



# **ANNUAL REPORT**

## **2010**



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# MAYOR'S MESSAGE

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June 17, 2011

On behalf of Town staff and members of Council, I am most pleased to present our 2010 Annual Report.

Back in 2008-2009, Council embarked on a strategic planning process, which served to focus our collective efforts towards making the Town of Comox a better place in which to live, work and play.

Improvements in governance, infrastructure, community livability and overall sustainability of our operations have been achieved. More work remains to be done, of course, but this Annual Report should reflect our accomplishments to date and our objectives and goals still to be achieved.

I trust that readers of this document will share the same confidence that Town staff and members of Council have in the future prosperity and wellness of our community.

Thanks to the residents of the Town of Comox for allowing us to be of service to the public.

Paul Ives  
Mayor

# COMOX COUNCIL

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**Back Row (left to right):** Mayor Paul Ives, Councillor Ken Grant, Councillor Tom Grant, Councillor Russ Arnott, Councillor Hugh MacKinnon

**Front Row (left to right):** Councillor Patti Fletcher, Councillor Marcia Turner

Mayor and Council members are elected for three year terms, with the next election to occur in November 2011.

Regular Council and Committee of the Whole meetings are open to the public and the public is encouraged to attend. Regular meetings are held on the first and third Wednesday of each month at 5:30 p.m., while Committee of the Whole meetings are held on the second and fourth Wednesday of each month at 4:15 p.m.

More information on meetings, including agendas and minutes, can be found on the Town Web site at [comox.ca](http://comox.ca).

# 2010 YEAR IN REVIEW

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This past year has seen Council and staff involved in a myriad of planning activities, both of the strategic and community land use varieties. At the regional level, we have devoted numerous hours of staff resources and elected officials' time spent in meetings, open houses and public hearings toward moving vitally important plans and strategies forward to satisfactory completion - Regional Water Supply Strategy, Regional Sewer Master Plan and Regional Growth Strategy,

It is anticipated that this collective investment of time, effort and public input will result in a set of long-range land use planning documents that, together with the adopted Comox Valley Sustainability Strategy, will serve the Comox Valley for the next 20-30 years (of course, once we resolve a few outstanding issues with help from the Provincial Ministry on the Regional Growth Strategy).

At the council level, we have made a lot of progress in developing a new Official Community Plan to the stage where (with further public input and discussions at council as to the contents of a draft Official Community Plan [OCP] Bylaw) we can go forward confidently into formal adoption following public hearing in May, 2011. That work started shortly after we were sworn in after the last election and, again, is intended to serve the Town well into the next 10-20 years. Of course, following adoption of the OCP bylaw, there will be some work required to bring other Town bylaws into accord and reflective of the new focus on infill, compact land development (e.g. transit-oriented development as discussed in our Traffic Study open house).

While economic growth forecasts for the year ahead call for relatively modest increases in employment and new housing activity, it is important to remember that it was only a couple of years ago that our staff in the planning and building departments were simply overwhelmed with the number of applications for zoning and building permits. So, it is a good thing that we have taken this time over the last 18 months to examine our OCP and our application/permit process to help set the stage for increased levels of economic and employment activity going forward. In the year ahead, we will be working with the Comox Valley Economic Development Society on a "made in Comox" economic action plan to take advantage of some of the physical infrastructure and geographic attributes that our Town has to offer. Movement on the new waterfront hotel and nearby residential/commercial developments (Comox Legion redevelopment, Mandira By The Sea project, Horizons/Quality Foods project, etc.) will be encouraged as market conditions improve. We will continue to be "open for business" with a "customer service" approach and always have an eye on ensuring that the Town maintains its livable qualities as a diverse urban/rural community.

## INFRASTRUCTURE MAINTENANCE/RENEWAL

Without good infrastructure, any community will suffer. Our finance, parks and public works departments have provided excellent input into our strategic planning and budgetary

processes. Early in the New Year after the January 15<sup>th</sup> by-election, council and senior staff will be reviewing our current strategic plan and proceeding through the annual budget process for 2011/12.

Work continues apace on the Comox Recreation Centre (CRC) expansion, scheduled for completion by the end of March 2011. That facility, once completed, will provide 12,000 square feet of a new wellness centre, multi-purpose room, and storage to allow us to meet the ever-growing needs of our active and aging community.

Other projects at the Marina will be undertaken by the Comox Valley Harbour Authority to increase transient moorage and by the Town to improve lighting and other amenities at the Marina Park waterfront.

Our parks acquisition at Baybrook Farm (also known as Stubbs property) will be completed in January 2011. We will continue to look for other parks acquisition opportunities within the Town as finances and Development Cost Charges (DCC) reserves allow.

A key project for cyclists and pedestrians will be work to be done at the top of Comox Hill. We are hopeful that with federal gas tax funds and possibly provincial Towns for Tomorrow funding that we will be able to improve the safety and utility of this area, which has long been noted as deficient by cyclists.

## **TOWN'S VOLUNTARY WATER METERING PROGRAM**

Council has resolved to spend up to \$1.4 million to install water meters in Comox. One quarter of this budget is to install water meters in roughly 900 homes that are "meter ready" – mostly on homes built within the last nine years. So far, we have installed meters to roughly a third of these homes, and we will complete the remainder before year-end. Residents living in older homes, which are not "meter ready", can request a meter by contacting Town Hall. Council has agreed that once homes are metered, they will be able to switch (at the utility customer's choice) to billing by the meter or the customer can continue to pay the flat rate water fee charged all other residences. For more information, residents can go to the Town website "comox.ca" and click on "water". This web page also has information on our voluntary metering program, Comox water use, and the Comox Valley Regional District's rebates for low flow toilets and rain barrels.

As recently discussed at Council, we learned that our year over year 2010 consumption of bulk water has been reduced by 9% which is about 1/3<sup>rd</sup> of the way to the overall 27% reduction outlined in the Comox Valley Water Efficiency Plan. As we move forward at a regional level on ultra violet disinfection and possibly filtration and/or deep water intake, we will need to ensure that our water consumption remains at reasonable levels, if only due to the fact that bulk water rates will be going up at a regional level due to these infrastructure expenses. The recent boil-water advisory (a first in over 40 years) gave us all cause to consider not only the quantity of water being consumed but also the quality of water being provided. These "two



sides of the same coin” (quantity/quality) will keep all of us engaged in future dialogue as we move forward on this issue.

## **HEALTH CARE FACILITIES AND HEALTHY LIVING**

Both Comox and Courtenay were recognized recently at Union of British Columbia Municipalities (UBCM) in Whistler for being “ActNow BC” communities, which could mean that, as we meet the criteria to be established by the provincial government, we will become eligible for more funding of sidewalks, cycling lanes, etc. We have had great success with obtaining grants from senior levels of government for projects such as Beaufort and Stewart sidewalks and Guthrie cycling lanes, so there is no reason why this can’t continue, even as provincial/federal government deficits are being reduced.

As Vice Chair of the Comox Strathcona Regional Hospital District (CSRHD), I am very hopeful that the site for the new Comox Valley Regional Hospital will be selected very soon and that the work being done by Vancouver Island Health Authority (VIHA) to complete the business plan will bear fruit at the Treasury Board by no later than the Fall of 2011. Getting that facility built will take some time (estimated opening date 2015), but it will help to alleviate the pressure on St. Joseph’s General Hospital as the Comox Valley continues to grow and age.

We will continue to work with BC Ambulance Service to improve the levels of service in Town. Of course, the recent announcement of a site acquired by the Comox Valley Regional District (CVRD) for an emergency shelter in Courtenay is very exciting and bodes well for our collective future. We have established an Affordable Housing Reserve Fund and we will continue to pursue affordable housing options in the Town, as secondary suites have shown to be quite popular and more innovative approaches to design will assist in achieving appropriate densities to meet our Green House Gas (GHG) reduction and overall sustainability goals under the new OCP/Regional Growth Strategy (RGS).

At this time of year, it is also very important to thank those who have volunteered and otherwise helped to make the Town a better place to live, work and play. By working together, Council and Senior Staff have accomplished a great deal over the last two years and we will have a very busy next 12 months. Of course, we will welcome a new face to council January 15<sup>th</sup> to fill the big high-top white running shoes of Councillor Ray Crossley, may he rest in peace. It will be a long time before we will ever forget what Ray brought to this table and there won’t be a day that goes by when we won’t be thinking of something he did or said. His legacy of community service will be remembered by all of us as we continue to serve the Town and its residents. We are only here for a short time on this planet and we had better make sure that it’s time well spent.

I would like to take this opportunity and welcome all new members of staff to the Town of Comox team: Jim Stevenson, Krystal Stevens at the Recreation Centre, Craig Logan and Cris VandenDries at the Public Works Department and Galyn Franklin at the Parks Department.



# STRATEGIC PLAN 2010-2014

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## INTRODUCTION

The following clearly outlines Strategic Priorities, Goals and Actions to be accomplished over the next five years. It is meant to inform you where Council will be focusing its efforts in order to improve services and governance.

The focus of this plan will be on six core service areas, namely community planning; infrastructure and engineering; parks, recreation, arts and culture; public safety and protection; economic development; and good governance and administration.

The list of Actions for each strategic priority is not meant to be an exhaustive list, but rather some of the activities that Council has placed a high priority. It is recognized that there most likely will be other activities that will be identified over the course of the year, and these will be added as they occur.

An accompanying Performance Measurement Plan, including detailed work plans, will be developed to help Council report on its progress in achieving the goals outlined in this Plan. Subsequent to this, a detailed progress report will be published in the 2010 Annual Report for the Town of Comox.

The three priorities that Council has identified for the period 2010-2014 are

### **Sustainable Infrastructure, Sustainability and Livability, and Good Governance**

On the following pages are goals, actions and timelines for each of these three priorities are identified. Timelines for each are identified as either 2010, Short Term (2011-2012), Long Term (2013-2014), or Ongoing.

Your comments and questions are welcomed. Please contact:

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Comox BC V9M 1R9

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Email: [town@comox.ca](mailto:town@comox.ca)

## SUSTAINABLE INFRASTRUCTURE

Council recognizes that aging infrastructure in Comox must be addressed. Council also recognizes that in order to do this, a significant amount of public funds must be expended. It is Council's desire to begin taking a more proactive approach in infrastructure renewal, and to do so in the most fiscally responsible manner possible.

Council's primary goal is to focus initially on improving the condition of roads and sidewalks, while ensuring that an adequate level of renewal is maintained in other areas. A Life Cycle Planning Program will be developed and implemented as time and budget permit, which will help to identify future infrastructure needs in the Town and the most cost-effective approach in its maintenance and renewal.

GOAL	ACTION	TIMEFRAME
Improve Road and Sidewalk Condition	Update baseline information for road and sidewalk condition	2010
	Increase budget for roads and sidewalks	Ongoing
	Develop Life Cycle Infrastructure Planning Program	Short Term
	Implement Life Cycle Infrastructure Planning Program	Long Term
	Utilize grant funding opportunities wherever possible	Ongoing
Maintain Utilities Infrastructure	Update baseline information	Ongoing
	Develop Life Cycle Infrastructure Planning Program	Short Term
	Implement Life Cycle Infrastructure Planning Program	Long Term
Assess Future Infrastructure Needs	Develop Life Cycle Infrastructure Planning Program	Short Term
	Implement Life Cycle Infrastructure Planning Program	Long Term

## SUSTAINABILITY AND LIVABILITY

Council will undertake a number of projects over the next few years to ensure that the community continues to be the wonderful place that it is. Environmental sustainability is extremely important, and projects such as the establishment of a Green Team, the development of an Urban Forestry Management Plan and the implementation of an Organics Collection Program will help to meet the expectations outlined in the recently signed Climate Action Charter. Water conservation is important and greater efforts in this area will be a focus over the next few years.

Council has an ambitious plan to increase recreational opportunities in town. Many of these, such as improving pedestrian connectivity and increasing cycling infrastructure, will be outlined in a Traffic and Pedestrian Safety Study, to be completed in conjunction with the Official Community Plan update.

An update of the Official Community Plan will be initiated this year. This will be a very thorough undertaking of future direction of Comox, with significant public participation.

Although the initial part of this process should be complete in the next 12 – 18 months, implementation of all components of the new Official Community Plan will take place in the next 3 to 5 years.

Local economic development is a new area for Council. It is recognized that during periods of a slowing economy, local economic development can have lasting beneficial impacts to the community. Both a Downtown Area Development Plan, (including the downtown commercial area, the marina waterfront area and connectivity between the two) and a Local Economic Development Strategy will be developed over the next couple of years. Council will work with the local Business In Action group, the Comox Valley Economic Development Society and residents/business owners in the development of these plans.

Comox has a higher proportion of seniors in the community compared to many others in BC. Housing affordability and health services are areas where Council has determined there is a need to focus efforts in order to ensure a more inclusive and healthy community.

GOAL	ACTION	TIMEFRAME
Increase Environmental Responsibility	Encourage sustainable development	Ongoing
	Develop Urban Forestry Management Plan	Short Term
	Implement Organics Collection Program	Short Term
	Encourage development applications to meet formal green certification.	2010
	Implement Voluntary Water Metering Project	2010
Increase Recreational Opportunities	Replace Centennial Wing at Recreation Centre	Short Term
	Increase cycling infrastructure and greenways	Short Term
	Pursue the development of a waterfront walkway	Long Term
	Provide financial support to cultural facilities and events	Ongoing
Increase Long-Range Planning Activities	Update Official Community Plan	Short Term
	Undertake Traffic and Pedestrian Safety Study	Short Term
Become a More Inclusive Community	Develop and implement incentives for the provision of new seniors and affordable housing units	Short Term
Increase Local Economic Development Activities	Prepare Downtown Area Development Plan	Short Term
	Develop Local Economic Development Strategy	Short Term
	Implement Local Economic Development Strategy	Long Term
Increase Health Services	Advocate for improved ambulance service in Comox	Ongoing
	Support enhancement of health services in Comox Valley	2010

## GOOD GOVERNANCE

Good governance is extremely important for Council, as is being a good employer. Council will improve customer service and communication with the public over the next several years. Staff will also be empowered and motivated through team-building and training opportunities, as well as through annual performance reviews.

Good governance also means good intergovernmental and interagency relations, and Council will continue to support and participate in regional programs and opportunities.

GOAL	ACTION	TIMEFRAME
Improve/Maintain High Level of Customer Service	Determine acceptable service response timelines	2010
	Review staffing levels	2010
Improve Communication With Public	Develop and implement Communication Plan	2010
	Publish quarterly newsletters	Ongoing
	Issue regular press releases	Ongoing
	Redesign website	2010
Enable and Motivate Staff	Provide team-building and training opportunities	Ongoing
	Conduct annual performance reviews for all staff	2010
Support Regional Initiatives	Support Regional Housing Initiative Service	Ongoing
	Continue participation in regional service plans (sewer, water, sustainable development and growth management)	Ongoing
	Explore regional recreational opportunities	Short Term

# 2010 PROGRESS REPORT

2010 PRIORITY - SUSTAINABLE INFRASTRUCTURE					
GOAL	OBJECTIVE	ACTION	MEASURE	OUTCOME	COMMENTS
Improve Road and Sidewalk Condition	Update baseline information for road and sidewalk condition	Update baseline information for road condition	Yes/No	No	
		Update baseline information for sidewalk condition	Yes/No	No	
	Increase budget for roads and sidewalks	Increase budget for roads	% increase in 5-year budget	3.36%	2009 - \$4,653,920 2010 - \$4,810,376
		Increase budget for sidewalks	% increase in 5-year budget	(52.14%)	2009 - \$656,625 2010 - \$314,280
	Utilize grant funding opportunities wherever possible		# grant applications	0	
		# approved grants	0		
Maintain Utilities Infrastructure	Update baseline information for utilities infrastructure	Stewart Street Overlay - Cedar to Noel	Yes/No	Yes	
		Update baseline information for sewer system	Yes/No	No	
		Update baseline information for water system	Yes/No	No	
	Upgrade Stewart Street storm - Robb to Dogwood	Update baseline information for storm system	Yes/No	No	
			Yes/No	Yes	
Other	Relocate Church Street Storm Outfall		Yes/No	Yes	
	Complete Knight Road Sanitary Extension		Yes/No	Yes	

2010 PRIORITY - SUSTAINABILITY AND LIVABILITY					
GOAL	OBJECTIVE	ACTION	MEASURE	OUTCOME	COMMENTS
Increase Environmental Responsibility	Encourage sustainable development	Encourage third party green certification on buildings/developments	Yes/No	Yes	
	Implement Voluntary Water Metering Project	Install meters on all meter-ready SFD	Yes/No	Yes	
		Install meters on all homes who requested	Yes/No	Yes	
		Install meters on all strata properties	Yes/No	No	
	Install six new bottle recycling stations in downtown and Marina		Yes/No	Yes	
	Complete "green" renovation of washrooms in former library building		Yes/No	Yes	
Increase Recreational Opportunities	Install geothermal heating/cooling system at Comox Recreation Centre		Yes/No	Yes	
	Provide financial support to cultural facilities and events		2010 \$ provided to culture	\$86,758	\$73,250 in grants, \$13,508 in kind
	Complete new sidewalk along Beaufort - Ellis to Rodello		Yes/No	Yes	
	Complete new sidewalk along Buena Vista - Anderton to Ivy		Yes/No	Yes	
Become a More Inclusive Community	Install audible pedestrian signals - Guthrie/Anderton		Yes/No	Yes	
Increase Health Services	Advocate for improved ambulance service in Comox	Encourage establishment of Ambulance Station in Comox	Yes/No	Yes	
	Support enhancement of health services in Comox	Support regional hospital	Yes/No	Yes	
Other	Hold 2010 Firefighter Youth Camp		Yes/No	Yes	
	Install new bus shelters on Pritchard Road and Robb Avenue		Yes/No	Yes	
	Install traffic signals at Guthrie and McDonald Roads		Yes/No	Yes	
	Host Seniors' Games - Dragon Boat and Table Tennis		Yes/No	Yes	



2010 PRIORITY - GOOD GOVERNANCE						
GOAL	OBJECTIVE	ACTION	MEASURE	OUTCOME	COMMENTS	
Improve/ Maintain High Level of Customer Service	Determine acceptable service response timelines	Establish acceptable processing times for applications	Yes/No	Yes	Ongoing	
	Review staffing levels		Yes/No	Yes	Ongoing	
	Develop and implement Communication Plan		Yes/No	No		
Improve Communi- cation With Public	Publish quarterly newsletters		# of newsletters	1	Tax notice insert	
	Issue regular press releases		# press releases	1	Financial Plan adoption	
	Redesign website		Yes/No	No		
Enable and Motivate Staff	Provide team-building and training opportunities		Yes/No	Yes	Conferences, workshops	
	Conduct annual performance reviews for all staff		Yes/No	Yes	Ongoing	
Support Regional Initiatives	Support Regional Housing Initiative Service		Yes/No	Yes		
	Continue participation in regional service plans (sewer, water, sustainable development and growth management)		Yes/No	Yes	Regional Growth / Sustainability Strategy	
Other	Implement new financial system		Yes/No	Yes		



# OBJECTIVES AND MEASURES

2011 PRIORITY - SUSTAINABLE INFRASTRUCTURE			
GOAL	OBJECTIVE	ACTION	MEASURE
Improve Road Condition <i>(see Lifecycle Planning for baseline information)</i>	Increase road maintenance budget		% increase in 2011 budget (annual)
	Resurface Guthrie Road - McDonald to Aspen		Yes/No
	Resurface Elm Avenue - Stewart to Noel		Yes/No
	Resurface Rodello Street - Comox to Beaton		Yes/No
	General pavement patching and crack sealing		metres and sq. metres
Improve Sidewalk Condition <i>(see Lifecycle Planning for baseline information)</i>	Utilize grant funding opportunities wherever possible		% projects with grant applications
	Increase sidewalk maintenance budget		% increase in 2011 budget (annual)
	Extend Guthrie Road sidewalk - McDonald Bog		Yes/No
	Rebuild Comox Avenue sidewalk - Comox Hill to Rodello and Rodello to Beaufort		Yes/No
	Utilize grant funding opportunities wherever possible		% projects with grant applications
Maintain Utility Infrastructure Condition <i>(see Lifecycle Planning for baseline information)</i>			
Assess Future Infrastructure Planning Needs	Develop Lifecycle Infrastructure Planning Program - Roads <i>(Completed in conjunction with Traffic Study)</i>	Complete inventory of all roads	% completed
		Inspect all roads	% completed
		Document baseline road condition	% completed
	Develop Lifecycle Infrastructure Planning Program - Sidewalks	Complete inventory of all sidewalks	% completed
		Inspect all sidewalks	% completed
		Document baseline sidewalk condition in GIS	% completed
	Complete Traffic and Pedestrian Safety Study		Yes/No

2011 PRIORITY - SUSTAINABLE INFRASTRUCTURE			
GOAL	OBJECTIVE	ACTION	MEASURE
Other		Address Northeast Comox Storm Water Management and Servicing	Yes/No
		Complete Lazo Road Foreshore Erosion and Archaeological Assessment	Yes/No
		Complete Knight Road Sanitary Sewer Project	Yes/No
		Provide Comox Recreation Centre Servicing and Construction Support	Yes/No
		Complete Torrence Road High Pressure Water Extension	Yes/No

2012 PRIORITY - SUSTAINABLE INFRASTRUCTURE			
GOAL	OBJECTIVE	ACTION	MEASURE
Improve Road Condition <i>(see Lifecycle Planning for baseline information)</i>	Increase road maintenance budget		% increase in 2012 budget (annual)
	Utilize grant funding opportunities wherever possible		% projects with grant applications
	Increase road maintenance budget		% increase in 2012 budget (annual)
	Utilize grant funding opportunities wherever possible		% projects with grant applications
Maintain Utility Infrastructure Condition <i>(see Lifecycle Planning for baseline information)</i>			
Assess Future Infrastructure Planning Needs	Develop Lifecycle Infrastructure Planning Program - Roads	Update baseline road condition in GIS	Yes/No
	Implement Lifecycle Infrastructure Planning Program - Sidewalks	Update baseline sidewalk condition in GIS	Yes/No
	Develop Lifecycle Infrastructure Planning Program - Water System	Complete inventory of all water utilities	% completed
	Develop Lifecycle Infrastructure Planning Program - Sanitary System	Enter (map) water utilities in GIS	% completed
		Complete inventory of all sanitary utilities	% completed
	Develop Lifecycle Infrastructure Planning Program - Storm System	Enter (map) sanitary utilities in GIS	% completed
		Complete inventory of all storm utilities	% completed
		Enter (map) storm utilities in GIS	% completed

2011 PRIORITY - SUSTAINABILITY AND LIVABILITY			
GOAL	OBJECTIVE	ACTION	MEASURE
Increase Environmental Responsibility	Encourage sustainable development	Encourage dev. applications to meet green certification	Yes/No
	Develop Urban Forestry Management Plan		Yes/No
	Implement Voluntary Water Metering Project	Install single family water meters	% complete
		Install multifamily water meters	% complete
		Implement meter reading system	Yes/No
	Complete Next Phase of Brooklyn Creek Restoration Project		Yes/No
	Undertake Inventory of Park Assets/Structures and Initiate Comprehensive Park Plan - Orchard Park Drive		Yes/No
	Submit Free Crown Grant Application - DL 194		Yes/No
	Complete "Greening" of Outside Light Fixtures at Fire Hall		Yes/No
	Implement Organics Collection Program	Support Regional District Initiative	Yes/No
Increase Recreational Opportunities	Comox Recreation Centre Improvements	Replace Centennial Wing at Recreation Centre	Yes/No
		Review and develop marketing plan	Yes/No
		Introduce new and innovative programming	# new programs
		Introduce financial assistance program	Yes/No
	Increase cycling infrastructure and greenways	Construct new cycle lanes - Comox Avenue - Comox Hill to Rodello and Rodello to Beaufort	New metres constructed
		Construct new walking path through Port Augusta Park	New metres constructed
	Extend Guthrie Road sidewalk - McDonald Bog		Yes/No
	Provide financial support to cultural facilities and events		2011 \$ provided to culture
	Complete renovation of d'Esterre Seniors' Centre		Yes/No
	Install Play Structure in Lancaster Park		Yes/No

2011 PRIORITY - SUSTAINABILITY AND LIVABILITY			
GOAL	OBJECTIVE	ACTION	MEASURE
Long-Range Planning Activities	Complete Update to Official Community Plan		Yes/No
	Complete Rezoning of Lands with RD Zoning		Yes/No
More Inclusive Community	Initiate Review of Subdivision and Development Servicing Bylaw		Yes/No
	Develop and implement incentives for the provision of new seniors and affordable housing units		Yes/No
Increase Health Services	Advocate for improved ambulance service in Comox	Open daytime ambulance depot/ office in Comox	Yes/No
	Support enhancement of health services in Comox Valley		Yes/No
Other	Complete Comox Recreation Centre landscaping		Yes/No
	Electrical and Float Improvements at Municipal Marina		Yes/No
	Upgrade Boat Launch Area in Marina Park		Yes/No
	Start New Storage and Training Building at Fire Station Site		Yes/No

2012 PRIORITY - SUSTAINABILITY AND LIVABILITY			
GOAL	OBJECTIVE	ACTION	MEASURE
Increase Environmental Responsibility	Encourage Sustainable Development		Yes/No
	Implement Organics Collection Program	Support Regional District Initiative	Yes/No
	Implement Voluntary Water Metering Project	Implement meter billing system	Yes/No
Increase Recreational Opportunities	Increase Cycling Infrastructure and Greenways		Yes/No
	Provide financial support to cultural facilities and events		2012 \$ provided to culture
More Inclusive Community	Develop and implement incentives for the provision of new seniors and affordable housing units		Yes/No
Increase Local Economic Development Activities	Prepare Downtown Area Development Plan		Yes/No
Increase Health Services	Develop Local Economic Development Strategy		Yes/No
	Advocate for improved ambulance service in Comox		Yes/No

2011 PRIORITY - GOOD GOVERNANCE			
GOAL	OBJECTIVE	ACTION	MEASURE
Improve/Maintain High Level of Customer Service	Determine Acceptable Service Response Times	Establish Acceptable Processing Time – Business Licence	Yes/No % completed within acceptable time
		Establish Acceptable Processing Time – Building Permit	Yes/No % completed within acceptable time
		Establish Acceptable Processing Time – Zoning Change	Yes/No % completed within acceptable time
		Establish Acceptable Processing Time – OCP Change	Yes/No % completed within acceptable time
		Establish Acceptable Processing Time – DP Application	Yes/No % completed within acceptable time
		Establish Acceptable Processing Time – DVP Application	Yes/No % completed within acceptable time
		Recreation Department	Yes/No
		Fire Department	Yes/No
		Finance Department	Yes/No
			Yes/No
Improve Communication with Public	Develop and Implement Communication Plan		
	Publish Quarterly Newsletters		Number published
	Issue Regular Press Releases	Increase number of press releases	% increase over 2010
Enable and Motivate Staff	Redesign Website		Yes/No
	Provide Team Building and Training Opportunities	Provide Team Building Opportunities	Number of team building activities
		Provide Training Opportunities	Number of training opportunities
	Conduct Annual Performance Reviews for All	Complete performance reviews for Senior Staff	# of performance reviews

2011 PRIORITY - GOOD GOVERNANCE			
GOAL	OBJECTIVE	ACTION	MEASURE
		Complete performance reviews for other staff	# of performance reviews
Support Regional Initiatives	Support Regional Housing Initiative		Yes/No
	Continue Participation in Regional Service Plans		Yes/No
	Support Regional Water Supply Strategy		Yes/No
	Support Regional District Sanitary Sewerage Master Plan		Yes/No
	Support Regional Solid Waste Management Plan		Yes/No
Other	Evaluate Works Yard and Building Configuration		Yes/No
	Undertake Building Permit Process Review		Yes/No
	Replace 1990 Fire Engine and Dispose of Old		Yes/No
	Initiate Annual Parcel Tax Court of Revision		Yes/No
	Update Information Technology	Update Comox Recreation Centre Technology	Yes/No
		Digitize Planning Layers into GIS	Yes/No
		Improve BC Assessment Database	Yes/No
	Develop Succession Plan for Organization		Yes/No
	Review Format of Reports to Council and Committee of the Whole		Yes/No
	Review Advisory Committee Structures		Yes/No
	Review and Update Business Licence Bylaw		Yes/No
	Review and Update Street and Traffic Bylaw		Yes/No
	Conduct Local Government Election		Yes/No



2012 PRIORITY - GOOD GOVERNANCE			
GOAL	OBJECTIVE	ACTION	MEASURE
Improve/Maintain High Level of Customer Service	Acceptable Service Response Times	Processing Time – Business Licence	% completed within acceptable time % increase over 2011
		Processing Time – Building Permit	% completed within acceptable time % increase over 2011
		Processing Time – Zoning Change	% completed within acceptable time % increase over 2011
		Processing Time – OCP Change	% completed within acceptable time % increase over 2011
		Processing Time – DP Application	% completed within acceptable time % increase over 2011
		Processing Time – DVP Application	% completed within acceptable time % increase over 2011
Improve/Maintain High Level of Customer Service	Acceptable Service Response Times	Review Staffing Levels	Yes/No
		Publish Quarterly Newsletters	Number published
		Issue Regular Press Releases	% increase over 2011
		Provide Team Building and Training Opportunities	Number of team building activities
Enable and Motivate Staff	Conduct Annual Performance Reviews for All Staff	Provide Training Opportunities	Number of training opportunities
		Complete performance reviews for Senior Staff	Number of performance reviews
		Complete performance reviews for other staff	Number of performance reviews
		Support Regional Housing Initiative	Yes/No
Support Regional Initiatives	Continue Participation in Regional Service Plans		Yes/No
		Explore Regional Recreational Opportunities	Yes/No



# CONSOLIDATED FINANCIAL STATEMENTS

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Year Ended December 31, 2010





# **TOWN OF COMOX**

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4. Consolidated Statement of Cash Flows

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

#### **Supplemental Schedules**

1. Schedule of Expenses by Object (Type)
2. Schedule of Continuity of Reserve Funds
3. Schedule of Deferred Revenue Continuity
4. Continuity of Equity in Tangible Capital Assets
5. Schedule of Tangible Capital Assets
6. Schedule of Operations by Segment (2010)
7. Schedule of Operations by Segment (2009)



## **TOWN OF COMOX**

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

The preparation of information in these Consolidated Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted for British Columbia municipalities and are outlined under "Significant Accounting Policies" in the notes to the financial statements. Management is responsible for the integrity and objectivity of these statements as well as the supplementary statements and schedules.

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

Meyers Norris Penny LLP, the Town's independent auditors, have conducted an examination of the financial statements in accordance with generally accepted auditing standards and have expressed their opinion in a report accompanying this statement.

Donald Jacquest  
Director of Finance



MEYERS NORRIS PENNY LLP

## Independent Auditors' Report

To the Mayor and Council of the Town of Comox:

We have audited the accompanying consolidated financial statements of the Town of Comox, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, change in net financial assets, cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2010, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Courtenay, British Columbia

April 20, 2011

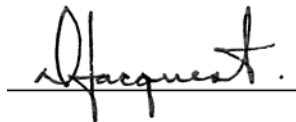
*Meyers Norris Penny LLP*

Chartered Accountants

**Town of Comox**  
**Consolidated Statement of Financial Position**  
**as at December 31, 2010**

**Statement 1**

	2010	2009 (Restated - Note 4)
<b>Financial Assets</b>		
Cash	\$ 1,939,276	\$ 335,826
Short-term investments	14,845,205	15,584,283
Receivables (Note 5)	1,806,603	1,279,107
Inventory for resale	10,664	11,017
	<u>18,601,748</u>	<u>17,210,233</u>
<b>Financial Liabilities</b>		
Payables (Note 6)	4,076,487	3,246,769
Deferred revenue (Schedule 3)	8,081,890	7,987,875
Net debenture debt (Note 7)	2,970,349	3,354,297
Mortgages	-	52,041
Other long-term debt	1,000	88,320
Performance deposits and bonds	964,838	1,012,516
Reserve account	11,957	11,957
	<u>16,106,521</u>	<u>15,753,775</u>
<b>Net Financial Assets</b>	<u>2,495,227</u>	<u>1,456,458</u>
Contingent Liabilities (Note 8)		
<b>Non Financial Assets</b>		
Tangible capital assets (Schedule 5)	72,619,294	68,062,740
Supply inventory	254,824	207,156
Prepaid expenses	49,044	29,317
Shares in Courtenay Golf Club Ltd.	8,750	8,750
	<u>72,931,912</u>	<u>68,307,963</u>
<b>Accumulated Surplus (Note 18)</b>	<u>\$ 75,427,139</u>	<u>\$ 69,764,421</u>



Donald Jacquest, Director of Finance, responsible for  
financial administration for the Town of Comox.

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

**Town of Comox**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2010**

Statement 2

	2010 Budget unaudited - Note 17	2010	2009 (Restated - Note 4)
<b>Revenue</b>			
Property valuation taxes	\$ 6,521,954	\$ 6,523,511	\$ 6,219,613
Parcel taxes	576,720	609,913	556,198
Payments in lieu of taxes (Federal & Provincial)	1,301,776	1,336,160	1,216,616
<b>Revenue from Taxation</b>	8,400,450	8,469,584	7,992,427
Utility Fees	4,649,846	4,647,578	4,605,316
Other sales of services	1,334,878	1,441,505	1,354,223
Licenses, permits and planning fees	281,850	472,640	339,136
Development Cost Charges used for capital expenditures	976,300	798,882	830,000
Tangible capital assets contributed through development	-	1,698,808	-
Donations	-	18,519	27,720
Investment income	150,000	259,740	221,674
Interest and penalties on taxes and utilities	71,000	78,892	86,274
Actuarial earnings on debenture sinking fund	-	60,281	44,099
Rentals	131,600	157,269	120,355
Other	12,700	24,594	21,483
Unconditional transfers from governments and agencies	416,417	416,417	416,417
Conditional transfers from governments and agencies	2,328,680	1,587,300	1,265,840
	18,753,721	20,132,009	17,324,964
<b>Expenses</b>			
General government	1,316,750	1,161,981	1,228,400
Protective services	2,533,805	2,615,577	2,278,211
Transportation	1,446,072	2,633,877	3,136,766
Garbage and recycling services	922,358	884,360	881,414
Development services	588,444	439,763	406,353
Marina	134,358	166,704	181,674
Recreation, parks, and culture	2,634,567	2,984,555	3,178,126
Water services	1,932,505	1,899,588	1,996,246
Sewer services	1,536,934	1,682,886	1,821,826
	13,045,793	14,469,291	15,109,016
<b>Surplus for the year</b>	\$ 5,707,928	\$ 5,662,718	\$ 2,215,948
Accumulated Surplus at start of year as previously stated		\$ 69,605,161	\$ 67,436,720
Prior period restatement (Note 4)		159,260	111,753
Accumulated surplus at start of year		69,764,421	67,548,473
Accumulated surplus at end of the year		\$ 75,427,139	\$ 69,764,421

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



**Town of Comox**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the Year Ended December 31, 2010**

**Statement 3**

	2010 Budget unaudited - Note 17	<b>2010</b>	2009 (Restated - Note 4)
<b>Surplus for the year (Statement 2)</b>	\$ 5,707,928	<b>\$ 5,662,718</b>	\$ 2,215,948
Tangible capital assets acquired through development	-	<b>(1,698,808)</b>	-
Acquisition of tangible capital assets	(7,373,500)	<b>(4,977,636)</b>	(3,651,320)
Amortization of tangible capital assets	-	<b>2,079,415</b>	2,006,553
Write downs of tangible capital assets	-	<b>40,474</b>	141,906
Increase in prepaid expenses	-	<b>(19,727)</b>	(2,774)
Increase in supply inventory	-	<b>(47,668)</b>	(43,108)
<b>Increase (decrease) in Net Financial Assets</b>	(1,665,572)	<b>1,038,769</b>	667,205
<b>Net Financial Assets at beginning of year</b>	1,456,458	<b>1,456,458</b>	789,253
<b>Net Financial Assets at end of year (Statement 1)</b>	<u>\$ (209,114)</u>	<u><b>\$ 2,495,227</b></u>	<u>\$ 1,456,458</u>

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

**Town of Comox**  
**Consolidated Statement of Cash Flows**  
**as at December 31, 2010**

**Statement 4**

	2010	2009 (Restated - Note 4)
Net inflow (outflow) of cash related to the following activities:		
<b>Operating Activities</b>		
Surplus for the year (Statement 2)	\$ 5,662,718	\$ 2,215,948
Non-cash items included in operations:		
Contribution from developer	(1,698,808)	-
Amortization of tangible capital assets	2,079,415	2,006,553
Write off of tangible capital assets replaced	40,474	141,906
Net changes to financial assets & liabilities through operations:		
Increase in / decrease in receivables	(527,496)	1,188,256
Increase in / decrease in inventory for resale	353	574
Increase in / decrease in payables	829,718	(9,340)
Increase in / decrease in deferred revenue	94,015	511,264
Increase in / decrease in performance deposits and bonds	(47,678)	(409,367)
Increase in / decrease in reserve account	-	(23,773)
Increase in / decrease in supply inventory	(47,668)	(43,108)
Increase in / decrease in prepaid expenses	(19,727)	(2,774)
	<u>6,365,317</u>	<u>5,576,139</u>
<b>Investing Activities</b>		
Short term investing	739,078	(1,710,725)
Acquisition of tangible capital assets	(4,977,636)	(3,651,320)
	<u>(4,238,558)</u>	<u>(5,362,045)</u>
<b>Financing Activities</b>		
Debenture principal repaid	(323,667)	(323,667)
Actuarial increase in debenture sinking funds	(60,281)	(44,099)
Mortgage repayments	(52,041)	(64,533)
Other long-term debt repayments	(87,320)	-
	<u>(523,309)</u>	<u>(432,299)</u>
<b>Increase (decrease) in cash</b>	<b>1,603,450</b>	<b>(218,205)</b>
<b>Cash at beginning of year</b>	<b>335,826</b>	<b>554,031</b>
<b>Cash at end of year (Statement 1)</b>	<b>\$ 1,939,276</b>	<b>\$ 335,826</b>
<b>Interest paid</b>	<b>\$ 252,286</b>	<b>\$ 256,102</b>
<b>Interest received</b>	<b>\$ 259,739</b>	<b>\$ 479,693</b>

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

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**1. PURPOSE**

The Town of Comox was incorporated in 1946 to provide municipal services to its residents, and is governed by the Community Charter and the Local Government Act of British Columbia.

**2. SIGNIFICANT ACCOUNTING POLICIES**

(a) **British Columbia Municipalities**

It is the policy of the Town to follow accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. As part of this policy, the resources and operation of the Town are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The consolidated financial statements are prepared in accordance with recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the financial position, financial operations, change in net financial assets, and change in cash flows of the one economic entity of the Town of Comox. Inter-fund transactions and fund balances have been eliminated on consolidation.

(b) **Short-term Investments**

Investments are comprised of various investment funds of the Municipal Finance Authority of BC and the Bank of Nova Scotia. The investment funds have fluctuating returns and are carried at the lower of cost and market value.

<b>Short Term Investments</b>	<b>2010</b>	<b>2009</b>
Municipal Finance Authority of BC Funds:		
Short Term Bond Fund	\$ 3,015,105	\$ 1,248,386
Intermediate Bond Fund	764,035	4,462,491
Money Market Fund	<u>764,765</u>	<u>1,106,506</u>
	<u>4,543,905</u>	<u>6,817,383</u>
Scotia Asset Management Funds:		
Cash	653	
Scotia Money Market Fund	203,289	
Scotia Short-Mid Government Bond Fund	5,851,869	5,235,264
Scotia Canadian Income Fund	<u>4,245,489</u>	<u>3,531,636</u>
	<u>10,301,300</u>	<u>8,766,900</u>
	<u>\$ 14,845,205</u>	<u>\$ 15,584,283</u>

(c) **Trust Fund**

A Town-administered trust fund has been excluded from the financial statements. The balance in the fund was \$67,139 at December 31, 2010 (\$64,833 in 2009). It was invested in the MFA Short Term Bond Fund in 2010 and 2009. The only transactions in the fund were interest earned (\$2,306 in 2010 and \$2,740 in 2009).

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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

(d) **Tangible Capital Assets**

Tangible capital assets are recorded at cost, net of disposals, write-downs and amortization. Acquisitions exceeding the capitalization thresholds are capitalized so long as they are not replacing a tangible capital asset whose original cost cannot be estimated (because the date of its construction is uncertain) and for which no cost can be relieved from the asset pool to offset the addition. Amortization is calculated straight line over the estimated life of the class of assets. Amortization is not taken until the asset is in use, and is taken at one-half of normal rate in that first year. Repairs and maintenance are not capitalized, but are expensed in the period in which they occur. Betterments which enhance the asset life or capacity are capitalized.

<b>Major Asset Category:</b>	<b>Threshold</b>	<b>Estimated Life</b>	<b>Amortization Rate</b>
Land	None	Indefinite	None
Land improvements	\$10,000	25 years	4%
Buildings	\$10,000	25 years	4%
Vehicles, Machinery and Equipment	\$10,000	8 to 20 years	5% to 12.5%
Computers and programs	\$10,000	5 years	20%
Engineered Structures:			
Road surfaces	\$10,000	25 years	4%
Road sub-surfaces	\$10,000	50 years	2%
Sidewalks	\$10,000	50 years	2%
Storm drains surface	\$10,000	25 years	4%
Storm drains sub-surf.	\$10,000	75 years	1.3333%
Water	\$10,000	75 years	1.3333%
Sewer	\$10,000	75 years	1.3333%
Other surface structures	\$10,000	25 years	4%

(e) **Accrued Payroll Benefits**

- Earned but unpaid vacation is fully accrued and recorded in the financial statements.
- An accrual is made for expected payments of employee sick leave, meritorious service payout on retirement, disability or death, and termination pay.

(f) **Inventory**

Inventory for resale is recorded at the lower of cost or market value as a financial asset. Inventory of supplies are recorded at the average cost as a non-financial asset.

(g) **Revenue Recognition**

Property tax revenues are recognized in the year they are levied. Interest and operating grants are recognized as earned. Capital grants are recognized when the related acquisition occurs. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees, garbage collection and disposal are recognized as revenue on an accrual basis according to rates set in various fees and charges bylaws. Permit fees are recognized once the permit has been approved and the fee collected. Development cost charges are deferred and recognized as revenue in the year an acquisition authorized by bylaw is incurred. Contributed parcels of land are valued at fair market value at the date of contribution. Contributed tangible capital assets are recorded at the costs, which approximates fair market value, reported by developers to the Town.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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

(h) **Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the estimated life of tangible capital assets (used to establish amortization), determination of employee benefit obligations, collectability of accounts receivable and provisions for contingencies. Actual results may vary from the estimates and adjustments will be reported and reflected in operations as they become known.

(i) **Funds**

The financial operations of the Town of Comox are divided into seven funds: General Operating Fund, General Capital Fund, Reserve Fund, Water Operating Fund, Water Capital Fund, Sewer Operating Fund and Sewer Capital Fund. Functionally, the Water and Sewer Funds are used for the services of distribution of potable water and collection and treatment of sanitary sewage respectively. The General Operating Fund is used for all other Town services. Capital Funds (General, Water and Sewer are used to segregate tangible capital assets and related debt). All revenue and expenses for services are recognized in the operating funds. The Reserve Fund is used to segregate capital and other statutory reserves.

**3. COMPARATIVE FIGURES**

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

**4. PRIOR PERIOD RESTATEMENT**

Two changes have been made to the prior periods. Assets capitalized in 2007 were determined to have been capitalized in error. Accruals made in 2006 and 2008 for a future capital project to satisfy settlement of a legal claim have been reversed, since the capital assets built in 2010 have satisfied the settlement terms of the claim:

<b>Adjustment to 2009 opening accumulated surplus:</b>	
Previously reported, January 1, 2009	\$ 67,436,720
Less tangible capital assets capitalized in error	(113,000)
Plus accumulated amortization of tangible capital assets	<u>753</u>
Net increase in tangible capital assets net book value	(112,247)
Reversal of accrual for claims	<u>224,000</u>
<b>Accumulated Surplus as restated January 1, 2009</b>	<b><u>\$ 67,548,473</u></b>

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

4. PRIOR PERIOD RESTATEMENT (continued)

<b>Adjustment to 2009 annual surplus:</b>	
Previously reported, December 31, 2009	\$ 2,168,441
Add reverse accrual for cost of claim settlement	46,000
Add reduction of 2009 amortization expense	<u>1,507</u>
<b>Annual Surplus as restated, December 31, 2009</b>	<b><u>\$ 2,215,948</u></b>

<b>Adjustment to 2009 tangible capital assets:</b>	
Previously reported, December 31, 2009	\$ 68,173,480
Less net reduction in tangible capital assets at start of 2009	(112,247)
Add reduction of 2009 amortization expense	<u>1,507</u>
<b>Tangible Capital Assets, as restated, December 31, 2009</b>	<b><u>\$ 68,062,740</u></b>

5. RECEIVABLES

Receivables are composed of the following amounts:

<b>Due from:</b>	<b>2010</b>	<b>2009</b>
Employees	\$ 493	\$ 499
Governments	1,100,359	127,091
Developers for DCC Installments	100,906	494,069
Others	<u>604,845</u>	<u>657,448</u>
Total receivables	<b><u>\$ 1,806,603</u></b>	<b><u>\$ 1,279,107</u></b>

6. PAYABLES

Payables are composed of the following amounts:

<b>Due to:</b>	<b>2010</b>	<b>2009</b>
Employees (payroll earned to year end)	\$ 101,757	\$ 129,331
Employees (accruals for vacation and post-employment benefits)	648,181	561,507
Governments	1,924,181	2,025,661
Others	<u>1,402,365</u>	<u>530,270</u>
Total payables	<b><u>\$ 4,076,487</u></b>	<b><u>\$ 3,246,769</u></b>

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**7. DEBENTURES ISSUED FOR THE TOWN**

The Town's debenture debt arises from participation in debenture issues by the Municipal Finance Authority (MFA) of B.C. These are sinking-fund type debentures with various terms and interest rates. The outstanding debt reported is the original amount borrowed less the actuarial value of the sinking fund, including interest. The outstanding debentures at December 31, 2010 are:

Issued	Purposes of Borrowing	Terms	Interest Rates	Amount Borrowed	Sinking Fund	Net Owning	Debt Reserve	Promissory Note
May 1993	Recreation Centre Expansion	20 years	8.50%	\$ 800,000	\$ 625,183	\$ 174,817	\$ 23,240	\$ 38,097
April 2004	Kye Bay Water & Sewer System	19 years	4.86%	317,250	70,661	246,589	4,113	9,731
Oct. 2004	Downtown Revitalization	14 years	4.975%	475,000	164,854	310,146	6,053	19,272
Oct. 2004	Brooklyn Creek Storm Drain	10 years	4.975%	566,666	306,443	260,223	7,222	31,102
Oct. 2005	Brooklyn Creek Storm Drain	10 years	4.17%	79,243	35,749	43,494	969	4,160
Apr. 2008	Library	9 years	4.65%	2,100,000	404,808	1,695,192	22,998	127,042
Apr. 2008	Pt. Holmes Water	14 years	4.65%	<u>270,000</u>	<u>30,112</u>	<u>239,888</u>	<u>2,957</u>	<u>10,958</u>
Totals at December 31, 2010				<u>\$ 4,608,159</u>	<u>\$ 1,637,810</u>	<u>\$ 2,970,349</u>	<u>\$ 67,552</u>	<u>\$ 240,362</u>
Totals at December 31, 2009				<u>\$ 4,608,159</u>	<u>\$ 1,253,862</u>	<u>\$ 3,354,297</u>	<u>\$ 65,427</u>	<u>\$ 240,362</u>

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

Year	Scheduled Annual Payments			Sinking Fund	
	Principal	Interest	Total	Actuarial Earnings	Net Debt Outstanding
2011	323,667	248,751	572,419	77,184	2,569,496
2012	323,667	248,751	572,419	94,841	2,150,988
2013	323,667	214,751	538,419	113,283	1,714,038
2014	299,473	180,751	480,224	92,551	1,322,013
2015	254,421	152,560	406,980	81,134	986,459

At the time the debentures were issued, the MFA deposited 1% of the amount borrowed to its Debt Reserve Fund. This is managed by the MFA and used to secure the debenture issue as a whole (see Note 8 Contingent Liabilities). Once the MFA has repaid the debenture issue, the Town is entitled to the proceeds of its share of the Debt Reserve Fund, including accrued interest.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**8. CONTINGENT LIABILITIES**

- (a) **Regional District Debt**  
Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the Regional District and each member municipality within the Regional District, including the Town of Comox. At December 31, 2010 the Comox Valley Regional District had net debt of \$35,692,000 owing (\$59,655,000 net of \$23,630,000 sinking funds) including debentures issued for the Town (Note 7).
- (b) **Municipal Finance Authority Debentures**  
The Town is also contingently liable to the Municipal Finance Authority (MFA) of B.C. for a Debt Reserve Fund, to help secure its participation MFA Debentures (see Note 7). The MFA has the right, if one or more participants in that issue default, to draw upon the Town's share of the Debt Reserve Fund (\$67,552 at December 31, 2010; \$65,427 in 2009), plus Promissory Notes issued by the Town at the time of issue (\$240,362 at December 31, 2010; \$240,362 in 2009).
- (c) **Comox Fire Department**  
The Comox Fire Department protects both the Town of Comox and the Comox Rural Fire Protection Improvement District, and so is jointly funded by the Town and the District. In the event that this relationship ended, the Town would have to compensate the District for its share of the equity of Fire Department assets. At December 31, 2010 the District's share of those tangible capital assets (at cost and net book value) were \$781,262 and \$393,137 respectively (\$720,779 and \$357,243 in 2009) and its share of a Fire Department Capital Reserve was \$86,294 (\$89,088 in 2009).
- (d) **Claims**  
At December 31st there existed outstanding claims against the Town. These claims have been referred to legal counsel and to the Town's liability insurers. It is not possible to determine the Town's potential liability, if any, with respect to these matters.
- (e) **Municipal Insurance Association of BC**  
The Town is a subscribed member of the Municipal Insurance Association of BC (the "Exchange") as provided by Section 3.02 of the Insurance Act. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any Subscriber. Under the Reciprocal Insurance Exchange Agreement the Town is assessed a premium with specific deductible for its claims based on population. The obligation of the Municipality with respect to the Exchange an/or contracts and obligations entered into by the Exchange on behalf of its Subscribers in connection with the Exchange are in every case several, and not joint and several.

**9. PENSION INFORMATION**

The Town of Comox and its employees contribute to the Municipal Pension Plan (Plan), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1.024 billion for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the surplus to individual employers. The Town of Comox paid \$281,425 for employer contributions to the plan in 2010, on behalf of 60 employees (\$278,230 in 2009 on behalf of 58 employees).



**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**10. POST EMPLOYMENT BENEFITS**

Town employees who have worked at least 10 years for the Town and then retire, become permanently disabled, or die receive 2 days pay for each year of service. The Town calculates the value of this liability (\$330,239 at December 31, 2010 and \$292,354 in 2009) for employees over age 30 based upon an analysis of the age and length of service of its workforce. The reported liability reflects the likelihood that employees will become eligible for this benefit. The calculations were not projected into the future and discounted back, thus no inflation factors were used. Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.

**11. SUBSEQUENT EVENTS**

In January 2011 the Town spent \$800,000 to purchase the third of three adjoining properties for use as a public park. This purchase was funded \$792,000 from its Public Open Space DCC Reserve (which had a balance of \$2,483,582 at December 31, 2010) and \$8,000 from its General Fund revenue.

**12. FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, short-term investments, receivables, payables, net debenture debt, mortgages, other long-term debt, performance deposits and bonds and reserve account. It is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments.

**13. ENVIRONMENTAL REGULATIONS**

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

**14. FEDERAL PAYMENTS IN LIEU OF TAX**

Although the Town is not economically dependant upon receipt of Federal Payments in Lieu of Tax (PILT), it does receive 15% of its revenue from taxation from this source of revenue. Were the Government of Canada to halt its PILT, there would be a significant impact on operations that could result in either a reduction in service levels and/or an increase in property tax rates.

**15. RESTRICTIONS ON DEFERRED REVENUE**

The Town receives Development Cost Charges from developers. Section 935 of the *Local Government Act* requires that these funds are deposited to reserves and limits the use of those reserves (including the interest earned on them) to capital costs related to the purpose for which the charge was collected. Section 941 of the *Local Government Act* similarly limits the use of cash payments received in lieu of the 5% parklands provided at subdivision of land, for acquisitions of parkland. And finally, as a party to the Community Works Fund Agreement with the Union of BC Municipalities (that distributes payments of Federal Gas Tax Revenues), the Town can only use these funds on eligible costs and eligible projects determined by the Agreement (which, generally speaking, are capital projects that result in cleaner air or water and on capacity building studies).

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**16. SEGMENTED INFORMATION**

The Town of Comox is a local government that provides a wide range of services to its citizens. For management and reporting purposes the Town's operations are organized and reported by segments. Schedules 6 (for 2010) and 7 (for 2009) of these Financial Statements disclose the Town's revenue and expenses split into the following segments:

General Government – including the activities of Council plus general Town administration, finance, and enforcement of Town bylaws.

Protective Services – including the activities of the RCMP on behalf of Comox, plus the Comox Volunteer Fire Department, building inspection, emergency planning and animal control.

Transportation – including roads, sidewalks, street lighting, traffic control and storm drains.

Waste Disposal – including collection and disposal of garbage, recyclables and yard waste. The Town does not operate any landfills or transfer facilities.

Development Services – including Town planning and our annual grants to the Downtown Business Improvement Area Association.

Marina – is operation of the Town's marina.

Recreation, Parks and Culture – including operating the Town's recreation centre and provide public recreation programs, Town parks and greenways, cultural grants from the Town and events sponsored for the Town, Christmas lighting, and Town buildings used for recreation and cultural activities. The Town is a member of the Vancouver Island Regional Library (VIRL), and owns library space that it rents to VIRL, which operates the Comox library branch.

Water – is the distribution of water to Town residents. The Town buys treated bulk water from the Comox Valley Regional District, so the Town neither produces nor treats the water it distributes.

Sanitary Sewer is the collection of sanitary sewage and transmission of the same to the sanitary sewer treatment system operated by the Comox Valley Regional District. The Regional District charges the Town for a share of the costs to operate its system.

Certain allocations are employed in the preparation of segmented financial information. General Property Taxation, Payments in Lieu thereof, and Investment income are not allocated between segments, but are allocated to General Government. Government grants and DCCs used for capital acquisitions are allocated to segments depending on the purpose of the grant. Investment income is allocated to segments depending on the nature of the capital reserves that it has been earned on. Some expenses are allocated to segments based on an estimated use of resources.

The allocation of investment income is a change in accounting practice that has been made because the original allocation of all investment income to General Government was not considered to be fair, given that capital reserves have specific purposes related to certain segments. This change has been applied to 2009 and so comparative figures were restated. As a result of this change, General Government investment revenue has been reduced by \$90,231 and investment income in the following segments has been increased: Protective Services \$10,353, Transportation \$24,189, Marina \$907, Water \$14,272, and Sewer \$40,510.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 2.

There are no inter-segment sales of goods or services.

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**17. RECONCILIATION OF 2010 BUDGET**

The Town's budget figures come from a five-year Financial Plan adopted May 2010 in accordance with Section 165 of the Community Charter of BC. That section requires that municipalities must set out for each year of their Plan, the proposed expenditures (including debt principal repayments, transfers to reserves, and tangible capital asset acquisitions) and the proposed funding sources for them (including debt issues and transfers from reserves and accumulated surplus). However, for financial reporting purposes the Town follows generally accepted accounting practices and reports revenues and expenses, so the following adjustments must be made to the budgeted figures to reconcile them to the Town's 2010 Financial Plan:

<b>Reconciliation of 2010 Budget Reported to Financial Plan:</b>	
Net budget for 2010 reported	\$ 5,707,928
Capital acquisitions in Financial Plan	(7,373,500)
Debt issues in Financial Plan	1,065,000
Transfers from capital reserves in Financial Plan	856,700
Transfers to capital reserves in Financial Plan	(456,853)
Surplus appropriated for operations in Financial Plan	574,936
Debt principal repayments in Financial Plan	(375,711)
Interest on trust fund in Financial Plan	<u>1,500</u>
<b>Net of Financial Plan</b>	<u><u>Nil.</u></u>

**TOWN OF COMOX**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**18. ACCUMULATED SURPLUS**

Operating Funds - comprise the principal operating activities of the Town and are separated into General, Water, and Sanitary Sewer Funds.

Capital Funds - used to record the acquisition and disposal of tangible capital assets and related financing and are similarly separated into General, Water and Sanitary Sewer Funds. The General Capital Fund also contains shares in Courtenay Golf Club Ltd. carried at a value of \$8,750.

Reserve Funds - created to hold cash, and investments for specific future requirements. They are comprised of the funds shown in Schedule 2.

<b>Accumulated Surplus:</b>	<b>2010</b>	<b>2009</b>
Operating Funds:		
General Operating Fund	\$ 314,228	\$ 563,398
Water Operating Fund	606,964	384,601
Sanitary Sewer Operating Fund	<u>1,145,963</u>	<u>1,125,225</u>
	<u>2,067,155</u>	<u>2,073,224</u>
Capital Funds:		
General Capital Fund	52,115,489	48,422,407
Water Capital Fund	8,126,361	7,737,260
Sanitary Sewer Capital Fund	<u>9,414,846</u>	<u>8,417,165</u>
	<u>69,656,696</u>	<u>64,576,832</u>
Reserve Funds (Schedule 2)	<u>3,703,288</u>	<u>3,114,365</u>
<b>Accumulated Surplus</b>	<b><u>\$ 75,427,139</u></b>	<b><u>\$ 69,764,421</u></b>

**Town of Comox**  
**Schedule of Expenses by Object (Type)**  
**Year Ended December 31, 2010**

**Schedule 1**

<b>Expenses</b>	<b>Budget unaudited - Note 17</b>	<b>2010</b>	<b>2009</b>
Salaries, wages and employee benefits	\$ 4,688,695	\$ <b>4,405,869</b>	\$ 4,362,235
Contracted and general services	5,870,899	<b>5,638,111</b>	5,910,700
Materials, goods, supplies and utilities	2,170,252	<b>2,053,136</b>	2,368,666
Interest and bank charges	300,947	<b>252,286</b>	256,102
Amortization of tangible capital assets		<b>2,079,415</b>	2,006,553
Write-downs of tangible capital assets		<b>40,474</b>	141,906
Other	15,000	-	62,854
	<u>\$ 13,045,793</u>	<u><b>\$ 14,469,291</b></u>	<u>\$ 15,109,016</u>

**Town of Comox**  
**Schedule of Continuity of Reserve Funds**  
**Year Ended December 31, 2010**

**Schedule 2**

	2010	2009
<b>Opening Balance of Reserve Funds</b>	<b>\$ 3,114,365</b>	<b>\$ 2,205,708</b>
Contributions to funds from operations	451,170	948,425
Interest earned on funds	153,173	90,232
Withdrawals from funds for capital acquisitions	<u>(15,420)</u>	<u>(130,000)</u>
<b>Closing balance of Reserve Funds (Note 18)</b>	<b><u>\$ 3,703,288</u></b>	<b><u>\$ 3,114,365</u></b>

**Represented by the following financial assets:**

Cash and short-term investments	<u><b>\$ 3,703,288</b></u>	<u><b>\$ 3,114,365</b></u>
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**Including the following Reserve Funds:**

Capital Works Reserve	<b>\$ 502,380</b>	<b>\$ 353,546</b>
Equipment Replacement Reserve	<b>486,310</b>	<b>361,106</b>
Municipal Marina Reserve	<b>117,988</b>	<b>69,073</b>
Water Utility Reserve	<b>468,752</b>	<b>448,155</b>
Sewer Enterprise Reserve	<b>1,588,425</b>	<b>1,363,135</b>
Waterfront Walkway Reserve	<b>281</b>	<b>266</b>
Recreation Centre Expansion Reserve	<b>233,235</b>	<b>221,000</b>
Affordable Housing Reserve	<b>6,750</b>	
Fire Department Capital Reserve - Town share	<u><b>212,873</b></u>	<u><b>208,996</b></u>
	<b>3,616,994</b>	<b>3,025,277</b>
Fire Department Capital Reserve - CRFPID share (Note 8)	<u><b>86,294</b></u>	<u><b>89,088</b></u>
	<u><b>\$ 3,703,288</b></u>	<u><b>\$ 3,114,365</b></u>

**Town of Comox**  
**Schedule of Deferred Revenue Continuity**  
**Year Ended December 31, 2010**

Schedule 3

	2009	2010				
	Balance	Balance	Recognized as Revenue	Refunded	Interest	Balance
Development Charges:						
Open Space Development Cost Charges	\$ 2,988,785	\$ 161,325	\$ 132,354			\$ 2,483,582
5% Payment in Lieu of Parks Dedication	128,677		7,124			135,801
Water Development Cost Charges	809,312	42,395	44,201			895,908
Major Road Development Cost Charges	1,116,986	195,616	61,531			1,374,133
Storm Drain Development Cost Charges	441,035	15,654	21,326			478,015
Sanitary Sewer Development Cost Charges	71,861	60,528	3,414			135,803
Developer Payments in Lieu of Parking	23,896		1,323			25,219
Federal Gas Tax Funds (Community Works Fund)	1,372,085	544,118	81,737			1,533,623
Prepaid property taxes	453,497	513,023	1,892			514,204
Prepaid parcel tax commutation - Kye Bay Water / Sewer	7,663					7,663
Prepaid Storm Drainage Development Works Payment	26,858					26,858
Prepaid parcel tax - Storm Drainage Levy	32,851		32,851			-
Prepaid recreation fees	103,251	98,567	103,251			98,567
Prepaid marina fees	56,403	61,167	56,403			61,167
Prepaid dog tags	550	800	550			800
Prepaid business licenses	-	75				75
Traffic Fine Revenue Sharing and Small Community Grants	291,640		291,640			-
Legacies Now Grant	11,054		1,657			9,397
Towns for Tomorrow Grant	12,000		12,000			-
Trees for Tomorrow Grant	5,672		5,672			-
Olympic Torch Relay Grant	4,555		4,000			555
Comox Valley R.D. Waste Reduction Grant	20,811		20,811			-
Comox Valley R.D. Water Efficiency Grant	-	29,450				29,450
Comox Valley R.D. Water Metering Grant	-	471,070	200,000			271,070
UBCM Age Friendly Planning Grant	7,000		7,000			-
Prepaid property rents	1,433		1,433			-
	<u>\$ 7,987,875</u>	<u>\$ 2,193,788</u>	<u>\$ 354,902</u>	<u>\$ -</u>	<u>\$ 2,454,675</u>	<u>\$ 8,081,890</u>

**Town of Comox**  
**Continuity of Equity in Tangible Capital Assets**  
**Year Ended December 31, 2009**

**Schedule 4**

	2010	2009
<b>Opening balance as originally reported</b>	<b>\$ 64,678,822</b>	<b>\$ 62,745,170</b>
Prior period adjustment (Note 4)	<u>(110,740)</u>	<u>(112,247)</u>
Opening balance of equity in Tangible Capital Assets	<b>64,568,082</b>	62,632,923
<b>Changes in Capital Assets</b>		
Acquisitions of tangible capital assets	<b>4,977,636</b>	3,651,320
Tangible capital assets acquired through development	<b>1,698,808</b>	
Write offs of assets replaced (at NBV)	<b>(40,475)</b>	(141,906)
Amortization expense	<b>(2,079,415)</b>	(2,006,554)
<b>Changes in related liabilities</b>		
Principal payment on debenture (to sinking fund)	<b>323,667</b>	323,667
Actuarial earnings on debenture sinking fund	<b>60,281</b>	44,099
Mortgage principal repaid	<b>52,041</b>	64,533
Other borrowing principal repaid	<b>87,320</b>	
<b>Closing Balance of Equity in Tangible Capital Assets</b>	<u><b>\$ 69,647,945</b></u>	<u><b>\$ 64,568,082</b></u>
<b>Represented by the following:</b>		
Capital assets at cost (Schedule 5)	<b>\$ 100,241,054</b>	\$ 93,696,064
Less accumulated amortization	<u><b>(27,621,760)</b></u>	<u>(25,633,324)</u>
Tangible capital assets at net book value	<b>72,619,294</b>	68,062,740
Net debenture debt (Note 7)	<b>(2,970,349)</b>	(3,354,297)
Mortgage payable	<b>-</b>	(52,041)
Other long-term debt	<b>(1,000)</b>	(88,320)
	<u><b>\$ 69,647,945</b></u>	<u><b>\$ 64,568,082</b></u>



**Town of Comox**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2010**

COST	Land	Park Development	Buildings	Vehicles and Heavy Equipment	Other Equipment	Engineering Structures						Assets not yet in use	Total	2009 (Retained - New 4)
						Roads and Related Infrastructure	Storm Drains and Ponds	Marina Structures	Parks Structures	Water Structures	Sanitary Sewer Structures			
Opening balance as originally reported	\$ 6,095,068	\$ 1,206,183	\$ 8,232,334	\$ 3,687,039	\$ 735,610	\$ 30,822,604	\$ 20,247,846	\$ 776,308	\$ 1,175,323	\$ 10,128,301	\$ 10,337,952	\$ 564,496	\$ 93,809,064	\$ 90,624,579
Prior period adjustment (Note 4)	-	-	-	-	-	-	-	-	-	-	(113,000)	-	(113,000)	(113,000)
Opening balance	6,095,068	1,206,183	8,232,334	3,687,039	735,610	30,822,604	20,247,846	776,308	1,175,323	10,128,301	10,224,952	564,496	93,696,064	90,511,579
Add: Acquisitions	808,264	-	63,115	79,024	51,388	807,724	713,370	116,939	37,310	518,209	1,180,277	2,300,524	6,676,444	3,651,320
Add/(Less): Assets put to use	-	-	-	-	112,531	82,395	-	-	18,661	-	300,449	(514,036)	-	-
Less: Write-downs	-	-	(57,730)	-	-	(16,883)	(40,433)	(16,408)	-	-	-	-	(131,454)	(466,835)
Closing Balance	6,903,332	1,206,183	8,237,719	3,766,063	899,529	31,955,840	20,921,083	876,839	1,231,294	10,646,510	11,705,678	2,350,984	100,241,054	93,696,064
<b>ACCUMULATED AMORTIZATION</b>														
Opening balance as originally reported	-	519,414	1,817,967	2,067,119	372,680	11,712,181	3,950,112	360,623	516,718	2,015,123	2,303,647	-	25,635,584	23,952,453
Prior period adjustment (Note 4)	-	-	-	-	-	-	-	-	-	-	(2,260)	-	(2,260)	(753)
Opening balance	-	519,414	1,817,967	2,067,119	372,680	11,712,181	3,950,112	360,623	516,718	2,015,123	2,301,387	-	25,633,324	23,951,700
Add: Amortization	-	48,248	148,942	227,245	96,723	906,140	291,230	29,933	48,132	136,622	146,201	-	2,079,416	2,006,553
Less: Accumulated amortization on write-downs	-	-	(47,474)	-	-	(16,883)	(18,419)	(8,204)	-	-	-	-	(90,980)	(324,929)
Closing Balance	-	567,662	1,919,435	2,294,364	469,403	12,601,438	4,222,923	382,352	564,850	2,151,745	2,447,588	-	27,621,760	25,633,324
Net Book Value for the year ended December 31, 2010	\$ 6,903,332	\$ 638,521	\$ 6,318,284	\$ 1,471,699	\$ 430,126	\$ 18,894,402	\$ 16,698,160	\$ 494,487	\$ 666,444	\$ 8,494,765	\$ 9,258,090	\$ 2,350,984	\$ 72,619,294	\$ 68,062,740

**Town of Comox**  
**Schedule of Operations by Segment**  
**Year Ended December 31, 2010**

## Schedule 6

	General Government	Protective Services	Transportation	Waste Disposal	Development Services	Marina	Recreation Parks & Culture	Water	Sanitary Sewer	Total All Segments	2010 Budget
<b>Revenue</b>											
Property valuation taxes	\$ 6,438,373	\$ -	\$ 23,939	\$ -	\$ 61,199	\$ -	\$ -	\$ -	\$ -	\$ 6,523,511	\$ 6,521,954
Parcel taxes	-	-	60,918	-	-	-	-	206,991	342,004	609,913	576,720
Payments in lieu of taxes	1,336,160	-	-	-	-	-	-	-	-	1,336,160	1,301,776
Utility fees	-	-	-	964,910	-	-	-	1,950,953	1,731,715	4,647,578	4,649,846
Other sales of service	6,970	366,142	11,670	-	-	286,906	769,817	-	-	1,441,505	1,334,878
Licences, permits & planning fees	81,534	329,081	-	-	62,025	-	-	-	-	472,640	281,850
DCCs used for capital acquisitions	-	-	-	-	-	-	798,882	-	-	798,882	976,300
Tangible capital assets acquired through development	-	-	1,065,013	-	-	-	-	-	-	1,698,808	-
Donations	300	-	-	-	-	-	-	237,500	396,295	18,519	-
Investment income	106,567	16,503	40,053	-	-	3,915	9,900	8,319	-	259,740	150,000
Penalties and interest on taxes	78,892	-	-	-	-	-	-	20,597	59,870	78,892	71,000
Actuarial earnings on sinking fund	-	-	20,265	-	-	-	36,556	1,939	1,521	60,281	-
Rentals	-	-	-	-	-	-	157,269	-	-	157,269	131,600
Other	23,554	-	1,040	-	-	-	-	-	-	24,594	12,700
Unconditional transfers	332,827	83,590	-	-	-	-	-	-	-	416,417	416,417
Conditional transfers	946	20,067	37,920	20,811	50,642	-	661,977	279,408	515,529	1,587,300	2,328,680
	<u>8,406,123</u>	<u>815,383</u>	<u>1,260,818</u>	<u>985,721</u>	<u>173,866</u>	<u>290,821</u>	<u>2,446,636</u>	<u>2,705,707</u>	<u>3,046,934</u>	<u>20,132,009</u>	<u>18,753,721</u>
<b>Expenses</b>											
Employees	889,703	746,148	725,894	43,820	272,533	60,869	1,507,272	115,961	43,669	4,405,869	4,688,695
Services	183,794	1,648,821	250,613	838,937	166,764	56,332	840,198	232,603	1,420,048	5,638,110	5,870,899
Materials	49,801	113,755	243,108	1,603	466	4,535	238,691	1,380,241	20,936	2,053,136	2,170,252
Interest	2,444	-	55,491	-	-	-	165,650	20,126	8,575	252,286	300,947
Amortization of Tangible Capital Assets	36,239	106,853	1,336,757	-	-	36,764	222,488	150,657	189,658	2,079,416	-
Tangible Capital Asset write-downs	-	-	22,014	-	-	8,204	10,256	-	-	40,474	-
Other	-	-	-	-	-	-	-	-	-	-	15,000
	<u>1,161,981</u>	<u>2,615,577</u>	<u>2,633,877</u>	<u>884,360</u>	<u>439,763</u>	<u>166,704</u>	<u>2,984,555</u>	<u>1,899,588</u>	<u>1,682,886</u>	<u>14,469,291</u>	<u>13,045,793</u>
<b>Surplus for the year</b>	<u>\$ 7,244,142</u>	<u>\$ (1,800,194)</u>	<u>\$ (1,373,059)</u>	<u>\$ 101,361</u>	<u>\$ (265,897)</u>	<u>\$ 124,117</u>	<u>\$ (537,919)</u>	<u>\$ 806,119</u>	<u>\$ 1,364,048</u>	<u>\$ 5,662,718</u>	<u>\$ 5,707,928</u>

**Town of Comox**  
**Schedule of Operations by Segment**  
**Year Ended December 31, 2009**

Schedule 7

	General Government	Protective Services	Transportation	Waste Disposal	Development Services	Marina	Recreation Parks & Culture	Water	Sanitary Sewer	Total All Segments	2009 Budget
<b>Revenue</b>											
Property valuation taxes	\$ 6,219,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,219,613	\$ 6,210,486
Parcel taxes	-	-	11,433	-	-	-	-	205,521	339,244	556,198	591,246
Payments in lieu of taxes	1,216,616	-	-	-	-	-	-	-	-	1,216,616	1,213,784
Utility fees	-	-	-	963,190	-	-	-	1,945,321	1,696,805	4,605,316	4,508,812
Other sales of service	7,898	325,500	7,880	-	-	272,918	740,027	-	-	1,354,223	1,325,353
Licences, permits & planning fees	78,264	221,618	16,005	-	23,249	-	-	-	-	339,136	221,100
DCC's used for capital acquisitions	-	-	248,000	-	-	-	495,000	-	87,000	830,000	1,087,658
Donations	5,000	-	-	-	14,320	-	8,400	-	-	27,720	305,000
Investment income	131,443	10,353	24,189	-	-	907	-	14,272	40,510	221,674	100,000
Penalties and interest on taxes	86,274	-	-	-	-	-	-	-	-	86,274	49,000
Actuarial earnings on sinking fund	-	-	15,756	-	-	-	26,104	1,047	1,192	44,099	-
Rentals	-	-	-	-	-	-	120,355	-	-	120,355	125,470
Other	21,483	-	-	-	-	-	-	-	-	21,483	12,300
Unconditional transfers	332,827	83,590	-	-	-	-	-	-	-	416,417	416,417
Conditional transfers	-	13,113	1,128,946	-	-	-	16,755	-	107,026	1,265,840	1,831,110
	<u>8,099,418</u>	<u>654,174</u>	<u>1,452,209</u>	<u>963,190</u>	<u>37,569</u>	<u>273,825</u>	<u>1,406,641</u>	<u>2,166,161</u>	<u>2,271,777</u>	<u>17,324,964</u>	<u>17,997,736</u>
<b>Expenses</b>											
Employees	837,726	738,967	426,055	55,411	271,333	52,463	1,478,766	290,525	210,989	4,362,235	4,557,583
Services	315,619	1,293,360	1,103,341	822,966	134,882	86,337	712,876	53,615	1,387,704	5,910,700	6,334,023
Materials	49,041	131,127	216,362	3,037	138	14,624	429,346	1,491,069	33,922	2,368,666	2,382,503
Interest	3,710	-	56,341	-	-	-	165,650	20,976	9,425	256,102	337,567
Amortization of Tangible Capital Assets	21,655	111,358	1,289,305	-	-	28,250	236,138	140,061	179,786	2,006,553	-
Tangible Capital Asset write-downs	-	3,399	45,362	-	-	-	93,145	-	-	141,906	-
Other	649	-	-	-	-	-	62,205	-	-	62,854	25,500
	<u>1,228,400</u>	<u>2,278,211</u>	<u>3,136,766</u>	<u>881,414</u>	<u>406,353</u>	<u>181,674</u>	<u>3,178,126</u>	<u>1,996,246</u>	<u>1,821,826</u>	<u>15,109,016</u>	<u>13,637,176</u>
<b>Surplus for the year</b>	<u>\$ 6,871,018</u>	<u>\$ (1,624,037)</u>	<u>\$ (1,684,557)</u>	<u>\$ 81,776</u>	<u>\$ (368,784)</u>	<u>\$ 92,151</u>	<u>\$ (1,771,485)</u>	<u>\$ 169,915</u>	<u>\$ 449,951</u>	<u>\$ 2,215,948</u>	<u>\$ 4,360,560</u>



# STATEMENT OF FINANCIAL INFORMATION

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Year Ended December 31, 2010



**Town of Comox  
Statement of Financial Information  
Contents  
Year Ended December 31, 2010**

**Required Information:**

**Please refer to:**

Statement of assets and liabilities . . . . .	Statement 1 of Consolidated Financial Statements
Operational statement . . . . .	Statement 2 of Consolidated Financial Statements
Schedule of debts . . . . .	Notes 8 to 10 of Consolidated Financial Statements
Schedule of guarantee and indemnity agreements . . .	N/A - none outstanding during year
Schedule of Council remuneration . . . . .	Schedule 1 of SOFI
Schedule of employee remuneration . . . . .	Schedule 2 of SOFI
Schedule of severance agreements . . . . .	N/A - none outstanding during year
Schedule of disbursements . . . . .	Schedule 3 of SOFI
Schedule of grants and contributions. . . . .	Schedule 4 of SOFI
Preparation and approval of financial information . . . .	Schedule 5 of SOFI

**Town of Comox    Schedule 1**  
**Statement of Financial Information**  
**Year Ended December 31, 2010**

**Remuneration & Expenses for Elected Officials**

	<b>Remuneration</b>	<b>Expenses</b>
Russ Arnott, Councillor	\$ 15,504	\$ 4,331
Ray Crossley, Councillor	12,920	486
Patti Fletcher, Councillor	15,504	4,022
Ken Grant, Councillor	15,504	4,304
Tom Grant, Councillor	15,504	7,098
Paul Ives, Mayor	28,786	7,211
Marcia Turner, Councillor	<u>15,504</u>	<u>2,635</u>
	<u><u>\$ 119,226</u></u>	<u><u>\$ 30,086</u></u>

Expenses include expense claims by Council members, together with registra fees and travel expenses paid by the Town on their behalf.

In addition, each member of Council is covered under an accident insurance policy (when on Town business) which provides:

- 1) \$ 100,000 life insurance
- 2) \$ 300 weekly indemnity for total disability
- 3) \$ 3,000 additional medical expense

**Town of Comox**  
**Statement of Financial Information**  
**Year Ended December 31, 2010**

**Schedule 2**

**Remuneration & Expenses for Employees Earning over \$75,000**

	<b>Remuneration</b>	<b>Expenses</b>
Al Fraser, Parks Superintendent	\$ 79,658	370
Donald Jacquest, Director of Finance	102,279	2,555
Marvin Kamenz, Planner	88,436	2,349
Richard Kanigan, Administrator	118,299	8,450
Gord Schreiner, Fire Chief	88,436	3,437
Glenn Westendorp, Public Works Superintendent	<u>84,257</u>	<u>623</u>
subtotal	561,365	17,784
all employees under \$75,000	2,980,959	67,230
	<u>                    </u>	<u>                    </u>
Total for all employees	<u><u>\$ 3,542,324</u></u>	<u><u>\$ 85,014</u></u>

Reconciliation to Salaries, Wages & Employee Benefits reported in Financial Statement

Total employee remuneration (above)	\$ 3,542,324
Plus Council remuneration (Schedule 1)	119,226
Increase to Accrued Payroll & Post-Employment Benefits in year	59,100
Plus employee benefits included in Disbursements (Schedule 3)	<u>685,219</u>
Salaries, wages and employee benefits reported on Schedule 1 of the Consolidated Financial Statements for the Town of Comox	<u><u>\$ 4,405,869</u></u>

**NOTES:**

1. Expenses include payments to employees plus expenses paid on their behalf.
2. No schedule of severance agreements is included because there were none in year.



**Town of Comox**  
**Statement of Financial Information**  
**Year Ended December 31, 2010**  
**Schedule of Disbursements over \$25,000**

**Schedule 3**

0764064 BC Ltd	\$ 799,619
Above All Cleaning	39,463
Altum Engineering Ltd	112,032
Avensys	29,632
Avenue Bistro	36,180
B C Assessment Authority	161,543
B C Hydro	239,423
Black Press Group Ltd	25,721
Boulevard Transportation Group	42,902
Chimo Gymnastics Club	102,636
City Of Courtenay	157,626
Columbia Fuels	61,696
Comox Archives And Museum Society	25,140
Comox Business In Action	65,200
Comox Firefighters Association	30,021
Comox Husky Gas	33,463
Comox Valley Regional District	6,105,492
Comox-Strathcona Regional Hospital Dist	1,615,939
Compass Adventure	39,563
Corix Water Products Limited Partnership	46,575
CUPE Local 556	37,965
Current Environmental	33,653
D.R. Coell & Associates Inc.	34,071
Emterra Environmental	717,534
Fortis BC (formerly Terasen Gas)	25,980
Four Star Waterworks Ltd.	99,614
GCS Technology Services Inc.	28,992
Geo Excavating And Construction	70,179
Heatherbrae Builders Co. Ltd.	748,253
Hub Fire Engines & Equipment Ltd	215,816
Interior Turf Equipment Ltd	48,735
J R Edgett Excavating Ltd	1,011,641
KGC Fire Rescue Inc	30,000
Koers & Associates Engineering	54,246
Lafarge Building materials	27,048
Leighton Contracting (2009)Ltd	152,344
Les Colville Welding & Fabricating Ltd.	25,885
Levelton Consultants Ltd	25,169
McElhanney Consulting Services	128,796
Meyers Norris Penny LLP	42,299
Minister Of Finance	2,794,036
Municipal Finance Authority Of B.C.	89,363
Municipal Insurance Assn Of B.C.	83,045
Municipal Pension Plan	502,783
Nautical Days Committee	26,500
Nelson Roofing & Sheet Metal Ltd.	73,395
Pacific Blue Cross	318,083
RDH Building Engineering Ltd.	128,568
Read Jones Christoffersen	29,420
Receiver General For Canada	2,425,963
School District #71 (Comox Valley)	76,245
Scotiabank Visa	54,078
Silvacare Inc	33,093
Slegg Construction Materials	31,129

**Town of Comox**  
**Statement of Financial Information**  
**Year Ended December 31, 2010**  
**Schedule of Disbursements over \$25,000**

**Schedule 3**

Steve Marshall Motors Ltd	36,387
Tayco Paving Co Ltd	224,029
Telus	32,046
Temple Consulting Group Ltd	62,773
The AME Consulting Group Ltd	82,018
The Arlington Group	105,835
Tran Sign (1999) Ltd	26,616
Valley View Estates Ltd.	95,715
Vancouver Island Regional Library	419,950
Vic Davies Architect (2003) Ltd	87,988
West Coast Flotation Systems Ltd	32,414
Willis Canada Vancouver	56,973
Workers Compensation Board of BC	64,072
Young, Anderson	60,243
Zenn Developments Ltd	47,517
subtotal	21,428,363
Plus all payees disbursed under \$25,000	1,740,963
Total disbursements, all payees	<u>\$ 23,169,326</u>
 <u>Reconciliation to Total Expenditures reported in Financial Statement:</u>	
Total Disbursements for all payees (reported above)	\$ 23,169,326
Plus Council & Employee remuneration (Sch. 1 and Sch. 2)	3,661,550
Less remittances of property taxes collected for others (net of offsets) not included in expenditures on the Financial Statements	(6,778,726)
Less long term debt and lease principal payments not included in expenditures on the Financial Statements	(463,028)
Less employees share of payroll disbursements not included in expenditures on the Financial Statements	(1,130,358)
Less GST & HST recoveries from disbursements in year	(542,081)
Less expenditures on tangible capital assets	(4,977,636)
Plus amortization expense from tangible capital assets	2,079,415
Plus write-downs of tangible capital assets	40,474
Less DCCs, development bonds and deposits refunded in year	(318,506)
Less net disbursements related to other asset or liability accounts not included in expenses on the Financial Statements	<u>(271,139)</u>
<b>Total Expenses reported on Statement 2 and Schedules 1 &amp; 6 of the Consolidated Financial Statements for the Town of Comox</b>	<u><b>\$ 14,469,291</b></u>

# Town of Comox

## Statement of Financial Information Year Ended December 31, 2010

### Schedule 4

#### Schedule of Payments for Grants or Contributions

Recipient of Grant or Contribution		Purpose of Grant
Citizens On Patrol Society	\$ 4,000	Operation of Society
City of Courtenay	2,643	Skateboard Park Operation
Comox Archives & Museum Society	25,000	Operation of Society
Comox Business in Action Association	65,200	Business Improvement Area
Comox Nautical Days Society	26,500	Festival Operations
Comox Valley Regional District	17,694	Emergency Preparedness
Comox Valley Project Watershed	500	Carbon dating of archeological item
Comox Valley Art Gallery	5,000	Gallery Operations
Naval Officers' Assoc. of Canada	500	Essay Contest
R.C.M.P. Comox Valley Detachment	5,100	Auxiliaries & Crime Prevention
Sid William Theatre Society	12,250	Theatre Operations
Stevenson, Christine	500	Mack Laing Bursary
Trust fund for Liam & Aiden Crossley	1,000	For deceased Councillor's sons
	<u>\$ 165,887</u>	

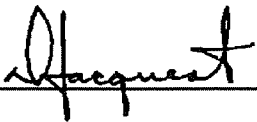
# Town of Comox

Statement of Financial Information  
Year Ended December 31, 2010

Schedule 5

## Preparation and Approval of Report

I certify that I have prepared the whole of the Statement of Financial Information and am responsible for its contents. It has not been audited by the Town's independent auditors.

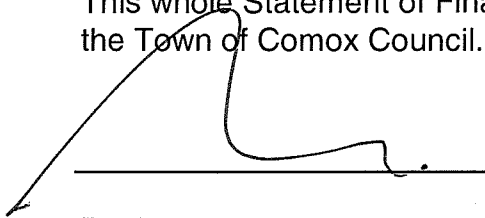
  
\_\_\_\_\_

Donald Jacquest, Director of Finance

June 15, 2011

\_\_\_\_\_  
Date

This whole Statement of Financial Information has been approved by the Town of Comox Council.

  
\_\_\_\_\_

Paul Ives, Mayor

July 20, 2011

\_\_\_\_\_  
Date

# PERMISSIVE PROPERTY TAX EXEMPTIONS

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## Town of Comox

## Effect of Permissive Exemptions on 2011 Taxation

Description of Property	Exemption in Bylaw	2011 Actual Assessed Value Per Revised Roll	2011 Actual Taxable Value Per Revised Roll	Effect of Tax Exemption Bylaw Per Revised Roll	Property Class	Town General	Provincial School	Regional District Hospital District	Library (VIRL)	BC Assessment	MFA	Downtown BIA	Downtown Revit Debt	Total
Comox Golf Course	56% Town owned share of land total lot size 46.68 acres	11,000 land only	11,000 land only	6,160 548,240 56% of land	6 8	66.73 2,928.64	40.66 1,864.02	13.36 532.02	10.88 395.28	4.43 194.46	- 0.11	8.95		146.18 5,948.58
Filberg Lodge & Park	All of land & buildings total lot size 9.096 acres	1,741,000 24,700	1,731,000 14,700	1,731,000 14,700 2,635,000 all of property	6 6 8	18,752.96 159.25 14,075.91	11,424.60 97.02 8,959.00	3,752.46 31.87 2,557.01	3,057.81 25.97 1,899.84	1,245.28 10.58 934.63	0.87 0.01 0.53			38,562.18 327.49 28,590.55
Comox Archives & Museum	All of land & building occupied	184,800 all of property	174,800 all of property	174,800 all of property	6	1,893.71	1,153.68	378.93	308.78	125.75	0.09	253.86		4,147.94
Pearl Ellis Art Gallery	All of land & building occupied	50,400 all of property	40,400 all of property	40,400 all of property	6	437.68	266.64	87.58	71.37	29.06	0.02	58.67		958.68
Lion's Den	All of land & building occupied	260,000 all of property	250,000 all of property	250,000 all of property	6	2,708.40	1,650.00	541.96	441.63	179.85	0.13	363.08		5,932.45
Tigger Too Day Care	Half of land & building	449,000 all of property	449,000 all of property	224,500 half of land & improvements	1	648.43	504.09	166.62	161.87	43.06	0.04	-		1,538.05
Comox Valley Marine Rescue Society	All of land and improvements	31,000 all of property	21,000 all of property	21,000 all of property	6	227.51	138.60	45.53	37.10	15.11	0.01	30.50		498.34
Point Holmes Recreation Association	All of land & improvements	584,300 all of property	584,300 all of property	574,300 all of property	6	6,221.74	3,790.38	1,244.97	1,014.50	413.15	0.29			12,793.92
Comox United Church	All of land surrounding church total lot size 0.183 acres	226,300 land only	181,000 land only	181,000 remainder of land	8	986.88	615.40	175.64	130.50	64.20	0.04			1,963.90
Comox Pentecostal Church	All of land surrounding church total lot size 2.0 acres	437,400 land only	437,400 land only	398,000 remainder of land	8	2,126.08	1,353.20	386.22	286.96	141.17	0.08			4,318.43
St. Peter's Anglican Church	All of land surrounding church total lot size 0.578 acres	465,000 land only	465,000 land only	354,000 remainder of land	8	1,891.03	1,203.60	343.52	255.23	125.56	0.07			3,840.99
St. John the Baptist Catholic Church	All of land surrounding church total lot size 0.87 acres	249,700 Class 8 land only	249,700 Class 8 land only	228,000 remainder of Class 8 land	8	1,217.95	775.20	221.25	164.39	80.87	0.05			2,473.87
Bay Community Church	2 acres of land total lot size 4.742 acres but 0.142 acres under building is statutorily exempt, leaving 4.6 residual acres	331,900 land only	322,000 land only 2.0 / 4.6 acres (after stat exempt)	140,000	8	747.87	476.00	135.85	100.94	49.66	0.03			1,519.04
Comox Valley Presbyterian Church	All of land surrounding church total lot size 2.33 acres	2,127,000 land only	2,000,000 land only	2,000,000 remainder of land	8	10,683.80	6,800.00	1,940.80	1,442.00	709.40	0.40			21,700.60
St. Joseph's Hospital	All of land surrounding hospital total lot size 16 acres	\$ 6,845,000 land only	\$ 5,887,000 land only	\$ 5,887,000 remainder of land	6	63,777.40	38,854.20	12,761.84	10,399.39	4,235.11	2.94			131,147.06
Comox Seniors Centre Association	All of land & building	1,775,000	1,775,000	1,775,000	8	9,481.87	6,035.00	1,722.46	1,279.78	629.59	0.36			19,259.29

# Town of Comox

## Effect of Permissive Exemptions on 2011 Taxation

Prepared: D. Jaquest June 8, 2011

Description of Property	Exemption in Bylaw	2011 Actual Assessed Value		2011 Actual Taxable Value	Effect of Tax Exemption Bylaw		Property Class	Town General	Provincial School	Regional District Hospital District	Library (VIRL)	BC Assessment	MFA	Downtown BIA	Downtown Revit Debt	Total										
		Per Revised Roll	all of property		Per Revised Roll	all of property																				
Royal Canadian Legion No. 160	Half of Land & Building	252,000	all of property	252,000	126,000	6	1,365.04	831.60	273.15	222.58	90.64	23.89	0.06		94.77	2,901.73										
		641,000	all of property	641,000	320,500	8	1,712.08	1,089.70	311.01	231.08	113.68	19.90	0.07		118.84	3,596.36										
					half of property																					
Nature Trust of BC	All of land	557,000	all of property	557,000	557,000	1	1,608.78	1,250.69	413.41	401.60	106.83	34.59	0.11			3,816.01										
		506,000	all of land	187,000	187,000	1	540.11	419.89	138.79	134.83	35.87	11.61	0.04			1,281.14										
		3,400	all of land	3,400	all of land	1	9.82	7.63	2.52	2.45	0.65	0.21	-			23.28										
888 (Komox) RCAF Wing	All of Class 8 Land & Building	381,400	all of property	371,400	-	6	-	-	-	-	-	-	-			-										
		251,300	all of property	251,300	251,300	8	1,342.42	854.42	243.87	181.19	89.14	15.61	0.05			2,726.70										
					all Class 8 property																					
D'Esterre Senior Citizens Society	All of land surrounding units total lot size 0.75 acres	488,000	land only	376,000	376,000	1	1,086.00	844.27	279.06	271.10	72.12	23.35	0.08			2,575.98										
					remainder of land																					
		\$ 13,827,100	\$ 12,301,100	\$ 11,483,200													\$ 146,678.09	\$ 91,299.49	\$ 28,701.70	\$ 22,929.05	\$ 9,739.85	\$ 2,305.41	\$ 6.48	\$ 715.06	\$ 213.61	\$ 302,588.74

Note: Although the Town's Permissive Tax Exemption bylaw was reported after October 31, 2010, the Town has requested permission to write off the above amounts from 2011 taxes. This means that the bylaw effectively did have the result of reducing taxation by the amounts reported above.