



**THE CORPORATION OF  
THE CITY OF COURTENAY**

**Statement of Financial Information**

Community Charter SBC Chapter 26, Section 168.1,  
Financial Information Act [RSBC 1996] Chap.140

**For the Year Ended December 31, 2012**

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## MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian Public Sector Accounting Standards and are outlined under “Significant Accounting Policies” in the notes to the financial statements, and the integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council of the City of Courtenay is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian Public Sector accounting standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation’s system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of the Corporation of the City of Courtenay:



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Tillie Manthey, BA, CGA  
Director of Financial Services\Deputy CAO  
May 3, 2013

## Independent Auditors' Report

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To the Mayor and Council of the City of Courtenay:

We have audited the consolidated statement of financial position of The Corporation of the City of Courtenay as at December 31, 2012, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2012 the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Courtenay, BC

April 15, 2013

Chartered Accountants

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2012**

**STATEMENT A**

	2012	2011
<b>FINANCIAL ASSETS</b>		
Cash on Hand and on Deposit (Schedule 5)	\$ 24,661,024	\$ 23,485,385
Receivables (Note 1i)	2,806,150	2,358,968
Term Deposits (Schedule 5)	11,222,083	7,127,222
	38,689,256	32,971,575
<b>LIABILITIES</b>		
Accounts Payable (Note 1j)	6,639,076	5,544,948
Trust and Other Deposits	2,176,572	3,333,418
Deferred Revenue - Federal Gas Tax (Note 5)	3,554,295	2,966,070
Deferred Revenue - Development Cost Charges (Note 7)	3,102,467	3,097,003
Deferred Revenue - Other (Note 10)	482,553	750,588
Long-Term Debt (Schedule 4)	20,415,836	15,893,960
	36,370,799	31,585,987
<b>NET FINANCIAL ASSETS</b>	2,318,457	1,385,588
<b>NON-FINANCIAL ASSETS</b>		
Inventories	193,853	222,096
Prepaid Expenses	453,275	399,491
Tangible Capital Assets (Note 14 & Schedule 3)	113,597,312	109,473,911
	114,244,440	110,095,498
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	\$ 116,562,897	\$ 111,481,086

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

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**STATEMENT B**

<b>REVENUE</b>	2012 Budget (Note 16)	2012	2011
Taxes for Municipal Purposes	\$ 21,676,592	\$ 21,721,650	\$ 20,585,051
Sale of Services	9,582,259	9,598,550	9,130,829
Revenue From Own Sources	3,251,020	3,140,889	3,323,845
Federal Transfers	551,442	395,588	152,368
Provincial Transfers	875,947	2,010,042	957,601
Other Local Government Transfers	423,982	321,666	360,754
Contributions	4,829,659	2,551,319	3,018,845
DCC Revenue	-	551,936	400,688
Investment Income and Taxation Penalties	662,000	801,029	726,019
Other	287,800	308,158	279,719
Gain on Sale of Tangible Capital Assets	18,400	-	-
<b>TOTAL REVENUE</b>	<b>42,159,101</b>	<b>41,400,827</b>	<b>38,935,719</b>
 <b>EXPENSES</b>			
General Government Services	3,990,512	3,557,682	3,265,940
Protective Services	8,222,121	7,673,961	7,663,166
Transportation Services	6,224,887	6,309,497	5,717,260
Sewer and Water Facilities	7,454,719	7,239,912	6,709,067
Environmental Health Services	2,608,278	2,497,019	2,442,194
Public Health and Welfare Services	647,974	261,262	229,518
Environmental Development Services	521,933	515,782	507,716
Recreational and Cultural Services	8,495,136	8,263,901	8,129,759
<b>TOTAL EXPENSES</b>	<b>38,165,560</b>	<b>36,319,016</b>	<b>34,664,620</b>
 <b>ANNUAL SURPLUS (Schedule 1)</b>	 <b>3,993,541</b>	 <b>5,081,811</b>	 <b>4,271,099</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>111,481,086</b>	<b>111,481,086</b>	<b>107,209,987</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$ 115,474,627</b>	<b>\$ 116,562,897</b>	<b>\$ 111,481,086</b>

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

THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2012

STATEMENT C

	2012 Budget (Note 16)	2012	2011
ANNUAL SURPLUS	\$ 3,993,541	\$ 5,081,811	\$ 4,271,099
Acquisition of tangible capital assets	(20,973,268)	(6,834,221)	(4,128,636)
Amortization of tangible capital assets	3,902,044	3,902,044	3,644,240
Loss on sale of tangible capital assets	288,688	257,257	66,695
Write-downs of tangible capital assets			23,866
Proceeds on sale of tangible capital assets	18,400	31,431	47,011
Developer tangible capital asset contribution	(1,479,912)	(1,479,912)	(2,347,761)
	<u>(18,244,048)</u>	<u>(4,123,401)</u>	<u>(2,694,585)</u>
Acquisition of supplies inventories	-	(418,877)	(538,167)
Acquisition of prepaid expense	-	(453,275)	(399,491)
Consumption of supplies inventories	-	447,120	593,734
Use of prepaid expense	-	399,491	131,159
	<u>-</u>	<u>(25,541)</u>	<u>(212,765)</u>
CHANGE IN NET FINANCIAL ASSETS/NET DEBT	(14,250,507)	932,869	1,363,749
NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR	<u>1,385,588</u>	<u>1,385,588</u>	<u>21,839</u>
NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR	<u>\$ (12,864,919)</u>	<u>\$ 2,318,457</u>	<u>\$ 1,385,588</u>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**STATEMENT D**

	2012	2011
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	\$ 5,081,811	\$ 4,271,099
Changes in non-cash items including amortization		
Increase in amortization	3,902,044	3,644,240
Change in receivables	(447,182)	3,715,041
Change in property acquired for taxes	-	301
Change in accounts payable	1,094,128	(1,347,404)
Change in trust and other deposits	(1,156,846)	(1,004,198)
Change in deferred revenue	325,654	1,402,060
Change in inventories	28,243	55,567
Change in prepaids	(53,784)	(268,332)
Loss on disposal of capital assets	257,257	66,695
Writedowns of Tangible Capital Assets	-	23,866
Developer Tangible Capital Asset Contribution	(1,479,912)	(2,347,761)
Actuarial adjustment	(312,356)	(261,819)
	<u>7,239,058</u>	<u>7,949,355</u>
Cash Provided by Operating Transactions		
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(6,834,221)	(4,128,636)
Proceeds on sale of tangible capital assets	31,431	47,011
	<u>(6,802,790)</u>	<u>(4,081,625)</u>
Cash Applied to Capital Transactions		
<b>INVESTING TRANSACTIONS</b>		
Term deposits	(4,094,861)	(5,040,162)
	<u>(4,094,861)</u>	<u>(5,040,162)</u>
Cash Provided by (applied to) Investing Transactions		
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(925,768)	(1,399,193)
Long-term debt proceeds	5,760,000	-
	<u>4,834,232</u>	<u>(1,399,193)</u>
Cash Provided by Financing Transactions		
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,175,639</b>	<b>(2,571,625)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>23,485,385</b>	<b>26,057,010</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 24,661,024</b>	<b>\$ 23,485,385</b>
	<u>\$ 24,661,024</u>	<u>\$ 23,485,385</u>
Interest paid on outstanding debt and included in annual surplus above	\$ 967,070	\$ 988,410



THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
 YEAR ENDED DECEMBER 31, 2012  
 (Audited)

SCHEDULE 1  
 (Note 13)

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	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<b>REVENUE:</b>										
Taxation	\$ 19,139,818	\$ 18,036,678								
Sales of Services			842,800	784,778			2,538,193	2,275,977		
Revenue from Own Sources			631,235	675,791	223,703	306,783			110,399	46,870
Government Transfers	1,334,533	892,608	64,571	23,462	537,011	76,249		82,042	135,046	121,651
Other Revenue	87,312	71,901			2,279,044	1,809,065				
Other Contributions	5,700				12,007	10,073				
Interest Earned	743,241	674,672	11,880	9,467						
<b>Total Revenues</b>	<b>21,310,604</b>	<b>19,675,859</b>	<b>1,550,486</b>	<b>1,493,498</b>	<b>3,051,765</b>	<b>2,202,170</b>	<b>2,538,193</b>	<b>2,358,019</b>	<b>245,445</b>	<b>168,521</b>
<b>EXPENSES</b>										
Salaries and Benefits	2,165,904	1,964,738	1,642,334	1,576,256	2,023,010	1,967,907	61,889	52,086	126,378	120,928
Goods and Services	827,276	742,225	5,665,092	5,655,310	1,227,415	1,030,923	2,189,465	2,125,849	71,080	82,057
Amortization Expense	192,773	169,570	223,958	242,032	2,309,167	2,143,145	185,953	174,071	20,392	16,649
Debt Servicing	23,768	28,104	26,296	68,813	368,420	347,156				
Other Expenditures	347,961	361,303	116,281	120,755	163,273	187,185	59,712	90,188	43,412	9,884
Loss on Disposal of TCA					218,212	40,944				
<b>Total Expenses</b>	<b>3,557,682</b>	<b>3,265,940</b>	<b>7,673,961</b>	<b>7,663,166</b>	<b>6,309,497</b>	<b>5,717,260</b>	<b>2,497,019</b>	<b>2,442,194</b>	<b>261,262</b>	<b>229,518</b>
<b>ANNUAL SURPLUS</b>	<b>17,752,922</b>	<b>16,409,919</b>	<b>(6,123,475)</b>	<b>(6,169,668)</b>	<b>(3,257,732)</b>	<b>(3,515,090)</b>	<b>41,174</b>	<b>(84,175)</b>	<b>(15,817)</b>	<b>(60,997)</b>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE**  
**YEAR ENDED DECEMBER 31, 2012**  
**(Audited)**

	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<b>REVENUE:</b>												
Taxation												
Sales of Services	497,803	490,370	1,114,488	1,261,487	3,963,594	3,881,058	2,253,963	2,189,016	513,418	441,248	9,598,550	9,130,829
Revenue from Own Sources	23,899	-	528,668	233,492	122,710	130,441	37,532	17,725	128,215	116,000	3,140,889	3,323,845
Government Transfers											2,727,296	1,470,723
Other Revenue	40,500	94,500	114,051	305,821	85,800	86,166	473,671	765,171	18,058	12,018	308,158	279,718
Other Contributions	3,554	2,681	12,799	9,992	172,231	432,958	6,242	7,165			801,029	3,419,533
Interest Earned	565,756	587,551	1,770,006	1,810,792	11,306	11,969	4,691,960	4,874,721	659,691	569,266	41,400,827	38,935,719
<b>Total Revenues</b>												
					\$ 661,280	\$ 652,730	\$ 1,920,552	\$ 1,895,644			\$ 21,721,650	\$ 20,585,052
					3,963,594	3,881,058	2,253,963	2,189,016			9,598,550	9,130,829
					122,710	130,441	37,532	17,725			3,140,889	3,323,845
					85,800	86,166	473,671	765,171			308,158	279,718
					172,231	432,958	6,242	7,165			801,029	3,419,533
					5,016,921	5,193,322	4,691,960	4,874,721			41,400,827	38,935,719
<b>EXPENSES</b>												
Salaries and Benefits	440,495	440,288	3,254,839	3,232,469	523,338	417,623	367,803	364,073	464,711	515,278	11,070,701	10,651,646
Goods and Services	61,017	57,965	1,996,415	1,902,738	2,720,551	2,409,017	764,735	726,304	277,730	257,469	15,800,776	14,989,857
Amortization Expense	2,533	2,533	583,458	547,292	281,973	267,983	101,837	80,964			3,902,044	3,644,240
Debt Servicing	11,737	6,930	99,447	141,340	23,595	24,538	122,879	126,691	4,970	18,609	664,405	736,642
Other Expenditures			1,582,331	1,514,564	25,807	66,802	2,268,349	2,199,321			4,623,833	4,575,541
Loss on Disposal of TCA					39,045	6,207		19,544			257,257	66,695
<b>Total Expenses</b>												
	515,782	507,716	7,516,490	7,338,403	3,614,309	3,192,170	3,625,603	3,516,897	747,411	791,356	36,319,016	34,664,620
<b>ANNUAL SURPLUS</b>	\$ 49,974	\$ 79,835	\$ (5,746,484)	\$ (5,527,611)	\$ 1,402,612	\$ 2,003,152	\$ 1,066,357	\$ 1,357,824	\$ (87,720)	\$ (222,090)	\$ 5,081,811	\$ 4,271,099

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Presentation

It is the policy of the City to follow Canadian public sector accounting standards and to apply such principles consistently. The consolidated financial statements include the operations of General, Water Utility, Sewer, Capital, Reserve Funds, and the Sid Williams Theatre Society, a controlled entity. Transactions between these funds, and between the City and the Sid Williams Theatre Society, have been eliminated on consolidation. The consolidated financial statements have been prepared using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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

Expenditures 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 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.

Government Transfers are recognized as revenues in the period in which the events giving rise to the transfer occur and only recorded once authorized, eligibility criteria is met, and the amount can be reasonably estimated.

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

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

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

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(c) Accrued Payroll Benefits

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

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

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts Receivable are stated after evaluation of their collectability. Post employment benefits are calculated by an Actuary. Prior year tangible capital asset historical costs and related amortization have been calculated by a professional appraiser. 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.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value.

(f) Tangible Capital Assets

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

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

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.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

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(g) Financial Instruments

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

(h) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2012. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

(i) Receivables

Following is a breakdown of receivables outstanding at December 31, 2012 with 2011 comparatives:

	<u>2012</u>	<u>2011</u>
Federal Government	\$ 355,026	\$ 155,191
Provincial Government	240,049	236,858
Regional and other Local Governments	139,899	151,317
Property Taxes	1,096,929	726,625
Other	<u>974,247</u>	<u>1,088,977</u>
 Total Receivables	 <u>\$ 2,806,150</u>	 <u>\$ 2,358,968</u>

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2012 with 2011 comparatives:

	<u>2012</u>	<u>2011</u>
Federal Government	\$ 1,321,884	\$ 1,156,612
Provincial Government	379,777	359,718
Regional and other Local Governments	366,120	650,357
Trade and accrued liabilities	<u>4,571,295</u>	<u>3,378,261</u>
 Total Accounts Payable	 <u>\$ 6,639,076</u>	 <u>\$ 5,544,948</u>

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

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(k) Recent Accounting Pronouncements

Tax Revenue – In February 2010, the Public Sector Accounting Board (PSAB) issued PS 3510 *Tax Revenue* to provide guidance on how to account for and report tax revenue in the City of Courtenay financial statements. This section establishes recognition, measurement, presentation and disclosure requirements for tax revenue. PS 3510 is effective for fiscal years beginning on or after April 1, 2012. The City of Courtenay does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

Government Transfers - In March 2011, the Public Sector Accounting Board replaced and revised existing section PS 3410 *Government Transfers* with a newly amended section PS 3410. Newly issued PS 3410 establishes standards on how to account for and report government transfers to individuals, organizations and other governments from both a transferring government and a recipient government perspective. This section permits a recipient government to recognize government transfers as revenue when the transfer is authorized by the transferring government, unless the transfer creates a liability for the recipient. A liability is created as a result of the recipient government not yet meeting eligibility criteria or the existence of stipulations in the transfer agreement. When a government transfer results in recognition of a liability, revenue is recognized by a recipient government as the liability is settled. A transferring government recognizes an expense when the transfer is authorized and the recipient has met all eligibility criteria.

Newly revised and issued PS 3410 may be applied prospectively or retroactively and is effective for fiscal years beginning on or after April 1, 2012; however, earlier adoption is encouraged. PS 3410 will be applied prospectively and the City of Courtenay does not expect the adoption of the newly issued section to have a material impact on its consolidated financial statements.

**2. CONTINGENT LIABILITIES AND COMMITMENTS**

(a) Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Courtenay. Readers are referred to the Comox Valley Regional District 2012 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:

2013	\$1,214,006
2014	\$1,214,599
2015	\$1,215,206
2016	\$950,605
2017	<u>\$951,244</u>
	<u>\$5,545,660</u>

(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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

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British Columbia Assessment Authority  
Downtown Courtenay Business Improvement Area

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

- (d) As at December 31, 2012, there existed outstanding claims against the City. These claims have been referred to legal council 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.
  
- (e) As at May 11, 2012, the City has paid out the guaranteed loan with an outstanding balance of \$125,013 (2011 - \$125,013), for the Community Futures Development Corporation (CFDC) for the purposes of renovating the Comox Valley Centre for the Arts. Payment under this guarantee was required if the debt holder became no longer able to make the required monthly payments or the lease arrangements for the CFDC were modified. In May 2012 the space leased by the CFDC was significantly reduced and is now occupied by another tenant. As at December 31, 2012, no liability has been recorded associated with this guarantee as the loan was paid out in full on May 11, 2012.

### **3. PENSION LIABILITY**

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2009 indicated a \$1.024 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The City of Courtenay paid \$669,460 for employer contributions to the plan in fiscal 2012 (\$638,805 in 2011).

### **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 FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

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**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 as deferred revenue 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 2012 with comparatives to 2011.

	2012	2011
<b>Opening Balance of Unspent Funds</b>	<b>\$2,966,070</b>	<b>\$2,086,971</b>
Additions:		
Amounts Received During the Year	936,858	936,858
Interest Earned	22,205	16,031
Deductions:		
Amount Spent on Projects	(370,838)	(73,790)
Amount Spent on Administration	-	-
<b>Closing Balance of Unspent Funds</b>	<b><u>\$3,554,295</u></b>	<b><u>\$2,966,070</u></b>

**6. DEBENTURE AND OTHER LONG-TERM DEBT**

Funding of certain general debenture and other long-term principal and interest debt repayment is provided by sources other than general taxation. Other sources include short term loan proceeds used to bridge the gap for debenture debt proceeds, and lease and rental revenues, which reduce the requirement to fund debt repayment from general taxation revenues. This source of funding detail at the time of the annual tax levy, with 2011 comparatives, is as follows:

	2012	2011
Municipal debt levy, general taxation	\$1,403,349	\$1,354,836
Lease and rental revenues	<u>233,430</u>	<u>299,115</u>
<b>Total funding required – general debt repayment</b>	<b><u>\$1,636,779</u></b>	<b><u>\$1,653,951</u></b>



**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

**7. DEFERRED REVENUE - DEVELOPMENT COST CHARGES**

In order to conform with the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, the unspent development cost charges in the following financial statements have been recorded as a liability. Following is a breakdown of cash increases and decreases for the General, Water, and Sewer development costs charge reserves for 2011 and 2012.

		2012			
	General Reserve DCC BL #2426	Water Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #1638	2012 Total
<b>Balance Forward</b>	\$ 2,311,531	\$ 354,110	\$ 398,747	\$ 32,615	\$ 3,097,003
<b>Increases</b>					
Interest	16,355	2,621	3,057	229	22,262
Other Contributions	435,502	34,857	64,779		535,138
	451,857	37,478	67,836	229	557,400
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(551,936)			-	(551,936)
Reclassifications, redemptions, refunds	-	-	-	-	-
	(551,936)	-	-	-	(551,936)
<b>Ending Balance Deferred Revenue - DCC</b>	\$ 2,211,452	\$ 391,588	\$ 466,583	\$ 32,844	\$ 3,102,467
		2011			
	General Reserve DCC BL #2426	Water Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #2426	Sewer Utility Reserve DCC BL #1638	2011 Total
<b>Balance Forward</b>	\$ 2,270,181	\$ 295,923	\$ 331,555	\$ 32,388	\$ 2,930,047
<b>Increases</b>					
Interest	16,664	2,223	2,543	227	21,657
Other Contributions	410,014	58,303	77,670	-	545,987
	426,678	60,526	80,213	227	567,644
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(385,328)	(2,339)	(13,021)	-	(400,688)
Reclassifications, redemptions, refunds	-	-	-	-	-
	(385,328)	(2,339)	(13,021)	-	(400,688)
<b>Ending Balance Deferred Revenue - DCC</b>	\$ 2,311,531	\$ 354,110	\$ 398,747	\$ 32,615	\$ 3,097,003

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

**8. ENVIRONMENTAL REGULATIONS**

The City makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards. Amounts required to meet these obligations will be charged to operations when incurred or set aside as future reserves when they can be reasonably estimated.

**9. TRUST AND ENDOWMENT FUNDS**

- (a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2011 and 2012, which has been excluded from the City's financial statements.

**CEMETERY PERPETUAL CARE FUND  
 FINANCIAL POSITION**

**CEMETERY PERPETUAL CARE FUND  
 FINANCIAL ACTIVITIES**

	<u>2012</u>	<u>2011</u>		<u>2012</u>	<u>2011</u>
<b>Financial Assets</b>			<b>Revenue</b>		
Cash on Hand	\$ 44,360	\$ 35,524	Fees Levied	\$ 11,029	\$ 8,932
Investments - MFA	<u>227,214</u>	<u>224,841</u>	Interest Revenue	<u>2,837</u>	<u>2,657</u>
<b>Liabilities</b>			<b>Expenditure</b>		
Interest Payable to City	<u>2,837</u>	<u>2,657</u>	Interest Expense	<u>2,837</u>	<u>2,657</u>
<b>Net Financial Position</b>	<u><u>\$ 268,737</u></u>	<u><u>\$ 257,708</u></u>	<b>Excess Revenue over Expenditure</b>	<u><u>\$ 11,029</u></u>	<u><u>\$ 8,932</u></u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2011 - \$322,834). The principal amount of this endowment cannot be utilized or withdrawn and as such are not considered assets of the City of Courtenay. The endowment funds are not reported as an asset on the statement of financial position.

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012**

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**10. DEFERRED REVENUE – OTHER**

Other Deferred Revenue recorded in the Liability section of the City's Financial Statements consists of the revenues related to Development Cost Charge instalment payments owing from Developers and to be received in future years, business license revenue levied and to be recognized in future years, sewer connection instalment payments owing from property owners and to be recognized in future years, Government transfers received prior to revenue recognition criteria being met, gift certificates issued and to be redeemed in future years at the Sid Williams Theatre, and Surcharge revenue to be recognized in future years at the Sid Williams Theatre. Following is a breakdown of the change in this balance for 2011 and 2012:

	2012	2011
<b>Opening Balance</b>	<b>\$ 750,588</b>	<b>\$ 394,583</b>
Additions to Deferred Revenue	445,081	747,411
Revenue Recognized	(713,115)	(391,406)
	<b>\$ 482,553</b>	<b>\$ 750,588</b>

**11. MFA DEBT RESERVE FUNDS**

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are not reported in the financial statements as they are eliminated upon consolidation. As at December 31, 2012 the City had debt reserve funds of \$379,766 (\$312,252 in 2011).

**12. EMPLOYEE RETIREMENT BENEFIT LIABILITY**

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee's life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2012 were based on an interest (discount) rate of 3.40% per annum. The total estimated employee retirement benefit liability at December 31, 2012 is \$859,394 (\$769,855 in 2011) and is included in the accounts payable balance on statement A.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

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**13. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE**

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. A detailed summary of the 2012 revenues and expenses with 2011 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, and sustainability.

**Recreational and Cultural Services**

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

**Water Utility Services**

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

**Sewer Utility Services**

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

**Other Services**

Includes the operations of the Sid Williams Theatre.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

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**14. TANGIBLE CAPITAL ASSET DETAILS**

(See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

	2012	2011
Land	\$ 20,871,531	\$ 20,634,835
Land Improvements	2,679,694	2,769,429
Buildings	16,119,050	14,228,877
Equipment, Furniture, & Vehicles	4,923,330	5,180,947
Engineering Structures:		
Roads	43,400,595	43,485,107
Water	8,812,549	8,687,936
Sewer	7,379,287	5,913,268
Other (Includes Storm)	9,306,720	8,448,883
Other Tangible Capital Assets	104,556	124,630
	<b>\$ 113,597,312</b>	<b>\$109,473,911</b>

The net book value of capital assets not being amortized and under construction in 2012 is \$7,911,348 (\$4,753,987 in 2011).

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded on the financial statements in 2012 is \$1,479,912 (\$2,347,761 in 2011)

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

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

**15. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year presentation.

THE CORPORATION OF THE CITY OF COURTENAY  
 NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2012

**16. RESTATEMENT OF 2012 BUDGET**

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 14, 2012, except in regard to budget amounts for amortization, developer contributions for tangible capital assets, gains and losses on tangible capital asset disposals, and the use of debt, reserves and prior year surpluses.

The budget amounts presented throughout these financial statements for the tangible capital asset related budgets are the actual values determined at the completion of the municipalities' tangible capital asset accounting process. These values have been added to the May 14, 2012 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the May 14, 2012 budget approved by Council after adjusting the budget values by the actual revenues and expenses incurred for tangible capital asset related items (amortization, developer contributions for tangible capital assets, and gains and losses on tangible capital asset disposals) and other transfers that were not included in the approved 2012 budget.

Adjustments to 2012 Budgeted Annual Surplus

<b>Budget Surplus reported in FS</b>	<b>\$ 3,993,541</b>
Capital acquisitions in Financial Plan	(20,973,268)
Amortization	3,902,044
Contributed Assets	(1,479,912)
Debt Issues in Financial Plan	5,757,524
Debt principle repayments in Financial Plan	(950,768)
Operating surplus appropriated for Operations in Financial Plan	4,271,012
Capital surplus appropriated for Capital Projects in Financial Plan	1,204,157
Transfers from Operating and Capital Reserves in Financial Plan	7,066,879
Transfers to Operating and Capital Reserves in Financial Plan	<u>(2,791,209)</u>
<b>Net of Financial Plan</b>	<b>\$ <u>          -</u></b>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

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**17. SUBSEQUENT EVENTS**

On December 17, 2012 at the Regular Council Meeting held in the City Hall Council Chambers Council approved the Agreement of Purchase and Sale between the City of Courtenay and the Vancouver Island Health Authority for the property located at 95 Lerwick Rd. This transaction was completed on February 19, 2013 and the Freehold Transfer to title in the name of the purchaser was submitted for registration in the Land Title Office. The net sale proceeds payable to the City of Courtenay on the date of completion were \$895,906. The net sale proceeds will be invested into a regional play field project.

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2012  
 (Audited)

	Engineering Structures							Other Tangible Capital Assets	Total	2011
	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Roads	Water	Sewer			
<b>COST</b>										
Opening Balance Construction-in-progress (CIP)	\$ 14,688	\$ 901,833	\$ 717,424	\$ 136,749	\$ 1,095,821	\$ 167,954	\$ 1,342,233	\$ 343,360	\$ 4,753,987	\$ 12,102,095
Add: Construction-in-progress (CIP)	44,406	2,135,638	2,747	76,451	1,183,570	735,542	4,451,403	1,314,065	13,800,638	13,800,638
Less: Transfers into Service	(14,688)	(212,573)	(436,708)	(36,057)	(344,282)	(10,270)	(4,838)	(205,855)	(1,294,042)	(8,638,307)
Less: Write-downs	-	733,666	2,416,354	103,439	827,990	430,733	2,520,965	873,047	7,911,348	(23,866)
Closing Balance Construction-in-progress	\$ 20,620,147	\$ 3,590,745	\$ 21,057,454	\$ 12,245,721	\$ 76,037,636	\$ 13,623,467	\$ 5,606,569	\$ 13,862,957	\$ 167,224,540	\$ 154,204,532
Opening Balance Tangible Capital Assets	251,384	236,626	673,458	510,417	2,248,079	182,501	373,132	620,692	5,156,771	13,800,638
Add: Additions (including Transfers into Service)	(19,800)	(19,800)	(19,800)	(106,913)	(273,277)	(46,855)	(46,855)	(46,855)	(446,844)	(780,629)
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Closing Balance Tangible Capital Assets and CIP	20,871,531	4,541,237	24,147,266	12,752,664	78,840,429	14,189,847	8,500,666	15,356,696	179,845,815	171,978,528
<b>ACCUMULATED AMORTIZATION</b>										
Opening Balance	1,723,149	7,550,417	7,184,607	7,184,607	33,647,895	5,124,566	1,027,408	5,757,434	62,504,616	59,527,300
Add: Amortization	144,004	477,799	719,192	1,862,211	1,862,211	260,541	93,971	292,542	3,902,044	3,644,240
Less: Accum Amortization on Disposals	(5,610)	(5,610)	(74,466)	(74,466)	(70,272)	(7,809)	(7,809)	(70,272)	(158,157)	(666,923)
Closing Balance	1,861,543	8,028,216	8,028,216	7,829,334	35,439,834	5,377,298	1,121,379	6,049,976	66,248,503	62,504,617
<b>Net Book Value for year ended December 31, 2012</b>	\$ 20,871,531	\$ 2,679,694	\$ 16,119,050	\$ 4,923,330	\$ 43,400,595	\$ 8,812,549	\$ 7,379,287	\$ 9,306,720	\$ 113,597,312	\$ 109,473,911



SCHEDULE 4

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT  
 YEAR ENDED DECEMBER 31, 2012

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/11	Current Year Borrowing	Actuarial Adjustment/Princ. Reduction	Principal Outstanding Dec 31/12
<b>General Capital Fund</b>						
Debtenture Debt						
2088	Museum	6.45	110,540		25,838	84,702
2092	Firehall	6.45	850,309		198,754	651,555
2093	Sid Williams Theatre	6.45	850,309		198,754	651,555
2171	Library	3.05	1,549,032		123,155	1,425,877
2266	Infrastructure Works - MFA	4.78	213,235		26,189	187,046
2266	Fifth Street Bridge	5.15	386,178		25,701	360,477
2304	Lerwick Road Ext. Prop Acquisition	4.86	829,405		29,482	799,923
2227	City Hall Retaining Wall	5.00	106,996		10,111	96,888
2354	Repaving Program	5.75	375,442		22,652	352,791
2355	Lerwick Road Extension	5.75	588,510		21,268	567,242
2356	City Hall Renovation	5.50	568,431		53,713	514,718
2425	Lerwick Road Construction	4.66	589,039		29,417	559,622
2453	Police Property Acquisition	4.43	1,169,490		58,406	1,111,084
2458	Public Works Maintenance Building	4.52	1,240,986		92,018	1,148,968
2539	Capital Infrastructure Work	4.13	2,829,079		170,151	2,658,928
2538	Native Sons Hall Renovation	4.50	570,031		31,163	538,864
2680	Lewis Centre Renovation	2.90		4,200,000	-	4,200,000
2681	Infrastructure Works - Road Paving	2.90		1,560,000	-	1,560,000
			12,827,012	5,760,000	1,116,772	17,470,239
<b>TOTAL GENERAL CAPITAL FUND</b>			12,827,012	5,760,000	1,116,772	17,470,239

TOTAL GENERAL CAPITAL FUND

SCHEDULE 4

THE CORPORATION OF THE CITY OF COURTENAY  
 CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT  
 YEAR ENDED DECEMBER 31, 2012

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/11	Current Year Borrowing	Actuarial Adjustment/ Princ. Reduction	Principal Outstanding Dec 31/12
Balance Forward			\$ 12,827,012	\$ 5,760,000	\$ 1,116,772	\$ 17,470,239
<b>Water Capital Fund</b>						
Debenture Debt						
2424 Water Extension - Lerwick Road	2026	4.66	490,867	-	24,514	466,353
<b>TOTAL WATER CAPITAL FUND</b>			<u>490,867</u>	<u>-</u>	<u>24,514</u>	<u>466,353</u>
<b>Sewer Capital Fund</b>						
Debenture Debt						
2305 Sewer Extension	2029	4.86	622,055	-	22,112	599,943
2353 Sewer Extension	2030	5.00	1,656,234	-	59,854	1,596,380
2423 Sewer Extension - Lerwick Road	2026	4.66	297,792	-	14,872	282,920
<b>TOTAL SEWER CAPITAL FUND</b>			<u>2,576,081</u>	<u>-</u>	<u>96,838</u>	<u>2,479,243</u>
<b>TOTAL ALL CAPITAL FUNDS</b>			<u>15,893,960</u>	<u>5,760,000</u>	<u>1,238,124</u>	<u>20,415,836</u>

**THE CORPORATION OF THE CITY OF COURTENAY**

**2012 Report of Remuneration and Expenses of  
Elected Officials  
(Community Charter, Section 168)**

**Remuneration and Expense Payments**

<u>Elected Official</u>		<u>Remuneration</u>	<u>Expenses</u>
Jangula, Larry	Mayor	\$ 47,993	\$ 9,205
Ambler, Jonathan	Councillor	\$ 20,629	\$ 1,336
Anglin, William	Councillor	\$ 20,629	\$ 6,639
Hillian, Douglas A.	Councillor	\$ 20,629	\$ 1,616
Leonard, Ronna-Lae	Councillor	\$ 21,254	\$ 6,554
Theos, Manno	Councillor	\$ 20,629	\$ 2,907
Winchester, Starr	Councillor	\$ 20,629	\$ 4,584
TOTALS		<u>\$ 172,395</u>	<u>\$ 32,841</u>

**Benefits**

Insurance Policy Coverage: Personal Accident Insurance, Mayor and Council

*Industrial Alliance Pacific Insurance & Financial Services*

*Principal Sum:* \$ 150,000

*Weekly Accident Indemnity:* \$ 400

*Accidental Dental Reimbursement Benefit:* \$ 3,000

*Accidental Medical Reimbursement Benefit:* \$ 5,000

Total premium - all members \$ 500.00

**Section 107 Disclosure of Contracts with Council Members and Former Council Members**

No contracts

**THE CORPORATION OF THE CITY OF COURTENAY**

**Statement of Financial Information  
(as required under the Financial Information Act)  
Statement of Salaries, Wages and Expenses for the Year 2012**

<u>Employee</u>	<u>Position</u>	<u>Remuneration</u> (Includes Taxable Benefits)	<u>Expenses</u>
Gray, S.	Chief Administrative Officer (note: includes RRSP in lieu of a pension benefit)	\$ 183,543	\$ 8,019
Lagan, K	Director of Operational Services	\$ 135,210	\$ 1,021
Manthey, T	Director of Financial Services/Deputy CAO	\$ 135,010	\$ 3,500
Wiwchar, R.	Director of Community Services	\$ 111,227	\$ 4,296
Crawford, P.	Director of Planning Services	\$ 114,888	\$ 4,458
Pedersen, L.	Director of Employee and Technology Services	\$ 104,910	\$ 4,171
Ward, J.	Director of Legislative Services	\$ 93,666	\$ 1,028
Bardonnex, D.	Fire Chief	\$ 98,665	\$ 6,858
MacDonald, K.	Deputy Fire Chief	\$ 87,153	\$ 1,336
Bernard, Y.	Manager of Information Systems	\$ 83,734	\$ 2,921
Murphy, S.	Manager of Recreation Services	\$ 93,432	\$ 3,467
Richmond, D.	Manager of Engineering	\$ 75,136	\$ 2,716
Hilton, C.	Manager of Finance	\$ 81,747	\$ 2,532
Gervais, K.	Manager of Operations	\$ 90,819	\$ 4,562
Guderjahn, B.	Manager of Purchasing	\$ 82,558	\$ 2,013
Henderson, D.	Assistant Fire Chief / Training Officer	\$ 79,895	\$ 3,636
Knapman, P.	Occupational Health & Safety Coordinator	\$ 75,378	\$ 1,837
Craven, D.	Journeyman Carpenter	\$ 75,486	\$ 342
Shaw, D.	Sewer Foreman	\$ 75,821	\$ -
Sheldon, R.	Water Foreman	\$ 75,868	\$ -
Arseneault, R	Roads Foreman	\$ 76,985	\$ 2,299
Rasmussen, R.	Gardener 3	\$ 79,436	\$ -
Total for employees where remuneration is > \$75,000		\$ 2,110,569	\$ 61,013
Consolidated total for employees where remuneration < \$75,000		6,392,659	61,383
Elected Officials, direct payments		172,395	32,841
<b>TOTALS</b>		<b>\$ 8,675,623</b>	<b>\$ 155,237</b>

Statement of Severance Agreements

There were two severance agreements paid to two non-unionized employees and two severance agree paid to unionized employees by The Corporation of the City of Courtenay during the fiscal year 2012.

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

**The Corporation of the City of Courtenay  
Statement of Individual Accounts Paid  
For the Twelve Months Ending December 31, 2012**

<b>Vendor ID</b>	<b>Vendor Name</b>	<b>Amount Billed YTD</b>
ACK001	ACKLANDS-GRAINGER INC	\$42,286.22
AGR001	AGRIUM ADVANCED TECHNOLOGIES	\$26,697.17
AON002	AON REED STENHOUSE INC	\$177,050.00
ASSO03	ASSOCIATED ENGINEERING (B.C.) LTD.	\$38,068.80
BAS002	BASELINE ARCHAEOLOGICAL SERVICES	\$66,855.60
BCA002	BC ASSESSMENT AUTHORITY	\$309,266.92
BCH002	BC HYDRO	\$622,564.80
BCH003	BC HYDRO & POWER AUTHORITY	\$53,195.52
BCL002	BC LIFE AND CASUALTY COMPANY	\$184,503.08
BRI001	BRIAN MCLEAN CHEVROLET BUICK GMC I	\$54,102.48
BRO002	BROOKMERE INVESTMENTS	\$153,597.60
BUC004	BUCKSTONE INVESTMENTS LTD.	\$371,821.83
BUS001	BUSY BEE CLEANING & MAINT SERVICES	\$31,824.40
CAN030	CANADIAN WESTERN BANK	\$5,000,000.00
CEN001	CENTRAL BUILDERS' SUPPLY LTD	\$61,648.49
CLA007	CLARK TEMPERATURE CONTROL LTD	\$50,683.70
COA006	COASTAL COMMUNITY CREDIT UNION	\$128,519.97
COL002	COLUMBIA FUELS	\$222,437.46
COM002	COMMISSIONAIRES (THE)	\$395,582.66
COM007	COMOX VALLEY BOBCAT & EXC LTD	\$257,687.79
COM012	COMOX VALLEY ECHO	\$96,266.60
COM023	COMOX VALLEY RECORD	\$29,913.50
COM029	COMOX VALLEY DODGE CHRYSLER	\$122,410.25
COM038	COMOX VALLEY FLOOR CENTRE	\$26,946.97
COR005	CORIX WATER PRODUCTS LTD PARTNERSI	\$134,521.15
COS001	COSTCO WHOLESALE CANADA LTD	\$60,529.53
COU002	COURTENAY & DISTRICT MUSEUM	\$120,332.64
COU004	COURTENAY DOWNTOWN BUSINESS ASSO	\$60,000.00
COU009	COURTENAY RECREATION ASSOC	\$608,223.46
COU010	COURTENAY VOLUNTEER FIRE DEPARTME	\$35,183.06
CUM002	CUMBERLAND, VILLAGE OF	\$31,976.00
CUP001	CUPE LOCAL 556	\$90,553.25
DIA001	DIAMOND SOFTWARE INC	\$45,962.50
DOU006	DOUMONT FARM GREENHOUSES	\$29,277.81
EBA001	EBA ENGINEERING CONSULTANTS LTD	\$31,610.95
EBH001	E B HORSMAN & SON	\$44,019.07
EDG001	EDGETT EXCAVATING	\$336,452.06
EMC002	EMCO CORP	\$25,917.80
EMT001	EMTERRA ENVIRONMENTAL	\$622,652.42

**The Corporation of the City of Courtenay  
Statement of Individual Accounts Paid  
For the Twelve Months Ending December 31, 2012**

<b>Vendor ID</b>	<b>Vendor Name</b>	<b>Amount Billed YTD</b>
ESR001	ESRI CANADA	\$33,510.40
FLA004	FLAGGIRLS TRAFFIC CONTROL INC	\$34,855.24
FLE005	FLETCHER PETTIS CONSULTANTS LTD	\$101,731.62
FOR009	FORTIS BC-NATURAL GAS	\$141,995.70
FOU002	FOUR STAR WATERWORKS LTD	\$103,843.67
G&D001	G&D LINEMARKING & THERMOPLASTIC AI	\$51,075.74
G4S001	G4S CASH SOLUTIONS (CANADA) LTD	\$26,062.92
HAR002	HARTMAN AUTO SUPPLY LTD	\$46,299.00
HEE001	HEENAN BLAIKIE LLP	\$37,263.54
HYL001	HYLAND PRECAST INC	\$68,420.42
INC002	INCA VENTURES LTD	\$35,218.00
INS002	INSURANCE CORPORATION OF	\$47,515.00
INT010	INTEGRAL WEALTH SECURITIES LIMITED	\$28,800.51
IPI001	INTERNATIONAL PAPER INDUSTRIES LTD	\$873,600.00
ISL014	ISLAND TRAFFIC SERVICES LTD	\$56,488.79
JAC003	JACE HOLDINGS LTD.	\$856,357.72
JCI001	JC INSTALLATIONS LTD.	\$30,240.00
KNA002	KNAPPETT PROJECTS INC	\$167,531.95
KOE001	KOERS & ASSOCIATES ENGINEERING	\$72,249.23
KON002	KONICA MINOLTA	\$29,031.67
LEI001	LEIGHTON CONTRACTING (2009) LTD	\$141,299.68
MAI003	MAINROAD SOUTH ISLAND CONTRACTING	\$346,442.11
MAL004	MALTESEN MASONRY LTD.	\$39,170.88
MCE001	MCELHANNEY CONSULTING	\$545,144.30
MED001	MEDICAL SERVICES PLAN	\$142,347.00
MEY001	MEYERS NORRIS PENNY LLP	\$40,073.00
MIC001	MICROSOFT LICENSING GP	\$53,001.98
MIN004	MINISTER OF FINANCE	\$5,011,504.00
MON001	MONK OFFICE SUPPLY LTD	\$59,573.44
MOR003	MORRISON HERSHFIELD LTD.	\$64,515.71
MUC001	MUCHALAT CONSTRUCTION LTD.	\$25,520.00
MUC002	MUCHALAT PROJECTS LTD	\$246,730.24
MUN002	MUNICIPAL INSURANCE ASSOC OF	\$165,673.06
NEL001	NELSON ROOFING AND SHEET METAL LTD	\$142,136.70
NEW001	NEW HERITAGE ARBOURISTS LTD	\$34,480.04
NOR001	NORISLE SALES INC	\$31,579.93
NOR007	NORTH ISLAND TRACTOR LTD	\$25,022.22
OND001	ONDECK SYSTEMS INC	\$53,532.59
PAC001	PACIFIC BLUE CROSS	\$402,443.60

**The Corporation of the City of Courtenay  
Statement of Individual Accounts Paid  
For the Twelve Months Ending December 31, 2012**

<b>Vendor ID</b>	<b>Vendor Name</b>	<b>Amount Billed YTD</b>
PAC017	PACE-WEST MECHANICAL LTD.	\$116,911.88
PIL001	PILON TOOL RENTALS (1972) LTD	\$43,985.13
PIN001	PINTON FORREST & MADDEN	\$27,636.50
POO001	POOL GUY, THE	\$26,254.76
POS002	POSTAGE-ON-CALL	\$25,760.00
RAY001	RAYLEC POWER LTD	\$117,803.89
REC005	RECEIVER GENERAL FOR CANADA	\$2,381,564.02
REC006	RECEIVER GENERAL FOR CANADA	\$4,889,691.59
REG001	COMOX VALLEY REGIONAL DISTRICT	\$12,178,581.37
REG002	REGIONAL HOSPITAL DIST OF	\$3,579,312.16
RHE001	R HENN & ASSOCIATES	\$28,998.18
ROL001	ROLLINS MACHINERY LTD	\$124,676.52
SCO001	SCOTIABANK	\$57,131.05
SCO002	SCOTIABANK VISA	\$853,003.34
SID001	SID WILLIAMS THEATRE SOCIETY	\$195,729.45
SIL001	SILVERADO LAND CORP	\$83,607.00
SOF001	SOFTCHOICE CORPORATION	\$47,637.45
SWI002	SWIFT DATOO & CO IN TRUST	\$93,536.00
TAY001	TAYCO PAVING	\$865,909.16
TEL001	TELUS COMMUNICATIONS (BC)	\$80,641.50
TEL003	TELUS MOBILITY (BC)	\$46,621.96
TEMP00000004966	0865573 BC LTD	\$203,398.56
TEMP00000004989	WABRAKO HOLDINGS LTD	\$68,605.49
TEMP00000005142	865573 BC LTD	\$29,979.27
TEMP00000005154	660476 BC LTD	\$76,686.40
TEMP00000005214	0860817 BC LTD	\$37,294.95
TEMP00000005215	MORRISON CREEK MANAGEMENT INC	\$43,640.56
TEMP00000005243	CITY OF COURTENAY - GAMING ACCOUNT	\$67,006.00
TEMP00000005339	LONG VIEW VENTURES LTD	\$36,341.80
TEMP00000005343	DAWN TO DAWN ACTION ON HOMELESSNI	\$25,080.00
TEMP00000005361	BOULTBEE REALTY LTD	\$32,324.00
TEMP00000005390	SOBEYS INC	\$64,888.13
TEMP00000005754	0762563 BC LTD	\$40,544.79
TEMP00000005764	PAUL ATTERTON AND BEVERLY WHITE	\$100,131.51
TEMP00000005767	Habitat For Humanity - Vancouver Island North	\$30,116.96
THU001	THUNDERBIRD SECURITY	\$34,538.43
TLC001	TLC HOME & PROPERTY MAINT	\$194,820.75
TOW001	TOWER FENCE PRODUCTS	\$29,873.39
UPL001	UPLAND EXCAVATING LTD	\$666,139.19

**The Corporation of the City of Courtenay  
Statement of Individual Accounts Paid  
For the Twelve Months Ending December 31, 2012**

<b>Vendor ID</b>	<b>Vendor Name</b>	<b>Amount Billed YTD</b>
VAN002	VANCOUVER ISLAND REGIONAL LIBRARY	\$939,940.00
VIC005	VIC DAVIES ARCHITECT LTD.	\$275,967.82
VIM001	VIMAR EQUIPMENT LTD	\$32,873.51
WAC001	WACOR HOLDINGS LTD	\$398,921.94
WES031	WESTVIEW FORD	\$28,207.20
WES032	WEST ISLAND CAPITAL CORPORATION	\$29,864.53
WOR001	WORKERS COMPENSATION BOARD	\$129,652.92
YOU004	YOUNG ANDERSON	\$113,132.48
YOU005	YOUNG & ANDERSON (IN TRUST)	\$86,283.93
<b>Total Amounts Equal/Over \$25,000</b>		<b>\$50,894,672.53</b>
<b>Total Amounts Less Than \$25,000</b>		<b>\$3,215,838.76</b>
<b>Total 2012</b>		<b>\$54,110,511.29</b>




## SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

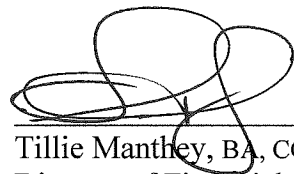
Information on all guarantees and indemnities for the City of Courtenay is included in Note 2 (e) to the Financial Statements.

STATEMENT OF FINANCIAL INFORMATION APPROVAL

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

  
\_\_\_\_\_  
Larry Jargula  
Mayor

May 14, 2013  
Date

  
\_\_\_\_\_  
Tillie Manthey, BA, CGA  
Director of Financial Services\  
Deputy CAO

May 14, 2013  
Date