

**CITY OF CAMPBELL RIVER**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

**CITY OF CAMPBELL RIVER  
CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2015**

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**CITY OF CAMPBELL RIVER  
FINANCIAL REPORTING RESPONSIBILITY  
For the Year Ended December 31, 2015**

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.



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Myriah Foort, CPA, CA  
Finance Manager



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Ron Bowles  
General Manager, Corporate Services / CFO

## **Independent Auditors' Report**

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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, 2015 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies, schedules 1 to 3 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 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 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, 2015 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.

Campbell River, British Columbia

May 9, 2016

*MNP LLP*

Chartered Professional Accountants

**CITY OF CAMPBELL RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2015**

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash and investments (note 3)	56,953,153	54,848,836
Accounts receivable (note 5)	7,502,670	4,745,545
Inventory held for sale	67,516	98,203
Tax sale properties	-	63,356
	<b>64,523,339</b>	<b>59,755,940</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	7,751,257	7,535,090
Deposits and holdbacks	2,397,818	2,222,928
Deferred revenue (note 7)	16,000,065	16,141,322
Short-term debt (note 8)	1,300,000	1,300,000
Capital lease (note 9 & schedule 1)	31,940	68,065
Long-term debt (note 10 & schedule 1)	2,704,156	3,598,982
	<b>30,185,236</b>	<b>30,866,387</b>
<b>NET FINANCIAL ASSETS</b>	<b>34,338,103</b>	<b>28,889,553</b>
<b>NON FINANCIAL ASSETS</b>		
Inventory of supplies	276,310	292,152
Prepays	153,568	92,552
Tangible capital assets (schedule 2)	230,873,603	225,710,975
	<b>231,303,481</b>	<b>226,095,679</b>
<b>ACCUMULATED SURPLUS (note 12)</b>	<b>265,641,583</b>	<b>254,985,237</b>

See Contingent liabilities Note 13.



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, 2015

	2015 Budget (see note 16)	2015 Actual	2014 Actual
<b>REVENUE</b>			
Taxes & parcel taxes	28,103,863	<b>28,391,778</b>	27,227,568
Payments in lieu of taxes	517,764	<b>590,540</b>	569,140
Sale of services	19,678,569	<b>20,710,274</b>	19,287,076
Services provided to other governments	1,567,449	<b>1,624,517</b>	1,510,112
Transfers from other governments	9,326,862	<b>7,392,526</b>	4,156,238
Investment and other income	521,408	<b>905,236</b>	1,080,288
Other revenue	328,744	<b>865,134</b>	572,162
Development cost charges recognized	2,273,514	<b>1,200,316</b>	286,628
Contributed tangible capital assets	-	<b>382,907</b>	5,294,573
Gain/(loss) on disposal of tangible capital assets	-	<b>268,994</b>	(24,925)
	<b>62,318,173</b>	<b>62,332,222</b>	59,958,860
<b>EXPENSES</b>			
General government	5,865,563	<b>5,693,530</b>	5,529,108
Protective services	15,182,892	<b>14,753,271</b>	14,941,469
Transportation services	12,203,250	<b>12,110,793</b>	12,140,483
Environmental health services	2,308,143	<b>2,264,760</b>	2,051,050
Public health services	162,120	<b>151,203</b>	152,762
Development services	1,430,495	<b>1,573,849</b>	1,454,792
Parks, recreation and cultural services	7,459,166	<b>7,437,259</b>	7,312,246
Sewer utility services	4,045,332	<b>3,728,203</b>	3,531,645
Water utility services	4,293,304	<b>3,963,008</b>	3,796,049
	<b>52,950,265</b>	<b>51,675,876</b>	50,909,604
<b>ANNUAL SURPLUS</b>	9,367,908	<b>10,656,346</b>	9,049,256
Accumulated Surplus, Beginning of Year	254,985,237	<b>254,985,237</b>	245,935,981
<b>ACCUMULATED SURPLUS (note 12)</b>	264,353,145	<b>265,641,583</b>	254,985,237

See Budget legislative compliance Note 16.

**CITY OF CAMPBELL RIVER**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2015

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Annual surplus	10,656,346	9,049,256
Non-cash items included in annual surplus:		
Long-term debt actuarial adjustment	(178,922)	(302,067)
Contributed tangible capital assets	(382,907)	(5,294,573)
(Gain)/loss on tangible capital assets	(268,994)	24,925
Writedown of tangible capital assets	173,104	-
Amortization expense	8,801,988	8,820,951
(Increase)/decrease in inventory of supplies	15,842	(30,546)
(Increase)/decrease in prepaids	(61,016)	245,128
Changes in financial assets and liabilities:		
Accounts receivable	(2,757,125)	(702,280)
Inventory held for resale	30,687	(22,750)
Tax sale properties	63,356	(63,356)
Accounts payable and accrued liabilities	216,167	(1,401,445)
Deposits and holdbacks	174,890	34,976
Deferred revenue	(141,257)	1,705,102
	16,342,159	12,063,321
<b>CAPITAL ACTIVITIES</b>		
Proceeds on sale of tangible capital assets	777,448	249,297
Acquisition of tangible capital assets	(14,263,262)	(9,222,793)
	(13,485,814)	(8,973,496)
<b>FINANCING ACTIVITIES</b>		
Debt and lease proceeds	-	700,000
Debt and lease principal repaid	(752,029)	(946,683)
	(752,029)	(246,683)
<b>INCREASE IN CASH AND INVESTMENTS</b>	<b>2,104,317</b>	<b>2,843,142</b>
<b>CASH AND INVESTMENTS BEGINNING OF YEAR</b>	<b>54,848,836</b>	<b>52,005,694</b>
<b>CASH AND INVESTMENTS, END OF YEAR</b>	<b>56,953,153</b>	<b>54,848,836</b>
<b>INTEREST RECEIVED</b>	<b>448,400</b>	<b>548,344</b>
<b>INTEREST PAID</b>	<b>384,631</b>	<b>560,684</b>

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

**CITY OF CAMPBELL RIVER**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2015**

	2015 Budget (see note 16)	<b>2015 Actual</b>	2014 Actual
<b>ANNUAL SURPLUS</b>	9,367,908	<b>10,656,346</b>	9,049,256
<b>TANGIBLE CAPITAL ASSETS</b>			
Acquisition of tangible capital assets	(27,000,562)	<b>(14,263,262)</b>	(9,222,793)
Contributed tangible capital assets	-	<b>(382,907)</b>	(5,294,573)
Proceeds on disposal of tangible capital assets	-	<b>777,448</b>	249,297
(Gain)/loss on tangible capital assets	-	<b>(268,994)</b>	24,925
Write-off of tangible capital assets	-	<b>173,104</b>	-
Amortization	8,479,350	<b>8,801,988</b>	8,820,951
	(18,521,212)	<b>(5,162,623)</b>	(5,422,193)
<b>OTHER NON-FINANCIAL ASSETS</b>			
(Increase)/decrease in inventory of supplies	-	<b>15,842</b>	(30,546)
(Increase)/decrease in prepaids	-	<b>(61,016)</b>	245,128
	-	<b>(45,174)</b>	214,582
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(9,153,304)	<b>5,448,549</b>	3,841,645
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	28,889,553	<b>28,889,553</b>	25,047,910
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	19,736,249	<b>34,338,102</b>	28,889,553



**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

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 4).

**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 15) are not included in these financial statements.

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

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 7.

**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 3 are reported at market value which is also cost on December 31, 2015.

**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, 2015**

**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 5.

**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:

<b>Asset</b>	<b>Useful life (yrs)</b>
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, 2015**

**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, 2015.

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.

**k) Recent accounting pronouncements**

**i) 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

PS 2200 is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

ii) Assets

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

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

PS 3210 is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

iii) Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). 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.

PS 3320 is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

iv) Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). 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.

PS 3380 is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

v) Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). 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 derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

PS 3430 is effective for fiscal years beginning on or after April 1, 2018. Early adoption is encouraged. The City does not expect application of the new Standard to have a material effect on the consolidated financial statements.

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

**2. Change in Accounting Policy**

Effective January 1, 2015, the City adopted the recommendations in PS 3260 Liabilities for Contaminated Sites, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the City is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 1, Significant Accounting Policies.

There was no effect on the City's financial statements from adopting the above-noted change in accounting policy.

**3. Cash and investments**

	<u>2015</u>	<u>2014</u>
General operating fund	46,804,067	43,071,253
Development cost charges deferred revenue	7,174,116	7,859,660
Capital lending reserve fund	2,043,282	2,538,438
Parks acquisition & development reserve fund	514,808	866,225
Parkland acquisition reserve fund	416,879	494,605
Facility reserve fund	-	18,655
	<u>56,953,153</u>	<u>54,848,836</u>

**4. 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:

	<u>December 31,</u> <u>2014</u>	<u>Collections</u>	<u>Expenses</u>	<u>December 31,</u> <u>2015</u>
CR Municipal Cemetery	313,949	3,295	2,682	314,562
Elk Falls Memorial Cemetery	206,937	7,435	1,768	212,604
	<u>520,886</u>	<u>10,730</u>	<u>4,450</u>	<u>527,167</u>

**5. Accounts receivable**

	<u>2015</u>	<u>2014</u>
Property taxes	1,945,903	1,613,927
Utilities	26,973	16,240
Airport	71,035	77,431
Due from other governments	4,268,740	1,955,682
Other	973,702	1,053,401
Development cost charges	216,317	28,864
	<u>7,502,670</u>	<u>4,745,545</u>

Other receivables includes from one customer an amount of \$750,255 (2014 - \$796,031) 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.

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2015

**6. Accounts payable and accrued liabilities**

	<u>2015</u>	<u>2014</u>
Trade accounts payable	1,370,124	1,194,916
Due to other governments	2,314,513	2,092,046
Accrued liabilities	650,383	6,801
Accrued wages and benefits	3,364,026	4,162,314
Accrued interest	52,211	79,013
	<u>7,751,257</u>	<u>7,535,090</u>

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, 2015 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:

	<u>2015</u>	<u>2014</u>
Employee future benefits	1,532,300	1,478,100
Vacation liability	1,056,208	1,001,243
Banked overtime liability	194,593	180,816
Wages and other accruals	580,925	1,502,155
	<u>3,364,026</u>	<u>4,162,314</u>

	<u>2015</u>
Accrued benefit obligation - beginning	1,478,100
Current service cost	122,300
Interest cost	47,800
Benefits paid	(123,200)
Recognition of Actuarial loss/gain	7,300
	<u>1,532,300</u>

Assumptions used:

Discount rate	3.10%
Inflation rate	2.50%



**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

**7. 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 5 (2015 - \$216,317, 2014 - \$28,864). The funded DCC's are disclosed as short-term investments in Note 3 (2015 - \$7,174,116, 2014 - \$7,859,660).

	<b>December 31, 2014</b>	<b>Transfers</b>	<b>Collections</b>	<b>December 31, 2015</b>
Development cost charges				
Park development	516,747	773	52,836	<b>568,810</b>
Parkland acquisition	1,076,574	1,118,422	108,221	<b>66,374</b>
Roads	3,013,607	85,175	173,142	<b>3,101,574</b>
Sanitary sewer	502,024	1,635	117,777	<b>618,165</b>
Storm drains	555,890	8,817	61,594	<b>608,667</b>
Water	2,223,682	2,693	205,854	<b>2,426,843</b>
	<b>7,888,523</b>	<b>1,217,515</b>	<b>719,425</b>	<b>7,390,433</b>
Deferred revenue				
Future local improvements	2,559,968	7,394	20,892	<b>2,573,468</b>
Prepaid property taxes	914,786	1,685,138	2,135,306	<b>1,364,953</b>
Community Works Fund	3,946,145	1,544,703	1,359,300	<b>3,760,742</b>
Parkland acquisition	502,055	89,336	4,161	<b>416,879</b>
Other	329,844	305,893	469,639	<b>493,590</b>
	<b>8,252,799</b>	<b>3,632,464</b>	<b>3,989,298</b>	<b>8,609,632</b>
	<b>16,141,322</b>	<b>4,849,979</b>	<b>4,708,723</b>	<b>16,000,065</b>

**8. 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 2015 the rate was 1.59%. Short-term borrowing is replaced by long-term debt periodically when balances and interest rates are considered appropriate.

**9. Capital leases**

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

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
18,872	13,139	-	-	-

The net book value of leased tangible capital assets at December 31, 2015 is \$85,072 (2014 - \$100,540).

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

**10. 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	Total
2016	457,781	49,891	507,672
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

The City has no debt assumed by others on its behalf, and has not directly assumed any debt for others (Note 13b).

**11. 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 comprised of:

	2015	2014
General	<b>80,702</b>	114,546
Sewer	<b>11,671</b>	11,405
	<b>92,373</b>	125,950

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2015

**12. Accumulated surplus**

	<b>2015</b>	<b>2014</b>
Unappropriated surplus		
General	<b>7,067,379</b>	5,418,936
Sewer	<b>12,339,728</b>	9,443,402
Water	<b>6,688,619</b>	5,131,410
	<b>26,095,726</b>	19,993,748
Non-statutory reserves		
General	<b>8,536,375</b>	9,184,042
Airport	<b>441,704</b>	441,440
Sewer	<b>901,724</b>	928,614
Water	<b>270,459</b>	270,143
	<b>10,150,262</b>	10,824,240
Statutory reserves		
Capital lending	<b>2,043,282</b>	2,538,438
Parkland acquisition & development	<b>514,808</b>	866,225
Facility	-	18,655
	<b>2,558,090</b>	3,423,318
Investment in tangible capital assets		
General	<b>136,979,685</b>	134,652,191
Airport	<b>11,742,498</b>	12,099,682
Sewer	<b>36,689,229</b>	37,477,159
Water	<b>41,426,093</b>	36,514,900
	<b>226,837,505</b>	220,743,931
Total	<b>265,641,583</b>	254,985,237

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.

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

**13. 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, 2014, the plan has about 185,000 active members and approximately 80,000 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, 2012, indicated a \$1.370 billion funding deficit for basic pension benefits on a going concern basis.

The City of Campbell River paid \$1,668,571 (2014 - \$1,354,268) for employer contributions, which represents 0.0974% of the total plan contributions, while employees contributed \$1,362,208 (2014 - \$1,119,370) to the Plan in fiscal 2015. The City of Campbell River expects to pay \$1,693,600 for employer contributions in the next fiscal year.

The next valuation will be as at December 31, 2015, with results available in 2016.

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 2015 Audited Financial Statements for specific information and detail.

**c) Claims for damages**

In the course of a year, the City is faced with lawsuits and other claims for damages and management assesses the exposure to be insignificant. This year a significant claim has also been made against the City. The lawsuit remains at an early stage and, as litigation is subject to many uncertainties, it is not possible to predict the outcome of the lawsuit or to estimate the loss, if any, which will result.

**d) Property assessment appeals**

As at December 31, 2015, there was one assessment appeal pending. The outcome of this appeal is not known however the amount is insignificant. The City has a non-statutory reserve for the provision for tax refunds totaling \$260,359 (2014 - \$258,169) which is part of the Non-statutory reserves in Note 12.

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

**14. 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 \$576,180 (2014 - \$576,180) as funding contributions from the City which have been eliminated upon consolidation of Rivercorp into the City's financial statements.

**15. Property tax collections for other governments**

	<b>2015</b>	<b>2014</b>
BC Assessment Authority	<b>329,178</b>	328,352
Comox Strathcona Regional Hospital District	<b>4,228,900</b>	4,074,200
Comox Strathcona Regional Solid Waste Board	<b>173,958</b>	145,204
Municipal Finance Authority	<b>1,017</b>	976
Provincial School Levy	<b>14,558,045</b>	14,319,955
Strathcona Regional District	<b>3,957,625</b>	3,927,839
Regional Library	<b>1,317,247</b>	1,239,113
	<b>24,565,970</b>	24,035,639

**16. 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 Five Year Financial Plan bylaw adopted by Council on April 20, 2015, to the exception of the amounts noted below.

Adjustments to the 2015-2019 Financial Plan Annual Surplus:

Annual surplus, as per Statement of Operations	<b>9,367,908</b>
Adjustments for non-cash item:	
Amortization offset	<b>8,479,350</b>
Debt proceeds	<b>350,000</b>
Debt principal repayments	<b>(795,895)</b>
Capital expenses	<b>(27,000,562)</b>
Net transfer (to)/from reserves & unappropriated surplus	<b>9,599,199</b>
	-

**CITY OF CAMPBELL RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

**17. 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 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.

**18. 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, 2015**

**SCHEDULE 1**

<b>Bylaw</b>	<b>Description</b>	<b>Maturity Date</b>	<b>Interest Rate %</b>	<b>Balance at Dec 31, 2014</b>	<b>Debt Issued</b>	<b>Principal Payments</b>	<b>Actuarial Adjust</b>	<b>Balance at Dec 31, 2015</b>
<b>Long-term debt</b>								
General								
2964	Issue #92	06/04/15	4.55	1,245	-	875	370	-
2966	Issue #92	06/04/15	4.55	1,008	-	708	300	-
2967	Issue #92	06/04/15	4.55	5,455	-	3,833	1,622	-
2968	Issue #92	06/04/15	4.55	3,259	-	2,289	970	-
3071	Issue #92	06/04/15	4.55	30,467	-	21,406	9,061	-
3073	Issue #92	06/04/15	4.55	251,621	-	176,786	74,835	-
3074	Issue #92	06/04/15	4.55	3,319	-	2,332	987	-
2967	Issue #99	19/10/16	5.00	268,349	-	96,118	35,426	<b>136,805</b>
3073	Issue #99	19/10/16	5.00	324,973	-	116,399	42,901	<b>165,673</b>
2964	Issue #102	12/01/17	4.82	59,875	-	14,576	4,605	<b>40,694</b>
2966	Issue #102	12/01/17	4.82	51,322	-	12,494	3,947	<b>34,881</b>
2967	Issue #102	12/01/17	4.82	37,636	-	9,162	2,895	<b>25,579</b>
3303	Issue #103	23/04/23	4.65	130,057	-	9,713	2,577	<b>117,767</b>
2964	Issue #104	20/11/18	5.15	266,059	-	49,516	13,138	<b>203,405</b>
2966	Issue #104	20/11/18	5.15	293,805	-	54,681	14,508	<b>224,616</b>
3074	Issue #104	20/11/18	5.15	107,408	-	19,990	5,304	<b>82,114</b>
3301	Issue #104	20/11/23	5.15	458,422	-	34,235	9,083	<b>415,104</b>
3302	Issue #104	20/11/23	5.15	334,370	-	24,971	6,625	<b>302,774</b>
3302	Issue #106	10/13/24	4.13	97,403	-	6,668	1,445	<b>89,290</b>
3301	Issue #112	06/10/25	3.73	146,095	-	9,260	1,573	<b>135,262</b>
				<b>2,872,148</b>	-	<b>666,012</b>	<b>232,172</b>	<b>1,973,964</b>
Sanitary Sewer								
3345	Issue #112	06/10/25	3.73	354,567	-	22,474	3,817	<b>328,276</b>
3345	Issue #117	10/11/26	3.25	463,413	-	27,418	3,423	<b>432,572</b>
				<b>817,980</b>	-	<b>49,892</b>	<b>7,240</b>	<b>760,848</b>
Accrued actuarial adjustment				(91,146)	-	-	(60,490)	<b>(30,656)</b>
<b>Total long-term debt</b>				<b>3,598,982</b>	-	<b>715,904</b>	<b>178,922</b>	<b>2,704,156</b>
<b>Capital leases</b>								
Equipment		05/28/17	2.00	10,000	-	4,109	-	<b>5,891</b>
Equipment		12/28/17	2.00	33,586	-	11,035	-	<b>22,551</b>
Equipment		02/01/16	0.00	24,477	-	20,981	-	<b>3,496</b>
<b>Total capital lease</b>				<b>68,065</b>	-	<b>36,125</b>	-	<b>31,940</b>
<b>Total long-term liabilities</b>				<b>3,667,047</b>	-	<b>752,029</b>	<b>178,922</b>	<b>2,736,096</b>

**CITY OF CAMPBELL RIVER  
FINANCIAL STATEMENTS  
CONSOLIDATED TANGIBLE CAPITAL ASSET CONTINUITY SCHEDULE  
As at December 31, 2015**

**SCHEDULE 2**

	Land	Buildings	Machinery & Equipment	Engineered Structures	Assets Under Construction	Total 2015	Total 2014
<b>COST</b>							
Opening balance	32,399,283	34,286,718	17,968,125	306,256,086	3,003,792	<b>393,914,003</b>	379,861,010
Additions	1,239,663	1,367,598	135,879	3,011,723	8,891,306	<b>14,646,169</b>	14,517,366
Construction completed	-	10,686	42,603	1,433,133	(1,659,522)	<b>(173,104)</b>	-
Disposals	(487,178)	-	(171,890)	(179,724)	-	<b>(838,792)</b>	(464,372)
Closing balance	33,151,768	35,665,002	17,974,716	310,521,218	10,235,576	<b>407,548,279</b>	393,914,003
<b>ACCUMULATED AMORTIZATION</b>							
Opening balance	-	17,947,142	12,542,530	137,713,354	-	<b>168,203,026</b>	159,572,226
Amortization current year	-	953,337	735,973	7,112,679	-	<b>8,801,988</b>	8,820,951
Amortization from disposals	-	-	(160,526)	(169,813)	-	<b>(330,338)</b>	(190,150)
Closing balance	-	18,900,479	13,117,977	144,656,220	-	<b>176,674,676</b>	168,203,027
<b>NET BOOK VALUE</b>	<b>33,151,768</b>	<b>16,764,523</b>	<b>4,856,738</b>	<b>165,864,998</b>	<b>10,235,576</b>	<b>230,873,603</b>	<b>225,710,975</b>
<b>NET BOOK VALUE (2014)</b>	<b>32,399,283</b>	<b>16,339,575</b>	<b>5,425,594</b>	<b>168,542,732</b>	<b>3,003,792</b>		

Included in the disposals of tangible capital assets is \$173,104 of write downs (2014 - \$13,410).



CITY OF CAMPBELL RIVER  
 FINANCIAL STATEMENTS  
 CONSOLIDATED SCHEDULE OF SEGMENTED REPORTING  
 For the Year Ended December 31, 2015

SCHEDULE 3  
 (page 1 of 2)

	General Government		Protective Services		Transportation Services		Environmental Health Services		Public Health Services		Development Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>												
Taxes & parcel taxes	26,942,532	25,951,862	-	-	179,816	180,120	-	-	-	-	62,254	58,532
Payments in lieu of taxes	590,540	569,140	-	-	-	-	-	-	-	-	-	-
Sale of services	348,428	305,063	1,639,459	1,712,705	3,008,210	2,900,522	2,349,120	2,140,308	60,491	67,043	1,315,057	963,088
Services provided to other governments	1,137,794	1,100,976	426,690	349,580	-	-	-	-	60,032	59,556	-	-
Transfers from other governments	697,301	1,079,816	450,417	313,585	2,185,015	1,884,238	9,502	379	-	-	-	-
Investment and other income	647,012	878,846	-	-	134,444	96,113	-	-	-	-	-	-
Other revenue	352,101	-	-	-	188,985	184,987	-	12,900	-	-	151,563	360,485
Development cost charges recognized	-	-	-	-	83,285	286,628	-	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	296,637	3,809,223	-	-	-	-	-	-
Gain/(loss) on disposal of tangible capital assets	-	-	-	-	276,832	(24,925)	-	-	-	-	-	-
	<b>30,715,708</b>	<b>29,885,702</b>	<b>2,516,566</b>	<b>2,375,870</b>	<b>6,353,224</b>	<b>9,316,906</b>	<b>2,358,622</b>	<b>2,153,587</b>	<b>120,523</b>	<b>126,599</b>	<b>1,528,874</b>	<b>1,382,106</b>
<b>EXPENSES</b>												
Amortization	252,842	281,043	375,406	361,839	4,548,924	4,507,977	-	-	689	534	3,870	5,220
Interest & debt issue expenses	(19,267)	(7,807)	-	-	350,849	520,585	-	-	-	-	-	-
Operating expenses	629,761	599,121	7,879,321	7,761,024	5,243,914	5,060,785	2,190,013	1,983,614	30,640	49,185	973,854	1,018,921
Wages & benefits	4,830,194	4,656,751	6,498,544	6,818,606	1,967,106	2,051,135	74,747	67,436	119,874	103,043	596,125	430,651
	<b>5,693,530</b>	<b>5,529,108</b>	<b>14,753,271</b>	<b>14,941,469</b>	<b>12,110,793</b>	<b>12,140,483</b>	<b>2,264,760</b>	<b>2,051,050</b>	<b>151,203</b>	<b>152,762</b>	<b>1,573,849</b>	<b>1,454,792</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>25,022,178</b>	<b>24,356,595</b>	<b>(12,236,705)</b>	<b>(12,565,599)</b>	<b>(5,757,569)</b>	<b>(2,823,577)</b>	<b>93,862</b>	<b>102,537</b>	<b>(30,680)</b>	<b>(26,163)</b>	<b>(44,975)</b>	<b>(72,686)</b>

See Note 17 for description of Segment Reporting categories.

CITY OF CAMPBELL RIVER  
 FINANCIAL STATEMENTS  
 CONSOLIDATED SCHEDULE OF SEGMENTED REPORTING  
 For the Year Ended December 31, 2015

SCHEDULE 3  
 (page 2 of 2)

	Parks, Recreation & Culture Services		Total General Government		Sewer Utility Services		Water Utility Services		Consolidated Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>										
Taxes & parcel taxes	504,717	339,150	27,689,319	26,529,665	700,379	697,903	2,080	-	28,391,778	27,227,568
Payments in lieu of taxes	-	-	590,540	569,140	-	-	-	-	590,540	569,140
Sale of services	962,618	1,019,130	9,683,383	9,107,858	4,997,616	4,665,827	6,029,275	5,513,391	20,710,274	19,287,076
Services provided to other governments	-	-	1,624,516	1,510,112	-	-	-	-	1,624,517	1,510,112
Transfers from other governments	4,762	54,639	3,346,997	3,332,656	-	-	4,045,529	823,582	7,392,526	4,156,238
Investment and other income	-	-	781,456	974,959	85,224	79,508	38,556	25,822	905,236	1,080,288
Other revenue	169,485	10,790	862,134	569,162	3,000	3,000	-	-	865,134	572,162
Development cost charges recognized	1,117,031	-	1,200,316	286,628	-	-	-	-	1,200,316	286,628
Contributed tangible capital assets	-	-	296,637	3,809,223	28,069	752,130	58,200	733,220	382,907	5,294,573
(Gain)/loss on disposal of tangible capital assets	-	-	276,832	(24,925)	-	-	(7,838)	-	268,994	(24,925)
	<b>2,758,613</b>	<b>1,423,708</b>	<b>46,352,130</b>	<b>46,664,477</b>	<b>5,814,288</b>	<b>6,198,368</b>	<b>10,165,802</b>	<b>7,096,015</b>	<b>62,332,222</b>	<b>59,958,860</b>
<b>EXPENSES</b>										
Amortization	1,264,155	1,226,341	6,445,886	6,382,954	1,181,363	1,075,948	1,174,740	1,171,626	8,801,989	8,820,951
Interest & debt issue expenses	-	-	331,582	512,778	34,628	34,628	18,422	11,530	384,631	558,935
Operating expenses	2,569,990	2,526,971	19,517,493	18,999,621	1,615,221	1,572,727	1,565,474	1,451,173	22,698,187	21,833,098
Wages & benefits	3,603,114	3,558,934	17,689,704	17,686,556	896,991	848,342	1,204,372	1,161,721	19,791,068	19,696,619
	<b>7,437,259</b>	<b>7,312,246</b>	<b>43,984,665</b>	<b>43,581,909</b>	<b>3,728,203</b>	<b>3,531,645</b>	<b>3,963,008</b>	<b>3,796,049</b>	<b>51,675,875</b>	<b>50,909,604</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(4,678,646)</b>	<b>(5,888,538)</b>	<b>2,367,465</b>	<b>3,082,568</b>	<b>2,086,085</b>	<b>2,666,723</b>	<b>6,202,794</b>	<b>3,299,966</b>	<b>10,656,347</b>	<b>9,049,256</b>

See Note 17 for description of Segment Reporting categories.