



# **Consolidated Financial Statements**

**Year Ended  
December 31, 2016**



# **TOWN OF COMOX**

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### **Year Ended December 31, 2016**

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# TOWN OF COMOX

## 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 is responsible for the integrity and objectivity of these statements as well as the supplementary statements and schedules.

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 Town's independent auditors, have conducted an examination of the consolidated financial statements in accordance with Canadian auditing standards and have expressed their opinion in a report accompanying this statement.

A handwritten signature in cursive script, reading "Jacquest.", positioned above a horizontal line.

Donald Jacquest  
Director of Finance

## Independent Auditors' Report

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To the Mayor and Council of the Town of Comox:

We have audited the accompanying consolidated financial statements of the Town of Comox, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, change in net financial assets, and cash flows, and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### *Opinion*

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

Courtenay, British Columbia

April 19, 2017

*MNP* LLP

Chartered Professional Accountants

**Town of Comox**  
**Consolidated Statement of Financial Position**  
**as at December 31, 2016**

**Statement 1**

	2016	2015
<b>Financial Assets</b>		
Cash	\$ 3,816,826	\$ 9,422,775
Short-term investments (Note 2b)	19,632,609	11,985,336
Receivables (Note 4)	995,799	1,116,617
Land for resale	<u>9,847</u>	<u>9,847</u>
	<u>24,455,081</u>	<u>22,534,575</u>
<b>Financial Liabilities</b>		
Payables (Note 5)	3,442,794	3,187,919
Deferred revenue (Schedule 3)	6,685,124	6,433,506
Net debenture debt (Note 6)	932,801	1,417,397
Performance deposits and bonds	<u>1,302,656</u>	<u>1,268,096</u>
	<u>12,363,375</u>	<u>12,306,918</u>
<b>Net Financial Assets</b>	<u>12,091,706</u>	<u>10,227,657</u>
Contingent liabilities (Note 7)		
<b>Non Financial Assets</b>		
Tangible capital assets (Schedule 5)	85,664,830	84,296,372
Supply inventory	212,026	242,249
Prepaid expenses	58,195	55,444
Shares in Courtenay Golf Club Ltd.	<u>8,750</u>	<u>8,750</u>
	<u>85,943,801</u>	<u>84,602,815</u>
<b>Accumulated Surplus (Note 18)</b>	<u>\$ 98,035,507</u>	<u>\$ 94,830,472</u>



Donald Jacquest, Director of Finance, responsible for financial administration for the Town of Comox.

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Comox**  
**Consolidated Statement of Operations**  
Year Ended December 31, 2016

**Statement 2**

	2016 Budget Note 17	2016	2015
<b>Revenue</b>			
Property valuation taxes	\$ 7,864,507	\$ 7,861,808	\$ 7,602,337
Parcel taxes	633,581	629,109	623,410
Payments in lieu of taxes (Federal & Provincial)	1,389,281	1,453,520	1,420,360
<b>Revenue from Taxation</b>	9,887,369	9,944,437	9,646,107
Utility fees	6,072,855	6,147,154	5,828,507
Other sales of services	2,390,621	2,434,644	2,332,440
Licenses, permits and planning fees	210,250	266,343	241,196
Development Cost Charges used for capital expenditures	292,050	8,759	16,188
Tangible capital assets contributed through development	-	30,825	61,468
Donations	93,900	26,300	13,464
Investment income	115,000	173,075	207,597
Interest and penalties on taxes and utilities	88,000	54,163	93,819
Actuarial earnings on debenture sinking fund	-	112,090	95,733
Rentals	130,981	136,837	131,717
Other	17,700	41,857	24,717
Gain on disposal of tangible capital asset	-	33,000	47,385
Unconditional transfers from governments and agencies	415,000	387,149	424,029
Conditional transfers from governments and agencies	2,958,821	2,019,647	671,221
Debenture refunds upon maturity	-	-	1,138
	22,672,547	21,816,280	19,836,726
<b>Expenses</b>			
General government	1,569,669	1,685,432	1,367,569
Protective services	3,022,103	2,724,527	2,724,333
Transportation	1,700,953	3,171,175	2,958,341
Garbage and recycling services	1,423,904	1,353,934	1,289,726
Development services	534,548	445,166	477,761
Marina	164,803	234,981	221,255
Recreation, parks, and culture	3,986,856	4,334,680	4,312,932
Water services	2,135,455	2,421,747	2,180,320
Sewer services	2,055,146	2,239,603	2,313,033
	16,593,437	18,611,245	17,845,270
<b>Surplus for the year</b>	\$ 6,079,110	\$ 3,205,035	\$ 1,991,456
Accumulated surplus at start of year		\$ 94,830,472	\$ 92,839,016
Accumulated surplus at end of the year		\$ 98,035,507	\$ 94,830,472

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Comox**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the Year Ended December 31, 2016**

**Statement 3**

	2016 Budget Note 17	2016	2015
<b>Surplus for the year (Statement 2)</b>	\$ 6,079,110	<b>\$ 3,205,035</b>	\$ 1,991,456
Tangible capital assets acquired through development	-	<b>(30,825)</b>	(61,468)
Acquisition of tangible capital assets	(7,698,041)	<b>(4,252,451)</b>	(2,599,205)
Amortization of tangible capital assets	-	<b>2,914,818</b>	2,778,599
Disposition of tangible capital assets	-	-	594,759
Increase in prepaid expenses	-	<b>(2,751)</b>	10,622
Increase in / decrease in supply inventory	-	<b>30,223</b>	(23,466)
	(1,618,931)	<b>1,864,049</b>	2,691,297
<b>Increase (Decrease) in Net Financial Assets</b>	(1,618,931)	<b>1,864,049</b>	2,691,297
<b>Net Financial Assets at beginning of year</b>	10,227,657	<b>10,227,657</b>	7,536,360
<b>Net Financial Assets at end of year (Statement 1)</b>	\$ 8,608,726	<b>\$ 12,091,706</b>	\$ 10,227,657

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Comox**  
**Consolidated Statement of Cash Flows**  
**as at December 31, 2016**

**Statement 4**

	2016	2015
Net inflow (outflow) of cash related to the following activities:		
<b>Operating Activities</b>		
Surplus for the year (Statement 2)	\$ 3,205,035	\$ 1,991,456
Non-cash items included in operations:		
Contribution from developers	(30,825)	(61,468)
Amortization of tangible capital assets	2,914,818	2,778,599
Disposition of tangible capital assets		594,759
Actuarial increase in debenture sinking funds	(112,090)	(95,733)
Net changes to financial assets & liabilities through operations:		
(Increase in) / decrease in receivables	120,818	172,187
Increase in / (decrease in) payables	254,875	(501,460)
Increase in / (decrease in) deferred revenue	251,618	307,735
Increase in / (decrease in) performance deposits and bonds	34,560	91,886
(Increase in) / decrease in supply inventory	30,223	(23,466)
(Increase in) / decrease in prepaid expenses	(2,751)	10,622
	<b>6,666,281</b>	<b>5,265,117</b>
<b>Investing Activities</b>		
Short-term investing	<b>(7,647,273)</b>	1,249,462
<b>Capital Activities</b>		
Acquisition of tangible capital assets	<b>(4,252,451)</b>	(2,599,205)
<b>Financing Activities</b>		
Debenture principal repaid	<b>(372,506)</b>	(379,107)
<b>Increase (decrease) in cash</b>	<b>(5,605,949)</b>	3,536,267
<b>Cash at beginning of year</b>	<b>9,422,775</b>	5,886,508
<b>Cash at end of year (Statement 1)</b>	<b>\$ 3,816,826</b>	<b>\$ 9,422,775</b>
<b>Interest paid</b>	<b>\$ 153,056</b>	<b>\$ 175,144</b>
<b>Interest received</b>	<b>\$ 173,075</b>	<b>\$ 203,877</b>

The accompanying notes are an integral part of the consolidated financial statements.



**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

1. PURPOSE

The Town of Comox was incorporated in 1946 to provide municipal services to its residents, and is governed by the Community Charter and the Local Government Act of British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) British Columbia Municipalities

It is the policy of the Town to follow accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. As part of this policy, the resources and operation of the Town 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.

The consolidated financial statements are prepared in accordance with recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the financial position, financial operations, change in net financial assets, and change in cash flows of the one economic entity of the Town of Comox. Inter-fund transactions and fund balances have been eliminated on consolidation.

(b) Short-term Investments

Investments are comprised of various investment funds of the Municipal Finance Authority of BC which have fluctuating returns and are carried at the lower of cost and market value, and a six-month Guaranteed Investment Certificate yielding 1.26% that matures January 23, 2017.

<b>Short-term Investments</b>	<b>2016</b>	<b>2015</b>
Municipal Finance Authority of BC Funds:		
Short-term Bond Fund	\$ 48,346	\$ 47,660
Intermediate Bond Fund	5,682,509	5,619,992
Money Market Fund	<u>7,867,993</u>	<u>6,317,684</u>
	<u>13,598,848</u>	<u>11,985,336</u>
Scotiabank Guaranteed Investment Certificate	<u>6,033,761</u>	<u>-</u>
Total short-term investments	<u>\$ 19,632,609</u>	<u>\$ 11,985,336</u>

(c) Trust Fund

A Town-administered trust fund has been excluded from the financial statements. The balance in the fund was \$77,776 at December 31, 2016 (\$76,672 in 2015). It was invested in the MFA Short-term Bond Fund in 2016 and 2015. The only transactions in the fund were interest earned (\$1,104 in 2016 and \$1,848 in 2015).

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) **Tangible Capital Assets**

Tangible capital assets are recorded at cost, net of disposals, write-downs and amortization. Acquisitions exceeding the capitalization thresholds are capitalized. The Town records certain infrastructure assets as one network without breaking down the asset into component parts.

Expenditures to replace components of such a network are expensed as incurred. Amortization is calculated straight line over the estimated life of the class of assets. Amortization is not taken until the asset is in use, and is taken at one-half of normal rate in that first year. Repairs and maintenance are not capitalized, but are expensed in the period in which they occur. Betterments which enhance the asset life or capacity are capitalized.

<b>Major Asset Category:</b>	<b>Threshold</b>	<b>Estimated Life</b>	<b>Amortization Rate</b>
Land	None	Indefinite	None
Land improvements	\$10,000	25 years	4%
Buildings	\$10,000	50 years	2%
Vehicles, Machinery and Equipment	\$10,000	8 to 20 years	5% to 12.5%
Computers and programs	\$10,000	5 years	20%
Engineered Structures:			
Road surfaces	\$10,000	25 years	4%
Road sub-surfaces	\$10,000	50 years	2%
Sidewalks	\$10,000	50 years	2%
Storm drains surface	\$10,000	25 years	4%
Storm drains sub-surf.	\$10,000	75 years	1.3333%
Water	\$10,000	75 years	1.3333%
Sewer	\$10,000	75 years	1.3333%
Other surface structures	\$10,000	25 years	4%

(e) **Accrued Payroll Benefits**

- Earned but unpaid vacation is fully accrued and recorded in the financial statements.
- An accrual is made for expected payments of employee sick leave, payout on retirement, disability or death, and termination pay discounted from expected future values to net present value at year-end.

(f) **Inventory**

Inventory of supplies is recorded as a non-financial asset and is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

(g) **Funds**

The financial operations of the Town of Comox are divided into seven funds: General Operating Fund, General Capital Fund, Reserve Fund, Water Operating Fund, Water Capital Fund, Sewer Operating Fund and Sewer Capital Fund. Functionally, the Water and Sewer Funds are used for the services of distribution of potable water and collection and treatment of sanitary sewage respectively. The General Operating Fund is used for all other Town services. Capital Funds (General, Water and Sewer) are used to segregate tangible capital assets and related debt). All revenue and expenses for services are recognized in the operating funds. The Reserve Fund is used to segregate capital and other statutory reserves.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue Recognition

Property tax revenues are recognized in the year they are levied. User fees and garbage revenues are recognized when the service is provided. Interest and operating grants are recognized as earned. Capital grants are recognized when the related acquisition occurs. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees, garbage collection and disposal are recognized as revenue on an accrual basis according to rates set in various fees and charges bylaws. Permit fees are recognized once the permit has been approved and the fee collected. Development cost charges are deferred and recognized as revenue in the year an acquisition authorized by bylaw is incurred. Contributed parcels of land are valued at fair market value at the date of contribution. Contributed tangible capital assets are recorded at fair market value when the contribution is received. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(i) 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 Town is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

At each financial reporting date, the Town reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Town 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.

(j) Measurement Uncertainty

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 the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the estimated life of tangible capital assets (used to establish amortization), determination of employee benefit obligations, collectability of accounts receivable and provisions for contingencies. Actual results may vary from the estimates and adjustments will be reported and reflected in operations as they become known. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Town is responsible for.

3. RECENT ACCOUNTING PRONOUNCEMENTS

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

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(b) Definition of Assets

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

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

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

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

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

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

(c) Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook. 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 Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(d) Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook. 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 Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

(e) Restructuring Transactions

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

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

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

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018.

Earlier application is encouraged.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

4. RECEIVABLES

Receivables are composed of the following amounts:

Due from:	2016	2015
Employees	\$ 1,219	\$ 617
Governments	394,671	235,774
Others	<u>599,909</u>	<u>880,226</u>
Total receivables	<u>\$ 995,799</u>	<u>\$ 1,116,617</u>

5. PAYABLES

Payables are composed of the following amounts:

Due to:	2016	2015
Employees (payroll earned to year end)	\$ 176,649	\$ 149,016
Employees (accruals for vacation and post-employment benefits)	922,127	866,749
Governments	1,702,434	1,791,047
Others	<u>641,584</u>	<u>381,107</u>
Total payables	<u>\$ 3,442,794</u>	<u>\$ 3,187,919</u>

6. DEBENTURES ISSUED FOR THE TOWN

The Town's debenture debt arises from participation in debenture issues by the Municipal Finance Authority (MFA) of B.C. These are sinking-fund type debentures with various terms and interest rates. The outstanding debt reported is the original amount borrowed less the actuarial value of the sinking fund, including interest. The outstanding debentures at December 31, 2016 are:

Issued	Purposes of Borrowing	Terms	Interest Rates	Amount Borrowed	Sinking Fund	Net Owing	Debt Reserve	Promissory Note
April 2004	Kye Bay Water & Sewer System	19 years	2.40%	\$ 317,250	\$ 193,482	\$ 123,768	\$ 4,985	\$ 9,731
Oct. 2004	Downtown Revitalization	14 years	2.00%	475,000	385,774	89,226	7,337	19,272
Apr. 2008	Library	9 years	4.65%	2,100,000	1,828,427	271,573	27,874	127,042
Apr. 2008	Pt. Holmes Water	14 years	4.65%	270,000	136,008	133,992	3,584	10,958
Apr. 2011	Comox Rec. Center	7 years	4.20%	<u>1,000,000</u>	<u>685,758</u>	<u>314,242</u>	<u>12,030</u>	<u>74,305</u>
Totals at December 31, 2016				<u>\$ 4,162,250</u>	<u>\$ 3,229,449</u>	<u>\$ 932,801</u>	<u>\$ 55,810</u>	<u>\$ 245,468</u>
Totals at December 31, 2015				<u>\$ 4,162,250</u>	<u>\$ 2,744,853</u>	<u>\$ 1,417,397</u>	<u>\$ 54,051</u>	<u>\$ 245,468</u>

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

6. DEBENTURES ISSUED FOR THE TOWN (continued)

Scheduled Payments and net balances for the above issues over the next five years are:

Year	Scheduled Annual Payments			Sinking Fund	Net Debt
	Principal	Interest	Total	Actuarial Earnings	Outstanding
2017	\$ 372,506	\$ 167,909	\$ 540,415	\$ 132,033	\$ 428,261
2018	174,071	70,259	244,330	68,801	185,389
2019	23,225	18,759	41,984	15,384	146,780
2020	23,225	18,759	41,984	17,095	106,462
2021	23,225	18,759	41,984	18,885	64,350

At the time the debentures were issued, the MFA deposited 1% of the amount borrowed to its Debt Reserve Fund. This is managed by the MFA and used to secure the debenture issue as a whole (see Note 7 Contingent Liabilities). Once the MFA has repaid the debenture issue, the Town is entitled to the proceeds of its share of the Debt Reserve Fund, including accrued interest.

7. CONTINGENT LIABILITIES

- (a) **Regional District Debt**  
Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the Regional District and each member municipality within the Regional District, including the Town of Comox. At December 31, 2016 the Comox Valley Regional District had net debt of \$36,029,833 owing (\$40,682,790 at December 31, 2015) which is \$78,039,519 in debt issues net of \$42,009,686 sinking funds at December 31, 2016 (\$86,243,762 net of \$45,560,972 sinking funds at December 31, 2015) including debentures issued for the Town (Note 6), the City of Courtenay, the Village of Cumberland and itself.
- (b) **Municipal Finance Authority Debentures**  
The Town is also contingently liable to the Municipal Finance Authority (MFA) of B.C. for a Debt Reserve Fund, to help secure its participation MFA Debentures (see Note 6). The MFA has the right, if one or more participants in that issue default, to draw upon the Town's share of the Debt Reserve Fund (\$55,810 at December 31, 2016; \$54,293 in 2015), plus Promissory Notes issued by the Town at the time of issue (\$241,308 at December 31, 2016; \$241,308 in 2015).
- (c) **Comox Fire Department**  
The Comox Fire Department protects both the Town of Comox and the Comox Rural Fire Protection Improvement District, and so is jointly funded by the Town and the District. In the event that this relationship ended, the Town would have to compensate the District for its share of the equity of Fire Department assets. At December 31, 2016 the District's share of those tangible capital assets (at cost and net book value) were \$898,154 and \$353,751 respectively (\$885,233 and \$377,647 in 2015) and its share of a Fire Department Capital Reserve was \$101,535 (\$84,365 in 2015).
- (d) **Municipal Insurance Association of BC**  
The Town is a subscribed member of the Municipal Insurance Association of BC (the "Exchange") as provided by Section 3.02 of the Insurance Act. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any Subscriber. Under the Reciprocal Insurance Exchange Agreement the Town is assessed a premium with specific deductible for its claims based on population. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its Subscribers in connection with the Exchange are in every case several, and not joint and several.
- (e) **Claims**  
At December 31st there existed outstanding claims against the Town. These claims have been referred to legal counsel and to the Town's liability insurers. It is not possible to determine the Town's potential liability, if any, with respect to these matters.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

8. PENSION INFORMATION

The Town of Comox and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit plan. Basic pension benefits are based on a formula. As at December 31, 2015 the Plan had about 189,000 active members (including approximately 37,000 contributors from local governments) and approximately 85,000 retired members.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2.224 billion funding surplus for basic pension benefits. The next valuation will be as at December 31, 2018 with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan. The Town of Comox paid \$422,304 for employer contributions to the plan in 2016, on behalf of 68 employees (\$411,460 in 2015 on behalf of 66 employees).

9. POST EMPLOYMENT BENEFITS

Town employees who have worked at least 10 years for the Town and then retire, become permanently disabled, or die receive 2 days pay for each year of service. The Town calculates the value of this liability (\$446,300 at December 31, 2016 and \$425,871 in 2015) for employees over age 30 based upon an analysis of the age and length of service of its workforce. The reported liability reflects the likelihood that employees will become eligible for this benefit. The calculations were projected into the future with an inflation factor of 2.0% and discounted back at a discount rate of 2.85% (2% and 2.69% respectively in 2015). Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.

10. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, short-term investments, receivables, payables, net debenture debt, performance deposits and bonds. It is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments.

11. ENVIRONMENTAL REGULATIONS

The Town makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenses 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.

12. FEDERAL PAYMENTS IN LIEU OF TAX

Although the Town is not economically dependent upon receipt of Federal Payments in Lieu of Tax (PILT), it normally receives 15% of its revenue from taxation from this source of revenue. Were the Government of Canada to halt its PILT, there would be a significant impact on operations that could result in either a reduction in service levels and/or an increase in property tax rates.

13. RESTRICTIONS ON DEFERRED REVENUE

The Town receives Development Cost Charges from developers. Section 935 of the *Local Government Act* requires that these funds are deposited to reserves and limits the use of those reserves (including the interest earned on them) to capital costs related to the purpose for which the charge was collected. Section 941 of the *Local Government Act* similarly limits the use of cash payments received in lieu of the 5% parklands provided at subdivision of land, for acquisitions of parkland.



**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

14. TRANSFERS BETWEEN RESERVE FUNDS

During 2014 the Town transferred \$800,000 from the Sewer Enterprise Reserve to the Capital Works Reserve, from which it was spent on a capital project. Under Section 189 of the Community Charter, the Town must repay this transfer with an amount equivalent to the interest that would have been earned had these funds remained in the Sewer Enterprise Reserve. In its 2016 Financial Plan Council has budgeted \$150,000 per year for repayment of the transfer, including interest.

15. SEGMENTED INFORMATION

The Town of Comox is a local government that provides a wide range of services to its citizens. For management and reporting purposes the Town's operations are organized and reported by segments. Schedules 6 and 7 (for 2016 and 2015, respectively) of these Financial Statements disclose the Town's revenue and expenses split into the following segments:

General Government – including the activities of Council plus general Town administration, finance, and enforcement of Town bylaws.

Protective Services – including the activities of the RCMP on behalf of Comox, plus the Comox Volunteer Fire Department, building inspection, emergency planning and animal control.

Transportation – including roads, sidewalks, street lighting, traffic control and storm drains.

Waste Disposal – including collection and disposal of garbage, recyclables and yard waste. The Town does not operate any landfills or transfer facilities.

Development Services – including Town planning and our annual grants to the Downtown Business Improvement Area Association.

Marina – is operation of the Town's marina.

Recreation, Parks and Culture – including operating the Town's recreation centre and public recreation programs, Town parks and greenways, cultural grants from the Town and events sponsored for the Town, Christmas lighting, and Town buildings used for recreation and cultural activities. The Town is a member of the Vancouver Island Regional Library (VIRL), and owns library space that it rents to VIRL, which operates the Comox library branch.

Water – is the distribution of water to Town residents. The Town buys treated bulk water from the Comox Valley Regional District, so the Town neither produces nor treats the water it distributes.

Sanitary Sewer – is the collection of sanitary sewage and transmission of the same to the sanitary sewer treatment system operated by the Comox Valley Regional District. The Regional District charges the Town for a share of the costs to operate its system.

Certain allocations are employed in the preparation of segmented financial information. General Property Taxation, Payments in Lieu thereof, and Investment income are not allocated between segments, but are allocated to General Government. Government grants and DCCs used for capital acquisitions are allocated to segments depending on the purpose of the grant. Investment income is allocated to segments depending on the nature of the capital reserves that it has been earned on. Some expenses are allocated to segments based on an estimated use of resources.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 2.

There are no inter-segment sales of goods or services.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

16. COMMUNITY WORKS (FEDERAL GAS TAX) FUNDS

The Town receives transfers of Community Works (federal gas tax) Funds through the Union of BC Municipalities that can be used to fund eligible expenditures.

<b>Continuity of Funds:</b>	<b>2016</b>	<b>2015</b>
Opening balance at start of year	\$ 2,680,459	\$ 2,115,754
Transfers received during year	627,350	606,912
Interest on investments	22,393	51,010
Draws to fund eligible projects	<u>(509,936)</u>	<u>(93,217)</u>
Closing Balance at end of year	<u>\$ 2,820,266</u>	<u>\$ 2,680,459</u>

These transfers are recorded as conditional grant revenue because they can only be used for eligible expenditures under the terms of a 2014 agreement between the Government of Canada and the Union of BC Municipalities.

17. RECONCILIATION OF 2016 BUDGET

The Town's budget figures come from a five-year Financial Plan adopted May 4, 2016 in accordance with Section 165 of the Community Charter of BC. That section requires that municipalities must set out for each year of their Plan, the proposed expenditures (including debt principal repayments, transfers to reserves, and tangible capital asset acquisitions) and the proposed funding sources for them (including debt issues and transfers from reserves and accumulated surplus). However, for financial reporting purposes the Town follows public sector accounting standards and reports revenues and expenses, so the following adjustments must be made to the budgeted figures to reconcile them to the Towns 2016 Financial Plan:

<b>Reconciliation of 2016 Budget Reported to Financial Plan:</b>	
Net budget for 2016 reported	\$ 6,079,110
Capital acquisitions in Financial Plan	(7,698,041)
Transfers from capital reserves in Financial Plan	727,036
Transfers to capital reserves in Financial Plan	(1,232,476)
Surplus appropriated for operations in Financial Plan	2,496,880
Debt principal repayments in Financial Plan	<u>(372,509)</u>
<b>Net of Financial Plan</b>	<u><u>Nil</u></u>

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2016**

18. ACCUMULATED SURPLUS

Operating Funds - comprise the principal operating activities of the Town and are separated into General, Water, and Sanitary Sewer Funds.

Capital Funds - used to record the acquisition and disposal of tangible capital assets and related financing and are similarly separated into General, Water and Sanitary Sewer Funds. The General Capital Fund also contains shares in Courtenay Golf Club Ltd. carried at a value of \$8,750.

Reserve Funds - created to hold cash, and investments for specific future requirements. They are comprised of the funds shown in Schedule 2.

<b>Accumulated Surplus:</b>	<b>2016</b>	<b>2015</b>
Operating Funds:		
General Operating Fund	\$ 3,007,275	\$ 2,882,139
Water Operating Fund	840,107	911,967
Sanitary Sewer Operating Fund	<u>2,068,319</u>	<u>1,932,251</u>
	<u>5,915,701</u>	<u>5,726,357</u>
Capital Funds:		
General Capital Fund	65,640,816	63,661,338
Water Capital Fund	9,335,012	9,273,747
Sanitary Sewer Capital Fund	<u>9,764,952</u>	<u>9,952,640</u>
	<u>84,740,780</u>	<u>82,887,725</u>
Reserve Funds (Schedule 2)	<u>7,379,026</u>	<u>6,216,390</u>
<b>Accumulated Surplus</b>	<b><u>\$ 98,035,507</u></b>	<b><u>\$ 94,830,472</u></b>

**Town of Comox**  
**Schedule of Expenses by Object (Type)**  
Year Ended December 31, 2016

**Schedule 1**

<b>Expenses</b>	Budget 2016 Note 17	<b>2016</b>	2015
Salaries, wages and employee benefits	\$ 6,213,608	<b>\$ 5,926,721</b>	\$ 5,703,391
Contracted and general services	7,761,819	<b>6,995,560</b>	6,909,838
Materials, goods, supplies and utilities	2,428,101	<b>2,414,142</b>	2,270,798
Interest and bank charges	174,909	<b>171,863</b>	175,144
Amortization of tangible capital assets	-	<b>2,914,818</b>	2,778,599
Other	15,000	<b>188,141</b>	7,500
	<u>\$ 16,593,437</u>	<u><b>\$ 18,611,245</b></u>	<u>\$ 17,845,270</u>

**Town of Comox**  
**Schedule of Continuity of Reserve Funds**  
**Year Ended December 31, 2016**

**Schedule 2**

	2016	2015
<b>Opening Balance of Reserve Funds</b>	<b>\$ 6,216,390</b>	<b>\$ 5,948,708</b>
Contributions to funds from operations	1,859,826	1,156,717
Interest earned on funds	57,746	104,182
Withdrawals from funds for capital acquisitions	<u>(754,936)</u>	<u>(993,217)</u>
<b>Closing balance of Reserve Funds (Note 18)</b>	<b><u>\$ 7,379,026</u></b>	<b><u>\$ 6,216,390</u></b>

**Represented by the following financial assets:**

Cash and short-term investments	<u><b>\$ 7,379,026</b></u>	<u><b>\$ 6,216,390</b></u>
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**Including the following Reserve Funds:**

Federal Gas Tax (Community Works) Funds (Note 16)	<b>\$ 2,820,266</b>	<b>\$ 2,680,459</b>
Capital Works Reserve	<b>65,589</b>	<b>45,163</b>
Equipment Replacement Reserve	<b>491,989</b>	<b>611,788</b>
Municipal Marina Reserve	<b>287,722</b>	<b>200,839</b>
Water Utility Reserve	<b>518,192</b>	<b>459,287</b>
Sewer Enterprise Reserve (Note 14)	<b>2,305,194</b>	<b>1,653,315</b>
Lancaster Sewer Lift Station Capital Reserve	<b>67,793</b>	<b>59,087</b>
Point Holmes Sewer Lift Station Capital Reserve	<b>41,940</b>	<b>33,436</b>
Waterfront Walkway Reserve	<b>319</b>	<b>317</b>
Affordable Housing Reserve	<b>169,747</b>	<b>165,877</b>
Fire Department Capital Reserve - Town share	<b>257,895</b>	<b>222,457</b>
Public Safety Reserve	<u><b>250,845</b></u>	<u><b>-</b></u>
	<b>7,277,491</b>	<b>6,132,025</b>
Fire Department Capital Reserve - CRFPID share (Note 7c)	<u><b>101,535</b></u>	<u><b>84,365</b></u>
	<u><b>\$ 7,379,026</b></u>	<u><b>\$ 6,216,390</b></u>

**Town of Comox**  
**Schedule of Deferred Revenue Continuity**  
**Year Ended December 31, 2016**

**Schedule 3**

	2015 Balance	Receipts	Interest	Refunded	Recognized as Revenue	2016 Balance
Development Charges:						
Open Space Development Cost Charges	\$ 2,524,067	\$ 60,513	\$ 28,319	\$ -	\$ -	\$ 2,612,899
5% Payment in Lieu of Parks Dedication	389,444	-	4,332	-	-	393,776
Water Development Cost Charges	1,161,297	4,241	12,954	-	8,759	1,169,733
Major Road Development Cost Charges	176,532	41,447	2,093	-	-	220,072
Storm Drain Development Cost Charges	783,563	21,727	8,897	-	-	814,187
Sanitary Sewer Development Cost Charges	57,589	25,848	723	-	-	84,160
Developer Payments in Lieu of Parking	29,304	-	326	-	-	29,630
Developer Payments for Affordable Housing	229,643	-	-	-	-	229,643
Prepaid property taxes	696,198	734,463	3,848	-	698,757	735,752
Prepaid parcel tax commutation - Kye Bay Water / Sewer	7,663	-	-	-	-	7,663
Prepaid Storm Drainage Development Works Payment	26,858	-	-	-	-	26,858
Prepaid recreation fees	247,587	272,441	-	-	245,704	274,324
Prepaid marina fees	72,696	69,088	-	-	72,696	69,088
Prepaid dog tags	1,160	1,490	-	-	1,160	1,490
Prepaid business licenses	23,044	100	-	-	23,044	100
Prepaid property rents	6,861	6,999	-	-	6,861	6,999
Prepaid administration fees	-	1,080	-	-	-	1,080
Prepaid environmental mitigation	-	7,670	-	-	-	7,670
	<b>\$ 6,433,506</b>	<b>\$ 1,247,107</b>	<b>\$ 61,492</b>	<b>\$ -</b>	<b>\$ 1,056,981</b>	<b>\$ 6,685,124</b>

**Town of Comox**  
**Continuity of Equity in Tangible Capital Assets**  
**Year Ended December 31, 2016**

**Schedule 4**

	2016	2015
<b>Opening balance of equity in Tangible Capital Assets</b>	<b>\$ 82,878,975</b>	<b>\$ 83,116,819</b>
<b>Changes in Capital Assets</b>		
Acquisitions of tangible capital assets	4,252,451	2,599,205
Tangible capital assets acquired through development	30,825	61,468
Write-offs of assets replaced (at NBV)	-	(594,759)
Amortization expense	(2,914,818)	(2,778,598)
<b>Changes in related liabilities</b>		
Principal payment on debenture (to sinking fund)	372,506	379,107
Actuarial earnings on debenture sinking fund	112,090	95,733
<b>Closing Balance of Equity in Tangible Capital Assets</b>	<b>\$ 84,732,029</b>	<b>\$ 82,878,975</b>

**Represented by the following:**

Capital assets at cost (Schedule 5)	\$ 127,263,830	\$ 123,248,343
Less accumulated amortization	(41,599,000)	(38,951,971)
Tangible capital assets at net book value	85,664,830	84,296,372
Net debenture debt (Note 6)	(932,801)	(1,417,397)
	<b>\$ 84,732,029</b>	<b>\$ 82,878,975</b>

**Town of Comox**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2016**

**Schedule 5**

	Engineering Structures												Total	2015	
	Land	Park Development	Buildings	Vehicles and Heavy Equipment	Other Equipment	Roads and Related Infrastructure	Storm Drains and Ponds	Marina Structures	Parks Structures	Water Structures	Sanitary Sewer Structures	Assets not yet in use			
<b>COST</b>															
Opening balance	\$ 8,985,177	\$ 1,389,260	\$ 16,554,353	\$ 4,728,406	\$ 2,947,288	\$ 38,691,417	\$ 22,269,133	\$ 1,139,716	\$ 2,368,596	\$ 11,024,677	\$ 12,614,670	\$ 535,650	\$ 123,248,341	\$ 121,504,064	
Add: Acquisitions and cost adjustments	-	-	6,143	392,110	227,314	2,338,919	-	-	77,602	173,137	-	1,068,053	4,283,278	2,660,673	
Add/(Less): Assets put to use	-	-	-	-	77,036	89,192	-	-	-	16,387	-	(182,615)	-	-	
Less: Write-downs and disposals at cost	-	-	-	(254,204)	-	(13,585)	-	-	-	-	-	-	(267,789)	(916,394)	
Closing balance	<u>8,985,177</u>	<u>1,389,260</u>	<u>16,560,496</u>	<u>4,866,312</u>	<u>3,251,638</u>	<u>41,105,943</u>	<u>22,269,133</u>	<u>1,139,716</u>	<u>2,446,198</u>	<u>11,214,201</u>	<u>12,614,670</u>	<u>1,421,088</u>	<u>127,263,830</u>	<u>123,248,343</u>	
<b>ACCUMULATED AMORTIZATION</b>															
Opening balance	-	821,820	3,068,081	2,685,575	1,657,892	17,457,791	5,689,067	558,029	898,394	2,860,040	3,255,281	-	38,951,971	36,495,007	
Add: Amortization	-	42,147	329,754	326,280	260,739	1,154,547	354,516	43,306	87,082	148,256	168,191	-	2,914,818	2,778,598	
Less: Accumulated amortization on write-downs	-	-	-	(254,204)	-	(13,585)	-	-	-	-	-	-	(267,789)	(321,635)	
Closing balance	<u>-</u>	<u>863,967</u>	<u>3,397,835</u>	<u>2,757,651</u>	<u>1,918,631</u>	<u>18,598,753</u>	<u>6,043,583</u>	<u>601,335</u>	<u>985,476</u>	<u>3,008,296</u>	<u>3,423,472</u>	<u>-</u>	<u>41,599,000</u>	<u>38,951,971</u>	
<b>Net Book Value for the year ended December 31, 2016</b>	<u>\$ 8,985,177</u>	<u>\$ 525,293</u>	<u>\$ 13,162,661</u>	<u>\$ 2,108,661</u>	<u>\$ 1,333,007</u>	<u>\$ 22,507,190</u>	<u>\$ 16,225,550</u>	<u>\$ 538,381</u>	<u>\$ 1,460,722</u>	<u>\$ 8,205,905</u>	<u>\$ 9,191,198</u>	<u>\$ 1,421,088</u>	<u>\$ 85,664,830</u>	<u>\$ 84,296,372</u>	



**Town of Comox**  
**Schedule of Operations by Segment**  
**Year Ended December 31, 2016**

**Schedule 6**

	General Government	Protective Services	Transportation	Waste Disposal	Development Services	Marina	Recreation Parks & Culture	Water	Sanitary Sewer	Total All Segments	2016 Budget
<b>Revenue</b>											
Property valuation taxes	\$ 7,772,034	\$ -	\$ 16,875	\$ -	\$ 72,899	\$ -	\$ -	\$ -	\$ -	\$ 7,861,808	\$ 7,864,507
Parcel taxes	-	-	21,015	-	-	-	-	296,964	311,130	629,109	633,581
Payments in lieu of taxes	1,453,520	-	-	-	-	-	-	-	-	1,453,520	1,389,281
Utility fees	-	-	-	1,431,527	-	-	-	2,262,158	2,453,469	6,147,154	6,072,855
Other sales of service	31,692	416,084	25,980	-	-	345,556	1,615,332	-	-	2,434,644	2,390,621
Licences, permits & planning fees	88,587	130,371	-	-	47,385	-	-	-	-	266,343	210,250
DCCs used for capital acquisitions	-	-	-	-	-	-	-	8,759	-	8,759	292,050
Tangible capital assets acquired through development	-	-	17,480	-	-	-	-	13,345	-	30,825	-
Donations	5,000	-	-	-	-	-	21,300	-	-	26,300	93,900
Investment income	119,198	3,453	22,630	-	-	1,884	-	3,904	22,006	173,075	203,000
Penalties and interest on taxes	54,163	-	-	-	-	-	-	-	-	54,163	-
Actuarial earnings on sinking fund	-	-	17,216	-	-	-	84,198	7,474	3,202	112,090	-
Rentals	-	-	-	-	-	-	136,837	-	-	136,837	130,981
Other	34,603	-	7,254	-	-	-	-	-	-	41,857	17,700
Gain on disposal of capital asset	-	-	32,600	-	-	-	400	-	-	33,000	-
Unconditional transfers	313,530	73,619	-	-	-	-	-	-	-	387,149	415,000
Conditional transfers	-	16,600	1,806,753	-	-	-	196,294	-	-	2,019,647	2,958,821
	<u>9,872,327</u>	<u>640,127</u>	<u>1,967,803</u>	<u>1,431,527</u>	<u>120,284</u>	<u>347,440</u>	<u>2,054,361</u>	<u>2,592,604</u>	<u>2,789,807</u>	<u>21,816,280</u>	<u>22,672,547</u>
<b>Expenses</b>											
Employees	1,174,749	931,219	905,755	55,904	335,903	75,036	2,157,932	218,283	71,940	5,926,721	6,213,608
Services	261,945	1,491,177	169,649	1,298,030	105,653	92,489	1,320,290	335,259	1,921,068	6,995,560	7,761,819
Materials	52,699	173,926	257,339	-	3,611	17,317	311,443	1,549,914	47,893	2,414,142	2,428,101
Interest	3,895	-	9,500	-	-	-	139,709	15,455	3,304	171,863	174,909
Amortization of tangible capital assets	4,003	128,205	1,828,932	-	-	50,138	405,306	302,836	195,398	2,914,818	-
Other	188,141	-	-	-	-	-	-	-	-	188,141	15,000
	<u>1,685,432</u>	<u>2,724,527</u>	<u>3,171,175</u>	<u>1,353,934</u>	<u>445,167</u>	<u>234,980</u>	<u>4,334,680</u>	<u>2,421,747</u>	<u>2,239,603</u>	<u>18,611,245</u>	<u>16,593,437</u>
<b>Surplus for the year</b>	<u>\$ 8,186,895</u>	<u>\$ (2,084,400)</u>	<u>\$ (1,203,372)</u>	<u>\$ 77,593</u>	<u>\$ (324,883)</u>	<u>\$ 112,460</u>	<u>\$ (2,280,319)</u>	<u>\$ 170,857</u>	<u>\$ 550,204</u>	<u>\$ 3,205,035</u>	<u>\$ 6,079,110</u>

**Town of Comox**  
**Schedule of Operations by Segment**  
**Year Ended December 31, 2015**

**Schedule 7**

	General Government	Protective Services	Transportation	Waste Disposal	Development Services	Marina	Recreation Parks & Culture	Water	Sanitary Sewer	Total All Segments	2015 Budget
<b>Revenue</b>											
Property valuation taxes	\$ 7,512,571	\$ -	\$ 16,866	\$ -	\$ 72,900	\$ -	\$ -	\$ -	\$ -	\$ 7,602,337	\$ 7,602,488
Parcel taxes	-	-	21,231	-	-	-	-	294,579	307,600	623,410	619,226
Payments in lieu of taxes	1,420,360	-	-	-	-	-	-	-	-	1,420,360	1,377,082
Utility fees	-	-	-	1,326,507	-	-	-	2,235,502	2,266,498	5,828,507	5,794,065
Other sales of service	7,207	451,219	9,600	-	-	353,613	1,510,801	-	-	2,332,440	2,186,680
Licences, permits & planning fees	87,438	114,444	-	-	39,314	-	-	-	-	241,196	203,750
DCCs used for capital acquisitions	-	-	-	-	-	-	14,638	1,550	-	16,188	393,723
Tangible capital assets acquired through development	-	-	17,250	-	-	-	-	24,035	20,183	61,468	-
Donations	5,000	-	-	-	-	-	8,464	-	-	13,464	16,240
Investment income	103,416	3,481	47,524	-	7,908	1,793	-	8,726	34,749	207,597	107,700
Penalties and interest on taxes	93,819	-	-	-	-	-	-	-	-	93,819	90,300
Actuarial earnings on sinking fund	-	-	18,036	-	-	-	68,457	6,405	2,835	95,733	-
Rentals	-	-	-	-	-	-	131,717	-	-	131,717	127,365
Other	24,467	-	-	-	-	-	-	250	-	24,717	17,200
Gain on disposal of capital asset	-	-	-	-	-	-	47,385	-	-	47,385	-
Unconditional transfers	329,257	94,772	-	-	-	-	-	-	-	424,029	360,000
Conditional transfers	1,000	16,100	606,912	-	-	-	47,209	-	-	671,221	2,539,750
Debenture refunds upon maturity	-	-	1,138	-	-	-	-	-	-	1,138	-
	<u>9,584,535</u>	<u>680,016</u>	<u>738,557</u>	<u>1,326,507</u>	<u>120,122</u>	<u>355,406</u>	<u>1,828,671</u>	<u>2,571,047</u>	<u>2,631,865</u>	<u>19,836,726</u>	<u>21,435,569</u>
<b>Expenses</b>											
Employees	1,142,399	882,200	907,908	58,275	324,948	81,203	2,108,085	144,830	53,543	5,703,391	5,960,343
Services	134,461	1,536,160	34,131	1,231,451	148,645	81,917	1,351,208	342,505	2,049,360	6,909,838	7,508,112
Materials	46,739	168,451	323,130	-	4,168	7,995	308,546	1,395,709	16,060	2,270,798	2,367,113
Interest	4,646	-	12,089	-	-	-	139,650	15,455	3,304	175,144	183,846
Amortization of tangible capital assets	31,824	137,522	1,681,083	-	-	50,140	405,443	281,821	190,766	2,778,599	-
Losses on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	-
Other	7,500	-	-	-	-	-	-	-	-	7,500	15,000
	<u>1,367,569</u>	<u>2,724,333</u>	<u>2,958,341</u>	<u>1,289,726</u>	<u>477,761</u>	<u>221,255</u>	<u>4,312,932</u>	<u>2,180,320</u>	<u>2,313,033</u>	<u>17,845,270</u>	<u>16,034,414</u>
<b>Surplus for the year</b>	<u>\$ 8,216,966</u>	<u>\$ (2,044,317)</u>	<u>\$ (2,219,784)</u>	<u>\$ 36,781</u>	<u>\$ (357,639)</u>	<u>\$ 134,151</u>	<u>\$ (2,484,261)</u>	<u>\$ 390,727</u>	<u>\$ 318,832</u>	<u>\$ 1,991,456</u>	<u>\$ 5,401,155</u>