

**THE CORPORATION OF THE CITY OF DUNCAN**

**December 31, 2019**

**Consolidated Financial Statements**

**(Audited)**

## STATEMENT OF RESPONSIBILITY

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

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

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

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



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Peter de Verteuil, CPA, CGA  
Chief Administrative Officer

## Independent Auditor's Report

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To the Corporation of the City of Duncan:

### Opinion

We have audited the consolidated financial statements of the City of Duncan (the "City"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows and schedule 1, 2, 3a, 3b, 5, 6, 7, and 8 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

### Other Matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including Schedules 1 to 13, has been presented for purposes of additional analysis. The supplementary information in Schedules 1, 2, 3a, 3b, 5, 6, 7 and 8 has been subjected to the auditing procedures applied in the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on Schedules 3, 4, 9, 10, 11, 12 and 13 because our examination did not extend to the detailed information therein.

### Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Duncan, British Columbia

May 4, 2020

*MNP* **LLP**

Chartered Professional Accountants

**MNP**

# THE CORPORATION OF THE CITY OF DUNCAN

## Consolidated Financial Statements For the Year Ended December 31, 2019

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**THE CORPORATION OF THE CITY OF DUNCAN  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2019**

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

*Grossman*

Director of Finance

See accompanying notes to the consolidated financial statements

**THE CORPORATION OF THE CITY OF DUNCAN  
CONSOLIDATED STATEMENT OF OPERATIONS  
Year Ended December 31, 2019**

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

See accompanying notes to the consolidated financial statements

**THE CORPORATION OF THE CITY OF DUNCAN**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year Ended December 31, 2019**

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

See accompanying notes to the consolidated financial statements



**THE CORPORATION OF THE CITY OF DUNCAN  
CONSOLIDATED STATEMENT OF CASH FLOWS  
Year Ended December 31, 2019**

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

See accompanying notes to the consolidated financial statements

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**1. General**

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

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

**2. Significant Accounting Policies**

**a) Basis of Accounting**

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

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

<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 31.133% for 2019 (2018 - 31.130%).

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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

**c) Cash and Cash Equivalents**

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

**d) Portfolio Investments**

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

**e) Loans and Receivables**

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

**f) Inventory**

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

**g) Non-Financial Assets**

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

**h) Tangible Capital Assets**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**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.

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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

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

**i) Revenue Recognition**

Tax revenues are recognized in the year that they are levied. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Sewer and water fees are recognized when the service has been received by the customer. Interest revenue is recognized as earned. Other sales of service and other revenue from own sources are recognized when the service is provided or the amount is earned and when the amount can be estimated and when collection is reasonably assured.

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

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

**j) Financial Instruments**

The City's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, loans receivable, accounts payable and accrued liabilities, refundable deposits and debenture debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, credit or currency risks arising from these financial instruments.

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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

**k) Use of Estimates**

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

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

**l) Liability for Contaminated Sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when: contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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

Cash and cash equivalents are comprised of the following:

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

Portfolio investments include funds invested in guaranteed investment certificates with Scotia Bank, Island Savings Credit Union, Coast Community Credit Union, Raymond James, and investments held by the Joint Utilities Board. The investments are carried at market value which approximates cost. The Guaranteed Investment Certificates and term deposits mature at various dates between February 1 and September 11, 2020. Interest rates vary from 2.15% to 2.55% (2018 – 1.90% to 2.70%).

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

**4. Accounts Receivable**

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

**5. Municipal Finance Authority - Reserve Deposits**

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

	<u>2019</u>	<u>2018</u>
Cash deposits	\$ 18,321	\$ 26,816

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**6. Loan Receivable**

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

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

**7. Accounts Payable and Accrued Liabilities**

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

**8. Refundable Deposits**

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

**9. Deferred Revenue**

	<u>2018</u>	<u>Receipts &amp; Interest</u>	<u>Recognized as Revenue</u>	<u>2019</u>
Federal Gas Tax agreement funds	\$ 484,272	552,880	(99,218)	\$ 937,934
Prepaid property taxes	521,983	557,913	(521,983)	557,913
Other revenue prepaid	<u>994,688</u>	<u>196,011</u>	<u>(287,453)</u>	<u>903,246</u>
	<u>\$ 2,000,943</u>	<u>\$ 1,306,804</u>	<u>\$ (908,654)</u>	<u>\$ 2,399,092</u>



**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**9. Deferred Revenue (continued)**

**Federal Gas Tax Agreement Funds**

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

*Federal Gas Tax Continuity:*

	<u>2019</u>	<u>2018</u>
Opening balance of unspent funds	\$ 484,272	\$ 404,214
Less: Gas Tax Funds utilized	(99,218)	(202,796)
Add: amount received during the year	172,083	273,050
Add: interest earned during the year	<u>380,797</u>	<u>9,804</u>
Closing balance of unspent funds	<u>\$ 937,934</u>	<u>\$ 484,272</u>

**10. Restricted Revenue**

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

*Development Cost Charges:*

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 2,061,670	\$ 1,996,382
Contributions from developers	35,518	23,695
Return on investments	<u>51,567</u>	<u>41,593</u>
Balance, end of the year	<u>\$ 2,148,755</u>	<u>\$ 2,061,670</u>

**11. Debenture Debt**

**General Fund:**

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

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

**Sewer Utility Fund:**

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

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**11. Debenture Debt (continued)**

Principal payments in the next five years are as follows:

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

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

**12. Commitments and Contingencies**

**a) Commitment**

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

**b) Contingent Liabilities**

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

As at December 31, 2019 there existed claims against the City. In the opinion of management and legal counsel, the outcome of the claims, now pending, is not determinable. As the outcome is not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

**c) Reciprocal Insurance Exchange Agreement**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**13. Retirement Benefits**

**a) Pension Liability**

The City of Duncan and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

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

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

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

Employers participating in the plan record their pension expenses as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

**b) Sick Leave and Severance Liability**

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

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

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**14. Budget Figures**

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

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**15. Segmented Information**

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

**General Government**

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

**Protective Services**

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

**Public Works & Engineering**

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

**Environmental Health Services**

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

**Environmental Development Services**

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

**Recreation and Cultural Services**

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

**Water Services**

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

**Sewer Services**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**16. Operating Expenses By Object**

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

**17. Environmental Regulations**

The City is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenditures to meet applicable standards and subject the City to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

**18. Subsequent Events**

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on municipalities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, municipal operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City of Duncan as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, office closures and disruptions, and quarantine/isolation measures that are currently, or maybe be put, in place by Canada and other countries to fight the virus.

THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019

SCHEDULE 1  
Audited

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

Contributed Assets

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

THE CORPORATION OF THE CITY OF DUNCAN  
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS  
Year Ended December 31, 2019

SCHEDULE 2  
Audited

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



**THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED SCHEDULE OF REVENUES  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019**

**SCHEDULE 3  
Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED SCHEDULE OF REVENUES  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019**

**SCHEDULE 3  
Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF REVENUES**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 3**  
**Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED SCHEDULE OF REVENUES  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019**

**SCHEDULE 3  
Unaudited**

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

\* Government Transfers detail found on Schedule 3b

**THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED SCHEDULE OF TAXATION  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019**

**SCHEDULE 3a  
Audited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 3b**  
**Audited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF EXPENSES**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 4**  
**Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF EXPENSES**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 4**  
**Unaudited**

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



**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF EXPENSES**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 4**  
**Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF EXPENSES**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 4**  
**Unaudited**

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

THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED SCHEDULE OF EXPENSES  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019

SCHEDULE 4  
Unaudited

	2019 Budget	2019 Actual	2018 Actual
<b>Amortization</b>			
General government services	114,179	<b>121,250</b>	109,783
Protective services	163,114	<b>168,960</b>	154,007
Transportation services	603,521	<b>583,608</b>	544,588
Environmental health services	32,622	<b>24,895</b>	24,649
Recreation and cultural services	293,605	<b>244,115</b>	268,554
Water services	375,166	<b>340,192</b>	321,870
Sewer services	48,934	<b>48,709</b>	48,657
	<u>1,631,141</u>	<u><b>1,531,729</b></u>	<u>1,472,108</u>
<b>Other</b>			
Capital expense	-	<b>316,332</b>	615,675
Actuarial debt adjustment	-	<b>(40,459)</b>	(35,430)
	<u>-</u>	<u><b>275,873</b></u>	<u>580,245</u>
<b>Total Expenses</b>	<u>\$ 8,078,611</u>	<u><b>\$ 8,411,886</b></u>	<u>\$ 8,137,245</u>

THE CORPORATION OF THE CITY OF DUNCAN  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2019

SCHEDULE 5  
Audited

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services		Environmental Development Services		Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE</b>																		
Taxation and grants in lieu of taxes	\$ 4,206,002	\$ 4,099,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,206,002	\$ 4,099,466
Sale of services	\$ 35,101	12,622	333,960	303,015	16,828	22,711	221,093	216,444	-	-	10,142	9,321	2,443,696	2,468,225	1,262,004	1,189,880	4,322,824	4,222,218
Licenses, permits, penalties and fines	\$ 450,241	416,050	-	-	231,720	181,074	-	-	-	-	-	-	-	-	-	-	681,961	597,124
Return on investments	\$ 225,311	167,255	-	-	-	-	-	-	-	-	-	-	28,276	38,962	36,443	25,821	290,030	232,038
Grants	\$ 12,700	10,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,700	10,200
Government transfers	\$ 557,725	584,345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	557,725	584,345
Funds contributed from other governments	\$ 14,205	13,872	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,205	13,872
Gas Tax funds utilized	\$ -	-	99,218	202,796	-	-	-	-	-	-	-	-	-	-	-	-	99,218	202,796
Capital contributions from developers	\$ -	-	-	-	-	-	-	-	-	-	-	-	63,610	141,901	-	-	63,610	141,901
Gain(Loss) on disposal of assets	\$ -	-	-	-	21,790	(12,880)	-	-	-	-	-	-	-	-	-	-	21,790	(12,880)
Assets contributed by developers	\$ -	-	-	-	675	92,862	-	-	-	-	-	-	-	-	-	-	675	92,862
Increase (decrease) in proportionate share of JUB assets	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	211	(58,645)	211	(58,645)
<b>Total revenue</b>	<b>\$ 5,501,285</b>	<b>\$ 5,303,810</b>	<b>\$ 433,178</b>	<b>\$ 505,811</b>	<b>\$ 271,013</b>	<b>\$ 283,767</b>	<b>\$ 221,093</b>	<b>\$ 216,444</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,142</b>	<b>\$ 9,321</b>	<b>\$ 2,535,583</b>	<b>\$ 2,649,088</b>	<b>\$ 1,298,658</b>	<b>\$ 1,157,056</b>	<b>\$ 10,270,951</b>	<b>\$ 10,125,297</b>
<b>EXPENSES</b>																		
Operating expenses																		
Payroll	\$ 1,177,023	\$ 1,030,076	\$ 361,606	\$ 284,206	\$ 1,041,015	\$ 877,424	\$ 23,721	\$ 21,939	\$ 164,818	\$ 149,179	\$ 334,553	\$ 331,072	\$ 296,448	\$ 333,195	\$ 74,529	\$ 87,769	3,473,713	\$ 3,114,860
Other	(4,633)	9,598	304,560	277,145	215,372	183,069	252,948	217,417	14,462	29,491	462,049	411,944	1,059,732	1,027,815	663,724	690,022	2,968,214	2,846,501
<b>Total operating expenses</b>	<b>1,172,390</b>	<b>1,039,674</b>	<b>666,166</b>	<b>561,351</b>	<b>1,256,387</b>	<b>1,060,493</b>	<b>276,669</b>	<b>239,356</b>	<b>179,280</b>	<b>178,670</b>	<b>796,602</b>	<b>743,016</b>	<b>1,356,180</b>	<b>1,361,010</b>	<b>738,253</b>	<b>777,791</b>	<b>6,441,927</b>	<b>5,961,361</b>
Capital fund expenses	70,346	105,500	27,624	36,826	4,400	49,126	4,737	861	-	-	56,922	57,978	50,793	66,544	101,512	298,840	316,332	615,675
Amortization	121,250	109,783	168,960	154,007	583,608	544,588	24,895	24,649	-	-	244,115	268,554	340,192	321,870	76,682	76,627	1,559,702	1,500,078
Interest	3,660	1,989	-	-	-	-	-	-	-	-	47,125	47,125	-	-	3,685	8,820	54,470	57,934
Actuarial adjustment to debt	-	-	-	-	-	-	-	-	-	-	(22,878)	(19,213)	-	-	(17,581)	(16,217)	(40,459)	(35,430)
<b>Total expenses</b>	<b>\$ 1,367,646</b>	<b>\$ 1,256,946</b>	<b>\$ 862,750</b>	<b>\$ 752,184</b>	<b>\$ 1,844,395</b>	<b>\$ 1,654,207</b>	<b>\$ 306,301</b>	<b>\$ 264,866</b>	<b>\$ 179,280</b>	<b>\$ 178,670</b>	<b>\$ 1,121,886</b>	<b>\$ 1,097,460</b>	<b>\$ 1,747,165</b>	<b>\$ 1,749,424</b>	<b>\$ 902,551</b>	<b>\$ 1,145,861</b>	<b>\$ 8,331,972</b>	<b>\$ 8,099,618</b>
<b>Surplus (Deficit)</b>	<b>\$ 4,133,639</b>	<b>\$ 4,046,864</b>	<b>\$ (429,572)</b>	<b>\$ (246,373)</b>	<b>\$ (1,573,382)</b>	<b>\$ (1,370,440)</b>	<b>\$ (85,208)</b>	<b>\$ (48,422)</b>	<b>\$ (179,280)</b>	<b>\$ (178,670)</b>	<b>\$ (1,111,744)</b>	<b>\$ (1,088,139)</b>	<b>\$ 788,418</b>	<b>\$ 899,664</b>	<b>\$ 396,108</b>	<b>\$ 11,195</b>	<b>\$ 1,938,979</b>	<b>\$ 2,025,679</b>

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

THE CORPORATION OF THE CITY OF DUNCAN  
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS  
Year Ended December 31, 2019

SCHEDULE 6  
Audited

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

THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019

SCHEDULE 7  
Audited

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 8**  
**Audited**

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

Individual reserve fund balances are detailed on the next page.

**THE CORPORATION OF THE CITY OF DUNCAN**  
**NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 8**  
**Audited**

	<b>2019</b>	2018
	<b>Actual</b>	Actual
<b>SUMMARY OF RESERVE FUND POSITIONS</b>		
Sale of real property	*	226,281
Underground Utilities	<b>230,238</b>	27,696
Parking improvement	<b>28,385</b>	237,619
Parking improvement - Restricted	<b>239,139</b>	122,728
Municipal Finance Authority debt issue refunds	*	25,311
Operating reserves	<b>125,786</b>	367,842
Machinery and equipment	<b>365,612</b>	1,695,322
Capital works and other miscellaneous reserves	<b>1,793,208</b>	262,892
General capital cost contributions	<b>274,436</b>	7,340
Police bridging capital	<b>7,523</b>	2,400,941
Downtown revitalization	<b>2,438,608</b>	18,344
Melba Schappert bequest	<b>18,801</b>	19,298
Pioneer Park	<b>19,779</b>	1,431
Public Art	<b>1,466</b>	10,170
Water capital cost contributions	<b>10,424</b>	536,103
Water capital reserve	<b>612,368</b>	405,861
Sewer capital cost contributions	<b>415,974</b>	14,501
Sewer capital reserve	<b>16,207</b>	707,154
	<b>724,774</b>	
<b>Total Reserve Fund Equity</b>	<b>\$ 7,349,518</b>	<b>\$ 7,086,834</b>
<b>RESERVES HELD AS LIABILITIES</b>		
Federal Gas Tax funds (Note 9)	*	484,272
Restricted revenue (Note 10)	*	2,061,670
	<b>937,934</b>	
	<b>2,148,755</b>	
<b>Total Reserve Funds</b>	<b>\$ 10,436,207</b>	<b>\$ 9,632,776</b>

\* Restricted cash and portfolio investments



THE CORPORATION OF THE CITY OF DUNCAN  
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION - FUNDS  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019

SCHEDULE 9  
Unaudited

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**STATEMENT OF GENERAL REVENUE FUND OPERATIONS**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 10**  
**Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**STATEMENT OF WATERWORKS UTILITY REVENUE FUND OPERATIONS**  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019

**SCHEDULE 11**  
**Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**STATEMENT OF SEWER UTILITY REVENUE FUND OPERATIONS**  
**(Excluding Joint Utilities Board Financial Information)**  
**Year Ended December 31, 2019**

**SCHEDULE 12**  
**Unaudited**

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

**THE CORPORATION OF THE CITY OF DUNCAN**  
**STATEMENT OF CAPITAL FUND OPERATIONS**  
(Excluding Joint Utilities Board Financial Information)  
Year Ended December 31, 2019

**SCHEDULE 13**  
**Unaudited**

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