

The Corporation of the City of Duncan, British Columbia

# 2021 Annual Report

*For the Year Ended December 31, 2021*

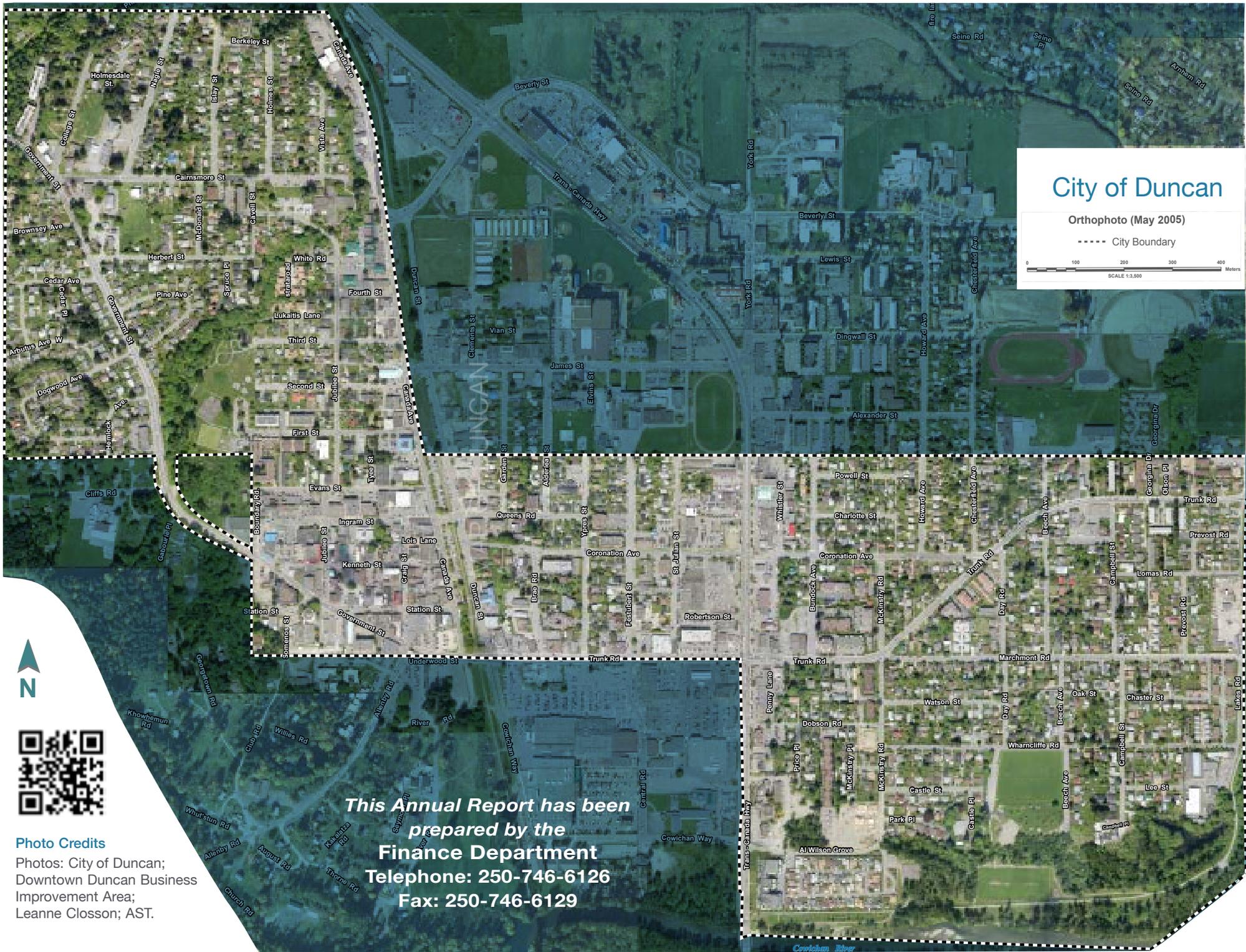




The Corporation of the  
City of Duncan  
British Columbia

## 2021 Annual Report

Fiscal Year Ended  
December 31, 2021



# City of Duncan

Orthophoto (May 2005)

----- City Boundary



### Photo Credits

Photos: City of Duncan;  
Downtown Duncan Business  
Improvement Area;  
Leanne Closson; AST.

*This Annual Report has been  
prepared by the  
Finance Department  
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*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 year ahead.*

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# Mayor and Council



*The Council has statutory authority to provide services, set budgets, levy taxes, and establish policies 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.



## Mayor Michelle Staples



### Internal Committee Appointments

- Totem Sub-Committee

### External Appointments (Voting Member)

- Cowichan Valley Regional District Director
- North Cowichan Parks & Recreation Committee (Alternate)
- Duncan/North Cowichan Joint Utilities Board
- Municipal Insurance Association of BC
- Vancouver Island & Coastal Communities Climate Leadership Plan Steering Committee (Co-Chair)

### External Appointments (Non-Voting Member)

- Cowichan Tribes
- Downtown Duncan Business Improvement Area Society (Alternate)
- Island Corridor Foundation
- Cowichan Community Action Team
- Cowichan Housing and Homelessness Coalition

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

# Councillors

## Councillor Bob Brooke



**Acting Mayor**  
(January to April, 2021)

### External Appointments (Voting Member)

- Duncan/North Cowichan Joint Utilities Board
- Vancouver Island Regional Library Board (Alternate)

### External Appointments (Non-Voting Member)

- Chamber of Commerce (Alternate)
- Coastal Community Social Procurement Initiative Steering Committee
- Cowichan Tribes
- Valley Seniors Organization
- Cowichan Housing and Homelessness Coalition
- Cowichan Community Action Team
- Cowichan Housing Association Board

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

## Councillor Garry Bruce



### Internal Committee Appointment

- Advisory Design Panel (Non-Voting)

### External Appointment (Voting Member)

- Cowichan Community Centre Commission (Alternate)

### External Appointments (Non-Voting Member)

- Chesterfield Sports Society (Cowichan Sportsplex)
- Valley Seniors Organization

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

## Councillor Jenni Capps



**Acting Mayor**  
(September to December, 2021)

### Internal Committee Appointment

- Environment & Sustainability Advisory Committee (Chair)
- Junior Council (Liaison)
- Tourism Advisory Committee

### External Appointment (Voting Member)

- Vancouver Island Regional Library Board

### External Appointment (Non-Voting Member)

- Downtown Duncan Business Improvement Area Society
- Our Cowichan Communities Health Network (Alternate)

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

## Councillor Tom Duncan



**Acting Mayor**  
(May to August, 2021)

### Internal Committee Appointments

- Tourism Advisory Committee (Chair)

### External Appointments (Voting Member)

- Cowichan Valley Regional District Board (Alternate)
- Cowichan Community Centre Commission
- Municipal Insurance Association of BC (Alternate)
- Regional Housing Service Community Advisory Committee

### External Appointments (Non-Voting Member)

- Duncan-Cowichan Summer Festival
- Island Corridor Foundation (Alternate)

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

## Councillor Stacy Middlemiss



### External Appointments (Voting Member)

- Cowichan Community Centre Commission
- North Cowichan Parks & Recreation Committee

### External Appointment (Non-Voting Member)

- Cowichan Tribes (Alternate)

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

## Councillor Carol Newington



### Internal Committee Appointments

- Advisory Committee on Disability Issues (Chair)
- Totem Sub-Committee (Chair)

### External Appointments (Non-Voting Member)

- Chamber of Commerce
- Cowichan Tribes
- Our Cowichan Communities Health Network
- Cowichan Valley Independent Living

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

# Message from the Mayor

When I was asked to reflect on 2021, it took me awhile to think through everything that took place. It was a year that was filled with change, challenge, and choices. I sorted through photos, notes, and news stories and, as I did, noticed how it felt like a decade has passed since the beginning of the COVID-19 pandemic.

Our worlds changed drastically in 2020, and that change continued into 2021. We lost people who were pillars in our community, who gave years of their lives and time otherwise spent with their families to be in service to each one of us. Some have passed on, some moved, and others retired. They made sure to plan far into the future and, because of their vision, when we look around us, we are able to see the foundations they left for us to build on. They carried the memories of the past with them, as well. They were filled with institutional knowledge and history that now rests in the archives and the roots of the trees that they planted.

I thought of these people often as we worked with citizens and community partners developing our Official Community Plan throughout 2021. I thought of these people who came before us as we imagined how to shape our future, how the people who live here will be impacted by our choices. We must continue to choose well as they did, even when the challenges we are faced within our time in history, can be the hardest ones to face.

This past year saw us grappling with issues far beyond our reach. We experienced the power of coming together, the need for strong relationships, and the commitment to working as one region. We have invited the other levels of government to invest in meeting the needs of our communities. We were able to secure funding and supports to house close to 80 people. We worked together to re-establish Cowichan Community Policing, continue the enhanced peer clean-up program, and recommitted to funding the patrols of the highway corridor, downtown and other areas throughout our shared boundaries.

Our City Council has approved housing projects to continue to build for families, seniors, students and others. We endeavour to support the development of more units to meet the housing needs of everyone.

We continued to work with the business community in many ways, including providing funding to the Cowichan Chamber of Commerce, and supporting events that bring locals and visitors downtown, such as the 39 Days of July, Downtown Duncan Day and the Farmers' Market. We worked with the Downtown Duncan Business Improvement Area (DDBIA) to support growing outside dining areas and set up semi-permanent seating in the Station Street Commons, which created a well-loved gathering space for people to enjoy the beauty of our City. We worked together with the DDBIA and a Cowichan Tribes Elders Committee to create and install signage in Hul'qumi'num. Also, under the guidance and direction of a Cowichan Tribes Committee, we walked together in honour of the children who did not come home from Canada's residential schools on the first National Day for Truth and Reconciliation.

We are all so proud of the staff at City Hall, in Public Works, and the incredible volunteers at the Fire Hall. We are honoured by how much every single one of you continue to show up and to share your gifts with our beautiful City. And, to each one of you, thank you for loving this City enough to work here and caring enough to continue to plant trees for the next generations to sit under. Small city, big heart.



A handwritten signature in blue ink that reads "Michelle Staples". The signature is written in a cursive, flowing style.

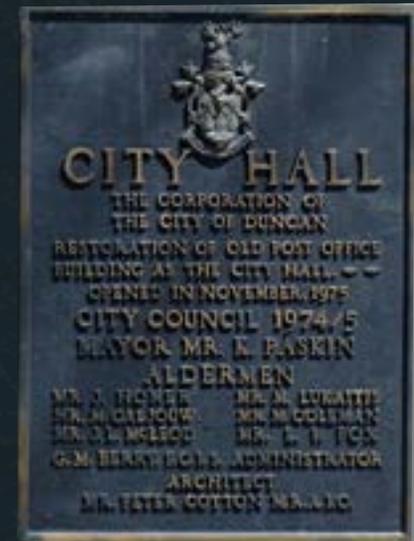
Michelle Staples, Mayor



# History

## Mayors of Duncan Since 1912

K.F. Duncan	1912 – 1913
O.T. Smythe	1914 – 1916, 1923
E.F. Miller	1917 – 1918, 1922
T. Pitt	1919 – 1921
J.I. Mutter	1924 – 1928
H.F. Prevost	1929 – 1935
J. Grieg	1936 – 1939
E.W. Lee	1940 – 1942
G.H. Savage	1943 – 1946
J.C. Wragg	1947 – 1955
J.T. Dobson	1956 – 1967
J.W. Quaife	1968 – 1973
K. Paskin	1974 – 1979
M.G. Coleman	1980 – 1982
D.W. Barker	1983 – 1986
M.G. Coleman	1987 – 2005
P.J. Kent	2006 – 2018
M.P. Staples	2018 – Present



## 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
Phil Kent	2019

# Awards 2021

Councillor Newington and Mayor Michelle Staples presented the Perpetual Arts Award for 2021 to Alora Killam.



Councillor Garry Bruce presented the Perpetual Trophy for Excellence & Sportsmanship for 2021 to Don Bodger.



Councillor Carol Newington and Councillor Garry Bruce presented the Scroll of Honour for 2021 to Mike McKinlay.



## Perpetual Arts Trophy

Alora Killam

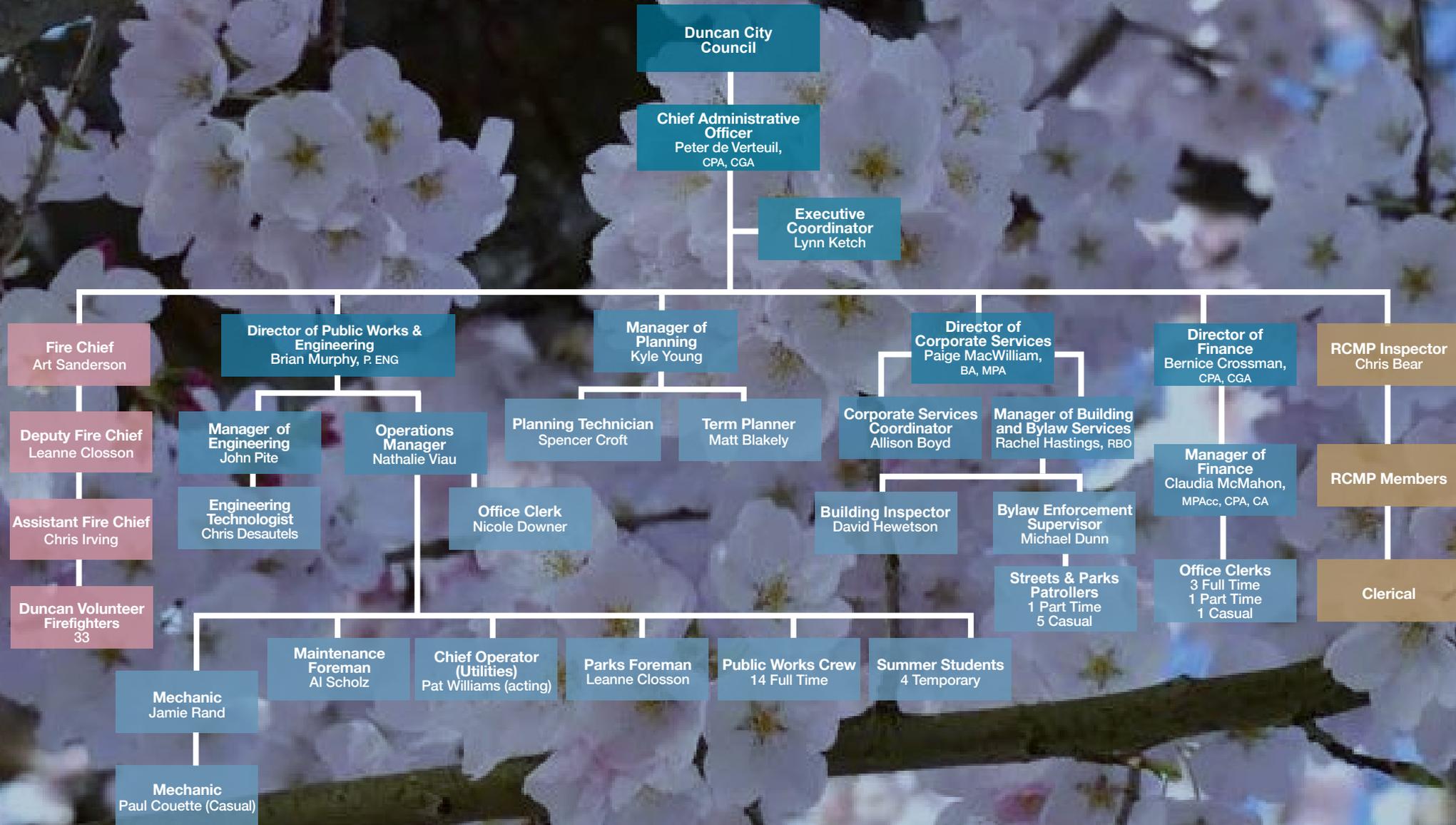
## Perpetual Trophy for Excellence & Sportsmanship

Don Bodger

## Scroll of Honour Recipients

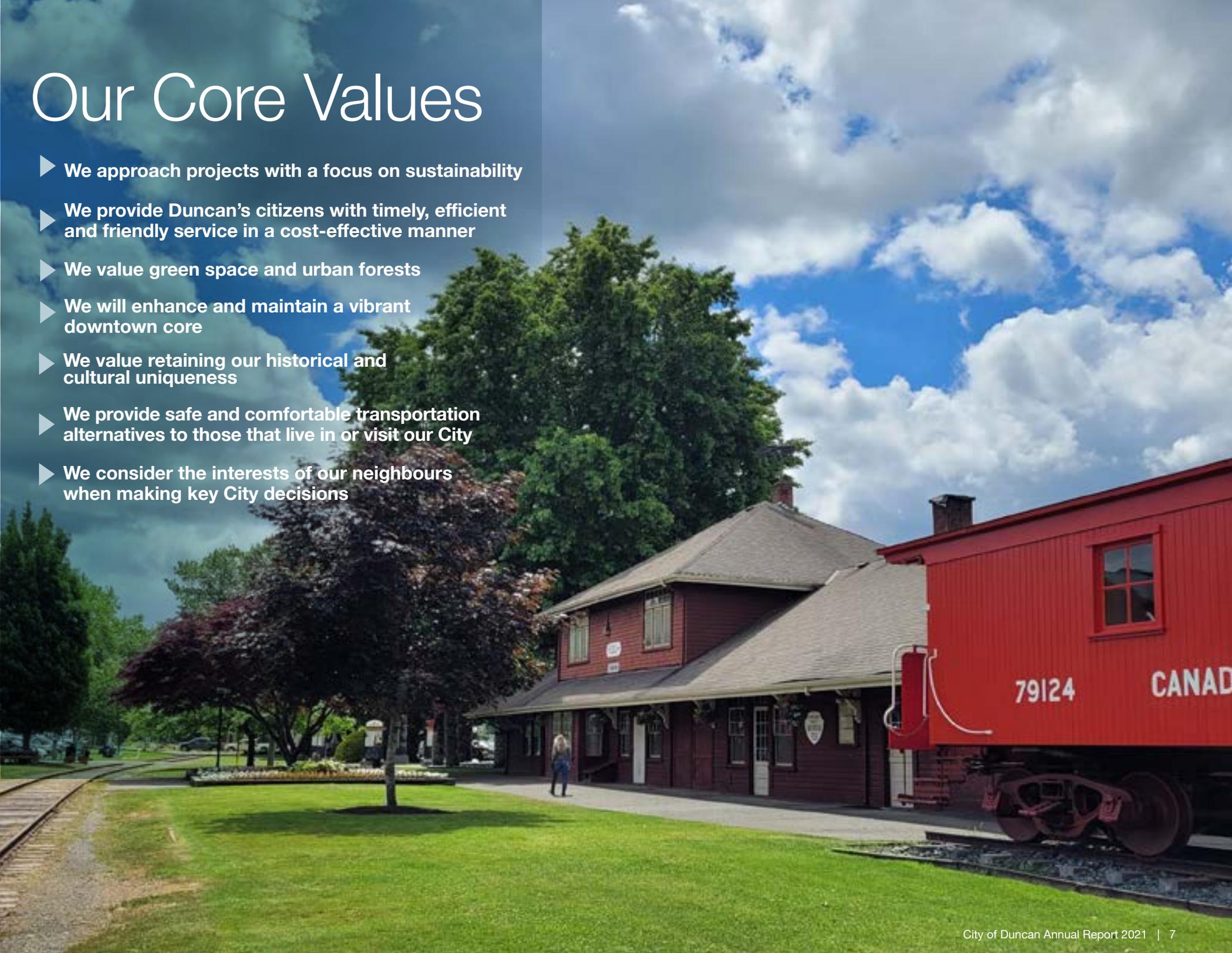
Mike McKinlay	2021	Ronnie Phipps	2000
Reta & Otto Lachman	2019	Stan Green	1999
Leanne Closson	2018	Glenn Mackie	1998
Judy Hill	2018	Jack Hutton	1997
Harold Wallace	2017	Carlene Marentes	1996
Marina Stanko	2016	Mary Newington	1995
Norm Jackson	2015	Cam Drew	1994
Jack Faber	2014	Mary Wadsworth	1993
Denise L. McKinlay	2013	Barbara Coleman	1992
Chuck McCandless	2013	John Sanders	1992
Ruth Chaster	2012	Nancy Casswell	1991
Louise McMurray	2011	Phillip Moody	1991
William Abner Thome	2011	Jim Elliot	1990
Patricia & Duffy Chaster	2010	Nora Maxwell	1990
Bill & Celia Abram	2009	Glenda Osborne	1989
Ron George	2009	Ossie Osborne	1989
Bob James	2008	Gordon M. Berry	1988
Rigs Sutton	2008	Leslie Sjoberg	1988
Betty James	2007	Arthur R. Mann	1987
Lori Iannidinardo	2007	Douglas W. Barker	1986
Betty Anne Devitt	2006	Myrtle Haslam	1986
Bill Keserich	2005	Audrey Waddy	1986
Debbie Williams	2005	Jack Fleetwood	1985
Gordon Closson	2004	Preston Bruce	1985
Andy Bigg	2003	Jack Dobson	1983
Dennis Alphonse	2002	Robert W. Young	1983
Ernie Moon	2001	Albert Dirom	1981
Ruby Peter	2001	Mabel Sanderson	1978
Joan Gillatt	2000	Shellagh Mallard	1977

# 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 high level 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.



message from the

# Chief Administrative Officer

I am pleased to present our residents and taxpayers with the 2021 Annual Report.

The Annual Report is our opportunity to highlight the City's operations and describe our strong financial position. In 2021 the City paid off the 2008 Cowichan Aquatic Centre loan debt, milestone which put the City in the enviable position of being debt free (at least until the Sewer Lagoon outfall relocation is completed).

The results of the May 2021 Census were released in February 2022, showing the City has surpassed the 5,000 population threshold (5,047) and will be responsible for policing costs effective April 1, 2022. As of the writing of this report, the City is still in negotiations with the Province of BC as to how many RCMP officers the City will pay for, so the full impacts of the policing costs are not yet known. However, because the City has been collecting a Police Bridging Capital levy for several years, the impacts on taxpayers will be somewhat reduced.

The City has continued to represent "Small. In a big way." through supportive projects like the Enhanced Security Initiative, City Wide Façade Improvement Program, and Enhanced Sharps Collection Peer Program. Over 17,000 sharps, and over 24,000 kg of garbage and debris have been collected in the community through the Enhanced Sharps Collection Peer Program that was spearheaded by the City. The City also continues to support the highly impacted Highway Corridor as equal partners with the Municipality of North Cowichan, in the Safer Community Plan.

I would like to personally thank Cowichan Housing Association for stepping up yet again, and taking the lead on providing temporary housing pods for some of the people experiencing homelessness in our community, which ultimately was established at 610 Trunk Road after earlier sites fell through.

The Drinkwater Road (now Paddle Road) supportive housing site is now complete (2022) and White Road supportive housing site is under construction. A further 100 units of market housing is under construction on Garden Street. Numerous housing proposals are in various stages of approval. The City has been very involved with working with both developers and BC Housing to increase the housing stock for a range of residents.

Yet even with these efforts, the housing, homelessness, and opioid crises continue to persist. These are nation-wide issues. And yet, Duncan Council and staff continue to spend a significant amount of time, within the City's limited capacity and jurisdiction, to try to make a difference in these areas. Unfortunately, there are no simple solutions and addressing these issues will continue to be a focus for the City and the community for some time.

Thank you to Council for your support, understanding, and professionalism with each other and with staff in another very difficult COVID-19 year that was constantly changing; the different opinions shared and debated in an atmosphere of respect and solutions served the public in the most effective and efficient manner.

And thank you to the residents and businesses of Duncan for your recognition of the City's efforts this year, and always. Please continue to reach out to us with questions at any time.



Peter de Verteuil,  
Chief Administrative Officer



department information

# Corporate Services

Carver: Doug LaFortune



*Corporate Services is the communications link between Council and other municipal departments and the general public.*

# Corporate Services

Corporate Services provides a communication link from Council to the City's departments and the community by:

- » Providing Council, staff and the public with agenda and meeting materials;
- » Recording Council and Committee proceedings;
- » Maintaining and ensuring access to public records in compliance with statutory requirements;
- » Providing legislative and governance recommendations and support to Council and committees on procedural matters as per the *Local Government Act, Community Charter, Bylaws* and other legislation;
- » Providing Corporate Officer functions including Freedom of Information and Protection of Privacy, administering oaths and taking affirmations, affidavits and declarations;
- » Drafting bylaws, policy, resolutions, and agreements for the City;
- » Facilitating municipal elections, referendum and elector approval processes;
- » Administering, monitoring and seeking compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs of the City;
- » Providing residents with current and timely knowledge of Council decisions and announcements by using a variety of communication methods and outreach opportunities;
- » Developing and curating marketing materials to promote City initiatives;



Carver: Lenard Paquette Jackson

# Corporate Services

- » Working with City departments to provide online public engagement opportunities; and
- » Fostering and enhancing relationships with the media.

During 2021, Corporate Services was responsible for:

- » 41 Council meetings
- » 18 Delegations
- » 11 Committee Meetings
- » 15 Press releases
- » 313 Council resolutions

In addition to Council and the Committee of the Whole meetings, administrative support is provided to the Advisory Committee on Disability Issues, Environment and Sustainability Advisory Committee, Totem Advisory Sub-Committee, Official Community Plan Advisory Committee, Tourism Advisory Committee, and the Advisory Design Panel. Each committee is governed by a Terms of Reference.



# Financial Services

Carvers: Richard Hunt; Francis Horne Sr.

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

# 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 five 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 \$20.6 million in various securities and oversees the collection of over \$9.6 million in property taxes, over \$4.2 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 2021 finance was responsible for:

» Property tax billing and collection	2,239 property tax notices
» Water billing	8,451 bills issued
» Accounts receivable	182 invoices
» Pet licence billing and collection	277 dog licences
» Business licence billing and collection	870 active business licences
» Pre-authorized payments for taxes	296 accounts
» Pre-authorized payments for utilities	389 accounts
» Home Owner Grant administration	1,320 grants
» Payroll	108 T4's issued
» Accounts payable	537 cheques processed



Carvers: Francis Horne Sr.; Cicero August; Calvin Hunt

# Development Services



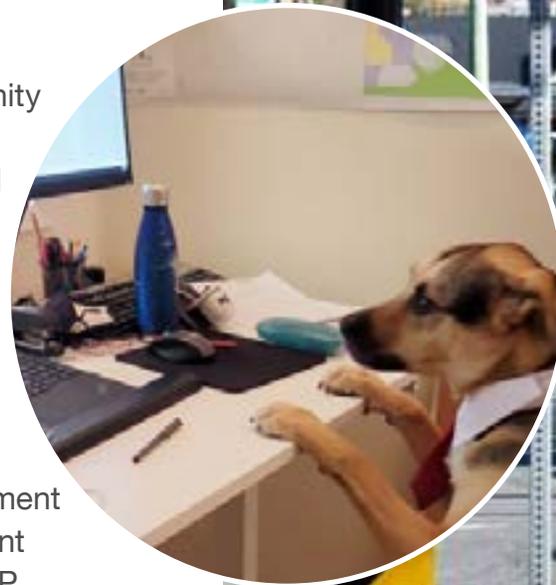
*The Development Services Department provides city planning, development review, building inspection and land use services.*

# Development Services

The Development Services Department provides both current and long-range planning services for the City, including planning application review, responding to land use and development enquiries, and development and ongoing implementation of City plans and strategies. The department consists of a Manager of Planning, Planning Technician, and Term Planner (until 2023). City plans that guide the work of the Department include the Official Community Plan, University Village Sustainable Local Area Plan, Cairnsmore Sustainable Neighbourhood Plan, and the Integrated Community Sustainability Plan. In 2021, the Development Services Department received five development permit applications that would authorize 176 new residential units. The department also received two development variance permit applications, one temporary use permit application, two subdivision applications, and one zoning bylaw amendment application.

In early 2021, the Development Services Department initiated a comprehensive review and update of the City's Official Community Plan (OCP). The OCP establishes the community's vision for its future and is intended to help guide the City's decisions on land use planning and management. Throughout 2021, the OCP review and update project included background research and analysis and engagement with community stakeholders and the broader public. The first phases of this project will inform creation of a new, updated OCP planned for adoption in mid- to late-2022.

The Development Services Department provides bylaw enforcement services for contravention of the City's land use and development bylaws. Department staff also serve as liaisons to the City's OCP Advisory Committee, the Advisory Design Plan, and the Environment and Sustainability Advisory Committee.



# Building and Bylaw Services Department

The building and bylaw services department is responsible for managing all building permit applications and inspections and enforcing the various regulatory bylaws of the City.

The building department is at full complement with two level 3 registered building officials. In 2021 the City issued 56 building permits with a total construction value of \$37.5 million which equates to \$220,869 in Permit value, providing a substantial increase from 2020.

The bylaw department is responsible for enforcement of 11 different regulatory bylaws throughout the City. Bylaw department staff is responsible for special projects, conducting inspections, educating the public to achieve voluntary compliance, writing related correspondence, and ticketing for bylaw offences.

With the hiring of a Bylaw Enforcement Supervisor and Fire Inspector, the department has the added responsibility of implementing the fire inspection program for approximately 300 buildings.

The main priorities of the department continue to focus on parking enforcement, administering the requirements of the Safer Community Plan, deterring illegal encampments, and responding to public complaints regarding all types of bylaw enforcement matters. Compliance focused actions include public education, informal resolutions (compliance agreements), warnings, and adjudication.



department information

# Protective Services

*The Royal Canadian Mounted Police provide policing services to the Municipality of North Cowichan and City of Duncan.*



Carver: Tommy Hunt Jr.

# Protective Services



## Royal Canadian Mounted Police

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 exceeded 5,000 in 2021, and as such, the City will start to pay policing costs in 2022. The entire Detachment strength is currently 63 police officers. These full-time personnel are supported by RCMP paid support staff and 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:

- » 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 2021/22 plan is focused on the following local issues that were consistently identified as priorities throughout the valley:

- » Enhanced public safety;
- » Accountability and governance; and
- » Employee excellence and workplace culture.

# Protective Services

There are several initiatives that the Detachment has been working on to advance the safety and security of British Columbians, increase trust with vulnerable populations, employ a multi-faceted approach to public safety through collaboration with other community service agencies, and expand the use of technology to support operational policing. The detachment has also been working on initiatives to be accountable for decisions and actions to increase public trust, balance the priorities of government, communities, and the BC RCMP, consult with and implement processes and services that meet the needs of municipal, provincial, and Indigenous partners, use data and business intelligence to manage resources effectively, transparently, and accountably, and employ human and financial resources in a transparent and accountable manner.

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 Fire Department supplies fire suppression, fire investigation, fire prevention, first responders, motor vehicle incidents, rescue services, as well as special services such as low and high angle rope rescue, light urban search and rescue, and all car seat installations.*



# Fire Services



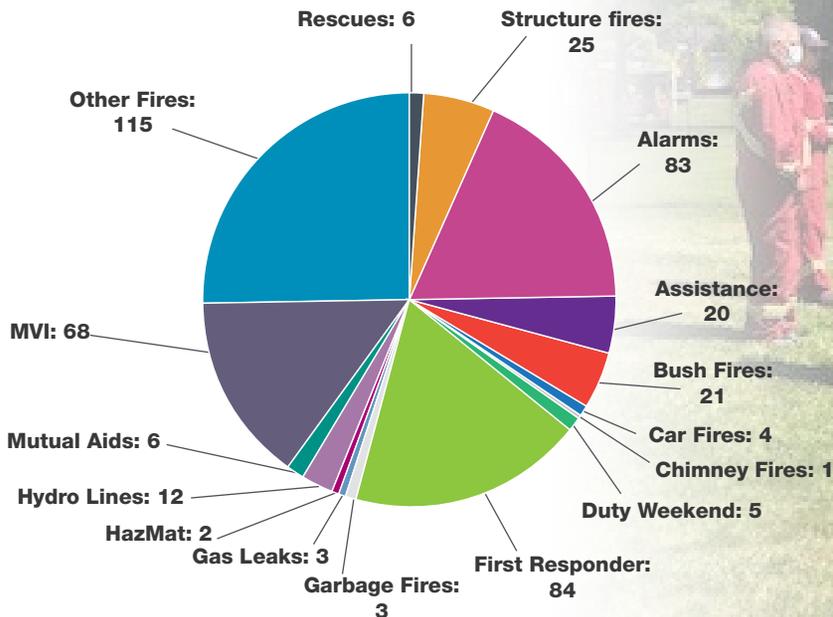
The Duncan Fire Department consists of a Chief, Deputy Chief, Assistant Chief, 4 Captains, 4 Lieutenants and 23 firefighters. The department supplies fire suppression, fire investigation, fire prevention, first responders, motor vehicle incidents, rescue services, and interface and brush fires to the citizens of Duncan, Eagle Heights, and Cowichan Tribes lands.



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

## Distribution of Calls by Response Type

Total Events: 458





department information

# Public Works Operations

*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 division.*



# Public Works Services

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

## Fleet Maintenance

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

- » Ensuring that the commercial portion of the fleet is serviced, maintained, and inspected to meet the requirements of the Commercial Vehicle Service Enforcement Agency, allowing the fleet to operate in a safe manner on roadways; and
- » Maintaining a fleet of 50 units comprised of solid waste vehicles, heavy duty construction vehicles, snow and de-icing equipment, parks equipment (e.g. mowers), flood pumps and equipment, and other small tools.

## Utilities

The Utilities department is responsible for maintenance and upgrades for:

- » The municipal water distribution network comprising approximately 82 km of water main, 3,460 water connections as well as 4 well sites and 2 water reservoirs;
- » The sanitary sewer collection system comprising approximately 29 km of pipes; and
- » The storm water collection system comprising approximately 27 km of pipes.

## Roads and Sidewalks

The Maintenance department is responsible for:

- » Maintenance and upgrades to municipal traffic signals, road markings, and signage;
- » Maintenance and upgrades to municipal curbs, sidewalks, and roads;
- » Building and facilities maintenance; and
- » Snow and ice clearing.



# Public Works Services

## 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, organics collection weekly, and yard waste and glass collection once per month for 10 months of the year.

### During 2021 the City collected:

- » 149 tons of organics
- » 124 tons of recycling
- » 241 tons of garbage
- » 64 tons of yard waste
- » 10 tons of glass

## Parks and Green Space

The Parks department maintains 13 hectares of public park including playgrounds, playing fields, trails, planter gardens and flower beds, and green space. The Parks department also collects and services litter bins and is responsible for weed removal on streets and sidewalks and for coordinating street sweeping and leaf collection activities.



department information

# Engineering Services

*Engineering Services ensures long range planning and capital renewal of public infrastructure systems.*



# Engineering Services

## Engineering

Engineering Services oversees the long-range planning and capital renewal of public infrastructure (such as roads, sidewalks, traffic management, parks design, the water distribution network, water supply sources, the sanitary collection system, storm drainage collection system, flood protection systems, etc.). This function includes oversight of City standards and specifications as well as infrastructure capacity planning and capital project renewals 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. Engineering also reviews water servicing for all new developments outside the City but within the City's water service area.

Mapping and related record keeping are also 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.*

# Our Commitments

## Review Local Government Boundaries

### *What we will do in 2022*

- » Continue to review boundary realignment.
- » Continue to review restructure options for areas south of the City.

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

### *Progress in 2021*

- » Adopted the Cairnsmore Sustainable Neighbourhood Plan.
- » Started comprehensive review and update of the Official Community Plan.
- » Ongoing evaluation and review of the Zoning Bylaw in relation to potential or new applications coming forward and identification of overlooked or incompatible issues or inconsistencies.
- » Continued to review options for development on City lands.
- » Completed a regional housing needs assessment with the Cowichan Valley Regional District (CVRD) and member municipalities.
- » Provided temporary housing on St. Julien St.
- » Entered into a housing agreement to secure percentage of new affordable housing units for future development on St Julien St.
- » Approved temporary use of 610 Trunk Road for accommodations for the unsheltered.
- » Issued building permit for attainable housing development on White Road.

### *What we will do in 2022*

- » Increase parking opportunities by expanding Canada Ave Parking lot.
- » Initiate update of the Zoning Bylaw to align with the new Official Community Plan and best practices in city planning.
- » Adopt new, updated Official Community Plan, including updated Development Permit Area Guidelines.
- » Begin development of a heritage program for the City, which could include a consolidated heritage register and heritage conservation area.
- » Create a land acquisition strategy.
- » Draft sign bylaw amendment under development to simplify and refine signage projects.



Sculptor: Glen Spicer

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.*

# Our Commitments

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

### *Progress in 2021*

- » Completed conversion to metered water rates outside the City.
- » Participated in watershed meetings and working groups.
- » Completed desktop study of alternate well locations on the southside of Cowichan River.
- » Updated the water sampling plan to continue to provide safe drinking water.

### *What we will do in 2022*

- » Continue to work with North Cowichan on emergency well investigations.
- » Test drill on proposed alternate well locations.
- » Participate in watershed meetings and working groups.
- » Pursue grant opportunities for replacement of Fish Gut Alley culverts.
- » Create a cross connection program to manage water quality.
- » Update our SCADA (Supervisory Control and Data Acquisition) program for remote operations including the installation of new instrumentation to improve the reliability of our water, sewer, and storm systems.

## Ensure City assets are maintained

### *Progress in 2021*

- » Continued work on an asset management plan.
- » Continued assessment of underground infrastructure condition.
- » Continued work on a seismic upgrade design for City Hall.

- » Completed the water system capacity study.
- » Continued work on the Transportation and Mobility Strategy.
- » Completed reconfiguration of City Hall internal offices.
- » Replaced an aging sanitary trunk main from Canada Avenue to Duncan Street.

### *What we will do in 2022*

- » Continue to develop an asset management plan.
- » Complete the Transportation and Mobility Strategy.



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.*

# Our Commitments

## Encourage a business and development friendly environment

### *Progress in 2021*

- » Continued to review development approval processes and requirements for efficiency and attractiveness.

### *What we will do in 2022*

- » Initiate comprehensive review and update of the development approval procedures bylaw.
- » Review signage and process notifications.



## Encourage a thriving downtown

### *Progress in 2021*

- » Implemented citywide grant programs: Façade Improvement Program, Graffiti Removal Program, Enhanced Security Initiative Program.
- » Supported the installation of Station Street Commons.

### *What we will do in 2022*

- » Discuss priorities for revitalization of the downtown streets.
- » Review and update the Tourism Marketing Plan.



# Our Commitments



## Improve first impressions from the Trans-Canada Highway

### *Progress in 2021*

- » Continued to implement the Safer Community Plan together with North Cowichan and Cowichan Tribes.

### *What we will do in 2022*

- » Construct a multi-use pathway parallel to the highway, from the Silver Bridge to the Ramada hotel.
- » Remove grassed boulevards and replant, replace some unhealthy cherry trees with other varieties, and remove some unused driveways.
- » Continue to implement the Safer Community Plan.
- » Consider designs for the area between the Silver Bridge and Boys Road and discuss with neighbouring jurisdictions.
- » Consider lighting of the Silver Bridge.
- » Develop options for gateway signage on Beverly Street and Trans-Canada Highway corner.

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.*

# Our Commitments

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

### *Progress in 2021*

- » Held two Joint Council meetings with North Cowichan where a revised protocol agreement was reviewed and endorsed and to discuss the respective transportation plans.
- » Held several meetings between North Cowichan staff, Cowichan Tribes staff, and City staff to discuss Safer Community Plan, Regional Housing Needs Assessment, Supportive Housing initiatives, and other projects.
- » Several meetings between Cowichan Tribes and City staff to discuss water agreements, joint development issues, and other areas of mutual interest.
- » Approved temporary housing site at 610 Trunk Road.

### *What we will do in 2022*

- » Continue to work on joint projects for mutual benefit with North Cowichan and Cowichan Tribes.
- » Work with Cowichan Tribes and North Cowichan to build and strengthen relationships.
- » Update service agreements with Cowichan Tribes.
- » Facilitate discussions with North Cowichan, Cowichan Tribes, the Province of BC, and others on supports and facilities for homeless residents.

## Improve External Communications and Customer Service

### *Progress in 2021*

- » Used PlaceSpeak for public feedback on initiatives.

### *What we will do in 2022*

- » Continue to use PlaceSpeak for public feedback on initiatives.

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.*

# Our Commitments

## Ensure decisions are made with regard to sustainability

### *Progress in 2021*

- » Monitored dissolved oxygen levels at Marchmont Road Pump Station.
- » Investigated further potential enhancements to storm water entering Fish Gut Alley.
- » Provided up to \$10,000 in CleanBC Better Home Program residential retrofit rebate top-ups for homeowners.
- » Started developing a BC Energy Step Code implementation strategy and solar energy program.
- » Became a Bee City.
- » Became a member of the Coastal Communities Social Procurement Initiative and began staff training on social procurement.
- » Investigated the feasibility of installing solar power system on the fire hall – it was found the fire hall roof would not support the load.



### *What we will do in 2022*

- » Environment  
Committee will prioritize one item to work on implementing from the Integrated Community Sustainability Plan.
- » Investigate potential further improvements to the quality of storm water.
- » Continue to follow purchasing policy which encourages green and sustainable and buy-local purchases.
- » Pursue grant opportunities to install solar power system on Public Works buildings.
- » Pursue grant opportunities to expand the EV charging network in the City.

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

### *Progress in 2021*

- » Worked with partners on relocation of the Joint Utility Board sewer lagoon outfall.

### *What we will do in 2022*

- » Continue to work with partners on relocation of the Joint Utility Board sewer lagoon outfall
- » Work with North Cowichan and CVRD Staff on a Joint Utility Board governance study.
- » Continue conducting storm water quality analysis.

our vision for responsible

# Stewardship of the City Organization



# Our Commitments



## Ensure training and capacity considers the future

### *What we did in 2021*

- » Held regular staff meetings.
- » Most training was suspended in 2021 due to COVID-19.

### *What we will do in 2022*

- » Continue to hold regular staff meetings and investigate other forms of training for general workplace culture.
- » Update staff safety training (first aid, confined space, etc.).

## Ensure responsible management of City resources

### *What we did in 2021*

- » Continued review of agreement records and other historical records.
- » Protected historical records by moving from paper file boxes to plastic file boxes.

### *What we will do in 2022*

- » Conduct a records management assessment.
- » Develop a records management plan.
- » Undertake a third-party review and update/creation of the City's Emergency plans and business continuity plans ensuring that they coordinate with the applicable CVRD plans.
- » Support and encourage initiatives to improve efficiencies by reviewing policies, procedures, and bylaws.



# 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, 2020**

*Christopher P. Morill*

Executive Director/CEO

message from

# Director of Finance

May 15, 2022

On behalf of the Finance Department, I am pleased to provide an overview of the 2021 financial position of 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). The principles 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 contracting audit services.

The City's auditors, MNP LLP were appointed by Council and have expressed that in their opinion these statements present fairly, in all material respects, the financial position of the City and its financial performance. Council accepted the financial statements at the May 9, 2022 Council Meeting.

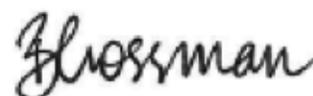
As at December 31, 2021, the City had an increase in accumulated surplus of \$2.9 million for the year, to a total of \$50.4 million. The accumulated surplus is largely comprised of net investments in tangible capital assets (\$32.9 million), which includes land, park infrastructure, roads, and utility assets.

The City maintains a healthy financial position with currently no debt. We are committed to providing appropriate physical infrastructure to support a vibrant local economy and offer a well serviced community. The City is continually working on developing an asset management plan in order to ensure sustainable service delivery.

The Finance Department was delighted 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, 2020. 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. This was the tenth year in a row the City received this distinction.

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,



Bernice Crossman, CPA, CGA  
Director of Finance





# 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 Corporation of the City of Duncan:

### Opinion

We have audited the consolidated financial statements of the City of Duncan (the "City"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net financial assets and cash flows and schedules 1, 2, 3a, 3b, 5, 6, 7, 8 and 14 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

### Other Matter

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 14, have been presented for purposes of additional analysis. The supplementary information in schedules 1, 2, 3a, 3b, 5, 6, 7, 8 and 14 have been subjected to the auditing procedures applied in the consolidated financial statements and, in our opinion, the 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.

*(continued)*

### **Other Information**

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

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

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

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

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

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

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

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

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

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

*(continued)*

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

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

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

Nanaimo, British Columbia

May 9, 2022

Chartered Professional Accountants



ACCOUNTING > CONSULTING > TAX  
400, MNP PLACE, 345 WALLACE STREET, NANAIMO B.C., V9R 5B6  
T: 250.753.8251 F: 250.754.3999 MNP.ca

# Consolidated Statement of Financial Position

YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 2,311,376	\$ 2,130,689
Accounts receivable (Note 4)	1,700,041	1,233,042
Portfolio investments (Note 3)	21,970,400	18,202,770
Deposit - Municipal Finance Authority (Note 5)	-	18,698
Loan receivable (Note 6)	64,791	80,028
	<u>26,046,608</u>	<u>21,665,227</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	1,438,371	599,527
Sick and severance liabilities (Note 13(b))	559,895	563,832
Refundable deposits (Note 8)	1,373,552	429,133
Deferred revenue (Notes 3 & 9)	2,897,375	2,514,371
Restricted revenue (Notes 3 & 10)	2,458,638	2,240,925
Debenture debt (Note 11)	-	683,651
	<u>8,727,830</u>	<u>7,031,438</u>
<b>NET FINANCIAL ASSETS</b>	<u>17,318,778</u>	<u>14,633,789</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	32,934,771	32,771,112
Inventories of supplies	154,643	138,028
Prepaid expenses	62,571	26,759
	<u>33,151,985</u>	<u>32,935,899</u>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	- \$ 50,470,763	\$ 47,569,688
<b>COMMITMENTS AND CONTINGENCIES (Note 12)</b>		
<b>SIGNIFICANT EVENTS (Note 18)</b>		

*Grossman*

Director of Finance

See accompanying notes to the consolidated financial statements

# Consolidated Statement of Operations

YEAR ENDED DECEMBER 31, 2021

	Budget (Note 14)	Actual	Actual
<b>REVENUE (Schedule 3)</b>			
Taxation and grants in lieu of taxes	\$ 4,458,604	\$ 4,447,644	\$ 4,309,070
Sale of services	4,476,142	5,051,212	4,301,738
Licenses, permits, penalties and fines	1,001,308	1,107,178	843,494
Return on investments	77,700	165,772	214,287
Grants	2,457,802	75,231	21,178
Government transfers	560,000	617,043	2,128,793
Funds contributed from other governments	14,850	14,574	14,561
Gas Tax funds utilized	473,208	222,095	339,954
Developer contributions	-	319,936	12,000
Gain on disposal of tangible capital assets	-	2,600	43,416
Tangible capital assets contributed by developers	-	279,520	77,935
<b>Total revenue</b>	<b>13,519,614</b>	<b>12,302,805</b>	<b>12,306,426</b>
<b>EXPENSES (Schedule 5)</b>			
General government services	1,746,061	1,653,665	1,426,655
Protective services	994,357	1,013,813	929,828
Public works & engineering	2,062,248	2,272,950	1,912,815
Environmental health services	294,668	296,151	310,710
Environmental development services	343,500	254,245	202,135
Recreation and cultural services	1,155,339	1,234,366	989,482
Water services	1,909,697	1,938,248	1,785,757
Sewer services	927,523	738,292	817,864
<b>Total expenses (Note 16)</b>	<b>9,433,393</b>	<b>9,401,730</b>	<b>8,375,246</b>
<b>ANNUAL SURPLUS</b>	<b>4,086,221</b>	<b>2,901,075</b>	<b>3,931,180</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>47,569,688</b>	<b>47,569,688</b>	<b>43,638,508</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 51,655,909</b>	<b>\$ 50,470,763</b>	<b>\$ 47,569,688</b>

# Consolidated Statement of Change in Net Financial Assets

YEAR ENDED DECEMBER 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020 Actual
<b>ANNUAL SURPLUS</b>	\$ 4,086,221	\$ 2,901,075	\$ 3,931,180
Purchase of tangible capital assets	(9,635,220)	(1,211,937)	(1,722,792)
Tangible capital assets acquired in kind	-	(279,520)	(77,935)
Amortization of tangible capital assets	1,676,200	1,614,770	1,624,343
Decrease in proportionate share of Joint Utilities Board tangible capital assets	-	(287,373)	(67,159)
Gain on disposal of tangible capital assets	-	(2,600)	(43,416)
Proceeds of sale of tangible capital assets	-	3,000	52,100
Decrease (increase) in inventory of supplies	-	(16,614)	(9,007)
Decrease (increase) in prepaid expenses	-	(35,812)	4,358
	<u>(7,959,020)</u>	<u>(216,086)</u>	<u>(239,508)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(3,872,799)	2,684,989	3,691,672
<b>NET FINANCIAL ASSETS, Beginning of Year</b>	<u>14,633,789</u>	<u>14,633,789</u>	<u>10,942,117</u>
<b>NET FINANCIAL ASSETS, End of Year</b>	<u>\$ 10,760,990</u>	<u>\$ 17,318,778</u>	<u>\$ 14,633,789</u>

See accompanying notes to the consolidated financial statements

# Consolidated Statement of Cash Flows

YEAR ENDED DECEMBER 31, 2021

	2021	2020
Annual surplus	\$ 2,901,075	\$ 3,931,180
Non-cash items included in annual surplus:		
Amortization	1,614,770	1,624,343
Tangible capital assets contributed by developers	(279,520)	(77,935)
Increase (decrease) in proportionate share of Joint Utilities Board tangible capital assets	(287,373)	(67,159)
Actuarial adjustment on debenture debt	(30,654)	(26,690)
Gain on disposal/write down of tangible capital assets	(2,600)	(43,416)
	<b>3,915,698</b>	5,340,323
Changes in non-cash items:		
Accounts receivable	(466,999)	(163,395)
Deposit - Municipal Finance Authority	18,698	(377)
Loan receivable	15,237	14,872
Inventory of supplies	(16,614)	(9,007)
Prepaid expenses	(35,812)	4,358
Accounts payable and accrued liabilities	838,844	(236,356)
Sick and severance liability	(3,937)	45,920
Refundable deposits	944,419	247,068
Deferred revenue	383,004	115,279
Restricted revenue	217,713	92,170
Cash provided by operating transactions	<b>5,810,251</b>	5,450,855
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on disposal of tangible capital assets	3,000	52,100
Purchases of tangible capital assets	(1,211,937)	(1,722,792)
Cash applied to capital transactions	<b>(1,208,937)</b>	(1,670,692)
<b>INVESTING TRANSACTIONS</b>		
Net increase in portfolio investments	<b>(3,767,630)</b>	(2,430,948)
<b>FINANCING TRANSACTIONS</b>		
Principal repaid - long term debt	<b>(652,997)</b>	(72,415)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>180,687</b>	1,276,800
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,130,689</b>	853,889
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,311,376</b>	\$ 2,130,689

See accompanying notes to the consolidated 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 records revenue as it is earned and measurable. The accrual basis of accounting also 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(i). 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 Canadian public sector accounting standards 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 consolidated 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 31.13% for 2021 (2020 - 31.13%).

## 2. Significant Accounting Policies (continued)

### c) Cash and Cash Equivalents

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

### d) Portfolio Investments

Portfolio investments are long-term investments, with an original maturity date of more than a year. The carrying values of portfolio investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing. Declines in the market values of investments are considered to be other than temporary when the carrying value exceeds market value for more than three years.

### e) Loans and Receivables

Loans and receivables are measured at cost less an appropriate allowance for doubtful receivables. The allowance for doubtful receivables represents the City's estimates of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on the ageing of customer balances, specific credit circumstances and the City's historical bad debt experience. Additions to the allowance for doubtful accounts are made by recording charges to bad debt expense reported in operations. Receivables are charged to the allowance for doubtful accounts when an account is deemed to be uncollectible.

### f) Inventory

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

### g) 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.

### h) 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:

**2. Significant Accounting Policies (continued)**

**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**

Land	Indefinite
Road surface	10 to 20 years
Road grade	60 years
Sidewalk grade	60 years
Sidewalk surface	20 to 30 years
Bridges	50 years
Traffic lights and equipment	30 years
Water and Sewer	
Underground networks	40 to 80 years
Dams and other surface water structures	50 to 60 years

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

## 2. Significant Accounting Policies (continued)

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.

### i) 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. Interest revenue is recognized as earned. 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.

### j) Financial Instruments

The City's financial instruments consist of cash and cash equivalents, 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)

### k) 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.

### l) 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, 2021.

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.

### 3. Cash, Cash Equivalents and Portfolio Investments

Cash and cash equivalents are comprised of the following:

	<u>2021</u>	<u>2020</u>
Bank Deposits	\$ 2,308,059	\$ 2,127,377
Municipal Finance Authority - Money Market Fund	3,317	3,312
	<u>\$ 2,311,376</u>	<u>\$ 2,130,689</u>

Portfolio investments include funds invested in guaranteed investment certificates with Scotia Bank, Island Savings Credit Union, Coast Community Credit Union, Raymond James, Canaccord Genuity and investments held by the Joint Utilities Board. The investments are carried at market value which approximates cost. The Guaranteed Investment Certificates and term deposits mature at various dates between August 26, 2022 and August 10, 2023. Interest rates vary from 0.85% to 1.46% (2020 – 0.8% to 1.45%).

Included in portfolio investments are funds held for deferred and restricted revenues totaling \$5,356,013 (2020 - \$4,755,296) and funds held for statutory reserve funds and reserve accounts totaling \$10,205,064 (2020 -\$9,340,725). Details of the reserve balance can be found on Schedule 9.

### 4. Accounts Receivable

	<u>2021</u>	<u>2020</u>
Property taxes	\$ 193,749	\$ 233,466
Water and sewer fees	1,172,358	816,140
Provincial government	26,318	21,394
Federal government	67,997	30,295
Other municipalities and regional governments	135,349	42,781
Other receivables	104,915	89,606
	<u>1,700,686</u>	<u>1,233,682</u>
Less: allowance for doubtful receivables	(645)	(640)
	<u>\$ 1,700,041</u>	<u>\$ 1,233,042</u>

### 5. Municipal Finance Authority - Reserve Deposits

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

	<u>2021</u>	<u>2020</u>
Cash deposits	\$ -	\$ 18,698

The demand note will only be recorded as an asset and liability if a local government, under the joint and several agreements 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.

# Notes to the Consolidated Financial Statements *(continued)*

YEAR ENDED DECEMBER 31, 2021

## 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.

	<u>2021</u>	<u>2020</u>
Other municipalities and regional governments	<u>\$ 64,791</u>	<u>\$ 80,028</u>

## 7. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Trade accounts and accrued liabilities	\$ 471,061	183,558
Contractor holdbacks	127,897	-
Salaries and wages	216,968	119,725
Other municipalities and regional governments	<u>622,445</u>	<u>296,244</u>
	<u>\$ 1,438,371</u>	<u>\$ 599,527</u>

## 8. Refundable Deposits

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 429,133	\$ 182,065
Deposits received	1,047,079	475,673
Deposits and interest refunded/recognized as revenue	(102,862)	(227,395)
Increase (decrease) in interest payable	<u>202</u>	<u>(1,210)</u>
Balance, end of the year	<u>\$ 1,373,552</u>	<u>\$ 429,133</u>

## 9. Deferred Revenue

	<u>2020</u>	<u>Receipts &amp; Interest</u>	<u>Recognized as Revenue</u>	<u>2021</u>
Federal Gas Tax agreement funds	\$ 880,233	560,630	(222,095)	\$ 1,218,768
Prepaid property taxes	622,209	671,286	(622,209)	671,286
Grants	45,322	-	(38,585)	6,737
Other revenue prepaid	<u>966,607</u>	<u>419,232</u>	<u>(385,254)</u>	<u>1,000,584</u>
	<u>\$ 2,514,371</u>	<u>\$ 1,651,148</u>	<u>\$ (1,268,143)</u>	<u>\$ 2,897,375</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 agreement. These amounts are recognized as revenue in the period in which the corresponding expenditures are incurred.

#### *Federal Gas Tax Continuity:*

	<u>2021</u>	<u>2020</u>
Opening balance of unspent funds	\$ 880,233	\$ 937,933
Less: Gas Tax Funds utilized	(222,095)	(339,954)
Add: amount received during the year	548,802	263,327
Add: interest earned during the year	11,828	18,927
	<u>1,218,768</u>	<u>880,233</u>
Closing balance of unspent funds	<u>\$ 1,218,768</u>	<u>\$ 880,233</u>

## 10. Restricted Revenue

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>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 2,240,925	\$ 2,148,755
Contributions from developers	193,855	52,025
Return on investments	23,858	40,145
	<u>2,458,638</u>	<u>2,240,925</u>
Balance, end of the year	<u>\$ 2,458,638</u>	<u>\$ 2,240,925</u>

## 11. Debenture Debt

	<u>2021</u>	<u>2020</u>
<b>General Fund:</b>		
Debenture debt for the 2008 Cowichan Aquatic Centre, interest at 3.25%, retired early in 2021 - MFA Issue #117	<u>\$ -</u>	<u>\$ 683,651</u>

Interest expense includes \$47,125 (2020 - \$47,125) 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 at December 31, 2021 there existed 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.

### 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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$228,849 (2020 - \$207,358) for employer contributions to the plan in fiscal 2021 while employees contributed \$202,608 (2020 - \$184,749) to the plan in fiscal 2021.

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

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.

### 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 or 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% (2020 - 2.0%)
- discount rate is 2.58% (2020 - 3%)
- 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, 2021 is \$559,895 (2020 - \$563,832).

## 14. Budget Figures

Budget figures represent the Financial Plan Bylaw No. 3214 adopted by Council on May 3, 2021. 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		653,000
Transfers to reserves		(62,969)
Capital expenditures		9,635,220
Less:		
Budgeted transfers from accumulated surplus		
General		(433,296)
Sewer		(406,800)
Water		(1,720,386)
Capital		(260,678)
Budgeted transfers from own reserves		
General		
Sewer		-
Water		-
Capital		(1,641,670)
Amortization		(1,676,200)
Adjusted Annual Surplus	<u>\$</u>	<u>4,086,221</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 consolidated 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 are 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.

### **Sewer Services**

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

## 16. Operating Expenses By Object

	<u>2021</u>	<u>2020</u>
Amortization	\$ 1,614,770	\$ 1,624,343
Capital fund expenses	745,075	288,746
Contract services	1,090,217	973,510
Fuel	77,863	65,538
Goods and services	925,900	993,320
Grants in aid	94,804	106,468
Hydro	401,217	368,037
Insurance	118,605	127,693
Interest	38,485	49,544
Leases	32,397	42,681
Professional fees	190,644	119,646
Travel, conference and training	89,422	58,413
Wages and benefits	4,012,985	3,583,843
Write down of account receivable to net realizable value	-	154
Actuarial adjustment to debt	<u>(30,654)</u>	<u>(26,690)</u>
	<u><u>\$ 9,401,730</u></u>	<u><u>\$ 8,375,246</u></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. Significant Events

The global outbreak of COVID-19 (coronavirus) has had a significant impact on municipalities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, municipal operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City of Duncan as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, office closures and disruptions, and quarantine/isolation measures that are currently, or maybe be put, in place by Canada and other countries to fight the virus. The City of Duncan did not experience any significant monetary effects from COVID-19 and has responded to the pandemic by implementing health protection measures, using technology systems to allow for remote work and meetings, and managing health related risks.

# Non-Consolidated Schedule of Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2021

Schedule 1 (Audited)

(Excluding Joint Utilities Board Financial Information)

	General Capital Assets				Infrastructure					Totals		
	Land	Land Improvements and Parks	Buildings and Leasehold Improvements	Vehicles and Equipment	Storm Water Engineering Structures	Roads & Sidewalks	Water	Sewer	Assets Under Construction	2021	2020	
<b>Cost</b>												
Opening costs	\$ 2,350,258	\$ 4,177,359	\$ 8,278,683	\$ 6,843,917	\$ 4,153,176	\$ 15,667,393	\$ 16,786,389	\$ 3,446,027	\$ 849,294	\$ 62,552,495	\$ 61,077,366	
Additions during the year	-	36,672	99,133	20,614	38,101	388,131	358,617	525,491	24,698	1,491,457	1,800,727	
Disposals and write-downs				(33,598)		(57,585)	(3,963)	(832)		(95,978)	(325,598)	
Closing cost	2,350,258	4,214,031	8,377,816	6,830,933	4,191,277	15,997,939	17,141,043	3,970,686	873,992	63,947,974	62,552,495	
<b>Accumulated Amortization</b>												
Opening accumulated amortization	-	2,251,231	4,009,163	3,912,647	1,951,943	10,835,616	5,886,287	1,944,424	-	30,791,312	29,511,856	
<b>Amortization:</b>												
General government		103	38,686	90,456	49	715				130,009	127,720	
Protective services			37,326	127,463			773			165,562	170,283	
Public works and engineering		19,796	13,313	164,643	64,813	379,789	3,855	1,298		647,507	644,717	
Environmental health				4,845						4,845	25,386	
Recreation and culture		175,561	61,766	4,916		7,676				249,919	245,161	
Water		677	47,553	9,809			289,199			347,238	342,573	
Sewer							77	41,640		41,717	40,530	
Total amortization	-	196,137	198,644	402,132	64,862	388,180	293,904	42,938	-	1,586,797	1,596,370	
Disposals and write-downs				(33,598)	-	(57,585)	(3,563)	(832)		(95,577)	(316,916)	
Closing accumulated amortization	-	2,447,368	4,207,808	4,281,181	2,016,805	11,166,211	6,176,628	1,986,530	-	32,282,532	30,791,310	
Net Book Value of Tangible Capital Assets (Excluding Joint Utility Board)	\$ 2,350,258	\$ 1,766,663	\$ 4,170,008	\$ 2,549,752	\$ 2,174,472	\$ 4,831,728	\$ 10,964,415	\$ 1,984,156	\$ 873,992	\$ 31,665,443	\$ 31,761,185	
										Joint Utility Board Tangible Capital Assets (Schedule 6)	1,269,328	1,009,928
										Total Net Book Value of Tangible Capital Assets	32,934,771	32,771,112

### Contributed Assets

Storm	\$ 12,663	\$ 13,408
Water	\$ 47,418	
Sewer	\$ -	\$ 14,348
Roads & Sidewalks	\$ 219,439	\$ 50,179
	<b>\$ 279,520</b>	<b>\$ 77,935</b>

# Consolidated Schedule of Accumulated Surplus

YEAR ENDED DECEMBER 31, 2021

Schedule 2 (Audited)

	2021	2020
<b>OPERATING FUNDS</b>		
<b>Unappropriated</b>		
General	\$ 1,189,320	\$ 1,041,699
Waterworks utility	3,216,748	2,213,677
Sewer utility	2,283,885	2,286,065
<b>Total Unappropriated</b>	<b>6,689,953</b>	<b>5,541,441</b>
<b>Appropriated</b>		
Sewer utility: Joint Utilities Board Reserve	640,974	600,061
<b>Total Appropriated</b>	<b>640,974</b>	<b>600,061</b>
<b>Total Operating Funds</b>	<b>7,330,927</b>	<b>6,141,502</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
Net book value tangible capital assets (Schedule 1)	32,934,771	32,771,112
Less: Long term debt	-	(683,651)
<b>Total Net Investment in Tangible Capital Assets</b>	<b>32,934,771</b>	<b>32,087,461</b>
<b>RESERVE FUNDS</b>		
Sale of real property	219,336	223,828
Underground utilities	104,536	28,911
Parking improvement	209,848	224,119
Parking improvement - Restricted	145,544	128,115
Municipal Finance Authority debt issue refunds	27,570	27,287
Operating reserves	577,316	398,114
Machinery and equipment	2,271,854	1,730,857
Capital works and other miscellaneous reserves	1,297,278	1,574,250
General capital	7,742	7,662
Police bridging capital	3,230,699	3,133,548
Downtown revitalization	19,349	19,149
Melba Schappert bequest	20,241	20,145
Pioneer Park	-	-
Public art	10,727	10,618
Waterworks utility	1,288,155	1,059,419
Sewer utility	774,870	754,703
<b>Total Reserve Funds</b>	<b>10,205,065</b>	<b>9,340,725</b>
<b>Total Accumulated Surplus</b>	<b>\$ 50,470,763</b>	<b>\$ 47,569,688</b>

# Non-Consolidated Schedule of Revenues

YEAR ENDED DECEMBER 31, 2021

Schedule 3 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Taxation (Schedule 3a)</b>	\$ 4,917,965	\$ 4,907,035	\$ 4,754,682
<b>Grants in Lieu of Taxation:</b>			
Federal government	12,175	12,145	12,173
<b>Collection for Other Governments</b>			
School authorities levy	1,815,000	2,067,377	1,467,520
Provincial policing levy	347,414	354,774	347,415
Cowichan Valley Regional District levy	1,661,463	1,661,463	1,648,534
Regional Hospital District levy	622,363	612,569	622,363
	4,446,240	4,696,183	4,085,832
<b>Joint boards and commissions:</b>			
Municipal Finance Authority levy	241	255	242
British Columbia Assessment Authority levy	53,908	56,918	53,905
	54,149	57,173	54,147
Less: Transfers to other governments and others	(4,500,389)	(4,753,356)	(4,139,979)
Less: Transfers to BIA	(220,000)	(220,000)	(215,000)
Less: Transfers to VIRL	(251,536)	(251,536)	(242,785)
<b>Total Taxation and Grants in Lieu of Taxes</b>	4,458,604	4,447,644	4,309,070

# Non-Consolidated Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2021

Schedule 3 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Sale of Services</b>			
<b>General Revenue Fund</b>			
Garbage and recycling fees	224,583	<b>221,332</b>	224,163
Cowichan Tribes fire protection	101,379	<b>106,695</b>	102,337
CVRD - Eagle Heights fire protection	238,414	<b>240,875</b>	213,135
Other - fire protection	500	<b>101,893</b>	2,300
Administration recoveries	16,650	<b>46,855</b>	41,524
Public Works miscellaneous recoveries	11,000	<b>11,180</b>	15,400
Cowichan Tribes roads contribution	400	<b>368</b>	358
Sports field user fees	2,500	<b>6,824</b>	2,434
	<u>595,426</u>	<u><b>736,022</b></u>	<u>601,651</u>
<b>Waterworks Utility Revenue Fund</b>			
Sale of water	2,484,768	<b>2,804,647</b>	2,334,813
Service charges	20,000	<b>25,605</b>	9,385
Water studies	2,000	<b>10,711</b>	200
	<u>2,506,768</u>	<u><b>2,840,963</b></u>	<u>2,344,398</u>
<b>Sewer Utility Revenue Fund</b>			
Sewer fees	1,373,898	<b>1,381,645</b>	1,312,223
Service charges	50	-	-
	<u>1,373,948</u>	<u><b>1,381,645</b></u>	<u>1,312,223</u>
<b>Capital Connection Fees</b>			
General Capital	-	<b>932</b>	14,192
Water Capital	-	<b>91,650</b>	27,064
Sewer Capital	-	-	2,210
	<u>-</u>	<u><b>92,582</b></u>	<u>43,466</u>
<b>Total Sale of Services</b>	<u>4,476,142</u>	<u><b>5,051,212</b></u>	<u>4,301,738</u>

# Non-Consolidated Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2021

Schedule 3 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Licences, Permits, Rentals and Penalties</b>			
Trade licences	90,000	<b>99,143</b>	91,510
Delivery vehicle licences	-	-	1,281
Building permits and other fees	45,900	<b>227,480</b>	55,054
Dog licences	9,500	<b>10,195</b>	8,141
	<u>145,400</u>	<u><b>336,818</b></u>	<u>155,986</u>
Equipment charges less operating costs	283,997	<b>217,777</b>	209,737
Parking and bylaw infraction fines	23,650	<b>22,292</b>	18,085
Parking permits and revenues	64,100	<b>64,520</b>	53,478
Rentals	190,107	<b>196,678</b>	180,281
Penalties and interest on taxes	47,000	<b>25,100</b>	47,000
	<u>608,854</u>	<u><b>526,367</b></u>	<u>508,581</u>
Donations and contributions	200,000	<b>200,000</b>	125,000
Other revenues and fees	47,054	<b>43,993</b>	53,927
	<u>247,054</u>	<u><b>243,993</b></u>	<u>178,927</u>
<b>Total Licences, Permits, Rentals and Penalties</b>	<u><u>1,001,308</u></u>	<u><u><b>1,107,178</b></u></u>	<u><u>843,494</u></u>

# Non-Consolidated Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2021

Schedule 3 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Other Income</b>			
<b>Return on Investments</b>			
General Fund	12,700	22,525	13,925
Waterworks Fund	30,000	20,903	30,717
Sewer Fund	35,000	23,699	32,378
Reserve Fund	-	98,646	137,268
	<u>77,700</u>	<u>165,772</u>	<u>214,287</u>
<b>Asset Disposal</b>			
Gain(Loss) on Disposal of Tangible Capital Assets	-	2,600	43,416
<b>Assets Contributed by Developers</b>			
General Capital	-	279,520	77,935
<b>Funds Contributed from Other Governments</b>			
Joint Parks	14,850	14,574	14,561
<b>Capital Contributions from Developers</b>			
Water Infrastructure	-	319,936	12,000
<b>Gas Tax Funds Utilized</b>	473,208	222,095	339,954
<b>Government Transfers (Schedule 3b)</b>	560,000	617,043	2,128,793
<b>Grants</b>	2,457,802	75,231	21,178
<b>Total Other Income</b>	<u>3,583,560</u>	<u>1,696,771</u>	<u>2,852,124</u>
<b>Total Revenue</b>	<u>\$ 13,519,614</u>	<u>\$ 12,302,805</u>	<u>\$ 12,306,426</u>

\* Government Transfers detail found on Schedule 3b

# Non-Consolidated Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2021

Schedule 3a (Audited)

Excluding Joint Utilities Board Financial Information

	2021 <u>Budget</u>	<b>2021 <u>Actual</u></b>	2020 <u>Actual</u>
<b>Taxation</b>			
Property taxes - general	\$ 4,295,549	<b>\$ 4,285,022</b>	\$ 4,146,661
Special assessments			
Business Improvement Area (BIA)	220,000	<b>220,000</b>	215,000
Vancouver Island Regional Library (VIRL)	251,536	<b>251,536</b>	242,785
Utilities	106,000	<b>105,657</b>	105,356
Frontage and parcel taxes	44,880	<b>44,820</b>	44,880
	<u>622,416</u>	<b><u>622,013</u></b>	<u>608,021</u>
<b>Taxation</b>	<b><u>\$ 4,917,965</u></b>	<b><u>\$ 4,907,035</u></b>	<b><u>\$ 4,754,682</u></b>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2021

Schedule 3b (Audited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Government Transfers</b>			
Unconditional Transfers from Other Governments			
Municipal sewer contribution	\$ -	\$ 69,763	\$ -
Provincial revenue sharing	555,000	546,000	554,869
	<u>-</u>	<u>615,763</u>	<u>554,869</u>
Conditional Transfers from Other Governments			
Provincial government	5,000	1,280	1,573,924
	<u>5,000</u>	<u>1,280</u>	<u>1,573,924</u>
<b>Total Government Transfers</b>	<u>\$ 560,000</u>	<u>\$ 617,043</u>	<u>\$ 2,128,793</u>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2021

Schedule 4 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>General Government Services</b>			
Legislative	\$ 179,913	\$ 170,189	\$ 163,222
General administration:			
Salaries and benefits	972,500	1,047,163	939,683
Advertising	5,400	6,457	5,237
Accounting and audit	22,000	21,973	20,449
City Hall maintenance and operation	68,200	89,521	62,932
Communications and consulting	395,925	97,613	71,665
Computer services	98,200	102,397	94,911
Insurance	59,138	51,507	56,871
Legal	30,000	79,063	44,592
Office supplies and miscellaneous	28,325	28,441	29,246
Sick leave and severance expense	57,000	49,832	90,747
Telephone, internet and postage	14,150	11,566	13,805
Travel, conference, training	37,932	37,915	32,268
Internal recoveries	(561,530)	(561,528)	(517,357)
	<u>1,227,240</u>	<u>1,061,920</u>	<u>945,049</u>
Other:			
Grants to organizations	116,160	37,176	54,394
Margaret Moss building	6,713	531	1,512
Operation and maintenance	4,285	4,179	3,906
Sundry	6,500	4,111	2,769
Tourism	68,550	33,733	36,135
Write down of account receivable to net realizable value	-	-	154
	<u>202,208</u>	<u>79,730</u>	<u>98,870</u>
<b>Total General Government Services</b>	<u>1,609,361</u>	<u>1,311,839</u>	<u>1,207,141</u>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2021

Schedule 4 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Protective Services</b>			
Fire:			
Chief and officers' honorarium	30,200	<b>29,295</b>	28,379
Call pay	137,900	<b>175,004</b>	132,859
Wages and benefits - clerical staff	21,100	<b>15,098</b>	6,152
Training	49,750	<b>32,677</b>	19,437
Insurance	7,100	<b>6,573</b>	6,643
Telephone and radio alarm system	9,650	<b>11,378</b>	8,902
Fire hall maintenance and operation	38,537	<b>51,485</b>	34,463
Vehicle maintenance and operation	37,449	<b>41,778</b>	34,984
Fire investigation and prevention	42,825	<b>24,464</b>	33,253
Hydrant rental	19,000	<b>20,243</b>	19,125
Other	91,799	<b>87,907</b>	80,519
	<u>485,310</u>	<u><b>495,902</b></u>	<u>404,716</u>
Other protection:			
Animal control	22,100	<b>21,288</b>	21,118
Building inspection:			
Salaries and benefits	104,100	<b>119,680</b>	88,132
Other	(2,762)	<b>(3,283)</b>	(1,253)
Security patrols	206,609	<b>178,496</b>	212,502
	<u>330,047</u>	<u><b>316,181</b></u>	<u>320,499</u>
<b>Total Protective Services</b>	<u>815,357</u>	<u><b>812,083</b></u>	<u>725,215</u>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2021

Schedule 4 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Public Works &amp; Engineering</b>			
Common services:			
Public works administration salaries and benefits	372,050	313,321	325,875
Other administration costs	87,875	100,664	70,560
Operation and maintenance of workshop and yard	54,250	90,056	54,789
Small tools and equipment	6,855	4,533	2,632
Engineering	345,412	352,344	339,258
Public works administration recoveries	(484,872)	(484,872)	(450,757)
	<u>381,570</u>	<u>376,046</u>	<u>342,357</u>
Street maintenance	81,850	79,196	72,478
Sidewalk maintenance	60,000	51,988	30,166
Drainage	68,372	62,079	52,319
Flood control and storm water quality testing	11,000	7,284	9,281
Street sweeping	64,710	49,351	44,582
Snow removal	57,100	135,592	104,090
Boulevard and median maintenance	71,850	70,337	64,410
Tree maintenance	33,850	33,955	12,763
Totem maintenance	19,848	13,450	22,263
Traffic lines and signs	83,910	84,539	75,624
Street lighting	100,955	116,983	109,588
Traffic light maintenance and control	39,640	54,684	56,053
Off street free parking lots	12,205	13,645	11,409
Other	3,690	8,080	5,805
	<u>708,980</u>	<u>781,163</u>	<u>670,831</u>
Parking:			
Parking control	60,270	57,853	45,736
Off street paid parking lots	37,929	18,969	24,081
	<u>98,199</u>	<u>76,822</u>	<u>69,817</u>
Other:			
Bylaw enforcement	196,499	194,381	81,458
	<u>196,499</u>	<u>194,381</u>	<u>81,458</u>
<b>Total Public Works &amp; Engineering</b>	<u>1,385,248</u>	<u>1,428,412</u>	<u>1,164,463</u>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2021

Schedule 4 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Environmental Health Services</b>			
Solid waste collection and disposal	224,583	241,266	243,520
Comfort stations	33,085	43,611	41,669
Environmental programs	10,000	3,050	-
	<u>267,668</u>	<u>287,927</u>	<u>285,189</u>
<b>Environmental Development Services</b>			
Planning salaries and benefits	274,400	239,478	183,177
Materials and contracted services	69,100	14,767	18,958
	<u>343,500</u>	<u>254,245</u>	<u>202,135</u>
<b>Recreation and Cultural Services</b>			
Parks and playgrounds	458,053	548,529	478,215
Joint Parks contributions	6,185	6,645	6,041
Joint Cowichan Aquatic Centre contributions	370,000	370,821	220,121
Senior Citizens' Activity Centre	6,876	8,189	9,878
Museum	10,100	9,616	9,631
	<u>851,214</u>	<u>943,800</u>	<u>723,886</u>
<b>Interest</b>			
Interest in General Fund			
General government	2,700	1,689	2,419
Recreation and cultural services	47,125	36,796	47,125
	<u>49,825</u>	<u>38,485</u>	<u>49,544</u>
Interest in Sewer Fund	-	-	-
	<u>49,825</u>	<u>38,485</u>	<u>49,544</u>
<b>Water and Sewer Services</b>			
Waterworks	1,549,997	1,434,651	1,409,283
Sewer	885,023	889,383	836,271
	<u>2,435,020</u>	<u>2,324,034</u>	<u>2,245,554</u>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2021

Schedule 4 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>Amortization</b>			
General government services	134,000	130,009	127,720
Protective services	179,000	165,562	170,283
Transportation services	677,000	647,507	644,717
Environmental health services	27,000	4,845	25,386
Recreation and cultural services	257,000	249,919	245,161
Water services	359,700	347,238	342,573
Sewer services	42,500	41,717	40,530
	<u>1,676,200</u>	<u>1,586,797</u>	<u>1,596,370</u>
<b>Other</b>			
Capital expense	-	745,075	288,746
Actuarial debt adjustment	-	(30,654)	(26,690)
	<u>-</u>	<u>714,421</u>	<u>262,056</u>
<b>Total Expenses</b>	<u>\$ 9,433,393</u>	<u>\$ 9,702,043</u>	<u>\$ 8,461,553</u>

# Consolidated Statement of Operations by Program

YEAR ENDED DECEMBER 31, 2021

Schedule 5 (Audited)

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>								
Taxation and grants in lieu of taxes	\$ 4,447,644	\$ 4,309,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services	\$ 46,855	41,524	449,463	317,772	12,480	29,950	221,332	224,163
Licenses, permits, penalties and fines	\$ 802,589	562,194	-	-	304,589	281,300	-	-
Return on investments	\$ 121,171	151,193	-	-	-	-	-	-
Grants	\$ 38,585	3,678	-	-	18,905	-	-	-
Government transfers	\$ 547,280	2,128,793	-	-	-	-	-	-
Funds contributed from other governments	\$ 14,574	14,561	-	-	-	-	-	-
Gas Tax funds utilized	\$ -	-	222,095	339,954	-	-	-	-
Developer contributions	\$ -	-	-	-	-	-	-	-
Gain(Loss) on disposal of assets	\$ -	-	-	-	2,600	43,416	-	-
Assets contributed by developers	\$ -	-	-	-	279,520	77,935	-	-
Increase (decrease) in proportionate share of JUB assets	\$ -	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 6,018,698</b>	<b>\$ 7,211,013</b>	<b>\$ 671,558</b>	<b>\$ 657,726</b>	<b>\$ 618,094</b>	<b>\$ 432,601</b>	<b>\$ 221,332</b>	<b>\$ 224,163</b>
<b>EXPENSES</b>								
Operating expenses								
Payroll	\$ 1,370,314	\$ 1,275,053	\$ 447,876	\$ 396,734	\$ 1,207,707	\$ 1,042,589	\$ 24,770	\$ 24,797
Other	(58,475)	(67,912)	364,207	328,481	220,705	121,874	263,157	260,392
<b>Total operating expenses</b>	<b>1,311,839</b>	<b>1,207,141</b>	<b>812,083</b>	<b>725,215</b>	<b>1,428,412</b>	<b>1,164,463</b>	<b>287,927</b>	<b>285,189</b>
Capital fund expenses								
Amortization	210,128	89,375	36,168	34,330	197,031	103,635	3,379	135
Interest	130,009	127,720	165,562	170,283	647,507	644,717	4,845	25,386
Actuarial adjustment to debt	1,689	2,419	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 1,653,665</b>	<b>\$ 1,426,655</b>	<b>\$ 1,013,813</b>	<b>\$ 929,828</b>	<b>\$ 2,272,950</b>	<b>\$ 1,912,815</b>	<b>\$ 296,151</b>	<b>\$ 310,710</b>
<b>Surplus (Deficit)</b>	<b>\$ 4,365,033</b>	<b>\$ 5,784,358</b>	<b>\$ (342,255)</b>	<b>\$ (272,102)</b>	<b>\$ (1,654,856)</b>	<b>\$ (1,480,214)</b>	<b>\$ (74,819)</b>	<b>\$ (86,547)</b>

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

continued on next page

# Consolidated Statement of Operations by Program *(continued)*

YEAR ENDED DECEMBER 31, 2021

Schedule 5 (Audited)

continued from previous page

	Environmental Development Services		Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>										
Taxation and grants in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,447,644	\$ 4,309,070
Sale of services	-	-	6,824	2,434	2,932,613	2,371,462	1,381,645	1,314,433	5,051,212	4,301,738
Licenses, permits, penalties and fines	-	-	-	-	-	-	-	-	1,107,178	843,494
Return on investments	-	-	-	-	20,903	30,717	23,699	32,378	165,773	214,286
Grants	-	-	-	-	-	-	17,741	17,500	75,231	21,178
Government transfers	-	-	-	-	-	-	69,763	-	617,043	2,128,793
Funds contributed from other governments	-	-	-	-	-	-	-	-	14,574	14,561
Gas Tax funds utilized	-	-	-	-	-	-	-	-	222,095	339,954
Developer contributions	-	-	-	-	319,936	12,000	-	-	319,936	12,000
Gain(Loss) on disposal of assets	-	-	-	-	-	-	-	-	2,600	43,416
Assets contributed by developers	-	-	-	-	-	-	-	-	279,520	77,935
Increase (decrease) in proportionate share of JUB assets	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,824</b>	<b>\$ 2,434</b>	<b>\$ 3,273,452</b>	<b>\$ 2,414,179</b>	<b>\$ 1,492,848</b>	<b>\$ 1,364,311</b>	<b>\$ 12,302,805</b>	<b>\$ 12,306,425</b>
<b>EXPENSES</b>										
Operating expenses										
Payroll	\$ 239,424	\$ 183,177	\$ 368,346	\$ 316,444	\$ 329,135	\$ 292,774	\$ 96,193	\$ 74,036	4,083,765	\$ 3,605,604
Other	14,821	18,958	575,454	407,442	1,105,516	1,116,509	464,904	647,955	2,950,289	2,833,699
<b>Total operating expenses</b>	<b>254,245</b>	<b>202,135</b>	<b>943,800</b>	<b>723,886</b>	<b>1,434,651</b>	<b>1,409,283</b>	<b>561,097</b>	<b>721,991</b>	<b>7,034,054</b>	<b>6,439,303</b>
Capital fund expenses										
Amortization	-	-	34,505	-	156,359	33,901	107,505	27,370	745,075	288,746
Interest	-	-	249,919	245,161	347,238	342,573	69,690	68,503	1,614,770	1,624,343
Actuarial adjustment to debt	-	-	36,796	47,125	-	-	-	-	38,485	49,544
	-	-	(30,654)	(26,690)	-	-	-	-	(30,654)	(26,690)
<b>Total expenses</b>	<b>\$ 254,245</b>	<b>\$ 202,135</b>	<b>\$ 1,234,366</b>	<b>\$ 989,482</b>	<b>\$ 1,938,248</b>	<b>\$ 1,785,757</b>	<b>\$ 738,292</b>	<b>\$ 817,864</b>	<b>\$ 9,401,730</b>	<b>\$ 8,375,246</b>
<b>Surplus (Deficit)</b>	<b>\$ (254,245)</b>	<b>\$ (202,135)</b>	<b>\$ (1,227,542)</b>	<b>\$ (987,048)</b>	<b>\$ 1,335,204</b>	<b>\$ 628,422</b>	<b>\$ 754,556</b>	<b>\$ 546,447</b>	<b>\$ 2,901,075</b>	<b>\$ 3,931,179</b>

# Consolidated Details and Reconciliation to Core Government Results

YEAR ENDED DECEMBER 31, 2021

## Schedule 6 (Audited)

	The Corporation of the City of Duncan		Joint Utilities Board (JUB) Proportionate Share		Total	
	2021	2020	2021	2020	2021	2020
<b>STATEMENT OF FINANCIAL POSITION</b>						
Portfolio investments (Note 3)	\$ 20,645,628	\$ 16,829,622	\$ 1,324,772	\$ 1,373,148	\$ 21,970,400	\$ 18,202,770
Deferred revenue (Note 9)	\$ 2,213,577	\$ 1,741,284	\$ 683,798	\$ 773,087	\$ 2,897,375	\$ 2,514,371
Tangible capital assets (Schedule 1)	\$ 31,665,443	\$ 31,761,184	\$ 1,269,328	\$ 1,009,928	\$ 32,934,771	\$ 32,771,112
Prepaid expenses	\$ 62,571	\$ 26,759	\$ -	\$ -	\$ 62,571	\$ 26,759
Equity in tangible capital assets (Schedule 7)	\$ 31,665,443	\$ 31,077,533	\$ 1,269,328	\$ 1,009,928	\$ 32,934,770	\$ 32,087,460
Accumulated surplus (Schedule 9)	\$ 48,560,460	\$ 45,959,697	\$ 1,910,303	\$ 1,609,989	\$ 50,470,763	\$ 47,569,686
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>						
Acquisition of tangible capital assets (Schedule 1)	\$ 1,491,457	\$ 1,800,727	\$ 287,373	\$ (67,159)	\$ 1,778,830	\$ 1,733,568
<b>STATEMENT OF OPERATIONS</b>						
Increase (decrease) in share of JUB assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues (Schedule 3)	\$ 12,302,805	\$ 12,306,426	\$ -	\$ -	\$ 12,302,805	\$ 12,306,426
Sewer services expenses (Schedule 4)	\$ 889,383	\$ 836,271	\$ (328,286)	\$ (114,280)	\$ 561,097	\$ 721,991
Sewer services amortization (Schedule 4)	\$ 41,717	\$ 40,530	\$ 27,973	\$ 27,973	\$ 69,690	\$ 68,503
Total expenses (Schedule 4)	\$ 9,702,043	\$ 8,461,553	\$ (300,313)	\$ (86,307)	\$ 9,401,730	\$ 8,375,246

# Non-Consolidated Schedule of Equity in Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2021

Schedule 7 (Audited)

	<u>2021</u>	<u>2020</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
<b>Net Investment in Tangible Capital Assets (beginning of year)</b>	<b>\$ 31,077,533</b>	<b>\$ 30,782,755</b>
Add: Purchase of tangible capital assets	1,211,937	1,722,792
Tangible capital assets acquired in-kind	279,520	77,935
Debt repayment	652,997	72,415
Actuarial adjustment to debt	30,654	26,690
Less: Amortization	(1,586,797)	(1,596,370)
Net book value of disposed of tangible capital assets	(400)	(8,684)
	<u>31,665,443</u>	<u>31,077,533</u>
<b>Net Investment in Tangible Capital Assets</b>	<b>\$ 31,665,443</b>	<b>\$ 31,077,533</b>

# Non-Consolidated Schedule of Change in Reserve Fund Balances

YEAR ENDED DECEMBER 31, 2021

Schedule 8 (Audited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Investment income	\$ -	\$ 98,646	\$ 137,268
Water capital contributions from developers	-	319,936	12,000
<b>NET REVENUES</b>	-	418,582	149,268
<b>TRANSFERS</b>			
Transfers from operating fund	(62,969)	515,801	2,507,144
Transfers to general capital fund	(1,641,670)	(70,043)	(665,205)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(1,704,639)	864,340	1,991,207
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	9,340,725	9,340,725	7,349,518
<b>FUND SURPLUS, END OF YEAR</b>	\$ 7,636,086	\$ 10,205,065	\$ 9,340,725

Individual reserve fund balances are detailed on the next page.

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

YEAR ENDED DECEMBER 31, 2021

Schedule 8 (Audited)

Excluding Joint Utilities Board Financial Information

	<b>2021</b>	2020
	<b>Actual</b>	Actual
<b>SUMMARY OF RESERVE FUND POSITIONS</b>		
Sale of real property	* 219,336	223,828
Underground Utilities	104,536	28,911
Parking improvement	209,848	224,119
Parking improvement - Restricted	* 145,544	128,115
Municipal Finance Authority debt issue refunds	27,570	27,287
Operating reserves	577,316	398,114
Machinery and equipment	2,271,854	1,730,857
Capital works and other miscellaneous reserves	1,297,278	1,574,250
General capital cost contributions	7,742	7,662
Police bridging capital	3,230,699	3,133,548
Downtown revitalization	19,349	19,149
Melba Schappert bequest	20,241	20,145
Public Art	10,727	10,618
Water capital cost contributions	860,073	635,742
Water capital reserve	428,082	423,677
Sewer capital cost contributions	28,999	16,508
Sewer capital reserve	745,871	738,195
<b>Total Reserve Fund Equity</b>	<b>\$ 10,205,065</b>	<b>\$ 9,340,725</b>
<b>RESERVES HELD AS LIABILITIES</b>		
Federal Gas Tax funds (Note 9)	* 1,218,768	880,233
Restricted revenue (Note 10)	* 2,458,638	2,240,925
<b>Total Reserve Funds</b>	<b>\$ 13,882,471</b>	<b>\$12,461,883</b>

\* Restricted cash and portfolio investments

# Non-Consolidated Statement of Financial Position – Funds

YEAR ENDED DECEMBER 31, 2021

## Schedule 9 (Unaudited)

### Excluding Joint Utilities Board Financial Information

	General Fund		Reserve Fund		Waterworks Utility Fund		Sewer Utility Fund		Equity in Capital Assets		2021	2020
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	Total	Total
<b>FINANCIAL ASSETS</b>												
Cash and cash equivalents (Note 3)	\$ 2,311,376	\$ 2,130,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,311,376	\$ 2,130,689
Accounts receivable (Note 4)	1,189,155	961,471	-	-	477,580	246,943	33,306	24,628	-	-	1,700,041	1,233,042
Portfolio investments (Note 3)	1,727,295	78,039	13,882,471	12,461,883	2,784,961	2,010,386	2,250,901	2,279,314	-	-	20,645,628	16,829,622
Deposits - Municipal Finance Authority (Note 5)	-	18,698	-	-	-	-	-	-	-	-	-	18,698
Loan receivable (Note 6)	64,791	80,028	-	-	-	-	-	-	-	-	64,791	80,028
	<u>\$ 5,292,617</u>	<u>\$ 3,268,925</u>	<u>\$ 13,882,471</u>	<u>\$ 12,461,883</u>	<u>\$ 3,262,541</u>	<u>\$ 2,257,329</u>	<u>\$ 2,284,207</u>	<u>\$ 2,303,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,721,836</u>	<u>\$ 20,292,079</u>
<b>LIABILITIES</b>												
Accounts payable and accrued liabilities (Note 7)	\$ 1,438,371	\$ 599,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,438,371	\$ 599,527
Sick and severance liabilities (Note 13(b))	559,895	563,832	-	-	-	-	-	-	-	-	559,895	563,832
Refundable deposits (Note 8)	1,373,552	429,133	-	-	-	-	-	-	-	-	1,373,552	429,133
Deferred revenue (Note 9)	948,694	799,522	1,218,768	880,233	45,793	43,652	322	17,877	-	-	2,213,577	1,741,284
Restricted revenue (Note 10)	-	-	2,458,638	2,240,925	-	-	-	-	-	-	2,458,638	2,240,925
Debtenture debt (Note 11)	-	-	-	-	-	-	-	-	-	683,651	-	683,651
	<u>4,320,511</u>	<u>2,392,014</u>	<u>3,677,406</u>	<u>3,121,158</u>	<u>45,793</u>	<u>43,652</u>	<u>322</u>	<u>17,877</u>	<u>-</u>	<u>683,651</u>	<u>8,044,033</u>	<u>6,258,352</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 972,106</u>	<u>\$ 876,911</u>	<u>\$ 10,205,065</u>	<u>\$ 9,340,725</u>	<u>\$ 3,216,748</u>	<u>\$ 2,213,677</u>	<u>\$ 2,283,885</u>	<u>\$ 2,286,065</u>	<u>\$ -</u>	<u>\$ (683,651)</u>	<u>\$ 16,677,803</u>	<u>\$ 14,033,727</u>
<b>NON-FINANCIAL ASSETS</b>												
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,665,443	\$ 31,761,184	\$ 31,665,443	\$ 31,761,184
Inventory of supplies	154,643	138,028	-	-	-	-	-	-	-	-	154,643	138,028
Prepaid expenses	62,571	26,759	-	-	-	-	-	-	-	-	62,571	26,759
	<u>217,214</u>	<u>164,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,665,443</u>	<u>31,761,184</u>	<u>31,882,657</u>	<u>31,925,971</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 1,189,320</u>	<u>\$ 1,041,699</u>	<u>\$ 10,205,065</u>	<u>\$ 9,340,725</u>	<u>\$ 3,216,748</u>	<u>\$ 2,213,677</u>	<u>\$ 2,283,885</u>	<u>\$ 2,286,065</u>	<u>\$ 31,665,443</u>	<u>\$ 31,077,533</u>	<u>\$ 48,560,460</u>	<u>\$ 45,959,698</u>

# Statement of General Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2021

Schedule 10 (Unaudited)

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Taxation	\$ 4,446,429	\$ 4,435,499	\$ 4,296,897
Grants in lieu of taxes	12,175	12,145	12,173
Sale of services	595,426	736,023	601,651
Other revenue from own sources	1,001,308	1,107,178	843,494
Return on investments	12,700	22,525	13,925
Grants	-	38,585	3,678
Government transfers	560,000	547,280	2,128,793
Funds contributed from other governments	14,850	14,574	14,561
Total revenue	<u>6,642,888</u>	<u>6,913,809</u>	<u>7,915,172</u>
<b>EXPENSES</b>			
General government	1,609,361	1,311,839	1,207,141
Protective services	815,357	812,083	725,215
Public works & engineering	1,385,248	1,428,412	1,164,463
Environmental health services	267,668	287,927	285,189
Environmental development services	343,500	254,245	202,135
Recreation and cultural services	851,214	943,800	723,886
Interest	49,825	38,485	49,544
Total expenses	<u>5,322,173</u>	<u>5,076,791</u>	<u>4,357,573</u>
<b>NET REVENUES</b>	1,320,715	1,837,018	3,557,599
<b>TRANSFERS</b>			
Transfers to general capital fund	(1,119,100)	(475,758)	(374,653)
Transfers to reserve fund	62,969	(515,801)	(2,507,144)
Transfers to sewer revenue fund - parcel tax	(44,880)	(44,840)	(44,900)
Long term debt repayment	(653,000)	(652,997)	(72,415)
<b>NET INCREASE (DECREASE) IN FUND</b>	(433,296)	147,621	558,487
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>1,041,699</u>	<u>1,041,699</u>	<u>483,212</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 608,403</u>	<u>\$ 1,189,320</u>	<u>\$ 1,041,699</u>

# Statement of Waterworks Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2021

Schedule 11 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Sale of water	\$ 2,484,768	\$ 2,804,647	\$ 2,334,813
Water studies	2,000	10,711	200
Service charges	20,000	25,605	9,385
Return on investments	30,000	20,903	30,717
Total revenue	<u>2,536,768</u>	<u>2,861,866</u>	<u>2,375,115</u>
<b>EXPENSES</b>			
Administration	799,083	786,343	691,304
Transmission and distribution	482,632	357,782	468,610
Pumping	268,282	290,526	249,369
Total expenses	<u>1,549,997</u>	<u>1,434,651</u>	<u>1,409,283</u>
<b>NET REVENUES</b>	986,771	1,427,215	965,832
<b>TRANSFERS</b>			
Transfers to waterworks utility capital fund	<u>(2,707,157)</u>	<u>(424,144)</u>	<u>(484,236)</u>
<b>NET INCREASE (DECREASE) IN FUND</b>	(1,720,386)	1,003,071	481,596
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>2,213,677</u>	<u>2,213,677</u>	<u>1,732,081</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 493,291</u>	<u>\$ 3,216,748</u>	<u>\$ 2,213,677</u>

# Statement of Sewer Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2021

Schedule 12 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Sewer fees	\$ 1,373,898	\$ 1,381,645	\$ 1,312,223
Service charges	50	-	-
Return on investments	35,000	23,699	32,378
Total revenue	<u>1,408,948</u>	<u>1,405,344</u>	<u>1,344,601</u>
<b>EXPENSES</b>			
Administration	337,526	324,290	295,622
Collection and disposal	174,897	200,845	167,461
Cost sharing - municipal government	(27,400)	(38,785)	(29,039)
Joint Utilities Board	400,000	403,033	402,227
Interest on debenture debt	-	-	-
Total expenses	<u>885,023</u>	<u>889,383</u>	<u>836,271</u>
<b>NET REVENUES</b>	523,925	515,961	508,330
<b>TRANSFERS</b>			
Transfers to sewer capital fund	(975,605)	(562,981)	(34,424)
Transfers from general revenue fund - parcel tax	44,880	44,840	44,900
<b>NET INCREASE (DECREASE) IN FUND</b>	(406,800)	(2,180)	518,806
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>2,286,065</u>	<u>2,286,065</u>	<u>1,767,259</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 1,879,265</u>	<u>\$ 2,283,885</u>	<u>\$ 2,286,065</u>

# Statement of Capital Fund Operations

YEAR ENDED DECEMBER 31, 2021

Schedule 13 (Unaudited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Connection fees			
General Capital	\$ -	\$ 932	\$ 14,192
Water Capital	-	91,650	27,064
Sewer Capital	-	-	2,210
Grants	2,457,802	36,646	17,500
Government transfers		69,763	-
Development Cost Charges utilized	-	-	-
Gas Tax Funds utilized	473,208	222,095	339,954
Gain (Loss) on disposal of tangible capital assets	-	2,600	43,416
Assets constructed by Developers			
General Capital	-	279,520	77,935
Total revenue	2,931,010	703,206	522,271
<b>EXPENSES (not capitalized) (Schedule 5)</b>			
General government services	-	210,128	89,375
Protective services	-	36,168	34,330
Transportation services	-	197,031	103,635
Environmental health services	-	3,379	135
Recreation and cultural services	-	34,505	-
Water services	-	156,359	33,901
Sewer services	-	107,505	27,370
Total expenses	-	745,075	288,746
<b>NET REVENUES</b>	2,931,010	(41,869)	233,525
<b>TRANSFERS</b>			
Transfers from general operating fund	1,119,100	475,758	374,653
Transfers from water operating fund	2,707,157	424,144	484,236
Transfers from sewer operating fund	975,605	562,981	34,424
Transfers from general reserve funds	1,641,670	70,043	665,205
Transfers from water reserve funds	-	-	-
Transfers from sewer reserve funds	-	-	-
Tangible capital asset purchases	(9,635,220)	(1,211,937)	(1,722,792)
Tangible capital assets acquired in-kind	-	(279,520)	(77,935)
Net book value of disposed of tangible capital assets	-	400	8,684
<b>NET INCREASE (DECREASE) IN FUND</b>	(260,678)	(0)	(0)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	-	-
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ (260,678)	\$ (0)	(0)

# COVID Safe Restart Grant Continuity Schedule

YEAR ENDED DECEMBER 31, 2021

Schedule 14 (Audited)

Excluding Joint Utilities Board Financial Information

	2021 Budget	2021 Actual	2020 Actual
<b>OPENING BALANCE</b>	\$ -	\$ 1,253,333	\$ 1,570,000
<b>FUNDS SPENT</b>			
Revenue shortfalls	(24,500)	(14,738)	(97,433)
Facility reopening and operating	(95,000)	(95,000)	(86,515)
Emergency planning and response	-	-	(1,450)
Bylaw enforcement and protective services	(103,200)	(112,003)	(66,156)
Computers and other IT	(105,000)	(37,959)	(2,750)
Services for vulnerable persons	(7,000)	-	-
Other related costs	(451,900)	(75,300)	(64,149)
Total spending	<u>(786,600)</u>	<u>(335,000)</u>	<u>(318,453)</u>
Interest earned	-	13,032	1,786
<b>BALANCE, end of year</b>	<u>\$ (786,600)</u>	<u>\$ 931,365</u>	<u>\$ 1,253,333</u>

## Statement of Responsibility

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.

KPMG 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.



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Talitha Soldera  
Director, Financial Services  
May 4, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Duncan – North Cowichan Joint Utilities Board

### **Opinion**

We have audited the financial statements of Duncan – North Cowichan Joint Utilities Board (the “Entity”), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD



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management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada  
May 6, 2022

# Statement of Financial Position

AS AT DECEMBER 31, 2021

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	<u>2021 Actual</u>	<u>2020 Actual</u>
<b>Financial Assets</b>		
Investments (Notes 3 and 5)	<u>\$ 4,255,217</u>	<u>\$ 4,410,600</u>
<b>Financial Liabilities</b>		
Unearned revenue	<u>2,196,381</u>	<u>2,483,177</u>
<b>Net Financial Assets</b>	<u>2,058,836</u>	<u>1,927,423</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule I)	<u>4,077,130</u>	<u>3,243,928</u>
<b>Accumulated Surplus (Note 6)</b>	<u><u>\$ 6,135,966</u></u>	<u><u>\$ 5,171,351</u></u>

Approved by:



T. Soldera  
Director, Financial Services

See accompanying notes to the financial statements.

# Statement of Operations

FOR THE YEAR ENDED DECEMBER 31, 2021

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	2021 Budget (Note 8)	2021 Actual	2020 Actual
<b>Revenues</b>			
<b>Contributions from:</b>			
The Corporation of the District of North Cowichan	\$ 1,020,580	\$ 880,554	\$ 676,435
The Corporation of the City of Duncan	599,980	498,824	395,448
Cowichan Valley Regional District	254,530	249,043	201,710
Cowichan Tribes	36,540	36,774	27,008
Return on investments	-	16,212	36,154
Grants and government transfers	1,124,200	615,366	272,700
	<u>3,035,830</u>	<u>2,296,773</u>	<u>1,609,455</u>
<b>Expenses</b>			
Administration	59,180	59,155	59,161
Amortization	89,850	89,849	89,849
Sewer lagoon operations and maintenance	1,183,540	1,183,154	1,183,224
	<u>1,332,570</u>	<u>1,332,158</u>	<u>1,332,234</u>
<b>Annual Surplus</b>	\$ 1,703,260	964,615	277,221
<b>Accumulated surplus, beginning of year</b>	<u>5,171,351</u>	<u>5,171,351</u>	<u>4,894,130</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 6,874,611</u>	<u>\$ 6,135,966</u>	<u>\$ 5,171,351</u>

See accompanying notes to the financial statements

## 1. 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 Board'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, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred or stipulations not met are included in unearned revenue.

### c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit in qualifying institutions as defined in the Community Charter.

### d) 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.

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

### e) **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:

Buildings	15 to 50 years
Engineering Structures	10 to 60 years
Machinery & Equipment	5 to 40 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.

Tangible capital assets are written down when conditions indicate they no longer contribute to the Board's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

### f) **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. An 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.

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

**2. 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.

**3. INVESTMENTS**

Investments are carried at cost, which at December 31, 2021, 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 leases the sewage lagoon lands under an operating lease which expires July 31, 2060. Lease payments for 2022 are \$405,000 and have an annual increase of 2.2%. The total lease payments over the remaining term are estimated at \$24.2 million.

**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.

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

**6. CAPITAL RESERVE FUNDS**

Included in the accumulated surplus are 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:

	<u>2021</u>	<u>2020</u>
Balances, beginning of year	\$ 1,927,423	\$ 1,776,069
Add: transfers from current operations	131,413	151,354
<b>Balance, end of year</b>	<b><u>\$ 2,058,836</u></b>	<b><u>\$ 1,927,423</u></b>

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

The following provides a summary of operating expenses by object:

	<u>2021</u>	<u>2020</u>
Salaries, wages and benefits	\$ 267,849	\$ 236,577
Contract services	54,758	48,192
Amortization	89,849	89,849
Materials and supplies	523,361	569,807
Land rent	396,341	387,809
<b>Total expense</b>	<b><u>\$ 1,332,158</u></b>	<b><u>\$ 1,332,234</u></b>

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

**8. BUDGET DATA**

The budget data presented in these financial statements is based upon the 2021-2025 Financial Plan Bylaw. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>2021</b>
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Capital expenditures	1,677,910
Less:	
Amortization	(89,850)
Budgeted transfers to reserve funds	115,200
Adjusted Annual Surplus	<u>\$ 1,703,260</u>

**9. STATEMENTS OF CHANGES IN NET FINANCIAL ASSETS AND CASH FLOWS**

The statements of changes in net financial assets and cash flows have not been prepared as they are not considered to provide any additional useful information.

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

Schedule 1

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE		
	Balance December 31, 2020	2021 Additions	2021 Disposals	2021 Write-downs	Balance December 31, 2021	Balance December 31, 2020	2021 Additions	2021 Disposals	Balance December 31, 2021	2020	2021
Buildings	\$ 192,388	\$ -	\$ -	\$ -	\$ 192,388	\$ 14,830	\$ 4,810	\$ -	\$ 19,640	\$ 177,558	\$ 172,748
Engineering Structures	2,485,489	-	-	-	2,485,489	426,676	49,709	-	476,385	2,058,813	2,009,104
Machinery & Equipment	706,581	-	-	-	706,581	108,931	35,329	-	144,260	597,650	562,321
Work In Progress	409,907	923,050	-	-	1,332,957	-	-	-	-	409,907	1,332,957
	<u>\$ 3,794,365</u>	<u>\$ 923,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,717,415</u>	<u>\$ 550,437</u>	<u>\$ 89,849</u>	<u>\$ -</u>	<u>\$ 640,285</u>	<u>\$ 3,243,928</u>	<u>\$ 4,077,130</u>



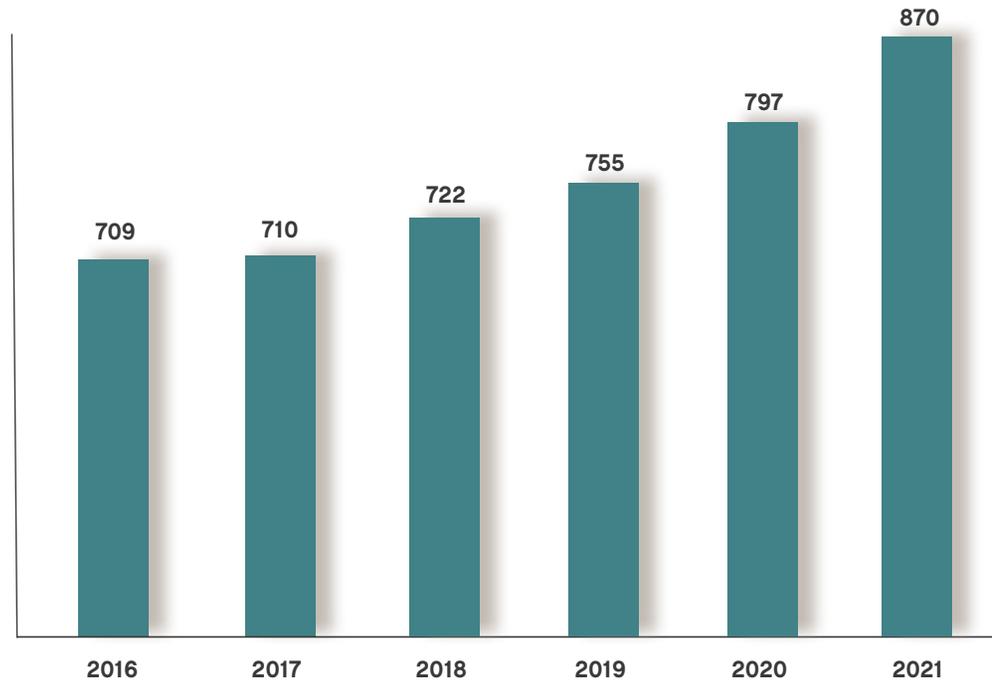
# statistical information

## Population Demographics

	2017	2018	2019	2020	2021
Total Population Estimates	5,040	5,241	5,342	5,124	5,121
% Change from Prior Year	6.03%	0.02%	1.93%	-4.08%	-0.06%
Population Density Per Square Km	2,435	2,532	2,581	2,475	2,474

Source: 2011 - 2021 BC Stats, 2020 Statistics Canada

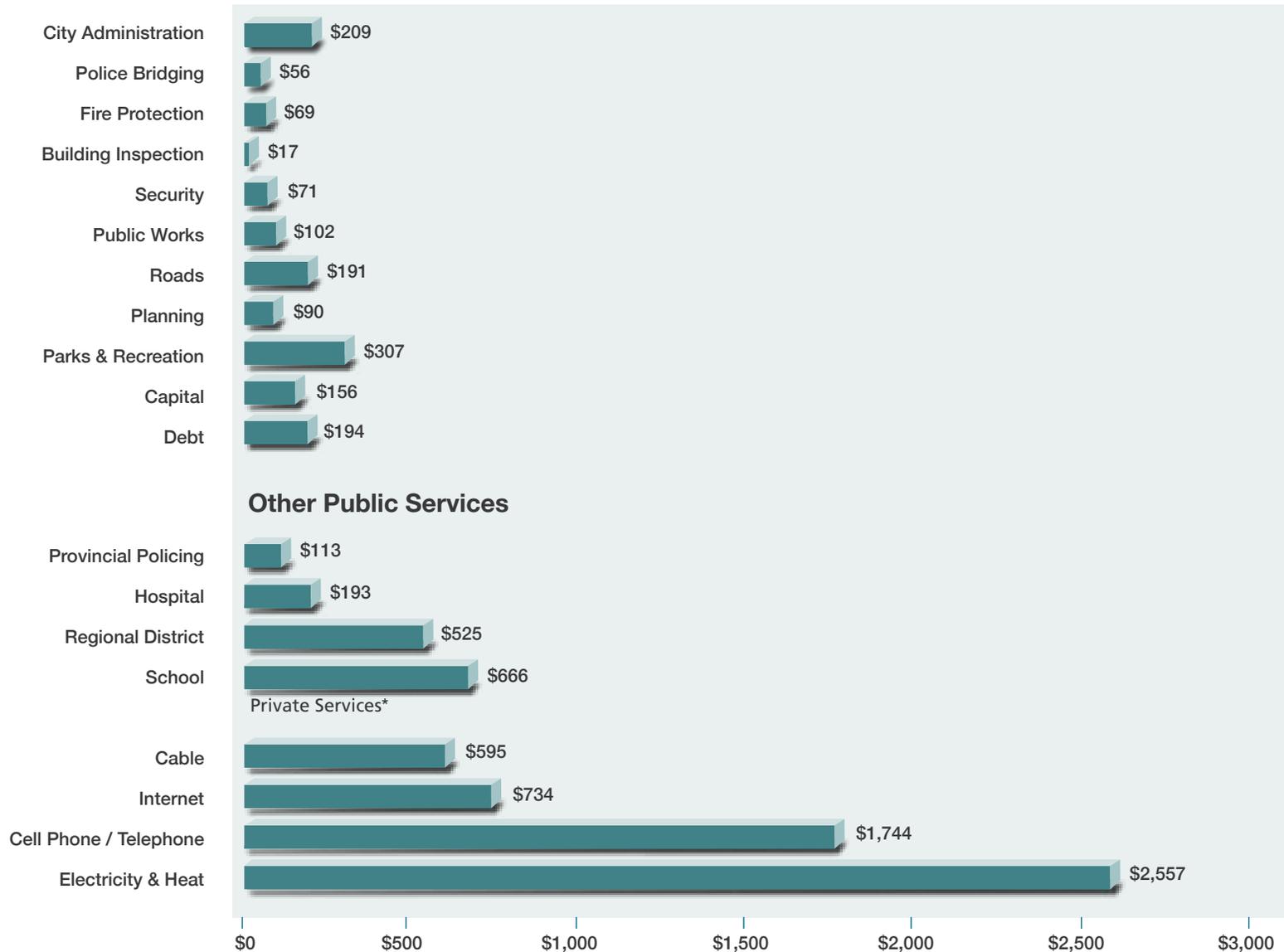
## Active Business Licences



# Standard Household Annual Costs

Detailing the average household cost of City services (average assessment of \$399,305) compared to other common household costs.

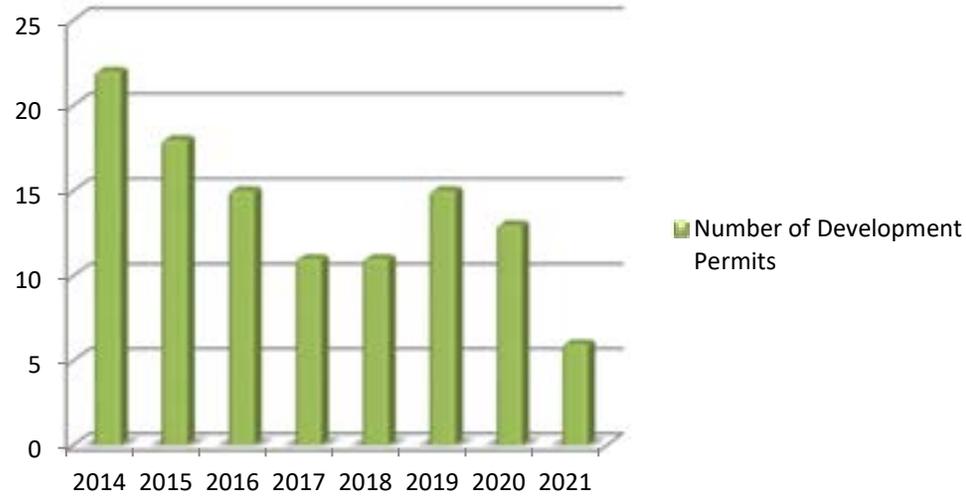
## 2021 City Services – Total \$1,462 per year



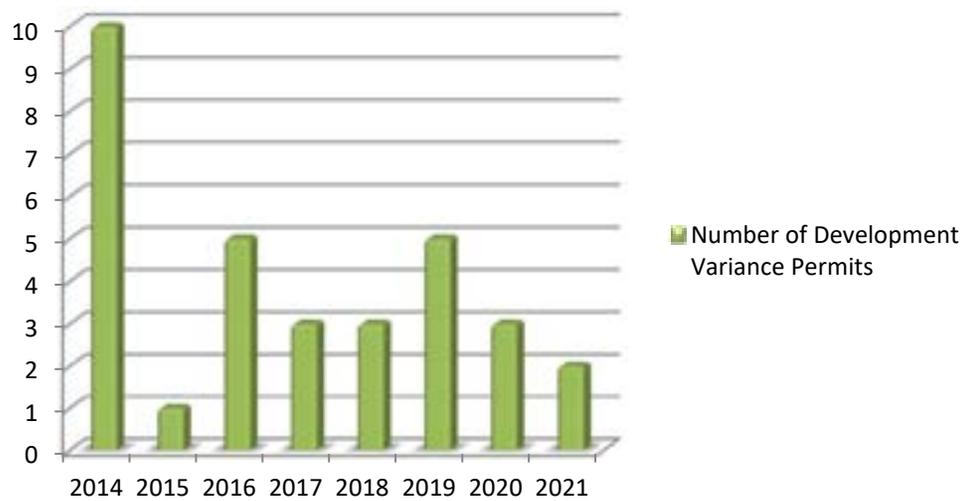
\* Average household expenditure according to Statistics Canada 2019 with annual CPI

# Development Permits and Variance Permits

## Development Permits



## Development Variance Permits



## New Construction

	2017	2018	2019	2020	2021
Building Permits Issued	51	42	43	46	56
Construction Value	3,966,455	1,906,117	10,330,052	6,966,987	37,524,714

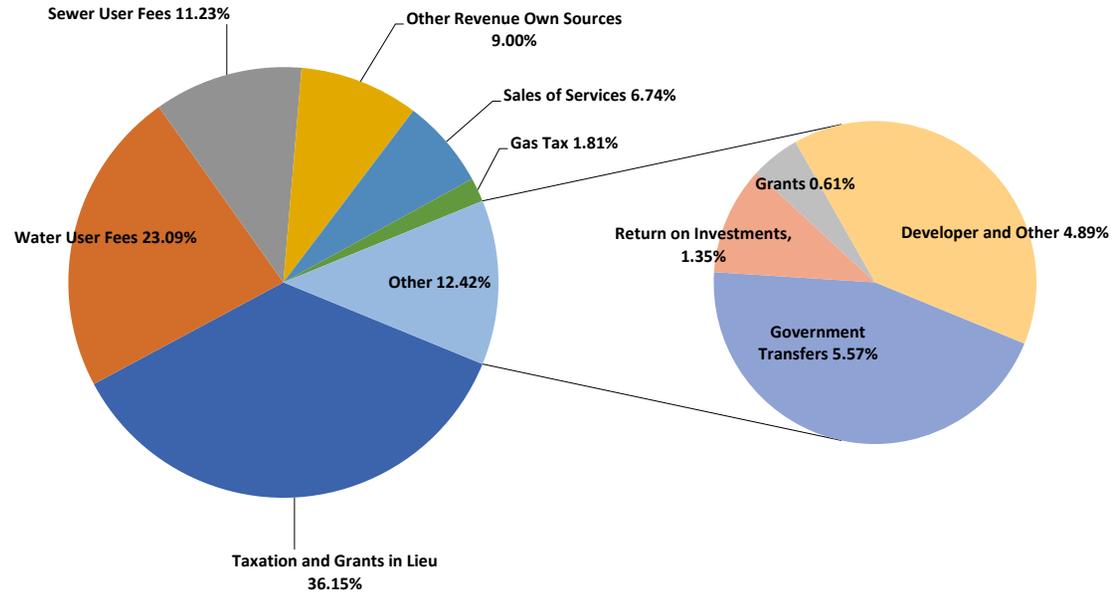
## Major Property Taxpayers (greater than \$20,000)

Property Owner	Industry	Tax Contribution
1 Coronation Mall Ltd.	Retail Mall	130,708
2 Coronation Properties Ltd.	Seniors Residential Complex	81,001
3 0984369 BC Ltd.	Office Building	76,076
4 BC Telephone Company	Building and Yard	64,099
5 1096429 BC Ltd.	Court House Property	57,931
6 Cowichan Hospitality Group	Hotel	46,412
7 Bruce McLay Holdings Ltd.	Commercial/Retail Building	37,912
8 First West Credit Union	Financial Institution	35,298
9 F. Kranz	Residential Apartments	35,171
10 0693523 BC Ltd.	Seniors Residential Complex	34,250
11 DD 1020-1030 Government Apartments Ltd.	Residential Apartments	34,197
12 Duncan Automotive Real Estate Ltd.	Car Dealership	30,421
13 Merit Interior Designs	Retail	29,673
14 Royal Bank of Canada	Financial Institution	29,322
15 Marnette Holdings Ltd.	Car Dealership	27,870
16 0887381 BC Ltd.	Commercial/Retail Building	27,537
<b>Total from Major Property Tax Contributors</b>		<b><u>777,877</u></b>
<b>Total Municipal Tax</b>		<b><u>4,540,505</u></b>
Proportion of Municipal Tax Paid by Major Property Tax Contributors		17%

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.

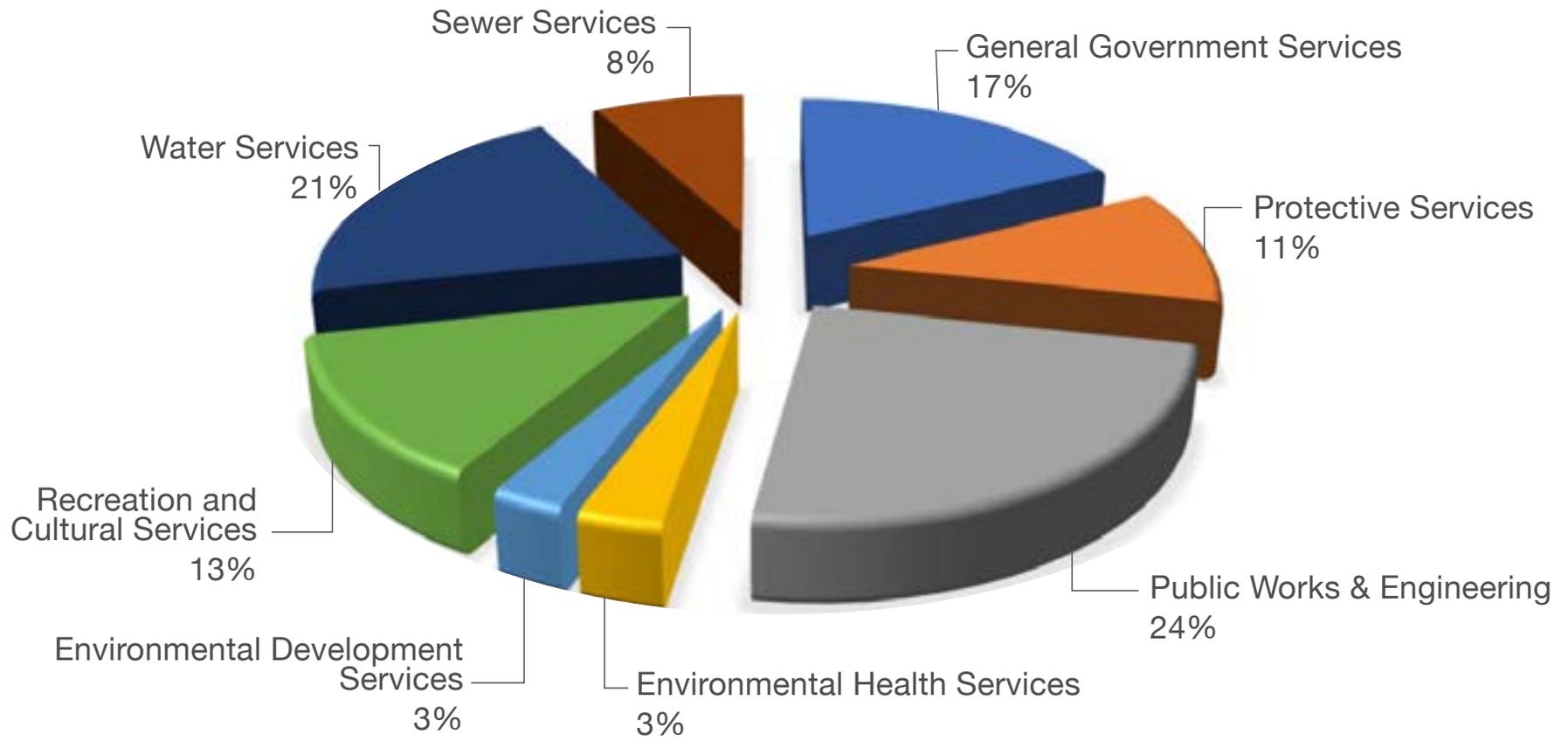
## 2021 Revenue by Source

Detailing the City's own source revenues by proportion in 2021.



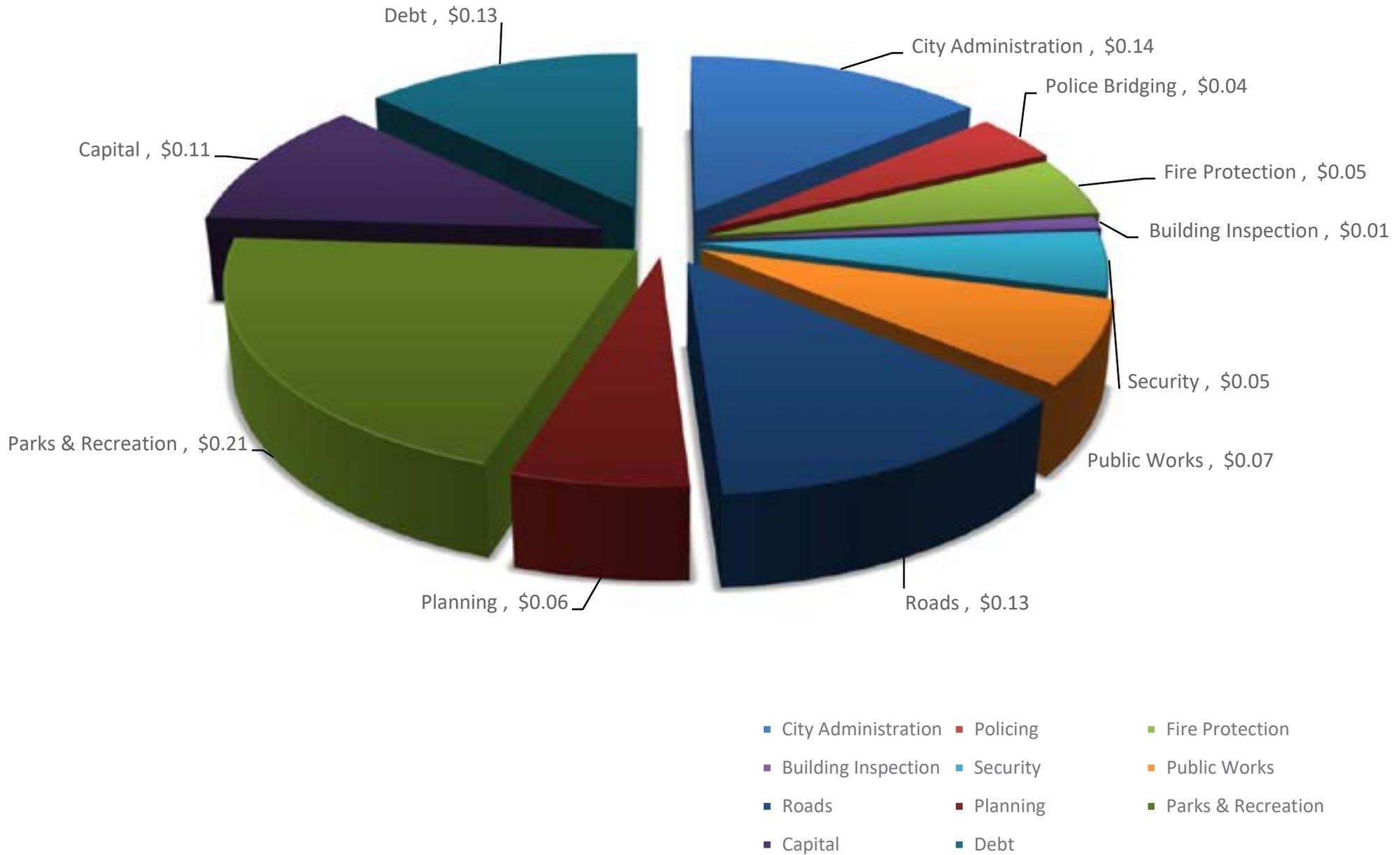
	2017	2018	2019	2020	2021
Taxation	3,948,103	4,086,823	4,195,649	4,296,897	4,435,499
Grants in Lieu of Taxes	12,894	12,643	10,353	12,173	12,145
Sales of Services	735,990	662,476	698,939	645,117	828,604
Water User Fees	2,172,053	2,373,794	2,374,778	2,344,398	2,840,963
Sewer User Fees	1,083,134	1,185,948	1,249,108	1,312,223	1,381,645
Other Revenue Own Sources	554,573	597,124	681,961	843,494	1,107,178
Return on Investments	206,573	232,038	290,030	214,287	165,772
Grants	8,181	10,200	12,700	21,178	75,231
Government Transfers	616,738	584,345	557,724	2,128,793	617,043
Funds Contributed from (to) Other Governments	51,084	13,872	14,205	14,561	14,574
Gas Tax Funds	74,115	202,796	99,218	339,954	222,095
Developer and Other	558,489	234,763	64,285	89,935	599,456
Gain (Loss) on Disposal of Assets	(100,470)	(12,880)	21,790	43,416	2,600
Increase (decrease) in Share of Joint Utilities Board Assets	8,309	(58,645)	211	-	-
	<b>9,929,766</b>	<b>10,125,297</b>	<b>10,270,951</b>	<b>12,306,426</b>	<b>12,302,805</b>

## 2021 Expenses by Function



	2017	2018	2019	2020	2021
General Government Services	1,935,573	1,256,946	1,367,646	1,426,655	1,653,665
Protective Services	766,282	752,184	862,750	929,828	1,013,813
Public Works & Engineering	1,772,584	1,654,207	1,844,395	1,912,815	2,272,950
Environmental Health Services	276,655	264,866	306,301	310,710	296,151
Environmental Development Services	305,158	178,670	179,280	202,135	254,245
Recreation and Cultural Services	1,058,829	1,097,460	1,121,886	989,482	1,234,366
Water Services	1,652,616	1,749,424	1,747,164	1,785,757	1,938,248
Sewer Services	655,681	1,145,861	902,551	817,864	738,292
	<b>8,423,378</b>	<b>8,099,618</b>	<b>8,331,973</b>	<b>8,375,245</b>	<b>9,401,729</b>

# Spending of \$1 of Municipal Tax in 2021



## 2021 Expenses by Object

	2017	2018	2019	2020	2021
Amortization	1,412,292	1,500,078	1,559,702	1,624,343	1,614,770
Capital fund expenses	1,170,238	615,675	316,332	288,746	745,075
Contract services	666,176	976,276	932,029	973,510	1,090,217
Fuel	63,457	74,468	72,561	65,538	77,863
Goods and services	1,076,758	1,045,578	1,137,384	993,320	925,900
Grants in Aid	97,138	87,404	86,643	106,468	94,804
Hydro	368,837	389,673	392,110	368,037	401,217
Insurance	128,738	111,274	119,177	127,693	118,605
Interest	56,828	57,934	54,470	49,544	38,485
Leases	1,928	1,970	8,003	42,681	32,397
Professional fees	119,358	85,326	110,883	119,646	190,644
Travel, conference and training	98,009	90,723	128,838	58,413	89,422
Wages and benefits	3,168,186	3,107,214	3,453,894	3,583,843	4,012,985
Write down of account receivable to net realizable value	26,036	(8,545)	405	154	-
Actuarial adjustment to debt	(30,601)	(35,430)	(40,459)	(26,690)	(30,654)
	<u>8,423,378</u>	<u>8,099,618</u>	<u>8,331,972</u>	<u>8,375,246</u>	<u>9,401,730</u>

## 2021 Capital Expenditures & Sources of Financing

	2017	2018	2019	2020	2021
<b>Capital Expenditures</b>					
Acquisition of Tangible Capital Assets	3,184,050	3,333,523	2,275,967	1,733,568	1,778,830
Capital Fund Expenditures (Not Capitalized)	1,170,238	615,675	316,332	288,746	745,075
	<u>4,354,288</u>	<u>3,949,198</u>	<u>2,592,299</u>	<u>2,022,314</u>	<u>2,523,905</u>
<b>Source of Financing</b>					
Operating Funds	2,578,237	2,463,602	1,279,147	893,313	1,462,883
Reserve Funds	884,803	1,080,892	1,140,785	665,205	70,043
Grants	7,300	9,800	12,700	17,500	36,646
Government Transfers	-	-	-	-	69,763
Connections Fees and Donations	85,880	104,195	89,519	43,466	92,582
Investment Income	-	-	-	-	-
Development Cost Charges	-	-	-	-	-
Federal Gas Tax Funds	74,115	202,796	99,218	339,954	222,095
Developer/Other Contribution	417,734	92,862	675	77,935	279,520
Sales of Assets	13,805	20,500	30,801	52,100	3,000
Increase (Decrease) in Share of Joint Utilities Board Tangible Capital Assets	- 292,414	- (25,449)	- (60,546)	- (67,159)	- 287,373
	<u>4,354,288</u>	<u>3,949,198</u>	<u>2,592,299</u>	<u>2,022,314</u>	<u>2,523,905</u>

## 2021 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>Parks</b>	<b>Total DCCs</b>
Balance in reserve fund as of January 1, 2021	\$642,298	\$884,135	\$190,199	\$516,327	\$7,966	\$2,240,925
Funds received (refunded) in 2021	\$73,725	\$18,673	\$35,619	\$50,565	\$15,273	\$193,855
Expenditures from Reserve in 2021	0.00	0.00	0.00	0.00	0.00	0.00
Interest earned on account for 2021	\$6,888	\$9,245	\$2,097	\$5,501	\$126	\$23,857
Balance in reserve fund as of December 31, 2021	\$722,911	\$912,053	\$227,915	\$572,393	\$23,365	\$2,458,637

In some instances, a developer may be entitled to DCC reductions. The following reductions were issued in 2021 – Transportation - \$56,968, Water - \$87,382, Drainage - \$34,923, Sewer - \$21,247 and Parks - \$18,102.

## 2021 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, 2021	\$128,115	\$224,119	\$352,234
Funds received in 2021	\$16,000	0	\$16,000
Expenditures from reserve in 2021	0	-\$16,601	-\$16,601
Interest earned on account for 2021	\$1,429	\$2,330	\$3,759
Balance in reserve fund as of December 31, 2021	\$145,544	\$209,848	\$355,392

## Liability Servicing

	2017	2018	2019	2020	2021
Legislated Liability Servicing Limit*	2,310,639	2,352,430	2,513,299	2,555,865	2,829,772
Actual Annual Liability Servicing Costs	143,166	144,271	140,807	121,959	691,482
Unused Liability Servicing Capacity	2,167,473	2,208,159	2,372,492	2,433,906	2,138,290

\*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

	2017	2018	2019	2020	2021
<b>Reserve Funds</b>					
Sale of Real Property	221,678	226,276	230,238	223,828	219,336
Sale of Property - Cowichan Place	8,610	5	-	-	-
Parking Improvement	307,233	237,619	239,139	224,119	209,848
Parking Improvement - Restricted	120,234	122,728	125,786	128,115	145,544
MFA Debt Issue Refunds	24,797	25,311	26,790	27,287	27,570
Operating	325,892	367,842	365,612	398,114	577,316
Machinery and Equipment	2,203,374	1,695,322	1,793,208	1,730,857	2,271,854
Capital Works and Miscellaneous	216,581	262,892	274,436	1,574,250	1,297,278
General Capital	7,190	7,340	7,523	7,662	7,742
Police Bridging Capital	1,705,897	2,400,941	2,438,608	3,133,548	3,230,699
Downtown Revitalization	17,971	18,344	18,801	19,149	19,349
Melba Schappert Bequest	28,909	19,298	19,779	20,145	20,241
Public Art	9,963	10,170	10,424	10,618	10,727
Pioneer Park	1,401	1,431	1,466	-	-
Waterworks Utility	809,296	969,660	1,056,727	1,088,330	1,392,691
Sewer Utility	838,267	721,655	740,981	754,703	774,870
	<u>6,847,293</u>	<u>7,086,834</u>	<u>7,349,518</u>	<u>9,340,725</u>	<u>10,205,065</u>
<b>Reserves Held As Liabilities</b>					
DCC Restricted Reserves	1,996,382	2,061,670	2,148,755	2,240,925	2,458,638
Federal Gas Tax Funds	404,214	484,272	937,934	880,233	1,218,768
	<u>2,400,596</u>	<u>2,545,942</u>	<u>3,086,689</u>	<u>3,121,158</u>	<u>3,677,406</u>
Interest Earned, All Reserves	121,451	140,971	172,951	137,268	98,646

## Taxable Assessments of Land & Improvements

	2017	2018	2019	2020	2021
Residential	499,997,600	582,562,450	650,543,800	685,075,675	725,031,800
Utilities	1,094,600	1,265,900	1,331,500	1,775,600	1,940,400
Supportive Housing	-	-	-	-	-
Major Industry	-	-	-	-	-
Light Industry	103,500	123,900	123,500	-	-
Business & Other	147,205,800	170,878,800	177,275,450	201,223,300	212,118,800
Managed Forest	-	-	-	-	-
Recreation	198,600	232,300	240,200	654,200	900,400
Farm	6,967	6,967	6,967	6,967	6,967
	<u>648,607,067</u>	<u>755,070,317</u>	<u>829,521,417</u>	<u>888,735,742</u>	<u>939,998,367</u>

## Tax Rates

	2017	2018	2019	2020	2021
<b>General (per \$1,000)(Includes Library)</b>					
Residential	3.6688	3.2545	2.9913	2.8943	2.8404
Utilities	32.2159	32.1014	31.185	31.431	30.9079
Light Industry	9.509	8.4483	8.4140	7.3960	7.2583
Business	9.2612	8.2143	8.1961	7.396	7.2583
Recreation	3.6688	3.2545	2.9913	2.8943	2.8404
Farm	3.6688	3.2545	2.9913	2.8943	2.8404
<b>Police Municipal (per \$1,000)</b>					
Residential	0.8865	0.8008	0.7325	0.7086	0.6869
Utilities	7.7839	7.8986	7.6360	7.6954	7.4750
Light Industry	2.2976	2.0787	2.0602	1.8108	1.7554
Business	2.2377	2.0212	2.0069	1.8108	1.7554
Recreation	0.8865	0.8008	0.7325	0.7086	0.687
Farm	0.8865	0.8008	0.7325	0.7086	0.6869

## Tax Revenue by Property Class (these taxes will be used for municipal purposes)

includes Library

	2017	2018	2019	2020	2021
Residential	2,277,640	2,362,466	2,422,495	2,468,259	2,557,405
Utilities	43,784	50,636	51,690	69,473	74,478
Light Industry	1,222	1,304	1,294	-	-
Business	1,692,705	1,749,030	1,808,741	1,852,623	1,911,975
Adjustment-Business			(2,273)	-	-
Recreation	905	942	894	2,357	3,176
Farm	32	28	26	25	25
	<u>4,016,288</u>	<u>4,164,406</u>	<u>4,282,867</u>	<u>4,392,737</u>	<u>4,547,059</u>
Property Taxes Gen	3,799,114	3,936,682	4,043,347	4,149,952	4,295,523
Add Library	217,174	227,724	239,520	242,785	251,536
	<u>4,016,288</u>	<u>4,164,406</u>	<u>4,282,867</u>	<u>4,392,737</u>	<u>4,547,059</u>

## Taxes Collected for Other Agencies (these taxes are distributed to other entities)

	2017	2018	2019	2020	2021
School	1,788,360	1,861,216	1,814,953	1,467,520	2,067,377
Provincial Policing	280,335	306,319	311,842	347,415	354,774
Cowichan Valley Regional District	1,459,130	1,529,620	1,557,064	1,648,534	1,661,463
Cowichan Regional Hospital District	486,344	532,703	560,476	622,363	612,569
BC Assessment Authority	45,479	48,057	46,884	53,905	56,918
Downtown Duncan Business Improvement Area	195,000	205,000	210,000	215,000	220,000
Vancouver Island Regional Library	217,172	227,724	239,520	242,785	251,536
Municipal Finance Authority	179	207	222	242	255
	<u>4,471,999</u>	<u>4,710,846</u>	<u>4,740,961</u>	<u>4,597,764</u>	<u>5,224,892</u>

## Debt & Debt Per Capita

	2017	2018	2019	2020	2021
General Purposes	969,675	878,048	782,756	683,651	-
Sewer	61,644	31,504	-	-	-
	<u>1,031,319</u>	<u>909,552</u>	<u>782,756</u>	<u>683,651</u>	<u>-</u>
Population*	5,234	5,241	5,342	5,124	5,121
Debt Per Capita	197.04	173.55	146.53	133.42	-

\* Source: 2011 - 2020 BC Stats, 2020 Statistics Canada

## General Comparative Statistics

	2017	2018	2019	2020	2021
Annual Surplus	1,506,388	2,025,679	1,938,979	3,931,180	2,901,075
Accumulated Surplus	39,673,850	41,699,529	43,638,508	47,569,688	50,470,763
Net Financial Assets	9,617,848	9,825,623	10,942,117	14,633,789	17,318,778

# Statement of 2021 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	2,508
Lot A, Plan 44627	198 Government St	Valley Seniors Organization	10,510
Leased area of Lot 1, Plan 23647	820 Wharncliffe Rd	Cowichan Pre-School	90
Lot PT4, Block 8, Plan 12568	760 Government St	Cowichan Lawn Bowling	210
Leased area of Lot 1, Plan 29453	280 First St	Cowichan Lawn Bowling	765
Lots 5-8 & 11, Block 1, Plan 1935	520-540 Cairnsmore St	SD # 79 Growing Together	559
Lots 24 & 25, Plan 1182	321/331 Cairnsmore St	Girl Guide Association	1,281
Undisclosed	Undisclosed	CW Against Violence Society	2,265
50% of the commercial portion of Lot A, Plan 2070	246 Evans St.	CW Against Violence Society	3,101
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)	4,145
1.223 Km Mainline	No address	Island Corridor Foundation (ICF)	702
Lot 3, Section 16, Range 7, Plan VIP6913	552 Trunk Road	Cowichan Valley Youth Services	4,971
Lot 9, Block 6, Section 18, Range 6, Plan VIP798	625 Jubilee	Habitat for Humanity	1,831
52% of Lot 1, Block B, Section 17, Range 7, Plan 1583	490 TCH	Duncan/North Cowichan Highway Corridor Safety Office	3,004
67% of Lot 5C, Plan 2070, Bloc 4, Section 17, Range 6	149 Canada Ave	Clements Centre Society	3,624
38% of Lot A, Plan 798, Block 3, Section 18, Range 6	501 Canada Ave	Cowichan Independent Living	3,531
Lot 1, Plan 55973, Section 17, Range 6	89 Evans St.	City of Duncan parking lot	6,642
<b>224(2)(h) Seniors Homes, Hospitals</b>			
Lot 15, Plan 1175/Lot A Plan 25100	770 Trunk Rd	Duncan Kiwanis Village Society	1,907
<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	1,695
Station Grounds & Buildings	110 Canada Ave Train Station	ICF - Leased to City - Sublet to Cowichan Historical Society	1,885
<b>224(2)(f) Buildings for Public Worship</b>			
Lot B, Plan VIP60906	930 Trunk Rd	First Christian Reformed Church	1,501
Lot 8,9,10, Block 12 Plan 2070	281 Jubilee St	Duncan United Church	1,817
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	1,248
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	1,059
Lot 13, Block 4, Plan 1063	483 Ypres St	Bethel Baptist Church	568
Lot 2, Plan 43297	321 Brae Rd	Christian Brethern	1,291
Lot 7, Block 2, Plan 5868	931 Trunk Rd	Pentecostal Assembly	1,011
Only the portion of Lot 1, Plan VIP 76282 that was Lot 1 Plan 30307	531 Herbert St	St. Andrews Presbyterian	174
Lot A, Plan 12199	1071-1077 Canada Ave	C.V. Jehovah's Witnesses	1,501
			<b>\$ 67,216</b>

# Schedule of Suppliers Paid Over \$25,000

Statement Of Financial Information 2021 As Per *The Financial Information Act*

AON REED STENHOUSE INC	40,545	AON REED STENHOUSE INC	40,545
BC HYDRO & POWER AUTHORITY	364,489	BC HYDRO & POWER AUTHORITY	364,489
BLACKBIRD SECURITY INC	132,225	BLACKBIRD SECURITY INC	132,225
BROTHERS JANITORIAL SERVICES	38,936	BROTHERS JANITORIAL SERVICES	38,936
BUTLER CONCRETE AND AGGREGATE	29,628	BUTLER CONCRETE AND AGGREGATE	29,628
CANADIAN MENTAL HEALTH ASSOCIATION CVB	46,733	CANADIAN MENTAL HEALTH ASSOCIATION CVB	46,733
CENTRALSQUARE CANADA SOFTWARE INC.	26,164	CENTRALSQUARE CANADA SOFTWARE INC.	26,164
COPCAN CIVIL LP	268,026	COPCAN CIVIL LP	268,026
COWICHAN ENGINEERING SERVICES LTD.	36,866	COWICHAN ENGINEERING SERVICES LTD.	36,866
CUPE LOCAL 358	40,905	CUPE LOCAL 358	40,905
DUNCAN PAVING COMPANY	148,784	DUNCAN PAVING COMPANY	148,784
FINELINE ROAD MARKING LTD	29,347	FINELINE ROAD MARKING LTD	29,347
ICONIX WATERWORKS LP	102,037	ICONIX WATERWORKS LP	102,037
ISLAND CHEVROLET BUICK GMC	33,452	ISLAND CHEVROLET BUICK GMC	33,452
METRO TESTING + ENGINEERING	25,620	METRO TESTING + ENGINEERING	25,620
MINISTER OF FINANCE	1,216,204	MINISTER OF FINANCE	1,216,204
MUNICIPAL INSURANCE ASSOC OF B. C.	41,006	MUNICIPAL INSURANCE ASSOC OF B. C.	41,006
MUNICIPAL PENSION PLAN	420,857	MUNICIPAL PENSION PLAN	420,857
NORTH COWICHAN DISTRICT MUNICIPALITY OF	670,443	NORTH COWICHAN DISTRICT MUNICIPALITY OF	670,443
NRGWISE CONSULTING	45,687	NRGWISE CONSULTING	45,687
PACIFIC BLUE CROSS	186,702	PACIFIC BLUE CROSS	186,702
PLANTE CUSTOM HOMES	68,849	PLANTE CUSTOM HOMES	68,849
RAYLEC POWER LP	31,773	RAYLEC POWER LP	31,773
RBS MANAGED IT SERVICES INC	121,527	RBS MANAGED IT SERVICES INC	121,527
RECEIVER GENERAL FOR CANADA	866,612	RECEIVER GENERAL FOR CANADA	866,612
SHUR-POWER ELECTRIC LTD.	48,416	SHUR-POWER ELECTRIC LTD.	48,416
STONE PACIFIC CONTRACTING LTD	115,914	STONE PACIFIC CONTRACTING LTD	115,914
SUNCOR ENERGY PRODUCTS PA	68,139	SUNCOR ENERGY PRODUCTS PA	68,139
THURBER ENGINEERING LTD	30,338	THURBER ENGINEERING LTD	30,338
URBAN SYSTEMS LTD	240,810	URBAN SYSTEMS LTD	240,810
VALLEY TRAFFIC SYSTEMS INC.	35,101	VALLEY TRAFFIC SYSTEMS INC.	35,101
VANCOUVER ISLAND REGIONAL LIBRARY	251,536	VANCOUVER ISLAND REGIONAL LIBRARY	251,536
VISA - MISCELLANEOUS	44,348	VISA - MISCELLANEOUS	44,348
WASTE CONNECTIONS OF CANADA INC	34,262	WASTE CONNECTIONS OF CANADA INC	34,262
WEDLER ENGINEERING	26,882	WEDLER ENGINEERING	26,882

# Schedule of Remuneration & Expenses for Elected Officials & Employees

Statement Of Financial Information 2021 As Per *The Financial Information Act*

## 1 Elected Officials - \*See Notes on page 124

<u>Name</u>	<u>Position</u>	<u>Benefits</u>	<u>Remuneration</u>	<u>Expenses</u>
Michelle Staples	Councillor/Mayor	\$ 3,732.54	\$ 32,951.76	\$ 2,847.75
Tom Duncan	Councillor	\$ 1,518.21	\$ 17,764.88	\$ -
Bob Brooke	Councillor	\$ 3,732.54	\$ 17,764.88	\$ 574.00
Jennifer Capps	Councillor	\$ 1,518.21	\$ 17,764.88	\$ -
Garry Bruce	Councillor	\$ 2,581.68	\$ 17,032.62	\$ 475.00
Stacy Middlemiss	Councillor	\$ 3,732.54	\$ 16,864.32	\$ 475.00
Carol Newington	Councillor	\$ 1,518.21	\$ 16,864.32	\$ 475.00
<b>Total - Elected Officials</b>		<b>\$ 18,333.93</b>	<b>\$ 137,007.66</b>	<b>\$ 4,846.75</b>

## 2 Employees - \*See Notes on page 124

<u>Name</u>	<u>Remuneration</u>	<u>Expenses</u>
Peter de Verteuil	\$ 140,875.13	\$ 3,107.09
Monkia Schittek	122,055.06	8,082.95
Bernice Crossman	113,282.46	2,722.00
Brian Murphy	99,237.36	1,735.00
John Pite	98,697.16	771.50
Claudia McMahon	91,727.82	3,393.87
Micheal McKinlay	88,101.42	1,515.24
Patrick Williams	85,816.54	1,846.46
Rachel Hastings	85,338.43	641.53
Leanne Closson	84,416.15	1,437.69
Michelle Pressman	82,818.18	568.77
Chris Desautels	81,442.80	153.00
Steven DeVries	80,517.30	427.50
Jamie Rand	77,552.02	393.00
Allison Boyd	75,712.57	3,001.73
Tomas Phillips	75,364.39	778.46
Subtotal	1,482,954.79	30,575.79
Consolidated total of employees with remuneration of \$75,000 or less	1,648,778.10	31,474.17
<b>Total - Employees</b>	<b>\$ 3,131,732.89</b>	<b>\$ 62,049.96</b>

# Schedule of Remuneration & Expenses for Elected Officials & Employees *(continued)*

Statement Of Financial Information 2021 As Per *The Financial Information Act*

## 3 Reconciliation

Total remuneration and benefits - elected officials	\$ 137,007.66
Total remuneration - employees	<u>3,131,732.89</u>
Subtotal	3,268,740.55
Total Wages & Benefits per Note 16 of the Consolidated Financial Statements	<u>4,012,985.00</u>
	<u><u>\$ 744,244.45</u></u>

### Notes:

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.

The remuneration reported in Section 2 includes wages and taxable benefits at the employee's base rate. In addition, remuneration can also include overtime (for unionized employees), retirement allowances, banked time payouts and remuneration paid for the municipal elections. Other factors such as start dates of new employees and maternity leaves can also affect the remuneration levels of an employee from year to year.

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 employee.

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