



2017

ANNUAL MUNICIPAL REPORT

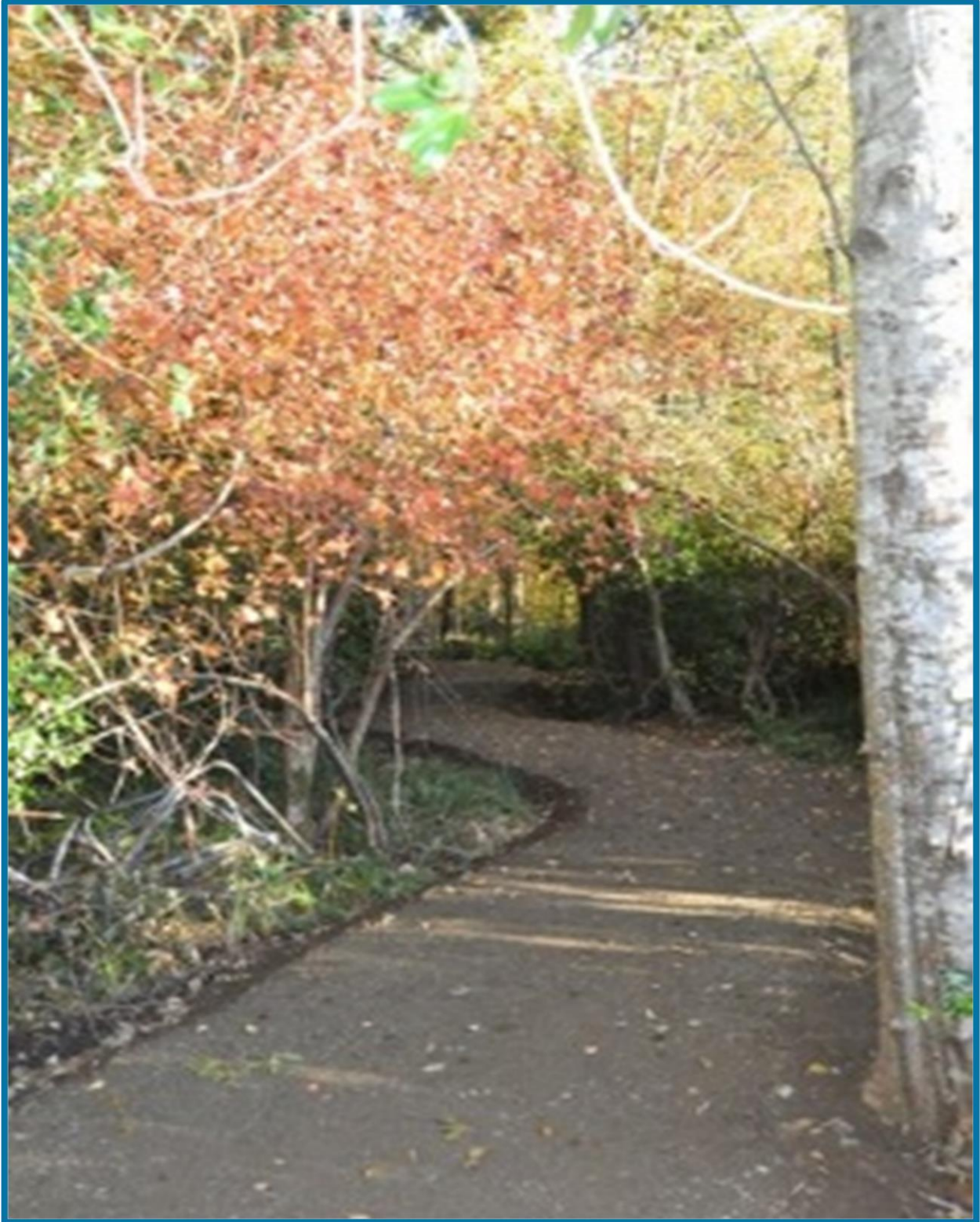
TOWN OF COMOX

1809 BEAUFORT AVENUE

COMOX, BC



Prepared by:
Town of Comox
1809 Beaufort Avenue
Comox, BC V9M 1R9



New improvements – Highmoor Greenway

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Street Pianos - Beaufort Family Dental donated this piano located at the Comox Town Circle at Comox Centre Mall. Another piano is located at the Comox Marina Sail Buildings and the Potting Shed @ Filberg Park

MESSAGE FROM THE MAYOR

The days are long but the years are short, or so it seems, as once again, I find myself preparing this message to the citizens of Comox and reflecting on the many events, celebrations, accomplishments achieved in the third year of our four-year term as your Council.

Council continues to recognize the importance of strategic planning/priority setting and once again found ourselves participating in a strategic planning-priority setting workshop. It was at this workshop that Council reviewed the status of the initiatives detailed in our current Strategic Plan as well as creating 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 what Council intends to focus on over the next few years.



Continuing to follow and work towards achieving our key strategic priorities, the Waterfront Vitalization project, the Town was able to conclude construction of our award winning twin sail buildings – Spinnaker & Genoa as well as completing construction of the new splash pad and playground. These improvements have created the opportunity to provide premier meeting space as well as increasing opportunities for families to spend time together as families. One only needs to visit our park on a beautiful summer day to witness the pleasure and enjoyment had by all. Another complement to our marina park was the implementation of ‘Pianos in the Park’ and it is not uncommon to experience an impromptu concert as our local residents and visitors sit down to play and share their musical talents.

On the infrastructure front, Council continues to focus the Town’s resources in ensuring the Town’s infrastructure remains at its best and that improvements occur at minimal cost to the taxpayer. This past year we were able to complete a number of improvements including the change rooms and showers at our Community Centre as well as improvements to the booking software. We were also able to complete phase II of Robb Road resurfacing/improvements from Church Street to Prichard Road (including the planting of 50 additional street trees); Lazo Road Foreshore Project and as noted above, Council’s Marina Revitalization Projects (twin sail buildings, splash pad and playground). We were also able to continue on our path of road resurfacing in an effort to minimize any major road reconstruction in the future.

MESSAGE FROM THE MAYOR – CONT'D

On the Regional front, we continue to work hard on important issues such as water filtration and treatment as well as solid waste management and location of a composting facility. In 2017 Council was able to repeal Knight Road Sanitary Sewer Main Extension Capital Fee Bylaw - a bylaw originally adopted by Council in May of 2010 for the purpose of collecting a capital fee from those properties benefiting from and connecting to the Town's Knight Road Sanitary Sewer System. Council's ability to repeal this bylaw was a result of transferring the Knight Road Sanitary sewer line to the Comox Valley Regional District (CVRD), which was part of the regional sewer fee apportionment settlement negotiated earlier this year between the CVRD, the City of Courtenay and the Town of Comox. We also continue our efforts on the future role in seniors care with the St. Joseph's Hospital Task Force given the opening of the new North Island Hospital.



In 2017, we were saddened with the loss of two of the Town's Freemans, Dr. George Piercy and Ms. Alice Bullen. These individuals contributed significantly to the betterment of our community and they will be missed. On a more pleasant note, the Town did confer Freedom of the Town to Mr. John Marinus at a formal ceremony held in August with members of John's family and friends present.

Don Jacquest, Director of Finance retired after many years of dedicated service to the Town as well as Mandy Johns, former Recreation Director at the Community Centre. The level of service these two individuals provided to Council and the residents of the community was truly exceptional and it was not unheard of to find Don going to residents' homes, personally collecting their property tax payments or addressing water meter concerns. We wish them both many years of happy retirement.

Council is pleased with the many projects completed along with the improvements that have been made and we hope you are to. While this Council enters into its last year of its four-year term, we will continue to focus on completing our various projects and priorities -- all of which continue to make Comox the best place to live, work and play. – Mayor Paul Ives

A handwritten signature in blue ink, appearing to be 'P. Ives', located below the text of the message.

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

Full speed ahead! Another year has come and gone and it continues to surprise and amaze me how much we have accomplished over the past year. Some highlights from last year include:

The second phase of the Robb Avenue reconstruction project, which was completed on time and budget, and the result – a visually pleasing and safe east/west connection through Comox. In addition, this past spring provided the first opportunity to witness the stunning display of blossoming magnolias and cherry trees that will become even more splendid in the years to come.

The Lazo Road Foreshore Rehabilitation project also wrapped up this year with the re-establishment of native vegetation. This project has been highlighted in engineering trade magazines praising its innovative design, which included implementing Green Shores design concepts that ensure a more sustainable foreshore. It also continues to be a very popular walking area for Comox Valley residents.

The Marina Vitalization project faced some construction challenges with extended periods of inclement weather, however the grand opening of the buildings and the new splash park and playground have placed the memory of the construction challenges in the distant past. Building rentals continue to increase as more groups and individuals take advantage of this prime waterfront location and its facilities. The result of these improvements have led to a hub of activity in the Town's Marina Park that will be an attraction for residents and visitors for many years to come.

We heard the pleas from patrons to have the ability to take a hot shower at the Community Centre (without having to wait for an extended period for hot water to arrive) by completing a rebuild of both changerooms, which included a new hot water delivery system.

Moving forward, we find ourselves facing significant changes with the regional water system over the next number of years. This past year, staff have been involved in various planning and design meetings related to the provincially mandated water treatment plant. The overall project, estimated to cost approximately \$110 million includes a new water intake, treatment plant and transmission line. This new infrastructure will separate the regional water system from being dependent on the BC Hydro Penstock and the new technology should significantly reduce, if not eliminate, future boil water notices.

The Town of Comox continues to be 'discovered' as a wonderful place to call home and we make every effort to manage growth pressures and the resulting changes that come with these factors. One of the fascinating aspects of working in local government is that as projects wrap up, there are many more in the queue that require our focus and attention. I am proud of our accomplishments over this past year, and I am excited to work on next year's list of projects and initiatives. – CAO Richard Kanigan



A handwritten signature in black ink that reads "Richard Kanigan". The signature is written in a cursive style with a large, sweeping flourish at the end.



From left to right: Councillor Hugh MacKinnon, Councillor Maureen Swift, Councillor Ken Grant, Mayor Paul Ives, Councillor Marg Grant, Councillor Barbara Price, Councillor Russ Arnott

Mayor and Council members serve a four-year term. The next General Local Election will occur in October 2018.

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

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

STRATEGIC PLAN OVERVIEW

The Town of Comox held an afternoon/evening workshop on November 23, 2016 with Council and senior staff to reflect on and update the existing Strategic Plan.

The purpose of the workshop was to review the current status of the initiatives detailed in the existing Strategic Plan and to identify priorities for the remainder of the Council term. The desired outcome for the workshop was to create a roadmap for the remainder of the Council term which focuses on important priorities and guides the allocation of resources including Council, staff and financial.

Purpose of the Strategic Plan

This strategic plan aligns with our 2011 Official Community Plan (OCP) vision statement. The 2016 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 include:

- Downtown vitalization/marina enhancement
- Fiscal balance/infrastructure asset management
- OCP implementation
- Comox Economic Development Plan implementation

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 splash pad – Marina Park



New Playground Structure - Marina Park

2017 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
Waterfront / Marina Park development	Water Park	Consider funding and construction	2017	Project completed
	Event Marketing for Marina Park and Downtown Comox	Continue to develop action plan for attraction of additional events throughout the year in Marina Park and downtown	2017-18	Community Centre promoting new facilities
		Preliminary programming of sail buildings for spring 2017	2017-18	Town's rental inventory has increased and programming through Community Centre
	Waterfront / Marina Enhancement	Complete additional design for Phase 2 waterfront park development (marine service building)	2018	
		Consider additional projects in the park and board walk	2018-19	In progress – boardwalk - promenade extension

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		Ongoing	Ongoing
	Ensure adequate funding for asset maintenance and replacement through financial planning process		Ongoing	Part of financial planning process & grant funding received
	Develop a strategy for payback of public works building borrowing and establishment of a reserve fund for municipal facility		2018	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		2017	Open House in May
MMBC - Recycling	Resolve funding issue with MMBC and Province		2017	Resolved – Comox participant/partner in program
Increase Curbside Organics Collection	Consider altering frequency of garbage pick up to every two weeks, organics and recycling collection on a weekly basis		2019	
	Enhance messaging to promote organics program		2019	
Enhance Trail and Greenway Network	Continued focus on greenway development		2016-2019	Brooklyn Creek channel enhancement/ Highmoor greenway & Lazo Road foreshore
	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 		2017-18 2017-18 2017-18	Ongoing Lazo greenway Highmoor greenway
	Develop way-finding signage standards, proto types and implement phase one signage using 2016 budget allocation		2017	In progress
Current and Updated Studies	Hector Road Servicing Plan		2018	In progress
	Review Transportation Plan to ensure shovel ready projects for federal/provincial grant opportunities (Rodello, Comox roundabout & Glacier View)		2017-18	Ongoing

PROGRESS AND OBJECTIVES – OFFICIAL COMMUNITY PLAN IMPLEMENTATION

GOAL	OBJECTIVE	ACTION	TIMING	OUTCOME
Consider affordable housing initiatives	Investigate potential partnerships with Habitat for Humanity and Coalition to end Homelessness in the Comox Valley		ongoing	Habitat for Humanity potential partnership ongoing. \$30,000 to Dawn to Dawn in 2017
Hector-Aspen boundary extension	Complete Storm Water Management and Servicing Plans		2018	In progress
	Proceed with Storm Water and Servicing Plans		2018	In progress
Educate public on role of local government	Explore options for increased communications capacity (e.g. contract or project based capacity)		ongoing	Contracted communications firm for target based information
Refine public process related to development applications	Continue to meet targets		ongoing	Extended downtown revitalization program.
Implement tree protection	OCP contains tree protection requirements –look at augmenting tree protection during OCP review/update		2019	

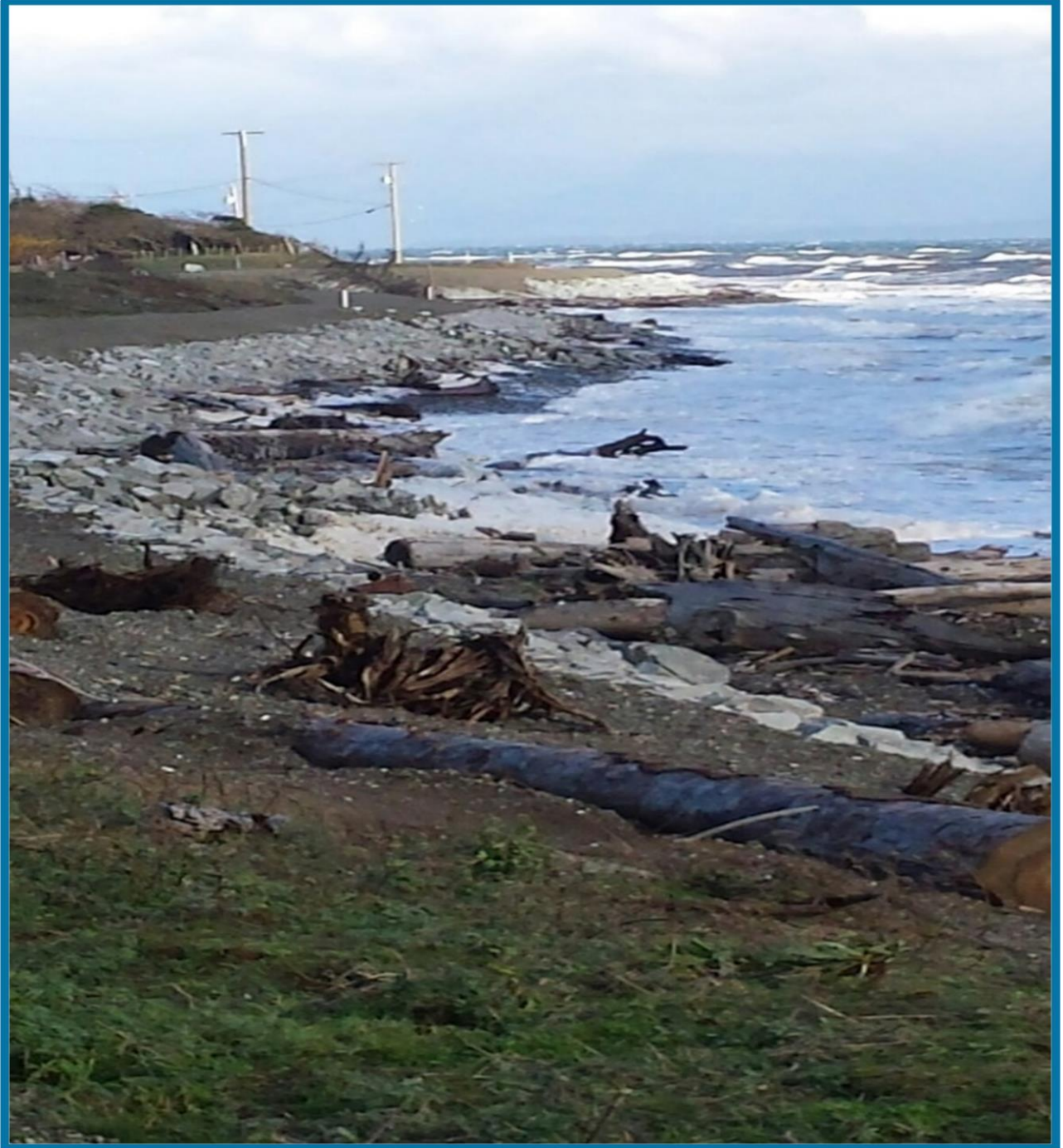
PROGRESS AND OBJECTIVES – ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION

GOAL	OBJECTIVE	ACTION	TIMING	OUTCOME
Fixed Wing Search and Rescue	FWSAR project to Comox	Continue working with CVEDS and CVAC	2017	Funding announced – construction start pending
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
Future of Comox Elementary School site	Collaborate with SD 71 on the disposition or repurposing of the former Comox Elementary School Site		2017-18	Presently on hold
Future of St. Joseph’s Hospital	Collaborate with St. Joseph’s hospital board on developing a future plan for hospital site		2016-18	In progress
Development of Airport Lands (Light Industrial)	In cooperation with CVEDS, develop marketing strategy for the development of lands near airport		ongoing	New research facility approved
Resolve Boil Water and Sewer Issues	Council to advocate for solutions to regional water and sewer issues		2017-18	Water treatment plant approved for design. Continue to seek/secure grant funding



*Mayor Paul Ives presents Certificate of Freeman to
Mr. John Marinus - 2017*

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2017



Lazo Road Foreshore Project

Town of Comox
Statement of Financial Information
Contents
Year Ended December 31, 2017

Required Information:

Please refer to:

Consolidated Statement of Financial Position	Statement 1 of Consolidated Financial Statements
Consolidated Statement of Operations	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

Consolidated Statement of Financial Position as at December 31, 2017

	2017	2016
Financial Assets:		
Cash	\$ 5,698,893	\$ 3,816,826
Short-term investments (Note 2b)	21,175,351	19,632,609
Receivables (Note 4)	818,127	995,799
Land for resale	9,847	9,847
	<u>27,702,218</u>	<u>24,455,081</u>
Financial Liabilities:		
Payables (Note 5)	2,200,441	2,520,667
Deferred revenue (Schedule 3)	1,116,418	1,131,025
Restricted Revenue (Schedule 3)	5,461,207	5,554,099
Deposits	1,488,671	1,302,656
Net debenture debt (Note 6)	428,261	932,801
Future Payroll Obligations (Note 9)	916,151	922,127
	<u>11,611,149</u>	<u>12,363,375</u>
Net Financial Assets	<u>16,091,069</u>	<u>12,091,706</u>
Non-financial assets:		
Tangible capital assets (Schedule 5)	86,033,960	85,664,830
Supply inventory	258,153	212,026
Prepaid expenses	77,791	58,195
Shares in Courtenay Golf Club Ltd.	8,750	8,750
	<u>86,378,654</u>	<u>85,943,801</u>
Accumulated surplus (Note 18)	<u>\$ 102,469,723</u>	<u>\$ 98,035,507</u>

Contingent liabilities (Note 7)



Clive Freundlich, CPA, CGA

Director of Finance, responsible for financial administration for the Town of Comox

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

Town of Comox
Consolidated Statement of Operations
Year Ended December 31, 2017

	Budget	2017	2016
	(Note 17)		
Revenue			
Property valuation tax	\$ 8,078,123	\$ 8,074,336	\$ 7,861,808
Parcel taxes	638,431	632,758	629,109
Payments in-lieu of taxes	1,449,962	1,438,582	1,453,520
Revenue from taxation	10,166,516	10,145,676	9,944,437
Utility fees	6,303,641	6,340,136	6,147,154
Other sale of service	2,509,747	2,992,305	2,434,644
Licences, permits & planning fees	226,750	253,812	266,343
Developer cost charges applied	444,776	168,144	8,759
Tangible capital assets contributed	-	-	30,825
Donations	201,400	91,844	26,300
Investment income	120,000	224,524	173,075
Penalties and interest on taxes	64,500	57,734	54,163
Actuarial earnings on sinking fund	-	132,033	112,090
Rentals	126,476	146,302	136,837
Other	48,100	1,061,990	41,857
Gain on disposal of assets	-	230,874	33,000
Unconditional Grants	390,000	376,918	387,149
Conditional Grants	1,792,477	1,529,522	2,019,647
	22,394,383	23,751,814	21,816,280
Expenses			
General government	1,593,478	1,768,377	1,685,432
Protective services	3,109,515	2,831,500	2,724,527
Solid waste management	1,400,889	1,372,988	1,353,934
Development services	558,961	439,468	445,166
Transportation	1,779,512	3,399,093	3,171,175
Parks, recreation, and culture	4,055,471	4,447,934	4,334,680
Marina	169,537	228,496	234,981
Water services	2,335,206	2,559,908	2,421,747
Sewer services	2,192,666	2,269,834	2,239,603
	17,195,235	19,317,598	18,611,245
Annual surplus	5,199,148	4,434,216	3,205,035
Accumulated surplus, beginning of year	98,035,507	98,035,507	94,830,472
Accumulated surplus, end of year	\$ 103,234,655	\$ 102,469,723	\$ 98,035,507

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

Town of Comox
Statement of Financial Information
Schedule of Debts
Notes 5 to 7 of the Consolidated Financial Statements
Year Ended December 31, 2017

5. PAYABLES

Payables are composed of the following amounts:

	2017	2016
Wages payable	\$ 195,855	\$ 176,649
Governments	1,645,590	1,702,434
Trade & Other	358,996	641,584
Total payables	\$ 2,200,441	\$ 2,520,667

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, 2017 are:

Issued / Bylaw #	Purposes of Borrowing	Terms	Interest Rate	Amount Borrowed	Sinking Fund	Net Owing	Debt Reserve	Promissory Note
Apr 2004 B/L #2426	Kye Bay Water & Sewer system	19 years	2.40%	\$ 317,250	\$ 208,683	\$ 108,567	\$ 5,083	\$ 9,731
Oct 2004 B/L #1407	Downtown Revitalization	14 years	2.00%	475,000	\$ 429,299	45,701	7,480	19,272
Apr 2008 B/L #1520	Pt. Holmes Water	14 years	4.65%	270,000	\$ 156,209	113,791	3,654	10,958
Apr 2011 B/L #1607	Comox Rec. Centre	7 years	4.20%	1,000,000	\$ 839,798	160,202	12,265	74,305
Total at December 31, 2017				\$ 2,062,250	\$ 1,633,989	\$ 428,261	\$ 28,482	\$ 114,266
Total at December 31, 2016				\$ 4,162,250	\$ 3,229,449	\$ 932,801	\$ 55,810	\$ 245,468

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

Year	Schedule Annual Payments			Sinking Fund	Net Debt
	Principal	Interest	Total	Actuarial Earnings	Outstanding
2018	\$ 174,071	\$ 49,259	\$ 223,330	\$ 68,802	\$ 185,388
2019	23,225	18,759	41,984	15,383	146,780
2020	23,225	18,759	41,984	17,095	106,459
2021	23,225	18,759	41,984	18,884	64,350
2022	23,225	12,482	35,707	20,753	20,371

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.

Town of Comox

Statement of Financial Information

Schedule of Debts

Notes 5 to 7 of the Consolidated Financial Statements

Year Ended December 31, 2017

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, 2017 the Comox Valley Regional District had net debt of \$31,272,596 owing (\$36,029,834 at December 31, 2016) which is \$76,773,019 in debt issues net of \$45,500,423 sinking funds at December 31, 2016 (\$78,039,519 net of \$42,009,686 sinking funds at December 31, 2016) 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 (\$28,482 at December 31, 2017; \$55,810 in 2016), plus Promissory Notes issued by the Town at the time of issue (\$114,266 at December 31, 2017; \$245,468 in 2016).

(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, 2017 the District's share of those tangible capital assets (at cost and net book value) were \$985,511 and \$456,909 respectively (\$898,154 and \$353,751 in 2016) and its share of a Fire Department Capital Reserve was \$72,116 (\$101,535 in 2016).

(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
Statement of Financial Information
Remuneration & Expenses for Elected Officials
Year Ended December 31, 2017

Schedule 1

	Remuneration	Expenses
Russ Arnott, Councillor	17,311	\$ 4,244
Ken Grant, Councillor	17,311	3,891
Marg Grant, Councillor	17,311	1,638
Paul Ives, Mayor	32,270	12,065
Hugh MacKinnon, Councillor	17,311	2,576
Barbara Price, Councillor	17,311	3,091
Maureen Swift, Councillor	<u>17,311</u>	<u>4,243</u>
	<u>\$ 136,136</u>	<u>\$ 31,749</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 Year Ended December 31, 2017
- 2) \$ 300 weekly indemnity for total disability
- 3) \$ 3,000 additional medical expense

Town of Comox
Statement of Financial Information
Remuneration & Expenses for Employees Earning over \$75,000
Year Ended December 31, 2017

Schedule 2

	Remuneration	Expenses
Gail Andestad, Planner 2	\$ 78,359	2,702
Debra Andrew, Deputy Director of Finance	89,542	4,174
Shelley Ashfield, Municipal Engineer	102,805	2,113
Regina Bozerocka, Planner 1	77,019	418
Cory Brooks, Fire Department Assistant	80,096	1,997
Al Fraser, Parks Superintendent	95,082	3,270
Brett Green, Foreman	97,620	508
Donald Jacquest, Director of Finance	120,758	1,862
Kyle Jorgensen, Maintenance Operator	77,924	290
Marvin Kamenz, Town Planner	109,730	3,725
Richard Kanigan, Administrator	137,651	9,337
Jim Lariviere, Assistant Fire Chief	95,961	2,050
Joel Louke, Utility Operator	77,281	2,403
Ian Rogers, Building Inspector	75,825	1,561
Shelly Russwurm, Deputy Corporate Administrator	94,192	1,777
Gord Schreiner, Fire Chief	108,988	4,577
Andrew Scott, Equipment Operator	75,323	395
Rick Shelton, Assistant Fire Chief	104,211	1,185
Robert Stevens, Fire Department Assistant	78,183	691
Glenn Westendorp, Public Works Superintendent	<u>99,728</u>	<u>400</u>
subtotal	1,876,277	45,434
all employees under \$75,000	3,312,539	43,961
Total for all employees	<u>\$ 5,188,816</u>	<u>\$ 89,395</u>

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

Total employee remuneration (above) less taxable benefits	\$ 5,079,161
Plus Council remuneration (Schedule 1)	136,136
Increase to Accrued Payroll & Post-Employment Benefits in year	13,230
Plus employee benefits included in Disbursements (Schedule 3)	<u>1,060,482</u>
Salaries, wages and employee benefits reported on Schedule 1 of the Consolidated Financial Statements for the Town of Comox	<u>\$ 6,289,009</u>

NOTES:

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

Town of Comox

Schedule 3

Statement of Financial Information
Schedule of Disbursements over \$25,000
Year Ended December 31, 2017

475816 BC Ltd	33,109.30
Above & Beyond Tree Service	28,271.25
Andrew Sheret Limited	125,517.72
B C Assessment Authority	133,632.40
B C Hydro	418,283.55
Big Island Building Services Ltd.	42,894.66
Black Press Group Ltd.	39,994.33
Chimo Gymnastics Club	341,024.55
City of Courtenay	31,307.12
Cohlmeyer Architecture Limited	38,504.65
Comox Business In Action	72,900.00
Comox Firefighters Association	33,556.15
Comox Valley Martial Arts & Fitness	37,513.17
Comox Valley Regional District	7,149,606.39
Comox-Strathcona Regional Hospital Dist	2,129,364.30
Corix Water Products Limited Partnership	105,856.76
Crown Contracting Limited	462,199.51
CUPE Local 556	51,183.13
Edgett Excavating Ltd.	88,552.04
Emterra Environmental	767,822.00
Enex Fuels Ltd.	57,573.95
Fort Garry Fire Trucks Ltd	507,756.37
GCS Technology Services Inc.	113,554.52
Guillevin International Inc.	43,592.52
Hand-In-Hand Early Years	56,727.36
Hazelwood Construction Services	187,320.11
Hetek Solutions Inc.	70,805.23
ICBC Insurance Corporation of BC	33,456.00
Kinetic Construction Ltd	1,201,702.51
Lacasse Construction Ltd	275,677.47
Lafarge Canada Inc	71,918.56
Leighton Contracting (2009)Ltd	1,418,867.19
Martin Hagarty Architect Ltd	33,111.33
McElhanney Consulting Services	197,598.65
Minister Of Finance	1,453,641.72
MNP LLP	34,783.87
Municipal Insurance Assn Of B.C.	91,947.73
Municipal Pension Plan	804,135.61
Nilson, Birgit	58,097.10
Pacific Blue Cross/ BC Life	375,702.43
Peninsula Co-op	51,195.61
PerfectMIND Inc.	28,168.70
Progressive Systems Ltd	40,548.74
Receiver General For Canada	2,581,652.21
Scotiabank Visa	127,012.60
Silvacare Inc	30,032.14
Susan Wood Communications	26,250.00
Tayco Paving Co Ltd	40,561.74
Telus	30,940.58

Town of Comox
Statement of Financial Information
Schedule of Disbursements over \$25,000
Year Ended December 31, 2017

Schedule 3

Temple Consulting Group Ltd	38,261.86
Thomson, Steve	49,928.57
Trane Canada ULC	40,960.04
Vancouver Island Regional Library	622,696.00
Western Traffic Ltd	37,993.54
Willis Canada Inc	93,273.00
Worksafe BC	87,315.18
Young, Anderson	103,799.71
	subtotal
	23,249,653.43
Plus all payees disbursed under \$25,000	<u>1,886,275.22</u>
Total disbursements, all payees	<u><u>25,135,928.65</u></u>
 <u>Reconciliation to Total Expenditures reported in Financial Statement:</u>	
Total Disbursements for all payees (reported above)	25,135,928.65
Plus Council & Employee remuneration (Sch. 1 and Sch. 2)	5,228,527.06
Less remittances of property taxes collected for others (net of offsets) not included in expenditures on the Financial Statements	(6,923,028.47)
Less long term debt principal payments not included in expenditures on the Financial Statements	(372,507.00)
Less employees share of payroll disbursements not included in expenditures on the Financial Statements	(1,585,362.13)
Less GST recoveries from disbursements in year	(387,138.01)
Less expenditures on tangible capital assets	(4,352,242.00)
Plus amortization expense from tangible capital assets	2,988,987.00
Less DCCs, development bonds and deposits refunded in year	(138,579.43)
Less changes in other asset & liability accounts included in expenses on the Financial Statements	<u>(276,987.67)</u>
Total Expenses reported on Statement 2 and Schedules 1 & 6 of the Consolidated Financial Statements for the Town of Comox	<u><u>19,317,598.00</u></u>

Town of Comox
Statement of Financial Information
Year Ended December 31, 2017
Schedule of Payments for Grants or Contributions

Schedule 4

Recipient of Grant or Contribution		Purpose of Grant
Citizens On Patrol Society	\$ 4,700	Operation of Society
City of Courtenay	547	Skateboard Park Maintenance
Comox Archives & Museum Society	24,996	Operation of Society
Comox Business in Action Association	72,900	Business Improvement Area
Comox Nautical Days Committee	24,000	Festival Operations
Comox Valley Art Gallery	5,000	Gallery Operations
Comox Valley Community Policing	6,150	Auxiliaries & Crime Prevention
Comox Valley Land Trust	1,500	Eco-Asset Symposium
Comox Valley Regional District	29,207	Emergency Preparedness
Hosegrove, Livia	500	Mack Laing Bursary
Sid William Theatre Society	<u>20,000</u>	Theatre Operations
	<u>\$ 189,500</u>	

Town of Comox
Statement of Financial Information
Preparation and Approval of Report
Year Ended December 31, 2017

Schedule 5

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.

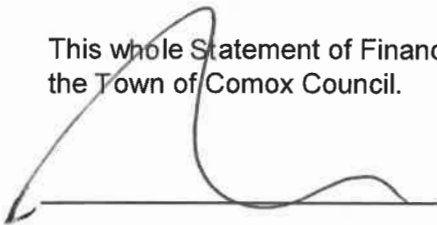


2018-06-20

Date

Clive Freundlich, Director of Finance

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



2018-06-20

Date

Paul Ives, Mayor

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017



Comox Fire Rescue – Emergency Response

Town of Comox

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Year Ended December 31, 2017

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5. Schedule of Tangible Capital Assets
6. Schedule of Operations by Segment (2017)
7. Schedule of Operations by Segment (2016)

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.



Clive Freundlich, CPA, CGA
Director of Finance

Independent Auditors' Report

To the Mayor and Council of Town of Comox:

We have audited the accompanying consolidated financial statements of Town of Comox, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations, changes in net financial assets, cash flows and the 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 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 Town of Comox as at December 31, 2017 and the results of its operations changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Courtenay, British Columbia

May 9, 2018

MNP LLP

Chartered Professional Accountants

Town of Comox
 Consolidated Statement of Financial Position
 as at December 31, 2017

	2017	2016
Financial Assets:		
Cash	\$ 5,698,893	\$ 3,816,826
Short-term investments (Note 2b)	21,175,351	19,632,609
Receivables (Note 4)	818,127	995,799
Land for resale	9,847	9,847
	<u>27,702,218</u>	<u>24,455,081</u>
Financial Liabilities:		
Payables (Note 5)	2,200,441	2,520,667
Deferred revenue (Schedule 3)	1,116,418	1,131,025
Restricted Revenue (Schedule 3)	5,461,207	5,554,099
Deposits	1,488,671	1,302,656
Net debenture debt (Note 6)	428,261	932,801
Future Payroll Obligations (Note 9)	916,151	922,127
	<u>11,611,149</u>	<u>12,363,375</u>
Net Financial Assets	<u>16,091,069</u>	<u>12,091,706</u>
Non-financial assets:		
Tangible capital assets (Schedule 5)	86,033,960	85,664,830
Supply inventory	258,153	212,026
Prepaid expenses	77,791	58,195
Shares in Courtenay Golf Club Ltd.	8,750	8,750
	<u>86,378,654</u>	<u>85,943,801</u>
Accumulated surplus (Note 18)	\$ 102,469,723	\$ 98,035,507

Contingent liabilities (Note 7)



Clive Freundlich, CPA, CGA

Director of Finance, responsible for financial administration for the Town of Comox

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

Town of Comox
Consolidated Statement of Operations
Year Ended December 31, 2017

	Budget	2017	2016
	(Note 17)		
Revenue			
Property valuation tax	\$ 8,078,123	\$ 8,074,336	\$ 7,861,808
Parcel taxes	638,431	632,758	629,109
Payments in-lieu of taxes	1,449,962	1,438,582	1,453,520
Revenue from taxation	10,166,516	10,145,676	9,944,437
Utility fees	6,303,641	6,340,136	6,147,154
Other sale of service	2,509,747	2,992,305	2,434,644
Licences, permits & planning fees	226,750	253,812	266,343
Developer cost charges applied	444,776	168,144	8,759
Tangible capital assets contributed	-	-	30,825
Donations	201,400	91,844	26,300
Investment income	120,000	224,524	173,075
Penalties and interest on taxes	64,500	57,734	54,163
Actuarial earnings on sinking fund	-	132,033	112,090
Rentals	126,476	146,302	136,837
Other	48,100	1,061,990	41,857
Gain on disposal of assets	-	230,874	33,000
Unconditional Grants	390,000	376,918	387,149
Conditional Grants	1,792,477	1,529,522	2,019,647
	22,394,383	23,751,814	21,816,280
Expenses			
General government	1,593,478	1,768,377	1,685,432
Protective services	3,109,515	2,831,500	2,724,527
Solid waste management	1,400,889	1,372,988	1,353,934
Development services	558,961	439,468	445,166
Transportation	1,779,512	3,399,093	3,171,175
Parks, recreation, and culture	4,055,471	4,447,934	4,334,680
Marina	169,537	228,496	234,981
Water services	2,335,206	2,559,908	2,421,747
Sewer services	2,192,666	2,269,834	2,239,603
	17,195,235	19,317,598	18,611,245
Annual surplus	5,199,148	4,434,216	3,205,035
Accumulated surplus, beginning of year	98,035,507	98,035,507	94,830,472
Accumulated surplus, end of year	\$ 103,234,655	\$ 102,469,723	\$ 98,035,507

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

Town of Comox

Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2017

	Budget	2017	2016
	(Note 17)		
Surplus for the year	\$ 5,199,148	\$ 4,434,216	\$ 3,205,035
Tangible capital assets contributed		-	(30,825)
Acquisition of tangible capital assets	(7,690,724)	(4,352,242)	(4,252,451)
Amortization of tangible capital assets		2,988,987	2,914,818
Disposition of tangible capital assets		994,125	-
	(2,491,576)	4,065,086	1,836,577
(Increase) / decrease in supply inventory		(46,127)	30,223
Increase in prepaid expenses		(19,596)	(2,751)
	-	(65,723)	27,472
Increase / (decrease) in Net Financial Assets	(2,491,576)	3,999,363	1,864,049
Net Financial Assets at beginning of year	12,091,706	12,091,706	10,227,657
Net Financial Assets at end of year	\$ 9,600,130	\$ 16,091,069	\$ 12,091,706

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

Town of Comox
Consolidated Statement of Cash Flows
as at December 31, 2017

	2017	2016
Net inflow (outflow) of cash related to the following activities:		
Operating activities:		
Surplus for the year	\$ 4,434,216	\$ 3,205,035
Non-cash items included in operations:		
Contribution from developers	-	(30,825)
Amortization of tangible capital assets	2,988,987	2,914,818
Disposition of tangible capital assets	994,125	-
Actuarial adjustment on debt	(132,033)	(112,090)
Net changes to financial assets & liabilities through operations:		
Decrease in receivables	177,672	120,818
Increase / (Decrease) in payables	(320,226)	234,446
Increase / (Decrease) in deferred revenue	(14,607)	48,958
Increase / (Decrease) in development cost charges	(92,892)	202,660
Increase in other deposits	186,015	34,559
Increase / (Decrease) in future payroll obligations	(5,976)	20,429
(Increase) / Decrease in supply inventory	(46,127)	30,223
Increase in prepaid expenses	(19,596)	(2,751)
	8,149,558	6,666,280
Investing Activities		
Short-term investing	(1,542,742)	(7,647,273)
Capital Activities		
Acquisition of tangible capital assets	(4,352,242)	(4,252,451)
Financing activities:		
Debenture principal repaid	(372,507)	(372,506)
Increase / (Decrease) in cash and cash equivalents	1,882,067	(5,605,950)
Cash and cash equivalents, beginning of year	3,816,825	9,422,775
Cash and cash equivalents, end of year	\$ 5,698,892	\$ 3,816,825
Supplemental cash flow information		
Interest paid	\$ 86,674	\$ 153,104
Interest received	\$ 224,524	\$ 173,075

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

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

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 1.55% that matures January 22, 2018.

Short-term Investments	2017	2016
Municipal Finance Authority of BC Funds:		
Short-term Bond Fund	\$ 47,857	\$ 48,346
Intermediate Bond Fund	5,727,080	5,682,509
Money Market Fund	9,358,628	7,867,993
	15,133,565	13,598,848
Scotiabank Guaranteed Investment Certificate	6,041,786	6,033,761
	\$ 21,175,351	\$ 19,632,609

(c) Trust Fund

A Town-administered trust fund has been excluded from the financial statements. The balance in the fund was \$ 255,970 at December 31, 2017 (\$ 77,776 in 2016). It was invested in the MFA Short-term Bond Fund in 2017 and 2016. The only transactions in the fund were a contribution from the Town (\$178,000) and interest earned (\$194 in 2017 and \$1,104 in 2016).

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

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	\$ 10,000	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-surface	\$ 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) Future Payroll Obligations

- 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.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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, 2017.

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. As at December 31, 2017 the Town has not recorded any liability for contaminated sites as no such sites have been identified.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 PRONOUNCEMENT

(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.

(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.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

3. RECENT ACCOUNTING PRONOUNCEMENT (continued)

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

For the year ended December 31, 2017

3. RECENT ACCOUNTING PRONOUNCEMENT (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.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

3. RECENT ACCOUNTING PRONOUNCEMENT (continued)

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.

4. RECEIVABLES

Receivables are composed of the following amounts:

	2017	2016
Employees	\$ 1,487	\$ 1,219
Governments	200,316	394,671
Other	616,324	599,909
Total receivables	\$ 818,127	\$ 995,799

5. PAYABLES

Payables are composed of the following amounts:

	2017	2016
Wages payable	\$ 195,855	\$ 176,649
Governments	1,645,590	1,702,434
Trade & Other	358,996	641,584
Total payables	\$ 2,200,441	\$ 2,520,667

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

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, 2017 are:

Issued / Bylaw #	Purposes of Borrowing	Terms	Interest Rate	Amount Borrowed	Sinking Fund	Net Owing	Debt Reserve	Promissory Note
Apr 2004	Kye Bay Water							
B/L #2426	& Sewer system	19 years	2.40%	\$ 317,250	\$ 208,683	\$ 108,567	\$ 5,083	\$ 9,731
Oct 2004	Downtown							
B/L #1407	Revitalization	14 years	2.00%	475,000	\$ 429,299	45,701	7,480	19,272
Apr 2008	Pt. Holmes							
B/L #1520	Water	14 years	4.65%	270,000	\$ 156,209	113,791	3,654	10,958
Apr 2011	Comox Rec.							
B/L #1607	Centre	7 years	4.20%	1,000,000	\$ 839,798	160,202	12,265	74,305
Total at December 31, 2017				\$ 2,062,250	\$ 1,633,989	\$ 428,261	\$ 28,482	\$ 114,266
Total at December 31, 2016				\$ 4,162,250	\$ 3,229,449	\$ 932,801	\$ 55,810	\$ 245,468

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

Year	Schedule Annual Payments			Sinking Fund	Net Debt
	Principal	Interest	Total	Actuarial Earnings	Outstanding
2018	\$ 174,071	\$ 49,259	\$ 223,330	\$ 68,802	\$ 185,388
2019	23,225	18,759	41,984	15,383	146,780
2020	23,225	18,759	41,984	17,095	106,459
2021	23,225	18,759	41,984	18,884	64,350
2022	23,225	12,482	35,707	20,753	20,371

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.

Town of Comox

Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

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, 2017 the Comox Valley Regional District had net debt of \$31,272,596 owing (\$36,029,834 at December 31, 2016) which is \$76,773,019 in debt issues net of \$45,500,423 sinking funds at December 31, 2016 (\$78,039,519 net of \$42,009,686 sinking funds at December 31, 2016) 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 (\$28,482 at December 31, 2017; \$55,810 in 2016), plus Promissory Notes issued by the Town at the time of issue (\$114,266 at December 31, 2017; \$245,468 in 2016).

(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, 2017 the District's share of those tangible capital assets (at cost and net book value) were \$985,511 and \$456,909 respectively (\$898,154 and \$353,751 in 2016) and its share of a Fire Department Capital Reserve was \$72,116 (\$101,535 in 2016).

(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
For the year ended December 31, 2017

8. PENSION INFORMATION

The Town of Comox and its employees contribute to the Municipal Pension 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 pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1.927 billion was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Town of Comox paid \$438,793 for employer contributions to the plan in 2017, on behalf of 72 employees (\$422,304 in 2016 on behalf of 68 employees).

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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

9. FUTURE PAYROLL OBLIGATIONS

The Town calculates the value of vacation, sick, severance, and meritorious service accruals to be \$916,151 at December 31, 2017 (\$922,127 in 2016).

Vacation Accrual is calculated to be \$482,158 at December 31, 2017 (\$475,827 in 2016). Sick, Severance, & Meritorious Service is calculated to be \$433,993 at December 31, 2017 (\$466,300 in 2016).

Meritorious Service is for 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 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 2.90% (2% and 2.85% respectively in 2016). Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.

Town of Comox

Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

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. RESTRICTION 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.

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 2017 Financial Plan Council budgeted a \$250,000 repayment of the transfer.

Town of Comox

Notes to the Consolidated Financial Statements
For the year ended December 31, 2017

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 2017 and 2016, 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

For the year ended December 31, 2017

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:	2017	2016
Opening balance at start of year	\$ 2,820,266	\$ 2,680,459
Transfers received during year	635,339	627,350
Interest on investments	29,061	22,393
Draws to fund eligible projects	(675,426)	(509,936)
Closing balance at end of year	\$ 2,809,240	\$ 2,820,266

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 2017 BUDGET

The Town's budget figures come from a five-year Financial Plan adopted May 4, 2017 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 Towns 2017 Financial Plan:

Reconciliation of 2017 Budget Reported to Financial Plan:	
Net budget for 2017 reported	\$ 5,199,148
Capital acquisitions in Financial Plan	(7,690,724)
Transfers from capital reserves in Financial Plan	1,022,750
Transfers to capital reserves in Financial Plan	(1,074,101)
Surplus appropriated for operations in Financial Plan	2,915,436
Debt principal repayments in Financial Plan	(372,509)
Net of Financial Plan	\$ -

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2017

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	2017	2016
Operating Funds:		
General Operating Fund	\$ 3,117,749	\$ 3,007,275
Water Operating Fund	924,924	840,107
Sanitary Sewer Operating Fund	2,340,026	2,068,319
	<u>6,382,699</u>	<u>5,915,701</u>
Capital Funds:		
General Capital Fund	67,669,246	65,640,816
Water Capital Fund	9,296,772	9,335,012
Sanitary Sewer Capital Fund	8,648,430	9,764,952
	<u>85,614,449</u>	<u>84,740,780</u>
Reserve Funds (Schedule 2)	10,472,575	7,379,026
Net of Financial Plan	<u>\$ 102,469,723</u>	<u>\$ 98,035,507</u>

19. COMPARATIVE FIGURES

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

Town of Comox

Schedule of Expenses by Object (Type)

Year ended December 31, 2017

Schedule 1

	Budget	2017	2016
	(Note 17)		
Expenses			
Salaries, wages and employee benefits	\$ 6,490,637	\$ 6,289,009	\$ 5,926,721
Contracted and general services	7,914,018	7,398,114	6,995,560
Materials, goods, supplies and utilities	2,667,705	2,536,055	2,414,142
Interest and bank charges	107,875	105,433	171,863
Amortization of tangible capital assets	-	2,988,987	2,914,818
Other	15,000	-	188,141
	\$ 17,195,235	\$ 19,317,598	\$ 18,611,245

Town of Comox

Schedule of Continuity of Reserve Funds
 Year ended December 31, 2017

Schedule 2

	2017	2016
Opening Balance of Reserve Funds	\$ 7,379,026	\$ 6,216,390
Contributions to funds from operations	3,862,440	1,859,826
Interest earned on funds	77,214	57,746
Withdrawals from funds for capital acquisitions	(846,105)	(754,936)
Closing balance of Reserve Funds (Note 18)	\$ 10,472,575	\$ 7,379,026

Represented by the following financial assets:

Cash and short-term investments	\$ 10,472,575	\$ 7,379,026
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Including the following Reserve Funds:

Federal Gas Tax (Community Works) Funds (Note 16)	\$ 2,809,240	\$ 2,820,266
Capital Works Reserve	86,228	65,589
Equipment Replacement Reserve	646,782	491,989
Municipal Marina Reserve	375,525	287,722
Water Utility Reserve	528,195	518,192
Sewer Enterprise Reserve (Note 14)	5,060,199	2,305,194
Lancaster Sewer Lift Station Capital Reserve	76,663	67,793
Point Holmes Sewer Lift Station Capital Reserve	50,558	41,940
Waterfront Walkway Reserve	323	319
Affordable Housing Reserve	173,276	169,747
Fire Department Capital Reserve - Town Share	190,181	257,895
Public Safety Reserve	403,289	250,845
	10,400,459	7,277,491
Fire Department Capital Reserve CFPID share (Note 7c)	72,116	101,535
	\$ 10,472,575	\$ 7,379,026

Town of Comox

Schedule of Deferred and Restricted Revenue Continuity
 Year ended December 31, 2017

Schedule 3

	2016				Recognized	2017
	Balance	Receipts	Interest	Refunded	as Revenue	Balance
Deferred Revenue						
Prepaid property taxes	\$ 735,752	\$ 750,050	\$ 4,756	\$ -	\$ 738,433	\$ 752,125
Prepaid parcel tax commutation - Kye Bay Water / Sewer	7,662	-	-	-	-	7,662
Prepaid Storm Drainage Development Works Payment	26,858	-	-	26,858	-	-
Prepaid recreation fees	274,325	275,339	-	-	272,442	277,222
Prepaid marina fees	69,088	70,156	-	-	69,088	70,156
Prepaid dog tags	1,490	1,483	-	-	1,490	1,483
Prepaid business licenses	100	100	-	-	100	100
Prepaid property rents	7,000	-	-	-	7,000	-
Prepaid administration fees	1,080	-	-	-	1,080	-
Prepaid environmental mitigation	7,670	-	-	-	-	7,670
Total Deferred Revenue	1,131,025	1,097,128	4,756	26,858	1,089,633	1,116,418
Restricted Revenue						
<u>Development Charges:</u>						
Open Space Development Cost Charges	2,612,899	6,634	20,554	-	10,106	2,629,981
Water Development Cost Charges	1,169,733	-	9,187	-	1,055	1,177,865
Major Road Development Cost Charges	220,072	9,532	1,759	-	-	231,363
Storm Drain Development Cost Charges	814,187	-	6,394	-	156,983	663,598
Sanitary Sewer Development Cost Charges	84,160	3,767	677	-	-	88,604
	4,901,051	19,933	38,571	-	168,144	4,791,411
<u>Other Restricted Revenue</u>						
5% Payment in Lieu of Parks Dedication	393,776	-	3,093	-	-	396,869
Developer Payments in Lieu of Parking	29,630	-	232	-	-	29,862
Developer Payments for Affordable Housing	229,642	13,423	-	-	-	243,065
	653,048	13,423	3,325	-	-	669,796
Total Restricted Revenue	5,554,099	33,356	41,896	-	168,144	5,461,207
	\$ 6,032,076	\$ 1,117,061	\$ 43,327	\$ 26,858	\$ 1,257,777	\$ 5,907,829

Town of Comox

Continuity of Equity in Tangible Capital Assets
Year ended December 31, 2017

Schedule 4

	2017	2016
Opening balance of equity in Tangible Capital Assets	\$ 84,740,780	\$ 82,887,726
Changes in Capital Assets		
Acquisitions of tangible capital assets	4,352,242	4,252,451
Tangible capital assets acquired through development	-	30,825
Write-offs of assets replaced (at NBV)	(994,125)	-
Amortization expense	(2,988,987)	(2,914,818)
Changes in related liabilities		
Principal payment on debenture (to sinking fund)	372,506	372,506
Actuarial earnings on debenture sinking fund	132,033	112,090
Closing Balance of Equity in Tangible Capital Assets	\$ 85,614,449	\$ 84,740,780

Represented by the following:

Capital assets at cost (Schedule 5)	\$ 130,292,814	\$ 127,263,830
Less accumulated amortization	(44,258,854)	(41,598,999)
Tangible capital assets at net book value	86,033,960	85,664,831
Net debenture debt (Note 6)	(428,261)	(932,801)
Shares in Courtenay Golf Club Ltd.	8,750	8,750
	\$ 85,614,449	\$ 84,740,780

Town of Comox
Schedule of Tangible Capital Assets
Year ended December 31, 2017

Schedule 5

	Engineering Structures														Total	2016
	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	Assets not yet in use				
COST																
Opening 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	\$ 123,248,341		
Add: Acquisitions and cost adjustments	-	-	1,333,428	507,368	168,996	1,144,326	229,247	-	703,243	144,109	47,474	74,049	4,352,242	4,283,278		
Add/(Less): Assets put to use	-	-	1,075,243	-	-	138,882	-	-	40,497	42,836	-	(1,297,458)	-	-		
Less: Write-downs and disposals at cost	-	-	-	(205,043)	-	(16,982)	(12,789)	-	-	(2,521)	(1,085,923)	-	(1,323,258)	(267,789)		
Closing balance	8,985,177	1,389,260	18,969,167	5,168,637	3,420,634	42,372,169	22,485,591	1,139,716	3,189,938	11,398,625	11,576,221	197,679	130,292,814	127,263,830		
ACCUMULATED AMORTIZATION																
Opening balance	-	863,966	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	-	41,598,999	38,951,971		
Add: Amortization	-	42,145	371,491	340,532	287,203	1,194,793	310,350	43,309	94,352	150,766	154,046	-	2,988,987	2,914,818		
Less: Accumulated amortization on write-downs	-	-	-	(203,901)	-	(16,982)	(10,998)	-	-	(2,168)	(95,084)	-	(329,133)	(267,789)		
Closing balance	-	906,111	3,769,326	2,894,283	2,205,834	19,776,564	6,342,935	644,644	1,079,828	3,156,894	3,482,434	-	44,258,854	41,599,000		
Net Book Value for the year ended December 31, 2017	\$ 8,985,177	\$ 483,149	\$ 15,199,841	\$ 2,274,354	\$ 1,214,800	\$ 22,595,605	\$ 16,142,656	\$ 495,072	\$ 2,110,110	\$ 8,241,731	\$ 8,093,787	\$ 197,679	\$ 86,033,960	\$ 85,664,830		

Town of Comox
 Schedule of Operations by Segment
 Year ended December 31, 2017

Schedule 6

	General Government	Protective Services	Waste Disposal	Development Services	Transportation	Parks, Recreation & Culture	Marina	Water	Sanitary Sewer	Total All Segments	2017 Budget
Revenue											
Property valuation tax	\$ 7,984,564	\$ -	\$ -	\$ 72,901	\$ 16,871	\$ -	\$ -	\$ -	\$ -	\$ 8,074,336	\$ 8,078,123
Parcel taxes	-	-	-	-	20,974	-	-	298,809	312,975	632,758	638,431
Payments in-lieu of taxes	1,438,582	-	-	-	-	-	-	-	-	1,438,582	1,449,962
Utility fees	-	-	1,437,447	-	-	-	-	2,434,890	2,467,799	6,340,136	6,303,641
Other sale of service	90,776	804,929	-	-	12,313	1,717,732	366,555	-	-	2,992,305	2,509,747
Licences, permits & planning fees	93,977	118,224	-	41,611	-	-	-	-	-	253,812	226,750
Developer cost charges applied	-	-	-	-	167,089	-	-	1,055	-	168,144	444,776
Tangible capital assets contributed	-	-	-	-	-	-	-	-	-	-	-
Donations	8,625	-	-	-	-	83,219	-	-	-	91,844	201,400
Investment income	150,839	5,945	-	-	29,712	-	2,803	5,048	30,177	224,524	120,000
Penalties and interest on taxes	57,734	-	-	-	-	-	-	-	-	57,734	64,500
Actuarial earnings on sinking fund	-	-	-	-	19,289	100,568	-	8,589	3,587	132,033	-
Rentals	-	-	-	-	-	146,302	-	-	-	146,302	126,476
Other	57,869	-	-	-	2,212	-	-	-	1,001,909	1,061,990	48,100
Gain on disposal of assets	-	18,857	-	-	(1,791)	-	-	(353)	214,161	230,874	-
Unconditional Grants	314,941	61,380	-	597	-	-	-	-	-	376,918	390,000
Conditional Grants	-	17,100	-	-	1,481,650	30,772	-	-	-	1,529,522	1,792,477
	10,197,907	1,026,435	1,437,447	115,109	1,748,319	2,078,593	369,358	2,748,038	4,030,608	23,751,814	22,394,383
Expenses											
Employees	1,268,353	1,046,394	48,936	329,684	1,029,703	2,209,888	84,120	208,099	63,832	6,289,009	6,490,637
Services	431,609	1,499,432	1,321,248	108,008	229,001	1,386,415	82,979	325,749	2,013,673	7,398,114	7,914,018
Materials	36,287	141,690	2,804	1,776	307,753	332,204	11,257	1,694,512	7,772	2,536,055	2,667,705
Interest	4,809	-	-	-	9,500	72,365	-	15,455	3,304	105,433	107,875
Amortization	27,319	143,984	-	-	1,823,136	447,062	50,140	316,093	181,253	2,988,987	-
Other	-	-	-	-	-	-	-	-	-	-	15,000
	1,768,377	2,831,500	1,372,988	439,468	3,399,093	4,447,934	228,496	2,559,908	2,269,834	19,317,598	17,195,235
Surplus for the year	\$ 8,429,530	\$ (1,805,065)	\$ 64,459	\$ (324,359)	\$ (1,650,774)	\$ (2,369,341)	\$ 140,862	\$ 188,130	\$ 1,760,774	\$ 4,434,216	\$ 5,199,148

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

Schedule 7

	General Government	Protective Services	Waste Disposal	Development Services	Transportation	Parks, Recreation & Culture	Marina	Water	Sanitary Sewer	Total All Segments	2016 Budget
Revenue											
Property valuation tax	\$ 7,772,034	\$ -	\$ -	\$ 72,899	\$ 16,875	\$ -	\$ -	\$ -	\$ -	\$ 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 sale of service	31,692	416,084	-	-	25,980	1,615,332	345,556	-	-	2,434,644	2,390,621
Licences, permits & planning fees	88,587	130,371	-	47,385	-	-	-	-	-	266,343	210,250
DCC's used for capital acquisitions	-	-	-	-	-	-	-	8,759	-	8,759	292,050
TCA acquired through developers	-	-	-	-	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	115,000
Penalties and interest on taxes	54,163	-	-	-	-	-	-	-	-	54,163	88,000
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 assets	-	-	-	-	33,000	-	-	-	-	33,000	-
Unconditional Grants	313,530	73,619	-	-	-	-	-	-	-	387,149	415,000
Conditional Grants	-	16,600	-	-	1,806,753	196,294	-	-	-	2,019,647	2,958,821
	9,872,328	640,127	1,431,527	120,284	1,968,203	2,053,961	347,440	2,592,604	2,789,807	21,816,280	22,672,547
Expenses											
Employees	1,174,749	931,219	55,904	335,903	905,755	2,157,932	75,036	218,283	71,940	5,926,721	6,213,608
Services	261,945	1,491,177	1,298,030	105,653	169,649	1,320,290	92,489	335,259	1,921,068	6,995,560	7,761,819
Materials	52,699	173,926	-	3,611	257,339	311,443	17,317	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	4,003	128,205	-	-	1,828,932	405,306	50,138	302,836	195,398	2,914,818	-
Other	188,141	-	-	-	-	-	-	-	-	188,141	15,000
	1,685,432	2,724,527	1,353,934	445,167	3,171,175	4,334,680	234,980	2,421,747	2,239,603	18,611,245	16,593,437
Surplus for the year	\$ 8,186,896	\$ (2,084,400)	\$ 77,593	\$ (324,883)	\$ (1,202,972)	\$ (2,280,719)	\$ 112,460	\$ 170,857	\$ 550,204	\$ 3,205,035	\$ 6,079,110

PERMISSIVE PROPERTY TAX EXEMPTIONS



*Pedestrians & pets enjoying the new boardwalk – Marina Park
(next to Award Winning Twin Sail Buildings)*

Town of Comox

Effect of Permissive Exemptions on 2018 Taxation

Description of Property	Folio Number	Exemption Requested	Exemption in Bylaw	Actual Value of Property	Taxable Value of Property	Effect of Tax Exemption Bylaw	Property Class	Town General	Total Taxes Exempted
				Per Revised Roll	Per Revised Roll	Per Revised Roll Exc. Stat. Exemptions			
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	4,002.11	7,609.19
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>	1,893,000	-	1,883,000	6	20,343.18	42,060.39
				22,100	-	12,100	6	130.72	270.27
				2,736,000 <i>all of property</i>	- <i>all of property</i>	2,736,000 <i>all of property</i>	8	15,985.08	30,392.31
Comox Archives & Museum	279.004	All of land & building occupied	All of land & building occupied	141,000 <i>all of property</i>	- <i>all of property</i>	131,000 <i>all of property</i>	6	1,415.27	2,926.14
Pearl Ellis Art Gallery	279.005	All of land & building occupied	All of land & building occupied	140,900 <i>all of property</i>	- <i>all of property</i>	130,900 <i>all of property</i>	6	1,414.19	2,923.89
Lion's Den	279.006	All of land & building occupied	All of land & building occupied	310,000 <i>all of property</i>	- <i>all of property</i>	300,000 <i>all of property</i>	6	3,241.08	6,701.07
Unity Comox Valley	279.008	All of land & building occupied	All of land & building occupied	86,400 <i>all of property</i>	- <i>all of property</i>	76,400 <i>all of property</i>	6	825.40	1,706.54
Tigger Too Day Care	492.001	All of land & building	Half of land & building	554,000 <i>all of property</i>	277,000 <i>all of property</i>	277,000 <i>half of land & improvements</i>	1	728.34	1,725.78
Comox Valley Marine Rescue Society	481.028	All of building	All of land and improvements	32,500 <i>all of property</i>	- <i>all of property</i>	22,500 <i>all of property</i>	6	243.08	502.57
Point Holmes Recreation Association	27501.125	All of land & improvements	All of land & improvements	607,100 <i>all of property</i>	- <i>all of property</i>	597,100 <i>all of property</i>	6	6,450.83	13,337.36
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>	263,900 <i>land only</i>	- <i>land only</i>	211,120 <i>remainder of land</i>	8	1,233.47	2,285.46
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	2,325.51	4,308.87
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>	382,900 <i>land only</i>	- <i>land only</i>	291,004 <i>remainder of land</i>	8	1,700.19	3,150.23
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>	159,000	-	159,000	1	418.07	970.37
				219,300 <i>land only</i>	- <i>land only</i>	209,300 <i>remainder of land</i>	8	1,222.84	2,265.76

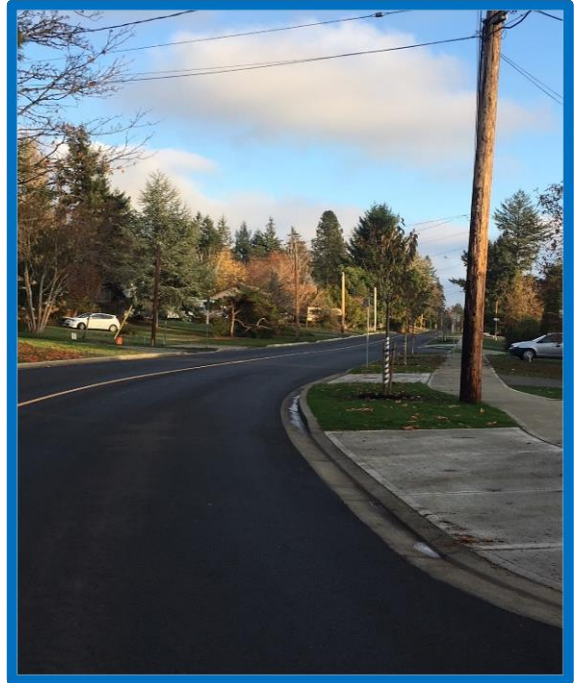
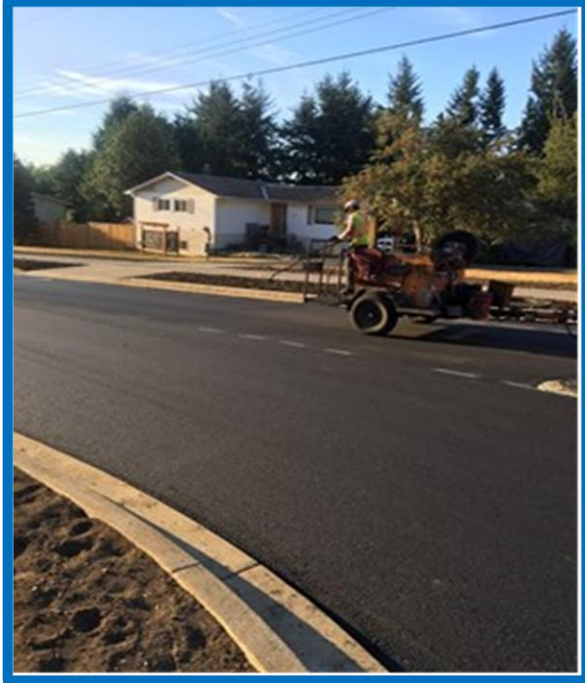
Town of Comox

Effect of Permissive Exemptions on 2018 Taxation

Description of Property	Folio Number	Exemption Requested	Exemption in Bylaw	Actual Value of Property	Taxable Value of Property	Effect of Tax Exemption Bylaw	Property Class	Town General	Total Taxes Exempted
				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	2,044.65	3,788.47
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>	\$ 6,695,000 <i>land only</i>	\$ - <i>land only</i>	5,757,700 <i>remainder of land</i>	6	62,203.89	116,668.28
Comox Seniors Centre Association	398.000	All of land & building	All of land & building	1,472,000 <i>all of property</i>	- <i>all of property</i>	1,472,000 <i>all of property</i>	8	8,600.16	15,934.98
Royal Canadian Legion No. 160	388.000	All of Land & Building	All of Land & Building	458,000 <i>all of property</i>	- <i>all of property</i>	448,000 <i>all of property</i>	6 8	4,840.01 2,675.87	9,312.17 5,087.61
Nature Trust of BC	701.000 703.000 1100.394	All of land All of land All of land	All of land All of land All of land	512,000 545,000 4,800 <i>all of land</i>	- - - <i>all of land</i>	512,000 204,375 4,800 <i>all of land</i>	1 8 1	1,346.25 1,194.06 12.62	3,124.73 2,212.45 29.30
888 (Komox) RCAF Wing	803.020	All of Class 8 Land & Building	All of Class 8 Land & Building	368,000 243,000 <i>all of property</i>	358,000 - <i>all of property</i>	- 243,000 <i>all Class 8 property</i>	6 8	- 1,419.73	- 2,630.57
D'Esterre Senior Citizens Housing 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>	357,200 <i>land only</i>	- <i>land only</i>	275,044 <i>remainder of land</i>	1	723.20	1,678.59
Comox Valley Tennis Club	229.006	All of Land & Building	All of Land & Building	62,600 3,400 <i>all of property</i>	62,600 - <i>all of property</i>	52,600 3,400 <i>all of property</i>	6 8	568.27 19.86	1,065.85 36.81
				\$ 20,446,800	\$ 922,600	\$ 17,900,339		\$ 147,327.93	\$ 284,706.01
				Breakdown by Property Class					
						1,227,844	1	3,228.48	7,528.77
						9,411,300	6	101,675.92	197,474.53
						7,261,195	8	42,423.53	79,702.71
						\$ 17,900,339		\$ 147,327.93	\$ 284,706.01

Note: The effect of the Town's exemptions are calculated after BC Assessment's statutory exemptions on the property

CONTINUITY OF DEVELOPMENT COST CHARGES



Phase 2 – Robb Avenue Improvements

Town of Comox
Schedule of Development Cost Charge (DCC) Continuity
Year Ended December 31, 2017

	2016 Balance	Receipts	Interest	Recognized as Revenue	2017 Balance
Open Space Development Cost Charges	\$ 2,612,899	\$ 6,634	\$ 20,554	\$ 10,106	\$ 2,629,981
5% Payment in Lieu of Parks Dedication	393,776	-	3,093	-	396,869
Water Development Cost Charges	1,169,733	-	9,187	1,055	1,177,865
Major Road Development Cost Charges	220,072	9,532	1,759	-	231,363
Storm Drain Development Cost Charges	814,187	-	6,394	156,983	663,598
Sanitary Sewer Development Cost Charges	84,160	3,767	677	-	88,604
	\$ 5,294,827	\$ 19,933	\$ 41,664	\$ 168,144	\$ 5,188,280

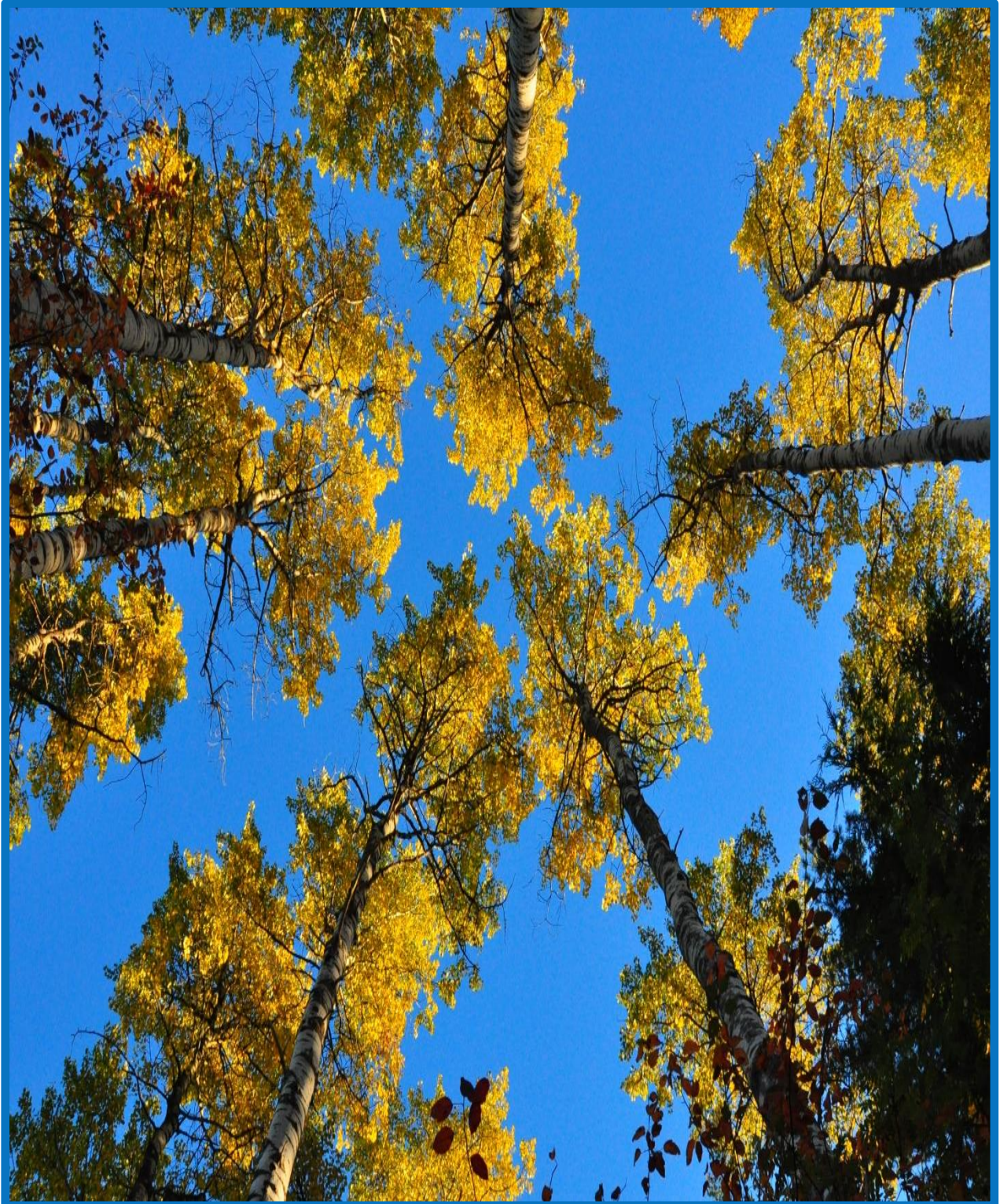
There were no DCC exemptions or waivers granted in 2017.



Comox Fire Rescue Fireboat



Members of Comox Fire Rescue – Provincial Deployment



View @ Highmore