

THE CORPORATION OF THE CITY OF DUNCAN

December 31, 2022

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

Duncan, British Columbia

May 1, 2023

MNP LLP

Chartered Professional Accountants

MNP
LLP

THE CORPORATION OF THE CITY OF DUNCAN

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**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 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
	27,727,705	26,046,608
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
	9,809,703	8,727,830
NET FINANCIAL ASSETS	17,918,002	17,318,778
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
	36,233,162	33,151,985
ACCUMULATED SURPLUS (Schedule 2)	\$ 54,151,164	\$ 50,470,763
COMMITMENTS AND CONTINGENCIES (Note 10)		

Blossman

Director of Finance

See accompanying notes to the consolidated financial statements

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 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	<u>16,006,237</u>	<u>14,473,549</u>	<u>12,302,805</u>
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)	<u>11,300,167</u>	<u>10,793,148</u>	<u>9,401,730</u>
ANNUAL SURPLUS	<u>4,706,070</u>	<u>3,680,401</u>	<u>2,901,075</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>50,470,763</u>	<u>50,470,763</u>	<u>47,569,688</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 55,176,833</u>	<u>\$ 54,151,164</u>	<u>\$ 50,470,763</u>

See accompanying notes to the consolidated financial statements

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2022

	2022 Budget (Note 12)	2022 Actual	2021 Actual
ANNUAL SURPLUS	\$ 4,706,070	\$ 3,680,401	\$ 2,901,075
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

**THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
OPERATING TRANSACTIONS		
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	<u>4,889,138</u>	<u>5,810,251</u>
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	<u>(3,035,191)</u>	<u>(1,208,937)</u>
INVESTING TRANSACTIONS		
Net increase in portfolio investments	<u>(383,726)</u>	<u>(3,767,630)</u>
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>

See accompanying notes to the consolidated financial statements

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

1. General

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

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

2. Significant Accounting Policies

a) Basis of Accounting

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

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

General Revenue Fund
General Capital Fund
Reserve Funds

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

b) Reporting Entity

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

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022**

2. Significant Accounting Policies (continued)

c) Cash and Cash Equivalents

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

d) Portfolio Investments

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

e) Loans and Receivables

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

f) Inventory

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

g) Non-Financial Assets

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

h) Tangible Capital Assets

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

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022**

2. Significant Accounting Policies (continued)

General Tangible Capital Assets

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

Infrastructure Assets

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

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

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

2. Significant Accounting Policies (continued)

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

i) Revenue Recognition

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

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

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

j) Financial Instruments

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

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

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.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

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>

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022**

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

455018

	<u>2022</u>	<u>2021</u>
Trade accounts and accrued liabilities	<u>\$ 395,643</u>	471,061
Contractor holdbacks	-	127,897
Salaries and wages	<u>183,898</u>	216,968
Other municipalities and regional governments	<u>1,912,187</u>	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	<u>\$ 1,373,552</u>	\$ 429,133
Deposits received	<u>408,734</u>	1,047,079
Deposits and interest refunded/recognized as revenue	<u>(454,072)</u>	(102,862)
Increase (decrease) in interest payable	<u>17,824</u>	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)	<u>\$ 1,292,114</u>
Prepaid property taxes	671,286	726,656	(671,285)	<u>726,657</u>
Grants	6,737	-	(6,737)	-
Other revenue prepaid	1,000,584	187,618	(324,460)	<u>863,742</u>
	<u>\$ 2,897,375</u>	<u>\$ 1,217,200</u>	<u>\$ (1,232,062)</u>	<u>\$ 2,882,513</u>

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

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>\$ 1,292,114</u>	<u>\$ 1,218,768</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>\$ 2,523,990</u>	<u>\$ 2,458,638</u>

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

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.

THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

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).

**THE CORPORATION OF THE CITY OF DUNCAN
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 As at December 31, 2022**

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>

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022**

13. Segmented Information

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

General Government

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

Protective Services

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

Public Works & Engineering

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

Environmental Health Services

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

Environmental Development Services

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

Recreation and Cultural Services

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

Water Services

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

Sewer Services

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

**THE CORPORATION OF THE CITY OF DUNCAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022**

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.

THE CORPORATION OF THE CITY OF DUNCAN
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

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2022

SCHEDULE 3
Unaudited

	2022 Budget	2022 Actual	2021 Actual
Taxation and Grants in Lieu of Taxes			
Taxation (Schedule 3a)	\$ 5,525,721	\$ 5,525,360	\$ 4,907,035
Grants in Lieu of Taxation:			
Federal government	12,145	13,028	12,145
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	590,168	590,168	612,569
	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	57,000	60,913	56,918
	57,255	61,228	57,173
Less: Transfers to other governments and others	(4,355,980)	(4,420,949)	(4,753,356)
Less: Transfers to Business Improvement Area	(225,000)	(225,000)	(220,000)
Less: Transfers to Vancouver Island Regional Library	(255,208)	(255,208)	(251,536)
Total Taxation and Grants in Lieu of Taxes	5,057,658	5,058,180	4,447,644

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
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>

**THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
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>1,095,347</u>	<u>1,025,698</u>	<u>1,107,178</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF REVENUES
(Excluding Joint Utilities Board Financial Information)
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

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF TAXATION
(Excluding Joint Utilities Board Financial Information)
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
	<u>630,678</u>	<u>627,871</u>	<u>622,013</u>
Taxation	<u>\$ 5,525,721</u>	<u>\$ 5,525,360</u>	<u>\$ 4,907,035</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2022

SCHEDULE 3b
Audited

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
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>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
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>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
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>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
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>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
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>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EXPENSES
(Excluding Joint Utilities Board Financial Information)
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>

THE CORPORATION OF THE CITY OF DUNCAN
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2022

SCHEDULE 5
Audited

	General Government		Protective Services		Public Works & Engineering		Environmental Health Services		Environmental Development Services		Recreation and Cultural Services		Water Services		Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE																		
Taxation and grants in lieu of taxes	\$ 5,058,180	\$ 4,447,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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	-	-	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	\$ 770,345	802,589	-	-	255,353	304,589	-	-	-	-	-	-	-	-	-	-	1,025,698	1,107,178
Return on investments	\$ 312,219	121,171	-	-	-	-	-	-	-	-	-	-	59,243	20,903	47,882	23,699	419,344	165,773
Grants	\$ 6,737	38,585	-	-	22,350	18,905	-	-	-	-	-	-	-	-	-	17,741	29,087	75,231
Government transfers	\$ 776,866	547,280	-	-	-	-	-	-	-	-	-	-	-	-	-	69,763	776,866	617,043
Funds contributed from other governments	\$ 29,932	14,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,932	14,574
Gas Tax funds utilized	\$ -	-	229,581	222,095	-	-	-	-	-	-	-	-	-	-	-	-	229,581	222,095
Developer contributions	\$ -	-	-	-	-	-	-	-	-	-	-	-	483,067	319,936	-	-	483,067	319,936
Gain(Loss) on disposal of assets	\$ -	-	-	-	302,146	2,600	-	-	-	-	-	-	-	-	-	-	302,146	2,600
Assets contributed by developers	\$ -	-	-	-	1,143,915	279,520	-	-	-	-	-	-	-	-	-	-	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	\$ -	\$ -	\$ 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	\$ 1,258,321	\$ 1,370,314	\$ 421,397	\$ 447,876	\$ 1,250,088	\$ 1,207,707	\$ 35,421	\$ 24,770	\$ 285,127	\$ 183,177	\$ 373,478	\$ 368,346	\$ 330,001	\$ 329,135	\$ 98,368	\$ 96,193	4,052,201	\$ 4,027,518
Other	(63,407)	(58,475)	1,591,340	364,207	174,001	220,705	280,513	263,157	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	1,194,914	1,311,839	2,012,737	812,083	1,424,089	1,428,412	315,934	287,927	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	257,647	210,128	28,040	36,168	184,590	197,031	3,728	3,379	-	-	13,878	34,505	177,747	156,359	198,847	107,505	864,477	745,075
Amortization	131,550	130,009	233,491	165,562	612,942	647,507	737	4,845	-	-	253,563	249,919	371,723	347,238	80,707	69,690	1,684,713	1,614,770
Interest	6,972	1,689	-	-	-	-	-	-	-	-	-	36,796	-	-	-	-	6,972	38,485
Actuarial adjustment to debt	-	-	-	-	-	-	-	-	-	-	-	(30,654)	-	-	-	-	-	(30,654)
Total expenses	\$ 1,591,083	\$ 1,653,665	\$ 2,274,268	\$ 1,013,813	\$ 2,221,621	\$ 2,272,950	\$ 320,399	\$ 296,151	\$ 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)	\$ 5,396,547	\$ 4,365,033	\$ (1,638,569)	\$ (342,255)	\$ (494,284)	\$ (1,654,856)	\$ (77,503)	\$ (74,819)	\$ (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

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

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

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2022

SCHEDULE 7
Audited

	<u>2022</u>	<u>2021</u>
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	<u>\$ 34,489,956</u>	<u>\$ 31,665,444</u>

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2022

SCHEDULE 8
Unaudited

	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	<u>\$ 5,715,626</u>	<u>\$ 9,115,558</u>	<u>\$10,205,065</u>

Individual reserve fund balances are detailed on the next page.

THE CORPORATION OF THE CITY OF DUNCAN
NON-CONSOLIDATED SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 2022

SCHEDULE 8
Unaudited

	2022	2021
	Actual	Actual
SUMMARY OF RESERVE FUND POSITIONS		
Sale of real property	*	430,365
Underground Utilities		219,336
Parking improvement		134,403
Parking improvement - Restricted	*	214,312
Municipal Finance Authority debt issue refunds		209,848
Operating reserves		148,640
Machinery and equipment		28,157
Capital works and other miscellaneous reserves		27,570
General capital cost contributions		822,794
Police bridging capital		577,316
Downtown revitalization		2,195,735
Melba Schappert bequest		2,271,854
Works and Services		1,144,405
Public Art		7,907
Water capital cost contributions		7,742
Water capital reserve		3,046,612
Sewer capital cost contributions		3,230,699
Sewer capital reserve		40,569
Firetruck borrowing		19,349
		20,555
		72,544
		-
		10,955
		860,073
		428,082
		28,999
		745,871
		(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
Restricted revenue (Note 9)	*	1,218,768
		2,523,990
		2,458,638
Total Reserve Funds	\$ 12,931,662	\$13,882,471

* Restricted cash and portfolio investments

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

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF GENERAL REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
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	<u>7,434,381</u>	<u>7,714,155</u>	<u>6,913,808</u>
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	<u>6,699,554</u>	<u>6,196,602</u>	<u>5,076,791</u>
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	<u>1,189,320</u>	<u>1,189,320</u>	<u>1,041,699</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 581,465</u>	<u>\$ 1,697,929</u>	<u>\$ 1,189,320</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF WATERWORKS UTILITY REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 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	<u>2,726,999</u>	<u>2,808,074</u>	<u>2,861,866</u>
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	<u>1,591,650</u>	<u>1,509,943</u>	<u>1,434,651</u>
NET REVENUES	1,135,349	1,298,131	1,427,215
TRANSFERS			
Transfers to waterworks utility capital fund	<u>(3,483,579)</u>	<u>(615,091)</u>	<u>(424,144)</u>
NET INCREASE (DECREASE) IN FUND	(2,348,230)	683,040	1,003,071
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,216,748</u>	<u>3,216,748</u>	<u>2,213,677</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 868,518</u>	<u>\$ 3,899,788</u>	<u>\$ 3,216,748</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF SEWER UTILITY REVENUE FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
Year Ended December 31, 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	<u>1,485,365</u>	<u>1,524,742</u>	<u>1,405,344</u>
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	<u>897,039</u>	<u>864,633</u>	<u>889,383</u>
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	<u>\$ 1,286,640</u>	<u>\$ 2,738,384</u>	<u>\$ 2,283,885</u>

THE CORPORATION OF THE CITY OF DUNCAN
STATEMENT OF CAPITAL FUND OPERATIONS
(Excluding Joint Utilities Board Financial Information)
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	<u>4,359,492</u>	<u>1,752,490</u>	<u>703,206</u>
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	<u>-</u>	<u>864,477</u>	<u>745,075</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CORPORATION OF THE CITY OF DUNCAN
 COVID SAFE RESTART GRANT CONTINUITY SCHEDULE
 (Excluding Joint Utilities Board Financial Information)
 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>\$ 293,240</u>	<u>\$ 719,766</u>	<u>\$ 931,365</u>