



Town of
Comox

2016 ANNUAL REPORT

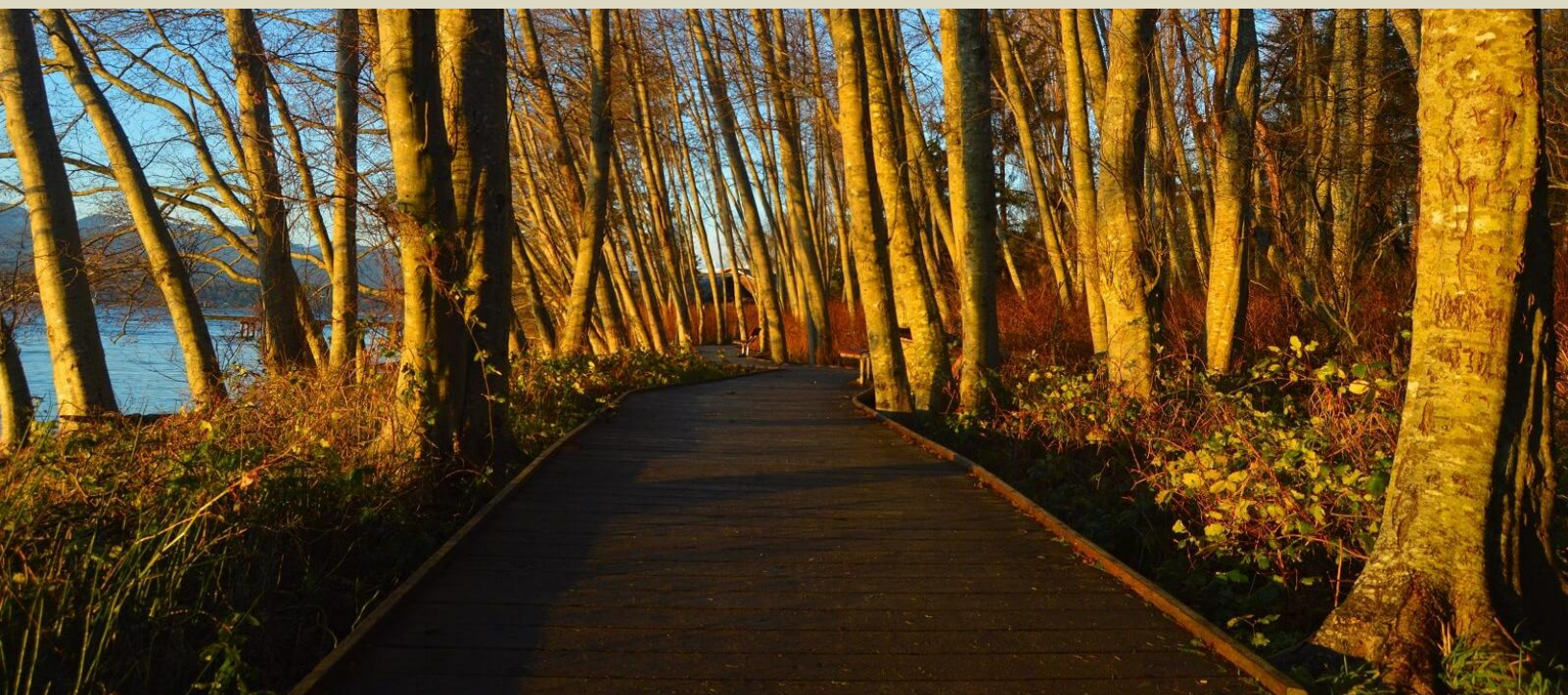




New multi-purpose path along Lazo Road foreshore

TABLE OF CONTENTS

TABLE OF CONTENTS	3
MESSAGE FROM THE MAYOR.....	4
MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER	6
COMOX COUNCIL.....	7
STRATEGIC PLAN 2015-2018	8
2016 PROGRESS AND OBJECTIVES	12
STATEMENT OF FINANCIAL INFORMATION	17
CONSOLIDATED FINANCIAL STATEMENTS.....	25
PERMISSIVE PROPERTY TAX EXEMPTIONS	51
CONTINUITY OF DEVELOPMENT COST CHARGES.....	54



MESSAGE FROM THE MAYOR

Once again, we find ourselves looking back at another year gone by, and in 2016 we entered our second year of our four year term as your Council.

As a means of keeping ourselves on track, Council participated in a strategic planning-priority setting workshop held in the latter part of November. It was at this workshop that Council reviewed the status of the initiatives detailed in our existing Strategic Plan and created an opportunity for Council to identify priorities for the remainder of our term. We find this process to be extremely beneficial and we hope the residents do as well, as it guides our work, sets goals and priority actions and informs you, the citizens, of what Council plans to accomplish over the next few years. You may find a copy of Council's latest Strategic Plan by visiting the Town's website at <http://comox.ca>.

Continuing to follow and work towards achieving our key strategic priorities, as part of the Waterfront Vitalization project, the Town broke ground and construction began on the new twin sail buildings (Spinnaker & Genoa) located in Comox Marina Park. With construction concluding earlier this spring, we are now focusing our attention on making improvements to the existing playground equipment as well as constructing a new splash park.

We enjoyed yet another successful Nautical Days weekend in Comox and we were fortunate to welcome and host the Lieutenant Governor of British Columbia, the honourable Judith Guichon. Ms. Guichon participated in the parade and celebrations in Marina Park, welcomed guests at the Mayor's luncheon and attended the Ceremony of Flags. We were extremely honoured and delighted to have her honour join us and we look forward to more visits in the future.

On the infrastructure front, Council continued to focus the Town's resources in ensuring that infrastructure is kept at its best and that improvements occur at minimal costs to the taxpayer. This past year we were able to complete phase I of Robb Road resurfacing/improvements from Anderton Road to Church Street; Point Holmes Shoreline Restoration (a project designed to mitigate the negative impacts to the shoreline) and as noted above, the Marina Revitalization Projects (twin sail buildings). We were also able to continue on our path of road resurfacing in an effort to minimize major road reconstruction if road surfaces are neglected.



continued ...

MESSAGE FROM THE MAYOR, cont'd

On the Regional front, we continue to work hard on important issues such as water filtration and treatment, sewer capacity/enhancement and environmental integrity, along with solid waste management and location of a composting facility. We also continue to focus on the future role in seniors care with the St. Joseph's Hospital Task Force as we approach the opening of the newly constructed hospital.

Congratulations to our Chief Administrative Officer, Mr. Richard Kanigan who was the recipient of a long service award for twenty-five years of service to local government, the majority of which have been served right here in Comox. In 2016, Lo Lockhard, the Town's Confidential Secretary retired after many years of dedicated service not only to the Town's CAO and myself but also the many residents of Comox. I understand she is enjoying retirement and we wish her and her family all the best.

Council is pleased with the many projects completed along with the improvements that have been made and we hope you are to.

Council continues to focus on completing the Town's various projects and focusing on identified priorities -- all of which continue to make Comox the best place to live, work and play.



Mayor Paul Ives



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

Yesterday, all of our Capital projects seemed so far away. Then before you know it, you are in the middle of juggling various projects in different stages of construction, addressing the issues as they arise, and in the meantime wondering how it all happened so fast.

We work with a five year financial plan that sets out various maintenance and capital projects that we have to attend to keep the municipal infrastructure in good condition. Once Council approves the financial plan, staff get busy with proposals, tender calls, project estimates and design drawings. We do our best to provide reasonable budget estimates and refine them as we get more information. Five years used to be a long time to plan things out, and now for some reason it seems to pass in the blink of an eye.

This past year has been no exception for another aggressive Capital Expenditure program. Phase 1 of the Robb Avenue rebuild involved a significant level of community consultation regarding the final design prior to construction. It is good to see such a high level of interest in these important projects. Construction of the first section from Anderton to Church Street was completed during the summer to reduce the impact on Robb Road school and the final project is something to be proud of.

The theme of partnerships has been discussed previously, and once again it has paid significant dividends with the Province providing generous support for the Lazo Road (Point Holmes) Foreshore Restoration project. This \$1.8 million project was funded 2/3 by the Emergency Measures Mitigation program as well as Bike BC. The initial intent of this project was to protect Lazo Road from further erosion, and the addition of the multi use bike path on top has resulted in a very popular walking trail for all residents and visitors to enjoy.

The Marina Park Vitalization project also broke ground in 2016. The Town was very fortunate to receive 25% funding from Island Coastal Economic Trust and 35% funding from Western Economic Diversification. The Town contributed 40% for this \$1.85 million project. All parties involved sharpened their pencils to bring the costs down to an acceptable level. Construction began in September and continued through one of our more challenging winters experienced in many years.

And that was just the big stuff. Meanwhile, there is regular maintenance of the parks, gardens, boulevards, streets, sidewalks, waterlines, sewer lines, storm drain systems, fire trucks, community centres, libraries, seniors centre, marina, and Town hall that all require ongoing attention and maintenance. This work is continuously being carried out by a dedicated, professional, hard working group of employees that help make the community of Comox a wonderful place to call home.



A blue ink signature of Richard Kanigan.

Richard Kanigan, Chief Administrative Officer

COMOX COUNCIL



***From left to right:** Councillor Russ Arnott, Councillor Maureen Swift, Councillor Ken Grant, Mayor Paul Ives, Councillor Barbara Price, Councillor Marg Grant, Councillor Hugh MacKinnon
(photo: Spencer Anderson, Comox Valley Echo)*

Mayor and Council members are elected for four year terms, with the next election to occur in October 2018.

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 about Council and Council meetings, including agendas and minutes, can be found on the Town's Web site at <http://www.comox.ca/modx/about-council/>.

STRATEGIC PLAN 2015-2018

MESSAGE/LETTER FROM THE MAYOR AND COUNCIL

On behalf of all members of Council and staff, I am pleased to present the Town of Comox Strategic Plan for 2015 to 2018. This document sets the direction of the Town for the next four years and beyond. Much of what is included here is a reflection of the achievements of past Councils and it continues to build on those achievements.

An Official Community Plan (OCP) was adopted in 2011 after a comprehensive community consultation process over two years. The OCP and other associated planning documents are in place, and functioning well, and there is still work to be done. Comox will be facing some change over the next number of years as the hospital will be moving to its new location, so we have made it a priority to work with St. Joseph's hospital to develop what role it will play in our community in the future. In addition, the closure of the former Comox Elementary School site also provides opportunity for growth and revitalization in an established area of the Town.

In order that new development can proceed in a timely fashion, the strategic plan continues to provide the groundwork for continually improving our infrastructure in an aggressive and financially responsible manner with the development and implementation of an asset management policy and action plan. We are also committed to improving how we get our message out to the community through improved communications that reinforces our commitment to being fiscally transparent and accountable.

As a relatively compact community, residents enjoy many opportunities to walk in Comox to complete errands, to take in the beautiful waterfront, or to get away from it all in the magnificent greenspaces that have been preserved for all to enjoy. This strategic plan identifies these opportunities as a high priority and the Town will continue to improve these trails and connections to various greenways over the next four years.

One of our most exciting opportunities exists with the vitalization of the downtown core and marina waterfront area. Over the past few years, plans have been drawn up, extensive feedback has been provided by the community and grant applications have been submitted to make this project come closer to reality. We have a jewel of a downtown; waterfront, south facing, tremendous green space and high quality services all within walking distance. Council has committed to working with all stakeholders to bring more excitement, more people, more economic opportunities to the heart of Comox while retaining the small town feel that we have all grown to cherish and protect.

As you can see, we have an exciting future ahead of us, and we hope you join us for the success that is just ahead!

Mayor Paul Ives

STRATEGIC PLAN OVERVIEW

Purpose of the strategic Plan	This strategic plan aligns with our 2011 Official Community Plan (OCP) vision statement. The 2015 strategic plan guides our work, sets goals and priority actions for the Town of Comox. It tells our citizens what Council plans to accomplish and sets performance measures and targets for assessing progress over the next four years.
Vision from 2011 Official Community Plan	The Town of Comox is an active residential community that welcomes all ages. The heart of Comox is the Downtown – a compact, pedestrian friendly area with a lively mix of commercial services, housing and public services. Comox enjoys strong connectivity within and between neighborhoods, commercial/service areas and the waterfront through a variety of transportation choices. Comox embraces its natural areas and surroundings, recreational opportunities and ambiance as a unique seaside town. Comox will grow in a way that maintains and enhances community livability.
Core Services What we do	Public safety and protection Strong governance and administration Financial management and accountability Economic Development Public works infrastructure and engineering Recreation Parks Arts and culture Community development and planning
Strategic priorities In addition to core services, our strategic priorities for 2015 – 2018 include:	Downtown vitalization/marina enhancement Fiscal balance/infrastructure asset management OCP implementation Comox Economic Development Plan implementation

STRATEGIC PLAN PRIORITIES

DOWNTOWN VITALIZATION AND MARINA ENHANCEMENT

Council will act as a catalyst for quality development and economic opportunities by actively pursuing partnerships and attracting additional events. Downtown vitalization, as well as strengthening the important linkage to the waterfront area will be a continued priority.

Council will do this by:

- developing new facilities and opportunities in Marina Park; and
- attracting additional events in Marina park and the downtown, with the assistance of the Comox BIA and the Comox Valley Economic Development Society.

FISCAL BALANCE AND INFRASTRUCTURE ASSET MANAGEMENT

Municipal infrastructure is our largest and most significant asset. Over the next few years, Council will continue to work towards a sustainable plan for maintenance, replacement and development of new infrastructure where required. Council will also continue to provide better community access to information and to keep tax increases to reasonable levels.

Council will do this by:

- completing an inventory of all engineering assets;
- maintaining critical infrastructure assets at levels that do not lead to an increase in the infrastructure deficit;
- hosting a public open house on upcoming capital projects;
- resolving issues related to the provision of a recycling service;
- increasing participation in the curbside organics program; and
- establishing a reserve fund for a municipal facility.

OFFICIAL COMMUNITY PLAN IMPLEMENTATION

The implementation of the OCP will occur over the long term. Encouraging and preparing for infill development, as well as ensuring servicing is available for new development, will be a focus. Enhancing the trail and greenway network is a continuing priority.

Council will do this by:

- considering affordable housing initiatives;
- completing a west Comox boundary extension, including storm water and servicing plans;
- developing a tree protection bylaw;
- increasing connectivity between and within neighbourhoods through greenway and trail development; and
- developing way-finding signage for trails and greenways.

ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION

Comox's economic climate will continue to change over the next few years. Schools have closed and one of the top employers in Town will be leaving, prompting Council to place an increased focus on economic development activities:

Council will do this by:

- collaborating with the St. Joseph's hospital and school district boards on future plans for the former hospital and closed school sites,
- continuing to work with partners on the attraction of a fixed wing search and rescue facility, and
- developing a marketing strategy for the development of lands near the airport,
- working with stakeholders to find a suitable location for overnight floatplane moorage, and
- advocating for solutions to water and sewer issues.



New boardwalk construction in Marina Park



Salmon spawning in Brooklyn Creek

2016 PROGRESS AND OBJECTIVES

PROGRESS AND OBJECTIVES – DOWNTOWN VITALIZATION / MARINA ENHANCEMENT				
GOAL	OBJECTIVE	ACTION	TIMEFRAME	OUTCOME
Develop strong, collaborative stakeholder relationships	In cooperation with the Downtown BIA, facilitate the implementation of a Downtown Facade Improvement Program		2017	No longer a BIA priority
	Seek feedback from Downtown BIA on capital expenditure of \$48,000		2016	Incorporated into water park budget
Waterfront / Marina Park development	Water Park	Consider feasibility and design	2016	Complete
		Consider funding and construction	2017-18	Moved to 2016 – budget developed and infrastructure grant application submitted
	Event Marketing for Marina Park and Downtown Comox	Develop action plan for attraction of additional events throughout the year in Marina Park and downtown	2017	
		Preliminary programming of sail buildings for spring 2017	2017	
	Waterfront / Marina Enhancement	Complete additional design for Phase 2 waterfront park development (marine service building)	2017-18	
		When Phase 2 is complete re-evaluate additional projects in the park and board walk	2018	

PROGRESS AND OBJECTIVES – FISCAL BALANCE / INFRASTRUCTURE ASSET MANAGEMENT

GOAL	OBJECTIVE	ACTION	TIMEFRAME	OUTCOME
Establish an Asset Management Program	Complete an inventory of engineering assets		Ongoing	In progress
	Continue to develop an Asset Management Plan		2016	Ongoing
	Ensure adequate funding for asset maintenance and replacement through financial planning process		Ongoing	Part of financial planning process
	Develop a strategy for payback of public works building borrowing and establishment of a reserve fund for municipal facility		2017	Public works building will be repaid in 2018. Town Hall functional analysis / space needs assessment in 2021
Capital Plan Open House	Host Public Open House displaying upcoming capital projects		2016	Open House in May
MMBC - Recycling	Resolve funding issue with MMBC and Province		Ongoing	Mayor appointed to UBCM committee
Increase Curbside Organics Collection	Consider altering frequency of garbage pick up to every two weeks, organics and recycling collection on a weekly basis		2017	
	Enhance messaging to promote organics program		2017	
Enhance Trail and Greenway Network	Continued focus on greenway development		2016-2019	Lazo greenway / Brooklyn Creek wetland developed
	Enhance trail development to improve connectivity through: <ul style="list-style-type: none"> data collection - incorporation into GIS in 2016 capital plan Property acquisition Construction of key trail connections 		2016-17 2016-17 2016-17	Ongoing Lazo greenway
	Develop way-finding signage standards, proto types and implement phase one signage using 2016 budget allocation		2017	
	Bring potential partners for signage together to seek support		2017	
Current and Updated Studies	Complete Hector Road area boundary extension (Northeast Comox Storm???)		2017	
	Review Transportation Plan to ensure shovel ready projects for federal/provincial grant opportunities (Rodelo, Comox roundabout & Glacier View)		2017	

PROGRESS AND OBJECTIVES – OFFICIAL COMMUNITY PLAN IMPLEMENTATION				
GOAL	OBJECTIVE	ACTION	TIMING	OUTCOME
Consider affordable housing initiatives	Investigate potential partnerships with Habitat for Humanity and Comox Valley Transition Society		ongoing	Habitat for Humanity potential partnership ongoing. \$30,000 to CV Transition Society in 2016
Hector-Aspen boundary extension	Complete boundary extension		2016	Complete September 19, 2016
	Complete Storm Water Management and Servicing Plans		2017	
	Proceed with Storm Water and Servicing Plans		2017	
Educate public on role of local government	Explore options for increased communications capacity (e.g. contract or project based capacity)		2017	
Refine public process related to development applications	Continue to meet targets		ongoing	Planning Procedures bylaw amended in 2016 to include neighbourhood consultation
Implement tree protection	Draft Tree Protection Bylaw		2018	

PROGRESS AND OBJECTIVES – ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION				
GOAL	OBJECTIVE	ACTION	TIMING	OUTCOME
Fixed Wing Search and Rescue	FWSAR project to Comox	Continue working with CVEDS and CVAC	2016/2017	Ongoing
Harbour Air – Establishment of safe, overnight moorage for float plane	Work with other waterfront stakeholders to find a suitable location for overnight floatplane moorage		2016-2018	Ongoing

PROGRESS AND OBJECTIVES – ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION

GOAL	OBJECTIVE	ACTION	TIMING	OUTCOME
Future of Comox Elementary School site	Collaborate with SD 71 on the disposition or repurposing of the former Comox Elementary School Site		2016-2017	Presently on hold
Future of St. Joseph's Hospital	Collaborate with St. Joseph's hospital board on developing a future plan for hospital site		2016-2018	Presentation to Council Spring 2017
Development of Airport Lands (Light Industrial)	In cooperation with CVEDS, develop marketing strategy for the development of lands near airport		ongoing	CVEDS Strategic Plan
	Cooperate with airport on parking expansion		2016-2017	Temporary parking planned for year end 2017
Resolve Boil Water and Sewer Issues	Council to advocate for solutions to regional water and sewer issues		2017-2018	



Baybrook Park

STATEMENT OF FINANCIAL INFORMATION

Year Ended December 31, 2016



Town of Comox staff have designed and built a Custom made frame (black frame with the red padding) designed and built by staff

Town of Comox
Statement of Financial Information
Contents
Year Ended December 31, 2016

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 5 to 7 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
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
Statement of Financial Information
Year Ended December 31, 2016

Schedule 1

Remuneration & Expenses for Elected Officials

	Remuneration	Expenses
Russ Arnott, Councillor	\$ 17,000	\$ 3,291
Ken Grant, Councillor	17,000	3,641
Marg Grant, Councillor	17,000	3,050
Paul Ives, Mayor	31,690	9,612
Hugh MacKinnon, Councillor	17,000	2,567
Barbara Price, Councillor	17,000	3,447
Maureen Swift, Councillor	<u>17,000</u>	<u>1,714</u>
	<u><u>\$ 133,690</u></u>	<u><u>\$ 27,323</u></u>

Expenses include expense claims by Council members, together with registration 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, 2016

Schedule 2

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

	Remuneration	Expenses
Gail Andestad, Planner 2	\$ 77,096	2,417
Debra Andrew, Deputy Director of Finance	86,184	3,248
Shelley Ashfield, Municipal Engineer	100,195	3,905
Al Fraser, Parks Superintendent	92,553	250
Brett Green, Foreman	91,133	1,342
Donald Jacquest, Director of Finance	117,727	2,163
Mandy Johns, Recreation Director	84,162	314
Marvin Kamenz, Town Planner	106,985	3,554
Richard Kanigan, Administrator	134,129	7,687
Jim Lariviere, Assistant Fire Chief	89,505	1,813
Shelly Russwurm, Deputy Corporate Administrator	92,721	1,632
Gord Schreiner, Fire Chief	106,258	1,007
Rick Shelton, Assistant Fire Chief	88,928	844
Robert Stevens, Fire Department Assistant	75,777	-
Glenn Westendorp, Public Works Superintendent	<u>97,243</u>	<u>399</u>
subtotal	1,440,596	30,576
all employees under \$75,000	3,323,074	34,560
	<u> </u>	<u> </u>
Total for all employees	<u><u>\$ 4,763,670</u></u>	<u><u>\$ 65,136</u></u>

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

Total employee remuneration (above) less taxable benefits	\$ 4,658,671
Plus Council remuneration (Schedule 1)	133,690
Increase to Accrued Payroll & Post-Employment Benefits in year	83,011
Plus employee benefits included in Disbursements (Schedule 3)	<u>1,051,349</u>
Salaries, wages and employee benefits reported on Schedule 1 of the Consolidated Financial Statements for the Town of Comox	<u><u>\$ 5,926,721</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, 2016
Schedule of Disbursements over \$25,000

Schedule 3

0966749 BC Ltd	109,658.79
2310 Guthrie Development Corp.	25,236.43
3E Excavating & Irrigation	58,012.32
475816 BC Ltd	78,812.50
Above All Cleaning	33,604.31
Airvac	30,641.33
Andrew Sheret Limited	150,011.01
B C Assessment Authority	147,005.13
B C Hydro	394,650.43
B.C. Hydro	72,017.60
Black Press Group Ltd.	44,234.40
Brandt Tractor Ltd.	159,839.92
Chimo Gymnastics Club	327,296.74
Cohlmeyer Architecture Limited	127,275.62
Comox Business In Action	72,900.00
Comox Firefighters Association	33,684.55
Comox Valley Martial Arts & Fitness	35,851.48
Comox Valley Regional District	6,852,904.41
Comox Valley Transition Society	30,000.00
Comox-Strathcona Regional Hospital Dist	2,072,846.53
Compass Adventure	36,233.70
Corix Water Products Limited Partnership	112,886.94
CUPE Local 556	47,833.34
Current Environmental	35,646.92
Dynamic Traffic Services	27,059.56
Emterra Environmental	761,760.78
Enex Fuels Ltd.	52,096.78
Express Custom Trailer Mfg. Inc.	39,181.00
Four Star Waterworks Ltd.	38,811.26
GCS Technology Services Inc.	78,679.77
Guillevin International Inc.	39,225.89
Harbour Kitchens and Millwork	33,710.25
Hazelwood Construction Services	1,099,984.02
ICBC Insurance Corporation of BC	29,543.00
J R Edgett Excavating Ltd	100,338.94
Kinetic Construction Ltd	684,270.88
Lundine, Robert	28,578.00
Mack Sales & Service of Nanaimo	27,421.93
McElhanney Consulting Services	146,634.02
Minister of Finance	1,638,134.44
MNP LLP	28,885.50
Municipal Insurance Assn Of B.C.	75,833.77
Municipal Pension Plan	766,561.59
Nilson, Birgit	47,816.11
Oakcreek Golf & Turf Inc.	94,206.56
Pacific Blue Cross/ BC Life	362,174.26
Peninsula Co-op	38,578.72
PerfectMIND Inc.	35,542.05
Raylec Power Ltd.	26,408.50
Receiver General For Canada	2,535,258.19
Scotiabank Visa	102,203.27
Silvacare Inc	45,131.65
Stedman, Jane	27,780.37

Town of Comox
Statement of Financial Information
Year Ended December 31, 2016
Schedule of Disbursements over \$25,000

Schedule 3

Tayco Paving Co Ltd	34,275.18
TELUS	65,564.16
Thomson, Steve	46,149.59
Trane Canada ULC	46,061.75
Vancouver Island Regional Library	601,376.00
Wacor Holdings Ltd.	947,071.55
Wedler Engineering LLP	63,678.98
Westview Ford Sales Ltd.	72,607.03
Willis Canada Inc	87,951.00
Worksafe BC	87,692.99
Young, Anderson	102,143.07
Zenn Developments Ltd	183,000.00
subtotal	22,438,466.76
Plus all payees disbursed under \$25,000	<u>1,789,574.88</u>
Total disbursements, all payees	<u><u>24,228,041.64</u></u>
<u>Reconciliation to Total Expenditures reported in Financial Statement:</u>	
Total Disbursements for all payees (reported above)	24,228,041.64
Plus Council & Employee remuneration (Sch. 1 and Sch. 2)	4,875,371.86
Less remittances of property taxes collected for others (net of offsets) not included in expenditures on the Financial Statements	(6,680,933.03)
Less long term debt principal payments not included in expenditures on the Financial Statements	(372,506.00)
Less employees share of payroll disbursements not included in expenditures on the Financial Statements	(1,445,067.31)
Less GST recoveries from disbursements in year	(371,998.14)
Less expenditures on tangible capital assets	(4,252,451.00)
Plus amortization expense from tangible capital assets	2,914,818.00
Less DCCs, development bonds and deposits refunded in year	(584,340.92)
Plus changes in other asset & liability accounts included in expenses on the Financial Statements	<u>300,309.90</u>
Total Expenses reported on Statement 2 and Schedules 1 & 6 of the Consolidated Financial Statements for the Town of Comox	<u><u>18,611,245.00</u></u>

Town of Comox

Statement of Financial Information

Year Ended December 31, 2016

Schedule of Payments for Grants or Contributions

Schedule 4

Recipient of Grant or Contribution		Purpose of Grant
Citizens On Patrol Society	\$ 4,600	Operation of Society
City of Courtenay	811	Skateboard Park Maintenance
Comox Archives & Museum Society	25,000	Operation of Society
Comox Business in Action Association	72,900	Business Improvement Area
Comox Nautical Days Committee	23,000	Festival Operations
Comox Valley Art Gallery	5,000	Gallery Operations
Comox Valley Community Policing	6,000	Auxiliaries & Crime Prevention
Comox Valley Regional District	25,954	Emergency Preparedness
Comox Valley Transition Society	30,000	Housing Acquisition
Meadus, Zachary	500	Mack Laing Bursary
Sid William Theatre Society	20,000	Theatre Operations
The Alberni Project	2,500	Operating Grant
	<u>\$ 216,265</u>	

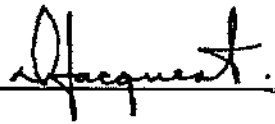
Town of Comox

Statement of Financial Information
Year Ended December 31, 2016

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.

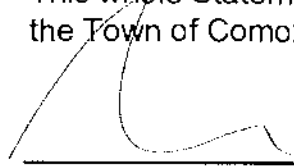


Donald Jacquest, Director of Finance

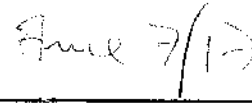
May 17, 2017

Date

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



Paul Ives, Mayor



Date

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016





TOWN OF COMOX

Index to Consolidated Financial Statements

Year Ended December 31, 2016

Management's Responsibility for Financial Reporting

Independent Auditors' Report

Statements

1. Consolidated Statement of Financial Position
2. Consolidated Statement of Operations
3. Consolidated Statement of Change in Net Financial Assets
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 (2016)
7. Schedule of Operations by Segment (2015)



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 Canadian public sector accounting standards 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.

MNP LLP, the Town's independent auditors, have conducted an examination of the consolidated financial statements in accordance with Canadian auditing standards and have expressed their opinion in a report accompanying this statement.

A handwritten signature in black ink, which appears to read "Jacquest", is positioned above a horizontal line.

Donald Jacquest
Director of Finance

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, 2016 and the consolidated statements of operations, change in net financial assets, and 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 of Comox as at December 31, 2016, 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 19, 2017

MNP LLP

Chartered Professional Accountants

Town of Comox
Consolidated Statement of Financial Position
as at December 31, 2016

Statement 1

	2016	2015
Financial Assets		
Cash	\$ 3,816,826	\$ 9,422,775
Short-term investments (Note 2b)	19,632,609	11,985,336
Receivables (Note 4)	995,799	1,116,617
Land for resale	9,847	9,847
	<u>24,455,081</u>	<u>22,534,575</u>
Financial Liabilities		
Payables (Note 5)	3,442,794	3,187,919
Deferred revenue (Schedule 3)	6,685,124	6,433,506
Net debenture debt (Note 6)	932,801	1,417,397
Performance deposits and bonds	1,302,656	1,268,096
	<u>12,363,375</u>	<u>12,306,918</u>
Net Financial Assets	<u>12,091,706</u>	<u>10,227,657</u>
Contingent liabilities (Note 7)		
Non Financial Assets		
Tangible capital assets (Schedule 5)	85,664,830	84,296,372
Supply inventory	212,026	242,249
Prepaid expenses	58,195	55,444
Shares in Courtenay Golf Club Ltd.	8,750	8,750
	<u>85,943,801</u>	<u>84,602,815</u>
Accumulated Surplus (Note 18)	<u>\$ 98,035,507</u>	<u>\$ 94,830,472</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, 2016

Statement 2

	2016 Budget Note 17	2016	2015
Revenue			
Property valuation taxes	\$ 7,864,507	\$ 7,861,808	\$ 7,602,337
Parcel taxes	633,581	629,109	623,410
Payments in lieu of taxes (Federal & Provincial)	1,389,281	1,453,520	1,420,360
Revenue from Taxation	9,887,369	9,944,437	9,646,107
Utility fees	6,072,855	6,147,154	5,828,507
Other sales of services	2,390,621	2,434,644	2,332,440
Licenses, permits and planning fees	210,250	266,343	241,196
Development Cost Charges used for capital expenditures	292,050	8,759	16,188
Tangible capital assets contributed through development	-	30,825	61,468
Donations	93,900	26,300	13,464
Investment income	115,000	173,075	207,597
Interest and penalties on taxes and utilities	88,000	54,163	93,819
Actuarial earnings on debenture sinking fund	-	112,090	95,733
Rentals	130,981	136,837	131,717
Other	17,700	41,857	24,717
Gain on disposal of tangible capital asset	-	33,000	47,385
Unconditional transfers from governments and agencies	415,000	387,149	424,029
Conditional transfers from governments and agencies	2,958,821	2,019,647	671,221
Debenture refunds upon maturity	-	-	1,138
	<u>22,672,547</u>	<u>21,816,280</u>	<u>19,836,726</u>
Expenses			
General government	1,569,669	1,685,432	1,367,569
Protective services	3,022,103	2,724,527	2,724,333
Transportation	1,700,953	3,171,175	2,958,341
Garbage and recycling services	1,423,904	1,353,934	1,289,726
Development services	534,548	445,166	477,761
Marina	164,803	234,981	221,255
Recreation, parks, and culture	3,986,856	4,334,680	4,312,932
Water services	2,135,455	2,421,747	2,180,320
Sewer services	2,055,146	2,239,603	2,313,033
	<u>16,593,437</u>	<u>18,611,245</u>	<u>17,845,270</u>
Surplus for the year	<u>\$ 6,079,110</u>	<u>\$ 3,205,035</u>	<u>\$ 1,991,456</u>
Accumulated surplus at start of year		\$ 94,830,472	\$ 92,839,016
Accumulated surplus at end of the year		<u>\$ 98,035,507</u>	<u>\$ 94,830,472</u>

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, 2016

Statement 3

	2016 Budget Note 17	2016	2015
Surplus for the year (Statement 2)	\$ 6,079,110	\$ 3,205,035	\$ 1,991,456
Tangible capital assets acquired through development	-	(30,825)	(61,468)
Acquisition of tangible capital assets	(7,698,041)	(4,252,451)	(2,599,205)
Amortization of tangible capital assets	-	2,914,818	2,778,599
Disposition of tangible capital assets	-	-	594,759
Increase in prepaid expenses	-	(2,751)	10,622
Increase in / decrease in supply inventory	-	30,223	(23,466)
Increase (Decrease) in Net Financial Assets	(1,618,931)	1,864,049	2,691,297
Net Financial Assets at beginning of year	10,227,657	10,227,657	7,536,360
Net Financial Assets at end of year (Statement 1)	<u>\$ 8,608,726</u>	<u>\$ 12,091,706</u>	<u>\$ 10,227,657</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, 2016

Statement 4

	2016	2015
Net inflow (outflow) of cash related to the following activities:		
Operating Activities		
Surplus for the year (Statement 2)	\$ 3,205,035	\$ 1,991,456
Non-cash items included in operations:		
Contribution from developers	(30,825)	(61,468)
Amortization of tangible capital assets	2,914,818	2,778,599
Disposition of tangible capital assets		594,759
Actuarial increase in debenture sinking funds	(112,090)	(95,733)
Net changes to financial assets & liabilities through operations:		
(Increase in) / decrease in receivables	120,818	172,187
Increase in / (decrease in) payables	254,875	(501,460)
Increase in / (decrease in) deferred revenue	251,618	307,735
Increase in / (decrease in) performance deposits and bonds	34,560	91,886
(Increase in) / decrease in supply inventory	30,223	(23,466)
(Increase in) / decrease in prepaid expenses	(2,751)	10,622
	<u>6,666,281</u>	<u>5,265,117</u>
Investing Activities		
Short-term investing	<u>(7,647,273)</u>	<u>1,249,462</u>
Capital Activities		
Acquisition of tangible capital assets	<u>(4,252,451)</u>	<u>(2,599,205)</u>
Financing Activities		
Debenture principal repaid	<u>(372,506)</u>	<u>(379,107)</u>
Increase (decrease) in cash	(5,605,949)	3,536,267
Cash at beginning of year	<u>9,422,775</u>	<u>5,886,508</u>
Cash at end of year (Statement 1)	<u><u>\$ 3,816,826</u></u>	<u><u>\$ 9,422,775</u></u>
Interest paid	<u><u>\$ 153,056</u></u>	<u><u>\$ 175,144</u></u>
Interest received	<u><u>\$ 173,075</u></u>	<u><u>\$ 203,877</u></u>

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, 2016

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 which have fluctuating returns and are carried at the lower of cost and market value, and a six-month Guaranteed Investment Certificate yielding 1.26% that matures January 23, 2017.

Short-term Investments	2016	2015
Municipal Finance Authority of BC Funds:		
Short-term Bond Fund	\$ 48,346	\$ 47,660
Intermediate Bond Fund	5,682,509	5,619,992
Money Market Fund	<u>7,867,993</u>	<u>6,317,684</u>
	<u>13,598,848</u>	<u>11,985,336</u>
Scotiabank Guaranteed Investment Certificate	<u>6,033,761</u>	<u>-</u>
Total short-term investments	<u>\$ 19,632,609</u>	<u>\$ 11,985,336</u>

(c) Trust Fund

A Town-administered trust fund has been excluded from the financial statements. The balance in the fund was \$77,776 at December 31, 2016 (\$76,672 in 2015). It was invested in the MFA Short-term Bond Fund in 2016 and 2015. The only transactions in the fund were interest earned (\$1,104 in 2016 and \$1,848 in 2015).

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

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. The Town records certain infrastructure assets as one network without breaking down the asset into component parts.

Expenditures to replace components of such a network are expensed as incurred. 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.

Major Asset Category:	Threshold	Estimated Life	Amortization Rate
Land	None	Indefinite	None
Land improvements	\$10,000	25 years	4%
Buildings	\$10,000	50 years	2%
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, payout on retirement, disability or death, and termination pay discounted from expected future values to net present value at year-end.

(f) **Inventory**

Inventory of supplies is recorded as a non-financial asset and is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

(g) **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.

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue Recognition

Property tax revenues are recognized in the year they are levied. User fees and garbage revenues are recognized when the service is provided. 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 fair market value when the contribution is received. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(i) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Town is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

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

(j) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Town is responsible for.

3. RECENT ACCOUNTING PRONOUNCEMENTS

(a) Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures. This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(b) Definition of Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook. The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

(c) Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook. The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(d) Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook. This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

(e) Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook. The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and de-recognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018.

Earlier application is encouraged.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

4. RECEIVABLES

Receivables are composed of the following amounts:

Due from:	2016	2015
Employees	\$ 1,219	\$ 617
Governments	394,671	235,774
Others	<u>599,909</u>	<u>880,226</u>
Total receivables	<u>\$ 995,799</u>	<u>\$ 1,116,617</u>

5. PAYABLES

Payables are composed of the following amounts:

Due to:	2016	2015
Employees (payroll earned to year end)	\$ 176,649	\$ 149,016
Employees (accruals for vacation and post-employment benefits)	922,127	866,749
Governments	1,702,434	1,791,047
Others	<u>641,584</u>	<u>381,107</u>
Total payables	<u>\$ 3,442,794</u>	<u>\$ 3,187,919</u>

6. 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, 2016 are:

Issued	Purposes of Borrowing	Terms	Interest Rates	Amount Borrowed	Sinking Fund	Net Owing	Debt Reserve	Promissory Note
April 2004	Kye Bay Water & Sewer System	19 years	2.40%	\$ 317,250	\$ 193,482	\$ 123,768	\$ 4,985	\$ 9,731
Oct. 2004	Downtown Revitalization	14 years	2.00%	475,000	385,774	89,226	7,337	19,272
Apr. 2008	Library	9 years	4.65%	2,100,000	1,828,427	271,573	27,874	127,042
Apr. 2008	Pt. Holmes Water	14 years	4.65%	270,000	136,008	133,992	3,584	10,958
Apr. 2011	Comox Rec. Center	7 years	4.20%	<u>1,000,000</u>	<u>685,758</u>	<u>314,242</u>	<u>12,030</u>	<u>74,305</u>
Totals at December 31, 2016				<u>\$ 4,162,250</u>	<u>\$ 3,229,449</u>	<u>\$ 932,801</u>	<u>\$ 55,810</u>	<u>\$ 245,468</u>
Totals at December 31, 2015				<u>\$ 4,162,250</u>	<u>\$ 2,744,853</u>	<u>\$ 1,417,397</u>	<u>\$ 54,051</u>	<u>\$ 245,468</u>

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

6. DEBENTURES ISSUED FOR THE TOWN (continued)

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

Year	<u>Scheduled Annual Payments</u>			<u>Sinking Fund</u>	<u>Net Debt</u>
	Principal	Interest	Total	Actuarial Earnings	Outstanding
2017	\$ 372,506	\$ 167,909	\$ 540,415	\$ 132,033	\$ 428,261
2018	174,071	70,259	244,330	68,801	185,389
2019	23,225	18,759	41,984	15,384	146,780
2020	23,225	18,759	41,984	17,095	106,462
2021	23,225	18,759	41,984	18,885	64,350

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 7 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.

7. 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, 2016 the Comox Valley Regional District had net debt of \$36,029,833 owing (\$40,682,790 at December 31, 2015) which is \$78,039,519 in debt issues net of \$42,009,686 sinking funds at December 31, 2016 (\$86,243,762 net of \$45,560,972 sinking funds at December 31, 2015) including debentures issued for the Town (Note 6), the City of Courtenay, the Village of Cumberland and itself.
- (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 6). 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 (\$55,810 at December 31, 2016; \$54,293 in 2015), plus Promissory Notes issued by the Town at the time of issue (\$241,308 at December 31, 2016; \$241,308 in 2015).
- (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, 2016 the District's share of those tangible capital assets (at cost and net book value) were \$898,154 and \$353,751 respectively (\$885,233 and \$377,647 in 2015) and its share of a Fire Department Capital Reserve was \$101,535 (\$84,365 in 2015).
- (d) **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 and/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.
- (e) **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.

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

8. PENSION INFORMATION

The Town of Comox and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit plan. Basic pension benefits are based on a formula. As at December 31, 2015 the Plan had about 189,000 active members (including approximately 37,000 contributors from local governments) and approximately 85,000 retired members.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2.224 billion funding surplus for basic pension benefits. The next valuation will be as at December 31, 2018 with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan. The Town of Comox paid \$422,304 for employer contributions to the plan in 2016, on behalf of 68 employees (\$411,460 in 2015 on behalf of 66 employees).

9. 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 (\$446,300 at December 31, 2016 and \$425,871 in 2015) 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 projected into the future with an inflation factor of 2.0% and discounted back at a discount rate of 2.85% (2% and 2.69% respectively in 2015). Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.

10. FINANCIAL INSTRUMENTS

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

11. 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.

12. FEDERAL PAYMENTS IN LIEU OF TAX

Although the Town is not economically dependent upon receipt of Federal Payments in Lieu of Tax (PILT), it normally receives 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.

13. 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.

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

14. TRANSFERS BETWEEN RESERVE FUNDS

During 2014 the Town transferred \$800,000 from the Sewer Enterprise Reserve to the Capital Works Reserve, from which it was spent on a capital project. Under Section 189 of the Community Charter, the Town must repay this transfer with an amount equivalent to the interest that would have been earned had these funds remained in the Sewer Enterprise Reserve. In its 2016 Financial Plan Council has budgeted \$150,000 per year for repayment of the transfer, including interest.

15. 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 and 7 (for 2016 and 2015, respectively) 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 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 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, 2016

16. COMMUNITY WORKS (FEDERAL GAS TAX) FUNDS

The Town receives transfers of Community Works (federal gas tax) Funds through the Union of BC Municipalities that can be used to fund eligible expenditures.

Continuity of Funds:	2016	2015
Opening balance at start of year	\$ 2,680,459	\$ 2,115,754
Transfers received during year	627,350	606,912
Interest on investments	22,393	51,010
Draws to fund eligible projects	<u>(509,936)</u>	<u>(93,217)</u>
Closing Balance at end of year	<u>\$ 2,820,266</u>	<u>\$ 2,680,459</u>

These transfers are recorded as conditional grant revenue because they can only be used for eligible expenditures under the terms of a 2014 agreement between the Government of Canada and the Union of BC Municipalities.

17. RECONCILIATION OF 2016 BUDGET

The Town's budget figures come from a five-year Financial Plan adopted May 4, 2016 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 public sector accounting standards and reports revenues and expenses, so the following adjustments must be made to the budgeted figures to reconcile them to the Town's 2016 Financial Plan:

Reconciliation of 2016 Budget Reported to Financial Plan:	
Net budget for 2016 reported	\$ 6,079,110
Capital acquisitions in Financial Plan	(7,698,041)
Transfers from capital reserves in Financial Plan	727,036
Transfers to capital reserves in Financial Plan	(1,232,476)
Surplus appropriated for operations in Financial Plan	2,496,880
Debt principal repayments in Financial Plan	<u>(372,509)</u>
Net of Financial Plan	<u><u>Nil</u></u>

TOWN OF COMOX
Notes to the Consolidated Financial Statements
Year Ended December 31, 2016

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.

Accumulated Surplus:	2016	2015
Operating Funds:		
General Operating Fund	\$ 3,007,275	\$ 2,882,139
Water Operating Fund	840,107	911,967
Sanitary Sewer Operating Fund	<u>2,068,319</u>	<u>1,932,251</u>
	<u>5,915,701</u>	<u>5,726,357</u>
Capital Funds:		
General Capital Fund	65,640,816	63,661,338
Water Capital Fund	9,335,012	9,273,747
Sanitary Sewer Capital Fund	<u>9,764,952</u>	<u>9,952,640</u>
	<u>84,740,780</u>	<u>82,887,725</u>
Reserve Funds (Schedule 2)	<u>7,379,026</u>	<u>6,216,390</u>
Accumulated Surplus	<u>\$ 98,035,507</u>	<u>\$ 94,830,472</u>

Town of Comox
Schedule of Expenses by Object (Type)
Year Ended December 31, 2016

Schedule 1

Expenses	Budget 2016 Note 17	2016	2015
Salaries, wages and employee benefits	\$ 6,213,608	\$ 5,926,721	\$ 5,703,391
Contracted and general services	7,761,819	6,995,560	6,909,838
Materials, goods, supplies and utilities	2,428,101	2,414,142	2,270,798
Interest and bank charges	174,909	171,863	175,144
Amortization of tangible capital assets	-	2,914,818	2,778,599
Other	<u>15,000</u>	<u>188,141</u>	<u>7,500</u>
	<u>\$ 16,593,437</u>	<u>\$ 18,611,245</u>	<u>\$ 17,845,270</u>

Town of Comox
Schedule of Continuity of Reserve Funds
Year Ended December 31, 2016

Schedule 2

	2016	2015
Opening Balance of Reserve Funds	\$ 6,216,390	\$ 5,948,708
Contributions to funds from operations	1,859,826	1,156,717
Interest earned on funds	57,746	104,182
Withdrawals from funds for capital acquisitions	<u>(754,936)</u>	<u>(993,217)</u>
Closing balance of Reserve Funds (Note 18)	<u>\$ 7,379,026</u>	<u>\$ 6,216,390</u>

Represented by the following financial assets:

Cash and short-term investments	<u>\$ 7,379,026</u>	<u>\$ 6,216,390</u>
---------------------------------	----------------------------	----------------------------

Including the following Reserve Funds:

Federal Gas Tax (Community Works) Funds (Note 16)	\$ 2,820,266	\$ 2,680,459
Capital Works Reserve	65,589	45,163
Equipment Replacement Reserve	491,989	611,788
Municipal Marina Reserve	287,722	200,839
Water Utility Reserve	518,192	459,287
Sewer Enterprise Reserve (Note 14)	2,305,194	1,653,315
Lancaster Sewer Lift Station Capital Reserve	67,793	59,087
Point Holmes Sewer Lift Station Capital Reserve	41,940	33,436
Waterfront Walkway Reserve	319	317
Affordable Housing Reserve	169,747	165,877
Fire Department Capital Reserve - Town share	257,895	222,457
Public Safety Reserve	<u>250,845</u>	<u>-</u>
	7,277,491	6,132,025
Fire Department Capital Reserve - CRFPID share (Note 7c)	<u>101,535</u>	<u>84,365</u>
	<u>\$ 7,379,026</u>	<u>\$ 6,216,390</u>

Town of Comox
Schedule of Deferred Revenue Continuity
Year Ended December 31, 2016

Schedule 3

	2015 Balance	Receipts	Interest	Refunded	Recognized as Revenue	2016 Balance
Development Charges:						
Open Space Development Cost Charges	\$ 2,524,067	\$ 60,513	\$ 28,319	\$ -	\$ -	\$ 2,612,899
5% Payment in Lieu of Parks Dedication	389,444	-	4,332	-	-	393,776
Water Development Cost Charges	1,161,297	4,241	12,954	-	8,759	1,169,733
Major Road Development Cost Charges	176,532	41,447	2,093	-	-	220,072
Storm Drain Development Cost Charges	783,563	21,727	8,897	-	-	814,187
Sanitary Sewer Development Cost Charges	57,589	25,848	723	-	-	84,160
Developer Payments in Lieu of Parking	29,304	-	326	-	-	29,630
Developer Payments for Affordable Housing	229,643	-	-	-	-	229,643
Prepaid property taxes	696,198	734,463	3,848	-	698,757	735,752
Prepaid parcel tax commutation - Kye Bay Water / Sewer	7,663	-	-	-	-	7,663
Prepaid Storm Drainage Development Works Payment	26,858	-	-	-	-	26,858
Prepaid recreation fees	247,587	272,441	-	-	245,704	274,324
Prepaid marina fees	72,696	69,088	-	-	72,696	69,088
Prepaid dog tags	1,160	1,490	-	-	1,160	1,490
Prepaid business licenses	23,044	100	-	-	23,044	100
Prepaid property rents	6,861	6,999	-	-	6,861	6,999
Prepaid administration fees	-	1,080	-	-	-	1,080
Prepaid environmental mitigation	-	7,670	-	-	-	7,670
	<u>\$ 6,433,506</u>	<u>\$ 1,247,107</u>	<u>\$ 61,492</u>	<u>\$ -</u>	<u>\$ 1,056,981</u>	<u>\$ 6,685,124</u>

Town of Comox
Continuity of Equity in Tangible Capital Assets
Year Ended December 31, 2016

Schedule 4

	2016	2015
Opening balance of equity in Tangible Capital Assets	\$ 82,878,975	\$ 83,116,819
Changes in Capital Assets		
Acquisitions of tangible capital assets	4,252,451	2,599,205
Tangible capital assets acquired through development	30,825	61,468
Write-offs of assets replaced (at NBV)	-	(594,759)
Amortization expense	(2,914,818)	(2,778,598)
Changes in related liabilities		
Principal payment on debenture (to sinking fund)	372,506	379,107
Actuarial earnings on debenture sinking fund	112,090	95,733
Closing Balance of Equity in Tangible Capital Assets	\$ 84,732,029	\$ 82,878,975

Represented by the following:

Capital assets at cost (Schedule 5)	\$ 127,263,830	\$ 123,248,343
Less accumulated amortization	(41,599,000)	(38,951,971)
Tangible capital assets at net book value	85,664,830	84,296,372
Net debenture debt (Note 6)	(932,801)	(1,417,397)
	\$ 84,732,029	\$ 82,878,975

Town of Comox Schedule of Tangible Capital Assets Year Ended December 31, 2016													Schedule 5		
COST	Engineering Structures												Assets not yet in use	Total	2015
	Land	Park Development	Buildings	Vehicles and Heavy Equipment	Other Equipment	Roads and Related Infrastructure	Storm Drains and Ponds	Marina Structures	Parks Structures	Water Structures	Sanitary Sewer Structures				
Opening balance	\$ 8,985,177	\$ 1,389,260	\$ 16,554,353	\$ 4,728,406	\$ 2,947,288	\$ 38,691,417	\$ 22,269,133	\$ 1,139,716	\$ 2,368,596	\$ 11,024,677	\$ 12,614,670	\$ 535,650	\$ 123,248,341	\$ 121,504,064	
Add: Acquisitions and cost adjustments	-	-	6,143	392,110	227,314	2,338,919	-	-	77,602	173,137	-	1,068,053	4,283,278	2,660,673	
Add/(Less): Assets put to use	-	-	-	-	77,036	89,192	-	-	-	16,387	-	(182,615)	-	-	
Less: Write-downs and disposals at cost	-	-	-	(254,204)	-	(13,585)	-	-	-	-	-	-	(267,789)	(916,394)	
Closing balance	8,985,177	1,389,260	16,560,496	4,866,312	3,251,638	41,105,943	22,269,133	1,139,716	2,446,198	11,214,201	12,614,670	1,421,088	127,263,830	123,248,343	
ACCUMULATED AMORTIZATION															
Opening balance	-	821,820	3,068,081	2,685,575	1,657,892	17,457,791	5,689,067	558,029	898,394	2,860,040	3,255,281	-	38,951,971	36,495,007	
Add: Amortization	-	42,147	329,754	326,280	260,739	1,154,547	354,516	43,306	87,082	148,256	168,191	-	2,914,818	2,778,598	
Less: Accumulated amortization on write-downs	-	-	-	(254,204)	-	(13,585)	-	-	-	-	-	-	(267,789)	(321,635)	
Closing balance	-	863,967	3,397,835	2,757,651	1,918,631	18,598,753	6,043,583	601,335	985,476	3,008,296	3,423,472	-	41,599,000	38,951,971	
Net Book Value for the year ended December 31, 2016	\$ 8,985,177	\$ 525,293	\$ 13,162,661	\$ 2,108,661	\$ 1,333,007	\$ 22,507,190	\$ 16,225,550	\$ 538,381	\$ 1,460,722	\$ 8,205,905	\$ 9,191,198	\$ 1,421,088	\$ 85,664,830	\$ 84,296,372	

Town of Comox
Schedule of Operations by Segment
Year Ended December 31, 2016

Schedule 6

	General Government	Protective Services	Transportation	Waste Disposal	Development Services	Marina	Recreation Parks & Culture	Water	Sanitary Sewer	Total All Segments	2016 Budget
Revenue											
Property valuation taxes	\$ 7,772,034	\$ -	\$ 16,875	\$ -	\$ 72,899	\$ -	\$ -	\$ -	\$ -	\$ 7,861,808	\$ 7,864,507
Parcel taxes	-	-	21,015	-	-	-	-	296,964	311,130	629,109	633,581
Payments in lieu of taxes	1,453,520	-	-	-	-	-	-	-	-	1,453,520	1,389,281
Utility fees	-	-	-	1,431,527	-	-	-	2,262,158	2,453,469	6,147,154	6,072,855
Other sales of service	31,692	416,084	25,980	-	-	345,556	1,615,332	-	-	2,434,644	2,390,621
Licences, permits & planning fees	88,587	130,371	-	-	47,385	-	-	-	-	266,343	210,250
DCCs used for capital acquisitions	-	-	-	-	-	-	-	8,759	-	8,759	292,050
Tangible capital assets acquired through development	-	-	17,480	-	-	-	-	13,345	-	30,825	-
Donations	5,000	-	-	-	-	-	21,300	-	-	26,300	93,900
Investment income	119,198	3,453	22,630	-	-	1,884	-	3,904	22,006	173,075	203,000
Penalties and interest on taxes	54,163	-	-	-	-	-	-	-	-	54,163	-
Actuarial earnings on sinking fund	-	-	17,216	-	-	-	84,198	7,474	3,202	112,090	-
Rentals	-	-	-	-	-	-	136,837	-	-	136,837	130,981
Other	34,603	-	7,254	-	-	-	-	-	-	41,857	17,700
Gain on disposal of capital asset	-	-	32,600	-	-	-	400	-	-	33,000	-
Unconditional transfers	313,530	73,619	-	-	-	-	-	-	-	387,149	415,000
Conditional transfers	-	16,600	1,806,753	-	-	-	196,294	-	-	2,019,647	2,958,821
	<u>9,872,327</u>	<u>640,127</u>	<u>1,967,803</u>	<u>1,431,527</u>	<u>120,284</u>	<u>347,440</u>	<u>2,054,361</u>	<u>2,592,604</u>	<u>2,789,807</u>	<u>21,816,280</u>	<u>22,672,547</u>
Expenses											
Employees	1,174,749	931,219	905,755	55,904	335,903	75,036	2,157,932	218,283	71,940	5,926,721	6,213,608
Services	261,945	1,491,177	169,649	1,298,030	105,653	92,489	1,320,290	335,259	1,921,068	6,995,560	7,761,819
Materials	52,699	173,926	257,339	-	3,611	17,317	311,443	1,549,914	47,893	2,414,142	2,428,101
Interest	3,895	-	9,500	-	-	-	139,709	15,455	3,304	171,863	174,909
Amortization of tangible capital assets	4,003	128,205	1,828,932	-	-	50,138	405,306	302,836	195,398	2,914,818	-
Other	<u>188,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,141</u>	<u>15,000</u>
	<u>1,685,432</u>	<u>2,724,527</u>	<u>3,171,175</u>	<u>1,353,934</u>	<u>445,167</u>	<u>234,980</u>	<u>4,334,680</u>	<u>2,421,747</u>	<u>2,239,603</u>	<u>18,611,245</u>	<u>16,593,437</u>
Surplus for the year	<u>\$ 8,186,895</u>	<u>\$ (2,084,400)</u>	<u>\$ (1,203,372)</u>	<u>\$ 77,593</u>	<u>\$ (324,883)</u>	<u>\$ 112,460</u>	<u>\$ (2,280,319)</u>	<u>\$ 170,857</u>	<u>\$ 550,204</u>	<u>\$ 3,205,035</u>	<u>\$ 6,079,110</u>

Town of Comox
Schedule of Operations by Segment
Year Ended December 31, 2015

Schedule 7

	General Government	Protective Services	Transportation	Waste Disposal	Development Services	Marina	Recreation Parks & Culture	Water	Sanitary Sewer	Total All Segments	2015 Budget
Revenue											
Property valuation taxes	\$ 7,512,571	\$ -	\$ 16,866	\$ -	\$ 72,900	\$ -	\$ -	\$ -	\$ -	\$ 7,602,337	\$ 7,602,488
Parcel taxes	-	-	21,231	-	-	-	-	294,579	307,600	623,410	619,226
Payments in lieu of taxes	1,420,360	-	-	-	-	-	-	-	-	1,420,360	1,377,082
Utility fees	-	-	-	1,326,507	-	-	-	2,235,502	2,266,498	5,828,507	5,794,065
Other sales of service	7,207	451,219	9,600	-	-	353,613	1,510,801	-	-	2,332,440	2,186,680
Licences, permits & planning fees	87,438	114,444	-	-	39,314	-	-	-	-	241,196	203,750
DCCs used for capital acquisitions	-	-	-	-	-	-	14,638	1,550	-	16,188	393,723
Tangible capital assets acquired through development	-	-	17,250	-	-	-	-	24,035	20,183	61,468	-
Donations	5,000	-	-	-	-	-	8,464	-	-	13,464	16,240
Investment income	103,416	3,481	47,524	-	7,908	1,793	-	8,726	34,749	207,597	107,700
Penalties and interest on taxes	93,819	-	-	-	-	-	-	-	-	93,819	90,300
Actuarial earnings on sinking fund	-	-	18,036	-	-	-	68,457	6,405	2,835	95,733	-
Rentals	-	-	-	-	-	-	131,717	-	-	131,717	127,365
Other	24,467	-	-	-	-	-	-	250	-	24,717	17,200
Gain on disposal of capital asset	-	-	-	-	-	-	47,385	-	-	47,385	-
Unconditional transfers	329,257	94,772	-	-	-	-	-	-	-	424,029	360,000
Conditional transfers	1,000	16,100	606,912	-	-	-	47,209	-	-	671,221	2,539,750
Debenture refunds upon maturity	-	-	1,138	-	-	-	-	-	-	1,138	-
	<u>9,584,535</u>	<u>680,016</u>	<u>738,557</u>	<u>1,326,507</u>	<u>120,122</u>	<u>355,406</u>	<u>1,828,671</u>	<u>2,571,047</u>	<u>2,631,865</u>	<u>19,836,726</u>	<u>21,435,569</u>
Expenses											
Employees	1,142,399	882,200	907,908	58,275	324,948	81,203	2,108,085	144,830	53,543	5,703,391	5,960,343
Services	134,461	1,536,160	34,131	1,231,451	148,645	81,917	1,351,208	342,505	2,049,360	6,909,838	7,508,112
Materials	46,739	168,451	323,130	-	4,168	7,995	308,546	1,395,709	16,060	2,270,798	2,367,113
Interest	4,646	-	12,089	-	-	-	139,650	15,455	3,304	175,144	183,846
Amortization of tangible capital assets	31,824	137,522	1,681,083	-	-	50,140	405,443	281,821	190,766	2,778,599	-
Losses on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	-
Other	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>15,000</u>
	<u>1,367,569</u>	<u>2,724,333</u>	<u>2,958,341</u>	<u>1,289,726</u>	<u>477,761</u>	<u>221,255</u>	<u>4,312,932</u>	<u>2,180,320</u>	<u>2,313,033</u>	<u>17,845,270</u>	<u>16,034,414</u>
Surplus for the year	<u>\$ 8,216,966</u>	<u>\$ (2,044,317)</u>	<u>\$ (2,219,784)</u>	<u>\$ 36,781</u>	<u>\$ (357,639)</u>	<u>\$ 134,151</u>	<u>\$ (2,484,261)</u>	<u>\$ 390,727</u>	<u>\$ 318,832</u>	<u>\$ 1,991,456</u>	<u>\$ 5,401,155</u>

PERMISSIVE PROPERTY TAX EXEMPTIONS



*Public works is responsible for the maintenance of water, sewer, storm and roads,
including this water main break repair*

Town of Comox

Effect of Permissive Exemptions on 2017 Taxation

Prepared: D. Jacquest May 17, 2017

Effect of exemptions are based upon the actual results of last year's bylaw:

Description of Property	Folio Number	Exemption Requested	Exemption in Bylaw	Actual Value of Property Per Revised Roll	Taxable Value of Property Per Revised Roll	Effect of Tax Exemption Bylaw Per Revised Roll Exc. Stat. Exemptions	Property Class	Town General	Total Taxes Exempted
Comox Golf Course	231.000	76% Town owned share of land <i>total lot size 46.68 acres</i>	76% Town owned share of land <i>total lot size 46.68 acres</i>	10,000	10,000	-	6	-	-
				900,000 <i>land only</i>	215,000 <i>land only</i>	685,000 <i>76% of land</i>	8	3,948.89	7,575.90
Filberg Lodge & Park	470.001 & 470.004	All of land & buildings <i>total lot size 9.096 acres</i>	All of land & buildings <i>total lot size 9.096 acres</i>	1,731,000	-	1,721,000	6	19,372.44	37,498.45
				27,100	-	17,100	6	192.49	372.59
				2,492,000 <i>all of property</i>	- <i>all of property</i>	2,492,000 <i>all of property</i>	8	14,365.88	27,560.77
Comox Archives & Museum	279.004	All of land & building occupied	All of land & building occupied	128,800 <i>all of property</i>	- <i>all of property</i>	118,800 <i>all of property</i>	6	1,337.27	2,783.89
Pearl Ellis Art Gallery	279.005	All of land & building occupied	All of land & building occupied	128,800 <i>all of property</i>	- <i>all of property</i>	118,800 <i>all of property</i>	6	1,337.27	2,783.89
Lion's Den	279.006	All of land & building occupied	All of land & building occupied	283,000 <i>all of property</i>	- <i>all of property</i>	273,000 <i>all of property</i>	6	3,073.02	6,397.33
Unity Comox Valley	279.008	All of land & building occupied	All of land & building occupied	82,600 <i>all of property</i>	- <i>all of property</i>	72,600 <i>all of property</i>	6	817.22	1,701.28
Tigger Too Day Care	492.001	All of land & building	Half of land & building	486,000 <i>all of property</i>	243,000 <i>all of property</i>	243,000 <i>half of land & improvements</i>	1	724.81	1,678.92
Comox Valley Marine Rescue Society	481.028	All of building	All of land and improvements	29,900 <i>all of property</i>	- <i>all of property</i>	19,900 <i>all of property</i>	6	224.00	466.33
Point Holmes Recreation Association	27501.125	All of land & improvements	All of land & improvements	585,800 <i>all of property</i>	- <i>all of property</i>	575,800 <i>all of property</i>	6	6,481.49	12,545.96
Comox United Church	1.170	All of land surrounding church <i>total lot size 0.709 acres</i>	All of land surrounding church <i>total lot size 0.709 acres</i>	245,000 <i>land only</i>	- <i>land only</i>	196,000 <i>remainder of land</i>	8	1,129.90	2,167.70
Comox Pentecostal Church	507.004	All of land surrounding church <i>total lot size 2.0 acres</i>	All of land surrounding church <i>total lot size 2.0 acres</i>	437,400 <i>land only</i>	- <i>land only</i>	398,034 <i>remainder of land</i>	8	2,294.59	4,402.15
St. Peter's Anglican Church	375.000	All of land surrounding church <i>total lot size 0.578 acres</i>	All of land surrounding church <i>total lot size 0.578 acres</i>	368,400 <i>land only</i>	- <i>land only</i>	279,984 <i>remainder of land</i>	8	1,614.05	3,096.55
Bay Community Church	802.052	2 acres of land <i>total lot size 4.742 acres</i>	All of land surrounding church <i>total lot size 4.742 acres but 0.142 acres under building is statutorily exempt, leaving 4.6 residual acres</i>	147,000	-	147,000	1	438.47	1,015.65
				203,500 <i>land only</i>	- <i>land only</i>	193,500 <i>remainder of land</i>	8	1,115.49	2,140.05

Town of Comox

Effect of Permissive Exemptions on 2017 Taxation

Prepared: D. Jacquest May 17, 2017

Effect of exemptions are based upon the actual results of last year's bylaw:

Description of Property	Folio Number	Exemption Requested	Exemption in Bylaw	Actual Value of	Taxable Value of	Effect of Tax	Property	Town General	Total Taxes
				Property	Property	Exemption Bylaw			
				Per Revised Roll	Per Revised Roll	Per Revised Roll			
						Exc. Stat. Exemptions			
Comox Valley Presbyterian Church	600.970	All of land surrounding church <i>total lot size 2.33 acres</i>	All of land surrounding church <i>total lot size 2.33 acres</i>	372,300 <i>land only</i>	- <i>land only</i>	349,962 <i>remainder of land</i>	8	2,017.46	3,870.47
St. Joseph's Hospital	1.015	All of land surrounding hospital <i>total lot size 15.719 acres</i>	All of land surrounding hospital <i>total lot size 15.719 acres</i>	\$ 6,104,000 <i>land only</i>	\$ - <i>land only</i>	5,249,440 <i>remainder of land</i>	6	59,090.32	114,378.73
Comox Seniors Centre Association	398.000	All of land & building	All of land & building	1,370,000 <i>all of property</i>	- <i>all of property</i>	1,370,000 <i>all of property</i>	8	7,897.78	15,151.79
Royal Canadian Legion No. 160	388.000	All of Land & Building	All of Land & Building	422,000	-	412,000	6	4,637.69	9,206.98
				422,000 <i>all of property</i>	- <i>all of property</i>	422,000 <i>all of property</i>	8	2,432.75	4,787.86
Nature Trust of BC	701.000	All of land	All of land	467,000	-	467,000	1	1,392.92	3,226.50
	703.000	All of land	All of land	497,000	-	186,375	8	1,074.41	2,061.24
	1100.394	All of land	All of land	4,200 <i>all of land</i>	- <i>all of land</i>	4,200 <i>all of land</i>	1	12.53	29.02
888 (Komox) RCAF Wing	803.020	All of Class 8 Land & Building	All of Class 8 Land & Building	329,700	319,700	-	6	-	-
				217,800 <i>all of property</i>	- <i>all of property</i>	217,800 <i>all Class 8 property</i>	8	1,255.57	2,408.80
D'Esterre Senior Citizens Society	475.001	All of land surrounding units <i>total lot size 0.75 acres</i>	All of land surrounding units <i>total lot size 0.75 acres</i>	344,200 <i>land only</i>	- <i>land only</i>	265,034 <i>remainder of land</i>	1	790.52	1,831.13
Comox Valley Tennis Club	229.006	All of Land & Building	All of Land & Building	42,500	-	32,500	6	365.84	708.14
				3,100 <i>all of property</i>	- <i>all of property</i>	3,100 <i>all of property</i>	8	17.87	34.28
				\$ 18,882,100	\$ 787,700	\$ 16,530,929			
				Breakdown by Property Class					
							1	3,359.25	7,781.22
							6	96,929.05	188,843.57
							8	39,164.64	75,257.56
Note: The effect of the Town's exemptions are calculated after BC Assessment's statutory exemptions on the property				\$ 16,530,929				\$ 139,452.94	\$ 271,882.35

CONTINUITY OF DEVELOPMENT COST CHARGES



*New viewing platform at Baybrook Park,
built into the foundation of Mack Laing's first home in Comox*

Town of Comox
Schedule of Development Cost Charge (DCC) Continuity
Year Ended December 31, 2016

	2015				Recognized	2016
	Balance	Receipts	Interest	as Revenue	Balance	
Open Space Development Cost Charges	\$ 2,524,067	\$ 60,513	\$ 28,319	\$ -	\$ 2,612,899	
5% Payment in Lieu of Parks Dedication	389,444	-	4,332	-	393,776	
Water Development Cost Charges	1,161,297	4,241	12,954	8,759	1,169,733	
Major Road Development Cost Charges	176,532	41,447	2,093	-	220,072	
Storm Drain Development Cost Charges	783,563	21,727	8,897	-	814,187	
Sanitary Sewer Development Cost Charges	57,589	25,848	723	-	84,160	
	<hr/>				<hr/>	
	\$ 5,092,492	\$ 153,776	\$ 57,318	\$ 8,759	\$ 5,294,827	
	<hr/>				<hr/>	

There were no DCC exemptions or waivers granted in 2016



New bus stop located on Guthrie Road



Easter Eggstravaganza at Marina Park



Xeriscape garden in Marina Park





Robb Avenue Phase 1 water main upgrade

photo back cover: Suzanne Casanova, Comox Town Hall



Comox Town Hall • 1809 Beaufort Avenue • Comox BC • V9M 1R9
Tel 250 339-2202 • Fax 250 339-7110 • Web <http://comox.ca>