	76
Waterworks Utility Revenue Fund Operations	77
Sewer Utility Revenue Fund Operations	78
Capital Fund Operations	79
Joint Utilities Board Statements	80

### Statistics

Population Demographics	90
Business Licences	91
Standard Household Costs	92
Development Permits	93
New Construction	94
Major Property Taxpayers	94
Revenue by Source	95
Expenses by Function	96
Municipal Tax Breakdown	97
Expenses by Object	98
Capital Expenditures & Sources of Financing	99
Annual Development Reserve Fund	100
Off Street Parking Reserve Fund	101

Liability Servicing	102
Reserve Fund Balances	103
Taxable Assessments of Land & Improvements	104
Tax Rates	104
Tax Revenue by Property Class	105
Taxes Collected For Other Agencies	105
Debt & Debt Per Capita	106
General Comparative Statistics	106
Permissive Tax Exemptions	107

### Statement of Financial Information

Suppliers	108
Remuneration For Elected Officials & Employees	110

# mayor & council

In November 2014, the current Council For the City of Duncan was elected, consisting of the Mayor and six Councillors.

## Mayor Phil Kent



### City of Duncan Committee Appointments

- The Mayor is an ex-officio member on all City Committees

### External Appointments (Voting Member)

- Cowichan Valley Regional District Board (Alternate)

### External Appointments (Non-Voting Members)

- Cowichan Tribes Liaison

[mayor@duncan.ca](mailto:mayor@duncan.ca)

The Council has statutory authority to provide services, set budgets, levy taxes, and establish policies of the City for the benefit and protection of its citizens.

## Strategic Plan

Council sets out the City's objectives through their strategic plan which defines the business of the organization, clarifies its preferred future and identifies strategic priorities.

# councillors

**Councillor  
Michelle Bell**



**City of Duncan  
Committee  
Appointments**

- Advisory Committee on Disability Issues

**External Appointments  
(Voting Member)**

- Island Savings Centre Commission (Alternate)
- North Cowichan Parks and Recreation Advisory Committee

**External Appointments  
(Non-Voting Members)**

- Valley Seniors' Organization

[mbell@duncan.ca](mailto:mbell@duncan.ca)

**Councillor  
Roger Bruce**



**External Appointments  
(Non-Voting Members)**

- Cowichan Sportsplex

[rbruce@duncan.ca](mailto:rbruce@duncan.ca)

**Councillor  
Tom Duncan**



**City of Duncan  
Committee  
Appointments**

- Environment & Sustainability Committee
- Tourism Committee (Chair)

**External Appointments  
(Voting Members)**

- Island Savings Centre Commission
- Vancouver Island Regional Library Board
- CVRD Community Safety Advisory Committee (Alternate)

**External Appointments  
(Non-Voting Members)**

- Cowichan Exhibition Society
- Duncan-Cowichan Summer Festival
- Island Corridor Foundation Liaison Committee

[tomduncan@duncan.ca](mailto:tomduncan@duncan.ca)

**Councillor  
John Horgan**



**City of Duncan  
Committee  
Appointments**

- Tourism Committee
- Totem Sub-Committee

**External Appointments  
(Voting Members)**

- CVRD Community Safety Advisory Committee
- Duncan/North Cowichan Joint Utilities Board
- Vancouver Island Regional Library Board (Alternate)

**External Appointments  
(Non-Voting Members)**

- Chamber of Commerce
- Cowichan Historical Society
- Cowichan Tribes Liaison

[jhorgan@duncan.ca](mailto:jhorgan@duncan.ca)

**Councillor  
Sharon Jackson**



**City of Duncan  
Committee  
Appointments**

- Advisory Committee on Disability Issues (Chair)
- Environment & Sustainability Committee (Chair)
- Tourism Committee

**External Appointments  
(Voting Members)**

- Cowichan Valley Regional District Board
- Island Savings Centre Commission

**External Appointments  
(Non-Voting Members)**

- Cowichan Community Kitchens

[sjackson@duncan.ca](mailto:sjackson@duncan.ca)

**Councillor  
Michelle Staples**



**City of Duncan  
Committee  
Appointments**

- Advisory Design Panel (Non-Voting)
- Totem Sub-Committee

**External Appointments  
(Voting Members)**

- Duncan/North Cowichan Joint Utilities Board

**External Appointments  
(Non-Voting Members)**

- Cowichan Tribes Liaison
- Downtown Duncan Business Improvement Area Society
- Valley Seniors' Organization

[mstaples@duncan.ca](mailto:mstaples@duncan.ca)

# message from the mayor

I am pleased to present our Annual Report for 2016 on the behalf of Duncan City Council. This report presents a summary of the activities undertaken throughout the past year, the 2016 audited financial statements and a list of objectives for the year to come.

In 2016, the City undertook projects to meet the objectives of Council's strategic plan. Some of our accomplishments include the launch of a new website, the creation of a Citizens' Assembly on Amalgamation, a new Tourism Marketing Plan and signage, the conclusion of the second phase of water metering and the completion of various roadway and infrastructure improvements.

The City is proud to have received an award for financial reporting for the 5th consecutive year. The award was presented by the Government Finance Officers Association for surpassing the requirements for generally accepted accounting principles and clearly communicating the City's finances in the annual report.

The audited financial statements show a very stable financial position for the City. Going forward, we will continue to develop long-term budgets to maintain a viable and resilient community, which supports citizens and businesses alike.

The objectives for 2017 reflect Council's strategic plan, which has recently been updated to ensure forward progress and continual improvement on the goals established in the City's Official Community Plan.

As we continue to strive towards improved communications on City initiatives, your feedback is important to us. I encourage all citizens and stakeholders to engage with us regularly. This is your City and our home, it takes everyone to make it the best place that it can be.

Sincerely,

A handwritten signature in black ink, appearing to read 'Phil Kent', written in a cursive style.

Phil Kent, Mayor





# history



## Mayors of Duncan Since 1912

K.F. Duncan	1912 – 1913	J.C. Wragg	1947 – 1955
O.T. Smythe	1914 – 1916, 1923	J.T. Dobson	1956 – 1967
E.F. Miller	1917 – 1918, 1922	J.W. Quaife	1968 – 1973
T. Pitt	1919 – 1921	K. Paskin	1974 – 1979
J.I. Mutter	1924 – 1928	M.G. Coleman	1980 – 1982
H.F. Prevost	1929 – 1935	D.W. Barker	1983 – 1986
J. Grieg	1936 – 1939	M.G. Coleman	1987 – 2005
E.W. Lee	1940 – 1942	P.J. Kent	2006 – Present
G.H. Savage	1943 – 1946		

## Freeman Designations

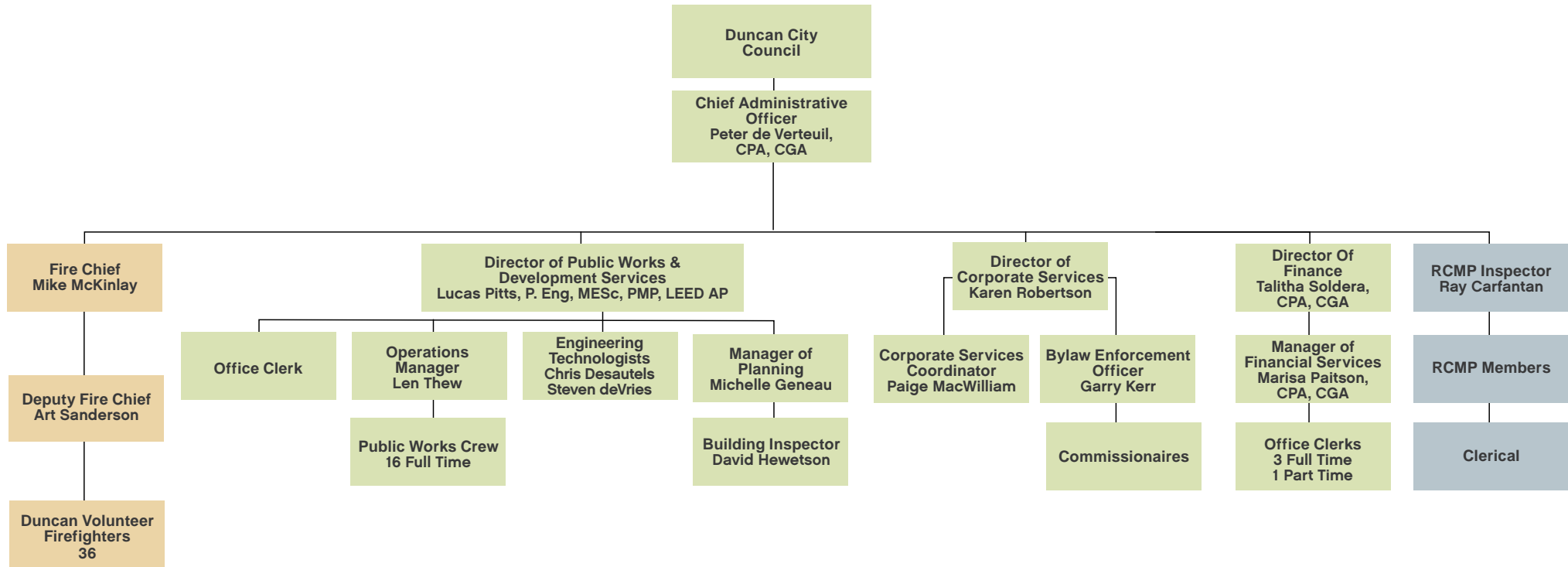
Norah C. Denny	1963
Dorothy R. Geoghegan	1963
John T. Dobson	1975
C.A. (Bob) Howard	1977
John Homer	1985
Art Mann	1998
Pres Bruce	1999
Martin Lukaitis	2004
Joan Gillatt	2005
Glenn Mackie	2008
Mike Caljouw	2009
Michael Coleman	2011

## Scroll of Honour Recipients

Shellagh Mallard	1977	Phillip Moody	1991	Debbie Williams	2005
Mabel Sanderson	1978	Barbara Coleman	1992	Betty Anne Devitt	2006
Albert Dirom	1981	John Sanders	1992	Betty James	2007
Jack Dobson	1983	Mary Wadsworth	1993	Lori Iannidinardo	2007
Robert W. Young	1983	Cam Drew	1994	Bob James	2008
Jack Fleetwood	1985	Mary Newington	1995	Rigs Sutton	2008
Preston Bruce	1985	Carlene Marentes	1996	Bill & Celia Abram	2009
Douglas W. Barker	1986	Jack Hutton	1997	Ron George	2009
Myrtle Haslam	1986	Glenn Mackie	1998	Patricia & Duffy Chaster	2010
Audrey Waddy	1986	Stan Green	1999	Louise McMurray	2011
Arthur R. Mann	1987	Joan Gillatt	2000	William Abner Thome	2011
Gordon M. Berry	1988	Ronnie Phipps	2000	Ruth Chaster	2012
Leslie Sjoberg	1988	Ernie Moon	2001	Denise L. McKinlay	2013
Glenda Osborne	1989	Ruby Peter	2001	Chuck McCandless	2013
Ossie Osborne	1989	Dennis Alphonse	2002	Jack Faber	2014
Jim Elliot	1990	Andy Bigg	2003	Norm Jackson	2015
Nora Maxwell	1990	Gordon Closson	2004	Marina Stanko	2016
Nancy Casswell	1991	Bill Keserich	2005		



# organizational structure



# our core values



- ▶ We approach projects with a focus on sustainability
- ▶ We provide Duncan's citizens with timely, efficient and friendly service in a cost effective manner
- ▶ We value green space and urban forests
- ▶ We will enhance and maintain a vibrant downtown core

- ▶ We value retaining our historical and cultural uniqueness
- ▶ We provide safe and comfortable transportation alternatives to those that live in or visit our City
- ▶ We consider the interests of our neighbours when making key City decisions



# department info



## **Chief Administrative Officer**

The Chief Administrative Officer (CAO) of the City of Duncan is appointed by, and reports to, City Council. The CAO oversees the overall administration of the City, its officers and employees, including day to day operations. The CAO leads the senior management team and sets the overall direction to ensure achievement of Council's Strategic Plan.

In addition, the CAO is charged with keeping Council up to date on corporate matters and ensuring that Council policies are implemented and bylaws are enforced in conformity with the Community Charter, the Local Government Act and other relevant legislation.

Valuing a familial corporate culture, the CAO strives for a high level of inter-departmental communications as well as external communications with residents, businesses and the development community. Administrative policies and procedures support a strong, professional customer focus.



# department information

# corporate services

Corporate Services is 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.

## **Corporate Services is responsible for:**

- » drafting bylaws, resolutions and agreements for the City;
- » maintaining minutes and overseeing record keeping for all council and committee meetings;
- » ensuring access to all public records (Freedom of Information);
- » overseeing general bylaw enforcement;
- » administering, monitoring and seeking compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the City;

- » facilitating internal and external communications, providing legislative service, administering oaths and taking affirmations, affidavits and declarations;
- » overseeing policy development; and
- » administering the municipal elections.

The Corporate Services Department provides service to four Committees in addition to Council and the Committee of the Whole: Advisory Committee on Disability Issues, Environment and Sustainability Committee, Tourism Committee and Totem Sub-Committee. They also provide administrative services to the Advisory Design Panel. Each of these committees has a Terms of Reference that governs their operation.

During 2016, the Corporate Services Department was responsible for the complete re-design of the City's website to ensure it is more user friendly and relevant.





# department information

# Financial services

The Finance Department is responsible for maintaining the financial health of the City through safeguarding the City's financial assets and planning for the future.

Each year the Finance Department prepares a detailed budget identifying all revenues and sources of funding for operating and capital expenditures, including projections for the next six years. In addition to the annual report and other statutory reporting, periodic financial reports are provided to Council and other departments to aid them in their duties.

Finance staff calculate and levy property taxes, water, sewer and garbage/recycling fees as well as processing all other payments made to the City. All purchasing requirements such as tendering and purchase orders are coordinated through this department.

The Finance Department manages a portfolio of over \$13 million in various securities and oversees the collection of \$8 million in property taxes, \$3 million in utilities as well as developer contributions and other miscellaneous revenues. Over \$10 million in payments to suppliers are also made through the finance department.

The Finance Department manages many other functions including business licensing, pet licensing, utility billing, payroll, debt financing and information technology.

## During 2016 Finance was responsible For:

» Property tax billing and collection	2,391 property tax notices
» Water billing	7,778 bills issued
» Accounts receivable	188 invoices
» Pet licence billing and collection	382 dog licenses
» Business licence billing and collection	709 active business licences
» Pre-authorized payments for taxes	\$80,270 per month
» Home Owner Grant Administration	1,280 grants
» Property tax deferment administration	38 deferments (\$64,056)
» Payroll	94 T4s issued
» Accounts payable	2,535 cheques and EFTs processed



# department information development services

The Development Services department provides city planning, development review, building inspection and land use services. The department has one planner and a building inspector who also functions as the Local Assistant to the Fire Commissioner.

The department is responsible for overseeing and updating the Official Community Plan and Zoning Bylaw, undertaking area and long-term planning such as the Active Transportation Plan and Integrated Community Sustainability Plan.

The department is also responsible for processing applications for Development Permits, Development Variance Permits, Rezoning and OCP Amendments and providing input on subdivision applications.

Land use bylaw enforcement, 200 year floodplain planning, signs permits, business licencing and off-street parking are also part of the department's responsibilities.

In 2016 the City issued 38 building permits with a total construction value of \$1.2 million.





# department information

# protective services



## RCMP

The Royal Canadian Mounted Police (RCMP) provide policing services to the Municipality of North Cowichan under a municipal contract. In this area, the RCMP also provides policing services to the City of Duncan as part of a greater policing responsibility for the Cowichan Valley, which includes the City of Duncan, Cowichan Tribes lands and a large Provincial rural area.

The City of Duncan's population is currently less than 5,000, and as such, the City is policed as part of the existing Provincial contract. The entire Detachment strength is currently fifty-nine police officers and twenty support staff. These full time personnel are supported by a network of

community volunteers in a variety of critical service delivery roles. These include volunteer Auxiliary Constables, Citizens on Patrol, Speed Watch, Block Watch, Community Police Office volunteers and others. Their contributions to their community cannot be overstated. We simply could not provide the level of service to the communities we serve without their assistance.

A service delivery advantage is gained when a community is served by a "blended" Detachment like North Cowichan/Duncan. This allows some flexibility, when necessary, to deploy specialized resources where they are needed. A blended Detachment utilizes Municipally funded, Federally funded and Provincially funded Human Resources. As well, it enables the RCMP to deploy the following programs to better serve the City of Duncan residents:



# department information protective services

- » Uniformed General Duty “First Responders” » Plain Clothes Investigators (Serious Crime and Drug/Property Crime personnel) » Community Policing and Crime Prevention Unit (school liaison, bicycle patrols, etc.)

Each RCMP Detachment in Canada is mandated to prepare an annual performance plan that addresses identified, “Local Policing Priorities”. The Mayor and Council of the City of Duncan endorsed the 2014/15 plan which focused on the following local issues that remain consistent throughout the Cowichan Valley:

- » Crime Reduction: Once again, the “Prolific Offender Management” program saw significant success during 2016, resulting in noticable improvement in property crime rates and drug offences.
- » Road Safety: The 2016 Traffic Safety program concentrated on Impaired Driver enforcement and the detection and prosecution of “distracted drivers”.
- » Police Community Relations and Visibility: Part of our ongoing commitment to the residents of the City of Duncan is to provide foot and bicycle patrols of the city core and area parks. This has resulted in positive feedback from local residents.

- » Substance Abuse and Harm Reduction: We have operated a successful “Bar Watch” program within the City of Duncan and the Cowichan Valley which has seen cooperation from most licensed premises owners and in turn led to fewer violations of Provincial Liquor Act laws.
- » Restorative Justice: as a crime reduction strategy through diversion from the courts and an anticipated decrease in the rate of recidivism for persons who successfully complete this program.

All of these programs achieved varying levels of success during 2016 and most of the established goals were achieved. Every year the Management Team at North Cowichan/Duncan Detachment carefully examines the service delivery component of operations with a view to ensuring that existing resources are being deployed in the most effective and efficient manner. As it is a very busy Police Detachment, with constant pressure on the core policing personnel at all hours, twenty-four (24) hour service is maintained with a prioritization process for attending priority calls first, and responding to low priority calls when and if time permits.



# department information

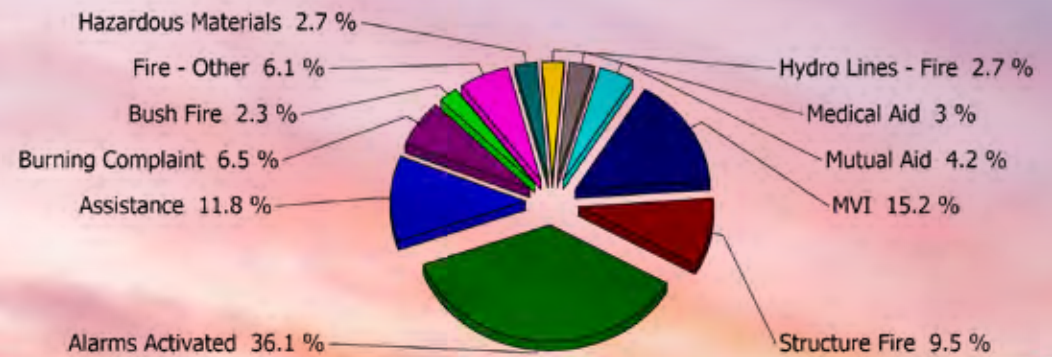
# Fire services

The Duncan Volunteer Fire Department consists of a Chief, Deputy Chief, Assistant Chief, 4 Captains, 4 Lieutenants and 25 firefighters. The department supplies fire suppression, fire investigation, fire prevention, first responders, rescue services and attendance at motor vehicle incidents and interface and brush fires to the citizens of Duncan, Eagle Heights and Cowichan Tribes lands.

The Fire Department performs special services such as low and high angle rope rescue, light urban search and rescue, and all car seat installations.

The fire hall underwent a seismic upgrade in 2015 to ensure that the firefighters are able to continue to provide service in case of a natural disaster.

## Distribution of Calls by Response Type





# department information

# public works services

Operations is responsible for the maintenance and upkeep of all City owned existing buildings, lands, utilities and infrastructure. The health and safety of our citizens is the top priority of the operations department. Some of the functions regularly performed by the operations department are:

## **Fleet Maintenance**

The City's mechanic maintains the fleet and associated municipal equipment and is responsible for:

- » Ensuring that the fleet is serviced, maintained and inspected to meet the requirements of the Commercial Vehicle Service Enforcement Agency, allowing it to operate in a safe manner on the highways.
- » Maintaining a fleet of 52 units comprising solid waste vehicles, construction, snow and de-icing equipment, parks equipment including mowers, weed whackers, flood pumps and equipment and other small tools.

## **Utilities**

The Operations department is responsible for maintenance and upgrades to:

- » The municipal water distribution network comprising approximately 82 km of water mains, 6,900 water connections as well as 4 well sites.
- » The sanitary sewer collection system comprising approximately 29 km of pipes.
- » The storm water collection system comprising approximately 29 km of pipes.

## **Roads and Sidewalks**

The operations department is responsible for:

- » Maintenance and upgrades to municipal traffic signals, road markings and signage.
- » Maintenance and upgrades to municipal curbs, sidewalks and roads.





# department information

# public works services

## Roads and Sidewalks (continued)

- » Street sweeping.
- » Snow and ice clearing.

## Garbage, Recycling, Organics and Yard Waste

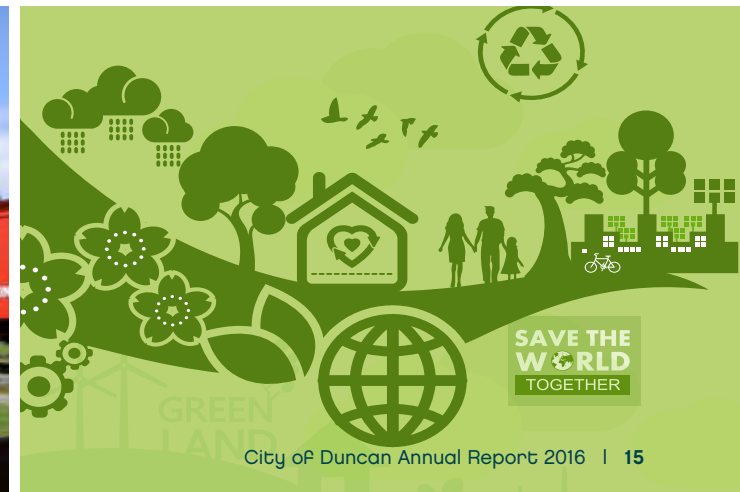
The City provides residential solid waste collection on a bi-weekly basis, residential recycling collection on a bi-weekly basis, organic collection weekly and yard waste and glass collection once per month for 10 months of the year.

## During 2016 the City collected:

- » 162.50 tons of organics
- » 156.82 tons of recycling
- » 221.37 tons of garbage
- » 43 tons of yard waste
- » 11 tons of glass

## Parks and Green Space

The operations department maintains 13 hectares of public park including playing fields, trails and green space. They also maintain the largest outdoor totem collection in Canada.



# department information engineering services

Engineering Services ensures long range planning and capital renewal of public infrastructure systems (such as roads, sidewalks, traffic, parks, water distribution network, water supply source, sanitary collection system, storm drainage collection system, flood protection system etc.). This includes oversight of City standards and specifications as well as focusing on infrastructure capacity planning and capital renewal of all City infrastructure.

Engineering is responsible for the review and approval of utility servicing for all new subdivisions and developments within the city limits. They also review the water servicing for all new developments outside the City but within the City's water service area.

Mapping and related record keeping is also considered to be part of the engineering function.





# our vision for managed growth



To accommodate and manage population growth to meet the needs of Duncan's residents, build on and enhance the City's attributes, and work towards a more sustainable built and natural environment.



# managed growth our commitments

## Review Local Government Boundaries

### *Progress in 2016*

- » Appointed the consultant to conduct a Citizens' Assembly to examine amalgamation; established the criteria for participation and sent out information seeking volunteers.

### *What we will do in 2017*

- » Conduct the technical financial review of amalgamation.
- » Review the recommendations of the Citizens' Assembly.

## Ensure Zoning and Policies are Consistent with the Strategic Plan and Official Community Plan

### *Progress in 2016*

- » Began a review of Development Permit Guidelines.
- » Drafted new Zoning Bylaw and began internal review prior to public review.
- » Began draft of a new Development Approvals and Procedures Bylaw.

### *What we will do in 2017-2018*

- » Begin development of a Cairnsmore Neighbourhood Plan.
- » Review the Development Permit Area Guidelines with the Advisory Design Panel for potential amendments.
- » Conduct public meetings on the new draft Zoning Bylaw and adopt the bylaw, incorporating public feedback.





# our vision for a well serviced community



To provide appropriate physical infrastructure to support a vibrant local economy, community connectivity and social and environmental health and safety.



# well serviced community

# our commitments

## Maintain and upgrade water, sewer and storm sewer infrastructure

### *Progress in 2016*

- » Installed residential water meters for City water customers in Eagle Heights and on Cowichan Tribes Lands.
- » Began installation of residential water meters for City water customers.
- » Installed water main and services, sanitary and storm mains on Second Street.

### *What we will do in 2017*

- » Complete installation of residential water meters for City customers and begin installation for North Cowichan water customers.

- » Complete sidewalk, curb work and paving on Second Street.
- » Renew water mains on Seine Rd, Rosewood Ave, Sycamore St, and Uplands Dr.

## Ensure City assets are maintained

### *Progress in 2016*

- » Began a review of City assets and established an asset management policy.
- » Reviewed the pavement management plan to inform the short term capital program.

### *What we will do in 2017-2018*

- » Conduct a Facility Condition Assessment for all City owned properties.
- » Create a street light inventory.
- » Develop a maintenance management system.
- » Start the process for a Master Transportation and Parking Plan.





# our vision for a thriving economy & business

Community



To maintain and enhance the City's role as the commercial, service, employment and social centre of the Cowichan Valley where businesses and residents can prosper in a sustainable manner and where residents and visitors can work, shop, access services and enjoy many cultural and recreational amenities.



# thriving economy & business community

# our commitments

## Encourage a business and development friendly environment.

### *Progress in 2016*

- » Streamlined the Development process by:
  - Combining variances with development permits.
  - Streamlining notifications by only providing notifications for major variances.
  - Changing internal review processes to speed up the timelines.

### *What we will do in 2017*

- » Create a Works and Services bylaw.

## Encourage a thriving downtown

### *Progress in 2016*

- » Completed a Tourism Marketing Plan which was adopted by the Downtown Duncan Business Improvement Area Society.
- » New banners and billboards were installed.

### *What we will do in 2017-2018*

- » Complete a downtown parking strategy.
- » Complete wayfinding sign installations.
- » Implement the Tourism Marketing Plan.

## Encourage a thriving downtown

### *What we will do in 2017-2018*

- » Implement the Trans Canada Highway corridor management plan as opportunities arise.





our vision for  
**strong community**  
connections and a safe & healthy community



To create a community where all sectors work together to achieve the social, economic and environmental well-being of residents.



# safe & healthy community

# our commitments

## Increase partnerships and connections with the community and neighbouring jurisdictions

### *Progress in 2016*

- » Conducted two joint meetings with North Cowichan.

### *What we will do in 2017*

- » Work with Cowichan Tribes and North Cowichan to build and strengthen relationships.

## Improve External Communications and Customer Service

### *Progress in 2016*

- » Launched the City's new website.
- » Conducted a Citizen Satisfaction Survey.
- » Began accepting credit card payments for some types of revenue.

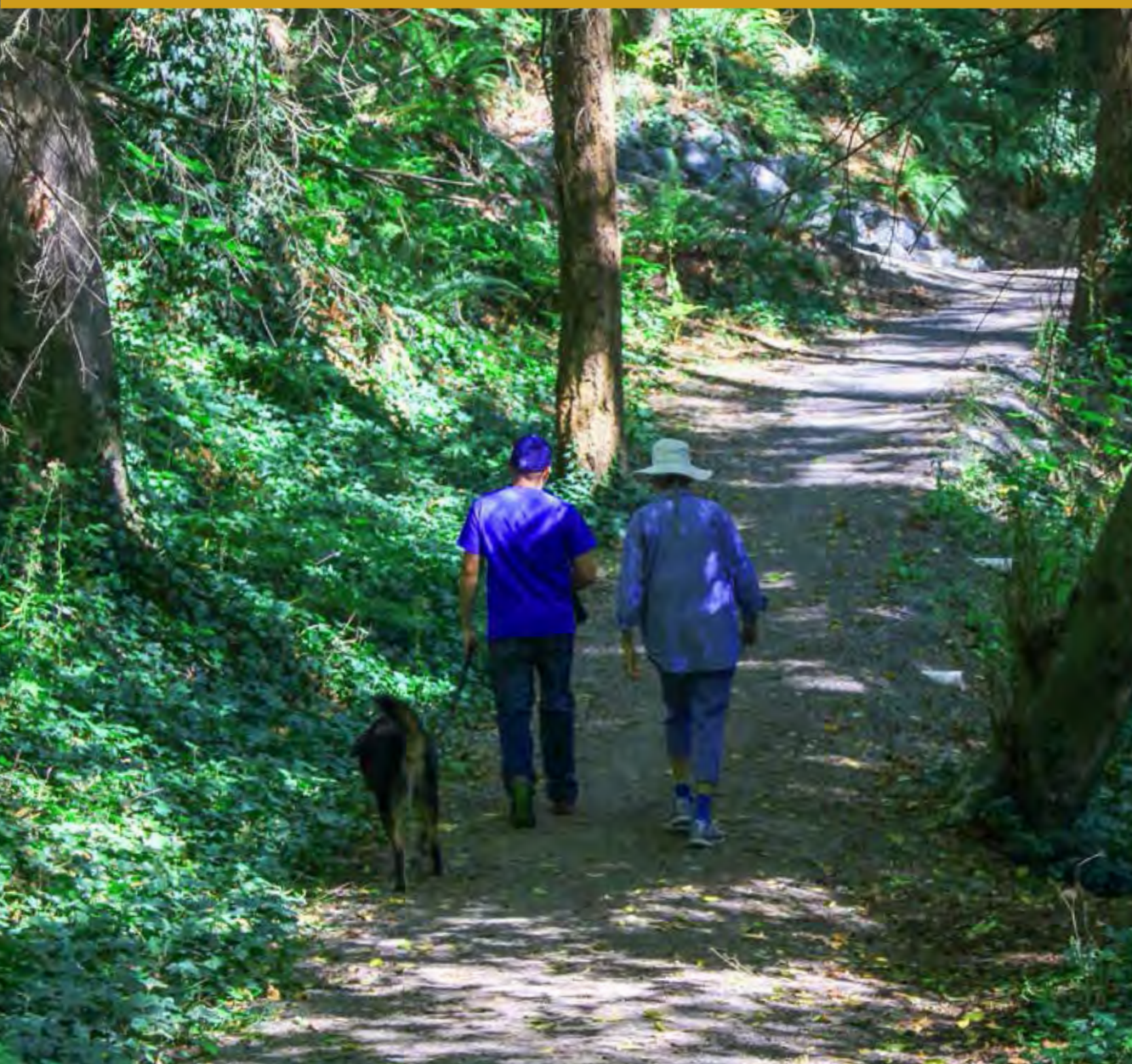
### *What we will do in 2017-2018*

- » Use PlaceSpeak for public feedback on initiatives.
- » Hold Open Houses for the Zoning Bylaw and Master Transportation Plan.
- » Begin accepting on-line payments for Business Licences, Pet Licences and Bylaw Infraction Tickets.
- » Review Social Media Policy.





our vision for responsible  
**stewardship**  
of the **environment**



To encourage environmental sustainability by accommodating change and development in a manner that improves Duncan's environmental health and recognizes the City's interconnection with the ecology of the broader region.



# stewardship of the environment our commitments

## Work with the region on sustainable waste and storm water solutions.

### *Progress in 2016*

- » Continued work with partners to secure funding for relocation of the JUB Outfall.
- » Received notification of a grant for the relocation.

### *What we will do in 2017-2018*

- » Continue work with partners on relocation of the JUB Outfall.
- » Work with North Cowichan and CVRD Staff on a JUB governance study.

## Ensure decisions are made with regard to sustainability

### *Progress in 2016*

- » Adopted DCC Reduction Bylaw to provide incentives for high density and green building.
- » Conducted a traffic and safety study of Coronation Avenue.
- » Planted 20 new trees.

### *What we will do in 2017-2018*

- » Implement priority actions from the Community Energy and Emissions Plan.





our vision for responsible  
**stewardship** of the  
city organization



# stewardship of the city organization

# our commitments

## Ensure responsible management of City resources

### *What we will do in 2017-2018*

- » Begin development of a long term financial plan.
- » Develop a formal records management bylaw.
- » Train staff on use of Records Management System.
- » Begin reorganization of folio files.

## Ensure training and capacity considers the future

### *What we will do in 2017-2018*

- » Implementation of formal Performance Evaluation/feedback program for exempt staff.
- » Explore opportunities for relevant Council training.







# Financial section



Government Finance Officers Association

# **Canadian Award for Financial Reporting**

Presented to

**City of Duncan  
British Columbia**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive style.

Executive Director / CEO



# message from the director of finance

I am very pleased to present the 2016 Audited Consolidated Financial Statements for the City of Duncan. The Consolidated Financial Statements are the responsibility of the management of the City of Duncan and were prepared by City staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB), which have been applied on a basis consistent with that of the preceding year.

The City maintains a system of internal accounting controls designed to safeguard its assets and to provide reliable financial information. We confirm and test these systems on a cyclical basis by contracted audit services.

The City's auditors, MNP LLP were appointed by Council and were responsible for expressing an opinion as to whether the consolidated financial statements fairly present the financial position of the City of Duncan and the results of its 2016 operations. The 2016 audited financial statements were presented to and approved by Council.

The City continues to maintain a healthy financial position with very limited amounts of debt. However, many of the City's capital assets are older, demonstrating the coming need for large capital expenditures to replace and upgrade those assets. Projects approved in the 2017 budget focus on the building blocks for asset management so that the City can plan for the future and get the best value for taxpayer dollars.

Projects of interest during 2016 include:

- » \$15,000 for a Records Management Project.
- » \$33,900 for Website redesign completion; to make the website more user friendly and enable more interaction with the City electronically.
- » \$10,000 for a Citizen Satisfaction Survey to get your feedback on how we are doing.
- » \$65,000 for an Amalgamation Study with North Cowichan.
- » \$8,000 for additional totem refurbishment to preserve the totem collection.
- » \$25,000 for a Tourism Marketing Strategy.

The City was pleased to receive the Government Finance Officers Association of the United States and Canada (GFOA) award for Financial Reporting for its

annual financial report for the fiscal year ended December 31, 2015. This was the fifth year in a row the City received this distinction.

The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

If you have any questions regarding the Annual Report, or the financial statements and financial position of the City, please feel free to call me any time.

Sincerely,



Talitha Soldara, CPA, CGA  
Director of Finance,  
May 11, 2017



The Olive Station  
GOURMET OLIVE OIL & BALSAMIC VINEGAR  
TASTING ROOM  
OVER 50 FLAVOURS





# 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.



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Peter de Verteuil, CPA, CGA  
Chief Administrative Officer



## **Independent Auditor's Report**

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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, 2016 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.

*(continued)*

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, 2016 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 1, 2017

*MNP LLP*

Chartered Professional Accountants

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372 Coronation Avenue, Duncan, British Columbia, V9L 2T3, Phone: (250) 748-3761


**MNP**  
LLP



# Consolidated Statement of Financial Position

AS AT DECEMBER 31, 2016

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 339,050	\$ 898,147
Accounts receivable (Note 4)	1,168,548	1,429,080
Portfolio investments (Note 3)	13,654,817	12,209,025
Deposit - Municipal Finance Authority (Note 5)	25,743	25,042
Loan receivable (Note 6)	136,566	153,667
	<b>15,324,724</b>	<b>14,714,961</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	1,513,865	846,225
Sick and severance liabilities (Note 13(b))	404,012	423,973
Refundable deposits (Note 8)	22,372	190,069
Deferred revenue (Note 9)	793,298	914,449
Restricted revenue (Note 10)	1,944,088	1,926,971
Debenture debt (Note 11)	1,148,258	1,260,560
	<b>5,825,893</b>	<b>5,562,247</b>
<b>NET FINANCIAL ASSETS</b>	<b>9,498,831</b>	<b>9,152,714</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 6)	28,250,360	27,642,487
Inventories of supplies	120,478	102,861
Prepaid expenses	297,793	155,662
	<b>28,668,631</b>	<b>27,901,010</b>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<b>\$ 38,167,462</b>	<b>\$ 37,053,724</b>
<b>COMMITMENTS AND CONTINGENCIES (NOTE 12)</b>		

  
Director of Finance

See accompanying notes to the financial statements

# Consolidated Statement of Operations

AS AT DECEMBER 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
<b>REVENUE (Schedule 5)</b>			
Taxation and grants in lieu of taxes	\$ 3,872,082	\$ 3,871,906	\$ 3,760,923
Sale of services	3,466,869	3,636,501	3,481,188
Licenses, permits, penalties and fines	630,114	578,544	601,121
Return on investments	93,000	201,816	228,572
Grants	10,000	10,120	125,258
Government transfers	520,000	522,766	548,403
Funds contributed from (to) other governments	13,359	(5,539)	473,147
Development Cost Charge funds utilized	64,397	16,580	-
Gas Tax funds utilized	662,000	518,272	576,872
Capital contributions from developers	-	119,954	27,000
Gain(Loss) on disposal of assets	-	3,469	(7,875)
Assets constructed by developers	225,000	22,000	7,239
Increase (decrease) in proportionate share of Joint Utilities Board assets	-	(31,802)	-
Total revenue	9,556,821	9,464,587	9,821,848
<b>EXPENSES (Schedule 5)</b>			
General government services	1,266,197	2,128,964	1,597,990
Protective services	738,463	730,522	688,281
Public works & engineering	1,637,791	1,687,545	1,699,494
Environmental health services	276,554	268,171	251,718
Environmental development services	241,903	177,416	132,309
Recreation and cultural services	1,037,609	1,064,574	1,023,264
Water services	1,458,261	1,562,783	1,436,084
Sewer services	864,794	730,874	843,989
Total expenses (Note 16)	7,521,572	8,350,849	7,673,129
<b>ANNUAL SURPLUS</b>	2,035,249	1,113,738	2,148,719
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	37,053,724	37,053,724	34,905,005
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 39,088,973	\$ 38,167,462	\$ 37,053,724

See accompanying notes to financial statements



# Consolidated Statement of Change In Net Financial Assets

YEAR ENDED DECEMBER 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
<b>ANNUAL SURPLUS</b>	<u>\$ 2,035,249</u>	<u>\$ 1,113,738</u>	<u>\$ 2,148,719</u>
Purchase of tangible capital assets	(6,750,455)	(1,988,805)	(4,504,984)
Tangible capital assets acquired in kind	-	(22,000)	(7,239)
Amortization of tangible capital assets	1,536,366	1,379,828	1,221,943
Decrease in proportionate share of			
Joint Utilities Board tangible capital assets	-	20,766	-
Loss (gain) on disposal of tangible capital assets	-	(3,469)	7,875
Proceeds of sale of tangible capital assets	-	5,807	-
Decrease (increase) in inventory of supplies	-	(17,617)	(4,416)
Decrease (increase) in prepaid expenses	-	(142,131)	(124,751)
	<u>(5,214,089)</u>	<u>(767,621)</u>	<u>(3,411,572)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(3,178,840)	346,117	(1,262,853)
<b>NET FINANCIAL ASSETS, Beginning of Year</b>	<u>9,152,714</u>	<u>9,152,714</u>	<u>10,415,567</u>
<b>NET FINANCIAL ASSETS, End of Year</b>	<u>\$ 5,973,874</u>	<u>\$ 9,498,831</u>	<u>\$ 9,152,714</u>

See accompanying notes to financial statements

# Consolidated Statement of Cash Flows

AS AT DECEMBER 31, 2016

	2016	2015
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 1,113,738	\$ 2,148,719
Non-cash items included in annual surplus:		
Amortization	1,379,828	1,221,943
Tangible capital assets acquired in-kind	(22,000)	(7,239)
Increase (decrease) in proportionate share of Joint Utilities Board tangible capital assets	20,766	-
Actuarial adjustment on debenture debt	(25,964)	(21,512)
(Gain)/Loss on disposal/write down of tangible capital assets	(3,469)	7,875
	<b>2,462,899</b>	<b>3,349,786</b>
Changes in non-cash items:		
Accounts receivable	260,532	(454,498)
Deposit - Municipal Finance Authority	(701)	(624)
Loan receivable	17,101	(153,667)
Inventory of supplies	(17,617)	(4,416)
Prepaid expenses	(142,131)	(124,751)
Accounts payable and accrued liabilities	667,640	12,510
Sick and severance liability	(19,961)	6,260
Refundable deposits	(167,697)	65,365
Deferred revenue	(121,151)	(429,342)
Restricted revenue	17,117	132,748
Cash provided by (applied to) operating transactions	<b>2,956,031</b>	<b>2,399,371</b>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on disposal of tangible capital assets	5,807	-
Purchases of tangible capital assets	(1,988,805)	(4,504,984)
Cash provided by (applied to) capital transactions	<b>(1,982,998)</b>	<b>(4,504,984)</b>
<b>INVESTING TRANSACTIONS</b>		
Net (increase)/decrease in portfolio investments	(1,445,792)	(6,787,130)
Cash provided by (applied to) investing transactions	<b>(1,445,792)</b>	<b>(6,787,130)</b>
<b>FINANCING TRANSACTIONS</b>		
Principal repaid - capital lease obligation	-	(13,261)
Principal repaid - long term debt	(86,338)	(86,336)
Cash provided by (applied to) financing transactions	<b>(86,338)</b>	<b>(99,597)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(559,097)</b>	<b>(8,992,340)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>898,147</b>	<b>9,890,487</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 339,050</b>	<b>\$ 898,147</b>

See accompanying notes to financial statements



## 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. 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 31.72% for 2016 (2015 - 32.62%).

### c) Portfolio Investments

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

## 2. Significant Accounting Policies (continued)

### 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 to 20 years
Machinery, equipment and furniture	5 to 15 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	5 years

#### 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



## 2. Significant Accounting Policies (continued)

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's 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 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. 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. These revenues are comprised of the amounts shown in Notes 9 and 10.

### 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) Financial Instruments

The City's financial instruments consist of cash and portfolio investments, accounts receivable, loans 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.

## 2. Significant Accounting Policies (continued)

### j) 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 operations in the period in which they become known. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for.

### k) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when: contamination exceeding an environmental standard exists, the 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, 2016.

At each financial reporting date, the City reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are 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.

### l) Recent Accounting Pronouncements

#### PS 2200 Related Party Disclosures

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

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

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

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



## 2. Significant Accounting Policies (continued)

### 1) Recent Accounting Pronouncements (continued)

#### PS 3210 Assets

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

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

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

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

#### PS 3320 Contingent Assets

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

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

## 2. Significant Accounting Policies (continued)

### l) Recent Accounting Pronouncements (continued)

Disclosures should include existence, nature and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the basis for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse effect on the outcome.

The Standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

#### PS 3380 Contractual Rights

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

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent and timing.

The Standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

#### PS 3430 Restructuring Transactions

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

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.



## 2. Significant Accounting Policies (continued)

### I) Recent Accounting Pronouncements (continued)

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Standard is effective for new restructuring transactions that occur in fiscal years beginning on or after April 1, 2018. Earlier application is encouraged. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

## 3. Cash and Portfolio Investments

Cash and portfolio investments are comprised of the following:

	2016	2015
Cash and cash equivalents	\$ 339,050	\$ 898,147
Portfolio investments	13,654,817	12,209,025
	<u>\$ 13,993,867</u>	<u>\$ 13,107,172</u>

Portfolio investments are comprised of term deposits with original maturities longer than 90 days and investments held by the Joint Utilities Board. The investments have costs that approximate market values.

Included in portfolio investments are funds held for deferred and restricted revenues totalling \$2,728,880 (2015 - \$2,841,420) and funds held for statutory reserve funds and reserve accounts totalling \$6,503,294 (2015 - \$6,237,687). Details of these balances can be found on Schedule 8.

# Notes to the Consolidated Financial Statements (continued)

YEAR ENDED DECEMBER 31, 2016

## 4. Accounts Receivable

	2016	2015
Property taxes	\$ 637,519	\$ 572,043
Water and sewer fees	572,041	513,238
Provincial government	21,919	74,328
Federal government	132,981	160,430
Other municipalities and regional governments	19,185	335,807
Other receivables	74,765	62,887
	<u>1,458,410</u>	<u>1,718,733</u>
Less: allowance for doubtful accounts (Note 12(d))	<u>(289,862)</u>	<u>(289,653)</u>
	<u>\$ 1,168,548</u>	<u>\$ 1,429,080</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:

	2016	2015
Cash deposits	<u>\$ 25,743</u>	<u>\$ 25,042</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.

## 6. Loan Receivable

Pursuant to the 2014 Fire Suppression agreement between the City and Cowichan Tribes, the latter is responsible for its share of the costs of the 2015 Fire Hall upgrade project. The City has agreed to finance the balance due over 10 years, with interest at 2.46% and payments to be made annually, commencing in 2016. There are no terms of forgiveness or other conditions attached to the loan.

	2016	2015
Other municipalities and regional governments	<u>\$ 136,566</u>	<u>\$ 153,667</u>



# Notes to the Consolidated Financial Statements (continued)

YEAR ENDED DECEMBER 31, 2016

## 7. Accounts Payable and Accrued Liabilities

	2016	2015
Trade accounts and accrued liabilities	\$ 339,953	\$ 401,202
Contractor holdbacks	36,211	127,292
Salaries and wages	90,628	84,221
Other municipalities and regional governments	1,047,073	233,510
	<u>\$ 1,513,865</u>	<u>\$ 846,225</u>

## 8. Refundable Deposits

	2016	2015
Balance, beginning of year	\$ 190,069	\$ 124,704
Deposits received	18,716	145,035
Deposits and interest refunded	(186,076)	(79,711)
Increase (decrease) in interest payable	(337)	41
	<u>\$ 22,372</u>	<u>\$ 190,069</u>

## 9. Deferred Revenue

	2015	Receipts & Interest	Recognized as Revenue	2016
Federal Gas Tax agreement funds	\$ 457,066	270,676	(518,272)	\$ 209,470
Prepaid property taxes	437,460	457,911	(437,460)	457,911
Other revenue prepaid	18,923	117,500	(49,477)	86,946
Other grants	1,000	47,000	(9,029)	38,971
	<u>\$ 914,449</u>	<u>\$ 893,087</u>	<u>\$ (1,014,238)</u>	<u>\$ 793,298</u>

## 9. Deferred Revenue (continued)

### 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>2016</u>	<u>2015</u>
Opening balance of unspent funds	\$ 457,066	\$ 766,553
Less: Gas Tax Funds utilized	(518,272)	(576,872)
Add: amount received during the year	260,555	252,066
Add: interest earned during the year	<u>10,121</u>	<u>15,319</u>
Closing balance of unspent funds	<u>\$ 209,470</u>	<u>\$ 457,066</u>

## 10. 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>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,926,971	\$ 1,794,223
Contributions from (refunds to) developers	(3,853)	96,638
Used during the year	(16,580)	-
Return on investments	<u>37,550</u>	<u>36,110</u>
Balance, end of the year	<u>\$ 1,944,088</u>	<u>\$ 1,926,971</u>

## 11. Debenture Debt

	2016	2015
<b>General Fund:</b>		
Debenture debt for the 2008 Cowichan Aquatic Centre, interest at 3.25%, maturing 2026 - MFA Issue #117	\$ 1,057,779	\$ 1,142,494
<b>Sewer Utility Fund:</b>		
Debenture debt for 1999 Lagoon Improvements, interest at 3.15%, maturing 2019 - MFA Issue #70	90,479	118,066
	<u>\$ 1,148,258</u>	<u>\$ 1,260,560</u>
Principal payments in the next five years are as follows:		
2017	\$ 86,338	
2018	86,338	
2019	86,338	
2020	72,415	
2021	72,415	
2022 and beyond	744,414	
	<u>\$ 1,148,258</u>	

Interest expense includes \$55,945 (2015 - \$55,945) 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 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.

As of December 31, 2016 there are 4 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 operations in the year of resolution.



## 12. Commitments and Contingencies (continued)

### 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.

## 13. Retirement Benefits

### a) Pension Liability

The City of Duncan 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, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis.

The City paid \$187,860 (2015 - \$190,383) for employer contributions to the plan in fiscal 2016 while employees contributed \$171,857 (2015 - \$177,352) to the plan in fiscal 2016.

The next valuation will be as at December 31, 2018, with results available in 2019.

Employers participating in the plan record their pension expenses 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.

## 13. Retirement Benefits (continued)

### 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 or 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 2.0%
- 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, 2016 is \$404,012 (2015 - \$423,973).

## 14. Budget Figures

Budget figures represent the Financial Plan Bylaw No. 3134 adopted by Council on March 21, 2016. 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	86,338
Transfers to reserves	1,164,524
Capital expenditures	6,750,455
Less:	
Budgeted transfers from accumulated surplus	
General	(212,100)
Sewer	(325,357)
Water	(619,115)
Capital	-
Budgeted transfers from own reserves	
General	(144,540)
Sewer	(688,071)
Water	-
Capital	(2,210,519)
Amortization	(1,536,366)
Debt proceeds	(230,000)
Adjusted Annual Surplus	<u>\$ 2,035,249</u>

## 15. Segmented Information

The City is a diversified local government institution that provides a wide range of services to its citizens, including the provision of water, sewer, drainage, fire protection, garbage collection, recreation and parkland. Distinguishable functional segments are separately disclosed in the body of the financial statements. The segments are categorized as follows:

### **General Government**

General government operations provide the functions of corporate administration, finance, human resources, legislative services, building services and maintenance, and other functions not categorized to a specific department. It includes general revenues and transfers not allocated to a specific function.

### **Protective Services**

Protective services is comprised of fire and rescue services, bylaw enforcement, animal control, and building inspection services. The Duncan Volunteer Fire Department provides fire suppression services, fire prevention programs and detection and extinguishment of fires. Bylaw enforcement administers, monitors and seeks compliance with the bylaws enacted by Mayor and Council to regulate the conduct of affairs in the City. The building inspection segment provides enforcement of municipal bylaws and the Provincial Building Code and regulations.

### **Public Works & Engineering**

The City's Public Works department is responsible for general roadway maintenance and upgrades, street lighting, sidewalks and other general duties. The department ensures that transportation infrastructure is safe and well maintained.

### **Environmental Health Services**

The environmental health function includes garbage, organics, yard waste and recycling collection and the operations of public washrooms in City parks. The expenditures of the City's Environment Committee are also included in this segment.

### **Environmental Development Services**

Development services provides planning assistance to guide property owners in complying with the City's zoning bylaws, Official Community Plan and development procedures for subdividing lands and providing the necessary infrastructure to support these developments.

### **Recreation and Cultural Services**

The recreation and culture function contributes to the quality of life in the community through the provision of a variety of programs, services and facilities. These include an extensive network of parks, the Cowichan Aquatic Centre, Seniors' Centre and the Cowichan Valley Museum.

### **Water Services**

The City's Public Works department is responsible for environmental programs including the engineering and operation of the potable water system to obtain, treat and deliver water. The City's water system services approximately 15,000 people, extending into portions of the Municipality of North Cowichan, the Cowichan Valley Regional District Electoral Areas D and E and Cowichan Tribes territory. Water services are a self-funding utility.



## 15. Segmented Information (continued)

### Sewer Services

The City's Public Works department is responsible for environmental programs including the engineering and operation of the sewer and waste water collection system, treatment and disposal. The City collects sewer and waste water for treatment at the Joint Utilities Board (JUB) lagoons. Sewer services are a self-funding utility.

### Reserve Funds

These funds are created to hold assets for specific future requirements pursuant to the *Community Charter*.

Budgeted costs are determined for each segment based on Council approval of management recommendations based on Council's strategic plan for the community. Budgeted revenues from fees and charges, external funding or allocations from the City's reserves are also determined in the same manner. Actual expenses are allocated at the time of purchase to the appropriate segment; payroll expenses are allocated based on actual time spent in each segment, or using a predetermined allocation subject to annual review. Taxes, grants in lieu of taxes and any revenues not directly attributable to a segment are apportioned to the General Revenue Fund.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements in Note 2.

## 16. Operating Expenses By Object

	2016	2015
Amortization	\$ 1,379,828	\$ 1,221,943
Capital fund expenses	1,108,436	495,396
Contract services	939,213	890,697
Fuel	57,387	68,020
Goods and services	998,932	918,606
Grants in aid	81,279	77,896
Hydro	344,353	318,520
Insurance	134,191	129,498
Interest	56,813	58,362
Leases	1,892	3,514
Professional fees	85,124	116,687
Travel, conference and training	100,668	99,396
Wages and benefits	3,088,697	3,006,732
Write down of account receivable to net realizable value	-	289,374
Actuarial adjustment to debt	(25,964)	(21,512)
	<u>\$ 8,350,849</u>	<u>\$ 7,673,129</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.

**18. Comparative Figures**

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

# Non-Consolidated Schedule of Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2016

## Schedule 1 (Excluding Joint Utilities Board Financial Information)

	General Capital Assets				Infrastructure				Assets Under Construction	Totals	
	Land	Land Improvements and Parks	Buildings and Leasehold Improvements	Vehicles and Equipment	Storm Water Engineering Structures	Roads & Sidewalks	Water	Sewer		2016	2015
<b>Cost</b>											
Opening costs	\$ 1,551,766	\$ 4,022,759	\$ 7,968,380	\$ 5,141,783	\$ 3,608,036	\$ 14,407,030	\$ 11,721,644	\$ 3,089,892	\$ 73,608	\$ 51,584,895	\$ 47,311,739
Additions during the year	254,014	38,370	127,368	93,224	51,579	111,849	888,816	19,161	426,424	2,010,805	4,512,223
Disposals and write-downs				(43,967)	(3,049)	(36,212)	(13,795)	(22,310)		(119,333)	(239,067)
Capitalization of assets under construction										-	-
Closing cost	1,805,780	4,061,129	8,095,748	5,191,040	3,656,566	14,482,667	12,596,665	3,086,743	500,032	53,476,367	51,584,895
<b>Accumulated Amortization</b>											
Opening accumulated amortization	-	1,291,429	3,002,574	2,854,345	1,649,564	9,395,641	4,761,876	1,739,641	-	24,695,070	23,720,536
<b>Amortization:</b>											
General government			31,440	65,986						97,426	68,223
Protective services			37,589	102,031						139,620	114,182
Public works and engineering		17,546	13,313	79,857	61,860	340,736				513,312	485,054
Environmental health				24,649						24,649	24,649
Recreation and culture		170,944	76,175	14,943		7,676				269,738	263,643
Water		677	51,426	14,468			205,426			271,997	206,325
Sewer								47,318		47,318	43,652
Total amortization	-	189,167	209,943	301,934	61,860	348,412	205,426	47,318	-	1,364,060	1,205,728
Disposals and write-downs				(43,967)	(3,049)	(36,212)	(12,809)	(20,958)		(116,995)	(231,194)
Closing accumulated amortization	-	1,480,596	3,212,517	3,112,312	1,708,375	9,707,841	4,954,493	1,766,001	-	25,942,135	24,695,070
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 1,805,780</b>	<b>\$ 2,580,533</b>	<b>\$ 4,883,231</b>	<b>\$ 2,078,728</b>	<b>\$ 1,948,191</b>	<b>\$ 4,774,826</b>	<b>\$ 7,642,172</b>	<b>\$ 1,320,742</b>	<b>\$ 500,032</b>	<b>\$ 27,534,232</b>	<b>\$ 26,889,825</b>

Additions during the year include assets contributed by developers:

Roads & Sidewalks	\$ 22,000	\$ 7,239
	<u>\$ 22,000</u>	<u>\$ 7,239</u>



# Consolidated Schedule of Accumulated Surplus

YEAR ENDED DECEMBER 31, 2016

## Schedule 2 (Audited)

	2016	2015
<b>OPERATING FUNDS</b>		
<b>Unappropriated</b>		
General	\$ 369,901	\$ 142,966
Waterworks utility	2,581,863	2,904,435
Sewer utility	1,180,572	986,735
<b>Total Unappropriated</b>	<b>4,132,336</b>	<b>4,034,136</b>
<b>Appropriated</b>		
Sewer utility: Joint Utilities Board Reserve	429,730	399,974
<b>Total Appropriated</b>	<b>429,730</b>	<b>399,974</b>
<b>Total Operating Funds</b>	<b>4,562,066</b>	<b>4,434,110</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
Net book value tangible capital assets (Schedule 6)	28,250,360	27,642,487
Less: Long term debt	(1,148,258)	(1,260,560)
<b>Total Net Investment in Tangible Capital Assets</b>	<b>27,102,102</b>	<b>26,381,927</b>
<b>RESERVE FUNDS</b>		
Sale of real property	217,399	213,244
Sale of property - Cowichan Place	18,381	33,873
Parking improvement	301,303	544,703
Parking improvement - Restricted	117,913	115,659
Municipal Finance Authority debt issue refunds	24,318	37,328
Operating reserves	436,767	482,480
Small communities grant	-	19,340
Machinery and equipment	1,851,493	1,536,244
Capital works and other miscellaneous reserves	300,257	277,832
General capital	3,575	1,899
Police bridging capital	1,498,297	1,293,153
Storm infrastructure	-	32,883
Aquannis Centre	-	27,586
Downtown revitalization	17,624	17,287
Melba Schappert bequest	28,351	49,602
Pioneer Park	1,374	1,348
Public art	9,771	9,585
Waterworks utility	854,383	719,227
Sewer utility	822,088	824,415
<b>Total Reserve Funds</b>	<b>6,503,294</b>	<b>6,237,687</b>
<b>Total Accumulated Surplus</b>	<b>\$ 38,167,462</b>	<b>\$ 37,053,724</b>

# Non-Consolidated Schedule of Revenues

YEAR ENDED DECEMBER 31, 2016

## Schedule 3 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Taxation and Grants in Lieu of Taxes</b>			
Property taxes - general	\$ 3,716,788	\$ 3,716,798	\$ 3,606,292
Special assessments			
Business Improvement Area (BIA)	190,000	190,000	185,000
Vancouver Island Regional Library (VIRL)	212,784	212,784	203,204
Utilities	103,374	103,374	103,052
Frontage and parcel taxes	43,920	43,900	43,580
	550,078	550,058	534,836
	4,266,866	4,266,856	4,141,128
<b>Grants in Lieu of Taxation:</b>			
Federal government	8,000	7,834	7,999
<b>Collection for Other Governments</b>			
School authorities levy	1,918,790	1,872,544	1,928,244
Provincial policing levy	286,908	282,746	278,942
Cowichan Valley Regional District levy	1,424,562	1,359,941	1,402,075
Regional Hospital District levy	473,390	472,941	438,324
	4,103,650	3,988,172	4,047,585
Joint boards and commissions:			
Municipal Finance Authority levy	162	167	163
British Columbia Assessment Authority levy	53,050	50,449	53,020
	53,212	50,616	53,183
Less: Transfers to other governments and others	(4,156,862)	(4,038,788)	(4,100,768)
Less: Transfers to BIA	(190,000)	(190,000)	(185,000)
Less: Transfers to VIRL	(212,784)	(212,784)	(203,204)
<b>Total Taxation and Grants in Lieu of Taxes</b>	<b>3,872,082</b>	<b>3,871,906</b>	<b>3,760,923</b>

# Non-Consolidated Schedule of Revenues (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 3 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Sale of Services</b>			
<b>General Revenue Fund</b>			
Garbage and recycling fees	211,455	212,793	218,292
Cowichan Tribes fire protection	102,933	106,834	108,185
CVRD - Eagle Heights fire protection	174,030	173,260	171,286
Administration recoveries	14,800	8,490	11,491
Public Works miscellaneous recoveries	5,000	6,785	3,770
Cowichan Tribes roads contribution	400	340	334
Sports field user fees	12,000	13,958	11,065
	<u>520,618</u>	<u>522,460</u>	<u>524,423</u>
<b>Waterworks Utility Revenue Fund</b>			
Sale of water	1,926,907	2,047,702	1,921,459
Service charges	25,416	23,296	21,457
Water studies	1,200	-	-
	<u>1,953,523</u>	<u>2,070,998</u>	<u>1,942,916</u>
<b>Sewer Utility Revenue Fund</b>			
Sewer fees	992,528	1,011,641	946,921
Service charges	200	41	-
	<u>992,728</u>	<u>1,011,682</u>	<u>946,921</u>
<b>Capital Connection Fees</b>			
General Capital	-	8,603	8,920
Water Capital	-	18,723	49,525
Sewer Capital	-	4,035	8,483
	<u>-</u>	<u>31,361</u>	<u>66,928</u>
<b>Total Sale of Services</b>	<u>3,466,869</u>	<u>3,636,501</u>	<u>3,481,188</u>



# Non-Consolidated Schedule of Revenues (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 3 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Licences, Permits, Rentals and Penalties</b>			
Trade licences	76,000	<b>75,650</b>	73,526
Delivery vehicle licences	1,300	<b>1,190</b>	1,284
Building permits and other fees	35,550	<b>19,665</b>	48,992
Dog licences	5,200	<b>7,197</b>	5,146
	<u>118,050</u>	<u><b>103,702</b></u>	<u>128,948</u>
Equipment charges less operating costs	202,263	<b>149,898</b>	164,942
Parking and bylaw infraction fines	25,100	<b>23,830</b>	25,059
Parking permits and revenues	57,400	<b>57,574</b>	60,876
Rentals	155,559	<b>158,101</b>	155,595
Penalties and interest on taxes	38,000	<b>47,293</b>	34,356
	<u>478,322</u>	<u><b>436,696</b></u>	<u>440,828</u>
Donations and contributions	-	<b>5,050</b>	100
Other revenues and fees	33,742	<b>33,096</b>	31,245
	<u>33,742</u>	<u><b>38,146</b></u>	<u>31,345</u>
<b>Total Licences, Permits, Rentals and Penalties</b>	<u>630,114</u>	<u><b>578,544</b></u>	<u>601,121</u>

# Non-Consolidated Schedule of Revenues (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 3 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Other Income</b>			
<b>Return on Investments</b>			
General Fund	18,000	9,780	16,635
Waterworks Fund	58,000	53,960	69,500
Sewer Fund	17,000	19,121	21,197
Reserve Fund	-	118,955	121,240
	93,000	201,816	228,572
<b>Asset Disposal</b>			
Gain(Loss) on Disposal of Tangible Capital Assets	-	3,469	(7,875)
	-	3,469	(7,875)
<b>Assets Contributed by Developers</b>			
General Capital	225,000	22,000	7,239
	225,000	22,000	7,239
<b>Funds Contributed from (to) Other Governments</b>			
Amalgamation Study	-	9,029	-
Aquannis Centre	-	(27,940)	1,766
Joint Parks	13,359	13,372	13,227
Fire Hall Capital Upgrade	-	-	458,154
	13,359	(5,539)	473,147
<b>Capital Contributions from Developers</b>			
Water Infrastructure	-	119,954	27,000
	-	119,954	27,000
<b>Development Cost Charge Funds Utilized</b>			
Sewer Infrastructure	47,817	-	-
Water Infrastructure	16,580	16,580	-
	64,397	16,580	-

# Non-Consolidated Schedule of Revenues (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 3 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Other Income (continued)</b>			
<b>Gas Tax Funds Utilized</b>	662,000	518,272	576,872
<b>Government Transfers</b>			
Unconditional Transfers from Other Governments			
Provincial revenue sharing	515,000	508,708	535,164
	515,000	508,708	535,164
Conditional Transfers from Other Governments			
Federal government	-	-	8,096
Provincial government	5,000	14,058	5,143
	5,000	14,058	13,239
Total Government Transfers	520,000	522,766	548,403
<b>Grants</b>	10,000	10,120	125,258
<b>Total Other Income</b>	1,587,756	1,409,438	1,978,616
<b>Total Revenue</b>	\$ 9,556,821	\$ 9,496,389	\$ 9,821,848



# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2016

## Schedule 4 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>General Government Services</b>			
Legislative	\$ 147,137	\$ 137,712	\$ 129,459
General administration:			
Salaries and benefits	847,924	835,123	875,510
Advertising	8,000	5,476	6,872
Accounting and audit	18,500	19,910	19,350
City Hall maintenance and operation	56,300	49,478	48,298
Communications and consulting	109,600	86,232	85,326
Computer services	59,000	65,823	58,917
Insurance	64,080	66,210	67,371
Legal	20,000	27,366	27,193
Office supplies and miscellaneous	36,925	26,953	37,693
Sick leave and severance expense	60,000	35,618	15,712
Telephone, internet and postage	21,600	16,019	19,156
Travel, conference, training	42,000	37,696	38,945
Internal recoveries	(479,564)	(479,564)	(468,967)
	864,365	792,340	831,376
Other:			
Grants to organizations	18,488	14,700	19,465
Margaret Moss building	6,713	21,151	2,426
Operation and maintenance	4,012	4,012	3,927
Senior citizen sewer and water rebates	500	120	455
Sundry	4,450	7,043	4,970
Tourism	113,833	107,570	87,864
Write down of account receivable to net realizable value	-	-	289,374
	147,996	154,596	408,481
<b>Total General Government Services</b>	<b>1,159,498</b>	<b>1,084,648</b>	<b>1,369,316</b>

# Non-Consolidated Schedule of Expenses (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 4 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Protective Services</b>			
Fire:			
Chief and officers' honorarium	23,000	20,575	19,962
Call pay	119,000	123,753	130,198
Training	46,500	52,104	43,693
Insurance	9,500	6,242	5,848
Telephone and radio alarm system	11,825	12,742	11,659
Fire hall maintenance and operation	33,779	37,653	30,900
Vehicle maintenance and operation	36,713	27,723	34,462
Fire investigation and prevention	34,033	39,795	24,312
Hydrant rental	13,000	16,554	13,521
Other	69,291	64,991	60,307
	396,641	402,132	374,862
Other protection:			
Animal control	20,400	19,323	18,700
Building inspection:			
Salaries and benefits	97,354	80,063	90,043
Travel and transportation	4,820	3,420	3,420
Other	4,550	4,449	4,611
Security patrols and cameras	52,000	54,253	55,395
	179,124	161,508	172,169
<b>Total Protective Services</b>	575,765	563,640	547,031

# Non-Consolidated Schedule of Expenses (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 4 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Public Works &amp; Engineering</b>			
Common services:			
Public works administration salaries and benefits	320,467	<b>289,390</b>	322,182
Other administration costs	87,490	<b>72,862</b>	68,743
Operation and maintenance of workshop and yard	50,151	<b>56,410</b>	57,754
Small tools and equipment	6,910	<b>5,738</b>	3,639
Engineering	189,246	<b>175,674</b>	177,460
Public works administration recoveries	(332,510)	<b>(332,510)</b>	(324,136)
	<u>321,754</u>	<u><b>267,564</b></u>	<u>305,642</u>
Street maintenance	70,000	<b>84,236</b>	59,245
Sidewalk maintenance	75,000	<b>93,390</b>	74,836
Drainage	64,250	<b>75,937</b>	75,518
Flood control and storm water quality testing	6,000	-	2,566
Street sweeping	50,000	<b>51,744</b>	53,404
Snow removal	45,000	<b>86,762</b>	16,647
Boulevard and median maintenance	62,490	<b>56,833</b>	65,177
Tree maintenance	30,000	<b>30,687</b>	60,515
Totem maintenance	21,000	<b>19,732</b>	28,777
Traffic lines and signs	76,250	<b>77,872</b>	76,310
Street lighting	88,650	<b>100,748</b>	97,473
Traffic light maintenance and control	29,600	<b>39,535</b>	30,714
Off street free parking lots	10,000	<b>20,031</b>	6,627
Other	1,810	<b>4,416</b>	1,576
	<u>630,050</u>	<u><b>741,923</b></u>	<u>649,385</u>
Parking:			
Parking control	30,750	<b>27,426</b>	28,141
Off street paid parking lots	18,200	<b>16,923</b>	22,551
	<u>48,950</u>	<u><b>44,349</b></u>	<u>50,692</u>
Other:			
Bylaw enforcement	46,212	<b>43,209</b>	42,523
Transit pass rebate program	10,000	<b>8,883</b>	6,612
	<u>56,212</u>	<u><b>52,092</b></u>	<u>49,135</u>
<b>Total Public Works &amp; Engineering</b>	<u>1,056,966</u>	<u><b>1,105,928</b></u>	<u>1,054,854</u>



# Non-Consolidated Schedule of Expenses (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 4 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Environmental Health Services</b>			
Solid waste collection and disposal	211,455	<b>209,300</b>	191,420
Comfort stations	26,068	<b>29,078</b>	28,317
Environmental programs	9,000	<b>4,000</b>	6,786
Other	967	<b>160</b>	546
	<u>247,490</u>	<u><b>242,538</b></u>	<u>227,069</u>
<b>Environmental Development Services</b>			
Planning salaries and benefits	146,803	<b>130,185</b>	118,030
Materials and contracted services	95,100	<b>47,231</b>	14,279
	<u>241,903</u>	<u><b>177,416</b></u>	<u>132,309</u>
<b>Recreation and Cultural Services</b>			
Parks and playgrounds	426,961	<b>463,987</b>	422,314
Joint Parks contributions	5,600	<b>5,780</b>	5,560
Joint Cowichan Aquatic Centre contributions	226,455	<b>235,664</b>	276,894
Senior Citizens' Activity Centre	5,251	<b>7,660</b>	6,473
Museum	10,150	<b>10,003</b>	10,115
	<u>674,417</u>	<u><b>723,094</b></u>	<u>721,356</u>
<b>Interest</b>			
Interest in General Fund			
General government	1,000	<b>868</b>	1,434
Protective services	-	<b>-</b>	983
Recreation and cultural services	47,125	<b>47,125</b>	47,125
	<u>48,125</u>	<u><b>47,993</b></u>	<u>49,542</u>
Interest in Sewer Fund	8,820	<b>8,820</b>	8,820
	<u>56,945</u>	<u><b>56,813</b></u>	<u>58,362</u>
<b>Water and Sewer Services</b>			
Waterworks	1,195,066	<b>1,284,091</b>	1,193,479
Sewer	777,156	<b>691,173</b>	716,282
	<u>1,972,222</u>	<u><b>1,975,264</b></u>	<u>1,909,761</u>

# Non-Consolidated Schedule of Expenses (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 4 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>Amortization</b>			
General government services	105,699	97,426	68,223
Protective services	162,698	139,620	114,182
Transportation services	580,825	513,312	485,054
Environmental health services	29,064	24,649	24,649
Recreation and cultural services	316,067	269,738	263,643
Water services	263,195	271,997	206,325
Sewer services	78,818	47,318	43,652
	<u>1,536,366</u>	<u>1,364,060</u>	<u>1,205,728</u>
<b>Other</b>			
Capital expense	-	1,108,436	495,396
Actuarial debt adjustment	-	(25,964)	(21,512)
	<u>-</u>	<u>1,082,472</u>	<u>473,884</u>
<b>Total Expenses</b>	<u>\$ 7,521,572</u>	<u>\$ 8,375,873</u>	<u>\$ 7,699,670</u>

# Consolidated Statement of Operations by Program

YEAR ENDED DECEMBER 31, 2016

## Schedule 5 (Audited)

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services		Environmental Development Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>										
Taxation and grants in lieu of taxes	\$ 3,871,906	\$ 3,760,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services	8,490	11,491	280,094	279,471	15,728	13,024	212,793	218,292	-	-
Licenses, permits, penalties and fines	347,242	350,244	-	-	231,302	250,877	-	-	-	-
Return on investments	128,735	137,875	-	-	-	-	-	-	-	-
Grants	1,130	-	(4,607)	9,724	12,300	115,534	-	-	-	-
Government transfers	522,766	548,403	-	-	-	-	-	-	-	-
Funds contributed from (to) other governments	9,029	-	-	458,154	-	-	-	-	-	-
Development Cost Charge funds utilized	-	-	-	-	-	-	-	-	-	-
Gas Tax funds utilized	-	576,872	452,000	-	66,272	-	-	-	-	-
Capital contributions from developers	-	-	-	-	-	-	-	-	-	-
Gain(Loss) on disposal of assets	-	-	-	-	5,807	(7,875)	-	-	-	-
Assets contributed by developers	-	-	-	-	22,000	7,239	-	-	-	-
Increase (decrease) in proportionate share of JUB assets	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 4,889,298	\$ 5,385,808	\$ 727,487	\$ 747,349	\$ 353,409	\$ 378,799	\$ 212,793	\$ 218,292	\$ -	\$ -
<b>EXPENSES</b>										
Operating expenses										
Payroll	\$ 1,039,575	\$ 1,023,439	\$ 261,085	\$ 265,217	\$ 887,089	\$ 880,422	\$ 74,184	\$ 71,459	\$ 130,185	\$ 118,030
Other	45,073	345,877	302,555	281,814	218,839	174,432	168,354	155,610	47,231	14,279
Total operating expenses	1,084,648	1,369,316	563,640	547,031	1,105,928	1,054,854	242,538	227,069	177,416	132,309
Capital fund expenses	946,022	159,017	27,262	26,085	68,305	159,586	984	-	-	-
Amortization	97,426	68,223	139,620	114,182	513,312	485,054	24,649	24,649	-	-
Interest	868	1,434	-	983	-	-	-	-	-	-
Actuarial adjustment to debt	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 2,128,964	\$ 1,597,990	\$ 730,522	\$ 688,281	\$ 1,687,545	\$ 1,699,494	\$ 268,171	\$ 251,718	\$ 177,416	\$ 132,309
<b>Surplus (Deficit)</b>	<b>\$ 2,760,334</b>	<b>\$ 3,787,818</b>	<b>\$ (3,035)</b>	<b>\$ 59,068</b>	<b>\$ (1,334,136)</b>	<b>\$ (1,320,695)</b>	<b>\$ (55,378)</b>	<b>\$ (33,426)</b>	<b>\$ (177,416)</b>	<b>\$ (132,309)</b>

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



# Consolidated Statement of Operations by Program (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 5 (Audited)

	Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>								
Taxation and grants in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,871,906	\$ 3,760,923
Sale of services	13,958	11,065	2,089,721	1,992,441	1,015,717	955,404	3,636,501	3,481,188
Licenses, permits, penalties and fines	-	-	-	-	-	-	578,544	601,121
Return on investments	-	-	53,960	69,500	19,121	21,197	201,816	228,572
Grants	1,297	-	-	-	-	-	10,120	125,258
Government transfers	-	-	-	-	-	-	522,766	548,403
Funds contributed from (to) other governments	(14,568)	14,993	-	-	-	-	(5,539)	473,147
Development Cost Charge funds utilized	-	-	16,580	-	-	-	16,580	-
Gas Tax funds utilized	-	-	-	-	-	-	518,272	576,872
Capital contributions from developers	-	-	119,954	27,000	-	-	119,954	27,000
Gain(Loss) on disposal of assets	-	-	(986)	-	(1,352)	-	3,469	(7,875)
Assets contributed by developers	-	-	-	-	-	-	22,000	7,239
Increase (decrease) in proportionate share of JUB assets	-	-	-	-	(31,802)	-	(31,802)	-
Total revenue	\$ 687	\$ 26,058	\$ 2,279,229	\$ 2,088,941	\$ 1,001,684	\$ 976,601	\$ 9,464,587	\$ 9,821,848
<b>EXPENSES</b>								
Operating expenses								
Payroll	\$ 262,571	\$ 235,527	\$ 352,366	\$ 324,819	\$ 81,642	\$ 87,818	\$ 3,088,697	\$ 3,006,731
Other	460,523	485,829	931,725	868,660	568,739	585,708	2,743,039	2,912,209
Total operating expenses	723,094	721,356	1,284,091	1,193,479	650,381	673,526	5,831,736	5,918,940
Capital fund expenses	36,917	182	6,695	36,280	22,251	114,246	1,108,436	495,396
Amortization	269,738	263,643	271,997	206,325	63,086	59,867	1,379,828	1,221,943
Interest	47,125	47,125	-	-	8,820	8,820	56,813	58,362
Actuarial adjustment to debt	(12,300)	(9,042)	-	-	(13,664)	(12,470)	(25,964)	(21,512)
Total expenses	\$ 1,064,574	\$ 1,023,264	\$ 1,562,783	\$ 1,436,084	\$ 730,874	\$ 843,989	\$ 8,350,849	\$ 7,673,129
<b>Surplus (Deficit)</b>	<b>\$ (1,063,887)</b>	<b>\$ (997,206)</b>	<b>\$ 716,446</b>	<b>\$ 652,857</b>	<b>\$ 270,810</b>	<b>\$ 132,612</b>	<b>\$ 1,113,738</b>	<b>\$ 2,148,719</b>

# Consolidated Details and Reconciliation to Core Government Results

YEAR ENDED DECEMBER 31, 2016

## Schedule 6 (Audited)

	The Corporation of the City of Duncan		Joint Utilities Board (JUB) Proportionate Share		Total	
	2016	2015	2016	2015	2016	2015
<b>STATEMENT OF FINANCIAL POSITION</b>						
Portfolio investments (Note 3)	\$ 13,225,087	\$ 11,809,051	\$ 429,730	\$ 399,974	\$ 13,654,817	\$ 12,209,025
Deferred revenue (Note 9)	\$ 784,792	\$ 914,449	\$ 8,506	\$ -	\$ 793,298	\$ 914,449
Tangible capital assets (Schedule 1)	\$ 27,534,232	\$ 26,889,825	\$ 716,128	\$ 752,662	\$ 28,250,360	\$ 27,642,487
Prepaid expenses	\$ 289,287	\$ 155,662	\$ 8,506	\$ -	\$ 297,793	\$ 155,662
Equity in tangible capital assets (Schedule 7)	\$ 26,385,974	\$ 25,629,265	\$ 716,128	\$ 752,662	\$ 27,102,102	\$ 26,381,927
Accumulated surplus (Schedule 9)	\$ 37,021,604	\$ 35,901,088	\$ 1,145,858	\$ 1,152,636	\$ 38,167,462	\$ 37,053,724
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>						
Acquisition of tangible capital assets (Schedule 1)	\$ 2,010,805	\$ 4,512,223	\$ (20,766)	\$ -	\$ 1,990,039	\$ 4,512,223
<b>STATEMENT OF OPERATIONS</b>						
Increase (decrease) in share of JUB assets	\$ -	\$ -	\$ (31,802)	\$ -	\$ (31,802)	\$ -
Total revenues (Schedule 3)	\$ 9,496,389	\$ 9,821,848	\$ (31,802)	\$ -	\$ 9,464,587	\$ 9,821,848
Sewer services expenses	\$ 691,173	\$ 716,282	\$ (40,792)	\$ (42,756)	\$ 650,381	\$ 673,526
Sewer services amortization (Schedule 4)	\$ 47,318	\$ 43,652	\$ 15,768	\$ 16,215	\$ 63,086	\$ 59,867
Total expenses (Schedule 4)	\$ 8,375,873	\$ 7,699,670	\$ (25,024)	\$ (26,541)	\$ 8,350,849	\$ 7,673,129

# Non-Consolidated Schedule of Equity in Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2016

## Schedule 7 (Audited)

	2016	2015
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
<b>Net Investment in Tangible Capital Assets (beginning of year)</b>	<b>\$ 25,629,265</b>	<b>\$ 22,209,534</b>
Add: Purchase of tangible capital assets	<b>1,988,805</b>	4,504,984
Tangible capital assets acquired in-kind	<b>22,000</b>	7,239
Debt repayment	<b>86,338</b>	99,599
Actuarial adjustment to debt	<b>25,964</b>	21,512
Less: Amortization	<b>(1,364,060)</b>	(1,205,728)
Net book value of disposed of tangible capital assets	<b>(2,338)</b>	(7,875)
<b>Net Investment in Tangible Capital Assets</b>	<b><u>\$ 26,385,974</u></b>	<b><u>\$ 25,629,265</u></b>



# Non-Consolidated Schedule of Change in Reserve Fund Balances

YEAR ENDED DECEMBER 31, 2016

## Schedule 8 (Excluding Joint Utilities Board Financial Information – Audited)

	2016 Budget	2016 Actual	2015 Actual
<b>REVENUE</b>			
Investment income	\$ -	\$ 118,955	\$ 121,240
Funds contributed from (to) other governments	-	(27,940)	1,766
Water capital contributions from developers	-	119,954	27,000
<b>NET REVENUES</b>	-	210,969	150,006
<b>TRANSFERS</b>			
Transfers from operating fund	1,019,984	953,719	996,652
Transfers from (to) general capital fund	(2,210,519)	(882,327)	(1,437,501)
Transfers from (to) sewer capital fund	(688,071)	(16,754)	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	(1,878,606)	265,607	(290,843)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	6,237,687	6,237,687	6,528,530
<b>FUND SURPLUS, END OF YEAR</b>	\$ 4,359,081	\$ 6,503,294	\$ 6,237,687

Individual reserve fund balances are detailed on the next page.

# Non-Consolidated Schedule of Change in Reserve Fund Balances (continued)

YEAR ENDED DECEMBER 31, 2016

## Schedule 8 (Excluding Joint Utilities Board Financial Information – Audited)

	2016 Actual	2015 Actual
<b>SUMMARY OF RESERVE FUND POSITIONS</b>		
Sale of real property	* \$ 217,399	\$ 213,244
Sale of property - Cowichan Place	18,381	33,873
Parking improvement	301,303	544,703
Parking improvement - Restricted	* 117,913	115,659
Municipal Finance Authority debt issue refunds	24,318	37,328
Operating reserves	436,767	482,480
Small communities grant	-	19,340
Machinery and equipment	1,851,493	1,536,244
Capital works and other miscellaneous reserves	300,257	277,832
General capital cost contributions	3,575	1,899
Police bridging capital	1,498,297	1,293,153
Storm infrastructure	-	32,883
Aquannis Centre	-	27,586
Downtown revitalization	17,624	17,287
Melba Schappert bequest	28,351	49,602
Pioneer Park	1,374	1,348
Public art	9,771	9,585
Water capital cost contributions	465,241	337,522
Water capital reserve	389,142	381,704
Sewer capital cost contributions	142,676	141,556
Sewer capital reserve	679,412	682,859
<b>Total Reserve Fund Equity</b>	<b>\$ 6,503,294</b>	<b>\$ 6,237,687</b>
<b>RESERVES HELD AS LIABILITIES</b>		
Federal Gas Tax funds (Note 9)	* 209,470	457,066
Restricted revenue (Note 10)	* 1,944,088	1,926,971
<b>Total Reserve Funds</b>	<b>\$ 8,656,852</b>	<b>\$ 8,621,724</b>

\* Restricted Cash and Portfolio Investments (Note 3)

# Non-Consolidated Statement of Financial Position – Funds

YEAR ENDED DECEMBER 31, 2016

## Schedule 9 (Excluding Joint Utilities Board Financial Information – Unaudited)

	General Fund		Reserve Fund		Waterworks Utility Fund		Sewer Utility Fund		Equity in Capital Assets		2016	2015
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	Total	Total
<b>FINANCIAL ASSETS</b>												
Cash and cash equivalents (Note 3)	\$ 339,050	\$ 898,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339,050	\$ 898,147
Accounts receivable (Note 4)	963,073	1,276,857	-	-	169,104	142,401	36,371	9,822	-	-	1,168,548	1,429,080
Portfolio investments (Note 3)	1,003,717	(551,085)	8,656,852	\$ 8,621,724	2,428,076	2,769,097	1,136,442	969,315	-	-	13,225,087	11,809,051
Deposits - Municipal Finance Authority (Note 5)	17,188	16,720	-	-	-	-	8,555	8,322	-	-	25,743	25,042
Loan receivable (Note 6)	136,566	153,667	-	-	-	-	-	-	-	-	136,566	153,667
	<u>\$ 2,459,594</u>	<u>\$ 1,794,306</u>	<u>\$ 8,656,852</u>	<u>\$ 8,621,724</u>	<u>\$ 2,597,180</u>	<u>\$ 2,911,498</u>	<u>\$ 1,181,368</u>	<u>\$ 987,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,894,994</u>	<u>\$ 14,314,987</u>
<b>LIABILITIES</b>												
Accounts payable and accrued liabilities (Note 7)	\$ 1,513,140	\$ 845,501	\$ -	\$ -	\$ -	\$ -	\$ 725	\$ 724	\$ -	\$ -	\$ 1,513,865	\$ 846,225
Sick and severance liabilities (Note 13(b))	404,012	423,973	-	-	-	-	-	-	-	-	404,012	423,973
Refundable deposits (Note 8)	22,372	190,069	-	-	-	-	-	-	-	-	22,372	190,069
Deferred revenue (Note 9)	559,934	450,320	209,470	457,066	15,317	7,063	71	-	-	-	784,792	914,449
Restricted revenue (Note 10)	-	-	1,944,088	1,926,971	-	-	-	-	-	-	1,944,088	1,926,971
Debtenture debt (Note 11)	-	-	-	-	-	-	-	-	1,148,258	1,260,560	1,148,258	1,260,560
	<u>2,499,458</u>	<u>1,909,863</u>	<u>2,153,558</u>	<u>2,384,037</u>	<u>15,317</u>	<u>7,063</u>	<u>796</u>	<u>724</u>	<u>1,148,258</u>	<u>1,260,560</u>	<u>5,817,387</u>	<u>5,562,247</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ (39,864)</u>	<u>\$ (115,557)</u>	<u>\$ 6,503,294</u>	<u>\$ 6,237,687</u>	<u>\$ 2,581,863</u>	<u>\$ 2,904,435</u>	<u>\$ 1,180,572</u>	<u>\$ 986,735</u>	<u>\$ (1,148,258)</u>	<u>\$ (1,260,560)</u>	<u>\$ 9,077,607</u>	<u>\$ 8,752,740</u>
<b>NON-FINANCIAL ASSETS</b>												
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,534,232	\$ 26,889,825	\$ 27,534,232	\$ 26,889,825
Inventory of supplies	120,478	102,861	-	-	-	-	-	-	-	-	120,478	102,861
Prepaid expenses	289,287	155,662	-	-	-	-	-	-	-	-	289,287	155,662
	<u>409,765</u>	<u>258,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,534,232</u>	<u>26,889,825</u>	<u>27,943,997</u>	<u>27,148,348</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 369,901</u>	<u>\$ 142,966</u>	<u>\$ 6,503,294</u>	<u>\$ 6,237,687</u>	<u>\$ 2,581,863</u>	<u>\$ 2,904,435</u>	<u>\$ 1,180,572</u>	<u>\$ 986,735</u>	<u>\$ 26,385,974</u>	<u>\$ 25,629,265</u>	<u>\$ 37,021,604</u>	<u>\$ 35,901,088</u>



# Statement of General Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2016

## Schedule 10 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>REVENUE</b>			
Taxation	\$ 3,864,082	\$ 3,864,072	\$ 3,752,924
Grants in lieu of taxes	8,000	7,834	7,999
Sale of services	520,618	522,460	524,423
Other revenue from own sources	630,114	578,544	601,121
Return on investments	18,000	9,780	16,635
Grants	-	1,130	
Government transfers	520,000	522,766	540,307
Funds contributed from other governments	13,359	22,401	13,227
Total revenue	5,574,173	5,528,987	5,456,636
<b>EXPENSES</b>			
General government	1,159,498	1,084,648	1,369,316
Protective services	575,765	563,640	547,031
Public works & engineering	1,056,966	1,105,928	1,054,854
Environmental health services	247,490	242,538	227,069
Environmental development services	241,903	177,416	132,309
Recreation and cultural services	674,417	723,094	721,356
Interest	48,125	47,993	49,542
Total expenses	4,004,164	3,945,257	4,101,477
<b>NET REVENUES</b>	1,570,009	1,583,730	1,355,159
<b>TRANSFERS</b>			
Transfers to general capital fund	(645,790)	(286,761)	(379,490)
Transfers to reserve fund	(1,019,984)	(953,719)	(996,652)
Transfers to sewer revenue fund - parcel tax	(43,920)	(43,900)	(43,580)
Long term debt repayment	(72,415)	(72,415)	(85,676)
<b>NET INCREASE (DECREASE) IN FUND</b>	(212,100)	226,935	(150,239)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	142,966	142,966	293,205
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	\$ (69,134)	\$ 369,901	\$ 142,966

# Statement of Waterworks Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2016

## Schedule 11 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>REVENUE</b>			
Sale of water	\$ 1,926,907	\$ 2,047,702	\$ 1,921,459
Water studies	1,200	-	-
Service charges	25,416	23,296	21,457
Return on investments	58,000	53,960	69,500
Total revenue	2,011,523	2,124,958	2,012,416
<b>EXPENSES</b>			
Administration	579,095	545,300	554,088
Transmission and distribution	359,600	478,374	406,940
Pumping	256,371	260,417	232,451
Total expenses	1,195,066	1,284,091	1,193,479
<b>NET REVENUES</b>	816,457	840,867	818,937
<b>TRANSFERS</b>			
Transfers to waterworks utility capital fund	(1,435,572)	(1,163,439)	(1,573,734)
<b>NET INCREASE (DECREASE) IN FUND</b>	(619,115)	(322,572)	(754,797)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	2,904,435	2,904,435	3,659,232
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 2,285,320	\$ 2,581,863	\$ 2,904,435

# Statement of Sewer Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2016

## Schedule 12 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>REVENUE</b>			
Sewer fees	\$ 992,528	\$ 1,011,641	\$ 946,921
Service charges	200	41	-
Return on investments	17,000	19,121	21,197
Total revenue	1,009,728	1,030,803	968,118
<b>EXPENSES</b>			
Administration	268,900	252,550	241,113
Collection and disposal	174,572	190,179	176,509
Cost sharing - municipal government	(20,000)	(40,184)	(18,431)
Joint Utilities Board	353,684	288,628	317,091
Interest on debenture debt	8,820	8,820	8,820
Total expenses	785,976	699,993	725,102
<b>NET REVENUES</b>	223,752	330,810	243,016
<b>TRANSFERS</b>			
Transfers to sewer capital fund	(579,106)	(166,950)	(374,347)
Transfers from general revenue fund - parcel tax	43,920	43,900	43,580
Long-term debt repayment	(13,923)	(13,923)	(13,923)
<b>NET INCREASE (DECREASE) IN FUND</b>	(325,357)	193,837	(101,674)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	986,735	986,735	1,088,409
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 661,378	\$ 1,180,572	\$ 986,735

# Statement of Capital Fund Operations

YEAR ENDED DECEMBER 31, 2016

## Schedule 13 (Excluding Joint Utilities Board Financial Information – Unaudited)

	2016 Budget	2016 Actual	2015 Actual
<b>REVENUE</b>			
Connection fees			
General Capital	\$ -	\$ 8,603	\$ 8,920
Water Capital	-	18,723	49,525
Sewer Capital	-	4,035	8,483
Grants	10,000	8,990	125,258
Government transfers	-	-	8,096
Funds contributed from other governments	-	-	458,154
Development Cost Charges utilized	64,397	16,580	-
Gas Tax Funds utilized	662,000	518,272	576,872
Gain (Loss) on disposal of tangible capital assets	-	3,469	(7,875)
Assets constructed by Developers			
General Capital	225,000	22,000	7,239
Total revenue	961,397	600,672	1,234,672
<b>EXPENSES (not capitalized) (Schedule 5)</b>			
General government services	-	946,022	159,017
Protective services	-	27,262	26,085
Transportation services	-	68,305	159,586
Environmental health services	-	984	-
Recreation and cultural services	-	36,917	182
Water services	-	6,695	36,280
Sewer services	-	22,251	114,246
Total expenses	-	1,108,436	495,396
<b>NET REVENUES</b>	961,397	(507,764)	739,276
<b>TRANSFERS</b>			
Transfers from (to) general operating fund	645,790	286,761	379,490
Transfers from (to) water operating fund	1,435,572	1,163,439	1,573,734
Transfers from (to) sewer operating fund	579,106	166,950	374,347
Transfers from (to) general reserve funds	2,210,519	882,327	1,437,501
Transfers from (to) sewer reserve funds	688,071	16,754	-
Proceeds of new debt	230,000	-	-
Tangible capital asset purchases	(6,750,455)	(1,988,805)	(4,504,984)
Tangible capital assets acquired in-kind	-	(22,000)	(7,239)
Net book value of disposed of tangible capital assets	-	2,338	7,875
<b>NET INCREASE (DECREASE) IN FUND</b>	-	-	-
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	-	-
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ -	\$ -	\$ -



# Statement of Responsibility

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

The accompanying financial statements are the responsibility of the management of the Duncan - North Cowichan Joint Utilities Board and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative control 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.

The North Cowichan Municipal Council met with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters before approving the financial statements.

Grant Thornton LLP, as the Duncan – North Cowichan Joint Utilities Board’s appointed external auditors, has audited the financial statements. The Auditor’s report is addressed to the Duncan – North Cowichan Joint Utilities Board 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 financial statements are free of material misstatement and present fairly the financial position and results of the Duncan – North Cowichan Joint Utilities Board in accordance with Canadian public sector accounting standards.



Mark Ruttan  
Acting Chief Administrative Officer  
May 3, 2017



## INDEPENDENT AUDITOR'S REPORT

To the Duncan - North Cowichan Joint Utilities Board,

### *Report on Financial Statements*

We have audited the accompanying financial statements of the Duncan - North Cowichan Joint Utilities Board, which comprise the statement of financial position as at December 31, 2016, and the statement of operations for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 evaluation of the overall presentation of the financial statements.

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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, these financial statements present fairly, in all material respects, the financial position of the Duncan - North Cowichan Joint Utilities Board as at December 31, 2016 and its operations for the year then ended in accordance with Canadian public sector accounting standards.

*Other Matter*

The financial statements of the Duncan – North Cowichan Joint Utilities Board for the year ended December 31, 2015, were audited by Hayes Stewart Little & Co. The partners and staff of Hayes Stewart Little & Co. joined Grant Thornton LLP subsequent to October 1, 2016.

A stylized, handwritten-style signature of "Grant Thornton LLP" in black ink.

Duncan, BC  
May 3, 2017

Chartered Professional Accountants

# Consolidated Statement of Financial Position

AS AT DECEMBER 31, 2016

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	<u>2016</u>	<u>2015</u>
<b>Financial Assets</b>		
Investments (Notes 3 and 6)	\$ <u>1,354,759</u>	\$ <u>1,226,161</u>
<b>Liabilities</b>		
Unearned revenue	<u>26,815</u>	<u>-</u>
<b>Net Financial Assets</b>	<u>1,327,944</u>	<u>1,226,161</u>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule I)	2,257,653	2,307,362
Prepaid items	<u>26,815</u>	<u>-</u>
	<u>2,284,468</u>	<u>2,307,362</u>
<b>Accumulated surplus</b>	\$ <u><u>3,612,412</u></u>	\$ <u><u>3,533,523</u></u>

  
\_\_\_\_\_  
M. Frame,  
Director of Finance

See accompanying notes to the financial statements.



# Statement of Operations

AS AT DECEMBER 31, 2016

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	2016 <u>Budget</u>	<u>2016</u>	<u>2015</u>
<b>Revenue</b>			
Contributions from:			
The Corporation of the District of North Cowichan	\$ 1,533,165	\$ <b>499,033</b>	\$ 530,619
The Corporation of the City of Duncan	907,755	<b>296,877</b>	325,518
Cowichan Valley Regional District	376,712	<b>154,757</b>	160,285
Cowichan Tribes	53,571	<b>21,295</b>	18,171
Interest received	<u>16,400</u>	<u><b>13,397</b></u>	<u>15,873</u>
	<u>2,887,603</u>	<u><b>985,359</b></u>	<u>1,050,466</u>
<b>Expenses</b>			
Administration	41,163	<b>39,513</b>	42,492
Amortization	-	<b>49,710</b>	49,710
Sewer lagoon operation and maintenance	<u>933,260</u>	<u><b>817,247</b></u>	<u>876,901</u>
	<u>974,423</u>	<u><b>906,470</b></u>	<u>969,103</u>
<b>Annual Surplus</b>	1,913,180	<b>78,889</b>	81,363
<b>Accumulated surplus, beginning of year</b>	<u>3,533,523</u>	<u><b>3,533,523</b></u>	<u>3,452,160</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 5,446,703</u>	<u><b>\$ 3,612,412</b></u>	<u>\$ 3,533,523</u>

See accompanying notes to the financial statements.

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

### 1. SUMMARY OF OPERATIONS

The Duncan – North Cowichan Joint Utilities Board is a government partnership that operates and maintains joint sewer lagoons on behalf of the City of Duncan and the District of North Cowichan. The distribution of expenditures related to operations is based on the number of users in each municipality.

### 2. SIGNIFICANT ACCOUNTING POLICIES

It is the Board's policy to follow Canadian public sector accounting standards and to apply such principles consistently. The following is a summary of the Corporation's significant policies:

#### a) BASIS OF ACCOUNTING

The Board 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 the delivery of goods or services and/or upon the creation of a legal obligation to pay. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

#### b) REVENUE RECOGNITION

- i) Contributions from partners are recognized when invoiced.
- ii) Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

#### c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit in qualifying institutions as defined in the community charter.

#### d) USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles as recommended by PSAB 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 revenue and expenditure during the reporting period. A significant area requiring the use of management estimates relate to the determination of amortization of capital assets. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

#### 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.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f) TANGIBLE CAPITAL ASSETS**

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost 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. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Engineering Structures	10 to 60 years
------------------------	----------------

Amortization is charged on a monthly basis, starting the month following the date of acquisition and ending in the month of disposition. Capital works in progress are not amortized until the asset is available for productive use.

**3. INVESTMENTS**

Investments are carried at cost, which at December 31, 2016, would approximate market value. The balance of investments has been internally restricted by the Board and is to be expended in accordance with the terms of the reserve for capital expenditure.

**4. OPERATING LEASE**

The Board leased the sewage lagoon lands under an operating lease which expires July 31, 2060. Future minimum lease payments are \$321,774 per annum with an estimated annual increase of 2.2%.

**5. FINANCIAL INSTRUMENTS**

The Board's financial instruments consist of investments. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest or credit risks arising from these financial instruments.

**6. CAPITAL RESERVE FUNDS**

The Capital reserve funds are non-statutory reserves, for the purpose of future capital expenditures, established at the discretion of the Board. Balances and changes are outlined as follows:

	2016	2015
Balances, beginning of year	\$1,226,161	\$1,095,088
Add: transfer from current operations	128,598	131,073
Balance, end of year	\$1,354,759	\$1,226,161

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

**7. LISTING OF OPERATING EXPENDITURES BY OBJECT TYPE**

The following provides a summary of operating expenses by object:

	<u>2016</u>	<u>2015</u>
Salaries, wages and benefits	<b>\$131,531</b>	\$118,898
Contract services	<b>99,942</b>	151,755
Amortization	<b>49,710</b>	49,710
Materials and supplies	<b>307,554</b>	337,846
Land Rent	<b>317,733</b>	310,894
Total expense	<u><b>\$906,470</b></u>	<u>\$969,103</u>

**8. STATEMENT OF CASH FLOWS**

A statement of cash flows has not been prepared as it is not considered to provide any additional information.



# Tangible Capital Assets

FOR THE YEAR ENDED DECEMBER 31, 2016

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

### Schedule 1

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance			Balance December 31, 2016	Balance			Balance December 31, 2016		
	December 31, 2015	2016 Additions	2016 Disposals		December 31, 2015	2016 Additions	2016 Disposals		2015	2016
Engineering Structures	\$ 2,485,490	-	-	\$ 2,485,490	\$ 178,128	\$ 49,710	-	\$ 227,837	\$ 2,307,362	\$ 2,257,653



# statistical information

# Population Demographics

	2012	2013	2014	2015	2016
Total Population Estimates	4,939	4,790	4,761	4,663	4,944
% Change from Prior Year	0.14%	-3.02%	-0.61%	-2.06%	6.03%
Population Density Per Square Km	2,386	2,314	2,300	2,253	2,388

Source: 2012 - 2015 BC Stats, 2016 Statistics Canada

## Active Business Licences

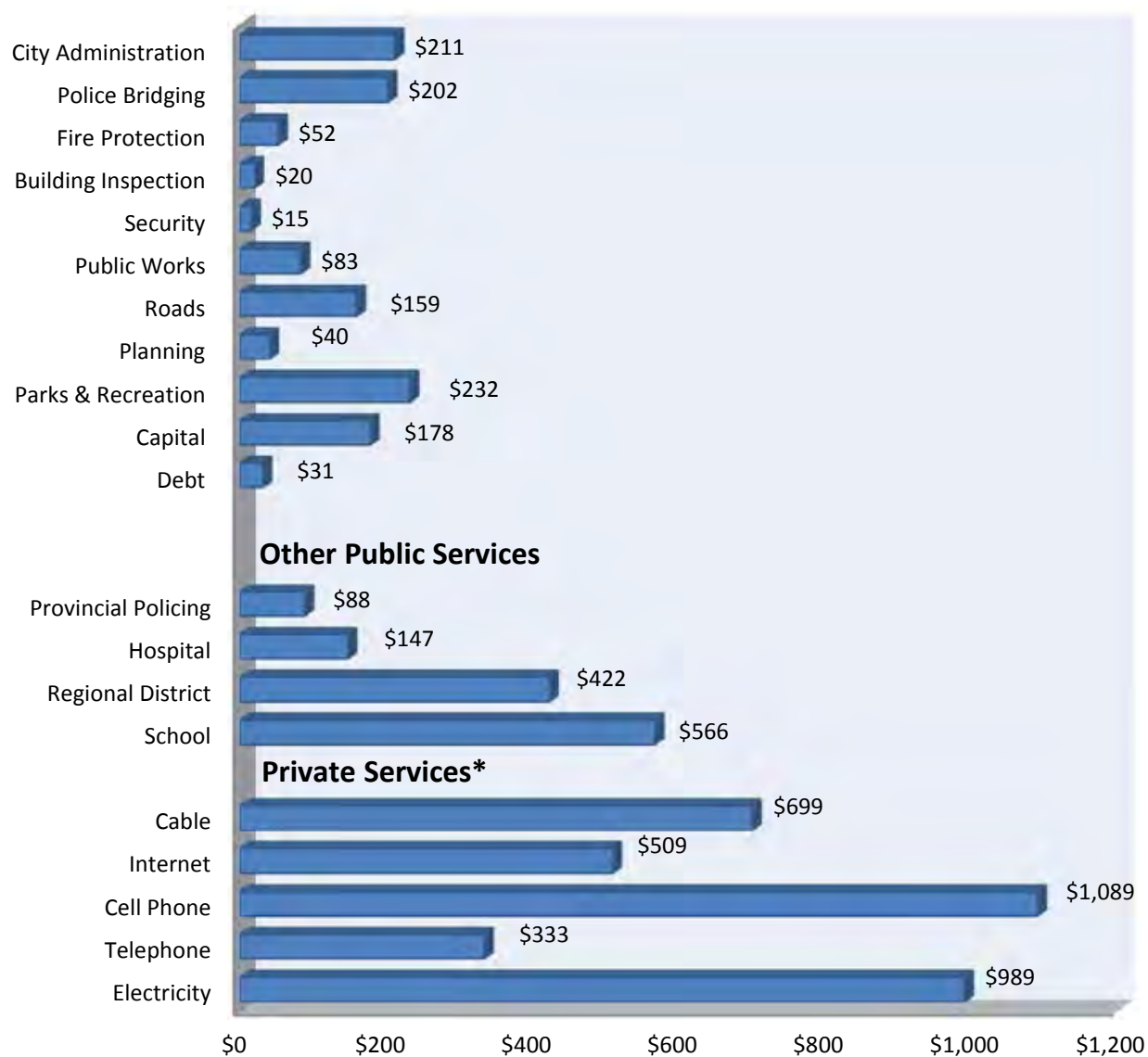




# Standard Household Annual Costs, 2016

Detailing the average household cost of City services (average assessment of \$257,027) compared to other common household costs.

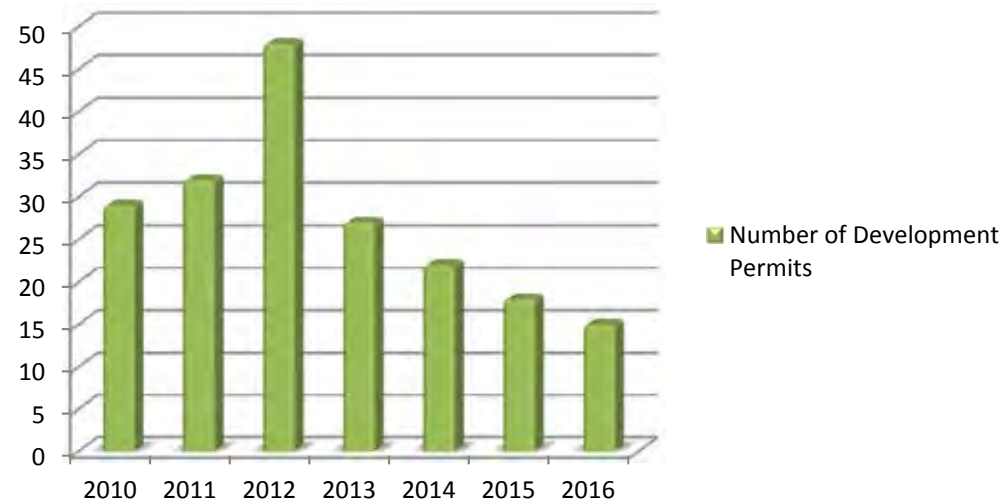
## 2016 City Services - Total \$1,223



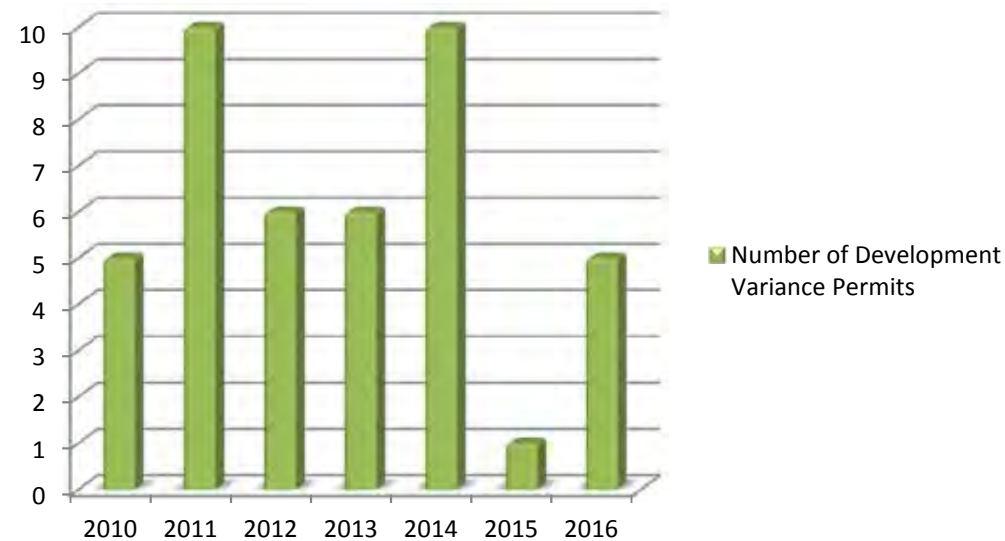
\*Average household expenditure according to Statistics Canada 2014

# Development Permits and Variance Permits

## Development Permits



## Development Variance Permits



# New Construction

	2012	2013	2014	2015	2016
Building Permits Issued	90	86	51	61	38
Construction Value	4,714,191	5,593,251	4,425,756	8,003,880	1,213,202

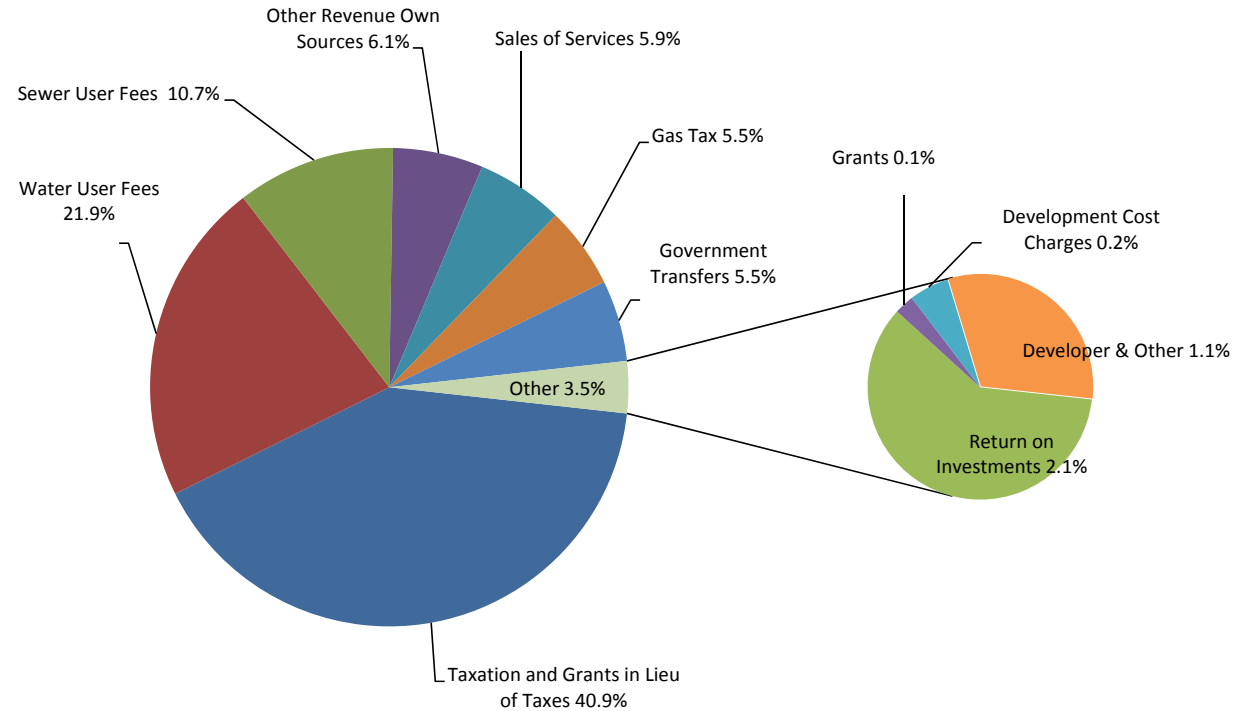
## Major Property Taxpayers

Property Owner	Industry	Tax Contribution
1 Coronation Mall Ltd.	Retail Mall	173,594
2 Coronation Properties Ltd.	Seniors Residential Complex	96,165
3 0984369 BC Ltd.	Office Building	71,308
4 0975183 BC Ltd.	Court House Property	60,898
5 BC Telephone Company	Building and Yard	43,042
6 Cowichan Hospitality Group Ltd.	Hotel	41,460
7 0693523 BC Ltd.	Seniors Residential Complex	37,160
8 Little Eagle Holdings Ltd.	Car Dealership	32,673
9 First West Credit Union	Financial Institution	31,002
10 F. Kranz	Residential Apartments	30,855
11 DD 1020-1030 Government Apartments Ltd.	Residential Apartments	27,979
12 Royal Bank of Canada	Financial Institution	22,876
13 S.G. Kumar	Medical Building	21,517
<b>Total from Major Property Tax Contributors</b>		<b>690,529</b>
<b>Total Municipal Tax</b>		<b>3,809,496</b>
Proportion of Municipal Tax Paid by Major Property Tax Contributors		18%

The above listing includes the largest tax contributing 'folios'. There may be some properties that would have appeared on this list if they were combined into single folios.

# 2016 Revenue by Source

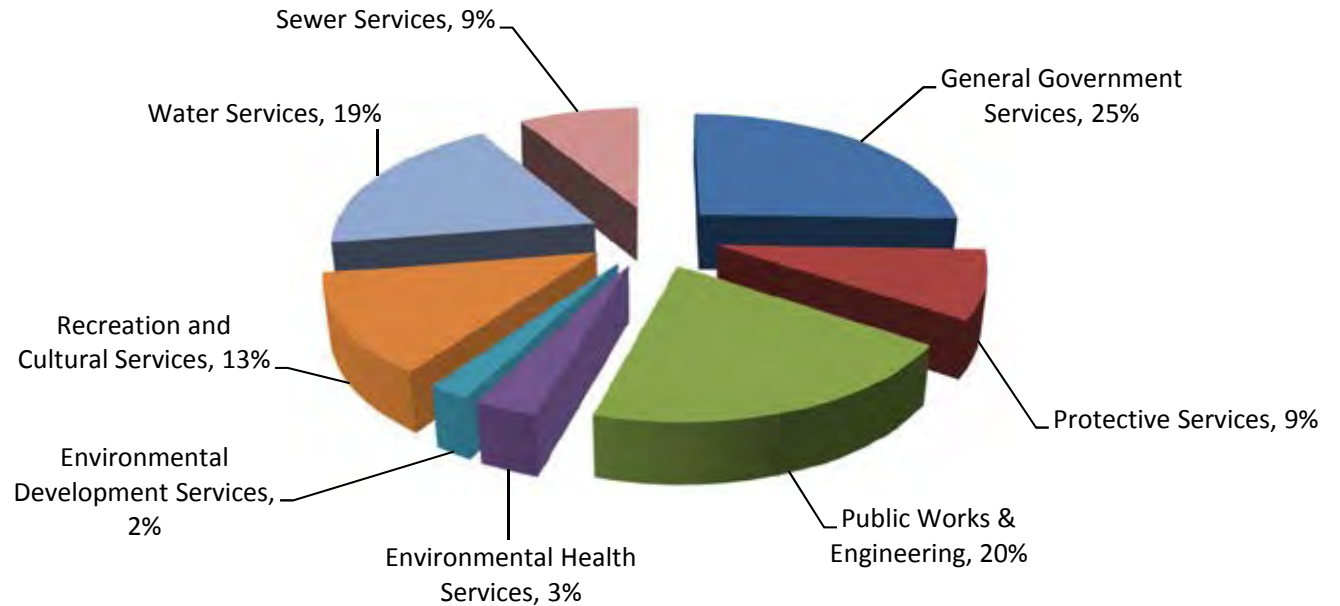
Detailing the City's own source revenues by proportion in 2016.



	2012	2013	2014	2015	2016
Taxation	3,520,220	3,579,152	3,664,408	3,752,924	3,864,072
Grants in Lieu of Taxes	11,715	9,894	9,380	7,999	7,834
Sales of Services	590,512	555,311	610,149	591,351	553,821
Water User Fees	1,660,827	1,738,551	1,886,702	1,942,916	2,070,998
Sewer User Fees	819,250	875,382	921,465	946,921	1,011,682
Other Revenue Own Sources	598,776	583,260	590,184	601,121	578,544
Return on Investments	238,713	238,905	280,124	228,572	201,816
Grants	252,990	55,691	-	74,724	10,120
Government Transfers	2,772,011	510,722	348,820	598,937	522,766
Funds Contributed from (to) Other Governments	31,619	16,080	14,581	473,147	(5,539)
Development Cost Charge Funds	-	65,196	-	-	16,580
Gas Tax Funds	42,653	345,903	215,716	576,872	518,272
Developer and Other	544,323	203,323	195,740	34,239	141,954
Gain (Loss) on Disposal of Assets	34,205	14,229	39,457	(7,875)	3,469
Increase (decrease) in Share of Joint Utilities Board Assets	-	42,229	7,085	-	(31,802)
	11,117,814	8,833,828	8,783,811	9,821,848	9,464,587

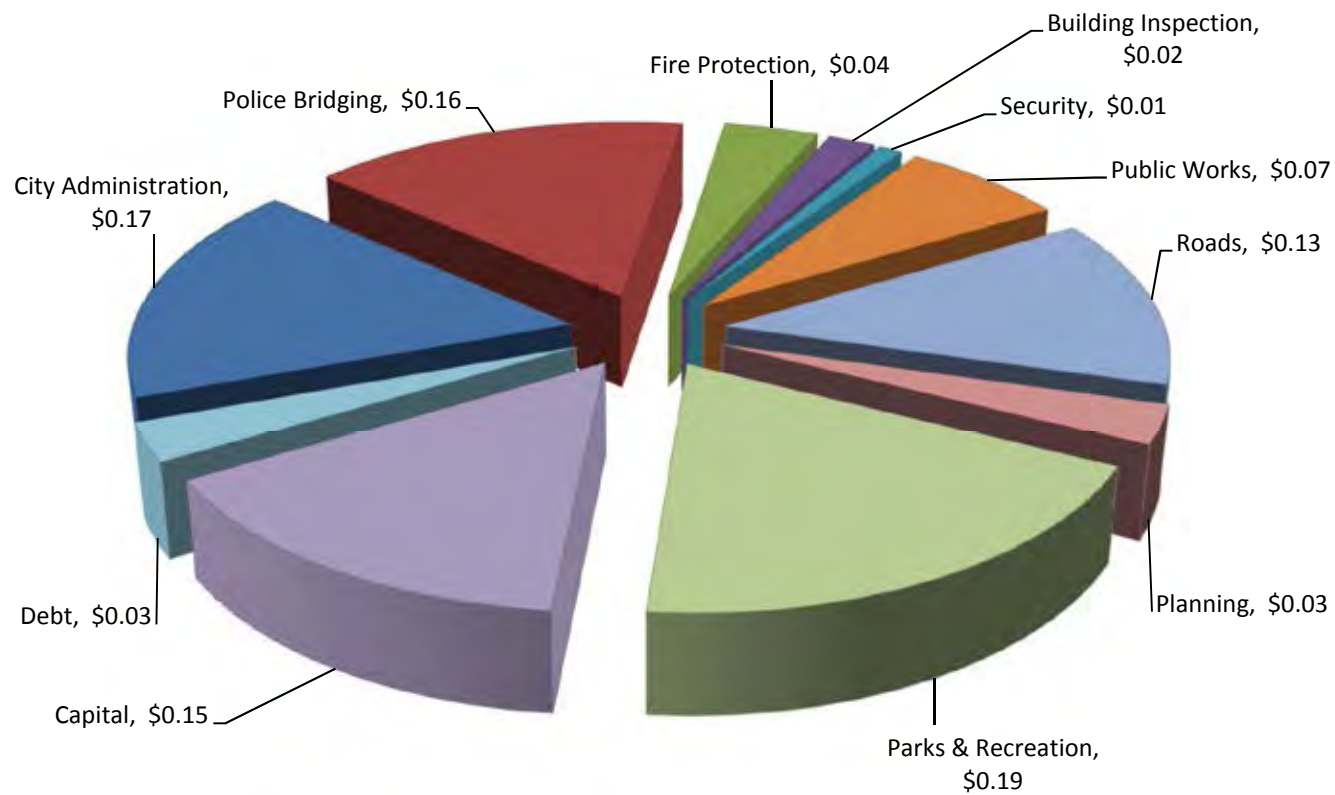


# 2016 Expenses by Function



	2012	2013	2014	2015	2016
General Government Services	1,143,527	1,177,869	1,274,906	1,597,990	2,128,964
Protective Services	794,110	608,176	665,013	688,281	730,522
Public Works & Engineering	1,660,480	1,932,881	1,605,256	1,699,494	1,687,545
Environmental Health Services	207,255	208,327	278,573	251,718	268,171
Environmental Development Services	201,435	139,490	180,574	132,309	177,416
Recreation and Cultural Services	1,037,429	1,017,338	1,137,590	1,023,264	1,064,574
Water Services	1,071,669	1,148,079	1,295,927	1,436,084	1,562,783
Sewer Services	664,434	632,036	728,226	843,989	730,874
	<u>6,780,339</u>	<u>6,864,196</u>	<u>7,166,065</u>	<u>7,673,129</u>	<u>8,350,849</u>

# Spending of \$1 of Municipal Tax in 2016



# 2016 Expenses by Object

	2012	2013	2014	2015	2016
Amortization	1,076,854	1,188,880	1,187,440	1,221,943	1,379,828
Capital fund expenses	501,562	557,087	364,156	495,396	1,108,436
Contract services	1,056,121	814,499	953,809	890,697	939,213
Fuel	91,245	86,140	81,902	68,020	57,387
Goods and services	888,776	874,632	941,517	918,606	998,932
Grants in Aid	84,922	142,084	96,235	77,896	81,279
Hydro	303,208	301,270	322,622	318,520	344,353
Insurance	98,577	108,791	138,063	129,498	134,191
Interest	68,706	64,480	61,746	58,362	56,813
Leases	11,698	8,477	8,508	3,514	1,892
Professional fees	77,472	110,953	147,154	116,687	85,124
Travel, conference and training	91,602	94,756	84,257	99,396	100,668
Wages and benefits	2,417,022	2,525,277	2,795,892	3,006,732	3,088,697
Write down of account receivable to net realizable value	-	-	-	289,374	-
Actuarial adjustment to debt	(21,680)	(13,130)	(17,236)	(21,512)	(25,964)
	<u>6,746,085</u>	<u>6,864,196</u>	<u>7,166,065</u>	<u>7,673,129</u>	<u>8,350,849</u>

# 2016 Capital Expenditures & Sources of Financing

	2012	2013	2014	2015	2016
<b>Capital Expenditures</b>					
Acquisition of Tangible Capital Assets	3,588,966	2,969,907	1,771,145	4,512,223	1,990,039
Capital Fund Expenditures (Not Capitalized)	501,562	557,087	364,156	495,396	1,108,436
	<u>4,090,528</u>	<u>3,526,994</u>	<u>2,135,301</u>	<u>5,007,619</u>	<u>3,098,475</u>
<b>Source of Financing</b>					
Operating Funds	1,417,456	1,279,829	1,410,145	2,327,571	1,617,150
Reserve Funds	1,299,568	1,347,408	239,843	1,437,501	899,081
Grants	252,990	55,691	-	125,258	8,990
Government Transfers	559,088	157,000	-	8,096	-
Connections Fees and Donations	182,833	123,310	117,372	66,928	31,361
Investment Income	-	36,020	-	-	-
Development Cost Charges	-	65,196	-	-	16,580
Federal Gas Tax Funds	3,076	343,515	214,887	576,872	518,272
Developer/Other Contribution	341,312	73,353	66,000	465,393	22,000
Sales of Assets	34,205	14,229	82,000	-	5,807
Increase (Decrease) in Share of Joint Utilities Board Tangible Capital Assets	-	31,443	5,054	-	(20,766)
	<u>4,090,528</u>	<u>3,526,994</u>	<u>2,135,301</u>	<u>5,007,619</u>	<u>3,098,475</u>



# 2016 Annual Development Cost Charges Reserve Fund Report

<b>Development Cost Charges Reserve Fund</b>	<b>Water</b>	<b>Sewer</b>	<b>Storm Drainage</b>	<b>Roads</b>	<b>Total DCCs</b>
Balance in reserve fund as of January 1, 2016	\$557,559.46	\$789,116.97	\$143,679.53	\$436,614.58	\$1,926,970.54
Funds received (refunded) in 2016	(696.46)	(1,694.80)	0.00	(1,461.50)	(3,852.76)
Expenditures from Reserve in 2016	(16,580.00)	0.00	0.00	0.00	(16,580.00)
Interest earned on account for 2016	10,864.85	15,377.09	2,799.82	8,508.07	37,549.83
Balance in reserve fund as of December 31, 2016	\$551,147.85	\$802,799.26	\$146,479.35	\$443,661.15	\$1,944,087.61

In some instances a developer will undertake work that would otherwise be done by the Municipality and funded by DCC's. When this occurs, the amount of DCCs related to those works may be forgiven. There were no waivers or reductions of Development Cost Charges under section 933.1 (2).

# 2016 Annual Off Street Parking Reserve Fund Report

	<b>Statutory Reserve</b>	<b>Non-Statutory Reserve</b>	<b>Total Parking Reserve</b>
Balance in reserve fund as of January 1, 2016	\$115,659.48	\$544,703.20	\$660,362.68
Funds received in 2016	0.00	0.00	0.00
Expenditures from reserve in 2016	0.00	(254,014.19)	(254,014.19)
Interest earned on account for 2016	2,253.80	10,614.34	12,868.14
Balance in reserve fund as of December 31, 2016	\$117,913.28	\$301,303.35	\$419,216.63

	2012	2013	2014	2015	2016
Legislated Liability Servicing Limit*	2,233,742	2,008,004	2,080,008	2,170,865	2,193,948
Actual Annual Liability Servicing Costs	205,924	181,017	178,893	157,959	143,151
Unused Liability Servicing Capacity	2,027,818	1,826,987	1,901,115	2,012,906	2,050,797

\*Section 174 of the *Community Charter* governs limits on borrowing and other liabilities. Liability servicing limits provide a clear picture of the amounts of revenue required to pay for past transactions and events as well as proposed liabilities, and assist in the financial planning process. The limit is based on a percentage of certain municipal revenues, which is considered a good indicator of a municipality's ability to pay.

# Reserve Fund Balances

	2012	2013	2014	2015	2016
<b>Reserve Funds</b>					
Sale of Real Property	333,993	218,300	209,111	213,244	217,399
Sale of Property - Cowichan Place	214,729	150,267	43,972	33,873	18,381
Parking Improvement	512,658	524,879	537,819	544,703	301,303
Parking Improvement - Restricted	93,029	110,689	113,418	115,659	117,913
MFA Debt Issue Refunds	26,643	35,724	36,605	37,328	24,318
Operating	409,025	471,919	419,115	482,480	436,767
Small Communities Grant	398,902	199,855	-	19,340	-
Machinery and Equipment	977,897	1,074,142	1,398,902	1,536,244	1,851,493
Capital Works and Miscellaneous	117,249	157,657	244,367	277,832	300,257
General Capital	1,786	1,817	1,862	1,899	3,575
Police Bridging Capital	1,126,806	1,146,703	1,734,887	1,293,153	1,498,297
Storm Infrastructure	23,773	51,876	42,544	32,883	-
Aquannis Centre	21,605	23,026	25,320	27,586	-
Downtown Revitalization	16,266	16,544	16,952	17,287	17,624
Fire Hall	122,119	124,210	110,053	-	-
Melba Schappert Bequest	33,603	47,470	48,641	49,602	28,351
Public Art	35,637	26,251	9,399	9,585	9,771
Pioneer Park	46,566	47,363	48,531	1,348	1,374
Waterworks Utility	804,700	552,357	678,595	719,226	854,383
Sewer Utility	775,703	788,985	808,437	824,415	822,088
	<u>6,092,689</u>	<u>5,770,034</u>	<u>6,528,530</u>	<u>6,237,687</u>	<u>6,503,294</u>
<b>Reserves Held As Liabilities</b>					
DCC Restricted Reserves	1,681,903	1,750,620	1,794,223	1,926,971	1,944,088
Federal Gas Tax Funds	858,169	711,485	766,553	457,066	209,470
	<u>2,540,072</u>	<u>2,462,105</u>	<u>2,560,776</u>	<u>2,384,037</u>	<u>2,153,558</u>
 Interest Earned, All Reserves	 116,387	 100,731	 143,965	 121,240	 118,955



# Taxable Assessments of Land & Improvements

	2012	2013	2014	2015	2016
Residential	483,645,400	470,415,100	451,479,375	449,563,475	463,593,050
Utilities	914,200	916,000	916,900	898,500	899,400
Supportive Housing	2	2	2	2	2
Major Industry	-	-	-	-	-
Light Industry	-	18,600	22,900	100,100	100,100
Business	129,841,500	129,448,200	133,440,600	137,065,200	140,010,100
Managed Forest	-	-	-	-	-
Recreation	482,200	313,400	313,400	319,100	319,100
Farm	6,967	6,967	6,967	6,967	6,967
	614,890,269	601,118,269	586,180,144	587,953,344	604,928,719

## Tax Rates

	2012	2013	2014	2015	2016
<b>General (per \$1,000)(Includes Library)</b>					
Residential	3.2461	3.4334	3.6999	3.8346	3.8318
Utilities	30.1370	32.3896	32.4429	32.3344	32.1844
Light Industry	-	10.1597	10.0271	9.9256	9.9375
Business	9.8092	9.9258	9.7761	9.6618	9.6721
Recreation	4.5311	3.4334	3.6999	3.8346	3.8318
Farm	3.2461	3.4334	3.6999	3.8346	3.8318
<b>Police Municipal (per \$1,000)</b>					
Residential	0.7562	0.8063	0.8737	0.9090	0.9305
Utilities	7.0176	7.6068	7.6615	7.6652	7.8156
Light Industry	-	2.3860	2.3681	2.3529	2.4132
Business	2.2838	2.3311	2.3087	2.2904	2.3488
Recreation	1.0587	0.8063	0.8737	0.9090	0.9305
Farm	0.7562	0.8063	0.8737	0.9090	0.9305

# Tax Revenue By Property Class

(Includes Library)

	2012	2013	2014	2015	2016
Residential	1,935,441	1,992,421	2,064,886	2,132,549	2,207,770
Utilities	33,967	36,637	36,772	35,940	35,976
Light Industry	-	233	284	1,229	1,236
Business	1,570,173	1,586,634	1,612,603	1,638,231	1,683,047
Recreation	2,695	1,329	1,433	1,514	1,520
Farm	28	30	32	33	33
	<u>3,542,304</u>	<u>3,617,284</u>	<u>3,716,010</u>	<u>3,809,496</u>	<u>3,929,582</u>

# Taxes Collected For Other Agencies

	2012	2013	2014	2015	2016
School	1,990,658	1,964,112	1,934,505	1,928,244	1,872,544
Provincial Policing	247,617	267,237	273,652	278,942	282,746
Cowichan Valley Regional District	1,155,841	1,244,898	1,252,777	1,402,075	1,359,941
Cowichan Regional Hospital District	247,617	361,515	404,678	438,324	472,941
BC Assessment Authority	56,037	55,399	54,430	53,020	50,449
Duncan Business Improvement Area	170,000	175,000	180,000	185,000	190,000
Vancouver Island Regional Library	177,992	185,708	198,968	203,204	212,784
Municipal Finance Authority	166	163	161	163	167
	<u>4,045,928</u>	<u>4,254,032</u>	<u>4,299,171</u>	<u>4,488,972</u>	<u>4,441,572</u>

## Debt & Debt Per Capita

	2012	2013	2014	2015	2016
General Purposes	1,451,853	1,346,343	1,237,211	1,142,494	1,057,779
Sewer	193,864	169,707	144,458	118,066	90,479
	<u>1,645,717</u>	<u>1,516,050</u>	<u>1,381,669</u>	<u>1,260,560</u>	<u>1,148,258</u>
Population*	4,939	4,790	4,761	4,663	4,944
Debt Per Capita	333.21	316.50	290.21	270.33	232.25

\* Source: 2012 - 2015 BC Stats, 2016 Statistics Canada

## General Comparative Statistics

	2012	2013	2014	2015	2016
Annual Surplus	4,337,475	1,915,818	1,617,746	2,148,719	1,113,738
Accumulated Surplus	31,371,441	33,287,259	34,905,005	37,053,724	38,167,462
Net Financial Assets	9,176,629	9,324,801	10,415,567	9,152,714	9,498,831

# Statement of 2016 Permissive Property Tax Exemptions

Legal Description	Civic Address	Organization	Municipal Taxes Foregone
<b>224(2)(a) Not-for-Profit</b>			
Lot A, Plan 24353	5650 Club Rd	Duncan Day Care Centre	2,300
Lot A, Plan 44627	198 Government St	Valley Seniors Organization	5,902
Leased area of Lot 1, Plan 23647	820 Wharnccliffe Rd	Cowichan Pre-School	85
Lot PT4, Block 8, Plan 12568	760 Government St	Cowichan Lawn Bowling	160
Leased area of Lot 1, Plan 29453	280 First St	Cowichan Lawn Bowling	769
50% of the non leased area Land and Building Assessment for Lot 1, Plan 29453	280 First St	Duncan Housing Society	12,263
Leased Area of Lot A, Plan 40864	200 Craig St	Cowichan Volunteer Society	570
Lot 5-8 & 11, Block 1, Plan 1935	520-540 Cairnsmore St	SD # 79 Growing Together	498
Top Floor of Building at Lot 1, Plan 17515	145 Station St	Duncan Elks Association	500
Lot 24 & 25, Plan 1182	321/331 Cairnsmore St	Girl Guide Association	1,191
Undisclosed	Undisclosed	CW Against Violence Society	1,724
1.223 Km mainline	No address	Island Corridor Foundation (ICF)	652
Portion shown Red on DD615, except Plan 260BL, (Railway RW Mile 39.16 to Mile 39.92 Victoria Sub)	No address	Island Corridor Foundation (ICF)	2,516
26.67% of the Land and Building Assessment for Lot 6, Block 3, Plan 798	121 First St	Cowichan Independent Living Resource Society	439
<b>224(2)(b) Local Authorities</b>			
Part of Sec. 17, Rg 6, Quamichan Land District, Plan DD615 - Lease # GCMK 102-0301 R/W Land	Portion of Canada Ave Parking Lots and Charles Hoey Park	ICF - Leased to City	1,671
Station Grounds & Buildings	Train Station	ICF - Leased to City - Sublet to Cowichan Historical Society	2,274
100% of Lot A of Lot 12, Block 7, Plan 2070	148 Kenneth St	Duncan Elks - Leased to City	2,297
100% of land assessment of Lot B of Lot 12, Block 7, Plan 17515	145 Station St	Duncan Elks - Leased to City	613
<b>224(2)(f) Buildings for Public Worship</b>			
Lot 8,9,10, Block 12 Plan 2070	281 Jubilee St	Duncan United Church	3,143
Lot 11, Block 12, Plan 2070	254 Ingram St	Duncan United Church	748
Lot 1&2, Block 1, Plan 798 and Lot 14, Block 17, Plan 2070	486 Jubilee St	Anglican Synod	1,786
Lot 3, Block 1, Plan 798	162 First St	Anglican Synod	1,072
Lot C, Block 4, Plan 1063	463 Ypres St	Bethel Baptist Church	2,941
Lot 13, Block 4, Plan 1063	483 Ypres St	Bethel Baptist Church	486
Lot 2, Plan 43297	321 Brae Rd	Christian Bretheren	1,809
Lot 7, Block 2, Plan 5868	931 Trunk Rd	Pentecostal Assembly	1,414
Only the portion of Lot 1, Plan VIP 76282 that was Lot 1 Plan 30307	531 Herbert St	St. Andrews Presbyterian	1,181
Lot A, Plan 12199	1071-1077 Canada Ave	C.V. Jehovah's Witnesses	2,980
Lot B, Plan VIP60906	930 Trunk Rd	Duncan Christian Reformed Church	12,869
<b>224(2)(h) Seniors Homes, Hospitals, Private Schools</b>			
Lot 1, Plan 2610	660 Brownsey Ave	Queen Margaret's School	910
Lot 1, Plan 3773	660 Brownsey Ave	Queen Margaret's School	560
Lot A, Plan 83377	660 Brownsey Ave	Queen Margaret's School	3,017
Lot 15, Plan 1175, Lot A 25100	770 Trunk Rd	Kiwanis Village Society	5,713
			<u>\$ 77,053</u>



# Schedule of Suppliers Paid Over \$25,000

## Statement Of Financial Information 2016 As Per The *Financial Information Act*

1003602 BC LTD	64,729.00
AON REED STENHOUSE INC	39,032.80
BC ASSESSMENT AUTHORITY	50,466.59
BC HYDRO & POWER AUTHORITY	618,185.98
BROTHERS JANITORIAL SERVICES	49,310.12
BRUNNELL CONSTRUCTION LTD	176,003.34
CANADIAN CORPS OF COMMISSIONAIRES	92,745.22
CHEVRON CANADA LIMITED	57,182.71
CORIX UTILITIES INC	733,611.40
CORIX WATER PRODUCTS LP	256,088.22
COWICHAN VALLEY REGIONAL HOSPITAL DISTRICT	473,852.60
COWICHAN VALLEY REGIONAL DISTRICT	1,596,548.90
CUPE LOCAL 358	32,275.04
DUNCAN ELKS' ASSOCIATION	250,000.00
DUNCAN PAVING COMPANY	211,591.75
DUNCAN VOLUNTEER FIRE DEPARTMENT	29,803.00
FINELINE ROAD MARKING LTD	34,108.20
JACKSON HOLDINGS INC	48,825.27
MERCURY REFRIGERATION PRODUCTS & SERVICES LTD	37,230.33
METRO MOTORS LTD	91,184.80
MINISTER OF FINANCE	1,028,250.84
MUNICIPAL INSURANCE ASSOCIATION OF BC	45,524.41
MUNICIPAL PENSION PLAN	359,525.66
NORTH COWICHAN DISTRICT MUNICIPALITY OF	591,873.18
PACIFIC BLUE CROSS	148,345.46
PROGRESSIVE WASTE SOLUTIONS CANADA INC	25,592.98
RADIOWORKS	54,884.12
RBS MANAGED IT SERVICES INC	43,363.26
RECEIVER GENERAL FOR CANADA	687,490.27
REVENUE SERVICES OF BC	46,116.00
STANTEC CONSULTING LTD	30,786.21
STONE PACIFIC CONTRACTING LTD	342,191.62
THORNLEY CREATIVE COMMUNICATIONS	27,615.00
VADIM SOFTWARE	30,813.60
VANCOUVER ISLAND REGIONAL LIBRARY	212,784.00
WINDLEY CONTRACTING (2010) LTD	28,570.70
WORKSAFE BC	72,489.97
<b>Subtotal - Aggregate Payments Exceeding \$25,000</b>	<b>8,718,992.55</b>

**Balance Forward - Aggregate Payments Exceeding \$25,000** \$ 8,718,992.55

### Payments to Suppliers for Grants and Contributions Exceeding \$25,000

DUNCAN BUSINESS IMPROVEMENT AREA SOCIETY	190,000.00
DUNCAN COWICHAN CHAMBER OF COMMERCE	30,000.00

**Total Paid to Suppliers who received  
Aggregate Payments of \$25,000 or less** 1,612,373.49

**Total Paid to Suppliers** 10,551,366.04

**Less: Expenses Paid on Behalf of Elected Officials/Employees** (86,692.83)

**Total Expenses per Schedule 4 of Consolidated Financial Statements** 8,375,873.00

**Variance** \$ 2,088,800.21

The City prepares this schedule of payments based on actual disbursements processed through its Accounts Payable system. This provides assurance on completeness as the reported amounts are reconciled to the financial system cheque register and electronic funds transfer records.

The schedule of payments is a "cash basis" listing. This figure will differ significantly from the expenses in the consolidated financial statements which are reported on an accrual basis, resulting in timing differences. Furthermore, there are disbursements on the above listing which are not considered expenditures, including payments made to other taxing authorities, employee payroll deductions, debt principal repayments and payments for the acquisition of tangible capital assets. Conversely, there are expenses which do not involve an actual disbursement. These include amortization expense and expense accruals. It is not practical to reconcile these sets of data.

# Schedule of Remuneration & Expenses For Elected Officials & Other Employees

Statement Of Financial Information 2016 As Per The *Financial Information Act*

## 1 Elected Officials

Name	Position	Benefits	Remuneration	Expenses
Kent, Philip	Mayor	\$ 2,768.30	\$ 23,891.49	\$ 5,836.23
Bell, Michelle	Councillor	2,768.30	13,385.85	999.96
Bruce, Roger	Councillor	2,768.30	13,385.85	20.00
Duncan, Thomas	Councillor	2,051.22	13,385.85	2,190.59
Horgan, John	Councillor	2,768.30	13,385.85	2,856.58
Jackson, Sharon	Councillor	1,117.23	13,385.85	229.00
Staples, Michelle	Councillor	2,768.30	13,385.85	2,737.33
<b>Total - Elected Officials</b>		<b>\$ 17,009.95</b>	<b>\$ 104,206.59</b>	<b>\$ 14,869.69</b>

## 2 Other Employees

Name	Remuneration	Expenses
Boxem, Ron	\$ 93,477.04	\$ 1,374.71
de Verteuil, Peter	126,612.42	7,295.88
Desautels, Chris	75,416.45	-
Hewetson, David	83,215.57	1,649.52
Massingham, Kevin	83,425.05	193.50
McKinlay, Michael	86,118.22	2,966.94
Paitson, Marisa	81,859.68	1,314.43
Rand, Jamie	75,353.21	-
Robertson, Karen	106,203.96	2,202.11
Soldera, Talitha	106,506.36	2,584.43
Thew, Leonard	102,790.20	1,130.00
Subtotal	1,020,978.16	20,711.52
Consolidated total of other employees with remuneration of \$75,000 or less	1,416,854.17	51,111.62
<b>Total - Other Employees</b>	<b>\$ 2,437,832.33</b>	<b>\$ 71,823.14</b>

# Schedule of Remuneration & Expenses For Elected Officials & Other Employees

Statement Of Financial Information 2016 As Per The *Financial Information Act*

## 3 Reconciliation

Total remuneration and benefits - elected officials	\$ 121,216.54
Total remuneration - other employees	<u>2,437,832.33</u>
Subtotal	2,559,048.87
Total Wages & Benefits per Note 16 of the Consolidated Financial Statements	<u>3,088,697.00</u>
	<u><u>\$ 529,648.13</u></u>

The variance between the remuneration schedules and the wages and benefits reported in the consolidated financial statements of the City are attributable to a number of factors, including that the remuneration schedule is based on actual payments made during the year, while the financial statements are prepared on an accrual basis.

In addition, wages and benefits disclosed in Note 16 of the consolidated financial statements include only those relating to operating expenses, not capital items. Finally, wages and benefits in the financial statements include the employer cost of benefits not considered taxable to employees.

Remuneration includes taxable benefits which are recorded at full cost in the financial statements. It can also include overtime (for unionized employees), retirement allowances, banked time payouts and remuneration paid for the municipal elections.

Expenses include travel expenses, memberships, tuition, vehicle reimbursements and registration fees paid directly to an employee or a third party on behalf of an elected official or other employee.

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