



The Corporation of the City of Duncan, British Columbia

Annual Report

For the Year Ended December 31, 2024

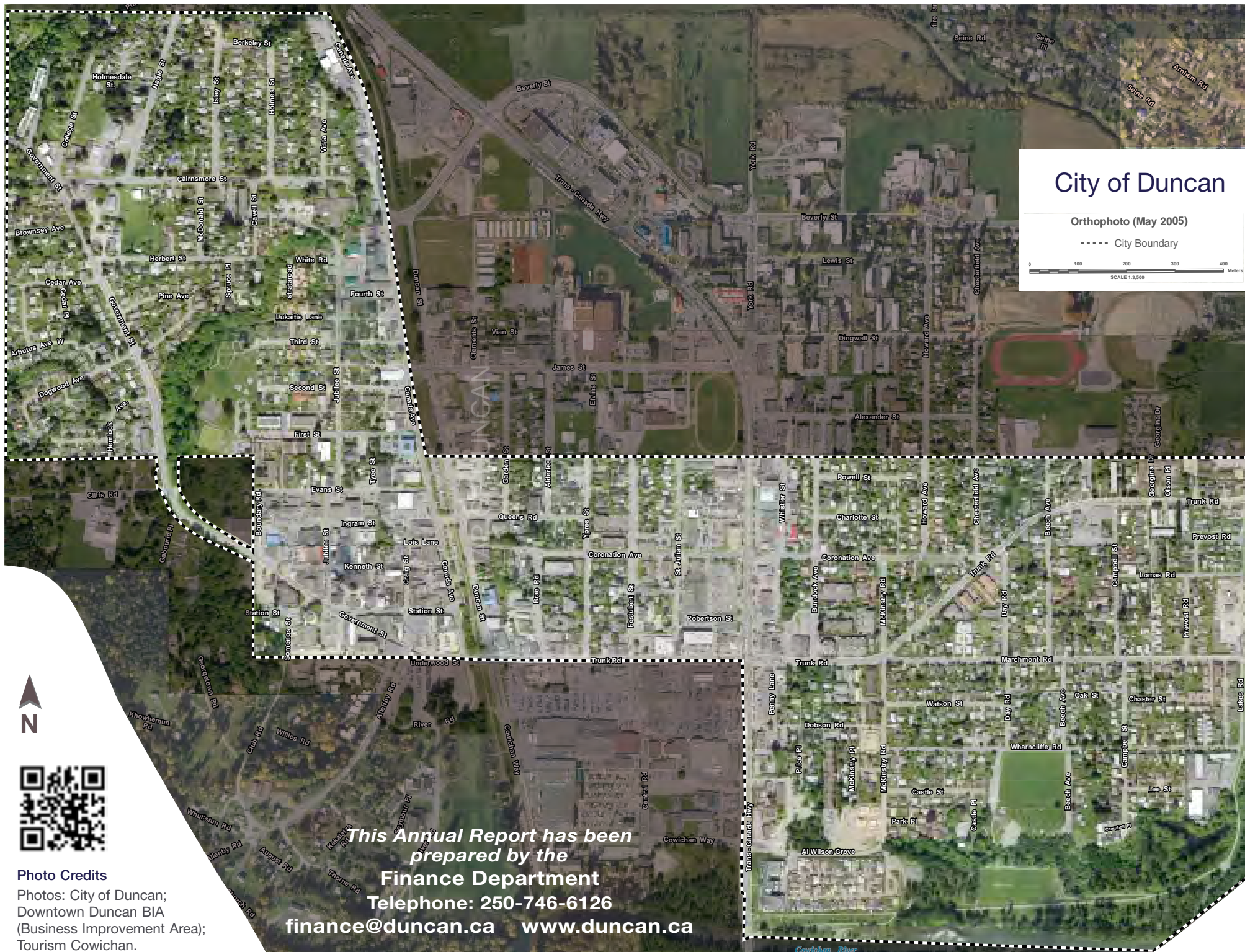
2024



The Corporation of the
City of Duncan
British Columbia

2024
Annual Report

Fiscal Year Ended
December 31, 2024



City of Duncan

Orthophoto (May 2005)

----- City Boundary

0 100 200 300 400
Meters
SCALE 1:3,500



Photo Credits

Photos: City of Duncan;
Downtown Duncan BIA
(Business Improvement Area);
Tourism Cowichan.

*This Annual Report has been
prepared by the*
Finance Department
Telephone: 250-746-6126
finance@duncan.ca www.duncan.ca



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

Contents

Introduction Section

Foreward

Mayor & Council	1
Message from the Mayor	3
Former Mayors & Freeman Designations	4
Award Recipients	5
Organizational Structure	6
Our Core Values	7

Department Information

Chief Administrative Officer	8
Corporate Services	10
Financial Services	14
Planning and Sustainability Services	16
Protective Services	18
Fire Services	21
Public Works and Engineering Services	23

Vision, Goals & Progress

Relationship with Cowichan Tribes	28
Managed Growth	30
Affordable Housing	32
Economy & Business Community	34
Sustainable Transportation	39
Natural Environment	41
Reduce GHG emissions and Climate Change	43
Thriving Arts Community	44
Heritage and Historical Resources	46
Parks and Recreation Opportunities	48
Improved Community Safety, Inclusiveness, and Collaboration	50
Well-managed Infrastructure and Servicing	52
Governance and Workplace Culture	55



Contents

continued

Financial Section

Canadian Award for Financial Reporting	59
Message from the Director of Finance	60

2024 Financial Statements

Statement of Responsibility	63
Auditor's Report	64
Financial Position	67
Operations	68
Change in Net Financial Assets	69
Cash Flows	70
Notes to Financial Statements	71
Schedule of Tangible Capital Assets	88
Schedule of Accumulated Surplus	89
Consolidated Schedule of Segment Disclosures	90
Details & Reconciliation to Core Government Results	92
Grant Continuity Schedule	93
Joint Utilities Board Statements	94

Statistics

Population Demographics	110
Regional Labour Force	110
Business Licences	111
Development Permits	112
New Construction	113
Major Property Taxpayers	113
Revenue by Source	114
Expenses by Function	115
Municipal Tax Breakdown	116
Expenses by Object	117
Capital Expenditures & Sources of Financing	118
Annual Development Reserve Fund	119
Off Street Parking Reserve Fund	120
Liability Servicing	121
Reserve Fund Balances	122
Taxable Assessments of Land & Improvements	123
Tax Rates	123
Tax Revenue by Property Class	124
Taxes Collected for Other Agencies	124
Debt & Debt Per Capita	125
General Comparative Statistics	125
Permissive Tax Exemptions	126
Suppliers	127
Remuneration for Elected Officials & Employees	128

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



External Appointments (Voting Member)

- Cowichan Valley Regional District Director
- Duncan / North Cowichan Joint Utilities Board
- Municipal Insurance Association
- Vancouver Island & Coastal Communities Climate Leadership Plan Steering Committee

External Appointments (Non-Voting Member)

- Chamber of Commerce
- Cowichan Community Action Team

- Cowichan Tribes
- Downtown Duncan Business Improvement Area Society
- Island Corridor Foundation Liaison Committee
- Nanum'lyus tth'ele Committee
- National Day of Truth and Reconciliation March Committee

Provincial Appointment (Voting Member)

- BC Climate Solutions Council

mayor@duncan.ca

Councillors

Councillor Garry Bruce



Internal Committee Appointment

- Advisory Design Panel (Non-Voting)

External Appointments (Voting Member)

- Duncan / North Cowichan Joint Utilities Board
- Cowichan Core Recreation Commission (Alternate)
- North Cowichan / Duncan Sports Wall of Fame (Alternate)

External Appointments (Non-Voting Member)

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

gbruce@duncan.ca

Councillor Jenni Capps



Internal Committee Appointment

- Environment & Sustainability Advisory Committee (Chair)

External Appointment (Voting Member)

- Vancouver Island Regional Library Board

jcapps@duncan.ca

Councillor Tom Duncan



Internal Committee Appointment

- Tourism Advisory Committee (Chair)

External Appointments (Voting Member)

- Cowichan Valley Regional District Board (Alternate)
- Cowichan Core Recreation Commission
- Coastal Community Social Procurement Initiative Steering Committee
- Vancouver Island Regional Library Board (Alternate)

External Appointment (Non-Voting Member)

- Duncan-Cowichan Festival Society

tomduncan@duncan.ca

Councillor Mike McKinlay



External Appointments (Non-Voting Member)

- Cowichan Community Action Team
- Cowichan Tribes
- Our Cowichan Communities Health Network
- Valley Seniors Organization

mmckinlay@duncan.ca

Councillor Stacy Middlemiss



smiddlemiss@duncan.ca

Councillor Carol Newington



Internal Committee Appointment

- Accessibility Advisory Committee (Chair)

External Appointments (Voting Member)

- Municipal Insurance Association (Alternate)
- North Cowichan / Duncan Sports Wall of Fame

External Appointments (Non-Voting Member)

- Chamber of Commerce (Alternate)
- Cowichan Community Policing & Engagement Society
- Cowichan Tribes
- Cowichan Valley Independent Living
- Nanum 'Iyus tth'ele Committee
- National Day of Truth and Reconciliation March Committee
- Our Cowichan Communities Health Network

cnewington@duncan.ca

Message from the Mayor



The year 2024 brought renewal to the City of Duncan and real progress on many exciting projects that are growing our small city: a new playground, revitalized public spaces, and key upgrades designed to continue to make the City of Duncan work better for everyone.

We replaced the play structure in Centennial Park and constructed an entirely new playground in McAdam Park, giving kids safer, accessible, and more dynamic places to play. Over on Station Street, a transformation began to realize a community-created vision for a new vibrant public space in the heart of downtown Duncan. The name **Hiiye'yutul'** (Friendship Square) was chosen for this space through a process led by Cowichan Edlers with community participation, marking our commitment to a future of relationship and connection.

And if you've walked downtown lately, you've probably seen the new murals and artwork brightening up utility boxes, alleys, and walls, turning everyday infrastructure into spaces that welcome visitors and residents alike into the vibrancy and beauty of the City.

And of course there are the practical changes that need to happen as well. As we all know, there is no good time to renovate, but once the work is finished, our public spaces are greatly improved and we never look back. The Marchmont Road project isn't just repaving — it's fixing aging underground pipes and making the street safer to cross. And we're finally moving forward on a new protected bike route along Coronation Avenue, Ypres Street, and Queens Road, creating safer out-of-car options for travelling across the City.

None of this happens in a vacuum. We have many ways to keep everyone updated and participating. The Small Town. Big Conversations. page keeps you in the loop, and last year we started publishing Council updates after each Council meeting. We continue with quarterly newsletters, maintain an active social media feed and robust City website, and have open doors Monday to Friday at City Hall; all to serve you better and make the smallest City in Canada a great place to call home.

A handwritten signature in blue ink, consisting of stylized, overlapping loops and curves, representing the name Michelle Staples.

Michelle Staples, Mayor

History

Mayors of Duncan Since 1912

K.F. Duncan	1912 – 1913
O.T. Smythe	1914 – 1916, 1923
E.F. Miller	1917 – 1918, 1922
T. Pitt	1919 – 1921
J.I. Mutter	1924 – 1928
H.F. Prevost	1929 – 1935
J. Grieg	1936 – 1939
E.W. Lee	1940 – 1942
G.H. Savage	1943 – 1946
J.C. Wragg	1947 – 1955
J.T. Dobson	1956 – 1967
J.W. Quaife	1968 – 1973
K. Paskin	1974 – 1979
M.G. Coleman	1980 – 1982
D.W. Barker	1983 – 1986
M.G. Coleman	1987 – 2005
P.J. Kent	2006 – 2018
M.P. Staples	2019 – Present



Freeman Designations

Norah C. Denny	1963
Dorothy R. Geoghegan	1963
John T. Dobson	1975
C.A. (Bob) Howard	1977
John Homer	1985
Art Mann	1998
Pres Bruce	1999
Martin Lukaitis	2004
Joan Gillatt	2005
Glenn Mackie	2008
Mike Caljouw	2009
Michael Coleman	2011
Phil Kent	2019

Awards 2024



Perpetual Arts Trophy Recipient

Alison Irwin

Perpetual Trophy for Excellence & Sportsmanship Recipient

Joe DiLalla (2023)

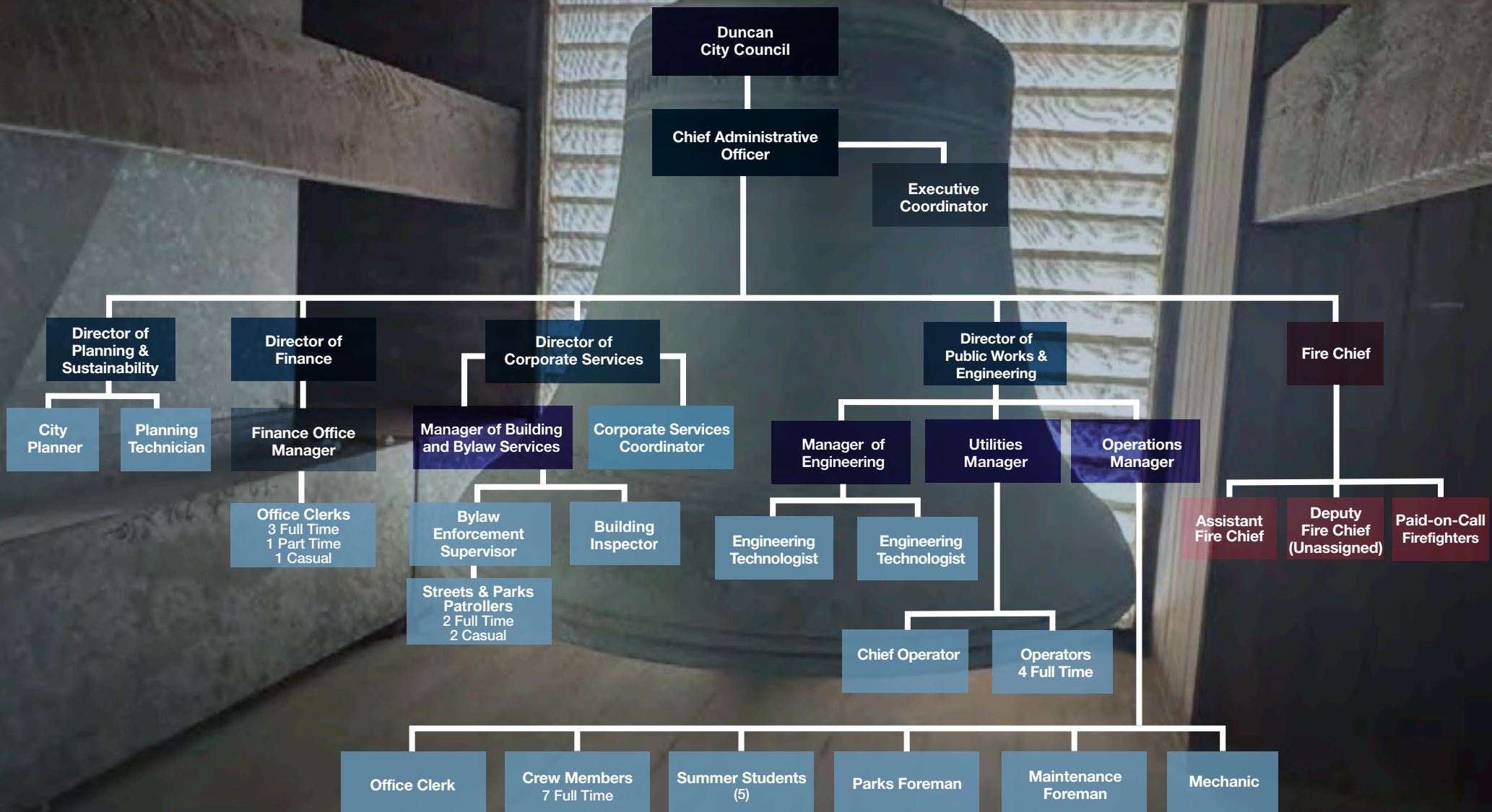
Scroll of Honour Recipients

Susan Smith	2023	Joan Gillatt	2000
Andy Hutchins	2022	Ronnie Phipps	2000
Mike McKinlay	2021	Stan Green	1999
Reta & Otto Lachman	2019	Glenn Mackie	1998
Leanne Closson	2018	Jack Hutton	1997
Judy Hill	2018	Carlene Marentes	1996
Harold Wallace	2017	Mary Newington	1995
Marina Stanko	2016	Cam Drew	1994
Norm Jackson	2015	Mary Wadsworth	1993
Jack Faber	2014	Barbara Coleman	1992
Denise L. McKinlay	2013	John Sanders	1992
Chuck McCandless	2013	Nancy Casswell	1991
Ruth Chaster	2012	Phillip Moody	1991
Louise McMurray	2011	Jim Elliot	1990
William Abner Thome	2011	Nora Maxwell	1990
Patricia & Duffy Chaster	2010	Glenda Osborne	1989
Bill & Celia Abram	2009	Ossie Osborne	1989
Ron George	2009	Gordon M. Berry	1988
Bob James	2008	Leslie Sjoberg	1988
Rigs Sutton	2008	Arthur R. Mann	1987
Betty James	2007	Douglas W. Barker	1986
Lori Iannidinardo	2007	Myrtle Haslam	1986
Betty Anne Devitt	2006	Audrey Waddy	1986
Bill Kesarich	2005	Jack Fleetwood	1985
Debbie Williams	2005	Preston Bruce	1985
Gordon Closson	2004	Jack Dobson	1983
Andy Bigg	2003	Robert W. Young	1983
Dennis Alphonse	2002	Albert Dirom	1981
Ernie Moon	2001	Mabel Sanderson	1978
Ruby Peter	2001	Shellagh Mallard	1977

Special Recognition Award

Cowichan Intercultural Society's Nanum'lyus'tth'ele' Committee

Organizational Structure



Our Core Values



Carver: Doug LaFortune (aka William Horne)

- ▶ 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 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.

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

Sculptor: Rande Cook, Peter Lewis, Richard Gibson, Lauren Holman



message from the

Chief Administrative Officer

I am pleased to present our residents and taxpayers with the 2024 Annual Report.

This report highlights the City's operations and its strong, debt-free, financial position. The City continues to strategically utilize a mix of grants, taxation, and reserve funds to avoid debt wherever possible.

Since assuming responsibility for policing costs in 2022, these expenses have significantly influenced tax increases through 2024 and will continue to do so in future years. The City's successful negotiation of a phased-in approach with the Province for the number of RCMP officers it must fund has provided some relief. In addition, the long-standing Police Bridging Capital levy has helped reduce taxpayer impacts, although escalating policing costs remain a challenge.

The City supports community safety and well-being through initiatives like the Enhanced Security Initiative, Enhanced Sharps Collection Peer Program, and expanded extended patrol hours. Despite these efforts, the limited affordable housing options and the impacts of the toxic drug crises continue to strain local resources. Duncan Council and staff continue to work within their jurisdictional limits and capacity to do what we can, and to advocate for increased support from other levels of government.

Building on the success of "The Village" at 610 Trunk Road, the City continues to challenge the Province to make these sleeping units, with communal eating and gathering spaces and washroom facilities, and robust support services, a part of the housing continuum and receive long-term funding. The Village model is a cost effective and swiftly implemented method for the Province to help people stabilize their lives; they greatly reduce the calls for service to the RCMP, Bylaw Enforcement Department, and first responders, and immediately resulted in improved efficiency of healthcare outreach service delivery.

Several key housing developments advanced in 2024: The Meridian, a six-storey rental apartment complex comprising of 137 residential units with commercial retail units on the ground floor on Canada Avenue, which was completed early in 2025; the White Road Supportive Housing project, which resumed construction and is expected to complete later in 2025; and the Duncan Manor Redevelopment, set to begin construction in 2025.

Major infrastructure up grades reflect the City's focus on livability and long-term planning. The Station Street Placemaking Project broke ground in late 2024, which will be named Friendship Square – Hiiye'yutul', and is soon be completed. The Marchmont Road renewal, City Hall roofing project, and the Trans-Canada Highway multi-use pathway installation demonstrate a sustained investment in core infrastructure. In addition, a new playground was installed in McAdam Park, featuring small and large play areas, and accessible features including rubber surfacing, this play space has been designed with everyone in mind.

The Duncan Fire Department continued to modernize its operations and in early 2025, the department will added its first full-time Deputy Chief, who will lead the invigorated training program which began in 2024 with the use of external contractors. As calls for service grow—often connected to the broader social challenges facing all Canadian communities—the department is adapting to better serve the public.

The City remains committed to fostering an environment that is welcoming to responsible development. The Planning Department made significant progress in 2024; updating policies and bylaws in line with the City's commitments as the recipient of \$2.64 million from the Federal Government's Housing Accelerator Fund. Through the departments hard work, Duncan continues to attract growth that enhances the community.

Duncan is well served by a Council and staff who uphold a culture of respect and collaboration. This approach continues to make the City an exceptional place to live and work, especially during a time when workforce recruitment and retention remain difficult across many sectors.

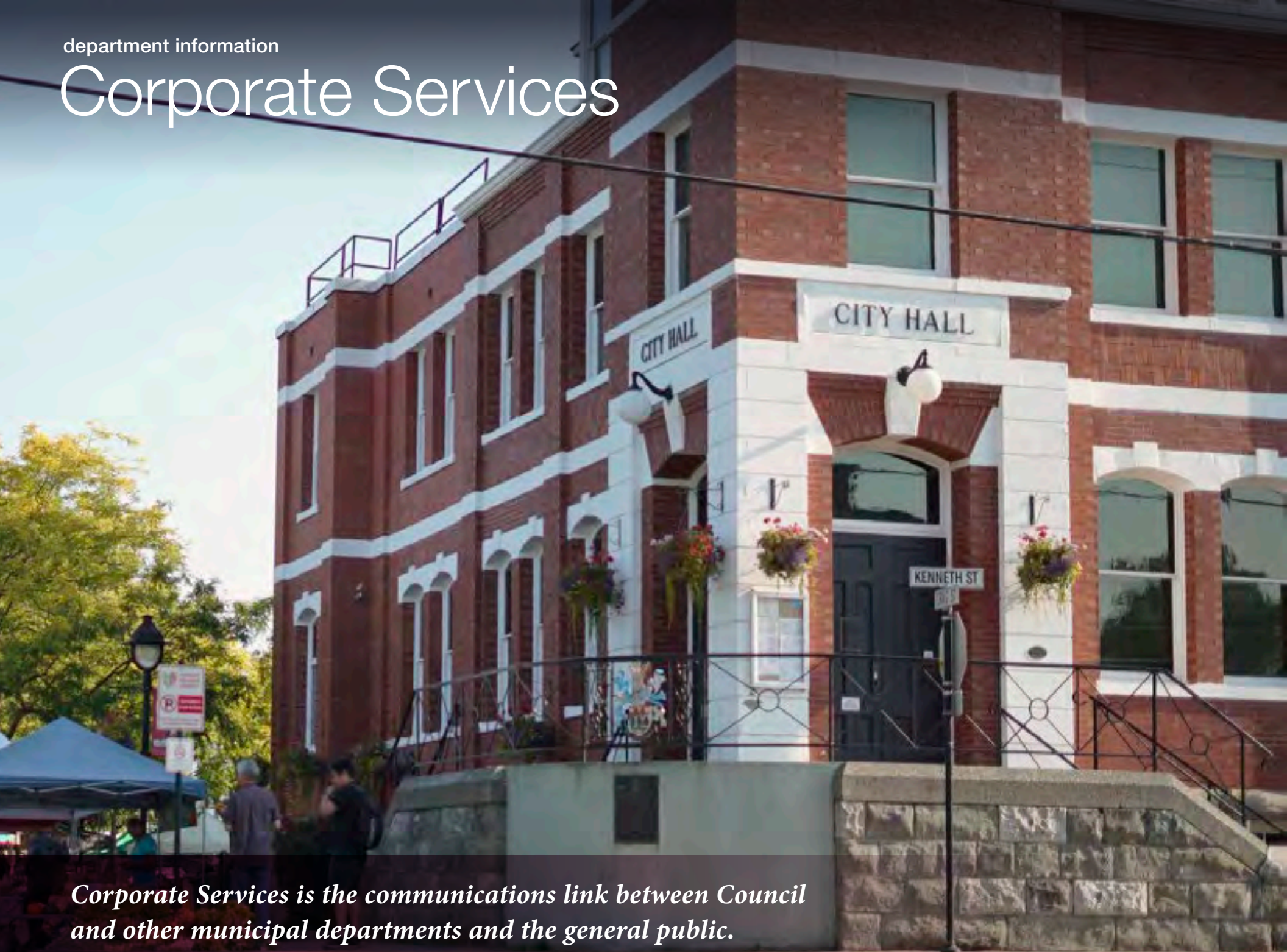
In a world where discourse is often polarized, we are grateful for the many residents, businesses, and property owners who seek common ground and constructive solutions. Your thoughtful engagement helps shape the kind of community we are proud to call home. Please continue to reach out with your questions, feedback, and ideas.



Peter de Verteuil, Chief Administrative Officer
May 12, 2025



Corporate Services



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

Corporate Services

The Corporate Services Department carries out the statutory responsibilities of the Corporate Officer as outlined in the Community Charter. The Building and Bylaw Departments also fall under the umbrella of Corporate Services. Corporate Services provides a communication link from Council to the City's departments and the community by:

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



Carver: Harvey Alphonse and Kelly Antoine

Corporate Services

- » Developing and curating marketing materials to promote City initiatives;
- » Working with City departments to provide online public engagement opportunities; and
- » Fostering and enhancing relationships with the media.

During 2024, Corporate Services was responsible for:

- » 47 Council meetings
- » 11 Delegations
- » 19 Committee Meetings
- » 5 Press releases
- » 468 Council resolutions

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

During 2024, Corporate Services was responsible for:



Building and Bylaw Department

The Building Department is responsible for managing all building permit applications, building and fire inspections, and enforcing the various regulatory bylaws within the City.

In 2024, the City issued 26 building permits with a total construction value of \$6.1 million. Currently, 3 large-scale construction projects are underway, with several more slated to commence this year. As the City's population continues to grow, both residential and commercial developments construction endeavors are essential for meeting growing demands and enhancing infrastructure.


The Bylaw Department is responsible for the enforcement of regulatory bylaws throughout the City. As one of the main focuses of the Bylaw Department is to regulate parking, staff try to ensure customer friendly facilitation. Staff are responsible for monitoring

all timed control streets, pass holder parking and 7 parking lots. A total of 1,590 tickets were issued with 144 being cancelled.

The main priorities of the Bylaw Department are parking enforcement, administering the requirements of the Safer Community Plan, deterring illegal encampments, and responding to public complaints regarding all types of bylaw enforcement matters. As compliance focused actions include public education first and informal resolutions, a new policy was introduced at the end of 2024 that would allow participants to donate new, unopened non-perishable food items in lieu of parking fines. This program operates exclusively for parking tickets issued from December 15th to 31st, but exclude violations related to safety, paid parking infractions and parking infractions that result in vehicles being towed.



Financial Services



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

Financial Services

Financial Services is responsible for maintaining the financial health of the City through safeguarding the City’s financial assets and planning for the future.

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

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

Financial Services manages a portfolio of over \$32 million in various securities and oversees the collection of over \$11.7 million in property taxes, over \$4.8 million in utilities as well as developer contributions and other miscellaneous revenues.

Financial Services manages many other functions including business licensing, pet licensing, utility billing, payroll, debt financing, and information technology.

During 2024 finance was responsible for:

» Property tax billing and collection	2,264 property tax notices
» Water billing	10,371 bills issued
» Accounts receivable	214 invoices
» Pet licence billing and collection	279 dog licences
» Business licence billing and collection	952 active business licences
» Pre-authorized payments for taxes	285 accounts
» Pre-authorized payments for utilities	343 accounts
» Payroll	96 T4’s issued
» Accounts payable	580 cheques processed 1,654 EFTs processed



Planning and Sustainability Services

Carvers: Lenard Paquette Jackson; Moopin'kim (Ned Matlipi)

Planning and Sustainability Services provides city planning, development review, and land use services.

Planning and Sustainability Services

Planning and Sustainability Services provides both current and long-range planning services for the City, including planning application review, responding to land use and development enquiries, and development and ongoing implementation of City plans and strategies.

The department consists of a Director of Planning and Sustainability, City Planner, and Planning Technician. City plans that guide the work of the Department include the Official Community Plan, University Village Sustainable Local Area Plan, Cairnsmore Sustainable Neighbourhood Plan, and the Integrated Community Sustainability Plan.

In 2024, the Planning Department received nine development permit applications that would authorize 172 new residential units, 7,840 ft² of new commercial space, and an 11,200 ft² health care clinic. The department also received four development variance permit applications, one temporary use permit application, and two zoning bylaw amendment applications.

In Spring 2024, the City's new Official Community Plan was adopted by Council. Other department initiatives from 2024 include the small-scale multi-unit zoning updates required by the provincial government, completion of a number of housing initiatives under the City successful grant application to the federal Housing Accelerator Fund, installation of decorative wraps on utility boxes, completion of updates to the city-wide façade improvement program, and facilitation of the Station Street Placemaking Project. The Planning Department provides support to bylaw enforcement services for contravention of the City's land use and development bylaws. Department staff also serve as liaisons to the City's Advisory Design Panel and the Environment and Sustainability Advisory Committee.



Carver: Francis Horne Sr.

Protective Services

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



Protective Services



Royal Canadian Mounted Police

The Royal Canadian Mounted Police (RCMP) provide policing services to the City of Duncan under a municipal contract and operate from the North Cowichan/Duncan RCMP Detachment. This detachment also provides policing services in other jurisdictions including the Municipality of North Cowichan, Cowichan Tribes, and other areas of the Cowichan Valley Regional District. The entire Detachment strength is currently 63 police officers. These full-time personnel are supported by RCMP paid support staff and a network of community volunteers in a variety of critical service delivery roles. Their contributions to the 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)
- » Corridor Enforcement Unit.



Each RCMP Detachment in Canada is mandated to prepare an annual performance plan that addresses identified “Local Policing Priorities”. The 2024/25 plan is focused on the following local issues that were consistently identified as priorities throughout the valley:

- » Crime reduction;
- » Leadership and governance;
- » Employee excellence and workplace culture; and
- » Relationship building with Indigenous communities.

Protective Services

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

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



department information

Fire Services

Fire Services provides fire suppression, fire investigation, fire prevention, first responders, motor vehicle incident response, and rescue services.



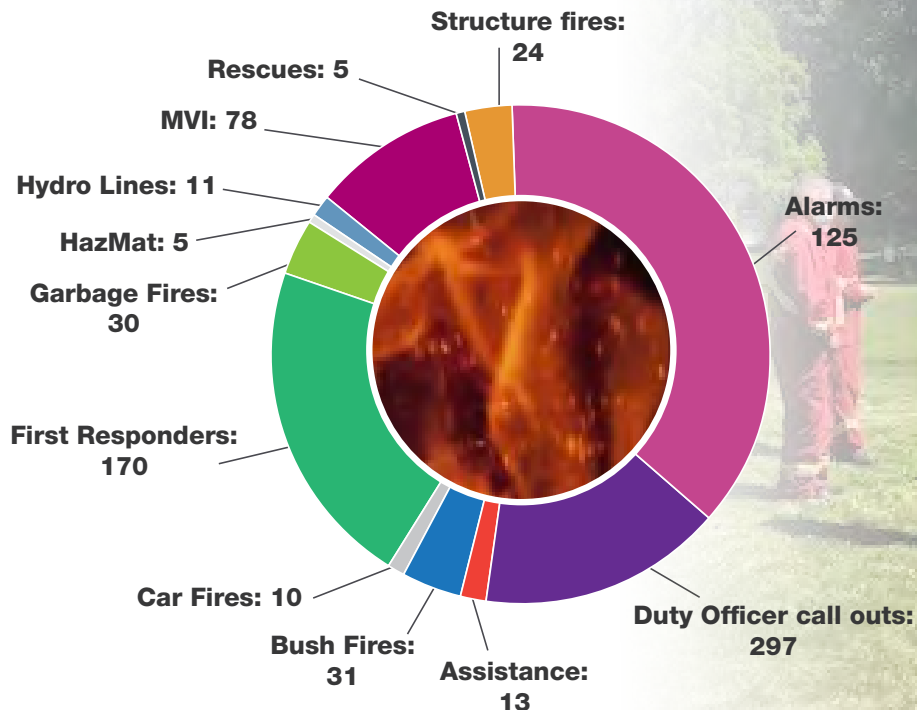
Fire Services

The Duncan Fire Department consists of a Chief, Assistant Chief, 3 Captains, and 25 firefighters. The Fire Department serves the City of Duncan and surrounding area including the Eagle Heights Fire Protection Service Area (Cowichan Valley Regional District) and Cowichan Tribes lands adjacent to downtown. The Fire Department is also part of the Cowichan Valley Fire Department Regional Mutual Aid Agreement, which is a no-charge reciprocal system of emergency response and assistance available to all 17 local fire departments throughout the region.



Distribution of Calls by Response Type

Total Events: 799



department information

Public Works and Engineering Services



Public Works and Engineering Services 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.

Public Works and Engineering Services

Some of the functions regularly performed by the Public Works and Engineering Services are:

Fleet Maintenance

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

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

Utilities

The Utilities Department is responsible for maintenance and upgrades for:

- » The municipal water distribution network comprising approximately 82 km of water main, 3,472 water connections as well as 4 well sites and 2 water reservoirs;
- » The sanitary sewer collection system comprising approximately 29 km of pipes; and
- » The storm water collection system comprising approximately 27 km of pipes.

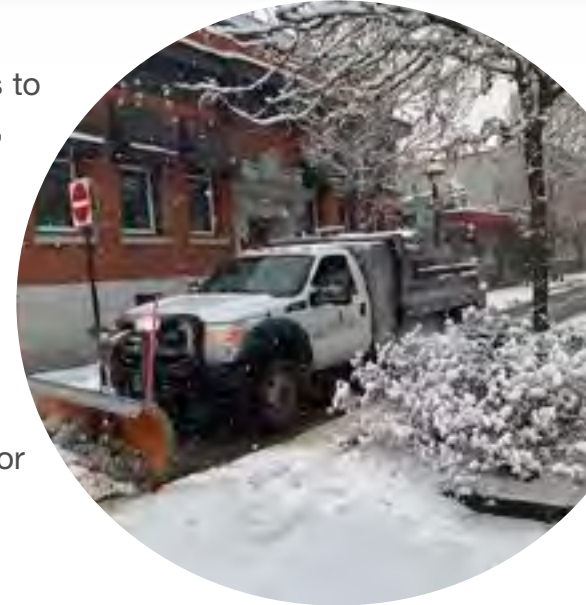
Roads and Sidewalks

The Maintenance Department is responsible for:

- » Maintenance and upgrades to municipal traffic signals, road markings, and signage;

- » Maintenance and upgrades to municipal curbs, sidewalks, and roads;
- » Building and facilities maintenance; and
- » Snow and ice clearing.

The Maintenance department is also responsible for maintaining the largest outdoor Totem collection in Canada.



Carvers: Doug LaFortune Laverne Roy 'Corky' Baines

Public Works and Engineering Services

Garbage, Recycling, Organics, and Yard Waste

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

During 2024 the City collected:

- » 149 tons of organics
- » 109 tons of recycling
- » 249 tons of garbage
- » 76 tons of yard waste
- » 4 tons of glass

Parks and Green Space

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

During 2024 the City collected:



Engineering Department



Engineering

Engineering Department oversees the long-range planning and capital renewal of public infrastructure (such as roads, sidewalks, traffic management, parks design, the water distribution network, water supply sources, the sanitary collection system, storm drainage collection system, flood protection systems, etc.). This function includes oversight of City standards and specifications as well as infrastructure capacity planning and capital project renewals of all City infrastructure.

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

Mapping and related recordkeeping are also part of the Engineering function.

Vision, Goals and Progress

Our Strategic Plan defines the business of the organization by identifying the strategic priorities and goals. The annual report provides a snapshot of the past and current year's projects and accomplishments which demonstrate progress towards achieving the strategic priorities and goals and introduces the goals and objectives going forwards.



our vision for a

Strong Relationship with Cowichan Tribes, with UNDRIP as a frame work

Carver: Herb Rice

Improved processes for engaging with Cowichan Tribes that respect Indigenous Rights and Title and are consistent with UNDRIP, and increased number of cultural, social, environmental, and economic development projects that the City works on in collaboration with Cowichan Tribes.



strong relationship with Cowichan Tribes, with UNDRIP as a frame work

Our Commitments



Support reconciliation initiatives


Progress in 2024

- » Supported the completion of the Nanum'lyus The'ele mural on Jubilee Street and the "Sq'uq'iptul' (Journey Together) mural on Kenneth Street.
- » City staff worked with Cowichan Tribes staff to develop renewed water service agreements, which will be the template for renewed sewer and fire protection agreements.
- » City CAO met with CAO of Cowichan Tribes.

What we will do in 2025 – 2026

- » Hold community to community forum, with funding support from UBCM, which are relationship building events with Cowichan Tribes elected officials and staff, with the objective of renewing the water service agreement.
- » Council discussion of Truth and Reconciliation calls to action.
- » Continue to meet with Cowichan Tribes CAO.





our vision for

Managed Growth Supported by Sustainable Development

As Duncan grows and evolves, new development enhances community sustainability, livability and resiliency and reduces impacts to existing infrastructure and services through the incorporation of strong sustainable development principles in the design of new development.



Carver: Harold Alfred

managed growth supported by sustainable development

Our Commitments

Review Local Government Boundaries

Progress in 2024

- » Started the development of the North Boundary Realignment Study Terms of Reference
- » Started the development of South Restructure Study Terms of Reference.

What we will do in 2025 – 2026

- » Complete North Boundary Realignment Study Terms of Reference
- » Complete South Boundary Restructure Study Terms of Reference.

Ensure Zoning and Policies are Consistent with the Strategic Plan and Official Community Plan (OCP)

Progress in 2024


- » Completed public consultation and adoption of new OCP.
- » Completed Provincial SSMUH updates.
- » Began planning for zoning bylaw rewrite.

What we will do in 2025 – 2026

- » Complete interim updates to the zoning bylaw to update landscaping and screening, reductions to the minimum off-street parking regulations, dwelling unit size minimums in larger housing developments, and short-term rental regulations.
- » Update zoning bylaw to align with new OCP.
- » Begin development of a land acquisition strategy.

our vision for

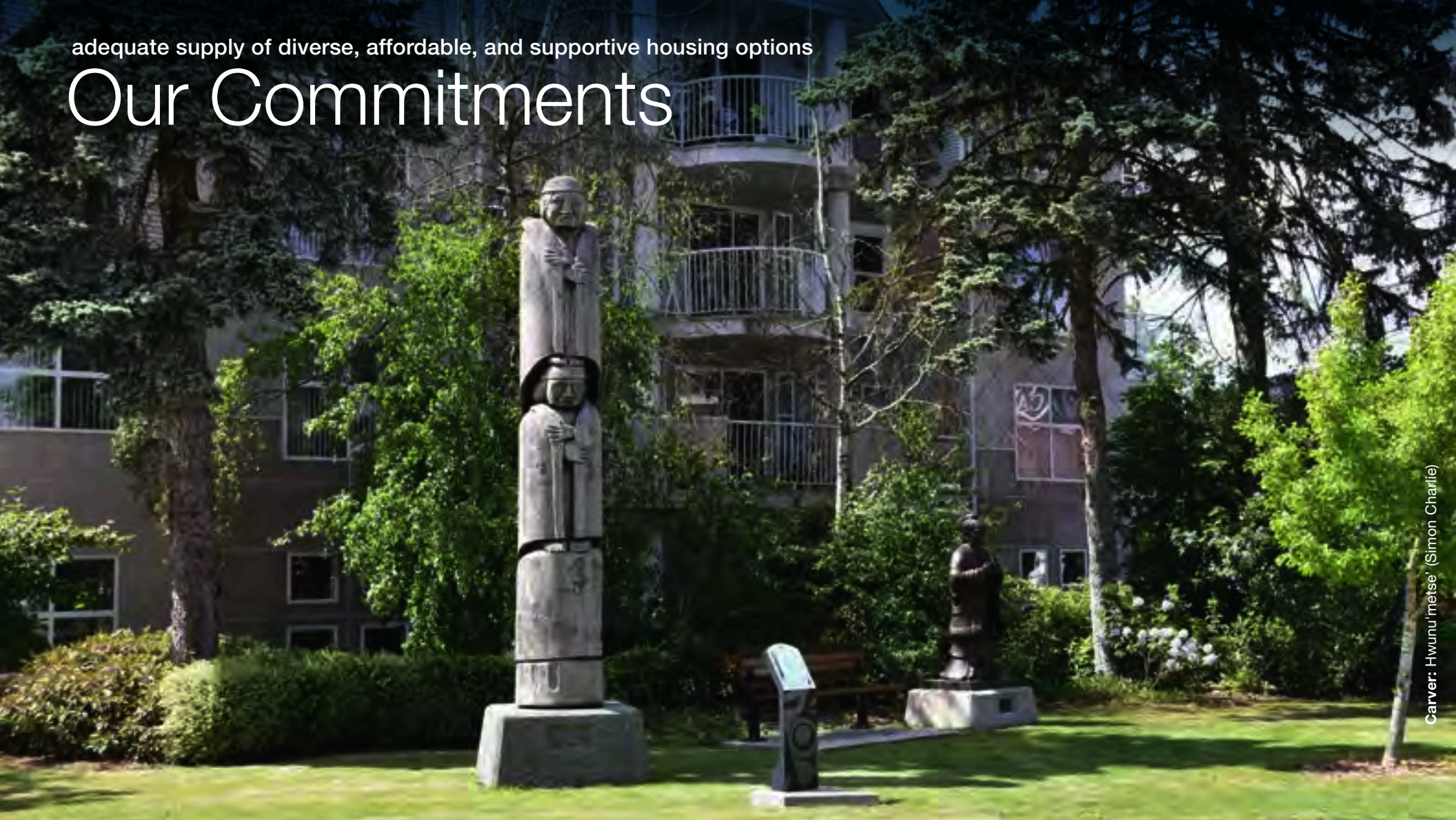
Adequate Supply of Diverse, Affordable, and Supportive Housing Options



To support and provide different housing types, tenures, and densities and to protect or replace the existing affordable housing stock, to meet the diverse and changing needs of individuals and families of varying sizes, income levels, age groups, lifestyles, and required levels of support.

adequate supply of diverse, affordable, and supportive housing options

Our Commitments



Carver: Hwunu'metse' (Simon Charlie)

Review Affordable Housing Opportunities


Progress in 2024

- » Development Cost Charges reduction bylaw adopted in September.
- » Requested 2024 UBCM Minister Meetings with Minister of Housing.

What we will do in 2025 – 2026

- » Complete affordable housing financial feasibility analysis.
- » Review options for housing development on Valley Seniors property.

- » Review bylaw requirements and incentives to encourage creation of lower cost housing options.
- » Lobby Senior Governments for increased spending on affordable and accessible housing options.



our vision for a

Thriving and Resilient Economy and Business Community

To maintain and enhance Duncan's role as the business hub of the Cowichan Valley, to create diverse employment opportunities, meet the commercial service needs of Duncan's residents, and grow the tax base.

Our Commitments



Continue to improve and beautify downtown

Progress in 2024

- » Begin conceptual designs for Kenneth Street at Government Intersection.

What we will do in 2025 – 2026

- » Establish priorities for downtown street revitalization.
- » Create concept designs of desired works for downtown streets.
- » Complete Station Street Placemaking project.

Review development approval process and requirements for efficiency and attractiveness

Progress in 2024

- » Adopted Development Procedures Bylaw and policies.

What we will do in 2025 – 2026

- » Review Sign Bylaw.



Carvers: Donald (Don) Smith; Harold Alfred

Our Commitments

Explore opportunities to encourage private property downtown revitalization and beautification

Progress in 2024

- » Discussed the Graffiti Removal Program and potential partnership on revising it.
- » Increased the maximum eligible amount for both the DDBIA and City-Wide Façade Improvement programs.
- » Downtown Duncan Business Improvement Area (DDBIA) prepared a Safety and Security Initiative, which includes the recommendation of creating a clean team to respond to littering and graffiti complaints.

What we will do in 2025 – 2026

- » Further discuss the Graffiti Removal Program and partnership with the DDBIA's Safety and Security Initiative.



Our Commitments

Improve the aesthetics of the Trans-Canada Highway (TCH) corridor

Progress in 2024

- » Completed construction of the TCH multi-use pathway from Silver Bridge to 140 TCH.

What we will do in 2025 – 2026

- » Continue work on gateway landscaping boulevard improvements.
- » Discuss with neighbouring jurisdictions designs for the area between TCH bridge and Boys Road.
- » Consider lighting of TCH bridge.



Our Commitments



Complete Gateway Project

Progress in 2024

- » Shared in the design and cost of a gateway sign at the intersection of TCH and Beverly Street, the sign is titled “Cowichan Place – Squw'utsun'a'lh.”

Support TCH corridor businesses and residents

Progress in 2024

- » Continued the enhanced sharps pickup program.
- » Met with Highway Business Council representative.

What we will do in 2025 – 2026

- » Continue the enhanced sharps pickup program.
- » Continue working with North Cowichan on updating the Safer Community Plan.
- » Identify specific actions to discuss with the Highway Business Council representative.





our vision for

Improved Access to and Support for Sustainable Transportation

*To create a connected, balanced, accessible, efficient,
and sustainable transportation network that prioritizes
improvements to walking, rolling, cycling and transit.*

Our Commitments

Implement the Transportation & Mobility Strategy


Progress in 2024

- » Finalized detailed design of the Coronation/Ypres/Queens protected bike lanes.
- » Installed bicycle facilities in Kenneth Street gravel parking lot (parklet).

What we will do in 2025 – 2026

- » Complete construction of the Coronation/Ypres/Queens protected bike lanes.
- » Detailed design for the Canada Avenue Complete Streets project.
- » Identify next priority projects.





our vision for

Healthy, Protected, and Resilient Natural Environment

*To protect ecologically sensitive areas and conserve
and enhance biodiversity in all areas of Duncan.*

Our Commitments

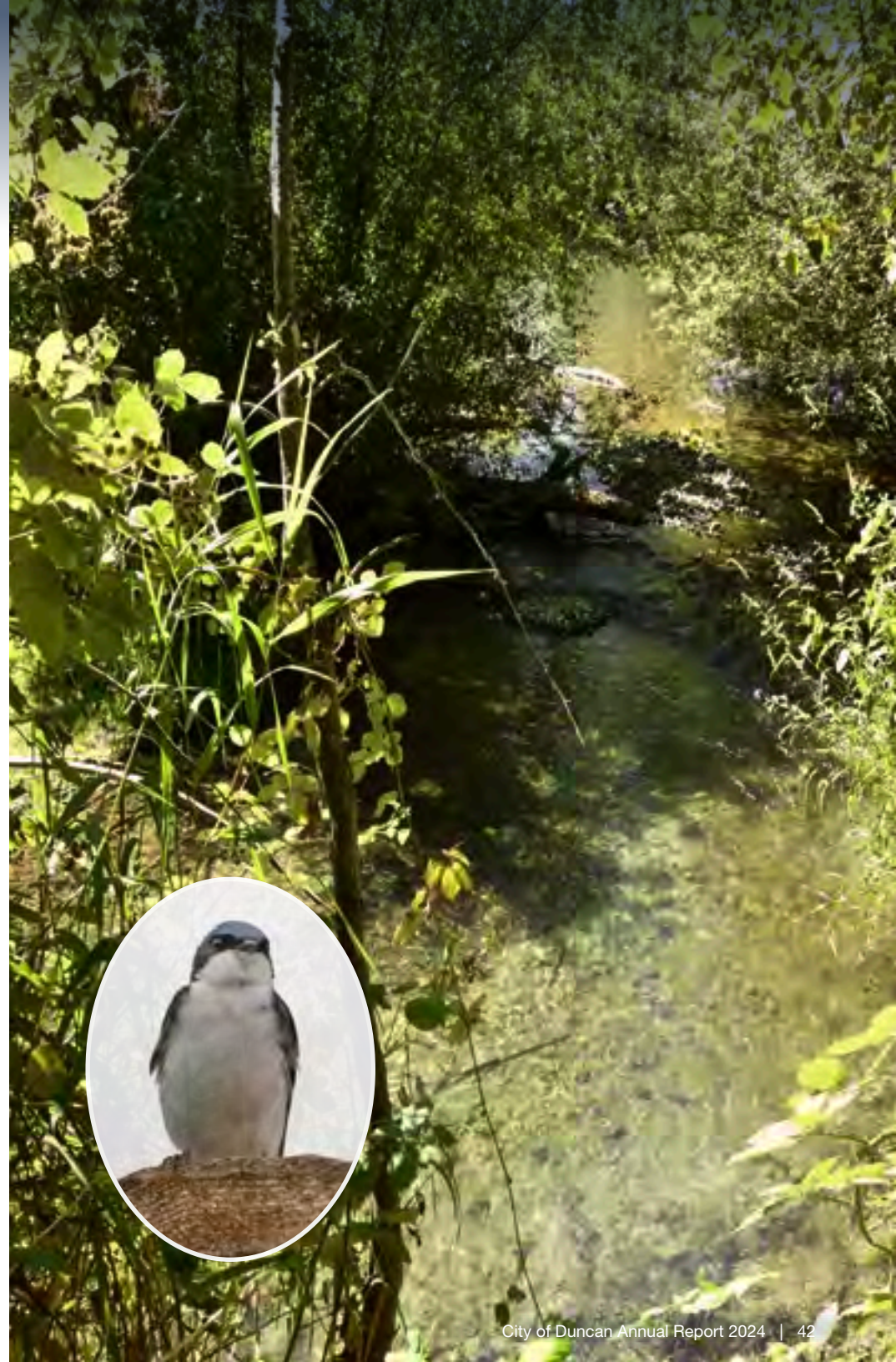
Improve the water outfall quality and fish habitat

Progress in 2024

- » Worked with the Joint Utility Board on the plans to remove outfall from the Cowichan River and review best practices for treatment options.

What we will do in 2025 – 2026

- » Continue to work with the Joint Utility Board to remove the outfall from the Cowichan River and review best practices for treatment options.
- » Replace Fish Gut Alley culvert with box culvert (subject to grant funding).
- » Continue to support community groups in making improvements to the riparian areas in Fish Gut Alley.
- » Continue to promote on-site stormwater management for new developments.



Reduce GHG emissions and Enhanced Ability to Adapt to Climate Change Impacts

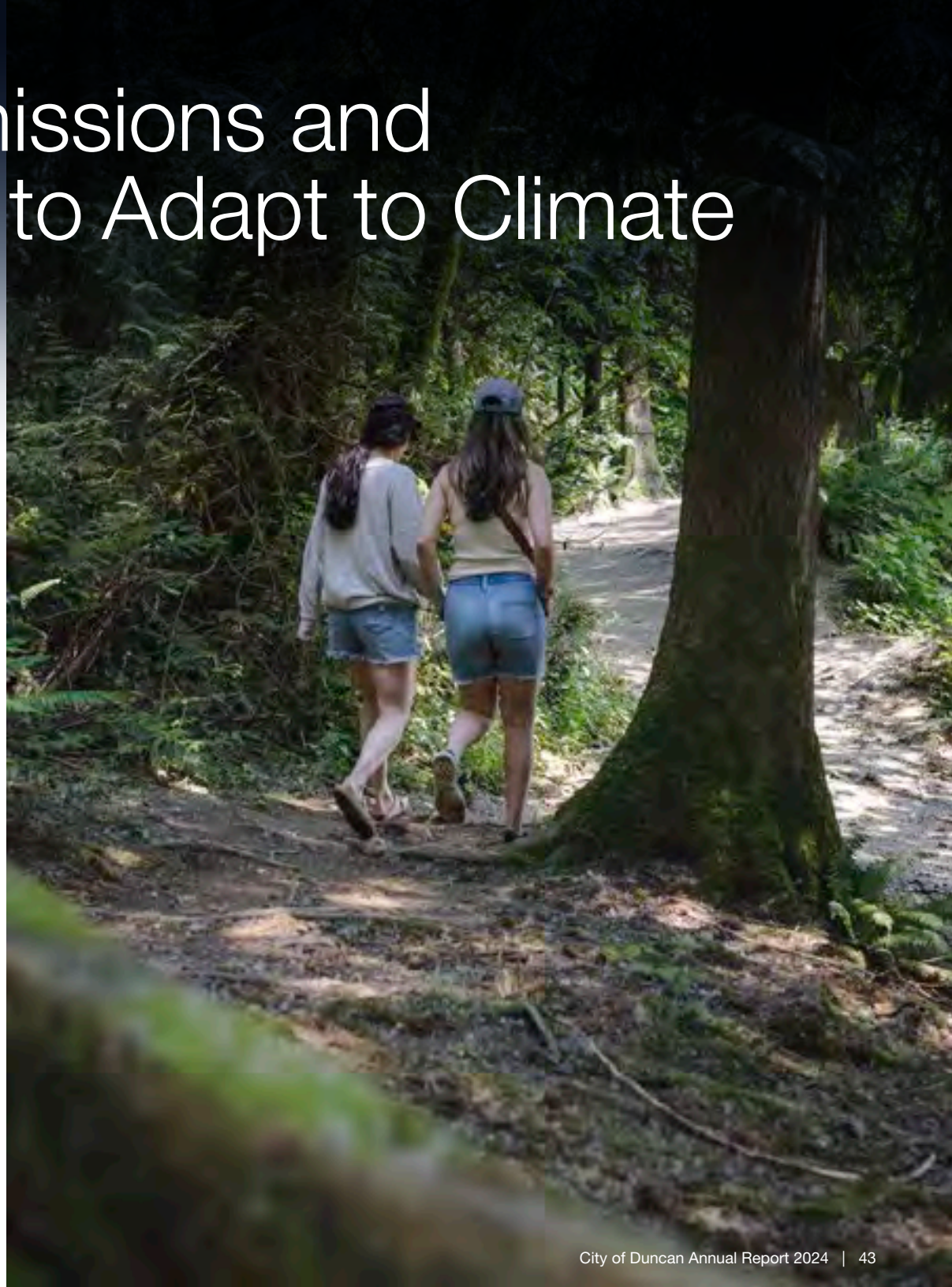
Support regional climate adaptation

Progress in 2024

- » Participated in regional climate adaptation advisory group.
- » Reviewed progress on the Urban Forest Strategy.

What we will do in 2025 – 2026

- » Continue to participate in regional climate adaptation advisory group.
- » Identify additional street tree locations.
- » Implement tree rebate program for property owners, residents, and businesses to promote urban canopy.
- » Develop a Tree Canopy Targets Action Plan.



our vision for a

Thriving Arts Community with Strong Cultural Connection

To ensure that local arts and culture can flourish by expanding, strengthening, and integrating arts and culture into community planning, recreation programming, and economic development.

Our Commitments

Support public art initiatives

Progress in 2024

- » Selected priority utility boxes for decorative wraps from selected artists.

What we will do in 2025 – 2026

- » Update public art policy.



our vision for

Recognized and Protected Heritage and Historical Resources



To ensure that local heritage and historical resources, including sites, buildings, and features are identified and inventoried, recognized, and, where warranted, protected, and to ensure that heritage conservation is considered in decision-making.

Our Commitments

Develop a Heritage Program

Progress in 2024

- » Established a list of potential heritage properties.

What we will do in 2025 – 2026

- » Propose a Heritage Program for Council consideration.
- » Implement the proposed Heritage Program.

our vision for well maintained and accessible

Parks and Recreation Opportunities



To maintain, expand, and connect the parks, open spaces, and recreation facilities network to meet the diverse needs of different user groups of current and future residents, while balancing the long-term maintenance and operational costs of providing those amenities.

Our Commitments

Station Street placemaking, McAdam Park improvements and Centennial Park upgrades

Progress in 2024

- » Contract awarded for Station Street placemaking project.
- » Construction of McAdam Park small and large playgrounds complete.

What we will do in 2025 – 2026

- » Complete construction of Station Street placemaking project.
- » Continue construction of McAdam Park playground (swing set and spinner).
- » Continuing renewal of components in Centennial Park Water Spray Park and playground equipment.
- » Identify next priority projects.



A man with visible tattoos on his arms is holding the hand of a young girl. They are walking across a crosswalk painted with vibrant rainbow stripes. The girl is wearing a straw hat with a blue ribbon and a colorful, patterned dress. She is carrying a small woven basket. In the background, there is a storefront with a sign that reads "COFFEE & BAKERY".

our vision for improved

Community Safety, Inclusiveness, and Collaboration

To foster a safe, supportive, and inclusive community that collaborates to provide equal opportunities for residents from all ethnic and cultural backgrounds, income levels, abilities, and gender identities, and that is prepared to respond and recover from a major disaster or emergency.

Our Commitments

Improve communications and build community connections

Progress in 2024

- » Facilitated liaison appointments.
- » Facilitated Council attendance at community events.
- » Council members participated on leadership tables.
- » Discussed Council's use of social media platforms.

What we will do in 2025 – 2026

- » Continue to hold Joint Council meetings, facilitate liaison appointments, Council attendance at community events and participate at leadership tables.
- » Prepare and complete the next Citizens Survey in 2025.

Carvers: Doug LaFortune; Laverne Roy 'Corky' Baines



A scenic photograph of a forested area. In the foreground, a grassy clearing is partially covered by shadows from large trees. A utility pole with a red and white striped base stands on the left. In the background, a stream flows through a dense forest of tall trees with lush green foliage. The sky is visible through the canopy.

our vision for well managed and resilient

City Infrastructure and Servicing

To ensure that City infrastructure and servicing is maintained, replaced, and expanded to meet the needs of current and future residents, while lowering the burden on services by reducing water use and stormwater runoff and reducing and diverting solid waste.

Our Commitments

Implement water metering and upgrade key utilities

Progress in 2024

- » Completed detailed engineering design for Eagle Heights water reservoir replacement.
- » Completed structural assessment of Gibbins Water Reservoir relining.
- » Continued ongoing transitions to metered water billings.
- » Completed Marchmont Road water and storm upgrades
- » Preliminary discussions with Cowichan Tribes regarding the need to replace the Cowichan Way Lift Station to accommodate additional development.

What we will do in 2025 – 2026

- » Complete Eagle Heights water reservoir replacement.
- » Look into additional capital funds for the required second storage tank at Eagle Heights water reservoir.
- » Complete Gibbins water reservoir relining.
- » Complete high priority watermain upgrades
- » Continue discussions with Cowichan Tribes regarding the need to replace the Cowichan Way Lift Station to accommodate additional development
- » Continue working with North Cowichan on emergency well locations.
- » Continue investigating alternate well locations in the Koksilah area.
- » Continue transitions to metered water billing.
- » Transition to metered sewer billing in 2026.



Our Commitments

Continue City Hall upgrades

Progress in 2024

- » Completed roof replacement.
- » Completed exterior sandstone repairs.

What we will do in 2025 – 2026

- » Continue further detailed design for seismic upgrades.
- » Explore opportunities and apply for grants for seismic upgrades.

Asset management planning

Progress in 2024

- » Completed asset management plan and presented to Council.
- » Continue work on refining water system asset inventory.
- » Ordered new automated collection vehicle.

What we will do in 2025 – 2026

- » Continue refinement asset inventories and condition assessments.
- » Complete storm drainage assessment with engineering consultant and coordinate work with North Cowichan at boundary points.
- » Undertake sidewalk condition assessments.
- » Implement automated solid waste collection.

Improve records management

Progress in 2024

- » Continued to address historic records backlog.

What we will do in 2025 – 2026

- » Conduct records management assessment.
- » Develop records management plan.
- » Purchase records management software.

Improve organizational emergency preparedness

What we will do in 2025 – 2026

- » Undertake a third-party creation of a business continuity plan.



our vision for

Governance and Workplace Culture



Our Commitments

Maintain a respectful workplace

Progress in 2024

- » Provided respectful workplace training.
- » Updated Code of Conduct.
- » Updated Respectful Workplace Policy.
- » Created regular Council updates which are shared with staff after each Council meeting.

What we will do in 2025 – 2026

- » Continue to enhance internal communications.
- » Continue monthly manager meetings.
- » Institute regular schedule for staff to review pertinent City policies, including proactive communications processes and administrative policies.
- » Continue providing and reporting on Council training opportunities.





financial section

The Corporation of the City of Duncan

Canadian Award for Financial Reporting	59
Message from the Director of Finance	60
Statement of Responsibility	63
Auditor's Report	64
Consolidated Statement of Financial Position	67
Consolidated Statement of Operations	68
Consolidated Statement of Change in Net Financial Assets	69
Consolidated Statement of Cash Flows	70
Notes to the Consolidated Financial Statements	71
Schedule 1 – Consolidated Schedule of Tangible Capital Assets	88
Schedule 2 – Consolidated Schedule of Accumulated Surplus	89
Schedule 3 – Consolidated Schedule of Segment Disclosures	90
Schedule 4 – Consolidated Details and Reconciliation to Core Government Results	92
Schedule 5 – Grant Continuity Schedule	93
Joint Utilities Board Statements	94
Statistics	110



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, 2023

Executive Director/CEO

message from

Director of Finance



On behalf of the Finance Department, I am pleased to present an overview of the 2024 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 robust system of internal accounting controls designed to protect municipal assets and ensure the accuracy of financial information. These controls are reviewed and tested on a cyclical basis through contracted audit services.

MNP LLP, the City's independent auditors appointed by Council, 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 formally accepted the financial statements at the May 12, 2025 Council Meeting.

As at December 31, 2024, the City had an increase in accumulated surplus of \$3.6 million for the year, to a total of \$62 million. The accumulated surplus is largely comprised of net investments in tangible capital assets (\$55 million), which includes land, park infrastructure, roads, utility assets, and asset retirement obligations.

Consolidated total revenues remained fairly stable compared to 2023. Revenue growth was mainly driven by increased property taxes levied; higher investment income due to elevated interest rates; and modest increase in sale of services due to utility rate increases. A decline in senior level government grants resulted in a reduction in grant revenue. On the expense side, overall costs were consistent with the previous year, with the most notable increase occurring in protective services due to additional policing costs.

The City maintains a healthy financial position with currently no debt. We remain committed to providing appropriate physical infrastructure to support a vibrant local economy and offer a well serviced community. In 2024, the City completed an asset management plan that catalogued its infrastructure, assessed condition and life expectancy, and outlined a sustainable replacement strategy. The plan identifies the funding levels required for long-term, reliable service delivery, and the City is dedicated to meeting these infrastructure needs.

We were honored to once again 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, 2024. This prestigious award recognizes excellence in municipal financial reporting. This marks the 13th consecutive year that the City has earned this distinction.

If you have any questions regarding the Annual Report, the financial statements, or the City's financial position, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink that reads "Crossman". The signature is fluid and cursive, with the first letter of each word being capitalized.

Bernice Crossman, CPA, CGA
Director of Finance

WILD PLUM
FARM Duncan, BC

Beets
Beets
Beets
\$6



Broccolini
\$5





consolidated financial statements

(audited)

STATEMENT OF RESPONSIBILITY

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

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

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

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



Peter de Verteuil, CPA, CGA
Chief Administrative Officer



Independent Auditor's Report

To the Mayor and Council of the 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, 2024, and the consolidated statement of operations, net financial assets and cash flows and supplementary schedules 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, 2024, and the results of its consolidated operations, net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

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

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

(continued)

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(continued)

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Duncan, British Columbia

May 12, 2025

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

Chartered Professional Accountants

Consolidated Statement of Financial Position

YEAR ENDED DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 2,696,184	\$ 1,808,363
Accounts receivable (Note 4)	2,332,757	1,612,633
Short-term investments (Note 3)	31,494,562	30,513,522
Loan receivable (Note 5)	16,793	33,183
	36,540,296	33,967,701
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	3,338,665	2,281,759
Sick and severance liabilities (Note 11(b))	404,726	492,015
Refundable deposits (Note 7)	1,356,071	1,359,644
Deferred revenue (Notes 3 & 8)	4,752,955	4,306,706
Restricted revenue (Notes 3 & 9)	3,346,422	3,169,314
Asset retirement obligations (Note 15)	16,188,641	17,166,792
	29,387,480	28,776,230
NET FINANCIAL ASSETS	7,152,816	5,191,471
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	55,203,299	53,563,960
Inventories of supplies	207,455	189,594
Prepaid expenses	20,839	13,173
	55,431,593	53,766,727
ACCUMULATED SURPLUS (Schedule 2)	\$ 62,584,409	\$ 58,958,198

COMMITMENTS AND CONTINGENCIES (Note 10)

Grossman

Director of Finance

See accompanying notes to the consolidated financial statements

Consolidated Statement of Operations

YEAR ENDED DECEMBER 31, 2024

	2024 Budget (Note 12)	2024 Actual	2023 Actual
REVENUE			
Taxation and grants in lieu of taxes (Note 16)	\$ 6,184,953	\$ 6,189,507	\$ 5,635,497
Sale of services	5,947,770	6,043,794	5,743,201
Licenses, permits, penalties and fines	974,434	981,727	833,568
Return on investments	212,172	1,455,524	1,158,878
Grants	4,467,531	592,505	2,161,104
Government transfers (Note 17)	548,000	938,729	623,082
Funds contributed from other governments	31,250	26,262	28,353
Development Cost Charge funds utilized	1,094,946	167,267	27,603
Gas Tax funds utilized	1,486,843	427,490	245,953
Developer contributions	-	40,639	351,374
Gain (loss) on disposal of tangible capital assets	-	-	(107,810)
Tangible capital assets contributed by developers	-	329,269	409,778
Total revenue	20,947,899	17,192,713	17,110,581
EXPENSES			
General government services	1,790,187	1,788,069	1,677,782
Protective services	3,785,006	3,223,819	2,298,493
Public works & engineering	2,224,366	2,398,128	2,161,256
Environmental health services	519,637	369,781	332,898
Environmental development services	394,050	358,209	323,783
Recreation and cultural services	1,036,246	1,099,423	1,244,225
Water services	2,205,029	2,359,083	2,087,797
Sewer services	1,008,671	1,969,990	2,177,313
Total expenses (Note 14)	12,963,192	13,566,502	12,303,547
ANNUAL SURPLUS	7,984,707	3,626,211	4,807,034
ACCUMULATED SURPLUS, BEGINNING OF YEAR	58,958,198	58,958,198	54,151,164
ACCUMULATED SURPLUS, END OF YEAR	\$ 66,942,905	\$ 62,584,409	\$ 58,958,198

See accompanying notes to the consolidated financial statements

Consolidated Statement of Change in Net Financial Assets

YEAR ENDED DECEMBER 31, 2024

	2024 Budget (Note 12)	2024 Actual	2023 Actual
ANNUAL SURPLUS	\$ 7,984,707	\$ 3,626,211	\$ 4,807,034
Purchase of tangible capital assets	(22,667,881)	(5,033,435)	(2,868,850)
Tangible capital assets acquired in kind	-	(329,269)	(409,778)
Amortization of tangible capital assets	2,031,528	2,228,721	2,175,959
Increase in tangible capital assets due to asset retirement obligations	-	978,151	(17,166,792)
Increase in proportionate share of Joint Utilities Board tangible capital assets	-	516,493	558,931
Gain on disposal of tangible capital assets	-	-	107,810
Proceeds of sale of tangible capital assets	-	-	46,284
Decrease (increase) in inventory of supplies	-	(17,861)	11,255
Decrease (increase) in prepaid expenses	-	(7,666)	11,616
	(20,636,353)	(1,664,866)	(17,533,565)
CHANGE IN NET FINANCIAL ASSETS	(12,651,646)	1,961,345	(12,726,531)
NET FINANCIAL ASSETS, Beginning of Year	5,191,471	5,191,471	17,918,002
NET FINANCIAL ASSETS, End of Year	\$ (7,460,175)	\$ 7,152,816	\$ 5,191,471

See accompanying notes to the consolidated financial statements

Consolidated Statement of Cash Flows

YEAR ENDED DECEMBER 31, 2024

	2024	2023
Annual surplus	\$ 3,626,211	\$ 4,807,034
Non-cash items included in annual surplus:		
Amortization	2,228,721	2,175,959
Tangible capital assets contributed by developers	(329,269)	(409,778)
Increase in proportionate share of		
Joint Utilities Board tangible capital assets	516,493	558,931
Loss on disposal/write down of tangible capital assets	-	107,810
	6,042,156	7,239,956
Changes in non-cash items:		
Accounts receivable	(720,124)	(69,830)
Loan receivable	16,390	15,996
Inventory of supplies	(17,861)	11,255
Prepaid expenses	(7,666)	11,616
Accounts payable and accrued liabilities	1,056,906	(209,969)
Sick and severance liability	(87,289)	(73,420)
Refundable deposits	(3,573)	13,606
Deferred revenue	446,249	1,424,193
Restricted revenue	177,108	645,324
Cash provided by operating transactions	6,902,296	9,008,727
CAPITAL TRANSACTIONS		
Proceeds on disposal of tangible capital assets	-	46,284
Purchases of tangible capital assets	(5,033,435)	(2,868,850)
Cash applied to capital transactions	(5,033,435)	(2,822,566)
INVESTING TRANSACTIONS		
Net increase in short-term investments	(981,040)	(8,159,396)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	887,822	(1,973,234)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,808,363	3,781,597
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,696,185	\$ 1,808,363

See accompanying notes to the consolidated financial statements

1. General

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

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

2. Significant Accounting Policies

a) Basis of Accounting

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

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

<i>General Revenue Fund</i>	<i>Waterworks Utility Revenue Fund</i>
<i>General Capital Fund</i>	<i>Waterworks Utility Capital Fund</i>
<i>Reserve Funds</i>	<i>Sewer Utility Revenue Fund</i>
	<i>Sewer Utility Capital Fund</i>

b) Reporting Entity

The City has a partnership agreement with the Municipality of North Cowichan for the operation of the Joint Utilities Board, and as such, consistent with Canadian public sector accounting standards for government partnerships, the Joint Utilities Board is accounted for on a proportionate consolidation basis whereby the City's pro-rata share of the assets, liabilities, revenues and expenses are combined on a line by line basis in the consolidated financial statements. Inter-partnership balances and transactions have been eliminated. The City's proportionate share of the Duncan-North Cowichan Joint Utilities Board fluctuates based on current capacity units being used which is 31.13% for 2024 (2023 - 31.13%).

c) Cash and Cash Equivalents

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

d) Loans and Receivables

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

e) Inventory

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

f) Non-Financial Assets

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

g) Tangible Capital Assets

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

Donated assets are recorded at their estimated fair value upon acquisition. Assets contributed to the City in 2024 were comprised of water, sewer, storm and road infrastructure and totaled \$329,269 (2023 - \$409,778) and were capitalized at their fair value at the time of receipt.

2. Significant Accounting Policies (continued)

General Tangible Capital Assets

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

Infrastructure Assets

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

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

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

2. Significant Accounting Policies (continued)

h) Revenue Recognition

Tax revenues are recognized in the year that they are levied. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Revenue with performance obligations are recognized when the City satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

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

Development Cost Charges are imposed for the sole purpose of providing funds for the City to pay the capital cost of providing, altering, or expanding sewage, water, drainage and highway facilities and for acquiring park land, in order to serve directly or indirectly, the development in respect of which the charges are imposed. Development revenues and other levies which are restricted by the legislation of senior governments or by agreement with external parties for specified future expenses are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. These revenues are comprised of the amounts shown in Notes 9 and 10.

i) Financial Instruments

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

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

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

2. Significant Accounting Policies (continued)

j) Use of Estimates

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

Significant areas requiring the use of management estimates relate to the useful lives of tangible capital assets, valuation of contributed tangible capital assets, valuation of asset retirement obligations, determination of accrued sick benefits, collectability of accounts receivable, accrued liabilities and contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for. These estimates and assumptions are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known.

k) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when: contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2024.

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

l) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the City to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

2. Significant Accounting Policies (continued)

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

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

The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

m) Change in Accounting Policies

Revenue

Effective January 1, 2024, the City adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement, and disclosure of revenue under PS 3400 Revenue. The new standard establishes when to recognize and how to measure revenue and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

The new standard is applied, as described in Note 2h. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendation.

3. Cash, Cash Equivalents and Short-Term Investments

Cash and cash equivalents are comprised of the following:

	2024	2023
Bank Deposits	\$ 661,781	\$ 1,804,810
Municipal Finance Authority - Money Market Fund	2,034,403	3,553
	<u>\$ 2,696,184</u>	<u>\$ 1,808,363</u>

Short-term investments include funds invested in guaranteed investment certificates with Scotia Bank, Island Savings Credit Union, Coastal Community Credit Union, Raymond James, Canaccord Genuity and investments held by the Joint Utilities Board. The short-term investments are recorded at amortized cost. The Guaranteed Investment Certificates and term deposits mature at various dates between January 13, 2025 and January 14, 2026. Interest rates vary from 4.5% to 5.9% (2023 – 1.30% to 4.95%).

Included in short-term investments are funds held for deferred and restricted revenues totalling \$8,099,377 (2023 - \$7,476,021) and funds held for statutory reserve funds and reserve accounts totalling \$20,291,071 (2023 - \$12,275,887).

4. Accounts Receivable

	2024	2023
Property taxes	\$ 272,235	\$ 157,375
Water and sewer fees	1,463,142	1,132,987
Provincial government	-	137
Federal government	254,584	139,079
Other municipalities and regional governments	205,355	65,954
Other receivables	138,086	117,746
	<u>2,333,402</u>	<u>1,613,278</u>
Less: allowance for doubtful receivables	(645)	(645)
	<u>\$ 2,332,757</u>	<u>\$ 1,612,633</u>

5. Loan Receivable

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

6. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Trade accounts and accrued liabilities	\$ 1,223,257	\$ 866,066
Contractor holdbacks	133,002	3,000
Salaries and wages	309,434	216,827
Other municipalities and regional governments	1,672,972	1,195,866
	<u>\$ 3,338,665</u>	<u>\$ 2,281,759</u>

7. Refundable Deposits

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,359,644	\$ 1,346,038
Deposits received	609,296	2,707,064
Deposits and interest refunded/recognized as revenue	(639,370)	(2,725,565)
Increase in interest payable	26,501	32,107
Balance, end of the year	<u>\$ 1,356,071</u>	<u>\$ 1,359,644</u>

8. Deferred Revenue

	<u>2023</u>	<u>Receipts & Interest</u>	<u>Recognized as Revenue</u>	<u>2024</u>
Federal Gas Tax agreement funds	\$ 1,395,189	371,253	(427,491)	\$ 1,338,951
Prepaid property taxes	768,861	897,684	(768,860)	897,685
Grants	1,272,500	1,818,368	(1,272,500)	1,818,368
Other revenue prepaid	870,156	147,091	(319,296)	697,951
	<u>\$ 4,306,706</u>	<u>\$ 3,234,396</u>	<u>\$ (2,788,147)</u>	<u>\$ 4,752,955</u>

Federal Gas Tax Agreement Funds

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

Federal Gas Tax 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>2024</u>	<u>2023</u>
Opening balance of unspent funds	\$ 1,395,189	\$ 1,292,114
Less: Gas Tax Funds utilized	(427,490)	(245,953)
Add: amount received during the year	293,221	287,796
Add: interest earned during the year	78,031	61,232
Closing balance of unspent funds	<u>\$ 1,338,951</u>	<u>\$ 1,395,189</u>

9. Restricted Revenue

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

Development Cost Charges:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 3,169,314	\$ 2,523,990
Contributions from developers	162,856	539,073
Used during the year	(167,267)	(27,603)
Return on investments	181,519	133,854
Balance, end of the year	<u>\$ 3,346,422</u>	<u>\$ 3,169,314</u>

10. Commitments and Contingencies

a) Commitment

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

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

b) Contingent Liabilities

As at December 31, 2024 there existed claims against the City. In the opinion of management and legal counsel, the outcome of the claims, now pending, is not determinable. As the outcome is not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

c) Reciprocal Insurance Exchange Agreement

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

11. Retirement Benefits

a) Pension Liability

The City of Duncan and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

The City paid \$269,833 (2023 - \$255,934) for employer contributions to the plan in fiscal 2024 while employees contributed \$249,544 (2023 - \$236,691) to the plan in fiscal 2024.

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

- annual inflation rate is 3% (2023 - 2.0%)
- discount rate is 4% (2023 - 3%)
- the probability of staff remaining for the required vesting period of 20 years is 100%

Based on these assumptions, sick leave and severance benefits accrued at December 31, 2024 is \$404,726 (2023 - \$492,015).

12. Budget Figures

Budget figures represent the Financial Plan Bylaw No. 3241 adopted by Council on March 4, 2024. The financial plan anticipated the use of surpluses accumulated in previous years to balance against current year expenses in excess of current year revenues. The following schedule reconciles the consolidated surplus as presented in the Financial Plan approved by Council to the consolidated surplus as shown on the Consolidated Statement of Operations.

Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Transfers to (from) reserves	(47,815)
Capital expenditures	22,667,881
Less:	
Budgeted transfers from accumulated surplus	
General	(1,268,861)
Sewer	(986,379)
Water	(3,330,975)
Capital	-
Budgeted transfers from own reserves	
General	-
Sewer	-
Water	(1,184,400)
Capital	(5,833,216)
Amortization	(2,031,528)
Adjusted Annual Surplus	<u><u>\$ 7,984,707</u></u>

13. Segmented Information

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

General Government

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

Protective Services

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

Public Works & Engineering

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

Environmental Health Services

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

Environmental Development Services

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

Recreation and Cultural Services

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

Water Services

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

Sewer Services

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

14. Operating Expenses By Object

	<u>2024</u>	<u>2023</u>
Amortization	\$ 2,502,104	\$ 2,175,959
Capital fund expenses	889,665	1,094,831
Contract services	2,919,614	2,199,240
Fuel	98,549	93,617
Goods and services	1,316,273	1,350,143
Grants in aid	75,645	103,846
Hydro	366,932	385,815
Insurance	186,598	176,275
Interest	42,096	39,499
Leases	8,100	4,100
Professional fees	150,850	152,701
Travel, conference and training	231,965	138,146
Wages and benefits	4,777,396	4,388,952
Write down of account receivable to net realizeable value	715	423
	<u><u>\$ 13,566,502</u></u>	<u><u>\$ 12,303,547</u></u>

15. Asset Retirement Obligations

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

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

Lease Obligation

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

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

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

	2024	2023
City asset retirement obligation	\$ 481,000	\$ 481,000
City portion of JUB asset retirement obligation	15,707,641	16,685,792
Estimated total liability	\$ 16,188,641	\$ 17,166,792

16. Taxation

Taxation revenue, reported on the statement of operations, is made up of the following:

	2024 Budget	2024 Actual	2023 Actual
Taxation			
Property taxes - general	\$ 6,019,111	\$ 6,016,941	\$ 5,467,475
Special assessments			
Utilities	107,642	101,594	106,943
Frontage and parcel taxes	45,000	45,180	45,180
	152,642	146,774	152,123
Grants in lieu of taxation			
Provincial Government	-	8,321	-
Federal Government	13,200	17,471	15,899
	13,200	25,792	15,899
Taxation	\$ 6,184,953	\$ 6,189,507	\$ 5,635,497

17. Government Transfers

	2024 Budget	2024 Actual	2023 Actual
Unconditional Transfers from Other Governments			
Traffic fine revenue sharing	\$ 13,000	\$ 30,000	\$ 13,000
Provincial revenue sharing	535,000	587,100	535,000
	548,000	617,100	548,000
Conditional Transfers from Other Governments			
Federal government	-	101,634	-
Provincial government	-	219,995	75,082
	-	321,629	75,082
Total Government Transfers	\$ 548,000	\$ 938,729	\$ 623,082

18. Financial risks and concentration of risk

The City is exposed to credit risk, liquidity risk, market risk, and foreign exchange risk from the City's financial instruments as follows.

a) Credit Risk

Credit risk arises from the City's cash and cash equivalents, accounts receivable, portfolio investments, and loan receivable. Accounts receivable (excluding property taxes receivable as these are not considered financial instruments under PS 3450) consist primarily of amounts receivable from utilities, and transfers from other governments. To manage the risk, the City regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts.

The City manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by investing guaranteed investment certificates with major Canadian financial institutions, and with the MFA. These investments meet the investment requirements of Section 183 of the Community Charter of the Province of BC. There has been no change to the credit risk exposure from prior year.

b) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the City's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment. There has been no change to the market risk exposure from prior year.

c) Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City is exposed to liquidity risk through its accounts payable and accrued liabilities, and deposits liability. The City manages liquidity risk through its planning, budgeting and forecasting process, and by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financing activities to ensure that its financial obligations are met. The City's planning and budgeting process incorporates a 5-year financial plan, which includes operational activities and capital investments. Other financial liabilities are generally due within the next fiscal year. There has been no change to the liquidity risk exposure from prior year.

d) Foreign Exchange Risk

The City has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The City does not have any material transactions during the year or financial instruments denominated in foreign currencies at year end. There has been no change to the foreign exchange risk exposure from prior year.

Consolidated Schedule of Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2024

Schedule 1 (Audited)

(Excluding Joint Utilities Board Financial Information)

	General Capital Assets				Infrastructure					Totals	
	Land	Land Improvements and Parks	Buildings and Leasehold Improvements	Vehicles and Equipment	Storm Water Engineering Structures	Roads & Sidewalks	Water	Sewer	Assets Under Construction	2024	2023
Cost											
Opening costs	\$ 2,764,392	\$ 4,314,687	\$ 8,026,246	\$ 8,540,682	\$ 4,372,981	\$ 16,532,580	\$ 20,805,384	\$ 4,300,808	\$ 568,891	\$ 70,226,651	\$ 67,386,991
Additions during the year	16,000	665,010	952,294	681,377	162,982	533,100	449,177	120,571	1,782,193	5,362,704	3,278,628
Additions due to ARO recognition			-							-	481,000
Disposals and write-downs				-	-	(20,758)	(1,608)	-		(22,366)	(919,968)
Capitalization of assets under construction		37,339	23,219			-	47,802	-	(108,360)	-	-
Closing cost	2,780,392	5,017,036	9,001,759	9,222,059	4,535,963	17,044,922	21,300,755	4,421,379	2,242,724	75,566,989	70,226,651
Accumulated Amortization											
Opening accumulated amortization	-	2,836,744	3,848,359	4,360,687	2,144,594	11,772,218	6,802,728	2,087,622	-	33,852,952	32,897,035
Amortization:											
General government	-	743	62,918	112,665	49	715				177,090	155,459
Protective services			32,602	203,922			773			237,297	232,287
Public works and engineering		22,906	18,280	140,224	69,150	372,246	4,020	1,298		628,124	604,271
Environmental health				737						737	737
Recreation and culture		170,460	75,054	8,287		7,676				261,477	269,003
Water		677	46,960	9,809			389,946			447,392	403,146
Sewer			1,000				77	66,934		68,011	56,888
Total amortization	-	194,786	236,814	475,644	69,199	380,637	394,816	68,232	-	1,820,128	1,721,791
Disposals and write-downs		-	-	-	-	(20,758)	(1,608)	-		(22,366)	(765,874)
Closing accumulated amortization	-	3,031,530	4,085,173	4,836,331	2,213,793	12,132,097	7,195,936	2,155,854	-	35,650,714	33,852,952
Net Book Value of											
Tangible Capital Assets (Excluding Joint Utility Board)	\$ 2,780,392	\$ 1,985,506	\$ 4,916,586	\$ 4,385,728	\$ 2,322,170	\$ 4,912,825	\$ 14,104,819	\$ 2,265,525	\$ 2,242,724	\$ 39,916,275	\$ 36,373,699
										Joint Utility Board Tangible Capital Assets (Schedule 4)	15,287,024
										Total Net Book Value of Tangible Capital Assets	55,203,299

Contributed Assets

Storm	\$ 14,472	\$ 18,740
Water	\$ 99,474	\$ 344,584
Sewer	\$ -	\$ 16,647
Roads & Sidewalks	\$ 215,323	\$ 29,807
	\$ 329,269	\$ 409,778

Consolidated Schedule of Accumulated Surplus

YEAR ENDED DECEMBER 31, 2024

Schedule 2 (Audited)

	2024	2023
OPERATING FUNDS		
Unappropriated		
General	\$ 833,679	\$ 1,985,025
Waterworks utility	1,046,807	4,419,965
Sewer utility	558,476	3,115,016
Total Unappropriated	2,438,962	9,520,006
Appropriated		
Sewer utility: Joint Utilities Board Reserve	839,718	765,137
Total Appropriated	839,718	765,137
Total Operating Funds	3,278,680	10,285,143
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net book value tangible capital assets (Schedule 1)	55,203,299	53,563,960
Asset retirement obligations	(16,188,641)	(17,166,792)
Total Net Investment in Tangible Capital Assets	39,014,658	36,397,168
RESERVE FUNDS		
Sale of real property	463,695	426,459
Underground utilities	276,780	339,036
Parking improvement	-	-
Parking improvement - Restricted	-	-
Municipal Finance Authority debt issue refunds	-	29,461
Operating reserves	2,156,456	1,593,633
Machinery and equipment	2,736,112	2,775,939
Capital works and other miscellaneous reserves	890,731	1,056,841
General capital	8,735	8,272
Police bridging capital	-	2,635,633
Capital infrastructure	2,565,562	-
Downtown revitalization	44,823	42,449
Melba Schappert bequest	15,719	20,307
Works and Services	187,845	119,501
Public art	14,195	13,443
Growing Communities Fund	2,263,152	2,215,255
Housing Accelerator Fund	101,634	-
Waterworks utility	6,047,700	1,838,641
Sewer utility	4,171,099	833,434
Firetruck borrowing	(1,653,167)	(1,672,417)
Total Reserve Funds	20,291,071	12,275,887
Total Accumulated Surplus	\$ 62,584,409	\$ 58,958,198

Consolidated Schedule of Segment Disclosures

YEAR ENDED DECEMBER 31, 2024

Schedule 3 (Audited)

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services		Environmental Development Services	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Taxation and grants in lieu of taxes (Note 16)	\$ 6,189,507	\$ 5,635,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services	\$ 78,081	64,189	571,190	439,000	20,726	9,658	316,540	281,349	-	-
Licenses, permits, penalties and fines	\$ 683,356	672,802	-	-	298,371	160,766	-	-	-	-
Return on investments	\$ 1,109,437	873,605	-	-	-	-	-	-	-	-
Grants	\$ 592,505	2,161,104	-	-	-	-	-	-	-	-
Government transfers (Note 17)	\$ 938,729	623,082	-	-	-	-	-	-	-	-
Funds contributed from other governments	\$ 26,262	28,353	-	-	-	-	-	-	-	-
Development Cost Charge funds utilized	\$ 150,000	11,880	-	-	-	-	-	-	-	-
Gas Tax funds utilized	\$ -	-	427,490	245,953	-	-	-	-	-	-
Developer contributions	\$ -	-	-	-	-	-	-	-	-	-
Gain(Loss) on disposal of assets	\$ -	-	-	-	-	(107,810)	-	-	-	-
Assets contributed by developers	\$ -	-	-	-	329,269	409,778	-	-	-	-
Increase (decrease) in proportionate share of JUB assets	\$ -	-	-	-	-	-	-	-	-	-
Total revenue	\$ 9,767,877	\$ 10,070,512	\$ 998,680	\$ 684,953	\$ 648,366	\$ 472,392	\$ 316,540	\$ 281,349	\$ -	\$ -
EXPENSES										
Operating expenses										
Payroll	\$ 1,352,607	\$ 1,300,372	\$ 866,551	\$ 564,507	\$ 1,278,803	\$ 1,326,627	\$ 78,934	\$ 85,728	\$ 337,078	\$ 296,850
Other	46,148	122,917	1,975,169	1,441,132	288,351	24,518	284,921	238,386	21,131	26,933
Total operating expenses	1,398,755	1,423,289	2,841,720	2,005,639	1,567,154	1,351,145	363,855	324,114	358,209	323,783
Capital fund expenses	180,843	70,704	144,802	60,567	202,850	205,840	5,189	8,047	-	-
Amortization	177,090	155,459	237,297	232,287	628,124	604,271	737	737	-	-
Interest	31,381	28,330	-	-	-	-	-	-	-	-
Actuarial adjustment to debt	-	-	-	-	-	-	-	-	-	-
Total expenses	\$ 1,788,069	\$ 1,677,782	\$ 3,223,819	\$ 2,298,493	\$ 2,398,128	\$ 2,161,256	\$ 369,781	\$ 332,898	\$ 358,209	\$ 323,783
Surplus (Deficit)	\$ 7,979,808	\$ 8,392,730	\$ (2,225,139)	\$ (1,613,540)	\$ (1,749,762)	\$ (1,688,864)	\$ (53,241)	\$ (51,549)	\$ (358,209)	\$ (323,783)

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

(continued on next page)

Consolidated Schedule of Segment Disclosures *(continued)*

YEAR ENDED DECEMBER 31, 2024

Schedule 3 (Audited)

	Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE								
Taxation and grants in lieu of taxes (Note 16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,189,507	\$ 5,635,497
Sale of services	13,106	11,562	3,375,146	3,288,291	1,669,005	1,649,152	6,043,794	5,743,201
Licenses, permits, penalties and fines	-	-	-	-	-	-	981,727	833,568
Return on investments	-	-	193,587	159,831	152,500	125,442	1,455,524	1,158,878
Grants	-	-	-	-	-	-	592,505	2,161,104
Government transfers (Note 17)	-	-	-	-	-	-	938,729	623,082
Funds contributed from other governments	-	-	-	-	-	-	26,262	28,353
Development Cost Charge funds utilized	-	-	9,500	15,723	7,767	-	167,267	27,603
Gas Tax funds utilized	-	-	-	-	-	-	427,490	245,953
Developer contributions	-	-	40,639	351,374	-	-	40,639	351,374
Gain(Loss) on disposal of assets	-	-	-	-	-	-	-	(107,810)
Assets contributed by developers	-	-	-	-	-	-	329,269	409,778
Increase (decrease) in proportionate share of JUB assets	-	-	-	-	-	-	-	-
Total revenue	\$ 13,106	\$ 11,562	\$ 3,618,872	\$ 3,815,219	\$ 1,829,272	\$ 1,774,594	\$ 17,192,713	\$ 17,110,581
EXPENSES								
Operating expenses								
Payroll	\$ 334,910	\$ 340,333	\$ 406,386	\$ 326,054	\$ 88,109	\$ 111,442	4,743,378	\$ 4,351,913
Other	417,117	526,834	1,396,238	1,283,738	1,244,282	1,288,820	5,673,357	4,953,278
Total operating expenses	752,027	867,167	1,802,624	1,609,792	1,332,391	1,400,262	10,416,735	9,305,191
Capital fund expenses	85,919	108,055	109,067	74,858	160,995	265,994	889,665	794,065
Amortization	261,477	269,003	447,392	403,146	476,604	511,056	2,228,721	2,175,959
Interest	-	-	-	-	-	-	31,379	28,330
Actuarial adjustment to debt	-	-	-	-	-	-	-	-
Total expenses	\$ 1,099,423	\$ 1,244,225	\$ 2,359,083	\$ 2,087,796	\$ 1,969,990	\$ 2,177,312	\$ 13,566,502	\$ 12,303,545
Surplus (Deficit)	\$ (1,086,317)	\$ (1,232,663)	\$ 1,259,789	\$ 1,727,423	\$ (140,718)	\$ (402,718)	\$ 3,626,211	\$ 4,807,034

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

Consolidated Details and Reconciliation to Core Government Results

YEAR ENDED DECEMBER 31, 2024

Schedule 4 (Audited)

	The Corporation of the City of Duncan		Joint Utilities Board (JUB) Proportionate Share		Total	
	2024	2023	2024	2023	2024	2023
STATEMENT OF FINANCIAL POSITION						
Portfolio investments (Note 3)	\$ 30,059,612	\$ 29,139,759	\$ 1,434,950	\$ 1,373,765	\$ 31,494,562	\$ 30,513,524
Asset Retirement Obligation (Note 15)	\$ 481,000	\$ 481,000	\$ 15,707,641	\$ 16,685,792	\$ 16,188,641	\$ 17,166,792
Deferred revenue (Note 8)	\$ 4,157,723	\$ 3,698,080	\$ 595,232	\$ 608,628	\$ 4,752,955	\$ 4,306,708
Tangible capital assets (Schedule 1)	\$ 39,916,275	\$ 36,373,699	\$ 15,287,024	\$ 17,190,261	\$ 55,203,299	\$ 53,563,960
Prepaid expenses	\$ 20,839	\$ 13,173	\$ -	\$ -	\$ 20,839	\$ 13,173
Equity in tangible capital assets	\$ 39,916,275	\$ 36,373,700	\$ 15,287,024	\$ 17,190,261	\$ 55,203,299	\$ 53,563,961
Accumulated surplus	\$ 62,165,308	\$ 57,688,591	\$ 419,101	\$ 1,269,606	\$ 62,584,409	\$ 58,958,200
INVESTMENT IN TANGIBLE CAPITAL ASSETS						
Acquisition of tangible capital assets (Schedule 1)	\$ 5,362,704	\$ 3,278,628	\$ 164,219	\$ 16,126,861	\$ 5,526,923	\$ 19,405,489
STATEMENT OF OPERATIONS						
Increase (decrease) in share of JUB assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ 17,192,713	\$ 17,110,581	\$ -	\$ -	\$ 17,192,713	\$ 17,110,581
Sewer services expenses	\$ 890,479	\$ 914,487	\$ 441,912	\$ 485,775	\$ 1,332,391	\$ 1,400,262
Sewer services amortization	\$ 68,011	\$ 56,888	\$ 408,593	\$ 454,168	\$ 476,604	\$ 511,056
Total expenses	\$ 12,715,997	\$ 11,363,602	\$ 850,505	\$ 939,943	\$ 13,566,504	\$ 12,303,545

Grant Continuity Schedule

YEAR ENDED DECEMBER 31, 2024

Excluding Joint Utilities Board Financial information)

Schedule 5 (Audited)

	2024 Budget	2024 Actual	2023 Actual
COVID SAFE RESTART GRANT			
Opening balance	\$ 565,384	\$ 565,384	\$ 719,766
Funds spent			
Revenue shortfalls		-	-
Facility reopening and operating		-	-
Emergency planning and response	(122,400)	(122,065)	-
Bylaw enforcement and protective services	(6,082)	(1,139)	(65,489)
Computers and other IT		-	-
Services for vulnerable persons		-	-
Other related costs	(471,900)	(198,051)	(122,237)
Total spending	(600,382)	(321,255)	(187,726)
Interest earned	34,998	31,622	33,344
BALANCE, end of year	\$ -	\$ 275,751	\$ 565,384
GROWING COMMUNITIES FUND			
Opening balance	\$ 2,215,255	\$ 2,215,255	\$ -
Funds Received	-	-	2,135,000
Funds spent			
Infrastructure projects	(396,000)	(76,000)	-
Other related costs	-	-	-
Total spending	(396,000)	(76,000)	-
Interest earned	88,610	123,897	80,255
BALANCE, end of year	\$ 1,907,865	\$ 2,263,152	\$ 2,215,255

Statement of Responsibility

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

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

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

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



Teri Vetter, CPA, CGA, BCom
Director, Financial Services



KPMG LLP

St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250 480 3500
Fax 250 480 3539

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

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

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

(continued)



KPMG LLP

St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250 480 3500
Fax 250 480 3539

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

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

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

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

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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(continued)

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD



KPMG LLP

St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250 480 3500
Fax 250 480 3539

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Professional Accountants

Victoria, Canada
May 8, 2025

Statement of Financial Position

AS AT DECEMBER 31, 2024

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	2024 Actual	2023 Actual
Financial Assets		
Investments (Notes 4 and 6)	\$ 4,609,104	\$ 4,412,575
Liabilities		
Asset retirement obligation (Note 7)	50,453,431	53,595,259
Unearned revenue	1,911,905	1,954,934
	<u>52,365,336</u>	<u>55,550,193</u>
Net Financial Liabilities	<u>(47,756,232)</u>	<u>(51,137,618)</u>
Non-Financial Assets		
Tangible capital assets (Schedule I)	<u>49,102,417</u>	<u>55,215,650</u>
Accumulated Surplus (Note 8)	<u>\$ 1,346,185</u>	<u>\$ 4,078,032</u>

Approved by:



Teri Vetter, CPA, CGA
Director, Financial Services

Statement of Operations

FOR THE YEAR ENDED DECEMBER 31, 2024

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	2024 Budget (Note 10)	2024 Actual	2023 Actual
Revenues			
Contributions from:			
The Corporation of the District of North Cowichan	\$ 2,543,955	\$ 924,339	\$ 786,520
The Corporation of the City of Duncan	1,452,035	482,807	425,353
Cowichan Valley Regional District	651,949	256,409	219,271
Cowichan Tribes	104,503	43,123	37,430
Return on investments	-	124,357	119,760
Grants and government transfers	1,780,200	283,898	316,524
	<u>6,532,642</u>	<u>2,114,933</u>	<u>1,904,858</u>
Expenses			
Administration	62,400	63,847	62,844
Amortization	89,850	1,312,412	1,458,801
Accretion	-	2,186,492	2,145,457
Sewer lagoon operations and maintenance	1,345,041	1,284,029	1,256,880
	<u>1,497,291</u>	<u>4,846,780</u>	<u>4,923,982</u>
Annual Surplus (Deficit)	\$ 5,035,350	(2,731,847)	(3,019,124)
Accumulated surplus, beginning of year	<u>4,078,032</u>	<u>4,078,032</u>	<u>7,097,156</u>
Accumulated surplus, end of year	<u>\$ 9,113,383</u>	<u>\$ 1,346,185</u>	<u>\$ 4,078,032</u>

See accompanying notes to the financial statements

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

The Board follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the delivery of goods or services and/or upon the creation of a legal obligation to pay. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

b) Revenue recognition

- i) Revenues from transactions without performance obligations are recognized when the Board has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources. Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the Board satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.
- ii) Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred or stipulations not met are included in unearned revenue.

c) Cash and cash equivalents

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

d) Non-Financial Assets

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

e) Tangible Capital Assets

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

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

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

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

f) Asset Retirement

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

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

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

g) Use of Estimates

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2024, the Board adopted Public Sector Accounting Standard PS 3400 Revenue (PS 3400) on a prospective basis. The new accounting standard provides direction on accounting for revenues that are not in scope of other existing standards. All revenue streams in scope of PS 3400 have historically been accounted for in accordance with the new standards. Management has assessed the adoption of PS 3400 and have determined that it has had no impact on the financial statements.

3. 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.

4. INVESTMENTS

Investments are carried at cost, which at December 31, 2024, 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.

5. OPERATING LEASE

The Board leases the sewage lagoon lands under an operating lease which expires July 31, 2060. Lease payments for 2024 are \$432,902 and have an annual increase of 2.2%. The total lease payments over the remaining term are estimated at \$23.9 million.

6. 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.

Financial instruments are recorded at fair value on initial recognition. Derivative instruments, equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost unless management has elected to carry the instruments at fair value. Management has elected not to carry any instruments at fair value.

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

6. FINANCIAL INSTRUMENTS CONTINUED

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method. All financial assets are assessed for impairment on an annual basis.

When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. When the asset is sold, the unrealized gains and losses previously recognized in the Statement of Remeasurement Gains and Losses are reversed and recognized in the Statement of Operations.

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.

7. ASSET RETIREMENT OBLIGATION

Lease Obligation

The Board has a lease obligation that requires the full remediation of the land it leases to operate and maintain joint sewer lagoons to be returned to its original state at the end of the lease. Following the adoption of PS 3280 - *Asset retirement obligations*, the Board recognized an obligation relating to full remediation of the leased lands as estimated at January 1, 2023. The lease term was for 49 years and expires on July 31, 2060. Estimated costs have been discounted using the present value calculation with a discount rate of 4.53% (2023 - 4.17%). The increase in these capital assets is amortized on a straight-line basis over the remaining term of the lease.

Discount and inflation rates in the future are estimates and subject to change. These changes can impact ARO's value significantly when being applied over an extended period of time.

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

7. ASSET RETIREMENT OBLIGATION

Lease Obligation

The Board has a lease obligation that requires the full remediation of the land it leases to operate and maintain joint sewer lagoons to be returned to its original state at the end of the lease. Following the adoption of PS 3280 - *Asset retirement obligations*, the Board recognized an obligation relating to full remediation of the leased lands as estimated at January 1, 2023. The lease term was for 49 years and expires on July 31, 2060. Estimated costs have been discounted using the present value calculation with a discount rate of 4.53% (2023 - 4.17%) The increase in these capital assets is amortized on a straight-line basis over the remaining term of the lease.

Discount and inflation rates in the future are estimates and subject to change. These changes can impact ARO's value significantly when being applied over an extended period of time.

Total Asset Retirement Obligation

	2024	2023
Balance, beginning of year	\$ 53,595,259	\$ -
Retirement obligation	-	51,449,802
Change in estimated cash flows	(5,328,320)	-
Accretion expense	2,186,492	2,145,457
Estimated total liability	\$ 50,453,431	\$ 53,595,259

Notes to the Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2024

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

8. CAPITAL RESERVE FUNDS

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

	2024	2023
Balances, beginning of year	\$ 2,457,641	\$ 2,222,681
Add: transfers from current operations	239,557	234,960
Balance, end of year	\$ 2,697,198	\$ 2,457,641

9. LISTING OF OPERATING EXPENSES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2024	2023
Salaries, wages and benefits	\$ 272,061	\$ 264,214
Contract services	65,805	34,923
Amortization	1,312,412	1,458,801
Accretion	2,186,492	2,145,457
Materials and supplies	577,108	582,561
Land rent	432,902	438,026
Total Expenses	\$ 4,846,780	\$ 4,923,982

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

10. BUDGET DATA

The budget data presented in these financial statements is based upon the 2024-2028 Financial Plan Bylaw. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2024
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Capital expenditures	5,010,000
Less:	
Amortization	(89,850)
Budgeted transfers to reserve funds	115,200
Adjusted Annual Surplus	<u>\$ 5,035,350</u>

11. FINANCIAL STATEMENT PRESENTATION

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

Schedule 1

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE		
	Balance December 31, 2023	2024 Additions	2024 Disposals	2024 Change in Estimate	Balance December 31, 2024	Balance December 31, 2023	2024 Additions	2024 Disposals	Balance December 31, 2024	2023	2024
Buildings	\$ 192,388	\$ -	\$ -	\$ -	\$ 192,388	\$ 29,259	\$ 4,810	\$ -	\$ 34,069	\$ 163,129	\$ 158,319
Engineering Structures	53,935,292	-	-	5,328,320	48,606,972	1,944,758	1,272,273	-	3,217,031	51,990,534	45,389,941
Machinery & Equipment	706,581	-	-	-	706,581	214,918	35,329	-	250,247	491,663	456,334
Work In Progress	2,570,324	527,499	-	-	3,097,823	-	-	-	-	2,570,324	3,097,823
	<u>\$ 57,404,585</u>	<u>\$ 527,499</u>	<u>\$ -</u>	<u>\$ 5,328,320</u>	<u>\$ 52,603,764</u>	<u>\$ 2,188,935</u>	<u>\$ 1,312,412</u>	<u>\$ -</u>	<u>\$ 3,501,347</u>	<u>\$ 55,215,650</u>	<u>\$ 49,102,417</u>



statistical information

Population Demographics

	2020	2021	2022	2023	2024
Total Population Estimates	5,124	5,121	5,363	5,513	5,669
% Change from Prior Year	-4.08%	-0.06%	4.73%	2.80%	2.83%
Population Density Per Square Km	2,475	2,474	2,591	2,663	2,739
Source: 2011 - 2024 BC Stats, Statistics Canada					
Land Area (Square Km)	2.07				

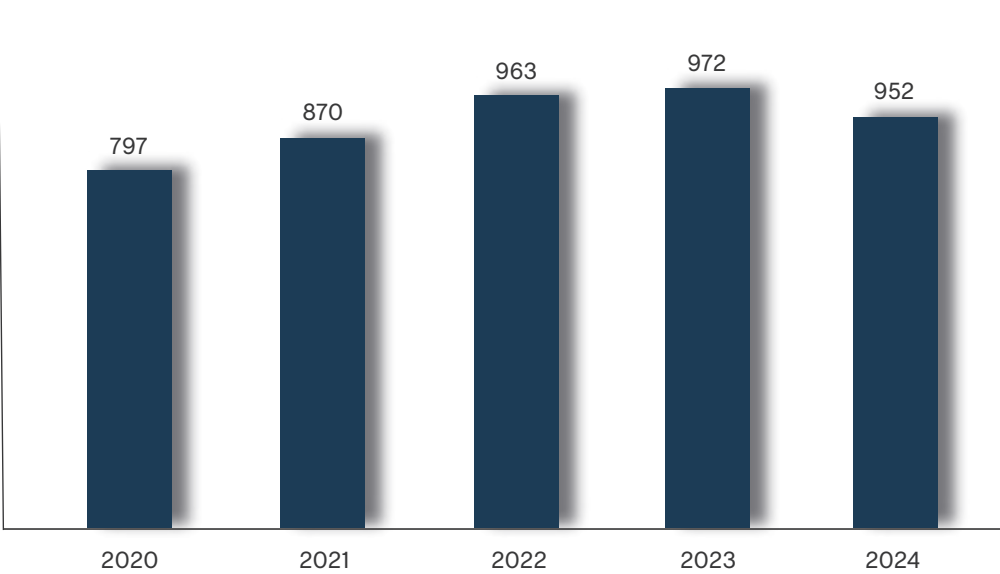
Regional Labour Force

Duncan has a regional unemployment rate of 9.5% and an average household income of \$64,700 (as per the most recent 2021 census). The largest industries of employment are professional services, health care, real estate and construction.

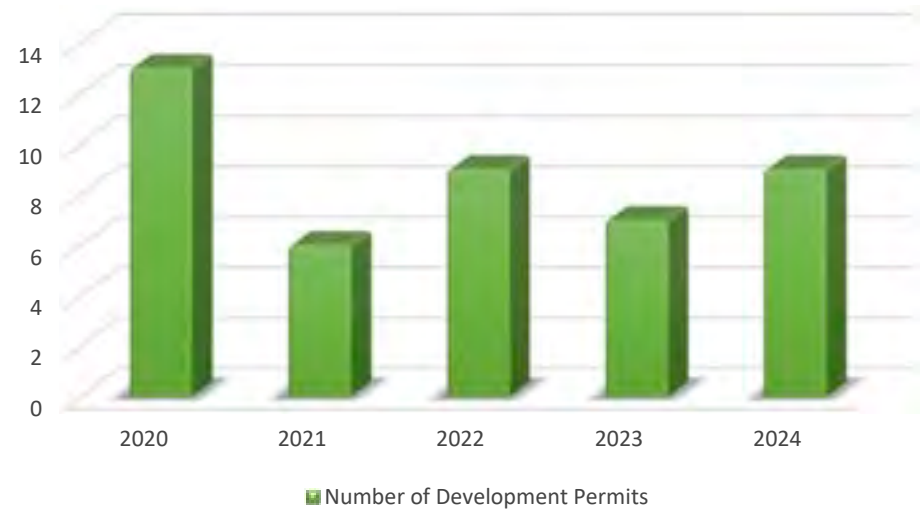
The major employers in the Cowichan Valley are:

- Health Authorities
- School District 79
- Western Forest Products
- Timberwest Forest Products
- Catalyst Paper Mill

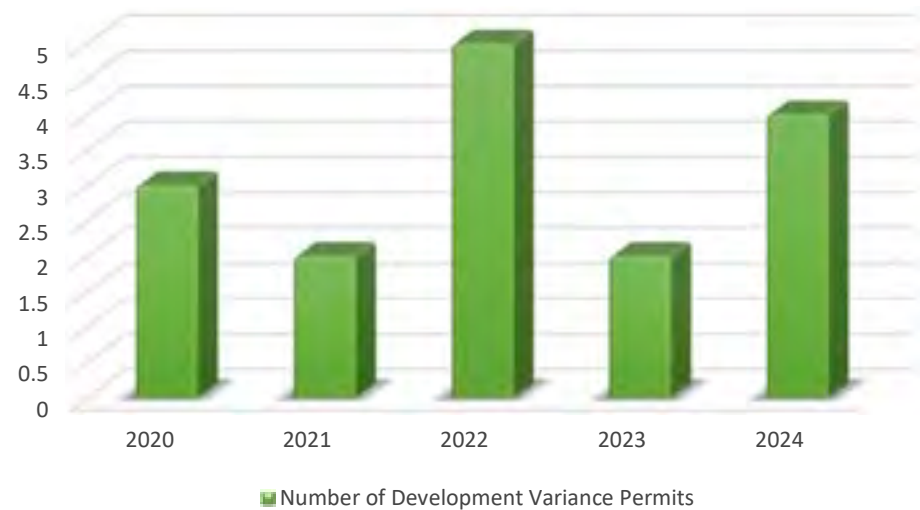
Active Business Licences



Development Permits



Development Variance Permits



Construction

	2020	2021	2022	2023	2024
Building Permits Issued	46	56	43	36	26
Construction Value	6,966,987	37,524,714	6,162,432	36,246,861	6,148,814

Major Property Tax Contributors (greater than \$30,000)

Property Owner	Industry	Tax Contribution
1 CORONATION MALL LTD	Retail Mall	192,832
2 0984369 BC LTD	Office Building	95,325
3 CORONATION PROPERTIES LTD	Seniors Residential Complex	82,523
4 B C TELEPHONE CO	Building and Yard	80,484
5 1263691 BC LTD	Residential Apartments	75,850
6 1096429 BC LTD	Court House Property	73,107
7 COWICHAN HOSPITALITY GROU	Hotel	63,337
8 1500275 BC LTD	Residential Apartments	62,339
9 BRUCE MCLAY HOLDINGS L TD	Commercial/Retail Building	49,316
10 FIRST WEST CREDIT UNION	Financial Institution	44,538
11 ROYAL BANK OF CANADA	Financial Institution	44,355
12 DUNCAN AUTOMOTIVE REAL ES	Car Dealership	43,320
13 DD 1020-1030 GOVERNMENT A	Residential Apartments	41,265
14 MERIT INTERIOR DESIGNS (D	Retail	40,429
15 2130718 ALBERTA LTD	Car Dealership	37,203
16 0887381 BC LTD	Commercial/Retail Building	37,183
17 0693523 BC LTD.	Residential Apartments	35,266

Total from Major Property Tax Contributors	1,098,670
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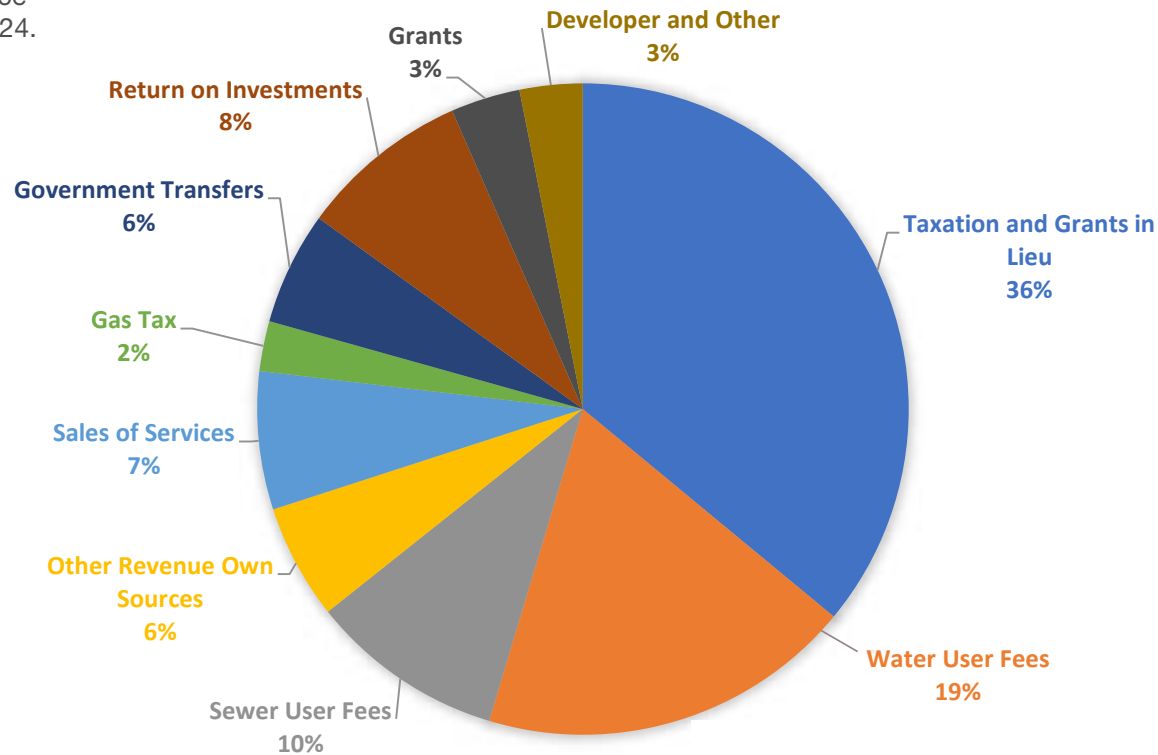
Total Municipal Tax	6,163,715
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Proportion of Municipal Tax Paid by Major Property Tax Contributors	18%
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The above listing includes the largest tax contributing 'folios'. There may be some properties that would have appeared on this list if they were combined into single folios.

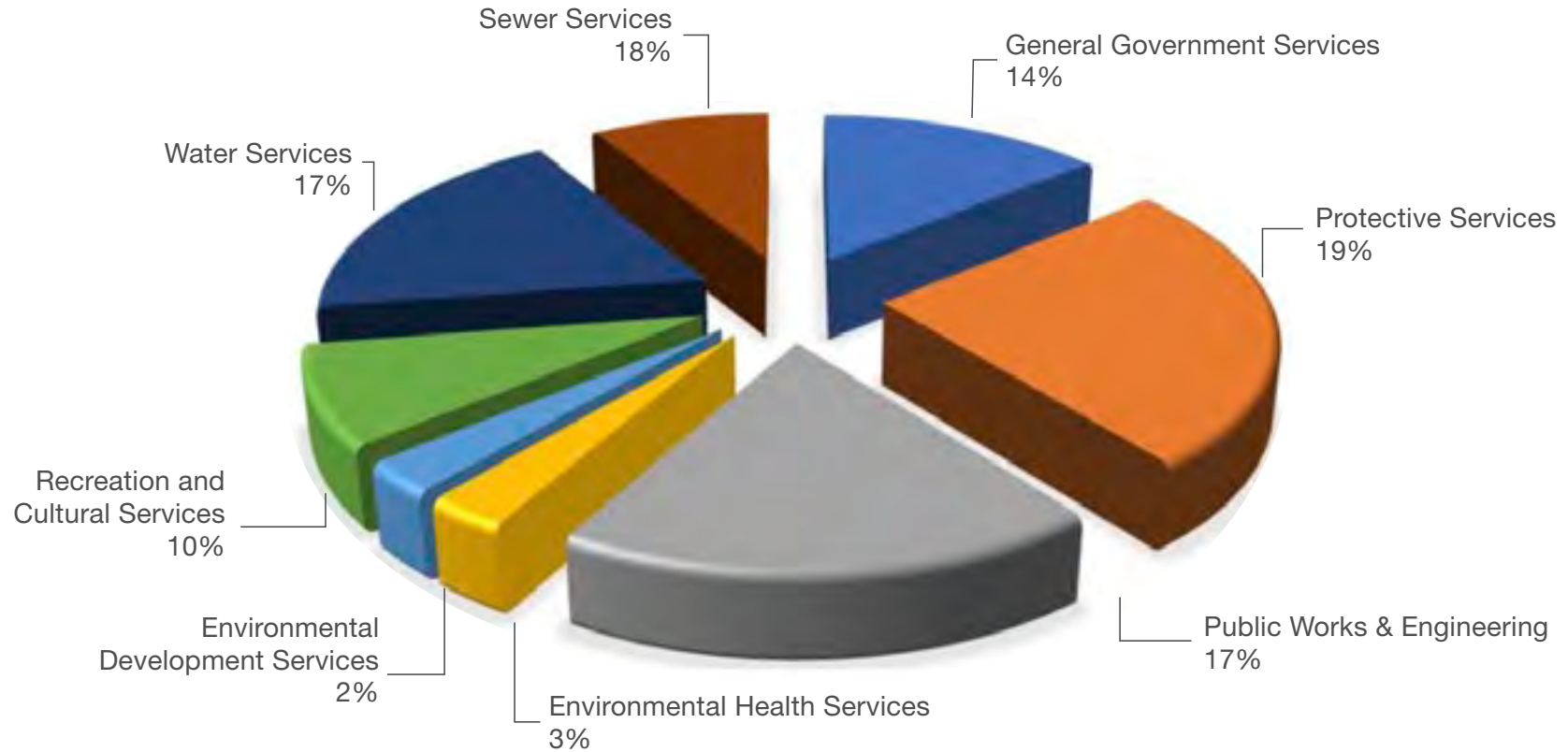
2024 Revenue by Source

Detailing the City's own source revenues by proportion in 2024.



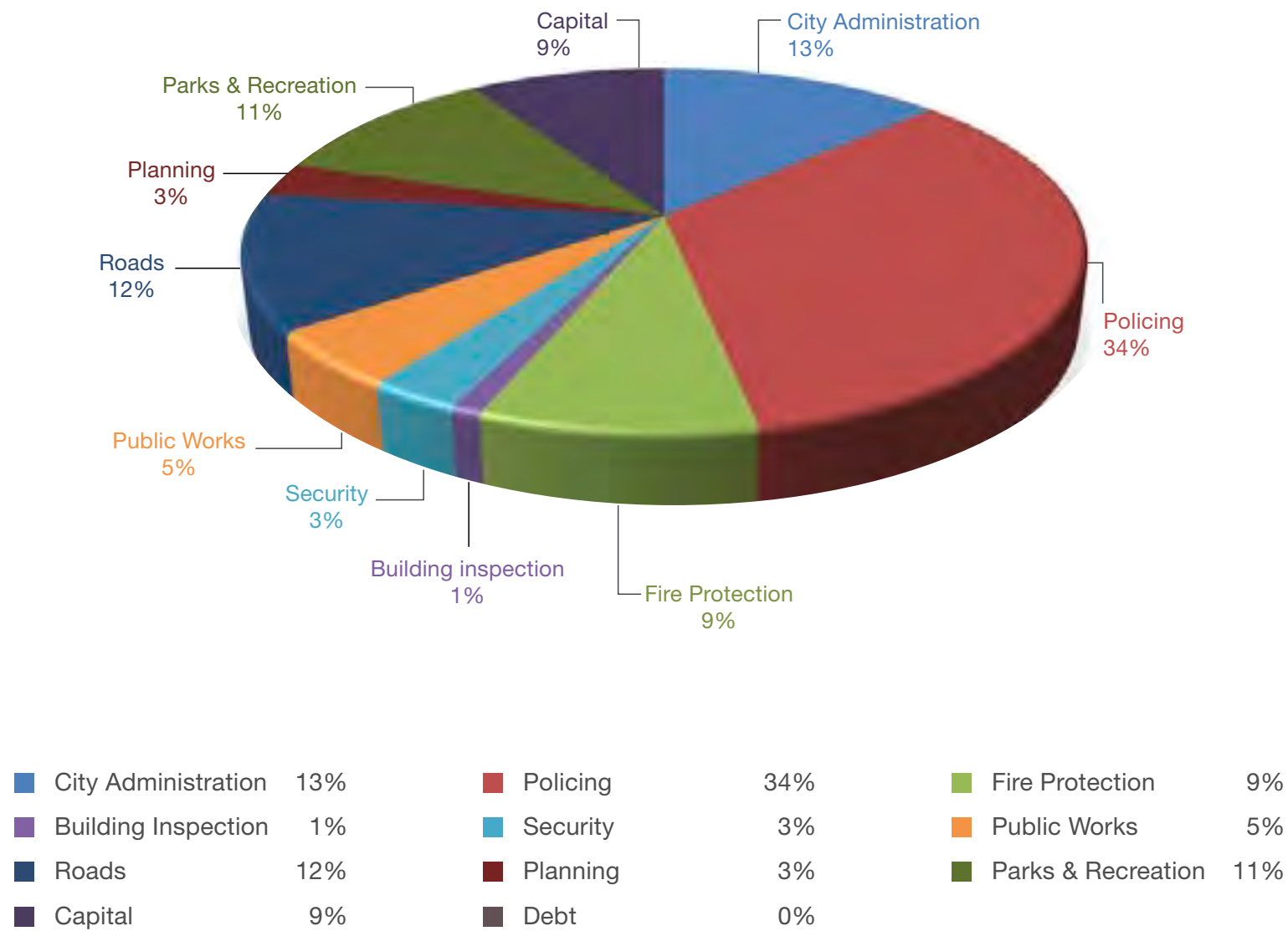
	2020	2021	2022	2023	2024
Taxation	4,296,897	4,435,499	5,045,152	5,619,598	6,163,715
Grants in Lieu of Taxes	12,173	12,145	13,028	15,899	25,792
Sales of Services	645,117	828,604	750,043	854,392	1,177,028
Water User Fees	2,344,398	2,840,963	2,748,831	3,239,699	3,207,195
Sewer User Fees	1,312,223	1,381,645	1,476,860	1,649,110	1,659,571
Other Revenue Own Sources	843,494	1,107,178	1,025,698	833,568	981,727
Return on Investments	214,287	165,772	419,343	1,158,878	1,455,524
Grants	21,178	75,231	29,087	2,161,104	592,505
Government Transfers	2,128,793	617,043	776,866	623,082	938,729
Funds Contributed from (to) Other Governments	14,561	14,574	29,932	28,353	26,262
Gas Tax Funds utilized	339,954	222,095	229,581	245,953	427,490
Developer and Other	89,935	599,456	1,626,982	761,152	369,908
DCC's utilized	-	-	-	27,603	167,267
Gain (Loss) on Disposal of Assets	43,416	2,600	302,146	(107,810)	-
Increase (decrease) in Share of Joint Utilities Board Assets	-	-	-	-	-
	12,306,426	12,302,805	14,473,549	17,110,581	17,192,713

2024 Expenses by Function



	2020	2021	2022	2023	2024
General Government Services	1,426,655	1,653,665	1,591,083	1,677,782	1,788,069
Protective Services	929,828	1,013,813	2,274,268	2,298,493	3,223,819
Public Works & Engineering	1,912,815	2,272,950	2,221,621	2,161,256	2,398,128
Environmental Health Services	310,710	296,151	320,399	332,898	369,781
Environmental Development Services	202,135	254,245	306,617	323,783	358,209
Recreation and Cultural Services	989,482	1,234,366	1,202,780	1,244,225	1,099,423
Water Services	1,785,757	1,938,248	2,059,413	2,087,796	2,359,083
Sewer Services	817,864	738,292	816,967	2,177,312	1,119,485
	8,375,245	9,401,729	10,793,147	12,303,545	12,715,997

Spending of \$1 of Municipal Tax in 2024



Expenses by Object

	2020	2021	2022	2023	2024
Amortization	1,624,343	1,614,770	1,631,694	2,175,959	1,820,128
Capital fund expenses	288,746	745,075	864,477	1,094,831	889,665
Contract services	973,510	1,090,217	2,316,526	2,199,240	2,857,259
Fuel	65,538	77,863	105,549	93,617	98,549
Goods and services	993,320	925,900	944,888	1,350,143	1,244,116
Grants in Aid	106,468	94,804	99,143	103,846	75,645
Hydro	368,037	401,217	381,532	385,815	366,932
Insurance	127,693	118,605	125,632	176,275	186,598
Interest	49,544	38,485	6,971	39,499	42,096
Leases	42,681	32,397	22,737	4,100	8,100
Professional fees	119,646	190,644	118,781	152,701	150,850
Travel, conference and training	58,413	89,422	123,017	138,146	231,965
Wages and benefits	3,583,843	4,012,985	4,052,201	4,388,952	4,743,379
Write down of account receivable to net realizable value	154	-	-	423	715
Actuarial adjustment to debt	(26,690)	(30,654)	-	-	-
	<u>8,375,246</u>	<u>9,401,730</u>	<u>10,793,148</u>	<u>12,303,547</u>	<u>12,715,997</u>

Employment Statistics

	2020	2021	2022	2023	2024
Number of full time employees	32	34	34	33	39

2024 Capital Expenditures & Sources of Financing

	2020	2021	2022	2023	2024
Capital Expenditures					
Acquisition of Tangible Capital Assets	1,733,568	1,778,830	4,769,814	19,405,489	5,526,923
Capital Fund Expenditures (Not Capitalized)	288,746	745,075	864,477	794,065	889,665
	<u>2,022,314</u>	<u>2,523,905</u>	<u>5,634,291</u>	<u>20,199,554</u>	<u>6,416,588</u>
Source of Financing					
Operating Funds	893,313	1,462,883	1,234,320	2,453,258	-
Reserve Funds	665,205	70,043	2,358,920	814,967	4,617,842
Grants	17,500	36,646	22,350	26,104	522,505
Government Transfers	-	69,763	-	-	-
Connections Fees and Donations	43,466	92,582	44,064	48,746	187,996
Development Cost Charges	-	-	-	27,603	167,267
Federal Gas Tax Funds	339,954	222,095	229,581	245,953	427,490
Developer/Other Contribution	77,935	279,520	1,143,915	409,778	329,269
Sales of Assets	52,100	3,000	314,500	46,284	-
Increase (Decrease) in Share of Joint Utilities Board Tangible Capital Assets	(67,159)	287,373	276,208	16,126,861	164,219
	<u>2,022,314</u>	<u>2,523,905</u>	<u>5,623,858</u>	<u>20,199,554</u>	<u>6,416,588</u>

2024 Annual Development Cost Charges Reserve Fund Report

Development Cost Charges Reserve Fund	Water	Sewer	Storm Drainage	Roads	Parks	Total DCCs
Balance in reserve fund as of January 1, 2024	\$973,994	\$1,027,760	\$333,180	\$764,480	\$69,899	\$3,169,314
Funds received in 2024	\$41,743	\$3,626	\$27,390	\$85,575	\$4,523	\$162,857
Expenditures from Reserve in 2024	-\$9,500	-\$7,767		-\$150,000		-\$167,267
Interest earned on account for 2024	\$55,095	\$57,591	\$19,459	\$45,326	\$4,046	\$181,518
Balance in reserve fund as of December 31, 2024	\$1,061,332	\$1,081,210	\$380,030	\$745,381	\$78,469	\$3,346,422

2024 Annual Off Street Parking Reserve Fund Report

	Statutory Reserve	Non-Statutory Reserve	Total Parking Reserve
Balance in reserve fund as of January 1, 2024	\$0	\$0	\$0
Funds received in 2024	\$0	\$0	\$0
Expenditures from Reserve in 2024	\$0	\$0	\$0
Interest earned on account for 2024	\$0	\$0	\$0
Balance in reserve fund as of December 31, 2024	\$0	\$0	\$0

	2020	2021	2022	2023	2024
Legislated Liability Servicing Limit*	2,555,865	2,829,772	3,063,956	3,451,456	3,821,863
Actual Annual Liability Servicing Costs	121,959	691,482	-	-	-
Unused Liability Servicing Capacity	2,433,906	2,138,290	3,063,956	3,451,456	3,821,863

*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

	2020	2021	2022	2023	2024
Sale of Real Property	223,828	219,336	430,365	426,459	463,698
Parking Improvement	224,119	209,848	214,312	-	-
Parking Improvement - Restricted	128,115	145,544	148,640	-	-
MFA Debt Issue Refunds	27,287	27,570	28,157	29,461	-
Operating	398,114	577,316	822,794	1,593,633	2,156,456
Machinery and Equipment	1,730,857	2,271,854	2,195,735	2,775,939	2,736,112
Capital Works and Miscellaneous	1,574,250	1,297,278	1,144,405	1,056,841	890,731
General Capital	7,662	7,742	7,907	8,272	8,735
Police Bridging Capital	3,133,548	3,230,699	3,046,612	2,635,633	-
Downtown Revitalization	19,149	19,349	40,569	42,449	44,823
Melba Schappert Bequest	20,145	20,241	20,555	20,307	15,719
Works and Services	-	-	72,544	119,501	187,845
Public Art	10,618	10,727	10,955	13,443	14,195
Growing Communities Fund	-	-	-	2,215,255	2,263,152
Housing Accelerator Fund					640,411
Waterworks Utility	1,088,330	1,392,691	1,837,599	2,177,677	1,745,670
Sewer Utility	754,703	774,870	791,354	833,434	41,326
General Capital Infrastructure					2,565,562
Sewer Capital Infrastructure					4,129,773
Water Capital Infrastructure					4,578,810
Firetruck borrowing			(1,696,945)	(1,672,417)	(1,653,167)
	9,340,725	10,205,065	9,115,558	12,275,887	20,829,851
Reserves Held As Liabilities					
DCC Restricted Reserves	2,240,925	2,458,638	2,523,990	3,169,314	3,346,422
Federal Gas Tax Funds	880,233	1,218,768	1,292,112	1,395,189	1,338,951
	3,121,158	3,677,406	3,816,102	4,564,503	4,685,373
Interest Earned, All Reserves	137,268	98,646	191,022	502,680	784,135

Taxable Assessments of Land & Improvements

	2020	2021	2022	2023	2024
Residential	685,075,675	725,031,800	937,570,625	1,089,071,075	1,072,526,625
Utilities	1,775,600	1,940,400	2,130,600	2,302,900	2,469,100
Supportive Housing	-	-	-	-	-
Major Industry	-	-	-	-	-
Light Industry	-	-	-	-	-
Business & Other	201,223,300	212,118,800	245,801,100	254,674,400	257,275,700
Managed Forest	-	-	-	-	-
Recreation	654,200	900,400	839,200	949,300	1,020,900
Farm	6,967	6,967	6,967	6,968	6,968
	<u>888,735,742</u>	<u>939,998,367</u>	<u>1,186,348,492</u>	<u>1,347,004,643</u>	<u>1,333,299,293</u>

Tax Rates

	2020	2021	2022	2023	2024
General (per \$1,000)(Includes Library)					
Residential	2.8943	2.8404	2.3125	2.1756	2.3370
Utilities	31.431	30.908	25.173	23.847	26.257
Light Industry	7.3960	7.2583	6.7930	6.9737	7.0035
Business	7.3960	7.2583	6.7930	6.9737	7.0035
Recreation	2.8943	2.8404	2.3125	2.1756	2.3370
Farm	2.8943	2.8404	2.3125	2.1756	2.3370
Police Municipal (per \$1,000)					
Residential	0.7086	0.6869	0.7464	0.7928	1.0484
Utilities	7.6954	7.4750	8.1256	8.6896	11.7788
Light Industry	1.8108	1.7554	2.1927	2.5411	3.1418
Business	1.8108	1.7554	2.1927	2.5411	3.1418
Recreation	0.7086	0.687	0.7464	0.7928	1.0484
Farm	0.7086	0.6869	0.7464	0.7928	1.0484

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

Includes Library

	2020	2021	2022	2023	2024
Residential	2,468,259	2,557,405	2,867,935	3,232,799	3,630,932
Utilities	69,473	74,478	70,946	74,929	93,914
Light Industry	-	-	-	-	-
Business	1,852,623	1,911,975	2,208,695	2,423,176	2,610,139
Adjustment-Business	-	-	-	-	-
Recreation	2,357	3,176	2,567	2,818	3,456
Farm	25	25	21	21	24
	<u>4,392,737</u>	<u>4,547,059</u>	<u>5,150,164</u>	<u>5,733,743</u>	<u>6,338,465</u>
Property Taxes Gen	4,149,952	4,295,523	4,894,956	5,467,476	6,019,961
Add Library	242,785	251,536	255,208	266,267	318,504
	<u>4,392,737</u>	<u>4,547,059</u>	<u>5,150,164</u>	<u>5,733,743</u>	<u>6,338,465</u>

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

	2020	2021	2022	2023	2024
School	1,467,520	2,067,377	2,135,996	2,259,310	2,319,497
Provincial Policing	347,415	354,774	-	-	-
Cowichan Valley Regional District	1,648,534	1,661,463	1,633,557	1,742,593	1,982,732
Cowichan Regional Hospital District	622,363	612,569	590,168	597,266	631,018
BC Assessment Authority	53,905	56,918	60,913	63,963	64,733
Downtown Duncan Business Improvement Area	215,000	220,000	225,000	267,750	281,940
Vancouver Island Regional Library	242,785	251,536	255,208	266,267	318,504
Municipal Finance Authority	242	255	315	350	348
	<u>4,597,764</u>	<u>5,224,892</u>	<u>4,901,157</u>	<u>5,197,499</u>	<u>5,598,772</u>

Debt & Debt Per Capita

	2020	2021	2022	2023	2024
General Purposes	683,651	-	-	-	-
Sewer	-	-	-	-	-
	683,651	-	-	-	-
Population*	5,124	5,121	5,363	5,513	5,669
Debt Per Capita	133.42	-	-	-	-

Source: 2011 - 2024 BC Stats, Statistics Canada

General Comparative Statistics

	2020	2021	2022	2023	2024
Annual Surplus	3,931,180	2,901,075	3,680,401	4,807,034	3,626,211
Accumulated Surplus	47,569,688	50,470,763	54,151,164	58,958,198	62,584,409
Net Financial Assets	14,633,789	17,318,778	17,918,002	5,191,471	7,152,816

Statement of 2024 Permissive Property Tax Exemptions

Legal Description	Civic Address	Organization	Municipal Taxes Foregone
224(2)(a) Not-for-Profit			
Lot A, Plan 24353	5650 Club Rd	Duncan Day Care Centre	2,705
Lot A, Plan 44627	198 Government St	Valley Seniors Organization	13,422
Leased area of Lot 1, Plan 23647	820 Wharnccliffe Rd	Cowichan Pre-School	782
Lot PT4, Block 8, Plan 12568	760 Government St	Cowichan Lawn Bowling	1,288
Leased area of Lot 1, Plan 29453	280 First St	Cowichan Lawn Bowling	735
Lot 1, Block 4, Section 19, Plan 1265B	1040 College St	SD # 79 Growing Together	14,315
Lots 24 & 25, Plan 1182	321/331 Cairnsmore St	Girl Guide Association	1,555
Undisclosed	Undisclosed	CW Against Violence Society	3,098
50% of the commercial part of Lot A, Plan 2070	246 Evans St.	CW Against Violence Society	6,909
Lot 1, Plan 29979	1081 Canada Ave	CW Against Violence Society	7,723
38% of Lot A, Plan 798, Blk 3, Sec18, R6	501 Canada Ave	Cowichan Independent Living	5,093
Lot 2, Plan 1063	294 Coronation Ave	Cowichan Valley Youth Services	6,554
80% of Lot 5C, Plan 2070, Blk 4, Sec17, R6	149 Canada Ave	Clements Centre Society	5,500
75% of Lot 5 Section 17 R7, Plan VIP20410	346 Campbell St.	Clements Centre Society	8,130
27% of Class 6 portion of improvements only of Lot A, Plan 2070	126 Ingram St	Cowichan Public Art Gallery	578
75% of Lot 3, R7, Section 16, Plan VIP6913	552 Trunk Rd.	Canadian Mental Health	4,618
Portion shown Red on DD615, except Plan 260BL	No address	Island Corridor Foundation (ICF)	6,314
1.223 Km Mainline	No address	Island Corridor Foundation (ICF)	757
224(2)(h) Seniors Homes, Hospitals			
Lot 15, Plan 1175/Lot A Plan 25100	770 Trunk Rd	Duncan Kiwanis Village Society	3,081
224(2)(b) Local Authorities			
Part of Sec. 17, Rg 6, Quamichan Land District, Plan DD615 -Lease # GCMK 102-0301 R/W Land	Portion of Canada Ave Parking Lots and Charles Hoey Park	ICF - Leased to City	2,090
Station Grounds & Buildings	110 Canada Ave Train Station	ICF - Leased to City - Sublet to Cowichan Historical Society	2,626
224(2)(f) Buildings for Public Worship			
Lot B, Plan VIP60906	930 Trunk Rd	First Christian Reformed Church	1,365
Lot 8,9,10, Block 12 Plan 2070	281 Jubilee St	Duncan United Church	1,486
Lot 11, Block 12, Plan 2070	254 Ingram St	Duncan United Church	1,080
Lot 1&2, Block 1, Plan 798 and Lot 14, Block 17, Plan 2070	486 Jubilee St	Anglican Synod	1,165
Lot 3, Block 1, Plan 798	162 First St	Anglican Synod	1,137
Lot C, Block 4, Plan 1063	463 Ypres St	Bethel Baptist Church	1,116
Lot 13, Block 4, Plan 1063	483 Ypres St	Bethel Baptist Church	833
Lot 2, Plan 43297	321 Brae Rd	Christian Bretheren	1,408
Lot 7, Block 2, Plan 5868	931 Trunk Rd	Pentecostal Assembly	1,147
Only the portion of Lot 1, Plan VIP 76282 that was Lot 1 Plan 30307	531 Herbert St	St. Andrews Presbyterian	167
Lot A, Plan 12199	1071-1077 Canada Ave	C.V. Jehovah's Witnesses	1,583
Lot 2, Plan 2070, Block 7	127 (#123) Station St	City Gate Church	537
			<u>\$ 110,897</u>

Schedule of Suppliers Paid Over \$25,000

Statement of Financial Information for 2024 as per *The Financial Information Act*

1117943 BC LTD.	\$ 146,730.19	PARSI CONSULTING GROUP LTD	95,213.23
ASSOCIATED ENGINEERING (BC) LTD	34,024.29	PLAYQUEST RECREATION	58,874.34
BANK OF MONTREAL	32,780.52	PREP ENERGY LIMITED	37,545.00
BC HYDRO & POWER AUTHORITY	378,822.82	PROGRESSIVE ENVIRONMENTAL INC.	62,044.50
BEAVER ELECTRICAL MACHINERY LTD	90,489.62	R&H WILLIAMS TRUCKING	166,377.14
BUTLER CONCRETE & AGGREGATE	31,193.45	RBS MANAGED IT SERVICES INC	215,517.61
CANADIAN IMPERIAL BANK OF COMMERCE	40,000.00	ROYAL CANADIAN MOUNTED POLICE	901,845.98
CENTRALSQUARE CANADA SOFTWARE INC.	27,425.29	SKYBLUE SERVICES CORP.	98,920.11
CIVIC LEGAL LLP IN TRUST	33,081.62	SOLEX WALL SYSTEMS LTD	608,545.35
COASTAL ANIMAL CONTROL SERVICES OF BC LTD	33,692.28	STANTEC CONSULTING LTD.	52,237.43
COASTAL POWER SWEEPING	37,508.63	STONE PACIFIC CONTRACTING LTD.	113,399.75
COWICHAN TRIBES	28,607.53	SUNCOR ENERGY PRODUCTS PA	84,958.60
CUPE LOCAL 358	46,300.82	THURBER ENGINEERING LTD.	62,875.12
DUNCAN PAVING COMPANY	296,977.55	TIM PLEY AND ASSOCIATES LTD	153,247.89
ECHELON CREATIVE INC.	44,281.58	TRICAN FILTRATION GROUP	133,459.20
FINELINE ROAD MARKING LTD	76,458.64	ULINE CANADA LTD.	26,294.65
FLOWSYSTEMS DISTRIBUTIONS INC.	61,280.72	VALLEY TRAFFIC SYSTEMS INC.	26,083.39
GORDON ANDERSON	43,012.60	VANCOUVER ISLAND REGIONAL LIBRARY	318,504.00
GREEN ROOTS PLAY EQUIPMENT INC.	145,573.47	VIKE CONSTRUCTION LTD.	27,402.83
HARBOUR INTERNATIONAL TRUCKS LTD.	366,670.08	VIMAR EQUIPMENT LTD.	37,155.39
ICBC	47,936.00	WASTE CONNECTIONS OF CANADA INC	26,370.53
ICONIX WATERWORKS LP	164,852.34	WESTURBAN DEVELOPMENTS LTD.	525,815.98
ISLAND FORD - DFS MOTORS LTD.	88,252.64	WHITE PACIFIC SERVICES INC	76,268.67
IWC EXCAVATION LTD.	134,077.92	WORKSAFE BC	116,258.36
KRANZ FRED	54,278.43	Subtotal - Aggregate Payments Exceeding \$25,000	\$ 10,866,043.96
KTI LIMITED	64,678.29	Payments to Suppliers for Grants and Contributions Exceeding \$25,000	
LANDSCAPE FORMS INC.	52,254.72	DUNCAN BUSINESS IMPROVEMENT AREA SOCIETY	298,815.00
LENNOX MASONRY LTD.	182,290.03	Total Paid to Suppliers who received	1,794,021.19
LEUCO CONSTRUCTION INC	596,117.41	Aggregate Payments of \$25,000 or less	
LIDSTONE & COMPANY	25,620.30	Total Paid to Suppliers	12,958,880.15
LOOKOUT HOUSING AND HEALTH SOCIETY	43,558.93	Less: Expenses Paid on Behalf of Elected Officials/Employees	(129,492.99)
MCELHANNEY CONSULTING SERVICES LTD	456,363.02	Total Expenses per Schedule 4 of Consolidated Financial Statements	\$ 12,715,999.00
MERCURY REFRIGERATION PRODUCTS & SERVICES LTD	58,951.00	Variance	\$ 113,388.16
METRO MOTORS LTD	111,035.68		
MNP LLP	28,823.90		
MPE ENGINEERING LTD.	45,314.98		
MUNICIPAL INSURANCE ASSOC OF B. C.	122,980.97		
MUNICIPAL PENSION PLAN	537,175.18		
NEXUS GLOBAL BUILDING SYSTEMS INC.	85,417.50		
NORTH COWICHAN DISTRICT MUNICIPALITY OF	1,632,603.62		
NORTHWEST HYDRAULIC CONSULTANTS	50,095.90		
NRGWISE CONSULTING	29,280.12		
PACIFIC BLUE CROSS	233,958.33		

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 2024 as per *The Financial Information Act*

1 Elected Officials

**See Notes on next page*

Name	Position	Remuneration	Expenses
Bruce, Garry	Councillor	\$ 19,459.26	\$ 1,616.53
Capps, Jennifer	Councillor	20,314.48	1,122.38
Duncan, Thomas	Councillor	19,795.86	6,565.75
McKinlay, Michael	Councillor	20,314.48	4,468.58
Middlemiss, Stacy	Councillor	20,314.48	1,392.48
Newington, Carol	Councillor	19,290.96	6,491.99
Staples, Michelle	Mayor	37,574.40	13,033.43
Total - Elected Officials		\$ 157,063.92	\$ 34,691.14

2 Employees

**See Notes on next page*

Barry-Thibodeau, Larissa	Planner Level 1	\$ 78,735.68	\$ 1,992.03
Carmichael, Landis	Fire Chief	140,856.06	960.00
Cassels, Bryan	Wasterworks & Sewer Fitter	75,076.12	1,083.07
Closson, Leanne	Parks Foreman	82,070.22	645.87
Croft, Spencer	Planning Technician	75,346.66	977.87
Crossman, Bernice	Director of Finance	139,607.14	3,144.73
de Verteuil, Peter	Chief Administrative Officer	159,985.30	13,188.22
Dunn, Michael	Bylaw Supervisor 3/Fire Inspector/Firefighter	97,562.60	957.32
Hastings, Rachel Hastings	Manager of Building & Bylaw Services/Firefighter	109,943.90	1,402.99
Hewetson, Michael	Building Inspector	79,016.75	2,068.73
Hodgins, Jessica	Corporate Services Coordinator	79,620.91	3,257.45
Lai, Derek	Engineering Technologist/Technician	95,609.60	954.64
MacWilliam, Paige	Director of Corporate Services	123,357.34	2,728.32
Murphy, Brian	Director of Public Works & Engineering	133,377.80	729.81
Peleshaty, Chase	Engineering Technologist/Technician	78,760.79	227.59
Phillips, Tomas	Chief Operator	100,539.34	2,981.49
Vanderkooy, Kimberly	Finance Office Manager	89,258.14	575.00
Viau, Nathalie	Utilities Manager	114,906.85	1,516.48
Woodley, Kyle	Senior Streets & Parks Patroller/Firefighter	76,761.96	2,447.40
Young, Kyle	Director of Planning & Sustainability	115,023.83	2,208.23
Subtotal		\$ 2,045,416.99	\$ 44,047.24
Consolidated total of employees with remuneration of \$75,000 or less		1,660,169.08	50,754.61
Total - Employees		\$ 3,705,586.07	\$ 94,801.85

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

Statement of Financial Information 2024 as per *The Financial Information Act*

3 Reconciliation

Total remuneration - elected officials	\$ 157,063.92
Total remuneration - employees	<u>3,705,586.07</u>
Subtotal	3,862,649.99
Total Wages & Benefits per Note 14 of the Consolidated Financial Statements	<u>4,743,379.00</u>
	<u><u>\$ 880,729.01</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 14 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.

Duncan City Hall
200 Craig Street
Duncan, B.C. V9L 1W3
Phone 250-746-6126
duncan@duncan.ca
www.duncan.ca

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