

The Corporation of the City of Duncan, British Columbia

2022 Annual Report

For the Year Ended December 31, 2022

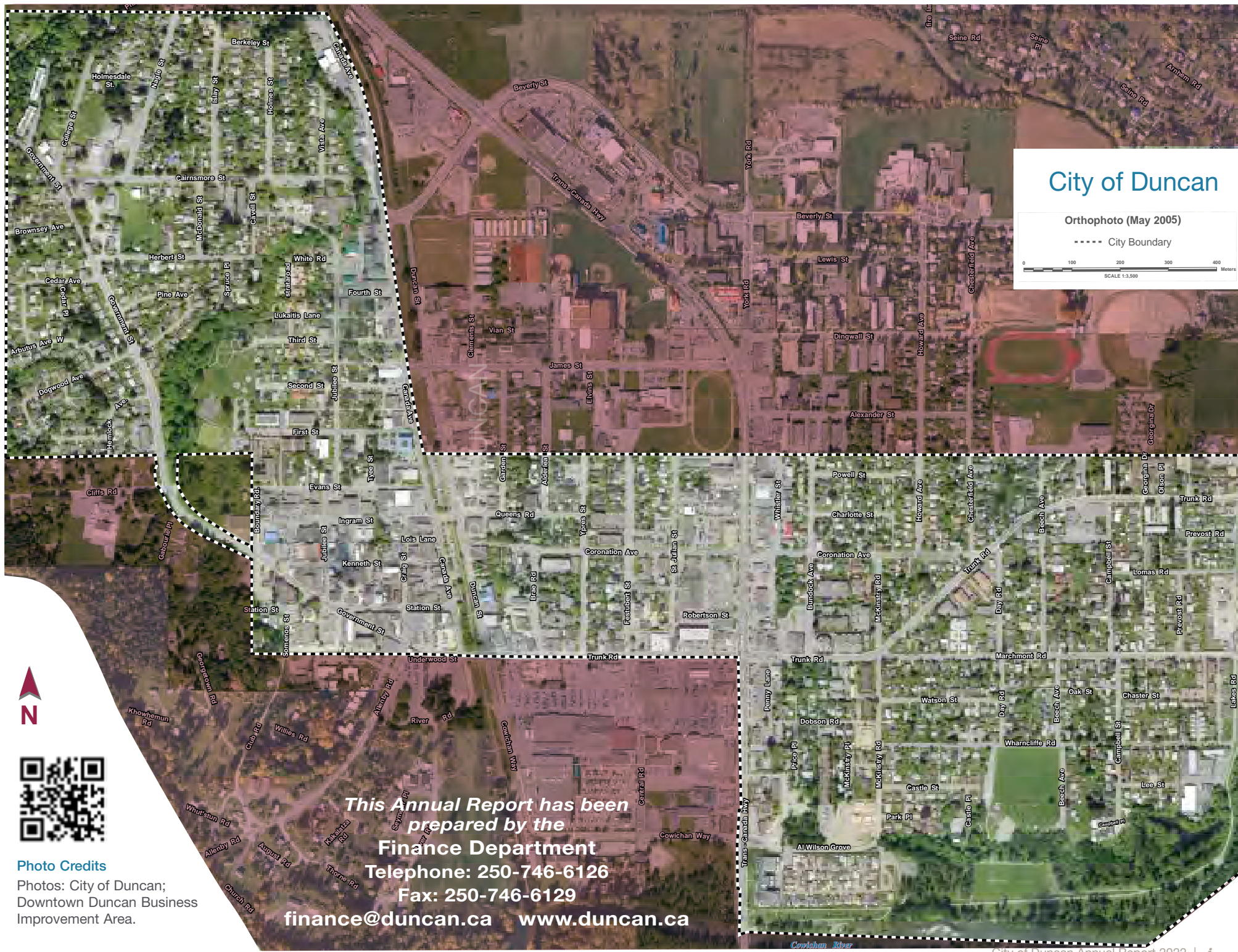




The Corporation of the
City of Duncan
British Columbia

2022 Annual Report

Fiscal Year Ended
December 31, 2022



City of Duncan

Orthophoto (May 2005)

----- City Boundary



Photo Credits

Photos: City of Duncan;
Downtown Duncan Business
Improvement Area.

*This Annual Report has been
prepared by the
Finance Department*

Telephone: 250-746-6126

Fax: 250-746-6129

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.*

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Carver: Francis Horne Sr.

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Mayor and Council



The Council has statutory authority to provide services, set budgets, levy taxes, and establish policies for the benefit and protection of its citizens.

Strategic Plan

Council sets out the City's objectives through their strategic plan, which defines the business of the organization, clarifies its preferred future, and identifies strategic priorities.

Mayor Michelle Staples



Internal Committee Appointments

- Official Community Plan Advisory Committee (Chair)

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

mayor@duncan.ca

Councillors

**Councillor
Garry Bruce**



Internal Committee Appointment

- Advisory Design Panel (Non-Voting)

External Appointment (Voting Member)

- Duncan/North Cowichan Joint Utilities Board

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 Appointments

- Tourism Advisory Committee (Chair)

External Appointments (Voting Member)

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

External Appointments (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**



External Appointments (Voting Member)

- Cowichan Community Centre Commission (Alternate)

smiddlemiss@duncan.ca

**Councillor
Carol Newington**



Internal Committee Appointments

- Accessibility Advisory Committee (Chair)

External Appointments (Voting Member)

- Cowichan Community Centre Commission
- Municipal Insurance Association (Alternate)

External Appointments (Non-Voting Member)

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

cnewington@duncan.ca

Message from the Mayor

As I reflect on the past year, I am struck by the resilience of our community and inspired by the strength we have all demonstrated during the ongoing challenges and uncertainty of the times we find ourselves in. We have continued to come together and support one another. This past year has tested us in many ways, and our hearts go out to those who have suffered loss and hardship.

While the effects of the pandemic still lingered, together we brought new life to our City. We worked on several important initiatives, including the development of our Official Community Plan. With the support of a diverse citizens' advisory committee, we added time to the process to ensure people had more opportunity to provide input online and in-person. We know it is our responsibility to shape the City's future with utmost care by carefully considering the impact our choices will have on the lives of all of us who live, work, and enjoy the City, now and well into the future.

We worked closely with our local business community to support their growth and success by assisting organizations such as the Duncan Cowichan Chamber of Commerce and the Downtown Duncan Business Improvement Association. Their events and initiatives brought people together and showcase the incredible heart, vibrancy, and determination of our City.

We are proud of the mixture of housing developments approved by City Council, we recognized the diverse housing needs of families, individuals, and couples, including seniors, young adults, students, and workers. In addition to this, we are proud of the work done at The Village site, a temporary initiative piloting a new model of supportive housing for people with diverse needs. It has proven to increase safety, well-being and health outcomes for residents of the site; as well as, resulted in improvements in the immediate area because of the residents' good neighbour agreements and strong peer programs. In supporting this initiative, we have collaborated with community organizations to demonstrate our commitment to building a safer and more inclusive community where everyone has access to safe and affordable housing.

Finally, I want to express my gratitude for the incredible staff at City Hall, Public Works, and the Fire Hall. Your dedication and hard work have been essential, and you keep the City running smoothly through planning for our future, responding to our needs, and being there for all of us. The accomplishments we have achieved would not have been possible without your dedication, love, and attention. To all of our volunteers and community members, thank you for your ongoing support and commitment. Working together is our only way forward, and together we will continue to build a brighter future for all who call this City home.



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

Michelle Staples, Mayor



History

Mayors of Duncan Since 1912

K.F. Duncan	1912 – 1913
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 2022



Perpetual Arts Trophy

Coco Jones

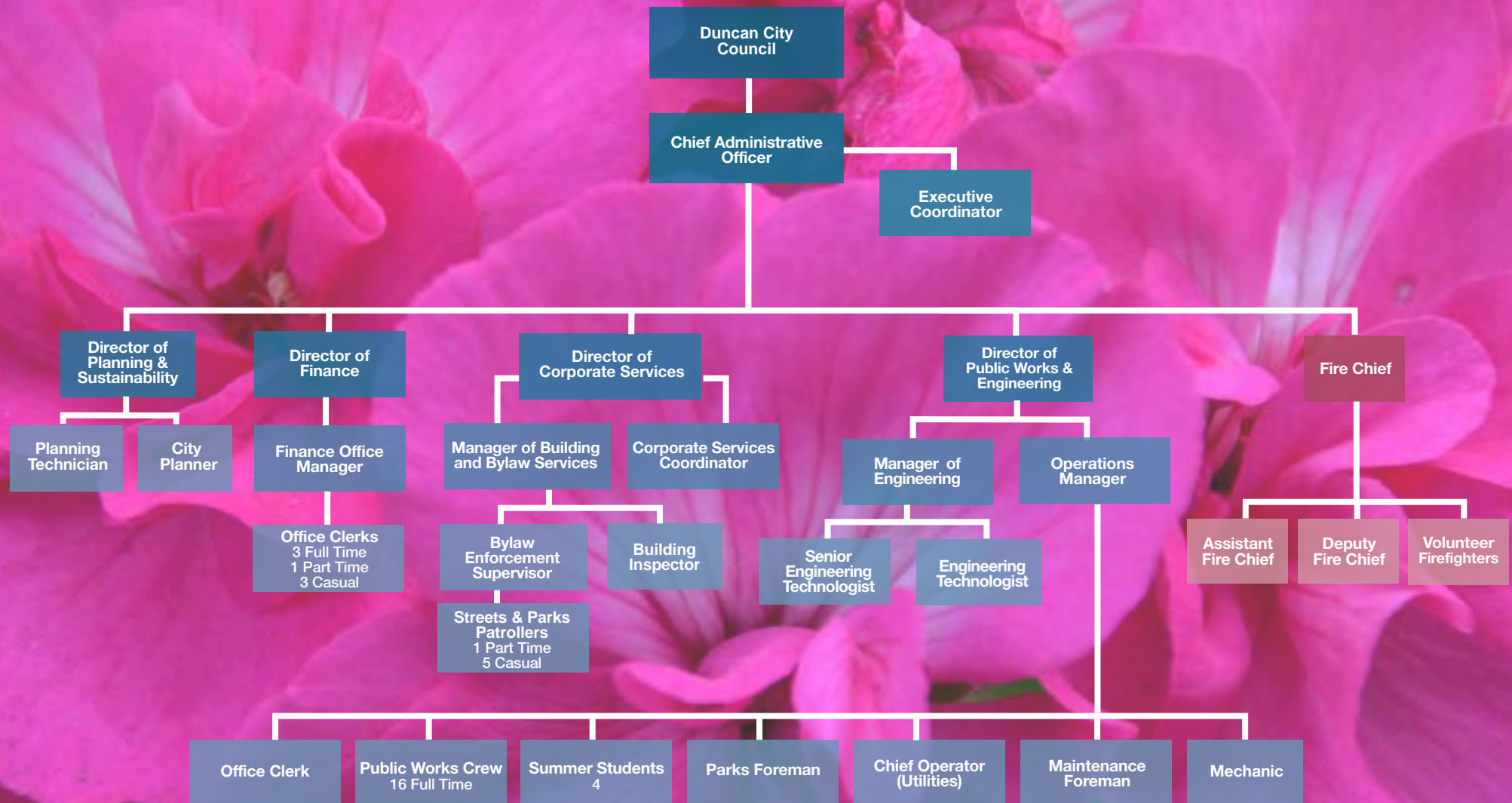
Perpetual Trophy for Excellence & Sportsmanship

Kevin Rothbauer

Scroll of Honour Recipients

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 Keserich	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
Joan Gillatt	2000		

Organizational Structure



Our Core Values



Carver: Doug LaFortune (aka William Home)

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

Department Info

Chief Administrative Officer

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

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

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



Chief Administrative Officer

I am pleased to present our residents and taxpayers with the 2022 Annual Report.

The Annual Report is our opportunity to highlight the City's operations and its strong financial position. As noted in last year's report, the City is now in the enviable position of being debt free, until the Sewer Lagoon outfall relocation is completed at a future date.

Because the City's population now exceeds 5,000 (5,047) according to the last Census, we are now responsible for 70% of the policing costs, effective April 1, 2022. As of the writing of this report, the City is in the final stages of its 14-month long negotiations with the Province as to how many RCMP officers the City will pay for, and the details of this will be released soon. Policing costs have had a significant impact on the tax increases for 2022 and 2023 and will continue to have an impact for the next few years, albeit at a lesser rate. Fortunately, because the City has been collecting a Police Bridging Capital levy for several years, the impacts on taxpayers have been somewhat reduced, but are still notably significant due to the escalating costs of policing.

The City's has made extensive efforts in the last few years to reduce the pressures on policing resources through supportive projects like the Enhanced Security Initiative, Enhanced Sharps Collection Peer Program, and increased Bylaw enforcement patrols. In addition, Council facilitated the temporary supportive housing site at 610 Trunk Road, called "The Village". In part due to these efforts, the City's Criminal Code cases, as reported by the RCMP, dropped 27.8% from 2021 to 2022.

City Council is doing what they can to moderate costs while addressing the increased demands of the community to tackle the complex issues and also deliver the typical core services for a municipality (roads, sidewalks, water, sewer, storm, fire protection, etcetera).

Council continues to lobby other levels of government on the issues of housing, homelessness, and opioid overdose crises. These are nation wide issues. And yet, Duncan Council and staff continue to spend a significant amount of time, within the City's limited capacity and jurisdiction, to try to make a difference.

Duncan is well served well by a Council and staff who exemplify an atmosphere of respect, understanding, hard work, and professionalism, which continues to make the City a desirable place to work during a time when staffing challenges are persistent in most sectors.

Thank you to the residents, businesses, and property owners who have supported the City's efforts this year. Please continue to reach out to us with questions at any time.



Peter de Verteuil,
Chief Administrative Officer



department information

Corporate Services

Carver: Lenard Paquette Jackson

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

Corporate Services

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

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



Corporate Services

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


During 2022, Corporate Services was responsible for:

- » 45 Council meetings
- » 19 Delegations
- » 21 Committee Meetings
- » 9 Press releases
- » 326 Council resolutions

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



Financial Services

A photograph of a sunny street scene. In the foreground, there are wooden benches with black metal frames. A large tree trunk is visible in the center. The background shows a street with parked cars, more trees, and buildings. The scene is bright and clear.

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

Financial Services

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

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

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

The finance department manages a portfolio of over \$21 million in various securities and oversees the collection of over \$9.8 million in property taxes, over \$4.2 million in utilities as well as developer contributions and other miscellaneous revenues. Over \$15 million in payments to suppliers are also made through the finance department.

The finance department manages many other functions including business licensing, pet licensing, utility billing, payroll, debt financing, and information technology.

During 2022 finance was responsible for:

» Property tax billing and collection	2,247 property tax notices
» Water billing	10,210 bills issued
» Accounts receivable	165 invoices
» Pet licence billing and collection	286 dog licences
» Business licence billing and collection	963 active business licences
» Pre-authorized payments for taxes	288 accounts
» Pre-authorized payments for utilities	402 accounts
» Payroll	110 T4's issued
» Accounts payable	560 cheques processed 1,234 EFTs processed.



Planning Department

The Planning Department provides city planning, development review, building inspection, and land use services.

Planning Department

The Planning Department provides both current and long-range planning services for the City, including planning application review, responding to land use and development enquiries, and development and ongoing implementation of City plans and strategies. The department consists of a Director of Planning & 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 2022, the Planning Department received nine development permit applications that would authorize 97 new residential units. The department also received five development variance permit applications, one temporary use permit application, and two zoning bylaw amendment applications.

In early 2021, the Planning Department initiated a comprehensive review and update of the City's Official Community Plan (OCP). The OCP establishes the community's vision for its future and is intended to help guide the City's decisions on land use planning and management. Throughout 2021, the OCP review and update project included background research and analysis and engagement with community stakeholders and the broader public. A draft of the proposed new OCP was prepared and presented to Council in Fall 2022. In 2023, the City will be undertaking additional engagement on the proposed new OCP before finalizing the plan.

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



Building and Bylaw Services Department

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

The building department is at full complement with two level 3 registered building officials. In 2022 the City issued 43 building permits with a total construction value of \$6.1 million which equates to \$44,210 in Permit value. Although this is less than permit values for 2021 there were 3 large projects that were reviewed in 2022 and subsequently issued in 2023.

The bylaw department is responsible for enforcement of 11 different regulatory bylaws throughout the City and currently has 1 full-time and 3 casual Streets and Parks Patrollers that fill the various commitments and are current with the required training and Personal Protective Equipment to ensure the safety of staff and all citizens encountered. Staff have focused primarily on reducing calls for service to the RCMP for public disorder and non-criminal code offences by shifting resources for 7-day Streets and Parks Patrol coverage and attempting to increase the public's perception of safety. With the hiring of a Bylaw Enforcement Supervisor and Fire Inspector, the department has the added responsibility of implementing the fire inspection program. All of the properties requiring annual inspections were done with a total of 115 inspections completed in 2022.

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



department information

Protective Services

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



Carver: Tommy Hunt Jr.

Protective Services



Royal Canadian Mounted Police

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

of Duncan as part of a greater policing responsibility for the Cowichan Valley, which includes the City of Duncan, Cowichan Tribes lands, and a large Provincial rural area. The entire Detachment strength is currently 63 police officers. These full-time personnel are supported by RCMP paid support staff and a network of community volunteers in a variety of critical service delivery roles. These include volunteer Auxiliary Constables, Citizens on Patrol, Speed Watch, Block Watch, Community Police Office volunteers, and others. Their contributions to their community cannot be overstated. We simply could not provide the level of service to the communities we serve without their assistance.

A service delivery advantage is gained when a community is served by a “blended” Detachment like North Cowichan / Duncan. This allows some flexibility, when necessary, to deploy specialized resources where they are needed. A blended Detachment utilizes Municipally funded, Federally funded, and Provincially funded Human Resources. As well, it enables the RCMP to deploy the following programs to better serve the City of Duncan residents:



- » Uniformed General Duty “First Responders”
- » Plain Clothes Investigators (Serious Crime and Drug / Property Crime personnel)
- » Community Policing and Crime Prevention Unit (school liaison, bicycle patrols, etc.).

Each RCMP Detachment in Canada is mandated to prepare an annual performance plan that addresses identified “Local Policing Priorities”. The 2022/23 plan is focused on the following local issues that were consistently identified as priorities throughout the valley:

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

Protective Services

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

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



Fire Services

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



Fire Services

The Duncan Fire Department consists of a Chief, Deputy Chief, Assistant Chief, 3 Captains, 3 Lieutenants and 16 firefighters.

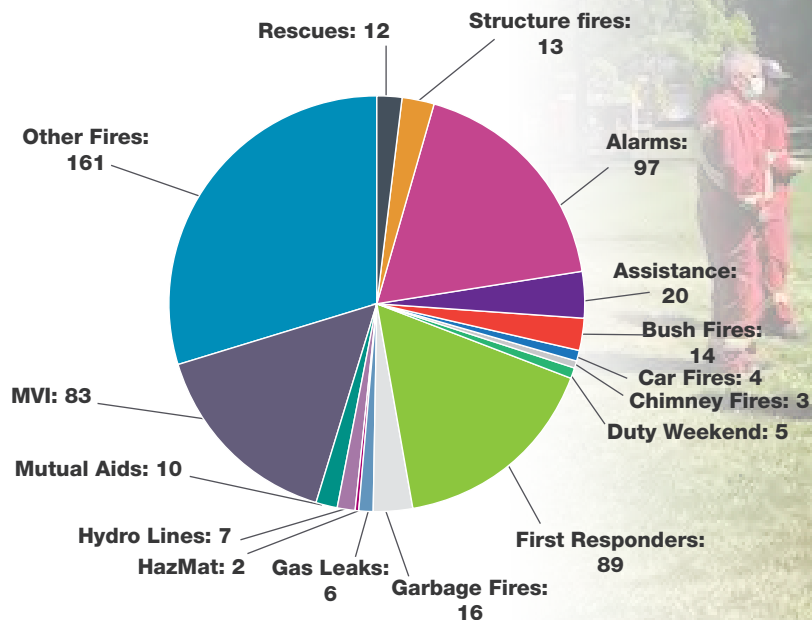
The department supplies fire suppression, fire investigation, fire prevention, first responders, motor vehicle incidents, rescue services, and interface and brush fires to the citizens of Duncan, Eagle Heights, and Cowichan Tribes lands.



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

Distribution of Calls by Response Type

Total Events: 542





department information

Public Works Operations

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

Public Works Operations

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

Fleet Maintenance

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

- » Ensuring that the commercial portion of the fleet is serviced, maintained, and inspected to meet the requirements of the Commercial Vehicle Service Enforcement Agency, allowing the fleet to operate in a safe manner on roadways; and
- » Maintaining a fleet of 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.



Public Works Operations

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 2022 the City collected:

- » 133 tons of organics
- » 117 tons of recycling
- » 220 tons of garbage
- » 70 tons of yard waste
- » 9 tons of glass

Parks and Green Space

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



department information

Engineering Services

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



Engineering Services



Engineering

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

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

Mapping and related record keeping are also part of the Engineering function.



our vision for

Managed Growth

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

Our Commitments

Review Local Government Boundaries

Progress in 2022

- » Initiated development of terms of reference for boundary realignment study.
- » Initiated development of terms of reference for restructure study.

What we will do in 2023 – 2024

- » Finalize terms of reference and determine budget for boundary realignment.
- » Finalize terms of reference and determine budget for restructure study.

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

Progress in 2022

- » Continued comprehensive review and update of the Official Community Plan.
- » Drafted new, enhanced Development Permit Area Guidelines with strengthened sustainability expectations.
- » Ongoing evaluation and review of the Zoning Bylaw in relation to potential or new applications coming forward and identification of overlooked or incompatible issues or inconsistencies.
- » Continued to review options for development on City lands.
- » Approved continued temporary use of 610 Trunk Road for accommodations for the unsheltered.
- » Issued building permit for attainable housing development on White Road.

- » Adopted Zoning Bylaw amendment for Charlotte's Place on Canada Avenue – transition housing for women and female-identifying individuals who are unsheltered and experiencing or are at risk of violence.

What we will do in 2023 – 2024

- » Finalize and adopt a new Official Community Plan, including undertaking additional community engagement.
- » Adopt new, enhanced Development Permit Area Guidelines with strengthened sustainability expectations.

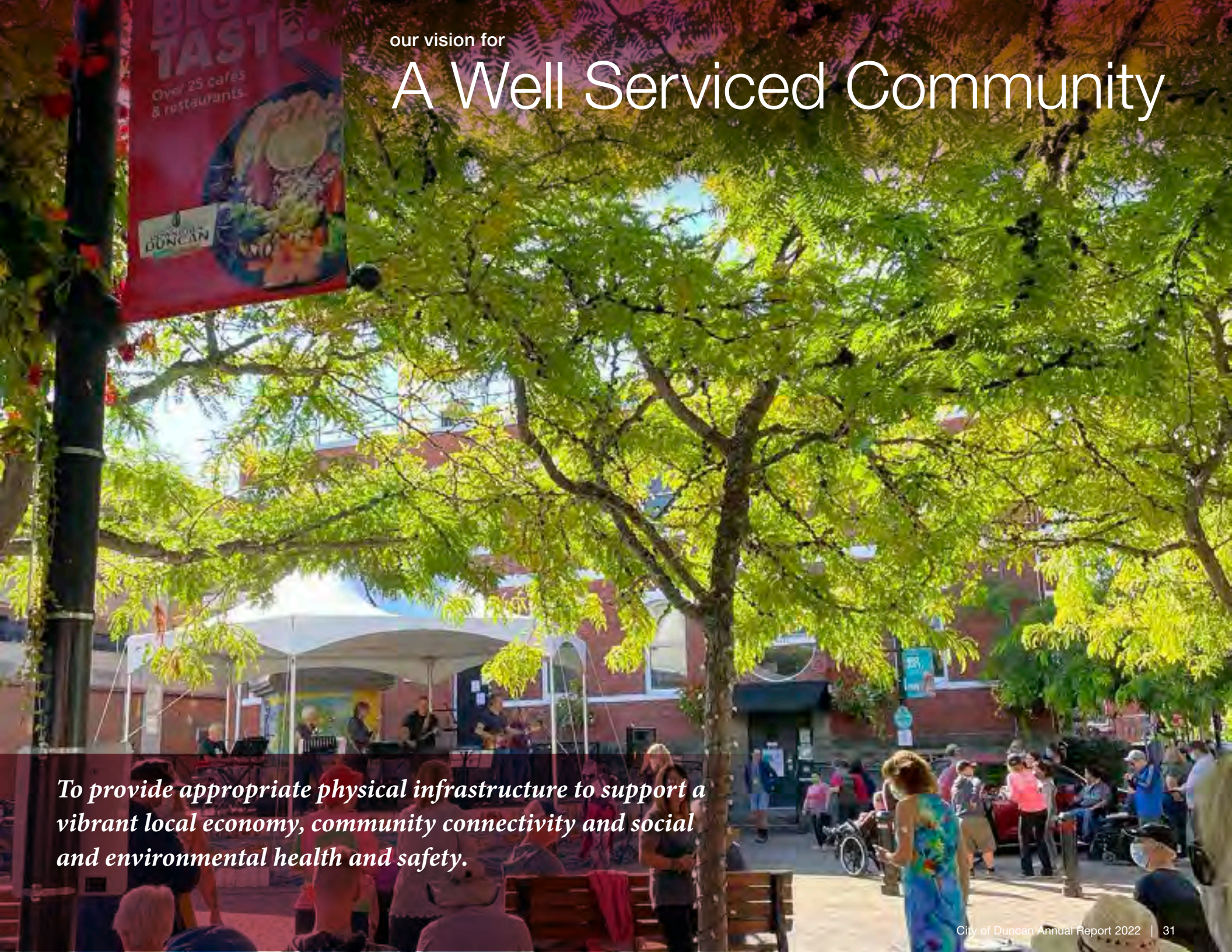


Our Commitments

- » Identify key zoning related goals from the new Official Community Plan.
- » Initiate update of the Zoning Bylaw to align with the new Official Community Plan and best practices in city planning.
- » Begin development of a heritage program for the City, including creating a community heritage register.
- » Review options for housing development on City lands.
- » Initiate the creation of a land acquisition strategy.
- » Apply to the federal Housing Accelerator Fund.
- » Lobby senior governments for increased spending and tools.



Carvers: Harvey Alphonse and Nelson Canute,
Cicero August, Francis Horne Sr.



our vision for

A Well Serviced Community

To provide appropriate physical infrastructure to support a vibrant local economy, community connectivity and social and environmental health and safety.

Our Commitments

Maintain and upgrade water, sewer, and storm sewer infrastructure

Progress in 2022

- » Participated in watershed meetings and working groups.
- » Preliminary review of alternate well locations on the southside of Cowichan River.
- » Continued adherence to the water sampling plan to continue to provide safe drinking water.
- » Progressed engineering design for infrastructure renewal projects in priority locations.
- » Completed engineering design for updates to the SCADA (Supervisory Control and Data Acquisition) program that manages the instrumentation-controlled operations of the utilities systems, in order to improve the reliability of our water, sewer, and storm systems.
- » Upgraded well facilities, control valves, and pump equipment on the water system.
- » Installed new header valves in the critical Marchmont sewer pump station.

What we will do in 2023 – 2024

- » Continue progress towards metered billing for all properties on the City water system.
- » Continue to work with North Cowichan on emergency well investigations.
- » Investigate alternate well locations in the Koksilah area.
- » Complete key utility infrastructure renewal projects such as Eagle Heights reservoir replacement, Gibbins water reservoir lining, and upgrade sewer lift stations.
- » Participate in watershed meetings and working groups.

- » Continue to pursue grant opportunities for replacement of Fish Gut Alley culverts.
- » Complete programming, electrical, and instrumentation updates across the facilities to the SCADA (Supervisory Control and Data Acquisition) program to improve the reliability of our water, sewer, and storm systems.



Our Commitments

Ensure City assets are maintained

Progress in 2022

- » Continued work on an asset management plan, including initiating the deployment of the asset management software program.
- » Continued assessment of underground infrastructure condition.
- » Completed seismic upgrade design for City Hall.
- » Continued work on the Transportation and Mobility Strategy.

What we will do in 2023 – 2024

- » Continue to develop an asset management plan.
- » Refine asset information for the water system in mapping inventory.
- » Complete the Transportation and Mobility Strategy.
- » Continue the storm drainage condition assessment.
- » Continue the water main condition assessment.
- » Complete City Hall roof replacement.
- » Complete City Hall exterior sandstone repairs.
- » Continue working on City Hall detailed seismic upgrade design.
- » Apply for grant opportunities to complete the City Hall seismic upgrade.
- » Complete sidewalk condition assessments.
- » Work with the Accessibility Advisory Committee to create an Accessibility Plan.



our vision for

A Thriving Economy & Business Community



To maintain and enhance the City's role as the commercial, service, employment, and social centre of the Cowichan Valley where businesses and residents can prosper in a sustainable manner and where residents and visitors can work, shop, access services, and enjoy many cultural and recreational amenities.

Our Commitments

Encourage a business and development friendly environment

Progress in 2022

- » Initiated comprehensive review and update of the development application procedures bylaw.
- » Initiated review of the Development Cost Charges program and Bylaw.

What we will do in 2023 – 2024

- » Complete comprehensive review and update of the development application procedures bylaw.
- » Formalization of the updated Development Cost Charges program and Bylaw.
- » Review signage and process notifications.
- » Undertake a major sign bylaw update.



Our Commitments

Encourage a thriving downtown

Progress in 2022

- » Continued citywide grant programs: Façade Improvement Program, Graffiti Removal Program, Enhanced Security Initiative Program.
- » Applied to the Rural Economic Development and Infrastructure Program to complete the Station Street Placemaking Project (application successful).
- » Completed the Canada Avenue (Railway) paid parking lot extension.
- » Adopted the updated Tourism Marketing Plan.
- » Canada Avenue Complete Streets grant application successful.

What we will do in 2023 – 2024

- » Increase contribution to the Downtown Duncan Business Improvement Area Façade Improvement Program and continue citywide grant programs: Façade Improvement Program, Graffiti Removal Program, Enhanced Security Initiative Program.
- » Discuss priorities for revitalization of the downtown streets.
- » Undertake detailed design and implementation of the Station Street Placemaking Project.
- » Consider next steps in implementation of Canada Avenue Complete Streets project.
- » Explore opportunities to encourage private property downtown revitalization and beautification.



Our Commitments

Improve first impressions from the Trans-Canada Highway

Progress in 2022

- » Continued the Safer Community Plan together with North Cowichan and Cowichan Tribes.
- » Continued to complete detailed design of TCH multi-use pathway.
- » Continued to complete detailed design of TCH boulevard improvements.

What we will do in 2023 – 2024

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

our vision for

Strong Community Connections and a safe & healthy community

*To create a community where
all sectors work together to
achieve the social, economic
and environmental well-being
of residents.*



Our Commitments

Carver: Francis Horne Sr.

Increase partnerships and connections with the community and neighbouring jurisdictions

Progress in 2022

- » Held Joint Council meeting with North Cowichan.
- » Held meetings between North Cowichan staff, Cowichan Tribes staff, and City staff to discuss Safer Community Plan, Regional Housing Needs Assessment, Supportive Housing initiatives, and other projects.
- » Held several meetings between Cowichan Tribes and City staff to discuss water agreements, joint development issues, and other areas of mutual interest.
- » Approved continued temporary use of 610 Trunk Road for accommodations for the unsheltered.

What we will do in 2023 – 2024

- » Continue to work on joint projects for mutual benefit with North Cowichan and Cowichan Tribes.
- » Hold Joint Council meetings with North Cowichan.
- » Hold meetings between North Cowichan staff, Cowichan Tribes staff, and City staff to discuss community initiatives.
- » Work with Cowichan Tribes and North Cowichan to build and strengthen relationships.
- » Update service agreements with Cowichan Tribes.
- » Continue to support reconciliation initiatives.
- » Work with North Cowichan, Cowichan Tribes, Province of BC and others on solutions, advocacy, supports and facilities for underhoused and unhoused residents.
- » Update the City's position paper.

Our Commitments

Improve External Communications and Customer Service


Progress in 2022

- » Used PlaceSpeak for public feedback on initiatives.

What we will do in 2023 – 2024

- » Launch and promote Engagement HQ (Bang the Table) - “Big Conversations” – as Duncan’s new engagement software.
- » Conduct the biennial Duncan Citizen Survey.
- » Consider citizen feedback on review of Communications Plan.
- » Consider social media platforms by Council.



A scenic photograph of a river flowing through a wooded area. On the left, a sandy path leads towards the water. The river is in the center, with some rapids visible. The background is filled with bare trees, suggesting a late autumn or winter setting. The sky is a deep red, and the overall image has a semi-transparent red overlay.

our vision for responsible

Stewardship of the Environment

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

Our Commitments

Ensure decisions are made with regard to sustainability

Progress in 2022

- » Monitored dissolved oxygen levels at Marchmont Road Pump Station.
- » Investigated further potential enhancements to storm water entering Fish Gut Alley.
- » Provided an additional \$10,000 to CleanBC Better Home Program residential retrofit rebate top-ups for homeowners.
- » Added 4 new EV charging stations on Duncan Street
- » Started developing a BC Energy Step Code implementation strategy.
- » Established 5-year sustainability priorities.

What we will do in 2023 – 2024

- » Review Integrated Community Sustainability Plan to determine if updates are needed.
- » Investigate potential further improvements to the quality of storm water.
- » Continue to follow purchasing policy which encourages green and sustainable and buy-local purchases.



- » Pursue grant opportunities to install a solar power system on Public Works buildings.
- » Pursue grant opportunities to expand the EV charging network in the City.
- » Review progress on the Urban Forest Strategy.
- » Develop a tree canopy targets action plan.
- » Complete final design and implementation of Coronation/Queens bike lanes.
- » Participate in the Regional Climate Adaptation Advisory Group led by the Cowichan Valley Regional District.

Work with the region on sustainable waste and storm water solutions

Progress in 2022

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

What we will do in 2023 – 2024

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

our vision for responsible

Stewardship of the City Organization



Our Commitments



Ensure training and capacity considers the future

Progress in 2022

- » Held regular staff meetings.
- » Staff attended selected training and conferences.

What we will do in 2023 – 2024

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

Ensure responsible management of fiscal and human City resources

Progress in 2022

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

What we will do in 2023 – 2024

- » Conduct a records management assessment and purchase records management software.
- » Develop a records management plan.
- » Work with Cowichan Valley Regional District on regional emergency preparedness.
- » Undertake a third-party creation of a business continuity plan ensuring that they coordinate with the applicable Cowichan Valley Regional District plans.
- » Implement automated solid waste collection.
- » Update Development Cost Changes bylaw.
- » Review Fees & Charges bylaw.



financial section



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Duncan
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2021

Executive Director/CEO

message from

Director of Finance

May 8, 2023

On behalf of the Finance Department, I am pleased to provide an overview of the 2022 financial position of the City of Duncan.

The consolidated financial statements are the responsibility of the management of the City of Duncan and were prepared by City staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB). The principles have been applied on a basis consistent with that of the preceding year.

The City maintains a system of internal accounting controls designed to safeguard its assets and to provide reliable financial information. We confirm and test these systems on a cyclical basis by contracting audit services.

The City's auditors, MNP LLP were appointed by Council and have expressed that in their opinion these statements present fairly, in all material respects, the financial position of the City and its financial performance. Council accepted the financial statements at the May 1, 2023 Council Meeting.

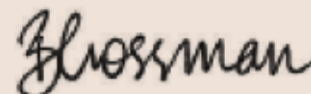
As at December 31, 2022, the City had an increase in accumulated surplus of \$3.6 million for the year, to a total of \$54 million. The accumulated surplus is largely comprised of net investments in tangible capital assets (\$36 million), which includes land, park infrastructure, roads, and utility assets. Consolidated revenues increased by \$2.1 million. This increase was partly due to increased taxation which was necessary to fund additional policing costs, and partly due to developer contributions. Expenses increased by \$1.3 million largely as a result of the additional police costs which the City became responsible for when it passed the 5,000 population mark effective April 1, 2022.

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

The Finance Department was delighted to receive the Government Finance Officers Association of the United States and Canada (GFOA) award for Financial Reporting for its annual financial report for the fiscal year ended December 31, 2021. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. This was the 11th year in a row the City received this distinction.

If you have any questions regarding the Annual Report, or the financial statements and financial position of the City, please feel free to call me any time.

Sincerely,



Bernice Crossman, CPA, CGA
Director of Finance





consolidated financial statements

(audited)

STATEMENT OF RESPONSIBILITY

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

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

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

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



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, 2022, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows and schedules 1, 2, 3a, 3b, 5, 6, 7 and 14 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2022, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including schedules 1 to 14, have been presented for purposes of additional analysis. The supplementary information in schedules 1, 2, 3a, 3b, 5, 6, 7 and 14 have been subjected to the auditing procedures applied in the consolidated financial statements and, in our opinion, the supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on schedules 3, 4, 8, 9, 10, 11, 12, and 13 because our examination did not extend to the detailed information therein.

Other Information

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

(continued)

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

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

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

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

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

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

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

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

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

(continued)

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

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

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

Duncan, British Columbia

May 1, 2023



MNP LLP

Chartered Professional Accountants

372 Coronation Avenue, Duncan B.C., V9L 2T3
T: 250.748.3761 F: 250.746.1712



Consolidated Statement of Financial Position

YEAR ENDED DECEMBER 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 3,781,597	\$ 2,311,376
Accounts receivable (Note 4)	1,542,803	1,700,041
Portfolio investments (Note 3)	22,354,126	21,970,400
Loan receivable (Note 5)	49,179	64,791
	<u>27,727,705</u>	<u>26,046,608</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	2,491,728	1,438,371
Sick and severance liabilities (Note 11(b))	565,435	559,895
Refundable deposits (Note 7)	1,346,038	1,373,552
Deferred revenue (Notes 3 & 8)	2,882,513	2,897,375
Restricted revenue (Notes 3 & 9)	2,523,990	2,458,638
	<u>9,809,703</u>	<u>8,727,830</u>
NET FINANCIAL ASSETS	<u>17,918,002</u>	<u>17,318,778</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	36,007,524	32,934,771
Inventories of supplies	200,849	154,643
Prepaid expenses	24,789	62,571
	<u>36,233,162</u>	<u>33,151,985</u>
ACCUMULATED SURPLUS (Schedule 2)	<u>\$ 54,151,164</u>	<u>\$ 50,470,763</u>
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, 2022

	2022 Budget (Note 12)	2022 Actual	2021 Actual
REVENUE (Schedule 3)			
Taxation and grants in lieu of taxes	\$ 5,057,658	\$ 5,058,180	\$ 4,447,644
Sale of services	4,827,899	4,975,734	5,051,212
Licenses, permits, penalties and fines	1,095,347	1,025,698	1,107,178
Return on investments	75,560	419,343	165,772
Grants	2,656,018	29,087	75,231
Government transfers	546,000	776,866	617,043
Funds contributed from other governments	14,600	29,932	14,574
Development Cost Charge funds utilized	512,549	-	-
Gas Tax funds utilized	1,220,606	229,581	222,095
Developer contributions	-	483,067	319,936
Gain on disposal of tangible capital assets	-	302,146	2,600
Tangible capital assets contributed by developers	-	1,143,915	279,520
Total revenue	16,006,237	14,473,549	12,302,805
EXPENSES (Schedule 5)			
General government services	1,884,599	1,591,083	1,653,665
Protective services	2,313,425	2,274,268	1,013,813
Public works & engineering	2,342,496	2,221,621	2,272,950
Environmental health services	293,696	320,399	296,151
Environmental development services	361,544	306,617	254,245
Recreation and cultural services	1,213,518	1,202,780	1,234,366
Water services	1,951,350	2,059,413	1,938,248
Sewer services	939,539	816,967	738,292
Total expenses (Note 14)	11,300,167	10,793,148	9,401,730
ANNUAL SURPLUS	4,706,070	3,680,401	2,901,075
ACCUMULATED SURPLUS, BEGINNING OF YEAR	50,470,763	50,470,763	47,569,688
ACCUMULATED SURPLUS, END OF YEAR	\$ 55,176,833	\$ 54,151,164	\$ 50,470,763

See accompanying notes to the consolidated financial statements

Consolidated Statement of Change in Net Financial Assets

YEAR ENDED DECEMBER 31, 2022

	2022 Budget (Note 12)	2022 Actual	2021 Actual
ANNUAL SURPLUS	<u>\$ 4,706,070</u>	<u>\$ 3,680,401</u>	<u>\$ 2,901,075</u>
Purchase of tangible capital assets	(15,260,763)	(3,349,691)	(1,211,937)
Tangible capital assets acquired in kind	-	(1,143,915)	(279,520)
Amortization of tangible capital assets	2,111,924	1,684,713	1,614,770
Decrease in proportionate share of			
Joint Utilities Board tangible capital assets	-	(276,214)	(287,373)
Gain on disposal of tangible capital assets	-	(302,146)	(2,600)
Proceeds of sale of tangible capital assets	-	314,500	3,000
Decrease (increase) in inventory of supplies	-	(46,206)	(16,614)
Decrease (increase) in prepaid expenses	-	37,782	(35,812)
	<u>(13,148,839)</u>	<u>(3,081,177)</u>	<u>(216,086)</u>
CHANGE IN NET FINANCIAL ASSETS	(8,442,769)	599,224	2,684,989
NET FINANCIAL ASSETS, Beginning of Year	<u>17,318,778</u>	<u>17,318,778</u>	<u>14,633,789</u>
NET FINANCIAL ASSETS, End of Year	<u>\$ 8,876,009</u>	<u>\$ 17,918,002</u>	<u>\$ 17,318,778</u>

See accompanying notes to the consolidated financial statements

Consolidated Statement of Cash Flows

YEAR ENDED DECEMBER 31, 2022

	2022	2021
Annual surplus	\$ 3,680,401	\$ 2,901,075
Non-cash items included in annual surplus:		
Amortization	1,684,713	1,614,770
Tangible capital assets contributed by developers	(1,143,915)	(279,520)
Increase (decrease) in proportionate share of		
Joint Utilities Board tangible capital assets	(276,214)	(287,373)
Actuarial adjustment on debenture debt	-	(30,654)
Gain on disposal/write down of tangible capital assets	(302,146)	(2,600)
	<u>3,642,839</u>	<u>3,915,698</u>
Changes in non-cash items:		
Accounts receivable	157,238	(466,999)
Deposit - Municipal Finance Authority	-	18,698
Loan receivable	15,612	15,237
Inventory of supplies	(46,206)	(16,614)
Prepaid expenses	37,782	(35,812)
Accounts payable and accrued liabilities	1,053,357	838,844
Sick and severance liability	5,540	(3,937)
Refundable deposits	(27,514)	944,419
Deferred revenue	(14,862)	383,004
Restricted revenue	65,352	217,713
	<u>4,889,138</u>	<u>5,810,251</u>
Cash provided by operating transactions		
CAPITAL TRANSACTIONS		
Proceeds on disposal of tangible capital assets	314,500	3,000
Purchases of tangible capital assets	(3,349,691)	(1,211,937)
	<u>(3,035,191)</u>	<u>(1,208,937)</u>
Cash applied to capital transactions		
INVESTING TRANSACTIONS		
Net increase in portfolio investments	(383,726)	(3,767,630)
FINANCING TRANSACTIONS		
Principal repaid - long term debt	-	(652,997)
INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,470,221</u>	<u>180,687</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,311,376</u>	<u>2,130,689</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,781,597</u>	<u>\$ 2,311,376</u>

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:

General Revenue Fund
General Capital Fund
Reserve Funds

Waterworks Utility Revenue Fund
Waterworks Utility Capital Fund
Sewer Utility Revenue Fund
Sewer Utility Capital Fund

b) Reporting Entity

The City has a partnership agreement with the Municipality of North Cowichan for the operation of the Joint Utilities Board, and as such, consistent with Canadian public sector accounting standards for government partnerships, the Joint Utilities Board is accounted for on a proportionate consolidation basis whereby the City's pro-rata share of the assets, liabilities, revenues and expenses are combined on a line by line basis in the consolidated financial statements. Inter-partnership balances and transactions have been eliminated. The City's proportionate share of the Duncan-North Cowichan Joint Utilities Board fluctuates based on current capacity units being used which is 31.13% for 2022 (2021 - 31.13%).

2. Significant Accounting Policies (continued)

c) Cash and Cash Equivalents

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

d) Portfolio Investments

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

e) Loans and Receivables

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

f) Inventory

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

g) Non-Financial Assets

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

h) Tangible Capital Assets

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

2. Significant Accounting Policies (continued)

General Tangible Capital Assets

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

Infrastructure Assets

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

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

2. Significant Accounting Policies (continued)

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

i) Revenue Recognition

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

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

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

j) Financial Instruments

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

2. Significant Accounting Policies (continued)

k) Use of Estimates

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

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

The City has estimated the cost of policing for 2022 as negotiations with the Province of BC were not complete as of the financial statement release date.

l) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when: contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2021.

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

m) Recent Accounting Pronouncements

PS 3280 *Asset Retirement Obligations*, issued August 2018, establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective for the Municipality as of January 1, 2023. A liability will be recognized when, as at the financial reporting date:

- a. There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b. The past transaction or event giving rise to the liability has occurred;
- c. It is expected that future economic benefits will be given up; and
- d. A reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

Management is in the process of assessing the impact of adopting this standard on the Municipality's financial results.

3. Cash, Cash Equivalents and Portfolio Investments

Cash and cash equivalents are comprised of the following:

	<u>2022</u>	<u>2021</u>
Bank Deposits	\$ 3,778,215	\$ 2,308,059
Municipal Finance Authority - Money Market Fund	3,382	3,317
	<u>\$ 3,781,597</u>	<u>\$ 2,311,376</u>

Portfolio investments include funds invested in guaranteed investment certificates with Scotia Bank, Island Savings Credit Union, Coast Community Credit Union, Raymond James, Canaccord Genuity and investments held by the Joint Utilities Board. The investments are carried at market value which approximates cost. The Guaranteed Investment Certificates and term deposits mature at various dates between January 13, 2023 and July 22, 2024. Interest rates vary from 1.3% to 4.95% (2021 – 0.85% to 1.46%).

Included in portfolio investments are funds held for deferred and restricted revenues totalling \$5,406,501 (2021 - \$5,356,013) and funds held for statutory reserve funds and reserve accounts totaling \$9,115,558 (2021 -\$10,205,064). Details of the reserve balance can be found on Schedule 8.

4. Accounts Receivable

	<u>2022</u>	<u>2021</u>
Property taxes	\$ 224,022	\$ 193,749
Water and sewer fees	1,073,674	1,172,358
Provincial government	4,042	26,318
Federal government	71,255	67,997
Other municipalities and regional governments	61,103	135,349
Other receivables	109,352	104,915
	<u>1,543,448</u>	<u>1,700,686</u>
Less: allowance for doubtful receivables	(645)	(645)
	<u>\$ 1,542,803</u>	<u>\$ 1,700,041</u>

5. Loan Receivable

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

	<u>2022</u>	<u>2021</u>
Other municipalities and regional governments	<u>\$ 49,179</u>	<u>\$ 64,791</u>

6. Accounts Payable and Accrued Liabilities

	<u>2022</u>	<u>2021</u>
Trade accounts and accrued liabilities	\$ 395,643	471,061
Contractor holdbacks	-	127,897
Salaries and wages	183,898	216,968
Other municipalities and regional governments	1,912,187	622,445
	<u>\$ 2,491,728</u>	<u>\$ 1,438,371</u>

7. Refundable Deposits

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,373,552	\$ 429,133
Deposits received	408,734	1,047,079
Deposits and interest refunded/recognized as revenue	(454,072)	(102,862)
Increase (decrease) in interest payable	17,824	202
Balance, end of the year	<u>\$ 1,346,038</u>	<u>\$ 1,373,552</u>

8. Deferred Revenue

	<u>2021</u>	<u>Receipts & Interest</u>	<u>Recognized as Revenue</u>	<u>2022</u>
Federal Gas Tax agreement funds	\$ 1,218,768	302,926	(229,580)	\$ 1,292,114
Prepaid property taxes	671,286	726,656	(671,285)	726,657
Grants	6,737	-	(6,737)	-
Other revenue prepaid	1,000,584	187,618	(324,460)	863,742
	<u>\$ 2,897,375</u>	<u>\$ 1,217,200</u>	<u>\$ (1,232,062)</u>	<u>\$ 2,882,513</u>

8. 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>2022</u>	<u>2021</u>
Opening balance of unspent funds	\$ 1,218,768	\$ 880,233
Less: Gas Tax Funds utilized	(229,581)	(222,095)
Add: amount received during the year	275,475	548,802
Add: interest earned during the year	<u>27,452</u>	<u>11,828</u>
Closing balance of unspent funds	<u><u>\$ 1,292,114</u></u>	<u><u>\$ 1,218,768</u></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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 2,458,638	\$ 2,240,925
Contributions from developers	12,841	193,855
Return on investments	<u>52,511</u>	<u>23,858</u>
Balance, end of the year	<u><u>\$ 2,523,990</u></u>	<u><u>\$ 2,458,638</u></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, 2022 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, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$239,211 (2021 - \$228,849) for employer contributions to the plan in fiscal 2022 while employees contributed \$221,275 (2021 - \$202,608) to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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% (2021 - 2.0%)
- discount rate is 3.00% (2021 - 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, 2022 is \$565,435 (2021 - \$559,895).

12. Budget Figures

Budget figures represent the Financial Plan Bylaw No. 3223 adopted by Council on May 9, 2022. 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	-
Transfers to (from) reserves	(11,928)
Capital expenditures	15,260,763
Less:	
Budgeted transfers from accumulated surplus	
General	(607,855)
Sewer	(997,245)
Water	(2,348,230)
Capital	-
Budgeted transfers from own reserves	
General	-
Sewer	-
Water	-
Capital	(4,477,511)
Amortization	(2,111,924)
Adjusted Annual Surplus	<u><u>\$ 4,706,070</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>2022</u>	<u>2021</u>
Amortization	\$ 1,631,694	\$ 1,614,770
Capital fund expenses	864,477	745,075
Contract services	2,316,526	1,090,217
Fuel	105,549	77,863
Goods and services	944,888	925,900
Grants in aid	99,143	94,804
Hydro	381,532	401,217
Insurance	125,632	118,605
Interest	6,971	38,485
Leases	22,737	32,397
Professional fees	118,781	190,644
Travel, conference and training	123,017	89,422
Wages and benefits	4,052,201	4,012,985
Actuarial adjustment to debt	-	(30,654)
	<u>\$ 10,793,148</u>	<u>\$ 9,401,730</u>

15. 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.

Non-Consolidated Schedule of Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2022

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	2022	2021
Cost											
Opening costs	\$ 2,350,258	\$ 4,214,031	\$ 8,377,816	\$ 6,830,933	\$ 4,191,277	\$ 15,997,939	\$ 17,141,043	\$ 3,970,686	\$ 873,992	\$ 63,947,975	\$ 62,552,495
Additions during the year	-	85,088	22,369	2,488,491	50,758	174,177	1,430,044	93,531	149,148	4,493,606	1,491,457
Disposals and write-downs	(117)	(3,692)	(780,113)	(156,273)		(58,872)	(55,523)			(1,054,590)	(95,978)
Capitalization of assets under construction					19,541	31,857	740,627	8,358	(800,383)	-	-
Closing cost	2,350,141	4,295,427	7,620,072	9,163,151	4,261,576	16,145,101	19,256,191	4,072,575	222,757	67,386,991	63,947,974
Accumulated Amortization											
Opening accumulated amortization	-	2,447,368	4,207,808	4,281,181	2,016,805	11,166,211	6,176,628	1,986,530	-	32,282,532	30,791,312
Amortization:											
General government		466	41,925	88,395	49	715				131,550	130,009
Protective services			37,327	195,392			772			233,491	165,562
Public works and engineering		19,673	13,403	150,630	65,783	358,299	3,855	1,299		612,942	647,507
Environmental health				737						737	4,845
Recreation and culture		174,665	61,766	9,456		7,676				253,563	249,919
Water		677	46,960	9,808			314,278			371,723	347,238
Sewer							77	52,657		52,734	41,717
Total amortization	-	195,481	201,381	454,418	65,832	366,690	318,982	53,956	-	1,656,740	1,586,797
Disposals and write-downs		(3,692)	(780,113)	(156,273)	-	(58,872)	(43,287)			(1,042,236)	(95,577)
Closing accumulated amortization	-	2,639,157	3,629,077	4,579,326	2,082,637	11,474,029	6,452,323	2,040,486	-	32,897,036	32,282,532
Net Book Value of											
Tangible Capital Assets (Excluding Joint Utility Board)	\$ 2,350,141	\$ 1,656,270	\$ 3,990,995	\$ 4,583,825	\$ 2,178,939	\$ 4,671,072	\$ 12,803,868	\$ 2,032,089	\$ 222,757	\$ 34,489,956	\$ 31,665,443
										Joint Utility Board Tangible Capital Assets (Schedule 6)	1,517,568
										Total Net Book Value of Tangible Capital Assets	32,934,771

Contributed Assets

Storm	\$ 50,364	\$ 12,663
Water	\$ 1,019,465	\$ 47,418
Sewer	\$ 64,414	\$ -
Roads & Sidewalks	\$ 9,672	\$ 219,439
	<u>\$ 1,143,915</u>	<u>\$ 279,520</u>

Consolidated Schedule of Accumulated Surplus

YEAR ENDED DECEMBER 31, 2022

Schedule 2 (Audited)

	2022	2021
OPERATING FUNDS		
Unappropriated		
General	\$ 1,697,929	\$ 1,189,320
Waterworks utility	3,899,788	3,216,748
Sewer utility	2,738,384	2,283,885
Total Unappropriated	8,336,101	6,689,953
Appropriated		
Sewer utility: Joint Utilities Board Reserve	691,980	640,974
Total Appropriated	691,980	640,974
Total Operating Funds	9,028,081	7,330,927
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net book value tangible capital assets (Schedule 1)	36,007,524	32,934,771
Less: Long term debt	-	-
Total Net Investment in Tangible Capital Assets	36,007,524	32,934,771
RESERVE FUNDS		
Sale of real property	430,365	219,336
Underground utilities	134,403	104,536
Parking improvement	214,312	209,848
Parking improvement - Restricted	148,640	145,544
Municipal Finance Authority debt issue refunds	28,157	27,570
Operating reserves	822,794	577,316
Machinery and equipment	2,195,735	2,271,854
Capital works and other miscellaneous reserves	1,144,405	1,297,278
General capital	7,907	7,742
Police bridging capital	3,046,612	3,230,699
Downtown revitalization	40,569	19,349
Melba Schappert bequest	20,555	20,241
Works and Services	72,544	-
Public art	10,955	10,727
Waterworks utility	1,703,196	1,288,155
Sewer utility	791,354	774,870
Firetruck borrowing	(1,696,944)	-
Total Reserve Funds	9,115,559	10,205,065
Total Accumulated Surplus	\$ 54,151,164	\$ 50,470,763

Schedule of Revenues

YEAR ENDED DECEMBER 31, 2022

Schedule 3 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Taxation and Grants in Lieu of Taxes			
Taxation (Schedule 3a)	<u>\$ 5,525,721</u>	<u>\$ 5,525,360</u>	<u>\$ 4,907,035</u>
Grants in Lieu of Taxation:			
Federal government	<u>12,145</u>	<u>13,028</u>	<u>12,145</u>
Collection for Other Governments			
School authorities levy	2,075,000	2,135,996	2,067,377
Provincial policing levy	-	-	354,774
Cowichan Valley Regional District levy	1,633,557	1,633,557	1,661,463
Regional Hospital District levy	<u>590,168</u>	<u>590,168</u>	<u>612,569</u>
	4,298,725	4,359,721	4,696,183
Joint boards and commissions:			
Municipal Finance Authority levy	255	315	255
British Columbia Assessment Authority levy	<u>57,000</u>	<u>60,913</u>	<u>56,918</u>
	57,255	61,228	57,173
Less: Transfers to other governments and others	<u>(4,355,980)</u>	<u>(4,420,949)</u>	<u>(4,753,356)</u>
Less: Transfers to Business Improvement Area	<u>(225,000)</u>	<u>(225,000)</u>	<u>(220,000)</u>
Less: Transfers to Vancouver Island Regional Library	<u>(255,208)</u>	<u>(255,208)</u>	<u>(251,536)</u>
Total Taxation and Grants in Lieu of Taxes	<u>5,057,658</u>	<u>5,058,180</u>	<u>4,447,644</u>

Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2022

Schedule 3 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Sale of Services			
General Revenue Fund			
Garbage and recycling fees	238,463	242,896	221,332
Cowichan Tribes fire protection	110,955	109,779	106,695
CVRD - Eagle Heights fire protection	277,877	271,039	240,875
Other - fire protection	1,500	25,300	101,893
Administration recoveries	21,400	33,351	46,855
Public Works miscellaneous recoveries	11,000	2,813	11,180
Cowichan Tribes roads contribution	400	366	368
Sports field user fees	9,000	10,001	6,824
	<u>670,595</u>	<u>695,545</u>	<u>736,022</u>
Waterworks Utility Revenue Fund			
Sale of water	2,680,999	2,720,170	2,804,647
Service charges	17,000	24,846	25,605
Water studies	4,000	3,815	10,711
	<u>2,701,999</u>	<u>2,748,831</u>	<u>2,840,963</u>
Sewer Utility Revenue Fund			
Sewer fees	1,455,205	1,476,860	1,381,645
Service charges	100	-	-
	<u>1,455,305</u>	<u>1,476,860</u>	<u>1,381,645</u>
Capital Connection Fees			
General Capital	-	394	932
Water Capital	-	43,670	91,650
Sewer Capital	-	10,434	-
	<u>-</u>	<u>54,498</u>	<u>92,582</u>
Total Sale of Services	<u>4,827,899</u>	<u>4,975,734</u>	<u>5,051,212</u>

Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2022

Schedule 3 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Licences, Permits, Rentals and Penalties			
Trade licences	106,000	101,825	99,143
Delivery vehicle licences	-	-	-
Building permits and other fees	64,400	100,415	227,480
Dog licences	10,000	9,632	10,195
	<u>180,400</u>	<u>211,872</u>	<u>336,818</u>
Equipment charges less operating costs	280,000	155,781	217,777
Parking and bylaw infraction fines	21,200	20,279	22,292
Parking permits and revenues	64,350	79,293	64,520
Rentals	202,604	207,957	196,678
Penalties and interest on taxes	46,100	36,841	25,100
	<u>614,254</u>	<u>500,151</u>	<u>526,367</u>
Donations and contributions	250,000	253,050	200,000
Other revenues and fees	50,693	60,625	43,993
	<u>300,693</u>	<u>313,675</u>	<u>243,993</u>
Total Licences, Permits, Rentals and Penalties	<u><u>1,095,347</u></u>	<u><u>1,025,698</u></u>	<u><u>1,107,178</u></u>

Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2022

Schedule 3 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Other Income			
Return on Investments			
General Fund	20,500	121,197	22,525
Waterworks Fund	25,000	59,243	20,903
Sewer Fund	30,060	47,882	23,699
Reserve Fund	-	191,022	98,646
	<u>75,560</u>	<u>419,343</u>	<u>165,772</u>
Asset Disposal			
Gain(Loss) on Disposal of Tangible Capital Assets	-	302,146	2,600
Assets Contributed by Developers			
General Capital	-	1,143,915	279,520
Funds Contributed from Other Governments			
Joint Parks	14,600	29,932	14,574
Capital Contributions from Developers			
Infrastructure	-	483,067	319,936
	<u>-</u>	<u>483,067</u>	<u>319,936</u>
Development Cost Charge Funds Utilized			
General Infrastructure	428,549	-	-
Sewer Infrastructure	-	-	-
Water Infrastructure	84,000	-	-
	<u>512,549</u>	<u>-</u>	<u>-</u>
Gas Tax Funds Utilized	1,220,606	229,581	222,095
Government Transfers (Schedule 3b)	546,000	776,866	617,043
Grants	2,656,018	29,087	75,231
Total Other Income	<u>5,025,333</u>	<u>3,413,937</u>	<u>1,696,771</u>
Total Revenue	<u>\$ 16,006,237</u>	<u>\$ 14,473,549</u>	<u>\$ 12,302,805</u>

* Government Transfers detail found on Schedule 3b

Schedule of Revenues *(continued)*

YEAR ENDED DECEMBER 31, 2022

Schedule 3a (Audited)

	2022 Budget	2022 Actual	2021 Actual
Taxation			
Property taxes - general	\$ 4,895,043	\$ 4,897,489	\$ 4,285,022
Special assessments			
Business Improvement Area	225,000	225,000	220,000
Vancouver Island Regional Library	255,208	255,208	251,536
Utilities	105,650	102,583	105,657
Frontage and parcel taxes	44,820	45,080	44,820
	630,678	627,871	622,013
Taxation	\$ 5,525,721	\$ 5,525,360	\$ 4,907,035

Schedule of Expenses

YEAR ENDED DECEMBER 31, 2022

Schedule 3b (Audited)

	2022 Budget	2022 Actual	2021 Actual
Government Transfers			
Unconditional Transfers from Other Governments			
Municipal sewer contribution	\$ -		\$ 69,763
Provincial revenue sharing	546,000	701,784	546,000
	<u>-</u>	<u>701,784</u>	<u>615,763</u>
Conditional Transfers from Other Governments			
Provincial government	-	75,082	1,280
	<u>-</u>	<u>75,082</u>	<u>1,280</u>
Total Government Transfers	<u>\$ 546,000</u>	<u>\$ 776,866</u>	<u>\$ 617,043</u>

Schedule of Expenses

YEAR ENDED DECEMBER 31, 2022

Schedule 4 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
General Government Services			
Legislative	\$ 201,702	\$ 199,695	\$ 170,189
General administration:			
Salaries and benefits	994,339	943,786	1,047,163
Advertising	5,200	9,734	6,457
Accounting and audit	23,100	25,000	21,973
City Hall maintenance and operation	76,140	66,159	89,521
Communications and consulting	398,125	79,723	97,613
Computer services	105,500	107,040	102,397
Insurance	57,228	48,094	51,507
Legal	30,600	27,228	79,063
Office supplies and miscellaneous	28,025	30,969	28,441
Sick leave and severance expense	59,600	63,524	49,832
Telephone, internet and postage	14,150	14,671	11,566
Travel, conference, training	44,150	44,306	37,915
Internal recoveries	(582,199)	(582,192)	(561,528)
	<u>1,253,958</u>	<u>878,042</u>	<u>1,061,920</u>
Other:			
Grants to organizations	113,985	35,735	37,176
Margaret Moss building	25,604	16,963	531
Operation and maintenance	4,370	3,830	4,179
Elections	21,740	11,532	-
Sundry	6,500	5,670	4,111
Tourism	68,525	43,447	33,733
Write down of account receivable to net realizeable value	-	-	-
	<u>240,724</u>	<u>117,177</u>	<u>79,730</u>
Total General Government Services	<u>1,696,384</u>	<u>1,194,914</u>	<u>1,311,839</u>

Schedule of Expenses

YEAR ENDED DECEMBER 31, 2022

Schedule 4 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Protective Services			
Police Protection	1,256,754	1,256,754	-
Fire:			
Chief and officers' honorarium	32,570	27,545	29,295
Call pay	151,370	150,045	175,004
Wages and benefits - clerical staff	24,900	16,634	15,098
Training	49,750	38,451	32,677
Insurance	7,230	9,727	6,573
Telephone and radio alarm system	9,800	5,562	11,378
Fire hall maintenance and operation	40,438	54,612	51,485
Vehicle maintenance and operation	35,739	40,306	41,778
Fire investigation and prevention	25,900	16,455	24,464
Hydrant rental	20,400	20,851	20,243
Other	90,708	91,472	87,907
	<u>488,805</u>	<u>471,660</u>	<u>495,902</u>
Other protection:			
Animal control	30,540	30,964	21,288
Building inspection:			
Salaries and benefits	111,136	115,160	119,680
Other	(3,099)	(3,350)	(3,283)
Security patrols	193,573	141,549	178,496
	<u>332,150</u>	<u>284,323</u>	<u>316,181</u>
Total Protective Services	<u>2,077,709</u>	<u>2,012,737</u>	<u>812,083</u>

Schedule of Expenses

YEAR ENDED DECEMBER 31, 2022

Schedule 4 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Public Works & Engineering			
Common services:			
Public works administration salaries and benefits	373,800	375,690	313,321
Other administration costs	93,775	68,388	100,664
Operation and maintenance of workshop and yard	56,465	82,281	90,056
Small tools and equipment	6,855	4,667	4,533
Engineering	357,100	316,800	352,344
Public works administration recoveries	(495,958)	(495,960)	(484,872)
	<u>392,037</u>	<u>351,866</u>	<u>376,046</u>
Street maintenance	77,550	64,858	79,196
Sidewalk maintenance	59,000	14,164	51,988
Drainage	73,472	46,612	62,079
Flood control and storm water quality testing	6,000	10,493	7,284
Street sweeping	64,500	45,132	49,351
Snow removal	57,100	174,591	135,592
Boulevard and median maintenance	71,850	75,942	70,337
Tree maintenance	31,850	31,734	33,955
Totem maintenance	20,728	12,685	13,450
Traffic lines and signs	87,450	128,965	84,539
Street lighting	110,955	106,073	116,983
Traffic light maintenance and control	58,670	47,639	54,684
Off street free parking lots	12,805	11,919	13,645
Other	6,160	15,305	8,080
	<u>738,090</u>	<u>786,112</u>	<u>781,163</u>
Parking:			
Parking control	61,400	55,669	57,853
Off street paid parking lots	8,950	14,088	18,969
	<u>70,350</u>	<u>69,757</u>	<u>76,822</u>
Other:			
Bylaw enforcement	217,728	216,354	194,381
	<u>217,728</u>	<u>216,354</u>	<u>194,381</u>
Total Public Works & Engineering	<u>1,418,205</u>	<u>1,424,089</u>	<u>1,428,412</u>

Schedule of Expenses

YEAR ENDED DECEMBER 31, 2022

Schedule 4 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Environmental Health Services			
Solid waste collection and disposal	238,331	263,541	241,266
Comfort stations	39,808	46,193	43,611
Environmental programs	8,700	6,200	3,050
	<u>286,839</u>	<u>315,934</u>	<u>287,927</u>
Environmental Development Services			
Planning salaries and benefits	298,744	285,127	239,478
Materials and contracted services	62,800	21,490	14,767
	<u>361,544</u>	<u>306,617</u>	<u>254,245</u>
Recreation and Cultural Services			
Parks and playgrounds	486,260	562,374	548,529
Joint Parks contributions	6,800	6,831	6,645
Joint Cowichan Aquatic Centre contributions	345,000	350,342	370,821
Senior Citizens' Activity Centre	8,613	6,173	8,189
Museum	9,700	9,619	9,616
	<u>856,373</u>	<u>935,339</u>	<u>943,800</u>
Interest			
Interest in General Fund			
General government	2,500	6,972	1,689
Recreation and cultural services	-	-	36,796
	<u>2,500</u>	<u>6,972</u>	<u>38,485</u>
Interest in Sewer Fund	-	-	-
	<u>2,500</u>	<u>6,972</u>	<u>38,485</u>
Water and Sewer Services			
Waterworks	1,591,650	1,509,943	1,434,651
Sewer	897,039	864,633	889,383
	<u>2,488,689</u>	<u>2,374,576</u>	<u>2,324,034</u>

Schedule of Expenses

YEAR ENDED DECEMBER 31, 2022

Schedule 4 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
Amortization			
General government services	185,715	131,550	130,009
Protective services	235,716	233,491	165,562
Transportation services	924,291	612,942	647,507
Environmental health services	6,857	737	4,845
Recreation and cultural services	357,145	253,563	249,919
Water services	359,700	371,723	347,238
Sewer services	42,500	52,734	41,717
	<u>2,111,924</u>	<u>1,656,740</u>	<u>1,586,797</u>
Other			
Capital expense	-	864,477	745,075
Actuarial debt adjustment	-	-	(30,654)
	<u>-</u>	<u>864,477</u>	<u>714,421</u>
Total Expenses	<u>\$ 11,300,167</u>	<u>\$ 11,092,395</u>	<u>\$ 9,702,043</u>

Consolidated Statement of Operations by Program

YEAR ENDED DECEMBER 31, 2022

Schedule 5 (Audited)

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services	
	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE								
Taxation and grants in lieu of taxes	\$ 5,058,180	\$ 4,447,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services	\$ 33,351	46,855	406,118	449,463	3,573	12,480	242,896	221,332
Licenses, permits, penalties and fines	\$ 770,345	802,589	-	-	255,353	304,589	-	-
Return on investments	\$ 312,219	121,171	-	-	-	-	-	-
Grants	\$ 6,737	38,585	-	-	22,350	18,905	-	-
Government transfers	\$ 776,866	547,280	-	-	-	-	-	-
Funds contributed from other governments	\$ 29,932	14,574	-	-	-	-	-	-
Gas Tax funds utilized	\$ -	-	229,581	222,095	-	-	-	-
Developer contributions	\$ -	-	-	-	-	-	-	-
Gain(Loss) on disposal of assets	\$ -	-	-	-	302,146	2,600	-	-
Assets contributed by developers	\$ -	-	-	-	1,143,915	279,520	-	-
Increase (decrease) in proportionate share of JUB assets	\$ -	-	-	-	-	-	-	-
Total revenue	\$ 6,987,630	\$ 6,018,698	\$ 635,699	\$ 671,558	\$ 1,727,337	\$ 618,094	\$ 242,896	\$ 221,332
EXPENSES								
Operating expenses								
Payroll	\$ 1,258,321	\$ 1,370,314	\$ 421,397	\$ 447,876	\$ 1,250,088	\$ 1,207,707	\$ 35,421	\$ 24,770
Other	(63,407)	(58,475)	1,591,340	364,207	174,001	220,705	280,513	263,157
Total operating expenses	1,194,914	1,311,839	2,012,737	812,083	1,424,089	1,428,412	315,934	287,927
Capital fund expenses	257,647	210,128	28,040	36,168	184,590	197,031	3,728	3,379
Amortization	131,550	130,009	233,491	165,562	612,942	647,507	737	4,845
Interest	6,972	1,689	-	-	-	-	-	-
Actuarial adjustment to debt	-	-	-	-	-	-	-	-
Total expenses	\$ 1,591,083	\$ 1,653,665	\$ 2,274,268	\$ 1,013,813	\$ 2,221,621	\$ 2,272,950	\$ 320,399	\$ 296,151
Surplus (Deficit)	\$ 5,396,547	\$ 4,365,033	\$ (1,638,569)	\$ (342,255)	\$ (494,284)	\$ (1,654,856)	\$ (77,503)	\$ (74,819)

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

continued on next page

Consolidated Statement of Operations by Program *(continued)*

YEAR ENDED DECEMBER 31, 2022

Schedule 5 (Audited)

continued from previous page

	Environmental Development Services		Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Taxation and grants in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,058,180	\$ 4,447,644
Sale of services	-	-	10,001	6,824	2,792,501	2,932,613	1,487,294	1,381,645	4,975,734	5,051,212
Licenses, permits, penalties and fines	-	-	-	-	-	-	-	-	1,025,698	1,107,178
Return on investments	-	-	-	-	59,243	20,903	47,882	23,699	419,344	165,773
Grants	-	-	-	-	-	-	-	17,741	29,087	75,231
Government transfers	-	-	-	-	-	-	-	69,763	776,866	617,043
Funds contributed from other governments	-	-	-	-	-	-	-	-	29,932	14,574
Gas Tax funds utilized	-	-	-	-	-	-	-	-	229,581	222,095
Developer contributions	-	-	-	-	483,067	319,936	-	-	483,067	319,936
Gain(Loss) on disposal of assets	-	-	-	-	-	-	-	-	302,146	2,600
Assets contributed by developers	-	-	-	-	-	-	-	-	1,143,915	279,520
Increase (decrease) in proportionate share of JUB assets	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ -	\$ -	\$ 10,001	\$ 6,824	\$ 3,334,811	\$ 3,273,452	\$ 1,535,176	\$ 1,492,848	\$ 14,473,549	\$ 12,302,805
EXPENSES										
Operating expenses										
Payroll	\$ 285,127	\$ 183,177	\$ 373,478	\$ 368,346	\$ 330,001	\$ 329,135	\$ 98,368	\$ 96,193	4,052,201	\$ 4,027,518
Other	21,490	71,068	561,861	575,454	1,179,942	1,105,516	439,045	464,904	4,184,785	3,006,536
Total operating expenses	306,617	254,245	935,339	943,800	1,509,943	1,434,651	537,413	561,097	8,236,986	7,034,054
Capital fund expenses	-	-	13,878	34,505	177,747	156,359	198,847	107,505	864,477	745,075
Amortization	-	-	253,563	249,919	371,723	347,238	80,707	69,690	1,684,713	1,614,770
Interest	-	-	-	36,796	-	-	-	-	6,972	38,485
Actuarial adjustment to debt	-	-	-	(30,654)	-	-	-	-	-	(30,654)
Total expenses	\$ 306,617	\$ 254,245	\$ 1,202,780	\$ 1,234,366	\$ 2,059,413	\$ 1,938,248	\$ 816,967	\$ 738,292	\$ 10,793,148	\$ 9,401,730
Surplus (Deficit)	\$ (306,617)	\$ (254,245)	\$ (1,192,779)	\$ (1,227,542)	\$ 1,275,398	\$ 1,335,204	\$ 718,209	\$ 754,556	\$ 3,680,401	\$ 2,901,075

Consolidated Details and Reconciliation to Core Government Results

YEAR ENDED DECEMBER 31, 2022

Schedule 6 (Audited)

	The Corporation of the City of Duncan		Joint Utilities Board (JUB) Proportionate Share		Total	
	2022	2021	2022	2021	2022	2021
STATEMENT OF FINANCIAL POSITION						
Portfolio investments (Note 3)	\$ 21,037,112	\$ 20,645,628	\$ 1,317,014	\$ 1,324,772	\$ 22,354,126	\$ 21,970,400
Deferred revenue (Note 8)	\$ 2,257,479	\$ 2,213,577	\$ 625,034	\$ 683,798	\$ 2,882,513	\$ 2,897,375
Tangible capital assets (Schedule 1)	\$ 34,489,956	\$ 31,665,442	\$ 1,517,568	\$ 1,269,328	\$ 36,007,524	\$ 32,934,771
Prepaid expenses	\$ 24,789	\$ 62,571	\$ -	\$ -	\$ 24,789	\$ 62,571
Equity in tangible capital assets (Schedule 7)	\$ 34,489,956	\$ 31,665,444	\$ 1,517,568	\$ 1,269,328	\$ 36,007,524	\$ 32,934,771
Accumulated surplus (Schedule 9)	\$ 51,941,615	\$ 48,560,458	\$ 2,209,548	\$ 1,910,302	\$ 54,151,164	\$ 50,470,760
INVESTMENT IN TANGIBLE CAPITAL ASSETS						
Acquisition of tangible capital assets (Schedule 1)	\$ 4,493,606	\$ 1,491,457	\$ 276,208	\$ 287,373	\$ 4,769,814	\$ 1,778,830
STATEMENT OF OPERATIONS						
Increase (decrease) in share of JUB assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues (Schedule 3)	\$ 14,473,549	\$ 12,302,805	\$ -	\$ -	\$ 14,473,549	\$ 12,302,805
Sewer services expenses (Schedule 4)	\$ 864,633	\$ 889,383	\$ (327,220)	\$ (328,286)	\$ 537,413	\$ 561,097
Sewer services amortization (Schedule 4)	\$ 52,734	\$ 41,717	\$ 27,973	\$ 27,973	\$ 80,707	\$ 69,690
Total expenses (Schedule 4)	\$ 11,092,395	\$ 9,702,043	\$ (299,247)	\$ (300,313)	\$ 10,793,148	\$ 9,401,730

Schedule of Equity in Tangible Capital Assets

YEAR ENDED DECEMBER 31, 2022

Schedule 7 (Audited)

	2022	2021
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net Investment in Tangible Capital Assets (beginning of year)	\$ 31,665,444	\$ 31,077,533
Add: Purchase of tangible capital assets	3,349,692	1,211,937
Tangible capital assets acquired in-kind	1,143,915	279,520
Debt repayment	-	652,997
Actuarial adjustment to debt	-	30,654
Less: Amortization	(1,656,740)	(1,586,797)
Net book value of disposed of tangible capital assets	(12,354)	(400)
Net Investment in Tangible Capital Assets	\$ 34,489,956	\$ 31,665,444

Schedule of Change in Reserve Fund Balances

YEAR ENDED DECEMBER 31, 2022

Schedule 8 (Audited)

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Investment income	\$ -	\$ 191,022	\$ 98,646
Capital contributions from developers	-	483,067	319,936
NET REVENUES	-	674,089	418,582
TRANSFERS			
Transfers from operating fund	(11,928)	595,324	515,801
Transfers to general capital fund	(4,477,511)	(2,358,920)	(70,043)
CHANGE IN RESERVE FUND BALANCES	(4,489,439)	(1,089,507)	864,340
FUND SURPLUS, BEGINNING OF YEAR	10,205,065	10,205,065	9,340,725
FUND SURPLUS, END OF YEAR	\$ 5,715,626	\$ 9,115,558	\$10,205,065

Individual reserve fund balances are detailed on the next page.

Schedule of Change in Reserve Fund Balances *(continued)*

YEAR ENDED DECEMBER 31, 2022

Schedule 8 (Audited)

	2022 Actual	2021 Actual
SUMMARY OF RESERVE FUND POSITIONS		
Sale of real property	* 430,365	219,336
Underground Utilities	134,403	104,536
Parking improvement	214,312	209,848
Parking improvement - Restricted	* 148,640	145,544
Municipal Finance Authority debt issue refunds	28,157	27,570
Operating reserves	822,794	577,316
Machinery and equipment	2,195,735	2,271,854
Capital works and other miscellaneous reserves	1,144,405	1,297,278
General capital cost contributions	7,907	7,742
Police bridging capital	3,046,612	3,230,699
Downtown revitalization	40,569	19,349
Melba Schappert bequest	20,555	20,241
Works and Services	72,544	-
Public Art	10,955	10,727
Water capital cost contributions	1,266,007	860,073
Water capital reserve	437,189	428,082
Sewer capital cost contributions	29,617	28,999
Sewer capital reserve	761,737	745,871
Firetruck borrowing	(1,696,945)	-
Total Reserve Fund Equity	\$ 9,115,558	\$10,205,065
RESERVES HELD AS LIABILITIES		
Federal Gas Tax funds (Note 8)	* 1,292,114	1,218,768
Restricted revenue (Note 9)	* 2,523,990	2,458,638
Total Reserve Funds	\$ 12,931,662	\$13,882,471

* Restricted cash and portfolio investments

Statement of Financial Position – Funds

YEAR ENDED DECEMBER 31, 2022

Schedule 9 (Unaudited)

	General Fund		Reserve Fund		Waterworks Utility Fund		Sewer Utility Fund		Equity in Capital Assets		2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	Total	Total
FINANCIAL ASSETS												
Cash and cash equivalents (Note 3)	\$ 3,781,597	\$ 2,311,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,781,597	\$ 2,311,376
Accounts receivable (Note 4)	1,026,768	1,189,155	-	-	485,440	477,580	30,595	33,306	-	-	1,542,803	1,700,041
Portfolio investments (Note 3)	1,947,540	1,727,295	12,931,662	13,882,471	3,450,121	2,784,961	2,707,789	2,250,901	-	-	21,037,112	20,645,628
Loan receivable (Note 5)	49,179	64,791	-	-	-	-	-	-	-	-	49,179	64,791
	<u>\$ 6,805,084</u>	<u>\$ 5,292,617</u>	<u>\$ 12,931,662</u>	<u>\$ 13,882,471</u>	<u>\$ 3,935,561</u>	<u>\$ 3,262,541</u>	<u>\$ 2,738,384</u>	<u>\$ 2,284,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,410,691</u>	<u>\$ 24,721,836</u>
LIABILITIES												
Accounts payable and accrued liabilities (Note 6)	\$ 2,491,728	\$ 1,438,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,491,728	\$ 1,438,371
Sick and severance liabilities (Note 11(b))	565,435	559,895	-	-	-	-	-	-	-	-	565,435	559,895
Refundable deposits (Note 7)	1,346,038	1,373,552	-	-	-	-	-	-	-	-	1,346,038	1,373,552
Deferred revenue (Note 8)	929,592	948,694	1,292,114	1,218,768	35,773	45,793	-	322	-	-	2,257,479	2,213,577
Restricted revenue (Note 9)	-	-	2,523,990	2,458,638	-	-	-	-	-	-	2,523,990	2,458,638
	<u>5,332,793</u>	<u>4,320,512</u>	<u>3,816,104</u>	<u>3,677,406</u>	<u>35,773</u>	<u>45,793</u>	<u>-</u>	<u>322</u>	<u>-</u>	<u>-</u>	<u>9,184,670</u>	<u>8,044,033</u>
NET FINANCIAL ASSETS	<u>\$ 1,472,291</u>	<u>\$ 972,105</u>	<u>\$ 9,115,558</u>	<u>\$ 10,205,065</u>	<u>\$ 3,899,788</u>	<u>\$ 3,216,748</u>	<u>\$ 2,738,384</u>	<u>\$ 2,283,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,226,021</u>	<u>\$ 16,677,803</u>
NON-FINANCIAL ASSETS												
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,489,956	\$ 31,665,442	\$ 34,489,956	\$ 31,665,442
Inventory of supplies	200,849	154,643	-	-	-	-	-	-	-	-	200,849	154,643
Prepaid expenses	24,789	62,571	-	-	-	-	-	-	-	-	24,789	62,571
	<u>225,638</u>	<u>217,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,489,956</u>	<u>31,665,442</u>	<u>34,715,594</u>	<u>31,882,656</u>
ACCUMULATED SURPLUS	<u>\$ 1,697,929</u>	<u>\$ 1,189,320</u>	<u>\$ 9,115,558</u>	<u>\$ 10,205,065</u>	<u>\$ 3,899,788</u>	<u>\$ 3,216,748</u>	<u>\$ 2,738,384</u>	<u>\$ 2,283,885</u>	<u>\$ 34,489,956</u>	<u>\$ 31,665,442</u>	<u>\$ 51,941,615</u>	<u>\$ 48,560,459</u>

Statement of General Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2022

Schedule 10 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Taxation	\$ 5,045,513	\$ 5,045,152	\$ 4,435,499
Grants in lieu of taxes	12,145	13,028	12,145
Sale of services	670,595	695,545	736,022
Other revenue from own sources	1,095,347	1,025,698	1,107,178
Return on investments	20,500	121,197	22,525
Grants	29,681	6,737	38,585
Government transfers	546,000	776,866	547,280
Funds contributed from other governments	14,600	29,932	14,574
Total revenue	7,434,381	7,714,155	6,913,808
EXPENSES			
General government	1,696,384	1,194,914	1,311,839
Protective services	2,077,709	2,012,737	812,083
Public works & engineering	1,418,205	1,424,089	1,428,412
Environmental health services	286,839	315,934	287,927
Environmental development services	361,544	306,617	254,245
Recreation and cultural services	856,373	935,339	943,800
Interest	2,500	6,972	38,485
Total expenses	6,699,554	6,196,602	5,076,791
NET REVENUES	734,827	1,517,553	1,837,017
TRANSFERS			
Transfers to general capital fund	(1,309,790)	(368,519)	(475,758)
Transfers to reserve fund	11,928	(595,324)	(515,801)
Transfers to sewer revenue fund - parcel tax	(44,820)	(45,100)	(44,840)
Long term debt repayment	-	-	(652,997)
NET INCREASE (DECREASE) IN FUND	(607,855)	508,609	147,621
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,189,320	1,189,320	1,041,699
ACCUMULATED SURPLUS, END OF YEAR	\$ 581,465	\$ 1,697,929	\$ 1,189,320

Statement of Waterworks Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2022

Schedule 11 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Sale of water	\$ 2,680,999	\$ 2,720,170	\$ 2,804,647
Water studies	4,000	3,815	10,711
Service charges	17,000	24,846	25,605
Return on investments	25,000	59,243	20,903
Total revenue	2,726,999	2,808,074	2,861,866
EXPENSES			
Administration	846,736	828,859	786,343
Transmission and distribution	482,632	373,963	357,782
Pumping	262,282	307,121	290,526
Total expenses	1,591,650	1,509,943	1,434,651
NET REVENUES	1,135,349	1,298,131	1,427,215
TRANSFERS			
Transfers to waterworks utility capital fund	(3,483,579)	(615,091)	(424,144)
NET INCREASE (DECREASE) IN FUND	(2,348,230)	683,040	1,003,071
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,216,748	3,216,748	2,213,677
ACCUMULATED SURPLUS, END OF YEAR	\$ 868,518	\$ 3,899,788	\$ 3,216,748

Statement of Sewer Utility Revenue Fund Operations

YEAR ENDED DECEMBER 31, 2022

Schedule 12 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Sewer fees	\$ 1,455,205	\$ 1,476,860	\$ 1,381,645
Service charges	100	-	-
Return on investments	30,060	47,882	23,699
Total revenue	1,485,365	1,524,742	1,405,344
EXPENSES			
Administration	349,346	329,656	324,290
Collection and disposal	176,893	225,684	200,845
Cost sharing - municipal government	(29,200)	(39,332)	(38,785)
Joint Utilities Board	400,000	348,625	403,033
Interest on debenture debt	-	-	-
Total expenses	897,039	864,633	889,383
NET REVENUES	588,326	660,109	515,961
TRANSFERS			
Transfers to sewer capital fund	(1,630,391)	(250,710)	(562,981)
Transfers from general revenue fund - parcel tax	44,820	45,100	44,840
NET INCREASE (DECREASE) IN FUND	(997,245)	454,499	(2,180)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,283,885	2,283,885	2,286,065
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,286,640	\$ 2,738,384	\$ 2,283,885

Statement of Capital Fund Operations

YEAR ENDED DECEMBER 31, 2022

Schedule 13 (Unaudited)

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Connection fees			
General Capital	\$ -	\$ 394	\$ 932
Water Capital	-	43,670	91,650
Sewer Capital	-	10,434	-
Grants	2,626,337	22,350	36,646
Government transfers	-	-	69,763
Development Cost Charges utilized	512,549	-	-
Gas Tax Funds utilized	1,220,606	229,581	222,095
Gain (Loss) on disposal of tangible capital assets	-	302,146	2,600
Assets constructed by Developers			
General Capital	-	1,143,915	279,520
Total revenue	4,359,492	1,752,490	703,206
EXPENSES (not capitalized) (Schedule 5)			
General government services	-	257,647	210,128
Protective services	-	28,040	36,168
Transportation services	-	184,590	197,031
Environmental health services	-	3,728	3,379
Recreation and cultural services	-	13,878	34,505
Water services	-	177,747	156,359
Sewer services	-	198,847	107,505
Total expenses	-	864,477	745,075
NET REVENUES	4,359,492	888,013	(41,869)
TRANSFERS			
Transfers from general operating fund	1,309,790	368,518	475,758
Transfers from water operating fund	3,483,579	615,091	424,144
Transfers from sewer operating fund	1,630,391	250,710	562,981
Transfers from general reserve funds	4,477,511	2,358,920	70,043
Tangible capital asset purchases	(15,260,763)	(3,349,691)	(1,211,937)
Tangible capital assets acquired in-kind	-	(1,143,915)	(279,520)
Net book value of disposed of tangible capital assets	-	12,354	400
NET INCREASE (DECREASE) IN FUND	-	-	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-	-
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ -	\$ -

COVID Safe Restart Grant Continuity Schedule

YEAR ENDED DECEMBER 31, 2022

Schedule 14 (Audited)

	2022 Budget	2022 Actual	2021 Actual
OPENING BALANCE	\$ 931,365	\$ 931,365	\$ 1,253,333
FUNDS SPENT			
Revenue shortfalls	(10,000)	-	(14,738)
Facility reopening and operating	(70,000)	(70,000)	(95,000)
Emergency planning and response	-	-	-
Bylaw enforcement and protective services	-	-	(112,003)
Computers and other IT	(100,000)	(100,000)	(37,959)
Services for vulnerable persons	(7,000)	-	-
Other related costs	(451,125)	(61,411)	(75,300)
Total spending	<u>(638,125)</u>	<u>(231,411)</u>	<u>(335,000)</u>
Interest earned	-	19,812	13,032
BALANCE, end of year	<u><u>\$ 293,240</u></u>	<u><u>\$ 719,766</u></u>	<u><u>\$ 931,365</u></u>

Statement of Responsibility

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

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

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

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



Talitha Soldera
Chief Financial Officer
May 3, 2023



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, 2022
- 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, 2022, 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.



KPMG LLP
St. Andrew's Square II
800-730 View Street
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Canada
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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:

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD



KPMG LLP
St. Andrew's Square II
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Victoria BC V8W 3Y7
Canada
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Fax 250-480-3539

- 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.
- 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'.

Chartered Professional Accountants

Victoria, Canada
May 4, 2023

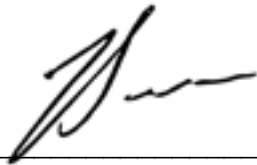
Statement of Financial Position

AS AT DECEMBER 31, 2022

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	2022 Actual	2021 Actual
Financial Assets		
Investments (Notes 3 and 5)	\$ 4,230,295	\$ 4,255,217
Financial Liabilities		
Unearned revenue	2,007,614	2,196,381
Net Financial Assets	2,222,681	2,058,836
Non-Financial Assets		
Tangible capital assets (Schedule I)	4,874,475	4,077,130
Accumulated Surplus (Note 6)	\$ 7,097,156	\$ 6,135,966

Approved by:



T. Soldera

Chief Financial Officer

Statement of Operations

FOR THE YEAR ENDED DECEMBER 31, 2022

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

	2022 Budget (Note 8)	2022 Actual	2021 Actual
Revenues			
Contributions from:			
The Corporation of the District of North Cowichan	\$ 2,307,365	\$ 917,720	\$ 880,554
The Corporation of the City of Duncan	1,324,045	510,849	498,824
Cowichan Valley Regional District	565,622	255,218	249,043
Cowichan Tribes	87,877	41,486	36,774
Return on investments	-	48,646	16,212
Grants and government transfers	4,667,440	481,326	615,366
	<u>8,952,349</u>	<u>2,255,245</u>	<u>2,296,773</u>
Expenses			
Administration	62,040	57,343	59,155
Amortization	89,850	89,849	89,849
Sewer lagoon operations and maintenance	1,240,779	1,146,863	1,183,154
	<u>1,392,669</u>	<u>1,294,055</u>	<u>1,332,158</u>
Annual Surplus	\$ 7,559,680	961,190	964,615
Accumulated surplus, beginning of year	<u>6,135,966</u>	<u>6,135,966</u>	<u>5,171,351</u>
Accumulated surplus, end of year	<u>\$ 13,695,646</u>	<u>\$ 7,097,156</u>	<u>\$ 6,135,966</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) Contributions from partners are recognized when invoiced.
- ii) Government transfers are recognized in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred or stipulations not met are included in unearned revenue.

c) Cash and cash equivalents

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

d) Non-Financial Assets

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

e) **Tangible Capital Assets**

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

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

f) **Use of Estimates**

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

2. SUMMARY OF OPERATIONS

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

3. INVESTMENTS

Investments are carried at cost, which at December 31, 2022, would approximate market value. The balance of investments has been internally restricted by the Board and is to be expended in accordance with the terms of the reserve for capital expenditure.

4. OPERATING LEASE

The Board leases the sewage lagoon lands under an operating lease which expires July 31, 2060. Lease payments for 2023 are \$414,000 and have an annual increase of 2.2%. The total lease payments over the remaining term are estimated at \$23.8 million.

5. FINANCIAL INSTRUMENTS

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

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

6. CAPITAL RESERVE FUNDS

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

	2022	2021
Balances, beginning of year	\$ 2,058,836	\$ 1,927,423
Add: transfers from current operations	163,845	131,413
Balance, end of year	\$ 2,222,681	\$ 2,058,836

7. LISTING OF OPERATING EXPENSES BY OBJECT TYPE

The following provides a summary of operating expenses by object:

	2022	2021
Salaries, wages and benefits	\$ 195,116	\$ 267,849
Contract services	28,931	54,758
Amortization	89,849	89,849
Materials and supplies	575,098	523,361
Land rent	405,061	396,341
Total expense	\$ 1,294,055	\$ 1,332,158

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

8. BUDGET DATA

The budget data presented in these financial statements is based upon the 2022-2026 Financial Plan Bylaw. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2022
Financial Plan Bylaw surplus for the year	\$ -
Add back:	
Capital expenditures	7,534,330
Less:	
Amortization	(89,850)
Budgeted transfers to reserve funds	115,200
Adjusted Annual Surplus	<u>\$ 7,559,680</u>

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

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

SUPPLEMENTAL STATEMENT DUNCAN – NORTH COWICHAN JOINT UTILITIES BOARD

Schedule 1

	COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE		
	Balance December 31, 2021	2022 Additions	2022 Disposals	2022 Write-downs	Balance December 31, 2022	Balance December 31, 2021	2022 Additions	2022 Disposals	Balance December 31, 2022	2021	2022
Buildings	\$ 192,388	\$ -	\$ -	\$ -	\$ 192,388	\$ 19,640	\$ 4,810	\$ -	\$ 24,450	\$ 172,748	\$ 167,938
Engineering Structures	2,485,490	-	-	-	2,485,490	476,385	49,710	-	526,095	2,009,105	1,959,395
Machinery & Equipment	706,581	-	-	-	706,581	144,260	35,329	-	179,589	562,321	526,992
Work In Progress	1,332,956	887,194	-	-	2,220,150	-	-	-	-	1,332,956	2,220,150
	<u>\$ 4,717,415</u>	<u>\$ 887,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,604,609</u>	<u>\$ 640,285</u>	<u>\$ 89,849</u>	<u>\$ -</u>	<u>\$ 730,134</u>	<u>\$ 4,077,130</u>	<u>\$ 4,874,475</u>

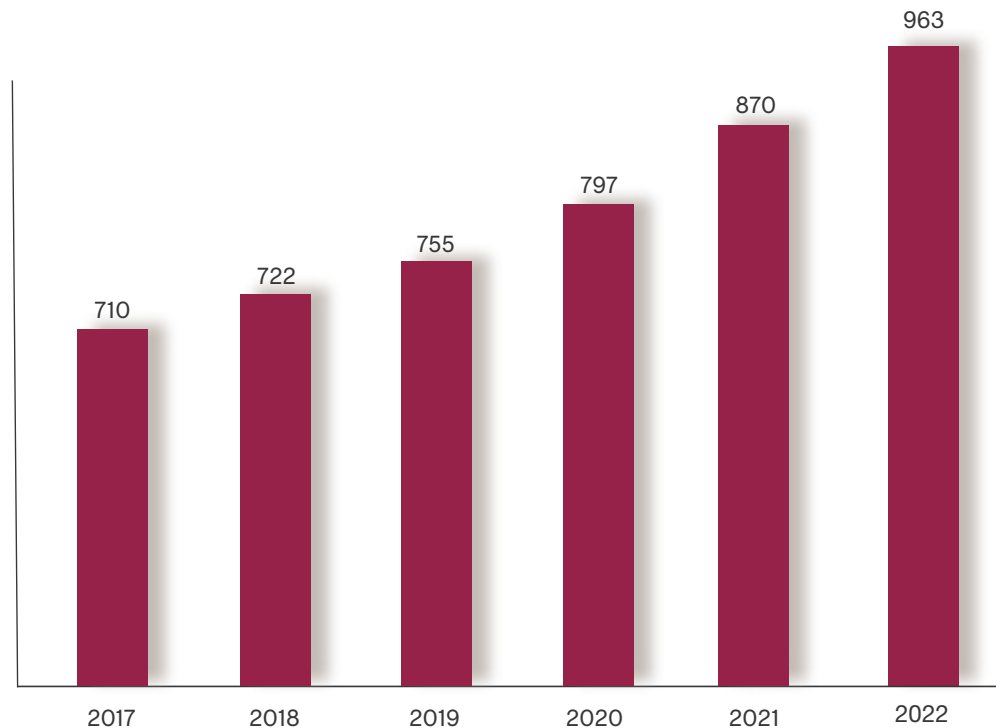


statistical information

Population Demographics

	2018	2019	2020	2021	2022
Total Population Estimates	5,241	5,342	5,124	5,121	5,363
% Change from Prior Year	0.02%	1.93%	-4.08%	-0.06%	4.73%
Population Density Per Square Km	2,532	2,581	2,475	2,474	2,591

Active Business Licences



Development Permits



Development Variance Permits



New Construction

	2018	2019	2020	2021	2022
Building Permits Issued	42	43	46	56	43
Construction Value	1,906,117	10,330,052	6,966,987	37,524,714	6,162,432

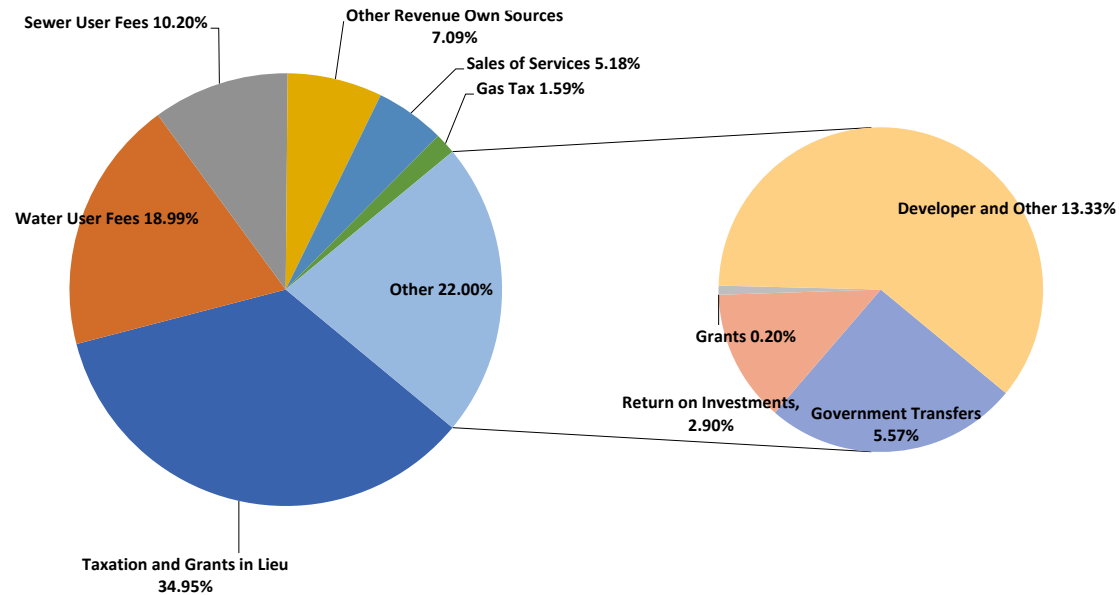
Major Property Taxpayers (greater than \$20,000)

Property Owner	Industry	Tax Contribution
1 Coronation Mall Ltd.	Retail Mall	143,852
2 BC Telephone Company	Building and Yard	89,214
3 0984369 BC LTD	Office Building	83,765
4 Coronation Properties Ltd.	Seniors Residential Complex	70,245
5 1096429 BC LTD	Court House Property	64,751
6 Cowichan Hospitality Group	Hotel	50,113
7 Marnette Holdings Ltd.	Car Dealership	44,725
8 Bruce McLay Holdings Ltd.	Commercial/Retail Building	43,042
9 First West Credit Union	Financial Institution	39,456
10 Royal Bank of Canada	Financial Institution	38,917
11 Merit Interior Designs	Retail	34,622
12 DD 1020-1030 Government Apartments Ltd.	Residential Apartments	33,966
13 Kranz, Fred	Residential Apartments	33,721
14 0887381 BC LTD	Commercial/Retail Building	32,411
15 Duncan Automotive Real Estate Ltd.	Car Dealership	31,953
16 0693523 BC LTD.	Seniors Residential Complex	29,702
Total from Major Property Tax Contributors		864,455
Total Municipal Tax		4,540,505
Proportion of Municipal Tax Paid by Major Property Tax Contributors		17%

The above listing includes the largest tax contributing 'folios'. There may be some properties that would have appeared on this list if they were combined into single folios.

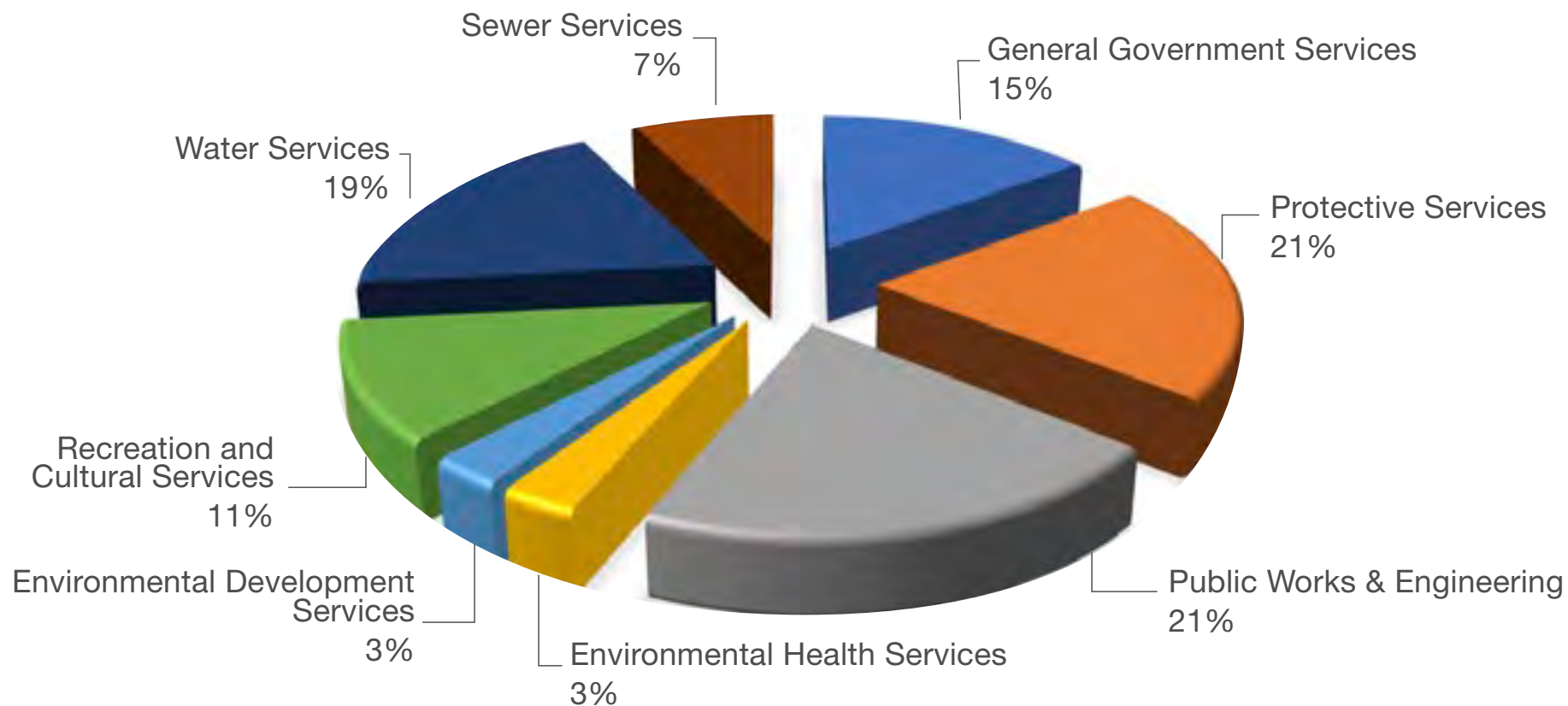
2022 Revenue by Source

Detailing the City's own source revenues by proportion in 2022.



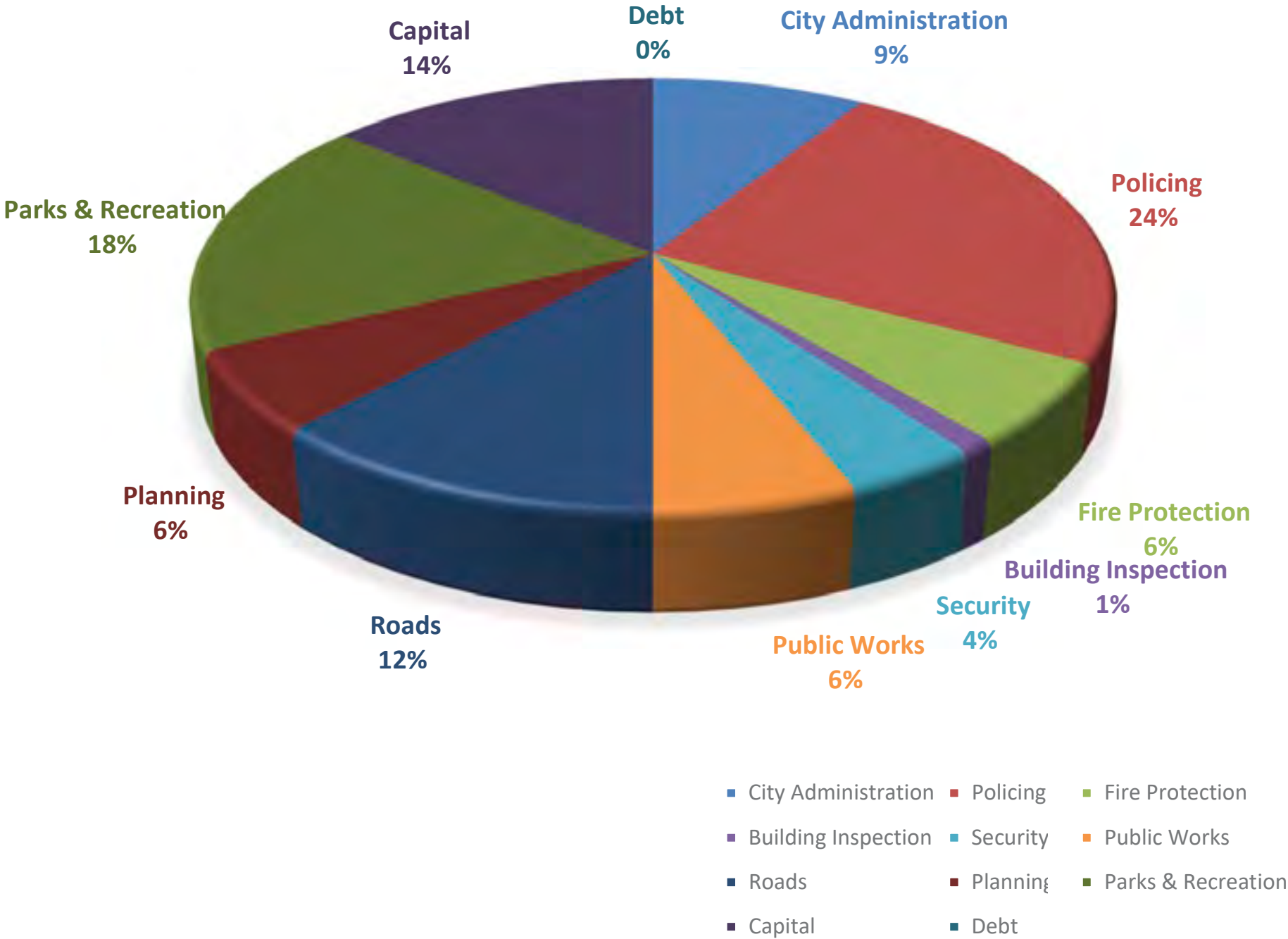
	2018	2019	2020	2021	2022
Taxation	4,086,823	4,195,649	4,296,897	4,435,499	5,045,152
Grants in Lieu of Taxes	12,643	10,353	12,173	12,145	13,028
Sales of Services	662,476	698,939	645,117	828,604	750,043
Water User Fees	2,373,794	2,374,778	2,344,398	2,840,963	2,748,831
Sewer User Fees	1,185,948	1,249,108	1,312,223	1,381,645	1,476,860
Other Revenue Own Sources	597,124	681,961	843,494	1,107,178	1,025,698
Return on Investments	232,038	290,030	214,287	165,772	419,343
Grants	10,200	12,700	21,178	75,231	29,087
Government Transfers	584,345	557,724	2,128,793	617,043	776,866
Funds Contributed from (to) Other Governments	13,872	14,205	14,561	14,574	29,932
Gas Tax Funds	202,796	99,218	339,954	222,095	229,581
Developer and Other	234,763	64,285	89,935	599,456	1,626,982
Gain (Loss) on Disposal of Assets	(12,880)	21,790	43,416	2,600	302,146
Increase (decrease) in Share of Joint Utilities Board Assets	(58,645)	211	-	-	-
	10,125,297	10,270,951	12,306,426	12,302,805	14,473,549

2022 Expenses by Function



	2018	2019	2020	2021	2022
General Government Services	1,256,946	1,367,646	1,426,655	1,653,665	1,591,083
Protective Services	752,184	862,750	929,828	1,013,813	2,274,268
Public Works & Engineering	1,654,207	1,844,395	1,912,815	2,272,950	2,221,621
Environmental Health Services	264,866	306,301	310,710	296,151	320,399
Environmental Development Services	178,670	179,280	202,135	254,245	306,617
Recreation and Cultural Services	1,097,460	1,121,886	989,482	1,234,366	1,202,780
Water Services	1,749,424	1,747,164	1,785,757	1,938,248	2,059,413
Sewer Services	1,145,861	902,551	817,864	738,292	816,967
	8,099,618	8,331,973	8,375,245	9,401,729	10,793,147

Spending of \$1 of Municipal Tax in 2022



2022 Expenses by Object

	2018	2019	2020	2021	2022
Amortization	1,500,078	1,559,702	1,624,343	1,614,770	1,631,694
Capital fund expenses	615,675	316,332	288,746	745,075	864,477
Contract services	976,276	932,029	973,510	1,090,217	2,316,526
Fuel	74,468	72,561	65,538	77,863	105,549
Goods and services	1,045,578	1,137,384	993,320	925,900	944,888
Grants in Aid	87,404	86,643	106,468	94,804	99,143
Hydro	389,673	392,110	368,037	401,217	381,532
Insurance	111,274	119,177	127,693	118,605	125,632
Interest	57,934	54,470	49,544	38,485	6,971
Leases	1,970	8,003	42,681	32,397	22,737
Professional fees	85,326	110,883	119,646	190,644	118,781
Travel, conference and training	90,723	128,838	58,413	89,422	123,017
Wages and benefits	3,107,214	3,453,894	3,583,843	4,012,985	4,052,201
Write down of account receivable to net realizable value	(8,545)	405	154	-	-
Actuarial adjustment to debt	(35,430)	(40,459)	(26,690)	(30,654)	-
	<u>8,099,618</u>	<u>8,331,972</u>	<u>8,375,246</u>	<u>9,401,730</u>	<u>10,793,148</u>

Employment Statistics

	2018	2019	2020	2021	2022
Full time Employees	28	30	32	34	34

2022 Capital Expenditures & Sources of Financing

	2018	2019	2020	2021	2022
Capital Expenditures					
Acquisition of Tangible Capital Assets	3,333,523	2,275,967	1,733,568	1,778,830	4,769,814
Capital Fund Expenditures (Not Capitalized)	615,675	316,332	288,746	745,075	864,477
	<u>3,949,198</u>	<u>2,592,299</u>	<u>2,022,314</u>	<u>2,523,905</u>	<u>5,634,291</u>
Source of Financing					
Operating Funds	2,463,602	1,279,147	893,313	1,462,883	1,234,320
Reserve Funds	1,080,892	1,140,785	665,205	70,043	2,358,920
Grants	9,800	12,700	17,500	36,646	22,350
Government Transfers	-	-	-	69,763	-
Connections Fees and Donations	104,195	89,519	43,466	92,582	44,064
Investment Income	-	-	-	-	-
Development Cost Charges	-	-	-	-	-
Federal Gas Tax Funds	202,796	99,218	339,954	222,095	229,581
Developer/Other Contribution	92,862	675	77,935	279,520	1,143,915
Sales of Assets	20,500	30,801	52,100	3,000	314,500
Increase (Decrease) in Share of Joint Utilities Board Tangible Capital Assets	(25,449)	(60,546)	(67,159)	287,373	276,208
	<u>3,949,198</u>	<u>2,592,299</u>	<u>2,022,314</u>	<u>2,523,905</u>	<u>5,623,858</u>

2022 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, 2022	\$722,911	\$912,053	\$227,915	\$572,393	\$23,365	\$2,458,637
Funds received (refunded) in 2022	\$4,067	\$989	\$4,002	\$2,941	\$842	\$12,841
Expenditures from Reserve in 2022	0.00	0.00	0.00	0.00	0.00	0.00
Interest earned on account for 2022	\$15,445	\$19,418	\$4,914	\$12,224	\$511	\$52,512
Balance in reserve fund as of December 31, 2022	\$742,422	\$932,460	\$236,831	\$587,558	\$24,719	\$2,523,990

2022 Annual Off Street Parking Reserve Fund Report

	Statutory Reserve	Non-Statutory Reserve	Total Parking Reserve
Balance in reserve fund as of January 1, 2022	\$145,544	\$209,848	\$355,392
Funds received in 2022	0	0	0
Expenditures from reserve in 2022	0	0	0
Interest earned on account for 2022	\$2,678	\$3,862	\$6,540
Balance in reserve fund as of December 31, 2022	\$148,222	\$213,710	\$361,932

	2018	2019	2020	2021	2022
Legislated Liability Servicing Limit*	2,352,430	2,513,299	2,555,865	2,829,772	3,063,956
Actual Annual Liability Servicing Costs	144,271	140,807	121,959	691,482	-
Unused Liability Servicing Capacity	2,208,159	2,372,492	2,433,906	2,138,290	3,063,956

*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

	2018	2019	2020	2021	2022
Reserve Funds					
Sale of Real Property	226,276	230,238	223,828	219,336	430,365
Sale of Property - Cowichan Place	5	-	-	-	-
Parking Improvement	237,619	239,139	224,119	209,848	214,312
Parking Improvement - Restricted	122,728	125,786	128,115	145,544	148,640
MFA Debt Issue Refunds	25,311	26,790	27,287	27,570	28,157
Operating	367,842	365,612	398,114	577,316	822,794
Machinery and Equipment	1,695,322	1,793,208	1,730,857	2,271,854	2,195,735
Capital Works and Miscellaneous	262,892	274,436	1,574,250	1,297,278	1,144,405
General Capital	7,340	7,523	7,662	7,742	7,907
Police Bridging Capital	2,400,941	2,438,608	3,133,548	3,230,699	3,046,612
Downtown Revitalization	18,344	18,801	19,149	19,349	40,569
Melba Schappert Bequest	19,298	19,779	20,145	20,241	20,555
Works and Services	-	-	-	-	72,544
Public Art	10,170	10,424	10,618	10,727	10,955
Pioneer Park	1,431	1,466	-	-	-
Waterworks Utility	969,660	1,056,727	1,088,330	1,392,691	1,837,599
Sewer Utility	721,655	740,981	754,703	774,870	791,354
Firetruck borrowing					(1,696,945)
	<u>7,086,834</u>	<u>7,349,518</u>	<u>9,340,725</u>	<u>10,205,065</u>	<u>9,115,558</u>
Reserves Held As Liabilities					
DCC Restricted Reserves	2,061,670	2,148,755	2,240,925	2,458,638	2,523,990
Federal Gas Tax Funds	484,272	937,934	880,233	1,218,768	1,292,112
	<u>2,545,942</u>	<u>3,086,689</u>	<u>3,121,158</u>	<u>3,677,406</u>	<u>3,816,102</u>
Interest Earned, All Reserves	140,971	172,951	137,268	98,646	191,022

Taxable Assessments of Land & Improvements

	2018	2019	2020	2021	2022
Residential	582,562,450	650,543,800	685,075,675	725,031,800	937,570,625
Utilities	1,265,900	1,331,500	1,775,600	1,940,400	2,130,600
Supportive Housing	-	-	-	-	-
Major Industry	-	-	-	-	-
Light Industry	123,900	123,500	-	-	-
Business & Other	170,878,800	177,275,450	201,223,300	212,118,800	245,801,100
Managed Forest	-	-	-	-	-
Recreation	232,300	240,200	654,200	900,400	839,200
Farm	6,967	6,967	6,967	6,967	6,967
	<u>755,070,317</u>	<u>829,521,417</u>	<u>888,735,742</u>	<u>939,998,367</u>	<u>1,186,348,492</u>

Tax Rates

	2018	2019	2020	2021	2022
General (per \$1,000)(Includes Library)					
Residential	3.2545	2.9913	2.8943	2.8404	2.3125
Utilities	32.1014	31.185	31.431	30.9079	25.1732
Light Industry	8.4483	8.4140	7.3960	7.2583	6.7930
Business	8.2143	8.1961	7.396	7.2583	6.7930
Recreation	3.2545	2.9913	2.8943	2.8404	2.3125
Farm	3.2545	2.9913	2.8943	2.8404	2.3125
Police Municipal (per \$1,000)					
Residential	0.8008	0.7325	0.7086	0.6869	0.7464
Utilities	7.8986	7.6360	7.6954	7.4750	8.1256
Light Industry	2.0787	2.0602	1.8108	1.7554	2.1927
Business	2.0212	2.0069	1.8108	1.7554	2.1927
Recreation	0.8008	0.7325	0.7086	0.687	0.7464
Farm	0.8008	0.7325	0.7086	0.6869	0.7464

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

includes Library

	2018	2019	2020	2021	2022
Residential	2,362,466	2,422,495	2,468,259	2,557,405	2,867,935
Utilities	50,636	51,690	69,473	74,478	70,946
Light Industry	1,304	1,294	-	-	-
Business	1,749,030	1,808,741	1,852,623	1,911,975	2,208,695
Adjustment-Business		(2,273)	-	-	-
Recreation	942	894	2,357	3,176	2,567
Farm	28	26	25	25	21
	<u>4,164,406</u>	<u>4,282,867</u>	<u>4,392,737</u>	<u>4,547,059</u>	<u>5,150,164</u>
Property Taxes Gen	3,936,682	4,043,347	4,149,952	4,295,523	4,894,956
Add Library	227,724	239,520	242,785	251,536	255,208
	<u>4,164,406</u>	<u>4,282,867</u>	<u>4,392,737</u>	<u>4,547,059</u>	<u>5,150,164</u>

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

	2018	2019	2020	2021	2022
School	1,861,216	1,814,953	1,467,520	2,067,377	2,135,996
Provincial Policing	306,319	311,842	347,415	354,774	-
Cowichan Valley Regional District	1,529,620	1,557,064	1,648,534	1,661,463	1,633,557
Cowichan Regional Hospital District	532,703	560,476	622,363	612,569	590,168
BC Assessment Authority	48,057	46,884	53,905	56,918	60,913
Downtown Duncan Business Improvement Area	205,000	210,000	215,000	220,000	225,000
Vancouver Island Regional Library	227,724	239,520	242,785	251,536	255,208
Municipal Finance Authority	207	222	242	255	315
	<u>4,710,846</u>	<u>4,740,961</u>	<u>4,597,764</u>	<u>5,224,892</u>	<u>4,901,157</u>

Debt & Debt Per Capita

	2018	2019	2020	2021	2022
General Purposes	878,048	782,756	683,651	-	-
Sewer	31,504	-	-	-	-
	<u>909,552</u>	<u>782,756</u>	<u>683,651</u>	<u>-</u>	<u>-</u>
Population*	5,241	5,342	5,124	5,121	5,363
Debt Per Capita	173.55	146.53	133.42	-	-

* Source: 2011 - 2020 BC Stats, Statistics Canada

General Comparative Statistics

	2018	2019	2020	2021	2022
Annual Surplus	2,025,679	1,938,979	3,931,180	2,901,075	3,680,401
Accumulated Surplus	41,699,529	43,638,508	47,569,688	50,470,763	54,151,164
Net Financial Assets	9,825,623	10,942,117	14,633,789	17,318,778	17,918,002

Statement of 2022 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	2,444
Lot A, Plan 44627	198 Government St	Valley Seniors Organization	11,888
Leased area of Lot 1, Plan 23647	820 Wharnccliffe Rd	Cowichan Pre-School	88
Lot PT4, Block 8, Plan 12568	760 Government St	Cowichan Lawn Bowling	218
Leased area of Lot 1, Plan 29453	280 First St	Cowichan Lawn Bowling	664
Lots 5-8 & 11, Block 1, Plan 1935	520-540 Cairnsmore St	SD # 79 Growing Together	484
Lots 24 & 25, Plan 1182	321/331 Cairnsmore St	Girl Guide Association	1,229
Undisclosed	Undisclosed	CW Against Violence Society	2,560
50% of the commercial portion of Lot A, Plan 2070	246 Evans St.	CW Against Violence Society	4,073
Portion shown Red on DD615, except Plan 260BL, (Railway RW Mile 39.16 to Mile 39.92 Victoria Sub)	No address	Island Corridor Foundation (ICF)	3,596
1.223 Km Mainline	No address	Island Corridor Foundation (ICF)	616
Lot 3, Section 16, Range 7, Plan VIP6913	552 Trunk Road	Cowichan Valley Youth Services	5,463
52% of Lot 1, Block B, Section 17, Range 7, Plan 1583	490 TCH	Duncan/North Cowichan Highway Corridor Safety Office	3,346
67% of Lot 5C, Plan 2070, Bloc 4, Section 17, Range 6	149 Canada Ave	Clements Centre Society	4,079
38% of Lot A, Plan 798, Block 3, Section 18, Range 6	501 Canada Ave	Cowichan Independent Living	4,186
224(2)(h) Seniors Homes, Hospitals			
Lot 15, Plan 1175/Lot A Plan 25100	770 Trunk Rd	Duncan Kiwanis Village Society	2,181
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	1,851
Station Grounds & Buildings	110 Canada Ave Train Station	ICF - Leased to City - Sublet to Cowichan Historical Society	2,052
224(2)(f) Buildings for Public Worship			
Lot B, Plan VIP60906	930 Trunk Rd	First Christian Reformed Church	1,220
Lot 8,9,10, Block 12 Plan 2070	281 Jubilee St	Duncan United Church	1,343
Lot 11, Block 12, Plan 2070	254 Ingram St	Duncan United Church	710
Lot 1&2, Block 1, Plan 798 and Lot 14, Block 17, Plan 2070	486 Jubilee St	Anglican Synod	1,130
Lot 3, Block 1, Plan 798	162 First St	Anglican Synod	1,019
Lot C, Block 4, Plan 1063	463 Ypres St	Bethel Baptist Church	1,009
Lot 13, Block 4, Plan 1063	483 Ypres St	Bethel Baptist Church	878
Lot 2, Plan 43297	321 Brae Rd	Christian Bretheren	1,269
Lot 7, Block 2, Plan 5868	931 Trunk Rd	Pentecostal Assembly	1,030
Only the portion of Lot 1, Plan VIP 76282 that was Lot 1 Plan 30307	531 Herbert St	St. Andrews Presbyterian	151
Lot A, Plan 12199	1071-1077 Canada Ave	C.V. Jehovah's Witnesses	1,427
Lot 2, Plan 2070, Block 7	127 (#123) Station St	City Gate Church	484
			\$ 62,688

Schedule of Suppliers Paid Over \$25,000

Statement Of Financial Information 2022 As Per *The Financial Information Act*

BC HYDRO & POWER AUTHORITY	389,720	EMCON SERVICES INC	28,903
BERK'S INTERTRUCK LTD	30,767	WHITE PACIFIC SERVICES INC	52,591
NORTH COWICHAN DISTRICT MUNICIPALITY	1,057,718	CANADIAN MENTAL HEALTH ASSOCIATION	46,471
CUPE LOCAL 358	42,729	LOCAL MOTION DEVELOPMENT	131,165
DUNCAN PAVING COMPANY	90,460	SKYBLUE SERVICES CORP.	71,382
ICBC	39,886	TAGZ FENCING INC.	32,675
PACIFIC BLUE CROSS	204,488	COMMERCIAL EMERGENCY EQUIPMENT CO.	2,252,028
MINISTER OF FINANCE	979,906	COLECON CONTRACTING LTD	94,816
RECEIVER GENERAL FOR CANADA	968,324	COASTAL POWER SWEEPING	30,295
MUNICIPAL PENSION PLAN	489,279	MPE ENGINEERING LTD.	48,773
VANCOUVER ISLAND REGIONAL LIBRARY	255,208	PAW PACIFIC AUDIO WORKS LTD.	74,890
WORKSAFE BC	118,828	COWICHAN HOUSING ASSOCIATION	28,118
MUNICIPAL INSURANCE ASSOC OF B. C.	77,422	WESTVIEW FORD SALES LTD.	78,192
VIMAR EQUIPMENT LTD.	71,185		
STANTEC CONSULTING LTD.	36,041	Subtotal - Aggregate Payments Exceeding \$25,000	9,597,973
URBAN SYSTEMS LTD	214,425		
VALLEY TRAFFIC SYSTEMS INC.	52,858	Payments to Suppliers for Grants and Contributions Exceeding \$25,000	
PRAIRIE COAST EQUIPMENT INC	55,414	DUNCAN BUSINESS IMPROVEMENT AREA SOCIETY	230,110
PIPE-EYE VIDEO INSPECTIONS & SERVICES	52,698	Total Paid to Suppliers who received	1,682,718
COASTAL ANIMAL CONTROL SERVICES OF BC	32,144	Aggregate Payments of \$25,000 or less	
RAYLEC POWER LP	26,024		
RBS MANAGED IT SERVICES INC	77,331	Total Paid to Suppliers	11,510,801
FINELINE ROAD MARKING LTD	53,080		
MCELHANNEY CONSULTING SERVICES LTD	40,137	Less: Expenses Paid on Behalf of Elected Officials/Employees	-81,318
MERCURY REFRIGERATION PRODUCTS & SERVICES	26,105		
WSP CANADA INC c/o CX2520 C	40,222	Total Expenses per Schedule 4 of Consolidated Financial Statements	11,092,395
FOOTPRINTS SECURITY PATROL INC	38,551		
SPATIAL TECHNOLOGIES PARTNERSHIP GROUP	31,845	Variance	337,088
WASTE CONNECTIONS OF CANADA INC	37,215		
COPCAN CIVIL LP	254,597		
KTI LIMITED	27,324		
CENTRALSQUARE CANADA SOFTWARE INC.	26,344		
ICONIX WATERWORKS LP	147,816		
SUNCOR ENERGY PRODUCTS PA	122,158		
WOYWITKA'S BUILDING SUPPLIES LTD	115,292		
LEUCO CONSTRUCTION INC	113,191		
PLANTE DEVELOPMENTS LTD	92,498		
BLACKBIRD SECURITY INC	98,444		
EMCON SERVICES INC	28,903		

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 2022 As Per *The Financial Information Act*

1 Elected Officials - *See Notes on page 124

Name	Position	Benefits	Remuneration	Expenses
Michelle Staples	Mayor	\$ 4,116.00	\$ 33,887.00	\$ 7,803.84
Tom Duncan	Councillor	\$ 1,673.88	\$ 18,327.44	\$ 4,461.64
Michael McKinlay	Councillor	\$ 663.68	\$ 2,565.73	\$ -
Robert (Bob) Brooke	Councillor	\$ 3,747.29	\$ 15,084.34	\$ 3,912.99
Jennifer Capps	Councillor	\$ 1,673.88	\$ 17,404.76	\$ 572.00
Garry Bruce	Councillor	\$ 2,851.89	\$ 17,573.06	\$ 3,000.65
Stacy Middlemiss	Councillor	\$ 4,116.00	\$ 18,327.44	\$ 3,440.24
Carol Newington	Councillor	\$ 1,673.88	\$ 18,265.07	\$ 4,254.01
Total - Elected Officials		\$ 20,516.50	\$ 141,434.84	\$ 27,445.37

2 Employees - *See Notes on page 124

Name	Remuneration	Expenses
Peter de Verteuil	\$ 144,214.95	\$ 9,484.84
Bernice Crossman	116,344.81	2,024.31
Brian Murphy	107,327.29	2,307.58
Nathalie Viau	107,247.64	3,934.55
Paige MacWilliam	104,768.47	3,128.92
Patrick Williams	98,155.51	919.85
Kyle Young	95,760.21	3,003.65
John Pite	94,566.96	609.10
Claudia McMahon	94,117.03	3,560.50
Rachel Hastings	92,834.04	3,091.20
Chris Desautels	86,027.88	2,389.13
Tomas Phillips	84,062.34	4,360.65
Allison Boyd	83,036.58	1,154.36
Jamie Rand	81,293.67	-
Leanne Closson	79,590.85	3,088.04
Michael Dunn	76,751.45	65.00
Allan Scholz	75,445.16	-
Subtotal	1,621,544.84	43,121.68
Consolidated total of employees with remuneration of \$75,000 or less	1,610,794.36	38,196.45
Total - Employees	\$ 3,232,339.20	\$ 81,318.13

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

Statement Of Financial Information 2022 As Per *The Financial Information Act*

3 Reconciliation

Total remuneration and benefits - elected officials	\$ 141,434.84
Total remuneration - employees	<u>3,232,339.20</u>
Subtotal	3,373,774.04
Total Wages & Benefits per Note 14 of the Consolidated Financial Statements	<u>4,052,201.00</u>
	<u><u>\$ 678,426.96</u></u>

Notes:

The variance between the remuneration schedules and the wages and benefits reported in the consolidated financial statements of the City are attributable to a number of factors, including that the remuneration schedule is based on actual payments made during the year, while the financial statements are prepared on an accrual basis.

In addition, wages and benefits disclosed in Note 16 of the consolidated financial statements include only those relating to operating expenses, not capital items. Finally, wages and benefits in the financial statements include the employer cost of benefits not considered taxable to employees.

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

Expenses include travel expenses, memberships, tuition, vehicle reimbursements and registration fees paid directly to an employee or a third party on behalf of an elected official or employee.

Duncan City Hall
200 Craig Street
Duncan, B.C. V9L 1W3
Phone 250-746-6126
Fax 250-746-6129
duncan@duncan.ca
www.duncan.ca

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