



The Corporation of the City of Courtenay

Presentation to Mayor and Council

Presented by Cory Vanderhorst

May 10, 2023



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Topics

- Financial statement highlights
- Draft audit report
- Audit findings report
- Auditor independence
- Financial analysis

Financial Statement Highlights

The following figures are presented on a consolidated basis and include:

- General Funds
- Water Utility Funds
- Sewer Utility Funds
- Capital Fund
- Reserve Funds
- Gaming Fund

Financial Statement Highlights

Statement of Financial Position

		2022		2021
Cash and investments	\$	73,362,518	\$	73,920,466
Total financial assets	\$	79,019,210	\$	78,174,490
Debt	\$	11,880,552	\$	13,423,365
Total liabilities	\$	45,612,136	\$	46,851,677
Net financial assets	\$	33,407,074	\$	31,322,813
Tangible capital assets	\$	181,889,535	\$	174,071,589
Accumulated surplus	\$	216,324,657	\$	206,094,192

Financial Statement Highlights

Statement of Operations

		2022		2021		Budget
Total revenue	\$	68,730,931	\$	68,334,979	\$	61,367,700
Total expenses	\$	58,500,466	\$	52,353,001	\$	62,540,600
Annual surplus (deficit)	\$	10,230,465	\$	15,981,978	\$	(1,172,900)

Financial Statement Highlights

Statement of Cash Flows

		2022		2021
Provided by operations	\$	11,402,465	\$	18,778,988
Used by capital	\$	(10,895,780)	\$	(10,125,436)
Net transferred to investments	\$	(828,660)	\$	(224,254)
Provided by financing (repayment of debt)	\$	(1,064,633)	\$	2,396,970
Net cash inflow (outflow)	\$	(1,386,608)	\$	10,826,268

Financial Statement Highlights

Composition of accumulated surplus

		2022		2021
Invested in tangible capital assets	\$	170,008,982	\$	160,673,223
Reserves	\$	20,982,794	\$	21,305,788
Capital fund	\$	864,240	\$	1,243,347
Operating fund	\$	22,517,296	\$	20,995,417
Gaming fund	\$	1,951,345	\$	1,876,417
Total accumulated surplus	\$	216,324,657	\$	206,094,192

Draft audit report

- Unqualified opinion
- We will sign the report after:
 - Council approval

Auditor Findings Report

Auditor responsibilities

- Examining controls in place to ensure accurate reporting of financial results
- Sampling transactions throughout the year to form an audit opinion
- Auditors do NOT look at every transaction to form an audit opinion

We would like to formally acknowledge the excellent cooperation and assistance from management and staff

Auditor Independence

We confirm that MNP LLP is independent with respect to the Corporation of the City of Courtenay within the meaning of the Code of Professional Conduct of CPA British Columbia as of May 10, 2023.

Financial Analysis

Sustainability

- Financial assets to liabilities: a ratio greater than 1 means financial resources are available to finance future operations. A ratio of less than 1 means future revenues are required to pay for past transactions
- Financial assets to liabilities has steadily increased over the past five years and is also greater than 1.
 - 2018 – 1.48
 - 2019 – 1.54
 - 2020 – 1.66
 - 2021 – 1.67
 - 2022 – 1.73

Financial Analysis

Flexibility

- Net book value of capital assets to cost of capital assets reports the extent to which estimated useful lives of capital assets are available to provide service.
- Carrying value (or depreciated value) of capital assets is 61.3%, consistent with the past 5 years (ranging from 61.3% to 61.6%)

Conclusion

Thank you

We would like to take this opportunity to answer any questions you have regarding the matters presented.

Presenter: Cory Vanderhorst

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