



CITY OF COURTENAY  
2015 ANNUAL REPORT



# COURTENAY, B.C.

## 2015 Annual Report

January 1 - December 31, 2015

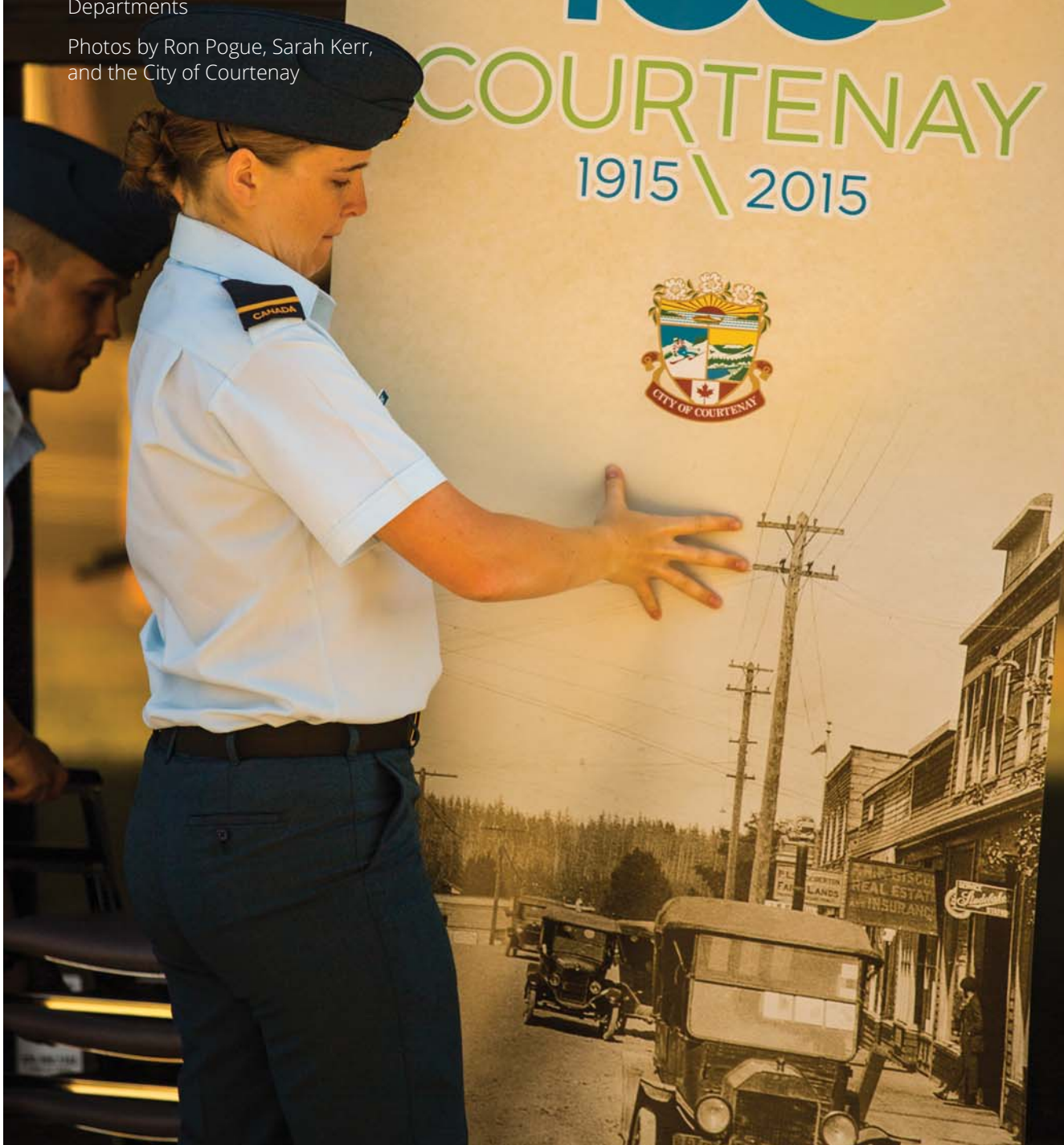
This document was prepared by  
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Services and Financial Services  
Departments

Photos by Ron Pogue, Sarah Kerr,  
and the City of Courtenay



# COURTENAY

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# MESSAGE FROM THE MAYOR

2015 was a year of celebration for the City of Courtenay as we commemorated our centennial year.

On behalf of Courtenay City Council, I extend a huge thank you to the Courtenay Centennial Committee, the many volunteers who attended these events, and of course the many members of the community who came out to celebrate this big milestone. You will find more information about the centennial on page 11.

There were other reasons to celebrate in 2015.

Courtenay streamlined the subdivision and development application process to increase efficiency and clarity. These improvements will allow us to provide better service to the development community, which in turn benefits the local economy. The changes also ensure our staff time is used more effectively.

We also took steps forward on the Braidwood housing project. This supportive and/or affordable housing project is a top priority for Courtenay Council. M'akola Group of Societies and Wachiyai Friendship Centre were selected to develop and operate the project. BC Housing has provided funding towards the development of a housing proposal, and we will continue to work together towards making this project to reality.

Island Health is in the process of building a new Comox Valley Hospital in east Courtenay, and construction was in full-swing throughout 2015. This \$331.7 million, 153 bed hospital is on-time and on budget, with a planned opening in late 2017.

Across the street from the hospital site, the Courtenay Fire Department completed construction of a new fire training ground, the W.A. Lane Macdonald Fire Training Centre. This new facility opened in October, and has already vastly improved training opportunities for our firefighters, most of whom are paid-on-call volunteers. Preparing these individuals for the life-threatening situations they may face in their duties will protect not only our firefighters, but the public they serve.

Back to the centennial. This year of events was a big success, in large part due to Randy Wiwchar, the city's director of community services who retired in November 2015.



Randy put his heart and soul into this event, and we as a community are very lucky to have had him. Sadly, Randy lost his life in June 2016 to cancer. I would like to take this opportunity to highlight what an important role Randy played in our community. Randy was, quite simply, an outstanding ambassador for the City of Courtenay. He was involved in the development of countless facilities, parks, trails, events, and programs, and made a huge impact. His contributions to our community will not be forgotten.

On behalf of Council and staff, I offer our condolences to Randy's family and many friends. He will be greatly missed.

A handwritten signature in black ink, appearing to read 'L. Jangula'.

Larry Jangula  
Mayor, City of Courtenay



# MAYOR AND COUNCIL

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

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

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

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

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

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# MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

2015 was another year of progress in the City of Courtenay, and I am grateful to our City staff for supporting our many projects and ongoing initiatives, along with their ability to continually adapt to new systems and projects as our community grows.

The occasion of the Courtenay centennial was a good opportunity to look at where we've come from, and how we want to progress into the future.

Asset management has been identified as a priority in our organization. Courtenay City Council adopted an Asset Management Policy in 2015, which formalizes our commitment to maintaining over \$200 million in tangible assets – things like parks, roads, buildings, underground infrastructure, and equipment.

Maintaining these assets to the best of our ability, maximizing their intended lifespan, and anticipating when they will reach the end of their lifespan, allows us to make informed decisions about what to replace, and when. This is much more cost-effective than fixing things as they break down. For example, emergency water main breaks and repairs are not only time-consuming for our crews and disruptive to the general public. They can also cause collateral damage to public and private property.

As co-chair of Asset Management BC, I have seen first-hand how proper asset management principles have benefitted communities around the world. In Canada, the federal government is now taking asset management practices into consideration when assigning grants to communities – such as the \$3.253 million the City of Courtenay was awarded in early 2016 for the Complete Streets Pilot Project.

Achieving sustainable service delivery is the end goal of asset management and typically focuses on the physical infrastructure, or the built environment. Increasingly however, the benefits provided by nature are being recognized and incorporated into the delivery of local government services. The ecological services provided by wetlands, aquifers, and community forests support stormwater management, drinking water protection, and climate change mitigation, all key issues for municipalities in BC. Unlike the built environment, healthy ecological services are self-sustaining, and don't require expensive operations and maintenance costs. In 2015 City Council recognized this in its 2016-2018 Strategic Priorities under the heading "We proactively plan and invest in our natural and built environment".

Another key focus in 2015 was the work done to support the employees who operate and maintain the infrastructure and



deliver the services that the City residents and visitors rely on. To that end we began to undertake two key initiatives: first, an organizational enhancement process that realigns the City's organizational framework to enhance the delivery of City services, and; second, a Core Values process focused on creating a corporate culture that fosters a positive and productive work environment.

These initiatives are intended to set the City up for success and will be further developed in 2016.

As you review the pages of this report, including photos and highlights of the centennial year, I hope you will feel as proud as I am of this community, and feel the same sense of potential for the years ahead.

A handwritten signature in blue ink that reads "David Allen". The signature is fluid and cursive.

David Allen  
Chief Administrative Officer  
City of Courtenay

## 2015 GOALS

## PROGRESS MADE TOWARDS GOALS

|   |   |
|---|---|
| Braidwood Request for Proposals         | In March 2015, the City of Courtenay issued a request for proposals for qualified non-profit societies or groups to submit a proposal to develop and operate an affordable or supportive housing project at 810 Braidwood Road. In August, the M'akola Group of Societies and Wachiay Friendship Centre were appointed as the joint project sponsors for a five-year term. The Braidwood Development Team, consisting of representatives from M'akola, Wachiay, BC Housing, and the City of Courtenay, began meeting in October to determine the next steps in moving forward with the project. |
| Development Process: Terms of Reference | In September 2015 the city created a new Subdivision and Development Servicing Division in the Development Services Department. This change was designed to improve the efficiency of the development application and approval process. For more information, see page 15.  |
| Asset Management Policy                 | In June 2015 Council adopted an Asset Management Policy, and this was followed by the creation of an Asset Management Working Group responsible for developing asset management plans for all classes of city assets.   |
| Corporate Work Program - Phase 2        | In 2014, the City launched new Corporate Workplan software to senior staff. This software was developed internally, and is designed to help staff manage the time they spend on specific projects. 2015 represented the first full year of data-gathering. As part of Phase 2, Work Plan reports are presented to Council on a quarterly basis to help them track staff projects, capacity and workload.  |
| Regional Transit Review                 | The Comox Valley Regional District (CVRD) partners with BC Transit and contractor Watson & Ash on the delivery of transit service in the Comox Valley. In 2015, the City of Courtenay, Town of Comox, Village of Cumberland, and the CVRD agreed to issue a request for proposals for a transit review. The consultant has now provided a report to the CVRD board of directors; the recommendations and options from the report will be considered in the summer of 2016.  |
| Integrated Flood Management Study       | In May 2015, Council adopted the Integrated Flood Management Study (IFMS) for the City of Courtenay. The IFMS study was funded in partnership through the Build Canada Fund – Communities Component, Flood Protection Program (administered by EMBC).   |
| Downtown Revitalization: Forum          | A three day discovery forum was held in the October 2015. The goal was to engage the community to determine priorities for downtown revitalization. A summary report was presented to Council in December 2015. This project is ongoing through 2016, with a design charrette and preparation of an action oriented “playbook” for Downtown Courtenay.  |
| Complete Street: Pilot Project Options  | Courtenay City Council selected 5th Street, between Menzies and Fitzgerald Avenues, as the preferred site for an eventual complete streets pilot project. In February 2016, the City of Courtenay was the successful recipient of major grant funding for this project. 100 percent of eligible project costs, up to \$3.253 million, will be covered through the federal Gas Tax Fund, under the Strategic Priorities Fund - Local Roads, Bridges and Active Transportation category.  |



# ASSET MANAGEMENT

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

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

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

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

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

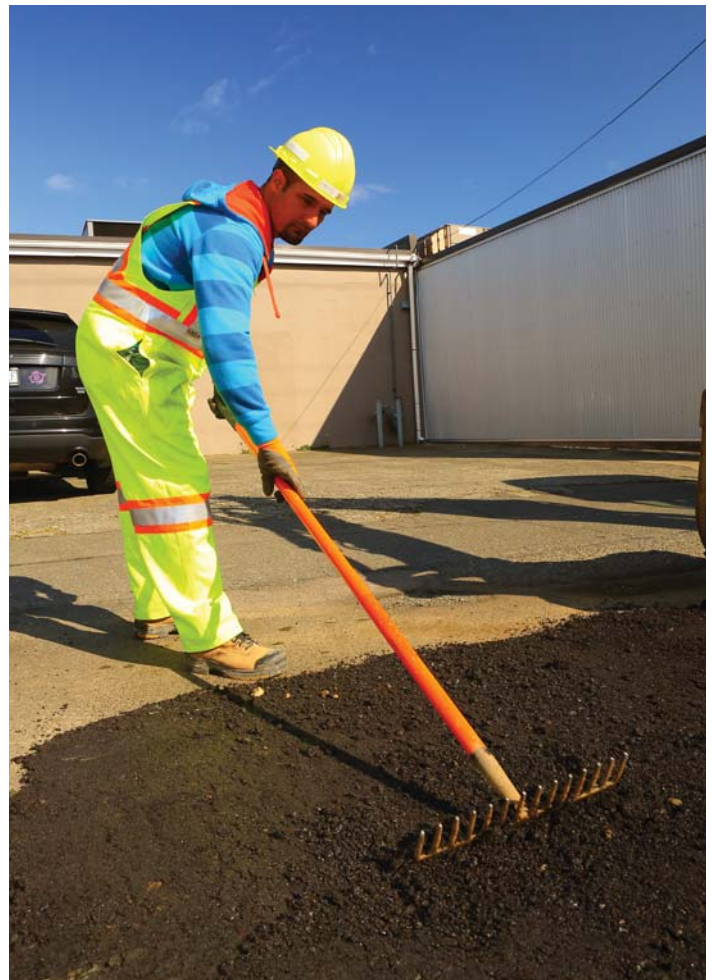
In 2013 Council initiated a multi-year, organization-wide process to adopt Asset Management practices proven successful by leaders in the field. Two decades ago, the Institute of Public Works Engineering Australasia (IPWEA) developed the “National Asset Management Strategy” (NAMS). This system was created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

The 2014 Municipal Annual Report demonstrated much progress toward achieving vision: it reported on a significant amount of staff training, selected condition assessments of existing assets, prioritizing renewal work to avoid risk of in-service failures, increased emphasis on preventative

maintenance and aligning our long-term finances with the difficult task ahead.

During 2015, to build on those preliminary successes, Council formalized the earlier initiatives by making Asset Management a 2016-2018 Strategic Priority and adopting an Asset Management Policy directing staff to use NAMS. And, for the first time, with these new practices firmly embedded, they directly and substantially influenced the City’s most recent five-year financial plan and Workplan.

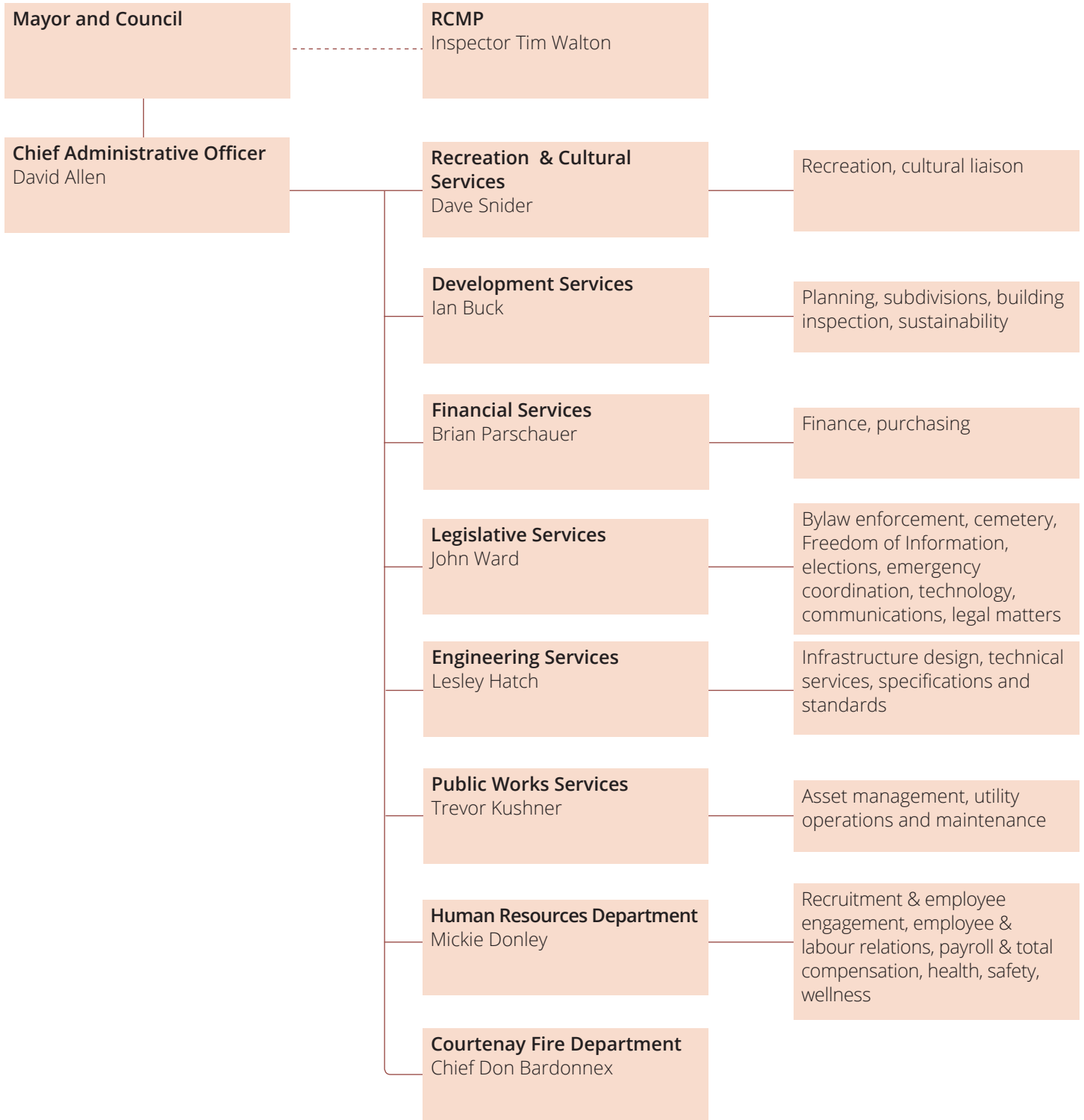
There is no quick fix to solving the asset management issues that have evolved over the century since Courtenay’s beginnings. However, 2015 saw a transition from training and planning to a modest beginning in Asset Management practice to achieve Sustainable Service Delivery.



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



# ORGANIZATIONAL CHART



# WHERE WE ARE



# COURTENAY CENTENNIAL



Symphony and Fireworks, July 2015

The City of Courtenay turned 100 in 2015. To honour this milestone, the city and the Courtenay Centennial Committee organized a number of celebrations throughout the year, and the entire community was invited to join in on the fun.

The kick-off for the year was the “Memories are Made of This” event on New Years’ Eve, December 31 2014. The official centennial launch happened on January 1, 2015 with a pancake breakfast, music, speeches, heritage displays, and centennial cake cutting.

## Citizens of the Century

The Citizens of the Century awards invited the public to nominate individuals, past or present, who deserved to be recognized for their contributions to the community. In April 2015, 330 people were chosen to receive this award. A permanent plaque at Courtenay City Hall lists the names of all award recipients.

## Homecoming Week

The highlight of the centennial year was Homecoming Week, June 27 to July 5, 2015. Homecoming week featured several celebrations including a Kids Sports Festival, Tailgate Party, July 1st Celebrations, concerts at Simms Park, a street dance in downtown Courtenay, Symphony and Fireworks at the Courtenay Airpark, and neighbourhood block parties.

## Centennial Murals

In late 2015, several heritage photo murals were installed on city facilities in and around downtown Courtenay. The murals feature photos provided by the Courtenay and District Museum and show life in Courtenay around 1915. These murals were in addition to several heritage panels installed in downtown Courtenay in 2014.

## Centennial Legacy Endowment Fund

A Centennial Legacy Endowment Fund was established to help direct all fundraising to support youth initiatives through the Comox Valley Community Foundation. Several businesses helped build the fund throughout the year including local wineries (40 Knots, Beaufort, Coastal Black, and Blue Moon) and Hot Chocolates. Centennial t-shirts were also sold to benefit the fund.

As the celebration year came to a close, the Centennial Committee thanked the individuals and organizations, including business community sponsors and city staff, who helped to make it a very special year.

Particular acknowledgement goes to former MP John Duncan and the Department of Canadian Heritage for the funding support, to the individual members of the Centennial Committee for committing over two years to planning and organizing the centennial, and to the person who played a pivotal role in the centennial, the late, great Randy Wiwchar.

What a great year! Let’s do it again in another hundred!





Symphony and Fireworks, July 2015



Symphony and Fireworks



“Youngblood”, Centennial Concert at Simms Park





Citizens of the Century plaque



Heritage mural at Courtenay Museum



Freedom of the City Ceremony for 19 Wing Comox, July 2015

# DEVELOPMENT SERVICES

In 2015, the city issued building permits with a construction value totaling \$195,126,236. \$139,645,757 of this total was for the Comox Valley Hospital, under construction by Island Health. Other significant permits included:

- 94 residential units, Cliffe Avenue/ Anfield Road - \$7.35 million
- 30 residential units, Dingwall Road- \$3.4 million
- curling rink renovation - \$1.9 million
- Fire Department training facility - \$2.3 million
- conversion of Target to Canadian Tire - \$3.5 million

## Approvals and Applications:

- conversion of Target to Canadian Tire
- conversion of 86 units at the Westerly Hotel to seniors housing
- 33 new multi-family residential units - Lake Trail/13th Street
- zoning for 28 new single family lots - Crown Isle
- OCP amendments to facilitate servicing of K'omoks First Nation IR 2 lands

## Projected for 2016:

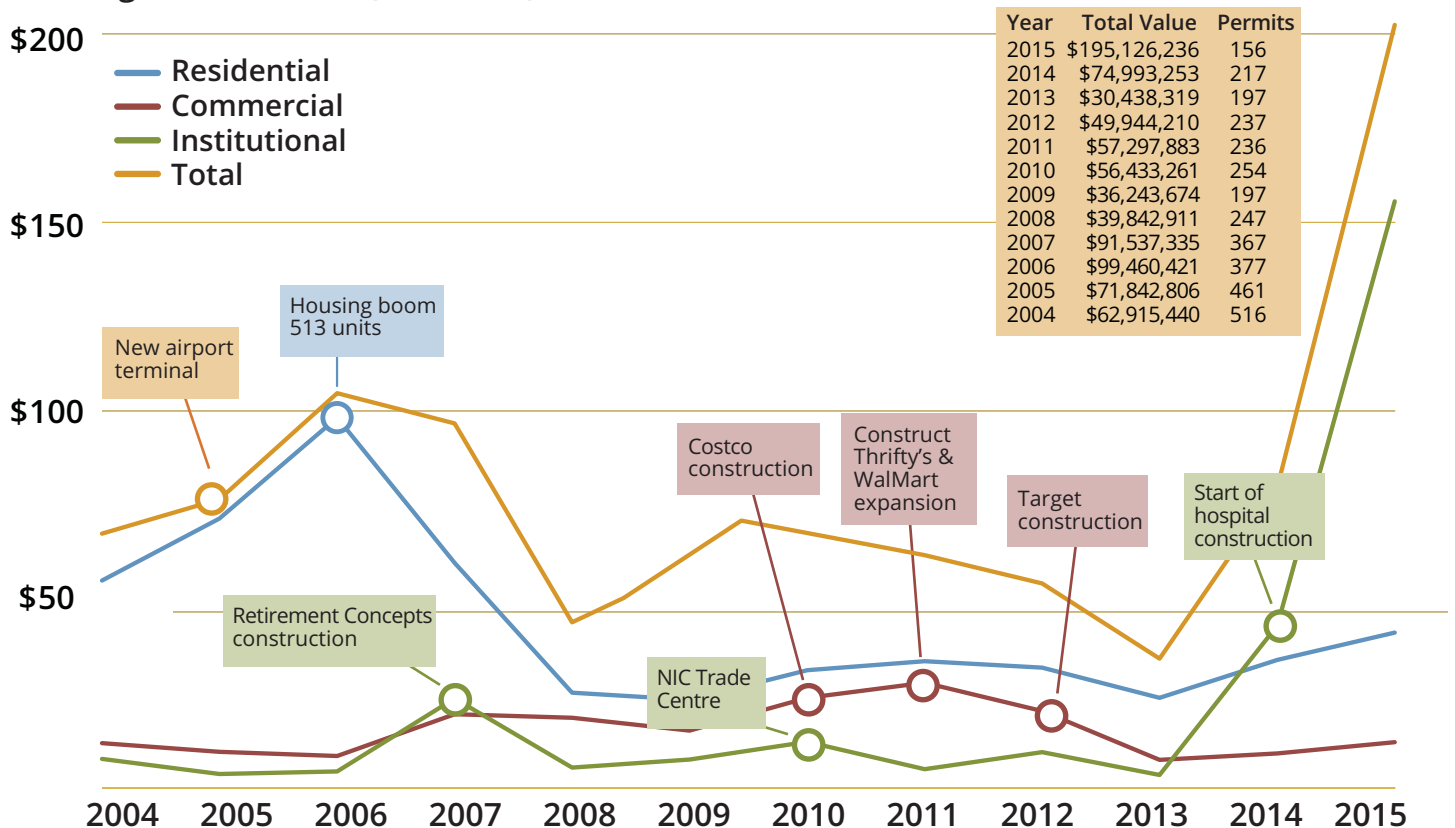
### Commercial

- ongoing involvement with Comox Valley Hospital approval process (\$140 million)
- commercial development in the vicinity of Ryan/Lerwick Roads and Crown Isle Drive
- Vanier School renovation and expansion (\$23.3 million)

### Residential

- Arden Road - three projects under review, plus developments in process
- 19th Street - 71 new multi-family residential units
- Crown Isle - review of several areas within the overall development

## Building Permit Values (\$ millions)





## 2015 GOALS

## PROGRESS MADE TOWARDS GOALS

Downtown Revitalization

A three day discovery forum was held in October 2015 to engage the community and determine priorities for downtown revitalization. A staff report was presented to Council in December. See below for more details on this ongoing initiative.

South and West Downtown Infill

Staff began to conduct research on infill opportunities and best practice in the spring of 2015. The work focused on an analysis of existing housing stock, undeveloped capacity under current zoning, and forms of infill housing that might work for Courtenay. This work will continue in the latter half of 2016.

Affordable Housing

Development Services staff continued involvement in the Braidwood Housing project in 2015 including the Request for Proposals and selection of a project sponsor. Staff anticipate a review of the city's affordable housing policy will begin in late 2016.

Regional Hospital Approval

Following the permits for excavation in July 2014, and for the foundation in September 2014, additional permits were issued in March 2015 for the main hospital structure and in June 2015 for a four-storey parkade.

## Streamlining Development Application Process

In 2015 the City began a significant reorganization to improve the efficiency of development approvals through a "one window" approach. All development application services have been transferred to the Development Services Department.

A new Subdivision and Development Servicing Division was created, staffed by a development engineer and engineering technologist. These staff work closely with staff from the Planning and Building Divisions through the approval of all development applications.

Improving the development process – maximizing service and expediting the process – was a top five strategic priority for Council in 2015.

Other changes included new subdivision applications rolled out earlier in 2015. In addition, the development application bylaw was updated in 2014 to speed up application reviews. New comprehensive engineering specifications, standards and design guidelines are also being developed.

## Downtown Revitalization Process

In October 2015, the City of Courtenay launched a downtown revitalization process with several workshops. Downtown merchants, city council, staff, and members of the general public worked together on developing ideas that support a vibrant downtown. The main workshop session was led by Michael Von Hausen of MVH Urban Planning and Design.

On December 7, 2015, City Council received a staff report on the summary of findings from this initial consultation phase.

Council provided direction to staff to continue to implement a work plan that includes a number of deliverables and consultation opportunities. These include a land economics and market analysis of vacant lands and viability of infill development concepts, illustrated design guidelines, a community design charrette and a community partners action plan.

This project is ongoing through 2016, with a design charrette and preparation of an action oriented "playbook" for Downtown Courtenay.

For more details and updates on the downtown Courtenay revitalization process, visit [www.courtenay.ca/downtown](http://www.courtenay.ca/downtown)

# ENVIRONMENT



## Great Blue Herons move into the neighbourhood

These iconic blue-listed birds moved into a west Courtenay established neighbourhood after abandoning their previous home in Point Holmes due to bald eagle predation.

Great blue herons nest in colonies and generally away from people, and have been an interesting addition to the neighbourhood. This colony is the only known rookery in the Comox Valley and they are now rearing young for the second year in a row.

Residents who live near the birds are asked to minimize noisy and disturbing activities during the nesting season between February and June. Province-wide, great blue herons have experienced declines in their numbers over the years and it is believed there are only approximately 500 nests on Vancouver Island. Welcoming them into our community helps to ensure these birds remain iconic figures to our coastal communities.

## Water Wise Guide available for residents

The summer drought conditions were on many people's minds as residents and businesses were asked to restrict the use of potable water on lawns, gardens, for car washing, and in the home.

Droughts remind everyone that water is a precious and finite resource, which is the message communicated in the Guide to Water Wise Land Development in the Comox Valley. The guide provides background information and helpful tips on how to prepare a 'water wise' development application so that natural hydrological patterns are retained when building and developing land.

A website is being developed with information on other water wise information, including water conservation and living with drought conditions. This guide is produced by the four local government jurisdictions as well as the Comox Valley Land Trust and TimberWest and is available on their websites and at front counter of City of Courtenay, Town of Comox, Village of Cumberland the Comox Valley Regional District.



## Courtenay River fish get more off-channel habitat

2015 saw the restoration of a 'tidal channel' of the Courtenay River at the Courtenay Airpark Lagoon, the result of five years of hard work by Comox Valley Project Watershed Society with support funding from the Fish and Wildlife Compensation Program, Recreational Fisheries Conservation Partnership Program, the North America Partnership for Environmental Community Action Program, Walmart Evergreen, the City of Courtenay and other funders. The sewage lagoon that was constructed in 1962 cut off a tidal channel of the river, thus limiting the amount of habitat available to fish.

A multi-plate culvert has been installed between the river and the lagoon, providing connectivity, increased flows, nutrient cycling, and escape from seal predation. Also, two areas of salt marsh habitat were restored for juvenile salmon and birds, one at the north end of the lagoon and one at the south.

The public can view these enhancements with interpretive signage along the popular Courtenay Riverway Heritage Walk.

# LEGISLATIVE SERVICES

The Legislative Services Department is responsible for the management and administration of civic elections, the business of City Council and its committees, business licence and bylaw enforcement, civic cemetery, communications, legal matters, and records management. The department is also responsible for directing information technology systems and practices.



## 2015 GOALS

## PROGRESS MADE TOWARDS GOALS

Communication Policy

In late 2015, a draft communication policy was developed for the City of Courtenay. The policy will provide direction for both Council members and staff on external and internal communications, ensuring a consistent, coordinated, responsive, and respectful approach. The policy is expected to be presented to Council in 2016.

Media Training Program

In October 2015, Council members and senior staff received training on best practices for media relations.

Records Management Software

In 2015, the City of Courtenay completed the first implementation phase for new records management software. The system is important to ensure the city meets Freedom of Information and Protection of Privacy Act requirements. The system includes a searchable and shareable database.

Phase two, expanding the system to more staff, will be completed in 2016.

Emergency Training Program

Education for Council & senior staff on emergency procedures, including communication, the role of council, was completed in 2015. This training is ongoing and will continue in 2016 and subsequent years.

MicroSoft Conversion

A planned software conversion from Microsoft to an open-source solution was cancelled in 2015.



# ENGINEERING SERVICES

Engineering Services ensures long range planning and capital renewal of public infrastructure systems such as water, waste water, drainage, flood protection structures and transportation services. This includes oversight of City standards and specifications and development cost charge programming.

The department underwent re-organizational shifts in 2015 and early 2016 resulting in a separation from Public Works and maintenance activities, in favour of a focus on infrastructure capacity planning and capital renewal for all civic infrastructure.

The department continues to have a vital technical role in supporting the City's Asset Management Working Group and the development and implementation of the City's Asset Management Plans.

Staff provide technical support and project management oversight for all civic infrastructure capital projects and are committed to the provision of safe, efficient, and environmentally responsible services to our citizens that meet current professional standards and best practices.

Significant capital infrastructure improvements for 2015 included:

- Lewis Park Dike Wall repair
- 2nd Street road and underground utilities reconstruction
- 1st Street Hill Retaining Wall installation
- Watermain Replacement Program [design]
- Lerwick Road Widening from the Thrifty's Commercial Complex to Malahat Drive

## 5th Street Complete Street Pilot Project

"A Complete Street is designed for all ages, abilities, and modes of travel. On Complete Streets, safe and comfortable access for pedestrians, bicycles, transit users and the mobility-impaired is not an afterthought, but an integral planning feature."  
*Complete Streets for Canada*

The 5th Street Complete Street Pilot Project will include a substantial overhaul of above-ground and below-ground infrastructure on 5th Street between Fitzgerald and Menzies Avenues. Once completed, the project will significantly improve walking and cycling routes, a key factor in encouraging alternate modes of transport in the city. Along with new trees and other landscaping, other proposed improvements include innovative stormwater management through the installation of rain gardens throughout the corridor.

| 2015 GOALS  | PROGRESS MADE TOWARDS GOALS   |
|---|---|
| Complete Street Pilot Project                     | Ongoing. Council chose 5th Street (Menzies to Fitzgerald). Funding application submitted spring 2015; grant funding awarded February 2016. 100 percent of eligible project costs will be covered through the federal Gas Tax Fund, under the Strategic Priorities Fund - Local Roads, Bridges and Active Transportation category. |
| Integrated Flood Management Study (IFMS)          | Finalized in May 2015. Mitigation plan for Puntledge Business area completed in fall 2015 – Complete.   |
| Subdivision Bylaw Review – Construction Standards | Ongoing progress throughout 2015. A draft version of the proposed bylaw is available online at <a href="http://www.courtenay.ca/subdivisionbylaw">www.courtenay.ca/subdivisionbylaw</a>   |
| DCC Bylaw Review                                  | Ongoing throughout 2015. Final adoption by Council in May 2016 – Complete.  |
| Asset Inventory/Condition Assessment              | Ongoing progress throughout 2015.   |



Public Works Day, May 2015

## Public Works Services

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

In May 2015, the Public Works Yard held “Public Works Day” for local students, giving them an up-close look at how the City of Courtenay manages our roads, underground utilities, and other infrastructure.

## Flood Mitigation

The December 2014 flood was difficult on many residents and businesses in Courtenay, particularly those that experienced flood damage.

In 2015, the City of Courtenay made progress on several initiatives to mitigate the impact of flooding in low-lying areas, particularly the Puntledge Business District. These initiatives allow the city to take a proactive approach to flood mitigation:

- acquired the Aqua Dam, a temporary water-filled flood control barrier. The Aqua Dam was set up in December 2015 due a potential flood risk; fortunately flooding was averted.
- planned a new manhole-blocking system, which will prevent flood waters from backing up through the storm drain network; installation is scheduled for 2016
- updated flood operations procedures



Aqua Dam test, November 2015





# COURTENAY FIRE DEPARTMENT

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

The department includes six full time staff and 47 volunteers. In 2015, members responded to a total of 762 incidents. 519 of these were emergency responses.

The Courtenay Fire Department's Training Division provides quality instruction to both career and volunteer members using both contract and in-house fire service instructor/ evaluators. In 2015, over 4,000 training hours were documented by Courtenay volunteer fire fighters.

## W.A. Lane Macdonald Fire Training Center

This facility opened in October 2015, and features a training area encircled by a built-to-scale city street, working fire hydrants, and space for driver and pumper operator training.

The live fire training building is constructed from cost-effective sea containers, offering natural gas fire simulation and artificial smoke, and the ability to turn the fire on and off by a switch. Movable walls and floor plans simulate a residential home, hotel, motel, or commercial building. Digital fire technology

provides safe and comprehensive training with self-generating simulated flames that respond directly to the trainee's actions.

The facility is large enough to accommodate multiple scenario-based training exercises, improving the efficiency and logistics of fire fighter training. All Courtenay firefighters are now able to practice in one location at the same time, allowing officers to practice leading during large-scale fire and emergency events.

Other City of Courtenay employees are also able to use the facility, such as confined space training for Public Works crews.

The training centre is named after long-time training officer, retired Captain Lane MacDonald. Captain Macdonald has been a member of the department since the 1960's, and was promoted to Training Officer in 1989. He was also a Zone Representative for the B.C. Fire Training Officers Association.

He retired from active duty in 2003 after 32 years of service to the department. He continues to attend weekly training sessions and has been a major contributor to the Recruit Training Program for the past 11 years since his retirement.

## Volunteer Opportunities

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

# RCMP

The City of Courtenay contracts policing services from the RCMP under The Municipal Policing Services Agreement. For the past several years the city has authorized 30.4 police officers and 9 support staff for Courtenay. There were just over 80 staff working in the Comox Valley Detachment.

Also working from the Comox Valley but not attached to the detachment are other units such as the Integrated Road Safety Unit, Island District General Investigation Section, North Island Operational Communications Centre, Air Services, and the Traffic Reconstructionist.

Over the past year, your Comox Valley RCMP Detachment has worked in partnership with the City of Courtenay on a variety of issues to enhance public safety.

The RCMP continue to work on concerns of local residents and business owners to reduce vandalism and thefts. They can't do this alone however and a simple thing like locking your car doors will go a long way to reduce victimization.

The return of a regular bike patrol in the downtown core has enhanced contact with the downtown merchants, employees and residents while addressing several issues such as panhandling and public drinking.

Crime reduction continues to remain a focus of all detachment members. The focus is essentially on prolific offenders and crime hot spots. The residents of the Comox Valley can help the RCMP be more effective by reporting all crime, allowing the RCMP to better direct limited resources.

This year the RCMP will continue to educate the residents of the Comox Valley regarding domestic violence. The education consists of regular media releases and will also include a school component beginning in the fall of 2016. Assistance from community partners and the community at large is an important factor in reducing this victimization.

The Municipal Traffic Section continues to target distracted driving along with other driving infractions. Distracted driving has been identified as the second leading cause of crash fatalities in BC.

The detachment will continue to work with the local Citizens on Patrol volunteers with Speed Watch and Cell Watch which collect statistics and data relating to speeding and cell phone use. This information is then provided to the traffic section so that specific locations within Courtenay receive increased enforcement action.



Police Based Victim Services has recently added five therapy dogs to their contingent of volunteers. The therapy dogs are trained to help reduce anxiety in children and adult victims. Victim Services relies on a group of very dedicated and professional volunteers who provide the Valley with 24 hour a day emergency service

In an effort to examine resource levels and scheduling, the detachment is conducting a General Duty Staffing Analysis. The results will be shared with the City to determine adequate resource levels for the coming years.

The detachment continues to work with the city to replace the 32 year old RCMP building on Ryan Road which they outgrew several years ago.

The members of the Comox Valley RCMP appreciate the opportunity to serve such a wonderful community, and the detachment looks forward to increased collaboration with the residents and community partners such as the City of Courtenay to enhance community safety.



# RECREATION & CULTURAL SERVICES



## Courtenay Recreation

The Recreation Division offers programs for all ages and abilities, from newborns to seniors. The Recreation Division includes the Cozy Corner preschool, as well as a wide range of preschool activities. As children develop they can access dance, gymnastics, sports, daycamps, music, arts and crafts. In addition to the programming offered to children, youth and adults also have martial arts, yoga, water sports, media arts, cooking, indoor and outdoor sports. In 2015, 14,413 participants enjoyed the 940 pre-registered programs offered through the Recreation Division.

Through a partnership with the Courtenay Recreational Association (CRA), the City supports regionally significant programming such as Special Needs Recreation, the Building Friendships program and the Evergreen Club for seniors.

The facilities managed by recreation include the Lewis Centre, Florence Filberg Centre, Native Sons Hall and the LINC Youth Centre. The Lewis Centre offers a fully equipped wellness centre (over 46,000 visits in 2015), outdoor pool, gymnasiums, squash courts and many flexible rooms for programming. The Florence Filberg Centre offers convention and meeting space, and is also the home of the CRA Evergreen Club. This organization for members aged 55 and over boasts over 2,000 members and a wide variety of recreation programming.

The LINC Youth Centre serves participants from ages 9 to 18. The facility features an indoor skatepark, media room as well as flexible space for both programming, events while creating a safe place for youth to hang out. Over 6,000 youth accessed drop-in programming at The LINC Youth Centre in 2015.

## Rotary Trail Phase Five

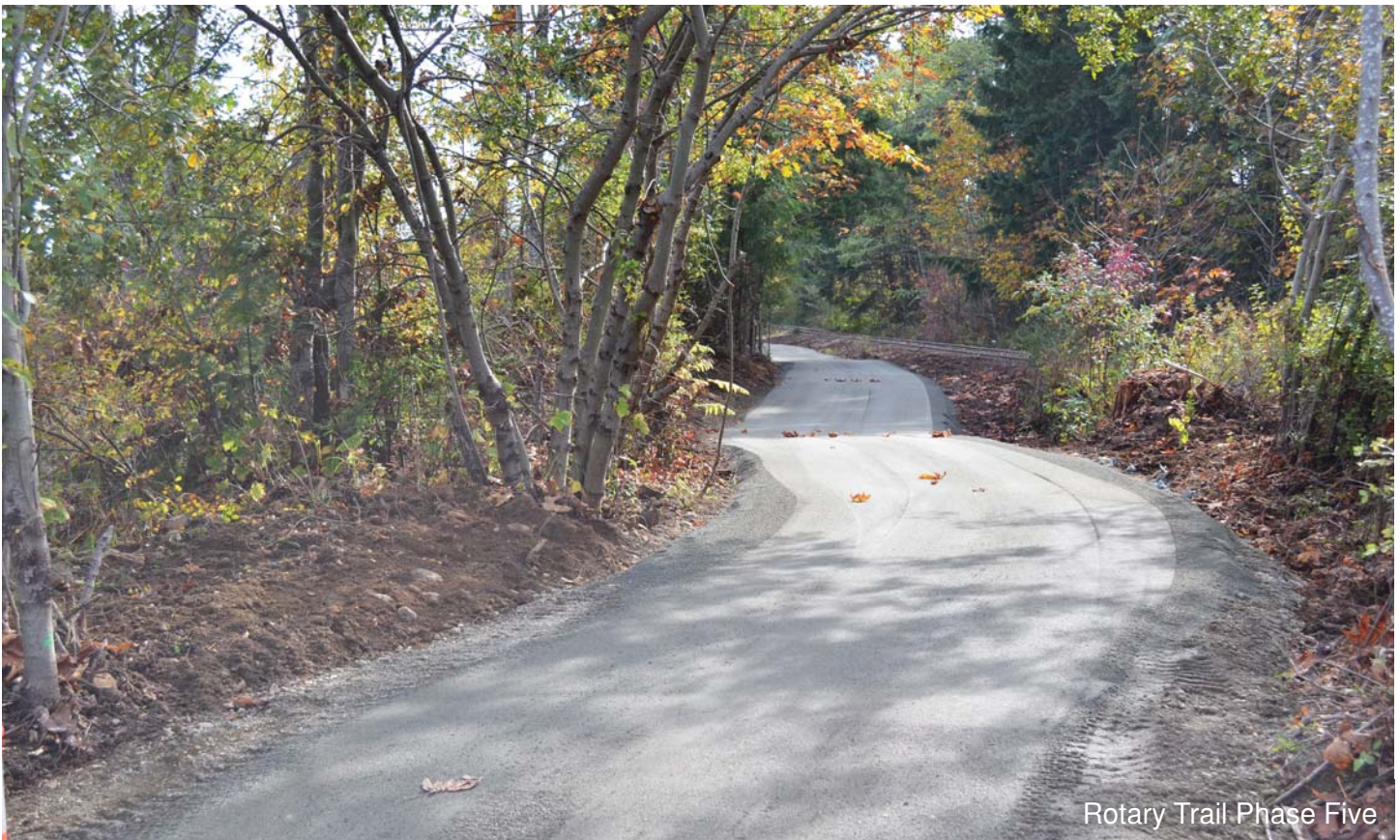
The fifth phase of the Rotary Trail from 26th to 29th Streets was completed in 2015. This latest section curves through forested sections and features lovely views of the estuary as it nears the highway connector. This hard-surface gravel "rail with trail" along the E&N corridor is a multi-use trail for walkers and cyclists. It's an important and popular north-south connection through west Courtenay, stretching north to 5th Street.

The Courtenay Rotary Club raised \$100,000 for the first three phases of the trail and continues to be a strong partner of the project. Recently the club provided financial support for benches along the trail and regularly conducts work parties on site. The Rotary Trail is a partnership between the City of Courtenay, Courtenay Rotary and the Island Corridor Foundation.

## 2015 GOALS

## PROGRESS MADE TOWARDS GOALS

|                            |   |
|----------------------------|---|
| Civic Land Inventory       | Ongoing. Staff initiated an inventory of lands owned by the City of Courtenay in 2015, and issued a request for proposals for further analysis. A consultant is now evaluating the information on city-owned parcels against criteria for highest-and-best-use. The final report is expected in 2016.   |
| Centennial Celebration     | Complete. Along with the hard work of the Centennial Committee, Director of Community Services Randy Wiwchar dedicated countless hours towards the Courtenay Centennial celebrations. Service clubs and hundreds of volunteers helped make this centennial year one for the ages. For more information about the Centennial Celebration, see page 11.   |
| Public Works Yard          | Ongoing. In 2015 a consultant was engaged to conduct a needs assessment that would build a business case for the creation of a new Public Works building. The first assessment phase was completed in 2015; work will continue in 2016.   |
| Downtown Viability Program | Ongoing. The Courtenay Centennial celebrations included many community events in and around downtown. Centennial banners were also installed, a nod to history in our downtown streets. Other ongoing downtown events supported by the City of Courtenay included Elevate the Arts, Market Days, Comox Valley Downtown Farmers' Market, Simms Concert Series and the Canada Day celebrations. |





# HUMAN RESOURCES

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

HR's services include recruitment, hiring, and orientation, compensation and benefits administration, occupational health and safety, employee wellness, disability case management, performance management, and employee and labour relations.

Fostering a collaborative and respectful workplace continues to be a priority for HR. In 2015, a guide summarizing the City's 13 page Respectful Workplace Policy was created and rolled out by HR. The CUPE Local 556 Courtenay Unit Vice-President assisted in the rollout with the distribution of pocket cards titled "Respect begins with a Smile". Both parties affectionately coined this as the "Smile" campaign. The brochure's user-friendly format and local photos make the brochure more relevant for staff. You can find a link to the brochure at [www.courtenay.ca/hr](http://www.courtenay.ca/hr).

Staff celebrated the City of Courtenay's Centennial year throughout 2015 by showcasing each workplace to co-workers through a friendly competition called "The Centennial Games". Staff event organizers were encouraged to be unique and creative, incorporate some historical aspect of the workplace, limit the project's environmental footprint, promote employee wellness, and encourage team involvement and camaraderie. The Public Works Yard combined theirs with Public Works Day and invited local school students to attend. City of Courtenay employees went above and beyond for these events, and in the end it was impossible to select just one winner.

"Feel Good Fridays", staff's personal fundraising for local charities, allows employees to wear jeans every Friday while giving back to the community. In 2015, \$3,995 was raised through the program.

These and other staff events help create a fun and engaging workplace, contribute to morale, and encourages team building amongst staff.

## Worksafe BC Certificate of Recognition

The safety program at the City of Courtenay received top marks from WorksafeBC during a 2015 audit. The Certificate of Recognition from the WorkSafeBC Partners in Injury Prevention program recognises employers who have implemented strong health and safety programs, exceeding regulatory requirements and taking a best-practice approach. The designation will result in incentive payments for the city: an annual rebate of up to 10 percent of the premiums that the city pays into the WCB system.

The city's safety program is yielding tangible results: a steady decrease in our injury rates over the past several years, proof that the safety program is working. Courtenay has the fourth-lowest injury rate for municipalities of similar size in the province.

The City of Courtenay scored 93 percent on the audit, well above the 80 percent required to achieve certification.

Some of the highest scoring categories were Organizational Commitment (97 percent) and the Joint Health and Safety Committee (99 percent).

Other audit categories included programs and procedures, hazard identification and control, training, education and certification, inspections, incident investigation, and program administration.

While the financial incentive for this certificate is welcome, safe work practices pay dividends you can't put a price on. Keeping workers safe benefits our employees, their families, and all Courtenay residents. It also demonstrates to both existing and potential employees that Courtenay takes safety seriously, which is good for morale, recruitment and retention.

City staff developed an action plan to address any audit categories where there was room for improvement.

The BC Municipal Safety Association presented the certificate to the City at the July 20, 2015 City Council meeting.

## 2015 GOALS

## PROGRESS MADE TOWARDS GOALS

### Mission / Values

In January 2015, the city began an internal process to define a corporate mission and core values, to assist with improving workplace culture and building a strong team oriented organization. A staff survey provided important feedback and formed a baseline that will be used to measure progress. The corporate mission and core values were formally launched to staff in 2016.

### Collective Agreement

In June 2015 the city concluded negotiations with CUPE, Local 556 resulting in a four-year agreement with 2 percent annual wage increases. The agreement applies to approximately 125 of the city's total employees.

### Work Safe COR Audit

In May 2015 the city volunteered for a WorksafeBC audit. The successful audit resulted in a Certificate of Recognition from the WorkSafeBC Partners in Injury Prevention program, along with significant premium rebates.

### Human Resource Software

In 2015, the city purchased new human resources software. Information Technology and HR staff have been working with software representatives on configuration, training, and customization. The HRIS will significantly increase efficiency for the HR Department and provide better tracking and reporting tools.

### Performance Management System

A comprehensive Performance Planning & Evaluation template for senior management was completed by HR. This tool will aid in setting performance objectives, assessing progress, and providing ongoing coaching and feedback. HR is developing new templates specific to each level of the organization and is revising the overall performance management program to replace the traditional annual performance review with a system that provides ongoing feedback.







Centennial Sports Festival, June 2015



# FINANCIAL SERVICES

Financial Services is responsible for maintaining the financial health of the city through safeguarding the city's financial assets and planning for the future. Activities include long-term financial planning, annual budget development, investments, accounting, treasury and cash management, and all statutory financial reporting.

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

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



| 2015 GOALS                                | PROGRESS MADE TOWARDS GOALS  |
|---|--|
| Electronic Applications: Home Owner Grant | A new electronic Home Owner Grant option was launched in May 2015. It allows home owners to claim their grants quickly and conveniently online. In this first year, 1,734 Home Owner Grants were claimed electronically, representing 23 percent of the total number of grants applied for.  |
| Contaminated Site Inventory               | In 2015, the City of Courtenay completed an inventory of contaminated sites as per Public Sector Accounting Board requirements and best practices. This inventory will help the city understand and prepare for potential future liabilities and site remediation.   |
| Reserves Review                           | The City of Courtenay began a review of reserve funds in 2015. This review includes both statutory reserves (required by the local government act or city bylaw), as well as general reserves. This review is ongoing.   |
| Fire Training Grounds                     | The new W.A. Lane Macdonald Fire Training Centre opened in October 2015. Former Director of Finance Tillie Manthey, now retired, led this project, which was completed \$119,000 under-budget and has dramatically improved training resources for the Courtenay Volunteer Fire Department.  |
| Gaming Fund Review Distribution Policy    | The City of Courtenay has a gaming facility within its municipal boundaries, and receives 10 percent of net commercial gaming revenues. Gaming funds support downtown arts and culture, council initiatives and projects, public safety and security, social issues, infrastructure, and "green" projects and innovation. A staff review of the Gaming Fund policy was presented to Council in January 2016. |



## **IMPORTANT 2016 PROPERTY TAX DATES**

**Claim your Home Owner Grant  
online by July 4, 2016:**

**[courtenay.ca/ehog](http://courtenay.ca/ehog)**

**For payment options, visit:**

**[courtenay.ca/billpayments](http://courtenay.ca/billpayments)**

**May 27, 2016**

- 2016 Property Tax Notices mailed

**July 4, 2016**

- Tax payments due
- Provincial Home Owner Grant applications due
- Tax Deferment applications due
- Last day to avoid 10% penalty on unpaid current taxes and unclaimed grants

**July 5, 2016**

- 10% penalty added to all unpaid current taxes and unclaimed grants

**August 1, 2016**

- Tax Installment Preauthorized Payment Plan (TIPP) deductions start for the next taxation year

**September 26, 2016**

- Statutory property tax sale for all properties three years in arrears of taxes

**December 30, 2016**

- Last day to pay current year taxes prior to rollover into arrears category. (Arrears and delinquent category taxes are subject to a daily interest penalty)



# PROPERTY TAX EXEMPTIONS

Every year, the City of Courtenay receives applications from non-profit organizations that qualify for tax exemption under the requirements of Provincial legislation. For 2015, the following exemptions were approved by Council.

| Registered Owners                                 | Exempt Amount of City Property Taxes |
|---|--------------------------------------|
| Aaron House Ministries                            | \$1,909                              |
| Alano Club of Courtenay                           | 2,626                                |
| Canadian Red Cross Society                        | 1,513                                |
| City of Courtenay - Leased Office Space           | 4,434                                |
| Comox Valley Boys and Girls Club                  | 2,215                                |
| Comox Valley Child Development Association        | 11,346                               |
| Comox Valley Curling Club                         | 11,596                               |
| Comox Valley Family Services Association          | 4,733                                |
| Comox Valley Kiwanis Village Society              | 9,822                                |
| Comox Valley Pregnancy Care Centre                | 930                                  |
| Comox Valley Recovery Centre Society              | 4,193                                |
| Comox Valley Transition Society                   | 1,448                                |
| Courtenay & District Historical Soc. In Trust     | 1,899                                |
| Courtenay Elks Lodge                              | 1,744                                |
| Eureka Support Society                            | 2,820                                |
| Glacier View Lodge Society                        | 56,691                               |
| Habitat for Humanity V.I. North Society           | 278                                  |
| Island Corridor Foundation - Train Station        | 2,979                                |
| L'Arche Comox Valley                              | 859                                  |
| Nature Trust of B.C. - Sandpiper Park             | 5,958                                |
| Old Church Theatre Society                        | 5,362                                |
| Royal Cdn. Legion, Courtenay Br. (Pacific) No. 17 | 7,124                                |
| Saltwater Education Society                       | 385                                  |
| St. John the Divine Abbeyfield House Society      | 2,826                                |
| Stepping Stones Recovery House for Women Soc.     | 942                                  |
| Upper Island Women of Native Ancestry             | 620                                  |
| Youth for Christ Comox Valley                     | 648                                  |
| <b>Total Non-Profit Annual Tax Exemptions</b>     | <b>\$147,901</b>                     |

Council adopted a ten year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2015 value of properties exempt is as follows:

|  |                 |
|--|-----------------|
| Island Corridor Foundation                         | \$15,887        |
| <b>Total Island Corridor Foundation exemptions</b> | <b>\$15,887</b> |

Council adopted a five-year Permissive Tax Bylaw to exempt the following City owned properties, managed/occupied by non-profit societies. The 2015 value of properties exempt is as follows:

|                                    |                  |
|------------------------------------|------------------|
| Comox Valley Centre of the Arts    | 22,982           |
| Courtenay & District Museum        | 18,260           |
| Courtenay Airpark                  | 94,213           |
| Courtenay Marina                   | 17,157           |
| McPhee Meadow Park                 | 1,820            |
| Roy Morrison Nature Park           | \$3,496          |
| Sid Williams Theatre               | 24,008           |
| <b>Total City owned properties</b> | <b>\$181,937</b> |

Provincial Legislation (the Community Charter) statutorily exempts the building and the land on which the building stands, for places of worship, specific seniors' housing, hospitals and private schools. Council may, by bylaw, permissively exempt the land surrounding the building. In 2015, Council adopted a bylaw to exempt the following surrounding lands:

|   |                  |
|---|------------------|
| Anglican Synod Diocese of BC                                      | \$2,025          |
| Bishop of Victoria-Catholic Church                                | 997              |
| Central Evangelical Free Church                                   | 325              |
| Courtenay Baptist Church  | 757              |
| Elim Gospel Hall  | 590              |
| Foursquare Gospel Church of Canada                                | 5,422            |
| Grace Baptist Church  | 114              |
| Kingdom Hall of Jehovah Witnesses                                 | 607              |
| LDS Church  | 1308             |
| Lutheran Church   | 662              |
| River Heights Church Society                                      | 808              |
| Salvation Army Canada West  | 352              |
| Seventh Day Adventist Church                                      | 374              |
| St. George's Church   | 709              |
| Valley United Pentacostal Church                                  | 437              |
| <b>Total Permissive Surrounding Statutory Land Tax Exemptions</b> | <b>\$15,487</b>  |
| <b>Total Permissive Exemptions - Overall</b>                      | <b>\$361,202</b> |




# 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.



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



Larry Jangula  
Mayor

### Independent Auditors' Report

To the Mayor and Council of the City of Courtenay:

We have audited the consolidated statement of financial position of The Corporation of the City of Courtenay as at December 31, 2015 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, 2015 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 27, 2016

*MNP* LLP

Chartered Professional Accountants



# The Corporation of the City of Courtenay

## Consolidated Statement Of Financial Position - Statement A

As at December 31, 2015

|  | 2015                 | 2014                 |
|--|----------------------|----------------------|
| <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           |
|  | <b>44,584,666</b>    | <b>45,567,566</b>    |
| <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           |
|  | <b>31,886,926</b>    | <b>33,488,672</b>    |
| <b>NET FINANCIAL ASSETS</b>                          | <b>12,697,740</b>    | <b>12,078,894</b>    |
| <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          |
|  | <b>131,614,972</b>   | <b>124,374,457</b>   |
| <b>ACCUMULATED SURPLUS (Schedule 2)</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 Operations - Statement B

For the year ended December 31, 2015

|   | 2015 Budget          | 2015                 | 2014                 |
|---|----------------------|----------------------|----------------------|
|   | (Note 16)            |                      |                      |
| <b>REVENUE</b>                                  |                      |                      |                      |
| 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 - Statement C

For the year ended December 31, 2015

|   | 2015 Budget        | 2015                | 2014                |
|---|--------------------|---------------------|---------------------|
|   | (Note 16)          |                     |                     |
| 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)         |
|   | (10,013,329)       | (7,428,600)         | (228,127)           |
| 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             |
|   | -                  | 188,085             | (127,486)           |
| <b>CHANGE IN NET FINANCIAL ASSETS/NET DEBT</b>            | <b>(6,541,718)</b> | <b>618,846</b>      | <b>7,519,233</b>    |
| <b>NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR</b> | <b>12,078,894</b>  | <b>12,078,894</b>   | <b>4,559,661</b>    |
| <b>NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR</b>       | <b>\$5,537,176</b> | <b>\$12,697,740</b> | <b>\$12,078,894</b> |

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

## The Corporation of the City of Courtenay

### Consolidated Statement Of Cash Flow - Statement D

For the year ended December 31, 2015

|  | 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>                | <b>(3,781,975)</b>  | <b>10,404,800</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                  | <b>28,371,670</b>   | <b>17,966,870</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                        | <b>\$24,589,693</b> | <b>\$28,371,670</b> |
| Interest paid on outstanding debt and included in annual surplus above | \$823,506           | \$1,000,660         |

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



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

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.

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.

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

### (e) Inventories

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

### (f) Tangible Capital Assets

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

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

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

### (g) Financial Instruments

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

### (h) Debt Charges

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

|                                      | 2015               | 2014               |
|--------------------------------------|--------------------|--------------------|
| 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                                | 1,515,375          | 2,492,661          |
| <b>Total Receivables</b>             | <b>\$3,755,852</b> | <b>\$4,992,181</b> |



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

### (j) Accounts Payable

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

|                                      | 2015               | 2014               |
|--------------------------------------|--------------------|--------------------|
| 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        | 4,610,420          | 2,703,549          |
| <b>Total Accounts Payable</b>        | <b>\$6,773,433</b> | <b>\$5,921,044</b> |

### (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.

#### **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:

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

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.

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:



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

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 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 | 935,535            |
|      | <b>\$4,724,131</b> |

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

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

## 3. PENSION LIABILITY

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd pension plan. The

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

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.

#### 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.

|   | 2015               | 2014               |
|---|--------------------|--------------------|
| <b>Opening balance of unspent funds</b> | \$4,008,322        | \$3,121,718        |
| <b>Additions:</b>                       |                    |                    |
| Amounts received during the year        | 1,034,277          | 1,034,277          |
| Interest earned                         | 20,774             | 23,441             |
| <b>Deductions:</b>                      |                    |                    |
| Amount spent on projects                | (1,327,448)        | (171,114)          |
| <b>Closing balance of unspent funds</b> | <b>\$3,735,925</b> | <b>\$4,008,322</b> |



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

### 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:

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

### 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.

#### 2015 Development Cost Charge Reserves

|  | General<br>BL #2426 | Water Utility<br>BL #2426 | Sewer Utility<br>BL #2426 | Sewer Utility<br>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> | <b>\$3,049,041</b>  | <b>\$463,577</b>          | <b>\$327,170</b>          | <b>\$33,474</b>           | <b>\$3,873,262</b> |

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

### 2014 Development Cost Charge Reserves

|  | General<br>BL #2426 | Water Utility<br>BL #2426 | Sewer Utility<br>BL #2426 | Sewer Utility<br>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> | <b>\$2,491,051</b>  | <b>\$365,857</b>          | <b>\$161,701</b>          | <b>\$33,307</b>           | <b>\$3,051,916</b> |

## 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<br>FINANCIAL POSITION | 2015             | 2014             | CEMETERY PERPETUAL CARE FUND<br>FINANCIAL ACTIVITIES | 2015            | 2014            |
|--|------------------|------------------|--|-----------------|-----------------|
| <b>Financial Assets</b>                            |                  |                  | <b>Revenue</b>                                       |                 |                 |
| Cash on Hand                                       | \$71,736         | \$62,262         | Fees Levied  | \$11,966        | \$12,543        |
| Investments - MFA                                  | 234,169          | 232,194          | Interest Revenue                                     | 2,696           | 3,211           |
| <b>Liabilities</b>                                 |                  |                  | <b>Expenditure</b>                                   |                 |                 |
| Interest Payable to City                           | 2,696            | 3,212            | Interest Expense                                     | 2,696           | 3,212           |
| <b>Net Financial Position</b>                      | <b>\$303,209</b> | <b>\$291,244</b> | <b>Excess Revenue over Expenditure</b>               | <b>\$11,966</b> | <b>\$12,542</b> |

# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

- (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.

### 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:

|  | 2015               | 2014               |
|--|--------------------|--------------------|
| <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)          |
| <b>Ending Balance Deferred Revenue Other</b> | <b>\$1,713,694</b> | <b>\$2,501,039</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.



# The Corporation of the City of Courtenay

## Notes to Consolidated Financial Statements

For the year ended December 31, 2015

### 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.

## 14. TANGIBLE CAPITAL ASSET DETAILS (See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

|                                  | 2015                 | 2014                 |
|----------------------------------|----------------------|----------------------|
| 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               |
|                                  | <b>\$131,104,017</b> | <b>\$123,675,417</b> |

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.

## 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>         |
| 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)                                      | 5,296,801          |
| <b>Budgeted Surplus per Consolidated Statement of Operations</b> | <b>\$3,471,611</b> |

# The Corporation of the City of Courtenay

(Note 13)  
Page 1 of 3

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

For the year ended December 31, 2015 (Audited)

|                              | General<br>Government Services |                   | Protective Services |                    | Transportation<br>Services |                    | Environmental<br>Health Services |                  |
|------------------------------|--------------------------------|-------------------|---------------------|--------------------|----------------------------|--------------------|----------------------------------|------------------|
|                              | 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          | -                                |                  |
| Transfer from Other<br>Funds |                                |                   |                     |                    |                            |                    |                                  |                  |
| 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>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           |
| Goods and Services           | 1,132,525                      | 946,752           | 6,217,959           | 4,911,720          | 1,343,946                  | 1,412,868          | 2,747,548                        | 2,590,060        |
| Capital Expenditures         |                                |                   |                     |                    |                            |                    |                                  |                  |
| Amortization Expense         | 170,925                        | 188,353           | 292,512             | 244,026            | 2,462,585                  | 2,461,561          | 280,487                          | 271,437          |
| Debt Servicing               | 24,034                         | 14,617            | 80,007              | 11,635             | 263,575                    | 314,539            |                                  |                  |
| Transfer from Other<br>Funds |                                |                   |                     |                    |                            |                    |                                  |                  |
| Other Expenditures           | 396,813                        | 1,228,815         | 174,021             | 183,339            | 218,524                    | 216,205            | 5,000                            | 4,059            |
| Loss on Disposal of TCA      |                                |                   |                     |                    |                            | 148,132            |                                  |                  |
| <b>Total Expenses</b>        | <b>4,611,266</b>               | <b>5,015,423</b>  | <b>8,374,893</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>ANNUAL SURPLUS</b>        | <b>18,558,503</b>              | <b>17,127,511</b> | <b>(6,183,854)</b>  | <b>(5,380,466)</b> | <b>(3,220,889)</b>         | <b>(1,256,578)</b> | <b>344,523</b>                   | <b>(95,885)</b>  |



# The Corporation of the City of Courtenay

(Note 13)  
Page 2 of 3

## Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) For the year ended December 31, 2015 (Audited)

|                              | Public Health<br>& Welfare Services |                | Environmental<br>Development Services |                   | Recreational and<br>Cultural Services |                    | Water Utility Services |                    |
|------------------------------|-------------------------------------|----------------|---------------------------------------|-------------------|---------------------------------------|--------------------|------------------------|--------------------|
|                              | 2015                                | 2014           | 2015                                  | 2014              | 2015                                  | 2014               | 2015                   | 2014               |
| <b>REVENUE</b>               |                                     |                |                                       |                   |                                       |                    |                        |                    |
| Taxation                     |                                     |                |                                       |                   |                                       |                    | \$697,061              | \$691,749          |
| Sales of Services            |                                     |                |                                       |                   |                                       |                    | 4,643,240              | 4,530,857          |
| Revenue from Own Sources     |                                     |                | 482,351                               | 459,628           | 1,593,716                             | 1,399,074          | 116,095                | 139,834            |
| Government Transfers         | 90,532                              | 118,818        | 1,100                                 | 4,947             | 92,408                                | 125,506            | 36,700                 | 37,750             |
| Transfer from Other<br>Funds |                                     |                |                                       |                   |                                       |                    |                        |                    |
| Other Revenue                | 143,966                             | 148,921        | 227,915                               | 222,667           | 60,525                                |                    |                        | 104,000            |
| Other Contributions          |                                     |                | 139,500                               | 62,457            | 234,845                               | 143,262            | 307,486                | 308,765            |
| Interest Earned              |                                     |                | 3,583                                 | 4,479             | 15,759                                | 18,387             | 8,473                  | 11,635             |
| Actuarial Adjustment         |                                     | -              |                                       | -                 |                                       |                    | -                      | -                  |
| Proceeds on sale of TCA      |                                     | -              |                                       | -                 |                                       |                    | -                      | -                  |
| <b>Total Revenues</b>        | <b>234,498</b>                      | <b>267,739</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>EXPENSES</b>              |                                     |                |                                       |                   |                                       |                    |                        |                    |
| Salaries and Benefits        | 163,223                             | 147,564        | 547,205                               | 546,670           | 3,652,569                             | 3,767,220          | 608,242                | 555,115            |
| Goods and Services           | 81,396                              | 80,380         | 272,741                               | 274,703           | 2,306,143                             | 2,207,425          | 2,723,450              | 2,741,230          |
| Capital Expenditures         |                                     |                |                                       |                   |                                       |                    |                        |                    |
| Amortization Expense         | 22,020                              | 21,337         | 2,533                                 | 2,533             | 786,895                               | 789,298            | 353,082                | 339,732            |
| Debt Servicing               |                                     |                |                                       |                   | 42,269                                | 116,356            | 20,745                 | 21,595             |
| Transfer from Other<br>Funds |                                     |                |                                       |                   |                                       |                    |                        |                    |
| Other Expenditures           | -                                   | 5,728          | 6,288                                 | 9,030             | 646,891                               | 637,229            | 40,126                 | 90,686             |
| Loss on Disposal of TCA      |                                     |                |                                       |                   |                                       | 7,042              |                        | 10,202             |
| <b>Total Expenses</b>        | <b>266,639</b>                      | <b>255,009</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>ANNUAL SURPLUS</b>        | <b>(32,141)</b>                     | <b>12,730</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> |

## The Corporation of the City of Courtenay

(Note 13)  
Page 3 of 3

### Consolidated Schedule of Segment Disclosure by Service - Schedule 1 (continued) For the year ended December 31, 2015 (Audited)

|                           | Sewer Utility Services |                    | Other Services     |                    | Consolidated       |                    |
|---------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                           | 2015                   | 2014               | 2015               | 2014               | 2015               | 2014               |
| <b>REVENUE</b>            |                        |                    |                    |                    |                    |                    |
| Taxation                  | \$1,915,852            | \$1,900,562        |                    |                    | \$23,359,764       | \$22,658,118       |
| Sales of Services         | 3,518,427              | 3,107,819          | 507,106            | 458,476            | 12,499,386         | 11,717,705         |
| Revenue from Own Sources  | 49,000                 | 57,478             |                    |                    | 3,568,322          | 3,014,344          |
| Government Transfers      |                        |                    | 168,750            | 177,568            | 2,752,521          | 5,793,044          |
| Transfer from Other Funds |                        |                    |                    |                    | -                  | -                  |
| Other Revenue             |                        |                    |                    |                    | 569,615            | 594,252            |
| Other Contributions       | 839,531                | 632,654            | 64,606             | 72,225             | 3,954,739          | 2,308,587          |
| Interest Earned           | 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>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     | 350,897                | 368,688            | 575,559            | 584,369            | 12,429,918         | 12,450,505         |
| Goods and Services        | 810,026                | 798,111            | 300,328            | 278,380            | 17,936,060         | 16,241,629         |
| Capital Expenditures      |                        |                    |                    |                    | -                  | -                  |
| Amortization Expense      | 199,680                | 157,002            |                    |                    | 4,569,989          | 4,475,279          |
| Debt Servicing            | 47,845                 | 101,571            |                    |                    | 478,475            | 580,313            |
| Transfer from Other Funds |                        |                    |                    |                    | -                  | -                  |
| Other Expenditures        | 3,069,188              | 2,823,568          |                    |                    | 4,556,851          | 5,198,659          |
| Loss on Disposal of TCA   | 732                    | 6,318              |                    |                    | 732                | 171,694            |
| <b>Total Expenses</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>\$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

### Consolidated Schedule Of Accumulated Surplus & Reserves - Schedule 2

For the year ended December 31, 2015 (Unaudited)

|  | 2015                 | 2014                 |
|--|----------------------|----------------------|
| <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                                | 131,271,382          | 123,081,004          |
| <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              |
|  | 10,298,015           | 10,787,774           |
| Water Utility Reserves:                      |                      |                      |
| Water Utility                                | 1,499,008            | 1,500,061            |
| Machinery and Equipment                      | 222,109              | 191,151              |
|  | 1,721,117            | 1,691,212            |
| Sewer Utility Reserves:                      |                      |                      |
| Sewer Utility                                | 471,948              | 420,644              |
| Machinery and Equipment                      | 550,241              | 472,717              |
|  | 1,022,189            | 893,361              |
| Total Reserves                               | 13,041,321           | 13,372,347           |
| <b>ACCUMULATED SURPLUS (Statement A)</b>     | <b>\$144,312,712</b> | <b>\$136,453,351</b> |



# The Corporation of the City of Courtenay

## Consolidated Schedule of Tangible Capital Assets - Schedule 3 For the year ended December 31, 2015 (Audited)

| COST   | Engineering Structures |                    |                     |                                      |                     |                     |                    | Other<br>Tangible<br>Capital Assets | Total           | 2014                 |                         |
|--|------------------------|--------------------|---------------------|--------------------------------------|---------------------|---------------------|--------------------|-------------------------------------|-----------------|----------------------|-------------------------|
|  | Land<br>Improvements   | Land               | Buildings           | Equipment/<br>Furniture/<br>Vehicles | Roads               | Water               | Sewer              |                                     |                 |                      | Other<br>Capital Assets |
| Opening Balance  | \$-                    | \$406,032          | \$291,612           | \$22,171                             | \$647,731           | \$133,880           | \$1,089,953        | \$654,317                           | \$-             | \$3,245,696          | 4,389,182               |
| 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               |
| Add: Construction-in-progress                              | -                      | (304,016)          | (86,939)            | (22,171)                             | (84,948)            | (47,703)            | (1,019,548)        | (65,251)                            |                 | (1,630,576)          | (3,256,292)             |
| Less: Transfers into Service                               |                        |                    |                     |                                      |                     |                     |                    |                                     |                 |                      |                         |
| Less: Writedowns &<br>Reallocations                        |                        |                    |                     |                                      |                     |                     |                    |                                     |                 |                      | -                       |
| Closing Balance  | -                      | 334,777            | 538,982             | 21,040                               | 2,721,247           | 552,660             | 306,677            | 855,238                             | 49,952          | 5,380,573            | 3,245,696               |
| Construction-in-progress                                   |                        |                    |                     |                                      |                     |                     |                    |                                     |                 |                      |                         |
| Opening Balance  | \$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             |
| Tangible Capital Assets                                    |                        |                    |                     |                                      |                     |                     |                    |                                     |                 |                      |                         |
| Add: Additions (including<br>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  |                        |                    |                     |                                      |                     |                     |                    |                                     |                 |                      |                         |
| Less: Write-downs  |                        |                    |                     | (359,794)                            | (17,640)            |                     | (2,926)            |                                     |                 | (380,360)            | (661,187)               |
| Closing Balance  | 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             |
| Capital Assets and CIP                                     |                        |                    |                     |                                      |                     |                     |                    |                                     |                 |                      |                         |
| <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<br>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<br/>ended December 31, 2014</b> | <b>\$21,396,279</b>    | <b>\$3,988,015</b> | <b>\$19,970,079</b> | <b>\$6,651,284</b>                   | <b>\$46,721,004</b> | <b>\$11,358,181</b> | <b>\$8,319,284</b> | <b>\$12,600,065</b>                 | <b>\$99,809</b> | <b>\$131,104,017</b> | <b>\$123,675,417</b>    |

## The Corporation of the City of Courtenay

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

For the year ended December 31, 2015 (Audited)

| Bylaw Number                      | Maturity Date                      | Interest Rate | Principal Outstanding Dec 31/14 | Current Year Borrowing | Actuarial Adjustment/ Princ. Reduct. | Principal Outstanding Dec 31/15 |                   |
|-----------------------------------|------------------------------------|---------------|---------------------------------|------------------------|--------------------------------------|---------------------------------|-------------------|
| <b>General Capital Fund</b>       |                                    |               |                                 |                        |                                      |                                 |                   |
| Debenture 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> |                                    |               |                                 | <b>14,503,018</b>      | <b>-</b>                             | <b>1,579,059</b>                | <b>12,923,959</b> |
| <b>Water Capital Fund</b>         |                                    |               |                                 |                        |                                      |                                 |                   |
| Debenture Debt                    |                                    |               |                                 |                        |                                      |                                 |                   |
| 2424                              | Water Extension - Lerwick Road     | 2026          | 4.66                            | 414,343                | -                                    | 27,576                          | 386,767           |
| <b>TOTAL WATER CAPITAL FUND</b>   |                                    |               |                                 | <b>414,343</b>         | <b>-</b>                             | <b>27,576</b>                   | <b>386,767</b>    |
| <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           |
| <b>TOTAL SEWER CAPITAL FUND</b>   |                                    |               |                                 | <b>2,273,109</b>       | <b>-</b>                             | <b>109,653</b>                  | <b>2,163,456</b>  |
| <b>TOTAL ALL CAPITAL FUNDS</b>    |                                    |               |                                 | <b>17,190,472</b>      | <b>-</b>                             | <b>1,716,288</b>                | <b>15,474,182</b> |

## The Corporation of the City of Courtenay

### Consolidated Schedule Of Investments - Schedule 5

For the year ended December 31, 2015 (Audited)

|  | 2015                | 2014                |
|--|---------------------|---------------------|
| <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                                   | \$346,670           | \$343,711           |
| <b>Total Cash on Hand and on Deposit</b>   | <b>\$24,589,693</b> | <b>\$28,371,670</b> |
| <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          |
| <b>Total Term Deposits</b>   | <b>16,239,121</b>   | <b>12,203,715</b>   |
| <b>TOTAL CASH AND INVESTMENTS (Statement A)</b>                                      | <b>\$40,828,814</b> | <b>\$40,575,385</b> |



# STRATEGIC PRIORITIES 2016 – 2018

## We actively pursue vibrant economic growth

- Revitalizing our downtown is critical to our economic future
- Continue to improve our relationship with business in our community
- ▲ Our investment in economic development is measurable
- ▲ Continue to explore innovative economic options
- The regional airport is a key economic driver

## We proactively plan and invest in our natural and built environment

- Continued focus on asset management for sustainable service delivery
- Focus on infrastructure renewal rather than upgrades
- Continued support for social, economic and environmental sustainability solutions
- ▲ We look for regional infrastructure solutions for shared services to our community

## We value multi-modal transportation in our community

- We support developing multi-modal transportation network plans
- As we build new or replace existing transportation infrastructure, we are consistent with what we learn from our Complete Streets Pilot Project
- ▲ Support our regional transit service while balancing service improvements with costs

## We support diversity in housing and reasoned land use planning

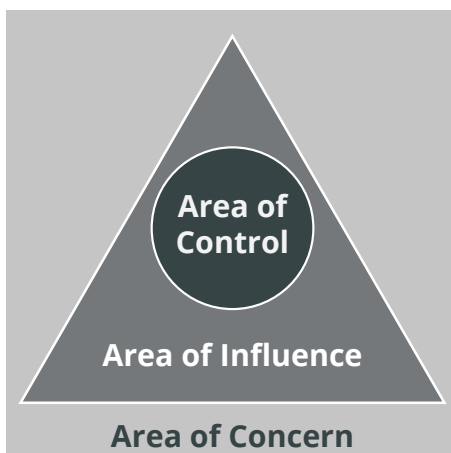
- Support densification aligned with community input and regional growth strategy
- Assess how city-owned lands can support our strategic land acquisitions and disposals
- ▲ Support initiatives and incentives to encourage lower cost housing
- Proactively pursue housing diversity and advocate for senior government support

## We focus on organizational and governance excellence

- We support and encourage initiatives to improve efficiencies
- We support meeting the fundamental corporate and statutory obligations
- We recognize staff capacity is a finite resource
- Communication with our community is a priority, and is considered in all decisions we make
- We responsibly provide services at a level which the people we serve are willing to pay

## We invest in our key relationships

- We value and recognize the importance of our volunteers
- We will continue to engage and partner with service organizations for community benefit
- ▲ We actively engage with our K'ómoks First Nation neighbours on issues of mutual interest and concern
- ▲ We advocate and cooperate with other local governments and senior governments on regional issues affecting our city



### ● 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.







CITY OF  
**COURTENAY**

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