



**THE CORPORATION OF
THE CITY OF COURTENAY**

**Statement of Financial Information
For the Year Ended December 31, 2017**

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MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian Public Sector Accounting Standards and are outlined under “Significant Accounting Policies” in the notes to the financial statements, and the integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council of the City of Courtenay is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian Public Sector accounting standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation’s system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of the Corporation of the City of Courtenay:



Brian Parschauer, BA, CPA, CMA

Director of Financial Services

June 11, 2018

Independent Auditors' Report

To the Mayor and Council of City of Courtenay:

We have audited the accompanying consolidated financial statements of City of Courtenay, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of earnings, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 the audit to obtain reasonable assurance about whether the consolidated financial statements are free from 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 evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Courtenay as at December 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including schedules 1 to 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

May 7, 2018

MNP LLP

Chartered Professional Accountants

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

STATEMENT A

	2017	2016
FINANCIAL ASSETS		
Cash on Hand and on Deposit (Schedule 5)	\$ 12,176,694	\$ 11,940,239
Receivables (Note 1i)	2,960,134	3,178,840
Term Deposits (Schedule 5)	31,487,579	31,409,482
	46,624,407	46,528,561
LIABILITIES		
Accounts Payable (Note 1j)	7,051,630	8,271,606
Trust and Other Deposits	4,036,811	4,742,503
Deferred Revenue - Development Cost Charges (Note 6)	5,546,196	4,481,601
Deferred Revenue - Other (Note 8)	2,221,668	1,409,770
Long-Term Debt (Schedule 4)	12,851,766	14,189,703
	31,708,071	33,095,183
NET FINANCIAL ASSETS	14,916,336	13,433,378
NON-FINANCIAL ASSETS		
Inventories	191,031	188,408
Prepaid Expenses	446,715	491,324
Tangible Capital Assets (Note 12 & Schedule 3)	139,559,441	135,242,213
	140,197,187	135,921,945
ACCUMULATED SURPLUS (Schedule 2)	\$ 155,113,523	\$ 149,355,323
CONTINGENT LIABILITIES AND COMMITMENTS (NOTE 2)	-	-

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

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

REVENUE	2017 Budget (Note 13)	2017	2016
Taxes for Municipal Purposes	\$ 25,752,900	\$ 25,701,418	\$ 24,263,225
Sale of Services	14,481,948	14,934,108	13,425,663
Revenue From Own Sources	2,977,700	3,384,772	3,154,810
Federal Transfers	1,483,100	1,108,235	1,094,108
Provincial Transfers	1,709,000	1,877,196	1,383,979
Other Local Government Transfers	941,950	340,167	220,726
Contributions	573,422	3,037,373	4,118,205
DCC Revenue	-	149,539	260,138
Investment Income and Taxation Penalties	831,600	927,737	922,476
Other	727,300	739,066	682,242
Actuarial adjustment	-	-	45,551
Gain on Sale of Tangible Capital Assets	-	51,105	6,785
TOTAL REVENUE	49,478,920	52,250,716	49,577,908
 EXPENSES			
General Government Services	5,930,042	5,034,969	4,730,658
Protective Services	9,743,470	8,919,927	8,125,236
Transportation Services	7,818,031	7,399,060	7,037,780
Sewer and Water Facilities	11,172,984	11,043,443	10,191,449
Environmental Health Services	3,364,948	3,389,673	3,291,499
Public Health and Welfare Services	255,297	383,499	259,991
Environmental Development Services	1,298,808	1,350,794	1,249,548
Recreational and Cultural Services	9,266,899	8,971,151	9,649,136
TOTAL EXPENSES	48,850,478	46,492,516	44,535,297
 ANNUAL SURPLUS (Schedule 1)	628,442	5,758,200	5,042,611
 ACCUMULATED SURPLUS AT BEGINNING OF YEAR	149,355,323	149,355,323	144,312,712
 ACCUMULATED SURPLUS AT END OF YEAR	\$ 149,983,765	\$ 155,113,523	\$ 149,355,323

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

STATEMENT C

	2017 Budget (Note 13)	2017	2016
ANNUAL SURPLUS	\$ 628,442	\$ 5,758,200	\$ 5,042,611
Acquisition of tangible capital assets	(11,851,600)	(7,131,998)	(5,625,947)
Amortization of tangible capital assets	4,425,000	5,183,920	4,890,442
(Gains)/losses and other adjustments to tangible capital assets		437,222	194,159
Proceeds on sale of tangible capital assets		62,811	13,675
Developer tangible capital asset contribution	-	(2,869,183)	(3,606,717)
	(7,426,600)	(4,317,228)	(4,134,388)
Acquisition of supplies inventories	-	(517,235)	(402,965)
Acquisition of prepaid expense	-	(492,414)	(714,847)
Consumption of supplies inventories	-	514,612	390,686
Use of prepaid expense	-	537,023	554,541
	-	41,986	(172,585)
CHANGE IN NET FINANCIAL ASSETS	(6,798,158)	1,482,958	735,638
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	13,433,378	13,433,378	12,697,740
NET FINANCIAL ASSETS AT END OF YEAR	\$ 6,635,220	\$ 14,916,336	\$ 13,433,378

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2017**

STATEMENT D

	2017	2016
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS		
OPERATING TRANSACTIONS		
Annual Surplus	\$ 5,758,200	\$ 5,042,611
Changes in non-cash items including amortization		
Increase in amortization	5,183,920	4,890,442
Change in receivables	218,706	577,012
Change in accounts payable	(1,219,976)	1,498,173
Change in trust and other deposits	(705,692)	690,148
Change in deferred revenue	1,876,493	304,415
Change in inventories	(2,623)	(8,471)
Change in prepaids	44,610	(160,306)
Net (gains)/losses and other adjustments to tangible capital assets	437,222	190,351
Developer Tangible Capital Asset Contribution	(2,869,183)	(3,606,717)
Actuarial adjustment	(386,693)	(333,874)
	8,334,984	9,083,784
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(7,131,998)	(5,625,947)
Proceeds on sale of tangible capital assets	62,811	13,675
	(7,069,187)	(5,612,272)
INVESTING TRANSACTIONS		
Proceeds from term deposits		
Term deposits	(78,097)	(15,170,361)
Other		
Cash Provided by (applied to) Investing Transactions	(78,097)	(15,170,361)
FINANCING TRANSACTIONS		
Repayment of long-term debt	(951,245)	(950,605)
Long-term debt proceeds	-	-
Cash applied to Financing Transactions	(951,245)	(950,605)
INCREASE (DECREASE) IN CASH ON HAND AND ON DEPOSIT	236,455	(12,649,454)
CASH ON HAND AND ON DEPOSIT AT BEGINNING OF YEAR	11,940,239	24,589,696
CASH ON HAND AND ON DEPOSIT AT END OF YEAR	\$ 12,176,694	\$ 11,940,239
Interest paid on outstanding debt and included in annual surplus above	\$ 635,742	\$ 713,928

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2017
(Audited)

SCHEDULE 1
(Note 11)
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	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE:										
Taxation	\$ 22,816,507	\$ 21,603,976								
Sales of Services			933,633	887,972			3,201,028	3,073,262		
Revenue from Own Sources			682,622	858,811	130,868	47,356				
Government Transfers	1,359,000	1,196,053	300,373	76,006	1,259,640	1,158,804			103,870	88,353
Other Revenue	87,010	94,430			141,500	132,218			167,440	128,455
Other Contributions					2,357,482	2,306,421		661,925		
Interest Earned	804,432	848,349	3,735	2,106	49,964	27,320				
Actuarial Adjustment		45,549								
Gain on sale of TCA	9,369	-		200	33,336	6,585				
Total Revenues	25,076,318	23,788,357	1,920,363	1,825,095	3,972,790	3,678,704	3,201,028	3,735,187	271,310	216,808
EXPENSES										
Salaries and Benefits	3,365,498	3,090,741	2,081,233	1,905,934	2,382,224	2,357,809	51,637	55,009	233,328	162,794
Goods and Services	1,186,907	1,260,600	6,467,288	5,835,208	1,811,402	1,806,460	3,011,456	2,909,185	122,419	72,805
Amortization Expense	240,240	170,291	352,012	345,789	2,743,677	2,618,140	315,948	318,718	27,752	24,392
Debt Servicing	(35,375)	16,080	2,355	35,907	199,953	236,551				
Other Expenditures	277,699	191,383		2,398	640	15,323	8,000	430		
Loss on Disposal of TCA		1,563	17,039		261,164	3,497	2,632	8,157		
Total Expenses	5,034,969	4,730,658	8,919,927	8,125,236	7,399,060	7,037,780	3,389,673	3,291,499	383,499	259,991
ANNUAL SURPLUS	20,041,349	19,057,699	(6,999,564)	(6,300,141)	(3,426,270)	(3,359,076)	(188,645)	443,688	(112,189)	(43,183)

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2017
(Audited)

SCHEDULE 1
(Note 11)
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	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE:												
Taxation					\$	\$	\$	\$			\$	\$
Sales of Services					922,220	709,738	1,962,691	1,949,511			25,701,418	24,263,225
Revenue from Own Sources		510,715	1,690,319	1,612,910	5,826,949	4,956,600	4,338,650	3,883,643		624,186	14,934,108	13,425,663
Government Transfers	616,227	20,000	180,547	82,097	220,792	122,574	43,944	2,445	633,848		3,384,772	3,154,810
Other Revenue	28,958	290,282	18,535	24,857	-	-	-	10,000	93,210	67,500	3,325,598	2,698,813
Other Contributions	324,581	233,188	118,068	141,459	379,007	504,275	243,033	475,163	48,322	55,912	3,186,912	4,378,343
Interest Earned	41,000	3,539	5,046	14,139	18,322	6,952	20,222	5,547	21,195	14,523	927,737	922,476
Actuarial Adjustment	4,821											45,551
Gain on sale of TCA			8,400						796,575	762,121	51,105	6,785
Total Revenues	1,015,587	1,057,724	2,020,915	1,875,462	7,367,290	6,312,139	6,608,540	6,326,309	796,575	762,121	52,230,716	49,577,908
EXPENSES												
Salaries and Benefits	804,788	712,196	4,152,743	4,304,997	648,115	681,696	444,095	449,920	665,604	643,891	14,829,265	14,364,987
Goods and Services	427,386	440,246	2,681,291	2,752,573	4,574,027	2,915,963	850,299	943,956	226,697	376,000	21,359,172	19,312,996
Amortization Expense	2,533	2,533	842,040	800,883	403,958	371,577	255,758	238,117			5,183,918	4,890,440
Debt Servicing			69,364	118,425	824	7,451	11,928	20,334			2,49,049	434,748
Other Expenditures	116,087	94,573	309,529	644,699	144	37,158	3,670,687	4,484,685			4,382,786	5,470,649
Loss on Disposal of TCA			23,883	7,668	183,608	18,497		22,095			488,326	61,477
Total Expenses	1,350,794	1,249,548	8,078,850	8,629,245	5,810,676	4,032,342	5,232,767	6,159,107	892,301	1,019,891	46,492,516	44,535,297
ANNUAL SURPLUS	\$ (335,207)	\$ (191,824)	\$ (6,057,935)	\$ (6,753,783)	\$ 1,556,614	\$ 2,279,797	\$ 1,375,773	\$ 167,202	\$ (95,726)	\$ (257,770)	\$ 5,758,200	\$ 5,042,611

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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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

Expenses 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.

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(c) **Accrued Payroll Benefits**

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

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

(d) **Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires 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. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City of Courtenay is responsible for.

(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	\$5000 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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(g) Financial Instruments

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

(h) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2017. 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, 2017 with 2016 comparatives:

	<u>2017</u>	<u>2016</u>
Federal Government	\$ 226,908	\$ 206,198
Provincial Government	659,170	566,788
Regional and other Local Governments	275,880	160,397
Property Taxes	955,208	1,489,508
Other	<u>842,968</u>	<u>755,949</u>
 Total Receivables	 <u>\$ 2,960,134</u>	 <u>\$ 3,178,840</u>

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2017 with 2016 comparatives:

	<u>2017</u>	<u>2016</u>
Federal Government	\$ 1,348,962	\$ 1,237,832
Provincial Government	78,412	362,370
Regional and other Local Governments	724,355	1,381,811
Employee Retirement Benefits (Note 10)	944,400	926,000
Trade and accrued liabilities	<u>3,955,501</u>	<u>4,363,593</u>
 Total Accounts Payable	 <u>\$ 7,051,630</u>	 <u>\$ 8,271,606</u>

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when; contamination exceeding an environmental standard exists, the City of Courtenay is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2017.

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

(l) Recent Accounting Pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. This new Standard does not have a material effect on the consolidated financial statements.

PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained. Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions. The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. This new Standard does not have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. This new Standard does not have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right. Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right. Disclosures should include descriptions about nature, extent, and timing.

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. This new Standard does not have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction. A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration. Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and de-recognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense. Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date. The financial position and results of operations prior to the restructuring date are not restated. Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged. The City does not expect application of the new Standard to have a material effect on the 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 2017 Audited Financial Statements for specific information and detail.

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

2018	\$	951,899
2019		934,845
2020		935,534
2021		885,800
2022		810,918
		<u> </u>
	\$	<u>4,518,996</u>

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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- (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
Vancouver Island Regional Library
Downtown Courtenay Business Improvement Area

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

- (d) As at December 31, 2017, there existed outstanding claims against the City. These claims have been referred to legal counsel 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 employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local government.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1.927 billion was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged

The City of Courtenay paid \$939,145 (2016 - \$867,334) for employer contributions to the plan in fiscal 2017.

The next valuation will be as at December 31, 2018, with results available in 2019.

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 CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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4. HOST FINANCIAL ASSISTANCE AGREEMENT

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

5. FEDERAL GAS TAX AGREEMENT FUNDS

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

The City of Courtenay received the first contribution of Gas Tax funding in 2005 and reports the balance in a General Fund Reserve – New Works Community Gas Tax Funds (Schedule 2) until it is used to fund the specified projects outlined in the funding agreement. Interest is accrued and allocated monthly to the balance.

Following is a schedule of Gas Tax receipts and disbursements received in 2017 with comparatives to 2016.

	2017	2016
Opening Balance of Unspent Funds	\$4,733,397	\$3,735,925
Additions:		
Amounts Received During the Year	1,083,236	1,069,107
Interest Earned	29,466	15,865
Deductions:		
Amount Spent on Projects	(2,328,724)	(87,500)
Closing Balance of Unspent Funds	<u>\$3,517,375</u>	<u>\$4,733,397</u>

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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6. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

In order to conform with the Public Sector Accounting Standards 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 2017 and 2016.

	2017				
	General Reserve DCC BL #2840	Water Utility Reserve DCC BL #2840	Sewer Utility Reserve DCC BL #2840	Sewer Utility Reserve DCC BL #1638	2017 Total
Balance Forward	\$ 3,450,709	\$ 529,837	\$ 467,447	\$ 33,608	\$ 4,481,601
Increases					
Interest	21,924	3,265	3,147	198	28,534
Other Contributions	991,805	61,451	132,344	-	1,185,600
	<u>1,013,729</u>	<u>64,716</u>	<u>135,491</u>	<u>198</u>	<u>1,214,134</u>
Decreases					
Revenue Recognized to Fund Capital Projects	(149,539)	-	-	-	(149,539)
Ending Balance Deferred Revenue - DCC	<u>\$ 4,314,899</u>	<u>\$ 594,553</u>	<u>\$ 602,938</u>	<u>\$ 33,806</u>	<u>\$ 5,546,196</u>

	2016				
	General Reserve DCC BL #2840	Water Utility Reserve DCC BL #2840	Sewer Utility Reserve DCC BL #2840	Sewer Utility Reserve DCC BL #1638	2016 Total
Balance Forward	\$ 3,049,041	\$ 463,577	\$ 327,170	\$ 33,474	\$ 3,873,262
Increases					
Interest	13,300	1,967	1,511	134	16,912
Other Contributions	638,568	73,593	139,404	-	851,565
	<u>651,868</u>	<u>75,560</u>	<u>140,915</u>	<u>134</u>	<u>868,477</u>
Decreases					
Revenue Recognized to Fund Capital Projects	(250,200)	(9,300)	(638)	-	(260,138)
Ending Balance Deferred Revenue - DCC	<u>\$ 3,450,709</u>	<u>\$ 529,837</u>	<u>\$ 467,447</u>	<u>\$ 33,608</u>	<u>\$ 4,481,601</u>

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

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7. 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 2017 and 2016, which has been excluded from the City's financial statements.

CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION	<u>2017</u>	<u>2016</u>	CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES	<u>2017</u>	<u>2016</u>
Financial Assets			Revenue		
Cash on Hand	\$ 88,440	\$ 82,201	Fees Levied	\$ 10,590	\$ 9,711
Investments - MFA	<u>238,312</u>	<u>236,023</u>	Interest Revenue	<u>3,242</u>	<u>2,608</u>
Liabilities			Expenditure		
Interest Payable to City	<u>3,242</u>	<u>5,303</u>	Interest Expense	<u>3,242</u>	<u>2,608</u>
Net Financial Position	<u><u>\$ 323,510</u></u>	<u><u>\$ 312,921</u></u>	Excess Revenue over Expenditure	<u><u>\$ 10,590</u></u>	<u><u>\$ 9,711</u></u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$423,132 (2016 - \$384,442). 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.

8. DEFERRED REVENUE – OTHER

Other Deferred Revenue recorded in the Liability section of the City's Financial Statements consists of the revenues related to 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 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Opening Balance	\$ 1,409,770	\$ 1,713,694
Additions to Deferred Revenue	2,221,668	1,406,868
Revenue Recognized	(1,409,770)	(1,710,791)
Ending Balance Deferred Revenue Other	<u><u>\$ 2,221,668</u></u>	<u><u>\$ 1,409,770</u></u>

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

9. 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, 2017 the City had debt reserve funds of \$333,765 (\$327,368 in 2016).

10. 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 2017 were based on an interest (discount) rate of 3.0% per annum (2016 - 3.3%) and an inflation rate of 2.5% for both 2017 and 2016. The total estimated employee retirement benefit liability at December 31, 2017 is \$944,400 (\$926,000 in 2016) and is included in the accounts payable balance on Statement A. Following is a breakdown of the benefit liability:

	2017	2016
Accrued benefit liability at beginning of year	926,000	875,700
Expense	100,861	124,300
Benefit Payments	(82,461)	(74,000)
Accrued benefit liability at end of year	\$ 944,400	\$ 926,000

11. 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 2017 revenues and expenses with 2016 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.

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.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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12. TANGIBLE CAPITAL ASSET DETAILS

(See Schedule 3 for further details)

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 2017 is \$2,869,183 (\$3,606,717 in 2016).

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.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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13. RESTATEMENT OF 2017 BUDGET

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 8, 2017 except in regard to budget amounts for amortization, tangible capital assets, and the use of debt, reserves and prior year surpluses.

The summary below shows the adjustments to the May 8, 2017 budget approved by Council and reflected in these financial statements:

Adjustments to 2017 Budgeted Annual Surplus

Budgeted Surplus per Council approved Budget	\$	-
Sid Williams Theatre		8,942
Purchase of Capital Assets		11,851,600
Amortization Budgeted		(4,425,000)
Transfer from Reserves		(10,563,000)
Transfer to Reserves		4,201,900
Use of Prior Year Surplus		(1,397,200)
Debt principle repayments in Financial Plan		<u>951,200</u>
Budgeted Surplus per Consolidated Statement of Operations	\$	<u>628,442</u>

THE CORPORATION OF THE CITY OF COURTENAY
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (Audited)

	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2016
					Roads	Water	Sewer	Other			
COST											
Opening Balance Construction-in-progress (CIP)	-	153,365	178,647	199,496	709,508	62,138	11,653	24,240	20,242	\$ 1,359,289	5,380,573
Add: Construction-in-progress (CIP)		40,544	175,453	168,561	245,608	95,312		8,000		733,478	660,814
Less: Transfers into Service			(44,304)	(209,106)	(254,397)	(24,389)	(11,653)			(543,849)	(4,682,098)
Less: Writedowns & Reallocations		(16,762)		(7,121)	(166,370)		-			(190,253)	-
Closing Balance Construction-in-progress	-	177,147	309,796	151,830	534,349	133,061	-	24,240	28,242	1,358,665	1,359,289
Opening Balance Tangible Capital Assets	21,609,649	6,579,867	30,007,859	16,700,686	90,184,974	19,041,144	10,477,712	21,423,210	754,068	216,779,169	204,147,360
Add: Opening Adjustment										-	(133,603)
Add: Additions (including Transfers into Service)	410,000	103,842	817,439	1,248,419	3,624,667	2,150,109	420,489	633,072	403,514	9,811,551	13,254,951
Less: Disposals				(293,147)	(749,405)	(313,816)		(7,520)	(64,607)	(1,428,495)	(489,539)
Closing Balance Tangible Capital Assets and CIP	22,019,649	6,860,856	31,135,094	17,807,788	93,594,585	21,010,498	10,898,201	22,073,002	1,121,217	226,520,890	218,138,458
ACCUMULATED AMORTIZATION											
Opening Balance	-	2,588,859	10,516,382	9,997,477	43,221,167	6,517,509	1,685,566	7,689,093	680,192	82,896,245	78,423,934
Add: Writedown										-	3,040
Add: Amortization		238,369	701,683	786,387	2,319,763	373,026	198,966	502,626	63,100	5,183,920	4,890,442
Less: Accum Amortization on Disposals			275	(264,677)	(654,611)	(130,208)		(4,888)	(64,607)	(1,118,716)	(421,171)
	-	2,827,228	11,218,340	10,519,187	44,886,319	6,760,327	1,884,532	8,186,831	678,685	86,961,449	82,896,245
Net Book Value for year ended December 31, 2017	\$ 22,019,649	\$ 4,033,628	\$ 19,916,754	\$ 7,288,601	\$ 48,708,266	\$ 14,250,171	\$ 9,013,669	\$ 13,886,171	\$ 442,532	\$ 139,559,441	\$ 135,242,213

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 2017
(Audited)

SCHEDULE 4

<u>Bylaw Number</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding Dec 31/16</u>	<u>Current Year Borrowing</u>	<u>Actuarial Adjustment/Princ. Reduction</u>	<u>Principal Outstanding Dec 31/17</u>
General Capital Fund						
Debtenture Debt						
2171 Library	2021	3.05	868,521	-	157,180	711,341
2266 Infrastructure Works - MFA	2018	4.78	68,521	-	33,425	35,096
2266 Fifth Street Bridge	2023	5.15	246,973	-	31,269	215,704
2304 Lerwick Road Ext. Prop Acquisition	2029	4.86	666,497	-	37,628	628,869
2227 City Hall Retaining Wall	2020	5.00	52,236	-	12,301	39,935
2354 Repaving Program	2025	5.75	256,258	-	25,691	230,567
2355 Lerwick Road Extension	2030	5.75	473,316	-	25,875	447,441
2356 City Hall Renovation	2020	5.50	277,506	-	65,351	212,155
2425 Lerwick Road Construction	2026	4.66	429,706	-	35,791	393,915
2453 Police Property Acquisition	2026	4.43	853,146	-	71,060	782,086
2458 Public Works Maintenance Building	2022	4.52	742,586	-	111,953	630,633
2539 Capital Infrastructure Work	2023	4.13	1,907,484	-	207,015	1,700,469
2538 Native Sons Hall Renovation	2025	4.50	401,245	-	37,915	363,330
2680 Lewis Centre Renovation	2027	2.90	3,309,293	-	245,381	3,063,912
2681 Infrastructure Works - Road Paving	2027	2.90	1,229,166	-	91,141	1,138,025
TOTAL GENERAL CAPITAL FUND			11,782,454	-	1,188,976	10,593,478
Water Capital Fund						
Debtenture Debt						
2424 Water Extension - Lerwick Road	2026	4.66	358,088	-	29,825	328,262
TOTAL WATER CAPITAL FUND			358,088	-	29,825	328,262
Sewer Capital Fund						
Debtenture Debt						
2305 Sewer Extension	2029	4.86	499,873	-	28,220	471,653
2353 Sewer Extension	2030	5.00	1,332,047	-	72,822	1,259,225
2423 Sewer Extension - Lerwick Road	2026	4.66	217,240	-	18,094	199,146
TOTAL SEWER CAPITAL FUND			2,049,161	-	119,136	1,930,024
TOTAL ALL CAPITAL FUNDS			14,189,703	-	1,337,937	12,851,766

THE CORPORATION OF THE CITY OF COURTENAY

**Statement of Financial Information
(as required under the Financial Information Act)
2017 Report of Remuneration and Expenses of
Elected Officials**

Prepared under the Financial Information Regulation, Schedule 1, Section 6

Remuneration and Expense Payments

<u>Elected Official</u>		<u>Remuneration</u>	<u>Expenses</u>
Jangula, Larry	Mayor	\$ 61,448	\$ 5,070
Frisch, David	Councillor	\$ 23,525	\$ 4,388
Hillian, Douglas A.	Councillor	\$ 22,725	\$ 3,196
Eriksson, Erik	Councillor	\$ 22,725	\$ 3,545
Theos, Manno	Councillor	\$ 23,225	\$ 2,516
Lennox, Rebecca	Councillor	\$ 22,725	-
Wells, Robert	Councillor	\$ 22,725	\$ 6,657
TOTALS		<u>\$ 199,101</u>	<u>\$ 25,372</u>

Benefits

Insurance Policy Coverage: Personal Accident Insurance, Mayor and Council

AIG Insurance

<i>Principal Sum:</i>	\$ 250,000
<i>Weekly Accident Indemnity:</i>	\$ 750
<i>Accidental Dental Expense Benefit:</i>	\$ 5,000
<i>Accidental Medical Expense Benefit:</i>	\$ 25,000

Total premium - all members \$ 350.00

**Section 107 Disclosure of Contracts with Council Members
and Former Council Members**

No contracts

THE CORPORATION OF THE CITY OF COURTENAY

**Statement of Financial Information
(as required under the Financial Information Act)
Statement of Salaries, Wages and Expenses for the Year 2017
Prepared under the Financial Information Regulation, Schedule 1, Section 6**

<u>Employee</u>	<u>Position</u>	<u>Total Remuneration</u> (Includes Taxable Benefits)	<u>Expenses</u>
Allen, D	Chief Administrative Officer	\$ 172,772	\$ 12,235
Armstrong, R.	Manager of Infrastructure Planning	\$ 101,254	\$ 6,552
Bardonnex, D.	Fire Chief	\$ 123,245	\$ 432
Bell, M	Parks Utility Supervisor	\$ 76,992	\$ 150
Boguski, B.	Roads Foreman	\$ 84,130	\$ -
Borecky, N.	Information Systems Manager	\$ 81,693	\$ 2,197
Boyer, R	Utilities Mtce - Sewer 2	\$ 75,645	\$ 70
Brand, B.	Water Foreman	\$ 91,571	\$ 1,981
Buck, I.	Director of Development Services	\$ 122,622	\$ 3,505
Chan, J.	Property Management Coordinator	\$ 78,973	\$ 300
Coelho, N	Roads 2	\$ 75,530	\$ -
Collins, C.	Manager of Finance	\$ 93,886	\$ 3,441
Collins, K.	Manager of Recreation Programming	\$ 96,415	\$ 1,902
Craven, D.	Carpenter	\$ 76,942	\$ -
Dojack, T.	Carpenter	\$ 77,017	\$ 2,019
Donley, M.	Manager of Human Resources	\$ 92,129	\$ 756
Doty, L.	Engineering Technologist	\$ 76,337	\$ 345
Feucht, R.	Development Engineer	\$ 107,415	\$ 549
Fisher, K.	Utilities Mtce - Water 2	\$ 89,761	\$ 1,714
Guderjahn, B.	Manager of Purchasing	\$ 93,585	\$ 1,631
Guillo, A.	Manager of Communications	\$ 99,437	\$ -
Henderson, D.	Deputy Fire Chief / Training Officer	\$ 110,001	\$ 228
Jernslet, E.	Manager of Civic Properties Mtce.	\$ 98,444	\$ 1,699
Johns, T.	Horticulture Supervisor	\$ 77,467	\$ 439
Kearns, M	Manager of Parks	\$ 90,429	\$ 1,333
Kellinghusen, J.	Equipment Operator	\$ 76,496	\$ 249
Kerr, C.	EVT / Fire Inspector	\$ 83,855	\$ 1,903
Kitching, L.	Pay & Benefits Coordinator	\$ 79,181	\$ 1,744
Knapman, P.	Occupational Health & Safety Coordinator	\$ 85,819	\$ 4,739
Kushner, T.	Director of Public Works	\$ 130,861	\$ 4,715
Lamb, G.	Fire Inspector	\$ 80,554	\$ 75
Law, C.	Engineering Technologist	\$ 75,292	\$ 140
Love, D.	Senior Advisor - Strategic Initiatives	\$ 112,114	\$ 4,118
MacDonald, K.	Deputy Fire Chief	\$ 119,932	\$ 4,461
Major, M.	Arborist	\$ 76,498	\$ -
McClintock, K	Accountant	\$ 76,796	\$ 930
Millar, C.	Manager of Recreation Facilities Operations	\$ 88,825	\$ 650
Moore, B	Shop Foreman	\$ 80,450	\$ -
Neufeld, K.	Building Inspector 3	\$ 76,802	\$ 2,299
Parschauer, B	Director of Financial Services	\$ 117,329	\$ 5,082
Perry, C.	Manager of Transportation & Utilities - Engineering	\$ 108,600	\$ 625
Rose, L.	Utilities Construction Foreman	\$ 86,968	\$ 70
Salmon, D.	Network Coordinator	\$ 84,503	\$ 1,585
Schleppe, S	Utilities Mtce - Water 2	\$ 77,401	\$ 338
Setta, T.	Manager of Planning	\$ 94,577	\$ 1,514
Shaw, D.	Public Works Inspector	\$ 85,060	\$ 4,234
Shaw, K.	Manager of Transportation & Utilities - Public Works	\$ 106,097	\$ 6,230
Snider, D.	Director of Recreation & Cultural Services	\$ 123,714	\$ 6,192
Sorichta, W.	Manager of Corporate and Administrative Services	\$ 101,645	\$ 447
Strachan, D.	Roads 2	\$ 81,216	\$ -
Sweeney, T	Building Inspector 3	\$ 76,961	\$ 420
Ward, J.	Director of Legislative Services / Deputy CAO	\$ 133,760	\$ 2,719
Welsh, J.	Fire Inspector	\$ 80,594	\$ 3,390
Wood, I	Mechanic	\$ 81,325	\$ -
Woods, M	Manager of Information Systems	\$ 85,289	\$ -
Total for employees where remuneration is > \$75,000		\$ 5,132,204	\$ 102,347
Consolidated total for employees where remuneration < \$75,000		6,591,688	58,849
Elected Officials, direct payments		199,101	25,372
TOTALS		\$ 11,922,993	\$ 186,568

Statement of Severance Agreements

There were two severance agreements under which payment commenced between the City of Courtenay and its unionized employees during the fiscal year 2017.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7)

THE CORPORATION OF THE CITY OF COURTENAY

Statement of Individual Vendors Paid

For the Year Ended December 31, 2017

Prepared under the Financial Information Regulation, Schedule 1, Section 7

Vendor Name	Amount Paid YTD 2017
7 STORY CIRCUS	50,489
ABOVE & BEYOND TREE SERVICE	69,616
ACME SUPPLIES LTD	34,921
ACS COMPUTER SOLUTIONS	71,238
ALTUM ENGINEERING LTD	154,052
ANDREW SHERET LTD	207,574
AON REED STENHOUSE INC	252,984
APEX EHS SERVICES INC.	30,761
ASSOCIATED ENGINEERING (B.C.) LTD.	261,920
ASSOCIATED FIRE & SAFETY	29,449
BADGER DAYLIGHTING LP	141,173
BC ASSESSMENT AUTHORITY	266,970
BC HYDRO	843,666
BC LIFE AND CASUALTY COMPANY	196,261
BEE CLEAN BUILDING MAINTENANCE	27,329
BLACK PRESS GROUP	78,759
BRIAN MCLEAN CHEVROLET BUICK GMC LTD	108,508
CENTRAL BUILDERS' SUPPLY LTD	120,719
CINDERELLA'S CLEANING SERVICES LTD.	44,836
CIVICINFO BC	33,775
C3 MAINLINE INSPECTIONS INC.	237,053
COMMISSIONAIRES (THE)	374,841
COMOX BAY SAILING CLUB	39,265
COMOX VALLEY BOBCAT & EXC LTD	57,912
COMOX VALLEY ECONOMIC	317,848
COMOX VALLEY MARTIAL ARTS & FITNESS	36,464
COMOX VALLEY REGIONAL DISTRICT	17,808,976
COURTENAY & DISTRICT MUSEUM	129,950
COURTENAY DOWNTOWN BUSINESS ASSOC	60,228
COURTENAY VOLUNTEER FIRE DEPARTMENT	32,789
CUMBERLAND READY MIX LTD	64,443
CUMBERLAND, VILLAGE OF	40,727
CUPE LOCAL 556	122,228
D.R. FAUST FINISHING	37,588
DESIGNED AIR SYSTEMS LIMITED	45,281
DIAMOND SOFTWARE INC	46,392
DKI SERVICES LTD	97,078
E B HORSMAN & SON	32,561
EMTERRA ENVIRONMENTAL	2,125,938
ESC AUTOMATION	77,152
ESRI CANADA	60,325
FIRST COURTSIDE DEVELOPMENTS	98,635
FORTIS BC - NATURAL GAS	103,984
GARDAWORLD CASH SERVICES CANADA	25,172
GRANT SIGNS LTD	60,308
GREAT WEST EQUIPMENT	55,703
GROW TREE CARE	52,484
GUILLEVIN INTERNATIONAL INC	160,532
HARTMAN AUTO SUPPLY LTD	67,875
HOME DEPOT HOLDINGS INC	152,278
INFINITE ROAD MARKING LTD.	128,698
INTERACTIONS HR SOLUTIONS INC.	69,027
J WATERS ELECTRIC LTD	66,655
JACE HOLDINGS LTD.	82,788
KERR WOOD LEIDAL LTD.	86,470
KNAPPETT INDUSTRIES (2006) LTD	874,443
LAFARGE CANADA INC	43,712
L'ARCHE COMOX VALLEY	54,265
LEIGHTON CONTRACTING (2009) LTD	210,567
LIDSTONE & COMPANY	113,904
MCELHANNEY CONSULTING	89,959
MEDICAL SERVICES PLAN	172,350
METRO MOTORS LTD	141,478
MEYERS NORRIS PENNY LLP	78,131
MICROSOFT LICENSING GP	55,262
MINISTER OF FINANCE	3,802,947
MINISTER OF FINANCE	113,482
MONK OFFICE SUPPLY LTD	61,104

THE CORPORATION OF THE CITY OF COURTENAY

Statement of Individual Vendors Paid

For the Year Ended December 31, 2017

Prepared under the Financial Information Regulation, Schedule 1, Section 7

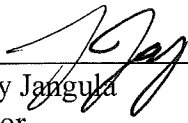
Vendor Name	Amount Paid YTD 2017
MUNICIPAL INSURANCE ASSOC OF	201,567
MYRA SYSTEMS CORP.	193,625
NELSON ROOFING AND SHEET METAL LTD	275,486
NORTH ISLAND TRACTOR LTD	67,104
ONDECK SYSTEMS INC	26,503
PACIFIC AUDIO WORKS	33,648
PACIFIC BLUE CROSS	596,500
PARKLAND REFINING (BC) LTD	196,312
PETERBILT PACIFIC INC.	270,361
PILON TOOL RENTALS (1972) LTD	62,838
PLANET CLEAN COURTENAY	29,510
R HENN & ASSOCIATES	26,405
RECEIVER GENERAL FOR CANADA - PAYROLL	3,433,568
RECEIVER GENERAL FOR CANADA - RCMP	5,295,782
REGIONAL HOSPITAL DIST OF	4,121,672
RICOH CANADA INC	58,666
SAFESIDEWALKS CANADA INC.	32,427
SHADES TANKERS (1976) LTD	53,291
SID WILLIAMS THEATRE SOCIETY	228,901
SILVER SAND LAND CORP	86,414
SIMPLY COMMUNICATING	51,915
SLEGG CONSTRUCTION MATERIALS	30,928
SOFTCHOICE CORPORATION	34,524
SOLIDCAD, A CANSEL COMPANY	32,806
SUPERIOR FARMS INC.	36,106
TAYCO PAVING	1,679,373
TELUS COMMUNICATIONS (BC)	70,193
TELUS MOBILITY (BC)	67,693
TEMPEST DEVELOPMENT	180,863
TERRATEK ENVIRONMENTAL	64,690
TLC HOME & PROPERTY MAINT	238,952
TOWN OF COMOX	1,007,263
URBAN SYSTEMS LTD.	1,031,675
VANCOUVER ISLAND REGIONAL LIBRARY	1,548,267
VEYRON PROPERTIES GROUP	39,105
VIMAR EQUIPMENT LTD	53,752
WACOR HOLDINGS LTD	1,650,131
WAYPOINT INSURANCE	72,472
WEST ISLAND CAPITAL CORPORATION	26,307
WESTERN TRAFFIC	103,878
WESTVIEW FORD	83,520
WINDLEY CONTRACTING LTD.	106,623
WISHBONE INDUSTRIES LTD.	67,385
WORKERS COMPENSATION BOARD	263,548
YOUNG ANDERSON	53,300
TOTAL VENDORS OVER \$25,000	55,778,095
TOTAL VENDORS LESS THAN \$25,000	3,123,719
TOTAL PAID TO ALL VENDORS	58,901,813

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The City of Courtenay describes guarantees and indemnities in the Notes to the Consolidated Financial Statements. For 2017, the schedule and additional notes are not required and have been omitted.

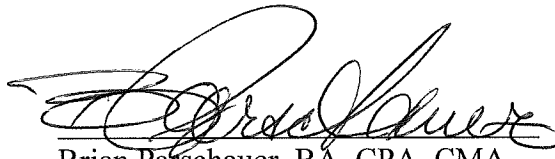
STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Larry Jangula
Mayor

JUNE 14, 2018
Date



Brian Parschauer, BA, CPA, CMA
Director of Financial Services

June 14, 2018
Date