

**CORPORATION OF THE CITY OF COURTENAY  
COMMITTEE OF THE WHOLE MEETING AGENDA**

**Date:** April 26, 2021  
**Time:** 4:00 p.m.  
**Location:** City Hall Council Chambers

**AMENDED AGENDA**

*We respectfully acknowledge that the land on which we gather is the unceded traditional territory of the K'ómoks First Nation*

Due to the Coronavirus COVID-19 emergency, the City of Courtenay with the authority of Ministerial Order No. M192 Local Government Meetings & Bylaw Process (COVID-19) Order No. 3 implemented changes to its open Council meetings.

In the interest of public health and safety, and in accordance with section 3(1) of Ministerial Order No. 3M192, in-person attendance by members of the public at Council meetings will not be permitted until further notice. Council meetings are presided over by the Mayor or Acting Mayor with electronic participation by Council and staff via live web streaming.

**K'OMOKS FIRST NATION ACKNOWLEDGEMENT**

**Pages**

**1. STAFF REPORTS/PRESENTATIONS**

1.1. CAO & Legislative Services

- 1.1.1. Emergency Pandemic Shelter, 685 Cliffe Avenue (Connect Warming Centre)

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**Staff Note:** Item 1.1.1 is a follow up report relating to the April 19<sup>th</sup>, 2021 Council Meeting Agenda Item 4.1.1 Comox Valley Coalition to End Homelessness Request for Emergency Pandemic Shelter at #2-239 Puntledge Road (Under 4. Staff Reports/Presentations).

1.2. Financial Services

- 1.2.1. 2020 Audited Financial Statements and Presentation Facilitated by Cory Vanderhorst, MNP

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## 2. INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

- 2.1. Comox Valley RCMP Quarterly Report - January 01, 2021 to March 31, 2021 51

## 3. EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION

- 3.1. Comox Valley Regional District (CVRD) - Regional Grant Application to Union of BC Municipalities (UBCM) Strengthening Communities Services Program 55

(The Comox Valley Regional District (CVRD) is requesting a letter from each partnering municipality to provide a Council resolution that states the approval for the CVRD, as primary applicant, to apply for, receive, and manage the grant funding on their behalf.)

### **Suggested motion:**

"THAT the correspondence dated March 31<sup>st</sup>, 2021 from the Comox Valley Regional District (CVRD) regarding the regional application to the Union of BC Municipalities (UBCM) for grant funding through the Strengthening Communities Service Program, be received for information; and,

THAT the City of Courtenay supports the CVRD's application to the UBCM Strengthening Community Services Program for grant funding, in an amount up to \$1,250,000, through the Strengthening Communities Service to provide urgent and temporary support to unsheltered homeless populations and address related community impacts; and

THAT the City of Courtenay provide its support for the CVRD to apply for, receive, and manage the grant funding on behalf of Comox Valley local governments."

## 4. RESOLUTIONS OF COUNCIL

- 4.1. In Camera Meeting

That a Special In-Camera meeting closed to the public will be held April 26<sup>th</sup>, 2021 at the conclusion of the Committee of the Whole Meeting pursuant to the following sub-section of the *Community Charter*:

- 90 (l) (c) labour relations or other employee relations;
- 90 (1) (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

## 5. ADJOURNMENT



## STAFF REPORT

**To:** Council

**File No.:** 2380-20

**From:** Chief Administrative Officer

**Date:** April 26, 2021

**Subject:** Emergency Pandemic Shelter – 685 Cliffe Avenue

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### PURPOSE:

The purpose of this report is to provide Council with information and options for consideration in regard to a possible extension of the Emergency Pandemic Shelter at the Connect Warming Centre located at 685 Cliffe Avenue.

### CAO RECOMMENDATIONS:

THAT based on the April 26, 2021 staff report “Emergency Pandemic Shelter – 685 Cliffe Avenue,” Council approve OPTION 1 and authorize staff to work with external legal counsel to amend the current Licence to Occupy Agreement between the Comox Valley Transition Society and the City for the property having a legal description of PID:006-102-930, Lot 3, Section 61 Comox District plan VIP3817 to temporarily permit the operation of an Emergency Pandemic Shelter at 685 Cliffe Avenue including the following conditions:

- a) permit the operation of an Emergency Pandemic Shelter from May 1<sup>st</sup> 2021 to October 5, 2021 or until such time as the Provincial State of Emergency is rescinded – whichever comes/occurs first,
- b) include all applicable shelter operation terms and conditions originally contained within the February 22<sup>nd</sup>, 2021 Licence of Occupation Amendment #3 and the March 31<sup>st</sup>, 2021 Licence of Occupation Amendment #4, and other amendments deemed necessary by staff or under the advice of legal counsel to facilitate the temporary operation of an emergency pandemic shelter and transfer liability to the license holder; and,
- c) sleeping accommodation be strictly limited to ten (10) or less.

THAT Council exercise their authority under BC Building Code Section 1.1.1.1(f)(4) and exempt the Emergency Pandemic Shelter located at 685 Cliffe Avenue from the BC Building Code having deemed it to be a temporary emergency facility during the Provincial State of Emergency due to the COVID-19 pandemic.

THAT the Mayor and an Officer of the City be authorized to execute all documentation relating to the amended terms of the Licence to Occupy Agreement. **(Recommended)**

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Geoff Garbutt, M.Pl., MCIP, RPP  
Chief Administrative Officer

**BACKGROUND:**

The Comox Valley Coalition to End Homelessness (CVCEH) through the Comox Valley Transition Society (CVTS), and with funding from BC Housing has been operating an Extreme Weather Shelter (EWS) at 685 Cliffe Avenue since December 11<sup>th</sup>, 2020. As per funding guidelines, BC Housing funding support for the Extreme Weather Shelter was terminated on March 31<sup>st</sup>, 2021. At the March 29<sup>th</sup>, 2021 Council meeting, correspondence from the CVCEH was received requesting Council consideration to permit an Emergency Pandemic Shelter at 685 Cliffe Avenue to operate from April 1<sup>st</sup> to April 30<sup>th</sup>. At the same meeting, a further request was made in regard to permitting the Emergency Pandemic Shelter to be operated at a potential new location, #2 239 Puntledge Road while the COVID-19 pandemic persists. Upon consideration of the requests, Council adopted the following resolutions:

**1) 685 Cliffe Avenue - Emergency Pandemic Shelter Request April 1<sup>st</sup> - April 30<sup>th</sup>**

*THAT Council authorize staff to work with external legal counsel to amend the current Licence to Occupy Agreement between the Comox Valley Transition Society (CVTS) and the City for the property having a legal description of PID: 006-102-930, Lot 3, Section 61 Comox District plan VIP3817 to temporarily permit the operation of an Emergency Shelter at 685 Cliffe Avenue with the following conditions:*

- a) Permit the operation of an emergency shelter during which time a Provincial State of Emergency has been declared due to the COVID-19 pandemic, from April 1<sup>st</sup>, 2021 to April 30<sup>th</sup>, 2021.*
- b) Include all applicable shelter operation terms and conditions originally contained within the February 22<sup>nd</sup>, 2021 Licence of Occupation Amendment #3, and other amendments deemed necessary by staff or under the advice of legal counsel to facilitate the temporary operation of an emergency shelter; and,*

*THAT the Mayor and Corporate Officer be authorized to execute all documentation relating to the amended terms of the Licence to Occupy Agreement.*

**2) #2-239 Puntledge Road - Emergency Pandemic Shelter Request May 1<sup>st</sup> until the Termination of the Provincial State of Emergency due to the COVID-19 Pandemic**

*THAT in response to the March 22<sup>nd</sup>, 2021 letter from the Comox Valley Coalition to End Homelessness and Comox Valley Transition Society seeking Council's support of a potential new site for the Connect Warming Centre that would both expand daytime operational capacity and afford space for temporary overnight emergency shelter services;*

*THAT Council direct staff to explore options and implications to allow the relocation of the Connect Warming Centre (anticipated as of May 1<sup>st</sup>, 2021) from 685 Cliffe Avenue to #2-239 Puntledge Road and permit Connect to continue offering temporary overnight emergency sheltering services at the new location for the duration of the Provincial State of Emergency arising from the COVID-19 pandemic, and report back to Council at a future date.*



At the April 19<sup>th</sup>, 2021 Council meeting, Council received a staff report entitled “Request for Emergency Pandemic Shelter - #2-239 Puntledge Road”. The purpose of the report was to provide Council with information in regard to the request made by the CVCEH to 1) relocate the Connect Warming Centre from 685 Cliffe Avenue to #2-239 Puntledge Road and 2) permit the operation of an Emergency Pandemic Shelter at the proposed new location. However, on April 16<sup>th</sup>, 2021, the City was informed that the proposed new location for both the warming centre and the shelter were no longer an opportunity as the landowner had changed their mind. The CVCEH and CVTS attended the April 19<sup>th</sup>, 2021 Council meeting as a delegation and informed Council of this development. Arising from discussion, Council passed the following resolution:

*THAT the April 19th, 2021 staff report “Comox Valley Coalition to End Homelessness (CVCEH) Request for an Emergency Pandemic Shelter at #2-239 Puntledge Road”, be received for information; and*

*THAT Council direct staff to explore options and implications of extending the Emergency Pandemic Shelter operated by the Comox Valley Transition Society at the current location of 685 Cliffe Avenue, for the term of their Licence of Occupancy Agreement expiring on October 5<sup>th</sup>, 2021 or until such time as the Provincial State of Emergency is rescinded – whichever comes/occurs first.*

**DISCUSSION:**

According to the BC Building Code a fire alarm system is required if there are more than ten (10) sleeping accommodations in a building. When the City originally considered the proposal for the EWS by the Comox Valley Transition Society at the 685 Cliffe Avenue location, the number of shelter spaces proposed was eight (8). Having completed a fire inspection and to ensure the safety of both staff and guests, the City’s Fire Chief deemed necessary a dedicated fire patrol position and further required all staff be trained on fire safety. Upon the expiration of the EWS term on March 31<sup>st</sup>, 2021, Council approved the continued provision of an overnight Emergency Pandemic Shelter from April 1<sup>st</sup> to April 30<sup>th</sup>, 2021 with the same safety terms and conditions that applied to the EWS.

With increasing demand for shelter services, the Emergency Pandemic Shelter has been at or over capacity each night occasionally having 12-14 beds filled. Should Council desire the continuation of the Emergency Pandemic Shelter at 685 Cliffe the following options are presented for consideration:

***Emergency Pandemic Shelter- Limited Occupancy to no more than 10***

To permit the continuation of an Emergency Pandemic Shelter at the 685 Cliffe Avenue for the proposed extended period would require a policy decision of Council related to both the zoning/use of the property and to exempt the building from the BC Building code as the building is not zoned for and was not built to code requirements for an overnight residence. A limit of no more than 10 (10) sleeping accommodation does not trigger fire alarm system requirements under the BC Building Code, limiting code exemptions. Increasing the number of sleeping accommodations will result in increased code requirements and potential liability to the licence holder and the City.

### ***Emergency Pandemic Shelter – No Action***

Should Council choose not make a policy decision in support of the continuation of the Emergency Pandemic Shelter, shelter operations at 685 Cliffe Avenue would terminate as per the current Agreement terms on April 30<sup>th</sup>, 2021. Staff have concerns should the Emergency Pandemic Shelter service be terminated. In the event of the shelter closing it is anticipated that many of the individuals who access the shelter may have limited options for housing and become fractured and unsheltered within the community. Dispersing homeless individuals that had been accessing shelter services at 685 Cliffe Avenue over the past four months into the community is anticipated to increase response and support resource requirements from both the City and community agencies (e.g. bylaw service, public works, community outreach etc.).

### **FINANCIAL IMPLICATIONS:**

The 2021 estimated operating expense for the Connect Warming Centre is \$22,600 and includes hydro, increased maintenance and repair costs, taxes, cable, internet, phone and security. As a City asset, the site regardless of occupancy would have cost \$10,000 per year to maintain as vacant. The addition of the Connect Warming Centre was estimated to have a net impact of \$12,600 for 2021. As the emergency pandemic shelter is sharing the space with the Connect Warming Centre marginal increased hydro and potentially maintenance costs are anticipated. All operating costs are included and funded under the 2021 operating budget.

An additional \$2500 has been spent on external legal fees on the agreement including subsequent amendments and legal reviews of authority.

### **ADMINISTRATIVE IMPLICATIONS:**

Approximately 185 hours of staff time have been dedicated to drafting the Licence of Occupation Agreement and related amendments, consulting external counsel, stakeholder discussions, consultation with other City departments, and fire inspections and training.

### **ASSET MANAGEMENT IMPLICATIONS:**

There are no asset management implications at this time.

### **STRATEGIC PRIORITIES REFERENCE:**

#### **We focus on organizational and governance excellence**

- Responsibly provide services at levels which the people we serve are willing to pay
- ▲ Value community safety and support our protective services

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

- ▲ Support social, economic & environmental sustainability solutions

#### **We continually invest in our key relationships**

- Value and recognize the importance of our volunteers.
- Consider effective ways to engage with and partner for the health and safety of the community
- ▲■ Advocate and cooperate with local and senior governments on regional issues affecting our community

● **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act

▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party

■ **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

**OFFICIAL COMMUNITY PLAN REFERENCE:**

Not referenced.

**REGIONAL GROWTH STRATEGY REFERENCE:**

No specific reference.

**CITIZEN/PUBLIC ENGAGEMENT:**

As time is of the essence, there has not been an opportunity to engage stakeholders on the options presented in this report. Council would base their decision on the perceived need, urgency and community impact.

Although the City has not facilitate stakeholder engagement, the CVCEH and CVTS have reported that stakeholder engagement activities are underway with local businesses and the Downtown Courtenay Business Improvement Area members.

**OPTIONS:**

OPTION 1: THAT based on the April 26, 2021 staff report “Emergency Pandemic Shelter – 685 Cliffe Avenue,” Council approve OPTION 1 and authorize staff to work with external legal counsel to amend the current Licence to Occupy Agreement between the Comox Valley Transition Society and the City for the property having a legal description of PID:006-102-930, Lot 3, Section 61 Comox District plan VIP3817 to temporarily permit the operation of an Emergency Pandemic Shelter at 685 Cliffe Avenue including the following conditions:

- a) permit the operation of an Emergency Pandemic Shelter from May 1<sup>st</sup> 2021 to October 5, 2021 or until such time as the Provincial State of Emergency is rescinded – whichever comes/occurs first,
- b) include all applicable shelter operation terms and conditions originally contained within the February 22<sup>nd</sup>, 2021 Licence of Occupation Amendment #3 and the March 31<sup>st</sup>, 2021 Licence of Occupation Amendment #4, and other amendments deemed necessary by staff or under the advice of legal counsel to facilitate the temporary operation of an emergency pandemic shelter and transfer (as much as possible) liability to the license holder; and,
- c) sleeping accommodation be strictly limited to ten (10) or less.

THAT Council exercise their authority under BC Building Code Section 1.1.1.1(f)(4) and exempt the Emergency Pandemic Shelter located at 685 Cliffe Avenue from the BC Building Code having deemed it to be a temporary emergency facility during the Provincial State of Emergency due to the COVID-19 pandemic.

THAT the Mayor and an Officer of the City be authorized to execute all documentation relating to the amended terms of the Licence to Occupy Agreement. **(Recommended)**

OPTION 2: Council provide alternative direction to staff.

OPTION 3: No further action.

Prepared by,



Kate O'Connell, BA, MPP, CLGA, PCAMP  
Director of Corporate Support Services

Concurrence by,



Geoff Garbutt, M.PI., MCIP, RPP  
Chief Administrative Officer



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** 2020 Audited Financial Statements

**File No.:** 1870-02 [2020]  
**Date:** April 26, 2021

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### PURPOSE:

The purpose of this report is to request approval of the audited financial statements for the year ended December 31, 2020.

### POLICY ANALYSIS:

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

### EXECUTIVE SUMMARY:

The firm of MNP LLP was appointed by Council to undertake the independent audit for the 2020 year. Under the terms of their engagement, the interim audit work was performed in October 2020, and final audit work undertaken in March 2021. Presentation of the financial statements and auditor's report will take place on April 26, 2021.

### CAO RECOMMENDATIONS:

That based on the April 26, 2021 staff report "2020 Audited Financial Statements" Council approve OPTION 1 which approves the Audited Financial Statements for the year ended December 31, 2020.

Respectfully submitted,

Geoff Garbutt, M.P.I., MCIP, RPP  
Chief Administrative Officer

**BACKGROUND:**

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

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

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

**DISCUSSION:**

The firm of MNP LLP was appointed by Council to undertake the annual independent financial audit of the City for the 2020 calendar year. In October, MNP communicated their Audit Service Plan to Council, and audit staff were on site in October to perform the interim audit process. The final 2020 audit procedures were carried in March 2021.

At the Committee of the Whole April 26, 2021 meeting, MNP will provide Council with their 2020 Audit Findings Report, as well as present an overview of the City's financial position.

Attached are the following documents for Council's reference:

1. Independent Auditor's Report, MNP LLP
2. Audit Findings Report for the year ended December 31, 2020
3. City of Courtenay, Audited Financial Statements for the year ended December 31, 2020

We are pleased to report that the audit is complete, and that the firm of MNP LLP will be providing approval of, and an unqualified opinion on, the 2020 consolidated financial statements.

**FINANCIAL IMPLICATIONS:**

Audit Service Fees for the 2020 year end cost \$35,175 as identified in the Audit Service Plan presented to Council in October 2020.

**ADMINISTRATIVE IMPLICATIONS:**

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

**STRATEGIC PLAN REFERENCE:**

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

**OFFICIAL COMMUNITY PLAN REFERENCE:**

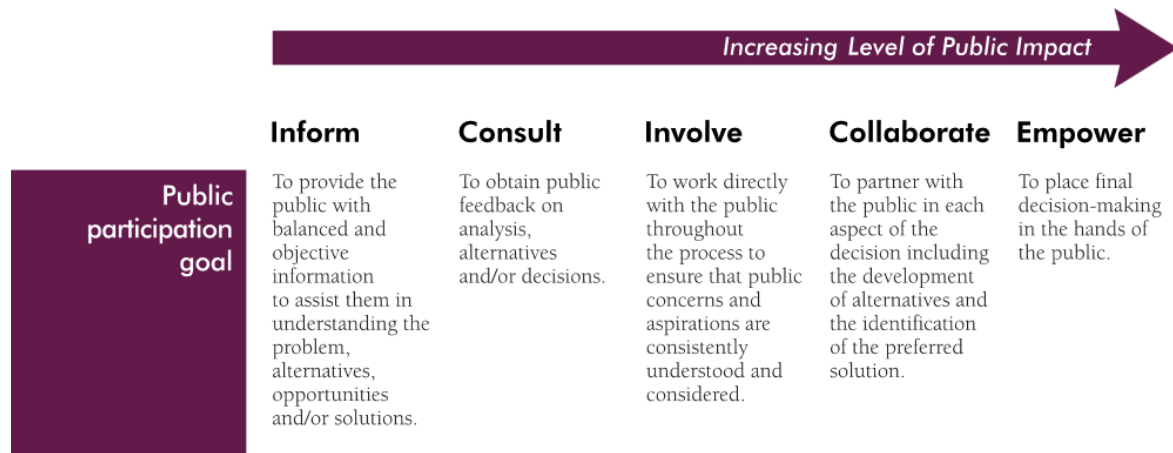
Not applicable

**REGIONAL GROWTH STRATEGY REFERENCE:**

Not applicable

**CITIZEN/PUBLIC ENGAGEMENT:**

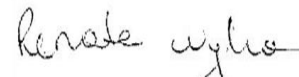
The public will be **informed** of the outcome of Council’s consideration of the 2020 Audited Financial Statements. This is based on level one of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan.




**OPTIONS:**

- OPTION 1: That Council approves the City of Courtenay Audited Financial Statements for the year ended December 31, 2020.
- OPTION 2: That Council does not approve the Audited Financial Statements for the year ended December 31, 2020.


Prepared by:

  
Renata Wyka, CPA, CGA  
Manager of Finance

Concurrence by:

  
Jennifer Nelson, CPA, CGA  
Director of Financial Services

Concurrence by:

  
Geoff Garbutt, M.PI., MCIP, RPP  
Chief Administrative Officer

Attachments:

1. Independent Auditor’s Report, MNP LLP
2. 2020 Audit Findings Report
3. Consolidated Financial Statements for Year Ended December 31, 2020



## Independent Auditor's Report

To the Mayor and Council of the City of Courtenay:

### Opinion

We have audited the consolidated financial statements of the City of Courtenay (the "City"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows and related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2020, and the results of its consolidated operations, changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information, consisting of the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.



## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Courtenay, British Columbia

April 26, 2021

Chartered Professional Accountants



## City of Courtenay

2020 Audit Findings  
Report to Council  
December 31, 2020

Cory Vanderhorst, CPA, CA  
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E: [Cory.Vanderhorst@mnp.ca](mailto:Cory.Vanderhorst@mnp.ca)



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April 26, 2021

Mayor and Council of City of Courtenay

Dear Sirs/Mesdames:

We are pleased to submit to you this report for discussion of our audit of the consolidated financial statements of the City of Courtenay (the "City") as at December 31, 2020 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of Council.

We have substantially completed our audit of the consolidated financial statements of the City which has been carried out in accordance with Canadian generally accepted auditing standards.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Mayor and Council of the City.

This report is intended solely for the information and use of the Mayor and Council and management and should not be distributed to or used by any other parties than these specified parties.

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

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

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

Sincerely,



MNP LLP

**Chartered Professional Accountants**

## INTRODUCTION

As auditors, we report to the Mayor and Council on the results of our examination of the consolidated financial statements of the City of Courtenay (the "City") as at and for the year ended December 31, 2020. The purpose of this Audit Findings Report is to assist you, as members of Council, in your review of the results of our audit. To facilitate in your understanding of our findings, Appendix A to this report summarizes our audit process.

Our report will discuss the status of our engagement, as well as communicate to you significant audit, accounting and reporting matters arising from our procedures. We hope that this report is of assistance to you, and we look forward to discussing our findings and answering your questions.

## ENGAGEMENT STATUS

We have substantially completed our audit of the consolidated financial statements of the City and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedure:

- Mayor and Council's review and approval of the consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

We expect to have the above procedure completed and to release our Independent Auditor's Report on April 27, 2021.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Mayor and Council of the City.

## SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

### AUDIT AND REPORTING MATTERS

The following significant matters arose during the course of audit that we wish to bring to your attention.

AREA	COMMENTS
<b>CHANGES FROM AUDIT SERVICE PLAN</b>	There were no deviations from the Audit Service Plan previously presented to you.
<b>FINAL MATERIALITY</b>	Materiality is a concept used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. The scope of our audit work is tailored to reflect the relative size of operations of the City, and is affected by our assessment of materiality and audit risk.  Final materiality used for our audit was \$2,000,000 for December 31, 2020 and \$2,000,000 for December 31, 2019.
<b>DIFFICULTIES ENCOUNTERED</b>	No significant limitations were placed on the scope or timing of our audit.

AREA	COMMENTS
<b>IDENTIFIED OR SUSPECTED FRAUD</b>	<p>Due to the inherent limitations of an audit and the nature of fraud, including attempts at concealment through forgery or collusion, an audit conducted in accordance with Canadian generally accepted auditing standards cannot be relied upon to detect fraud.</p> <p>While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.</p>
<b>IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS</b>	<p>Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the consolidated financial statements.</p>
<b>MATTERS ARISING IN CONNECTION WITH RELATED PARTIES</b>	<p>No significant matters arose during the course of our audit in connection with related parties of the City.</p>
<b>SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL</b>	<p>Our audit process focuses on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment allows us to concentrate our audit procedures on high risk areas and, where possible, place reliance on controls within the financial reporting system to reduce the extent of our testing.</p> <p>It is important to note that our assessment was not, nor was it intended to be, sufficient to comment or conclude on the sufficiency of internal controls.</p> <p>We are required under Canadian generally accepted auditing standards to communicate all significant deficiencies identified during an audit to Council on a timely basis. However, we may not be aware of all significant deficiencies that do, in fact, exist.</p> <p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention</p>
<b>GOING CONCERN</b>	<p>We have not identified any material uncertainties related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern.</p> <p>We are of the opinion that the going concern assumption is appropriate in preparation of the consolidated financial statements.</p>
<b>MATTERS ARISING FROM DISCUSSIONS WITH MANAGEMENT</b>	<p>We would like to formally acknowledge the cooperation and assistance we received from the management and staff of the City.</p> <p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>
<b>SIGNIFICANT DIFFERENCES</b>	<p>No significant differences were proposed to management with respect to the December 31, 2020 consolidated financial statements.</p>

## AUDITOR'S VIEWS OF SIGNIFICANT ACCOUNTING PRACTICES

The application of Canadian public sector accounting standards allows and requires the City to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.

As auditors, we are uniquely positioned to provide open and objective feedback regarding your City's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.

AREA	COMMENTS
<b>ACCOUNTING POLICIES</b>	The accounting policies used by the City are appropriate and have been consistently applied.
<b>ACCOUNTING ESTIMATES</b>	Employee future benefits  Management prepares estimates for employee future benefits by using George & Bell Consulting to determine the future employee benefit estimate. The City uses an actuary to mitigate risks of material misstatement and eliminate possible management bias in making the estimate.
<b>FINANCIAL STATEMENT DISCLOSURES</b>	The disclosures made in the notes to the consolidated financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the consolidated financial statements.

## OTHER MATTERS

### MANAGEMENT REPRESENTATIONS

We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.

### AUDITOR INDEPENDENCE

We confirm to Council that we are independent of the City. Our letter to Council discussing our independence is attached to this report.

## APPENDIX A – MNP AUDIT PROCESS

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the consolidated financial statements considered separately.

Our audit process focused on understanding the controls utilized in management's reporting systems to the extent necessary to identify overall and specific financial reporting risks. This risk assessment enabled us to concentrate our audit procedures on the areas where differences were most likely to arise. Our assessment was not, nor was it intended to be, sufficient to conclude on the effectiveness or efficiency of internal controls.

During the course of our audit, we have:

- Examined, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Obtained an understanding of the City and its environment, including management internal controls (regardless of whether we relied on them for the purpose of the audit), sufficient to identify and assess the risks of material misstatement of the consolidated financial statements and to design and perform audit procedures;
- Reviewed and assessed those accounting systems deemed necessary to support our audit opinion;
- Evaluated the overall consolidated financial statement presentation;
- Performed a subsequent events review with management;
- Reviewed and assessed the status of contingencies, commitments and guarantees; and
- Reviewed and assessed exposure to environmental liabilities.

We have obtained written representations from management, included as additional materials following this report, in order to confirm oral representations given to us and reduce the possibility of misunderstanding. Specifically, we have obtained written confirmation of significant representations provided on matters that are:

- Directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements;
- Not directly related to items that are material to the consolidated financial statements, but are significant, either individually or in the aggregate, to the engagement; and
- Matters relevant to management judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements.

## Independence Communication

April 26, 2021

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

Dear Mayor and Council:

We have been engaged to audit the consolidated financial statements of the City of Courtenay (the "City") as at December 31, 2020 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the City and its related entities or persons in financial reporting oversight roles at the City and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

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

We are aware of the following relationships between the City and MNP that, in our professional judgment, may reasonably be thought to bear on our independence. The following relationships represent matters that have occurred from January 1, 2020 to the date of this letter.

During the audit period, MNP was engaged to perform other consulting services related to the Solid Waste Review Phase II.

In order to mitigate the independence risk, separate teams were used for the consulting engagements and the audit of the financial statements.

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

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

Sincerely,



MNP LLP  
Chartered Professional Accountants



# MNP LLP – Wherever Business Takes You

Assurance › Consulting › Tax

## About MNP LLP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.





**THE CORPORATION OF  
THE CITY OF COURTENAY**

*Consolidated Financial Statements*

*Year Ending December 31, 2020*

**THE CORPORATION OF THE CITY OF COURTENAY**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2020**

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Consolidated Statements

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

Notes to Consolidated Financial Statements

Supporting Schedules

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

**THE CORPORATION OF THE CITY OF COURTENAY**

**Management's Responsibility for Financial Reporting**

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

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

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

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Jennifer Nelson, CPA, CGA  
Director of Financial Services

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2020**

**STATEMENT A**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash on Hand and on Deposit (Schedule 5)	\$ 27,062,580	\$ 23,580,932
Receivables (Note 1j)	3,763,857	3,512,739
Term Deposits (Schedule 5)	35,807,364	26,013,489
	66,633,801	53,107,160
<b>FINANCIAL LIABILITIES</b>		
Accounts Payable (Note 1k)	10,888,816	8,267,696
Trust and Other Deposits	6,049,909	6,150,397
Deferred Revenue - Development Cost Charges (Note 7)	8,885,487	7,138,260
Deferred Revenue - Other (Note 9)	2,709,157	2,851,913
Long-Term Debt (Schedule 4)	11,569,753	10,043,266
	40,103,122	34,451,532
<b>NET FINANCIAL ASSETS</b>	26,530,679	18,655,628
<b>NON-FINANCIAL ASSETS</b>		
Inventories	225,880	226,853
Prepaid Expenses	337,153	378,060
Tangible Capital Assets (Note 13 & Schedule 3)	163,018,502	159,448,579
	163,581,535	160,053,492
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	\$ 190,112,214	\$ 178,709,120

**CONTINGENT LIABILITIES AND COMMITMENTS (NOTE 2)**

**SIGNIFICANT EVENT (NOTE 16)**

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Jennifer Nelson, CPA, CGA  
Director of Financial Services

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

REVENUE	2020 Budget (Note 14)	2020	2019
Taxes for Municipal Purposes	29,410,700	29,339,207	27,967,952
Sale of Services	16,470,200	16,897,139	16,594,427
Revenue From Own Sources	3,688,000	3,248,232	4,194,740
Federal Transfers	1,173,800	1,133,150	2,252,626
Provincial Transfers	1,797,800	4,905,398	1,542,312
Other Local Government Transfers	458,500	214,431	318,565
Contributions	417,200	3,972,685	11,524,248
DCC Revenue	-	399,898	394,111
Investment Income and Taxation Penalties	687,200	912,018	1,485,653
Other	389,500	418,646	380,782
Gain on Sale of Tangible Capital Assets	301,000	873,017	370,490
<b>TOTAL REVENUE</b>	<b>54,793,900</b>	<b>62,313,821</b>	<b>67,025,906</b>
<b>EXPENSES</b>			
General Government Services	6,774,313	5,904,766	5,938,079
Protective Services	10,903,029	10,328,314	9,412,733
Transportation Services	8,113,194	7,792,469	8,604,498
Sewer and Water Facilities	13,807,810	12,751,544	13,018,155
Environmental Health Services	3,925,099	3,748,053	3,691,353
Public Health and Welfare Services	388,197	398,208	367,008
Environmental Development Services	1,683,767	1,500,510	1,473,938
Recreational and Cultural Services	10,450,092	8,486,863	9,761,840
<b>TOTAL EXPENSES</b>	<b>56,045,500</b>	<b>50,910,727</b>	<b>52,267,604</b>
<b>ANNUAL SURPLUS (DEFICIT) (Schedule 1)</b>	<b>(1,251,600)</b>	<b>11,403,094</b>	<b>14,758,302</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>178,709,120</b>	<b>178,709,120</b>	<b>163,950,818</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>177,457,520</b>	<b>190,112,214</b>	<b>178,709,120</b>

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

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**STATEMENT C**

	2020 Budget (Note 14)	2020	2019
ANNUAL SURPLUS	(1,251,600)	\$ 11,403,094	\$ 14,758,302
Acquisition of tangible capital assets	(11,780,600)	(6,526,289)	(10,255,188)
Amortization of tangible capital assets	5,450,000	6,303,193	5,899,542
Gains and other adjustments to tangible capital assets	-	(702,017)	(58,358)
Proceeds on sale of tangible capital assets	-	1,031,484	444,725
Developer tangible capital asset contribution	-	(3,676,300)	(9,601,154)
	<u>(6,330,600)</u>	<u>(3,569,929)</u>	<u>(13,570,433)</u>
Acquisition of supplies inventories	-	(546,879)	(759,264)
Acquisition of prepaid expense	-	(1,165,761)	(783,939)
Consumption of supplies inventories	-	547,857	739,716
Use of prepaid expense	-	1,206,669	958,186
	<u>-</u>	<u>41,886</u>	<u>154,699</u>
CHANGE IN NET FINANCIAL ASSETS	(7,582,200)	7,875,051	1,342,568
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>18,655,628</u>	<u>18,655,628</u>	<u>17,313,060</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ 11,073,428</u>	<u>\$ 26,530,679</u>	<u>\$ 18,655,628</u>

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

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**STATEMENT D**

	2020	2019
<b>CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	11,403,094	14,758,302
Changes in non-cash items		
Amortization	6,303,193	5,899,542
Change in receivables	(251,118)	1,390,743
Change in accounts payable	2,621,120	(1,596,131)
Change in trust and other deposits	(100,488)	(44,803)
Change in deferred revenue	1,604,477	1,334,230
Change in inventories	973	(19,543)
Change in prepaids	40,907	174,248
Net gains and other adjustments to tangible capital assets	(702,017)	(58,358)
Developer Tangible Capital Asset Contribution	(3,676,300)	(9,601,154)
Actuarial adjustment	(537,979)	(480,011)
	16,705,862	11,757,065
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(6,526,289)	(10,255,188)
Proceeds on sale of tangible capital assets	1,031,484	444,725
	(5,494,805)	(9,810,463)
<b>INVESTING TRANSACTIONS</b>		
Purchase of term deposits	(9,793,875)	2,195,617
Cash Provided by (applied to) Investing Transactions	(9,793,875)	2,195,617
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(935,534)	(934,846)
Long-term debt proceeds	3,000,000	-
Cash applied to Financing Transactions	2,064,466	(934,846)
<b>INCREASE IN CASH ON HAND AND ON DEPOSIT</b>	3,481,648	3,207,373
<b>CASH ON HAND AND ON DEPOSIT AT BEGINNING OF YEAR</b>	23,580,932	20,373,559
<b>CASH ON HAND AND ON DEPOSIT AT END OF YEAR</b>	\$ 27,062,580	\$ 23,580,932
Interest paid on outstanding debt and included in annual surplus above	\$ 502,306	\$ 579,943



**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**PAGE 1 OF 15**

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Presentation

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

(b) Revenue and Expense Recognition

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

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

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

Taxes for Municipal Purposes are recognized in the year levied.

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

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

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

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

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**PAGE 2 OF 15**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Revenue and Expense Recognition (continued)**

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

**(c) Accrued Payroll Benefits**

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

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

**(d) Use of Estimates**

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

**(e) Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**(f) Inventories**

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

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(g) Tangible Capital Assets

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

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

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

(h) Financial Instruments

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

(i) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2020. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**PAGE 4 OF 15**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) Receivables

Following is a breakdown of receivables outstanding at December 31, 2020 with 2019 comparatives:

	2020	2019
Federal Government	\$ 137,384	\$ 60,462
Provincial Government	353,991	655,431
Regional and other Local Governments	808,102	266,936
Property Taxes	1,015,435	1,190,930
Other	1,448,945	1,338,980
 Total Receivables	 \$ 3,763,857	 \$ 3,512,739

(k) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2020 with 2019 comparatives:

	2020	2019
Federal Government	\$ 2,900,445	\$ 1,985,207
Provincial Government	100,214	227,672
Regional and other Local Governments	2,182,594	920,250
Employee Retirement Benefits (Note 11)	1,150,700	1,138,000
Trade and accrued liabilities	4,554,863	3,996,567
 Total Accounts Payable	 \$ 10,888,816	 \$ 8,267,696

(l) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when; contamination exceeding an environmental standard exists, the City of Courtenay is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2020.

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

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**2. CONTINGENT LIABILITIES AND COMMITMENTS**

(a) Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Courtenay. Readers are referred to the Comox Valley Regional District 2020 Audited Financial Statements for specific information and detail.

(b) Principal repayments on long-term debt in each of the next five years are estimated as follows:

2021	1,003,032
2022	928,150
2023	850,236
2024	828,149
2025	671,616
	\$ 4,281,183

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

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

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

(d) As at December 31, 2020, there existed outstanding claims against the City. These claims have been referred to legal counsel and to the City’s liability insurers. It is not possible to determine the City’s potential liability, if any, with respect to these matters. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**PAGE 6 OF 15**

**3. PENSION LIABILITY**

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The City of Courtenay paid \$1,222,922 (2019 - \$1,138,310) for employer contributions to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

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.

**4. HOST FINANCIAL ASSISTANCE AGREEMENT**

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

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**5. FEDERAL GAS TAX AGREEMENT FUNDS**

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

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

Following is a schedule of Gas Tax receipts and disbursements received in 2020 with comparatives to 2019.

	2020	2019
Opening Balance of Unspent Funds	\$ 2,796,599	\$ 1,954,704
Additions:		
Amounts Received During the Year	1,133,150	2,252,626
Interest Earned	14,024	44,193
Deductions:		
Amount Spent on Projects	(1,392,812)	(1,454,924)
Closing Balance of Unspent Funds	\$ 2,550,961	\$ 2,796,599

**THE CORPORATION OF THE CITY OF COURTENAY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**6. PROVINCIAL COVID-19 – SAFE RESTART GRANT**

COVID-19 Safe Restart Grant for Local Governments was provided to local governments to assist with the increased operating costs and revenue short falls as a result of the Covid-19 pandemic. Covid-19 Safe Restart Grant may be used towards specific eligible costs for funding such as addressing revenue short falls, facility reopening and operating costs, emergency planning and response costs, bylaw enforcement and protective services, computer and other technology costs, services for vulnerable persons.

The City of Courtenay received \$4,149,000 in Covid-19 Safe Restart Grant and reports the balance in a General Fund Reserve – New Works Covid-19 Restart Grant (Schedule 2) until it is used to fund the eligible costs. Interest is accrued and allocated monthly to the balance.

Following is a schedule of Covid-19 Safe Restart Grant receipts and disbursements received in 2020.

		2020
Safe Restart Grant Received	\$	4,149,000
Additions:		
Interest Earned		527
Deductions:		
Gaming Revenue Shortfall - Infrastructure Reserve contribution		(320,000)
Gaming Revenue Shortfall - Police Contract		(405,000)
Community Services Revenue Shortfalls		(1,351,789)
Other Revenue Shortfalls		(67,492)
Closing Balance of Unspent Funds	\$	2,005,246





**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**8. TRUST AND ENDOWMENT FUNDS**

(a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2020 and 2019, which has been excluded from the City's consolidated financial statements.

<b>CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION</b>	<u>2020</u>	<u>2019</u>	<b>CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES</b>	<u>2020</u>	<u>2019</u>
<b>Financial Assets</b>			<b>Revenue</b>		
Cash on Hand	\$ 122,996	\$ 114,331	Fees Levied	\$ 14,296	\$ 16,331
Investments - MFA	<u>248,799</u>	<u>246,720</u>	Interest Revenue	<u>3,358</u>	<u>6,910</u>
<b>Liabilities</b>			<b>Expenditure</b>		
Interest Payable to City	<u>3,358</u>	<u>6,910</u>	Interest Expense	<u>3,358</u>	<u>6,910</u>
<b>Net Financial Position</b>	<u>\$ 368,437</u>	<u>\$ 354,141</u>	<b>Excess Revenue over Expenditure</b>	<u>\$ 14,296</u>	<u>\$ 16,331</u>

**9. DEFERRED REVENUE – OTHER**

Other Deferred Revenue recorded in the Liability section of the City's Consolidated Financial Statements consists of the revenues related to business license revenue levied and to be recognized in future years, Government transfers received prior to revenue recognition criteria being met. Following is a breakdown of the change in this balance for 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Opening Balance	\$ 2,851,913	\$ 2,396,837
Additions to Deferred Revenue	1,880,852	2,016,817
Revenue Recognized	(2,023,608)	(1,561,741)
	<u>2,709,157</u>	<u>2,851,913</u>
Ending Balance Deferred Revenue Other	<u>\$ 2,709,157</u>	<u>\$ 2,851,913</u>

**10. MFA DEBT RESERVE FUNDS**

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are not reported in the financial statements as they are eliminated upon consolidation. As at December 31, 2020 the City had debt reserve funds of \$363,044 (\$342,394 in 2019).

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**11. EMPLOYEE RETIREMENT BENEFIT LIABILITY**

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee’s life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2020 were based on an interest (discount) rate of 2.00% per annum (2019 – 2.60%) and an inflation rate of 2.5% for both 2020 and 2019. The total estimated employee retirement benefit liability at December 31, 2020 is \$1,150,700 (\$1,138,000 in 2019) and is included in the accounts payable balance on Statement A. Following is a breakdown of the benefit liability:

	2020	2019
Accrued benefit liability at beginning of year	\$ 1,138,000	\$ 1,023,500
Expense	151,500	145,200
Benefit Payments	(138,800)	(30,700)
Accrued benefit liability at end of year	\$ 1,150,700	\$ 1,138,000

**12. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE**

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. A detailed summary of the 2020 revenues and expenses with 2019 comparatives for each segment can be found in Schedule 1 of the accompanying financial statements.

**General Government Services**

Provide services related to general corporate and legislative administration as well as human resources, information technology, financial management, and revenues received from the Province related to gaming.

**Protective Services**

Includes services related to providing fire protection, bylaw enforcement, and building inspection to the City, as well as the City's share of expenses related to providing police protection to the Comox Valley.

**Transportation Services**

Includes the delivery of municipal public works services related to planning, development and maintenance of roadway systems, street lighting, and other public works and engineering related services.

**Environmental Health Services**

Includes services related to the collection of garbage, recycling, and yard waste, as well as environmental testing and monitoring.

**Public Health and Welfare Services**

Includes cemetery services.

**Environmental Development Services**

Includes services related to planning, zoning, sustainability, and hotel taxes, as well as actions relating to homelessness.

**Recreational and Cultural Services**

Provides recreation and leisure services to the community and includes parks and facilities that allow for fitness, aquatic, cultural, and other activities for the public to enjoy.

**Water Utility Services**

Provides for the delivery of water to users and includes the planning, development and maintenance of the City's water infrastructure.

**Sewer Utility Services**

Provides for the delivery of sewerage removal and includes the planning, development and maintenance of the City's sewer infrastructure.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**PAGE 13 OF 15**

**13. TANGIBLE CAPITAL ASSET DETAILS**

(See Schedule 3 for further details)

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded in the consolidated financial statements in 2020 is \$3,676,300 (\$9,601,154 in 2019).

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

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

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**14. RESTATEMENT OF 2020 BUDGET**

The budget amounts presented throughout these consolidated financial statements are based upon the Five Year Financial Plan approved by Council on April 6, 2020 except in regard to budget amounts for amortization, tangible capital assets, and the use of debt, reserves and prior year surpluses.

The summary below shows the adjustments to the April 6, 2020 budget approved by Council and reflected in these consolidated financial statements:

**Adjustments to 2020 Budgeted Annual Surplus**

<b>Budgeted Surplus per Council approved Budget</b>	<b>\$</b>	<b>-</b>
Purchase of Capital Assets		11,780,600
Amortization Budgeted		(5,450,000)
Transfer from Reserves		(7,199,100)
Transfer to Reserves		4,381,200
Use of Prior Year Surplus		(2,699,800)
Debt Issues in Financial Plan		(3,000,000)
Debt principle repayments in Financial Plan		935,500
		<hr/>
<b>Budgeted Deficit per Consolidated Statement of Operations</b>	<b>\$</b>	<b><u>(1,251,600)</u></b>

**THE CORPORATION OF THE CITY OF COURTENAY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

**15. CONTRACTUAL RIGHTS**

Following is the breakdown of the contractual rights at December 31, 2020:

<b>Contractual Right with</b>	<b>Description of Contractual Right</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Courtenay Fire Protection District	Courtenay Fire Protection	437,732	530,904	541,522	552,352	563,399	\$ 2,625,910
Comox Valley Regional District	Greater Merville Fire Protection	256,140	-	-	-	-	\$ 256,140

**16. SIGNIFICANT EVENT**

During the year, there was an outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, municipal operations and isolation/quarantine orders. At this time, the extent of the impact the COVID-19 outbreak may have on the City is unknown as it will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographical spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, office closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2020

SCHEDULE 1  
(Note 12)  
Page 1 of 2

	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>REVENUE</b>										
Taxation	26,070,165	24,761,750	-	-	-	-	-	-	-	-
Sales of Services	-	-	810,924	845,895	-	-	-	-	-	-
Revenue from Own Sources	-	-	1,558,585	1,006,190	85,353	146,581	-	-	-	-
Government Transfers	4,734,232	1,442,553	95,602	19,700	1,150,750	2,285,588	-	-	64,511	178,200
Transfer from Other Funds	126,362	83,439	-	-	142,320	134,623	3,565,976	3,437,934	149,964	162,720
Other Revenue	16,330	1,000	-	-	3,341,783	9,371,824	-	-	-	-
Other Contributions	836,741	1,208,264	8,133	25,106	27,194	91,493	-	-	-	-
Interest Earned	543,006	445	-	-	51,159	368,856	-	-	-	-
Gain on sale of TCA	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>32,326,836</b>	<b>27,497,451</b>	<b>2,473,244</b>	<b>1,896,891</b>	<b>4,798,559</b>	<b>12,398,965</b>	<b>3,565,976</b>	<b>3,437,934</b>	<b>214,475</b>	<b>340,920</b>
<b>EXPENSES</b>										
Salaries and Benefits	4,193,372	3,998,399	2,408,795	2,328,039	2,611,800	2,872,417	68,570	76,722	220,078	231,953
Goods and Services	1,234,537	1,341,527	7,577,103	6,740,553	1,698,043	2,515,574	3,242,308	3,242,629	139,555	100,244
Depreciation Expense	331,243	310,475	328,646	340,679	3,317,490	3,063,889	376,526	345,952	38,575	34,811
Debt Servicing	(32,641)	(17,523)	(6,468)	(3,348)	13,565	87,422	-	-	-	-
Other Expenditures	178,255	305,201	2,418	6,810	460	296	58,580	26,050	-	-
Loss on Disposal of TCA	-	-	17,820	-	151,111	64,900	2,069	-	-	-
<b>Total Expenses</b>	<b>5,904,766</b>	<b>5,938,079</b>	<b>10,328,314</b>	<b>9,412,733</b>	<b>7,792,469</b>	<b>8,604,498</b>	<b>3,748,053</b>	<b>3,691,353</b>	<b>398,208</b>	<b>367,008</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 26,422,070</b>	<b>\$ 21,559,372</b>	<b>\$ (7,855,070)</b>	<b>\$ (7,515,842)</b>	<b>\$ (2,993,910)</b>	<b>\$ 3,794,467</b>	<b>\$ (182,077)</b>	<b>\$ (253,419)</b>	<b>\$ (183,733)</b>	<b>\$ (26,088)</b>

UN



THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
 YEAR ENDED DECEMBER 31, 2020

SCHEDULE 1  
 (Note 12)  
 Page 2 of 2

	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>REVENUE</b>										
Taxation	-	-	-	-	1,202,909	1,175,166	2,066,133	2,031,036	29,339,207	27,967,952
Sales of Services	-	-	-	-	7,079,917	7,043,027	5,440,322	5,267,571	16,897,139	16,594,427
Revenue from Own Sources	576,244	607,291	659,500	2,003,554	300,417	369,231	68,133	61,893	3,248,232	4,194,740
Government Transfers	69,588	52,797	138,296	124,665	-	10,000	-	-	6,252,979	4,113,503
Transfer from Other Funds	-	-	-	-	-	-	-	-	418,646	380,782
Other Revenue	114,105	116,608	73,171	112,063	484,667	1,205,524	342,527	1,111,340	4,372,583	11,918,359
Other Contributions	6,242	18,959	5,604	20,503	11,371	49,549	16,733	71,779	912,018	1,485,653
Interest Earned	-	-	1,150	1,189	277,702	-	-	-	873,017	370,490
Gain on sale of TCA	-	795,655	-	2,261,974	9,356,983	9,852,497	7,933,848	8,543,619	62,313,821	67,025,906
<b>Total Revenues</b>	<b>766,179</b>	<b>1,040,755</b>	<b>4,614,311</b>	<b>5,206,229</b>	<b>900,393</b>	<b>989,438</b>	<b>462,808</b>	<b>583,588</b>	<b>16,601,322</b>	<b>17,327,540</b>
<b>EXPENSES</b>										
Salaries and Benefits	1,121,195	1,040,755	4,614,311	5,206,229	900,393	989,438	462,808	583,588	16,601,322	17,327,540
Goods and Services	275,340	237,863	2,527,101	3,236,955	5,280,017	5,490,460	785,889	731,676	22,759,893	23,637,481
Depreciation Expense	1,267	2,533	1,021,205	973,555	521,187	478,666	367,054	348,982	6,303,193	5,899,542
Amortization Expense	-	-	(4,645)	30,617	(2,711)	(1,399)	(2,773)	4,167	(35,673)	99,936
Debt Servicing	-	-	328,891	314,338	-	-	4,439,680	4,145,491	5,110,992	4,990,973
Other Expenditures	102,708	192,787	-	146	-	2,636	-	244,450	171,000	312,132
Loss on Disposal of TCA	-	-	8,486,863	9,761,840	6,698,886	6,959,801	6,052,658	6,058,554	50,910,727	52,267,604
<b>Total Expenses</b>	<b>1,500,510</b>	<b>1,473,938</b>	<b>8,486,863</b>	<b>9,761,840</b>	<b>6,698,886</b>	<b>6,959,801</b>	<b>6,052,658</b>	<b>6,058,554</b>	<b>50,910,727</b>	<b>52,267,604</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (734,331)</b>	<b>\$ (678,283)</b>	<b>\$ (7,609,142)</b>	<b>\$ (7,499,866)</b>	<b>\$ 2,658,097</b>	<b>\$ 2,892,696</b>	<b>\$ 1,881,190</b>	<b>\$ 2,485,265</b>	<b>\$ 11,403,094</b>	<b>\$ 14,758,302</b>

UN

SCHEDULE 2

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS & RESERVES  
 YEAR ENDED DECEMBER 31, 2020

	2020	2019
<b>SURPLUS</b>		
Invested in Tangible Capital Assets	\$ 151,448,746	\$ 149,405,314
General Operating Fund	7,804,685	4,512,740
General Capital Fund	1,216,307	1,426,306
Water Utility Operating Fund	3,857,366	2,356,860
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	3,221,528	2,369,239
Sewer Utility Capital Fund	21,706	21,706
Gaming Fund	1,683,464	1,831,240
Total Surplus	<u>\$ 169,362,671</u>	<u>162,032,274</u>
<b>RESERVES</b>		
General Fund Reserves:		
Machinery and Equipment	1,656,316	1,431,296
Land Sale	778,916	390,704
New Works and Equipment	3,547,179	3,319,838
New Works - Community Gas Tax Funds (Note 5)	2,550,961	2,796,599
New Works - Covid-19 Restart Grant (Note 6)	2,005,246	-
General Asset Management Reserve	697,285	467,278
Risk Reserve	104,525	104,030
Public Parking	61,224	58,145
Parkland Acquisition	311,255	309,781
Police Contingency Reserve	511,413	670,590
Assessment Appeal	319,390	200,771
Housing Amenity	876,475	775,213
Tree Reserve	94,690	58,482
Amenity	563,386	613,943
	<u>14,078,261</u>	<u>11,196,670</u>
Water Utility Reserves:		
Water Utility	1,742,065	1,676,652
Water Asset Management Reserve	1,037,014	358,106
Machinery and Equipment	281,448	250,229
	<u>3,060,527</u>	<u>2,284,987</u>
Sewer Utility Reserves:		
Sewer Utility	566,687	539,110
Sewer Asset Management Reserve	2,397,909	2,087,695
Machinery and Equipment	646,159	568,384
	<u>3,610,755</u>	<u>3,195,189</u>
Total Reserves	<u>20,749,543</u>	<u>16,676,846</u>
ACCUMULATED SURPLUS (Statement A)	<u>\$ 190,112,214</u>	<u>\$ 178,709,120</u>

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2019
					Roads	Water	Sewer	Other			
Opening Balance Construction-in-progress (CIP)	-	100,565	796,066	25,737	727,826	55,291	421,561	305,554	51,448	\$ 2,484,048	6,197,693
Add: Construction-in-progress (CIP)	-	-	4,719	2,400	197,379	2,137	3,261,298	19,775	-	3,487,708	1,470,968
Less: Transfers into Service	-	(60,581)	(385,864)	(23,237)	(114,869)	-	-	(126,867)	(51,448)	(762,866)	(5,184,613)
Closing Balance Construction-in-progress	-	39,984	414,921	4,900	810,336	57,428	3,682,859	198,462	-	5,208,890	2,484,048
Opening Balance Tangible Capital Assets	23,137,423	7,565,694	31,904,283	19,672,148	104,055,480	26,233,043	13,865,520	26,172,553	1,087,776	253,693,920	231,591,901
Add: Additions (including Transfers into Service)	787,263	195,461	610,103	708,486	3,072,160	484,667	120,168	1,397,862	101,570	7,477,740	23,568,382
Less: Disposals	(5,870)	-	-	(602,803)	(311,564)	(199,228)	-	(5,173)	-	(1,124,638)	(1,466,363)
Closing Balance Tangible Capital Assets and CIP	23,918,816	7,801,139	32,929,307	19,782,731	107,626,412	26,575,910	17,668,547	27,763,704	1,189,346	265,255,912	256,177,967

COST

ACCUMULATED AMORTIZATION

Opening Balance	-	3,312,273	12,636,759	11,349,470	49,089,621	7,584,985	2,304,890	9,620,342	831,047	96,729,387	91,911,453
Add: Amortization	-	286,622	751,377	995,727	2,689,761	487,075	251,267	742,001	99,363	6,303,193	5,899,542
Less: Accum Amortization on Disposals	-	-	-	(527,388)	(164,675)	(100,003)	-	(3,104)	-	(795,170)	(1,081,607)
	-	3,598,895	13,388,136	11,817,809	51,614,707	7,972,057	2,556,157	10,359,239	930,410	102,237,410	96,729,388
Net Book Value for year ended December 31, 2020	\$ 23,918,816	\$ 4,202,244	\$ 19,541,171	\$ 7,964,922	\$ 56,011,705	\$ 18,603,853	\$ 15,112,390	\$ 17,404,465	\$ 258,936	\$ 163,018,502	159,448,579

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT  
 YEAR ENDED DECEMBER 31, 2020

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/19	Current Year Borrowing	Actuarial Adjustment/Princ. Reduction	Principal Outstanding Dec 31/20
<b>General Capital Fund</b>						
Debenture Debt						
2139 Library	2021	1.75	373,010	-	181,956	191,054
2227 Fifth Street Bridge	2023	2.90	149,363	-	35,173	114,190
2304 Lerwick Road Ext. Prop Acquisition	2029	2.85	547,876	-	43,559	504,317
2227 City Hall Retaining Wall	2020	1.55	13,837	-	13,837	-
2354 Repaving Program	2025	5.10	177,204	-	27,706	149,498
2355 Lerwick Road Extension	2030	0.91	392,543	-	29,107	363,436
2356 City Hall Renovation	2020	1.55	73,509	-	73,509	-
2425 Lerwick Road Construction	2026	1.75	317,982	-	40,260	277,722
2453 Police Property Acquisition	2026	1.75	631,327	-	79,932	551,395
2458 Public Works Maintenance Building	2022	2.25	393,112	-	125,933	267,179
2539 Capital Infrastructure Work	2023	2.25	1,261,266	-	232,864	1,028,402
2538 Native Sons Hall Renovation	2025	1.28	282,890	-	42,649	240,241
2680 Lewis Centre Renovation	2027	2.90	2,543,312	-	276,020	2,267,292
2681 Infrastructure Works - Road Paving	2027	2.90	944,659	-	102,522	842,137
TOTAL GENERAL CAPITAL FUND			8,101,890	-	1,305,027	6,796,863
<b>Water Capital Fund</b>						
Debenture Debt						
2424 Water Extension - Lerwick Road	2026	1.75	264,985	-	33,550	231,435
TOTAL WATER CAPITAL FUND			264,985	-	33,550	231,435
<b>Sewer Capital Fund</b>						
Debenture Debt						
2305 Sewer Extension	2029	2.85	410,907	-	32,669	378,238
2353 Sewer Extension	2030	0.91	1,104,727	-	81,914	1,022,813
2423 Sewer Extension - Lerwick Road	2026	1.75	160,757	-	20,353	140,404
2985 Sewer Extension - Greenwood Trunk	2045	0.91	3,000,000	3,000,000	134,936	3,000,000
TOTAL ALL CAPITAL FUNDS			10,043,266	3,000,000	1,473,513	11,569,753

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE 5**

	2020	2019
<b>GENERAL OPERATING FUND</b>		
Cash on Hand	\$ 26,041,686	\$ 22,049,977
<b>GAMING FUND</b>		
Cash on Hand	1,020,894	1,530,955
Total Cash on Hand and on Deposit	\$ 27,062,580	\$ 23,580,932
 <b>GENERAL OPERATING FUND TERM DEPOSITS</b>		
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	15,019,377	17,578
The Bank of Nova Scotia, various guaranteed investment certificates	20,787,987	25,995,911
Total Term Deposits	35,807,364	26,013,489
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 62,869,944</b>	<b>\$ 49,594,421</b>





Royal Canadian  
Mounted Police

Gendarmerie royale  
du Canada

Mayor Bob Wells  
830 Cliffe Avenue  
Courtenay B.C. V9N 2J7

OIC RCMP  
Comox Valley Detachment  
800 Ryan Road  
Courtenay, B.C. V9N 7T1

Dear Mayor Wells

Re: City of Courtenay Quarterly Report

January 1, 2021 to March 31, 2021

The Comox Valley Royal Canadian Mounted Police (RCMP) will be providing quarterly updates on policing in the community. This will include Calls for Service (CFS), crime types and Traffic statistics. Quarterly reporting reports will coincide with the Comox Valley RCMP Annual Performance reporting time lines in conjunction with Community priorities.

First Quarter: April 1<sup>st</sup> to June 30<sup>th</sup>  
Second Quarter: July 1<sup>st</sup> to September 30<sup>th</sup>  
Third Quarter: October 1<sup>st</sup> to December 31<sup>st</sup>  
Fourth Quarter: January 1<sup>st</sup> to March 31<sup>st</sup>

## 2020-2021 4<sup>TH</sup> QUARTER COMMUNITY REPORT - COURTENAY

### CALLS FOR SERVICE

Between January 1, 2019 and December 31, 2019, there were 13975 Calls for Service in Courtenay whereas, between January 1, 2020 and December 31, 2020, there were 14747 Calls for Service in Courtenay. The difference represents a 5.5% increase in Calls for Service over a Calendar Year.

Relative to the Fourth Quarter in 2020, there was an increase of 22 Calls for Service in the Fourth Quarter of the current year for Courtenay.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	1057	919	1190	1132	1324	1264	1296	1313	1143	1071	1068	1198
2020	1318	1155	1142	1080	1205	1260	1466	1341	1235	1310	1180	1055
2021	1190	1148	1299									

## TRAFFIC

Between January 1, 2019 and December 31, 2019, there were 1210 Traffic files in Courtenay whereas, between January 1, 2020 and December 31, 2020, there were 1250 Traffic files in Courtenay. The difference represents an increase of 40 Traffic files over a Calendar Year.

Relative to the Fourth Quarter in 2020, there was an increase of 7 Traffic files in the Fourth Quarter of the current year for Courtenay.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	89	70	91	121	122	105	131	104	97	107	85	88
2020	81	98	78	79	104	116	121	94	131	142	104	102
2021	77	83	104									

## BREAK AND ENTERS

Between January 1, 2019 and December 31, 2019, there were 235 Break and Enter files in Courtenay whereas, between January 1, 2020 and December 31, 2020, there were 214 Break and Enter files in Courtenay. The difference represents a decrease of 21 Break and Enter files over a Calendar Year.

Relative to the Fourth Quarter in 2020, there was a 43% decrease in Break and Enter files in the Fourth Quarter of the current year for Courtenay. This decrease is likely related to the arrest of a prolific offender for Break and Enters in February of 2020.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	13	14	18	19	16	20	24	18	20	20	20	33
2020	41	26	20	15	12	5	22	20	8	13	12	20
2021	16	18	16									

## THEFT FROM VEHICLE

Between January 1, 2019 and December 31, 2019, there were 339 Theft from Vehicle files in Courtenay whereas, between January 1, 2020 and December 31, 2020, there were 400 Theft from Vehicle files in Courtenay. The difference represents an 18% increase in Theft from Vehicle files over a Calendar Year.



Relative to the Fourth Quarter in 2020, there was a 19% decrease Theft from Vehicle files in the Fourth Quarter of the current year for Courtenay.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	41	29	15	33	40	34	32	23	42	15	11	24
2020	61	28	32	31	20	26	51	40	27	33	21	31
2021	34	33	31									

## ASSAULT

Between January 1, 2019 and December 31, 2019, there were 302 Assault files in Courtenay whereas, between January 1, 2020 and December 31, 2020, there were 364 Assault files in Courtenay. The difference represents a 21% increase in Assault files over a Calendar Year.

Relative to the Fourth Quarter in 2020, there was a 39% increase in Assault files in the Fourth Quarter of the current year for Courtenay.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	30	28	31	23	18	22	29	29	20	21	28	23
2020	24	25	27	20	30	26	35	44	40	43	28	22
2021	37	38	31									

## SEX OFFENCES

Between January 1, 2019 and December 31, 2019, there were 81 Sex Offence files in Courtenay whereas, between January 1, 2020 and December 31, 2020, there were 94 Sex Offence files in Courtenay. The difference represents an increase of 13 Sex Offence files over a Calendar Year.

Relative to the Fourth Quarter in 2020, there was an increase of 8 Sex Offence files in the Fourth Quarter of the current year for Courtenay.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	8	5	16	9	3	4	5	7	4	5	5	10
2020	4	10	7	7	13	5	12	8	9	8	6	5
2021	7	7	15									

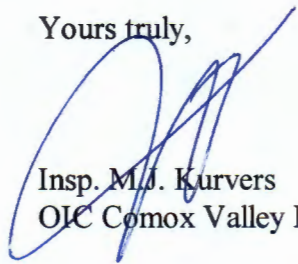
## DOMESTIC (PARTNER/SPOUSAL) VIOLENCE

Between January 1, 2019 and December 31, 2019, there were 233 files flagged for Domestic Violence in Courtenay whereas, between January 1, 2020 and December 31, 2020, there were 307 files flagged for Domestic Violence in Courtenay. The difference represents a 38% increase in files flagged for Domestic Violence over a Calendar Year.

Relative to the Fourth Quarter in 2020, there was an increase of 1 file flagged for Domestic Violence in the Fourth Quarter of the current year for Courtenay.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	19	16	25	13	17	10	28	20	14	18	18	25
2020	19	30	26	13	21	31	21	49	21	41	18	17
2021	34	21	21									

Yours truly,



Insp. M.J. Kurvers  
OIC Comox Valley Detachment

**DATE:** March 31, 2021**FILE:** 1855-03**TO:** Chair and Directors  
Regional District Board**FROM:** Russell Dyson  
Chief Administrative OfficerSupported by Russell Dyson  
Chief Administrative Officer*R. Dyson***RE: Strengthening Community Services Grant Opportunity**

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**Purpose**

To seek approval to submit a regional application to the Union of BC Municipalities (UBCM) – Strengthening Community Services (SCS) Program under the umbrella of the Homelessness Supports Service (HSS) service (function No. 451).

**Recommendation from the Chief Administrative Officer:**

THAT staff be authorized to make an application to the Union of BC Municipalities for grant funding through the Strengthening Communities Service to provide urgent and temporary support to unsheltered homeless populations and address related community impacts;

AND THAT the Comox Valley Regional District send a request to each partnering municipality to provide a Council resolution that clearly states approval for the Comox Valley Regional District, as primary applicant, to apply for, receive, and manage the grant funding on their behalf.

**Executive Summary**

- On February 18, 2021, the province announced the new SCS funding, as part of the Safe Restart Agreement, to support unsheltered homeless populations and address related community impacts through a grant application-based program.
- UBCM is administering the program on behalf of the Province. The application deadline is April 16, 2021, with approvals expected in spring 2021.
- Staff are recommending that a regional application be submitted on behalf of member municipalities and the Comox Valley Regional District (CVRD) in order to respond to the increased demand in the services provided by the groups and organizations in the Comox Valley and to demonstrate cost effectiveness and efficiency in providing support services regionally.
- Subject to grant approval, the project aligns with the CVRD Board's 2019-2022 strategic drivers, community partnerships and fiscal responsibility, and advances some of the recommendations from the recent Homelessness Supports Service review (January 2021).

Prepared by:

***R. Holme***

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Robyn Holme, RPP, MCIP  
Long Range Planner

Concurrence:

***A. Mullaly***

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Alana Mullaly, RPP, MCIP  
General Manager of Planning and  
Development Services

**Government Partners and Stakeholder Distribution (Upon Agenda Publication)**

K'ómoks First Nation	✓
Village of Cumberland	✓
City of Courtenay	✓
Town of Comox	✓
Islands Trust (as FYI)	✓
Comox Valley Coalition to End Homelessness (as FYI)	✓

**Background/Current Situation**

The COVID-19 pandemic has led to an increase in the visibility of unsheltered homelessness in many communities, and related community health and safety challenges. Some of society's most vulnerable members face challenges that have worsened in the context of COVID-19. This includes groups that are more likely to experience homelessness and are more vulnerable to the health and safety risks associated with living unsheltered, such as Indigenous people, women, and gender diverse people. People who lack adequate housing are more likely to suffer from a range of health challenges, including mental health and substance abuse issues, and are highly vulnerable to COVID-19. Under the Safe Restart Agreement, the Government of Canada and the Province of British Columbia are providing \$540 million in shared funding to local governments and Treaty First Nations to help manage the impacts of the global COVID-19 pandemic.

Within the Safe Restart funding, \$100 million is being delivered through the SCS Program, which aims to support unsheltered homeless populations and address related community impacts through an application-based program. The funding is being administered by UBCM on behalf of the Province and the Government of Canada. The goal of this program is to support local governments and Treaty First Nations that wish to take action, understanding that this will complement parallel provincial efforts. The Coalition to End Homelessness has identified numerous activities that are required in the community in order to bridge the gap in support services between the COVID-19 outbreak and the post-COVID recovery period. These key priority actions include:

- Creating an additional emergency overnight shelter;
- Increasing capacity of Connect (a day program that provides a safe, welcoming space for individuals experiencing homelessness);
- Hiring additional community outreach workers;
- Undertaking public engagement and community outreach to educate and increase awareness on homelessness; offsetting costs related to bylaw enforcement during the pandemic (i.e. abandoned camp cleanups, garbage pick-up); and
- Building capacity and providing training for municipal staff that provides services in bylaw, public works, recreation, etc.

This grant application will help address the urgent and immediate needs of our community's unsheltered homeless population and the related community health and safety challenges that we continue to face during the pandemic.

Similar to other grant funded projects with community partners (e.g. Housing Needs Report, Poverty Reduction), the CVRD would serve as the primary applicant and fiscal host, supporting the Coalition to End Homelessness and other key partners to deliver the proposed key activities. Using the Homelessness Support Service (function No. 451), the CVRD will be able to administer the grant funds for the Coalition to End Homelessness to carry out the activities.

**Policy Analysis**

The board has identified community partnerships and fiscal responsibility as a strategic drivers. This grant application builds upon implementation actions that have been identified in recently

completed and ongoing projects including the 2019 Housing Needs Report and the 2020/2021 Poverty Reduction Assessment and Strategy.

### Options

The board has the following options:

1. Authorize staff to make a regional application for grant funding as the primary applicant, or;
2. Direct staff to prepare an application for grant funding for the electoral areas only (i.e. each municipality would then need to apply individually).

Staff recommends option 1.

### Financial Factors

The Government of Canada and the Province of British Columbia are providing \$540 million in shared funding to local governments under the Safe Restart Agreement, with \$100 million being delivered through the SCS Program. UBCM is administering the funding program. The SCS Program can contribute up to 100 per cent of the cost of eligible activities. The following limits have been set based on population estimates with a maximum eligibility of \$1,250,000:

Population	Funding Maximum
Under 5000	\$200,000
5,000 - 40,000	\$450,000
40,000 - 75,000	\$1,250,000

Based on the above, a regional application involving all three electoral areas and municipalities would make the CVRD eligible for \$1,250,000. Staff proposes to apply for a lesser amount to ensure that the proposed activities can be executed and delivered within the project timeframe (approximately one year after notification of grant award).

### Legal Factors

All local governments (municipalities, regional districts, and the Islands Trust) and Treaty First Nations (as defined by the Interpretation Act) in BC are eligible to apply. For regional projects, resolutions from each partnering applicant must clearly state approval for the primary applicant to apply for, receive, and manage the grant funding on their behalf.

### Regional Growth Strategy Implications

Staff recommends that a collaborative regional approach be taken to the grant application submission in order to provide a regional approach to supporting unsheltered homeless populations and addressing related community impacts emergency response to the homeless. It is a strategic approach that will optimize resources and demonstrate cost effectiveness.

### Intergovernmental Factors

CVRD planning staff are leading this initiative in partnership with municipal planning staff under the umbrella of the HSS function No. 451. Staff will reach out to partnering municipalities to request Council resolutions confirming a regional approach.

### Interdepartmental Involvement

Planning staff is leading this work. Assistance from finance staff will be sought regarding the grant application.

**Citizen/Public Relations**

Staff suggest that the key community stakeholder is the Comox Valley Coalition to End Homelessness, given their role with the service providers in the community. If successful with the grant application, staff will report back to the board on the completed activities in 2022.