

# **THE CORPORATION OF THE CITY OF COURTENAY**

## **NOTICE OF COMMITTEE OF THE WHOLE MEETING**

**DATE:** Monday, June 27, 2016  
**PLACE:** City Hall Council Chambers  
**TIME:** 4:00 p.m.

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### **AGENDA**

#### **1.00 STAFF REPORTS/CORRESPONDENCE**

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|----|--|
| 1  | 1. 2015 Audited Financial Statements (Presentation by MNP)             |
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#### **2.00 ADJOURNMENT**





THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** 2015 Audited Financial Statements

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**File No.:** 1870-02 [2015]

**Date:** June 27, 2016

### PURPOSE:

The purpose of this report is to request approval of the audited financial statements for the year ended December 31, 2015.

### POLICY ANALYSIS:

Section 171 of the Community Charter requires that the municipal auditor report to Council on the annual financial statements. Council is responsible for the review and approval of the financial statements. This is one of the key roles that Council fulfils to ensure that the City's financial and organizational resources are sound.

### EXECUTIVE SUMMARY:

The firm of MNP LLP was appointed by Council to undertake the independent audit for the 2015 year. Under the terms of their engagement, the interim audit work was performed in December 2015, and final audit work undertaken in April to June 2016.

### CAO RECOMMENDATIONS:

That based on the June 27, 2016 staff report "2015 Audited Financial Statements" Council approve OPTION 1 which approves the Audited Financial Statements for the year ended December 31, 2015.

Respectfully submitted

David Allen, BES, CLGEM, SCLGM  
Chief Administrative Officer

## BACKGROUND:

Section 171 of the Community Charter requires that the municipal auditor report to Council on the annual financial statements.

The auditor's responsibility is to report on whether the annual consolidated statements present fairly, in all material respects, the financial position, results of operations, change in net financial assets and cash flows of the City in accordance with Canadian Public Sector Accounting Standards. In addition, their role is to provide reasonable, but not absolute, assurance of detecting misstatements, fraud or non-compliance with laws and regulations having a material effect on the consolidated financial statements as a whole.

Council is responsible for the review and approval of the annual financial statements.

## DISCUSSION:

The firm of MNP LLP was appointed by Council to undertake the annual independent financial audit of the City for the 2015 calendar year. In January, 2016 MNP communicated their Audit Service Plan to Council, and audit staff were on site to complete 2015 audit procedures in the latter part of April and early May, 2016. The Audit work is now complete and MNP, in conjunction with this report, has prepared an overview of the City's financial position as well as their opinion and approval of the 2015 consolidated financial statements.

Attached are the following documents for Council's reference:

1. Audit Independence Letter, MNP LLP
2. Audit Findings Report for the year ended December 31, 2015
3. City of Courtenay, Audited Financial Statements for the year ended December 31, 2015

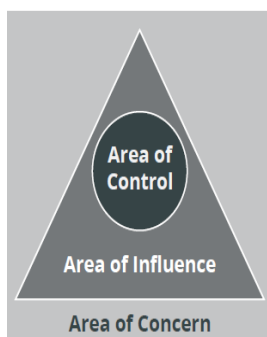
## FINANCIAL IMPLICATIONS:

Total fees of \$30,500 charged to the City for audit services are as quoted in the Audit Service Plan presented to Council in December 2015. No additional audit works were required.

## ADMINISTRATIVE IMPLICATIONS:

Upon Council review and approval of the financial statements, staff will compile and distribute the statements as required to various authorities. In addition, the financial statements will be made publically available via the City's website and incorporated into the City's 2015 Annual Report

## STRATEGIC PLAN REFERENCE:



### ● Area of Control

The policy, works and programming matters that fall within Council's jurisdictional authority to act.

### ▲ Area of Influence

Matters that fall within shared or agreed jurisdiction between Council and another government or party.

### ■ Area of Concern

Matters of interest outside Council's jurisdictional authority to act.



While the annual audit work and compilation of the consolidated financial statements are not specifically identified in the City's strategic plan, staff resources are used to carry out this annual statutory requirement.

**OFFICIAL COMMUNITY PLAN REFERENCE:**

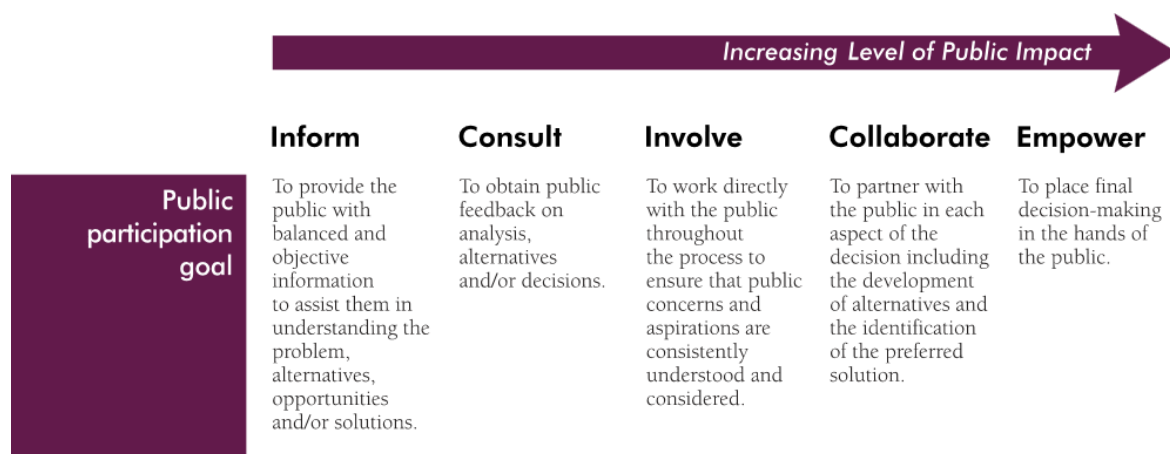
Not applicable

**REGIONAL GROWTH STRATEGY REFERENCE:**

Not applicable

**CITIZEN/PUBLIC ENGAGEMENT:**

The public will be informed of the outcome of Council's consideration of the 2015 Audited Financial Statements. This is based on level one of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan.



**OPTIONS:**

**OPTION 1:** That Council approves the City of Courtenay Audited Financial Statements for the year ended December 31, 2015. (Recommended)

**OPTION 2:** That Council does not approve the Audited Financial Statements for the year ended December 31, 2015.

Prepared by:

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

Attachments (3)

June 27, 2016

Mayor and Council  
830 Cliffe Avenue  
Courtenay, BC V9N 2J7

Dear Mayor and Council:

We have been engaged to audit the consolidated financial statements of City of Courtenay ("the City") as at December 31, 2015 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* ("the Standard") requires that we communicate at least annually with you regarding all relationships between the City and MNP LLP ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, we are required to consider relevant rules and related interpretations prescribed by the appropriate provincial institute and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationship between the City and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2015 to the date of this letter.

Generally Accepted Auditing Standards require that we confirm our independence to the Mayor and Council. Accordingly, we hereby confirm that MNP is independent with respect to the City within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia as of the date of this letter.

This report is intended solely for the use of the Mayor and Council, management and others within the City and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Yours truly,



**MNP LLP**  
**Chartered Professional Accountants**



**THE CORPORATION OF THE CITY OF  
COURTENAY**

**AUDIT FINDINGS REPORT**

Year Ending December 31, 2015

For presentation at the Mayor and Council  
Meeting

June 27, 2016

June 27, 2016

The Mayor and Council of the Corporation of the City of Courtenay

Dear Mayor and Council:

We are pleased to put forward this report to discuss the results of our audit of the consolidated financial statements of the Corporation of the City of Courtenay ("the City") for the year ended December 31, 2015. In this report, we cover those significant matters which, in our opinion, you should be aware of as Mayor and Council.

We have completed our audit of the consolidated financial statements of the City and are prepared to sign our independent auditors' report after the Mayor and Council's review and approval of the consolidated financial statements.

Our report will provide an unqualified opinion to the Mayor and Council of the City. A draft copy of our proposed independent auditors' report is included as Appendix A to this report.

We would like to express our appreciation for the excellent cooperation we have received from management and employees with whom we worked.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Yours truly,

A stylized, handwritten-style signature of 'MNP LLP' in black ink.

MNP LLP  
Chartered Professional Accountants

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# 1. MNP AUDIT PROCESS

As auditors, we report to the Mayor and Council on the results of our examination of the City's consolidated financial statements. This report summarizes our audit process and discusses issues that are of relevance to the Mayor and Council of the City.

- Our audit was carried out in accordance with Canadian generally accepted auditing standards.
- Our audit procedures included a review of all significant accounting and management reporting systems.
  - Each material year-end balance, key transaction and other event considered significant to the consolidated financial statements was separately examined.
- Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks.
  - This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise.
  - Where possible, reliance was placed on the controls within these systems to reduce the extent of our testing of transactions and year-end balances.
- Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.



- During the course of our audit, we have:
  - Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
  - Assessed the accounting principles used and significant estimates made by management;
  - Obtained an understanding of the City and its environment, including management's internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
  - Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
  - Evaluated the overall consolidated financial statement presentation;
  - Performed a subsequent events review with management;
  - Reviewed and assessed the status of contingencies, commitments and guarantees;
  - Reviewed and assessed exposure to environmental liabilities.
- We have obtained written representations from management in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:
  - Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
  - Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
  - Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

## 2. SIGNIFICANT AUDIT FINDINGS

As a part of our commitment to providing superior client service we strive to maintain effective two-way communication. To aid the Mayor and Council in its role overseeing the financial reporting process, including its review and approval of the consolidated financial statements, we are pleased to provide you with the following significant findings:

### AREAS OF AUDIT EMPHASIS

- The following lists the key areas of our audit emphasis for your City:
  - Financial Statement Presentation and Disclosure
  - Contingencies, Lawsuits and Commitments
  - Fraud and Error
  - New accounting standard – Liabilities for Contaminated Sites
  - Detailed information on Areas of Audit Emphasis is included as Appendix B to this report.

### FINAL MATERIALITY

- **Final materiality used to assess the significance of misstatements or omissions identified during the audit and determine the level of audit testing performed was \$700,000.**

### DIFFICULTIES ENCOUNTERED

- We have satisfactorily completed our audit procedures for each of the significant account balances and transaction streams. No significant limitations were placed on the scope or timing of our audit.

### SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

- While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention. However, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

### IDENTIFIED OR SUSPECTED FRAUD

- No incidents of fraud, or suspected fraud, came to our attention in the course of our audit.



## IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS

- Nothing has come to our attention that would suggest there is non-compliance with laws and regulations that would have a material effect on the financial statements.

## MATTERS ARISING IN CONNECTION WITH RELATED PARTIES

- All related party transactions identified were in the normal course of business.

## GOING CONCERN

- We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

## SIGNIFICANT ACCOUNTING POLICIES

- Except as noted below, the accounting policies used by the entity are appropriate and have been consistently applied.
- New Section 3260 *Liabilities for Contaminated Sites* was adopted by the City in the current year.

## SIGNIFICANT MANAGEMENT ESTIMATES

- The preparation of the consolidated financial statements is subject to significant accounting estimates made by management. All significant management estimates were reviewed for the current period and no material differences were noted.
- The following is a summary of significant management estimates and provisions:
  - Allowance for doubtful accounts – no provision deemed necessary.
  - Provision for legal contingencies – no provision deemed necessary.
  - Accrual for post-employment benefits – accrual made for expected future payments for employee sick leave, meritorious service, retirement, disability or death and termination pay calculated based on the probability of the employees actual future cost based on age, years of service and hourly rate, adjusted for inflation and discounted to present value.
  - Amortization period of tangible capital assets – amortized over the estimated useful life of the respective assets. All assets were amortized under the straight-line method, over 5 to 80 years.

## MATTERS ARISING FROM MANAGEMENT DISCUSSIONS

- We would like to formally acknowledge the excellent cooperation and assistance we received from the management and staff.
- There were no disagreements with management, significant difficulties or other irregularities encountered during the course of our audit.

## REVIEW OF EXPENSE CLAIMS

- During the course of our audit, we selected a sample of expense claims submitted by the Mayor, Council and Senior Management of the City and reviewed those expense claims for approvals and compliance with the related policies. We did not find any issues or irregularities to bring to your attention.

## SIGNIFICANT UNADJUSTED DIFFERENCES

- Significant differences discussed with management with respect to the December 31, 2015 consolidated financial statements are noted in Appendix C.

## MODIFICATIONS TO THE INDEPENDENT AUDITORS' REPORT

- Our independent auditors' report will provide an unqualified opinion to the Mayor and Council.
- An Other Matters paragraph was included in the independent auditors' report, describing that Schedules 1, 3, 4 and 5 have been subjected to audit procedures, however Schedule 2 is unaudited.

## INDEPENDENCE

- We confirm to the Mayor and Council that we are independent of the City.
- Our letter to the Mayor and Council discussing our independence is included under separate cover.

**We would also be pleased to discuss any other issues and/or concerns of the Mayor and Council.**

## APPENDIX A: DRAFT INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Corporation of the City of Courtenay:

We have audited the accompanying consolidated financial statements of the Corporation of the City of Courtenay, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations, change in net financial assets, cash flows and related schedules 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 consolidated 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 the City as at December 31, 2015, and the results of its operations, changes in net financial assets and 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.

## APPENDIX B: AREAS OF AUDIT EMPHASIS

### FINANCIAL STATEMENT PRESENTATION AND DISCLOSURE

#### Audit Procedures:

- We have reviewed the consolidated financial statements and concluded that the corresponding presentation and disclosure is in accordance with Canadian Public Sector Accounting Standards.
- We have participated in discussions with Management on all significant transactions during the course of the past 12 months, and have assisted in ensuring appropriate treatment and disclosure.

*We have concluded that the City's consolidated financial statements have been appropriately presented and appropriate disclosures have been made in accordance with Canadian Public Sector Accounting Standards.*

### CONTINGENCIES, LAWSUITS AND COMMITMENTS

#### Audit Procedures:

- We made detailed inquiries of Management and reviewed both minute books and legal files to identify contingencies, lawsuits and commitments. No items not already brought to our attention and/or disclosed in the notes to the financial statements were noted.
- We have received all relevant legal letters and Management's representation letter attesting to the completeness of issues of this nature.

*We have concluded that contingencies, lawsuits and commitments have been appropriately accounted for and disclosed in the City's consolidated financial statements.*

### FRAUD AND ERROR

#### Audit Procedures:

- Obtained from Management an assessment of the entity's susceptibility to material misstatements arising from fraud or error.
- Discussed with Management the entity's susceptibility to material misstatements arising from fraud or error.
- Obtained Management representations concerning fraud and error.

*We concur with Management's assessment that the City's susceptibility to material misstatements arising from fraud or error is reasonably low.*

## LIABILITY FOR CONTAMINATED SITES

### Audit Procedures:

- We made detailed inquiries of Management and reviewed land listings to assess the completeness of information provided and the risk of contamination. One contaminated site was brought to our attention and due to the inability to determine a reasonable estimate at this point in time, no liability amount has been recorded. The City expects to record a significant liability for this contaminated site once a reasonable estimate can be determined.

*We have concluded that liabilities for contaminated sites have been appropriately accounted for and disclosed in the City's consolidated financial statements.*

## APPENDIX C: SIGNIFICANT UNADJUSTED DIFFERENCES

Difference noted	Financial statement Item(s) Affected	Adjustment to Statement of Financial Position	Adjustment to Statement of Operations
Payroll clearing account is in a debit balance	Accounts Receivable, Expenses	(\$181,424)	(\$181,424)
Adjustment to revenue from prior year surplus is recorded against Protective Services expenses instead of against Other revenue (classification only, amount of \$300,000)	Protective Services, Other revenue	None	None
<b>Total Unadjusted Differences</b>			<b>(\$181,424)</b>



## ABOUT MNP

MNP is one of the largest chartered accountancy and business consulting firms in Canada. For more than 65 years, we have proudly served and responded to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a cost-effective approach to doing business and personalized strategies to help you succeed.



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By Aon Hewitt

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**THE CORPORATION OF  
THE CITY OF COURTENAY**

***Consolidated Financial Statements***

***Year Ending December 31, 2015***



**THE CORPORATION OF THE CITY OF COURTENAY**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2015**

Management's Responsibility for Financial Reporting

Independent Auditors Report

Consolidated Statements

- A Consolidated Statement of Financial Position
- B Consolidated Statement of Operations
- C Consolidated Statement of Change in Net Financial Assets
- D Consolidated Statement of Cash Flow

Notes to Consolidated Financial Statements

Supporting Schedules

- 1 Consolidated Schedule of Segment Disclosure by Service
- 2 Consolidated Schedule of Accumulated Surplus & Reserves (Unaudited)
- 3 Consolidated Schedule of Tangible Capital Assets
- 4 Consolidated Schedule of Debenture and Other Long-Term Debt
- 5 Consolidated Schedule of Investments

## **THE CORPORATION OF THE CITY OF COURTENAY**

### **Management's Responsibility for Financial Reporting**

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

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

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

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

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Larry Jangula  
Mayor

Placeholder for  
Auditor's Report.

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2015**

**STATEMENT A**

	<u>2015</u>	<u>2014</u>
<b>FINANCIAL ASSETS</b>		
Cash on Hand and on Deposit (Schedule 5)	\$ 24,589,693	\$ 28,371,670
Receivables (Note 1i)	3,755,852	4,992,181
Term Deposits (Schedule 5)	16,239,121	12,203,715
	<u>44,584,666</u>	<u>45,567,566</u>
<b>LIABILITIES</b>		
Accounts Payable (Note 1j)	6,773,433	5,921,044
Trust and Other Deposits	4,052,355	4,824,201
Deferred Revenue - Development Cost Charges (Note 7)	3,873,262	3,051,916
Deferred Revenue - Other (Note 10)	1,713,694	2,501,039
Long-Term Debt (Schedule 4)	15,474,182	17,190,472
	<u>31,886,926</u>	<u>33,488,672</u>
<b>NET FINANCIAL ASSETS</b>	<u>12,697,740</u>	<u>12,078,894</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventories	179,937	157,028
Prepaid Expenses	331,018	542,012
Tangible Capital Assets (Note 14 & Schedule 3)	131,104,017	123,675,417
	<u>131,614,972</u>	<u>124,374,457</u>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<u>\$ 144,312,712</u>	<u>\$ 136,453,351</u>

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, 2015**

**STATEMENT B**

<b>REVENUE</b>	2015 Budget (Note 16)	2015	2014
Taxes for Municipal Purposes	\$ 23,367,639	\$ 23,359,764	\$ 22,658,118
Sale of Services	12,608,729	12,499,386	11,717,705
Revenue From Own Sources	3,762,162	3,568,322	3,014,344
Federal Transfers	91,800	1,162,778	4,237,931
Provincial Transfers	1,123,185	1,234,578	1,142,728
Other Local Government Transfers	447,092	355,165	412,385
Contributions	3,809,559	3,782,730	1,694,006
DCC Revenue	-	172,009	614,581
Investment Income and Taxation Penalties	788,225	958,161	906,875
Other	465,600	569,615	594,252
Actuarial adjustment	-	146,868	-
Gain on Sale of Tangible Capital Assets	-	22,740	-
<b>TOTAL REVENUE</b>	<b>46,463,991</b>	<b>47,832,116</b>	<b>46,992,925</b>
<b>EXPENSES</b>			
General Government Services	4,882,647	4,611,266	5,015,423
Protective Services	8,577,696	8,374,891	7,007,779
Transportation Services	7,282,861	6,267,696	6,692,076
Sewer and Water Facilities	8,863,922	8,224,013	8,013,818
Environmental Health Services	3,157,849	3,088,829	2,913,719
Public Health and Welfare Services	268,520	266,639	255,009
Environmental Development Services	911,871	828,767	832,936
Recreational and Cultural Services	9,047,014	8,310,654	8,387,319
<b>TOTAL EXPENSES</b>	<b>42,992,380</b>	<b>39,972,755</b>	<b>39,118,079</b>
<b>ANNUAL SURPLUS (Schedule 1)</b>	<b>3,471,611</b>	<b>7,859,361</b>	<b>7,874,846</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>136,453,351</b>	<b>136,453,351</b>	<b>128,578,505</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$ 139,924,962</b>	<b>\$ 144,312,712</b>	<b>\$ 136,453,351</b>

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**STATEMENT C**

	2015 Budget (Note 16)	2015	2014
ANNUAL SURPLUS	\$ 3,471,611	\$ 7,859,361	\$ 7,874,846
Acquisition of tangible capital assets	(11,556,259)	(9,013,394)	(3,562,838)
Amortization of tangible capital assets	4,569,989	4,569,989	4,475,279
Loss on sale of tangible capital assets		(22,740)	167,871
Proceeds on sale of tangible capital assets		64,604	3,824
Developer tangible capital asset contribution	(3,027,059)	(3,027,059)	(1,312,263)
	<u>(10,013,329)</u>	<u>(7,428,600)</u>	<u>(228,127)</u>
Acquisition of supplies inventories	-	(370,001)	(398,668)
Acquisition of prepaid expense	-	(376,517)	(731,154)
Consumption of supplies inventories	-	347,091	421,267
Use of prepaid expense	-	587,512	581,069
	<u>-</u>	<u>188,085</u>	<u>(127,486)</u>
CHANGE IN NET FINANCIAL ASSETS/NET DEBT	(6,541,718)	618,846	7,519,233
NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR	<u>12,078,894</u>	<u>12,078,894</u>	<u>4,559,661</u>
NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR	<u>\$ 5,537,176</u>	<u>\$ 12,697,740</u>	<u>\$ 12,078,894</u>

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, 2015**

**STATEMENT D**

	2015	2014
<b>CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$ 7,859,361	\$ 7,874,846
Changes in non-cash items including amortization		
Increase in amortization	4,569,989	4,475,279
Change in receivables	1,236,329	(511,457)
Change in accounts payable	852,389	(910,525)
Change in trust and other deposits	(771,846)	2,473,210
Change in deferred revenue	34,001	(2,656,660)
Change in inventories	(22,909)	22,599
Change in prepaids	210,994	(150,084)
Loss on disposal of capital assets	(22,740)	167,871
Developer Tangible Capital Asset Contribution	(3,027,059)	(1,312,263)
Actuarial adjustment	(501,082)	(431,658)
Cash Provided by Operating Transactions	10,417,427	9,041,158
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(9,013,394)	(3,562,838)
Proceeds on sale of tangible capital assets	64,604	3,824
Cash Applied to Capital Transactions	(8,948,790)	(3,559,014)
<b>INVESTING TRANSACTIONS</b>		
Term deposits	(4,035,406)	6,137,256
Cash Provided by (applied to) Investing Transactions	(4,035,406)	6,137,256
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(1,215,206)	(1,214,599)
Cash applied to Financing Transactions	(1,215,206)	(1,214,599)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,781,975)	10,404,800
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	28,371,670	17,966,870
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 24,589,693	\$ 28,371,670
 Interest paid on outstanding debt and included in annual surplus above	 \$ 823,506	 \$ 1,000,660

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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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.



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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.

<b>Major Asset Category</b>	<b>Threshold</b>	<b>Average Useful Life</b>
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

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

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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, 2015. 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, 2015 with 2014 comparatives:

	<u>2015</u>	<u>2014</u>
Federal Government	\$ 179,108	\$ 141,115
Provincial Government	397,979	358,570
Regional and other Local Governments	136,689	200,262
Property Taxes	1,526,701	1,799,573
Other	<u>1,515,375</u>	<u>2,492,661</u>
Total Receivables	<u>\$ 3,755,852</u>	<u>\$ 4,992,181</u>

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2015 with 2014 comparatives:

	<u>2015</u>	<u>2014</u>
Federal Government	\$ 56,763	\$ 1,182,722
Provincial Government	281,965	232,957
Regional and other Local Governments	948,585	909,367
Employee Retirement Benefits	875,700	892,449
Trade and accrued liabilities	<u>4,610,420</u>	<u>2,703,549</u>
Total Accounts Payable	<u>\$ 6,773,433</u>	<u>\$ 5,921,044</u>

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**(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, 2015.

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) Change in Accounting Policy**

Effective January 1, 2015, the City of Courtenay adopted the recommendations in PS 3260 Liabilities for Contaminated Sites, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the City of Courtenay is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note (k), Significant Accounting Policies.

The City of Courtenay expects to record a liability for remediation of a contaminated site in a future year, pending the completion of Phase II assessments and further work done at the site. The City is not able to determine a reasonable estimate of the liability as at the financial statement date, but expects the amount to be significant.

**(m) 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. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

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*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.

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. The City does not expect application of the new Standard to 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.

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The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The City does not expect application of the new Standard to 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 standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The City does not expect application of the new Standard to 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 derecognition 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.

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**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 2015 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:

2016	\$	950,606
2017		951,245
2018		951,900
2019		934,846
2020		<u>935,535</u>
	\$	<u>4,724,131</u>

- (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, 2015, 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.

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**3. PENSION LIABILITY**

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustees 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. As at December 31, 2014, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits on a going concern basis. 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 \$809,258 (2014 - \$774,416) for employer contributions to the Plan in fiscal 2015.

**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.

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**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 2015 with comparatives to 2014.

	<u>2015</u>	<u>2014</u>
<b>Opening Balance of Unspent Funds</b>	<b>\$ 4,008,322</b>	<b>\$ 3,121,718</b>
Additions:		
Amounts Received During the Year	1,034,277	1,034,277
Interest Earned	20,774	23,441
Deductions:		
Amount Spent on Projects	<u>(1,327,448)</u>	<u>(171,114)</u>
<b>Closing Balance of Unspent Funds</b>	<b><u>\$ 3,735,925</u></b>	<b><u>\$ 4,008,322</u></b>

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

Funding of certain general debenture and other long-term debt repayment is provided by sources other than general taxation. Other sources include short term loan proceeds used to bridge the gap for debenture debt proceeds, and lease and rental revenues, which reduce the requirement to fund debt repayment from general taxation revenues. This source of funding detail at the time of the annual tax levy, with 2014 comparatives, is as follows:

	<u>2015</u>	<u>2014</u>
Municipal debt levy, general taxation	\$1,654,293	\$1,811,805
Lease and rental revenues	<u>224,761</u>	<u>228,025</u>
<b>Total funding required – general debt repayment</b>	<b><u>\$1,879,054</u></b>	<b><u>\$2,039,830</u></b>



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**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 2015 and 2014.

	General Reserve DCC BL #2426	Water Utility Reserve DCC BL #2426	2015 Sewer Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #1638	2015 Total
<b>Balance Forward</b>	\$ 2,491,051	\$ 365,857	\$ 161,701	\$ 33,307	\$ 3,051,916
<b>Increases</b>					
Interest	13,280	2,033	1,227	167	16,707
Other Contributions	712,454	99,952	164,242	-	976,648
	725,734	101,985	165,469	167	993,355
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(167,744)	(4,265)	-	-	(172,009)
Reclassifications, redemptions, refunds			-	-	-
	(167,744)	(4,265)	-	-	(172,009)
<b>Ending Balance Deferred Revenue - DCC</b>	<u>\$ 3,049,041</u>	<u>\$ 463,577</u>	<u>\$ 327,170</u>	<u>\$ 33,474</u>	<u>\$ 3,873,262</u>

	General Reserve DCC BL #2426	Water Utility Reserve DCC BL #2426	2014 Sewer Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #1638	2014 Total
<b>Balance Forward</b>	\$ 2,444,779	\$ 356,089	\$ 518,737	\$ 33,075	\$ 3,352,680
<b>Increases</b>					
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
<b>Decreases</b>					
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)
<b>Ending Balance Deferred Revenue - DCC</b>	<u>\$ 2,491,051</u>	<u>\$ 365,857</u>	<u>\$ 161,701</u>	<u>\$ 33,307</u>	<u>\$ 3,051,916</u>

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**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 2015 and 2014, which has been excluded from the City's financial statements.

**CEMETERY PERPETUAL CARE FUND  
FINANCIAL POSITION**

	<u>2015</u>	<u>2014</u>
<b>Financial Assets</b>		
Cash on Hand	\$ 71,736	\$ 62,262
Investments - MFA	<u>234,169</u>	<u>232,194</u>
<b>Liabilities</b>		
Interest Payable to City	<u>2,696</u>	<u>3,212</u>
<b>Net Financial Position</b>	<u><u>\$ 303,209</u></u>	<u><u>\$ 291,244</u></u>

**CEMETERY PERPETUAL CARE FUND  
FINANCIAL ACTIVITIES**

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>		
Fees Levied	\$ 11,966	\$ 12,543
Interest Revenue	<u>2,696</u>	<u>3,211</u>
<b>Expenditure</b>		
Interest Expense	<u>2,696</u>	<u>3,212</u>
<b>Excess Revenue over Expenditure</b>	<u><u>\$ 11,966</u></u>	<u><u>\$ 12,542</u></u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2014 - \$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.

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**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 2015 and 2014:

	<u>2015</u>	<u>2014</u>
<b>Opening Balance</b>	<b>\$ 2,501,039</b>	<b>\$ 708,020</b>
Additions to Deferred Revenue	1,700,823	2,502,993
Revenue Recognized	(2,488,168)	(709,974)
	<hr/>	<hr/>
<b>Ending Balance Deferred Revenue Other</b>	<b><u>\$ 1,713,694</u></b>	<b><u>\$ 2,501,039</u></b>

**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, 2015 the City had debt reserve funds of \$318,466 (\$409,821 in 2014).

**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 2015 were based on an interest (discount) rate of 3.10% per annum (2014 - 3.10%). The total estimated employee retirement benefit liability at December 31, 2015 is \$875,700 (\$892,500 in 2014) and is included in the accounts payable balance on Statement A.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**PAGE 13 OF 15**

**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 2015 revenues and expenses with 2014 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, 2015**

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**14. TANGIBLE CAPITAL ASSET DETAILS**

(See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 21,396,279	\$ 21,396,279
Land Improvements	3,988,015	2,764,871
Buildings	19,970,079	18,991,089
Equipment, Furniture, & Vehicles	6,651,284	5,388,205
Engineering Structures:		
Roads	46,721,004	45,082,389
Water	11,358,181	10,515,070
Sewer	8,319,284	7,705,661
Other (Includes Storm)	12,600,065	11,752,085
Other Tangible Capital Assets	99,809	79,768
	<u><b>\$ 131,104,017</b></u>	<u><b>\$ 123,675,417</b></u>

The net book value of capital assets not being amortized and under construction in 2015 is \$5,380,573 (\$3,245,696 in 2014).

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 2015 is \$3,027,059 (\$1,312,263 in 2014).

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**  
**YEAR ENDED DECEMBER 31, 2015**

**PAGE 15 OF 15**

**16. RESTATEMENT OF 2015 BUDGET**

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on April 20, 2015 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 April 20, 2015 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the April 20, 2015 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 2015 budget.

**Adjustments to 2015 Budgeted Annual Surplus**

<b>Budgeted Surplus per Consolidated Statement of Operations</b>	<b>\$</b>	<b>-</b>
Sid Williams Theatre		28,709
Amortization		(4,569,989)
Contributed Assets		3,027,059
Use of Prior Year Surplus		(1,526,175)
Debt principle repayments in Financial Plan		1,215,206
Transfers to Reserves (net)		<u>5,296,801</u>
<b>Budgeted Surplus per Consolidated Statement of Operations</b>	<b>\$</b>	<b><u>3,471,611</u></b>



THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2015  
(Audited)

SCHEDULE 1  
(Note 13)

Page 1 of 2

	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE:</b>										
Taxation	\$ 20,746,851	\$ 20,065,807								
Sales of Services			806,693	802,719			3,023,920	2,817,834		
Revenue from Own Sources			1,240,560	796,106	86,600	162,224				
Government Transfers	1,284,803	1,142,360	17,825	18,910	1,060,403	4,167,185	-	-	90,532	118,818
Transfer from Other Funds									143,966	148,921
Other Revenue	86,543	118,664			50,666					
Other Contributions	166,309				1,793,030	1,089,224	409,432			
Interest Earned	856,382	816,103	5,974	9,579	35,368	16,865				
Actuarial Adjustment	26,881	-	119,987	-	-	-	-	-		
Proceeds on sale of TCA	2,000	-	-	-	20,740	-	-	-		
<b>Total Revenues</b>	<b>23,169,769</b>	<b>22,142,934</b>	<b>2,191,039</b>	<b>1,627,314</b>	<b>3,046,807</b>	<b>5,435,498</b>	<b>3,433,352</b>	<b>2,817,834</b>	<b>234,498</b>	<b>267,739</b>
<b>EXPENSES</b>										
Salaries and Benefits	2,886,969	2,636,886	1,610,394	1,657,059	1,979,066	2,138,771	55,794	48,163	163,223	147,564
Goods and Services	1,132,525	946,752	6,217,957	4,911,720	1,343,946	1,412,868	2,747,548	2,590,060	81,396	80,380
Capital Expenditures										
Amortization Expense	170,925	188,353	292,512	244,026	2,462,585	2,461,561	280,487	271,437	22,020	21,337
Debt Servicing	24,034	14,617	80,007	11,635	263,575	314,539				
Transfer to Other Funds										
Other Expenditures	396,813	1,228,815	174,021	183,339	218,524	216,205	5,000	4,059	-	5,728
Loss on Disposal of TCA										
<b>Total Expenses</b>	<b>4,611,266</b>	<b>5,015,423</b>	<b>8,374,891</b>	<b>7,007,779</b>	<b>6,267,696</b>	<b>6,692,076</b>	<b>3,088,829</b>	<b>2,913,719</b>	<b>266,639</b>	<b>255,009</b>
<b>ANNUAL SURPLUS</b>	<b>18,558,503</b>	<b>17,127,511</b>	<b>(6,183,852)</b>	<b>(5,380,466)</b>	<b>(3,220,889)</b>	<b>(1,256,578)</b>	<b>344,523</b>	<b>(95,885)</b>	<b>(32,141)</b>	<b>12,730</b>



**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE**  
**YEAR ENDED DECEMBER 31, 2015**  
(Audited)

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	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE:</b>												
Taxation					\$ 697,061	\$ 691,749	\$ 1,915,852	\$ 1,900,562			\$ 23,359,764	\$ 22,658,118
Sales of Services					4,643,240	4,530,857	3,518,427	3,107,819			12,499,386	11,717,705
Revenue from Own Sources	482,351	459,628	1,593,716	1,399,074	116,095	139,834	49,000	57,478	507,106	438,476	3,568,322	3,014,344
Government Transfers	1,100	4,947	92,408	125,506	36,700	37,750			168,750	177,568	2,752,521	5,793,044
Transfer from Other Funds											-	-
Other Revenue	227,915	222,667	60,525	104,000							569,615	594,252
Other Contributions	139,500	62,457	234,845	308,765	307,486	308,765	839,531	632,654	64,606	72,225	3,954,739	2,308,587
Interest Earned	3,583	4,479	15,759	11,635	8,473	11,635	5,960	7,195	26,662	22,632	958,161	906,875
Actuarial Adjustment											146,868	-
Proceeds on sale of TCA											22,740	-
<b>Total Revenues</b>	<b>854,449</b>	<b>754,178</b>	<b>1,997,253</b>	<b>1,686,229</b>	<b>5,809,055</b>	<b>5,824,590</b>	<b>6,328,770</b>	<b>5,705,708</b>	<b>767,124</b>	<b>730,901</b>	<b>47,832,116</b>	<b>46,992,925</b>
<b>EXPENSES</b>												
Salaries and Benefits	547,205	546,670	3,632,569	3,767,220	608,242	555,115	350,897	368,688	575,559	584,369	12,429,918	12,450,505
Goods and Services	272,741	274,703	2,306,143	2,207,425	2,723,450	2,741,230	810,026	798,111	300,328	278,380	17,936,060	16,241,629
Capital Expenditures											-	-
Amortization Expense	2,533	2,533	786,895	789,298	353,082	339,732	199,680	157,002			4,569,989	4,475,279
Debt Servicing			42,269	116,356	20,745	21,595	47,845	101,571			478,475	580,313
Transfer to Other Funds											-	-
Other Expenditures	6,288	9,030	646,891	637,229	40,126	90,686	3,069,188	2,823,568			4,556,851	5,198,659
Loss on Disposal of TCA				7,042		10,202	732	6,318			732	171,694
<b>Total Expenses</b>	<b>828,767</b>	<b>832,936</b>	<b>7,434,767</b>	<b>7,524,570</b>	<b>3,745,645</b>	<b>3,758,560</b>	<b>4,478,368</b>	<b>4,255,258</b>	<b>875,887</b>	<b>862,749</b>	<b>39,972,755</b>	<b>39,118,079</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 25,682</b>	<b>\$ (78,758)</b>	<b>\$ (5,437,514)</b>	<b>\$ (5,838,341)</b>	<b>\$ 2,063,410</b>	<b>\$ 2,066,030</b>	<b>\$ 1,850,402</b>	<b>\$ 1,450,451</b>	<b>\$ (108,763)</b>	<b>\$ (131,848)</b>	<b>\$ 7,859,361</b>	<b>\$ 7,874,846</b>

**SCHEDULE 2**

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS & RESERVES  
YEAR ENDED DECEMBER 31, 2015  
(Unaudited)**

	<u>2015</u>	<u>2014</u>
<b>Surplus</b>		
Invested in Tangible Capital Assets	\$ 115,629,835	\$ 106,484,945
General Operating Fund	5,121,949	4,459,618
General Capital Fund	2,814,469	5,432,874
Water Utility Operating Fund	2,249,523	2,281,461
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	3,456,602	2,748,366
Sewer Utility Capital Fund	21,706	30,965
Sid Williams Theatre Society	195,757	129,320
Gaming Fund	1,672,672	1,404,586
Total Surplus	<u>131,271,382</u>	<u>123,081,004</u>
<b>Reserves</b>		
General Fund Reserves:		
Machinery and Equipment	1,465,639	2,181,962
Land Sale	159,012	158,220
New Works and Equipment	3,826,857	3,843,705
New Works - Community Gas Tax Funds (Note 5)	3,735,925	4,008,322
Asset Management Reserve	243,000	-
Risk Reserve	100,000	-
Public Parking	36,879	30,160
Parkland Acquisition	208,185	184,730
Housing Amenity	342,143	271,352
Amenity	180,375	109,323
	<u>10,298,015</u>	<u>10,787,774</u>
Water Utility Reserves:		
Water Utility	1,499,008	1,500,061
Machinery and Equipment	222,109	191,151
	<u>1,721,117</u>	<u>1,691,212</u>
Sewer Utility Reserves:		
Sewer Utility	471,948	420,644
Machinery and Equipment	550,241	472,717
	<u>1,022,189</u>	<u>893,361</u>
Total Reserves	<u>13,041,321</u>	<u>13,372,347</u>
ACCUMULATED SURPLUS (Statement A)	<u>\$ 144,312,712</u>	<u>\$ 136,453,351</u>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Audited)

	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2014
					Roads	Water	Sewer	Other			
<b>COST</b>											
Opening Balance Construction-in-progress (CIP)	\$ -	\$ 406,032	\$ 291,612	\$ 22,171	\$ 647,731	\$ 133,880	\$ 1,089,953	\$ 654,317	\$ -	\$ 3,245,696	4,389,182
Add: Construction-in-progress (CIP)	-	232,761	334,309	21,040	2,158,464	466,483	236,272	266,172	49,952	3,765,453	2,112,806
Less: Transfers into Service	-	(304,016)	(86,939)	(22,171)	(84,948)	(47,703)	(1,019,548)	(65,251)		(1,630,576)	(3,256,292)
Less: Writedowns & Reallocations	-										-
Closing Balance Construction-in-progress	-	334,777	538,982	21,040	2,721,247	552,660	306,677	855,238	49,952	5,380,573	3,245,696
Opening Balance Tangible Capital Assets	\$ 21,396,279	\$ 4,529,281	\$ 27,888,848	\$ 14,446,571	\$ 83,473,099	\$ 16,308,685	\$ 7,966,622	\$ 17,901,209	\$ 711,551	194,622,144	189,264,742
Add: Additions (including Transfers into Service)		1,487,448	1,383,649	2,017,650	1,655,486	742,538	1,551,698	1,067,107		9,905,576	6,018,589
Less: Disposals				(359,794)	(17,640)		(2,926)			(380,360)	(661,187)
Less: Write-downs											-
Closing Balance Tangible Capital Assets and CIP	21,396,279	6,351,506	29,811,479	16,125,467	87,832,192	17,603,883	9,822,071	19,823,553	761,503	209,527,932	197,867,840
<b>ACCUMULATED AMORTIZATION</b>											
Opening Balance	-	2,170,442	9,189,371	9,080,537	39,038,441	5,927,495	1,350,914	6,803,440	631,783	74,192,423	70,206,637
Add: Amortization		193,048	652,028	723,639	2,079,041	318,207	154,069	420,046	29,911	4,569,989	4,475,279
Less: Accum Amortization on Disposals				(329,983)	(6,302)		(2,195)			(338,479)	(489,493)
Closing Balance	-	2,363,491	9,841,400	9,474,183	41,111,188	6,245,702	1,502,787	7,223,488	661,694	78,423,934	74,192,423
<b>Net Book Value for year ended December 31, 2015</b>	\$ 21,396,279	\$ 3,988,015	\$ 19,970,079	\$ 6,651,284	\$ 46,721,004	\$ 11,358,181	\$ 8,319,284	\$ 12,600,065	\$ 99,809	\$ 131,104,017	\$ 123,675,417

**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED SCHEDULE OF DEBTENTURE AND OTHER LONG-TERM DEBT**  
**YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 4

Page 1 of 2

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/14	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/15
<b>General Capital Fund</b>						
Debtenture Debt						
2088 Museum	2015	6.45	29,485		29,485	-
2092 Firehall	2015	6.45	226,812		226,812	-
2093 Sid Williams Theatre	2015	6.45	226,812		226,812	-
2171 Library	2021	3.05	1,160,786		142,569	1,018,217
2266 Infrastructure Works - MFA	2018	4.78	130,673		30,319	100,354
2266 Fifth Street Bridge	2023	5.15	305,950		28,911	277,039
2304 Lerwick Road Ext. Prop Acquisition	2029	4.86	736,463		34,130	702,333
2227 City Hall Retaining Wall	2020	5.00	75,443		11,379	64,064
2354 Repaving Program	2025	5.75	305,741		24,431	281,310
2355 Lerwick Road Extension	2030	5.75	522,120		23,923	498,197
2356 City Hall Renovation	2020	5.50	400,761		60,420	340,342
2425 Lerwick Road Construction	2026	4.66	497,210		33,090	464,120
2453 Police Property Acquisition	2026	4.43	987,171		65,699	921,472
2458 Public Works Maintenance Building	2022	4.52	953,743		103,509	850,234
2539 Capital Infrastructure Work	2023	4.13	2,297,935		191,398	2,106,537
2538 Native Sons Hall Renovation	2025	4.50	472,741		35,039	437,702
2680 Lewis Centre Renovation	2027	2.90	3,772,104		226,868	3,545,235
2681 Infrastructure Works - Road Paving	2027	2.90	1,401,068		84,266	1,316,802
			14,503,018	-	1,579,059	12,923,959
<b>TOTAL GENERAL CAPITAL FUND</b>			14,503,018	-	1,579,059	12,923,959

**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT**  
**YEAR ENDED DECEMBER 31, 2015**

SCHEDULE 4

Page 2 of 2

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/14	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/15
Balance Forward General Capital Fund			\$ 14,503,018	\$ -	\$ 1,579,059	\$ 12,923,959
<b>Water Capital Fund</b>						
Debenture Debt						
2424 Water Extension - Lerwick Road	2026	4.66	414,343	-	27,576	386,767
TOTAL WATER CAPITAL FUND			414,343	-	27,576	386,767
<b>Sewer Capital Fund</b>						
Debenture Debt						
2305 Sewer Extension	2029	4.86	552,348	-	25,598	526,750
2353 Sewer Extension	2030	5.00	1,469,394	-	67,326	1,402,068
2423 Sewer Extension - Lerwick Road	2026	4.66	251,367	-	16,729	234,638
TOTAL SEWER CAPITAL FUND			2,273,109	-	109,653	2,163,456
TOTAL ALL CAPITAL FUNDS			17,190,472	-	1,716,288	15,474,182

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Audited)**

**SCHEDULE 5**

	<u>2015</u>	<u>2014</u>
<b>GENERAL OPERATING FUND</b>		
Cash on hand	\$ 22,797,955	\$ 26,868,716
<b>GAMING FUND</b>		
Cash on Hand	\$ 1,445,068	\$ 1,159,243
<b>SID WILLIAMS THEATRE SOCIETY</b>		
Cash on hand	<u>\$ 346,670</u>	<u>\$ 343,711</u>
Total Cash on Hand and on Deposit	<u><u>\$ 24,589,693</u></u>	<u><u>\$ 28,371,670</u></u>
<b>GENERAL OPERATING FUND TERM DEPOSITS</b>		
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	16,634	16,495
The Canadian Western Bank, various guaranteed investment certificates	5,034,767	1,008,281
The Bank of Nova Scotia, various guaranteed investment certificates	11,187,720	11,178,939
Total Term Deposits	<u>16,239,121</u>	<u>12,203,715</u>
<b>TOTAL CASH AND INVESTMENTS (Statement A)</b>	<u><u>\$ 40,828,814</u></u>	<u><u>\$ 40,575,385</u></u>



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

**To:** Council

**File No.:** 1870-06 [2015]

**From:** Chief Administrative Officer

**Date:** June 27, 2016

**Subject:** Financial Information Act – 2015 Statement of Financial Information

---

### PURPOSE:

The purpose of this report is to request Council approval of the Statement of Financial Information for the year ended December 31, 2015.

### POLICY ANALYSIS:

The *Financial Information Act* and the *Financial Information Act Regulation 371/93* require that local governments prepare an annual statement of financial information. In addition, Section 168 of the *Community Charter* requires that the City prepare an annual reporting of council remuneration, expenses and contracts. The Section 168 reporting is included in the City's Annual Statement of Financial Information.

### CAO RECOMMENDATIONS:

That based on the June 27, 2016 staff report "Financial Information Act – 2015 Statement of Financial Information", Council approve OPTION 1 and approve the City of Courtenay Statement of Financial Information for the year ended December 31, 2015.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM  
Chief Administrative Officer

## BACKGROUND:

Under the terms of *The Financial Information Act*, each local government in British Columbia is deemed to be a “corporation” and must prepare an annual Statement of Financial Information (SOFI) for submission to the Province by June 30<sup>th</sup> each year.

## DISCUSSION:

Attached for Council’s review and approval is the City of Courtenay Statement of Financial Information for the year ended December 31, 2015. The attached report does not contain the Auditor Report (Page 3), which will be available and included in the final SOFI submission upon Council’s approval of the 2015 Financial Statements.

As prescribed by legislation, this annual report includes information on the City’s audited financial statements, a schedule of remuneration and expenses for both Council and City employees, a schedule of payments made for supplies and services used by the City, as well as information on any active guarantee and indemnity agreements in place for the 2015 operational year.

## ADMINISTRATIVE IMPLICATIONS:

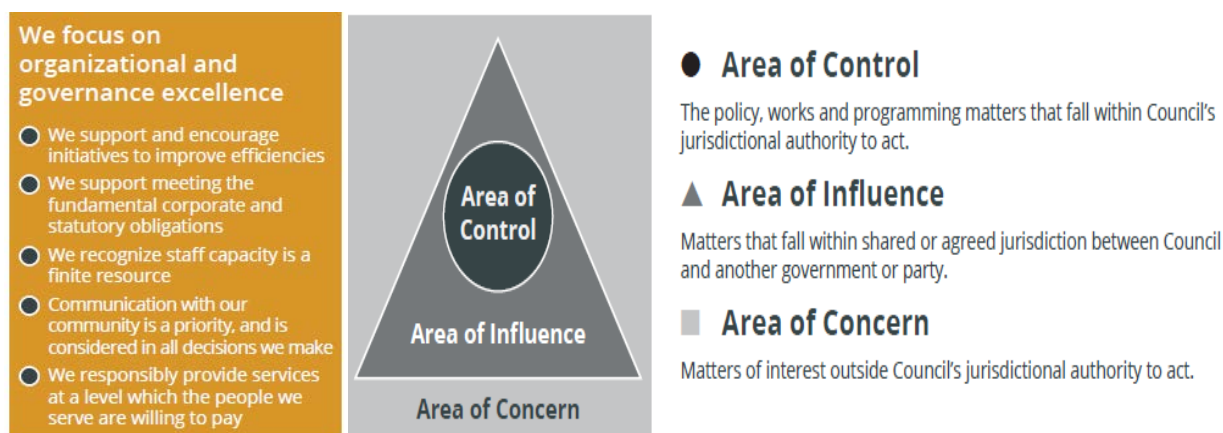
Preparing the annual SOFI report for submission to Council utilizes resources from both Finance and the Human Resources Departments.

## ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications.

## STRATEGIC PLAN REFERENCE:

This matter is an annual statutory requirement that staff must comply with, and is presented for Council to review and approve.



## OFFICIAL COMMUNITY PLAN REFERENCE:

Not applicable.

## REGIONAL GROWTH STRATEGY REFERENCE:

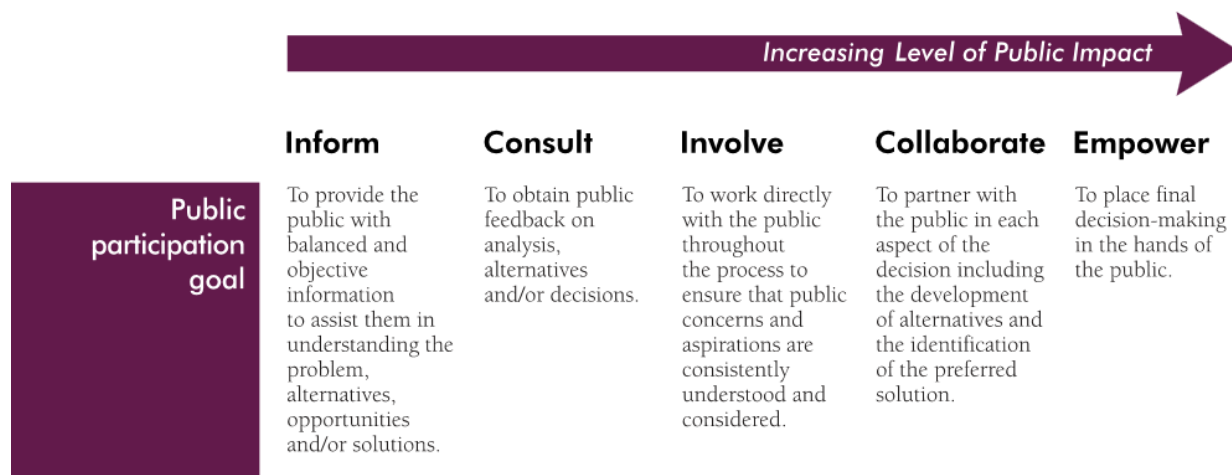
Not applicable.



## CITIZEN/PUBLIC ENGAGEMENT:

While public engagement is not required, the SOFI report must be publically approved by Council and then submitted to the Province by June 30<sup>th</sup>.

The public will be *informed* of the outcome of Council's approval of the Statement of Financial Information. This is based on level one of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan.



## OPTIONS:

OPTION 1: That Council approve the City of Courtenay Statement of Financial Information for the year ended December 31, 2015. (Recommended)

OPTION 2: That Council does not approve the 2015 Statement of Financial Information.

Prepared by:

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

Attachments: City of Courtenay, Statement of Financial Information for the year ended December 31, 2015



**THE CORPORATION OF  
THE CITY OF COURTENAY**

**Statement of Financial Information**

Community Charter SBC Chapter 26, Section 168.1,  
Financial Information Act [RSBC 1996] Chap.140

**For the Year Ended December 31, 2015**

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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 27, 2016

Placeholder for  
Auditor's Report

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2015**

**STATEMENT A**

	<u>2015</u>	<u>2014</u>
<b>FINANCIAL ASSETS</b>		
Cash on Hand and on Deposit (Schedule 5)	\$ 24,589,693	\$ 28,371,670
Receivables (Note 1i)	3,755,852	4,992,181
Term Deposits (Schedule 5)	16,239,121	12,203,715
	<u>44,584,666</u>	<u>45,567,566</u>
<b>LIABILITIES</b>		
Accounts Payable (Note 1j)	6,773,433	5,921,044
Trust and Other Deposits	4,052,355	4,824,201
Deferred Revenue - Development Cost Charges (Note 7)	3,873,262	3,051,916
Deferred Revenue - Other (Note 10)	1,713,694	2,501,039
Long-Term Debt (Schedule 4)	15,474,182	17,190,472
	<u>31,886,926</u>	<u>33,488,672</u>
<b>NET FINANCIAL ASSETS</b>	<u>12,697,740</u>	<u>12,078,894</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventories	179,937	157,028
Prepaid Expenses	331,018	542,012
Tangible Capital Assets (Note 14 & Schedule 3)	131,104,017	123,675,417
	<u>131,614,972</u>	<u>124,374,457</u>
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<u>\$ 144,312,712</u>	<u>\$ 136,453,351</u>

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, 2015**

**STATEMENT B**

<b>REVENUE</b>	2015 Budget (Note 16)	2015	2014
Taxes for Municipal Purposes	\$ 23,367,639	\$ 23,359,764	\$ 22,658,118
Sale of Services	12,608,729	12,499,386	11,717,705
Revenue From Own Sources	3,762,162	3,568,322	3,014,344
Federal Transfers	91,800	1,162,778	4,237,931
Provincial Transfers	1,123,185	1,234,578	1,142,728
Other Local Government Transfers	447,092	355,165	412,385
Contributions	3,809,559	3,782,730	1,694,006
DCC Revenue	-	172,009	614,581
Investment Income and Taxation Penalties	788,225	958,161	906,875
Other	465,600	569,615	594,252
Actuarial adjustment	-	146,868	-
Gain on Sale of Tangible Capital Assets	-	22,740	-
<b>TOTAL REVENUE</b>	<u>46,463,991</u>	<u>47,832,116</u>	<u>46,992,925</u>
 <b>EXPENSES</b>			
General Government Services	4,882,647	4,611,266	5,015,423
Protective Services	8,577,696	8,374,891	7,007,779
Transportation Services	7,282,861	6,267,696	6,692,076
Sewer and Water Facilities	8,863,922	8,224,013	8,013,818
Environmental Health Services	3,157,849	3,088,829	2,913,719
Public Health and Welfare Services	268,520	266,639	255,009
Environmental Development Services	911,871	828,767	832,936
Recreational and Cultural Services	9,047,014	8,310,654	8,387,319
<b>TOTAL EXPENSES</b>	<u>42,992,380</u>	<u>39,972,755</u>	<u>39,118,079</u>
 <b>ANNUAL SURPLUS (Schedule 1)</b>	<u>3,471,611</u>	<u>7,859,361</u>	<u>7,874,846</u>
 <b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<u>136,453,351</u>	<u>136,453,351</u>	<u>128,578,505</u>
 <b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<u>\$ 139,924,962</u>	<u>\$ 144,312,712</u>	<u>\$ 136,453,351</u>

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**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**STATEMENT C**

	2015 Budget (Note 16)	2015	2014
ANNUAL SURPLUS	\$ 3,471,611	\$ 7,859,361	\$ 7,874,846
Acquisition of tangible capital assets	(11,556,259)	(9,013,394)	(3,562,838)
Amortization of tangible capital assets	4,569,989	4,569,989	4,475,279
Loss on sale of tangible capital assets		(22,740)	167,871
Proceeds on sale of tangible capital assets		64,604	3,824
Developer tangible capital asset contribution	(3,027,059)	(3,027,059)	(1,312,263)
	<u>(10,013,329)</u>	<u>(7,428,600)</u>	<u>(228,127)</u>
Acquisition of supplies inventories	-	(370,001)	(398,668)
Acquisition of prepaid expense	-	(376,517)	(731,154)
Consumption of supplies inventories	-	347,091	421,267
Use of prepaid expense	-	587,512	581,069
	<u>-</u>	<u>188,085</u>	<u>(127,486)</u>
CHANGE IN NET FINANCIAL ASSETS/NET DEBT	(6,541,718)	618,846	7,519,233
NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR	12,078,894	12,078,894	4,559,661
NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR	<u>\$ 5,537,176</u>	<u>\$ 12,697,740</u>	<u>\$ 12,078,894</u>

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, 2015**

**STATEMENT D**

	2015	2014
<b>CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS</b>		
OPERATING TRANSACTIONS		
Annual Surplus	\$ 7,859,361	\$ 7,874,846
Changes in non-cash items including amortization		
Increase in amortization	4,569,989	4,475,279
Change in receivables	1,236,329	(511,457)
Change in accounts payable	852,389	(910,525)
Change in trust and other deposits	(771,846)	2,473,210
Change in deferred revenue	34,001	(2,656,660)
Change in inventories	(22,909)	22,599
Change in prepaids	210,994	(150,084)
Loss on disposal of capital assets	(22,740)	167,871
Developer Tangible Capital Asset Contribution	(3,027,059)	(1,312,263)
Actuarial adjustment	(501,082)	(431,658)
Cash Provided by Operating Transactions	10,417,427	9,041,158
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(9,013,394)	(3,562,838)
Proceeds on sale of tangible capital assets	64,604	3,824
Cash Applied to Capital Transactions	(8,948,790)	(3,559,014)
INVESTING TRANSACTIONS		
Term deposits	(4,035,406)	6,137,256
Cash Provided by (applied to) Investing Transactions	(4,035,406)	6,137,256
FINANCING TRANSACTIONS		
Repayment of long-term debt	(1,215,206)	(1,214,599)
Cash applied to Financing Transactions	(1,215,206)	(1,214,599)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,781,975)	10,404,800
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28,371,670	17,966,870
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 24,589,693	\$ 28,371,670
Interest paid on outstanding debt and included in annual surplus above	\$ 823,506	\$ 1,000,660

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2015  
(Audited)

SCHEDULE 1  
(Note 13)

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	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE:</b>										
Taxation	\$ 20,746,851	\$ 20,065,807								
Sales of Services			806,693	802,719						
Revenue from Own Sources			1,240,560	796,106	86,600	162,224	3,023,920	2,817,834		
Government Transfers	1,284,803	1,142,360	17,825	18,910	1,060,403	4,167,185	-	-	90,532	118,818
Transfer from Other Funds										
Other Revenue	86,543	118,664			50,666				143,966	148,921
Other Contributions	166,309				1,793,030	1,089,224	409,432			
Interest Earned	856,382	816,103	5,974	9,579	35,368	16,865				
Actuarial Adjustment	26,881	-	119,987	-						
Proceeds on sale of TCA	2,000	-			20,740	-				
<b>Total Revenues</b>	<b>23,169,769</b>	<b>22,142,934</b>	<b>2,191,039</b>	<b>1,627,314</b>	<b>3,046,807</b>	<b>5,435,498</b>	<b>3,433,352</b>	<b>2,817,834</b>	<b>234,498</b>	<b>267,739</b>
<b>EXPENSES</b>										
Salaries and Benefits	2,886,969	2,636,886	1,610,394	1,657,059	1,979,066	2,138,771	55,794	48,163	163,223	147,564
Goods and Services	1,132,525	946,752	6,217,957	4,911,720	1,343,946	1,412,868	2,747,548	2,590,060	81,396	80,380
Capital Expenditures										
Amortization Expense	170,925	188,353	292,512	244,026	2,462,585	2,461,561	280,487	271,437	22,020	21,337
Debt Servicing	24,034	14,617	80,007	11,635	263,575	314,539				
Transfer to Other Funds										
Other Expenditures	396,813	1,228,815	174,021	183,339	218,524	216,205	5,000	4,059	-	5,728
Loss on Disposal of TCA						148,132				
<b>Total Expenses</b>	<b>4,611,266</b>	<b>5,015,423</b>	<b>8,374,891</b>	<b>7,007,779</b>	<b>6,267,696</b>	<b>6,692,076</b>	<b>3,088,829</b>	<b>2,913,719</b>	<b>266,639</b>	<b>255,009</b>
<b>ANNUAL SURPLUS</b>	<b>18,558,503</b>	<b>17,127,511</b>	<b>(6,183,852)</b>	<b>(5,380,466)</b>	<b>(3,220,889)</b>	<b>(1,256,578)</b>	<b>344,523</b>	<b>(95,885)</b>	<b>(32,141)</b>	<b>12,730</b>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2015  
(Audited)

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	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE:</b>												
Taxation					\$ 697,061	\$ 691,749	\$ 1,915,852	\$ 1,900,562			\$ 23,359,764	\$ 22,658,118
Sales of Services					4,643,240	4,530,857	3,518,427	3,107,819	507,106	458,476	12,499,386	11,717,705
Revenue from Own Sources	482,351	459,628	1,593,716	1,399,074	116,095	139,834	49,000	57,478			3,568,322	3,014,344
Government Transfers	1,100	4,947	92,408	125,506	36,700	37,750			168,750	177,568	2,752,521	5,793,044
Transfer From Other Funds												
Other Revenue	227,915	222,667	60,525			104,000					569,615	594,252
Other Contributions	139,500	62,457	234,845	143,262	307,486	308,765	839,531	632,654	64,606	72,225	3,954,739	2,308,587
Interest Earned	3,583	4,479	15,759	18,387	8,473	11,635	5,960	7,195	26,662	22,632	958,161	906,875
Actuarial Adjustment											146,868	
Proceeds on sale of TCA											22,740	
<b>Total Revenues</b>	<b>854,449</b>	<b>754,178</b>	<b>1,997,253</b>	<b>1,686,229</b>	<b>5,809,055</b>	<b>5,824,590</b>	<b>6,328,770</b>	<b>5,705,708</b>	<b>767,124</b>	<b>730,901</b>	<b>47,832,116</b>	<b>46,992,925</b>
<b>EXPENSES</b>												
Salaries and Benefits	547,205	546,670	3,652,569	3,767,220	608,242	555,115	350,897	368,688	575,559	584,369	12,429,918	12,450,505
Goods and Services	272,741	274,703	2,306,143	2,207,425	2,723,450	2,741,230	810,026	798,111	300,328	278,380	17,936,060	16,241,629
Capital Expenditures												
Amortization Expense	2,533	2,533	786,895	789,298	353,082	339,732	199,680	157,002			4,569,989	4,475,279
Debt Servicing			42,269	116,356	20,745	21,595	47,845	101,571			478,475	580,313
Transfer to Other Funds			646,891	637,229	40,126	90,686	3,069,188	2,823,568			4,556,851	5,198,659
Other Expenditures	6,288	9,030		7,042		10,202	732	6,318			732	171,694
Loss on Disposal of TCA												
<b>Total Expenses</b>	<b>828,767</b>	<b>832,936</b>	<b>7,434,767</b>	<b>7,524,570</b>	<b>3,745,645</b>	<b>3,758,560</b>	<b>4,478,368</b>	<b>4,255,258</b>	<b>875,887</b>	<b>862,749</b>	<b>39,972,755</b>	<b>39,118,079</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 25,682</b>	<b>\$ (78,758)</b>	<b>\$ (5,437,514)</b>	<b>\$ (5,838,341)</b>	<b>\$ 2,063,410</b>	<b>\$ 2,066,030</b>	<b>\$ 1,850,402</b>	<b>\$ 1,450,451</b>	<b>\$ (108,763)</b>	<b>\$ (131,848)</b>	<b>\$ 7,859,361</b>	<b>\$ 7,874,846</b>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**PAGE 1 OF 15**

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, 2015**

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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

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**PAGE 3 OF 15**

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, 2015. 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, 2015 with 2014 comparatives:

	<u>2015</u>	<u>2014</u>
Federal Government	\$ 179,108	\$ 141,115
Provincial Government	397,979	358,570
Regional and other Local Governments	136,689	200,262
Property Taxes	1,526,701	1,799,573
Other	<u>1,515,375</u>	<u>2,492,661</u>
Total Receivables	<u>\$ 3,755,852</u>	<u>\$ 4,992,181</u>

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2015 with 2014 comparatives:

	<u>2015</u>	<u>2014</u>
Federal Government	\$ 56,763	\$ 1,182,722
Provincial Government	281,965	232,957
Regional and other Local Governments	948,585	909,367
Employee Retirement Benefits	875,700	892,449
Trade and accrued liabilities	<u>4,610,420</u>	<u>2,703,549</u>
Total Accounts Payable	<u>\$ 6,773,433</u>	<u>\$ 5,921,044</u>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

**PAGE 4 OF 15**

**(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, 2015.

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) Change in Accounting Policy**

Effective January 1, 2015, the City of Courtenay adopted the recommendations in PS 3260 Liabilities for Contaminated Sites, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the City of Courtenay is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note (k), Significant Accounting Policies.

The City of Courtenay expects to record a liability for remediation of a contaminated site in a future year, pending the completion of Phase II assessments and further work done at the site. The City is not able to determine a reasonable estimate of the liability as at the financial statement date, but expects the amount to be significant.

**(m) 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. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

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*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.

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. The City does not expect application of the new Standard to 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.



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The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The City does not expect application of the new Standard to 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 standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The City does not expect application of the new Standard to 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 derecognition 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.

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**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 2015 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:

2016	\$	950,606
2017		951,245
2018		951,900
2019		934,846
2020		<u>935,535</u>
	\$	<u>4,724,131</u>

- (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, 2015, 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.

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**3. PENSION LIABILITY**

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted 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. As at December 31, 2014, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits on a going concern basis. 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 \$809,258 (2014 - \$774,416) for employer contributions to the Plan in fiscal 2015.

**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.

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**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 2015 with comparatives to 2014.

	<u>2015</u>	<u>2014</u>
<b>Opening Balance of Unspent Funds</b>	<b>\$ 4,008,322</b>	<b>\$ 3,121,718</b>
Additions:		
Amounts Received During the Year	1,034,277	1,034,277
Interest Earned	20,774	23,441
Deductions:		
Amount Spent on Projects	<u>(1,327,448)</u>	<u>(171,114)</u>
<b>Closing Balance of Unspent Funds</b>	<b><u>\$ 3,735,925</u></b>	<b><u>\$ 4,008,322</u></b>

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

Funding of certain general debenture and other long-term debt repayment is provided by sources other than general taxation. Other sources include short term loan proceeds used to bridge the gap for debenture debt proceeds, and lease and rental revenues, which reduce the requirement to fund debt repayment from general taxation revenues. This source of funding detail at the time of the annual tax levy, with 2014 comparatives, is as follows:

	<u>2015</u>	<u>2014</u>
Municipal debt levy, general taxation	\$1,654,293	\$1,811,805
Lease and rental revenues	<u>224,761</u>	<u>228,025</u>
<b>Total funding required – general debt repayment</b>	<b><u>\$1,879,054</u></b>	<b><u>\$2,039,830</u></b>

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**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 2015 and 2014.

	General Reserve DCC BL #2426	Water Utility Reserve DCC BL #2426	2015 Sewer Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #1638	2015 Total
Balance Forward	\$ 2,491,051	\$ 365,857	\$ 161,701	\$ 33,307	\$ 3,051,916
<b>Increases</b>					
Interest	13,280	2,033	1,227	167	16,707
Other Contributions	712,454	99,952	164,242	-	976,648
	725,734	101,985	165,469	167	993,355
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(167,744)	(4,265)	-	-	(172,009)
Reclassifications, redemptions, refunds			-	-	-
	(167,744)	(4,265)	-	-	(172,009)
<b>Ending Balance Deferred Revenue - DCC</b>	<b>\$ 3,049,041</b>	<b>\$ 463,577</b>	<b>\$ 327,170</b>	<b>\$ 33,474</b>	<b>\$ 3,873,262</b>

	General Reserve DCC BL #2426	Water Utility Reserve DCC BL #2426	2014 Sewer Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #1638	2014 Total
Balance Forward	\$ 2,444,779	\$ 356,089	\$ 518,737	\$ 33,075	\$ 3,352,680
<b>Increases</b>					
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
<b>Decreases</b>					
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)
<b>Ending Balance Deferred Revenue - DCC</b>	<b>\$ 2,491,051</b>	<b>\$ 365,857</b>	<b>\$ 161,701</b>	<b>\$ 33,307</b>	<b>\$ 3,051,916</b>

**THE CORPORATION OF THE CITY OF COURTENAY**  
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**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 2015 and 2014, which has been excluded from the City's financial statements.

**CEMETERY PERPETUAL CARE FUND  
FINANCIAL POSITION**

	<u>2015</u>	<u>2014</u>
<b>Financial Assets</b>		
Cash on Hand	\$ 71,736	\$ 62,262
Investments - MFA	<u>234,169</u>	<u>232,194</u>
<b>Liabilities</b>		
Interest Payable to City	<u>2,696</u>	<u>3,212</u>
<b>Net Financial Position</b>	<u>\$ 303,209</u>	<u>\$ 291,244</u>

**CEMETERY PERPETUAL CARE FUND  
FINANCIAL ACTIVITIES**

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>		
Fees Levied	\$ 11,966	\$ 12,543
Interest Revenue	<u>2,696</u>	<u>3,211</u>
<b>Expenditure</b>		
Interest Expense	<u>2,696</u>	<u>3,212</u>
<b>Excess Revenue over Expenditure</b>	<u>\$ 11,966</u>	<u>\$ 12,542</u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2014 - \$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.

**THE CORPORATION OF THE CITY OF COURTENAY**  
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**YEAR ENDED DECEMBER 31, 2015**

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**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 2015 and 2014:

	<u>2015</u>	<u>2014</u>
<b>Opening Balance</b>	<b>\$ 2,501,039</b>	<b>\$ 708,020</b>
Additions to Deferred Revenue	1,700,823	2,502,993
Revenue Recognized	(2,488,168)	(709,974)
	<hr/>	<hr/>
<b>Ending Balance Deferred Revenue Other</b>	<b><u>\$ 1,713,694</u></b>	<b><u>\$ 2,501,039</u></b>

**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, 2015 the City had debt reserve funds of \$318,466 (\$409,821 in 2014).

**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 2015 were based on an interest (discount) rate of 3.10% per annum (2014 - 3.10%). The total estimated employee retirement benefit liability at December 31, 2015 is \$875,700 (\$892,500 in 2014) 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 2015 revenues and expenses with 2014 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.



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**14. TANGIBLE CAPITAL ASSET DETAILS**

(See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 21,396,279	\$ 21,396,279
Land Improvements	3,988,015	2,764,871
Buildings	19,970,079	18,991,089
Equipment, Furniture, & Vehicles	6,651,284	5,388,205
Engineering Structures:		
Roads	46,721,004	45,082,389
Water	11,358,181	10,515,070
Sewer	8,319,284	7,705,661
Other (Includes Storm)	12,600,065	11,752,085
Other Tangible Capital Assets	<u>99,809</u>	<u>79,768</u>
	<u><b>\$ 131,104,017</b></u>	<u><b>\$ 123,675,417</b></u>

The net book value of capital assets not being amortized and under construction in 2015 is \$5,380,573 (\$3,245,696 in 2014).

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 2015 is \$3,027,059 (\$1,312,263 in 2014).

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**  
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**16. RESTATEMENT OF 2015 BUDGET**

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on April 20, 2015 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 April 20, 2015 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the April 20, 2015 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 2015 budget.

**Adjustments to 2015 Budgeted Annual Surplus**

<b>Budgeted Surplus per Consolidated Statement of Operations</b>	<b>\$</b>	<b>-</b>
Sid Williams Theatre		28,709
Amortization		(4,569,989)
Contributed Assets		3,027,059
Use of Prior Year Surplus		(1,526,175)
Debt principle repayments in Financial Plan		1,215,206
Transfers to Reserves (net)		<u>5,296,801</u>
<b>Budgeted Surplus per Consolidated Statement of Operations</b>	<b>\$</b>	<b><u>3,471,611</u></b>

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Audited)

	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2014
					Roads	Water	Sewer	Other			
<b>COST</b>											
Opening Balance Construction-in-progress (CIP)	\$ -	\$ 406,032	\$ 291,612	\$ 22,171	\$ 647,731	\$ 133,880	\$ 1,089,953	\$ 654,317	\$ -	\$ 3,245,696	4,389,182
Add: Construction-in-progress (CIP)	-	232,761	334,309	21,040	2,158,464	466,483	236,272	266,172	49,952	3,765,453	2,112,806
Less: Transfers into Service	-	(304,016)	(86,939)	(22,171)	(84,948)	(47,703)	(1,019,548)	(65,251)	-	(1,630,576)	(3,256,292)
Less: Writedowns & Reallocations	-	-	-	-	-	-	-	-	-	-	-
Closing Balance Construction-in-progress	-	334,777	538,982	21,040	2,721,247	552,660	306,677	855,238	49,952	5,380,573	3,245,696
Opening Balance Tangible Capital Assets	\$ 21,396,279	\$ 4,529,281	\$ 27,888,848	\$ 14,446,571	\$ 83,473,099	\$ 16,308,685	\$ 7,966,622	\$ 17,901,209	\$ 711,551	194,622,144	189,264,742
Add: Additions (including Transfers into Service)	-	1,487,448	1,383,649	2,017,650	1,655,486	742,538	1,551,698	1,067,107	-	9,905,576	6,018,589
Less: Disposals	-	-	-	(359,794)	(17,640)	-	(2,926)	-	-	(380,360)	(661,187)
Less: Write-downs	-	-	-	-	-	-	-	-	-	-	-
Closing Balance Tangible Capital Assets and CIP	21,396,279	6,351,506	29,811,479	16,125,467	87,832,192	17,603,883	9,822,071	19,823,553	761,503	209,527,932	197,867,840
<b>ACCUMULATED AMORTIZATION</b>											
Opening Balance	-	2,170,442	9,189,371	9,080,537	39,038,441	5,927,495	1,350,914	6,803,440	631,783	74,192,423	70,206,637
Add: Amortization	-	193,048	652,028	723,639	2,079,041	318,207	154,069	420,046	29,911	4,569,989	4,475,279
Less: Accum Amortization on Disposals	-	-	-	(329,983)	(6,302)	-	(2,195)	-	-	(338,479)	(489,493)
Closing Balance	-	2,363,491	9,841,400	9,474,183	41,111,188	6,245,702	1,502,787	7,223,488	661,694	78,423,934	74,192,423
Net Book Value for year ended December 31, 2015	\$ 21,396,279	\$ 3,988,015	\$ 19,970,079	\$ 6,651,284	\$ 46,721,004	\$ 11,358,181	\$ 8,319,284	\$ 12,600,065	\$ 99,809	\$ 131,104,017	\$ 123,675,417

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT  
YEAR ENDED DECEMBER 31, 2015

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/14	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/15
<b>General Capital Fund</b>						
<b>Debenture Debt</b>						
2088 Museum	2015	6.45	29,485	-	29,485	-
2092 Firehall	2015	6.45	226,812	-	226,812	-
2093 Sid Williams Theatre	2015	6.45	226,812	-	226,812	-
2171 Library	2021	3.05	1,160,786	-	142,569	1,018,217
2266 Infrastructure Works - MFA	2018	4.78	130,673	-	30,319	100,354
2266 Fifth Street Bridge	2023	5.15	305,950	-	28,911	277,039
2304 Lerwick Road Ext. Prop Acquisition	2029	4.86	736,463	-	34,130	702,333
2227 City Hall Retaining Wall	2020	5.00	75,443	-	11,379	64,064
2354 Repaving Program	2025	5.75	305,741	-	24,431	281,310
2355 Lerwick Road Extension	2030	5.75	522,120	-	23,923	498,197
2356 City Hall Renovation	2020	5.50	400,761	-	60,420	340,342
2425 Lerwick Road Construction	2026	4.66	497,210	-	33,090	464,120
2453 Police Property Acquisition	2026	4.43	987,171	-	65,699	921,472
2458 Public Works Maintenance Building	2022	4.52	953,743	-	103,509	850,234
2539 Capital Infrastructure Work	2023	4.13	2,297,935	-	191,398	2,106,537
2538 Native Sons Hall Renovation	2025	4.50	472,741	-	35,039	437,702
2680 Lewis Centre Renovation	2027	2.90	3,772,104	-	226,868	3,545,235
2681 Infrastructure Works - Road Paving	2027	2.90	1,401,068	-	84,266	1,316,802
			14,503,018	-	1,579,059	12,923,959
			14,503,018	-	1,579,059	12,923,959

TOTAL GENERAL CAPITAL FUND

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT  
YEAR ENDED DECEMBER 31, 2015

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/14	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/15
Balance Forward General Capital Fund			\$ 14,503,018	\$ -	\$ 1,579,059	\$ 12,923,959
<b>Water Capital Fund</b>						
Debenture Debt						
2424 Water Extension - Lerwick Road	2026	4.66	414,343	-	27,576	386,767
TOTAL WATER CAPITAL FUND			414,343	-	27,576	386,767
<b>Sewer Capital Fund</b>						
Debenture Debt						
2305 Sewer Extension	2029	4.86	552,348	-	25,598	526,750
2353 Sewer Extension	2030	5.00	1,469,394	-	67,326	1,402,068
2423 Sewer Extension - Lerwick Road	2026	4.66	251,367	-	16,729	234,638
TOTAL SEWER CAPITAL FUND			2,273,109	-	109,653	2,163,456
TOTAL ALL CAPITAL FUNDS			17,190,472	-	1,716,288	15,474,182

# THE CORPORATION OF THE CITY OF COURTENAY

## 2015 Report of Remuneration and Expenses of Elected Officials

(Community Charter, Section 168)

### Remuneration and Expense Payments

<u>Elected Official</u>		<u>Remuneration</u>	<u>Expenses</u>
Jangula, Larry	Mayor	\$ 51,402	\$ 3,330
Frisch, David	Councillor	\$ 22,100	\$ 3,641
Hillian, Douglas A.	Councillor	\$ 22,100	\$ 2,552
Eriksson, Erik	Councillor	\$ 22,100	\$ 3,195
Theos, Manno	Councillor	\$ 22,225	\$ 5,353
Lennox, Rebecca	Councillor	\$ 22,600	\$ 4,021
Wells, Robert	Councillor	\$ 22,100	\$ 6,454
TOTALS		<u>\$ 184,629</u>	<u>\$ 28,547</u>

### Benefits

Insurance Policy Coverage: Personal Accident Insurance, Mayor and Council

*Industrial Alliance Pacific Insurance & Financial Services*

*Principal Sum:* \$ 150,000

*Weekly Accident Indemnity:* \$ 400

*Accidental Dental Reimbursement Benefit:* \$ 3,000

*Accidental Medical Reimbursement Benefit:* \$ 5,000

Total premium - all members \$ 500.00

### 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 2015**

<u>Employee</u>	<u>Position</u>	<u>Base Salary</u>	<u>Taxable Benefits</u>	<u>Total Remuneration</u> (Includes Taxable Benefits)	<u>Expenses</u>
Allen, D	Chief Administrative Officer	\$ 163,600	\$ 2,564	\$ 166,164	\$ 23,907
Bardonnex, D.	Fire Chief	\$ 105,510	\$ 2,201	\$ 107,710	\$ 4,988
Bernard, Y.	Manager of Information Systems	\$ 88,298	\$ 2,094	\$ 90,392	\$ 4,104
Buck, I.	Director of Development Services	\$ 100,007	\$ 2,588	\$ 102,595	\$ 550
Donley, M.	Manager of Human Resources	\$ 89,055	\$ 2,516	\$ 91,571	\$ 504
Guderjahn, B.	Manager of Purchasing	\$ 87,037	\$ 2,438	\$ 89,475	\$ 2,030
Guillo, A.	Manager of Communications	\$ 75,769	\$ 1,792	\$ 77,561	\$ -
Hatch, L.	Director of Engineering & Public Works	\$ 120,084	\$ 2,541	\$ 122,625	\$ 399
Henderson, D.	Deputy Fire Chief / Training Officer	\$ 91,236	\$ 2,116	\$ 93,352	\$ 4,385
Kellinghusen, J.	Equipment Operator	\$ 74,467	\$ 2,188	\$ 76,655	\$ -
Kerr, C.	EVT / Fire Inspector	\$ 77,224	\$ 2,198	\$ 79,422	\$ 2,140
Knapman, P.	Occupational Health & Safety Coordinator	\$ 81,815	\$ 749	\$ 82,564	\$ 4,783
Kushner, T.	Manager of Public Works	\$ 87,879	\$ 2,909	\$ 90,788	\$ 4,978
Lamb, G.	Fire Inspector	\$ 73,251	\$ 2,174	\$ 75,425	\$ 878
Love, D.	Senior Advisor - Strategic Initiatives	\$ 105,000	\$ 1,747	\$ 106,747	\$ 4,752
MacDonald, K.	Deputy Fire Chief	\$ 92,288	\$ 2,285	\$ 94,573	\$ 5,722
Madsen, T.	Manager of Infrastructure Planning	\$ 90,206	\$ 2,528	\$ 92,734	\$ 2,514
Manthey, T.	Director of Financial Services/Deputy CAO	\$ 90,828	\$ 4,103	\$ 94,932	\$ 1,003
Mirabelli, D.	Chief Building Inspector	\$ 78,775	\$ 2,139	\$ 80,914	\$ 851
Moore, B.	Shop Foreman	\$ 77,934	\$ 1,370	\$ 79,304	\$ 365
Murphy, S.	Manager of Recreation Services	\$ 98,314	\$ 2,157	\$ 100,471	\$ -
Nelson, J.	Manager of Financial Planning	\$ 79,299	\$ 2,279	\$ 81,579	\$ 2,842
Neufeld, K.	Property Management Supervisor	\$ 73,991	\$ 2,260	\$ 76,251	\$ 3,379
Perry, C.	Manager of Transportation & Utilities - Engine	\$ 98,942	\$ 2,420	\$ 101,361	\$ 646
Rasmussen, R.	Parks Foreman	\$ 92,038	\$ 2,261	\$ 94,298	\$ -
Shaw, D.	Sewer Foreman	\$ 80,062	\$ 2,370	\$ 82,431	\$ 1,702
Sheldon, R.	Water Foreman	\$ 76,144	\$ 2,102	\$ 78,246	\$ 2,615
Snider, D.	Manager of Parks	\$ 94,806	\$ 3,558	\$ 98,364	\$ 3,705
Ward, J.	Director of Legislative Services	\$ 109,146	\$ 10,289	\$ 119,435	\$ 2,827
Welsh, J.	Fire Inspector	\$ 73,251	\$ 2,174	\$ 75,425	\$ 1,639
Wiwchar, R.	Director of Community Services	\$ 112,738	\$ 885	\$ 113,623	\$ 273
Woods, M	Network Coordinator	\$ 76,339	\$ 2,025	\$ 78,364	\$ -
Total for employees where remuneration is > \$75,000		\$ 2,915,333	\$ 80,020	\$ 2,995,352	\$ 88,480
Consolidated total for employees where remuneration < \$75,000				6,949,653	71,764
Elected Officials, direct payments				184,629	28,547
TOTALS				<u>\$ 10,129,634</u>	<u>\$ 188,790</u>

Statement of Severance Agreements

There were no severance agreements under which payment commenced between the City of Courtenay and its union and non-unionized employees during the fiscal year 2015.

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

**The Corporation of the City of Courtenay**  
**Statement of Individual Accounts Paid**  
**For the Twelve Months Ending December 31, 2015**

<b>Vendor ID</b>	<b>Vendor Name</b>	<b>Amount Billed YTD</b>
REG001	COMOX VALLEY REGIONAL DISTRICT	\$16,708,711.36
CAN030	CANADIAN WESTERN BANK	\$5,000,000.00
MIN004	MINISTER OF FINANCE	\$4,910,465.71
REC006	RECEIVER GENERAL FOR CANADA	\$4,128,715.81
REG002	REGIONAL HOSPITAL DIST OF	\$4,092,935.40
REC005	RECEIVER GENERAL FOR CANADA	\$2,813,781.29
EDG001	EDGETT EXCAVATING	\$2,231,388.50
WAC001	WACOR HOLDINGS LTD	\$1,289,119.22
VAN002	VANCOUVER ISLAND REGIONAL LIBRARY	\$1,145,420.00
EMT001	EMTERRA ENVIRONMENTAL	\$1,088,972.17
SCO002	SCOTIABANK VISA	\$820,975.43
BCH002	BC HYDRO	\$724,809.79
BIG005	BIGSTEELBOX STRUCTURES LTD	\$677,931.18
FOR008	FORT GARRY FIRE TRUCKS LTD	\$637,086.17
COU009	COURTENAY RECREATION ASSOC	\$636,550.34
TAY001	TAYCO PAVING	\$613,375.01
TEMP00000007297	CROWNE PACIFIC DEVELOPMENTS	\$565,200.25
PAC001	PACIFIC BLUE CROSS	\$475,744.82
MCE001	MCELHANNEY CONSULTING	\$396,367.71
COM002	COMMISSIONAIRES (THE)	\$392,248.55
BCA002	BC ASSESSMENT AUTHORITY	\$311,624.97
BRA001	BRANDT TRACTOR LTD	\$291,195.36
COM007	COMOX VALLEY BOBCAT & EXC LTD	\$260,317.01
TLC001	TLC HOME & PROPERTY MAINT	\$233,082.18
COM013	COMOX VALLEY ECONOMIC	\$209,615.21
DIL001	DILLON CONSULTING LTD.	\$203,721.27
SID001	SID WILLIAMS THEATRE SOCIETY	\$203,009.30
BCL002	BC LIFE AND CASUALTY COMPANY	\$202,103.19
AON002	AON REED STENHOUSE INC	\$183,442.00
COL002	COLUMBIA FUELS	\$183,435.13
WOR001	WORKERS COMPENSATION BOARD	\$172,317.63
MED001	MEDICAL SERVICES PLAN	\$173,931.50
ARC001	ARCHIE JOHNSTONE PLUMBING & HEATING LTD.	\$171,899.28
TEMP00000007340	ARDEN PROJECTS LTD	\$171,708.00
AND003	ANDREW SHERET LTD	\$154,456.95
MUN002	MUNICIPAL INSURANCE ASSOC OF	\$157,719.08
MUC001	MUCHALAT CONSTRUCTION LTD.	\$156,757.61
URB003	URBAN SYSTEMS LTD.	\$152,233.74
COM092	COMOX VALLEY NISSAN LTD.	\$129,759.56
JOH016	JOHNSTON DAVIDSON ARCHITECTURE & PLANNING INC.	\$125,998.97
COU002	COURTENAY & DISTRICT MUSEUM	\$124,639.00
YOU004	YOUNG ANDERSON	\$112,030.27
ASSO03	ASSOCIATED ENGINEERING (B.C.) LTD.	\$109,800.38
INT011	INTERACTIONS HR SOLUTIONS INC.	\$107,377.15
APL001	APLIN & MARTIN CONSULTANTS LTD.	\$105,370.30
FOR009	FORTIS BC-NATURAL GAS	\$104,072.95



**The Corporation of the City of Courtenay**  
**Statement of Individual Accounts Paid**  
**For the Twelve Months Ending December 31, 2015**

<b>Vendor ID</b>	<b>Vendor Name</b>	<b>Amount Billed YTD</b>
GAR001	WESTVIEW FORD	\$103,487.77
INS002	INSURANCE CORPORATION OF	\$103,344.86
AAR002	AARDVARK PAVEMENT MARKING SERVICES	\$102,773.06
CEN001	CENTRAL BUILDERS' SUPPLY LTD	\$101,271.28
CUP001	CUPE LOCAL 556	\$101,379.89
KOE001	KOERS & ASSOCIATES ENGINEERING	\$100,394.33
RIC010	RICOH CANADA INC	\$97,189.42
LEI001	LEIGHTON CONTRACTING (2009) LTD	\$95,954.44
TEL001	TELUS COMMUNICATIONS (BC)	\$87,818.68
MON001	MONK OFFICE SUPPLY LTD	\$85,261.72
COM023	BLACK PRESS GROUP	\$83,946.84
LAY001	LAYFIELD GROUP LTD.	\$82,005.00
SOF001	SOFTCHOICE CORPORATION	\$79,719.63
ESC001	ESC AUTOMATION	\$79,539.04
COR005	CORIX WATER PRODUCTS LTD PARTNERSHIP	\$71,133.94
TEMP00000007831	GALAXY MOTORS (1990) INC	\$73,170.00
HAR002	HARTMAN AUTO SUPPLY LTD	\$64,183.60
DIA001	DIAMOND SOFTWARE INC	\$66,173.06
HYL001	HYLAND PRECAST INC	\$61,712.12
COU010	COURTENAY VOLUNTEER FIRE DEPARTMENT	\$64,527.06
MET003	METRO MOTORS LTD	\$63,114.24
THY002	THYSSENKRUPP ELEVATOR	\$62,263.76
COU004	COURTENAY DOWNTOWN BUSINESS ASSOC	\$60,510.00
FLE005	FLETCHER PETTIS CONSULTANTS LTD	\$60,383.44
DKI001	DKI SERVICES LTD	\$59,369.26
BUL003	BULLEX	\$58,589.26
ROC001	ROCKY MOUNTAIN PHOENIX	\$57,472.20
GUI001	GUILLEVIN INTERNATIONAL INC	\$53,516.56
BEL004	BELFOR (CANADA) INC	\$52,946.83
UPL001	UPLAND CONTRACTING LTD	\$52,854.24
TEL003	TELUS MOBILITY (BC)	\$57,598.36
EBH001	E B HORSMAN & SON	\$45,489.91
ABO002	ABOVE & BEYOND TREE SERVICE	\$49,205.63
TOW001	TOWER FENCE PRODUCTS	\$48,312.90
SIL001	SILVERADO LAND CORP	\$48,310.00
MER004	MERTIN NISSAN LTD.	\$47,478.20
TWD001	T.W. DOLL (694650 BC) LTD.	\$47,239.52
TEMP00000007412	PARHAR HOLDINGS LTD	\$46,470.71
MIC001	MICROSOFT LICENSING GP	\$46,412.47
ISL014	ISLAND TRAFFIC SERVICES LTD	\$42,969.97
ABC001	ABC PRINTING	\$44,272.37
7ST001	7 STORY CIRCUS	\$40,816.26
BAN003	BANK OF MONTREAL	\$40,479.60
DOU007	SUPERIOR FARMS INC.	\$39,822.34
WES037	WESTERN TRAFFIC	\$39,570.40
HOT002	HOTELS	\$39,099.59

**The Corporation of the City of Courtenay**  
**Statement of Individual Accounts Paid**  
**For the Twelve Months Ending December 31, 2015**

<b>Vendor ID</b>	<b>Vendor Name</b>	<b>Amount Billed YTD</b>
GRA002	GRANT THORNTON LIMITED	\$39,053.30
NEL001	NELSON ROOFING AND SHEET METAL LTD	\$37,360.83
ELE005	E.LEES & ASSOCIATES CONSULTING LTD.	\$37,336.69
AFC001	AFC CONSTRUCTION LTD	\$36,566.00
CUM002	CUMBERLAND, VILLAGE OF	\$36,382.50
WOR002	WORKTECH INC	\$36,235.64
BAN005	THE BANK OF NOVA SCOTIA	\$35,905.79
STR011	STRATEGIC DYNAMICS	\$35,469.01
NOR001	PLANET CLEAN COURTENAY	\$31,562.77
ESR001	ESRI CANADA	\$34,993.00
CIB003	CIBC	\$34,631.48
MEY001	MEYERS NORRIS PENNY LLP	\$34,453.12
LID004	LIDSTONE & COMPANY	\$34,080.00
ANS001	ANSLEY & COMPANY	\$34,000.00
WES032	WEST ISLAND CAPITAL CORPORATION	\$30,357.86
WIS001	WISHBONE INDUSTRIES LTD.	\$30,333.74
COM082	COMOX DINGHY SAILING SCHOOL	\$29,997.00
OND001	ONDECK SYSTEMS INC	\$28,800.89
FOO001	FOOTPRINTS SECURITY PATROL INC.	\$29,592.06
ASS002	ASSOCIATED FIRE & SAFETY	\$29,493.84
ACM001	ACME SUPPLIES LTD	\$28,655.94
IMP004	IMPERIAL WELDING LTD	\$28,246.04
DUN001	DUNCAN ELECTRIC MOTOR LTD	\$28,333.00
KGC001	KGC FIRE RESCUE INC	\$28,019.34
RAY001	RAYLEC POWER LTD	\$27,411.11
TEMP00000005094	GERRY LARSON & ASSOCIATES LTD	\$27,301.00
CRE007	CREATIVE TRANSPORTATION SOLUTIONS	\$27,116.25
SCH001	SCHOOL DISTRICT NO 71	\$25,757.88
AST001	ASTROGRAPHIC INDUSTRIES	\$25,491.27
<b>TOTAL AMOUNTS EQUAL/OVER \$25,000</b>		<b>\$57,793,907.81</b>
<b>TOTAL AMOUNTS LESS THAN \$25, 000</b>		<b>\$3,395,059.93</b>
		<b><u>\$61,188,967.74</u></b>


## SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The City of Courtenay describes guarantees and indemnities in the Notes to the Consolidated Financial Statements. For 2015, the schedule and additional notes are not required and have been omitted.

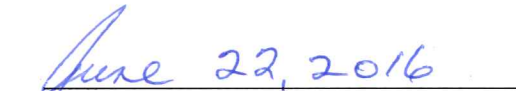
STATEMENT OF FINANCIAL INFORMATION APPROVAL

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

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

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Date



June 1, 2016

Dear Mayors and Regional District Chairs:

As we prepare for the 2016 UBCM Convention in Victoria this September, I wanted to let you know that my caucus colleagues and I are once again looking forward to listening to the discussions around the issues and initiatives that affect British Columbia's communities and the people who live there. Our work depends on your input and your insight, and my colleagues and I will be there to listen and to learn.

This year's theme, *Stronger Together*, is an ideal way to recognize the strengths and similarities across the province. British Columbia is leading Canada like never before, and the work you do in your community is an integral part of that.

If you would like to request a meeting with me or a Cabinet Minister on a specific issue during this year's convention, the online registration form at <https://UBCMreg.gov.bc.ca> will go live on June 13th. The invitation code is MeetingRequest2016, please note it is case sensitive.

If you have any questions, please contact my UBCM Meeting Request Coordinator, Tim Wong at [UBCM.Meetings@gov.bc.ca](mailto:UBCM.Meetings@gov.bc.ca) or by phone at 604-775-1600.

Sincerely,

A handwritten signature in black ink that reads "Christy Clark". The signature is fluid and cursive, with the first name "Christy" and the last name "Clark" clearly distinguishable.

Christy Clark  
Premier



June 8, 2016

Dear Mayors and Regional District Chairs:

It is my pleasure to write to you regarding scheduling appointments at the upcoming annual UBCM Convention taking place in Victoria, September 26 to 30, 2016.

You will have recently received a letter from the Honourable Christy Clark, Premier, containing information about the online process for requesting a meeting with Premier Clark and other Cabinet Ministers. I am pleased to provide you with information regarding the process for requesting a meeting with me, as well as with provincial government, agency, commission and corporation staff.

If you would like to meet with me at the Convention, please complete the online form available as of **June 13, 2016**, at: CSCD Minister's Meeting and submit it to the Ministry of Community, Sport and Cultural Development before **August 12, 2016**. Meeting arrangements will be confirmed by early September. I will do my best to accommodate as many meeting requests as possible.

To get the most out of your delegation's meeting, it would be helpful if once you make your meeting request, you could provide a one to one and one-half page summary of the matter(s) to be discussed (a template will be provided online). By providing this information in advance of the meeting, I will have a better understanding of your delegation's interests and it will allow for discussions that are more productive. In the event I am unable to meet with you, arrangements may be made for a meeting post-Convention.

Ministry staff will email the provincial appointment book. This lists all government, agency, commission and corporation staff available to meet with delegates at the Convention, as well as details on how to request a meeting online.

I look forward to my second Convention as Minister responsible for local government and meeting with many of you and hearing about your priorities in the year ahead.

Sincerely,

Peter Fassbender  
Minister

pc: The Honourable Christy Clark, Premier  
Mr. Al Richmond, President, Union of British Columbia Municipalities

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Ministry of Community,  
Sport and Cultural Development and  
Minister Responsible for TransLink

Office of the Minister

Mailing Address:  
PO Box 9056 Stn Prov Govt  
Victoria BC V8W 9E2  
Phone: 250 387-2283  
Fax: 250 387-4312

Location:  
Room 310  
Parliament Buildings  
Victoria BC

[www.gov.bc.ca/cscd](http://www.gov.bc.ca/cscd)