

# 2019 Annual Report

For the Year Ended December 31, 2019







Corporation of the City of Duncan  
British Columbia

# 2019 Annual Report

Fiscal Year Ended  
December 31, 2019

This Annual Report has been prepared  
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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 years ahead.*





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Carvers: Ned Matilipi, Lenard Paquette, Jackson



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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

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

### External Appointments (Non-Voting Members)

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



# councillors

**Councillor  
Bob Brooke**



**Internal Committee  
Appointment**

- Tourism Committee

**External Appointments  
(Voting Member)**

- Cowichan Community Centre Commission (Alternate)
- Duncan/North Cowichan Joint Utilities Board
- Vancouver Island Regional Library Board (Alternate)
- Regional Housing Service Community Advisory Committee

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

- Chamber of Commerce (Alternate)
- Cowichan Tribes
- Valley Seniors Organization
- Cowichan Housing and Homelessness Coalition

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

**Councillor  
Garry Bruce**



**Internal Committee  
Appointment**

- Advisory Design Panel (non-voting)

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

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

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

**Councillor  
Jenni Capps**



**Internal Committee  
Appointment**

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

**External Appointment  
(Voting Member)**

- Vancouver Island Regional Library Board
- Regional Housing Service Community Advisory (Alternate)

**External Appointment  
(Non-Voting Member)**

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

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

**Councillor  
Tom Duncan**



**Internal Committee  
Appointments**

- Tourism Committee (Chair)

**External Appointments  
(Voting Member)**

- Cowichan Valley Regional District Board (Alternate)
- Cowichan Community Centre Commission

**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

The year 2019 was a year of taking action. Our City Council and staff had our first full year together and all of us recognize the growing impact the changes in our City are having on our lives. We decided early on that our first order of business was to work with you, and our neighbouring governments, community partners, and business owners, to develop and implement solutions to meet our challenges and bring the changes we all want for the future of our City. We have an incredible team at the Council table, each of us offering the others a unique perspective that helps us see things in a different way.

Councillor Bruce makes sure we always remember the financial impact of the City's infrastructure and operational costs on residents and business owners. Staff and Council have been busy working on replacing water mains, and improving our neighbourhoods, parks, and streets. We completed 98% of residential water meter installations and developed a metered water billing rate design that encourages water conservation.

Councillor Duncan has the most history of our Council members and is key to providing context and information about past decisions on long-term planning, initiatives. He helps us understand the time some things take to complete. He is always passionate about the safety of people as they move through our City, ensuring that council is on top of addressing traffic and road safety concerns.

Councillor Brooke was a strong voice as we worked to adopt the "Safer Community Plan", together with North Cowichan and Cowichan Tribes, to increase safety along the Trans-Canada Highway Corridor. Councillor Brooke has spent time, along with other councillors, listening and responding to the needs of businessowners. He participated in the facilitated community discussions on future of 85 Station Street and Whistler Street.

Councilor Newington is a neighbourhood building champion. As a block watch captain, she has been involved in the continued development of the Cairnsmore Sustainable Neighborhood Plan and has been a leader on the Totem Sub-Committee and the Advisory Committee on Disability Issues.

Councilor Capps knows first-hand what it is like to be mentored as the former City of Duncan Youth Council Mayor. She has worked hard this past year at redeveloping a youth council model for the future. She continues to be involved as a board member or the Vancouver Island Regional Library and City liaison member to the Downtown Duncan Business Improvement Area board.

Councilor Middlemiss reminds all of council about the challenges faced by many in our community. She brings heart and compassion to the table and a voice that is always needed to remind us that we are only doing as well as the person in our community who is struggling the most.

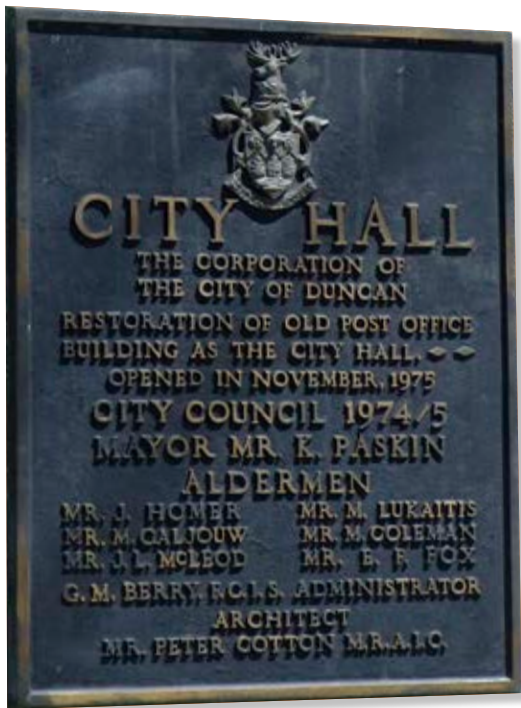
There are so many milestones that took place in 2019, and more to come in 2020. This Council represent the diversity in our City, everyone's voice is reflected and represented through one of us. For me, there is no group of people I could imagine better suited for the work that is ahead of us because we are all committed to working together to make this small City the very best it can become. As we move into the second half of our term, whatever the next few years may bring our way, we will face the challenges working together. As always, I am available at 250-466-9412 or email [mayor@duncan.ca](mailto:mayor@duncan.ca), or I can be reached on Facebook or Instagram.



A handwritten signature in blue ink that reads "Michelle Staples". The signature is fluid and cursive.

Michelle Staples, Mayor





# history

## Mayors of Duncan Since 1912

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

## Scroll of Honour Recipients

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



# awards 2019

## Perpetual Arts Trophy

Judy Brayden

## Perpetual Trophy for Excellence & Sportsmanship

Gerry Rees

## Freedom of the City



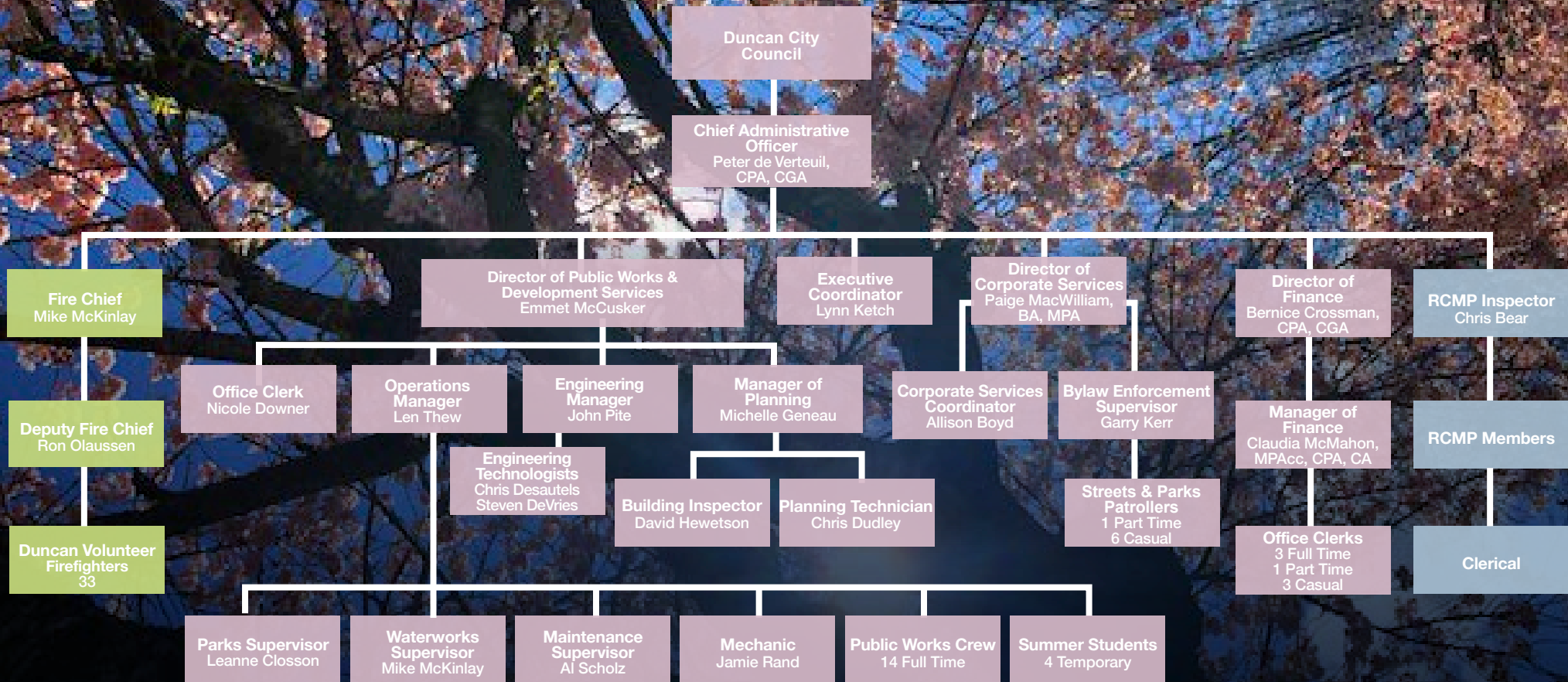
The rare Freedom of the City was awarded to former Mayor, Phil Kent, who made a significant long-term commitment to serve the City of Duncan and its citizens.

## Duncan Fire Hall Long Service Awards

Recipient	Years of Service	Current Role
Art Sanderson	20 Years	Chaplain
Corky Adams	20 Years	Captain
Ron Olausson	25 Years	Deputy Chief
Wray Watson	30 Years	Assistant Chief
Mike McKinlay	30 Years	Chief
Rick Starke	35 Years	Retired Captain



# organizational structure





# our core values

- 
- ▶ We approach projects with a focus on sustainability
  - ▶ We provide Duncan's citizens with timely, efficient and friendly service in a cost effective manner
  - ▶ We value green space and urban forests
  - ▶ We will enhance and maintain a vibrant downtown core
  - ▶ We value retaining our historical and cultural uniqueness
  - ▶ We provide safe and comfortable transportation alternatives to those that live in or visit our City
  - ▶ We consider the interests of our neighbours when making key City decisions



# department info

## Chief Administrative Officer

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

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

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





# chief administrative officer

I am very pleased to present our residents and taxpayers with the 2019 Annual Report. The Annual Report is our opportunity to highlight the City's operations and describe our strong financial position.

In addition to our ongoing focus on effective and efficient municipal service delivery, City staff work to further the strategic priorities and directives of City Council. In 2019, we continued implementation of the phased Residential Water Metering Program and consultation on the Cairnsmore Sustainable Neighbourhood Plan and McAdam and Rotary Park Master Plan. In partnership with North Cowichan, we created and implemented the Community Safety Plan for the Trans-Canada Highway Corridor area.

The diverse group of leaders elected as Council in 2018 has made it a priority to focus on doing what we can to address the housing, homelessness, and opioid crises. Council and staff continue to spend a significant amount of time, within the City's limited capacity and jurisdiction, 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.

I would like to thank Council for their support and professionalism with all staff; different opinions shared and debated in an atmosphere of respect and solutions serves the public in the most effective and efficient manner.

Please also join me in thanking all City staff for their professionalism and extremely high level of personal service. That has always been the City's number one focus, while keeping property taxes reasonable and our finances in order, as can be seen from this year's financial statements.

The City's branding as "Small. In a big way." continues to speak volumes of the Council, staff, and community. We will continue to do our best to make a positive impact for residents and businesses every day.

Please reach out to us with questions at any time.



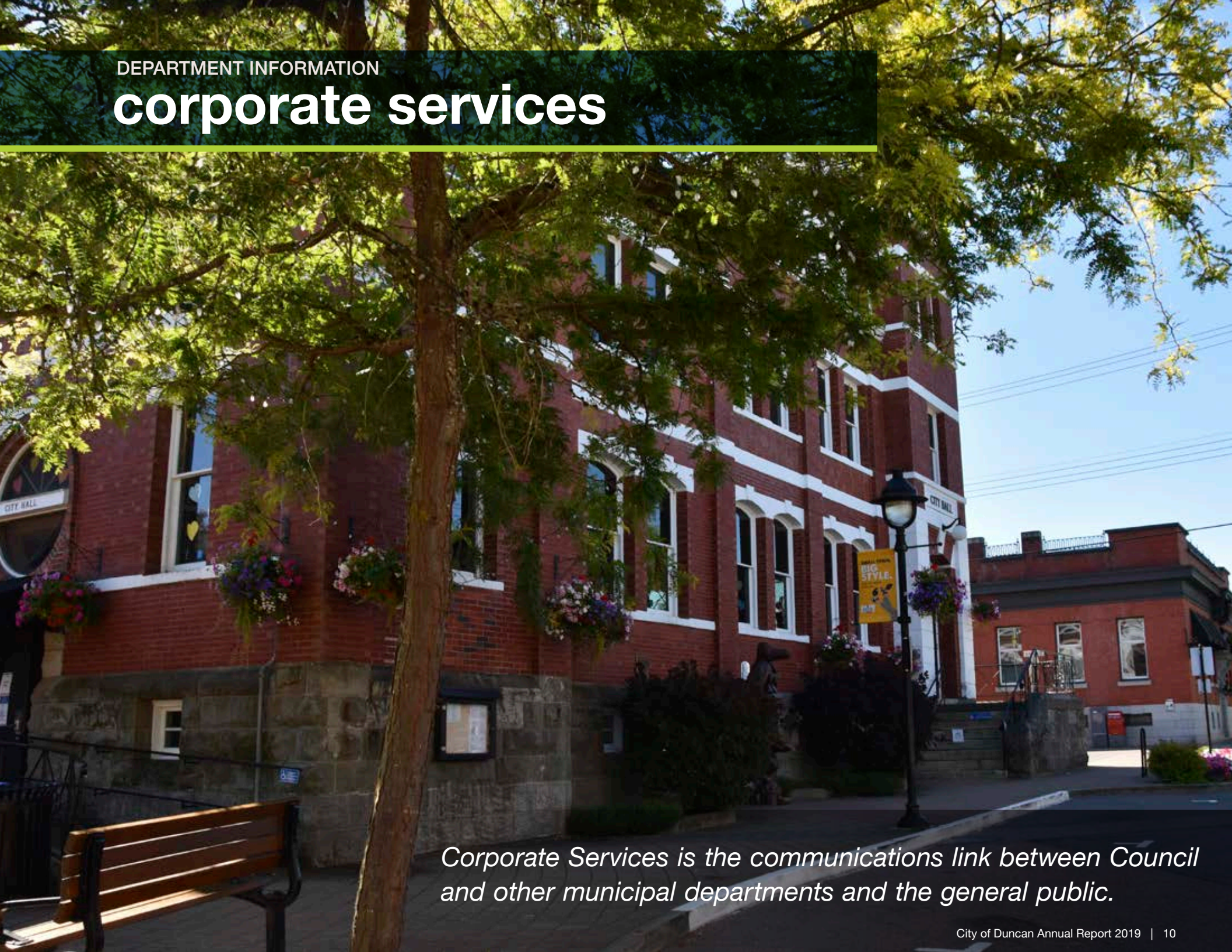
Peter de Verteuil  
Chief Administrative Officer





DEPARTMENT INFORMATION

# corporate services



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



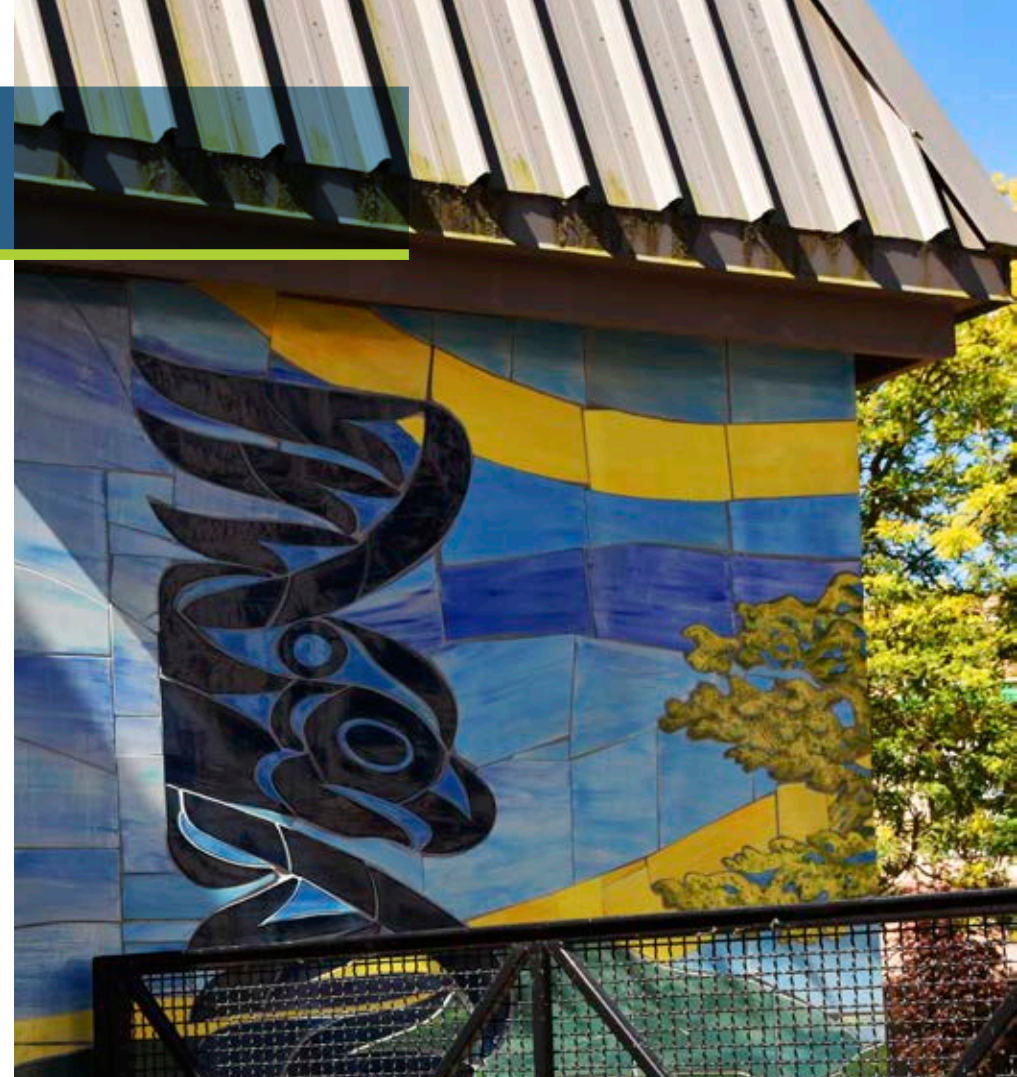
# corporate services

Corporate Services is the communications link between Council and other municipal departments and the general public, providing assistance and advice to citizens with respect to Council / Committee processes, reporting procedures and decisions.

## Corporate Services is responsible for:

- » drafting bylaws, resolutions, and agreements for the City;
- » maintaining minutes and overseeing record keeping for all council and committee meetings;
- » ensuring access to all public records (Freedom of Information & Protection of Privacy [FOIPPA]);
- » overseeing general bylaw enforcement;
- » administering, monitoring and seeking compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the City;
- » facilitating internal and external communications, providing legislative service, administering oaths and taking affirmations, affidavits and declarations;
- » overseeing policy development; and
- » administering the municipal elections.

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





DEPARTMENT INFORMATION

# financial services



*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 six years. In addition to the annual report and other statutory reporting, periodic financial reports are provided to Council and other departments to aid them in their duties.

Finance staff calculate and levy property taxes, utility and garbage/recycling fees as well as process 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 \$14.5 million in various securities and oversees the collection of almost \$9 million in property taxes, \$3 million in utilities as well as developer charges 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 2019 finance was responsible for:

» Property tax billing and collection	2,256 property tax notices
» Water billing	7,406 bills issued
» Accounts receivable	194 invoices
» Pet licence billing and collection	373 dog licences
» Business licence billing and collection	755 active business licences
» Pre-authorized payments for taxes	\$101,120 per month
» Home Owner Grant Administration	1,322 grants
» Property tax deferment administration	83 deferments
» Payroll	98 T4s issued
» Accounts payable	661 cheques processed 1,687 EFTs processed





# development services



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



# development services

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

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

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

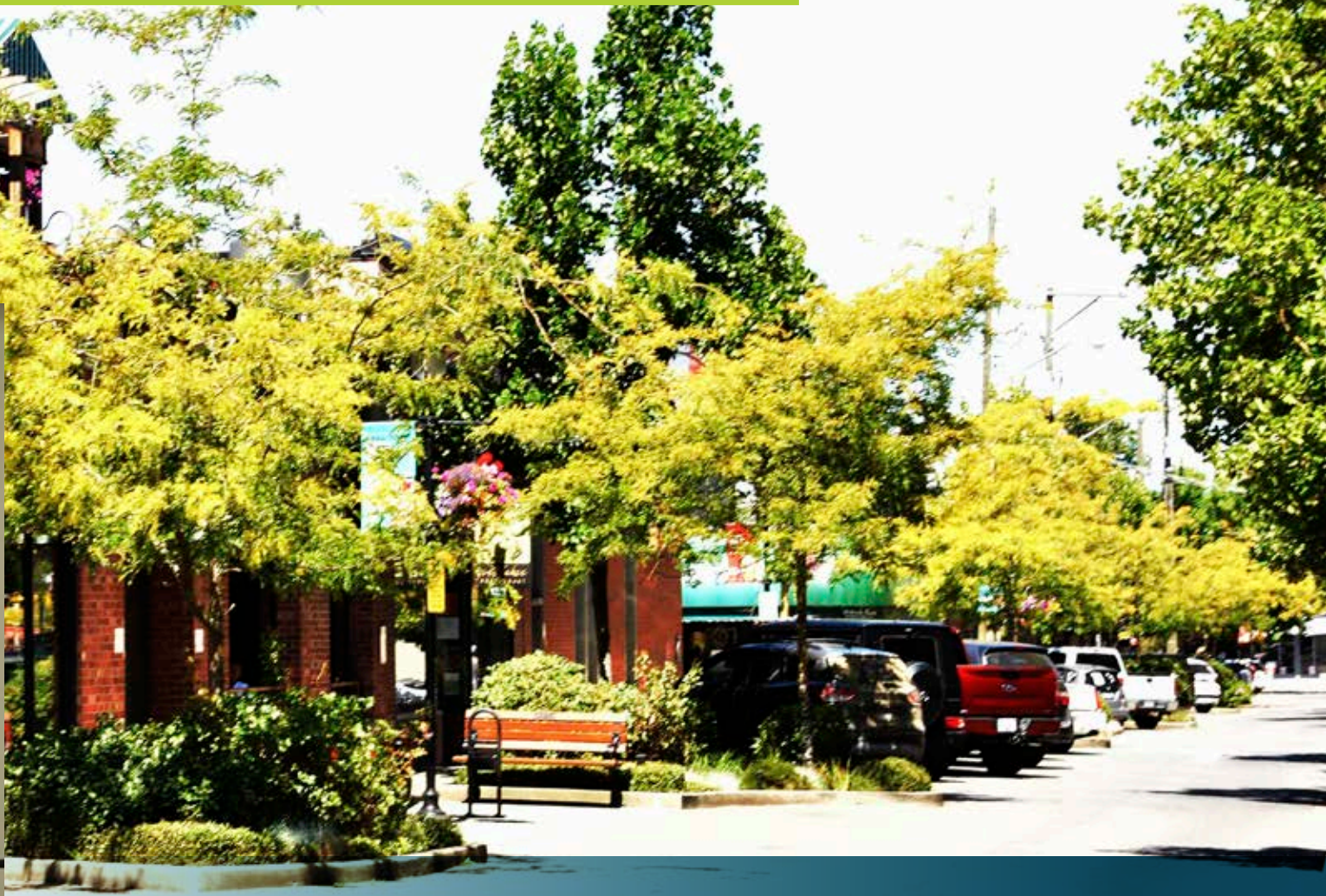
Land use bylaw enforcement relative to building, 200 year floodplain, zoning, signs, landscaping bylaws, business licensing and off-street parking are also part of the department's responsibilities.

In 2019, the City issued 43 building permits with a total construction value of \$10.3 million.





# protective services



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



# protective services



North Cowichan  
Duncan

## RCMP

The Royal Canadian Mounted Police provide policing services to the Municipality of North Cowichan under a municipal contract. In this area, the Royal Canadian Mounted Police also provides policing services to the City

of Duncan as part of a greater policing responsibility for the Cowichan Valley, which includes the City of Duncan, Cowichan Tribes lands and a large Provincial rural area. The City of Duncan's population is currently less than 5,000, and as such, the City is policed as part of the existing Provincial contract. The RCMP personnel are supported by a network of community volunteers in a variety of critical service delivery roles. These include volunteer Auxiliary Constables, Citizens on Patrol, Speed Watch, Block Watch, Community Police Office volunteers and others. Their contributions to their community cannot be overstated. We simply could not provide the level of service to the communities we serve without their assistance.

A service delivery advantage is gained when a community is served by a "blended" Detachment like North Cowichan / Duncan. This allows some flexibility, when necessary, to deploy specialized resources where they are needed. A blended Detachment utilizes Municipally funded, Federally funded and



Provincially funded Human Resources. As well, it enables the RCMP to deploy the following programs to better serve the City of Duncan residents: » Uniformed General Duty "First Responders" » Plain Clothes Investigators (Serious Crime and Drug/ Property Crime personnel) » Traffic and Community Engagement (school liaison, bicycle patrols, etc.)



# protective services

Each RCMP Detachment in Canada is mandated to prepare an annual performance plan that addresses identified, “Local Policing Priorities”. The 2019/20 plan is focused on the following local issues that were consistently identified as priorities throughout the valley:

- Build and Maintain Positive Relations Within the RCMP and With Our Partners
- Police / Community Relations – Visibility of Police
- Reduce Crimes Against Persons – Violence / Domestic Violence / Vulnerable Persons
- Reduce Substance Abuse
- Enhance Road Safety
- Indigenous Policing – Build and Maintain Positive Relations with Aboriginal communities
- Reduce Property Crimes
- Contribute to Employee Wellness

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





# fire services

*The Duncan Volunteer 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.*



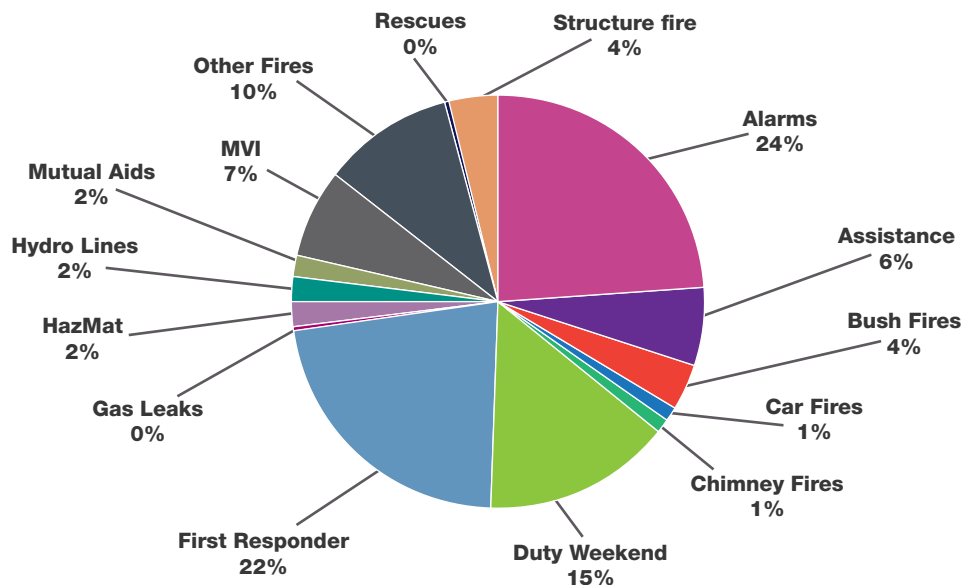


# fire services

The Duncan Volunteer Fire Department consists of a Chief, Deputy Chief, Assistant Chief, 4 Captains, 4 Lieutenants, and 22 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





# public works services



*Operations is responsible for the maintenance and upkeep of all City owned existing buildings, lands, utilities and infrastructure. The health and safety of our citizens is the top priority of the operations division.*



# public works services

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

## Utilities

The utilities division is responsible for maintenance and upgrades to:

- » The municipal water distribution network comprising approximately 82 km of water main, 7,500 water connections as well as four well sites.
- » The sanitary sewer collection system comprising approximately 29 km of pipes.
- » The storm water collection system comprising approximately 27 km of pipes.

## Roads and Sidewalks

- » Maintenance and upgrades to municipal traffic signals, road markings and signage;
- » Maintenance and upgrades to municipal curbs, sidewalks and roads;
- » Street sweeping; 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, organic collection weekly and yard waste and glass collection once per month for 10 months of the year.

### During 2019 the City collected:

- » 160 tons of organics
- » 132 tons of recycling
- » 236 tons of garbage
- » 52 tons of yard waste
- » 5 tons of glass

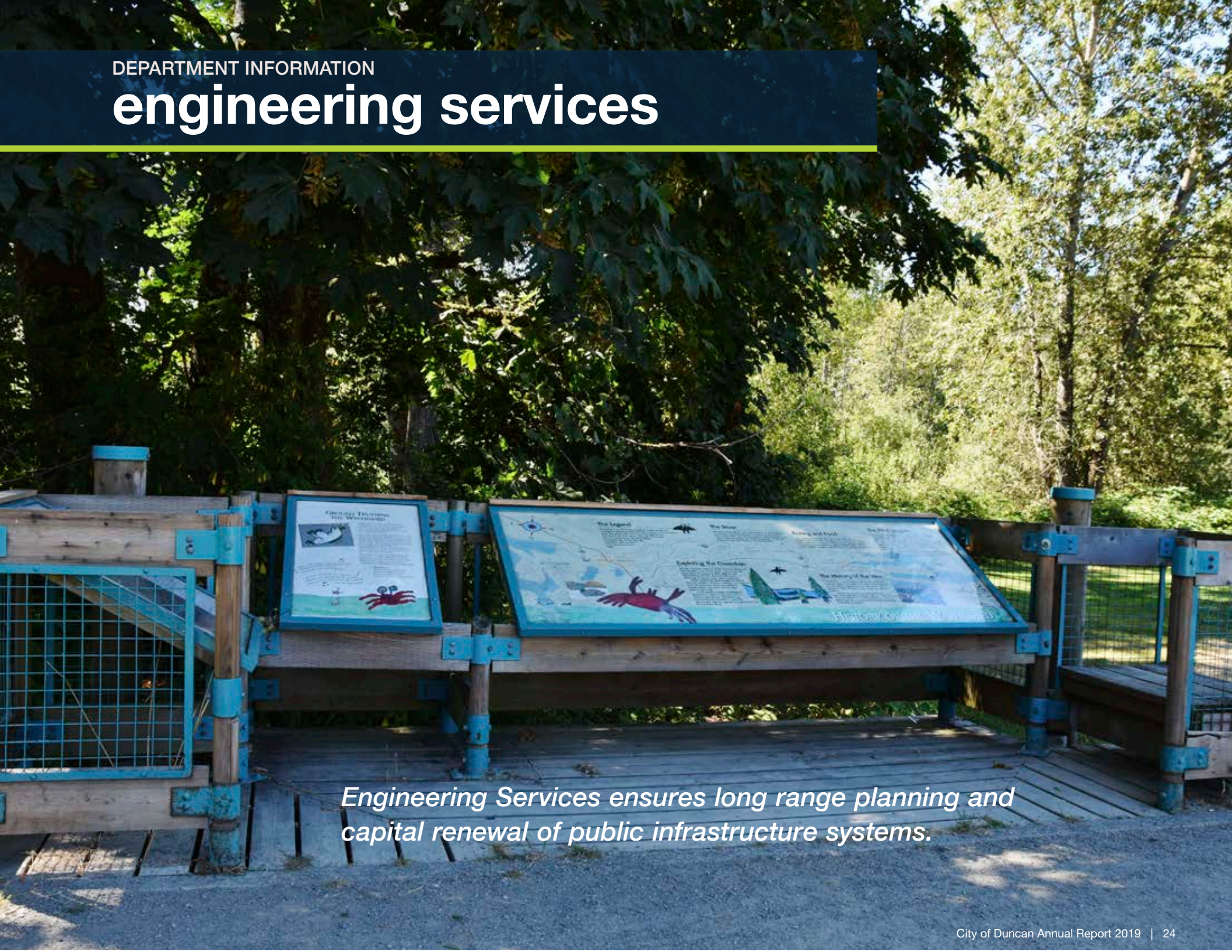
## Parks and Green Space

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





# engineering services



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



# engineering services

## Engineering

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

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

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





OUR VISION FOR

# managed growth

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



# our commitments

## Review Local Government Boundaries

### *Progress in 2019*

- » Asked on the Citizen Satisfaction Survey if citizens support exploring the costs and benefits of moving the Northern and/or Southern boundaries of the City.

### *What we will do in 2020*

- » Consider studying boundary realignment north of the City (paused 2019).
- » Consider studying restructure options for areas south of the City (paused 2019).

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

### *Progress in 2019*

- » Continued development of the Cairnsmore Sustainable Neighbourhood Plan. Held multiple community consultation sessions to assist development of the plan.
- » Reviewed options for housing development on City lands.
- » Reviewed initiatives and incentives to encourage creation of lower cost housing options.

### *What we will do in 2020*

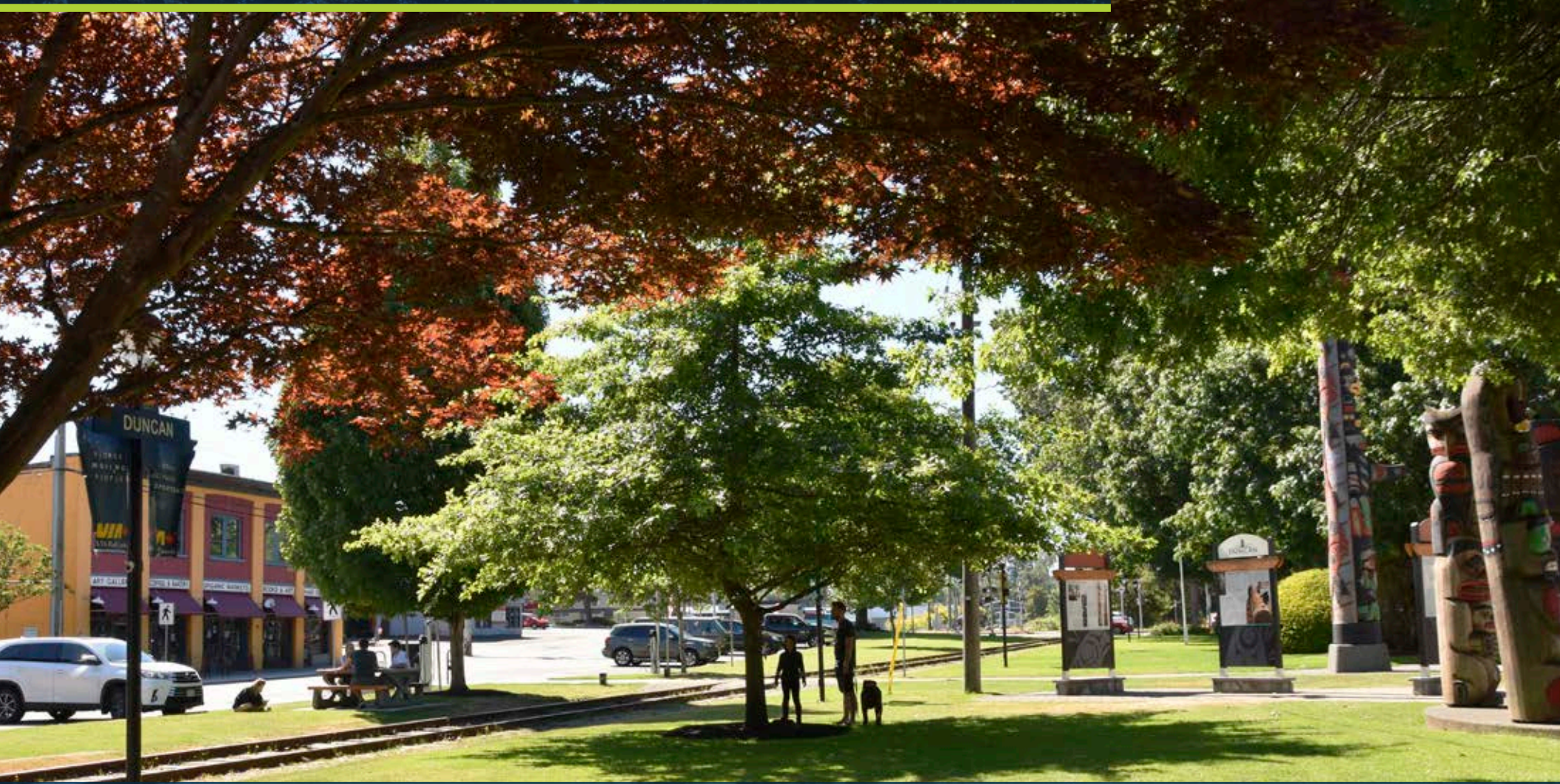
- » Complete the Cairnsmore Sustainable Neighbourhood Plan.
- » Continue to evaluate and review the Zoning bylaw in relation to potential or new applications coming forward and identification of overlooked or incompatible issues or inconsistencies.
- » Start review of the Official Community Plan.
- » Create a land acquisition strategy.





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 2019*

- » Completed 98% of residential water meter installations in City.
- » Completed 90% of residential water meter installations in North Cowichan.
- » Constructed a metered water billing rate design that encourages water conservation.
- » Completed conversion to metered water rates inside the City.
- » Implemented improvements to eliminate anaerobic issues at Marchmont Pump Station.
- » Conducted sanitary sewer system assessment.

### *What we will do in 2020*

- » Work with North Cowichan on emergency well investigations.
- » Continue to monitor and improve storm water discharge quality.
- » Participate in watershed meetings and working groups.
- » Investigate potential further improvements to the quality of storm water.
- » Continue storm drainage assessment.
- » Continue water condition assessments.

## Ensure City assets are maintained

### *Progress in 2019*

- » Continued work on an asset management plan.
- » Continued assessment of underground infrastructure condition.

### *What we will do in 2020*

- » Conduct a seismic upgrade design for City Hall.
- » City Hall office internal reconfiguration.
- » Continue to develop an asset management plan.
- » Initiate development of a Master Transportation Plan.
- » Complete a sidewalk condition assessment.
- » Complete a water system capacity study.





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*



# our commitments

## Encourage a business and development friendly environment.

### *Progress in 2019*

- » Reviewed business licence processes.
- » Updated business licence forms and mobile business licence forms.

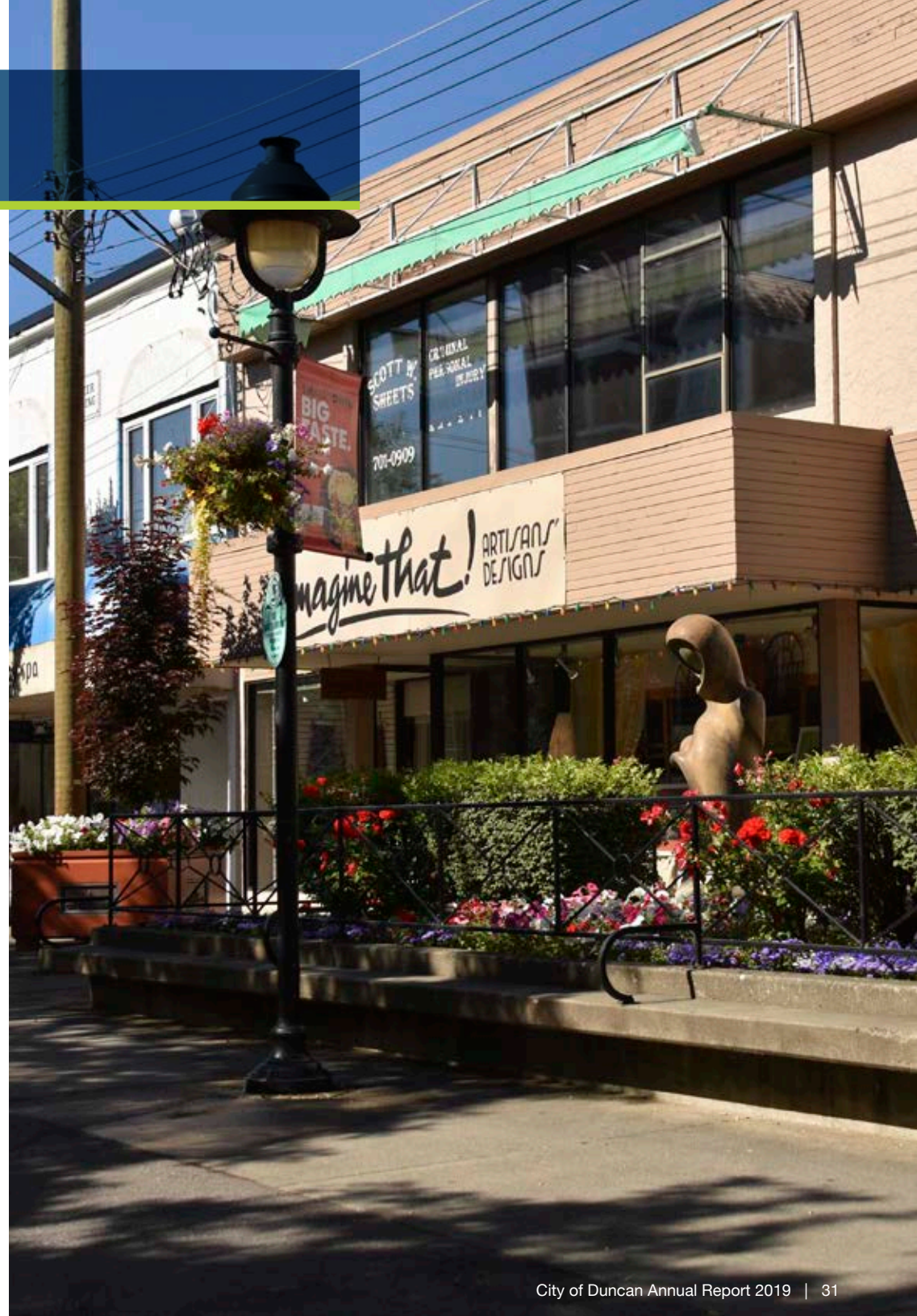
### *What we will do in 2020*

- » Review signage and process notifications.

## Encourage a thriving downtown.

### *What we will do in 2020*

- » Complete plans for 85 Station Street and Whistler Street.
- » 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 2019*

- » Consulted with businesses along the Highway regarding a multi-use pathway, tree relocations and signage.
- » Adopted a Safer Community Plan together with North Cowichan and Cowichan Tribes for the Trans Canada Highway Corridor area.

### *What we will do in 2020*

- » Multi-use pathway from Silver Bridge to Ramada.
- » Remove grassed boulevards and replant with drought resistant plantings, replace some unhealthy cherry trees with other varieties, and remove some unused driveways.
- » Continue to implement the Safer Community Plan.
- » Consider designs for area between Trans Canada Highway bridge and Boys Road, and discuss with neighbouring jurisdictions.
- » Consider lighting of Trans Canada Highway bridge.

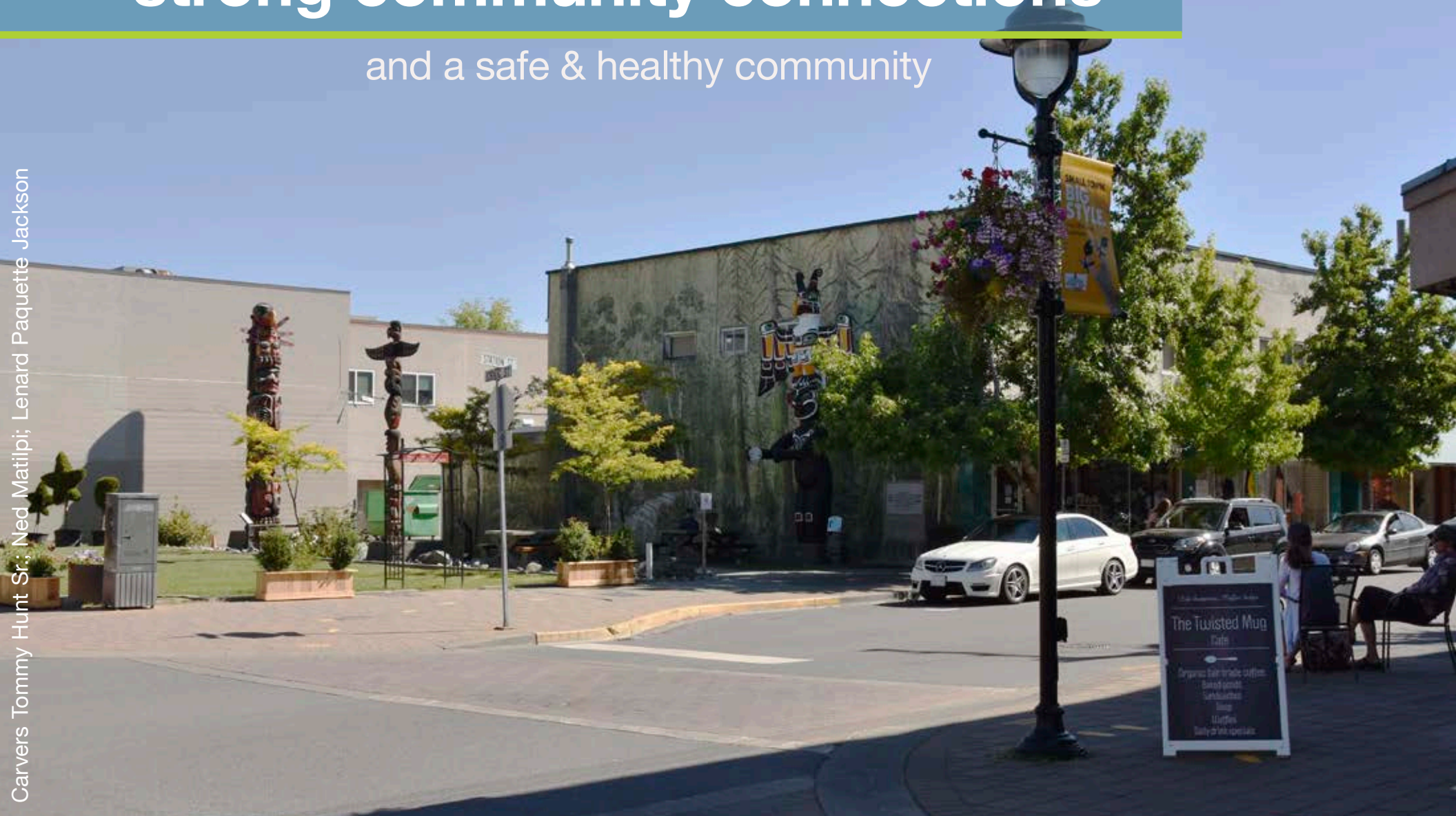


OUR VISION FOR

# strong community connections

and a safe & healthy community

Carvers Tommy Hunt Sr.; Ned Matilipi; Lenard Paquette Jackson



*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 2019*

- » Conducted two joint meetings with North Cowichan.
- » Several meetings between North Cowichan and City staff to discuss areas of mutual interest.
- » Several meetings between Cowichan Tribes and City staff to discuss water agreements, joint development issues and other areas of mutual interest.

### *What we will do in 2020*

- » Continue to work on joint projects for mutual benefit.
- » 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, provincial ministries and other supports and facilities for Homeless Residents.

## Improve External Communications and Customer Service

### *Progress in 2019*

- » Used PlaceSpeak for public feedback on initiatives.

### *What we will do in 2020*

- » Implement the public engagement policy.
- » Continue to use PlaceSpeak for public feedback on initiatives.
- » Created Public Engagement Policy.



OUR VISION FOR RESPONSIBLE

# stewardship of the environment



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







OUR VISION FOR RESPONSIBLE

# stewardship of the city organization





# our commitments

## Ensure training and capacity considers the future

### *What we did in 2019*

- » Held a Public Works tour for Council members.
- » Held regular staff meetings.

### *What we will do in 2020*

- » Continue to hold regular staff meetings and investigate other forms of training for general workplace culture.

## Ensure responsible management of City resources

### *What we did in 2019*

- » Continue inventory, classification and scanning of all property folio files.

### *What we will do in 2020*

- » Complete inventory, classification and scanning of all property folio files.
- » 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.
- » Review policies, procedures and bylaws.







# financial section





Government Finance Officers Association  
of the United States and Canada

*presents this*

**CANADIAN AWARD FOR  
FINANCIAL REPORTING ACHIEVEMENT**

to

***FINANCE DEPARTMENT***

***CITY OF DUNCAN, BRITISH COLUMBIA***

---

*The Canadian Award for Financial Reporting Achievement is presented by Government Finance Officers Association to those individuals who have been instrumental in their government unit's achieving a Canadian Award for Financial Reporting. A CAnFR is presented to those government units whose annual financial reports are judged to adhere to program standards.*

*Executive Director*

*Christopher P. Moivell*

*Date*

***NOVEMBER 18, 2019***





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, 2018**

*Christopher P. Morrill*

Executive Director / CEO





MESSAGE FROM THE

# director of finance

May 15, 2020

On behalf of the Finance Department, I am pleased to provide an overview of the 2019 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 4, 2020 Council Meeting. As at December 31, 2019, the City had an increase in accumulated surplus of \$1.9 million for the year, to a total of \$43.6 million. The accumulated surplus is largely comprised of net investments in tangible capital assets (\$32.5 million), which includes land, park infrastructure, roads, and utility assets. The City maintains a healthy financial position with very limited amounts of 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 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, 2018. 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 eighth 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





Dynamic Vinegar Tasting Room

ive  
ion





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 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, 2019, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows and schedule 1, 2, 3a, 3b, 5, 6, 7, and 8 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and the results of its consolidated operations and 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 13, has been presented for purposes of additional analysis. The supplementary information in Schedules 1, 2, 3a, 3b, 5, 6, 7 and 8 has been subjected to the auditing procedures applied in the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on Schedules 3, 4, 9, 10, 11, 12 and 13 because our examination did not extend to the detailed information therein.

### **Other Information**

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

*(continued)*



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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

*(continued)*



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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Duncan, British Columbia

May 4, 2020

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, with 'LLP' in a smaller, sans-serif font to the right.

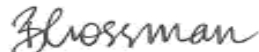
Chartered Professional Accountants



# Consolidated Statement of Financial Position

YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 853,889	\$ 632,854
Accounts receivable (Note 4)	1,069,647	1,189,544
Portfolio investments (Note 3)	15,771,822	14,157,255
Deposit - Municipal Finance Authority (Note 5)	18,321	26,816
Loan receivable (Note 6)	94,900	109,414
	<u>17,808,579</u>	<u>16,115,883</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	835,882	707,755
Sick and severance liabilities (Note 13(b))	517,912	467,694
Refundable deposits (Note 8)	182,065	142,646
Deferred revenue (Notes 3 & 9)	2,399,092	2,000,943
Restricted revenue (Notes 3 & 10)	2,148,755	2,061,670
Debenture debt (Note 11)	782,756	909,552
	<u>6,866,462</u>	<u>6,290,260</u>
<b>NET FINANCIAL ASSETS</b>	<u>10,942,117</u>	<u>9,825,623</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 6)	32,536,253	31,707,907
Inventories of supplies	129,021	133,400
Prepaid expenses	31,117	32,599
	<u>32,696,391</u>	<u>31,873,906</u>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<u>\$ 43,638,508</u>	<u>\$ 41,699,529</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 12)</b>		
<b>SUBSEQUENT EVENTS (Note 18)</b>		



Director of Finance

See accompanying notes to the financial statements



# Consolidated Statement of Operations

YEAR ENDED DECEMBER 31, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
<b>REVENUE (Schedule 3)</b>			
Taxation and grants in lieu of taxes	\$ 4,216,090	\$ 4,206,002	\$ 4,099,466
Sale of services	4,178,353	4,322,825	4,222,218
Licenses, permits, penalties and fines	699,662	681,960	597,124
Return on investments	83,700	290,030	232,038
Grants	31,000	12,700	10,200
Government transfers	540,000	557,725	584,345
Funds contributed from other governments	14,121	14,205	13,872
Gas Tax funds utilized	518,800	99,218	202,796
Capital contributions from developers	-	63,610	141,901
Gain (loss) on disposal of assets	-	21,790	(12,880)
Assets contributed by developers	-	675	92,862
Increase (decrease) in proportionate share of Joint Utilities Board assets	-	211	(58,645)
<b>Total revenue</b>	<b>10,281,726</b>	<b>10,270,951</b>	<b>10,125,297</b>
<b>EXPENSES (Schedule 4)</b>			
General government services	1,317,018	1,367,646	1,256,946
Protective services	799,012	862,750	752,184
Public works & engineering	1,718,269	1,844,395	1,654,207
Environmental health services	278,167	306,301	264,866
Environmental development services	232,899	179,280	178,670
Recreation and cultural services	1,062,874	1,121,886	1,097,460
Water services	1,785,324	1,747,164	1,749,424
Sewer services	885,048	902,551	1,145,861
<b>Total expenses (Note 16)</b>	<b>8,078,611</b>	<b>8,331,972</b>	<b>8,099,618</b>
<b>ANNUAL SURPLUS</b>	<b>2,203,115</b>	<b>1,938,979</b>	<b>2,025,679</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>41,699,529</b>	<b>41,699,529</b>	<b>39,673,850</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 43,902,644</b>	<b>\$ 43,638,508</b>	<b>\$ 41,699,529</b>

See accompanying notes to the consolidated financial statements



# Consolidated Statement of Change in Net Financial Assets

YEAR ENDED DECEMBER 31, 2019

	2019 Budget (Note 14)	2019 Actual	2018 Actual
<b>ANNUAL SURPLUS</b>	\$ 2,203,115	\$ 1,938,979	\$ 2,025,679
Purchase of tangible capital assets	(7,116,039)	(2,335,838)	(3,266,110)
Tangible capital assets acquired in kind	-	(675)	(92,862)
Amortization of tangible capital assets	1,631,141	1,559,702	1,500,078
Decrease (increase) in proportionate share of Joint Utilities Board tangible capital assets	-	(60,546)	25,449
Gain (loss) on disposal of tangible capital assets	-	(21,790)	12,880
Proceeds of sale of tangible capital assets	-	30,801	20,500
Decrease (increase) in inventory of supplies	-	4,379	(2,177)
Decrease (increase) in prepaid expenses	-	1,482	(15,662)
	<u>(5,484,898)</u>	<u>(822,485)</u>	<u>(1,817,904)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(3,281,783)	1,116,494	207,775
<b>NET FINANCIAL ASSETS, Beginning of Year</b>	<u>9,825,623</u>	<u>9,825,623</u>	<u>9,617,848</u>
<b>NET FINANCIAL ASSETS, End of Year</b>	<u>\$ 6,543,840</u>	<u>\$ 10,942,117</u>	<u>\$ 9,825,623</u>

See accompanying notes to the consolidated financial statements



# Consolidated Statement of Cash Flows

YEAR ENDED DECEMBER 31, 2019

	2019	2018
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 1,938,979	\$ 2,025,679
Non-cash items included in annual surplus:		
Amortization	1,559,702	1,500,078
Tangible capital assets acquired in-kind	(675)	(92,862)
Increase (decrease) in proportionate share of		
Joint Utilities Board tangible capital assets	(60,546)	25,449
Actuarial adjustment on debenture debt	(40,459)	(35,430)
(Gain) loss on disposal/write down of tangible capital assets	(21,790)	12,880
	<u>3,375,211</u>	<u>3,435,794</u>
Changes in non-cash items:		
Accounts receivable	119,897	54,760
Deposit - Municipal Finance Authority	8,495	(570)
Loan receivable	14,514	13,411
Inventory of supplies	4,379	(2,177)
Prepaid expenses	1,482	(15,662)
Accounts payable and accrued liabilities	128,127	(307,332)
Sick and severance liability	50,218	38,905
Refundable deposits	39,419	43,199
Deferred revenue	398,149	169,270
Restricted revenue	87,085	65,288
Cash provided by operating transactions	<u>4,226,976</u>	<u>3,494,886</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on disposal of tangible capital assets	30,801	20,500
Purchases of tangible capital assets	(2,335,838)	(3,266,110)
Cash applied to capital transactions	<u>(2,305,037)</u>	<u>(3,245,610)</u>
<b>INVESTING TRANSACTIONS</b>		
Net increase in portfolio investments	(1,614,567)	(469,823)
<b>FINANCING TRANSACTIONS</b>		
Principal repaid - long term debt	<u>(86,337)</u>	<u>(86,337)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>221,035</b>	<b>(306,884)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>632,854</b>	<b>939,738</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 853,889</b>	<b>\$ 632,854</b>

See accompanying notes to financial statements



## 1. General

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

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

## 2. Significant Accounting Policies

### a) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost. Revenue recognition policy is described in Note 2(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 31.133% for 2019 (2018 - 31.130%).



## 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, 2019.

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>2019</u>	<u>2018</u>
Bank Deposits	\$ 850,604	\$ 629,630
Municipal Finance Authority - Money Market Fund	<u>3,285</u>	<u>3,224</u>
	<u>\$ 853,889</u>	<u>\$ 632,854</u>

Portfolio investments include funds invested in guaranteed investment certificates with Scotia Bank, Island Savings Credit Union, Coast Community Credit Union, Raymond James, 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 February 1 and September 11, 2020. Interest rates vary from 2.15% to 2.55% (2018 – 1.90% to 2.70%).

Included in portfolio investments are funds held for deferred and restricted revenues totalling \$4,547,848 (2018 - \$4,062,613 ) and funds held for statutory reserve funds and reserve accounts totalling \$7,349,518 (2018 -\$7,086,834). Details of the reserve balance can be found on Schedule 8.

### 4. Accounts Receivable

	<u>2019</u>	<u>2018</u>
Property taxes	\$ 199,131	\$ 191,995
Water and sewer fees	707,002	820,336
Provincial government	3,730	5,699
Federal government	50,352	82,127
Other municipalities and regional governments	54,547	54,003
Other receivables	<u>55,385</u>	<u>35,484</u>
	1,070,147	1,189,644
Less: allowance for doubtful receivables	<u>(500)</u>	<u>(100)</u>
	<u>\$ 1,069,647</u>	<u>\$ 1,189,544</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>2019</u>	<u>2018</u>
Cash deposits	<u>\$ 18,321</u>	<u>\$ 26,816</u>

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



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

YEAR ENDED DECEMBER 31, 2019

## 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>2019</u>	<u>2018</u>
Other municipalities and regional governments	<u>\$ 94,900</u>	<u>\$ 109,414</u>

## 7. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u>
Trade accounts and accrued liabilities	\$ 341,537	436,193
Contractor holdbacks	339,301	56,775
Salaries and wages	83,232	75,128
Other municipalities and regional governments	71,812	139,659
	<u>\$ 835,882</u>	<u>\$ 707,755</u>

## 8. Refundable Deposits

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 142,646	\$ 99,447
Deposits received	187,743	111,376
Deposits and interest refunded/recognized as revenue	(149,635)	(68,860)
Increase in interest payable	1,311	683
Balance, end of the year	<u>\$ 182,065</u>	<u>\$ 142,646</u>

## 9. Deferred Revenue

	<u>2018</u>	<u>Receipts &amp; Interest</u>	<u>Recognized as Revenue</u>	<u>2019</u>
Federal Gas Tax agreement funds	\$ 484,272	552,880	(99,218)	\$ 937,934
Prepaid property taxes	521,983	557,913	(521,983)	557,913
Other revenue prepaid	994,688	196,011	(287,453)	903,246
	<u>\$ 2,000,943</u>	<u>\$ 1,306,804</u>	<u>\$ (908,654)</u>	<u>\$ 2,399,092</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>2019</u>	<u>2018</u>
Opening balance of unspent funds	\$ 484,272	\$ 404,214
Less: Gas Tax Funds utilized	(99,218)	(202,796)
Add: amount received during the year	172,083	273,050
Add: interest earned during the year	<u>380,797</u>	<u>9,804</u>
Closing balance of unspent funds	<u>\$ 937,934</u>	<u>\$ 484,272</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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 2,061,670	\$ 1,996,382
Contributions from developers	35,518	23,695
Return on investments	<u>51,567</u>	<u>41,593</u>
Balance, end of the year	<u>\$ 2,148,755</u>	<u>\$ 2,061,670</u>

## 11. Debenture Debt

### General Fund:

Debenture debt for the 2008 Cowichan Aquatic Centre, interest at 3.25%, maturing 2026 - MFA Issue #117

	<u>2019</u>	<u>2018</u>
	\$ 782,756	\$ 878,048

### Sewer Utility Fund:

Debenture debt for 1999 Lagoon Improvements, interest at 2.1%, matured in 2019 - MFA Issue #70

	-	31,504
	<u>\$ 782,756</u>	<u>\$ 909,552</u>



## 11. Debenture Debt (continued)

Principal payments in the next five years are as follows:

2020	\$	72,415
2021		72,415
2022		72,415
2023		72,415
2024		72,415
Thereafter		<u>420,681</u>
	<u>\$</u>	<u>782,756</u>

Interest expense includes \$47,125 (2018 - \$55,945) with respect to these obligations.

## 12. Commitments and Contingencies

### a) Commitment

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

### b) Contingent Liabilities

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

As at December 31, 2019 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

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

The City paid \$196,797 (2018 - \$189,676) for employer contributions to the plan in fiscal 2019 while employees contributed \$175,420 (2018 - \$170,754) to the plan in fiscal 2019.

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% (2018 - 2.0%)
- discount rate is 3.5% (2018 - 3.5%)
- the probability of staff remaining for the required vesting period of 20 years is 100%

Based on these assumptions, sick leave and severance benefits accrued at December 31, 2019 is \$517,912 (2018 - \$467,694).



## 14. Budget Figures

Budget figures represent the Financial Plan Bylaw No. 3194 adopted by Council on May 6, 2019. The financial plan anticipated the use of surpluses accumulated in previous years to balance against current year expenses in excess of current year revenues. The following schedule reconciles the consolidated surplus as presented in the Financial Plan approved by Council to the consolidated surplus as shown on the consolidated Statement of Operations.

Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Principal debt repayments	86,338
Transfers to reserves	1,166,732
Capital expenditures	7,116,039
Less:	
Budgeted transfers from accumulated surplus	
General	(328,070)
Sewer	(420,454)
Water	(953,516)
Capital	-
Budgeted transfers from own reserves	
General	
Sewer	(377,336)
Water	(530,000)
Capital	(1,925,477)
Amortization	<u>(1,631,141)</u>
Adjusted Annual Surplus	<u><u>\$ 2,203,115</u></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 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.



## 16. Operating Expenses By Object

	<u>2019</u>	<u>2018</u>
Amortization	\$ 1,559,702	\$ 1,500,078
Capital fund expenses	316,332	615,675
Contract services	932,029	976,276
Fuel	72,561	74,468
Goods and services	1,137,384	1,045,578
Grants in aid	86,643	87,404
Hydro	392,110	389,673
Insurance	119,177	111,274
Interest	54,470	57,934
Leases	8,003	1,970
Professional fees	110,883	85,326
Travel, conference and training	128,838	90,723
Wages and benefits	3,453,894	3,107,214
Write down of account receivable to net realizeable value	405	(8,545)
Actuarial adjustment to debt	<u>(40,459)</u>	<u>(35,430)</u>
	<u>\$ 8,331,972</u>	<u>\$ 8,099,618</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. Subsequent Events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which 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.

# Non-Consolidated Schedule of Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2019

## Schedule 1 (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	2019	2018
<b>Cost</b>											
Opening costs	\$ 1,986,780	\$ 4,113,519	\$ 8,135,784	\$ 6,147,406	\$ 3,752,551	\$ 14,946,403	\$ 15,751,566	\$ 3,365,960	\$ 790,857	\$ 58,990,825	\$ 55,793,000
Additions during the year	352,805		44,500	466,406	318,115	461,866	582,152	64,908	45,761	2,336,513	3,358,972
Disposals and write-downs				(145,561)	(9,391)	(76,655)	(16,515)	(1,850)		(249,973)	(161,147)
Closing cost	2,339,585	4,113,519	8,180,284	6,468,251	4,061,275	15,331,614	16,317,203	3,429,018	836,618	61,077,365	58,990,825
<b>Accumulated Amortization</b>											
Opening accumulated amortization	-	1,864,691	3,625,722	3,552,826	1,834,872	10,163,320	5,323,946	1,855,713	-	28,221,090	26,876,748
<b>Amortization:</b>											
General government			34,334	86,152	49	716				121,250	109,783
Protective services			37,326	131,569						168,896	154,007
Public works and engineering		17,546	13,313	108,875	64,141	379,303				583,178	544,588
Environmental health				24,895						24,895	24,649
Recreation and culture		174,375	58,316	3,748		7,676				244,115	268,554
Water		677	47,552	9,809			282,540			340,578	321,870
Sewer							6	48,810		48,816	48,657
Total amortization	-	192,598	190,841	365,048	64,190	387,695	282,546	48,810	-	1,531,728	1,472,108
Disposals and write-downs				(143,932)	(9,391)	(76,655)	(9,134)	(1,850)		(240,962)	(127,766)
Closing accumulated amortization	-	2,057,289	3,816,563	3,773,942	1,889,671	10,474,360	5,597,358	1,902,673	-	29,511,856	28,221,090
Net Book Value of Tangible Capital Assets	\$ 2,339,585	\$ 2,056,230	\$ 4,363,721	\$ 2,694,309	\$ 2,171,604	\$ 4,857,254	\$ 10,719,845	\$ 1,526,345	\$ 836,618	\$ 31,565,511	\$ 30,769,736

### Contributed Assets

Water	\$	-	\$	62,137
Roads & Sidewalks	\$	675	\$	30,725
	\$	675	\$	92,862



# Consolidated Schedule of Accumulated Surplus

YEAR ENDED DECEMBER 31, 2019

Schedule 2 (Audited)

	2019	2018
<b>OPERATING FUNDS</b>		
<b>Unappropriated</b>		
General	\$ 483,211	\$ 566,500
Waterworks utility	1,732,081	1,275,909
Sewer utility	1,767,259	1,466,541
<b>Total Unappropriated</b>	<b>3,982,551</b>	<b>3,308,950</b>
<b>Appropriated</b>		
Sewer utility: Joint Utilities Board Reserve	552,942	505,390
<b>Total Appropriated</b>	<b>552,942</b>	<b>505,390</b>
<b>Total Operating Funds</b>	<b>4,535,493</b>	<b>3,814,340</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
Net book value tangible capital assets (Schedule 6)	32,536,253	31,707,907
Less: Long term debt	(782,756)	(909,552)
<b>Total Net Investment in Tangible Capital Assets</b>	<b>31,753,497</b>	<b>30,798,355</b>
<b>RESERVE FUNDS</b>		
Sale of real property	230,238	226,281
Underground utilities	28,385	27,696
Parking improvement	239,139	237,619
Parking improvement - Restricted	125,786	122,728
Municipal Finance Authority debt issue refunds	26,790	25,311
Operating reserves	365,612	367,842
Machinery and equipment	1,793,208	1,695,322
Capital works and other miscellaneous reserves	274,436	262,892
General capital	7,523	7,340
Police bridging capital	2,438,608	2,400,941
Downtown revitalization	18,801	18,344
Melba Schappert bequest	19,779	19,298
Pioneer Park	1,466	1,431
Public art	10,424	10,170
Waterworks utility	1,028,342	941,964
Sewer utility	740,981	721,655
<b>Total Reserve Funds</b>	<b>7,349,518</b>	<b>7,086,834</b>
<b>Total Accumulated Surplus</b>	<b>\$ 43,638,508</b>	<b>\$ 41,699,529</b>

# Non-Consolidated Schedule of Revenues

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Taxation (Schedule 3a)</b>	4,647,390	<b>4,645,168</b>	4,519,547
<b>Grants in Lieu of Taxation:</b>			
Federal government	12,700	<b>10,353</b>	12,643
<b>Collection for Other Governments</b>			
School authorities levy	1,862,000	<b>1,814,953</b>	1,861,216
Provincial policing levy	285,000	<b>311,842</b>	306,319
Cowichan Valley Regional District levy	1,557,061	<b>1,557,064</b>	1,529,620
Regional Hospital District levy	533,000	<b>560,476</b>	532,703
	4,237,061	<b>4,244,335</b>	4,229,858
Joint boards and commissions:			
Municipal Finance Authority levy	200	<b>222</b>	207
British Columbia Assessment Authority levy	49,000	<b>46,884</b>	48,057
	49,200	<b>47,106</b>	48,264
Less: Transfers to other governments and others	(4,286,261)	<b>(4,291,441)</b>	(4,278,122)
Less: Transfers to BIA	(210,000)	<b>(210,000)</b>	(205,000)
Less: Transfers to VIRL	(234,000)	<b>(239,520)</b>	(227,724)
<b>Total Taxation and Grants in Lieu of Taxes</b>	4,216,090	<b>4,206,002</b>	4,099,466



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

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Sale of Services</b>			
<b>General Revenue Fund</b>			
Garbage and recycling fees	213,985	<b>221,093</b>	216,444
Cowichan Tribes fire protection	116,444	<b>110,272</b>	114,836
CVRD - Eagle Heights fire protection	196,623	<b>222,288</b>	185,979
Other - fire protection	1,000	<b>1,400</b>	2,200
Administration recoveries	11,200	<b>35,101</b>	12,622
Public Works miscellaneous recoveries	12,220	<b>8,825</b>	16,496
Cowichan Tribes roads contribution	400	<b>299</b>	383
Sports field user fees	10,000	<b>10,142</b>	9,321
	<u>561,872</u>	<u><b>609,420</b></u>	<u>558,281</u>
<b>Waterworks Utility Revenue Fund</b>			
Sale of water	2,337,602	<b>2,348,489</b>	2,346,765
Service charges	20,000	<b>23,689</b>	22,125
Water studies	1,200	<b>2,600</b>	4,904
	<u>2,358,802</u>	<u><b>2,374,778</b></u>	<u>2,373,794</u>
<b>Sewer Utility Revenue Fund</b>			
Sewer fees	1,257,579	<b>1,249,108</b>	1,185,923
Service charges	100	-	25
	<u>1,257,679</u>	<u><b>1,249,108</b></u>	<u>1,185,948</u>
<b>Capital Connection Fees</b>			
General Capital	-	<b>7,704</b>	5,832
Water Capital	-	<b>68,919</b>	94,431
Sewer Capital	-	<b>12,896</b>	3,932
	<u>-</u>	<u><b>89,519</b></u>	<u>104,195</u>
<b>Total Sale of Services</b>	<u><u>4,178,353</u></u>	<u><u><b>4,322,825</b></u></u>	<u><u>4,222,218</u></u>

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

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Licences, Permits, Rentals and Penalties</b>			
Trade licences	81,000	<b>84,282</b>	81,760
Delivery vehicle licences	1,300	<b>1,108</b>	1,639
Building permits and other fees	34,800	<b>72,250</b>	28,363
Dog licences	8,000	<b>7,638</b>	8,270
	<u>125,100</u>	<u><b>165,278</b></u>	<u>120,032</u>
Equipment charges less operating costs	215,000	<b>147,044</b>	104,116
Parking and bylaw infraction fines	25,200	<b>20,527</b>	19,080
Parking permits and revenues	65,450	<b>64,148</b>	57,878
Rentals	177,952	<b>178,555</b>	170,154
Penalties and interest on taxes	41,500	<b>49,590</b>	73,035
	<u>525,102</u>	<u><b>459,864</b></u>	<u>424,263</u>
Donations and contributions	-	<b>2,750</b>	5,700
Other revenues and fees	49,460	<b>54,069</b>	47,129
	<u>49,460</u>	<u><b>56,819</b></u>	<u>52,829</u>
<b>Total Licences, Permits, Rentals and Penalties</b>	<u><u>699,662</u></u>	<u><u><b>681,961</b></u></u>	<u><u>597,124</u></u>



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

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Other Income</b>			
<b>Return on Investments</b>			
General Fund	20,700	52,360	26,284
Waterworks Fund	40,000	28,276	38,962
Sewer Fund	23,000	36,443	25,821
Reserve Fund	-	172,951	140,971
	<u>83,700</u>	<u>290,030</u>	<u>232,038</u>
<b>Asset Disposal</b>			
Gain(Loss) on Disposal of Tangible Capital Assets	-	21,790	(12,880)
<b>Assets Contributed by Developers</b>			
General Capital	-	675	92,862
<b>Funds Contributed from Other Governments</b>			
Joint Parks	14,121	14,205	13,872
<b>Capital Contributions from Developers</b>			
Water Infrastructure	-	63,610	141,901
<b>Gas Tax Funds Utilized</b>	518,800	99,218	202,796
<b>Government Transfers (Schedule 3b)</b>	540,000	557,726	584,345
<b>Grants</b>	31,000	12,700	10,200
<b>Total Other Income</b>	<u>1,187,621</u>	<u>1,059,954</u>	<u>1,265,134</u>
<b>Total Revenue</b>	<u>\$ 10,281,726</u>	<u>\$ 10,270,741</u>	<u>\$ 10,183,942</u>

\* Government Transfers detail found on Schedule 3b

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

YEAR ENDED DECEMBER 31, 2019

Schedule 3a (Excluding Joint Utilities Board Financial Information – Audited)

	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
<b>Taxation</b>			
Property taxes - general	\$ 4,051,149	<b>4,043,347</b>	\$ 3,936,682
Special assessments			
Business Improvement Area (BIA)	210,000	<b>210,000</b>	205,000
Vancouver Island Regional Library (VIRL)	234,000	<b>239,520</b>	227,724
Utilities	107,641	<b>107,641</b>	105,501
Frontage and parcel taxes	44,600	<b>44,660</b>	44,640
	<u>596,241</u>	<u><b>601,821</b></u>	<u>582,865</u>
<b>Taxation</b>	<u>4,647,390</u>	<u><b>4,645,168</b></u>	<u>4,519,547</u>



# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2019

Schedule 3b (Excluding Joint Utilities Board Financial Information – Audited)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
<b>Government Transfers</b>			
Unconditional Transfers from Other Governments			
Provincial revenue sharing	<u>535,000</u>	<u>552,167</u>	<u>535,243</u>
Conditional Transfers from Other Governments			
Federal government	-	1,764	43,173
Provincial government	<u>5,000</u>	<u>3,795</u>	<u>5,929</u>
	<u>5,000</u>	<u>5,559</u>	<u>49,102</u>
<b>Total Government Transfers</b>	<u><u>540,000</u></u>	<u><u>557,726</u></u>	<u><u>584,345</u></u>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>General Government Services</b>			
Legislative	\$ 182,052	\$ 185,604	\$ 147,934
General administration:			
Salaries and benefits	904,000	897,628	830,827
Advertising	5,000	6,107	7,015
Accounting and audit	20,000	19,950	19,950
City Hall maintenance and operation	60,800	73,915	58,397
Communications and consulting	111,050	95,742	45,388
Computer services	86,400	84,914	77,915
Insurance	50,822	50,534	41,064
Legal	25,000	23,600	16,615
Office supplies and miscellaneous	30,775	24,377	33,854
Sick leave and severance expense	50,000	50,218	51,850
Telephone, internet and postage	10,900	15,329	13,471
Travel, conference, training	44,300	44,637	41,659
Internal recoveries	(495,076)	(499,225)	(484,080)
	<u>903,971</u>	<u>887,726</u>	<u>753,925</u>
Other:			
Grants to organizations	18,200	18,494	20,308
Margaret Moss building	6,713	1,275	216
Operation and maintenance	4,120	4,661	4,034
Elections and Amalgamation Referendum	-	-	30,787
Sundry	6,800	5,096	6,146
Tourism	79,783	69,130	84,869
Write down of account receivable to net realizable value	115,616	405	(8,545)
	<u>115,616</u>	<u>99,060</u>	<u>137,815</u>
<b>Total General Government Services</b>	<u>1,201,639</u>	<u>1,172,390</u>	<u>1,039,674</u>



# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Protective Services</b>			
Fire:			
Chief and officers' honorarium	29,700	<b>27,832</b>	26,488
Call pay	128,250	<b>149,632</b>	120,356
Wages and benefits - clerical staff	17,850	<b>12,378</b>	17,232
Training	55,000	<b>58,951</b>	42,529
Insurance	7,100	<b>6,808</b>	7,067
Telephone and radio alarm system	10,890	<b>7,923</b>	8,450
Fire hall maintenance and operation	37,445	<b>34,694</b>	38,544
Vehicle maintenance and operation	33,071	<b>31,742</b>	34,083
Fire investigation and prevention	46,500	<b>22,249</b>	38,637
Hydrant rental	18,500	<b>19,083</b>	18,527
Other	86,788	<b>86,373</b>	71,384
	<u>471,094</u>	<u><b>457,665</b></u>	<u>423,297</u>
Other protection:			
Animal control	22,000	<b>20,572</b>	20,095
Building inspection:			
Salaries and benefits	72,400	<b>84,277</b>	79,905
Other	404	<b>(1,283)</b>	442
Security patrols and cameras	70,000	<b>104,935</b>	37,612
	<u>164,804</u>	<u><b>208,501</b></u>	<u>138,054</u>
<b>Total Protective Services</b>	<u>635,898</u>	<u><b>666,166</b></u>	<u>561,351</u>

# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Public Works &amp; Engineering</b>			
Common services:			
Public works administration salaries and benefits	335,700	<b>323,197</b>	304,574
Other administration costs	84,390	<b>66,082</b>	85,690
Operation and maintenance of workshop and yard	53,668	<b>66,412</b>	53,813
Small tools and equipment	6,855	<b>5,072</b>	8,028
Engineering	288,236	<b>246,311</b>	219,267
Public works administration recoveries	(420,314)	<b>(421,514)</b>	(346,328)
	<u>348,535</u>	<u><b>285,560</b></u>	<u>325,044</u>
Street maintenance	71,650	<b>66,750</b>	39,656
Sidewalk maintenance	77,000	<b>24,045</b>	56,276
Drainage	67,450	<b>105,807</b>	55,248
Flood control and storm water quality testing	6,000	<b>4,139</b>	4,754
Street sweeping	53,950	<b>71,726</b>	60,018
Snow removal	48,900	<b>111,851</b>	28,154
Boulevard and median maintenance	64,100	<b>82,247</b>	64,187
Tree maintenance	33,000	<b>41,283</b>	34,196
Totem maintenance	12,370	<b>18,907</b>	52,909
Traffic lines and signs	82,930	<b>83,032</b>	78,395
Street lighting	94,650	<b>121,837</b>	106,760
Traffic light maintenance and control	32,575	<b>67,909</b>	33,605
Off street free parking lots	11,050	<b>10,946</b>	14,523
Other	2,720	<b>6,755</b>	6,028
	<u>658,345</u>	<u><b>817,234</b></u>	<u>634,709</u>
Parking:			
Parking control	35,100	<b>49,817</b>	26,814
Off street paid parking lots	18,350	<b>10,089</b>	18,610
	<u>53,450</u>	<u><b>59,906</b></u>	<u>45,424</u>
Other:			
Bylaw enforcement	54,418	93,687	55,316
	<u>54,418</u>	<u><b>93,687</b></u>	<u>55,316</u>
<b>Total Public Works &amp; Engineering</b>	<u>1,114,748</u>	<u><b>1,256,387</b></u>	<u>1,060,493</u>



# Non-Consolidated Schedule of Expenses

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>Environmental Health Services</b>			
Solid waste collection and disposal	214,450	238,694	207,994
Comfort stations	30,195	37,975	31,362
Environmental programs	900	-	-
	<u>245,545</u>	<u>276,669</u>	<u>239,356</u>
<b>Environmental Development Services</b>			
Planning salaries and benefits	182,499	164,852	149,179
Materials and contracted services	50,400	14,428	29,491
	<u>232,899</u>	<u>179,280</u>	<u>178,670</u>
<b>Recreation and Cultural Services</b>			
Parks and playgrounds	450,382	499,624	465,983
Joint Parks contributions	6,000	5,899	5,896
Joint Cowichan Aquatic Centre contributions	250,000	275,576	255,522
Senior Citizens' Activity Centre	5,512	5,598	5,493
Museum	10,250	9,905	10,122
	<u>722,144</u>	<u>796,602</u>	<u>743,016</u>
<b>Interest</b>			
Interest in General Fund			
General government	1,200	3,660	1,989
Recreation and cultural services	47,125	47,125	47,125
	<u>48,325</u>	<u>50,785</u>	<u>49,114</u>
Interest in Sewer Fund			
	<u>8,820</u>	<u>3,685</u>	<u>8,820</u>
	<u>57,145</u>	<u>54,470</u>	<u>57,934</u>
<b>Water and Sewer Services</b>			
Waterworks	1,410,158	1,356,180	1,361,010
Sewer	827,294	846,140	843,388
	<u>2,237,452</u>	<u>2,202,320</u>	<u>2,204,398</u>

# Consolidated Statement of Operations by Program

YEAR ENDED DECEMBER 31, 2019

## Schedule 5 (Audited)

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services		Environmental Development Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE</b>										
Taxation and grants in lieu of taxes	\$ 4,206,002	\$ 4,099,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services	\$ 35,101	12,622	333,960	303,015	16,828	22,711	221,093	216,444	-	-
Licenses, permits, penalties and fines	\$ 450,241	416,050	-	-	231,720	181,074	-	-	-	-
Return on investments	\$ 225,311	167,255	-	-	-	-	-	-	-	-
Grants	\$ 12,700	10,200	-	-	-	-	-	-	-	-
Government transfers	\$ 557,725	584,345	-	-	-	-	-	-	-	-
Funds contributed from other governments	\$ 14,205	13,872	-	-	-	-	-	-	-	-
Gas Tax funds utilized	\$ -	-	99,218	202,796	-	-	-	-	-	-
Capital contributions from developers	\$ -	-	-	-	-	-	-	-	-	-
Gain(Loss) on disposal of assets	\$ -	-	-	-	21,790	(12,880)	-	-	-	-
Assets contributed by developers	\$ -	-	-	-	675	92,862	-	-	-	-
Increase (decrease) in proportionate share of JUB assets	\$ -	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 5,501,285</b>	<b>\$ 5,303,810</b>	<b>\$ 433,178</b>	<b>\$ 505,811</b>	<b>\$ 271,013</b>	<b>\$ 283,767</b>	<b>\$ 221,093</b>	<b>\$ 216,444</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENSES</b>										
Operating expenses										
Payroll	\$ 1,177,023	\$ 1,030,076	\$ 361,606	\$ 284,206	\$ 1,041,015	\$ 877,424	\$ 23,721	\$ 21,939	\$ 164,818	\$ 149,179
Other	(4,633)	9,598	304,560	277,145	215,372	183,069	252,948	217,417	14,462	29,491
<b>Total operating expenses</b>	<b>1,172,390</b>	<b>1,039,674</b>	<b>666,166</b>	<b>561,351</b>	<b>1,256,387</b>	<b>1,060,493</b>	<b>276,669</b>	<b>239,356</b>	<b>179,280</b>	<b>178,670</b>
Capital fund expenses	70,346	105,500	27,624	36,826	4,400	49,126	4,737	861	-	-
Amortization	121,250	109,783	168,960	154,007	583,608	544,588	24,895	24,649	-	-
Interest	3,660	1,989	-	-	-	-	-	-	-	-
Actuarial adjustment to debt	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 1,367,646</b>	<b>\$ 1,256,946</b>	<b>\$ 862,750</b>	<b>\$ 752,184</b>	<b>\$ 1,844,395</b>	<b>\$ 1,654,207</b>	<b>\$ 306,301</b>	<b>\$ 264,866</b>	<b>\$ 179,280</b>	<b>\$ 178,670</b>
<b>Surplus (Deficit)</b>	<b>\$ 4,133,639</b>	<b>\$ 4,046,864</b>	<b>\$ (429,572)</b>	<b>\$ (246,373)</b>	<b>\$ (1,573,382)</b>	<b>\$ (1,370,440)</b>	<b>\$ (85,208)</b>	<b>\$ (48,422)</b>	<b>\$ (179,280)</b>	<b>\$ (178,670)</b>

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



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

YEAR ENDED DECEMBER 31, 2019

## Schedule 5 (Audited)

	Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE</b>								
Taxation and grants in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,206,002	\$ 4,099,466
Sale of services	10,142	9,321	2,443,696	2,468,225	1,262,004	1,189,880	4,322,824	4,222,218
Licenses, permits, penalties and fines	-	-	-	-	-	-	681,961	597,124
Return on investments	-	-	28,276	38,962	36,443	25,821	290,030	232,038
Grants	-	-	-	-	-	-	12,700	10,200
Government transfers	-	-	-	-	-	-	557,725	584,345
Funds contributed from other governments	-	-	-	-	-	-	14,205	13,872
Gas Tax funds utilized	-	-	-	-	-	-	99,218	202,796
Capital contributions from developers	-	-	63,610	141,901	-	-	63,610	141,901
Gain(Loss) on disposal of assets	-	-	-	-	-	-	21,790	(12,880)
Assets contributed by developers	-	-	-	-	-	-	675	92,862
Increase (decrease) in proportionate share of JUB assets	-	-	-	-	211	(58,645)	211	(58,645)
<b>Total revenue</b>	<b>\$ 10,142</b>	<b>\$ 9,321</b>	<b>\$ 2,535,583</b>	<b>\$ 2,649,088</b>	<b>\$ 1,298,658</b>	<b>\$ 1,157,056</b>	<b>\$ 10,270,951</b>	<b>\$ 10,125,297</b>
<b>EXPENSES</b>								
Operating expenses								
Payroll	\$ 334,553	\$ 331,072	\$ 296,448	\$ 333,195	\$ 74,529	\$ 87,769	\$ 3,473,713	\$ 3,114,860
Other	462,049	411,944	1,059,732	1,027,815	663,724	690,022	2,968,214	2,846,501
<b>Total operating expenses</b>	<b>796,602</b>	<b>743,016</b>	<b>1,356,180</b>	<b>1,361,010</b>	<b>738,253</b>	<b>777,791</b>	<b>6,441,927</b>	<b>5,961,361</b>
Capital fund expenses								
Amortization	56,922	57,978	50,793	66,544	101,512	298,840	316,332	615,675
Interest	244,115	268,554	340,192	321,870	76,682	76,627	1,559,702	1,500,078
Actuarial adjustment to debt	47,125	47,125	-	-	3,685	8,820	54,470	57,934
	(22,878)	(19,213)	-	-	(17,581)	(16,217)	(40,459)	(35,430)
<b>Total expenses</b>	<b>\$ 1,121,886</b>	<b>\$ 1,097,460</b>	<b>\$ 1,747,165</b>	<b>\$ 1,749,424</b>	<b>\$ 902,551</b>	<b>\$ 1,145,861</b>	<b>\$ 8,331,972</b>	<b>\$ 8,099,618</b>
<b>Surplus (Deficit)</b>	<b>\$ (1,111,744)</b>	<b>\$ (1,088,139)</b>	<b>\$ 788,418</b>	<b>\$ 899,664</b>	<b>\$ 396,108</b>	<b>\$ 11,195</b>	<b>\$ 1,938,979</b>	<b>\$ 2,025,679</b>

# Consolidated Details and Reconciliation to Core Government Results

YEAR ENDED DECEMBER 31, 2019

## Schedule 6 (Audited)

	The Corporation of the City of Duncan		Joint Utilities Board (JUB) Proportionate Share		Total	
	2019	2018	2019	2018	2019	2018
<b>STATEMENT OF FINANCIAL POSITION</b>						
Portfolio investments (Note 3)	\$ 14,419,567	\$ 12,866,645	\$ 1,352,255	\$ 1,290,610	\$ 15,771,822	\$ 14,157,255
Deferred revenue (Note 9)	\$ 1,599,778	\$ 1,215,723	\$ 799,314	\$ 785,220	\$ 2,399,092	\$ 2,000,943
Tangible capital assets (Schedule 1)	\$ 31,565,511	\$ 30,769,736	\$ 970,742	\$ 938,171	\$ 32,536,253	\$ 31,707,907
Prepaid expenses	\$ 31,117	\$ 32,599	\$ -	\$ -	\$ 31,117	\$ 32,599
Equity in tangible capital assets (Schedule 7)	\$ 30,782,755	\$ 29,860,185	\$ 970,742	\$ 938,171	\$ 31,753,496	\$ 30,798,355
Accumulated surplus (Schedule 9)	\$ 42,114,824	\$ 40,255,968	\$ 1,523,683	\$ 1,443,561	\$ 43,638,507	\$ 41,699,529
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>						
Acquisition of tangible capital assets (Schedule 1)	\$ 2,336,513	\$ 3,358,972	\$ (60,546)	\$ (25,449)	\$ 2,275,967	\$ 3,333,523
<b>STATEMENT OF OPERATIONS</b>						
Increase (decrease) in share of JUB assets	\$ -	\$ -	\$ 211	\$ (58,645)	\$ 211	\$ (58,645)
Total revenues (Schedule 3)	\$ 10,270,741	\$ 10,183,942	\$ 211	\$ (58,645)	\$ 10,270,952	\$ 10,125,297
Sewer services expenses	\$ 846,140	\$ 843,388	\$ (107,887)	\$ (65,597)	\$ 738,253	\$ 777,791
Sewer services amortization (Schedule 4)	\$ 48,709	\$ 48,657	\$ 27,973	\$ 27,970	\$ 76,682	\$ 76,627
Total expenses (Schedule 4)	\$ 8,411,886	\$ 8,137,245	\$ (79,914)	\$ (37,627)	\$ 8,331,972	\$ 8,099,618



# Non-Consolidated Schedule of Equity in Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2019

Schedule 7 (Audited)

	<u>2019</u>	<u>2018</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
<b>Net Investment in Tangible Capital Assets (beginning of year)</b>	<b>\$ 29,860,185</b>	<b>\$ 27,884,933</b>
Add: Purchase of tangible capital assets	2,335,838	3,266,110
Tangible capital assets acquired in-kind	675	92,862
Debt repayment	86,338	86,338
Actuarial adjustment to debt	40,459	35,430
Less: Amortization	(1,531,729)	(1,472,108)
Net book value of disposed of tangible capital assets	(9,011)	(33,380)
<b>Net Investment in Tangible Capital Assets</b>	<b><u>\$ 30,782,755</u></b>	<b><u>\$ 29,860,185</u></b>

# Non-Consolidated Schedule of Change in Reserve Fund Balances

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	<b>2019 Actual</b>	2018 Actual
<b>REVENUE</b>			
Investment income	\$ -	\$ 172,951	\$ 140,971
Water capital contributions from developers	-	<b>63,610</b>	141,901
<b>NET REVENUES</b>	-	<b>236,561</b>	282,872
<b>TRANSFERS</b>			
Transfers from operating fund	1,166,732	<b>1,166,908</b>	1,171,560
Transfers to general capital fund	(1,925,477)	<b>(1,140,785)</b>	(1,080,892)
Transfers to water capital fund	(530,000)	-	-
Transfers to sewer capital fund	(377,336)	-	(134,000)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(1,666,081)	<b>262,684</b>	239,540
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	7,086,834	<b>7,086,834</b>	6,847,293
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 5,420,753</u>	<u>\$ 7,349,518</u>	<u>\$ 7,086,834</u>

Individual reserve fund balances are detailed on the next page.



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

YEAR ENDED DECEMBER 31, 2019

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

	<b>2019</b>	2018
	<b>Actual</b>	Actual
<b>SUMMARY OF RESERVE FUND POSITIONS</b>		
Sale of real property	*	226,281
Underground Utilities	<b>230,238</b>	27,696
Parking improvement	<b>28,385</b>	237,619
Parking improvement - Restricted	<b>239,139</b>	122,728
Municipal Finance Authority debt issue refunds	*	25,311
Operating reserves	<b>26,790</b>	367,842
Machinery and equipment	<b>365,612</b>	1,695,322
Capital works and other miscellaneous reserves	<b>1,793,208</b>	262,892
General capital cost contributions	<b>274,436</b>	7,340
Police bridging capital	<b>7,523</b>	2,400,941
Downtown revitalization	<b>2,438,608</b>	18,344
Melba Schappert bequest	<b>18,801</b>	19,298
Pioneer Park	<b>19,779</b>	1,431
Public Art	<b>1,466</b>	10,170
Water capital cost contributions	<b>10,424</b>	536,103
Water capital reserve	<b>612,368</b>	405,861
Sewer capital cost contributions	<b>415,974</b>	14,501
Sewer capital reserve	<b>16,207</b>	707,154
<b>Total Reserve Fund Equity</b>	<b>\$ 7,349,518</b>	\$ 7,086,834
<b>RESERVES HELD AS LIABILITIES</b>		
Federal Gas Tax funds (Note 9)	*	484,272
Restricted revenue (Note 10)	*	2,061,670
<b>Total Reserve Funds</b>	<b>\$ 10,436,207</b>	\$ 9,632,776

\* Restricted cash and portfolio investments

# Non-Consolidated Statement of Financial Position – Funds

YEAR ENDED DECEMBER 31, 2019

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

	General Fund		Reserve Fund		Waterworks Utility Fund		Sewer Utility Fund		Equity in Capital Assets		2019	2018
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	Total	Total
<b>FINANCIAL ASSETS</b>												
Cash and cash equivalents (Note 3)	\$ 853,889	\$ 632,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 853,889	\$ 632,854
Accounts receivable (Note 4)	943,427	1,019,439	-	-	107,284	170,105	18,936	-	-	-	1,069,647	1,189,544
Portfolio investments (Note 3)	576,251	640,683	10,436,207	9,632,776	1,658,699	1,134,832	1,748,410	1,458,354	-	-	14,419,567	12,866,645
Deposits - Municipal Finance Authority (Note 5)	18,321	17,904	-	-	-	-	-	8,912	-	-	18,321	26,816
Loan receivable (Note 6)	94,900	109,414	-	-	-	-	-	-	-	-	94,900	109,414
	<u>\$ 2,486,788</u>	<u>\$ 2,420,294</u>	<u>\$ 10,436,207</u>	<u>\$ 9,632,776</u>	<u>\$ 1,765,983</u>	<u>\$ 1,304,937</u>	<u>\$ 1,767,346</u>	<u>\$ 1,467,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,456,324</u>	<u>\$ 14,825,273</u>
<b>LIABILITIES</b>												
Accounts payable and accrued liabilities (Note 7)	\$ 835,882	\$ 707,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 725	\$ -	\$ -	\$ 835,882	\$ 707,755
Sick and severance liabilities (Note 13(b))	517,912	467,694	-	-	-	-	-	-	-	-	517,912	467,694
Refundable deposits (Note 8)	182,065	142,646	-	-	-	-	-	-	-	-	182,065	142,646
Deferred revenue (Note 9)	627,856	702,423	937,934	484,272	33,902	29,028	87	-	-	-	1,599,778	1,215,723
Restricted revenue (Note 10)	-	-	2,148,755	2,061,670	-	-	-	-	-	-	2,148,755	2,061,670
Debenture debt (Note 11)	-	-	-	-	-	-	-	-	782,756	909,552	782,756	909,552
	<u>2,163,715</u>	<u>2,019,793</u>	<u>3,086,689</u>	<u>2,545,942</u>	<u>33,902</u>	<u>29,028</u>	<u>87</u>	<u>725</u>	<u>782,756</u>	<u>909,552</u>	<u>6,067,149</u>	<u>5,505,040</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 323,073</u>	<u>\$ 400,501</u>	<u>\$ 7,349,518</u>	<u>\$ 7,086,834</u>	<u>\$ 1,732,081</u>	<u>\$ 1,275,909</u>	<u>\$ 1,767,259</u>	<u>\$ 1,466,541</u>	<u>\$ (782,756)</u>	<u>\$ (909,552)</u>	<u>\$ 10,389,175</u>	<u>\$ 9,320,233</u>
<b>NON-FINANCIAL ASSETS</b>												
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,565,511	\$ 30,769,736	\$ 31,565,511	\$ 30,769,736
Inventory of supplies	129,021	133,400	-	-	-	-	-	-	-	-	129,021	133,400
Prepaid expenses	31,117	32,599	-	-	-	-	-	-	-	-	31,117	32,599
	<u>160,138</u>	<u>165,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,565,511</u>	<u>30,769,736</u>	<u>31,725,649</u>	<u>30,935,735</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 483,211</u>	<u>\$ 566,500</u>	<u>\$ 7,349,518</u>	<u>\$ 7,086,834</u>	<u>\$ 1,732,081</u>	<u>\$ 1,275,909</u>	<u>\$ 1,767,259</u>	<u>\$ 1,466,541</u>	<u>\$ 30,782,755</u>	<u>\$ 29,860,184</u>	<u>\$ 42,114,824</u>	<u>\$ 40,255,968</u>



# Statement of General Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>REVENUE</b>			
Taxation	\$ 4,203,390	\$ 4,195,648	\$ 4,086,823
Grants in lieu of taxes	12,700	10,353	12,643
Sale of services	561,872	609,420	558,281
Other revenue from own sources	699,662	681,961	597,124
Return on investments	20,700	52,360	26,284
Grants	-	-	400
Government transfers	540,000	557,726	584,345
Funds contributed from other governments	14,121	14,205	13,872
Total revenue	<u>6,052,445</u>	<u>6,121,673</u>	<u>5,879,772</u>
<b>EXPENSES</b>			
General government	1,201,639	1,172,390	1,039,674
Protective services	635,898	666,166	561,351
Public works & engineering	1,114,748	1,256,387	1,060,493
Environmental health services	245,545	276,669	239,356
Environmental development services	232,899	179,280	178,670
Recreation and cultural services	722,144	796,602	743,016
Interest	48,325	50,785	49,114
Total expenses	<u>4,201,198</u>	<u>4,398,279</u>	<u>3,871,674</u>
<b>NET REVENUES</b>	1,851,247	1,723,394	2,008,098
<b>TRANSFERS</b>			
Transfers to general capital fund	(895,570)	(522,700)	(404,967)
Transfers to reserve fund	(1,166,732)	(1,166,908)	(1,171,560)
Transfers to sewer revenue fund - parcel tax	(44,600)	(44,660)	(44,640)
Long term debt repayment	(72,415)	(72,415)	(72,415)
<b>NET INCREASE (DECREASE) IN FUND</b>	(328,070)	(83,289)	314,516
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>566,500</u>	<u>566,500</u>	<u>251,984</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 238,430</u>	<u>\$ 483,211</u>	<u>\$ 566,500</u>

# Statement of Waterworks Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>REVENUE</b>			
Sale of water	\$ 2,337,602	\$ 2,348,489	\$ 2,346,765
Water studies	1,200	2,600	4,904
Service charges	20,000	23,689	22,125
Return on investments	40,000	28,276	38,962
Total revenue	<u>2,398,802</u>	<u>2,403,054</u>	<u>2,412,756</u>
<b>EXPENSES</b>			
Administration	700,188	718,720	588,329
Transmission and distribution	453,210	378,741	459,600
Pumping	256,760	258,719	313,081
Total expenses	<u>1,410,158</u>	<u>1,356,180</u>	<u>1,361,010</u>
<b>NET REVENUES</b>	988,644	1,046,874	1,051,746
<b>TRANSFERS</b>			
Transfers to waterworks utility capital fund	<u>(1,942,160)</u>	<u>(590,702)</u>	<u>(1,753,556)</u>
<b>NET INCREASE (DECREASE) IN FUND</b>	(953,516)	456,172	(701,810)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>1,275,909</u>	<u>1,275,909</u>	<u>1,977,719</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 322,393</u>	<u>\$ 1,732,081</u>	<u>\$ 1,275,909</u>



# Statement of Sewer Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>REVENUE</b>			
Sewer fees	\$ 1,257,579	\$ 1,249,108	\$ 1,185,923
Service charges	100	-	25
Return on investments	23,000	36,443	25,821
Total revenue	<u>1,280,679</u>	<u>1,285,551</u>	<u>1,211,769</u>
<b>EXPENSES</b>			
Administration	308,240	280,718	254,000
Collection and disposal	178,554	160,608	208,606
Cost sharing - municipal government	(24,500)	(26,863)	(27,448)
Joint Utilities Board	365,000	431,677	408,230
Interest on debenture debt	8,820	3,685	8,820
Total expenses	<u>836,114</u>	<u>849,825</u>	<u>852,208</u>
<b>NET REVENUES</b>	444,565	435,726	359,561
<b>TRANSFERS</b>			
Transfers to sewer capital fund	(895,696)	(165,745)	(171,079)
Transfers from general revenue fund - parcel tax	44,600	44,660	44,640
Long-term debt repayment	(13,923)	(13,923)	(13,923)
<b>NET INCREASE (DECREASE) IN FUND</b>	(420,454)	300,718	219,199
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	1,466,541	1,466,541	1,247,342
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 1,046,087</u>	<u>\$ 1,767,259</u>	<u>\$ 1,466,541</u>

# Statement of Capital Fund Operations

YEAR ENDED DECEMBER 31, 2019

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

	2019 Budget	2019 Actual	2018 Actual
<b>REVENUE</b>			
Connection fees			
General Capital	\$ -	\$ 7,704	\$ 5,832
Water Capital	-	68,919	94,431
Sewer Capital	-	12,896	3,932
Grants	31,000	12,700	9,800
Gas Tax Funds utilized	518,800	99,218	202,796
Gain (Loss) on disposal of tangible capital assets	-	21,790	(12,880)
Assets constructed by Developers			
General Capital	-	675	92,862
<b>Total revenue</b>	<b>549,800</b>	<b>223,903</b>	<b>396,773</b>
<b>EXPENSES (not capitalized) (Schedule 5)</b>			
General government services	-	70,346	105,500
Protective services	-	27,624	36,826
Transportation services	-	4,400	49,126
Environmental health services	-	4,737	861
Recreation and cultural services	-	56,922	57,978
Water services	-	50,793	66,544
Sewer services	-	101,511	298,840
<b>Total expenses</b>	<b>-</b>	<b>316,332</b>	<b>615,675</b>
<b>NET REVENUES</b>	<b>549,800</b>	<b>(92,430)</b>	<b>(218,902)</b>
<b>TRANSFERS</b>			
Transfers from general operating fund	895,570	522,700	404,967
Transfers from water operating fund	1,942,160	590,702	1,753,556
Transfers from sewer operating fund	895,696	165,745	305,079
Transfers from general reserve funds	1,925,477	1,140,785	1,080,892
Transfers from water reserve funds	530,000		
Transfers from sewer reserve funds	377,336	-	-
Tangible capital asset purchases	(7,116,039)	(2,335,838)	(3,266,110)
Tangible capital assets acquired in-kind	-	(675)	(92,862)
Net book value of disposed of tangible capital assets	-	9,011	33,380
<b>NET INCREASE (DECREASE) IN FUND</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

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

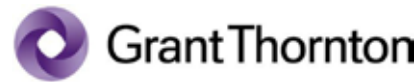
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative control designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial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

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

Grant Thornton LLP, as the Duncan – North Cowichan Joint Utilities Board’s appointed external auditors, has audited the financial statements. The Auditor’s report is addressed to the Duncan – North Cowichan Joint Utilities Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the Duncan – North Cowichan Joint Utilities Board in accordance with Canadian public sector accounting standards.



Mark Frame  
General Manager, Financial and Protective Services  
May 6, 2020



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## Independent auditor's report

To the Duncan – North Cowichan Joint Utilities Board

### Opinion

We have audited the financial statements of the Duncan - North Cowichan Joint Utilities Board ("the Partnership"), which comprise the statement of financial position as at December 31, 2019, the statement of operations for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Duncan - North Cowichan Joint Utilities Board as at December 31, 2019, and the 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership 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

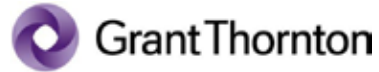
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material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

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

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



## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD



### **Auditor's 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 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 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.
- 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 Partnership'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 Partnership'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 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 Partnership 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.

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, Canada  
May 6, 2020

The signature of Grant Thornton LLP, written in a cursive, handwritten style.

Chartered Professional Accountants

# Consolidated Statement of Financial Position

AS AT DECEMBER 31, 2018

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	<u>2019 Actual</u>	<u>2018 Actual</u>
<b>Financial Assets</b>		
Investments (Notes 3 and 5)	<u>\$ 4,343,491</u>	<u>\$ 4,145,875</u>
<b>Financial Liabilities</b>		
Unearned revenue	<u>2,567,422</u>	<u>2,522,390</u>
<b>Net Financial Assets</b>	<u>1,776,069</u>	<u>1,623,485</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule I)	<u>3,118,061</u>	<u>3,013,719</u>
<b>Accumulated Surplus</b>	<u><u>\$ 4,894,130</u></u>	<u><u>\$ 4,637,204</u></u>

Approved by:



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M. Frame  
General Manager, Financial and Protective Services

See accompanying notes to the financial statements.



# Statement of Operations

FOR THE YEAR ENDED DECEMBER 31, 2019

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	2019 Budget	2019 Actual	2018 Actual
<b>Revenues</b>			
<b>Contributions from:</b>			
The Corporation of the District of North Cowichan	\$ 839,971	\$ 757,977	\$ 733,815
The Corporation of the City of Duncan	501,752	447,810	434,964
Cowichan Valley Regional District	210,237	221,087	213,606
Cowichan Tribes	30,394	30,402	29,791
Return on investments	-	37,385	27,880
Grants and government transfers	667,000	-	175,624
	<u>2,249,354</u>	<u>1,494,661</u>	<u>1,615,680</u>
<b>Expenses</b>			
Administration	42,950	59,765	57,670
Amortization	-	89,849	89,849
Sewer lagoon operations and maintenance	1,091,204	1,088,121	1,414,928
	<u>1,134,154</u>	<u>1,237,735</u>	<u>1,562,447</u>
<b>Annual Surplus</b>	\$ 1,115,200	256,926	53,233
<b>Accumulated surplus, beginning of year</b>	<u>4,637,204</u>	<u>4,637,204</u>	<u>4,583,971</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 5,752,404</u>	<u>\$ 4,894,130</u>	<u>\$ 4,637,204</u>

See accompanying notes to the financial statements

## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

### 1. SUMMARY OF OPERATIONS

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### c) Cash and cash equivalents

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



## SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

### d) **Use of Estimates**

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

### e) **Non-Financial Assets**

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

**2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

**f) Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

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.

**3. INVESTMENTS**

Investments are carried at cost, which at December 31, 2019, would approximate market value. The balance of investments has been internally restricted by the Board and is to be expended in accordance with the terms of the reserve for capital expenditure.

**4. OPERATING LEASE**

The Board leased the sewage lagoon lands under an operating lease which expires July 31, 2060. Future minimum lease payments are \$396,340 per annum with an estimated annual increase of 2.2%.

**5. FINANCIAL INSTRUMENTS**

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

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



SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

**6. CAPITAL RESERVE FUNDS**

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

	<u>2019</u>	<u>2018</u>
Balances, beginning of year	\$ 1,623,485	\$ 1,480,404
Add: transfers from current operations	<u>152,584</u>	<u>143,081</u>
<b>Balance, end of year</b>	<b><u>\$ 1,776,069</u></b>	<b><u>\$ 1,623,485</u></b>

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

The following provides a summary of operating expenses by object:

	<u>2019</u>	<u>2018</u>
Salaries, wages and benefits	\$ 210,872	\$ 171,670
Contract services	37,420	350,452
Amortization	89,849	89,849
Materials and supplies	520,133	524,679
Land rent	<u>379,461</u>	<u>425,797</u>
<b>Total expense</b>	<b><u>\$ 1,237,735</u></b>	<b><u>\$ 1,562,447</u></b>

**8. STATEMENT OF CASH FLOWS**

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

Schedule 1

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE		
	Balance December 31, 2018	2019 Additions	2019 Disposals	2019 Write-downs	Balance December 31, 2019	Balance December 31, 2018	2019 Additions	2019 Disposals	Balance December 31, 2019	2018	2019
Buildings	\$ 192,388	\$ -	\$ -	\$ -	\$ 192,388	\$ 5,211	\$ 4,810	\$ -	\$ 10,021	\$ 187,177	\$ 182,367
Engineering Structures	2,485,490	-	-	-	2,485,490	327,256	49,710	-	376,966	2,158,234	2,108,524
Machinery & Equipment	706,581	-	-	-	706,581	38,273	35,329	-	73,602	668,308	632,979
Work In Progress	-	194,191	-	-	194,191	-	-	-	-	-	194,191
	<u>\$ 3,384,459</u>	<u>\$ 194,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,578,650</u>	<u>\$ 370,740</u>	<u>\$ 89,849</u>	<u>\$ -</u>	<u>\$ 460,589</u>	<u>\$ 3,013,719</u>	<u>\$ 3,118,061</u>





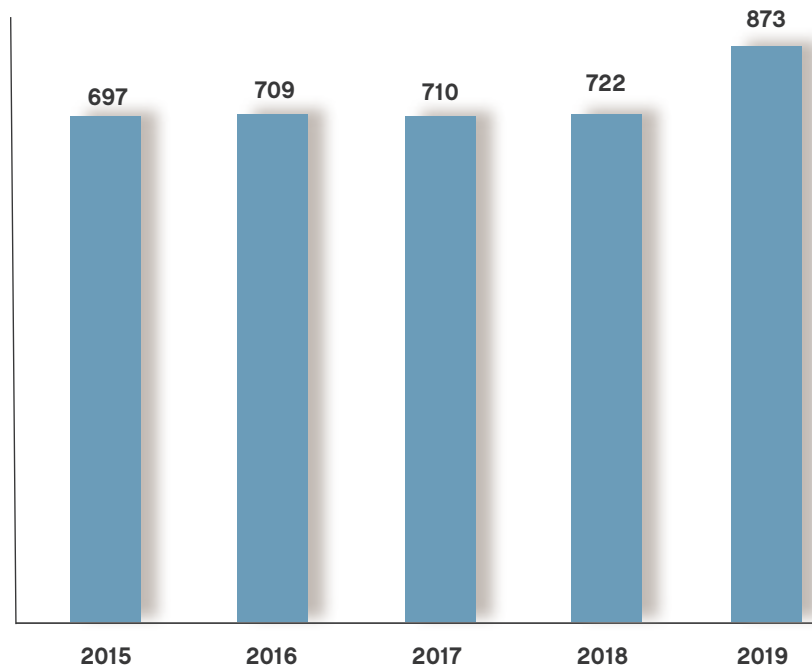
# statistical information

## Population Demographics

	2015	2016	2017	2018	2019
Total Population Estimates	4,663	4,944	5,040	5,241	5,342
% Change from Prior Year	-3.02%	-0.60%	6.03%	0.02%	1.93%
Population Density Per Square Km	2,253	2,388	2,435	2,532	2,581
Land Area (Square Km)	2.07				

Source: 2011 - 2019 BC Stats, 2019 Statistics Canada

## Active Business Licences

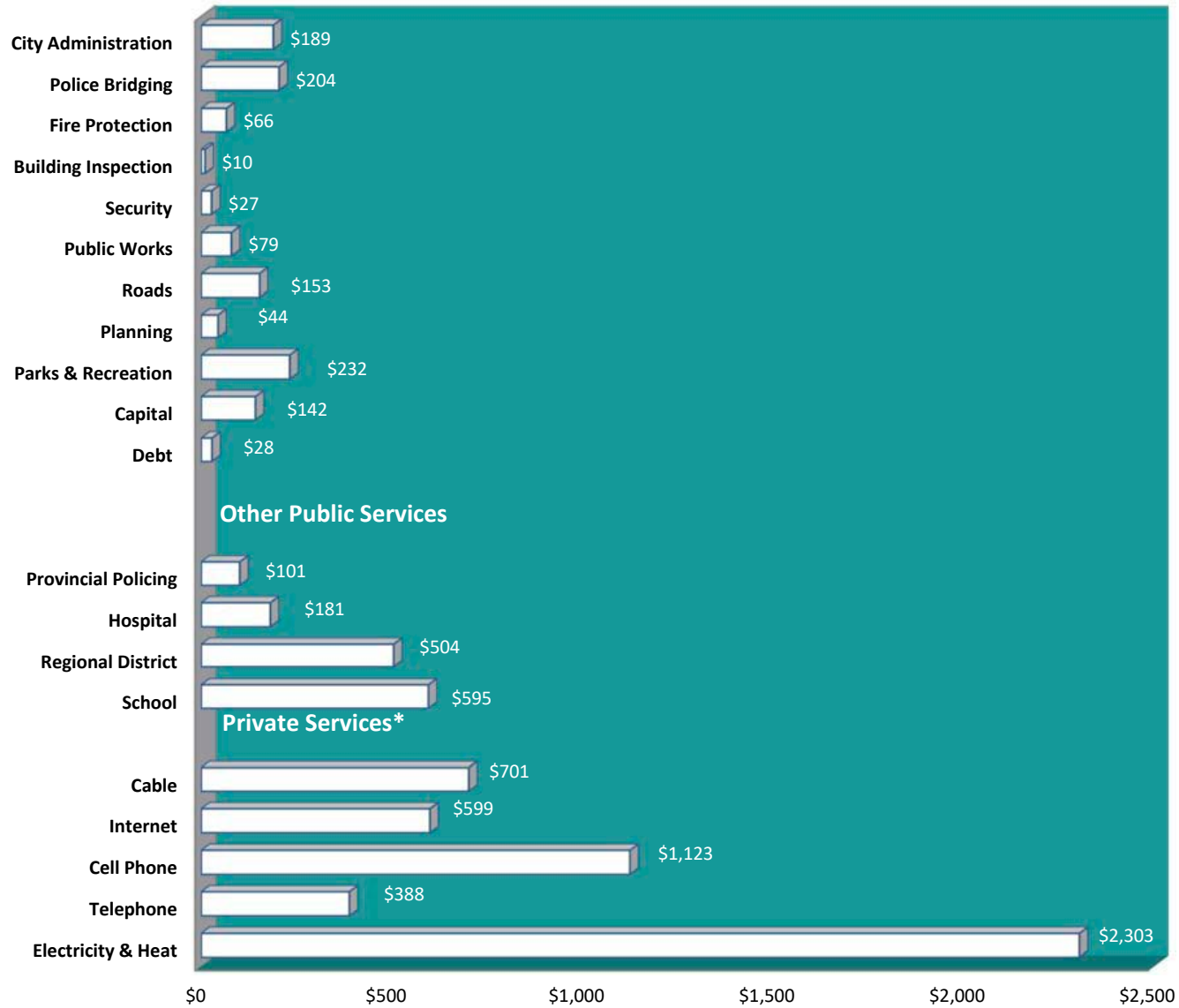




# Standard Household Annual Costs

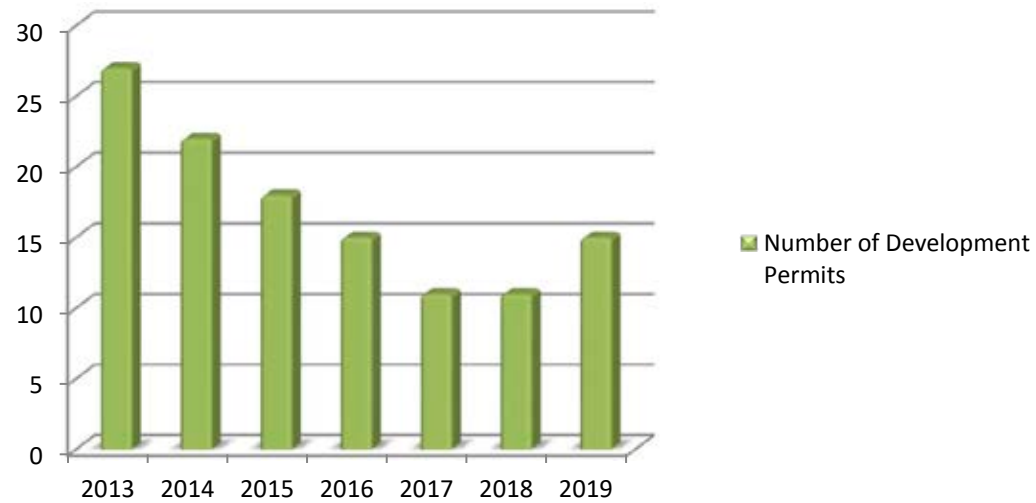
Detailing the average household cost of City services (average assessment of \$356,721) compared to other common household costs.

## 2019 City Services - Total \$1,175 per year

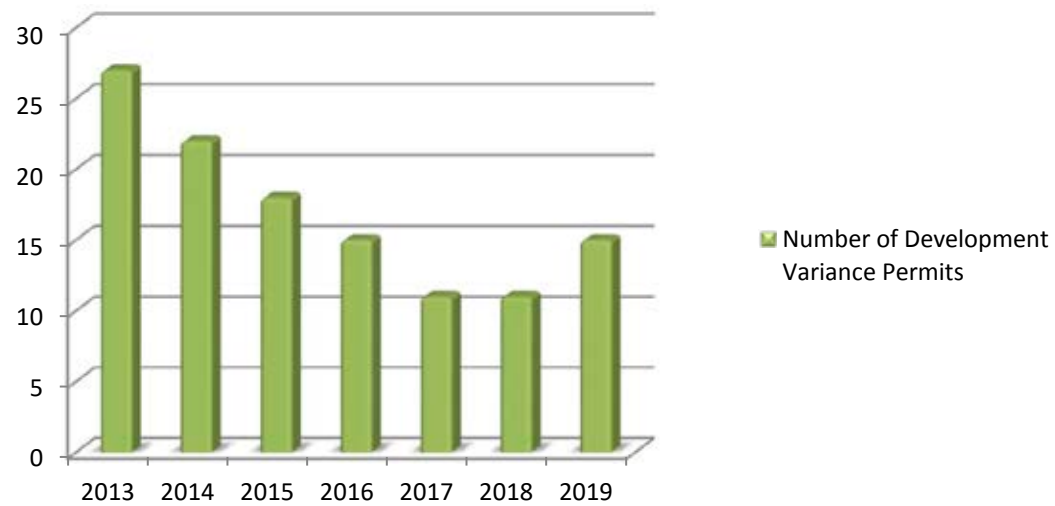


\*Average household expenditure according to Statistics Canada 2016 with annual CPI

## Development Permits



## Development Variance Permits



## New Construction

	2015	2016	2017	2018	2019
Building Permits Issued	61	38	51	42	43
Construction Value	8,003,880	1,213,202	3,966,455	1,906,117	10,330,052

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

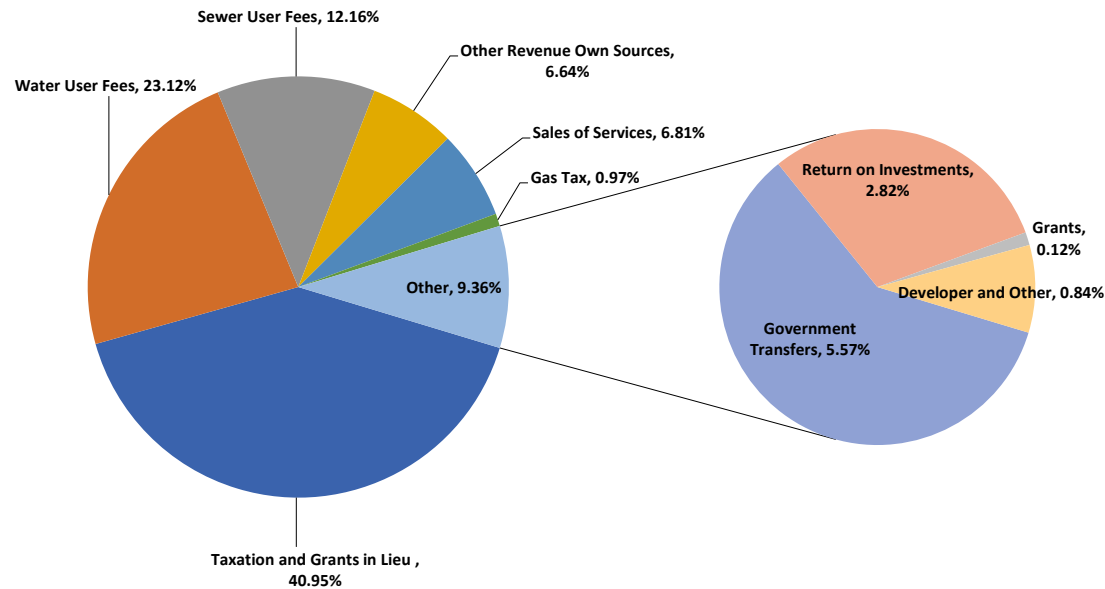
Property Owner	Industry	Tax Contribution
1 Coronation Mall Ltd.	Retail Mall	131,861
2 Coronation Properties Ltd.	Seniors Residential Complex	82,903
3 0984369 BC LTD	Office Building	62,399
4 1096429 BC LTD	Court House Property	52,795
5 Cowichan Hospitality Group Ltd.	Hotel	47,013
6 BC Telephone Company	Building and Yard	35,361
7 F. Kranz	Residential Apartments	33,023
8 DD 1020-1030 Government Apartments Ltd.	Residential Apartments	31,637
9 Duncan Automotive Real Estate LTD	Car Dealership	27,280
10 First West Credit Union	Financial Institution	27,045
11 0693523 BC LTD	Seniors Residential Complex	26,828
12 Royal Bank of Canada	Financial Institution	22,261
<b>Total from Major Property Tax Contributors</b>		<b>580,406</b>
<b>Total Municipal Tax</b>		<b>4,282,867</b>
Proportion of Municipal Tax Paid by Major Property Tax Contributors		14%

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.



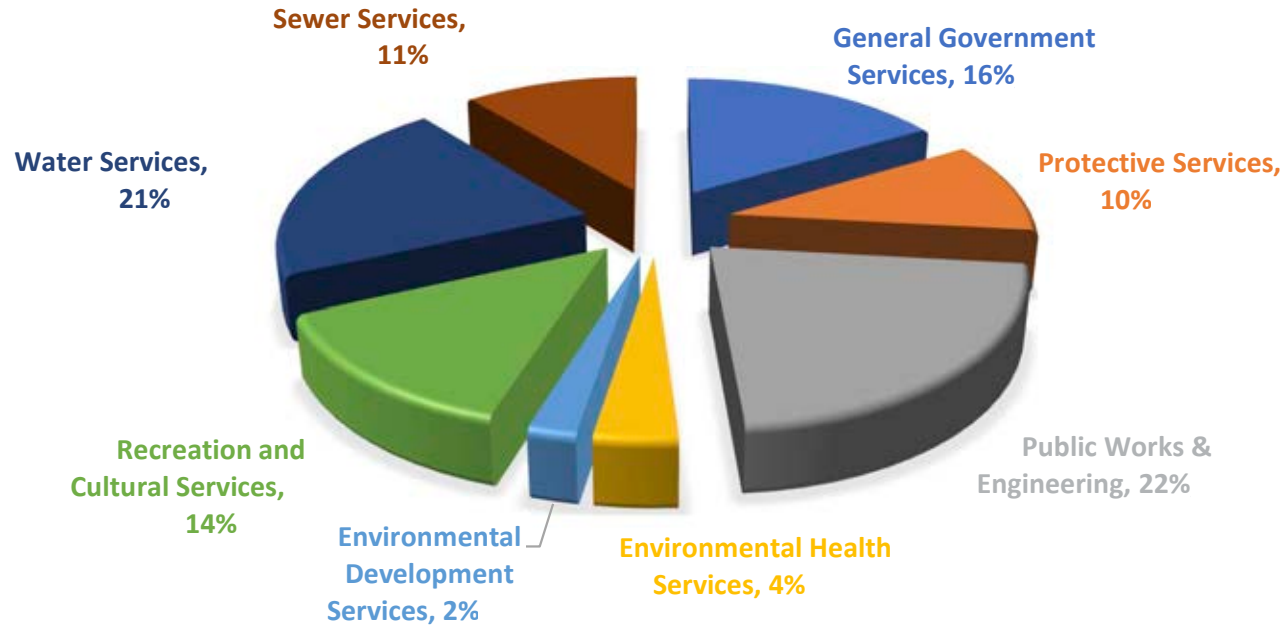
# 2019 Revenue by Source

Detailing the City's own source revenues by proportion in 2019.



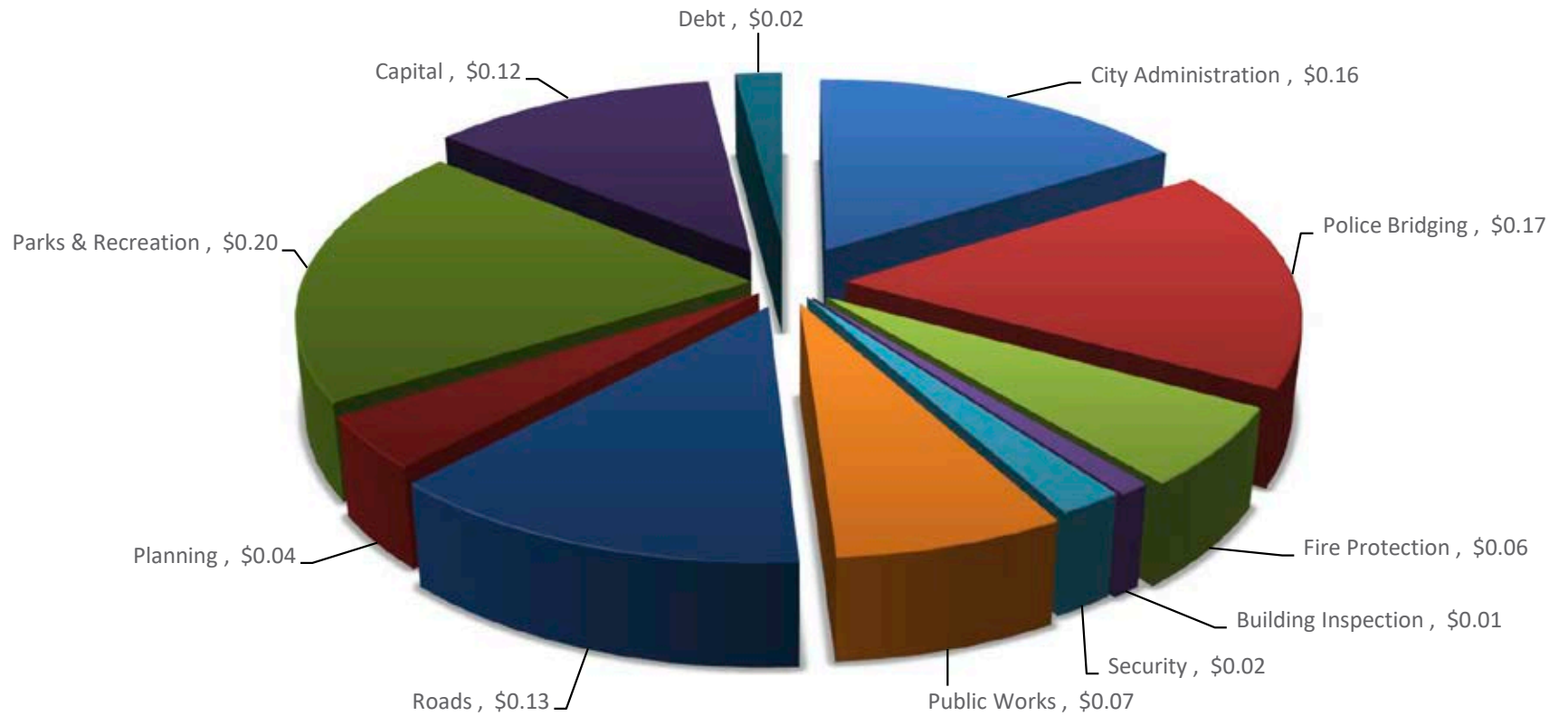
	2015	2016	2017	2018	2019
Taxation	3,752,924	3,864,072	3,948,103	4,086,823	4,195,649
Grants in Lieu of Taxes	7,999	7,834	12,894	12,643	10,353
Sales of Services	591,351	553,821	735,990	662,476	698,939
Water User Fees	1,942,916	2,070,998	2,172,053	2,373,794	2,374,778
Sewer User Fees	946,921	1,011,682	1,083,134	1,185,948	1,249,108
Other Revenue Own Sources	601,121	578,544	554,573	597,124	681,961
Return on Investments	228,572	201,816	206,573	232,038	290,030
Grants	74,724	10,120	8,181	10,200	12,700
Government Transfers	598,937	522,766	616,738	584,345	557,724
Funds Contributed from (to) Other Governments	473,147	(5,539)	51,084	13,872	14,205
Development Cost Charge Funds	-	16,580	-	-	-
Gas Tax Funds	576,872	518,272	74,115	202,796	99,218
Developer and Other	34,239	141,954	558,489	234,763	64,285
Gain (Loss) on Disposal of Assets	(7,875)	3,469	(100,470)	(12,880)	21,790
Increase (decrease) in Share of Joint Utilities Board Assets	-	(31,802)	8,309	(58,645)	211
	<b>9,821,848</b>	<b>9,464,587</b>	<b>9,929,766</b>	<b>10,125,297</b>	<b>10,270,951</b>

# 2019 Expenses by Function



	2015	2016	2017	2018	2019
General Government Services	1,597,990	2,128,964	1,935,573	1,256,946	1,367,646
Protective Services	688,281	730,522	766,282	752,184	862,750
Public Works & Engineering	1,699,494	1,687,545	1,772,584	1,654,207	1,844,395
Environmental Health Services	251,718	268,171	276,655	264,866	306,301
Environmental Development Services	132,309	177,416	305,158	178,670	179,280
Recreation and Cultural Services	1,023,264	1,064,574	1,058,829	1,097,460	1,121,886
Water Services	1,436,084	1,562,783	1,652,616	1,749,424	1,747,164
Sewer Services	843,989	730,874	655,681	1,145,861	902,551
<b>Total</b>	<b>7,673,129</b>	<b>8,350,849</b>	<b>8,423,378</b>	<b>8,099,618</b>	<b>8,331,972</b>

# Spending of \$1 of Municipal Tax in 2019





## 2019 Expenses by Object

	2015	2016	2017	2018	2019
Amortization	1,221,943	1,379,828	1,412,292	1,500,078	1,559,702
Capital fund expenses	495,396	1,108,436	1,170,238	615,675	316,332
Contract services	890,697	939,213	666,176	976,276	932,029
Fuel	68,020	57,387	63,457	74,468	72,561
Goods and services	918,606	998,932	1,076,758	1,045,578	1,137,384
Grants in Aid	77,896	81,279	97,138	87,404	86,643
Hydro	318,520	344,353	368,837	389,673	392,110
Insurance	129,498	134,191	128,738	111,274	119,177
Interest	58,362	56,813	56,828	57,934	54,470
Leases	3,514	1,892	1,928	1,970	8,003
Professional fees	116,687	85,124	119,358	85,326	110,883
Travel, conference and training	99,396	100,668	98,009	90,723	128,838
Wages and benefits	3,006,732	3,088,697	3,168,186	3,107,214	3,453,894
Write down of account receivable to net realizable value	289,374	-	26,036	(8,545)	405
Actuarial adjustment to debt	(21,512)	(25,964)	(30,601)	(35,430)	(40,459)
	<u>7,673,129</u>	<u>8,350,849</u>	<u>8,423,378</u>	<u>8,099,618</u>	<u>8,331,972</u>

# 2019 Capital Expenditures & Sources of Financing

	2015	2016	2017	2018	2019
<b>Capital Expenditures</b>					
Acquisition of Tangible Capital Assets	4,512,223	1,990,039	3,184,050	3,333,523	2,275,967
Capital Fund Expenditures (Not Capitalized)	495,396	1,108,436	1,170,238	615,675	316,332
	<u>5,007,619</u>	<u>3,098,475</u>	<u>4,354,288</u>	<u>3,949,198</u>	<u>2,592,299</u>
<b>Source of Financing</b>					
Operating Funds	2,327,571	1,617,150	2,578,237	2,463,602	1,279,147
Reserve Funds	1,437,501	899,081	884,803	1,080,892	1,140,785
Grants	125,258	8,990	7,300	9,800	12,700
Government Transfers	8,096	-	-	-	-
Connections Fees and Donations	66,928	31,361	85,880	104,195	89,519
Investment Income	-	-	-	-	-
Development Cost Charges	-	16,580	-	-	-
Federal Gas Tax Funds	576,872	518,272	74,115	202,796	99,218
Developer/Other Contribution	465,393	22,000	417,734	92,862	675
Sales of Assets	-	5,807	13,805	20,500	30,801
Increase (Decrease) in Share of Joint Utilities Board Tangible Capital Assets	-	(20,766)	292,414	(25,449)	(60,546)
	<u>5,007,619</u>	<u>3,098,475</u>	<u>4,354,288</u>	<u>3,949,198</u>	<u>2,592,299</u>

# 2019 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, 2019	\$587,185	\$838,908	\$160,991	\$472,602	\$1,984	\$2,061,670
Funds received (refunded) in 2019	\$9,250	\$3,484	\$8,448	\$12,598	\$1,739	\$35,518
Expenditures from Reserve in 2019	0.00	0.00	0.00	0.00	0.00	0.00
Interest earned on account for 2019	\$14,670	\$20,922	\$4,056	\$11,862	\$56	\$51,567
Balance in reserve fund as of December 31, 2019	\$611,105	\$863,314	\$173,495	\$497,062	\$3,779	\$2,148,755

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



## 2019 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, 2019	\$122,728	\$237,618	\$360,346
Funds received in 2019	0	0	0.00
Expenditures from reserve in 2019	0	-\$4,400	-\$4,400
Interest earned on account for 2019	\$3,058	\$5,921	\$8,979
Balance in reserve fund as of December 31, 2019	\$125,786	\$239,139	\$364,925

	2015	2016	2017	2018	2019
Legislated Liability Servicing Limit*	2,170,865	2,193,948	2,310,639	2,352,430	2,513,299
Actual Annual Liability Servicing Costs	157,959	143,151	143,166	144,271	140,807
Unused Liability Servicing Capacity	2,012,906	2,050,797	2,167,473	2,208,159	2,372,492

\*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

	2015	2016	2017	2018	2019
<b>Reserve Funds</b>					
Sale of Real Property	213,244	217,399	221,678	226,276	230,238
Sale of Property - Cowichan Place	33,873	18,381	8,610	5	-
Parking Improvement	544,703	301,303	307,233	237,619	239,139
Parking Improvement - Restricted	115,659	117,913	120,234	122,728	125,786
MFA Debt Issue Refunds	37,328	24,318	24,797	25,311	26,790
Operating	482,480	436,767	325,892	367,842	365,612
Small Communities Grant	19,340	-	-	-	-
Machinery and Equipment	1,536,244	1,851,493	2,203,374	1,695,322	1,793,208
Capital Works and Miscellaneous	277,832	300,257	216,581	262,892	274,436
General Capital	1,899	3,575	7,190	7,340	7,523
Police Bridging Capital	1,293,153	1,498,297	1,705,897	2,400,941	2,438,608
Storm Infrastructure	32,883	-	-	-	-
Aquannis Centre	27,586	-	-	-	-
Downtown Revitalization	17,287	17,624	17,971	18,344	18,801
Fire Hall	-	-	-	-	-
Melba Schappert Bequest	49,602	28,351	28,909	19,298	19,779
Public Art	9,585	9,771	9,963	10,170	10,424
Pioneer Park	1,348	1,374	1,401	1,431	1,466
Waterworks Utility	719,226	854,383	809,296	969,660	1,056,727
Sewer Utility	824,415	822,088	838,267	721,655	740,981
	<u>6,237,687</u>	<u>6,503,294</u>	<u>6,847,293</u>	<u>7,086,834</u>	<u>7,349,518</u>
<b>Reserves Held As Liabilities</b>					
DCC Restricted Reserves	1,926,971	1,944,088	1,996,382	2,061,670	2,148,755
Federal Gas Tax Funds	457,066	209,470	404,214	484,272	937,934
	<u>2,384,037</u>	<u>2,153,558</u>	<u>2,400,596</u>	<u>2,545,942</u>	<u>3,086,689</u>
Interest Earned, All Reserves	121,240	118,955	121,451	140,971	172,951



# Taxable Assessments of Land & Improvements

	2015	2016	2017	2018	2019
Residential	449,563,475	463,593,050	499,997,600	582,562,450	650,543,800
Utilities	898,500	899,400	1,094,600	1,265,900	1,331,500
Supportive Housing	2	2	-	-	-
Major Industry	-	-	-	-	-
Light Industry	100,100	100,100	103,500	123,900	123,500
Business & Other	137,065,200	140,010,100	147,205,800	170,878,800	177,275,450
Managed Forest	-	-	-	-	-
Recreation	319,100	319,100	198,600	232,300	240,200
Farm	6,967	6,967	6,967	6,967	6,967
	<u>587,953,344</u>	<u>604,928,719</u>	<u>648,607,067</u>	<u>755,070,317</u>	<u>829,521,417</u>

## Tax Rates

	2014	2015	2017	2018	2019
<b>General (per \$1,000)(Includes Library)</b>					
Residential	3.8346	3.8318	3.6688	3.2545	2.9913
Utilities	32.3344	32.1844	32.2159	32.1014	31.185
Light Industry	9.9256	9.9375	9.509	8.4483	8.4140
Business	9.6618	9.6721	9.2612	8.2143	8.1961
Recreation	3.8346	3.8318	3.6688	3.2545	2.9913
Farm	3.8346	3.8318	3.6688	3.2545	2.9913
<b>Police Municipal (per \$1,000)</b>					
Residential	0.9090	0.9305	0.8865	0.8008	0.7325
Utilities	7.6652	7.8156	7.7839	7.8986	7.6360
Light Industry	2.3529	2.4132	2.2976	2.0787	2.0602
Business	2.2904	2.3488	2.2377	2.0212	2.0069
Recreation	0.9090	0.9305	0.8865	0.8008	0.7325
Farm	0.9090	0.9305	0.8865	0.8008	0.7325

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

### (Includes Library)

	2014	2015	2017	2018	2019
Residential	2,132,549	2,207,769	2,277,640	2,362,466	2,422,495
Utilities	35,940	35,976	43,784	50,636	51,690
Light Industry	1,229	1,236	1,222	1,304	1,294
Business	1,638,231	1,683,047	1,692,705	1,749,030	1,808,741
Adjustment-Business					(2,273)
Recreation	1,514	1,520	905	942	894
Farm	33	33	32	28	26
	<u>3,809,496</u>	<u>3,929,581</u>	<u>4,016,288</u>	<u>4,164,406</u>	<u>4,282,867</u>
Property Taxes Gen	3,606,292	3,716,797	3,799,114	3,936,682	4,043,347
Add Library	203,204	212,784	217,174	227,724	239,520
	<u>3,809,496</u>	<u>3,929,581</u>	<u>4,016,288</u>	<u>4,164,406</u>	<u>4,282,867</u>

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

	2015	2016	2017	2018	2019
School	1,928,244	1,872,544	1,788,360	1,861,216	1,814,953
Provincial Policing	278,942	282,746	280,335	306,319	311,842
Cowichan Valley Regional District	1,402,075	1,359,941	1,459,130	1,529,620	1,557,064
Cowichan Regional Hospital District	438,324	472,941	486,344	532,703	560,476
BC Assessment Authority	53,020	50,449	45,479	48,057	46,884
Downtown Duncan Business Improvement Area	185,000	190,000	195,000	205,000	210,000
Vancouver Island Regional Library	203,204	212,784	217,172	227,724	239,520
Municipal Finance Authority	163	167	179	207	222
	<u>4,488,972</u>	<u>4,441,572</u>	<u>4,471,999</u>	<u>4,710,846</u>	<u>4,740,961</u>

## Debt & Debt Per Capita

	2015	2016	2017	2018	2019
General Purposes	1,142,494	1,057,779	969,675	878,048	782,756
Sewer	118,066	90,479	61,644	31,504	-
	<u>1,260,560</u>	<u>1,148,258</u>	<u>1,031,319</u>	<u>909,552</u>	<u>782,756</u>
Population*	5,105	5,164	5,234	5,241	5,342
Debt Per Capita	246.93	222.36	197.04	173.55	146.53

\* Source: 2011 - 2019 BC Stats, 2019 Statistics Canada

## General Comparative Statistics

	2015	2016	2017	2018	2019
Annual Surplus	2,148,719	1,113,738	1,506,388	2,025,679	1,938,979
Accumulated Surplus	37,053,724	38,167,462	39,673,850	41,699,529	43,638,508
Net Financial Assets	9,152,714	9,498,831	9,617,848	9,825,623	10,942,117



# Statement of 2019 Permissive Property Tax Exemptions

Legal Description	Civic Address	Organization	Taxes Foregone
<b>224(2)(a) Not-for-Profit</b>			
Lot A, Plan 24353	5650 Club Rd	Duncan Day Care Centre	2,298
Lot A, Plan 44627	198 Government St	Valley Seniors Organization	5,438
Leased area of Lot 1, Plan 23647	820 Wharncliffe Rd	Cowichan Pre-School	83
Lot PT4, Block 8, Plan 12568	760 Government St	Cowichan Lawn Bowling	171
Leased area of Lot 1, Plan 29453	280 First St	Cowichan Lawn Bowling	454
50% of the non leased area Land and Building assessment for Lot 1, Plan 29453	280 First St	Duncan Housing Society	4,383
Leased area of Lot A, Plan 40864	200 Craig St	Cowichan Volunteer Society	194
Lots 5-8 & 11, Block 1, Plan 1935	520-540 Cairnsmore St	SD # 79 Growing Together	587
Top Floor of Building at Lot 1, Plan 17515	145 Station St	Duncan Elks Association	805
Lots 24 & 25, Plan 1182	321/331 Cairnsmore St	Girl Guide Association	1,351
Undisclosed	Undisclosed	CW Against Violence Society	2,126
50% of the commercial portion of Lot A, Plan 2070	246 Evans St.	CW Against Violence Society	3,551
26.67% of the Land and Building Assessment for Lot 6, Block 3, Plan 798	121 First St	Cowichan Independent Living Resource Society	173
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)	3,443
1.223 Km Mainline	No address	Island Corridor Foundation (ICF)	648
Lot 3, Section 16, Range 7, Plan VIP6913	552 Trunk Road	Cowichan Valley Youth Services	4,356
<b>224(2)(h) Seniors Homes, Hospitals</b>			
Lot 15, Plan 1175/Lot A Plan 25100	770 Trunk Rd	Duncan Kiwanis Village Society	2,186
<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 110 Canada Ave	ICF - Leased to City ICF - Leased to City - Sublet to	1,683
Station Grounds & Buildings	Train Station	Cowichan Historical Society	2,045
<b>224(2)(f) Buildings for Public Worship</b>			
Lot B, Plan VIP60906	930 Trunk Rd	First Christian Reformed Church	1,432
Lot 8,9,10, Block 12 Plan 2070	281 Jubilee St	Duncan United Church	1,687
Lot 11, Block 12, Plan 2070	254 Ingram St	Duncan United Church	693
Lot 1&2, Block 1, Plan 798 and Lot 14, Block 17, Plan 2070	486 Jubilee St	Anglican Synod	1,167
Lot 3, Block 1, Plan 798	162 First St	Anglican Synod	1,095
Lot C, Block 4, Plan 1063	463 Ypres St	Bethel Baptist Church	984
Lot 13, Block 4, Plan 1063	483 Ypres St	Bethel Baptist Church	529
Lot 2, Plan 43297	321 Brae Rd	Christian Bretheren	1,240
Lot 7, Block 2, Plan 5868	931 Trunk Rd	Pentecostal Assembly	964
Only the portion of Lot 1, Plan VIP 76282 that was Lot 1 Plan 30307	531 Herbert St	St. Andrews Presbyterian	184
Lot A, Plan 12199	1071-1077 Canada Ave	C.V. Jehovah's Witnesses	1,396

# Schedule of Suppliers Paid Over \$25,000

Statement Of Financial Information 2019 As Per *The Financial Information Act*

AON REED STENHOUSE INC	37,354.80	RBS MANAGED IT SERVICES	102,286.73
BC ASSESSMENT AUTHORITY	47,020.30	RECEIVER GENERAL FOR CANADA	761,482.14
BC HYDRO & POWER AUTHORITY	377,806.43	RIDGEWAY & COMPANY IN TRUST	342,859.36
BROTHERS JANITORIAL SERVICES	55,343.88	ROYAL PAVING	151,764.86
COPCAN CIVIL LTD.	33,695.45	SOMATIC	46,725.00
CORIX WATER PRODUCTS LP	53,509.85	SUNCOR ENERGY PRODUCTS	36,649.98
COWICHAN HISTORICAL SOCIETY	26,898.00	VALLEY TRAFFIC SYSTEMS	52,551.92
COWICHAN VALLEY REG. HOSPITAL DIST.	562,048.94	VANCOUVER ISLAND REGIONAL LIBRARY	239,520.00
COWICHAN VALLEY REGIONAL DISTRICT	1,762,077.69	VIMAR EQUIPMENT	27,377.81
CUPE LOCAL 358	35,833.92	VISA - MISCELLANEOUS	52,510.21
DAMS FORD LINCOLM SALES	45,232.69	WASTE CONNECTIONS	30,341.40
DISCOVERY MOTORS	40,943.20	WESTERN WATER ASSOCIATES LTD	35,028.95
DUNCAN PAVING COMPANY	210,831.57	WORKSAFE BC	65,583.68
DUNCAN VOLUNTEER FIRE DEPARTMENT	32,561.50		
FINELINE ROAD MARKING LTD	38,641.42	<b>Subtotal - Aggregate Payments Exceeding \$25,000</b>	<b>8,947,370.00</b>
GUILLEVIN INTERNATIONAL INC	29,879.03		
ICONIX WATERWORKS LP	69,292.29	<b>Payments to Suppliers for Grants and Contributions Exceeding \$25,000</b>	
ISLAND INTEGRATED SYSTEMS	111,211.88	DUNCAN BUSINESS IMPROVEMENT AREA SOCIETY	218,267.34
LANARC CONSULTANTS LTD	48,643.90	DUNCAN COWICHAN CHAMBER OF COMMERCE	26,510.00
LEUCO CONSTRUCTION INC	727,092.16		
ROY MATHERS	47,271.00	<b>Total Paid to Suppliers who received</b>	<b>3,894,723.51</b>
MCELHANNEY CONSULTING SERVICES LTD	64,372.69	<b>Aggregate Payments of \$25,000 or less</b>	
METRO MOTORS LTD	120,404.48		
MILESONE EQUIPMENT CONTRACTING INC	162,107.04	<b>Total Paid to Suppliers</b>	<b>13,086,870.85</b>
MINISTER OF FINANCE	984,077.00		
MUNICIPAL INSURANCE ASSOC OF B. C.	35,491.00	<b>Less: Expenses Paid on Behalf of Elected Officials/Employees</b>	<b>-121,492.20</b>
MUNICIPAL PENSION PLAN	374,289.25	<b>Total Expenses per Schedule 4 of Consolidated Financial Statements</b>	<b>8,411,886.00</b>
NORTH COWICHAN DISTRICT MUNICIPALITY	628,539.99		
PACIFIC BLUE CROSS	161,944.65	<b>Variance</b>	<b>4,553,492.65</b>
PLANTE DEVELOPMENTS LTD	47,250.00		
RAYLEC POWER LTD	31,021.96		

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

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

# Schedule of Remuneration & Expenses for Elected Officials & Employees

Statement Of Financial Information 2019 As Per *The Financial Information Act*

## 1 Elected Officials - \*See Notes

<u>Name</u>	<u>Position</u>	<u>Benefits</u>	<u>Remuneration</u>	<u>Expenses</u>
Michelle Staples	Councillor/Mayor	\$ 3,350.19	\$ 31,813.32	\$ 4,675.35
Tom Duncan	Councillor	\$ 1,361.07	\$ 16,280.76	\$ 5,986.67
Bob Brooke	Councillor	\$ 3,350.19	\$ 17,150.28	\$ 3,987.63
Garry Bruce	Councillor	\$ 2,157.84	\$ 16,280.76	\$ 4,253.29
Jennifer Capps	Councillor	\$ 1,361.07	\$ 17,150.28	\$ 3,749.02
Stacy Middlemiss	Councillor	\$ 3,350.19	\$ 17,150.28	\$ 3,863.02
Carol Newington	Councillor	\$ 1,361.07	\$ 16,280.76	\$ 4,065.32
<b>Total - Elected Officials</b>		<b>\$ 16,291.62</b>	<b>\$ 132,106.44</b>	<b>\$ 30,580.30</b>

## 2 Employees - \*See Notes

<u>Name</u>	<u>Remuneration</u>	<u>Expenses</u>
Peter de Verteuil	\$ 136,924.64	\$ 6,771.68
Emmet McCusker	119,284.51	465.00
Leonard Thew	107,655.46	313.43
Bernice Crossman	104,830.76	2,833.56
Paige MacWilliams	100,799.13	1,727.45
Michael McKinlay	89,294.73	6,436.33
Kevin Massingham	86,812.88	3,032.11
Claudia McMahon	86,054.82	4,499.51
Chris Desautels	81,370.12	3,173.72
Pat Williams	77,755.09	743.71
Jamie Rand	77,066.01	-
Danica Rice	75,172.30	1,747.04
Subtotal	1,143,020.45	31,743.54
Consolidated total of employees with remuneration of \$75,000 or less	1,575,246.35	59,168.36
<b>Total - Employees</b>	<b>\$ 2,718,266.80</b>	<b>\$ 90,911.90</b>



Statement Of Financial Information 2019 As Per *The Financial Information Act*

### 3 Reconciliation

Total remuneration and benefits - elected officials	\$ 148,398.06
Total remuneration - employees	<u>2,718,266.80</u>
Subtotal	2,866,664.86
Total Wages & Benefits per Note 16 of the Consolidated Financial Statements	<u>3,453,894.00</u>
	<u><u>\$ 587,229.14</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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