

THE CORPORATION OF THE CITY OF DUNCAN

December 31, 2023

Consolidated Financial Statements

(Audited)

STATEMENT OF RESPONSIBILITY

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

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

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

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



Peter de Verteuil, CPA, CGA
Chief Administrative Officer

Duncan, British Columbia
May 6, 2024

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, 2023, and the consolidated statements of operations, changes in net financial assets and cash flows and schedules 1, 2, 3a, 3b, 5, 6, 7 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, 2023, 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 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, 8, 9, 10, 11, 12, and 13 because our examination did not extend to the detailed information therein.

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.

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.

Duncan, British Columbia
May 6, 2024

MNP LLP

Chartered Professional Accountants

MNP
LLP

THE CORPORATION OF THE CITY OF DUNCAN

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**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023**

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 1,808,363	\$ 3,781,597
Accounts receivable (Note 4)	1,612,633	1,542,803
Short-term investments (Note 3)	30,513,522	22,354,126
Loan receivable (Note 5)	33,183	49,179
	<u>33,967,701</u>	<u>27,727,705</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	2,281,759	2,491,728
Sick and severance liabilities (Note 11(b))	492,015	565,435
Refundable deposits (Note 7)	1,359,644	1,346,038
Deferred revenue (Notes 3 & 8)	4,306,706	2,882,513
Restricted revenue (Notes 3 & 9)	3,169,314	2,523,990
Asset retirement obligations (Note 15)	17,166,792	-
	<u>28,776,230</u>	<u>9,809,703</u>
NET FINANCIAL ASSETS	<u>5,191,471</u>	<u>17,918,002</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	53,563,960	36,007,524
Inventories of supplies	189,594	200,849
Prepaid expenses	13,173	24,789
	<u>53,766,727</u>	<u>36,233,162</u>
ACCUMULATED SURPLUS (Schedule 2)	<u>\$ 58,958,198</u>	<u>\$ 54,151,164</u>
COMMITMENTS AND CONTINGENCIES (Note 10)		

Blossman

Director of Finance

See accompanying notes to the consolidated financial statements

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2023**

	2023 Budget (Note 12)	2023 Actual	2022 Actual
REVENUE (Schedule 3)			
Taxation and grants in lieu of taxes	\$ 5,633,276	\$ 5,635,497	\$ 5,058,180
Sale of services	5,156,533	5,743,201	4,975,734
Licenses, permits, penalties and fines	1,178,293	833,568	1,025,698
Return on investments	116,000	1,158,878	419,343
Grants	3,899,026	2,161,104	29,087
Government transfers	560,000	623,082	776,866
Funds contributed from other governments	32,950	28,353	29,932
Development Cost Charge funds utilized	508,549	27,603	-
Gas Tax funds utilized	1,526,046	245,953	229,581
Developer contributions	-	351,374	483,067
Gain (loss) on disposal of tangible capital assets	-	(107,810)	302,146
Tangible capital assets contributed by developers	-	409,778	1,143,915
Total revenue	<u>18,610,673</u>	<u>17,110,581</u>	<u>14,473,549</u>
EXPENSES (Schedule 5)			
General government services	1,866,100	1,677,782	1,591,083
Protective services	3,130,947	2,298,493	2,274,268
Public works & engineering	2,205,556	2,161,256	2,221,621
Environmental health services	458,484	332,898	320,399
Environmental development services	383,100	323,783	306,617
Recreation and cultural services	1,089,733	1,244,225	1,202,780
Water services	2,135,226	2,087,797	2,059,413
Sewer services	979,144	2,177,313	816,967
Total expenses (Note 14)	<u>12,248,290</u>	<u>12,303,547</u>	<u>10,793,148</u>
ANNUAL SURPLUS	<u>6,362,383</u>	<u>4,807,034</u>	<u>3,680,401</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>54,151,164</u>	<u>54,151,164</u>	<u>50,470,763</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 60,513,547</u>	<u>\$ 58,958,198</u>	<u>\$ 54,151,164</u>

See accompanying notes to the consolidated financial statements

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2023

	2023 Budget (Note 12)	2023 Actual	2022 Actual
ANNUAL SURPLUS	\$ 6,362,383	\$ 4,807,034	\$ 3,680,401
Purchase of tangible capital assets	(17,381,859)	(2,868,850)	(3,349,691)
Tangible capital assets acquired in kind	-	(409,778)	(1,143,915)
Amortization of tangible capital assets	2,031,528	2,175,959	1,684,713
Increase in tangible capital assets due to asset retirement obligations	-	(17,166,792)	-
Increase (decrease) in proportionate share of Joint Utilities Board tangible capital assets	-	558,931	(276,214)
Gain (loss) on disposal of tangible capital assets	-	107,810	(302,146)
Proceeds of sale of tangible capital assets	-	46,284	314,500
Decrease (increase) in inventory of supplies	-	11,255	(46,206)
Decrease in prepaid expenses	-	11,616	37,782
	<u>(15,350,331)</u>	<u>(17,533,565)</u>	<u>(3,081,177)</u>
CHANGE IN NET FINANCIAL ASSETS	(8,987,948)	(12,726,531)	599,224
NET FINANCIAL ASSETS, Beginning of Year	<u>17,918,002</u>	<u>17,918,002</u>	<u>17,318,778</u>
NET FINANCIAL ASSETS, End of Year	<u><u>\$ 8,930,054</u></u>	<u><u>\$ 5,191,471</u></u>	<u><u>\$ 17,918,002</u></u>

See accompanying notes to the consolidated financial statements

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 4,807,034	\$ 3,680,401
Non-cash items included in annual surplus:		
Amortization	2,175,959	1,684,713
Tangible capital assets contributed by developers	(409,778)	(1,143,915)
Increase (decrease) in proportionate share of Joint Utilities Board tangible capital assets	558,931	(276,214)
Loss (Gain) on disposal/write down of tangible capital assets	107,810	(302,146)
	<u>7,239,956</u>	<u>3,642,839</u>
Changes in non-cash items:		
Accounts receivable	(69,830)	157,238
Loan receivable	15,996	15,612
Inventory of supplies	11,255	(46,206)
Prepaid expenses	11,616	37,782
Accounts payable and accrued liabilities	(209,969)	1,053,357
Sick and severance liability	(73,420)	5,540
Refundable deposits	13,606	(27,514)
Deferred revenue	1,424,193	(14,862)
Restricted revenue	645,324	65,352
	<u>9,008,727</u>	<u>4,889,138</u>
CAPITAL TRANSACTIONS		
Proceeds on disposal of tangible capital assets	46,284	314,500
Purchases of tangible capital assets	(2,868,850)	(3,349,691)
	<u>(2,822,566)</u>	<u>(3,035,191)</u>
INVESTING TRANSACTIONS		
Net increase in short-term investments	(8,159,396)	(383,726)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,973,235)	1,470,221
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,781,597	2,311,376
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,808,362	\$ 3,781,597

See accompanying notes to the consolidated financial statements

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

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 2023 (2022 - 31.13%).

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.

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023**

2. Significant Accounting Policies (continued)

d) 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.

e) Inventory

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

f) 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.

g) 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. 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 disclosed below.

Donated assets are recorded at their estimated fair value upon acquisition. Assets contributed to the City in 2023 were comprised of water, sewer, storm and road infrastructure and totaled \$409,778 (2022 - \$1,143,915) and were capitalized at their fair value at the time of receipt.

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023**

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.

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.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

2. Significant Accounting Policies (continued)

h) 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.

i) Financial Instruments

The City recognizes its financial instruments when the City becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the City may irrevocably elect to subsequently measure any financial instrument at fair value. The City has not made such an election during the year.

The City subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The City has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023**

2. Significant Accounting Policies (continued)

j) Use of Estimates

Preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management estimates relate to the useful lives of tangible capital assets, valuation of contributed tangible capital assets, valuation of asset retirement obligations, 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. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for. These estimates and assumptions are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known.

k) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when: contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2023.

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

l) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the City to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the City reviews the carrying amount of the liability. The City recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023**

2. Significant Accounting Policies (continued)

m) Change in Accounting Policies

Asset retirement obligations

Effective January 1, 2023, the City adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 2(l).

Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated. As such, the City recognized asset retirement obligations for those arising on or after January 1, 2023, as well as for those arising prior to January 1, 2023 but for which an obligation was not previously recognized.

The cumulative effect in the current year of adopting this new standard is to increase liabilities by \$17,166,792 and increase tangible capital assets by \$17,166,792.

Financial Instruments

Effective January 1, 2023, the City adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023**

3. Cash, Cash Equivalents and Short-Term Investments

Cash and cash equivalents are comprised of the following:

	<u>2023</u>	<u>2022</u>
Bank Deposits	\$ 1,804,810	\$ 3,778,215
Municipal Finance Authority - Money Market Fund	3,553	3,382
	<u>\$ 1,808,363</u>	<u>\$ 3,781,597</u>

Short-term 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 short-term investments are recorded at amortized cost. The Guaranteed Investment Certificates and term deposits mature at various dates between January 13, 2024 and July 22, 2024. Interest rates vary from 1.3% to 4.95% (2021 – 0.85% to 1.46%).

Included in short-term investments are funds held for deferred and restricted revenues totalling \$7,476,021 (2022 - \$5,406,503) and funds held for statutory reserve funds and reserve accounts totaling \$12,275,887 (2022 -\$9,115,558). Details of the reserve balance can be found on Schedule 8.

4. Accounts Receivable

	<u>2023</u>	<u>2022</u>
Property taxes	\$ 157,375	\$ 224,022
Water and sewer fees	1,132,987	1,073,674
Provincial government	137	4,042
Federal government	139,079	71,255
Other municipalities and regional governments	65,954	61,103
Other receivables	117,746	109,352
	<u>1,613,278</u>	<u>1,543,448</u>
Less: allowance for doubtful receivables	(645)	(645)
	<u>\$ 1,612,633</u>	<u>\$ 1,542,803</u>

5. 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>2023</u>	<u>2022</u>
Other municipalities and regional governments	\$ 33,183	\$ 49,179

6. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
Trade accounts and accrued liabilities	\$ 866,066	\$ 395,643
Contractor holdbacks	3,000	-
Salaries and wages	216,827	183,898
Other municipalities and regional governments	1,195,866	1,912,187
	<u>\$ 2,281,759</u>	<u>\$ 2,491,728</u>

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023**

7. Refundable Deposits

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,346,038	\$ 1,373,552
Deposits received	2,707,064	408,734
Deposits and interest refunded/recognized as revenue	(2,725,565)	(454,072)
Increase in interest payable	32,107	17,824
	<u>\$ 1,359,644</u>	<u>\$ 1,346,038</u>

8. Deferred Revenue

	<u>2022</u>	Receipts & Interest	Recognized as Revenue	<u>2023</u>
Federal Gas Tax agreement funds	\$ 1,292,114	349,028	(245,953)	\$ 1,395,189
Prepaid property taxes	726,657	768,860	(726,656)	768,861
Grants	-	1,272,500	-	1,272,500
Other revenue prepaid	863,742	404,730	(398,316)	870,156
	<u>\$ 2,882,513</u>	<u>\$ 2,795,118</u>	<u>\$ (1,370,925)</u>	<u>\$ 4,306,706</u>

Federal Gas Tax Agreement Funds

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

Federal Gas Tax Continuity:

	<u>2023</u>	<u>2022</u>
Opening balance of unspent funds	\$ 1,292,114	\$ 1,218,768
Less: Gas Tax Funds utilized	(245,953)	(229,581)
Add: amount received during the year	287,796	275,475
Add: interest earned during the year	61,232	27,452
	<u>\$ 1,395,189</u>	<u>\$ 1,292,114</u>

9. 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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 2,523,990	\$ 2,458,638
Contributions from developers	539,073	12,841
Used during the year	(27,603)	
Return on investments	133,854	52,511
	<u>\$ 3,169,314</u>	<u>\$ 2,523,990</u>

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

10. 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.

As a result of a successful referendum held on October 15, 2022, the Cowichan Aquatic Center will transition to a regional recreation funding model through the Cowichan Valley Regional District (CVRD) over a phase in period of 2023-2025. After 2025 the City of Duncan will only be contributing towards the ongoing operations of the Centre through the CVRD.

b) Contingent Liabilities

As at December 31, 2023 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.

11. 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, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

The City paid \$255,934 (2022 - \$239,211) for employer contributions to the plan in fiscal 2023 while employees contributed \$236,691 (2022 - \$221,275) to the plan in fiscal 2023.

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.

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023**

b) Sick Leave and Severance Liability

The City provides compensated absences and pays out sick time on retirement or resignation 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% (2022 - 2.0%)
- discount rate is 3% (2022 - 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, 2023 is \$492,015 (2022 - \$565,435).

12. Budget Figures

Budget figures represent the Financial Plan Bylaw No. 3232 adopted by Council on April 3, 2023. 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:	
Transfers to (from) reserves	29,977
Capital expenditures	17,381,859
Less:	
Budgeted transfers from accumulated surplus	
General	(860,066)
Sewer	(1,000,107)
Water	(3,490,462)
Capital	-
Budgeted transfers from own reserves	
General	
Sewer	-
Water	-
Capital	(3,667,290)
Amortization	(2,031,528)
Adjusted Annual Surplus	<u>\$ 6,362,383</u>

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

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

Public Works & Engineering

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

Environmental Health Services

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

Environmental Development Services

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

Recreation and Cultural Services

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

Water Services

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

Sewer Services

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

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

14. Operating Expenses By Object

	<u>2023</u>	<u>2022</u>
Amortization	\$ 2,175,959	\$ 1,684,713
Capital fund expenses	1,094,831	864,477
Contract services	2,199,240	2,316,526
Fuel	93,617	105,549
Goods and services	1,350,143	944,888
Grants in aid	103,846	99,143
Hydro	385,815	381,532
Insurance	176,275	125,632
Interest	39,499	6,971
Leases	4,100	22,737
Professional fees	152,701	118,781
Travel, conference and training	138,146	123,017
Wages and benefits	4,388,952	3,999,182
Write down of account receivable to net realizable value	423	-
Actuarial adjustment to debt	-	-
	<u>\$ 12,303,547</u>	<u>\$ 10,793,148</u>

15. Asset Retirement Obligations

The City owns several assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of Public Accounting Standard PS3280 *Asset Retirement Obligations* (ARO), the City recognized an obligation relating to the removal of the hazardous materials in these assets as estimated at January 1, 2023. The City estimated the amount of the liabilities using undiscounted future expenditures estimated to retire the tangible capital asset. The transition and recognition of ARO involved an accompanying increase to the Buildings capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets. The City has adopted this standard using the prospective method with no restatement to the prior year.

At January 1, 2023, the City recorded an asset retirement obligation and an increase to tangible capital assets of \$481,000.

Lease Obligation

The Joint Utility Board (JUB) has a lease obligation that requires the full remediation of the land it leases to operate and maintain joint sewer lagoons to be returned to its original state at the end of the lease. Following the adoption of PS 3280 - *Asset retirement obligations*, the Board recognized an obligation relating to full remediation of the leased lands as estimated at January 1, 2023. The lease term was for 49 years and expires on July 31, 2060. The transition and recognition of asset retirement obligations involved an accompanying increase to the sewer lagoon assets. The increase in these capital assets is amortized on a straight-line basis over the remaining term of the lease.

The Board has adopted this standard using the prospective method. Under the prospective method, the discount rate and assumptions used on initial recognition are those at the date of adoption of the standard. Estimated costs have been discounted using the present value calculation with a discount rate of 4.17%.

At January 1, 2023, the Board recorded an asset retirement obligation and an increase to tangible capital assets of \$51,449,802. The City's portion of this obligation is \$16,685,792.

	<u>2023</u>	<u>2022</u>
City asset retirement obligation	\$ 481,000	\$ -
City portion of JUB asset retirement obligation	16,685,792	-
Estimated total liability	<u>\$ 17,166,792</u>	<u>\$ -</u>

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2023

SCHEDULE 1
Audited

	General Capital Assets				Infrastructure				Totals			
	Land	Land Improvements and Parks	Buildings and Leasehold Improvements	Vehicles and Equipment	Storm Water Engineering Structures	Roads & Sidewalks	Water	Sewer	Assets Under Construction	2023	2022	
Cost												
Opening costs	\$ 2,350,141	\$ 4,295,427	\$ 7,620,072	\$ 9,163,151	\$ 4,261,576	\$ 16,145,101	\$ 19,256,191	\$ 4,072,575	\$ 222,757	\$ 67,386,991	\$ 63,947,975	
Additions during the year	414,251	19,260	15,174	153,539	135,379	444,105	1,450,858	270,341	375,721	3,278,628	4,493,606	
Additions due to ARO recognition			481,000							481,000	-	
Disposals and write-downs				(776,008)	(23,974)	(72,321)		(47,665)		(919,968)	(1,054,590)	
Capitalization of assets under construction						15,695	8,335	5,557	(29,587)	-	-	
Closing cost	2,764,392	4,314,687	8,116,246	8,540,682	4,372,981	16,532,580	20,715,384	4,300,808	568,891	70,226,651	67,386,991	
Accumulated Amortization												
Opening accumulated amortization	-	2,639,157	3,629,077	4,579,326	2,082,637	11,474,029	6,452,323	2,040,486	-	32,897,035	32,282,532	
Amortization:												
General government		743	48,311	105,641	49	715				155,459	131,550	
Protective services			29,257	202,257			773			232,287	233,491	
Public works and engineering		21,086	18,088	131,259	67,046	361,640	3,854	1,298		604,271	612,942	
Environmental health				737						737	737	
Recreation and culture		175,081	75,666	10,580		7,676				269,003	253,563	
Water		677	52,960	9,808			339,701			403,146	371,723	
Sewer			1,000				77	55,811		56,888	52,734	
Total amortization	-	197,587	225,282	460,282	67,095	370,031	344,405	57,109	-	1,721,791	1,656,740	
Disposals and write-downs		-	-	(678,921)	(5,138)	(71,842)	-	(9,973)		(765,874)	(1,042,236)	
Closing accumulated amortization	-	2,836,744	3,854,359	4,360,687	2,144,594	11,772,218	6,796,728	2,087,622	-	33,852,952	32,897,036	
Net Book Value of Tangible Capital Assets (Excluding Joint Utility Board)	\$ 2,764,392	\$ 1,477,943	\$ 4,261,887	\$ 4,179,995	\$ 2,228,387	\$ 4,760,362	\$ 13,918,656	\$ 2,213,186	\$ 568,891	\$ 36,373,699	\$ 34,489,956	
										Joint Utility Board Tangible Capital Assets (Schedule 6)	17,190,261	1,517,568
										Total Net Book Value of Tangible Capital Assets	53,563,960	36,007,524

Contributed Assets

Storm	\$ 18,740	\$ 50,364
Water	\$ 344,584	\$ 1,019,465
Sewer	\$ 16,647	\$ 64,414
Roads & Sidewalks	\$ 29,807	\$ 9,672
	\$ 409,778	\$ 1,143,915

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
Year Ended December 31, 2023**

**SCHEDULE 2
Audited**

	2023	2022
OPERATING FUNDS		
Unappropriated		
General	\$ 1,985,025	\$ 1,697,929
Waterworks utility	4,419,965	3,899,788
Sewer utility	3,115,016	2,738,384
Total Unappropriated	9,520,006	8,336,101
Appropriated		
Sewer utility: Joint Utilities Board Reserve	765,137	691,980
Total Appropriated	765,137	691,980
Total Operating Funds	10,285,143	9,028,081
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net book value tangible capital assets (Schedule 1)	53,563,960	36,007,524
Asset retirement obligations	(17,166,792)	-
Total Net Investment in Tangible Capital Assets	36,397,168	36,007,524
RESERVE FUNDS		
Sale of real property	426,460	430,365
Underground utilities	339,036	134,403
Parking improvement	-	214,312
Parking improvement - Restricted	-	148,640
Municipal Finance Authority debt issue refunds	29,461	28,157
Operating reserves	1,593,633	822,794
Machinery and equipment	2,775,939	2,195,735
Capital works and other miscellaneous reserves	1,056,841	1,144,405
General capital	8,272	7,907
Police bridging capital	2,635,633	3,046,612
Downtown revitalization	42,449	40,569
Melba Schappert bequest	20,307	20,555
Works and Services	119,501	72,544
Public art	13,443	10,955
Growing Communities Fund	2,215,255	-
Waterworks utility	1,838,641	1,703,196
Sewer utility	833,434	791,354
Firetruck borrowing	(1,672,417)	(1,696,944)
Total Reserve Funds	12,275,888	9,115,559
Total Accumulated Surplus	\$ 58,958,198	\$ 54,151,164

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 3
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Taxation and Grants in Lieu of Taxes			
Taxation (Schedule 3a)	\$ 6,154,093	\$ 6,153,615	\$ 5,525,360
Grants in Lieu of Taxation:			
Federal government	13,200	15,899	13,028
Collection for Other Governments			
School authorities levy	2,135,995	2,259,310	2,135,996
Cowichan Valley Regional District levy	1,633,557	1,742,593	1,633,557
Regional Hospital District levy	590,168	597,266	590,168
	<u>4,359,720</u>	<u>4,599,169</u>	<u>4,359,721</u>
Joint boards and commissions:			
Municipal Finance Authority levy	315	350	315
British Columbia Assessment Authority levy	60,913	63,963	60,913
	<u>61,228</u>	<u>64,313</u>	<u>61,228</u>
Less: Transfers to other governments and others	(4,420,948)	(4,663,482)	(4,420,949)
Less: Transfers to Business Improvement Area	(267,750)	(267,750)	(225,000)
Less: Transfers to Vancouver Island Regional Library	(266,267)	(266,267)	(255,208)
Total Taxation and Grants in Lieu of Taxes	<u>5,633,276</u>	<u>5,635,497</u>	<u>5,058,180</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 3
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Sale of Services			
General Revenue Fund			
Garbage and recycling fees	285,882	281,349	242,896
Cowichan Tribes fire protection	133,640	107,266	109,779
CVRD - Eagle Heights fire protection	325,580	323,783	271,039
Other - fire protection	500	7,951	25,300
Administration recoveries	21,450	64,189	33,351
Public Works miscellaneous recoveries	8,000	9,175	2,813
Cowichan Tribes roads contribution	400	368	366
Sports field user fees	9,000	11,562	10,001
	<u>784,452</u>	<u>805,643</u>	<u>695,545</u>
Waterworks Utility Revenue Fund			
Sale of water	2,809,416	3,215,463	2,720,170
Service charges	14,810	19,577	24,846
Water studies	4,000	4,659	3,815
	<u>2,828,226</u>	<u>3,239,699</u>	<u>2,748,831</u>
Sewer Utility Revenue Fund			
Sewer fees	1,543,555	1,648,886	1,475,890
Service charges	300	224	970
	<u>1,543,855</u>	<u>1,649,110</u>	<u>1,476,860</u>
Capital Connection Fees			
General Capital	-	115	394
Water Capital	-	48,592	43,670
Sewer Capital	-	42	10,434
	<u>-</u>	<u>48,749</u>	<u>54,498</u>
Total Sale of Services	<u><u>5,156,533</u></u>	<u><u>5,743,201</u></u>	<u><u>4,975,734</u></u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 3
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Licences, Permits, Rentals and Penalties			
Trade licences	105,000	107,849	101,825
Building permits and other fees	99,400	203,390	100,415
Dog licences	12,000	10,945	9,632
	<u>216,400</u>	<u>322,184</u>	<u>211,872</u>
Equipment charges less operating costs	290,000	55,089	155,781
Parking and bylaw infraction fines	21,100	19,797	20,279
Parking permits and revenues	76,500	85,880	79,293
Rentals	212,679	214,269	207,957
Penalties and interest on taxes	45,000	62,245	36,841
	<u>645,279</u>	<u>437,280</u>	<u>500,151</u>
Donations and contributions	250,000	3,700	253,050
Other revenues and fees	66,614	70,404	60,625
	<u>316,614</u>	<u>74,104</u>	<u>313,675</u>
Total Licences, Permits, Rentals and Penalties	<u>1,178,293</u>	<u>833,568</u>	<u>1,025,698</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 3
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Other Income			
Return on Investments			
General Fund	40,000	370,925	121,197
Waterworks Fund	36,000	159,831	59,243
Sewer Fund	40,000	125,442	47,882
Reserve Fund	-	502,680	191,022
	<u>116,000</u>	<u>1,158,878</u>	<u>419,343</u>
Asset Disposal			
Gain(Loss) on Disposal of Tangible Capital Assets	-	(107,810)	302,146
Assets Contributed by Developers			
General Capital	-	409,778	1,143,915
Funds Contributed from Other Governments			
Joint Parks	14,950	16,419	29,932
Sharps Cleanup	18,000	11,934	-
	<u>32,950</u>	<u>28,353</u>	<u>29,932</u>
Capital Contributions from Developers			
Infrastructure	-	351,374	483,067
Development Cost Charge Funds Utilized			
General Infrastructure	428,549	11,880	-
Sewer Infrastructure	-	-	-
Water Infrastructure	80,000	15,723	-
	<u>508,549</u>	<u>27,603</u>	<u>-</u>
Gas Tax Funds Utilized	<u>1,526,046</u>	<u>245,953</u>	<u>229,581</u>
Government Transfers (Schedule 3b)	<u>560,000</u>	<u>623,082</u>	<u>776,866</u>
Grants	<u>3,899,026</u>	<u>2,161,104</u>	<u>29,087</u>
Total Other Income	<u>6,642,571</u>	<u>4,898,315</u>	<u>3,413,937</u>
Total Revenue	<u>\$ 18,610,673</u>	<u>\$ 17,110,581</u>	<u>\$ 14,473,549</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF TAXATION
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 3a
Audited

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
Taxation			
Property taxes - general	\$ 5,467,434	\$ 5,467,475	\$ 4,897,489
Special assessments			
Business Improvement Area	267,750	267,750	225,000
Vancouver Island Regional Library	266,267	266,267	255,208
Utilities	107,642	106,943	102,583
Frontage and parcel taxes	45,000	45,180	45,080
	<u>686,659</u>	<u>686,140</u>	<u>627,871</u>
Taxation	<u>\$ 6,154,093</u>	<u>\$ 6,153,615</u>	<u>\$ 5,525,360</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 3b
Audited

	2023 Budget	2023 Actual	2022 Actual
Government Transfers			
Unconditional Transfers from Other Governments			
Traffic fine revenue sharing	14,000	13,000	13,784
Provincial revenue sharing	546,000	535,000	688,000
	<u>560,000</u>	<u>548,000</u>	<u>701,784</u>
Conditional Transfers from Other Governments			
Provincial government	-	75,082	75,082
	<u>-</u>	<u>75,082</u>	<u>75,082</u>
Total Government Transfers	<u>\$ 560,000</u>	<u>\$ 623,082</u>	<u>\$ 776,866</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 4
Unaudited

	2023 Budget	2023 Actual	2022 Actual
General Government Services			
Legislative	\$ 233,563	\$ 228,104	\$ 199,695
General administration:			
Salaries and benefits	1,023,600	998,886	943,786
Advertising	5,200	9,551	9,734
Accounting and audit	24,255	27,924	25,000
City Hall maintenance and operation	76,920	75,100	66,159
Communications and consulting	403,425	127,613	79,723
Computer services	109,517	119,811	107,040
Insurance	57,777	71,402	48,094
Legal	30,000	34,812	27,228
Office supplies and miscellaneous	31,025	37,063	30,969
Sick leave and severance expense	64,990	74,046	63,524
Inflation adjustment pay	-	37,903	-
Telephone, internet and postage	14,150	16,141	14,671
Travel, conference, training	45,040	47,771	44,306
Internal recoveries	(599,858)	(599,858)	(582,192)
	<u>1,286,041</u>	<u>1,078,165</u>	<u>878,042</u>
Other:			
Grants to organizations	97,552	42,600	35,735
Margaret Moss building	7,000	590	16,963
Operation and maintenance	3,560	5,180	3,830
Elections	-	-	11,532
Sundry	7,575	6,626	5,670
Tourism	67,000	61,601	43,447
Write down of account receivable to net realizable value	-	423	-
	<u>182,687</u>	<u>117,020</u>	<u>117,177</u>
Total General Government Services	<u>1,702,291</u>	<u>1,423,289</u>	<u>1,194,914</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 4
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Protective Services			
Police Protection	1,851,313	1,111,086	1,256,754
Fire:			
Officers' honorarium	29,100	23,237	27,545
Call pay	159,500	166,068	150,045
Wages and benefits - Chief & clerical staff	125,400	121,426	16,634
Training	53,500	18,901	38,451
Insurance	6,000	5,853	9,727
Telephone and radio alarm system	7,600	5,356	5,562
Fire hall maintenance and operation	49,295	53,285	54,612
Vehicle maintenance and operation	35,338	60,197	40,306
Fire inspections and prevention	40,653	39,752	16,455
Grant funded equipment & training	30,000	-	-
Hydrant rental	22,000	21,998	20,851
Other	106,423	121,442	91,472
	<u>664,809</u>	<u>637,515</u>	<u>471,660</u>
Other protection:			
Animal control	30,629	30,970	30,964
Building inspection:			
Salaries and benefits	114,185	124,046	115,160
Other	(2,400)	(4,734)	(3,350)
Security patrols	186,100	106,756	141,549
	<u>328,514</u>	<u>257,038</u>	<u>284,323</u>
Total Protective Services	<u>2,844,636</u>	<u>2,005,639</u>	<u>2,012,737</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 4
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Public Works & Engineering			
Common services:			
Public works administration salaries and benefits	386,800	349,388	375,690
Other administration costs	89,425	75,156	68,388
Operation and maintenance of workshop and yard	65,568	92,559	82,281
Small tools and equipment	6,520	4,327	4,667
Engineering	362,540	344,798	316,800
Public works administration recoveries	(509,357)	(509,357)	(495,960)
	<u>401,496</u>	<u>356,871</u>	<u>351,866</u>
Street maintenance	78,700	81,265	64,858
Sidewalk maintenance	56,600	24,829	14,164
Drainage	74,066	49,754	46,612
Flood control and storm water quality testing	6,000	9,280	10,493
Street sweeping	64,500	75,897	45,132
Snow removal	63,450	93,307	174,591
Boulevard and median maintenance	79,045	74,201	75,942
Tree maintenance	37,250	28,312	31,734
Totem maintenance	20,833	7,943	12,685
Traffic lines and signs	94,630	68,764	128,965
Street lighting	110,970	108,488	106,073
Traffic light maintenance and control	62,985	64,756	47,639
Off street free parking lots	13,170	16,561	11,919
EV charging stations	15,020	14,791	15,305
	<u>777,219</u>	<u>718,148</u>	<u>786,112</u>
Parking:			
Parking control	62,800	62,074	55,669
Off street paid parking lots	9,990	14,374	14,088
	<u>72,790</u>	<u>76,448</u>	<u>69,757</u>
Other:			
Bylaw enforcement	202,451	199,678	216,354
	<u>202,451</u>	<u>199,678</u>	<u>216,354</u>
Total Public Works & Engineering	<u>1,453,956</u>	<u>1,351,145</u>	<u>1,424,089</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 4
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Environmental Health Services			
Solid waste collection and disposal	270,908	265,059	263,541
Public washrooms	46,450	50,955	46,193
Environmental programs	140,224	8,100	6,200
	<u>457,582</u>	<u>324,114</u>	<u>315,934</u>
Environmental Development Services			
Planning salaries and benefits	312,800	296,850	285,127
Materials and contracted services	70,300	26,933	21,490
	<u>383,100</u>	<u>323,783</u>	<u>306,617</u>
Recreation and Cultural Services			
Parks and playgrounds	501,625	603,464	562,374
Joint Parks contributions	6,850	7,302	6,831
Joint Cowichan Aquatic Centre contributions	252,336	237,745	350,342
Senior Citizens' Activity Centre	8,300	8,997	6,173
Museum	9,700	9,659	9,619
	<u>778,811</u>	<u>867,167</u>	<u>935,339</u>
Interest			
Interest in General Fund			
General government	2,500	28,330	6,972
	<u>2,500</u>	<u>28,330</u>	<u>6,972</u>
Interest in Sewer Fund	-	-	-
	<u>2,500</u>	<u>28,330</u>	<u>6,972</u>
Water and Sewer Services			
Waterworks	1,679,411	1,609,792	1,509,943
Sewer	914,475	914,487	864,633
	<u>2,593,886</u>	<u>2,524,279</u>	<u>2,374,576</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 4
Unaudited

	2023 Budget	2023 Actual	2022 Actual
Amortization			
General government services	161,309	155,459	131,550
Protective services	286,311	232,287	233,491
Transportation services	751,600	604,271	612,942
Environmental health services	902	737	737
Recreation and cultural services	310,922	269,003	253,563
Water services	455,815	403,146	371,723
Sewer services	64,669	56,888	52,734
	<u>2,031,528</u>	<u>1,721,791</u>	<u>1,656,740</u>
Other			
Capital expense	-	794,065	864,477
Actuarial debt adjustment	-	-	-
	<u>-</u>	<u>794,065</u>	<u>864,477</u>
Total Expenses	<u>\$ 12,248,290</u>	<u>\$ 11,363,602</u>	<u>\$ 11,092,395</u>

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2023

SCHEDULE 5
Audited

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services		Environmental Development Services		Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE																		
Taxation and grants in lieu of taxes	\$ 5,635,497	\$ 5,058,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,635,497	\$ 5,058,180
Sale of services	\$ 64,189	33,351	439,000	406,118	9,658	3,573	281,349	242,896	-	-	11,562	10,001	3,288,291	2,792,501	1,649,152	1,487,294	5,743,201	4,975,734
Licenses, permits, penalties and fines	\$ 672,802	770,345	-	-	160,766	255,353	-	-	-	-	-	-	-	-	-	-	833,568	1,025,698
Return on investments	\$ 873,605	312,219	-	-	-	-	-	-	-	-	-	-	159,831	59,243	125,442	47,882	1,158,878	419,344
Grants	\$ 2,161,104	6,737	-	-	-	22,350	-	-	-	-	-	-	-	-	-	-	2,161,104	29,087
Government transfers	\$ 623,082	776,866	-	-	-	-	-	-	-	-	-	-	-	-	-	-	623,082	776,866
Funds contributed from other governments	\$ 28,353	29,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,353	29,932
Development Cost Charge funds utilized	\$ 11,880	-	-	-	-	-	-	-	-	-	-	-	15,723	-	-	-	27,603	-
Gas Tax funds utilized	\$ -	-	245,953	229,581	-	-	-	-	-	-	-	-	-	-	-	-	245,953	229,581
Developer contributions	\$ -	-	-	-	-	-	-	-	-	-	-	-	351,374	483,067	-	-	351,374	483,067
Gain(Loss) on disposal of assets	\$ -	-	-	-	(107,810)	302,146	-	-	-	-	-	-	-	-	-	-	(107,810)	302,146
Assets contributed by developers	\$ -	-	-	-	409,778	1,143,915	-	-	-	-	-	-	-	-	-	-	409,778	1,143,915
Increase (decrease) in proportionate share of JUB assets	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 10,070,512	\$ 6,987,630	\$ 684,953	\$ 635,699	\$ 472,392	\$ 1,727,337	\$ 281,349	\$ 242,896	\$ -	\$ -	\$ 11,562	\$ 10,001	\$ 3,815,219	\$ 3,334,811	\$ 1,774,594	\$ 1,535,176	\$ 17,110,580	\$ 14,473,549
EXPENSES																		
Operating expenses																		
Payroll	\$ 1,300,372	\$ 1,258,321	\$ 564,507	\$ 421,397	\$ 1,326,627	\$ 1,250,088	\$ 85,728	\$ 35,421	\$ 296,850	\$ 285,127	\$ 340,333	\$ 373,478	\$ 326,054	\$ 330,001	\$ 111,442	\$ 98,368	\$ 4,351,913	\$ 4,052,201
Other	122,917	(63,407)	1,441,132	1,591,340	24,518	174,001	238,386	280,513	26,933	21,490	526,834	561,861	1,283,738	1,179,942	1,288,820	439,045	4,953,278	4,184,785
Total operating expenses	1,423,289	1,194,914	2,005,639	2,012,737	1,351,145	1,424,089	324,114	315,934	323,783	306,617	867,167	935,339	1,609,792	1,509,943	1,400,262	537,413	9,305,191	8,236,986
Capital fund expenses	70,704	257,647	60,567	28,040	205,840	184,590	8,047	3,728	-	-	108,055	13,878	74,858	177,747	265,994	198,847	794,065	864,477
Amortization	155,459	131,550	232,287	233,491	604,271	612,942	737	737	-	-	269,003	253,563	403,146	371,723	511,056	80,707	2,175,959	1,684,713
Interest	28,330	6,972	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,330	6,972
Actuarial adjustment to debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 1,677,782	\$ 1,591,083	\$ 2,298,493	\$ 2,274,268	\$ 2,161,256	\$ 2,221,621	\$ 332,898	\$ 320,399	\$ 323,783	\$ 306,617	\$ 1,244,225	\$ 1,202,780	\$ 2,087,796	\$ 2,059,413	\$ 2,177,312	\$ 816,967	\$ 12,303,547	\$ 10,793,148
Surplus (Deficit)	\$ 8,392,730	\$ 5,396,547	\$ (1,613,540)	\$ (1,638,569)	\$ (1,688,864)	\$ (494,284)	\$ (51,549)	\$ (77,503)	\$ (323,783)	\$ (306,617)	\$ (1,232,663)	\$ (1,192,779)	\$ 1,727,423	\$ 1,275,398	\$ (402,718)	\$ 718,209	\$ 4,807,032	\$ 3,680,401

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

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2023

SCHEDULE 6
Audited

	The Corporation of the City of Duncan		Joint Utilities Board (JUB) Proportionate Share		Total	
	2023	2022	2023	2022	2023	2022
STATEMENT OF FINANCIAL POSITION						
Portfolio investments (Note 3)	\$ 29,139,757	\$ 21,037,112	\$ 1,373,765	\$ 1,317,014	\$ 30,513,522	\$ 22,354,126
Asset Retirement Obligation (Note 15)	\$ 481,000	\$ -	\$ 16,685,792	\$ -	\$ 17,166,792	\$ -
Deferred revenue (Note 8)	\$ 3,698,078	\$ 2,257,479	\$ 608,628	\$ 625,034	\$ 4,306,706	\$ 2,882,513
Tangible capital assets (Schedule 1)	\$ 36,373,699	\$ 34,489,956	\$ 17,190,261	\$ 1,517,568	\$ 53,563,960	\$ 36,007,524
Prepaid expenses	\$ 13,173	\$ 24,789	\$ -	\$ -	\$ 13,173	\$ 24,789
Equity in tangible capital assets (Schedule 7)	\$ 36,373,699	\$ 34,489,957	\$ 17,190,261	\$ 1,517,568	\$ 53,563,960	\$ 36,007,524
Accumulated surplus (Schedule 9)	\$ 57,688,592	\$ 51,941,613	\$ 1,269,606	\$ 2,209,548	\$ 58,958,198	\$ 54,151,164
INVESTMENT IN TANGIBLE CAPITAL ASSETS						
Acquisition of tangible capital assets (Schedule 1)	\$ 3,278,628	\$ 4,493,606	\$ 16,126,861	\$ 276,208	\$ 19,405,489	\$ 4,769,814
STATEMENT OF OPERATIONS						
Increase (decrease) in share of JUB assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues (Schedule 3)	\$ 17,110,581	\$ 14,473,549	\$ -	\$ -	\$ 17,110,581	\$ 14,473,549
Sewer services expenses (Schedule 4)	\$ 914,487	\$ 864,633	\$ 485,775	\$ (327,220)	\$ 1,400,262	\$ 537,413
Sewer services amortization (Schedule 4)	\$ 56,888	\$ 52,734	\$ 454,168	\$ 27,973	\$ 511,056	\$ 80,707
Total expenses (Schedule 4)	\$ 11,363,602	\$ 11,092,395	\$ 939,943	\$ (299,247)	\$ 12,303,547	\$ 10,793,148

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 7
Audited

	<u>2023</u>	<u>2022</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net Investment in Tangible Capital Assets (beginning of year)	\$ 34,489,957	\$ 31,665,444
Add: Purchase of tangible capital assets	2,868,850	3,349,692
Increase due to asset retirement obligations	481,000	
Tangible capital assets acquired in-kind	409,778	1,143,915
Less: Amortization	(1,721,791)	(1,656,740)
Net book value of disposed of tangible capital assets	(154,094)	(12,354)
Net Investment in Tangible Capital Assets	<u>\$ 36,373,699</u>	<u>\$ 34,489,957</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 8
Unaudited

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Investment income	\$ -	\$ 502,680	\$ 191,022
Capital contributions from developers	-	351,374	483,067
NET REVENUES	-	854,054	674,089
TRANSFERS			
Transfers from operating fund	29,977	3,121,242	595,324
Transfers to general capital fund	(3,667,290)	(814,967)	(2,358,920)
CHANGE IN RESERVE FUND BALANCES	(3,637,313)	3,160,329	(1,089,507)
FUND SURPLUS, BEGINNING OF YEAR	9,115,558	9,115,558	10,205,065
FUND SURPLUS, END OF YEAR	\$ 5,478,245	\$ 12,275,887	\$ 9,115,558

Individual reserve fund balances are detailed on the next page.

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 8
Unaudited

	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
SUMMARY OF RESERVE FUND POSITIONS		
Sale of real property	* 426,459	430,365
Underground Utilities	339,036	134,403
Parking improvement	-	214,312
Parking improvement - Restricted	* -	148,640
Municipal Finance Authority debt issue refunds	29,461	28,157
Operating reserves	1,593,633	822,794
Machinery and equipment	2,775,939	2,195,735
Capital works and other miscellaneous reserves	1,056,841	1,144,405
General capital cost contributions	8,272	7,907
Police bridging capital	2,635,633	3,046,612
Downtown revitalization	42,449	40,569
Melba Schappert bequest	20,307	20,555
Works and Services	119,501	72,544
Public Art	13,443	10,955
Growing Communities fund	2,215,255	-
Water capital cost contributions	1,381,199	1,266,007
Water capital reserve	457,442	437,189
Sewer capital cost contributions	36,409	29,617
Sewer capital reserve	797,025	761,737
Firetruck borrowing	(1,672,417)	(1,696,945)
Total Reserve Fund Equity	\$ 12,275,887	\$ 9,115,558
RESERVES HELD AS LIABILITIES		
Federal Gas Tax funds (Note 8)	* 1,395,189	1,292,112
Restricted revenue (Note 9)	* 3,169,314	2,523,990
Total Reserve Funds	\$ 16,840,390	\$12,931,660

* Restricted cash and short-term investments

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION - FUNDS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 9
Unaudited

	General Fund		Reserve Fund		Waterworks Utility Fund		Sewer Utility Fund		Equity in Capital Assets		2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	Total	Total
FINANCIAL ASSETS												
Cash and cash equivalents (Note 3)	\$ 1,808,363	\$ 3,781,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,808,363	\$ 3,781,597
Accounts receivable (Note 4)	1,031,086	1,026,768	-	-	549,705	485,440	31,842	30,595	-	-	1,612,633	1,542,803
Portfolio investments (Note 3)	5,300,047	1,947,540	16,840,390	12,931,660	3,910,966	3,450,121	3,088,354	2,707,789	-	-	29,139,757	21,037,110
Loan receivable (Note 5)	33,183	49,179	-	-	-	-	-	-	-	-	33,183	49,179
	<u>\$ 8,172,679</u>	<u>\$ 6,805,084</u>	<u>\$ 16,840,390</u>	<u>\$ 12,931,660</u>	<u>\$ 4,460,671</u>	<u>\$ 3,935,561</u>	<u>\$ 3,120,196</u>	<u>\$ 2,738,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,593,936</u>	<u>\$ 26,410,689</u>
LIABILITIES												
Accounts payable and accrued liabilities (Note 6)	\$ 2,281,759	\$ 2,491,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,281,759	\$ 2,491,728
Sick and severance liabilities (Note 11(b))	492,015	565,435	-	-	-	-	-	-	-	-	492,015	565,435
Refundable deposits (Note 7)	1,359,644	1,346,038	-	-	-	-	-	-	-	-	1,359,644	1,346,038
Deferred revenue (Note 8)	2,257,003	929,592	1,395,189	1,292,112	40,706	35,773	5,180	-	-	-	3,698,078	2,257,477
Restricted revenue (Note 9)	-	-	3,169,314	2,523,990	-	-	-	-	-	-	3,169,314	2,523,990
Asset retirement obligations (Note 15)	-	-	-	-	-	-	-	-	481,000	-	481,000	-
	<u>6,390,421</u>	<u>5,332,793</u>	<u>4,564,503</u>	<u>3,816,102</u>	<u>40,706</u>	<u>35,773</u>	<u>5,180</u>	<u>-</u>	<u>481,000</u>	<u>-</u>	<u>11,481,810</u>	<u>9,184,668</u>
NET FINANCIAL ASSETS	<u>\$ 1,782,258</u>	<u>\$ 1,472,291</u>	<u>\$ 12,275,887</u>	<u>\$ 9,115,558</u>	<u>\$ 4,419,965</u>	<u>\$ 3,899,788</u>	<u>\$ 3,115,016</u>	<u>\$ 2,738,384</u>	<u>\$ (481,000)</u>	<u>\$ -</u>	<u>\$ 21,112,126</u>	<u>\$ 17,226,021</u>
NON-FINANCIAL ASSETS												
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,373,699	\$ 34,489,955	\$ 36,373,699	\$ 34,489,955
Inventory of supplies	189,594	200,849	-	-	-	-	-	-	-	-	189,594	200,849
Prepaid expenses	13,173	24,789	-	-	-	-	-	-	-	-	13,173	24,789
	<u>202,767</u>	<u>225,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,373,699</u>	<u>34,489,955</u>	<u>36,576,466</u>	<u>34,715,593</u>
ACCUMULATED SURPLUS	<u>\$ 1,985,025</u>	<u>\$ 1,697,930</u>	<u>\$ 12,275,887</u>	<u>\$ 9,115,558</u>	<u>\$ 4,419,965</u>	<u>\$ 3,899,788</u>	<u>\$ 3,115,016</u>	<u>\$ 2,738,384</u>	<u>\$ 35,892,699</u>	<u>\$ 34,489,955</u>	<u>\$ 57,688,592</u>	<u>\$ 51,941,614</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF GENERAL REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 10
Unaudited

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Taxation	\$ 5,620,076	\$ 5,619,598	\$ 5,045,152
Grants in lieu of taxes	13,200	15,899	13,028
Sale of services	784,452	805,643	695,545
Other revenue from own sources	1,178,293	833,568	1,025,698
Return on investments	40,000	370,925	121,197
Grants	105,082	2,135,000	6,737
Government transfers	560,000	623,082	776,866
Funds contributed from other governments	32,950	28,353	29,932
Total revenue	<u>8,334,053</u>	<u>10,432,068</u>	<u>7,714,155</u>
EXPENSES			
General government	1,702,291	1,423,289	1,194,914
Protective services	2,844,636	2,005,639	2,012,737
Public works & engineering	1,453,956	1,351,145	1,424,089
Environmental health services	457,582	324,114	315,934
Environmental development services	383,100	323,783	306,617
Recreation and cultural services	778,811	867,167	935,339
Interest	2,500	28,330	6,972
Total expenses	<u>7,622,876</u>	<u>6,323,467</u>	<u>6,196,602</u>
NET REVENUES	711,177	4,108,601	1,517,553
TRANSFERS			
Transfers to general capital fund	(1,496,266)	(655,084)	(368,519)
Transfers to reserve fund	(29,977)	(3,121,242)	(595,324)
Transfers to sewer revenue fund - parcel tax	(45,000)	(45,180)	(45,100)
NET INCREASE (DECREASE) IN FUND	(860,066)	287,095	508,610
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,697,930	1,697,930	1,189,320
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 837,864</u>	<u>\$ 1,985,025</u>	<u>\$ 1,697,930</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF WATERWORKS UTILITY REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 11
Unaudited

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Sale of water	\$ 2,809,416	\$ 3,215,463	\$ 2,720,170
Water studies	4,000	4,659	3,815
Service charges	14,810	19,577	24,846
Return on investments	36,000	159,831	59,243
Total revenue	<u>2,864,226</u>	<u>3,399,530</u>	<u>2,808,074</u>
EXPENSES			
Administration	852,776	840,743	828,859
Transmission and distribution	565,565	434,584	373,963
Pumping	261,070	334,465	307,121
Total expenses	<u>1,679,411</u>	<u>1,609,792</u>	<u>1,509,943</u>
NET REVENUES	1,184,815	1,789,738	1,298,131
TRANSFERS			
Transfers to waterworks utility capital fund	<u>(4,675,277)</u>	<u>(1,269,561)</u>	<u>(615,091)</u>
NET INCREASE (DECREASE) IN FUND	(3,490,462)	520,177	683,040
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,899,788</u>	<u>3,899,788</u>	<u>3,216,748</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 409,326</u>	<u>\$ 4,419,965</u>	<u>\$ 3,899,788</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF SEWER UTILITY REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 12
Unaudited

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Sewer fees	\$ 1,543,555	\$ 1,648,886	\$ 1,475,890
Service charges	300	224	970
Return on investments	40,000	125,442	47,882
Total revenue	<u>1,583,855</u>	<u>1,774,552</u>	<u>1,524,742</u>
EXPENSES			
Administration	354,613	340,983	329,656
Collection and disposal	193,862	234,391	225,684
Cost sharing - municipal government	(34,000)	(40,440)	(39,332)
Joint Utilities Board	400,000	379,553	348,625
Interest on debenture debt	-	-	-
Total expenses	<u>914,475</u>	<u>914,487</u>	<u>864,633</u>
NET REVENUES	669,380	860,065	660,109
TRANSFERS			
Transfers to sewer capital fund	(1,714,487)	(528,613)	(250,710)
Transfers from general revenue fund - parcel tax	45,000	45,180	45,100
NET INCREASE (DECREASE) IN FUND	(1,000,107)	376,632	454,499
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,738,384	2,738,384	2,283,885
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 1,738,277</u>	<u>\$ 3,115,016</u>	<u>\$ 2,738,384</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF CAPITAL FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 13
Unaudited

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Connection fees			
General Capital	\$ -	\$ 112	\$ 394
Water Capital	-	48,592	43,670
Sewer Capital	-	42	10,434
Grants	3,793,944	26,104	22,350
Development Cost Charges utilized	508,549	27,603	-
Gas Tax Funds utilized	1,526,046	245,953	229,581
Gain (Loss) on disposal of tangible capital assets	-	(107,810)	302,146
Assets constructed by Developers			
General Capital	-	409,778	1,143,915
Total revenue	<u>5,828,539</u>	<u>650,374</u>	<u>1,752,490</u>
EXPENSES (not capitalized) (Schedule 5)			
General government services	-	70,704	257,647
Protective services	-	60,567	28,040
Transportation services	-	205,840	184,590
Environmental health services	-	8,047	3,728
Recreation and cultural services	-	108,055	13,878
Water services	-	74,858	177,747
Sewer services	-	265,994	198,847
Total expenses	<u>-</u>	<u>794,065</u>	<u>864,477</u>
NET REVENUES	5,828,539	(143,691)	888,013
TRANSFERS			
Transfers from general operating fund	1,496,266	655,084	368,518
Transfers from water operating fund	4,675,277	1,269,561	615,091
Transfers from sewer operating fund	1,714,487	528,613	250,710
Transfers from general reserve funds	3,667,290	814,967	2,358,920
Tangible capital asset purchases	(17,381,859)	(2,868,850)	(3,349,691)
Tangible capital assets acquired in-kind	-	(409,778)	(1,143,915)
Net book value of disposed of tangible capital assets	-	154,094	12,354
NET INCREASE (DECREASE) IN FUND	-	-	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-	-
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CORPORATION OF THE CITY OF DUNCAN
GRANT CONTINUITY SCHEDULE
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2023

SCHEDULE 14
Audited

	2023 Budget	2023 Actual	2022 Actual
COVID SAFE RESTART GRANT			
Opening balance	\$ 719,766	\$ 719,766	\$ 931,365
Funds spent			
Revenue shortfalls	(10,000)	-	-
Facility reopening and operating	(70,000)	-	(70,000)
Emergency planning and response	-	-	-
Bylaw enforcement and protective services	-	(65,489)	-
Computers and other IT	(100,000)	-	(100,000)
Services for vulnerable persons	(7,000)	-	-
Other related costs	(451,125)	(122,237)	(61,411)
Total spending	<u>(638,125)</u>	<u>(187,726)</u>	<u>(231,411)</u>
Interest earned	-	33,344	19,812
BALANCE, end of year	<u>\$ 81,641</u>	<u>\$ 565,384</u>	<u>\$ 719,766</u>

	2023 Budget	2023 Actual	2022 Actual
GROWING COMMUNITIES FUND			
Funds Received	\$ -	\$ 2,135,000	\$ -
Funds spent			
Infrastructure projects	-	-	-
Other related costs	-	-	-
Total spending	<u>-</u>	<u>-</u>	<u>-</u>
Interest earned	-	80,255	-
BALANCE, end of year	<u>\$ -</u>	<u>\$ 2,215,255</u>	<u>\$ -</u>