

2014 ANNUAL REPORT



RON POGUE PHOTO



CITY OF
COURTENAY



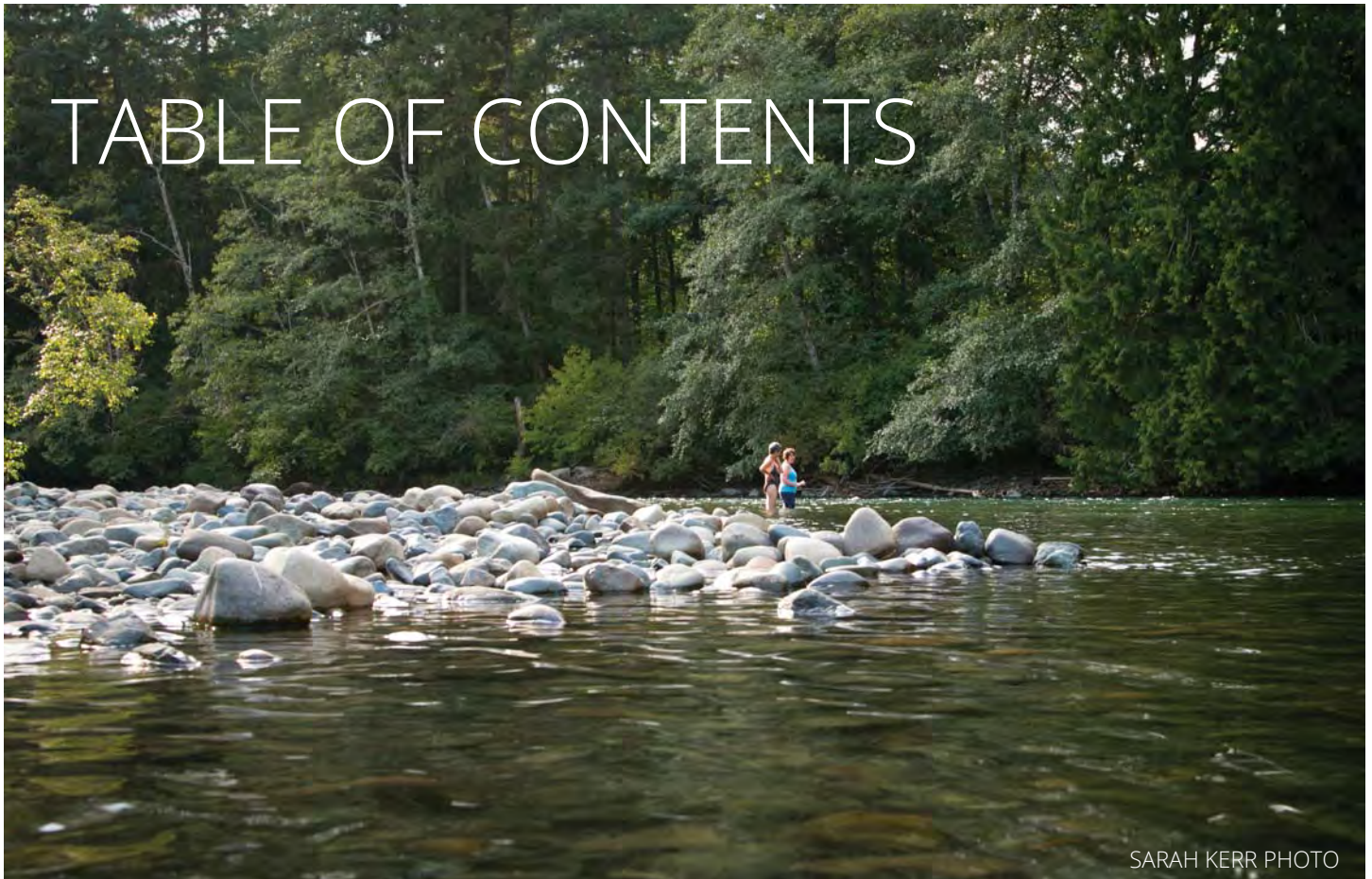
COURTENAY, B.C.

2014 Annual Report

January 1 - December 31, 2014

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

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SARAH KERR PHOTO

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MESSAGE FROM THE MAYOR

2014 was a year of transition for our Courtenay City Council, with several new faces joining our table. The November 2014 election delivered a group with fresh ideas, and a passion for serving our wonderful City of Courtenay.

As I write this, our Council has had a few months to get to know each other, and I'm pleased by the positive energy and cooperation demonstrated by our group. It's a great balance having these new councillors join those of us with several terms under our belts, and it helps remind us why we decided to run for public office in the first place - a desire to make a difference in our community.

Council's top priority in 2014 was moving forward with the Braidwood Road housing project. To help address the shortage of supportive and affordable housing in our community, the city purchased a .4 acre property in 2013. Purchasing the property was just the beginning of this process. In 2014, an open house was held for neighbourhood residents to share initial information on the project, and the city began the process of creating a Request for Proposals for interested non-profit societies or groups to develop and manage the eventual facility. We look forward to continued progress on the project.

We also remain committed as a City Council to resolving the Maple Pool Campground land use issue. This has been a lengthy and difficult matter in our community. Representatives for the campground and the City have pledged to continue working toward a resolution that will see an end to the legal proceedings on both sides.

The serious flooding experienced by our community in December 2014 was an experience we won't forget anytime soon. Our new City Council has made the development of an Integrated Flood Management Study a top priority, and the final report was presented to Council in May 2015. We have also begun a complete re-write of the City's Flood Response Plan based on lessons learned.

We're also committed to fostering a vibrant economy. We've been working closely with the Downtown Courtenay Business Improvement Association on events in the downtown core, as well as downtown beautification. We look forward to continuing this important collaboration.

The development community is another focus for the City. Courtenay has been working on developing new subdivision specifications and standards; final documents were launched in May 2015, and are designed to provide clarity around



the subdivision application process. The next step will be to update engineering specifications and standards. The draft document will be completed in mid 2015.

2014 marked the groundbreaking for the new North Island Hospitals Project – Comox Valley Hospital. Construction on this \$331.7 million, 153 bed hospital is proceeding at a rapid pace, and is on-time and on budget. Scheduled completion and move-in will be in late 2017.

We're celebrating our Centennial year in 2015, and I hope you will help us commemorate this milestone at the many community events planned this year. Special thanks go to the Centennial Celebration Committee, a passionate group of volunteers, for planning and organizing these many events. For event details, go to www.courtenay.ca/100

I'm excited about the potential for our City over the next four year Council term and beyond. I look forward to working with our Council, City staff, residents, businesses, and organizations as we continue our efforts in this great community.

A handwritten signature in black ink, appearing to read 'Larry Jangula'. The signature is stylized and written over a light grey rectangular background.

Larry Jangula
Mayor, City of Courtenay



MAYOR AND COUNCIL

Top row (left to right:) Manno Theos, Bob Wells, David Frisch, Doug Hillian

Bottom row (left to right:) Rebecca Lennox, Larry Jangula, Erik Eriksson

Courtenay Council was elected to a four year term in November 2014.

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/council

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MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

2014 marked my first full year as Courtenay's Chief Administrative Officer, and I'm truly honoured to be part of this organization and this community. The team at the City of Courtenay has proven to be a dedicated, hard-working, and thoughtful group, and I am proud to work with them.

I'm also pleased to be here during Courtenay's Centennial year in 2015, a momentous time for our community. Street banners, signs, and events marking this occasion began to appear in late 2014, and these first few months of celebration have been a fitting tribute for a great city.

There were a great number of projects, events and initiatives in 2014, many of which you'll read about in the pages of this annual report.

Managing our capacity to respond to community needs, within the available budget, is a constant challenge for any local government. In Courtenay we have implemented an annual strategic planning process to help keep us on track. Led by Council and senior staff, this strategic planning helps us prioritize goals and projects; you'll notice the 2014 strategic corporate priorities that fall under the C.A.O.'s responsibility on the next page. Other departments will report on the progress made toward their own 2014 goals later in this report.

A big part of helping us manage these strategic priorities is our new Corporate Work Plan software. Designed and built in-house by City staff, it has been tailored for local government use. The software allows senior staff to plan, track, and report on Council and corporate priorities and the City's capacity to deliver them. The City of Courtenay is now partnering with CivicInfo BC to make this system available to other municipalities.

We're also proud of the progress made on our asset management best practices. One example is the road condition assessment completed in 2014. The project provided a detailed analysis of roads throughout the city - helping us prioritize which roads were in the greatest need of repair, and if necessary, coordinating these repairs in conjunction with updates to underground utilities. This type of proactive, city-wide asset management planning will provide the best value for money possible.



City communications improved in 2014, with a brand new website and social media channels, plus a new internal online communication portal to help keep our staff informed.

These new systems proved invaluable during the major flooding in December 2014, along with our Emergency Operations Centre at City Hall. Having all flood response agencies in the same room helped us collaborate and communicate quickly and effectively, at a time when every second counted.

Going forward, under Council's direction, I and the rest of City staff will continue to work to the best of our ability for our community in 2015 and beyond.

David Allen
Chief Administrative Officer

2014 GOALS

PROGRESS MADE TOWARDS GOALS

Housing Project: Selection

In progress. The Request for Proposals (RFP) to design, develop, and operate a supportive or affordable housing project on Braidwood Road was issued in the spring of 2015. A staff report on the results of the RFP is pending, with a final decision on selecting a proponent to be made in the summer of 2015.

Maple Pool: Resolution

Ongoing. On February 13, 2015 representatives of the City, the Maple Pool owners, and residents met on a “without prejudice” basis in an effort to resolve the City’s claim and the owners’ counterclaim. The meeting was productive and the parties continue to work hard toward a resolution that will see an end to the legal proceedings on both sides on a mutually agreeable basis.

Service Capacity Review

Phase I Complete. City staff developed and launched new Corporate Work Plan software. This local-government specific project management tool was rolled out to senior City staff in 2014.

Phase II began in 2015. Partnering with CivicInfo BC, the City of Courtenay is making this software available to other local governments in British Columbia.

North Connector Funding

In progress. In June 2015, the Province of British Columbia’s Ministry of Transportation and Infrastructure announced the beginning of design work for a new north connector between Highway 19 and north Courtenay, improving access to key destinations in the region, including the new Comox Valley Hospital, ferry terminal, airport, and all Comox Valley jurisdictions.

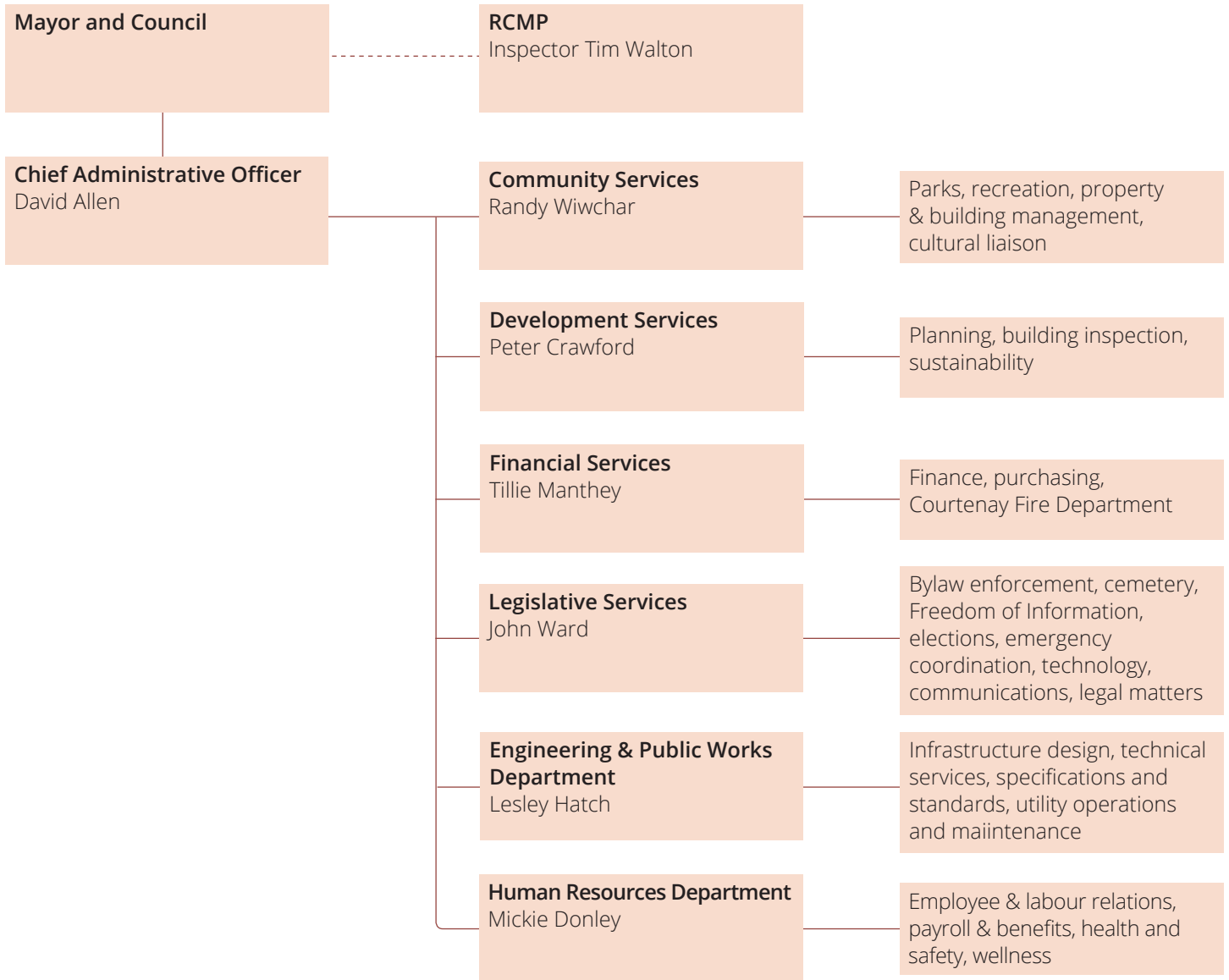
Strategic Planning Process Policy

Courtenay City Council has implemented a strategic planning process, and has resolved to conduct annual reviews. Courtenay’s new City Council held their initial strategic planning sessions in December 2014 and January 2015.

Performance Measurement System

Phase I complete. As noted under Service Capacity Review, Courtenay’s new local-government project management software tool will allow staff to plan, track, and report on projects, facilitating detailed performance analysis.

ORGANIZATIONAL CHART



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, aging infrastructure and declining population creates huge challenges for infrastructure managers.

Asset Management practices have evolved to address these challenges.”¹

The aim of Asset Management is achieving “Sustainable Service Delivery”: ensuring that current community services are delivered in a socially, economically, and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

All of the services the City provides depend upon using tangible assets. Whether as simple as a telephone or computer to answer an inquiry or as complex as the many kilometres of pipes and pumps to distribute water, without these assets, there can be no service. And there are three fundamental truths about the more than \$200 million in tangible assets owned by the City: they’re expensive, they wear out, and if ignored, they fail early. The best way to minimize the effects of these fundamental truths – thereby achieving Sustainable Service Delivery – is sound Asset Management practices.

In 2013 Council initiated a multi-year, organization-wide process to adopt Asset Management practices proven successful by international leaders in the field. Nearly twenty years ago, the Institute of Public Works Engineering Australasia (IPWEA) developed the “National Asset Management Strategy” (NAMS). This system was created by and for the public sectors of Australia and New Zealand and it addresses the very types of infrastructure issues faced by Courtenay and most other Canadian local governments.

Following Council’s direction in 2013, Courtenay’s CAO began developing the in-house capabilities necessary to adopt a Canadianized practice of NAMS. While a very complex shift in ‘the way of doing business’ 2014 saw much progress

including significant staff training, beginnings of detailed condition assessments of existing assets, prioritizing renewal work to avoid risk of in-service failures, increased emphasis on preventative maintenance and aligning our long-term finances with the job ahead: adopt a fully-functional organization-wide system of Asset Management by the end of 2015.

There is no quick fix to solving asset management issues, in Courtenay or any municipality; aging infrastructure is one of the most critical issues facing local governments today. As we celebrate Courtenay’s Centennial in 2015, we look to the future, with these necessary asset management practices leading to true Sustainable Service Delivery in our community.



¹ “International Infrastructure Maintenance Manual” International Ed., Institute of Public Works Engineering Australasia, Sydney, NSW, 2011, s. 2.1.4.

VISION AND GOALS

VISION

The future of Courtenay lies in becoming the most liveable City in the province. This vision for the community includes:

- an inclusive, open and caring community
- commitment to continued excellence
- a strong downtown
- a high level of aesthetic and architectural design
- premier regional centre for arts and culture
- leader in growth and service provision
- centre of commerce for the Comox Valley
- an expanding parks, natural areas and greenways system
- leader in environmental protection
- commitment to service youth and seniors
- support for a viable agricultural economy
- protection of agricultural lands



COMMUNITY GOALS

- Preserve and protect downtown Courtenay as integral part of the community's social and cultural life, its identity and its economy
- Enhance Courtenay's reputation as the premier regional centre for arts and culture
- Ensure a high level of aesthetic design in Courtenay
- Move toward greater balance of development between the east and west sides of Courtenay, and maintain downtown as the core of the community
- Work to have Courtenay recognized as a community that's friendly to walkers and bicycle riders
- Protect wildlife corridors
- Identify and protect key areas with parks and open space potential
- Use energy conservation principles emphasizing nature, sustainability, wildlife habitat protection and support for the agriculture industry in the Valley
- Adopt "smart growth" policies for sustainable development
- Preserve the rural context within which the urban area of Courtenay exists
- Diversify the economy as a model energy conserving community, value-added forestry, aquaculture, recreation and service to retirees
- Capitalize on business the airport brings
- Develop a clear plan for future expansion
- Work towards greater regional cooperation
- Enhance current attraction of retirees
- Employ City resources and influence to foster social equity
- Develop a strong sense of community through social programming, physical design and planning

WHERE WE ARE



PHOTO: BOOMER JERRITT



DEVELOPMENT SERVICES

In 2014, the city issued building permits with a construction value totalling \$74,993,253. \$37,217,547 of this total was for the North Island Hospitals Project – Comox Valley Hospital. Other significant permits included:

- 18 residential units, Crown Isle Drive (The Grove) \$4.3 million
- McDonald’s Restaurant, Ryan Road - \$2.0 million
- Oil change facility Ryan Rd - \$0.8 million
- Baptist church, Lake Trail Road - \$1.0 million
- Car dealership on Crown Isle Drive - \$0.9 million

Approvals and Applications:

- 94 residential units Cliffe Avenue/ Anfield Road
- 93 residential units Arden Road / Ronson Road
- 5 duplexes Arden Road / Cumberland Roads
- zoning for 14 lot subdivision on Christie Parkway
- offices and five residential units – L’Arche on Grieve Avenue

Projected for 2015:

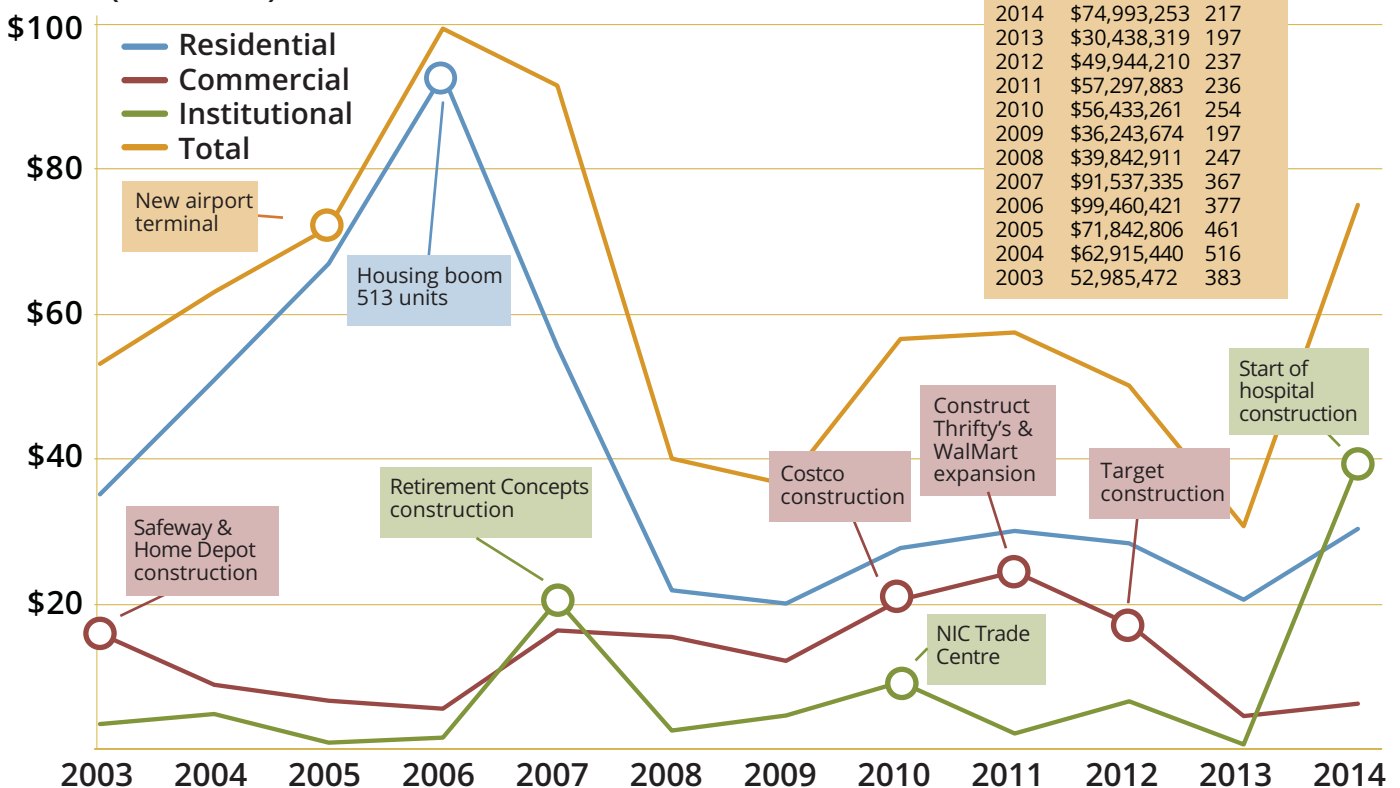
Commercial

- ongoing involvement with Regional Hospital approval process (\$140 million building permit)
- commercial development in the vicinity of Ryan/Lerwick Roads and Crown Isle Drive
- Vanier School renovation

Residential

- Arden Road – three projects under review, plus developments in process
- Courtenay River corridor development
- Crown Isle – review of several areas within the overall development
- Mission Road – further build out and subdivision of remaining properties

Value (\$ millions)



2014 GOALS

PROGRESS MADE TOWARDS GOALS

Development Process Review

Amendments to the Development Procedure Bylaw were adopted in July 2014. Principle objectives included reducing approval time for applications, and reducing the amount of staff time required for review.

Downtown Land Use

Zoning bylaw amendments for the downtown core were approved in September 2014, expanding permitted uses and reducing parking requirements.

Affordable Housing: City Role

A Secondary Suite Policy Discussion Paper was presented to Council in March 2014. Staff also began to conduct research on infill opportunities and best practices in the latter half of 2014. A review of the Affordable Housing Policy is a "Next" priority for Development Services staff in the 2015 Strategic Priorities and staff will continue to develop a new infill policy for the areas south and west of downtown in 2015.

Regional Hospital Approval

A building permit was issued for excavation in July 2014, and for the foundation in September. This project has been broken into six building permit phases. Following the foundation, there will be a permit for the structure, servicing and the final permit for fit-out (interior finishing). A separate permit will be issued for a four-storey parkade.

Development Application Review Team (DART)

The City of Courtenay launched a Development Application Review Team (DART) in September 2014. DART includes key staff from all affected departments for development applications and major capital projects. These meetings are held early in the review process to identify and expedite any issues or required information.

Focused on problem solving, the DART will reduce application processing times and give developers greater certainty in understanding and meeting the city's requirements.

Often recommendations made by one department will have implications to another. By being in the same room these details can be identified and resolved quickly and openly.



ENVIRONMENT

School District Donates Park Land

An ecologically sensitive and unique parcel of land in Courtenay has been protected as parkland in perpetuity, thanks to a gift from School District No. 71 (Comox Valley). The 5.53 hectare property, behind G.P. Vanier Secondary School, was donated by the school district to the City of Courtenay. The donation was announced on Earth Day in April.

The property is home to a rare Garry oak woodland, and is also the headwaters of Towhee Creek, a small fish-bearing stream which drains into the Tsolum River.

The city will be developing a management plan in cooperation with the school district, and in consultation with environmental groups, to determine the best way to balance public access with protecting the park's ecosystem.



2014 State of the Environment

Courtenay's backyard streams were the focus of the city's 2014 State of the Environment Report. Offering "A Tale of Two Urbanizing Watersheds", the report presented information on two streams, Glen Urquhart Creek and Morrison Creek, to compare and contrast the types of effects experienced in very different parts of the city.



The short and highly illustrative report included information on stream ecology, land cover changes to riparian areas, and what residents can do to support the environment. Maps showed how land cover has changed around these waterways, where impact is greatest, and where restoration may be most needed.

The report was distributed to all landowners living along Glen Urquhart and Morrison Creeks. The report is also available on the City of Courtenay website.

Residential Recycling Program Expands

Courtenay residents were able to add several new items to their blue bins beginning May 19, 2014. Items collected curbside now include aerosol cans, spiral-wound containers for frozen juice, cookie dough and other products, plus hot and cold drink cups and plastic plant pots.

The expansion was part of Courtenay's transition of recycling services to Multi-Material BBC (MMBC).

Businesses that supply packaging and printed paper to BC residents are now responsible for collecting and managing these materials so they can be recycled. MMBC, a non-profit organization working on behalf of these businesses, is responsible for residential recycling programs in many areas across BC, either directly or by working with local governments, First Nations, private companies and not-for-profit organizations.

Courtenay joined a long list of other BC communities that opted to have MMBC assume responsibility for recycling in their area. In exchange, MMBC is providing a financial incentive to Courtenay. These funds will be used to offset the cost of providing recycling service to residents, which will reduce the garbage user fee charged to residents on annual property tax bills.

LEGISLATIVE SERVICES

2014 GOALS	PROGRESS MADE TOWARDS GOALS
Implement an Asset Management System	Adopted a Canadianized version of the proven Australian “National Asset Management Strategy (NAMS)”. Appointed a highly qualified asset management planner and initiated intensive formal staff training that will continue throughout 2015. Began investing federal Gas Tax grants in an on-going process of detailed capital asset condition assessment to assist in development – by the end of 2015 – of a sustainable long-term financial strategy for asset maintenance and renewal.
Website redesign	Completed. The new City of Courtenay website launched in September 2014.
Regional Elected Officials Forum: Terms of Reference	Completed. This forum, designed to help our local governments work together more effectively as a region,
Information Technology System Review	Completed. This process analyzed levels of service and capacity of the city’s Information Technology services.
Communication Strategy	Ongoing. As part of an overall communication strategy, the City of Courtenay implemented several improvements to both internal and external communication in 2014. In addition to the new City of Courtenay website, a new online communication portal for city staff launched in January. Social media channels (Facebook and Twitter) launched to the public in September 2014.

City Website

The new City of Courtenay website, www.courtenay.ca, launched in September 2014. The website features online employment applications, improved search capabilities, accessibility options, an events calendar, and a responsive design that adjusts the layout to fit a variety of devices and screen sizes ranging from large monitors to mobile phones.

The website includes an emergency notification system. This system was used within the first few weeks as a result of the boil water advisory in the Comox Valley. When activated, this feature ensures all website visitors are alerted to the emergency, regardless of which webpage they land on.

Electronic Mapping

City mapping staff have been working on developing a Geographic Information System (GIS). This is a massive undertaking, and involves incorporating all property lines, zoning, aerial photos, and tax roll information into one system. In the process, GIS staff review and make corrections and accuracy improvements.

In 2014, the GIS launched for internal city use. The city is working towards making online interactive GIS maps accessible to the general public.

ENGINEERING & PUBLIC WORKS

The Engineering and Public Works Department ensures the delivery of high quality services including water, sewer, drainage, garbage collection, roads and transportation systems, in a timely and responsible manner.

Staff provide services to residents of the City of Courtenay, and are committed to the safe and efficient movement of people and goods throughout the region.

The department continued with efforts to support the implementation of Asset Management strategies through continued development of an asset inventory to identify all municipal infrastructure within roadways as well as condition assessments of utilities throughout the city.

Engineering Division

The Engineering Division is responsible for long range planning, design and construction of municipal infrastructure and contributes to the health and safety of the environment and community. The division manages the municipal infrastructure capital program and maintains associated records. It also provides professional engineering technical support for all development-related applications and processes. The division also oversees the administration of the City's solid waste and recycling contract.

Significant capital infrastructure improvements for 2014 include:

- sanitary sewer replacement on Headquarters Road between Glacier Road and Vanier Drive and Vanier Drive from Headquarters Road to the CVRD Sports Centre
- culvert replacement on Arden Road
- storm and sanitary upgrades at Morrison Creek on 1st Street
- completion of intersection improvements at 5th Street and Menzies Avenue

Development Engineering saw the completion of phase 1 of the Copperfield subdivision on Cumberland Road. The Development Engineering group also continues to support services in land development applications such as the North Island Hospitals Project – Comox Valley Hospital.

2014 GOALS	PROGRESS MADE TOWARDS GOALS
Complete Street Pilot Project	Applied to Gas Tax Fund for grant (April 2015) Council chose 5th Street (Menzies to Fitzgerald)
Flood Study	Council adopted study and received presentation May 2015
Transportation Study	Multi modal study was presented and adopted by Council August 2014.
Subdivision Bylaw Review - Construction Standards	Ongoing – Completion fall 2015
DCC Bylaw Review	Ongoing – Completion fall 2015

Public Works Division

The Public Works Division is responsible for the operation and maintenance of municipal infrastructure and for the administration and maintenance of the corporate fleet and equipment. Infrastructure managed by this division includes all roads, water distribution mains, sanitary sewers, stormwater drainage and other assets required to support the daily operation of the community.

Significant activities in 2014 include:

- ensuring public safety during and after the emergency flood event in December
- completion of pavement condition assessment for all city-owned roads
- asphalt patching on Fitzgerald Avenue between 17th and 26th Streets
- implementation of the water main leak detection program



RON POGUE PHOTO

2014 GOALS	PROGRESS MADE TOWARDS GOALS
Asset Management Inventory (Phase 1)	Ongoing – Completion fall 2015
Preferred Procurement Standards	Ongoing – Completion fall 2015
Maintenance Management System	Ongoing
Fleet Management Plan	Completed
Road Condition Assessment	Completed December 2014



COURTENAY FIRE DEPARTMENT

The Courtenay Fire Department serves the City of Courtenay, and the fire protection districts of Merville, Tsolum-Farnham and Courtenay. The department provides fire, rescue and fire prevention service to an area of 181 square kilometers with a population of approximately 38,000.

The department is staffed with a complement of six full-time and 47 volunteers, who in 2014 responded to a total of 686 incidents. 480 of these were emergency responses.

The Courtenay Fire Department Training Division provides quality instruction to both career and volunteer members. In 2014, crews collectively attended over 4,000 hours of training exercises.

Courtenay's firefighter training program includes regular Tuesday night practices cover a number of general firefighting drills as well as continuing to actively work towards obtaining their National Fire Protection Association (NFPA) 1001, Fire Fighter 2, International Fire Service Accreditation Congress, and Pro Board Seal certification through the Justice Institute of BC. Of Courtenay's 47 volunteer firefighters, 37 have obtained their NFPA 1001 level 2. By the end of May 2015, every single volunteer will have met the conditions of certification. This level of certification in a volunteer department is truly an exceptional accomplishment by our fire fighters.

There were no serious injuries or worker fatalities during responses or training in 2014.

The department also ordered a new rescue pumper, which is scheduled for delivery in June 2015.

Fire Training Ground

In the fall of 2014, the planning process began for a new fire training ground in east Courtenay. The main features of the project will be a four-storey training building, which will simulate an apartment, motel, house and a service station, a large island with multiple natural gas-fired training props, and a pump drafting test/confined space pit.

Once completed in the summer of 2015, this training ground will provide the tools necessary to deliver a scenario-based training program. This will improve the level of service provided to the City of Courtenay and contracted protection areas, and also assist with volunteer retention.

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 2014 there were just over 30 police officers working for Courtenay and just over 60 RCMP working in the entire Comox Valley. Also working from the Comox Valley but not attached to the detachment are the Integrated Road Safety Unit, Island District General Investigation Section, Courtenay Operations Communication Centre, and the Informatics Section.

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, and will continue to work on concerns of local residents and business owners in an attempt to reduce vandalism and thefts. Inspector Walton arrived in 2014 as the Officer in Charge.

The Auxiliary RCMP members provide a valuable service to the City of Courtenay. The Auxiliary members are citizens that volunteer their time to serve the Comox Valley and the detachment in a variety of ways such as DARE, traffic control, and charity fundraising, and continue to assist the regular members of the Comox Valley detachment in their day to day duties.

The Violence in Relationship section consists of 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 is continuing to target high collision intersections and distracted driving with a corporal and two full time constables.

The traffic section will continue to work with the local Citizens on Patrol members in a program known as Speed Watch. Speed Watch members collect statistics and data on speed that vehicles travel on identified roadways. This information is then provided to the traffic section and ICBC so that specific locations within Courtenay receive increased enforcement action. The increased enforcement is designed to keep our local streets safer for everyone in the community.

The detachment held another very successful Mountie Camp which benefitted students from all three area high schools. The RCMP will be assisting with many other activities in the upcoming busy summer months with several large events scheduled. The members of the Comox Valley RCMP appreciate the opportunity to serve such a wonderful community, and the detachment looks forward to many more years working in partnership with the City of Courtenay to enhance community safety.



COMOX VALLEY RCMP AUXILIARY CONSTABLES

COMMUNITY SERVICES



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.

In the summer of 2014, two murals were painted on Courtenay parks buildings. At the Woodcote Park a soccer and community theme was painted by artist Tracy Kobus. The Puntledge Park mural features a distinctive nature theme with sky, clouds, and trees, painted by artist Helen Utsal. Both artists had the assistance of youth volunteers with an interest in art.

Two Courtenay utility boxes also received a new look. At Simms Park, the utility box now features musical notes and instruments in bright orange and blue and was painted by artist Barb Mareck. Another box located at Fitzgerald Avenue and eighth street, painted by artist Teresa L'Hirondelle, is an ocean theme with bright anemones and sea stars.

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

The program also deters graffiti and vandalism, and enhances the vibrancy of downtown Courtenay.



Accessibility Improvements at Outdoor Pool

Having a swim at the outdoor pool is now easier for those with accessibility issues. A pool lift was installed last summer at the Courtenay and District Memorial Outdoor Pool thanks to funding from the Comox Valley Regional District. The lift is designed to assist anyone who has problems entering or exiting the swimming pool.

The unit was purchased in consultation with the Comox Valley Accessibility Committee. With a maximum lifting capacity of 400 pounds or 181.5 kilograms, the unit is designed with both safety and ease of use in mind. It also has added accessories like a stability vest, spine board attachment, and comfort seat pad.

The lift is available for most swim times during the outdoor pool's seasonal operation from June through August (with the exception of busy open swim sessions), and by appointment.



Rotary Trail

2014 was a year of progress on the Rotary Trail in west Courtenay, with work commencing on the fourth phase from 21st to 26th Street. Once the fourth phase is completed in 2015, the Rotary Trail will extend from 5th to 26th Streets. This hard-surface gravel “rail with trail” along the E&N corridor, is a multi-use trail accommodating both walkers and cyclists, and connects to downtown Courtenay.

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.

New and Improved Lewis Centre

The newly renovated and expanded Lewis Recreation Centre had a very successful year of operations. Attendance in all areas of programming and facility use has increased considerably as a result of the new wellness centre and meeting spaces.

The Lewis Centre 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 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.

2014 GOALS

PROGRESS MADE TOWARDS GOALS

Downtown viability

Ongoing. Many community events were held throughout 2014 in downtown Courtenay including Elevate the Arts, Market Days, Farmers Market, and the Canada Day Parade. Heritage panels and newly installed fencing at the Palace Theatre site and historic banners were part of the Downtown Vibrancy Initiative.

Cultural Funding Agreement

Complete. Courtenay participated in discussion with the Comox Valley Regional District Areas A,B,C. to secure long term funds for cultural organizations. The funding established to assist with the protection, operation, maintenance and promotion of cultural facilities. Maximum funding benchmarks were established at the following levels: Comox Valley Art Gallery: \$9,500; Comox Valley Arts Council: \$4,000; Sid Williams Theatre: \$25,000; Courtenay & District Museum: \$17,500

Centennial Celebrations First Event

The sold-out “Memories Are Made of This” New Year’s Eve event on December 31 launched the City of Courtenay’s centennial year. See page 22.

Synthetic Turf Field

Completed in September 2014. See page 22.



PHOTO: COMOX VALLEY REGIONAL DISTRICT

Synthetic Turf Field

Construction of a multi-use synthetic turf field began in late spring of 2014, and the project was completed in September on time and on budget. The \$1.4 million project cost was funded in part by the City of Courtenay, Comox Valley Regional District, and Comox Valley United Soccer. School District No. 71 provided the land for the field. The entire community will benefit from the improved year-round access this turf field provides.

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.

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.

Partners in Parks

Through Courtenay's 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 2014 include:

- Courtenay Rotary — Rotary Trail, bench commemoration
- Sunrise Rotary — Park Upgrades
- Comox Valley Naturalists — Courtenay Riverway restoration
- Mile of Flowers – community organizations
- Broom Busters — broom removal
- Dawn to Dawn — community garden
- Comox Valley Tennis Club — tennis court upgrades
- Millard Stream Keepers



Courtenay Centennial Celebration

Courtenay's Centennial Celebration started with a bang with the "Memories are Made of This" event at the Florence Filberg Centre. The Centennial Committee, chaired by past Mayor and Freeman of the City recipient, Ron Webber, has planned the 2015 celebrations.

Many cultural, community, and downtown events are planned for the centennial. Funding assistance for the celebrations has been received from the Government of Canada – Department of Heritage.



HUMAN RESOURCES

2014 GOALS	PROGRESS MADE TOWARDS GOALS
Work Safe: Certificate of Recognition (COR) Program Audit	In preparation for the Certificate of Recognition evaluation, new safe work procedures were developed and implemented and training continued for managers and supervisors to increase awareness of responsibilities. Worksafe BC performed an audit in March 2015, and the city's Occupational Health & Safety program received a Certificate of Recognition. This will result in annual rebates of a portion of the premiums the city pays to WorkSafeBC each year.
Human Resource Information System and Job Applicant Tracking System	Research and planning for this took place in 2014, and the purchase and initial stage of implementation is anticipated for the fall of 2015.
Collective Agreement Preparation	HR staff started planning and the initial preparation for management to start bargaining a new collective agreement with CUPE as the current agreement expired on December 31, 2014. Negotiations got underway in March 2015 and continue as of this report writing.
Employee Communication Tools	The city launched a new online information-sharing portal for staff in January 2014. This tool allows news, information, and feedback to travel up, down, and across the organization, and be available immediately to employees on and off the job.

The Human Resources (HR) Department ensures the city has the necessary personnel to meet current and future strategic goals and objectives, through programs and services that follow best HR and business practices. HR provides leadership on human rights, employment law, labour relations code, employment standards, Worksafe BC regulations, and other regulatory requirements.

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.

In 2014, the department added a part-time human resources advisor to assist with increasing workload and demands.

Fostering a collaborative and respectful workplace has been a major focus for HR over the last couple of years. In 2014, HR:

- Consulted with the CAO, management, union affiliates, and employees to find workable solutions to some complex workplace issues.
- Initiated a comprehensive review and update of the Respectful Workplace Policy

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.

Workplace health and wellness supports a healthy work environment by engaging and empowering employees through activities that promote healthier lifestyles, such as training and educational activities, and promoting community involvement and social awareness.

The Workplace Health and Wellness Committee members volunteer to plan, develop and coordinate health and wellness initiatives. Some of the 2014 activities included:

- A group of city employees ran, walked and danced their hearts out at the Relay for Life Team raising \$1,300 for the Canadian Cancer Society.
- A Sun & UV Protection campaign modelled on the Cancer Society Wellnesfits Module was carried out in the summertime to educate and protect employees, especially those working outside, from sun damage.
- Pay it Forward Paydays every two weeks; a collection of staff donations raised about \$2,500 for various charities.

HISTORIC FLOOD EVENT



In December 2014, Courtenay experienced a one-in-130 year¹ flood event. Water inflows into Comox Lake Reservoir were the highest in 51 years of recordkeeping with a peak flow that would fill an Olympic-size swimming pool every 2.8 seconds.

Hardest hit were the low-lying areas of Courtenay, including the Puntledge Business District. An Evacuation Order was issued to residents and businesses in this zone, with an Evacuation Alert issued to a much wider area.

Courtenay opened its Emergency Operations Centre, with participation and involvement from numerous city staff, the RCMP, Ministry of Forests, Land and Natural Resource Operations, Comox Valley Regional District.

The city's new social media and website played a major role in sharing information with the public and media.

Damage to municipal infrastructure included the LINC Youth Centre, Dove Creek Road, and several parks and trails. Fortunately, there were no deaths or reported serious injuries amongst responders or the public.

¹ Source: BC Hydro





SARAH KERR PHOTO

FINANCIAL SERVICES

Financial Services is responsible for maintaining the financial health of the city through safeguarding the city's financial assets and planning for the future. Activities include 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/recyclables 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.



2014 GOALS	PROGRESS MADE TOWARDS GOALS
Fire Service Analysis Report	Completed and report to Council in May 2014
Frontage Tax Bylaw Review	Complete and updated bylaws adopted by Council
Reserve Bylaws Review	In progress
Electronic Applications: Home Owner Grant	Implemented in 2015
Contaminated Sites Accounting Standards	In progress and will be complete by December 2015

IMPORTANT 2015 PROPERTY TAX DATES

New in 2015!

Claim your Home Owner Grant
online by July 2, 2015:

www.courtenay.ca/eHOG

May 25, 2015 (week of)	<ul style="list-style-type: none">• 2015 Property Tax Notices mailed
July 2, 2015	<ul style="list-style-type: none">• Tax payments due• Provincial Home Owner Grant applications due• Tax Deferment applications due• Last day to avoid 10% penalty on unpaid current taxes and unclaimed grants
July 3, 2015	<ul style="list-style-type: none">• 10% penalty added to all unpaid current taxes and unclaimed grants
August 1, 2015	<ul style="list-style-type: none">• Tax Installment Preauthorized Payment Plan (TIPP) deductions start for the next taxation year
September 28, 2015	<ul style="list-style-type: none">• Statutory property tax sale for all properties three years in arrears of taxes
December 31, 2015	<ul style="list-style-type: none">• 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)



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 2014, the following exemptions were approved by Council.

Registered Owners	Exempt Amount of City Property Taxes
Eureka Support Society	\$2,740
Royal Cdn. Legion, Courtenay Br. (Pacific) No. 17	6,922
Comox Valley Child Development Association	11,024
Alano Club of Courtenay	2,551
Upper Island Women of Native Ancestry	602
Old Church Theatre Society	5,210
Comox Valley Pregnancy Care Centre	904
Comox Valley Recovery Centre Society	4,074
Comox Valley Boys and Girls Club	2,153
Comox Valley Family Services Association	4,599
Glacier View Lodge Society	55,082
Courtenay & District Historical Soc. In Trust	1,845
Comox Valley Curling Club	11,267
St. John the Divine Abbeyfield House Society	2,746
Comox Valley Kiwanis Village Society	9,544
L'Arche Comox Valley	834
Comox Valley Transition Society	1,407
Canadian Red Cross Society	1,470
Aaron House Ministries	1,855
Youth for Christ Comox Valley	630
Stepping Stones Recovery House for Women Soc.	915
Saltwater Education Society	374
Courtenay Elks Lodge	1,694
Island Corridor Foundation - Train Station	2,894
Nature Trust of B.C. - Sandpiper Park	5,789
Habitat for Humanity V.I. North Society	270
City of Courtenay - Leased Office Space	4,309
Total Non-Profit Annual Tax Exemptions	\$143,704

Council adopted a ten year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2014 value of properties exempt is as follows:

Island Corridor Foundation	\$15,426
Total Island Corridor Foundation exemptions	\$15,426

Council adopted a five-year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2014 value of properties exempt is as follows:

Comox Valley Centre of the Arts	\$22,330
Sid Williams Theatre	23,327
Courtenay & District Museum	17,742
Courtenay Marina	16,670
Courtenay Airpark	91,539
McPhee Meadow Park	5,165
Total City owned properties	\$176,773

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 2014, Council adopted a bylaw to exempt the following surrounding lands:

Grace Baptist Church	\$111
Anglican Synod Diocese of BC	1,967
Central Evangelical Free Church	316
Elim Gospel Hall	710
St. George's Church	689
River Heights Church Society	785
Salvation Army Canada West	342
Lutheran Church	643
Valley United Pentacostal Church	425
Bishop of Victoria-Catholic Church	969
Kingdom Hall of Jehovah Witnesses	590
Seventh Day Adventist Church	363
LDS Church	1,271
Foursquare Gospel Church of Canada	5,268
Courtenay Baptist Church	735
Total Permissive Surrounding Statutory Land Tax Exemptions	\$15,184
Total Permissive Exemptions - Overall	\$351,087

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.



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



Larry Jangula
Mayor

Independent Auditors' Report

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, 2014 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.

Auditors' 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 auditors' 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, 2014 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 13, 2015

MNP LLP

Chartered Accountants

96 Wallace Street, Nanaimo, British Columbia, V9R 0E2 Ph: 250-753-8251

MNP^{LLP}

The Corporation of the City of Courtenay

Consolidated Statement Of Financial Position - Statement A

As at December 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash on hand and on deposit (Schedule 5)	\$28,371,670	\$17,966,870
Receivables (Note 1i)	3,964,984	3,453,527
Term Deposits (Schedule 5)	12,203,715	18,340,971
	44,540,369	39,761,368
LIABILITIES		
Accounts Payable (Note 1j)	5,921,044	6,831,569
Trust and Other Deposits	4,824,201	2,350,991
Deferred Revenue - Federal Gas Tax (Note 5)	-	3,121,718
Deferred Revenue - Development Cost Charges (Note 7)	3,051,916	3,352,680
Deferred Revenue - Other (Note 10)	1,473,842	708,020
Long-Term Debt (Schedule 4)	17,190,472	18,836,729
	32,461,475	35,201,707
NET FINANCIAL ASSETS	12,078,894	4,559,661
NON-FINANCIAL ASSETS		
Inventories	157,028	179,628
Prepaid Expenses	542,012	391,928
Tangible Capital Assets (Note 14 & Schedule 3)	123,675,417	123,447,288
	124,374,457	124,018,844
ACCUMULATED SURPLUS (Schedule 2)	\$136,453,351	\$128,578,505

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, 2014

	2014 Budget	2014	2013
	(Note 16)		
REVENUE			
Taxes for Municipal Purposes	\$23,618,676	\$23,743,302	\$22,920,934
Sale of Services	11,233,694	11,717,705	10,650,450
Revenue from own sources	3,269,201	3,014,344	3,424,427
Federal transfers	24,500	4,237,931	1,537,986
Provincial transfers	1,055,957	1,142,728	1,197,175
Other local government transfers	543,323	412,385	371,204
Contributions	1,832,856	1,694,006	7,113,362
DCC Revenue	-	614,581	271,191
Investment income and taxation penalties	816,225	906,875	930,540
Other	603,058	594,252	1,774,625
TOTAL REVENUE	42,997,490	48,078,109	50,191,894
EXPENSES			
General Government Services	4,613,065	5,015,423	4,138,092
Protective Services	8,799,111	7,007,779	7,357,077
Transportation Services	7,275,417	6,692,076	6,578,463
Sewer and Water Facilities	8,354,563	8,013,818	7,438,742
Environmental Health Services	2,992,680	2,913,719	2,681,866
Public Health and Welfare Services	296,010	255,009	312,928
Environmental Development Services	923,689	832,936	768,555
Recreational and Cultural Services	9,266,099	9,472,503	8,882,595
TOTAL EXPENSES	42,520,634	40,203,263	38,158,319
ANNUAL SURPLUS (Schedule 1)	476,856	7,874,846	12,033,575
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	128,578,505	128,578,505	116,544,930
ACCUMULATED SURPLUS AT END OF YEAR	\$129,055,361	\$136,453,351	\$128,578,505

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, 2014

	2014 Budget	2014	2013
	(Note 16)		
ANNUAL SURPLUS	\$476,856	\$7,874,846	\$12,033,575
Acquisition of tangible capital assets	(3,562,838)	(3,562,838)	(7,747,396)
Amortization of tangible capital assets	4,475,279	4,475,279	4,213,904
Loss on sale of tangible capital assets	167,871	167,871	158,494
Proceeds on sale of tangible capital assets	3,824	3,824	14,000
Developer tangible capital asset contribution	(1,312,263)	(1,312,263)	(6,488,980)
	(228,127)	(228,127)	(9,849,978)
Acquisition of supplies inventories	-	(398,668)	(434,350)
Acquisition of prepaid expense	-	(731,154)	(714,205)
Consumption of supplies inventories	-	421,267	448,575
Use of prepaid expense	-	581,069	775,554
	-	(127,486)	75,574
CHANGE IN NET FINANCIAL ASSETS/NET DEBT	248,729	7,519,233	2,259,171
NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR	4,559,661	4,559,661	2,300,490
NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR	\$4,808,390	\$12,078,894	\$4,559,661

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, 2014

	2014	2013
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS		
OPERATING TRANSACTIONS		
Annual Surplus	\$7,874,846	\$12,033,575
Changes in non-cash items including amortization		
Increase in amortization	4,475,279	4,213,904
Change in receivables	(511,457)	(647,377)
Change in accounts payable	(910,525)	192,493
Change in trust and other deposits	2,473,210	174,419
Change in deferred revenue	(2,656,660)	25,136
Change in inventories	22,599	14,225
Change in prepaids	(150,084)	61,347
Loss on disposal of capital assets	167,871	158,494
Developer Tangible Capital Asset Contribution	(1,312,263)	(6,488,980)
Actuarial adjustment	(431,658)	(365,101)
Cash Provided by Operating Transactions	9,041,158	9,372,135
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(3,562,838)	(7,747,396)
Proceeds on sale of tangible capital assets	3,824	14,000
Cash Applied to Capital Transactions	(3,559,014)	(7,733,396)
INVESTING TRANSACTIONS		
Term deposits	6,137,256	(7,118,886)
Cash Provided by (applied to) Investing Transactions	6,137,256	(7,118,886)
FINANCING TRANSACTIONS		
Repayment of long-term debt	(1,214,599)	(1,214,007)
Cash Provided by Financing Transactions	(1,214,599)	(1,214,007)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,404,800	(6,694,154)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,966,870	24,661,024
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$28,371,670	\$17,966,870
Interest paid on outstanding debt and included in annual surplus above	\$1,000,660	\$1,092,440

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, 2014

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 CPA Canada. 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.

Revenues from own sources are recognized in the period in which the transactions or events that gave rise to the revenue occur or are 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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

For the year ended December 31, 2014

(d) Use of Estimates

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

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

For the year ended December 31, 2014

accrued to December 31, 2014. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

(i) Receivables

Following is a breakdown of receivables outstanding at December 31, 2014 with 2013 comparatives:

	2014	2013
Federal Government	\$141,115	\$134,472
Provincial Government	358,570	291,684
Regional and other Local Governments	200,262	187,397
Property Taxes	772,376	1,218,075
Other	2,492,661	1,621,899
Total Receivables	\$3,964,984	\$3,453,527

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2014 with 2013 comparatives

	2014	2013
Federal Government	\$1,182,722	\$1,299,989
Provincial Government	232,957	750,230
Regional and other Local Governments	909,367	885,365
Employee Retirement Benefits	892,449	835,181
Trade and accrued liabilities	2,703,549	3,060,804
Total Accounts Payable	\$5,921,044	\$6,831,569

(k) Recent Accounting Pronouncements

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 Liability for Contaminated Sites to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provide the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The City does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

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 2014 Audited Financial Statements for specific information and detail.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

For the year ended December 31, 2014

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

2015	\$1,215,206
2016	\$949,983
2017	\$949,983
2018	\$949,983
2019	\$932,257
	\$4,997,412

(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
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, 2014, 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 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

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 \$774,416 (2013 - \$735,108) for employer contributions to the Plan in fiscal 2014.

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.

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

For the year ended December 31, 2014

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 has reported the balance as deferred revenue until it is used to fund the specified projects outlined in the original funding agreement. Interest is accrued and allocated monthly to the balance.

Following is a schedule of Gas Tax receipts and disbursements received in 2014 with comparatives to 2013.

	2014	2013
Opening balance of unspent funds	\$3,121,718	\$3,554,295
Additions:		
Amounts received during the year	1,034,277	936,445
Interest earned	23,441	26,614
Deductions:		
Amount spent on projects	(171,114)	(1,395,636)
Closing balance of unspent funds	\$4,008,322	\$3,121,718

As of April 1, 2014, a change in the Gas Tax Agreement resulted in the City revisiting the accounting treatment relating to the receipt and expenditure of these funds. As a result, beginning in 2014, Gas Tax transfers will be recorded as revenues when received, then held as reserves, and no longer classified as deferred revenue. They are now separately identified on Schedule 2, Consolidated Statement of Accumulated Surplus and Reserves.

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 2013 comparatives, is as follows:

	2014	2013
Municipal debt levy, general taxation	\$1,811,805	\$1,811,575
Lease and rental revenues	228,025	228,863
Total funding required – general debt repayment	\$2,039,830	\$2,040,438

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

For the year ended December 31, 2014

7. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

In order to conform with the Public Sector Accounting Board of CPA Canada, 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 2014 and 2013.

2014 Development Cost Charge Reserves

	General BL #2426	Water Utility BL #2426	Sewer Utility BL #2426	Sewer Utility BL #1638	2014 Total
Balance Forward	\$2,444,779	\$356,089	\$518,737	\$33,075	\$3,352,680
Increases					
Interest	17,953	2,588	3,797	232	24,570
Other Contributions	211,451	33,698	44,098	-	289,247
	229,404	36,286	47,895	232	313,817
Decreases					
Revenue Recognized to Fund Capital Projects	(183,132)	(26,518)	(404,931)	-	(614,581)
Reclassifications, redemptions, refunds			-	-	-
	(183,132)	(26,518)	(404,931)	-	(614,581)
Ending Balance Deferred Revenue - DCC	\$2,491,051	\$365,857	\$161,701	\$33,307	\$3,051,916

2013 Development Cost Charge Reserves

	General BL #2426	Water Utility BL #2426	Sewer Utility BL #2426	Sewer Utility BL #1638	2013 Total
Balance Forward	\$2,211,452	\$391,588	\$466,583	\$32,844	\$3,102,467
Increases					
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
Decreases					
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)
Ending Balance Deferred Revenue - DCC	\$2,444,779	\$356,089	\$518,737	\$33,075	\$3,352,680

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

For the year ended December 31, 2014

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 2014 and 2013, which has been excluded from the City's financial statements.

CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION	2014	2013	CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES	2014	2013
Financial Assets			Revenue		
Cash on Hand	\$62,262	\$52,096	Fees Levied	\$12,543	\$9,964
Investments - MFA	232,194	229,701	Interest Revenue	3,211	3,096
Liabilities			Expenditure		
Interest Payable to City	3,212	3,096	Interest Expense	3,212	3,096
Net Financial Position	\$291,244	\$278,701	Excess Revenue over Expenditure	\$12,542	\$9,964

(b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2013 - \$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, Government transfers received prior to revenue recognition criteria being met, and gift certificates issued and to be redeemed in future years at the Sid Williams Theatre. Following is a breakdown of the change in this balance for 2014 and 2013:

	2014	2013
Opening Balance	\$708,020	\$500,520
Additions to Deferred Revenue	1,475,796	690,513
Revenue Recognized	(709,974)	(483,013)
Ending Balance Deferred Revenue Other	\$1,473,842	\$708,020

The Corporation of the City of Courtenay

Notes to Consolidated Financial Statements

For the year ended December 31, 2014

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, 2014 the City had debt reserve funds of \$409,821 (\$398,278 in 2013).

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 2014 were based on an interest (discount) rate of 3.10% per annum. The total estimated employee retirement benefit liability at December 31, 2014 is \$892,449 (\$835,181 in 2013) 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 2014 revenues and expenses with 2013 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, 2014

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:

	2014	2013
Land	\$21,396,279	\$21,062,251
Land Improvements	2,764,871	2,763,625
Buildings	18,991,089	19,441,296
Equipment, Furniture, & Vehicles	5,388,205	5,775,966
Engineering Structures:		
Roads	45,082,389	44,044,538
Water	10,515,070	10,501,020
Sewer	7,705,661	8,890,566
Other (Includes Storm)	11,752,085	10,902,560
Other Tangible Capital Assets	79,768	65,466
	\$123,675,417	\$123,447,288

The net book value of capital assets not being amortized and under construction in 2014 is \$3,245,696 (\$4,389,182 in 2013).

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 2014 is \$1,312,263 (\$6,488,980 in 2013)

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, 2014

16. RESTATEMENT OF 2014 BUDGET

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 5, 2014, 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 5, 2014 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the May 5, 2014 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 2014 budget.

Adjustments to 2014 Budgeted Annual Surplus

Budget Surplus reported in FS	\$476,856
Capital acquisitions in Financial Plan	(11,089,165)
Amortization	4,475,279
Contributed Assets	(1,312,263)
Debt Issues in Financial Plan	-
Debt principle repayments in Financial Plan	(1,214,599)
Operating surplus appropriated for Operations in Financial Plan	6,211,387
Capital surplus appropriated for Capital Projects in Financial Plan	539,618
Transfers from Operating and Capital Reserves in Financial Plan	3,714,701
Transfers to Operating and Capital Reserves in Financial Plan	(1,801,814)
Net of Financial Plan	\$-

The Corporation of the City of Courtenay

(Note 13)

Consolidated Schedule of Segment Disclosure by Service - Schedule 1

Page 1 of 3

For the year ended December 31, 2014 (Audited)

	General Government Services		Protective Services		Transportation Services		Environmental Health Services	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE								
Taxation	\$21,150,991	\$20,275,879						
Sales of Services			802,719	842,670			2,817,834	2,649,452
Revenue from Own Sources			796,106	489,201	162,224	457,213		
Government Transfers	1,142,360	1,092,447	18,910	19,719	4,167,185	457,986		
Other Revenue	118,664	1,328,264						
Other Contributions				15,000	1,089,224	2,127,432		1,572,522
Interest Earned	816,103	867,716	9,579	11,868	16,865	13,629		
Total Revenues	23,228,118	23,564,306	1,627,314	1,378,458	5,435,498	3,056,260	2,817,834	4,221,974
EXPENSES								
Salaries and Benefits	2,636,886	2,691,776	1,657,059	1,661,788	2,138,771	2,091,970	48,163	53,049
Goods and Services	946,752	863,654	4,911,720	5,234,658	1,412,868	1,207,964	2,590,060	2,330,954
Amortization Expense	188,353	194,979	244,026	230,822	2,461,561	2,419,305	271,437	227,499
Debt Servicing	14,617	19,541	11,635	47,024	314,539	364,322		
Other Expenditures	1,228,815	365,117	183,339	143,419	216,205	413,984	4,059	70,364
Loss on Disposal of TCA		3,025		39,366	148,132	80,918		
Total Expenses	5,015,423	4,138,092	7,007,779	7,357,077	6,692,076	6,578,463	2,913,719	2,681,866
ANNUAL SURPLUS	18,212,695	19,426,214	(5,380,466)	(5,978,619)	(1,256,578)	(3,522,203)	(95,885)	1,540,108

The Corporation of the City of Courtenay

(Note 13)
Page 2 of 3

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

For the year ended December 31, 2014 (Audited)

	Public Health & Welfare Services		Environmental Development Services		Recreational and Cultural Services		Water Utility Services	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE								
Taxation							\$691,749	\$699,857
Sales of Services							4,530,857	4,409,401
Revenue from Own Sources			459,628	516,440	1,399,074	1,224,410	139,834	185,436
Government Transfers	118,818	77,008	4,947	3,953	125,506	1,228,700	37,750	
Other Revenue	148,921	135,934	222,667	193,338			104,000	117,089
Other Contributions			62,457	123,000	143,262	171,619	308,765	1,802,868
Interest Earned			4,479	4,702	18,387	14,270	11,635	11,377
Total Revenues	267,739	212,942	754,178	841,433	1,686,229	2,638,999	5,824,590	7,226,028
EXPENSES								
Salaries and Benefits	147,564	156,841	546,670	500,313	3,767,220	3,457,350	555,115	534,706
Goods and Services	80,380	102,509	274,703	258,717	2,207,425	2,052,399	2,741,230	2,539,612
Amortization Expense	21,337	21,571	2,533	2,533	789,298	687,495	339,732	305,324
Debt Servicing					116,356	172,622	21,595	22,614
Other Expenditures	5,728	32,007	9,030	6,992	1,722,413	1,638,267	90,686	69,097
Loss on Disposal of TCA					7,042	27,625	10,202	6,845
Total Expenses	255,009	312,928	832,936	768,555	8,609,754	8,035,758	3,758,560	3,478,198
ANNUAL SURPLUS	12,730	(99,986)	(78,758)	72,878	(6,923,525)	(5,396,759)	2,066,030	3,747,830

The Corporation of the City of Courtenay

(Note 13)
Page 3 of 3

Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) For the year ended December 31, 2014 (Audited)

	Sewer Utility Services		Other Services		Consolidated	
	2014	2013	2014	2013	2014	2013
REVENUE						
Taxation	\$1,900,562	\$1,945,198			\$23,743,302	\$22,920,934
Sales of Services	3,107,819	2,748,927	458,476		11,717,705	10,650,450
Revenue from Own Sources	57,478	100,113		451,614	3,014,344	3,424,427
Government Transfers			177,568	226,552	5,793,044	3,106,365
Other Revenue					594,252	1,774,625
Other Contributions	632,654	1,535,339	72,225	36,773	2,308,587	7,384,553
Interest Earned	7,195	6,978	22,632		906,875	930,540
Total Revenues	5,705,708	6,336,555	730,901	714,939	48,078,109	50,191,894
EXPENSES						
Salaries and Benefits	368,688	366,617	584,369	511,216	12,450,505	12,025,626
Goods and Services	798,111	839,266	278,380	335,541	16,241,629	15,765,274
Amortization Expense	157,002	124,376			4,475,279	4,213,904
Debt Servicing	101,571	119,359			580,313	745,482
Other Expenditures	2,823,568	2,496,216		80	6,283,843	5,235,543
Loss on Disposal of TCA	6,318	14,711			171,694	172,490
Total Expenses	4,255,258	3,960,545	862,749	846,837	40,203,263	38,158,319
ANNUAL SURPLUS	\$1,450,451	\$2,376,010	\$(131,848)	\$(131,898)	\$7,874,846	\$12,033,575

The Corporation of the City of Courtenay

Consolidated Schedule Of Accumulated Surplus & Reserves - Schedule 2

For the year ended December 31, 2014 (Unaudited)

	2014	2013
Surplus		
Invested in Tangible Capital Assets	\$106,484,945	\$104,610,559
General Operating Fund	4,459,618	5,218,696
General Capital Fund	5,432,874	3,129,622
Water Utility Operating Fund	2,281,461	2,180,868
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	2,748,366	2,574,240
Sewer Utility Capital Fund	30,965	30,965
Sid Williams Theatre Society	129,320	88,618
Gaming Fund	1,404,586	1,187,758
Total Surplus	123,081,004	119,130,195
Reserves		
General Fund Reserves:		
Machinery and Equipment	2,181,962	1,677,559
Land Sale	158,220	1,016,824
New Works and Equipment	3,843,705	3,806,823
New Works - Community Gas Tax Funds (Note 5)	4,008,322	-
Public Parking	30,160	25,374
Parkland Acquisition	184,730	141,687
Housing Amenity	271,352	227,162
Amenity	109,323	88,648
	10,787,774	6,984,077
Water Utility Reserves:		
Water Utility	1,500,061	1,491,827
Machinery and Equipment	191,151	159,992
	1,691,212	1,651,819
Sewer Utility Reserves:		
Sewer Utility	420,644	417,711
Machinery and Equipment	472,717	394,703
	893,361	812,414
Total Reserves	13,372,347	9,448,310
ACCUMULATED SURPLUS (Statement A)	\$136,453,351	\$128,578,505

Consolidated Schedule of Tangible Capital Assets - Schedule 3
For the year ended December 31, 2014 (Audited)

COST	Land		Engineering Structures				Other Tangible Capital Assets		Total	2013
	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Roads	Water	Sewer	Other Capital Assets			
Opening Balance	\$-	\$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 (CIP)	-	(411,240)	(106,862)	733,800	123,812	1,255,194	(126,977)	(6,290)	2,112,806	2,336,567
Add: Construction-in-progress	-	170,301	31,335	(868,655)	(773,413)	(555,366)	(126,977)	(6,290)	(3,256,292)	(5,858,733)
Less: Transfers into Service	-	72,979	1,779,017	(291,894)	(2,513,137)	756,553	-	(5,154)	-	-
Less: Writedowns & Reallocations	-	406,032	22,171	647,731	133,880	1,089,953	654,317	-	3,245,696	4,389,182
Closing Balance Construction-in-progress	\$21,062,251	\$4,130,537	\$27,373,708	\$82,348,140	\$15,065,932	\$7,213,029	\$17,278,182	\$640,326	\$189,264,742	\$171,934,467
Opening Balance Tangible Capital Assets	334,028	409,043	515,140	1,593,834	1,265,219	753,593	633,674	71,225	6,018,589	17,758,543
Add: Additions (including Transfers into Service)	(10,299)	(148,900)	(148,900)	(468,875)	(22,466)	(10,647)	(10,647)	-	(661,187)	(428,268)
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Closing Balance Tangible Capital Assets and CIP	21,396,279	4,935,313	28,180,460	84,120,830	16,442,565	9,056,575	18,555,525	711,551	197,867,840	193,653,924
ACCUMULATED AMORTIZATION										
Opening Balance	2,013,883	8,558,534	8,474,370	37,307,171	5,640,287	1,225,725	6,400,363	586,304	70,206,637	66,248,505
Add: Amortization	-	165,571	630,837	2,056,777	299,472	125,189	407,406	45,479	4,475,279	4,213,904
Less: Accum Amortization on Disposals	(9,012)	(138,381)	(138,381)	(325,507)	(12,264)	(4,329)	(4,329)	-	(489,493)	(255,773)
Closing Balance	-	2,170,442	9,189,371	39,038,441	5,927,495	1,350,914	6,803,440	631,783	74,192,423	70,206,636
Net Book Value for year ended December 31, 2014	\$21,396,279	\$2,764,871	\$18,991,089	\$45,082,389	\$10,515,070	\$7,705,661	\$11,752,085	\$79,768	\$123,675,417	\$123,447,288

The Corporation of the City of Courtenay

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

For the year ended December 31, 2014 (Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/13	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduct.	Principal Outstanding Dec 31/14	
General Capital Fund							
Debenture Debt							
2088	Museum	2015	6.45	57,701	28,216	29,485	
2092	Firehall	2015	6.45	443,857	217,045	226,812	
2093	Sid Williams Theatre	2015	6.45	443,857	217,045	226,812	
2171	Library	2021	3.05	1,296,564	135,778	1,160,786	
2266	Infrastructure Works - MFA	2018	4.78	159,547	28,874	130,673	
2266	Fifth Street Bridge	2023	5.15	333,748	27,798	305,950	
2304	Lerwick Road Ext. Prop Acquisition	2029	4.86	768,967	32,504	736,463	
2227	City Hall Retaining Wall	2020	5.00	86,376	10,936	75,443	
2354	Repaving Program	2025	5.75	329,562	23,821	305,741	
2355	Lerwick Road Extension	2030	5.75	545,123	23,003	522,120	
2356	City Hall Renovation	2020	5.50	458,857	58,096	400,761	
2425	Lerwick Road Construction	2026	4.66	529,028	31,818	497,210	
2453	Police Property Acquisition	2026	4.43	1,050,342	63,171	987,171	
2458	Public Works Maintenance Building	2022	4.52	1,053,269	99,526	953,743	
2539	Capital Infrastructure Work	2023	4.13	2,481,971	184,036	2,297,935	
2538	Native Sons Hall Renovation	2025	4.50	506,450	33,706	472,741	
2680	Lewis Centre Renovation	2027	2.90	3,990,247	218,143	3,772,104	
2681	Infrastructure Works - Road Paving	2027	2.90	1,482,093	81,024	1,401,068	
				16,017,560	-	1,514,540	14,503,018
TOTAL GENERAL CAPITAL FUND				16,017,560	-	1,514,540	14,503,018
Water Capital Fund							
Debenture Debt							
2424	Water Extension - Lerwick Road	2026	4.66	440,858	-	26,515	414,343
TOTAL WATER CAPITAL FUND				440,858	-	26,515	414,343
Sewer Capital Fund							
Debenture Debt							
2305	Sewer Extension	2029	4.86	576,726	-	24,378	552,348
2353	Sewer Extension	2030	5.00	1,534,132	-	64,738	1,469,394
2423	Sewer Extension - Lerwick Road	2026	4.66	267,453	-	16,086	251,367
TOTAL SEWER CAPITAL FUND				2,378,311	-	105,202	2,273,109
TOTAL ALL CAPITAL FUNDS				18,836,729	-	1,646,257	17,190,472

The Corporation of the City of Courtenay

Consolidated Schedule Of Investments - Schedule 5

For the year ended December 31, 2014 (Audited)

	2014	2013
GENERAL OPERATING FUND - Cash on hand	\$26,868,716	\$16,756,387
GAMING FUND - Cash on Hand	\$1,159,243	\$973,887
SID WILLIAMS THEATRE SOCIETY - Cash on hand	\$343,711	\$236,596
Total Cash on Hand and on Deposit	\$28,371,670	\$17,966,870
GENERAL OPERATING FUND TERM DEPOSITS		
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	16,495	16,299
The Canadian Western Bank, various guaranteed investment certificates	1,008,281	6,101,507
The Bank of Nova Scotia, various guaranteed investment certificates	11,178,939	12,223,165
Total Term Deposits	12,203,715	18,340,971
TOTAL CASH AND INVESTMENTS (Statement A)	\$40,575,385	\$36,307,841



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STRATEGIC PRIORITIES 2015 – 2018

The following corporate priorities have been established for the current Council term:

Now

- Braidwood Housing Project Request for Proposal May 2015
- Integrated Flood Management Study May 2015
- Downtown RevitalizationNovember 2015
- “Complete Street” pilot project options..... March 2015
- Development Process: review terms of reference April 2015

Next

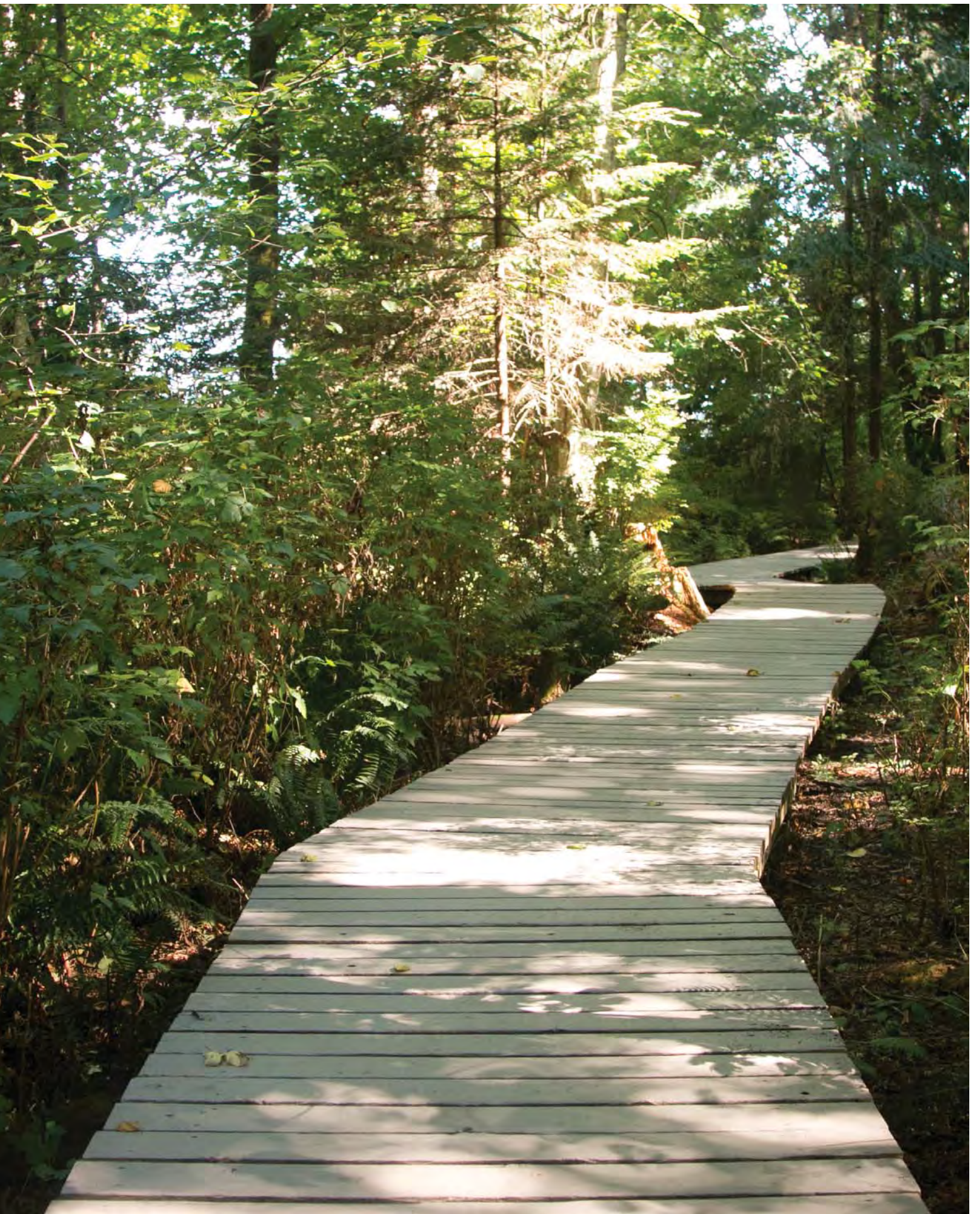
- Affordable Housing Policy
- Civic Land Inventory
- East/West Connector
- South & West Downtown: local area plan
- Affordable Housing: foundadtion funding

Advocacy / Partnerships

- Field Sawmill future use
- 6th Street bridge proposal
- Flood mitigation
- Police cost-sharing
- Crown Isle future growth
- North Connector project
- Airport future
- Third crossing bridge
- Homelessness - regional solution



SARAH KERR PHOTO





SARAH KERR PHOTO



CITY OF
COURTENAY

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