



**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, 2013

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MANAGEMENT REPORT

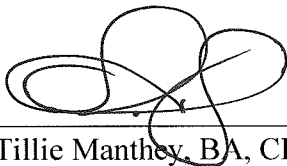
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian Public Sector Accounting Standards and are outlined under “Significant Accounting Policies” in the notes to the financial statements, 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:



Tillie Manthey, BA, CPA, CGA
Director of Financial Services\Deputy CAO
June 11, 2014

Independent Auditors' Report

To the Mayor and Council of the City of Courtenay:

We have audited the consolidated statement of financial position of The Corporation of the City of Courtenay as at December 31, 2013 and the consolidated statements of operations, change in net financial assets and cash flow, and related schedules 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, 2013 the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including schedules 1 to 5, has been presented for purposes of additional analysis. The supplementary information in Schedules 1, 3, 4 and 5 has been subjected to the auditing procedures applied in the consolidated financial statements and in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an opinion on schedule 2 because our examination did not extend to the detailed information therein.

Courtenay, British Columbia

April 22, 2014

MNP LLP

Chartered Accountants

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

STATEMENT A

	2013	2012
FINANCIAL ASSETS		
Cash on Hand and on Deposit (Schedule 5)	\$ 17,966,870	\$ 24,661,024
Receivables (Note 1i)	3,453,527	2,806,150
Term Deposits (Schedule 5)	18,340,971	11,222,083
	39,761,368	38,689,256
LIABILITIES		
Accounts Payable (Note 1j)	6,831,569	6,639,076
Trust and Other Deposits	2,350,991	2,176,572
Deferred Revenue - Federal Gas Tax (Note 5)	3,121,718	3,554,295
Deferred Revenue - Development Cost Charges (Note 7)	3,352,680	3,102,467
Deferred Revenue - Other (Note 10)	708,020	500,520
Long-Term Debt (Schedule 4)	18,836,729	20,415,836
	35,201,707	36,388,766
NET FINANCIAL ASSETS	4,559,661	2,300,490
NON-FINANCIAL ASSETS		
Inventories	179,628	193,853
Prepaid Expenses	391,928	453,275
Tangible Capital Assets (Note 14 & Schedule 3)	123,447,288	113,597,312
	124,018,844	114,244,440
ACCUMULATED SURPLUS (Schedule 2)	\$ 128,578,505	\$ 116,544,930

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, 2013**

STATEMENT B

REVENUE	2013 Budget (Note 16)	2013	2012
Taxes for Municipal Purposes	\$ 22,801,340	\$ 22,920,934	\$ 21,721,650
Sale of Services	10,617,192	10,650,450	9,598,550
Revenue From Own Sources	3,153,660	3,424,427	3,122,922
Federal Transfers	600,793	1,537,986	395,588
Provincial Transfers	1,553,038	1,197,175	2,010,042
Other Local Government Transfers	493,296	371,204	321,666
Contributions	8,878,591	7,113,362	2,551,319
DCC Revenue	-	271,191	551,936
Investment Income and Taxation Penalties	717,878	930,540	801,029
Other	299,100	1,774,625	308,158
TOTAL REVENUE	49,114,888	50,191,894	41,382,860
EXPENSES			
General Government Services	4,472,155	4,138,092	3,557,682
Protective Services	8,632,785	7,357,077	7,673,961
Transportation Services	6,583,781	6,578,463	6,309,497
Sewer and Water Facilities	8,138,043	7,438,743	7,239,912
Environmental Health Services	2,747,950	2,681,866	2,497,019
Public Health and Welfare Services	337,128	312,928	261,262
Environmental Development Services	577,483	768,555	515,782
Recreational and Cultural Services	8,812,722	8,882,595	8,263,901
TOTAL EXPENSES	40,302,047	38,158,319	36,319,016
ANNUAL SURPLUS (Schedule 1)	8,812,841	12,033,575	5,063,844
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	116,544,930	116,544,930	111,481,086
ACCUMULATED SURPLUS AT END OF YEAR	\$ 125,357,771	\$ 128,578,505	\$ 116,544,930

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, 2013**

STATEMENT C

	2013 Budget (Note 16)	2013	2012
ANNUAL SURPLUS	\$ 8,812,841	\$ 12,033,575	\$ 5,063,844
Acquisition of tangible capital assets	(7,747,396)	(7,747,396)	(6,834,221)
Amortization of tangible capital assets	4,213,904	4,213,904	3,902,044
Loss on sale of tangible capital assets	158,494	158,494	257,257
Proceeds on sale of tangible capital assets	14,000	14,000	31,431
Developer tangible capital asset contribution	(6,488,980)	(6,488,980)	(1,479,912)
	(9,849,978)	(9,849,978)	(4,123,401)
Acquisition of supplies inventories	-	(434,350)	(418,877)
Acquisition of prepaid expense	-	(714,205)	(453,275)
Consumption of supplies inventories	-	448,575	447,120
Use of prepaid expense	-	775,554	399,491
	-	75,574	(25,541)
CHANGE IN NET FINANCIAL ASSETS/NET DEBT	(1,037,137)	2,259,171	914,902
NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR	2,300,490	2,300,490	1,385,588
NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR	\$ 1,263,353	\$ 4,559,661	\$ 2,300,490

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, 2013**

STATEMENT D

	2013	2012
CASH PROVIDED BY (USED IN)		
OPERATING TRANSACTIONS		
Annual Surplus	\$ 12,033,575	\$ 5,063,844
Changes in non-cash items including amortization		
Increase in amortization	4,213,904	3,902,044
Change in receivables	(647,377)	(447,182)
Change in accounts payable	192,493	1,094,128
Change in trust and other deposits	174,419	(1,156,846)
Change in deferred revenue	25,136	343,622
Change in inventories	14,225	28,243
Change in prepaids	61,347	(53,784)
Loss on disposal of capital assets	158,494	257,257
Developer Tangible Capital Asset Contribution	(6,488,980)	(1,479,912)
Actuarial adjustment	(365,101)	(312,356)
	<u>9,372,135</u>	<u>7,239,058</u>
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(7,747,396)	(6,834,221)
Proceeds on sale of tangible capital assets	14,000	31,431
	<u>(7,733,396)</u>	<u>(6,802,790)</u>
INVESTING TRANSACTIONS		
Term deposits	(7,118,886)	(4,094,861)
	<u>(7,118,886)</u>	<u>(4,094,861)</u>
FINANCING TRANSACTIONS		
Repayment of long-term debt	(1,214,007)	(925,768)
Long-term debt proceeds	-	5,760,000
	<u>(1,214,007)</u>	<u>4,834,232</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,694,154)	1,175,639
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,661,024	23,485,385
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 17,966,870	\$ 24,661,024
	<u>\$ 17,966,870</u>	<u>\$ 24,661,024</u>
Interest paid on outstanding debt and included in annual surplus above	\$ 1,092,440	\$ 967,070

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2013
(Audited)

SCHEDULE 1
(Note 13)

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	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE:										
Taxation	\$ 20,275,879	\$ 19,139,818								
Sales of Services			842,670	842,800						
Revenue from Own Sources			489,201	631,235	457,213	223,703	2,649,452	2,538,193		
Government Transfers	1,092,447	1,334,533	19,719	64,571	457,986	537,011			77,008	110,399
Other Revenue	1,328,264	87,312	15,000		2,127,432	2,279,044	1,572,522		135,934	135,046
Other Contributions		5,700	11,868	11,880	13,629	12,007				
Interest Earned	867,716	743,241	1,378,458	1,550,486	3,056,260	3,051,765	4,221,974	2,538,193	212,942	245,445
Total Revenues	23,564,306	21,310,604								
EXPENSES										
Salaries and Benefits	2,691,776	2,165,904	1,661,788	1,642,334	2,091,970	2,023,010	53,049	61,889	156,841	126,378
Goods and Services	863,654	827,276	5,234,658	5,665,092	1,207,964	1,227,415	2,330,954	2,189,465	102,509	71,080
Amortization Expense	194,979	192,773	230,822	223,958	2,419,305	2,309,167	227,499	185,953	21,571	20,392
Debt Servicing	19,541	23,768	47,024	26,296	364,322	368,420				
Other Expenditures	365,117	347,961	143,419	116,281	413,984	163,273	70,364	59,712	32,007	43,412
Loss on Disposal of TCA	3,025		39,366		80,918	218,212				
Total Expenses	4,138,092	3,557,682	7,357,077	7,673,961	6,578,463	6,309,497	2,681,866	2,497,019	312,928	261,262
ANNUAL SURPLUS	19,426,214	17,752,922	(5,978,619)	(6,123,475)	(3,522,203)	(3,257,732)	1,540,108	41,174	(99,986)	(15,817)

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2013
(Audited)

	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUE:												
Taxation					\$ 699,857	\$ 661,280	\$ 1,945,198	\$ 1,920,552			\$ 22,920,934	\$ 21,721,650
Sales of Services					4,409,401	3,963,594	2,748,927	2,253,963			10,650,450	9,598,550
Revenue from Own Sources	516,440	497,803	1,224,410	1,114,488	185,436	122,710	100,113	37,532	451,614	495,451	3,424,427	3,122,922
Government Transfers	3,953	23,899	1,228,700	528,668					226,552	128,215	3,106,365	2,727,296
Other Revenue	193,338	40,500	171,619	114,051	117,089	85,800	1,535,339	473,671	36,773	18,058	1,774,625	308,158
Other Contributions	123,000	3,554	14,270	12,799	1,802,868	172,231	6,978	6,242			7,384,553	3,103,255
Interest Earned	4,702				11,377	11,306					930,540	801,029
Total Revenues	841,433	565,756	2,638,999	1,770,006	7,226,028	5,016,921	6,336,555	4,691,960	714,939	641,724	50,191,894	41,382,860
EXPENSES												
Salaries and Benefits	500,313	440,495	3,457,350	3,254,839	534,706	523,338	366,617	367,803	511,216	464,711	12,025,626	11,070,701
Goods and Services	258,717	61,017	2,052,399	1,996,415	2,539,612	2,720,551	839,266	764,735	335,541	277,730	15,765,274	15,800,776
Amortization Expense	2,533	2,533	687,495	583,458	305,324	281,973	124,376	101,837			4,213,904	3,902,045
Debt Servicing			172,622	99,447	22,614	23,595	119,359	122,879			745,482	664,405
Other Expenditures	6,992	11,737	1,638,267	1,582,331	69,097	25,807	2,496,216	2,268,349	80	4,970	5,235,543	4,623,833
Loss on Disposal of TCA			27,625		6,845	39,045	14,711				172,490	257,257
Total Expenses	768,555	515,782	8,035,758	7,516,490	3,478,198	3,614,309	3,960,545	3,625,603	846,837	747,411	38,158,319	36,319,016
ANNUAL SURPLUS	\$ 72,878	\$ 49,974	\$ (5,396,759)	\$ (5,746,484)	\$ 3,747,830	\$ 1,402,612	\$ 2,376,010	\$ 1,066,357	\$ (131,898)	\$ (105,687)	\$ 12,033,575	\$ 5,063,844

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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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 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.

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

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

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

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

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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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. 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 replacement cost.

(f) Tangible Capital Assets

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

Major Asset Category	Threshold	Average Useful Life
Land	\$1	Indefinite
Land Improvements	\$10,000	Varies from 10 to 40 years
Building	\$10,000	Varies from 25 to 60 years
Vehicles, Machinery/Equipment	\$5,000 to \$10,000	Varies from 5 to 25 years
Engineering Structures		
Roads	\$5,000 to \$50,000	Varies from 10 to 60 years
Water	\$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 CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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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, 2013. 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, 2013 with 2012 comparatives:

	2013	2012
Federal Government	\$ 134,472	\$ 355,026
Provincial Government	291,684	240,049
Regional and other Local Governments	187,397	139,899
Property Taxes	1,218,075	1,096,929
Other	1,621,899	974,247
 Total Receivables	 \$ 3,453,527	 \$ 2,806,150

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2013 with 2012 comparatives:

	2013	2012
Federal Government	\$ 1,299,989	\$ 1,321,884
Provincial Government	750,230	379,777
Regional and other Local Governments	885,365	366,120
Employee Retirement Benefits	835,181	859,394
Trade and accrued liabilities	3,060,804	3,711,901
 Total Accounts Payable	 \$ 6,831,569	 \$ 6,639,076

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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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 2013 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:

2014	\$1,214,599
2015	\$1,215,206
2016	\$950,605
2017	\$951,244
2018	<u>\$951,899</u>
	<u>\$5,283,553</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
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, 2013, 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.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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3. PENSION LIABILITY

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for 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 179,000 active members and approximately 71,000 retired members. Active members include approximately 173 contributors from the City of Courtenay.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Courtenay paid \$735,108 (2012 - \$669,460) for employer contributions to the Plan in fiscal 2013.

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, 2013**

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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 2013 with comparatives to 2012.

	2013	2012
Opening Balance of Unspent Funds	\$3,554,295	\$2,966,070
Additions:		
Amounts Received During the Year	936,445	936,858
Interest Earned	26,614	22,205
Deductions:		
Amount Spent on Projects	(1,395,636)	(370,838)
Closing Balance of Unspent Funds	\$3,121,718	\$3,554,295

6. DEBENTURE AND OTHER LONG-TERM DEBT

Funding of certain general debenture and other long-term debt repayment is provided by sources other than general taxation. Other sources include short term loan proceeds used to bridge the gap for debenture debt proceeds, and lease and rental revenues, which reduce the requirement to fund debt repayment from general taxation revenues. This source of funding detail at the time of the annual tax levy, with 2012 comparatives, is as follows:

	2013	2012
Municipal debt levy, general taxation	\$1,811,575	\$1,403,349
Lease and rental revenues	228,863	233,430
Total funding required – general debt repayment	\$2,040,438	\$1,636,779

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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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 2013 and 2012.

	2013				
	General	Water	Sewer	Sewer	
	Reserve	Utility	Utility	Utility	
	DCC	DCC	DCC	DCC	2013
	BL #2426	BL #2426	BL #2426	BL #1638	Total
Balance Forward	\$ 2,211,452	\$ 391,588	\$ 466,583	\$ 32,844	\$ 3,102,467
Increases					
Interest	15,584	2,851	3,533	231	22,199
Other Contributions	363,199	51,776	84,230		499,205
	378,783	54,627	87,763	231	521,404
Decreases					
Revenue Recognized to Fund Capital Projects	(145,456)	(90,126)	(35,609)	-	(271,191)
Reclassifications, redemptions, refunds			-	-	-
	(145,456)	(90,126)	(35,609)	-	(271,191)
Ending Balance Deferred Revenue - DCC	\$ 2,444,779	\$ 356,089	\$ 518,737	\$ 33,075	\$ 3,352,680

	2012				
	General	Water	Sewer	Sewer	
	Reserve	Utility	Utility	Utility	
	DCC	DCC	DCC	DCC	2012
	BL #2426	BL #2426	BL #2426	BL #1638	Total
Balance Forward	\$ 2,311,531	\$ 354,110	\$ 398,747	\$ 32,615	\$ 3,097,003
Increases					
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
Decreases					
Revenue Recognized to Fund Capital Projects	(551,936)			-	(551,936)
Reclassifications, redemptions, refunds			-	-	-
	(551,936)	-	-	-	(551,936)
Ending Balance Deferred Revenue - DCC	\$ 2,211,452	\$ 391,588	\$ 466,583	\$ 32,844	\$ 3,102,467

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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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 2013 and 2012, which has been excluded from the City's financial statements.

CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION	2013	2012	CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES	2013	2012
Financial Assets			Revenue		
Cash on Hand	\$ 52,096	\$ 44,360	Fees Levied	\$ 9,964	\$ 11,029
Investments - MFA	229,701	227,214	Interest Revenue	3,096	2,837
Liabilities			Expenditure		
Interest Payable to City	3,096	2,837	Interest Expense	3,096	2,837
Net Financial Position	\$ 278,701	\$ 268,737	Excess Revenue over Expenditure	\$ 9,964	\$ 11,029

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2012 - \$323,031). The principal amount of this endowment cannot be utilized or withdrawn and as such are not considered assets of the City of Courtenay. The endowment funds are not reported as an asset on the statement of financial position.

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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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 2013 and 2012:

	2013	2012
Opening Balance	\$ 500,520	\$ 750,588
Additions to Deferred Revenue	690,513	463,048
Revenue Recognized	(483,013)	(713,115)
	\$ 708,020	\$ 500,520
Ending Balance Deferred Revenue Other		

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, 2013 the City had debt reserve funds of \$398,278 (\$379,766 in 2012).

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 2013 were based on an interest (discount) rate of 3.90% per annum. The total estimated employee retirement benefit liability at December 31, 2013 is \$835,181 (\$859,394 in 2012) and is included in the accounts payable balance on Statement A.

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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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 2013 revenues and expenses with 2012 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.

Other Services

Includes the operations of the Sid Williams Theatre.

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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14. TANGIBLE CAPITAL ASSET DETAILS

(See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

	2013	2012
Land	\$ 21,062,251	\$ 20,871,531
Land Improvements	2,763,625	2,679,694
Buildings	19,441,296	16,119,050
Equipment, Furniture, & Vehicles	5,775,966	4,923,330
Engineering Structures:		
Roads	44,044,538	43,400,595
Water	10,501,020	8,812,549
Sewer	8,890,566	7,379,287
Other (Includes Storm)	10,902,560	9,306,720
Other Tangible Capital Assets	65,466	104,556
	\$ 123,447,288	\$113,597,312

The net book value of capital assets not being amortized and under construction in 2013 is \$4,389,182 (\$7,911,348 in 2012).

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 2013 is \$6,488,980 (\$1,479,912 in 2012)

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 CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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16. RESTATEMENT OF 2013 BUDGET

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 6, 2013, 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 6, 2013 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the May 6, 2013 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 2013 budget.

Adjustments to 2013 Budgeted Annual Surplus

Budget Surplus reported in FS	\$	8,812,841
Capital acquisitions in Financial Plan		(18,776,361)
Amortization		4,213,904
Contributed Assets		(6,488,980)
Debt Issues in Financial Plan		-
Debt principle repayments in Financial Plan		(1,214,007)
Operating surplus appropriated for Operations in Financial Plan		4,853,293
Capital surplus appropriated for Capital Projects in Financial Plan		5,128,136
Transfers from Operating and Capital Reserves in Financial Plan		6,396,064
Transfers to Operating and Capital Reserves in Financial Plan		<u>(2,924,890)</u>
Net of Financial Plan	\$	<u>-</u>

SCHEDULE 3

THE CORPORATION OF THE CITY OF COURTENAY
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2013
 (Audited)

	Engineering Structures							Other Tangible Capital Assets	Total	2012
	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Roads	Water	Sewer	Other			
Opening Balance Construction-in-progress (CIP)	\$ -	\$ 733,666	\$ 2,416,354	\$ 103,439	\$ 430,733	\$ 2,520,965	\$ 873,047	\$ 5,154	\$ 7,911,348	\$ 4,753,987
Add: Construction-in-progress (CIP)	-	209,126	804,878	731,532	524,995	59,746	59,746	6,290	2,336,567	4,451,403
Less: Transfers into Service	-	(295,821)	(1,790,232)	(5,741)	(86,890)	(142,698)	(908,052)	-	(5,858,733)	(1,294,042)
Less: Writedowns	-	646,971	626,122	97,698	1,075,375	2,903,262	24,741	11,444	4,389,182	7,911,348
Closing Balance Construction-in-progress	\$ 20,871,531	\$ 3,807,571	\$ 21,730,912	\$ 12,649,225	\$ 13,759,114	\$ 5,979,701	\$ 14,483,649	\$ 640,326	\$ 171,934,467	\$ 167,224,540
Opening Balance Tangible Capital Assets	190,750	322,966	5,708,296	1,627,398	1,325,452	1,242,428	2,804,493	-	17,758,543	5,156,771
Add: Additions (including Transfers into Service)	(30)	-	(65,500)	(123,985)	(201,059)	(9,100)	(9,960)	-	(428,268)	(446,844)
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Closing Balance Tangible Capital Assets and CIP	21,062,251	4,777,508	27,999,830	14,250,336	16,141,307	10,116,291	17,302,923	651,770	193,653,924	179,845,815
ACCUMULATED AMORTIZATION										
Opening Balance	1,861,543	8,028,216	7,828,541	35,439,836	5,378,091	1,121,379	6,049,976	540,924	66,248,505	62,504,616
Add: Amortization	152,340	555,376	740,236	1,987,505	273,985	107,228	351,854	45,380	4,213,904	3,902,044
Less: Accum Amortization on Disposals	-	(25,058)	(94,407)	(120,171)	(11,789)	(2,882)	(1,467)	-	(255,773)	(158,157)
Closing Balance	2,013,883	8,558,534	8,474,370	37,307,171	5,640,287	1,225,725	6,400,363	586,304	70,206,636	66,248,503
Net Book Value for year ended December 31, 2013	\$ 21,062,251	\$ 2,763,625	\$ 19,441,296	\$ 5,775,966	\$ 44,044,538	\$ 10,501,020	\$ 8,890,566	\$ 10,902,560	\$ 65,466	\$ 123,447,288

SCHEDULE 4

THE CORPORATION OF THE CITY OF COURTENAY
 CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT
 YEAR ENDED DECEMBER 31, 2013

(Audited)

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/12	Current Year Borrowing	Actuarial Adjustment/Princ. Reduction	Principal Outstanding Dec 31/13
General Capital Fund						
Debenture Debt						
2088	2015	6.45	84,702		27,001	57,701
2092	2015	6.45	651,555		207,698	443,857
2093	2015	6.45	651,555		207,698	443,857
2171	2021	3.05	1,425,877		129,313	1,296,564
2266	2018	4.78	187,046		27,499	159,547
2266	2023	5.15	360,477		26,729	333,748
2304	2029	4.86	799,923		30,956	768,967
2227	2020	5.00	96,888		10,515	86,376
2354	2025	5.75	352,791		23,229	329,562
2355	2030	5.75	567,242		22,119	545,123
2356	2020	5.50	514,718		55,861	458,857
2425	2026	4.66	559,622		30,594	529,028
2453	2026	4.43	1,111,084		60,742	1,050,342
2458	2022	4.52	1,148,968		95,699	1,053,269
2539	2023	4.13	2,658,928		176,957	2,481,971
2538	2025	4.50	538,864		32,410	506,450
2680	2027	2.90	4,200,000		209,753	3,990,247
2681	2027	2.90	1,560,000		77,908	1,482,092
			<u>17,470,239</u>	-	<u>1,452,680</u>	<u>16,017,559</u>
TOTAL GENERAL CAPITAL FUND						
			<u>17,470,239</u>	-	<u>1,452,680</u>	<u>16,017,559</u>

SCHEDULE 4

THE CORPORATION OF THE CITY OF COURTENAY
 CONSOLIDATED SCHEDULE OF DEBTURE AND OTHER LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 2013
 (Audited)

By/Law Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/12	Current Year Borrowing	Actuarial Adjustment/Princ. Reduction	Principal Outstanding Dec 31/13
Balance Forward General Capital Fund			\$ 17,470,239	\$ -	\$ 1,452,680	\$ 16,017,559
Water Capital Fund						
Debture Debt						
2424 Water Extension - Lerwick Road	2026	4.66	466,353	-	25,495	440,858
TOTAL WATER CAPITAL FUND			<u>466,353</u>	<u>-</u>	<u>25,495</u>	<u>440,858</u>
Sewer Capital Fund						
Debture Debt						
2305 Sewer Extension	2029	4.86	599,943	-	23,217	576,726
2353 Sewer Extension	2030	5.00	1,596,380	-	62,248	1,534,132
2423 Sewer Extension - Lerwick Road	2026	4.66	282,920	-	15,467	267,453
TOTAL SEWER CAPITAL FUND			<u>2,479,243</u>	<u>-</u>	<u>100,932</u>	<u>2,378,311</u>
TOTAL ALL CAPITAL FUNDS			<u>20,415,836</u>	<u>-</u>	<u>1,579,108</u>	<u>18,836,729</u>

THE CORPORATION OF THE CITY OF COURTENAY

**2013 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	\$ 49,291	\$ 9,394
Ambler, Jonathan	Councillor	\$ 21,190	\$ 6,245
Anglin, William	Councillor	\$ 21,190	\$ 6,732
Hillian, Douglas A.	Councillor	\$ 21,190	\$ 2,897
Leonard, Ronna-Lae	Councillor	\$ 21,815	\$ 7,201
Theos, Manno	Councillor	\$ 21,190	\$ 3,591
Winchester, Starr	Councillor	\$ 21,190	\$ 4,481
 		<hr/>	<hr/>
TOTALS		<u>\$ 177,056</u>	<u>\$ 40,541</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 2013

<u>Employee</u>	<u>Position</u>	<u>Remuneration</u> (Includes Taxable Benefits)	<u>Expenses</u>
Allen, D	Chief Administrative Officer	\$ 111,655	\$ 13,327
Arseneault, R	Roads Foreman	\$ 78,521	\$ 6,030
Bardonnex, D.	Fire Chief	\$ 103,220	\$ 3,577
Bernard, Y.	Manager of Information Systems	\$ 85,947	\$ 2,153
Buck, I.	Manager of Planning	\$ 85,204	\$ 1,927
Chan, J.	Property Management Coordinator	\$ 76,125	\$ 1,882
Crawford, P.	Director of Planning Services	\$ 122,235	\$ 1,053
Donley, M.	Manager of Human Resources	\$ 84,348	\$ 2,979
Gervais, K.	Manager of Operations	\$ 104,293	\$ 6,152
Gray, S.	Chief Administrative Officer	\$ 89,261	\$ 1,345
Guderjahn, B.	Manager of Purchasing	\$ 84,926	\$ 1,918
Hatch, L.	Senior Manager of Engineering	\$ 101,351	\$ 11,367
Henderson, D.	Assistant Fire Chief / Training Officer	\$ 81,772	\$ 1,686
Hilton, C.	Manager of Finance	\$ 85,793	\$ 2,420
Knapman, P.	Occupational Health & Safety Coordinator	\$ 78,769	\$ 5,843
Lagan, K	Director of Operational Services	\$ 124,576	\$ -
MacDonald, K.	Deputy Fire Chief	\$ 90,628	\$ 2,441
Madsen, T.	Manager of Utilities	\$ 80,409	\$ 6,476
Manthey, T	Director of Financial Services/Deputy CAO	\$ 139,978	\$ 4,114
Moore, B	Shop Foreman	\$ 76,546	\$ 1,381
Murphy, S.	Manager of Recreation Services	\$ 96,337	\$ 3,194
Nixon, J.	Manager of Roads & Parks	\$ 81,771	\$ 4,539
Pedersen, L.	Director of Employee and Technology Services	\$ 76,077	\$ 5,733
Rasmussen, R.	Parks Foreman	\$ 84,519	\$ 1,068
Shaw, D.	Sewer Foreman	\$ 77,977	\$ 2,299
Sheldon, R.	Water Foreman	\$ 75,753	\$ 619
Ward, J.	Director of Legislative Services	\$ 100,004	\$ 3,691
Wiwchar, R.	Director of Community Services	\$ 114,324	\$ 889
Total for employees where remuneration is > \$75,000		\$ 2,592,317	\$ 100,102
Consolidated total for employees where remuneration < \$75,000		6,681,392	84,541
Elected Officials, direct payments		177,056	40,541
TOTALS		\$ 9,450,765	\$ 225,184

Statement of Severance Agreements

There were two severance agreements under which payment commenced between the City of Courtenay and its non-unionized employees during the fiscal year 2013. These agreements represent from ten to twelve months of salary and benefits.

**The Corporation of the City of Courtenay
Statement of Individual Accounts Paid
For the Twelve Months Ending December 31, 2013**

Vendor ID	Vendor Name	Amount Billed YTD
REG001	COMOX VALLEY REGIONAL DISTRICT	\$13,447,581.87
MIN004	MINISTER OF FINANCE	\$5,133,026.53
REC006	RECEIVER GENERAL FOR CANADA	\$4,383,249.37
REG002	REGIONAL HOSPITAL DIST OF	\$3,829,390.06
REC005	RECEIVER GENERAL FOR CANADA	\$2,720,072.70
NEL001	NELSON ROOFING AND SHEET METAL LTD	\$1,284,572.48
EMT001	EMTERRA ENVIRONMENTAL	\$1,125,693.94
VAN002	VANCOUVER ISLAND REGIONAL LIBRARY	\$1,017,570.00
CAN030	CANADIAN WESTERN BANK	\$1,001,045.00
IPI001	INTERNATIONAL PAPER INDUSTRIES LTD	\$903,175.00
SCO002	SCOTIABANK VISA	\$795,990.73
COU009	COURTENAY RECREATION ASSOC	\$754,950.48
BCH002	BC HYDRO	\$659,088.29
TAY001	TAYCO PAVING	\$632,079.51
MUC002	MUCHALAT PROJECTS LTD	\$511,337.70
KNA002	KNAPPETT PROJECTS INC	\$489,926.72
PAC001	PACIFIC BLUE CROSS	\$406,178.31
COM002	COMMISSIONAIRES (THE)	\$397,247.81
FOR008	FORT GARRY FIRE TRUCKS LTD	\$395,302.42
HOU004	HOULE ELECTRIC LTD.	\$393,616.96
TEMP00000006076	BUCKLEY BAY BEACHCOMBERS	\$381,894.17
MCE001	MCELHANNEY CONSULTING	\$331,931.28
BCA002	BC ASSESSMENT AUTHORITY	\$316,821.28
WAC001	WACOR HOLDINGS LTD	\$291,867.89
YOU004	YOUNG ANDERSON	\$287,890.01
YOU005	YOUNG & ANDERSON (IN TRUST)	\$265,195.29
WIN005	WINDLEY CONTRACTING LTD.	\$252,883.81
RAY001	RAYLEC POWER LTD	\$251,183.13
TLC001	TLC HOME & PROPERTY MAINT	\$236,401.11
COL002	COLUMBIA FUELS	\$228,343.30
UPL001	UPLAND EXCAVATING LTD	\$208,912.64
SID001	SID WILLIAMS THEATRE SOCIETY	\$203,081.99
COM007	COMOX VALLEY BOBCAT & EXC LTD	\$197,885.45
FIT007	FITNESS TOWN COMMERCIAL	\$195,382.15
MUN002	MUNICIPAL INSURANCE ASSOC OF	\$193,497.26
IWC001	IWC EXCAVATION LTD.	\$177,398.20
COM013	COMOX VALLEY ECONOMIC	\$176,083.37
AON002	AON REED STENHOUSE INC	\$170,413.00
GRA008	GRAPHIC OFFICE INTERIORS	\$166,258.87
BCL002	BC LIFE AND CASUALTY COMPANY	\$165,154.02
LEI001	LEIGHTON CONTRACTING (2009) LTD	\$163,968.96
MID007	MID ISLAND GLASS LTD.	\$151,199.19
MED001	MEDICAL SERVICES PLAN	\$148,321.25
WOR001	WORKERS COMPENSATION BOARD	\$143,815.59
FOR009	FORTIS BC-NATURAL GAS	\$134,555.49

**The Corporation of the City of Courtenay
Statement of Individual Accounts Paid
For the Twelve Months Ending December 31, 2013**

Vendor ID	Vendor Name	Amount Billed YTD
COU002	COURTENAY & DISTRICT MUSEUM	\$120,207.38
MAL004	MALTESEN MASONRY LTD.	\$116,682.77
FOU002	FOUR STAR WATERWORKS LTD	\$112,683.31
ISL014	ISLAND TRAFFIC SERVICES LTD	\$99,861.00
AFC001	AFC CONSTRUCTION LTD	\$96,102.17
EUR002	EUROPEAN MASTERS PAINTING LTD.	\$95,725.63
WES033	WESCOR CONTRACTING LTD.	\$94,999.61
BUC004	BUCKSTONE INVESTMENTS LTD.	\$94,021.90
CUP001	CUPE LOCAL 556	\$93,967.64
DAN002	DAN-MARK TRAFFIC MARKING	\$92,948.93
EDG001	EDGETT EXCAVATING	\$88,396.59
TEL001	TELUS COMMUNICATIONS (BC)	\$82,369.34
KOE001	KOERS & ASSOCIATES ENGINEERING	\$78,050.58
COU010	COURTENAY VOLUNTEER FIRE DEPARTMENT	\$77,970.85
MIC001	MICROSOFT LICENSING GP	\$76,767.40
TEMP00000005983	L & M VENTURES	\$76,739.00
TOW001	TOWER FENCE PRODUCTS	\$71,629.30
COM012	COMOX VALLEY ECHO	\$69,550.49
FLE005	FLETCHER PETTIS CONSULTANTS LTD	\$68,623.70
UNI013	UNITED CARPET	\$67,175.93
MON001	MONK OFFICE SUPPLY LTD	\$66,505.04
SIL001	SILVERADO LAND CORP	\$65,814.17
MOR003	MORRISON HERSHFIELD LTD.	\$60,414.00
COU004	COURTENAY DOWNTOWN BUSINESS ASSOC	\$60,000.00
NEW001	NEW HERITAGE ARBOURISTS LTD	\$59,518.38
ARM005	ARMTEC LTD PARTNERSHIP	\$58,864.05
COR005	CORIX WATER PRODUCTS LTD PARTNERSHIP	\$58,668.45
DIA001	DIAMOND SOFTWARE INC	\$58,408.83
HYL001	HYLAND PRECAST INC	\$54,977.26
OND001	ONDECK SYSTEMS INC	\$53,596.34
VIC005	VIC DAVIES ARCHITECT LTD.	\$53,560.98
TEL003	TELUS MOBILITY (BC)	\$51,552.95
MCG002	MCGREGOR & THOMPSON HARDWARE LTD	\$51,517.92
FAS002	FASTENAL	\$51,213.71
WES032	WEST ISLAND CAPITAL CORPORATION	\$51,119.31
INS002	INSURANCE CORPORATION OF	\$50,461.00
BOH001	BOHMER CONSTRUCTION LTD.	\$50,244.64
RFB001	RF BINNIE & ASSOCIATES LTD	\$50,102.07
MCL002	MCLEOD MASONRY INTERNATIONAL CORP	\$49,631.40
BRI001	BRIAN MCLEAN CHEVROLET BUICK GMC LTD	\$48,951.85
BUS001	BUSY BEE CLEANING & MAINT SERVICES	\$47,179.23
TER010	TERASPAN NETWORKS LTD.	\$45,786.90
TEMP00000006544	BANFF INVESTMENTS LTD	\$44,650.00
TOR002	TORRY AND SONS PLUMBING	\$44,060.40
ADV004	ADVANTAGE SPORT INC.	\$41,745.90

**The Corporation of the City of Courtenay
Statement of Individual Accounts Paid
For the Twelve Months Ending December 31, 2013**


Vendor ID	Vendor Name	Amount Billed YTD
INS004	INSPIRED HOME FLOORING CENTRE	\$41,509.12
HOT002	HOTELS	\$41,248.37
TEMP00000006636	STABURN COURTENAY INVESTMENTS	\$40,401.21
ANG003	ANGEL ACCESSIBILITY SOLUTIONS	\$39,496.18
SOF001	SOFTCHOICE CORPORATION	\$38,929.95
CIB001	CIBC	\$38,003.14
TEMP00000006561	ALL SECURE STORAGE	\$37,775.00
DUN001	DUNCAN ELECTRIC MOTOR LTD	\$37,631.01
CEN001	CENTRAL BUILDERS' SUPPLY LTD	\$37,562.34
AND003	ANDREW SHERET LTD	\$37,160.07
MEY001	MEYERS NORRIS PENNY LLP	\$35,293.90
ROY004	ROYAL BANK	\$34,859.14
ALT003	ALTUM ENGINEERING LTD	\$33,715.94
HAR002	HARTMAN AUTO SUPPLY LTD	\$33,163.60
BAN005	THE BANK OF NOVA SCOTIA	\$32,891.80
SHA005	SHANAHAN'S SPECIALTIES	\$32,055.27
CUM002	CUMBERLAND, VILLAGE OF	\$31,787.00
ESR001	ESRI CANADA	\$31,634.40
ACM001	ACME SUPPLIES LTD	\$31,415.96
KON002	KONICA MINOLTA	\$31,283.97
NOR001	NORISLE SALES INC	\$31,128.37
7ST001	7 STORY CIRCUS	\$31,088.27
TEMP00000006133	INTERNATIONAL FOREST PRODUCTS	\$29,463.60
ASS002	ASSOCIATED FIRE & SAFETY	\$29,091.10
PAC010	PACIFIC FLOW CONTROL LTD	\$28,926.80
TEMP00000006486	RYAN ROAD GENERAL STORE LTD	\$28,674.87
EBH001	E B HORSMAN & SON	\$28,540.36
TEMP00000005922	LOBLAW PROPERTIES WEST INC	\$28,025.68
RHE001	R HENN & ASSOCIATES	\$27,930.40
DOU006	J.A.D. ENTERPRISES LTD. dba DOUMONT FARM	\$27,721.31
RAI001	RAIDERS FOOTBALL	\$27,585.00
ACK001	ACKLANDS-GRAINGER INC	\$27,035.31
TEMP00000006443	TECHNIFIELD CONTRACTING LTD	\$26,543.13
BIO001	BIOBAG CANADA INC	\$26,482.40
CIB003	CIBC	\$26,361.03
COM023	COMOX VALLEY RECORD	\$26,163.20
PIN001	PINTON FORREST & MADDEN	\$25,679.14
TEMP00000005343	DAWN TO DAWN ACTION ON HOMELESSNESS SOCIETY	\$25,000.00
Total Amounts Equal/Over \$25,000		\$50,043,710.22
Total Amounts Less Than \$25,000		\$3,183,185.90
Total 2013		\$53,226,896.12

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The City of Courtenay describes guarantees and indemnities in the Notes to the Consolidated Financial Statements. For 2013, the schedule and additional notes are not required and have been omitted.

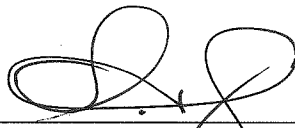
STATEMENT OF FINANCIAL INFORMATION APPROVAL

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

June 18, 2014
Date



Tillie Manthey, BA, CPA, CGA
Director of Financial Services
Deputy CAO

June 11, 2014
Date