



# **Consolidated Financial Statements**

**Year Ended  
December 31, 2015**



# **TOWN OF COMOX**

## **Index to Consolidated Financial Statements**

### **Year Ended December 31, 2015**

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

#### **Independent Auditors' Report**

#### **Statements**

1. Consolidated Statement of Financial Position
2. Consolidated Statement of Operations
3. Consolidated Statement of Change in Net Financial Assets
4. Consolidated Statement of Cash Flows

#### **Notes to the consolidated Financial Statements**

#### **Supplemental Schedules**

1. Schedule of Expenses by Object (Type)
2. Schedule of Continuity of Reserve Funds
3. Schedule of Deferred Revenue Continuity
4. Continuity of Equity in Tangible Capital Assets
5. Schedule of Tangible Capital Assets
6. Schedule of Operations by Segment (2015)
7. Schedule of Operations by Segment (2014)



# 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 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, appearing to read "Jacquest", written over a horizontal line.

Donald Jacquest  
Director of Finance

## Independent Auditors' Report

---

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, 2015 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 as at December 31, 2015, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Courtenay, British Columbia

May 4, 2016

*MNP* LLP

Chartered Professional Accountants

**Town of Comox**  
**Consolidated Statement of Financial Position**  
**as at December 31, 2015**

**Statement 1**

	2015	2014
<b>Financial Assets</b>		
Cash	\$ 9,422,775	\$ 5,886,508
Short-term investments (Note 2b)	11,985,336	13,234,798
Receivables (Note 5)	1,116,617	1,288,804
Land for resale	<u>9,847</u>	<u>9,847</u>
	<u>22,534,575</u>	<u>20,419,957</u>
<b>Financial Liabilities</b>		
Payables (Note 6)	3,187,919	3,689,379
Deferred revenue (Schedule 3)	6,433,506	6,125,771
Net debenture debt (Note 7)	1,417,397	1,892,237
Performance deposits and bonds	<u>1,268,096</u>	<u>1,176,210</u>
	<u>12,306,918</u>	<u>12,883,597</u>
<b>Net Financial Assets</b>	<u>10,227,657</u>	<u>7,536,360</u>
Contingent liabilities (Note 8)		
<b>Non Financial Assets</b>		
Tangible capital assets (Schedule 5)	84,296,372	85,009,056
Supply inventory	242,249	218,784
Prepaid expenses	55,444	66,066
Shares in Courtenay Golf Club Ltd.	<u>8,750</u>	<u>8,750</u>
	<u>84,602,815</u>	<u>85,302,656</u>
<b>Accumulated Surplus (Note 19)</b>	<u>\$ 94,830,472</u>	<u>\$ 92,839,016</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, 2015**

**Statement 2**

	2015 Budget Note 18	2015	2014
<b>Revenue</b>			
Property valuation taxes	\$ 7,602,488	\$ 7,602,337	\$ 7,405,368
Parcel taxes	619,226	623,410	625,413
Payments in lieu of taxes (Federal & Provincial)	1,377,082	1,420,360	1,398,627
<b>Revenue from Taxation</b>	9,598,796	9,646,107	9,429,408
Utility fees	5,794,065	5,828,507	5,640,292
Other sales of services	2,186,680	2,332,440	2,111,587
Licenses, permits and planning fees	203,750	241,196	253,056
Development Cost Charges used for capital expenditures	393,723	16,188	392,098
Tangible capital assets contributed through development	-	61,468	923,220
Donations	16,240	13,464	58,855
Investment income	107,700	207,597	251,125
Interest and penalties on taxes and utilities	90,300	93,819	99,579
Actuarial earnings on debenture sinking fund	-	95,733	102,882
Rentals	127,365	131,717	128,912
Other	17,200	24,717	40,631
Gain on disposal of tangible capital asset	-	47,385	-
Unconditional transfers from governments and agencies	360,000	424,029	267,380
Conditional transfers from governments and agencies	2,539,750	671,221	3,513,446
Debenture refunds upon maturity	-	1,138	8,302
	21,435,569	19,836,726	23,220,773
<b>Expenses</b>			
General government	1,450,330	1,367,569	1,475,016
Protective services	2,949,946	2,724,333	2,755,315
Transportation	1,542,164	2,958,341	3,140,992
Garbage and recycling services	1,328,394	1,289,726	1,233,179
Development services	591,373	477,761	441,307
Marina	160,246	221,255	298,103
Recreation, parks, and culture	3,716,604	4,312,932	4,103,786
Water services	2,086,955	2,180,320	2,363,907
Sewer services	2,208,402	2,313,033	2,138,159
	16,034,414	17,845,270	17,949,764
<b>Surplus for the year</b>	\$ 5,401,155	\$ 1,991,456	\$ 5,271,009
Accumulated surplus at start of year		\$ 92,839,016	\$ 87,568,007
Accumulated surplus at end of the year		\$ 94,830,472	\$ 92,839,016

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, 2015**

**Statement 3**

	2015 Budget Note 18	2015	2014
<b>Surplus for the year (Statement 2)</b>	\$ 5,401,155	<b>\$ 1,991,456</b>	\$ 5,271,009
Tangible capital assets acquired through development	-	<b>(61,468)</b>	(923,220)
Crown grant of land	-	-	(950,885)
Acquisition of tangible capital assets	(8,480,300)	<b>(2,599,205)</b>	(5,416,687)
Amortization of tangible capital assets	-	<b>2,778,599</b>	2,728,482
Disposition of tangible capital assets	475,000	<b>594,759</b>	212,049
Increase in prepaid expenses	-	<b>10,622</b>	(360)
Increase in / decrease in supply inventory	-	<b>(23,466)</b>	(40,581)
<b>Increase (Decrease) in Net Financial Assets</b>	(2,604,145)	<b>2,691,297</b>	879,807
<b>Net Financial Assets at beginning of year</b>	7,536,360	<b>7,536,360</b>	6,656,553
<b>Net Financial Assets at end of year (Statement 1)</b>	\$ 4,932,215	<b>\$ 10,227,657</b>	\$ 7,536,360

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

**Town of Comox**  
**Consolidated Statement of Cash Flows**  
**as at December 31, 2015**

**Statement 4**

	2015	2014
Net inflow (outflow) of cash related to the following activities:		
<b>Operating Activities</b>		
Surplus for the year (Statement 2)	\$ 1,991,456	\$ 5,271,009
Non-cash items included in operations:		
Contribution from developers	(61,468)	(923,220)
Crown grant of land	-	(950,885)
Amortization of tangible capital assets	2,778,599	2,728,482
(Gain) / loss on disposition of tangible capital assets	(47,385)	209,549
Actuarial increase in debenture sinking funds	(95,733)	(102,882)
Net changes to financial assets & liabilities through operations:		
(Increase in) / decrease in receivables	172,187	247,890
Increase in / (decrease in) payables	(501,460)	372,544
Increase in / (decrease in) deferred revenue	307,735	(1,638,773)
Increase in / (decrease in) performance deposits and bonds	91,886	49,416
(Increase in) / decrease in supply inventory	(23,466)	(40,581)
(Increase in) / decrease in prepaid expenses	10,622	(360)
	<b>4,622,973</b>	<b>5,222,189</b>
<b>Investing Activities</b>		
Short-term investing	1,249,462	5,197,650
Acquisition of tangible capital assets	(2,599,205)	(5,416,687)
Proceeds on disposition of tangible capital assets	642,144	2,500
	<b>(707,599)</b>	<b>(216,537)</b>
<b>Financing Activities</b>		
Debenture principal repaid	<b>(379,107)</b>	<b>(460,636)</b>
<b>Increase in cash</b>	<b>3,536,267</b>	<b>4,545,016</b>
<b>Cash at beginning of year</b>	<b>5,886,508</b>	<b>1,341,492</b>
<b>Cash at end of year (Statement 1)</b>	<b>\$ 9,422,775</b>	<b>\$ 5,886,508</b>
<b>Interest paid</b>	<b>\$ 175,144</b>	<b>\$ 218,416</b>
<b>Interest received</b>	<b>\$ 203,877</b>	<b>\$ 212,394</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, 2015**

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.

<b>Short-term Investments</b>	<b>2015</b>	<b>2014</b>
Municipal Finance Authority of BC Funds:		
Short-term Bond Fund	\$ 47,660	\$ 7,660,742
Intermediate Bond Fund	5,619,992	5,556,584
Money Market Fund	<u>6,317,684</u>	<u>17,472</u>
Total short-term investments	<u>\$ 11,985,336</u>	<u>\$ 13,234,798</u>

(c) Trust Fund

A Town-administered trust fund has been excluded from the financial statements. The balance in the fund was \$76,672 at December 31, 2015 (\$74,825 in 2014). It was invested in the MFA Short-term Bond Fund in 2015 and 2014. The only transactions in the fund were interest earned (\$1,848 in 2015 and \$2,284 in 2014).

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

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, 2015**

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, 2015.

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. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2015, the Town 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 Town is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 1(i) of *Significant Accounting Policies*.

There was no effect on the Town's financial statements from adopting the above-noted change in accounting policy.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

4. 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.

(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.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

4. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(c) Contingent Assets (continued)

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.

(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.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

4. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(e) Restructuring Transactions (continued)

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

5. RECEIVABLES

Receivables are composed of the following amounts:

<b>Due from:</b>	<b>2015</b>	<b>2014</b>
Employees	\$ 617	\$ 449
Governments	235,774	278,438
Others	<u>880,226</u>	<u>1,009,917</u>
Total receivables	<u>\$ 1,116,617</u>	<u>\$ 1,288,804</u>

6. PAYABLES

Payables are composed of the following amounts:

<b>Due to:</b>	<b>2015</b>	<b>2014</b>
Employees (payroll earned to year end)	\$ 149,016	\$ 175,252
Employees (accruals for vacation and post-employment benefits)	866,749	797,153
Governments	1,791,047	1,847,583
Others	<u>381,107</u>	<u>869,391</u>
Total payables	<u>\$ 3,187,919</u>	<u>\$ 3,689,379</u>

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

7. 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, 2015 are:

Issued	Purposes of Borrowing	Terms	Interest Rates	Amount Borrowed	Sinking Fund	Net Owing	Debt Promissory Reserve	Note
April 2004	Kye Bay Water & Sewer System	19 years	2.40%	317,250	179,005	138,245	4,729	9,731
Oct. 2004	Downtown Revitalization	14 years	2.00%	475,000	344,321	130,679	6,959	19,272
Apr. 2008	Library	9 years	4.65%	2,100,000	1,567,300	532,700	26,439	127,042
Apr. 2008	Pt. Holmes Water	14 years	4.65%	270,000	116,584	153,416	3,399	10,958
Apr. 2011	Comox Rec. Center	7 years	4.20%	<u>1,000,000</u>	<u>537,643</u>	<u>462,357</u>	<u>11,411</u>	<u>74,305</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>
Totals at December 31, 2014				<u>\$ 4,241,493</u>	<u>\$ 2,349,257</u>	<u>\$ 1,892,237</u>	<u>\$ 54,051</u>	<u>\$ 245,468</u>

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

Year	Scheduled Annual Payments			Sinking Fund Actuarial Earnings	Net Debt Outstanding
	Principal	Interest	Total		
2016	372,506	167,909	540,415	112,090	932,800
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

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 8 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.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

8. 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, 2015 the Comox Valley Regional District had net debt of \$40,682,790 owing (\$45,161,631 at December 31, 2014) which is \$86,243,762 in debt issues net of \$45,560,972 sinking funds at December 31, 2015 (\$86,200,672 net of \$41,039,041 sinking funds at December 31, 2014) including debentures issued for the Town (Note 7), 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 7). 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 (\$54,293 at December 31, 2015; \$62,074 in 2014), plus Promissory Notes issued by the Town at the time of issue (\$241,308 at December 31, 2014; \$276,570 in 2014).
- (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, 2015 the District's share of those tangible capital assets (at cost and net book value) were \$885,233 and \$377,647 respectively (\$864,212 and \$386,466 in 2014) and its share of a Fire Department Capital Reserve was \$84,365 (\$70,014 in 2014).
- (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.

9. PENSION INFORMATION

The Town of Comox and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 185,000 active members (including approximately 37,000 contributors from local government) and approximately 80,000 retired members.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits. 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 Town of Comox paid \$411,460 for employer contributions to the plan in 2015, on behalf of 66 employees (\$391,802 in 2014 on behalf of 71 employees).



**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

10. 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 (\$425,871 at December 31, 2015 and (\$397,641 in 2014) 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 2.69%. Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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. To date no repayment schedule for the repayment has been finalized.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

16. 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 2015 and 2014, 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, 2015**

17. 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>2015</b>	<b>2014</b>
Opening balance at start of year	\$ 2,115,754	\$ 1,876,759
Transfers received during year	606,912	606,912
Interest on investments	51,010	62,796
Draws to fund eligible projects	<u>(93,217)</u>	<u>(430,713)</u>
Closing Balance at end of year	<u>\$ 2,680,459</u>	<u>\$ 2,115,754</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.

18. RECONCILIATION OF 2015 BUDGET

The Town's budget figures come from a five-year Financial Plan adopted April 1, 2015 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 Town's 2015 Financial Plan:

<b>Reconciliation of 2015 Budget Reported to Financial Plan:</b>	
Net budget for 2015 reported	\$ 5,401,155
Capital acquisitions in Financial Plan	(8,480,300)
Proceeds from sale of real estate	475,000
Transfers from capital reserves in Financial Plan	2,157,500
Transfers to capital reserves in Financial Plan	(583,155)
Surplus appropriated for operations in Financial Plan	1,408,909
Debt principal repayments in Financial Plan	<u>(379,109)</u>
<b>Net of Financial Plan</b>	<u>Nil</u>

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2015**

19. 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>2015</b>	<b>2014</b>
Operating Funds:		
General Operating Fund	\$ 2,882,139	\$ 1,280,842
Water Operating Fund	911,967	763,895
Sanitary Sewer Operating Fund	<u>1,932,251</u>	<u>1,720,002</u>
	<u>5,726,357</u>	<u>3,764,739</u>
Capital Funds:		
General Capital Fund	63,661,338	64,729,128
Water Capital Fund	9,273,747	8,752,540
Sanitary Sewer Capital Fund	<u>9,952,640</u>	<u>9,643,901</u>
	<u>82,887,725</u>	<u>83,125,569</u>
Reserve Funds (Schedule 2)	<u>6,216,390</u>	<u>5,948,708</u>
<b>Accumulated Surplus</b>	<u>\$ 94,830,472</u>	<u>\$ 92,839,016</u>

**Town of Comox**  
**Schedule of Expenses by Object (Type)**  
**Year Ended December 31, 2015**

**Schedule 1**

<b>Expenses</b>	Budget 2015 Note 18	<b>2015</b>	2014
Salaries, wages and employee benefits	\$ 5,960,343	<b>\$ 5,703,391</b>	\$ 5,516,031
Contracted and general services	7,508,112	<b>6,909,838</b>	6,831,190
Materials, goods, supplies and utilities	2,367,113	<b>2,270,798</b>	2,388,256
Interest and bank charges	183,846	<b>175,144</b>	218,416
Amortization of tangible capital assets	-	<b>2,778,599</b>	2,728,482
Losses on disposal of tangible capital asse	-	-	212,049
Other	15,000	<b>7,500</b>	55,340
	<u>\$ 16,034,414</u>	<u><b>\$ 17,845,270</b></u>	<u>\$ 17,949,764</u>

**Town of Comox**  
**Schedule of Continuity of Reserve Funds**  
**Year Ended December 31, 2015**

**Schedule 2**

	2015	2014
<b>Opening Balance of Reserve Funds</b>	<b>\$ 5,948,708</b>	<b>\$ 5,478,161</b>
Contributions to funds from operations	1,156,717	3,290,672
Interest earned on funds	104,182	135,681
Withdrawals from funds for capital acquisitions	<u>(993,217)</u>	<u>(2,955,806)</u>
<b>Closing balance of Reserve Funds (Note 19)</b>	<b><u>\$ 6,216,390</u></b>	<b><u>\$ 5,948,708</u></b>

**Represented by the following financial assets:**

Cash and short-term investments	<u><b>\$ 6,216,390</b></u>	<u><b>\$ 5,948,708</b></u>
---------------------------------	----------------------------	----------------------------

**Including the following Reserve Funds:**

Federal Gas Tax (Community Works) Funds (Note 17)	<b>\$ 2,680,459</b>	<b>\$ 2,115,754</b>
Capital Works Reserve	<b>45,163</b>	<b>-</b>
Equipment Replacement Reserve	<b>611,788</b>	<b>480,082</b>
Municipal Marina Reserve	<b>200,839</b>	<b>114,046</b>
Water Utility Reserve	<b>459,287</b>	<b>825,561</b>
Sewer Enterprise Reserve (Note 15)	<b>1,653,315</b>	<b>1,926,575</b>
Lancaster Sewer Lift Station Capital Reserve	<b>59,087</b>	<b>50,194</b>
Point Holmes Sewer Lift Station Capital Reserve	<b>33,436</b>	<b>24,873</b>
Waterfront Walkway Reserve	<b>317</b>	<b>313</b>
Affordable Housing Reserve	<b>165,877</b>	<b>157,969</b>
Fire Department Capital Reserve - Town share	<u><b>222,457</b></u>	<u><b>183,327</b></u>
	<b>6,132,025</b>	<b>5,878,694</b>
Fire Department Capital Reserve - CRFPID share (Note 8)	<u><b>84,365</b></u>	<u><b>70,014</b></u>
	<b><u>\$ 6,216,390</u></b>	<b><u>\$ 5,948,708</u></b>

**Town of Comox**  
**Schedule of Deferred Revenue Continuity**  
**Year Ended December 31, 2015**

**Schedule 3**

	2014 Balance	Receipts	Interest	Refunded	Recognized as Revenue	2015 Balance
Development Charges:						
Open Space Development Cost Charges	\$ 2,429,091	\$ 47,448	\$ 62,166	\$ -	\$ 14,638	\$ 2,524,067
5% Payment in Lieu of Parks Dedication	379,766	-	9,678	-	-	389,444
Water Development Cost Charges	1,124,765	9,369	28,713	-	1,550	1,161,297
Major Road Development Cost Charges	154,314	18,199	4,019	-	-	176,532
Storm Drain Development Cost Charges	725,871	38,977	18,715	-	-	783,563
Sanitary Sewer Development Cost Charges	42,678	13,747	1,164	-	-	57,589
Developer Payments in Lieu of Parking	28,575	-	729	-	-	29,304
Developer Payments for Affordable Housing	229,643	-	-	-	-	229,643
Prepaid property taxes	645,071	694,929	4,443	-	648,245	696,198
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	224,365	247,587	-	-	224,365	247,587
Prepaid marina fees	75,284	72,696	-	-	75,284	72,696
Prepaid dog tags	1,200	1,160	-	-	1,200	1,160
Prepaid business licenses	23,344	23,044	-	-	23,344	23,044
Olympic Torch Relay Grant	555	-	-	-	555	-
Prepaid property rents	6,728	6,861	-	-	6,728	6,861
	<u>\$ 6,125,771</u>	<u>\$ 1,174,017</u>	<u>\$ 129,627</u>	<u>\$ -</u>	<u>\$ 995,909</u>	<u>\$ 6,433,506</u>

**Town of Comox**  
**Continuity of Equity in Tangible Capital Assets**  
**Year Ended December 31, 2014**

**Schedule 4**

	2015	2014
<b>Opening balance of equity in Tangible Capital Assets</b>	<b>\$ 83,116,819</b>	<b>\$ 78,203,040</b>
<b>Changes in Capital Assets</b>		
Acquisitions of tangible capital assets	2,599,205	5,416,687
Tangible capital assets acquired through development	61,468	923,220
Crown land grant	-	950,885
Write-offs of assets replaced (at NBV)	(594,759)	(212,049)
Amortization expense	(2,778,598)	(2,728,482)
<b>Changes in related liabilities</b>		
Principal payment on debenture (to sinking fund)	379,107	460,636
Actuarial earnings on debenture sinking fund	95,733	102,882
	<b>\$ 82,878,975</b>	<b>\$ 83,116,819</b>
<b>Closing Balance of Equity in Tangible Capital Assets</b>	<b>\$ 82,878,975</b>	<b>\$ 83,116,819</b>

**Represented by the following:**

Capital assets at cost (Schedule 5)	\$ 123,248,343	\$ 121,504,064
Less accumulated amortization	(38,951,971)	(36,495,008)
	<b>84,296,372</b>	<b>85,009,056</b>
Tangible capital assets at net book value		
Net debenture debt (Note 7)	(1,417,397)	(1,892,237)
	<b>\$ 82,878,975</b>	<b>\$ 83,116,819</b>



**Town of Comox**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2015**

Schedule 5

	Engineering Structures												Assets not yet in use	Total	2014	
	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					
<b>COST</b>																
Opening balance	\$ 9,366,297	\$ 1,389,260	\$ 12,506,630	\$ 4,481,105	\$ 2,767,676	\$ 38,361,900	\$ 22,154,192	\$ 1,139,716	\$ 2,324,665	\$ 10,868,999	\$ 12,594,487	\$ 3,549,137	\$ 121,504,064	\$ 114,655,173		
Add: Acquisitions and cost adjustments	16,050	-	913,348	361,680	179,612	392,774	120,512	-	43,931	155,678	20,183	456,905	2,660,673	7,290,792		
Add/(Less): Assets put to use	-	-	3,362,236	102,928	-	5,228	-	-	-	-	-	(3,470,392)	-	-		
Less: Write-downs and disposals at cost	(397,170)	-	(227,861)	(217,307)	-	(68,485)	(5,571)	-	-	-	-	-	(916,394)	(441,901)		
Closing balance	<u>8,985,177</u>	<u>1,389,260</u>	<u>16,554,353</u>	<u>4,728,406</u>	<u>2,947,288</u>	<u>38,691,417</u>	<u>22,269,133</u>	<u>1,139,716</u>	<u>2,368,596</u>	<u>11,024,677</u>	<u>12,614,670</u>	<u>535,650</u>	<u>123,248,343</u>	<u>121,504,064</u>		
<b>ACCUMULATED AMORTIZATION</b>																
Opening balance	-	779,522	2,807,793	2,602,904	1,390,215	16,386,684	5,399,098	514,721	812,762	2,714,085	3,087,223	-	36,495,007	33,996,378		
Add: Amortization	-	42,298	291,489	299,978	267,677	1,139,592	294,611	43,308	85,632	145,955	168,058	-	2,778,598	2,728,482		
Less: Accumulated amortization on write-downs	-	-	(31,201)	(217,307)	-	(68,485)	(4,642)	-	-	-	-	-	(321,635)	(229,852)		
Closing balance	<u>-</u>	<u>821,820</u>	<u>3,068,081</u>	<u>2,685,575</u>	<u>1,657,892</u>	<u>17,457,791</u>	<u>5,689,067</u>	<u>558,029</u>	<u>898,394</u>	<u>2,860,040</u>	<u>3,255,281</u>	<u>-</u>	<u>38,951,971</u>	<u>36,495,008</u>		
<b>Net Book Value for the year ended December 31, 2015</b>	<u>\$ 8,985,177</u>	<u>\$ 567,440</u>	<u>\$ 13,486,272</u>	<u>\$ 2,042,831</u>	<u>\$ 1,289,396</u>	<u>\$ 21,233,626</u>	<u>\$ 16,580,066</u>	<u>\$ 581,687</u>	<u>\$ 1,470,202</u>	<u>\$ 8,164,637</u>	<u>\$ 9,359,389</u>	<u>\$ 535,650</u>	<u>\$ 84,296,372</u>	<u>\$ 85,009,056</u>		

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

**Schedule 6**

	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	-	-	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>

**Town of Comox**  
**Schedule of Operations by Segment**  
**Year Ended December 31, 2014**

**Schedule 7**

	General Government	Protective Services	Transportation	Waste Disposal	Development Services	Marina	Recreation Parks & Culture	Water	Sanitary Sewer	Total All Segments	2014 Budget
<b>Revenue</b>											
Property valuation taxes	\$ 7,308,553	\$ -	\$ 23,933	\$ -	\$ 72,882	\$ -	\$ -	\$ -	\$ -	\$ 7,405,368	\$ 7,411,971
Parcel taxes	-	-	28,081	-	-	-	-	294,437	302,895	625,413	636,075
Payments in lieu of taxes	1,398,627	-	-	-	-	-	-	-	-	1,398,627	1,409,895
Utility fees	-	-	-	1,261,943	-	-	-	2,243,389	2,134,960	5,640,292	5,460,185
Other sales of service	7,201	349,150	2,200	-	-	358,158	1,394,878	-	-	2,111,587	2,094,767
Licences, permits & planning fees	87,101	131,418	-	-	34,537	-	-	-	-	253,056	192,250
DCCs used for capital acquisitions	-	-	136,272	-	-	-	5,940	7,336	242,550	392,098	618,189
Tangible capital assets acquired through development	-	-	676,958	-	-	-	-	102,515	143,747	923,220	-
Donations	5,000	-	12,109	-	-	-	41,746	-	-	58,855	16,000
Investment income	115,444	2,679	80,290	-	8,274	1,130	-	9,804	33,504	251,125	125,000
Penalties and interest on taxes	99,579	-	-	-	-	-	-	-	-	99,579	87,500
Actuarial earnings on sinking fund	-	-	40,634	-	-	-	53,323	5,875	3,050	102,882	-
Rentals	-	-	-	-	-	-	128,912	-	-	128,912	126,627
Other	30,744	-	9,726	-	-	-	-	161	-	40,631	17,700
Gain on disposal of capital asset	-	-	-	-	-	-	-	-	-	-	-
Unconditional transfers	206,187	61,193	-	-	-	-	-	-	-	267,380	268,723
Conditional transfers	-	15,600	2,502,111	-	-	-	995,735	-	-	3,513,446	1,732,490
Debenture refunds upon maturity	-	-	8,302	-	-	-	-	-	-	8,302	-
	<u>9,258,436</u>	<u>560,040</u>	<u>3,520,616</u>	<u>1,261,943</u>	<u>115,693</u>	<u>359,288</u>	<u>2,620,534</u>	<u>2,663,517</u>	<u>2,860,706</u>	<u>23,220,773</u>	<u>20,197,372</u>
<b>Expenses</b>											
Employees	1,132,256	820,085	834,446	54,084	331,965	73,105	2,005,502	195,545	69,043	5,516,031	5,819,256
Services	201,472	1,633,955	175,120	1,177,956	108,686	164,672	1,232,115	314,655	1,822,559	6,831,190	7,211,711
Materials	44,045	168,756	230,435	1,138	656	10,185	304,939	1,573,270	54,832	2,388,256	2,336,158
Interest	5,402	-	51,765	-	-	-	139,650	16,789	4,810	218,416	239,243
Amortization of tangible capital assets	36,501	132,520	1,643,659	-	-	50,140	418,346	263,648	183,668	2,728,482	-
Losses on disposal of capital assets	-	-	208,802	-	-	-	-	-	3,247	212,049	-
Other	55,340	-	-	-	-	-	-	-	-	55,340	15,000
	<u>1,475,016</u>	<u>2,755,316</u>	<u>3,144,227</u>	<u>1,233,178</u>	<u>441,307</u>	<u>298,102</u>	<u>4,100,552</u>	<u>2,363,907</u>	<u>2,138,159</u>	<u>17,949,764</u>	<u>15,621,368</u>
<b>Surplus for the year</b>	<u>\$ 7,783,420</u>	<u>\$ (2,195,276)</u>	<u>\$ 376,389</u>	<u>\$ 28,765</u>	<u>\$ (325,614)</u>	<u>\$ 61,186</u>	<u>\$ (1,480,018)</u>	<u>\$ 299,610</u>	<u>\$ 722,547</u>	<u>\$ 5,271,009</u>	<u>\$ 4,576,004</u>