



**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, 2014

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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:



Jennifer Nelson, CPA, CGA
Acting Director of Financial Services
June 8, 2015

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, 2014 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform 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 auditors' judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes 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, 2014 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 13, 2015

MNP LLP

Chartered Accountants

**THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

STATEMENT A

	2014	2013
FINANCIAL ASSETS		
Cash on Hand and on Deposit (Schedule 5)	\$ 28,371,670	\$ 17,966,870
Receivables (Note 1i)	3,964,984	3,453,527
Term Deposits (Schedule 5)	12,203,715	18,340,971
	44,540,369	39,761,368
LIABILITIES		
Accounts Payable (Note 1j)	5,921,044	6,831,569
Trust and Other Deposits	4,824,201	2,350,991
Deferred Revenue - Federal Gas Tax (Note 5)	-	3,121,718
Deferred Revenue - Development Cost Charges (Note 7)	3,051,916	3,352,680
Deferred Revenue - Other (Note 10)	1,473,842	708,020
Long-Term Debt (Schedule 4)	17,190,472	18,836,729
	32,461,475	35,201,707
NET FINANCIAL ASSETS	12,078,894	4,559,661
NON-FINANCIAL ASSETS		
Inventories	157,028	179,628
Prepaid Expenses	542,012	391,928
Tangible Capital Assets (Note 14 & Schedule 3)	123,675,417	123,447,288
	124,374,457	124,018,844
ACCUMULATED SURPLUS (Schedule 2)	\$ 136,453,351	\$ 128,578,505

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, 2014**

STATEMENT B

REVENUE	2014 Budget (Note 16)	2014	2013
Taxes for Municipal Purposes	\$ 23,618,676	\$ 23,743,302	\$ 22,920,934
Sale of Services	11,233,694	11,717,705	10,650,450
Revenue From Own Sources	3,269,201	3,014,344	3,424,427
Federal Transfers	24,500	4,237,931	1,537,986
Provincial Transfers	1,055,957	1,142,728	1,197,175
Other Local Government Transfers	543,323	412,385	371,204
Contributions	1,832,856	1,694,006	7,113,362
DCC Revenue	-	614,581	271,191
Investment Income and Taxation Penalties	816,225	906,875	930,540
Other	603,058	594,252	1,774,625
TOTAL REVENUE	42,997,490	48,078,109	50,191,894
EXPENSES			
General Government Services	4,613,065	5,015,423	4,138,092
Protective Services	8,799,111	7,007,779	7,357,077
Transportation Services	7,275,417	6,692,076	6,578,463
Sewer and Water Facilities	8,354,563	8,013,818	7,438,742
Environmental Health Services	2,992,680	2,913,719	2,681,866
Public Health and Welfare Services	296,010	255,009	312,928
Environmental Development Services	923,689	832,936	768,555
Recreational and Cultural Services	9,266,099	9,472,503	8,882,595
TOTAL EXPENSES	42,520,634	40,203,263	38,158,319
ANNUAL SURPLUS (Schedule 1)	476,856	7,874,846	12,033,575
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	128,578,505	128,578,505	116,544,930
ACCUMULATED SURPLUS AT END OF YEAR	\$ 129,055,361	\$ 136,453,351	\$ 128,578,505

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, 2014**

STATEMENT C

	2014 Budget (Note 16)	2014	2013
ANNUAL SURPLUS	\$ 476,856	\$ 7,874,846	\$ 12,033,575
Acquisition of tangible capital assets	(3,562,838)	(3,562,838)	(7,747,396)
Amortization of tangible capital assets	4,475,279	4,475,279	4,213,904
Loss on sale of tangible capital assets	167,871	167,871	158,494
Proceeds on sale of tangible capital assets	3,824	3,824	14,000
Developer tangible capital asset contribution	(1,312,263)	(1,312,263)	(6,488,980)
	<u>(228,127)</u>	<u>(228,127)</u>	<u>(9,849,978)</u>
Acquisition of supplies inventories	-	(398,668)	(434,350)
Acquisition of prepaid expense	-	(731,154)	(714,205)
Consumption of supplies inventories	-	421,267	448,575
Use of prepaid expense	-	581,069	775,554
	<u>-</u>	<u>(127,486)</u>	<u>75,574</u>
CHANGE IN NET FINANCIAL ASSETS/NET DEBT	248,729	7,519,233	2,259,171
NET FINANCIAL ASSETS/NET DEBT AT BEGINNING OF YEAR	<u>4,559,661</u>	<u>4,559,661</u>	<u>2,300,490</u>
NET FINANCIAL ASSETS/NET DEBT AT END OF YEAR	<u>\$ 4,808,390</u>	<u>\$ 12,078,894</u>	<u>\$ 4,559,661</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, 2014**

STATEMENT D

	2014	2013
CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS		
OPERATING TRANSACTIONS		
Annual Surplus	\$ 7,874,846	\$ 12,033,575
Changes in non-cash items including amortization		
Increase in amortization	4,475,279	4,213,904
Change in receivables	(511,457)	(647,377)
Change in accounts payable	(910,525)	192,493
Change in trust and other deposits	2,473,210	174,419
Change in deferred revenue	(2,656,660)	25,136
Change in inventories	22,599	14,225
Change in prepaids	(150,084)	61,347
Loss on disposal of capital assets	167,871	158,494
Developer Tangible Capital Asset Contribution	(1,312,263)	(6,488,980)
Actuarial adjustment	(431,658)	(365,101)
Cash Provided by Operating Transactions	9,041,158	9,372,135
CAPITAL TRANSACTIONS		
Cash used to acquire tangible capital assets	(3,562,838)	(7,747,396)
Proceeds on sale of tangible capital assets	3,824	14,000
Cash Applied to Capital Transactions	(3,559,014)	(7,733,396)
INVESTING TRANSACTIONS		
Term deposits	6,137,256	(7,118,886)
Cash Provided by (applied to) Investing Transactions	6,137,256	(7,118,886)
FINANCING TRANSACTIONS		
Repayment of long-term debt	(1,214,599)	(1,214,007)
Cash Provided by Financing Transactions	(1,214,599)	(1,214,007)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,404,800	(6,694,154)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,966,870	24,661,024
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 28,371,670	\$ 17,966,870
Interest paid on outstanding debt and included in annual surplus above	\$ 1,000,660	\$ 1,092,440

THE CORPORATION OF THE CITY OF COURTENAY
 CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
 YEAR ENDED DECEMBER 31, 2014
 (Audited)

SCHEDULE 1
 (Note 13)

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	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE:										
Taxation	\$ 21,150,991	\$ 20,275,879								
Sales of Services			802,719	842,670			2,817,834	2,649,452		
Revenue from Own Sources			796,106	489,201	162,224	457,213			118,818	77,008
Government Transfers	1,142,360	1,092,447	18,910	19,719	4,167,185	457,986			148,921	135,934
Other Revenue	118,664	1,328,264						1,572,522		
Other Contributions			9,579	15,000	1,089,224	2,127,432				
Interest Earned	816,103	867,716			16,865	13,629				
Total Revenues	23,228,118	23,564,306	1,627,314	1,378,458	5,435,498	3,056,200	2,817,834	4,221,974	267,739	212,942
EXPENSES										
Salaries and Benefits	2,636,886	2,691,776	1,657,059	1,661,788	2,138,771	2,091,970	48,163	53,049	147,564	156,841
Goods and Services	946,752	863,654	4,911,720	5,234,658	1,412,868	1,207,964	2,590,060	2,330,954	80,380	102,509
Amortization Expense	188,353	194,979	244,026	230,822	2,461,561	2,419,305	271,437	227,499	21,337	21,571
Debt Servicing	14,617	19,541	11,635	47,024	314,539	364,322				
Other Expenditures	1,228,815	365,117	183,339	143,419	216,205	413,984	4,059	70,364	5,728	32,007
Loss on Disposal of TCA		3,025		39,366	148,132	80,918				
Total Expenses	5,015,423	4,138,092	7,007,779	7,357,077	6,692,076	6,578,463	2,913,719	2,681,866	255,009	312,928
ANNUAL SURPLUS	18,212,695	19,426,214	(5,380,466)	(5,978,619)	(1,256,578)	(3,522,203)	(95,885)	1,540,108	12,730	(99,986)

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
YEAR ENDED DECEMBER 31, 2014
(Audited)

	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Other Services		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE:												
Taxation					\$ 691,749	\$ 699,857	\$ 1,900,562	\$ 1,945,198			\$ 23,743,302	\$ 22,920,934
Sales of Services	459,628	516,440	1,399,074	1,224,410	4,530,857	4,409,401	3,107,819	2,748,927	458,476		11,717,705	10,650,450
Revenue from Own Sources	4,947	3,953	125,506	1,228,700	37,750	185,436	57,478	100,113		451,614	3,014,344	3,424,427
Government Transfers	222,667	193,338			104,000	117,089			177,568	226,552	5,793,044	3,106,365
Other Revenue	62,457	123,000	143,262	171,619	308,765	1,802,868	632,654	1,535,339	72,225	36,773	594,252	1,774,625
Other Contributions	4,479	4,702	18,387	14,270	11,635	11,377	7,195	6,978	22,632		906,875	930,540
Interest Earned												
Total Revenues	754,178	841,433	1,686,229	2,638,999	5,824,590	7,226,028	5,705,708	6,336,555	730,901	714,939	48,078,109	50,191,894
EXPENSES												
Salaries and Benefits	546,670	500,313	3,767,220	3,457,350	555,115	534,706	368,688	366,617	584,369	511,216	12,450,505	12,025,626
Goods and Services	274,703	258,717	2,207,425	2,052,399	2,741,230	2,539,612	798,111	839,266	278,380	335,541	16,241,629	15,765,274
Amortization Expense	2,533	2,533	789,298	687,495	339,732	305,324	157,002	124,376			4,475,279	4,213,904
Debt Servicing			116,356	172,622	21,595	22,614	101,571	119,359			580,313	745,482
Other Expenditures	9,030	6,992	1,722,413	1,638,267	90,686	69,097	2,823,568	2,496,216		80	6,283,843	5,235,543
Loss on Disposal of TCA			7,042	27,625	10,202	6,845	6,318	14,711			171,694	172,490
Total Expenses	832,936	768,555	8,609,754	8,035,758	3,758,560	3,478,198	4,255,258	3,960,545	862,749	846,837	40,203,263	38,158,319
ANNUAL SURPLUS	\$ (78,758)	\$ 72,878	\$ (6,923,525)	\$ (5,396,759)	\$ 2,066,030	\$ 3,747,830	\$ 1,450,451	\$ 2,376,010	\$ (131,848)	\$ (131,898)	\$ 7,874,846	\$ 12,033,575

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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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 CPA Canada. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all of the funds and equity in tangible capital assets of the City. As part of the supplementary information, the resources and operation of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

(b) Revenue and Expense Recognition

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.

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

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

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

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

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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

(c) **Accrued Payroll Benefits**

Earned but unpaid vacation is fully accrued and recorded in the 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, 2014

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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, 2014. 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, 2014 with 2013 comparatives:

	<u>2014</u>	<u>2013</u>
Federal Government	\$ 141,115	\$ 134,472
Provincial Government	358,570	291,684
Regional and other Local Governments	200,262	187,397
Property Taxes	772,376	1,218,075
Other	<u>2,492,661</u>	<u>1,621,899</u>
 Total Receivables	 <u>\$ 3,964,984</u>	 <u>\$ 3,453,527</u>

(j) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2014 with 2013 comparatives:

	<u>2014</u>	<u>2013</u>
Federal Government	\$ 1,182,722	\$ 1,299,989
Provincial Government	232,957	750,230
Regional and other Local Governments	909,367	885,365
Employee Retirement Benefits	892,449	835,181
Trade and accrued liabilities	<u>2,703,549</u>	<u>3,060,804</u>
 Total Accounts Payable	 <u>\$ 5,921,044</u>	 <u>\$ 6,831,569</u>

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

(k) Recent Accounting Pronouncements

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provide the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The City does not expect the adoption of the new 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 2014 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:

2015	\$1,215,206
2016	\$949,983
2017	\$949,983
2018	\$949,983
2019	<u>\$932,257</u>
	<u>\$4,997,412</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, 2014, 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, 2014

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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 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

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 \$774,416 (2013 - \$735,108) for employer contributions to the Plan in fiscal 2014.

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, 2014

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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 has reported the balance as deferred revenue until it is used to fund the specified projects outlined in the original funding agreement. Interest is accrued and allocated monthly to the balance.

Following is a schedule of Gas Tax receipts and disbursements received in 2014 with comparatives to 2013.

	2014	2013
Opening Balance of Unspent Funds	\$3,121,718	\$3,554,295
Additions:		
Amounts Received During the Year	1,034,277	936,445
Interest Earned	23,441	26,614
Deductions:		
Amount Spent on Projects	(171,114)	(1,395,636)
Closing Balance of Unspent Funds	\$4,008,322	\$3,121,718

As of April 1, 2014, a change in the Gas Tax Agreement resulted in the City revisiting the accounting treatment relating to the receipt and expenditure of these funds. As a result, beginning in 2014, Gas Tax transfers will be recorded as revenues when received, then held as reserves, and no longer classified as deferred revenue. They are now separately identified on Schedule 2, Consolidated Statement of Accumulated Surplus and Reserves.

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 2013 comparatives, is as follows:

	2014	2013
Municipal debt levy, general taxation	\$1,811,805	\$1,811,575
Lease and rental revenues	228,025	228,863
Total funding required – general debt repayment	\$2,039,830	\$2,040,438

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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7. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

In order to conform with the Public Sector Accounting Board of CPA Canada, 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 2014 and 2013.

	2014				
	General	Water	Sewer	Sewer	
	Reserve	Utility	Utility	Utility	
	DCC	Reserve	Reserve	Reserve	
	BL #2426	DCC	DCC	DCC	2014
		BL #2426	BL #2426	BL #1638	Total
Balance Forward	\$ 2,444,779	\$ 356,089	\$ 518,737	\$ 33,075	\$ 3,352,680
Increases					
Interest	17,953	2,588	3,797	232	24,570
Other Contributions	211,451	33,698	44,098	-	289,247
	<u>229,404</u>	<u>36,286</u>	<u>47,895</u>	<u>232</u>	<u>313,817</u>
Decreases					
Revenue Recognized to Fund Capital Projects	(183,132)	(26,518)	(404,931)	-	(614,581)
Reclassifications, redemptions, refunds	-	-	-	-	-
	<u>(183,132)</u>	<u>(26,518)</u>	<u>(404,931)</u>	<u>-</u>	<u>(614,581)</u>
Ending Balance Deferred Revenue - DCC	<u>\$ 2,491,051</u>	<u>\$ 365,857</u>	<u>\$ 161,701</u>	<u>\$ 33,307</u>	<u>\$ 3,051,916</u>

	2013				
	General	Water	Sewer	Sewer	
	Reserve	Utility	Utility	Utility	
	DCC	Reserve	Reserve	Reserve	
	BL #2426	DCC	DCC	DCC	2013
		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
	<u>378,783</u>	<u>54,627</u>	<u>87,763</u>	<u>231</u>	<u>521,404</u>
Decreases					
Revenue Recognized to Fund Capital Projects	(145,456)	(90,126)	(35,609)	-	(271,191)
Reclassifications, redemptions, refunds	-	-	-	-	-
	<u>(145,456)</u>	<u>(90,126)</u>	<u>(35,609)</u>	<u>-</u>	<u>(271,191)</u>
Ending Balance Deferred Revenue - DCC	<u>\$ 2,444,779</u>	<u>\$ 356,089</u>	<u>\$ 518,737</u>	<u>\$ 33,075</u>	<u>\$ 3,352,680</u>

**THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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 2014 and 2013, which has been excluded from the City's financial statements.

CEMETERY PERPETUAL CARE FUND FINANCIAL POSITION	<u>2014</u>	<u>2013</u>	CEMETERY PERPETUAL CARE FUND FINANCIAL ACTIVITIES	<u>2014</u>	<u>2013</u>
Financial Assets			Revenue		
Cash on Hand	\$ 62,262	\$ 52,096	Fees Levied	\$ 12,543	\$ 9,964
Investments - MFA	<u>232,194</u>	<u>229,701</u>	Interest Revenue	<u>3,211</u>	<u>3,096</u>
Liabilities			Expenditure		
Interest Payable to City	<u>3,212</u>	<u>3,096</u>	Interest Expense	<u>3,212</u>	<u>3,096</u>
Net Financial Position	<u><u>\$ 291,244</u></u>	<u><u>\$ 278,701</u></u>	Excess Revenue over Expenditure	<u><u>\$ 12,542</u></u>	<u><u>\$ 9,964</u></u>

- (b) The Sid Williams Theatre has endowment funds on deposit with the Comox Valley Community Foundation in the amount of \$323,031 (2013 - \$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, 2014**

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, Government transfers received prior to revenue recognition criteria being met, and gift certificates issued and to be redeemed in future years at the Sid Williams Theatre. Following is a breakdown of the change in this balance for 2014 and 2013:

	2014	2013
Opening Balance	\$ 708,020	\$ 500,520
Additions to Deferred Revenue	1,475,796	690,513
Revenue Recognized	(709,974)	(483,013)
	\$1,473,842	\$ 708,020
Ending Balance Deferred Revenue Other	\$1,473,842	\$ 708,020

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, 2014 the City had debt reserve funds of \$409,821 (\$398,278 in 2013).

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 2014 were based on an interest (discount) rate of 3.10% per annum. The total estimated employee retirement benefit liability at December 31, 2014 is \$892,449 (\$835,181 in 2013) 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, 2014

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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 2014 revenues and expenses with 2013 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, 2014

14. TANGIBLE CAPITAL ASSET DETAILS

(See Schedule 3 for further details)

Tangible Capital Assets consist of the following:

	2014	2013
Land	\$ 21,396,279	\$ 21,062,251
Land Improvements	2,764,871	2,763,625
Buildings	18,991,089	19,441,296
Equipment, Furniture, & Vehicles	5,388,205	5,775,966
Engineering Structures:		
Roads	45,082,389	44,044,538
Water	10,515,070	10,501,020
Sewer	7,705,661	8,890,566
Other (Includes Storm)	11,752,085	10,902,560
Other Tangible Capital Assets	79,768	65,466
	\$ 123,675,417	\$123,447,288

The net book value of capital assets not being amortized and under construction in 2014 is \$3,245,696 (\$4,389,182 in 2013).

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 2014 is \$1,312,263 (\$6,488,980 in 2013)

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, 2014**

16. RESTATEMENT OF 2014 BUDGET

The budget amounts presented throughout these financial statements are based upon the Five Year Financial Plan approved by Council on May 5, 2014, 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 5, 2014 budget and actual values in the Financial Statements.

The summary below shows the adjustments to the May 5, 2014 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 2014 budget.

Adjustments to 2014 Budgeted Annual Surplus

Budget Surplus reported in FS	\$	476,856
Capital acquisitions in Financial Plan		(11,089,165)
Amortization		4,475,279
Contributed Assets		(1,312,263)
Debt Issues in Financial Plan		-
Debt principle repayments in Financial Plan		(1,214,599)
Operating surplus appropriated for Operations in Financial Plan		6,211,387
Capital surplus appropriated for Capital Projects in Financial Plan		539,618
Transfers from Operating and Capital Reserves in Financial Plan		3,714,701
Transfers to Operating and Capital Reserves in Financial Plan		<u>(1,801,814)</u>
Net of Financial Plan	\$	<u>-</u>

THE CORPORATION OF THE CITY OF COURTENAY
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2014
 (Audited)

	Engineering Structures							Other Tangible Capital Assets	Total	2013	
	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Roads	Water	Sewer				Other
Opening Balance Construction-in-progress (CIP)	\$ -	\$ 646,971	\$ 626,122	\$ 97,698	\$ (996,431)	\$ 1,075,375	\$ 2,903,262	\$ 24,741	\$ 11,444	\$ 4,389,182	\$ 7,911,348
Add: Construction-in-progress (CIP)	-	(411,240)	(407,489)	(106,862)	(868,655)	733,800	1,255,194			2,112,806	2,336,567
Less: Transfers into Service	-	170,301	72,979	31,335	1,779,017	(773,413)	(555,366)	(126,977)	(6,290)	(3,256,292)	(5,858,733)
Less: Writedowns & Reallocations	-	406,032	291,612	22,171	647,731	133,880	1,089,953	654,317	(5,154)	-	4,389,182
Closing Balance Construction-in-progress	\$ 21,062,251	\$ 4,130,537	\$ 27,373,708	\$ 14,152,638	\$ 82,348,140	\$ 15,065,932	\$ 7,213,029	\$ 17,278,182	\$ 640,326	\$ 189,264,742	\$ 171,934,467
Opening Balance Tangible Capital Assets	334,028	409,043	515,140	442,833	1,593,834	1,265,219	753,593	633,674	71,225	6,018,589	17,758,543
Add: Additions (including Transfers into Service)	(10,299)	(148,900)	(468,875)	(22,466)	(10,647)					(661,187)	(428,268)
Less: Disposals											
Less: Write-downs											
Closing Balance Tangible Capital Assets and CIP	21,396,279	4,935,313	28,180,460	14,468,742	84,120,830	16,442,565	9,056,575	18,555,525	711,551	197,867,840	193,653,924
ACCUMULATED AMORTIZATION											
Opening Balance		2,013,883	8,558,534	8,474,370	37,307,171	5,640,287	1,225,725	6,400,363	586,304	70,206,637	66,248,505
Add: Amortization	-	165,571	630,837	744,548	2,056,777	299,472	125,189	407,406	45,479	4,475,279	4,213,904
Less: Accum Amortization on Disposals	-	(9,012)	(138,381)	(138,381)	(325,507)	(12,264)	(4,329)	(4,329)	(489,493)	(489,493)	(255,773)
Closing Balance	-	2,170,442	9,189,371	9,080,537	39,038,441	5,927,495	1,350,914	6,803,440	631,783	74,192,423	70,206,636
Net Book Value for year ended	\$ 21,396,279	\$ 2,764,871	\$ 18,991,089	\$ 5,388,205	\$ 45,082,389	\$ 10,515,070	\$ 7,705,661	\$ 11,752,085	\$ 79,768	\$ 123,675,417	\$ 123,447,288
December 31, 2014											

THE CORPORATION OF THE CITY OF COURTENAY
CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 2014
(Audited)

SCHEDULE 4

Bylaw Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/13	Current Year Borrowing	Actuarial Adjustment/Princ. Reduction	Principal Outstanding Dec 31/14
General Capital Fund						
Debenture Debt						
2088	2015	6.45	57,701		28,216	29,485
2092	2015	6.45	443,857		217,045	226,812
2093	2015	6.45	443,857		217,045	226,812
2171	2021	3.05	1,296,564		135,778	1,160,786
2266	2018	4.78	159,547		28,874	130,673
2266	2023	5.15	333,748		27,798	305,950
2304	2029	4.86	768,967		32,504	736,463
2227	2020	5.00	86,376		10,936	75,443
2354	2025	5.75	329,562		23,821	305,741
2355	2030	5.75	545,123		23,003	522,120
2356	2020	5.50	458,857		58,096	400,761
2425	2026	4.66	529,028		31,818	497,210
2453	2026	4.43	1,050,342		63,171	987,171
2458	2022	4.52	1,053,269		99,526	953,743
2539	2023	4.13	2,481,971		184,036	2,297,935
2538	2025	4.50	506,450		33,706	472,741
2680	2027	2.90	3,990,247		218,143	3,772,104
2681	2027	2.90	1,482,093		81,024	1,401,068
			16,017,560	-	1,514,540	14,503,018

TOTAL GENERAL CAPITAL FUND

16,017,560

1,514,540

14,503,018

THE CORPORATION OF THE CITY OF COURTENAY
 CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT
 YEAR ENDED DECEMBER 31, 2014

(Audited)

By/Law Number	Maturity Date	Interest Rate	Principal Outstanding Dec 31/13	Current Year Borrowing	Actuarial Adjustment/Princ. Reduction	Principal Outstanding Dec 31/14
Balance Forward			\$ 16,017,560	\$ -	\$ 1,514,540	\$ 14,503,018
Water Capital Fund						
Debenture Debt.						
2424	2026	4.66	440,858	-	26,515	414,343
TOTAL WATER CAPITAL FUND			440,858	-	26,515	414,343
Sewer Capital Fund						
Debenture Debt						
2305	2029	4.86	576,726	-	24,378	552,348
2353	2030	5.00	1,534,132	-	64,738	1,469,394
2423	2026	4.66	267,453	-	16,086	251,367
TOTAL SEWER CAPITAL FUND			2,378,311	-	105,202	2,273,109
TOTAL ALL CAPITAL FUNDS			18,836,729	-	1,646,257	17,190,472

THE CORPORATION OF THE CITY OF COURTENAY

**2014 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	\$ 50,390	\$	3,569
Frisch, David	Councillor	\$ 1,251	\$	-
Hillian, Douglas A.	Councillor	\$ 21,658	\$	1,766
Eriksson, Erik	Councillor	\$ 1,251	\$	-
Ambler, Jonathan	Councillor	\$ 19,991	\$	-
Theos, Manno	Councillor	\$ 22,283	\$	4,844
Lennox, Rebecca	Councillor	\$ 1,251	\$	-
Wells, Robert	Councillor	\$ 1,251	\$	-
Leonard, Ronna-Rae	Councillor	\$ 19,991	\$	3,919
Winchester, Starr	Councillor	\$ 19,991	\$	4,380
Anglin, William	Councillor	\$ 19,991	\$	4,702
TOTALS		<u>\$ 179,299</u>	\$	<u>23,180</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 2014

<u>Employee</u>	<u>Position</u>	<u>Base Salary</u>	<u>Taxable Benefits</u>	<u>Total Remuneration</u> (Includes Taxable Benefits)	<u>Expenses</u>
Allen, D	Chief Administrative Officer	\$ 163,503	\$ 2,554	\$ 166,057	\$ 12,911
Arseneault, R	Roads Foreman	\$ 71,561	\$ 5,447	\$ 77,007	\$ -
Bardonnex, D.	Fire Chief	\$ 103,424	\$ 2,177	\$ 105,601	\$ 5,658
Bernard, Y.	Manager of Information Systems	\$ 86,244	\$ 2,064	\$ 88,307	\$ 4,739
Buck, I.	Manager of Planning	\$ 86,854	\$ 2,479	\$ 89,333	\$ 1,454
Chan, J.	Property Management Coordinator	\$ 75,485	\$ 2,360	\$ 77,845	\$ 910
Crawford, P.	Director of Development Services	\$ 115,865	\$ 2,258	\$ 118,124	\$ 2,085
Donley, M.	Manager of Human Resources	\$ 87,308	\$ 2,482	\$ 89,790	\$ 7,896
Guderjahn, B.	Manager of Purchasing	\$ 84,698	\$ 2,463	\$ 87,161	\$ 982
Hatch, L.	Director of Engineering & Public Works	\$ 109,546	\$ 2,473	\$ 112,020	\$ 3,120
Henderson, D.	Deputy Fire Chief / Training Officer	\$ 83,407	\$ 2,046	\$ 85,453	\$ 1,374
Hilton, C.	Manager of Finance	\$ 88,316	\$ 1,645	\$ 89,961	\$ 3,623
Kerr, C.	EVT / Fire Inspector	\$ 73,796	\$ 2,142	\$ 75,938	\$ 3,650
Knapman, P.	Occupational Health & Safety Coordinator	\$ 78,966	\$ 778	\$ 79,775	\$ 3,977
Love, D.	Senior Advisor - Strategic Initiatives	\$ 96,162	\$ 1,591	\$ 97,753	\$ 20,013
MacDonald, K.	Deputy Fire Chief	\$ 90,773	\$ 2,252	\$ 93,025	\$ 1,805
Madsen, T.	Manager of Public Works	\$ 88,165	\$ 2,650	\$ 90,815	\$ 4,297
Manthey, T	Director of Financial Services/Deputy CAO	\$ 133,145	\$ 9,825	\$ 142,970	\$ 5,199
Moore, B	Shop Foreman	\$ 77,530	\$ 1,357	\$ 78,887	\$ 130
Murphy, S.	Manager of Recreation Services	\$ 96,385	\$ 2,132	\$ 98,517	\$ 1,880
Nelson, J.	Manager of Financial Planning	\$ 84,116	\$ 2,473	\$ 86,558	\$ 1,620
Rasmussen, R.	Parks Foreman	\$ 88,454	\$ 2,400	\$ 90,854	\$ 587
Shaw, D.	Sewer Foreman	\$ 77,592	\$ 2,250	\$ 79,841	\$ 130
Sheldon, R.	Water Foreman	\$ 75,403	\$ 2,218	\$ 77,620	\$ 2,087
Ward, J.	Director of Legislative Services	\$ 103,606	\$ 2,433	\$ 106,039	\$ 770
Wiwchar, R.	Director of Community Services	\$ 115,865	\$ 1,005	\$ 116,871	\$ 1,232
Woods, M	Network Coordinator	\$ 75,253	\$ 1,992	\$ 77,245	\$ -
Total for employees where remuneration is > \$75,000		\$ 2,511,424	\$ 67,944	\$ 2,579,368	\$ 92,130
Consolidated total for employees where remuneration < \$75,000				7,040,488	67,948
Elected Officials, direct payments				179,299	23,180
TOTALS				\$ 9,799,155	\$ 183,258

Statement of Severance Agreements

There were three severance agreements under which payment commenced between the City of Courtenay and its union and non-union employees during the fiscal year 2014. These agreements represent from seven to twelve months of salary and benefits.

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, 2014**

Vendor ID	Vendor Name	Amount Billed YTD
REG001	COMOX VALLEY REGIONAL DISTRICT	\$14,926,515.45
MIN004	MINISTER OF FINANCE	\$5,162,163.54
REC006	RECEIVER GENERAL FOR CANADA	\$4,100,097.34
REG002	REGIONAL HOSPITAL DIST OF	\$4,073,739.50
REC005	RECEIVER GENERAL FOR CANADA	\$2,658,028.61
EMT001	EMTERRA ENVIRONMENTAL	\$957,900.66
SCO002	SCOTIABANK VISA	\$867,368.15
VAN002	VANCOUVER ISLAND REGIONAL LIBRARY	\$813,973.00
BCH002	BC HYDRO	\$714,034.86
KNA001	KNAPPETT INDUSTRIES (2006) LTD	\$705,323.66
COU009	COURTENAY RECREATION ASSOC	\$649,877.77
IPI001	INTERNATIONAL PAPER INDUSTRIES LTD	\$592,200.00
PAC001	PACIFIC BLUE CROSS	\$524,659.31
TAY001	TAYCO PAVING	\$506,485.42
COM002	COMMISSIONAIRES (THE)	\$424,626.59
BCA002	BC ASSESSMENT AUTHORITY	\$321,876.29
BUC004	BUCKSTONE INVESTMENTS LTD.	\$295,147.00
TLC001	TLC HOME & PROPERTY MAINT	\$232,921.53
COL002	COLUMBIA FUELS	\$228,363.42
BIG005	BIGSTEELBOX STRUCTURES LTD	\$225,977.06
MCE001	MCELHANNEY CONSULTING	\$225,068.37
COM013	COMOX VALLEY ECONOMIC	\$218,159.76
AON002	AON REED STENHOUSE INC	\$207,343.00
WAC001	WACOR HOLDINGS LTD	\$206,354.39
EDG001	EDGETT EXCAVATING	\$196,240.60
SID001	SID WILLIAMS THEATRE SOCIETY	\$195,627.21
BCL002	BC LIFE AND CASUALTY COMPANY	\$183,590.10
COM007	COMOX VALLEY BOBCAT & EXC LTD	\$163,640.51
MUN002	MUNICIPAL INSURANCE ASSOC OF	\$160,952.83
ELS001	ELSTER SOLUTIONS CANADA INC.	\$153,105.20
MED001	MEDICAL SERVICES PLAN	\$151,174.00
FOR009	FORTIS BC-NATURAL GAS	\$147,883.14
WOR001	WORKERS COMPENSATION BOARD	\$147,356.71
COU002	COURTENAY & DISTRICT MUSEUM	\$138,127.58
LEI001	LEIGHTON CONTRACTING (2009) LTD	\$135,187.40
APL001	APLIN & MARTIN CONSULTANTS LTD.	\$110,744.21
ISL014	ISLAND TRAFFIC SERVICES LTD	\$103,563.60
CUP001	CUPE LOCAL 556	\$97,412.88
AND003	ANDREW SHERET LTD	\$97,361.70
IWC001	IWC EXCAVATION LTD.	\$95,267.16
DIL001	DILLON CONSULTING LTD.	\$94,382.69
RIC010	RICOH CANADA INC	\$86,640.35
YOU004	YOUNG ANDERSON	\$85,874.36
TEL001	TELUS COMMUNICATIONS (BC)	\$85,447.93
COM023	COMOX VALLEY RECORD	\$82,304.71
RFB001	RF BINNIE & ASSOCIATES LTD	\$78,575.39
ROC001	ROCKY MOUNTAIN PHOENIX	\$77,774.50

**The Corporation of the City of Courtenay
Statement of Individual Accounts Paid
For the Twelve Months Ending December 31, 2014**

Vendor ID	Vendor Name	Amount Billed YTD
REC008	RECTEC INDUSTRIES INC	\$75,557.09
AAR002	AARDVARK PAVEMENT MARKING SERVICES	\$71,234.13
OND001	ONDECK SYSTEMS INC	\$70,624.28
ATO001	ATOMIC CRAYON	\$70,306.78
ESC001	ESC AUTOMATION	\$68,261.92
TEL003	TELUS MOBILITY (BC)	\$66,743.83
INT011	INTERACTIONS HR SOLUTIONS INC.	\$66,381.49
COU010	COURTENAY VOLUNTEER FIRE DEPARTMENT	\$62,231.34
HYL001	HYLAND PRECAST INC	\$60,705.05
TOW001	TOWER FENCE PRODUCTS	\$60,102.42
COU004	COURTENAY DOWNTOWN BUSINESS ASSOC	\$60,000.00
MON001	MONK OFFICE SUPPLY LTD	\$59,675.62
CAS001	CASA LOMA VENTURES LTD	\$59,563.00
IMS001	IMS INFRASTRUCTURE MANAGEMENT SERVICES	\$56,989.80
SOF001	SOFTCHOICE CORPORATION	\$56,716.02
INS002	INSURANCE CORPORATION OF	\$52,540.00
CEN001	CENTRAL BUILDERS' SUPPLY LTD	\$51,932.86
NEW001	NEW HERITAGE ARBOURISTS LTD	\$49,264.08
PIP001	PIPE EYE VIDEO INSPECTION	\$47,896.51
HAR002	HARTMAN AUTO SUPPLY LTD	\$47,672.42
NEL001	NELSON ROOFING AND SHEET METAL LTD	\$47,657.98
DIA001	DIAMOND SOFTWARE INC	\$46,372.78
MIC001	MICROSOFT LICENSING GP	\$46,323.24
BCH003	BC HYDRO & POWER AUTHORITY	\$46,212.60
ACK001	ACKLANDS-GRAINGER INC	\$45,739.03
DKI001	DKI SERVICES LTD	\$44,219.93
EUR002	EUROPEAN MASTERS PAINTING LTD.	\$41,023.50
DIS001	DISCOVERY DIESEL ELECTRIC	\$40,813.70
HAB002	HABITAT FOR HUMANITY COMOX VALLEY	\$40,743.75
HET001	HETEK SOLUTIONS INC.	\$40,252.80
TEMP0000007127	COASTAL COMMUNITY CREDIT UNION	\$40,000.00
KMI001	KMI COLUMBARIA	\$38,958.52
7ST001	7 STORY CIRCUS	\$38,653.72
KOE001	KOERS & ASSOCIATES ENGINEERING	\$38,210.64
MON003	MONTERRA DEVELOPMENTS LTD	\$37,789.90
REC009	RECEIVER GENERAL	\$37,637.31
EMC002	EMCO CORP	\$37,247.77
NOR001	PLANET CLEAN COURTENAY	\$36,290.67
HOT002	HOTELS	\$35,760.73
BAN005	THE BANK OF NOVA SCOTIA	\$35,113.94
COU005	COURTENAY GLASS	\$34,394.48
SHA001	SHADES TANKERS (1976) LTD	\$33,897.60
FLE005	FLETCHER PETTIS CONSULTANTS LTD	\$33,373.73
MEY001	MEYERS NORRIS PENNY LLP	\$33,350.62
DOU006	J.A.D. ENTERPRISES LTD. dba DOUMONT FARM	\$33,275.61
ESR001	ESRI CANADA	\$31,654.00
COM012	COMOX VALLEY ECHO	\$31,416.05

**The Corporation of the City of Courtenay
Statement of Individual Accounts Paid
For the Twelve Months Ending December 31, 2014**

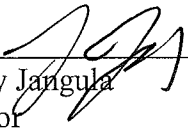
Vendor ID	Vendor Name	Amount Billed YTD
BIO001	BIOBAG CANADA INC	\$30,754.50
ES&001	ELECTION SYSTEMS & SOFTWARE, ULC	\$30,240.00
TEMP00000007090	ARDEN PROJECTS LTD	\$29,003.76
ASS002	ASSOCIATED FIRE & SAFETY	\$28,552.06
RHE001	R HENN & ASSOCIATES	\$28,430.47
RAI001	RAIDERS FOOTBALL	\$28,345.00
COL008	COLORBRITE PAINTING	\$27,835.50
FOU002	FOUR STAR WATERWORKS LTD	\$27,594.65
RAY001	RAYLEC POWER LTD	\$27,443.06
ACM001	ACME SUPPLIES LTD	\$26,462.89
COM082	COMOX DINGHY SAILING SCHOOL	\$26,423.00
TEMP00000006670	STABURN PROPERTY GROUP	\$26,043.26
TWD001	T.W. DOLL (694650 BC) LTD.	\$25,727.69
DIG001	DIGITAL BOUNDARY GROUP	\$25,125.71
	TOTAL AMOUNTS EQUAL/OVER \$25,000	\$45,355,204.23
	TOTAL AMOUNTS LESS THAN \$25, 000	\$3,095,837.99
		<u>\$48,451,042.22</u>

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The City of Courtenay describes guarantees and indemnities in the Notes to the Consolidated Financial Statements. For 2014, 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 Jangula
Mayor

June 9, 2015
Date



Jennifer Nelson, CPA, CGA
Acting Director of Financial Services

June 8, 2015
Date