



**THE CORPORATION OF
THE CITY OF COURTENAY**

**Statement of Financial Information
For the Year Ended December 31, 2016**

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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 19, 2017

Independent Auditors' Report

To the Mayor and Council of the City of Courtenay:

We have audited the consolidated statement of financial position of The Corporation of the City of Courtenay as at December 31, 2016 and the consolidated statements of operations, change in net financial assets and cash flow, and related schedules 1, 3, 4 and 5 for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines 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 an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2016 the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including schedules 1 to 5, has been presented for purposes of additional analysis. The supplementary information in Schedules 1, 3, 4 and 5 has been subjected to the auditing procedures applied in the consolidated financial statements and in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on Schedule 2 because our examination did not extend to the detailed information therein.

Courtenay, British Columbia

June 19, 2017

MNP LLP

Chartered Professional Accountants

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

STATEMENT A

	2016	2015
FINANCIAL ASSETS		
Cash on Hand and on Deposit (Schedule 5)	\$ 11,940,239	\$ 24,589,693
Receivables (Note 1i)	3,178,840	3,755,852
Term Deposits (Schedule 5)	31,409,482	16,239,121
	<u>46,528,561</u>	<u>44,584,666</u>
LIABILITIES		
Accounts Payable (Note 1j)	8,271,606	6,773,433
Trust and Other Deposits	4,742,503	4,052,355
Deferred Revenue - Development Cost Charges (Note 6)	4,481,601	3,873,262
Deferred Revenue - Other (Note 8)	1,409,770	1,713,694
Long-Term Debt (Schedule 4)	14,189,703	15,474,182
	<u>33,095,183</u>	<u>31,886,926</u>
NET FINANCIAL ASSETS	<u>13,433,378</u>	<u>12,697,740</u>
NON-FINANCIAL ASSETS		
Inventories	188,408	179,937
Prepaid Expenses	491,324	331,018
Tangible Capital Assets (Note 12 & Schedule 3)	135,242,213	131,104,017
	<u>135,921,945</u>	<u>131,614,972</u>
ACCUMULATED SURPLUS (Schedule 2)	<u>\$ 149,355,323</u>	<u>\$ 144,312,712</u>

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

STATEMENT B

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

REVENUE	2016 Budget (Note 13)	2016	2015
Taxes for Municipal Purposes	\$ 24,147,300	\$ 24,263,225	\$ 23,359,764
Sale of Services	14,436,832	13,425,663	12,499,386
Revenue From Own Sources	2,872,600	3,154,810	3,568,322
Federal Transfers	2,654,500	1,094,108	1,162,778
Provincial Transfers	423,900	1,383,979	1,234,578
Other Local Government Transfers	436,800	220,726	250,165
Contributions	3,650,467	4,118,205	3,782,730
DCC Revenue	-	260,138	172,009
Investment Income and Taxation Penalties	897,700	922,476	958,161
Other	434,600	682,242	569,615
Actuarial adjustment	-	45,551	146,868
Gain on Sale of Tangible Capital Assets	-	6,785	22,740
TOTAL REVENUE	49,954,699	49,577,908	47,727,116
EXPENSES			
General Government Services	4,904,336	4,730,658	4,611,266
Protective Services	9,442,609	8,125,236	8,374,891
Transportation Services	7,517,209	7,037,780	6,267,696
Sewer and Water Facilities	10,008,264	10,191,449	8,224,013
Environmental Health Services	3,298,875	3,291,499	3,088,829
Public Health and Welfare Services	264,192	259,991	266,639
Environmental Development Services	1,359,933	1,249,548	828,767
Recreational and Cultural Services	9,868,744	9,649,136	8,205,654
TOTAL EXPENSES	46,664,162	44,535,297	39,867,755
ANNUAL SURPLUS (Schedule 1)	3,290,537	5,042,611	7,859,361
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	144,312,712	144,312,712	136,453,351
ACCUMULATED SURPLUS AT END OF YEAR	\$ 147,603,249	\$ 149,355,323	\$ 144,312,712

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, 2016

STATEMENT C

	2016 Budget (Note 13)	2016	2015
ANNUAL SURPLUS	\$ 3,290,537	\$ 5,042,611	\$ 7,859,361
Acquisition of tangible capital assets	(6,069,983)	(5,625,947)	(9,013,394)
Amortization of tangible capital assets	4,890,442	4,890,442	4,569,989
(Gains)/losses and other adjustments to tangible capital assets		194,159	(22,740)
Proceeds on sale of tangible capital assets		13,675	64,604
Developer tangible capital asset contribution	(3,606,717)	(3,606,717)	(3,027,059)
	<u>(4,786,258)</u>	<u>(4,134,388)</u>	<u>(7,428,600)</u>
Acquisition of supplies inventories	-	(402,965)	(370,001)
Acquisition of prepaid expense	-	(714,847)	(376,517)
Consumption of supplies inventories	-	390,686	347,091
Use of prepaid expense	-	554,541	587,512
	<u>-</u>	<u>(172,585)</u>	<u>188,085</u>
CHANGE IN NET FINANCIAL ASSETS	(1,495,721)	735,638	618,846
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>12,697,740</u>	<u>12,697,740</u>	<u>12,078,894</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ 11,202,019</u>	<u>\$ 13,433,378</u>	<u>\$ 12,697,740</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, 2016**

STATEMENT D

	2016	2015
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS		
OPERATING TRANSACTIONS		
Annual Surplus	\$ 5,042,611	\$ 7,859,361
Changes in non-cash items including amortization		
Increase in amortization	4,890,442	4,569,989
Change in receivables	577,012	1,236,329
Change in accounts payable	1,498,173	852,389
Change in trust and other deposits	690,148	(771,846)
Change in deferred revenue	304,415	34,001
Change in inventories	(8,471)	(22,909)
Change in prepaids	(160,306)	210,994
Net (gains)/losses and other adjustments to tangible capital assets	190,351	(22,740)
Developer Tangible Capital Asset Contribution	(3,606,717)	(3,027,059)
Actuarial adjustment	(333,874)	(501,082)
	<u>9,083,784</u>	<u>10,417,427</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(5,625,947)	(9,013,394)
Proceeds on sale of tangible capital assets	13,675	64,604
	<u>(5,612,272)</u>	<u>(8,948,790)</u>
INVESTING TRANSACTIONS		
Term deposits	<u>(15,170,361)</u>	<u>(4,035,406)</u>
FINANCING TRANSACTIONS		
Repayment of long-term debt	<u>(950,605)</u>	<u>(1,215,206)</u>
INCREASE (DECREASE) IN CASH ON HAND AND ON DEPOSIT	(12,649,454)	(3,781,975)
CASH ON HAND AND ON DEPOSIT AT BEGINNING OF YEAR	<u>24,589,693</u>	<u>28,371,670</u>
CASH ON HAND AND ON DEPOSIT AT END OF YEAR	<u><u>\$ 11,940,239</u></u>	<u><u>\$ 24,589,693</u></u>
 Interest paid on outstanding debt and included in annual surplus above	 \$ 713,928	 \$ 823,506

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

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2016
(Audited)

SCHEDULE 1
(Note 13)
Page 1 of 2

	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE:										
Taxation	\$ 21,603,976	\$ 20,746,851								
Sales of Services			887,972	806,693						
Revenue from Own Sources			858,811	1,240,560						
Government Transfers			76,006	17,825						
Other Revenue	1,196,053	1,284,803			47,356	86,600	3,073,262	3,023,920	88,353	90,532
Other Contributions	94,430	86,543			1,158,804	1,060,403	-	-	128,455	143,966
Interest Earned	-	166,309			132,218	50,666				
Actuarial Adjustment	848,349	856,382	2,106	5,974	2,306,421	1,793,030	661,925	409,432		
Proceeds on sale of TCA	43,549	26,881		119,987	27,320	35,368				
Total Revenues	23,788,357	23,169,769	1,825,095	2,191,039	3,678,704	3,046,807	3,735,187	3,433,352	216,808	234,498
EXPENSES										
Salaries and Benefits	3,090,741	2,886,969	1,905,934	1,610,394	2,357,809	1,979,066	55,009	55,794	162,794	163,223
Goods and Services	1,260,600	1,132,525	5,835,208	6,217,957	1,806,460	1,343,946	2,909,185	2,747,548	72,805	81,396
Amortization Expense	170,291	170,925	345,789	292,512	2,618,140	2,462,585	318,718	280,487	24,392	22,020
Debt Servicing	16,080	24,034	35,907	80,007	236,551	263,575				
Other Expenditures	191,383	396,813	2,398	174,021	15,323	218,524	430	5,000	-	-
Loss on Disposal of TCA	1,563				3,497		8,157			
Total Expenses	4,730,658	4,611,266	8,125,236	8,374,891	7,037,780	6,267,696	3,291,499	3,088,829	259,991	266,639
ANNUAL SURPLUS	19,057,699	18,558,503	(6,300,141)	(6,183,852)	(3,359,076)	(3,220,889)	443,688	344,523	(43,183)	(32,141)

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2016
(Audited)

SCHEDULE 1
(Note 13)
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	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE:												
Taxation					\$ 709,738	\$ 697,061	\$ 1,949,511	\$ 1,915,852			\$ 24,263,225	\$ 23,359,764
Sales of Services					4,956,600	4,643,240	3,883,643	3,518,427			13,425,663	12,499,386
Revenue from Own Sources	510,715	482,351	1,612,910	1,593,716	122,574	116,095	2,445	49,000	624,186	507,106	3,154,810	3,568,322
Government Transfers	20,000	1,100	82,097	92,408	-	36,700	10,000		67,500	63,750	2,698,813	2,647,521
Other Revenue	290,282	227,915	24,857	60,525	12,000						682,242	569,615
Other Contributions	233,188	139,500	141,459	234,845	504,275	307,486	475,163	839,531	55,912	64,606	4,378,343	3,954,739
Interest Earned	3,539	3,583	14,139	15,759	6,952	8,473	5,547	5,960	14,523	26,662	922,476	958,161
Actuarial Adjustment											45,551	146,868
Proceeds on sale of TCA											6,785	22,740
Total Revenues	1,057,724	854,449	1,875,462	1,997,253	6,312,139	5,809,055	6,326,309	6,328,770	762,121	662,124	49,577,908	47,727,116
EXPENSES												
Salaries and Benefits	712,196	547,205	4,304,997	3,652,569	681,696	608,242	449,920	350,897	643,891	575,559	14,364,987	12,429,918
Goods and Services	440,246	272,741	2,752,573	2,306,143	2,915,963	2,723,450	943,956	810,026	376,000	300,328	19,312,996	17,936,060
Amortization Expense	2,533	2,533	800,883	786,895	371,577	353,082	238,117	199,680			4,890,442	4,569,989
Debt Servicing			118,425	42,269	7,451	20,745		47,845			434,748	478,475
Other Expenditures	94,573	6,288	644,699	541,891	37,158	40,126	4,484,685	3,069,188			5,470,649	4,451,851
Loss on Disposal of TCA			7,668		18,497		22,095	732			61,477	732
Total Expenses	1,249,548	828,767	8,629,245	7,329,767	4,032,342	3,745,645	6,159,107	4,478,368	1,019,891	875,887	44,535,297	39,867,755
ANNUAL SURPLUS	\$ (191,824)	\$ 25,682	\$ (6,753,783)	\$ (5,332,514)	\$ 2,279,797	\$ 2,063,410	\$ 1,672,202	\$ 1,850,402	\$ (257,770)	\$ (213,763)	\$ 5,042,611	\$ 7,859,361

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

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

(b) Revenue and Expense Recognition

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

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

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

Taxes for Municipal Purposes are recognized in the year levied.

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

Revenues from own sources are recognized in the period in which the transactions or events that gave rise to the revenue occur or are earned, provided the amount can be estimated and collection is reasonably assured.

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

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

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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(c) Accrued Payroll Benefits

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

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

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts Receivable are stated after evaluation of their collectability. Post employment benefits are calculated by an Actuary. Amortization is based on the estimated useful lives of tangible capital assets. These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City of Courtenay is responsible for.

(e) Inventories

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

(f) Tangible Capital Assets

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

Major Asset Category	Threshold	Average Useful Life
Land	\$1	Indefinite
Land Improvements	\$10,000	Varies from 10 to 40 years
Building	\$10,000	Varies from 25 to 60 years
Vehicles, Machinery/Equipment	\$5,000 to \$10,000	Varies from 5 to 25 years
Engineering Structures		
Roads	\$5,000 to \$50,000	Varies from 10 to 60 years
Water	\$5000 to \$10,000	Varies from 8 to 80 years
Sewer	\$10,000	Varies from 8 to 60 years
Other – Includes Storm	\$10,000	Varies from 25 to 75 years
Other Tangible Capital Assets (includes IT software)	\$5,000	5 years

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(g) Financial Instruments

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

(h) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2016. 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, 2016 with 2015 comparatives:

	<u>2016</u>	<u>2015</u>
Federal Government	\$ 206,198	\$ 179,108
Provincial Government	566,788	397,979
Regional and other Local Governments	160,397	136,689
Property Taxes	1,489,508	1,526,701
Other	<u>755,949</u>	<u>1,515,375</u>
Total Receivables	<u>\$ 3,178,840</u>	<u>\$ 3,755,852</u>

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2016 with 2015 comparatives:

	<u>2016</u>	<u>2015</u>
Federal Government	\$ 1,237,832	\$ 56,763
Provincial Government	362,370	281,965
Regional and other Local Governments	1,381,811	948,585
Employee Retirement Benefits	926,000	875,700
Trade and accrued liabilities	<u>4,363,593</u>	<u>4,610,420</u>
Total Accounts Payable	<u>\$ 8,271,606</u>	<u>\$ 6,773,433</u>

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when; contamination exceeding an environmental standard exists, the City of Courtenay is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

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

(l) Recent Accounting Pronouncements

PS 2200 Related Party Disclosures

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

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

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

PS 3210 Assets

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

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

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

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. 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.

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 CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. 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.

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 2016 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:

2017	\$	951,244
2018		951,899
2019		934,845
2020		935,534
2021		885,800
		<hr/>
	\$	4,659,322

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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

Provincial Government – Schools
Comox Valley Regional District
Comox-Strathcona Regional Hospital District
Municipal Finance Authority
British Columbia Assessment Authority
Vancouver Island Regional Library
Downtown Courtenay Business Improvement Area

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

- (d) As at December 31, 2016, there existed outstanding claims against the City. These claims have been referred to legal counsel and to the City's liability insurers. It is not possible to determine the City's potential liability, if any, with respect to these matters. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

3. PENSION LIABILITY

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Plan has about 189,000 active members and approximately 85,000 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, 2015 indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Courtenay paid \$867,334 (2015 - \$809,258) for employer contributions to the Plan in fiscal 2016.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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4. HOST FINANCIAL ASSISTANCE AGREEMENT

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

5. FEDERAL GAS TAX AGREEMENT FUNDS

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

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

Following is a schedule of Gas Tax receipts and disbursements received in 2016 with comparatives to 2015.

	<u>2016</u>	<u>2015</u>
Opening Balance of Unspent Funds	\$ 3,735,925	\$ 4,008,322
Additions:		
Amounts Received During the Year	1,069,107	1,034,277
Interest Earned	15,865	20,774
Deductions:		
Amount Spent on Projects	<u>(87,500)</u>	<u>(1,327,448)</u>
Closing Balance of Unspent Funds	<u>\$ 4,733,397</u>	<u>\$ 3,735,925</u>

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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6. 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 2016 and 2015.

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

	2015				
	General Reserve DCC BL #2426	Water Utility Reserve DCC BL #2426	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
Increases					
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
Decreases					
Revenue Recognized to Fund Capital Projects	(167,744)	(4,265)	-	-	(172,009)
Ending Balance Deferred Revenue - DCC	<u>\$ 3,049,041</u>	<u>\$ 463,577</u>	<u>\$ 327,170</u>	<u>\$ 33,474</u>	<u>\$ 3,873,262</u>

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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7. TRUST AND ENDOWMENT FUNDS

- (a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2016 and 2015, which has been excluded from the City's financial statements.

**CEMETERY PERPETUAL CARE FUND
FINANCIAL POSITION**

	<u>2016</u>	<u>2015</u>
Financial Assets		
Cash on Hand	\$ 82,201	\$ 71,736
Investments - MFA	<u>236,023</u>	<u>234,169</u>
Liabilities		
Interest Payable to City	<u>5,303</u>	<u>2,696</u>
Net Financial Position	<u>\$ 312,921</u>	<u>\$ 303,209</u>

**CEMETERY PERPETUAL CARE FUND
FINANCIAL ACTIVITIES**

	<u>2016</u>	<u>2015</u>
Revenue		
Fees Levied	\$ 9,711	\$ 11,966
Interest Revenue	<u>2,608</u>	<u>2,696</u>
Expenditure		
Interest Expense	<u>2,608</u>	<u>2,696</u>
Excess Revenue over Expenditure	<u>\$ 9,711</u>	<u>\$ 11,966</u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$384,442 (2015 - \$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.

8. 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 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Opening Balance	\$ 1,713,694	\$ 2,501,039
Additions to Deferred Revenue	1,406,868	1,700,823
Revenue Recognized	(1,710,791)	(2,488,168)
Ending Balance Deferred Revenue Other	<u>\$ 1,409,770</u>	<u>\$ 1,713,694</u>

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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9. MFA DEBT RESERVE FUNDS

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are not reported in the financial statements as they are eliminated upon consolidation. As at December 31, 2016 the City had debt reserve funds of \$327,368 (\$318,466 in 2015).

10. EMPLOYEE RETIREMENT BENEFIT LIABILITY

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee's life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2016 were based on an interest (discount) rate of 3.3% per annum (2015 - 3.10%). The total estimated employee retirement benefit liability at December 31, 2016 is \$926,000 (\$875,700 in 2015) and is included in the accounts payable balance on Statement A. Following is a breakdown of the benefit liability:

	<u>2016</u>	<u>2015</u>
Accrued benefit liability at beginning of year	875,700	892,500
Expense	124,300	114,800
Benefit Payments	<u>(74,000)</u>	<u>(131,600)</u>
Accrued benefit liability at end of year	<u><u>\$ 926,000</u></u>	<u><u>\$ 875,700</u></u>

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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11. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. A detailed summary of the 2016 revenues and expenses with 2015 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, 2016

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12. TANGIBLE CAPITAL ASSET DETAILS

(See Schedule 3 for further details)

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded on the financial statements in 2016 is \$3,606,717 (\$3,027,059 in 2015).

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

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

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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13. RESTATEMENT OF 2016 BUDGET

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 9, 2016 except in regard to budget amounts for amortization, developer contributions for tangible capital assets, gains and losses on tangible capital asset disposals, and the use of debt, reserves and prior year surpluses.

The budget amounts presented throughout these financial statements for the tangible capital asset related budgets are the actual values determined at the completion of the municipalities' tangible capital asset accounting process. These values have been added to the May 9, 2016 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the May 9, 2016 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 2016 budget.

Adjustments to 2016 Budgeted Annual Surplus

Budgeted Surplus per Council approved Budget	\$ -
Sid Williams Theatre	2,374
Amortization	(4,890,442)
Capital Contributions	3,606,717
Purchase of Capital Assets	6,069,983
PSAB Adjustments	(957,082)
Use of Prior Year Surplus	(5,577,100)
Debt principle repayments in Financial Plan	950,605
Transfers to Reserves (net)	<u>4,085,482</u>
Budgeted Surplus per Consolidated Statement of Operations	<u>\$ 3,290,537</u>

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Audited)

	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2015
					Roads	Water	Sewer	Other			
COST											
Opening Balance Construction-in-progress (CIP)											3,245,696
Add: Construction-in-progress (CIP)		334,777	538,982	21,040	2,721,247	552,660	306,677	855,238	49,952	\$ 5,380,573	3,765,453
Less: Transfers into Service		79,974	15,215	195,985	306,600	27,148	11,652	24,240	-	660,814	(1,630,576)
Closing Balance Construction-in-progress		(261,386)	(375,550)	(17,529)	(2,318,339)	(517,670)	(306,676)	(855,238)	(29,710)	(4,682,098)	5,380,573
		153,365	178,647	199,496	709,508	62,138	11,653	24,240	20,242	1,359,289	
Opening Balance Tangible Capital Assets	21,396,279	6,016,729	29,272,497	16,104,427	85,110,945	17,051,223	9,515,394	18,968,315	711,551	204,147,360	194,622,144
Add: Opening Adjustment				(11,034)			(36,155)	(86,414)		(133,603)	
Add: Additions (including Transfers into Service)	213,370	563,138	761,077	838,322	5,188,711	2,069,287	1,004,443	2,574,086	42,517	13,254,951	9,905,576
Less: Disposals			(25,715)	(231,029)	(114,682)	(79,366)	(5,970)	(32,777)		(489,539)	(380,360)
Closing Balance Tangible Capital Assets and CIP	21,609,649	6,733,232	30,186,506	16,900,182	90,894,482	19,103,282	10,489,365	21,447,450	774,310	218,138,458	209,527,932
ACCUMULATED AMORTIZATION											
Opening 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
Add: Writedown				276			603	2,161		3,040	
Add: Amortization		225,368	679,696	735,657	2,221,164	339,441	187,051	483,568	18,497	4,890,442	4,569,989
Less: Accum Amortization on Disposals			(4,714)	(212,639)	(111,185)	(67,634)	(4,875)	(20,124)		(421,171)	(338,479)
		2,588,859	10,516,382	9,997,477	43,221,167	6,517,509	1,685,566	7,689,093	680,191	82,896,245	78,423,934
Net Book Value for year ended December 31, 2016	\$ 21,609,649	\$ 4,144,373	\$ 19,670,124	\$ 6,902,705	\$ 47,673,315	\$ 12,585,773	\$ 8,803,799	\$ 13,758,357	\$ 94,119	\$ 135,242,213	\$ 131,104,017

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF DEBTENTURE AND OTHER LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 2016
(Audited)

SCHEDULE 4

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/15	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/16
General Capital Fund						
Debtenture Debt						
2171 Library	2021	3.05	1,018,217	-	149,696	868,521
2266 Infrastructure Works - MFA	2018	4.78	100,354	-	31,833	68,521
2266 Fifth Street Bridge	2023	5.15	277,039	-	30,066	246,973
2304 Lerwick Road Ext. Prop Acquisition	2029	4.86	702,333	-	35,836	666,497
2227 City Hall Retaining Wall	2020	5.00	64,064	-	11,828	52,236
2354 Repaving Program	2025	5.75	281,310	-	25,052	256,258
2355 Lerwick Road Extension	2030	5.75	498,197	-	24,881	473,316
2356 City Hall Renovation	2020	5.50	340,342	-	62,836	277,506
2425 Lerwick Road Construction	2026	4.66	464,120	-	34,414	429,706
2453 Police Property Acquisition	2026	4.43	921,472	-	68,326	853,146
2458 Public Works Maintenance Building	2022	4.52	850,234	-	107,648	742,586
2539 Capital Infrastructure Work	2023	4.13	2,106,537	-	199,053	1,907,484
2538 Native Sons Hall Renovation	2025	4.50	437,702	-	36,457	401,245
2680 Lewis Centre Renovation	2027	2.90	3,545,236	-	235,943	3,309,293
2681 Infrastructure Works - Road Paving	2027	2.90	1,316,802	-	87,636	1,229,166
TOTAL GENERAL CAPITAL FUND			12,923,959	-	1,141,505	11,782,454
Water Capital Fund						
Debtenture Debt						
2424 Water Extension - Lerwick Road	2026	4.66	386,767	-	28,678	358,088
TOTAL WATER CAPITAL FUND			386,767	-	28,678	358,088
Sewer Capital Fund						
Debtenture Debt						
2305 Sewer Extension	2029	4.86	526,750	-	26,877	499,873
2353 Sewer Extension	2030	5.00	1,402,068	-	70,021	1,332,047
2423 Sewer Extension - Lerwick Road	2026	4.66	234,638	-	17,398	217,240
TOTAL SEWER CAPITAL FUND			2,163,456	-	114,296	2,049,160
TOTAL ALL CAPITAL FUNDS			15,474,182	-	1,284,479	14,189,703

THE CORPORATION OF THE CITY OF COURTENAY

Statement of Financial Information
(as required under the Financial Information Act)
2016 Report of Remuneration and Expenses of
Elected Officials

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

Remuneration and Expense Payments

<u>Elected Official</u>		<u>Remuneration</u>	<u>Expenses</u>
Jangula, Larry	Mayor	\$ 52,433	\$ 3,036
Frisch, David	Councillor	\$ 22,538	\$ 3,950
Hillian, Douglas A.	Councillor	\$ 22,538	\$ 2,923
Eriksson, Erik	Councillor	\$ 22,538	\$ 4,740
Theos, Manno	Councillor	\$ 22,788	\$ 4,317
Lennox, Rebecca	Councillor	\$ 22,538	\$ -
Wells, Robert	Councillor	\$ 22,538	\$ 6,117
TOTALS		<u>\$ 187,917</u>	<u>\$ 25,083</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 2016
Prepared under the Financial Information Regulation, Schedule 1, Section 6

<u>Employee</u>	<u>Position</u>	<u>Total Remuneration</u> (Includes Taxable Benefits)	<u>Expenses</u>
Allen, D.	Chief Administrative Officer	\$ 169,228	\$ 7,246
Armstrong, R.	Manager of Infrastructure Planning	\$ 88,414	\$ 6,757
Bardonnex, D.	Fire Chief	\$ 110,932	\$ 8,304
Boguski, B.	Roads Foreman	\$ 82,782	\$ 296
Borecky, N.	GIS Coordinator	\$ 77,278	\$ 1,170
Buck, I.	Director of Development Services	\$ 113,809	\$ 2,666
Collins, C.	Manager of Finance	\$ 88,729	\$ 4,318
Collins, K.	Manager of Recreation Programming	\$ 81,296	\$ -
Craven, D.	Carpenter	\$ 75,391	\$ -
Dojack, T.	Carpenter	\$ 75,255	\$ -
Donley, M.	Manager of Human Resources	\$ 93,325	\$ 2,888
Feucht, R.	Development Engineer	\$ 95,745	\$ 1,549
Fisher, K.	Utilities Mtce - Water 2	\$ 79,734	\$ 80
Guderjahn, B.	Manager of Purchasing	\$ 91,750	\$ 2,552
Guillo, A.	Manager of Communications	\$ 87,986	\$ -
Hatch, L.	Director of Engineering & Public Works	\$ 124,960	\$ 3,649
Henderson, D.	Deputy Fire Chief / Training Officer	\$ 96,296	\$ 838
Jernslet, E.	Manager of Civic Properties Mtce.	\$ 82,332	\$ 3,639
Johns, T.	Horticulture Supervisor	\$ 75,612	\$ 812
Kellinghusen, J.	Equipment Operator	\$ 84,493	\$ 2,004
Kerr, C.	EVT / Fire Inspector	\$ 82,075	\$ 1,292
Knapman, P.	Occupational Health & Safety Coordinator	\$ 83,141	\$ 3,829
Kushner, T.	Director of Public Works	\$ 128,549	\$ 6,193
Lamb, G.	Fire Inspector	\$ 78,013	\$ 50
Love, D.	Senior Advisor - Strategic Initiatives	\$ 108,773	\$ 3,570
MacDonald, K.	Deputy Fire Chief	\$ 97,539	\$ 2,950
Millar, C.	Manager of Recreation Facilities Operations	\$ 81,822	\$ -
Moore, B.	Shop Foreman	\$ 81,425	\$ 1,619
Neufeld, K.	Property Management Supervisor	\$ 77,022	\$ 1,595
Perry, C.	Manager of Transportation & Utilities - Engineering	\$ 106,366	\$ 4,074
Parschauer, B.	Director of Financial Services	\$ 113,759	\$ 4,482
Rasmussen, R.	Turfgrass Supervisor	\$ 92,639	\$ -
Rix, R.	Utilities Mtce - Sewer 2	\$ 76,570	\$ 80
Rose, L.	Utilities Mtce - Water 2	\$ 77,404	\$ 879
Setta, T.	Manager of Planning	\$ 89,486	\$ 2,896
Shaw, D.	Sewer Foreman	\$ 85,232	\$ 2,784
Snider, D.	Director of Recreation & Cultural Services	\$ 112,099	\$ 4,571
Sorichta, W.	Manager of Public Works Administration	\$ 86,346	\$ 6,041
Ward, J.	Director of Legislative Services / Deputy CAO	\$ 128,165	\$ 2,565
Welsh, J.	Fire Inspector	\$ 77,957	\$ 1,506
Woods, M.	Manager of Information Systems	\$ 84,484	\$ -
Total for employees where remuneration is > \$75,000		\$ 3,824,214	\$ 99,743
Consolidated total for employees where remuneration < \$75,000		6,950,271	61,679
Elected Officials, direct payments		187,917	25,083
TOTALS		\$ 10,962,402	\$ 186,505

Statement of Severance Agreements

There was one severance agreement under which payment commenced between the City of Courtenay and its non-unionized employees during the fiscal year 2016. This agreements represent from 12 months of compensation.

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

THE CORPORATION OF THE CITY OF COURTENAY

Statement of Individual Vendors Paid

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

Vendor Name	Amount Paid YTD
RAYMOND JAMES LTD.	\$ 25,000,000
COMOX VALLEY REGIONAL DISTRICT	16,709,687
RECEIVER GENERAL FOR CANADA	9,396,656
MINISTER OF FINANCE	4,343,415
REGIONAL HOSPITAL DISTRICT OF COMOX-STRATHCONA	4,064,398
EMTERRA ENVIRONMENTAL	1,653,592
VANCOUVER ISLAND REGIONAL LIBRARY	1,185,428
KNAPPETT INDUSTRIES (2006) LTD.	1,029,681
BC HYDRO	799,898
SCOTIABANK VISA	778,012
WINDLEY CONTRACTING LTD.	673,582
COURTENAY RECREATION ASSOCIATION	673,238
EDGETT EXCAVATING	566,915
URBAN SYSTEMS LTD.	557,371
TAYCO PAVING	529,871
ASSOCIATED ENGINEERING (B.C.) LTD.	489,952
PACIFIC BLUE CROSS	466,119
ARDEN ROAD DEVELOPMENTS	387,188
COMMISSIONAIRES (THE)	372,570
MCELHANNEY CONSULTING	345,288
COMOX VALLEY ECONOMIC DEVELOPMENT	299,947
BC ASSESSMENT AUTHORITY	292,706
BAILEY WESTERN STAR	280,811
CROWN PACIFIC DEVELOPMENT CORP	264,381
SID WILLIAMS THEATRE SOCIETY	247,365
TLC HOME & PROPERTY MAINTENANCE	232,526
WACOR HOLDINGS LTD.	230,219
WORKERS COMPENSATION BOARD	206,159
AON REED STENHOUSE INC.	199,314
ARDEN PROJECTS LTD.	196,036
BC LIFE AND CASUALTY COMPANY	186,292
ANDREW SHERET LTD.	183,281
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH COLUMBIA	181,208
MEDICAL SERVICES PLAN	180,563
INTERACTIONS HR SOLUTIONS INC.	168,000
UPLAND CONTRACTING LTD.	167,450
ROYAL BANK	149,400
SURESPAN STRUCTURES	135,400
CHEVRON CANADA LTD.	134,511
COURTENAY & DISTRICT MUSEUM	130,400
RICOH CANADA INC.	120,908
CUPE LOCAL 556	115,213
FORTIS BC-NATURAL GAS	109,092
SUNCORP VALUATIONS LTD.	104,186
ESC AUTOMATION	101,483
OAKCREEK GOLF & TURF INC.	100,218
CANADIAN RECREATION SOLUTIONS INC.	94,120
LEIGHTON CONTRACTING (2009) LTD.	94,046
TEMPEST DEVELOPMENT	85,979
ABOVE & BEYOND TREE SERVICE	85,937
MONK OFFICE SUPPLY LTD.	85,238
COMOX VALLEY BOBCAT & EXC LTD.	80,970
SOFTCHOICE CORPORATION	78,632
BLACK PRESS GROUP	78,096
TELUS COMMUNICATIONS (BC)	74,842
COMOX VALLEY DODGE CHRYSLER	73,635
CURRENT ENVIRONMENTAL LTD.	72,691
SILVERADO LAND CORP.	71,381
LIFESTYLE METAL VENTURES INC.	71,287
WESTERN TRAFFIC	70,251
MUCHALAT CONSTRUCTION LTD.	68,795
AARDVARK PAVEMENT MARKING SERVICES	68,612
LIDSTONE & COMPANY	66,054

THE CORPORATION OF THE CITY OF COURTENAY

Statement of Individual Vendors Paid

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

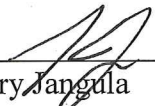
Vendor Name	Amount Paid YTD
DKI SERVICES LTD.	65,595
HARTMAN AUTO SUPPLY LTD.	65,320
GUILLEVIN INTERNATIONAL INC.	64,827
STEVE MARSHALL MOTORS (FORD) LTD.	64,674
VANCOUVER ISLAND INSURANCE CENTRES	64,562
COURTENAY DOWNTOWN BUSINESS ASSOCIATION	60,275
AFC CONSTRUCTION LTD.	60,231
LANDTEC GROUND EXPERTS	59,850
DIAMOND SOFTWARE INC.	59,124
ONDECK SYSTEMS INC.	57,410
WESTREK GEOTECHNICAL SERVICES	56,049
DILLON CONSULTING LTD.	54,204
TELUS MOBILITY (BC)	53,775
MEYERS NORRIS PENNY LLP	53,303
JENNER CHEVROLET BUICK GMC	52,396
CENTRAL BUILDERS SUPPLY LTD.	50,579
MICROSOFT LICENSING GP	50,242
IMS INFRASTRUCTURE MANAGEMENT SERVICES	48,686
KOERS & ASSOCIATES ENGINEERING	47,244
SHADES TANKERS (1976) LTD.	45,920
YOUNG ANDERSON	45,719
CIBC	45,351
MVH URBAN PLANNING & DESIGN LTD.	43,089
METRO MOTORS LTD.	42,646
DUNCAN ELECTRIC MOTOR LTD.	41,943
7 STORY CIRCUS	40,754
THE BANK OF NOVA SCOTIA	40,562
DRIFTWOOD MALL & 5275 INVESTMENTS	40,178
PLANET CLEAN COURTENAY	40,114
WEST ISLAND CAPITAL CORPORATION	39,114
COMOX BAY SAILING CLUB	38,221
TOWER FENCE PRODUCTS	38,213
RIVERSIDE NISSAN 860817 BC LTD.	38,032
CUMBERLAND READY MIX LTD.	38,028
L'ARCHE COMOX VALLEY	37,500
E B HORSMAN & SON	37,311
1051735 BC LTD.	36,879
DIRECTDIAL.COM	36,008
ESRI CANADA	34,930
ANDERSEN'S NURSEY LTD.	34,867
RAYLEC POWER LTD.	34,741
COLUMBIA FUELS	34,079
KMI COLUMBARIA	33,891
HOTELS	31,619
GROW TREE CARE	31,383
SAFESIDEWALKS CANADA INC.	31,233
PILON TOOL RENTALS (1972) LTD.	31,176
ASSOCIATED FIRE & SAFETY	30,187
STRATEGIC DYNAMICS	30,170
HYLAND PRECAST INC.	30,149
LAFARGE CANADA INC.	29,723
PROFIRE EMERGENCY EQUIPMENT	27,399
BEE CLEAN BUILDING MAINTENANCE	27,329
R HENN & ASSOCIATES	26,135
ACME SUPPLIES LTD.	26,104
ASTROGRAPHIC INDUSTRIES	25,372
GARDAWORLD CASH SERVICES CANADA	25,172
TOTAL VENDORS OVER \$25,000	\$78,490,081
TOTAL VENDORS LESS THAN \$25, 000	\$3,056,296
TOTAL VENDORS	\$81,546,377

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The City of Courtenay describes guarantees and indemnities in the Notes to the Consolidated Financial Statements. For 2016, the schedule and additional notes are not required and have been omitted.


STATEMENT OF FINANCIAL INFORMATION APPROVAL

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



Larry Jangula
Mayor

June 19, 2017
Date



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

June 19, 2017
Date