



City of Campbell River
Statement of Financial Information
For the Year Ended December 31, 2016

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MANAGEMENT REPORT

Prepared under the Financial Information Regulation, Schedule 1, section 9

The Financial Statements contained in this Statement of Financial Information under the **Financial Information Act** have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Act*. Their examination includes a review and evaluation of the municipality's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Council.

On behalf of the City of Campbell River



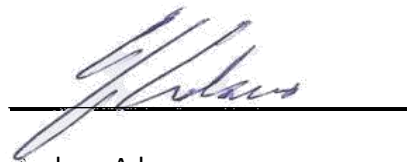
Ron Bowles
GM, Corporate Services / CFO

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the **Financial Information Regulation**, Schedule 1, subsection 9 (2), approves all the statements and schedules, included in this Statement of Financial Information, produced under the **Financial Information Act**.



Ron Bowles
GM, Corporate Services / CFO



Andrew Adams
Mayor

SCHEDULE SHOWING THE REMUNERATION IN RESPECT OF EACH EMPLOYEE

Prepared Under the Financial Information Regulation, Schedule 1, Section 6

Elected Official	Position	Remuneration		Expenses
ADAMS, ANDREW	Mayor	\$	62,551	\$ 17,485
BABCHUK, MICHELE	Councillor		22,959	6,842
CORNFIELD, CHARLES	Councillor		22,959	11,223
EVANS, COLLEEN	Councillor		22,959	9,474
KERR, RON	Councillor		22,959	9,493
SAMSON, LARRY	Councillor		22,959	4,057
WRIGHT, MARLENE	Councillor		22,959	3,858
		\$	200,308	\$ 62,432

Employee	Position	Remuneration		Expenses
AMES, MURRAY	Trades - Airport	\$	77,053	\$ 4,608
ANDERSON, CAROL	Alarm Room Operator		86,483	3,064
ARNOLD, NICK	Airport Coordinator		83,835	575
BAIKIE, IAN	Fire Chief		144,410	9,663
BAKER, JOHN	Fire Captain		129,805	2,419
BATE, TRACY	Deputy City Clerk		80,412	3,137
BELLEFLEUR, KELLY	Firefighter		117,545	1,082
BOWLES, RONALD	GM Corporate Services		133,137	7,687
BRODIE, DENNIS	Finance Operations Supervisor		87,864	4,904
BRODIE, SARA	Land Use Supervisor		96,420	811
BROOKS, KEVIN	Development Services Supervisor		91,790	6,660
BROOKS, TERRY	Engineering Tech III		80,073	-
BROVOLD, DARRELLE	Property Manager		101,184	5,548
CLARKE, THOMAS	Parks Foreman II		78,011	3,589
CLARKSON, CASEY	Water Foreman II		76,739	5,908
DAWSON, KEN	Fire Captain		128,674	606
DECKSHEIMER, JASON	Asset Management Supervisor		96,367	1,866
DOHERTY, THOMAS	Deputy Fire Chief		129,450	11,045
DOUGHERTY, DAVID	Engineering Tech III		77,671	440
DOUGLAS, JULIE	Communications Advisor		94,658	4,321
DUMONT, MICHAEL	Firefighter		103,377	3,277
DUMONT, STEWART	Fire Prevention Inspector		114,193	5,958
EPPLER, ANDREW	Firefighter		101,412	2,223
EPPLER, PAULA	Alarm Room Operator		83,565	2,574
FOORT, MYRIAH	Finance Manager		106,819	9,705
GEORGE, KEVIN	Instrumentation & Telemetry Analyst		78,685	2,437
GIRVIN, SHEILA	Human Resources Advisor		87,174	1,675
HADFIELD, ANDREW	Transportation Manager		113,090	3,247
HALL, SHAWN	Firefighter		83,869	421



STATEMENT OF FINANCIAL INFORMATION
 Prepared under the Financial Information Act
 For the Year Ended December 31, 2016

Employee	Position	Remuneration	Expenses
HANSELL, CHRISTOPHER	Foreman II	81,425	-
HARMSTON, MICHAEL	Accountant III	75,257	635
HARTLEY, JASON	Capital Works Manager	124,283	2,183
HILDEBRAND, SETH	Firefighter	103,033	437
HOFMANN, JAMIE	Alarm Room Operator	83,116	-
HOLBROOK, BRUCE	Firefighter	112,736	2,990
IDIENS, CRAIG	Firefighter	104,280	819
ISFELD, JON	Roads & Drainage Supervisor	92,001	2,519
JACOBS, CARRIE	RCMP Municipal Manager	95,996	3,560
KALYN, WARREN	Information Technology Manager	113,150	3,635
KOBUS, SCOTT	Alarm Room Operator	82,990	43
KRATZMANN, SCOTT	Firefighter	101,492	737
LAGOS, DAVID	Firefighter	107,797	3,126
LANGFORD, KAREN	Recreation and Culture Supervisor	82,095	2,152
LIMOGES, JOSEPH	Fleet Service Co-ordinator	75,605	4,462
LOVELY, DAVE	Safety Advisor	86,606	5,323
MAHER, ALAINA	Finance Reporting Supervisor	91,371	2,699
MARTIN, TERRI	Environmental Sciences Officer	80,283	1,939
MASSEY, TYLER D	Airport Manager	96,247	7,955
MCKENZIE, MARK	Fire Captain	114,769	2,942
MILNTHORP, ROSS	GM, Parks, Recreation & Culture	130,219	5,697
MORRIS, DAVID	GM, Facilities & Supply Management	151,070	9,064
NEUFELD, RONALD	Deputy City Manager	154,781	12,781
O'BRIEN, CHRIS	Crime Analyst	78,294	-
OSBORNE, CHRISTOPHER	Senior Planner	89,709	4,932
PARKER, GRANT	Parks Operations Supervisor	96,247	5,479
PENDERGAST, LEE	Firefighter	103,996	3,817
PETERS, JENNIFER	Utilities Manager	112,880	4,463
RALPH, JAMES	Engineering Technologist III	83,044	3,378
RIPLEY, PAULA ANNE	Alarm Room Operator	96,323	144
RITCHIE, LAURA	Alarm Room Operator	95,374	718
ROGERS, DEBRA	Firefighter	85,608	646
RYKERS, MATTHEW	Environmental Sciences Officer	84,545	5,856
SANDBERG, LORNE	Wastewater Supervisor	90,868	7,039
SARGENT, DEBORAH	City Manager	182,450	30,125
SAXBY, TYLER	Firefighter	104,522	3,064
SCHULTE, CHRIS	Firefighter	104,994	3,057
SIRETT, MICHELE	Recreation & Culture Supervisor	97,158	4,428
STEWART, ANDREW	Firefighter	104,113	83
STUART, DONNA	Alarm Room Operator	79,325	214
TILLAPPAUGH, COLLEEN	Human Resources Manager	106,561	5,094
TRAVANUT, ED	Foreman II	86,669	2,260
TRIPPLE, SUSAN	Alarm Room Operator	81,483	-
VANDENDRIES, CRIS	Firefighter	103,096	1,871
VATON, JOHN	Fire Captain	122,076	146
VIAU, NATHALIE	Water Supervisor	94,650	7,764
VRABEL, CHRISTOPHER	Deputy Fire Chief	128,917	9,188



STATEMENT OF FINANCIAL INFORMATION
 Prepared under the Financial Information Act
 For the Year Ended December 31, 2016

Employee	Position	Remuneration	Expenses
WADE, MARIANNE	Community Planning & Development Mgr.	81,585	5,765
WAFFLE, RHIANNON	Alarm Room Operator	80,518	1,137
WARK, LYNN	Recreation & Culture Manager	110,001	3,445
WESTDORP, BRIAN	Foreman II	86,173	3,299
WHARTON, REID	Fire Captain	134,772	1,904
WILLIS, TIMOTHY	Firefighter	102,049	1,184
WIPPER, PETER	City Clerk	112,711	959
Total employees with remuneration greater than \$75,000		\$ 8,325,079	\$ 306,607
Add: employees with remuneration less than \$75,000		8,962,875	198,856
Add: mayor and council		200,308	62,432
Total remuneration and expenses		\$ 17,488,262	\$ 567,895
Reconciliation			
Total remuneration		\$ 17,488,262	
Employer's portion of CPP and EI		883,144	
Change in accrued wages and benefits, severance agreements, non-taxable benefits paid to third party, allocated overhead and other		2,714,345	
Wages and benefits per Consolidated Financial Statements		\$ 21,085,750	

STATEMENT OF SEVERANCE AGREEMENTS

Prepared under the Financial Information Regulation, Schedule 1, subsection 6 (8)

There was one severance agreement made between the City of Campbell River and a non-unionized employee during fiscal year 2016.

This agreement represents 2 months of compensation*

* "Compensation" means that the agreement was determined based on the value of the salary and benefits. The benefits included pension, medical services plan, extended health, dental, life and accidental death and dismemberment and dependant life insurance.

**SCHEDULE SHOWING TOTAL PAID TO EACH SUPPLIER
FOR GOODS AND SERVICES EXCEEDING \$25,000**

Prepared Under the Financial Information Regulation, Schedule 1, section 7

Supplier Name	Amount Paid
1051735 BC LTD.	\$ 49,663
AB EDIE EQUITIES INC	63,000
ACE COURIER SERVICES LTD	28,560
ACKLANDS-GRAINGER INC	54,311
ACME SUPPLIES LTD	48,081
AECON FRONTIER KEMPER JV	4,862,692
ANDERSON REFRIGERATION LTD	33,871
ANDREW SHERET LIMITED	133,482
APPLE ELECTRIC LTD	256,161
ARNIE'S PAINTING INC	48,226
ASSOCIATED FIRE SAFETY	33,961
AUTO-QUIP	54,600
BAILEY WESTERN STAR TRUCKS INC	50,534
BC ASSESSMENT AUTHORITY ACCOUNTS DEPARTMENT	313,862
BC HYDRO & POWER	1,468,288
BC HYDRO PAYMENT CONTROLS DEPT	177,734
BC TRANSIT	1,500,518
BEE-LINE TAXI LTD	28,267
BELL MOBILITY INC	72,713
BERRY & VALE CONTRACTING LTD	81,411
BLACK CREEK FARM & FEED SUPPLY	34,988
BLACK PRESS GROUP LTD	131,522
C & L SUPPLY 1988 LTD	38,544
C R METAL FABRICATORS LTD	72,665
CADENCE RESORT MARKETING INC.	41,801
CAMPBELL RIVER ARTS COUNCIL	63,150
CAMPBELL RIVER DISTRICT CONTRACTING	143,860
CAMPBELL RIVER ECONOMIC DEVELOPMENT CORP.	411,004
CAMPBELL RIVER TRAFFIC CONTROLLERS	41,869
CAMPBELL RIVER VOLUNTEER FIRE DEPT NO 1	59,963
CANCADD IMAGING SOLUTIONS LTD.	28,050
CARTEGRAPH	25,840
CDW CANADA	57,654
CLARO ENVIROMENTAL TECHNOLOGIES	177,442
CLEAN TEAM JANITORIAL INC	96,380
CLEARTECH INDUSTRIES INC	37,028
CLOVERDALE PAINT	34,109
COASTAL ANIMAL CONTROL SERVICES OF BC LTD	145,115
COASTAL WELDING & METAL FABRICATION	60,416
COMOX STRATHCONA REGIONAL DISTRICT	494,635
COMOX STRATHCONA REGIONAL HOSPITAL DISTRICT	4,257,771
COMOX VALLEY REGIONAL DISTRICT	532,715

Supplier Name	Amount Paid
CRES 1986 LTD	33,004
CUPE LOCAL 401	175,138
D SQUARED HOLDINGS LTD	214,325
DA TOWNLEY	1,328,930
DAVIES PARK & ASSOCIATES INC	36,623
DAYTECH LIMITED	33,723
DELL CANADA INC	29,232
DENNE KYLE	44,660
DEVON TRANSPORT LTD - BUDGET CAR & TRUCK RENTAL	78,734
DISCOVERY COAST GREENWAYS LAND TRUST	60,000
DISCOVERY DIESEL ELECTRIC 06 LTD	37,588
DOWNTOWN CAMPBELL RIVER BUSINESS IMPROVEMENT	49,426
DUNCAN ELECTRIC MOTOR LTD	34,454
E LEES & ASSOCIATES CONSULTING LTD	49,333
EB HORSMAN & SON	38,891
EECOL ELECTRIC CORP	37,057
EMTERRA ENVIRONMENTAL	1,753,656
ENEX FUELS LTD.	207,763
ESRI CANADA	44,924
EVOQUA WATER TECHNOLOGIES	53,922
EXXONMOBIL AVIATION DIV OF EXXONMOBIL	571,875
FORTIS BC-NATURAL GAS	92,216
FRED SURRIDGE LTD	89,070
G A S ANALYTICAL SYSTEMS BC LTD	67,803
GLOBAL PAYMENTS DIRECT INC	33,907
GO FLEET CORPORATION	29,722
GO4OBJECTIVES LTD	30,860
GUILLEVIN INTERNATIONAL CO	83,585
HANDJA ED	136,114
HENDERSON RECREATION EQUIPMENT LTD.	147,986
HETEK SOLUTIONS INC	28,425
HIGHLAND ENGINEERING SERVICES LTD	40,720
HOULE ELECTRIC LIMITED	241,601
IAFF LOCAL 1668	66,008
ICBC - INSURANCE CORPORATION OF BC	86,474
INLAND KENWORTH LTD	187,120
INSITUFORM TECHNOLOGIES LTD	212,565
ISLAND CRUSHING COMPANY	30,966
JIM CREIGHTON ENTERPRISES	68,246
JOHNSON SECURITY SOLUTIONS LTD	27,331
JR EDGETT EXCAVATING LTD	112,757
KAL TIRE	31,198
KNAPPETT PROJECTS INC	70,464
KOERS & ASSOCIATES ENGINEERING LTD	34,303
LAFRENTZ ROAD MARKING DIV OF CDN ROAD BUILDERS INC	53,630
LEE MAC ELECTRIC LTD	36,831
LEWKOWICH ENGINEERING ASSOCIATES LTD	31,166
LOCAL GOVT MGMT ASSOCIATION OF BC	32,811
M.J. PAWLOWSKI AND ASSOCIATES	100,243
MAINSTREAM BIOLOGICAL CONSULTING INC	32,281

Supplier Name	Amount Paid
MAXXAM ANALYTICS	26,663
MCELHANNEY CONSULTING SERVICES LTD	254,404
MEQUIPCO LTD	48,593
MICROSOFT LICENSING GP WRC-CA	63,392
MINISTER OF FINANCE PROPERTY TAXATION BRANCH	6,164,894
MNP LLP	51,266
MODUS PLANNING DESIGN & ENGAGEMENT	81,607
MONK OFFICE	115,923
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	214,015
MUNICIPAL PENSION PLAN	3,340,804
MVH URBAN PLANNING & DESIGN INC	71,678
NELSON ROOFING & SHEET METAL LTD	30,136
NORTH ISLAND COMMUNICATIONS INC	56,589
NORTH ISLAND CUSTOM CURBS	28,581
NORTH ISLAND NISSAN LTD.	27,664
NORTH ISLAND TRACTOR LTD	86,867
NOVA INTEGRATED SYSTEMS LTD	31,173
NPR GP INC	93,098
OPUS INTERNATIONAL CONSULTANTS (CANADA)LTD	90,624
ORPHEUS PIPE SURVEY SERVICES LTD	66,584
PAKOSZ HOLDING LTD	25,721
PARAGON STRATEGIC SERVICES LTD	34,672
PARKWAY PROPERTIES LTD	139,378
PIONEER HOME HARDWARE LTD	46,086
RAYLEC POWER LP	150,303
RECEIVER GENERAL FOR CANADA	5,179,760
RECEIVER GENERAL FOR CANADA E DIVISION FSS	272,920
RECEIVER GENERAL FOR CANADA RCMP POLICING	6,783,839
RIDGELINE MECHANICAL LTD	1,169,912
SAFETY NET SECURITY LTD	122,190
SCOTIABANK CENTRAL MORTGAGE UNIT SERVICING	47,757
SERVICE PRO PLUMBING & HEATING	63,540
SHEEN ARNOLD MCNEIL	78,133
SPARTAN CONTROLS LTD	27,696
STANTEC CONSULTING LTD	483,929
STEVE MARSHALL FORD 1996 LTD	215,412
STEWART MCDANNOLD STUART	624,266
STRATHCONA REGIONAL DISTRICT	6,404,095
STRATHCONA TOYOTA	64,855
SUPER SAVE DISPOSAL INC	26,504
SYLVIS ENVIRONMENTAL SERVICES INC	31,195
TAYCO PAVING COMPANY	1,164,700
TELUS	111,879
TEMPEST DEVELOPMENT GROUP	79,566
TETRA TECH CANADA INC	55,069
TOM BARRATT LTD	43,179
TRANE CANADA ULC T42324C	26,003
UNITED RENTALS OF CANADA INC	35,825
UNITY BUSINESS SYSTEMS LTD	41,069

Supplier Name	Amount Paid
UPLAND CONTRACTING LTD	2,488,465
URBAN SYSTEMS LTD	31,500
US BANK - VISA	565,704
VADIM COMPUTER MANAGEMENT GROUP LTD	38,963
VALLEY TRAFFIC SYSTEMS INC	28,779
VANCOUVER ISLAND REGIONAL LIBRARY	1,385,716
VANCOUVER ISLAND TREE SERVICE LTD	77,956
VIMAR EQUIPMENT	480,137
WACOR HOLDINGS LTD	134,820
WALCO INDUSTRIES LTD	31,042
WHOLESALE FIRE & RESCUE LTD	53,514
WILLIS CANADA INC (VANCOUVER)	130,227
WILLOW POINT BUSINESS IMPROVEMENT AREA SOCIETY	30,000
WILLOW POINT FIRE FIGHTERS	72,617
WISHBONE INDUSTRIES LIMITED	57,243
WORKSAFE BC	253,100
Total suppliers over \$25,000	63,849,905
Total suppliers under \$25,000	4,064,360
Total suppliers	\$ 67,914,265
Add: Grants exceeding \$25,000	
CAMPBELL RIVER ART GALLERY	42,250
MUSEUM AT CAMPBELL RIVER	306,677
TIDEMARK THEATRE SOCIETY	133,511
Total grants over \$25,000	482,438
Total suppliers and grants	\$ 68,396,703
Adjustments	
Debt and Lease Principal Payments	(526,605)
Property Tax Collections for Other Governments	(26,415,151)
Amortization Expenses	8,828,021
Tangible Capital Asset Expenditures	(17,838,202)
Wages, Salaries and Benefits	21,085,751
Change in accounts payable and accrued expenses, employees' portion of payroll costs and benefits, payments for non-expense items and other	1,244,640
Total Expenses per Consolidated Statement of Financial Activities	\$ 54,775,157

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Prepared under the Financial Information Regulation, Schedule 1, Section 5

This organization has not given any guarantees or indemnities under the *Guarantees and Indemnities Regulation*.



CITY OF CAMPBELL RIVER
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

**CITY OF CAMPBELL RIVER
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016**

Independent Auditors' Report

Financial Reporting Responsibility **1**

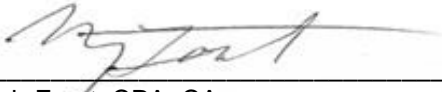
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**CITY OF CAMPBELL RIVER
FINANCIAL REPORTING RESPONSIBILITY
For the Year Ended December 31, 2016**

The preparation and presentation of the Consolidated Financial Statements is the responsibility of the management of the City of Campbell River. The Consolidated Financial Statements have been prepared pursuant to Section 167 of the Community Charter and in accordance with Canadian public sector accounting standards. The financial information contained herein necessarily involves the use of estimates and judgments, which have been based on careful assessment of the data, made available through the City's information systems. The City maintains a system of internal accounting controls designed to safeguard our assets and provide reliable financial information.

MNP LLP has been appointed by Council of the City of Campbell River as the City's independent auditor. Their report accompanies the Consolidated Financial Statements.



Myriah Foort, CPA, CA
Finance Manager



Ron Bowles
General Manager, Corporate Services / CFO

Independent Auditors' Report

To the Mayor and Council of the City of Campbell River:

We have audited the accompanying consolidated financial statements of the City of Campbell River, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, change in net financial assets, cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Campbell River as at December 31, 2016, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Campbell River, British Columbia

May 8, 2017

MNP LLP

Chartered Professional Accountants

**CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016**

	2016	2015
FINANCIAL ASSETS		
Cash and investments (note 2)	63,283,775	56,953,153
Accounts receivable (note 4)	7,660,638	7,502,670
Inventory held for sale	47,695	67,516
	70,992,108	64,523,339
LIABILITIES		
Accounts payable and accrued liabilities (note 5)	11,022,400	7,751,257
Deposits and holdbacks	3,157,879	2,397,818
Development cost charges (note 6)	7,887,347	7,390,433
Deferred revenue (note 6)	9,103,335	8,609,632
Short-term debt (note 7)	2,900,000	1,300,000
Capital lease (note 8 & schedule 1)	13,001	31,940
Long-term debt (note 9 & schedule 1)	2,034,454	2,704,156
	36,118,416	30,185,236
NET FINANCIAL ASSETS	34,873,692	34,338,103
NON FINANCIAL ASSETS		
Inventory of supplies	308,768	276,310
Prepays	106,597	153,568
Tangible capital assets (schedule 2)	241,158,523	230,873,603
	241,573,888	231,303,481
ACCUMULATED SURPLUS (note 11)	276,447,580	265,641,583

See Contingent liabilities Note 12.



Myriah Foort, CPA, CA
Finance Manager



Ron Bowles
General Manager, Corporate Services / CFO

CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2016

	2016 Budget (see note 15)	2016 Actual	2015 Actual
REVENUE			
Taxes & parcel taxes	29,347,784	29,598,161	28,391,778
Payments in lieu of taxes	521,400	624,287	590,540
Sale of services	20,661,894	21,026,411	20,710,274
Services provided to other governments	1,729,376	1,675,204	1,624,517
Transfers from other governments	24,505,771	9,555,306	7,392,526
Investment and other income	506,000	885,063	905,236
Other revenue	231,000	418,551	865,134
Development cost charges recognized	587,219	369,205	1,200,316
Contributed tangible capital assets	-	1,354,840	382,907
Gain on disposal of tangible capital assets	-	74,126	268,994
	78,090,444	65,581,154	62,332,222
EXPENSES			
General government	6,720,471	6,785,640	5,693,530
Protective services	15,459,642	15,697,225	14,753,271
Transportation services	12,483,895	12,047,011	12,110,793
Environmental health services	2,366,749	2,354,701	2,264,760
Public health services	167,824	148,508	151,203
Development services	1,690,912	1,803,185	1,573,849
Parks, recreation and cultural services	7,837,052	7,778,699	7,437,259
Sewer utility services	4,188,863	3,917,430	3,728,203
Water utility services	4,751,395	4,242,758	3,963,008
	55,666,803	54,775,157	51,675,876
ANNUAL SURPLUS	22,423,641	10,805,997	10,656,346
Accumulated Surplus, Beginning of Year	265,641,583	265,641,583	254,985,237
ACCUMULATED SURPLUS (note 11)	288,065,224	276,447,580	265,641,583

See Budget legislative compliance Note 15.

CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Annual surplus	10,805,997	10,656,346
Non-cash items included in annual surplus:		
Long-term debt actuarial adjustment	(162,034)	(178,922)
Contributed tangible capital assets	(1,354,840)	(382,907)
(Gain)/loss on tangible capital assets	(74,126)	(268,994)
Writedown of tangible capital assets	31,587	173,104
Amortization expense	8,828,021	8,801,988
(Increase)/decrease in inventory of supplies	(32,458)	15,842
(Increase)/decrease in prepaids	46,971	(61,016)
Changes in financial assets and liabilities:		
Accounts receivable	(157,968)	(2,757,125)
Inventory held for resale	19,821	30,687
Tax sale properties	-	63,356
Accounts payable and accrued liabilities	3,271,143	216,167
Deposits and holdbacks	760,061	174,890
Development cost charges	496,914	(498,090)
Deferred revenue	493,703	356,833
	22,972,792	16,342,159
CAPITAL ACTIVITIES		
Proceeds on sale of tangible capital assets	122,636	777,448
Acquisition of tangible capital assets	(17,838,202)	(14,263,262)
	(17,715,566)	(13,485,814)
FINANCING ACTIVITIES		
Debt and lease proceeds	1,600,000	-
Debt and lease principal repaid	(526,605)	(752,029)
	1,073,395	(752,029)
INCREASE IN CASH AND INVESTMENTS	6,330,622	2,104,317
CASH AND INVESTMENTS BEGINNING OF YEAR	56,953,153	54,848,836
CASH AND INVESTMENTS, END OF YEAR	63,283,775	56,953,153
INTEREST RECEIVED	456,318	448,400
INTEREST PAID	332,803	384,631

CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2016

	2016 Budget (see note 15)	2016 Actual	2015 Actual
ANNUAL SURPLUS	22,423,641	10,805,997	10,656,346
TANGIBLE CAPITAL ASSETS			
Acquisition of tangible capital assets	(46,124,420)	(17,838,202)	(14,263,262)
Contributed tangible capital assets	-	(1,354,840)	(382,907)
Proceeds on disposal of tangible capital assets	-	122,636	777,448
(Gain)/loss on tangible capital assets	-	(74,126)	(268,994)
Write-off of tangible capital assets	-	31,587	173,104
Amortization	8,625,479	8,828,021	8,801,988
	(37,498,941)	(10,284,924)	(5,162,623)
OTHER NON-FINANCIAL ASSETS			
(Increase)/decrease in inventory of supplies	-	(32,458)	15,842
(Increase)/decrease in prepaids	-	46,971	(61,016)
	-	14,513	(45,174)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(15,075,300)	535,589	5,448,549
NET FINANCIAL ASSETS, BEGINNING OF YEAR	34,338,103	34,338,103	28,889,553
NET FINANCIAL ASSETS, END OF YEAR	19,262,803	34,873,692	34,338,103

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

The City of Campbell River ("City") was incorporated as a municipal district in 1947 under the provisions of the *British Columbia Municipal Act*, and was reinforced as a city by letters patent in 2005. Its principal activities are the provision of local government services to the residents of the City, as governed by the *Community Charter and the Local Government Act*.

The notes to the Consolidated Financial Statements are an integral part of these statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis for these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the Consolidated Financial Statements.

1. Significant accounting policies

a) Basis of presentation

The Consolidated Financial Statements of the City are the representations of management prepared in accordance with Canadian public sector accounting standards. Budget information has been aggregated to comply with these reporting standards.

b) Reporting entity

The Consolidated Financial Statements reflect the assets, liabilities, revenues, expenses and changes in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to Council and are owned or controlled by the City. This includes Campbell River Economic Development Corporation (CREDC). All inter-fund balances and transactions are eliminated.

The Cemetery Trust Funds administered by the City are specifically excluded from the Consolidated Financial Statements and are reported separately (Note 3).

c) Accrual accounting

Items recognized in the financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied.

d) Revenue recognition

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Following are the types of revenue received and a description of their recognition:

i) Taxation

Taxes for Municipal Purposes are recognized in the year levied. Levies imposed by other taxing authorities (Note 14) are not included in these financial statements.

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

ii) Sale of services

Sale of services are recognized in the year that the service is provided or the amount is earned, provided the amount can be estimated and collection is reasonably assured.

iii) Transfers from other governments

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

iv) Other revenue

Investment income, taxation penalties and actuarial earnings are recorded in the year they are earned, provided the amount can be estimated and collection is reasonably assured.

v) Development cost charges and other deferred revenues

Development cost charges are recognized in the year that they are used to fund an eligible capital project that has been authorized by bylaw. Receipts which are restricted by agreement with external parties are reported as Deferred Revenue at the time they are received. When the qualifying expenses are incurred the related Deferred Revenue is brought into revenue. Deferred Revenues are comprised of the amounts shown in Note 6.

e) Cash and investments

Investments are held with the Municipal Finance Authority of BC (MFA). The Money Market Fund provides a method by which municipalities in British Columbia can access high quality investments not otherwise available to them while retaining a high degree of security and liquidity. The interest rate is variable and the funds are redeemable upon 24 hours notice. The carrying value of investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing, and any permanent decline in market value. The investment balances detailed in Note 2 are reported at market value which is also cost on December 31, 2016.

f) Long-term debt

All long-term debt is borrowed from the Municipal Finance Authority of BC (MFA). Interest payments and actuarial earnings related to long-term debt obligations are recorded on an accrual basis. Actuarial revenue is investment earnings on the City's principal payments made to, and invested by, the MFA, prior to the MFA using these funds to retire the related debt. The actuarial interest rate is set when the debt is issued to the City and may be adjusted by MFA during the term of the debt if market conditions dictate that the rate can no longer be achieved. The rates of interest on outstanding debt are 3.25% to 5.15% as disclosed on Schedule 1. Actual actuarial earnings beyond the set rate are paid to the City when the related debt is retired. Actuarial revenue is recognized and compounded annually starting in the second year of the debt term.

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

g) Financial instruments

The City's financial instruments consist of cash and investments, accounts receivable, accounts payable and accrued liabilities, deposits and holdbacks, short-term and long-term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments. Interest rates for the capital lease and long-term debt are set at fixed rates for the term. The City does not have significant foreign currency denominated transactions. Accounts receivable are due from a broad base of customers, except as otherwise commented on in Note 4.

h) Non-financial assets

The City's non-financial assets consist of inventory of supplies, prepaids, and tangible capital assets. Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. Intangible assets, such as water rights and mineral resources, are not recorded in the financial statements.

i) Tangible capital assets

Tangible capital assets are recorded at cost, net of disposals, write-downs and amortization. The useful life is applied on a straight line basis to calculate amortization that is calculated when the asset is put in use. In the year of addition amortization is calculated at one-half and no amortization is recorded in the year of disposal.

The estimated useful lives that the City uses to amortize its tangible capital assets are:

Asset	Useful life (yrs)
Land	N/A
Buildings	20-60
Furniture, machinery & equipment	3-25
Drainage infrastructure	30-80
Roads, bridges & highways	15-60
Marine infrastructure	30-40
Sewer infrastructure	20-60
Water Infrastructure	20-60

Carrying costs directly attributable to the acquisition, construction or development activity, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Contributions of tangible capital assets are recorded at fair value at the date of contribution.

ii) Inventory

Inventories are recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost basis.

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

i) Use of estimates/measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring use of management estimates relate to the useful lives of tangible capital assets, determination of employee future benefits, accrual for retroactive wages and the outcome of litigation and claims. Accounts receivable are recorded after considering the collectability of the amounts and setting up an allowance for doubtful accounts, if necessary. Actual results will depend on future economic events and could differ from the estimates. Adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for.

j) 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 City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

At each financial reporting date, the City 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 City 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.

2. Cash and investments

	2016	2015
General operating fund	51,918,509	46,804,067
Development cost charges deferred revenue	7,887,347	7,174,116
Capital lending reserve fund	2,382,769	2,043,282
Parks acquisition & development reserve fund	676,994	514,808
Parkland acquisition reserve fund	418,156	416,879
	63,283,775	56,953,153

3. Trust funds

The City holds trust funds under British Columbia law for purposes of maintaining public cemeteries. These funds are excluded from the Consolidated Financial Statements and are comprised of the following:

	December 31, 2015	Collections	Expenses	December 31, 2016
CR Municipal Cemetery	314,562	3,093	9	317,654
Elk Falls Memorial Cemetery	212,604	8,864	-	221,468
	527,166	11,957	9	539,122

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

4. Accounts receivable

	<u>2016</u>	<u>2015</u>
Property taxes	1,314,838	1,945,903
Due from other governments	5,315,080	4,268,740
Other	1,030,720	1,071,710
Development cost charges	-	216,317
	<u>7,660,638</u>	<u>7,502,670</u>

Other receivables includes from one customer an amount of \$702,323 (2015 - \$750,255) which is a structured payment established through a local service agreement and is collected as part of the annual tax levy with the final payment occurring in 2027. The annual repayment amount is \$81,353 based on an interest rate of 4.71% over the 19 year repayment term.

5. Accounts payable and accrued liabilities

	<u>2016</u>	<u>2015</u>
Trade accounts payable	3,749,895	1,370,239
Due to other governments	2,752,992	2,314,398
Accrued liabilities	638,139	650,383
Accrued wages and benefits	3,851,769	3,364,026
Accrued interest	29,605	52,211
	<u>11,022,400</u>	<u>7,751,257</u>

Included in accrued liabilities is a liability for a contaminated site the City owns. The site is contaminated from its former use and requires remediation to an acceptable environmental standard. The City has estimated that the necessary remediation will cost approximately \$300,000 based on a past consultant's estimate with consideration of inflation.

Full-time permanent employees receive up to one-third or one-sixth of their sick bank on retirement, per their respective collective agreement. Permanent employees are also entitled to awards of supplemental vacation on certain anniversary years. The value of the liabilities for sick leave and supplemental vacation as at December 31, 2016 are calculated by an Actuary engaged by the City and reflect the likelihood that eligible employees will become entitled to such benefits. There are no additional liabilities accrued for these amounts as they are included in the sick leave, vacation, and banked overtime liability accounts:

Accrued wages and benefits:

	<u>2016</u>	<u>2015</u>
Employee future benefits	1,568,300	1,532,300
Vacation liability	1,139,851	1,056,208
Banked overtime liability	227,487	194,593
Wages and other accruals	916,131	580,925
	<u>3,851,769</u>	<u>3,364,026</u>

Employee future benefits:

	<u>2016</u>	<u>2015</u>
Accrued benefit obligation - beginning	1,532,300	1,478,100
Current service cost	125,900	122,300
Interest cost	49,600	47,800
Benefits paid	(50,500)	(123,200)
Recognition of Actuarial loss/gain	(89,000)	7,300
	<u>1,568,300</u>	<u>1,532,300</u>

Discount rate	3.30%	3.10%
Inflation rate	2.50%	2.50%

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

6. Deferred revenue

Included in deferred revenue are contributions from developers collected under the Development Cost Charges (DCC) Bylaw. These contributions will be recognized as revenue in future years when these funds are used for expenses as permitted by the Development Cost Charges Bylaw and the relevant sections of the *Local Government Act*, unless otherwise authorized by the Ministry of Community, Sport and Cultural Development.

Payment of DCC's can be deferred over a three year period, therefore a portion of the DCC's are unfunded and are offset by an amount in Accounts Receivable as disclosed in Note 4 (2016 - \$0, 2015 - \$216,217). The funded DCC's are disclosed as short-term investments in Note 2 (2016 - \$7,887,347, 2015 - \$7,174,116).

	December 31, 2015	Transfers	Collections	December 31, 2016
Development cost charges				
Park development	568,810	(33,447)	59,367	594,730
Parkland acquisition	66,374	(34,892)	142,566	174,048
Roads	3,101,574	(94,122)	297,066	3,304,518
Sanitary sewer	618,165	(291,060)	143,806	470,911
Storm drains	608,667	(5,980)	122,403	725,089
Water	2,426,843	(67,578)	258,786	2,618,051
	7,390,433	(527,079)	1,023,994	7,887,347
Deferred revenue				
Future local improvements	2,573,468	-	53,711	2,627,178
Prepaid property taxes	1,364,953	(2,692,856)	3,035,386	1,707,483
Community Works Fund	3,760,742	(1,260,721)	1,400,917	3,900,939
Parkland acquisition	416,879	(70,050)	71,327	418,156
Other	493,590	(509,190)	465,176	449,578
	8,609,632	(4,532,816)	5,026,517	9,103,335
	16,000,065	(5,059,895)	6,050,511	16,990,682

7. Short-term debt

Short-term financing is secured through the Municipal Finance Authority of BC for capital initiatives approved under loan authorizations. Interest is calculated daily on a variable rate basis at prime less 1.28%. In 2016 the rate was 1.39% (2015 - 1.59%). Short-term borrowing is replaced by long-term debt periodically when balances and interest rates are considered appropriate. The outstanding short-term debt balance at the end of 2016 was transferred to long-term in the spring of 2017.

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

8. Capital leases

The City has equipment capital lease obligations with the MFA Leasing Corporation. The annual lease payments, including applicable taxes for the next five years are:

2017	2018	2019	2020	2021
13,001	-	-	-	-

The net book value of leased tangible capital assets at December 31, 2016 is \$69,605 (2015 - \$85,072).

9. Long-term debt

Debt is reported at the gross amount. See Schedule 1 for maturity dates, interest rates and payments in the year. The principal payments for the next five years are:

Year	General	Sewer	Water	Total
2017	245,264	49,891	-	295,155
2018	209,033	49,891	-	258,924
2019	84,846	49,891	-	134,737
2020	84,846	49,891	-	134,737
2021	84,846	49,891	-	134,737

The City has no debt assumed by others on its behalf, and has not directly assumed any debt for others (Note 12b).

10. Municipal Finance Authority debt reserve fund

The Municipal Finance Authority (MFA) of British Columbia provides capital financing for regional districts and their member municipalities. The MFA is required to establish a debt reserve fund. Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the debt reserve fund certain amounts set out in the debt agreements. The MFA pays into the debt reserve fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund if at any time there are insufficient funds to meet payments on its obligations. When this occurs the regional districts may be called upon to restore the fund.

Upon the maturity of a debt issue, the unused portion of the debt reserve fund established for that issue will be discharged to the City. The proceeds from these discharges will be credited to income in the year they are received. The City's MFA debt reserve fund is:

	2016	2015
General	83,143	80,702
Sewer	12,023	11,671
	95,166	92,373

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

11. Accumulated surplus

	2016	2015
Unappropriated surplus		
General	4,544,765	7,067,379
Sewer	800,000	12,339,728
Water	850,000	6,688,619
	6,194,765	26,095,726
Non-statutory reserves		
General	8,648,894	8,536,375
Airport	375,777	441,704
Sewer	13,391,485	901,724
Water	8,565,828	270,459
	30,981,984	10,150,262
Statutory reserves		
Capital lending	2,382,769	2,043,282
Parkland acquisition & development	676,994	514,808
	3,059,763	2,558,090
Investment in tangible capital assets	236,211,068	226,837,505
Total	276,447,580	265,641,583

The Unappropriated surplus is available to temporarily finance operations until planned revenues including property taxes are received, or for other operating or capital purposes as determined by Council.

The Non-statutory reserves have been set aside by decision of Council for a specified purpose. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

The Statutory reserves have been established by bylaw in accordance with the Community Charter and their use is restricted by legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

Investment in tangible capital assets includes the net book value of capital assets for all City funds (General, Airport, Sewer, Water), less debt or leases outstanding on those assets.

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

12. Contingent liabilities

a) Pension liability

The municipality 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 provided are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation as at December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis.

The City of Campbell River paid \$1,660,468 (2015 - \$1,668,571) for employer contributions, while employees contributed \$1,331,153 (2015 - \$1,362,208) to the Plan in fiscal 2016. The City of Campbell River expects to pay \$1,696,400 for employer contributions in the next fiscal year.

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.

b) Regional District debt

Debt issued by the Strathcona Regional District is a direct joint and several liability of the Regional District and each member municipality, including the City of Campbell River. Readers are referred to the Strathcona Regional District 2016 Audited Financial Statements for specific information and detail.

c) Other claims and contingent liabilities

In the course of a year, the City is faced with lawsuits, assessment appeals on property values, and other claims for damages and management assess the exposure to be insignificant. As at December 31, 2016 there existed several claims which management believes may be successful against the City. The City has recorded a contingent liability for these claims, as it believes a reasonable estimate can be made. An accrued liability of \$340,355 (\$424,308) has been recorded for these claims.

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

13. Related party transactions

The City is the sole shareholder of Campbell River Economic Development Corporation (CREDC). Its purpose is to provide economic development services to the City through retention, enhancement and recruitment of business. Transactions of CREDC are consolidated at December 31st each year. During the year CREDC received \$397,500 (2015 - \$576,180) as funding contributions from the City which have been eliminated upon consolidation of CREDC into the City's financial statements. 2016 was the final year for CREDC operations and the corporation will be formally dissolved in 2017.

14. Property tax collections for other governments

	<u>2016</u>	<u>2015</u>
BC Assessment Authority	313,819	329,178
Comox Strathcona Regional Hospital District	4,256,969	4,228,900
Comox Strathcona Regional Solid Waste Board	494,627	173,958
Municipal Finance Authority	1,050	1,017
Provincial School Levy	14,514,449	14,558,045
Strathcona Regional District	5,455,367	3,957,625
Regional Library	1,378,870	1,317,247
	<u>26,415,151</u>	<u>24,565,970</u>

15. Budget legislative compliance

The following table reconciles the difference between the Statement of Operations Surplus/Deficit and the Financial Plan (Budget) balance, where sources of funds equal use of funds, demonstrating how the City has complied with the legislative requirement for a balanced budget.

The budget amounts presented throughout these financial statements are based on the Ten Year Financial Plan bylaw adopted by Council on February 22, 2016, to the exception of the amounts noted below.

Adjustments to the 2016-2025 Financial Plan Annual Surplus:

Annual surplus, as per Statement of Operations	22,423,641
Adjustments for non-cash item:	
Amortization offset	8,625,479
Debt proceeds	3,475,000
Debt principal repayments	(523,114)
Capital expenses	(46,124,420)
Net transfer (to)/from reserves & unappropriated surplus	12,123,413
	<u>-</u>

CITY OF CAMPBELL RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2016

16. Segmented reporting

The City of Campbell River provides various City services within various divisions. The consolidated schedule segmented reporting as disclosed in Schedule 3 reflects those functions offered by the City as summarized below:

General government - activities related to the administration of the City as a whole including central administration, finance, human resources, information technology and legislative operations.

Protective services - activities related to providing for the security of the property and citizens of the City including policing, fire protection, emergency planning, building inspection, animal control and bylaw enforcement.

Transportation services - activities related to transportation and transit services including airport operations, maintenance of roads, sidewalks, street lighting and signage.

Environmental health services - activities related to solid waste management.

Public health services - activities related to child care, victim services and cemetery maintenance.

Development services - activities related to economic development, community planning and development.

Parks, recreation & cultural services - activities related to all recreation and cultural services including the maintenance of parks, recreation and fitness programs as well cultural facilities including the museum.

Sewer utility services - activities related to gathering, transporting, storing, treating and discharging sewage and reclaimed water.

Water utility services - activities related to treating, storing, supplying and transporting water.

17. Comparative figures

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

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
CONSOLIDATED SCHEDULE OF LONG-TERM LIABILITIES
As at December 31, 2016**

SCHEDULE 1

Bylaw	Description	Maturity Date	Interest Rate %	Balance at Dec 31, 2015	Debt Issued	Principal Payments	Actuarial Adjust	Balance at Dec 31, 2016
Long-term debt								
General								
2967	Issue #99	19/10/16	5.00	136,805	-	96,117	40,688	-
3073	Issue #99	19/10/16	5.00	165,673	-	116,400	49,273	-
2964	Issue #102	12/01/17	4.82	40,694	-	14,576	5,372	20,746
2966	Issue #102	12/01/17	4.82	34,881	-	12,494	4,605	17,782
2967	Issue #102	12/01/17	4.82	25,579	-	9,162	3,377	13,040
3303	Issue #103	23/04/23	4.65	117,767	-	9,713	3,069	104,985
2964	Issue #104	20/11/18	5.15	203,405	-	49,516	15,644	138,245
2966	Issue #104	20/11/18	5.15	224,616	-	54,680	17,275	152,661
3074	Issue #104	20/11/18	5.15	82,114	-	19,990	6,315	55,809
3301	Issue #104	20/11/23	5.15	415,104	-	34,232	10,816	370,056
3302	Issue #104	20/11/23	5.15	302,774	-	24,969	7,889	269,916
3302	Issue #106	10/13/24	4.13	89,290	-	6,668	1,769	80,853
3301	Issue #112	06/10/25	3.73	135,262	-	9,260	2,006	123,996
				<u>1,973,964</u>	<u>-</u>	<u>457,777</u>	<u>168,098</u>	<u>1,348,089</u>
Sanitary Sewer								
3345	Issue #112	06/10/25	3.73	328,276	-	22,473	4,869	300,934
3345	Issue #117	10/11/26	3.25	432,572	-	27,418	4,657	400,497
				<u>760,848</u>	<u>-</u>	<u>49,891</u>	<u>9,526</u>	<u>701,431</u>
Accrued actuarial adjustment				<u>(30,656)</u>	<u>-</u>	<u>-</u>	<u>(15,590)</u>	<u>(15,066)</u>
Total long-term debt				<u>2,704,156</u>	<u>-</u>	<u>507,668</u>	<u>162,034</u>	<u>2,034,454</u>
Capital leases								
Equipment		05/28/17	2.00	5,891	-	4,187	-	1,704
Equipment		12/28/17	2.00	22,551	-	11,254	-	11,297
Equipment		02/01/16	0.00	3,496	-	3,496	-	-
Total capital lease				<u>31,940</u>	<u>-</u>	<u>18,937</u>	<u>-</u>	<u>13,001</u>
Total long-term liabilities				<u>2,736,096</u>	<u>-</u>	<u>526,605</u>	<u>162,034</u>	<u>2,047,455</u>

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
CONSOLIDATED TANGIBLE CAPITAL ASSET CONTINUITY SCHEDULE
As at December 31, 2016**

SCHEDULE 2

	Land	Buildings	Machinery & Equipment	Engineered Structures	Assets Under Construction	Total 2016	Total 2015
COST							
Opening balance	33,151,768	35,665,002	17,974,716	310,521,218	10,235,576	407,548,279	393,914,003
Additions	76,827	284,068	2,881,743	6,249,401	9,701,003	19,193,042	14,646,169
Construction completed	-	14,481	300,815	2,825,135	(3,140,431)	-	-
Writedowns	-	-	-	-	(31,587)	(31,587)	(173,104)
Disposals	-	-	(598,797)	(134,902)	-	(733,699)	(838,792)
Closing balance	33,228,595	35,963,551	20,558,477	319,460,852	16,764,561	425,976,036	407,548,279
ACCUMULATED AMORTIZATION							
Opening balance	-	18,900,479	13,117,977	144,656,220	-	176,674,676	168,203,026
Asset reclassification adjustment	-	-	19,340	(19,340)	-	-	-
Amortization current year	-	976,792	749,143	7,102,086	-	8,828,021	8,801,988
Amortization from disposals	-	-	(565,817)	(119,367)	-	(685,184)	(330,338)
Closing balance	-	19,877,271	13,320,643	151,619,599	-	184,817,513	176,674,676
NET BOOK VALUE	33,228,595	16,086,279	7,237,834	167,841,253	16,764,561	241,158,523	230,873,603
NET BOOK VALUE (2015)	33,151,768	16,764,523	4,856,738	165,864,998	10,235,576		

CITY OF CAMPBELL RIVER
 FINANCIAL STATEMENTS
 CONSOLIDATED SCHEDULE OF SEGMENTED REPORTING
 For the Year Ended December 31, 2016

SCHEDULE 3
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	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health Services		Development Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE												
Taxes & parcel taxes	28,144,356	26,942,532	-	-	176,085	179,816	-	-	-	-	65,366	62,254
Payments in lieu of taxes	624,287	590,540	-	-	-	-	-	-	-	-	-	-
Sale of services	393,949	348,428	1,855,362	1,639,459	2,624,380	3,008,210	2,334,366	2,349,120	67,935	60,491	845,620	1,315,057
Services provided to other governments	1,182,451	1,137,794	432,780	426,690	-	-	-	-	59,973	60,032	-	-
Transfers from other governments	899,155	697,301	432,430	450,417	1,199,203	2,185,015	8,552	9,502	-	-	-	-
Investment and other income	840,915	647,012	-	-	656	134,444	-	-	-	-	-	-
Other revenue	-	352,101	-	-	193,638	188,985	17,000	-	-	-	167,907	151,563
Development cost charges recognized	-	-	-	-	105,136	83,285	-	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	929,765	296,637	-	-	-	-	-	-
Gain on disposal of tangible capital assets	-	-	-	-	89,662	276,832	-	-	-	-	-	-
	32,085,113	30,715,708	2,720,572	2,516,566	5,318,525	6,353,224	2,359,918	2,358,622	127,908	120,523	1,078,893	1,528,874
EXPENSES												
Amortization	240,668	252,842	376,046	375,406	4,428,956	4,548,924	-	-	670	689	6,523	3,870
Interest & debt issue expenses	(13,747)	(19,267)	-	-	293,687	350,849	-	-	-	-	-	-
Operating expenses	1,140,592	629,761	8,971,174	7,879,321	5,132,658	5,243,914	2,278,714	2,190,013	22,882	30,640	1,103,997	973,854
Wages & benefits	5,418,127	4,830,194	6,350,005	6,498,544	2,191,710	1,967,106	75,987	74,747	124,956	119,874	692,665	596,125
	6,785,640	5,693,530	15,697,225	14,753,271	12,047,011	12,110,793	2,354,701	2,264,760	148,508	151,203	1,803,185	1,573,849
ANNUAL SURPLUS (DEFICIT)	25,299,473	25,022,178	(12,976,653)	(12,236,705)	(6,728,486)	(5,757,569)	5,217	93,862	(20,600)	(30,680)	(724,292)	(44,975)

See Note 16 for description of Segment Reporting categories.

CITY OF CAMPBELL RIVER
 FINANCIAL STATEMENTS
 CONSOLIDATED SCHEDULE OF SEGMENTED REPORTING
 For the Year Ended December 31, 2016

SCHEDULE 3
 (page 2 of 2)

	Parks, Recreation & Culture Services		Total General Government		Sewer Utility Services		Water Utility Services		Consolidated Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUE										
Taxes & parcel taxes	508,084	504,717	28,893,891	27,689,319	704,307	700,379	(37)	2,080	29,598,161	28,391,778
Payments in lieu of taxes	-	-	624,287	590,540	-	-	-	-	624,287	590,540
Sale of services	980,146	962,618	9,101,758	9,683,383	5,322,313	4,997,616	6,602,340	6,029,275	21,026,411	20,710,274
Services provided to other governments	-	-	1,675,204	1,624,516	-	-	-	-	1,675,204	1,624,517
Transfers from other governments	67,900	4,762	2,607,240	3,346,997	-	-	6,948,066	4,045,529	9,555,306	7,392,526
Investment and other income	-	-	841,571	781,456	26,113	85,224	17,379	38,556	885,063	905,236
Other revenue	25,630	169,485	404,175	862,134	14,376	3,000	-	-	418,551	865,134
Development cost charges recognized	14,049	1,117,031	119,185	1,200,316	250,020	-	-	-	369,205	1,200,316
Contributed tangible capital assets	-	-	929,765	296,637	168,287	28,069	256,788	58,200	1,354,840	382,907
(Gain)/loss on disposal of tangible capital assets	-	-	89,662	276,832	(2,787)	-	(12,749)	(7,838)	74,126	268,994
	1,595,809	2,758,613	45,286,738	46,352,130	6,482,629	5,814,288	13,811,787	10,165,802	65,581,154	62,332,222
EXPENSES										
Amortization	1,339,544	1,264,155	6,392,407	6,445,886	1,247,512	1,181,363	1,188,102	1,174,740	8,828,021	8,801,989
Interest & debt issue expenses	-	-	279,940	331,582	34,628	34,628	18,235	18,422	332,803	384,631
Operating expenses	2,529,588	2,569,990	21,179,605	19,517,493	1,662,950	1,615,221	1,686,027	1,565,474	24,528,582	22,698,187
Wages & benefits	3,909,567	3,603,114	18,763,017	17,689,704	972,340	896,991	1,350,394	1,204,372	21,085,751	19,791,067
	7,778,699	7,437,259	46,614,969	43,984,665	3,917,430	3,728,203	4,242,758	3,963,008	54,775,157	51,675,876
ANNUAL SURPLUS (DEFICIT)	(6,182,890)	(4,678,646)	(1,328,231)	2,367,465	2,565,199	2,086,085	9,569,029	6,202,794	10,805,997	10,656,346

See Note 16 for description of Segment Reporting categories.