



Consolidated Financial Statements of

# Town of Comox

Year Ended December 31, 2017

# Town of Comox

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### Year Ended December 31, 2017

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# 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.



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Clive Freundlich, CPA, CGA  
Director of Finance

## Independent Auditors' Report

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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
<b>Financial Assets:</b>		
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
	<b>27,702,218</b>	<b>24,455,081</b>
<b>Financial Liabilities:</b>		
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
	<b>11,611,149</b>	<b>12,363,375</b>
<b>Net Financial Assets</b>	<b>16,091,069</b>	<b>12,091,706</b>
<b>Non-financial assets:</b>		
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
	<b>86,378,654</b>	<b>85,943,801</b>
<b>Accumulated surplus (Note 18)</b>	<b>\$ 102,469,723</b>	<b>\$ 98,035,507</b>

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

	<b>Budget</b>	<b>2017</b>	<b>2016</b>
	(Note 17)		
<b>Revenue</b>			
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
	<b>22,394,383</b>	<b>23,751,814</b>	<b>21,816,280</b>
<b>Expenses</b>			
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
	<b>17,195,235</b>	<b>19,317,598</b>	<b>18,611,245</b>
<b>Annual surplus</b>	<b>5,199,148</b>	<b>4,434,216</b>	<b>3,205,035</b>
Accumulated surplus, beginning of year	98,035,507	98,035,507	94,830,472
<b>Accumulated surplus, end of year</b>	<b>\$ 103,234,655</b>	<b>\$ 102,469,723</b>	<b>\$ 98,035,507</b>

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

	<b>Budget</b>	<b>2017</b>	<b>2016</b>
	(Note 17)		
<b>Surplus for the year</b>	\$ 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
<b>Net Financial Assets at end of year</b>	<b>\$ 9,600,130</b>	<b>\$ 16,091,069</b>	<b>\$ 12,091,706</b>

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

	<b>2017</b>	<b>2016</b>
Net inflow (outflow) of cash related to the following activities:		
<b>Operating activities:</b>		
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)
	<b>8,149,558</b>	<b>6,666,280</b>
<b>Investing Activities</b>		
Short-term investing	(1,542,742)	(7,647,273)
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(4,352,242)	(4,252,451)
<b>Financing activities:</b>		
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
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,698,892</b>	<b>\$ 3,816,825</b>
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

	<b>Budget</b>	<b>2017</b>	<b>2016</b>
	(Note 17)		
<b>Expenses</b>			
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
	<b>\$ 17,195,235</b>	<b>\$ 19,317,598</b>	<b>\$ 18,611,245</b>

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)
<b>Closing balance of Reserve Funds (Note 18)</b>	<b>\$ 10,472,575</b>	<b>\$ 7,379,026</b>

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
	<b>\$ 10,472,575</b>	<b>\$ 7,379,026</b>



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
<b>Deferred Revenue</b>						
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
<b>Total Deferred Revenue</b>	<b>1,131,025</b>	<b>1,097,128</b>	<b>4,756</b>	<b>26,858</b>	<b>1,089,633</b>	<b>1,116,418</b>
<b>Restricted Revenue</b>						
<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
<b>Total Restricted Revenue</b>	<b>5,554,099</b>	<b>33,356</b>	<b>41,896</b>	<b>-</b>	<b>168,144</b>	<b>5,461,207</b>
	<b>\$ 6,032,076</b>	<b>\$ 1,117,061</b>	<b>\$ 43,327</b>	<b>\$ 26,858</b>	<b>\$ 1,257,777</b>	<b>\$ 5,907,829</b>

# Town of Comox

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

Schedule 4

	<b>2017</b>	<b>2016</b>
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													Assets not yet in use	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					
<b>COST</b>																
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		
<b>ACCUMULATED AMORTIZATION</b>																
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		
<b>Net Book Value for the year ended December 31, 2017</b>	<b>\$ 8,985,177</b>	<b>\$ 483,149</b>	<b>\$ 15,199,841</b>	<b>\$ 2,274,354</b>	<b>\$ 1,214,800</b>	<b>\$ 22,595,605</b>	<b>\$ 16,142,656</b>	<b>\$ 495,072</b>	<b>\$ 2,110,110</b>	<b>\$ 8,241,731</b>	<b>\$ 8,093,787</b>	<b>\$ 197,679</b>	<b>\$ 86,033,960</b>	<b>\$ 85,664,830</b>		

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
<b>Revenue</b>											
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
<b>Expenses</b>											
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
<b>Surplus for the year</b>	\$ 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

	General Government	Protective Services	Waste Disposal	Development Services	Transportation	Parks, Recreation & Culture	Marina	Water	Sanitary Sewer	Total All Segments	2016 Budget
<b>Revenue</b>											
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
<b>Expenses</b>											
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
<b>Surplus for the year</b>	\$ 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