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- Lewis Centre Expansion and Renovation
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City of Courtenay

BRITISH COLUMBIA, CANADA

2013 Annual Report



# Courtenay, B.C.



## 2013 Annual Report

January 1 - December 31, 2013

This document was prepared by the City of Courtenay's Legislative Services and Financial Services Departments

*Front cover photo:* Courtenay Recreation Lewis Centre

*Back cover photo:* Courtenay Marina Park

Photos by Sarah Kerr and the City of Courtenay unless otherwise noted.

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# Message from the Mayor

The Annual Report is always a good opportunity to refresh our memories about the activities of the year. Many of the projects you see in this report came to our Council table as ideas, and it's very rewarding to see them come to fruition.

The expansion and renovation of the Courtenay Recreation Lewis Centre is just one example. This proposal came to City Council back in 2011. Due to the project's size and complexity, the lengthy planning, design, and construction process took quite some time. The project was completed in September 2013, and it's been a huge success. This facility is now able to accommodate more people, classes, and events, with a focus on accessibility for all ages and abilities, and takes some pressure off the Florence Filberg Centre.

The City also took a big step forward towards a supportive housing facility in our community. After receiving feedback from the community and downtown merchants, we sold the original site on Cliffe Avenue and used the funds to purchase property on Braidwood Road. The intent is to construct a 30-plus unit facility for homeless or homeless-at-risk individuals, to be run by a qualified non-profit service provider. The City is now seeking funding from all levels of government to fund this important project, and we have met with the Minister Responsible for Housing to seek the province's support. Municipal taxpayers will not be funding the construction or operation of this facility.

In other provincial news, the Ministry of Transportation and Infrastructure declared their support in principle for a north connector between the Inland Island Highway and Veterans Memorial Parkway. This would greatly improve access to and from the new hospital, the airport, ferry terminal, Mount Washington, and Campbell River. Improved transportation routes are vital to a healthy economy. The connector should be functioning when our new hospital opens.

I'm also pleased about the efforts being put into downtown revitalization and beautification. The City has been working closely with the Downtown Courtenay Business Improvement Association and the Comox Valley Economic Development Society on ways to support our downtown businesses. Ensuring the health and vitality of our downtown core is something I think we can all agree should be a priority.



Courtenay City Council has taken a lead role provincially in advocating for the ability to charge a lower property tax rate to small businesses. Right now we are prevented from doing this by provincial regulations. At the 2013 Union of BC Municipalities Conference, delegates voted to support Courtenay's motion to lobby the provincial government to do this very thing. This proposal was also endorsed by the Association of Vancouver Island & Coastal Communities.

The City is approaching its centennial in 2015. City Council has strived to lay a solid foundation for the years and decades ahead, and I know I speak on behalf of our entire Council when I say what a privilege it is to serve this wonderful community.

A handwritten signature in black ink, appearing to read 'Larry Jangula'. The signature is stylized and cursive.

Larry Jangula  
Mayor, City of Courtenay



# Mayor and Council

**Top row (left to right:)** Jon Ambler, Manno Theos, Doug Hillian, Bill Anglin

**Bottom row (left to right:)** Ronna-Rae Leonard, Larry Jangula, Starr Winchester

Courtenay Council members have historically been elected for three year terms, with the most recent election occurring in November 2011. Starting with the next election in November 2014, terms will be four years.

Each member of council represents the City at large. Councillors serve on various boards, including the Comox Valley Regional District, Vancouver Island Regional Library and the Comox Valley Water Supply Commission.

Members of the public are welcome and encouraged to attend open Council meetings. Council Meetings are generally held on the first three Mondays of each month, and Strategic Planning meetings occur on the last Monday of the month. To view the Council meeting schedule, go to [www.courtenay.ca](http://www.courtenay.ca)

## Contact Council

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# Message from the C.A.O.

2013 was an eventful year for me at the City of Courtenay. I arrived as the newly minted Chief Administrative Officer in April, and spent those first several months listening, learning, and working closely with Council and staff to determine priorities, scope out opportunities, and identify issues.

The results of a Citizen Satisfaction Survey in July 2013 also helped define successes and areas needing attention. 98 percent of respondents spoke positively about the quality of life in the City, and 94 percent expressed satisfaction with the level and quality of City services. Residents flagged transportation, municipal government services, and the economy as their main “top of mind” issues.

In September 2013, Council and senior staff attended a strategic priorities workshop, led by Dr. Gordon McIntosh of the Local Government Leadership Institute. The resulting Strategic Priorities Report clearly lays out the corporate priorities identified by Council, including the proposed supportive housing project on Braidwood Road, resolving the Maple Pool Campground issue, analyzing fire service in East Courtenay, a “Complete Streets” pilot project, and downtown viability. The complete report is available on the City of Courtenay website.

The report also identified priorities for various operational projects, including asset management – formally analyzing the life cycle of our various forms of infrastructure. Asset management is one of the biggest issues facing local governments today. To learn more about asset management, see page 14.

Of course, to address these priorities, and the many other day-to-day legislative requirements and essential services provided by local government — such as water, sewer, policing, fire protection, roads, and bylaw enforcement — we need to ensure we have the necessary financial and human resources in place. This also goes for the important quality of life services and programs, such as recreation, arts and culture, that Council and the public value.

This is where our Corporate Work Plan comes in. In a nutshell, this innovative pilot project is going to help us keep track of major projects. It will help us ensure we have the corporate capacity to manage and complete these projects, and also determine whether or not we have the time to take on additional projects.



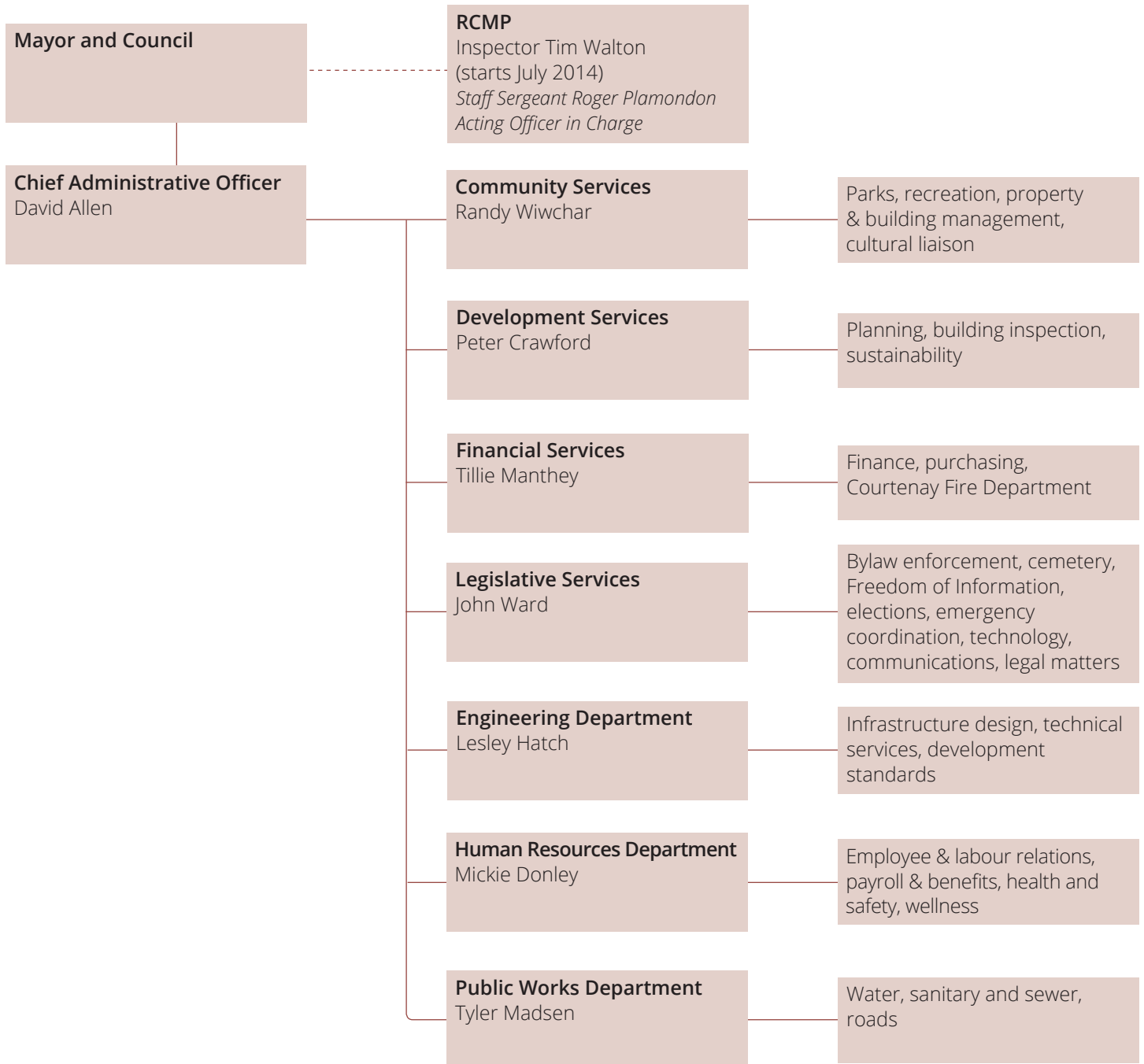
As part of this process, senior staff are testing a software tool to track the time they spend on specific projects. We plan to introduce it to other managers and staff later in 2014. This will help us establish effective annual work plans that connect to Council's strategic priorities and the statutory work that we are required to do.

We're also taking steps to improve internal and external communication. We've launched a new employee intranet to help the City and our employees share information with each other. In 2013 we also started the lengthy process of updating our City website. The new website will be released in the fall of 2014.

I am proud to work with such a great team here at the City of Courtenay, and look forward to more great years ahead.

David Allen  
Chief Administrative Officer

# Organizational Chart



# Vision and Mission



## Vision

- Courtenay will be an innovative and vibrant City where people desire to live, and where businesses want to invest and grow.
- We aspire to be a community that works together to provide opportunities and excellent services.
- We will continue to be a community with extensive parklands, natural areas, agricultural lands, as well as being the primary area of commerce, investment, and growth in the Comox Valley.
- As a City we will be a leader in arts, culture and recreation, promote educational opportunities and diversity, and care about the health and well being and safety of our citizens, businesses and environment

## Mission

- To fulfill its responsibilities under the Local Government Act to set policies, regulations and make decisions to ensure that the City is well-governed and that its civic assets are well-managed;
- To effectively lobby and influence other levels of government and stakeholders with respect to Courtenay's interests; and
- To educate and inspire the residents of Courtenay to participate in and support efforts to make Courtenay a great place to live.



# About Courtenay



The City of Courtenay is located mid-way along the east coast of Vancouver Island in British Columbia, Canada.

Nestled between the sea and Mount Washington Alpine Resort, Courtenay isn't just popular for its looks.

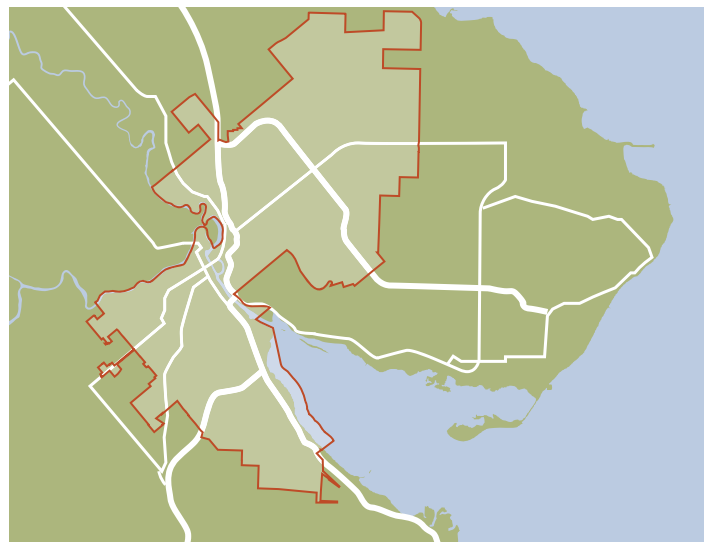
Home to over 24,000 people, the City is the cultural and economic centre of the Comox Valley.

Courtenay's lively downtown core features an assortment of shops, galleries, and restaurants — many with locally produced ingredients from a thriving agricultural community.

The stunning Courtenay Riverway connects downtown Courtenay with the City's southern boundary. This paved, accessible walkway borders the Courtenay Estuary, an ecologically important waterway that is home to hundreds of bird, fish and plant species.

World-class recreational opportunities await, either in Courtenay or its neighbouring communities, including golf, mountain biking, skiing, and hiking.

Courtenay is approaching its 100th Anniversary in 2015.



# Environment

## Greenhouse Gas Emissions

**Corporate:** Our corporate greenhouse gas (GHG) emissions for 2013 were 1,118 Tonnes CO<sub>2</sub>e. This is a reduction from 2012, which totalled 1,195 Tonnes CO<sub>2</sub>e.

Corporate GHG emissions are separated by source into mobile fuel combustion (fleet and other mobile equipment) and stationary fuel combustion (building heating, generators, and electricity). Corporate emissions also account for emissions from contractors who deliver traditional services, such as waste collection.

In 2014, in an effort to meet our Climate Action Charter requirements, the City set aside the equivalent of the calculated cost of purchasing offsets under the Carbon Neutral Framework and held the money in a "Climate Action Reserve Fund". This money is to be used for emission reduction projects. While this fund does not in itself result in technical carbon neutrality, it keeps our local tax dollars in the community, and helps further reduce GHG emissions.

**In the Community:** The City has committed to reduce community-wide GHG by 20 percent by 2020. Between 2007 and 2010 – the years we have data for – GHGs actually increased by 10 percent, partly due to our community's growth. To meet our target, the City will need to continue exploring efficiencies in transportation, buildings, and emissions from solid waste. These are long-term changes occurring over time that require the participation of all residents.

## Active Transportation

An Active School Travel planning process partnership was initiated with the City and other local governments, SD71, local parents and other community partners. Puntledge Elementary in Courtenay is one of the three schools that started the process and has seen measurable changes in the number of students using active modes for their school commute. The City looks forward to continuing to work with all the community partners to ensure that students have safe and active choices for their daily commutes.



## Tree Protection

The City's Tree Protection Bylaw is under review, with the following objectives:

1. More flexibility
2. More clarity in requirements and expectations
3. Standardized requirements
4. Forest canopy target-based approach
5. More significant trees identified, and protected
6. More materials to guide applicant through process- to make it a quicker and clearer process

The City is working with a wide range of stakeholders including land development consultants, arborists, the conservation sector and residents to ensure a feasible and manageable approach to protecting our urban forest.

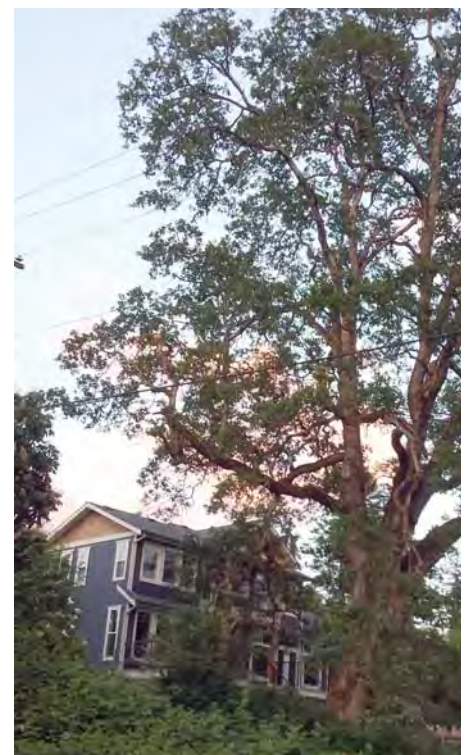


## State of the Environment Report

In 2013 the City issued its first "State of the Environment Report" with updates on air quality, water use, transportation, land use, waste, and energy.

The report shares some of the City's initiatives and targets and how we are reaching them. The report draws on data from other agencies such as the Community Energy and Emissions Inventory from the Province of BC and the StatsCan Census.

A 2014 State of the Environment report focusing on watershed health is now available on the City website.



# DEVELOPMENT SERVICES

In 2013, the City issued building permits with a construction value totalling \$30,438,319. This is down from 2010-2012, but closer to the values and numbers of 2008-2009. It reflects the significant commercial building that occurred between 2010 and 2012. Courtenay is also seeing much more activity and inquiries on both commercial and residential infill opportunities.

## Significant permits in 2013:

- New Commercial Building – Thrifty's Retail Centre, \$2,800,000
- New Residential (Avril Homes) 19 units on Muir Road, \$2,300,000

## Approvals and Applications:

- Zoning Bylaw and Development Permit Approval for Medical Clinic on Mission Road
- A 78 Lot Residential Development on Arden and Cumberland Roads
- Crown Isle for future residential development
- Approximately 100 residential units on Arden/Ronson Roads
- Development Permit for Phase Two of Thrifty's Retail Centre
- Approval received for boundary extensions including Beaver Meadows Farms, Crown Isle (Lannon Road), Baptist Church on Lake Trail Road and South Royston area (100 properties)

## Projected for 2014:

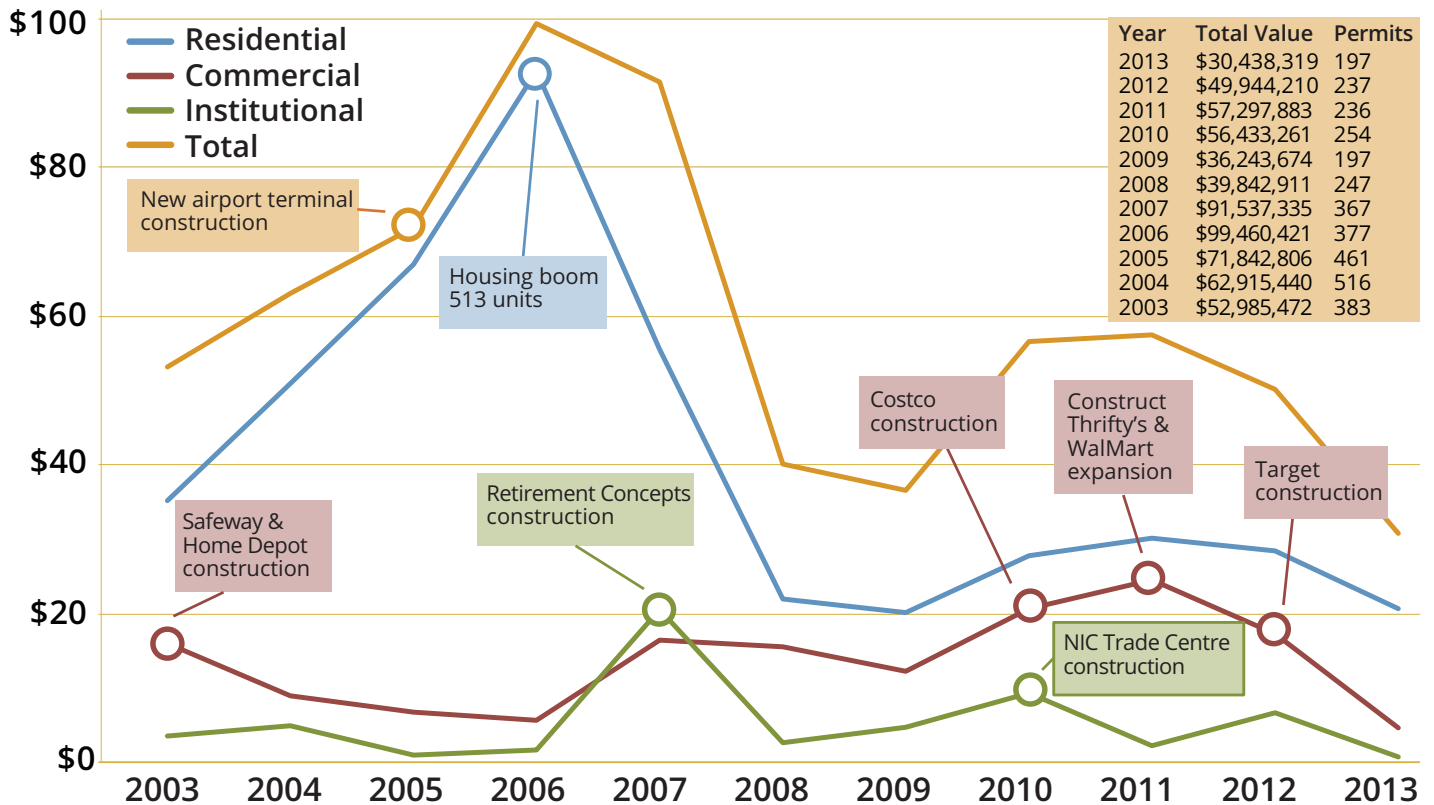
### Commercial

- Ongoing involvement with the Comox Valley hospital approval process; construction value \$230 million, total value \$332 million
- Development near Ryan/Lerwick Roads and Crown Isle Drive
- Commercial building on Cliffe Ave. between 19th and 20th Streets
- Vanier School renovation

### Residential

- Arden Road – three projects under review, plus development in process
- South of 30th Street, Cliffe Avenue
- Crown Isle- review of several areas
- Mission Road – further build out of remaining properties

## Value (\$ millions)

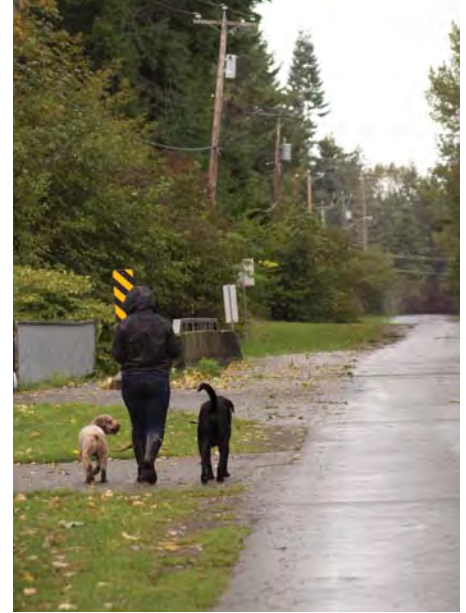


# Arden Local Area Plan

This past year the City's newest Local Area Plan was completed, for the Arden Corridor. The creation of the Plan involved extensive consultation with residents and working with partner organizations such as the Comox Valley Conservation Strategy Community Partnership, including the Arden Area Residents Association.

Recognizing the ecological sensitivity and community pride of the area, this Plan is grounded in three core strategies: using precautionary approaches to land use decision making; using the illustrative ideas presented to inform development applications; and being clear to the community on when further consultation will be initiated by the City. A series of 10 community design principles are used to articulate the design elements of the Plan, and how they are addressed, further building community capacity and stewardship of the Plan's vision over time. All parties involved in the planning process acknowledge the role this Plan plays in re-establishing trust between community and City, signifying a significant step forward in how the City works with the community it serves.

The Arden Corridor Local Area Plan received an Honourable Mention from the Planning Institute of British Columbia.



# Supportive Housing

In August 2013, the City announced the purchase of a .42 acre property on Braidwood Road, to be used as the eventual site for a supportive housing project.

Courtenay City Council has identified this housing project as their top strategic priority. The City is investigating funding opportunities from all levels of government, as well as partnership opportunities with local community organizations to run the facility.

The City has engaged a social planning consultant to prepare a proposal and liaise with the neighbourhood, community, and interested local non-profit stakeholders. BC Housing has provided \$50,000 to assist with the planning and development of a supportive housing proposal.

# Sign Bylaw update

The City's sign bylaw now recognizes the distinct character of different areas of our community with sign regulations based on location. The updated bylaw includes regulations unique to downtown, the Old Orchard, commercial corridors and institutional properties, along with a shift towards a more flexible approach to permanent signs while restricting many forms of temporary signage.

The sign bylaw update followed input from Council, stakeholders and local citizens. The new bylaw is presented in a very visual format with many photos and illustrations to clearly explain the regulations. Reviewing the Sign Bylaw was listed as a priority in Council's Strategic Plan.

**THE OLD ORCHARD & AREA**

**Where it all began...**  
Courtenay townsite was created in 1892 with the subdivision of land owned by Joseph McPhee and Reginald Pidcock. Surveyor Richard Drabble was hired to lay out half of the subdivision on McPhee's property and half on Pidcock's - Union Street, now known as 5th Street, was the dividing line.

When lot sales began to slow, McPhee planted an orchard on 10 acres of his property to supply produce to his store. The orchard was later sold and subsequently subdivided into town lots thus giving rise to the name the Old Orchard neighbourhood. Today the Old Orchard refers to an area that extends beyond McPhee's orchard. It is an area that continues to evolve while rooted to its past and remains a desirable place to live with parks, shops, and restaurants just beyond the doorstep and a variety of housing types, architectural styles, gardens and lanes increasing its appeal.

**Preserving the heritage character.**  
**The Old Orchard Local Area Plan & Design Guidelines**  
The Old Orchard and Area Local Area Plan was created with the input of more than 100 community members and was adopted by Council in 2008. Through the creation of the LAP local citizens identified the pedestrian lifestyle and heritage character as important features of the neighbourhood.

**CHANGING STREET NAMES**  
You might know that 5th Street was once called Union Street. But do you know the original names of:  
1. 2nd Street?  
2. Cliffe Avenue?  
3. England Avenue?

**Other text in infographic:**  
The Billy Booth House (top) and the Grech House (bottom) are 2 of 21 properties in the City of Courtenay Heritage Register.

# Heritage Commission

The Heritage Advisory Commission works to recognize and promote Courtenay's heritage. As part of these efforts the Commission participates in Heritage BC's Heritage Week each year. This year's display featured three of Courtenay's heritage neighbourhoods: The Old Orchard, Terminal Addition, and the 40 Houses.

Other activities in 2013 included working with the Museum on developing a booklet highlighting the history of the Comox Valley Creamery, and documenting the history and heritage value of the 40 Houses neighbourhood.



WHALE'S TALE TOYS

Hot dogs Ice cream

SOLD HERE  
Robert A Couture

# Asset Management

PHOTO: BOOMER JERRITT

## What is Asset Management?

*“Over the last two decades there has been growing concern about the financial sustainability of community infrastructure networks across the globe. There is increasing recognition that many organizations have been making short-term decisions about investment, maintenance and renewal that are not sustainable over the long-term.*

*In many areas, a “perfect storm” combination of a steadily reducing funding base, low affordability, ageing infrastructure and declining population creates huge challenges for infrastructure managers.*

*Asset Management practices have evolved to address these challenges.”<sup>1</sup>*

What does Asset Management mean to those who live in, work in and visit Courtenay? Two important concepts explain the purpose and scope of Asset Management:

1. To meet the required level of service in the most cost effective manner, by managing assets for present and future users.
2. To look at the lowest long-term lifecycle cost (rather than short-term savings) when making decisions.

These objectives require an integrated approach directed by Council, led by the CAO and supported by all City departments working together. However, at its core, Asset Management is about answering these questions: what services (and at what levels) should Council provide the community and what is the cost that you, our constituents, are willing to pay?

To find out, in 2013 Council initiated a multi-year process, proven by international leaders in the field. Nearly twenty years ago, the Institute of Public Works Engineering Australia (IPWEA) developed the “National Asset Management

Strategy” (NAMS). This system was created by and for the public sector to address the types of infrastructure issues now faced by Courtenay and most Canadian local governments.

Starting in 2010, NAMS was successfully introduced to a limited number of local governments in BC and Saskatchewan. NAMS has now been adopted by a quickly growing number of communities in five provinces and territories.

These efforts (whether using NAMS or other methods) have yielded such positive results that eligibility for senior government infrastructure grants in Canada now depends upon applicants demonstrating they practice Asset Management.

Following Council’s direction in 2013, the City of Courtenay assembled a team that is experienced and trained in the practice of NAMS. The first step is determining the ability of the City’s capital assets (roads, water, sewer, storm drainage, buildings, fleet, etc.) to continue delivering the intended services that depend upon them. To do this successfully, the City must assess the condition and remaining life of all these capital assets - a lengthy and technical process.

Funded by federal government Gas Tax grants, this multi-year, organization-wide undertaking began in earnest with Council’s approval of the 2014 financial plan.

The approaching City centennial in 2015 gives some context to the magnitude of these recent decisions. Whatever the result of our asset management review, the present situation evolved over a span of 100 years and there will be no quick fix. However, we have chosen to take the first few steps down a path blazed by acknowledged experts so that necessary Asset Management objectives may be defined and met in the years to come.

<sup>1</sup>“International Infrastructure Maintenance Manual” International Ed., Institute of Public Works Engineering Australia, Sydney, NSW, 2011, s. 2.1.4.

# ENGINEERING & PUBLIC WORKS



*5th Street & Menzies Avenue intersection improvements*

## Roads and Traffic

Menzies Avenue between 4th and 5th Streets received an upgrade in 2013, including curb, gutter sidewalk, traffic calming initiatives and pedestrian crossing signals.

The intersection of 6th Street and Back Road was realigned to improve traffic safety and sightline conditions. Paving projects were completed on Rod and Gun (1st Street to Embleton Avenue), Woods Avenue (1st to 2nd Street).

Major asphalt patching occurred in various areas, including Fitzgerald Avenue (8th to 17th Street), Anderton Avenue at 1st Street and 5th Street, Dingwall Road at Highway 19A, fixing more than 350 potholes, and sealing around 1,500 metres of road cracks. This maintenance work extends the pavement life of our roads.

Traffic signals were installed at Lerwick

Road and Malahat Drive. The Ministry of Transportation and Highways, in cooperation with the City of Courtenay, modified the signal operations at Lerwick Road and Ryan Road.

Three new bus shelters were installed as part of the ongoing bus-shelter upgrade program, cost-shared with BC Transit.

The 2013 Transportation Plan (initiated in the fall of 2012) evolved over 2013. The final report is due to be complete in summer 2014. Regular consultation with RCMP, ICBC and Ministry of Transportation and Infrastructure supports the City's prioritization of new traffic and pedestrian signals, road improvements and pedestrian links.

When roadwork is performed it creates disruption to vehicle traffic and pedestrians. The City thanks the public for their cooperation and patience during these works.

## Water, Sewer and Storm Drainage

Capital projects for the water system occurred on 5th Street, Malahat Drive, Highway 19A (South) and Piercy Avenue. Sewer service was extended to Glacier Road. Crews also improved drainage on a section of Headquarters Road.

The City continues regular maintenance work on all utility systems to conserve water through leak repairs and replacement of old water meters. In addition, crews seek out opportunities to reduce ground water infiltration to our sewer system by grouting manholes and spot repairs. Replacing catch basins and outfall structures ensures good drainage.

The Integrated Flood Management Study and Sanitary Sewer Master Plan reports continued to advance over 2013 and will be finalized by summer 2014. Both studies will provide information to support capital project planning for the next 5-year budget.

The City continued to reduce water consumption and the amount of liquid waste heading to the sewage treatment plant. From 2009-2013, the City of Courtenay partnered with the Comox Valley Regional District to offer cash rebates to homeowners and businesses wishing to convert to low flush toilets. The City's commercial toilet rebate program will continue in 2014.

## Developments

East Courtenay saw the completion and opening of Tim Horton's; completion of the rezoning and subdivision of the Comox Valley Hospital site and an extension of Crown Isle Drive providing more single family lots. West and south Courtenay encompassed the developments of Morrison Creek Commons (Phase 3 & 4) and Raven Ridge Phase 1, respectively.

# COURTENAY FIRE DEPARTMENT



*Courtenay Fire Department and Comox Valley Ground Search and Rescue training with 442 Transport and Rescue Squadron*

The Courtenay Fire Department serves a population of 38,000 people over 181 square kilometres in the City of Courtenay and surrounding Fire Protection Districts.

The department responded to 691 incidents in the City of Courtenay and fire protection districts in 2013. 467 of these responses were for emergency incidents, with the remaining 224 to non-emergency incidents. Fortunately there were no serious injuries or worker fatalities in 2013.

In September, the department purchased a refurbished Rescue 71 rescue unit from Fort Garry Fire Trucks. To reduce costs, the department reused the box from an old rescue unit and installed it on a new cab and chassis. Total savings were approximately \$180,000.

The Courtenay Fire Department Training Division provides instruction to both its career and volunteer members using both contract and in-house fire service instructors/evaluators. In 2013, Courtenay firefighters documented 4,000 training hours. Regular Tuesday night skills maintenance training, the recruit training program, as well as regular training to our Fire Prevention Officers, Emergency Vehicle Technician (EVT) and Administrative staff, all contributed to these training hours.

## 2013 Training Highlights

- Range of live fire training exercises at an old vacant home, scheduled for demolition, on Coleman Road
- Joint training exercise with 442 Transport Rescue Squadron from CFB Comox, and Comox Valley Ground Search Rescue
- Auto extrication and confined space training

The Courtenay Fire Department was once again very involved promoting fire safety in the community. Staff inspected 1,468 businesses in the city and fire protection districts. Most were free of major fire code or safety violations.

Prevention staff also offered numerous public education opportunities to the public. Active and retired firefighters hosted events such as the RBC Life Safety Expo targeting school children in grade seven, fire extinguisher training, a mini fire boot camp, fire hall tours, car seat inspections, as well as touring every grade three class through the fire safety house.

## Volunteer Opportunities

Interested in helping your community? The Courtenay Fire Department offers training, leadership, and camaraderie. Call 250-334-2513 to find out how you could join the team.



# RCMP

The City of Courtenay contracts police services from the RCMP, and in 2013 there were just over 30 police officers working for Courtenay and just over 60 RCMP working in the entire Comox Valley. Over the past year, the Comox Valley RCMP Detachment has worked in partnership with the City of Courtenay on a variety of issues to enhance public safety. Work continues on concerns of local residents and business owners in an attempt to reduce vandalism and thefts.

The Detachment recently participated in the selection of a new Officer in Charge. Inspector Tim Walton will be relocating from RCMP Headquarters in Ottawa.

Auxiliary RCMP members provide an outstanding service to the City of Courtenay. Auxiliary members are citizens that volunteer their time to serve the Comox Valley and the Detachment in a variety of ways such as Drug Abuse Resistance Education (D.A.R.E.), traffic control, and charity fundraising. Auxiliary officers also assist regular members of the Comox Valley Detachment in their day to day duties.

The RCMP Detachment has also been very successful in the past year with the seizure of offence-related property and having that property forfeited to the Province. The Violence in Relationship section continues with two full-time members dedicated to working with community partners and other agencies to see the best possible outcome when faced with calls of family violence.

The Municipal Traffic Section has welcomed a new corporal in charge along with one full time constable. The traffic section will be working with local Citizens on Patrol members in the Speed Watch program. Speed Watch members collect vehicle speed statistics and data on identified roadways. This information is then provided to the traffic section so specific locations within Courtenay receive increased enforcement action — keeping local streets safer for everyone in the community.

The RCMP participated in a variety of Special Olympics fundraisers last year, such as the Free the Fuzz event on the Canadian Tire rooftop. In 2014 the Detachment is preparing for several other successful fundraising events benefitting worthy causes, such as the 2014 Tour de Rock, a yearly Cops for Cancer fundraiser.

The RCMP will also be assisting with many other activities in the upcoming busy summer months. One of the areas garnering increased attention will be people using the Puntledge River for activities such as tubing, to ensure people are using the river in a fun but safe manner.

Comox Valley RCMP members appreciate the opportunity to serve in such a wonderful community, and the Detachment looks forward to many more years working in partnership with the City of Courtenay to enhance our community.



SHARON TIFFIN PHOTO

2014 Canadian Cancer Society Cops for Cancer Tour de Rock Team

# COMMUNITY SERVICES

## Courtenay Recreation

### Youth Services

The LINC Youth Centre & Indoor Skatepark supports youth recreation needs in the Comox Valley. Through both low cost drop-in programs and registered recreation programs youth ages nine to 18 years are engaged in a variety of healthy activities.

The LINC provides a welcoming environment and numerous youth-friendly amenities, such as an indoor skateboard park, outdoor basketball court, foosball, ping pong, air hockey, video game consoles, and nightly events - all for a modest drop-in, monthly, or annual fee.

For the past few years, The LINC Youth Centre has received funding from Industry Canada to operate their CAP program. The funding allows the LINC to hire a Youth Intern, who in turn engages youth in a variety of digital arts. The CAP Youth Intern also gains valuable skills in working with youth and a variety of Digital Art mediums, including photography, photo editing, filming, and recording.

The LINC Youth Centre's Indoor Skatepark was also the recipient of grant funding through the Municipal Insurance Association of British Columbia. These funds were used in early 2014 to help make improvements to the aging street section of Vancouver Island's only indoor skatepark.

The skatepark is heavily used by youth from all over Vancouver Island; particularly in the winter months.

## Early Years & Children's Programs

The Lewis Centre renovation and expansion has provided more space for children's programs. See page 20 for more information on the project. Since construction completed in fall 2013, Courtenay Recreation has seen an increase in dance, martial arts, art, and cooking programs. Program registrations for children aged 6 to 12 have increased, however registrations for children aged 0-5 years have decreased slightly since the introduction of full day Kindergarten.

The Little Cruisers drop-in program, which provides information, resources and socialization to caregivers and their toddlers, was again successful in receiving grant funding through the Children's Health Foundation of Vancouver Island. This funding has allowed the continuation of this program for the 2014-2015 fiscal year.



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## Partners in Parks

Through Courtenay's provincially acclaimed Partners in Parks program, community organizations work with the City to develop park and community projects.

Courtenay is proud of its parks system and is appreciative of the many organizations who contribute to their improved quality so all citizens can enjoy them.

Courtenay has been very fortunate to have community groups and organizations assist and contribute on an ongoing basis. Some of the initiatives in 2013 include:

- Courtenay Rotary — Rotary Trail, bench commemoration
- Sunrise Rotary — Sunrise Park upgrades
- Comox Valley Naturalists — Courtenay Riverway restoration
- Broom Busters — broom removal
- Dawn to Dawn — Community Garden
- Comox Valley Tennis Club — tennis court upgrades
- TELUS — trail development
- TD Bank — Piercy Creek Greenway native species planting



## Mile of Flowers: A Courtenay tradition

The Mile of Flowers is a long-standing Courtenay tradition which has allowed the community to show its pride and beautify the entrance to the City. The Mile of Flowers Plant-In dates back to 1967, when Kathleen Kirk set out to commemorate Canada's centennial year. That year she planted 7,800 seedlings as a welcome to tourists. What began as the initiative of one woman now involves hundreds of volunteers and 40,000 flowers.

The flowers are planted each May on Cliffe Avenue between 8th and 21st Streets. Hundreds of citizens, community groups and City staff get involved. The Courtenay Rotary Club assists with a free barbeque following the plant-in. This community building project continues to be a highlight each year.



## Community Garden growing connections

The City of Courtenay has partnered with Dawn to Dawn Action on Homelessness Society to develop and operate a community garden on City-owned property at the corner of Harmston Avenue and 6th Street. The garden has become a vehicle for social interaction in our community.

When the pilot project began in 2012, the vision was to engage all members of the community in urban food production and help feed those facing poverty. This vision was achieved, with fresh produce distributed throughout the community through Lush Valley Food Action Society and the Sunshine Club at St. George's Church. Everyone is welcome in the garden; it is estimated that over 2,000 people have come to visit or participate. Educational workshops and community potlucks are held regularly.

The City of Courtenay has entered into a five-year agreement with Dawn To Dawn to allow this program to continue to grow and flourish. The City is also collaborating with the newly formed Comox Valley Food Round Table to learn where the City can support food security within its mandate.



## Rotary Trail Phase Three

The third phase of the Rotary Trail from 17th to 21st Street was completed in summer 2013. The trail now extends from 5th to 21st Streets in Courtenay. This hard-surface gravel "rail with trail" along the E&N corridor, is a multi-use trail accommodating both walkers and cyclists, and connecting to downtown Courtenay.

TELUS contributed \$20,000 to the Rotary Trail Phase Three. The Courtenay Rotary Club has raised \$100,000 for all three phases of the trail and continues to be a partner and strong supporter of the project.

The Rotary Trail is a partnership between the City of Courtenay, Courtenay Rotary and the Island Corridor Foundation. The Island Corridor Foundation is actively working with local governments along the corridor to develop similar projects. Their long-term goal is a trail along the entire rail corridor from Courtenay to Victoria, stretching 234 kilometres.

# Lewis Centre Project



After over a year of construction, the City of Courtenay's primary recreation centre — the Lewis Centre — was officially opened on September 24, 2013. The grand opening welcomed hundreds of people, along with dignitaries from the K'ómoks First Nation, all municipal councils, the regional district, and provincial and federal governments. The \$5.4 million project was a multi-level initiative with funding assistance received from the Provincial Community Recreation Program, the Federal Gas Tax Fund, and the Federal Enabling Accessibility Fund. Community organizations such as the Evergreen Club also made contributions to the project.

The Lewis Centre project includes a new 11,000 square foot expansion, which opened to the public in June. The expansion offers a 4,000 square foot Wellness Centre, 3,000 square foot activity room, plus new washrooms and change rooms.

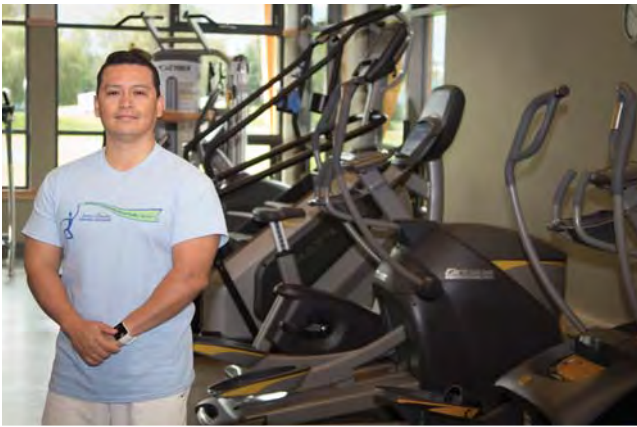
Since opening, Wellness Centre attendance has increased by 63 percent; in part thanks to the ability to offer more programs. The new Wellness Centre is almost four times larger than the old weight room.

Renovations to the original facility were also extensive. Changes include upgraded mechanical, ventilation systems,

and lighting, a new craft room and seating area, and improvements to the squash facilities. Community arts groups will also be able to display their art throughout the renovation. Extensive upgrades improved accessibility, including the installation of an accessible lift, washroom and change room improvements, and a new administration area for special needs programs. The Lewis Centre is the central hub for Special Needs activities for the entire Comox Valley.

A new outdoor stage, parking and lighting improvements, site landscaping, administration offices, and lunch rooms were also incorporated into the renovation.

The Lewis Centre, in the heart of the Comox Valley, is an integral part of a vibrant downtown Courtenay. The Lewis Centre serves numerous activities and organizations, and is a gathering place for families, children, youth, adults and seniors. The Centre provides for enhanced wellness and health opportunities and is the headquarters for many community special events. The Lewis Centre complements many other amenities on site, including the outdoor pool, water park and playground, tennis courts, play fields, and outdoor park buildings.



# Public Art

## City partners with cultural community



The City of Courtenay and the Comox Valley Arts Council have partnered to create the Mural Initiative Program. The Program includes mural development on city buildings, utility boxes and partnerships with local businesses, community organizations and BC Hydro.

Utility boxes along the Rotary Trail in Courtenay got a fresh new look in 2013 thanks to the work of several local artists. Artist Tracy Kobus painted the new outdoor stage at the Lewis Centre. The stage features a new 1,000 square foot wrap-around mural highlighting nature scenes in the Comox Valley including bald eagles, trees and the glacier. Youth trained through the mural mentorship program participated in this project.



The artwork energizes public areas, instills pride in the community, and engages people of all ages.

The program also deters graffiti and vandalism and assists with long term maintenance costs.

## Mural beautifies Courtenay Civic Cemetery



When local artist Robert Lundquist was chosen to paint a new mural on the maintenance building at the Courtenay Civic Cemetery, he was asked to make the design blend in with its surroundings. Lundquist took this request to heart, and the resulting creation looks as though the viewer could step right in.

The work portrays a landscape of meandering pathways winding through trees, greenery and benches. The inspiration for the murals came from the central scattering garden and the overall landscape. To plan the artwork, Lundquist spent several hours in the garden, taking photos and letting the surroundings dictate the design. The mural was completed in September.

The Courtenay Civic Cemetery is open to the public seven days a week from 8:00 am until dusk. For more information, visit [www.courtenay.ca](http://www.courtenay.ca)

# HUMAN RESOURCES

Human Resources services include Recruitment, Hiring, and Orientation, Payroll and Benefits administration, Occupational Health and Safety, Employee Wellness, Disability Case Management, Performance Management, and Employee and Labour Relations.

Bringing accountability, transparency and fairness to the City's recruitment and job selection process continues to be a priority. To ensure that efficiencies and success rates are realized in our recruitment and retention initiatives, a more comprehensive orientation process was implemented for new employees.

The City's Occupational Health & Safety (OH&S) program was reviewed against benchmarks set by the BC Municipal Safety Association and WorkSafeBC in preparation for a Certificate of Recognition evaluation. New Safe Work Procedures were developed and implemented in several departments and training continued for managers and supervisors to increase awareness of responsibilities.

The Joint Occupational Health & Safety Committee continues to work with CUPE Local 556 to ensure mutual support, training and participation in all aspects of the program. The City was awarded an Honourable Mention for participation in North American Occupational Safety and Health (NAOSH) Week.

The Disability Case Management program offers in-house solutions to help employees return to work as soon as possible after a leave of absence due to illness or injury. This helps keep employees connected to the workplace by providing opportunities for modified work while helping to responsibly manage costs to the City.

The Workplace Health and Wellness Program builds a healthy work environment by engaging and empowering City employees through activities that promote healthy lifestyles, facilitating wellness training and educational activities, promoting community involvement, and increasing social awareness. Throughout 2013, the program focussed on anti-bullying and mental health education, sun & UV protection, biking to work, emergency preparedness, team building events, and supporting several charities through personal donations.



# FINANCIAL SERVICES

Financial Services includes long-term financial planning, annual budget development, investments, accounting, treasury and cash management and all statutory financial reporting.

All purchasing and stores requirements such as tendering and purchase orders are coordinated through this division. Financial Services staff calculate and levy property taxes, water, sewer and garbage billings, as well as process other payments made to the City.

Working closely with the Chief Administrative Officer, the Financial Services Department assists all City departments in the preparation of their respective annual budgets and five-year financial plans. As an essential part of the City's asset management planning, Financial Services provides advice on options for the operation, maintenance, and renewal of essential municipal infrastructure, as well as the implications of taking on new infrastructure associated with growth.



## *Important 2014 Property Tax Dates*

<b>May 26, 2014 (week of)</b>	<ul style="list-style-type: none"> <li>• 2014 Property Tax Notices mailed</li> </ul>
<b>July 2, 2014</b>	<ul style="list-style-type: none"> <li>• Tax payments due</li> <li>• Provincial Home Owner Grant applications due</li> <li>• Tax Deferment applications due</li> <li>• Last day to avoid 10% penalty on unpaid current taxes and unclaimed grants</li> </ul>
<b>July 3, 2014</b>	<ul style="list-style-type: none"> <li>• 10% penalty added to all unpaid current taxes and unclaimed grants</li> </ul>
<b>August 1, 2014</b>	<ul style="list-style-type: none"> <li>• Tax Installment Preauthorized Payment Plan (TIPP) deductions start for the next taxation year</li> </ul>
<b>September 29, 2014</b>	<ul style="list-style-type: none"> <li>• Statutory property tax sale for all properties three years in arrears of taxes</li> </ul>
<b>December 31, 2014</b>	<ul style="list-style-type: none"> <li>• Last day to pay current year taxes prior to rollover into arrears category. (Arrears and delinquent category taxes are subject to a daily interest penalty)</li> </ul>



# Property Tax Exemptions

Every year, the City of Courtenay receives applications from non-profit organizations that qualify for tax exemption under the requirements of Provincial legislation. For 2013, the following exemptions were approved by Council.

Registered Owners	Exempt Amount of City Property Taxes
Eureka Support Society	\$2,721
Royal Cdn. Legion, Courtenay Br. (Pacific) No. 17	6,590
Comox Valley Child Development Association	10,888
Alano Club of Courtenay	2,475
Old Church Theatre Society	5,169
Comox Valley Pregnancy Care Centre	962
Comox Valley Recovery Centre Society	4,001
Comox Valley Boys and Girls Club	2,189
Comox Valley Family Services Association	4,255
Glacier View Lodge Society	55,330
Courtenay & District Historical Soc. In Trust	1,877
Comox Valley Curling Club	11,073
St. John the Divine Abbeyfield House Society	2,834
Comox Valley Kiwanis Village Society	8,968
L'Arche Comox Valley	833
Comox Valley Transition Society	846
Canadian Red Cross Society	1,458
Aaron House Ministries	1,519
Youth for Christ Comox Valley	910
Stepping Stones Recovery House for Women Soc.	918
Saltwater Education Society	347
Courtenay Elks Lodge	1,334
Comox Valley Regional District	11,329
Nature Trust of B.C. - Sandpiper Park	5,751
Habitat for Humanity V.I. North Society	626
<b>Total Non-Profit Annual Tax Exemptions</b>	<b>\$145,203</b>

Council adopted a ten year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2013 value of properties exempt is as follows:

Island Corridor Foundation	\$9,974
<b>Total Island Corridor Foundation exemptions</b>	<b>\$9,974</b>

Council adopted a five-year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2013 value of properties exempt is as follows:

Comox Valley Centre of the Arts	\$22,156
Sid Williams Theatre	22,783
Courtenay & District Museum	17,369
Courtenay Marina	16,666
Courtenay Airpark	90,910
McPhee Meadow Park	1,724
<b>Total City owned properties</b>	<b>\$171,608</b>

Provincial Legislation (the Community Charter) statutorily exempts the building and the land on which the building stands, for places of worship, specific seniors' housing, hospitals and private schools. Council may, by bylaw, permissively exempt the land surrounding the building. In 2013, Council adopted a bylaw to exempt the following surrounding lands:

Grace Baptist Church	\$100
Anglican Synod Diocese of BC	1,843
Central Evangelical Free Church	286
Elim Gospel Hall	638
St. George's Church	623
River Heights Church Society	765
Salvation Army Canada West	333
Lutheran Church	661
Valley United Pentacostal Church	437
Bishop of Victoria-Catholic Church	944
Kingdom Hall of Jehovah Witnesses	575
Seventh Day Adventist Church	354
LDS Church	1,239
Foursquare Gospel Church of Canada	5,136
Courtenay Baptist Church	291
<b>Total Permissive Surrounding Statutory Land Tax Exemptions</b>	<b>\$14,225</b>

**Total Permissive Exemptions - Overall** **\$341,010**

# The Corporation of the City of Courtenay

## Management's Responsibility for Financial Reporting

The preparation of information in these Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and are outlined under "Significant Accounting Policies" in the notes to the financial statements.

Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly. Management also maintains a program of proper business compliance.

MNP LLP, the City's independent auditors, have audited the accompanying financial statements. Their report accompanies this statement.



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T. Manthey, BA, CPA, CGA  
Director of Financial Services/Deputy CAO



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Larry Jangula  
Mayor

# Meyers Norris Penny

## Auditor's Report

### Independent Auditors' Report

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To the Mayor and Council of the City of Courtenay:

We have audited the consolidated statement of financial position of The Corporation of the City of Courtenay as at December 31, 2013 and the consolidated statements of operations, change in net financial assets and cash flow, and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for Consolidated Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

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

#### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2013 the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Other Matters*

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 5, has been presented for purposes of additional analysis. The supplementary information in Schedules 1, 3, 4 and 5 has been subjected to the auditing procedures applied in the consolidated financial statements and in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on schedule 2 because our examination did not extend to the detailed information therein.

Courtenay, British Columbia

April 22, 2014

*MNP* LLP

Chartered Accountants

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# The Corporation of the City of Courtenay

## Consolidated Statement Of Financial Position - Statement A

As at December 31, 2013

	2013	2012
<b>FINANCIAL ASSETS</b>		
Cash on hand and on deposit (Schedule 5)	\$17,966,870	\$24,661,024
Receivables (Note 1i)	3,453,527	2,806,150
Term Deposits (Schedule 5)	18,340,971	11,222,083
	<b>39,761,368</b>	<b>38,689,256</b>
<b>LIABILITIES</b>		
Accounts Payable (Note 1j)	6,831,569	6,639,076
Trust and Other Deposits	2,350,991	2,176,572
Deferred Revenue - Federal Gas Tax (Note 5)	3,121,718	3,554,295
Deferred Revenue - Development Cost Charges (Note 7)	3,352,680	3,102,467
Deferred Revenue - Other (Note 10)	708,020	500,520
Long-Term Debt (Schedule 4)	18,836,729	20,415,836
	<b>35,201,707</b>	<b>36,388,766</b>
<b>NET FINANCIAL ASSETS</b>	<b>4,559,661</b>	<b>2,300,490</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories	179,628	193,853
Prepaid Expenses	391,928	453,275
Tangible Capital Assets (Note 14 & Schedule 3)	123,447,288	113,597,312
	<b>124,018,844</b>	<b>114,244,440</b>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<b>\$128,578,505</b>	<b>\$116,544,930</b>

*The accompanying notes are an integral part of these financial statements*

# The Corporation of the City of Courtenay

## Consolidated Statement Of Operations - Statement B

For the year ended December 31, 2013

	2013 Budget	2013	2012
	(Note 16)		
<b>REVENUE</b>			
Taxes for Municipal Purposes	\$22,801,340	\$22,920,934	\$21,721,650
Sale of Services	10,617,192	10,650,450	9,598,550
Revenue from own sources	3,153,660	3,424,427	3,122,922
Federal transfers	600,793	1,537,986	395,588
Provincial transfers	1,553,038	1,197,175	2,010,042
Other local government transfers	493,296	371,204	321,666
Contributions	8,878,591	7,113,362	2,551,319
DCC Revenue	-	271,191	551,936
Investment income and taxation penalties	717,878	930,540	801,029
Other	299,100	1,774,625	308,158
<b>TOTAL REVENUE</b>	<b>49,114,888</b>	<b>50,191,894</b>	<b>41,382,860</b>
<b>EXPENSES</b>			
General Government Services	4,472,155	4,138,092	3,557,682
Protective Services	8,632,785	7,357,077	7,673,961
Transportation Services	6,583,781	6,578,463	6,309,497
Sewer and Water Facilities	8,138,043	7,438,743	7,239,912
Environmental Health Services	2,747,950	2,681,866	2,497,019
Public Health and Welfare Services	337,128	312,928	261,262
Environmental Development Services	577,483	768,555	515,782
Recreational and Cultural Services	8,812,722	8,882,595	8,263,901
<b>TOTAL EXPENSES</b>	<b>40,302,047</b>	<b>38,158,319</b>	<b>36,319,016</b>
<b>ANNUAL SURPLUS (Schedule 1)</b>	<b>8,812,841</b>	<b>12,033,575</b>	<b>5,063,844</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>116,544,930</b>	<b>116,544,930</b>	<b>111,481,086</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$125,357,771</b>	<b>\$128,578,505</b>	<b>\$116,544,930</b>

The accompanying notes are an integral part of these financial statements

# The Corporation of the City of Courtenay

## Consolidated Statement Of Change in Net Financial Assets - Statement C

For the year ended December 31, 2013

	2013 Budget	2013	2012
	(Note 16)		
ANNUAL SURPLUS	\$8,812,841	\$12,033,575	\$5,063,844
Acquisition of tangible capital assets	(7,747,396)	(7,747,396)	(6,834,221)
Amortization of tangible capital assets	4,213,904	4,213,904	3,902,044
Loss on sale of tangible capital assets	158,494	158,494	257,257
Proceeds on sale of tangible capital assets	14,000	14,000	31,431
Developer tangible capital asset contribution	(6,488,980)	(6,488,980)	(1,479,912)
	(9,849,978)	(9,849,978)	(4,123,401)
Acquisition of supplies inventories	-	(434,350)	(418,877)
Acquisition of prepaid expense	-	(714,205)	(453,275)
Consumption of supplies inventories	-	448,575	447,120
Use of prepaid expense	-	775,554	399,491
	-	75,574	(25,541)
<b>CHANGE IN NET FINANCIAL ASSETS/NET DEBT</b>	<b>(1,037,137)</b>	<b>2,259,171</b>	<b>914,902</b>
<b>NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR</b>	<b>2,300,490</b>	<b>2,300,490</b>	<b>1,385,588</b>
<b>NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR</b>	<b>\$1,263,353</b>	<b>\$4,559,661</b>	<b>\$2,300,490</b>

*The accompanying notes are an integral part of these financial statements*

# The Corporation of the City of Courtenay

## Consolidated Statement Of Cash Flow - Statement D

For the year ended December 31, 2013

	2013	2012
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$12,033,575	\$5,063,844
Changes in non-cash items including amortization		
Increase in amortization	4,213,904	3,902,044
Change in receivables	(647,377)	(447,182)
Change in accounts payable	192,493	1,094,128
Change in trust and other deposits	174,419	(1,156,846)
Change in deferred revenue	25,136	343,622
Change in inventories	14,225	28,243
Change in prepaids	61,347	(53,784)
Loss on disposal of capital assets	158,494	257,257
Developer Tangible Capital Asset Contribution	(6,488,980)	(1,479,912)
Actuarial adjustment	(365,101)	(312,356)
Cash Provided by Operating Transactions	9,372,135	7,239,058
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(7,747,396)	(6,834,221)
Proceeds on sale of tangible capital assets	14,000	31,431
Cash Applied to Capital Transactions	(7,733,396)	(6,802,790)
<b>INVESTING TRANSACTIONS</b>		
Term deposits	(7,118,886)	(4,094,861)
Cash Provided by (applied to) Investing Transactions	(7,118,886)	(4,094,861)
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(1,214,007)	(925,768)
Long-term debt proceeds	-	5,760,000
Cash Provided by Financing Transactions	(1,214,007)	4,834,232
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(6,694,154)</b>	<b>1,175,639</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>24,661,024</b>	<b>23,485,385</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$17,966,870</b>	<b>\$24,661,024</b>
Interest paid on outstanding debt and included in annual surplus above	\$1,092,440	\$967,070

*The accompanying notes are an integral part of these financial statements*

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

The Corporation of the City of Courtenay was incorporated in 1915 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services to the residents of the Municipality.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Presentation

It is the policy of the City to follow Canadian public sector accounting standards and to apply such principles consistently. The consolidated financial statements include the operations of General, Water Utility, Sewer, Capital, Reserve Funds, and the Sid Williams Theatre Society, a controlled entity. Transactions between these funds, and between the City and the Sid Williams Theatre Society, have been eliminated on consolidation. The consolidated financial statements have been prepared using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all of the funds and equity in tangible capital assets of the City. As part of the supplementary information, the resources and operation of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

#### (b) Revenue and Expense Recognition

Expenditures are recorded in the period in which the goods or services are acquired and a liability is incurred.

Amortization is based on the estimated useful lives of tangible capital assets.

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Amounts that have been received from non-government sources in advance of services being rendered are recorded as deferred revenue until the City discharges the obligations that led to the collection of funds. Following are the types of revenue received and a description of their recognition:

Taxes for Municipal Purposes are recognized in the year levied.

Sale of Services are recognized in the year that the service is provided or the amount is earned, provided the amount can be estimated and collection is reasonably assured.

The City recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the City recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Contributions are recorded when the event giving rise to the contribution occurs.

DCC Revenue is recorded in the year that it is used to fund a capital project and has been authorized by bylaw.

Investment income, taxation penalties, and actuarial earnings are recorded in the year they are earned..

#### (c) Accrued Payroll Benefits

Earned but unpaid vacation is fully accrued and recorded in the financial statements.

Post employment benefits are accrued and recorded in the financial statements. This amount is provided by an Actuary that the City has engaged.

#### (d) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires man-



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

agement 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. Accounts Receivable are stated after evaluation of their collectability. Post employment benefits are calculated by an Actuary. Amortization is based on the estimated useful lives of tangible capital assets. These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known.

### (e) Inventories

Inventories are valued at the lower of cost and replacement cost.

### (f) Tangible Capital Assets

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. Tangible capital asset expenditures exceeding the following thresholds per major category are capitalized. The average useful life is applied straight line to calculate amortization. In the year of acquisition and disposal, amortization is taken at one-half of the calculated amounts.

Major Asset Category	Threshold	Average Useful Life
Land	\$1	Indefinite
Land Improvements	\$10,000	Varies from 10 to 40 years
Building	\$10,000	Varies from 25 to 60 years
Vehicles, Machinery/Equipment	\$5,000 to \$10,000	Varies from 5 to 25 years
Engineering Structures		
Roads	\$5,000 to \$50,000	Varies from 10 to 60 years
Water	\$5,000 to \$10,000	Varies from 8 to 80 years
Sewer	\$10,000	Varies from 8 to 60 years
Other – Includes Storm	\$10,000	Varies from 25 to 75 years
Other Tangible Capital Assets (includes IT software)	\$5,000	5 years

Carrying costs directly attributable to the acquisition, construction or development activity, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Contributed tangible capital assets are recorded at their fair value on the date of contribution. Assets under construction are not amortized until the asset is in use.

### (g) Financial Instruments

Financial Instruments consist of cash on hand and deposit, term deposits, receivables, accounts payable, trusts and other deposits, and long-term debt. It is management's opinion that the Municipality is not exposed to significant interest, currency, exchange, or credit risk arising from these financial instruments.

### (h) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2013. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

### (i) Receivables

Following is a breakdown of receivables outstanding at December 31, 2013 with 2012 comparatives:

	2013	2012
Federal Government	\$134,472	\$355,026
Provincial Government	291,684	240,049
Regional and other Local Governments	187,397	139,899
Property Taxes	1,218,075	1,096,929
Other	1,621,899	974,247
<b>Total Receivables</b>	<b>\$3,453,527</b>	<b>\$2,806,150</b>

### (j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2013 with 2012 comparatives:

	2013	2012
Federal Government	\$1,299,989	\$1,321,884
Provincial Government	750,230	379,777
Regional and other Local Governments	885,365	366,120
Employee Retirement Benefits	835,181	859,394
Trade and accrued liabilities	3,060,804	3,711,901
<b>Total Accounts Payable</b>	<b>\$6,831,569</b>	<b>\$6,639,076</b>

## 2. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Courtenay. Readers are referred to the Comox Valley Regional District 2013 Audited Financial Statements for specific information and detail.

(b) Principal repayments on long-term debt in each of the next five years are estimated as follows:

2014	\$1,214,599
2015	\$1,215,206
2016	\$950,605
2017	\$951,244
2018	\$951,899
	<b>\$5,283,553</b>

(c) The Municipality is obligated to collect and transmit the tax levies of the following bodies:

Provincial Government – Schools  
Comox Valley Regional District  
Comox-Strathcona Regional Hospital District

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

Municipal Finance Authority  
British Columbia Assessment Authority  
Downtown Courtenay Business Improvement Area

These levies are not included in the revenues of the Municipality.

- (d) As at December 31, 2013, there existed outstanding claims against the City. These claims have been referred to legal council and to the City's liability insurers. It is not possible to determine the City's potential liability, if any, with respect to these matters. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

### 3. PENSION LIABILITY

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 173 contributors from the City of Courtenay.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Courtenay paid \$735,108 (2012 - \$669,460) for employer contributions to the Plan in fiscal 2013.

### 4. HOST FINANCIAL ASSISTANCE AGREEMENT

The City of Courtenay is a host community for a casino gaming facility operated under agreement with the British Columbia Lottery Corporation. The City receives a percentage of the net gaming income generated by the Chances Courtenay Gaming Centre to be used for public benefit through a quarterly unrestricted transfer from the Province of British Columbia

### 5. FEDERAL GAS TAX AGREEMENT FUNDS

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

The City of Courtenay received the first contribution of Gas Tax funding in 2005 and reports the balance as deferred revenue until it is used to fund the specified projects outlined in the funding agreement. Interest is accrued and allocated monthly to the balance.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

Following is a schedule of Gas Tax receipts and disbursements received in 2013 with comparatives to 2012.

	2013	2012
<b>Opening balance of unspent funds</b>	\$3,554,295	\$2,966,070
<b>Additions:</b>		
Amounts received during the year	936,445	936,858
Interest earned	26,614	22,205
<b>Deductions:</b>		
Amount spent on projects	(1,395,636)	(370,838)
<b>Closing balance of unspent funds</b>	<b>\$3,121,718</b>	<b>\$3,554,295</b>

### 6. DEBENTURE AND OTHER LONG-TERM DEBT

Funding of certain general debenture and other long-term debt repayment is provided by sources other than general taxation. Other sources include short term loan proceeds used to bridge the gap for debenture debt proceeds, and lease and rental revenues, which reduce the requirement to fund debt repayment from general taxation revenues. This source of funding detail at the time of the annual tax levy, with 2012 comparatives, is as follows:

	2013	2012
Municipal debt levy, general taxation	\$1,811,575	\$1,403,349
Lease and rental revenues	228,863	233,430
<b>Total funding required – general debt repayment</b>	<b>\$2,040,438</b>	<b>\$1,636,779</b>

### 7. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

In order to conform with the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, the unspent development cost charges in the following financial statements have been recorded as a liability. Following is a breakdown of cash increases and decreases for the General, Water, and Sewer development costs charge reserves for 2013 and 2012.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

### 2013 Development Cost Charge Reserves

	General BL #2426	Water Utility BL #2426	Sewer Utility BL #2426	Sewer Utility BL #1638	2013 Total
<b>Balance Forward</b>	\$2,211,452	\$391,588	\$466,583	\$32,844	\$3,102,467
<b>Increases</b>					
Interest	15,584	2,851	3,533	231	22,199
Other Contributions	363,199	51,776	84,230		499,205
	378,783	54,627	87,763	231	521,404
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(145,456)	(90,126)	(35,609)	-	(271,191)
Reclassifications, redemptions, refunds			-	-	-
	(145,456)	(90,126)	(35,609)	-	(271,191)
<b>Ending Balance Deferred Revenue - DCC</b>	<b>\$2,444,779</b>	<b>\$356,089</b>	<b>\$518,737</b>	<b>\$33,075</b>	<b>\$3,352,680</b>

### 2012 Development Cost Charge Reserves

	General BL #2426	Water Utility BL #2426	Sewer Utility BL #2426	Sewer Utility BL #1638	2012 Total
<b>Balance Forward</b>	\$2,311,531	\$354,110	\$398,747	\$32,615	\$3,097,003
<b>Increases</b>					
Interest	16,355	2,621	3,057	229	22,262
Other Contributions	435,502	34,857	64,779		535,138
	451,857	37,478	67,836	229	557,400
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(551,936)			-	(551,936)
Reclassifications, redemptions, refunds	-		-	-	-
	(551,936)	-	-	-	(551,936)
<b>Ending Balance Deferred Revenue - DCC</b>	<b>\$2,211,452</b>	<b>\$391,588</b>	<b>\$466,583</b>	<b>\$32,844</b>	<b>\$3,102,467</b>

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

### 8. ENVIRONMENTAL REGULATIONS

The City makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards. Amounts required to meet these obligations will be charged to operations when incurred or set aside as future reserves when they can be reasonably estimated.

### 9. TRUST AND ENDOWMENT FUNDS

(a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2013 and 2012, which has been excluded from the City's financial statements.

CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION	2013	2012	CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES	2013	2012
<b>Financial Assets</b>			<b>Revenue</b>		
Cash on Hand	\$52,096	\$44,360	Fees Levied	\$9,964	\$11,029
Investments - MFA	229,701	227,214	Interest Revenue	3,096	2,837
<b>Liabilities</b>			<b>Expenditure</b>		
Interest Payable to City	3,096	2,837	Interest Expense	3,096	2,837
<b>Net Financial Position</b>	<b>\$278,701</b>	<b>\$268,737</b>	<b>Excess Revenue over Expenditure</b>	<b>\$9,964</b>	<b>\$11,029</b>

(b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2012 - \$323,031). The principal amount of this endowment cannot be utilized or withdrawn and as such are not considered assets of the City of Courtenay. The endowment funds are not reported as an asset on the statement of financial position.

### 10. DEFERRED REVENUE – OTHER

Other Deferred Revenue recorded in the Liability section of the City's Financial Statements consists of the revenues related to Development Cost Charge instalment payments owing from Developers and to be received in future years, business license revenue levied and to be recognized in future years, sewer connection instalment payments owing from property owners and to be recognized in future years, Government transfers received prior to revenue recognition criteria being met, gift certificates issued and to be redeemed in future years at the Sid Williams Theatre, and Surcharge revenue to be recognized in future years at the Sid Williams Theatre. Following is a breakdown of the change in this balance for 2013 and 2012:

	2013	2012
<b>Opening Balance</b>	<b>\$500,520</b>	<b>\$750,588</b>
Additions to Deferred Revenue	690,513	463,048
Revenue Recognized	(483,013)	(713,115)
<b>Ending Balance Deferred Revenue Other</b>	<b>\$708,020</b>	<b>\$500,520</b>

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

### 11. MFA DEBT RESERVE FUNDS

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are not reported in the financial statements as they are eliminated upon consolidation. As at December 31, 2013 the City had debt reserve funds of \$398,278 (\$379,766 in 2012).

### 12. EMPLOYEE RETIREMENT BENEFIT LIABILITY

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee's life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2013 were based on an interest (discount) rate of 3.90% per annum. The total estimated employee retirement benefit liability at December 31, 2013 is \$835,181 (\$859,394 in 2012) and is included in the accounts payable balance on Statement A.

### 13. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. A detailed summary of the 2013 revenues and expenses with 2012 comparatives for each segment can be found in Schedule 1 of the accompanying financial statements.

#### **General Government Services**

Provide services related to general corporate and legislative administration as well as human resources, information technology, financial management, and revenues received from the Province related to gaming.

#### **Protective Services**

Includes services related to providing fire protection, bylaw enforcement, and building inspection to the City, as well as the City's share of expenses related to providing police protection to the Comox Valley.

#### **Transportation Services**

Includes the delivery of municipal public works services related to planning, development and maintenance of roadway systems, street lighting, and other public works and engineering related services.

#### **Environmental Health Services**

Includes services related to the collection of garbage, recycling, and yard waste, as well as environmental testing and monitoring.

#### **Public Health and Welfare Services**

Includes cemetery services.

#### **Environmental Development Services**

Includes services related to planning, zoning, sustainability, and hotel taxes, as well as actions relating to homelessness.

#### **Recreational and Cultural Services**

Provides recreation and leisure services to the community and includes parks and facilities that allow for fitness, aquatic, cultural, and other activities for the public to enjoy.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

### Water Utility Services

Provides for the delivery of water to users and includes the planning, development and maintenance of the City's water infrastructure.

### Sewer Utility Services

Provides for the delivery of sewerage removal and includes the planning, development and maintenance of the City's sewer infrastructure.

### Other Services

Includes the operations of the Sid Williams Theatre.

## 14. TANGIBLE CAPITAL ASSET DETAILS

(See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

	2013	2012
Land	\$21,062,251	\$20,871,531
Land Improvements	2,763,625	2,679,694
Buildings	19,441,296	16,119,050
Equipment, Furniture, & Vehicles	5,775,966	4,923,330
Engineering Structures:		
Roads	44,044,538	43,400,595
Water	10,501,020	8,812,549
Sewer	8,890,566	7,379,287
Other (Includes Storm)	10,902,560	9,306,720
Other Tangible Capital Assets	65,466	104,556
	<b>\$123,447,288</b>	<b>\$113,597,312</b>

The net book value of capital assets not being amortized and under construction in 2013 is \$4,389,182 (\$7,911,348 in 2012).

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded on the financial statements in 2013 is \$6,488,980 (\$1,479,912 in 2012).

Tangible capital assets include land under the City's roads, recorded at a nominal amount.

Art and historic treasures are displayed at various city facilities and consist of paintings, historical photographs, sculptures, carvings, and other cultural artefacts. These items have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

## 15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2013

### 16. RESTATEMENT OF 2013 BUDGET

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 6, 2013, except in regard to budget amounts for amortization, developer contributions for tangible capital assets, gains and losses on tangible capital asset disposals, and the use of debt, reserves and prior year surpluses.

The budget amounts presented throughout these financial statements for the tangible capital asset related budgets are the actual values determined at the completion of the municipalities' tangible capital asset accounting process. These values have been added to the May 6, 2013 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the May 6, 2013 budget approved by Council after adjusting the budget values by the actual revenues and expenses incurred for tangible capital asset related items (amortization, developer contributions for tangible capital assets, and gains and losses on tangible capital asset disposals) and other transfers that were not included in the approved 2013 budget.

#### Adjustments to 2013 Budgeted Annual Surplus

<b>Budget Surplus reported in FS</b>	<b>\$8,812,841</b>
Capital acquisitions in Financial Plan	(18,776,361)
Amortization	4,213,904
Contributed Assets	(6,488,980)
Debt Issues in Financial Plan	-
Debt principle repayments in Financial Plan	(1,214,007)
Operating surplus appropriated for Operations in Financial Plan	4,853,293
Capital surplus appropriated for Capital Projects in Financial Plan	5,128,136
Transfers from Operating and Capital Reserves in Financial Plan	6,396,064
Transfers to Operating and Capital Reserves in Financial Plan	(2,924,890)
<b>Net of Financial Plan</b>	<b>\$ -</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Segment Disclosure by Service - Schedule 1

For the year ended December 31, 2013 (Audited)

(Note 13)  
Page 1 of 3

	General Government Services		Protective Services		Transportation Services		Environmental Health Services	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>REVENUE</b>								
Taxation	\$20,275,879	\$19,139,818						
Sales of Services			842,670	842,800			2,649,452	2,538,193
Revenue from Own Sources			489,201	631,235	457,213	223,703		
Government Transfers	1,092,447	1,334,533	19,719	64,571	457,986	537,011		
Other Revenue	1,328,264	87,312						
Other Contributions		5,700	15,000		2,127,432	2,279,044	1,572,522	
Interest Earned	867,716	743,241	11,868	11,880	13,629	12,007		
<b>Total Revenues</b>	<b>23,564,306</b>	<b>21,310,604</b>	<b>1,378,458</b>	<b>1,550,486</b>	<b>3,056,260</b>	<b>3,051,765</b>	<b>4,221,974</b>	<b>2,538,193</b>
<b>EXPENSES</b>								
Salaries and Benefits	2,691,776	2,165,904	1,661,788	1,642,334	2,091,970	2,023,010	53,049	61,889
Goods and Services	863,654	827,276	5,234,658	5,665,092	1,207,964	1,227,415	2,330,954	2,189,465
Amortization Expense	194,979	192,773	230,822	223,958	2,419,305	2,309,167	227,499	185,953
Debt Servicing	19,541	23,768	47,024	26,296	364,322	368,420		
Other Expenditures	365,117	347,961	143,419	116,281	413,984	163,273	70,364	59,712
Loss on Disposal of TCA	3,025		39,366		80,918	218,212		
<b>Total Expenses</b>	<b>4,138,092</b>	<b>3,557,682</b>	<b>7,357,077</b>	<b>7,673,961</b>	<b>6,578,463</b>	<b>6,309,497</b>	<b>2,681,866</b>	<b>2,497,019</b>
<b>ANNUAL SURPLUS</b>	<b>19,426,214</b>	<b>17,752,922</b>	<b>(5,978,619)</b>	<b>(6,123,475)</b>	<b>(3,522,203)</b>	<b>(3,257,732)</b>	<b>1,540,108</b>	<b>41,174</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued)

For the year ended December 31, 2013 (Audited)

(Note 13)  
Page 2 of 3

	Public Health & Welfare Services		Environmental Development Services		Recreational and Cultural Services		Water Utility Services	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>REVENUE</b>								
Taxation							\$699,857	\$661,280
Sales of Services							4,409,401	3,963,594
Revenue from Own Sources			516,440	497,803	1,224,410	1,114,488	185,436	122,710
Government Transfers	77,008	110,399	3,953	23,899	1,228,700	528,668		
Other Revenue	135,934	135,046	193,338				117,089	85,800
Other Contributions			123,000	40,500	171,619	114,051	1,802,868	172,231
Interest Earned			4,702	3,554	14,270	12,799	11,377	11,306
<b>Total Revenues</b>	<b>212,942</b>	<b>245,445</b>	<b>841,433</b>	<b>565,756</b>	<b>2,638,999</b>	<b>1,770,006</b>	<b>7,226,028</b>	<b>5,016,921</b>
<b>EXPENSES</b>								
Salaries and Benefits	156,841	126,378	500,313	440,495	3,457,350	3,254,839	534,706	523,338
Goods and Services	102,509	71,080	258,717	61,017	2,052,399	1,996,415	2,539,612	2,720,551
Amortization Expense	21,571	20,392	2,533	2,533	687,495	583,458	305,324	281,973
Debt Servicing					172,622	99,447	22,614	23,595
Other Expenditures	32,007	43,412	6,992	11,737	1,638,267	1,582,331	69,097	25,807
Loss on Disposal of TCA					27,625		6,845	39,045
<b>Total Expenses</b>	<b>312,928</b>	<b>261,262</b>	<b>768,555</b>	<b>515,782</b>	<b>8,035,758</b>	<b>7,516,490</b>	<b>3,478,198</b>	<b>3,614,309</b>
<b>ANNUAL SURPLUS</b>	<b>(99,986)</b>	<b>(15,817)</b>	<b>\$72,878</b>	<b>\$49,974</b>	<b>\$(5,396,759)</b>	<b>\$(5,746,484)</b>	<b>\$3,747,830</b>	<b>\$1,402,612</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued)

For the year ended December 31, 2013 (Audited)

(Note 13)  
Page 3 of 3

	Sewer Utility Services		Other Services		Consolidated	
	2013	2012	2013	2012	2013	2012
<b>REVENUE</b>						
Taxation	\$1,945,198	\$1,920,552			\$22,920,934	\$21,721,650
Sales of Services	2,748,927	2,253,963			10,650,450	9,598,550
Revenue from Own Sources	100,113	37,532	451,614	495,451	3,424,427	3,122,922
Government Transfers			226,552	128,215	3,106,365	2,727,296
Other Revenue					1,774,625	308,158
Other Contributions	1,535,339	473,671	36,773	18,058	7,384,553	3,103,255
Interest Earned	6,978	6,242			930,540	801,029
<b>Total Revenues</b>	<b>6,336,555</b>	<b>4,691,960</b>	<b>714,939</b>	<b>641,724</b>	<b>50,191,894</b>	<b>41,382,860</b>
<b>EXPENSES</b>						
Salaries and Benefits	366,617	367,803	511,216	464,711	12,025,626	11,070,701
Goods and Services	839,266	764,735	335,541	277,730	15,765,274	15,800,776
Amortization Expense	124,376	101,837			4,213,904	3,902,045
Debt Servicing	119,359	122,879			745,482	664,405
Other Expenditures	2,496,216	2,268,349	80	4,970	5,235,543	4,623,833
Loss on Disposal of TCA	14,711				172,490	257,257
<b>Total Expenses</b>	<b>3,960,545</b>	<b>3,625,603</b>	<b>846,837</b>	<b>747,411</b>	<b>38,158,319</b>	<b>36,319,016</b>
<b>ANNUAL SURPLUS</b>	<b>\$2,376,010</b>	<b>\$1,066,357</b>	<b>(131,898)</b>	<b>\$(105,687)</b>	<b>\$12,033,575</b>	<b>\$5,063,844</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule Of Accumulated Surplus - Schedule 2

For the year ended December 31, 2013 (Unaudited)

	2013	2012
<b>Surplus</b>		
Invested in Tangible Capital Assets	\$104,610,559	\$93,181,476
General Operating Fund	5,218,696	4,001,384
General Capital Fund	3,129,622	5,749,284
Water Utility Operating Fund	2,180,868	1,887,611
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	2,574,240	2,405,546
Sewer Utility Capital Fund	30,965	30,965
Sid Williams Theatre Society	88,618	50,516
Gaming Fund	1,187,758	1,001,035
Total Surplus	119,130,195	108,416,686
<b>Reserves</b>		
General Fund Reserves:		
Machinery and Equipment	1,677,559	1,534,224
Land Sale	1,016,824	197,323
New Works and Equipment	3,806,823	3,679,083
Public Parking	25,374	20,758
Parkland Acquisition	141,687	140,699
Housing Amenity	227,162	114,223
Amenity	88,648	175,864
	6,984,077	5,862,174
Water Utility Reserves:		
Water Utility	1,491,827	1,473,508
Machinery and Equipment	159,992	128,963
	1,651,819	1,602,471
Sewer Utility Reserves:		
Sewer Utility	417,711	346,366
Machinery and Equipment	394,703	317,233
	812,414	663,599
Total Reserves	9,448,310	8,128,244
<b>ACCUMULATED SURPLUS (Statement A)</b>	<b>\$128,578,505</b>	<b>\$116,544,930</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Tangible Capital Assets - Schedule 3 For the year ended December 31, 2013 (Audited)

COST	Land		Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2012
	Land Improvements	Land			Roads	Water	Sewer	Other Capital Assets			
Opening Balance	\$-	\$733,666	\$2,416,354	\$103,439	\$827,990	\$430,733	\$2,520,965	\$873,047	\$5,154	\$7,911,348	\$4,753,987
Construction-in-progress(CIP)	-	209,126	(1,790,232)	(5,741)	(2,629,299)	(86,890)	(142,698)	(908,052)	6,290	2,336,567	4,451,403
Add: Construction-in-progress											
Less: Transfers into Service											
Less: Writedowns											
Closing Balance	-	646,971	626,122	97,698	(996,431)	1,075,375	2,903,262	24,741	11,444	4,389,182	7,911,348
Construction-in-progress											
Opening Balance	\$20,871,531	\$3,807,571	\$21,730,912	\$12,649,225	\$78,012,439	\$13,759,114	\$5,979,701	\$14,483,649	\$640,326	\$171,934,467	\$167,224,540
Tangible Capital Assets											
Add: Additions (including Transfers into Service)	190,750	322,966	5,708,296	1,627,398	4,536,760	1,325,452	1,242,428	2,804,493	-	17,758,543	5,156,771
Less: Disposals	(30)	(65,500)	(123,985)	(201,059)	(18,634)	(9,100)	(9,960)	(9,960)	-	(428,268)	(446,844)
Less: Write-downs											
Closing Balance Tangible Capital Assets and CIP	21,062,251	4,777,508	27,999,830	14,250,336	81,351,709	16,141,307	10,116,291	17,302,923	651,770	193,653,924	179,845,815
<b>ACCUMULATED AMORTIZATION</b>											
Opening Balance	1,861,543	8,028,216	7,828,541	35,439,836	5,378,091	1,121,379	6,049,976	540,924	66,248,505	62,504,616	
Add: Amortization	152,340	555,376	740,236	1,987,505	273,985	107,228	351,854	45,380	4,213,904	3,902,044	
Less: Accum Amortization on Disposals	(25,058)	(94,407)	(120,171)	(11,789)	(2,882)	(1,467)	(158,157)				
Closing Balance	-	2,013,883	8,558,534	8,474,370	37,307,171	5,640,287	1,225,725	6,400,363	586,304	70,206,636	66,248,503
<b>Net Book Value for year ended December 31, 2013</b>	<b>\$21,062,251</b>	<b>\$2,763,625</b>	<b>\$19,441,296</b>	<b>\$5,775,966</b>	<b>\$44,044,538</b>	<b>\$10,501,020</b>	<b>\$8,890,566</b>	<b>\$10,902,560</b>	<b>\$65,466</b>	<b>\$123,447,288</b>	<b>\$113,597,312</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule of Debenture and Other Long-Term Debt - Schedule 4

For the year ended December 31, 2013 (Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/12	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduct.	Principal Outstanding Dec 31/13	
<b>General Capital Fund</b>							
Debenture Debt							
2088	Museum	2015	6.45	84,702	27,001	57,701	
2092	Firehall	2015	6.45	651,555	207,698	443,857	
2093	Sid Williams Theatre	2015	6.45	651,555	207,698	443,857	
2171	Library	2021	3.05	1,425,877	129,313	1,296,564	
2266	Infrastructure Works - MFA	2018	4.78	187,046	27,499	159,547	
2266	Fifth Street Bridge	2023	5.15	360,477	26,729	333,748	
2304	Lerwick Road Ext. Prop Acquisition	2029	4.86	799,923	30,956	768,967	
2227	City Hall Retaining Wall	2020	5.00	96,888	10,515	86,376	
2354	Repaving Program	2025	5.75	352,791	23,229	329,562	
2355	Lerwick Road Extension	2030	5.75	567,242	22,119	545,123	
2356	City Hall Renovation	2020	5.50	514,718	55,861	458,857	
2425	Lerwick Road Construction	2026	4.66	559,622	30,594	529,028	
2453	Police Property Acquisition	2026	4.43	1,111,084	60,742	1,050,342	
2458	Public Works Maintenance Building	2022	4.52	1,148,968	95,699	1,053,269	
2539	Capital Infrastructure Work	2023	4.13	2,658,928	176,957	2,481,971	
2538	Native Sons Hall Renovation	2025	4.50	538,864	32,410	506,450	
2680	Lewis Centre Renovation	2027	2.90	4,200,000	209,753	3,990,247	
2681	Infrastructure Works - Road Paving	2027	2.90	1,560,000	77,908	1,482,092	
				17,470,239	-	1,452,680	16,017,559
<b>TOTAL GENERAL CAPITAL FUND</b>				17,470,239	-	1,452,680	16,017,559
<b>Water Capital Fund</b>							
Debenture Debt							
2424	Water Extension - Lerwick Road	2026	4.66	466,353	-	25,495	440,858
<b>TOTAL WATER CAPITAL FUND</b>				466,353	-	25,495	440,858
<b>Sewer Capital Fund</b>							
Debenture Debt							
2305	Sewer Extension	2029	4.86	599,943	-	23,217	576,726
2353	Sewer Extension	2030	5.00	1,596,380	-	62,248	1,534,132
2423	Sewer Extension - Lerwick Road	2026	4.66	282,920	-	15,467	267,453
<b>TOTAL SEWER CAPITAL FUND</b>				2,479,243	-	100,932	2,378,311
<b>TOTAL ALL CAPITAL FUNDS</b>				<b>20,415,836</b>	<b>-</b>	<b>1,579,108</b>	<b>18,836,729</b>

# The Corporation of the City of Courtenay

## Consolidated Schedule Of Investments - Schedule 5

For the year ended December 31, 2013 (Audited)

	2013	2012
<b>GENERAL OPERATING FUND</b> - Cash on hand	\$16,756,387	\$23,248,422
<b>GAMING FUND</b> - Cash on Hand	\$973,887	\$1,208,331
<b>SID WILLIAMS THEATRE SOCIETY</b> - Cash on hand	\$236,596	\$204,271
<b>Total cash on hand and on deposit</b>	<b>\$17,966,870</b>	<b>\$24,661,024</b>
<b>GENERAL OPERATING FUND TERM DEPOSITS</b>		
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	16,299	16,110
The Canadian Western Bank, various guaranteed investment certificates	6,101,507	5,033,699
The Bank of Nova Scotia, various guaranteed investment certificates	12,223,165	6,172,274
<b>Total Term Deposits</b>	<b>18,340,971</b>	<b>11,222,083</b>
<b>TOTAL CASH ON HAND AND ON DEPOSIT (Statement A)</b>	<b>\$36,307,841</b>	<b>\$35,883,107</b>





# Value Statements

*The following outlines key goals for the City of Courtenay to pursue in the 2012-2014 term:*



## 1 A safe and caring community

**Goal 1: Ensure protective services meet community needs**

**Objectives:**

- a) Create a combined emergency services building in East Courtenay for Fire Department, Ambulance, CV Ground Search and Rescue and Comox Valley Emergency Program
- b) Develop and plan for new Police Services building
- c) Develop and plan for new Hospital project

**Goal 2: Demonstrate leadership in environmental management**

**Objectives:**

- a) Modify the Placement of Fill bylaw to include control of importing noxious weeds and insect infested soil
- b) Promote efforts to preserve and protect the estuary
- c) Complete flooding abatement studies and plan work

## 2 A progressive, diverse and sustainable City

**Goal 1: Ensure infrastructure is sustainable**

**Objectives:**

- a) 5<sup>th</sup> Street Bridge – Complete rehabilitation work and recoating
- b) Completion of the Greenwood Trunk
- c) Complete an inventory and assessment of City roads, buildings, and utilities, and report on works required

**Goal 2: Provide proactive leadership for growth management**

**Objectives:**

- a) Address development service delivery timelines and procedures
- b) Review City's Affordable Housing Policy
- c) Ensure all infrastructure planning studies are current
- d) Develop an integrated management model for all development, subdivision and building projects

**Goal 3: Advocate high standards of design and community aesthetics**

**Objectives:**

- e) Review sign bylaw
- f) Review noise bylaw and development issues around noise
- g) Review development cost charges for the downtown area

**Goal 4: Support diversification of local economy**



## 3 *An open, inclusive and vibrant community*

### Goal 1: Promote community engagement

#### Objectives:

- a) Redevelop the City website and include the following:
  - Bylaw documents
  - Search engine tools
  - Full Council meeting documentation
  - Enhanced online services
- b) Web stream Council meetings
- c) Develop a Council Communications Strategy

### Goal 2: Support community initiatives and distinct neighbourhoods

#### Objectives:

- a) Determine a resolution to the Maple Pool Issue
- b) Determine a resolution to the homeless shelter location issue
- c) Continue to support neighbourhood associations
- d) Support Downtown Courtenay including
  - Revitalization of Palace Theatre Site
  - Encourage development of mixed use buildings
  - Review the Business Tax Multiplier
  - Advocate for a separate small business assessment class

### Goal 3: Encourage regional partnerships

## 4 *An active community with cultural & recreational opportunities*

### Goal 1: Be a regional centre for arts and culture

#### Objectives:

- a) Support cultural organization sustainability
- b) Promote regional funding for cultural organizations

### Goal 2: Develop accessible, convenient, usable parks and green space

#### Objectives:

- a) Encourage land acquisitions including gifts
- b) Explore the concept of dog parks

### Goal 3: Promote healthy lifestyles

#### Objectives:

- a) Develop a robust cycling infrastructure with a skeleton network to access all City within 3 years
- b) Reduce traffic congestion and delays and support traffic calming
- c) Develop plans to become one of Canada's "Most Bikeable Cities"
- d) Complete funding applications for pedestrian/cycling bridge project
- e) Complete Lewis Centre project
- f) Determine solutions to hospital/City owned playfield issue
- g) Explore the development of an artificial turf field
- h) Develop and enhance support services for seniors



**City of Courtenay**

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