



**THE CORPORATION OF  
THE CITY OF COURTENAY**

*Consolidated Financial Statements*

*Year Ending December 31, 2023*

**THE CORPORATION OF THE CITY OF COURTENAY**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2023**

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Consolidated Statements

- A Consolidated Statement of Financial Position
- B Consolidated Statement of Operations
- C Consolidated Statement of Change in Net Financial Assets
- D Consolidated Statement of Cash Flow

Notes to Consolidated Financial Statements

Supporting Schedules

- 1 Consolidated Schedule of Segment Disclosure by Service
- 2 Consolidated Schedule of Accumulated Surplus & Reserves
- 3 Consolidated Schedule of Tangible Capital Assets
- 4 Consolidated Schedule of Debenture and Other Long-Term Debt
- 5 Consolidated Schedule of Investments

## **THE CORPORATION OF THE CITY OF COURTENAY**

### **Management's Responsibility for Financial Reporting**

The preparation of information in these Consolidated Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and are outlined under "Significant Accounting Policies" in the notes to the financial statements.

Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly. Management also maintains a program of proper business compliance.

MNP LLP, the City's independent auditors, have audited the accompanying consolidated financial statements. Their report accompanies this statement.

  
Adam Langenmaier, BBA, CPA, CA  
Director of Financial Services

# Independent Auditor's Report

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To the Mayor and Council of the City of Courtenay:

## Opinion

We have audited the consolidated financial statements of the City of Courtenay (the "City"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flows and related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and the results of its consolidated operations, change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

Management is responsible for the other information, consisting of an annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Courtenay, British Columbia

May 8, 2024

Chartered Professional Accountants

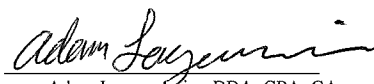
**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

**STATEMENT A**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash on Hand and on Deposit (Schedule 5)	29,812,771	36,502,240
Receivables (Note 1j)	4,243,795	5,656,692
Term Deposits (Schedule 5)	61,544,657	36,860,278
	95,601,223	79,019,210
<b>FINANCIAL LIABILITIES</b>		
Accounts Payable (Note 1k)	10,176,278	12,785,679
Trust and Other Deposits	6,766,816	7,596,609
Deferred Revenue - Development Cost Charges (Note 8)	14,364,562	11,093,943
Deferred Revenue - Other (Note 10)	3,278,368	2,255,353
Long-Term Debt (Schedule 4)	10,419,070	11,880,552
Asset Retirement Obligation (Note 13)	330,800	-
	45,335,894	45,612,136
<b>NET FINANCIAL ASSETS</b>	<b>50,265,329</b>	<b>33,407,074</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories	419,577	335,996
Prepaid Expenses	401,172	692,052
Tangible Capital Assets (Note 15 & Schedule 3)	184,768,531	181,889,535
	185,589,280	182,917,583
<b>ACCUMULATED SURPLUS (Schedule 2)</b>	<b>\$ 235,854,609</b>	<b>\$ 216,324,657</b>

**CONTINGENT LIABILITIES AND COMMITMENTS (NOTE 3)**

**CONTRACTUAL RIGHTS (NOTE 17)**



Adam Langenmaier, BBA, CPA, CA  
Director of Financial Services

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>REVENUE</b>	2023 Budget (Note 16)	2023	2022
Taxes for Municipal Purposes	35,603,400	35,481,555	32,277,972
Sale of Services	17,706,400	19,216,157	18,840,107
Revenue From Own Sources	4,823,100	4,730,657	3,395,462
Federal Transfers	1,133,800	1,240,152	2,662,750
Provincial Transfers	5,099,000	10,503,606	2,794,856
Other Local Government Transfers	659,700	800,749	510,376
Contributions	109,000	3,806,801	4,678,808
DCC Revenue	-	-	228,822
Investment Income and Taxation Penalties	1,102,600	4,364,286	2,071,940
Other	787,900	991,168	1,257,802
Gain on Sale of Tangible Capital Assets	-	2,622	12,036
<b>TOTAL REVENUE</b>	<b>67,024,900</b>	<b>81,137,753</b>	<b>68,730,931</b>
<b>EXPENSES</b>			
General Government Services	6,150,027	5,675,508	6,687,803
Protective Services	12,209,583	10,898,248	10,915,294
Transportation Services	14,702,995	9,229,936	10,260,434
Sewer and Water Facilities	17,818,410	18,738,968	13,626,551
Environmental Health Services	3,163,669	3,119,883	4,222,518
Public Health and Welfare Services	473,082	477,899	433,271
Environmental Development Services	2,994,000	2,724,023	2,555,197
Recreational and Cultural Services	7,489,934	10,743,336	9,799,398
<b>TOTAL EXPENSES</b>	<b>65,001,700</b>	<b>61,607,801</b>	<b>58,500,466</b>
<b>ANNUAL SURPLUS (Schedule 1)</b>	<b>2,023,200</b>	<b>19,529,952</b>	<b>10,230,465</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<b>216,324,657</b>	<b>216,324,657</b>	<b>206,094,192</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$ 218,347,857</b>	<b>\$ 235,854,609</b>	<b>\$ 216,324,657</b>

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**STATEMENT C**

	2023 Budget (Note 16)	2023	2022
ANNUAL SURPLUS	2,023,200	19,529,952	10,230,465
Acquisition of tangible capital assets	(25,039,200)	(6,713,027)	(10,920,734)
Amortization of tangible capital assets	6,661,000	6,937,531	6,660,570
Losses and other adjustments to tangible capital assets	-	462,525	38,725
Asset retirement obligation	-	(330,800)	-
Proceeds on sale of tangible capital assets	-	25,450	24,954
Developer tangible capital asset contribution	-	(3,260,675)	(3,621,460)
	<u>(18,378,200)</u>	<u>(2,878,996)</u>	<u>(7,817,945)</u>
Acquisition of supplies inventories	-	(563,809)	(585,415)
Acquisition of prepaid expense	-	(1,079,731)	(1,195,524)
Consumption of supplies inventories	-	480,227	562,603
Use of prepaid expense	-	1,370,612	890,077
	<u>-</u>	<u>207,299</u>	<u>(328,259)</u>
CHANGE IN NET FINANCIAL ASSETS	(16,355,000)	16,858,255	2,084,261
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>33,407,074</u>	<u>33,407,074</u>	<u>31,322,813</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ 17,052,074</u>	<u>\$ 50,265,329</u>	<u>\$ 33,407,074</u>

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



**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**STATEMENT D**

	2023	2022
<b>CASH PROVIDED BY (APPLIED TO) FINANCING TRANSACTIONS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	19,529,952	10,230,465
Changes in non-cash items		
Amortization	6,937,531	6,660,570
Change in receivables	1,412,897	(1,402,670)
Change in accounts payable	(2,609,401)	(752,072)
Change in trust and other deposits	(829,793)	398,317
Change in deferred revenue	4,293,634	657,027
Change in inventories	(83,581)	(22,812)
Change in prepaids	290,880	(305,446)
Net (gains)/losses and other adjustments to tangible capital assets	462,525	38,725
Developer Tangible Capital Asset Contribution	(3,260,675)	(3,621,460)
Actuarial adjustment	(453,218)	(478,179)
	25,690,751	11,402,465
<b>CAPITAL TRANSACTIONS</b>		
Cash used to acquire tangible capital assets	(6,713,027)	(10,920,734)
Proceeds on sale of tangible capital assets	25,450	24,954
	(6,687,577)	(10,895,780)
<b>INVESTING TRANSACTIONS</b>		
Purchase of term deposits	(24,684,379)	(828,660)
Cash Applied to Investing Transactions	(24,684,379)	(828,660)
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	(1,008,264)	(1,064,633)
Cash applied to Financing Transactions	(1,008,264)	(1,064,633)
(DECREASE) IN CASH ON HAND AND ON DEPOSIT	(6,689,469)	(1,386,608)
CASH ON HAND AND ON DEPOSIT AT BEGINNING OF YEAR	36,502,240	37,888,848
CASH ON HAND AND ON DEPOSIT AT END OF YEAR	\$ 29,812,771	\$ 36,502,240
Interest paid on outstanding debt and included in annual surplus above	\$ 536,434	\$ 524,723

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

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**PAGE 1 OF 15**

The Corporation of the City of Courtenay (“the City”) was incorporated in 1915 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services to the residents of the Municipality.

**1. SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Presentation

It is the policy of the City to follow Canadian public sector accounting standards and to apply such principles consistently. The consolidated financial statements include the operations of General, Water Utility, Sewer, Capital, and Reserve Funds. Transactions between these funds have been eliminated on consolidation. The consolidated financial statements have been prepared using guidelines issued by the Public Sector Accounting Board of CPA Canada. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all of the funds and equity in tangible capital assets of the City. As part of the supplementary information, the resources and operation of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

(b) Revenue and Expense Recognition

Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

Amortization is based on the estimated useful lives of tangible capital assets.

Revenue is recorded in the period in which the transactions or events that gave rise to the revenue occur. Amounts that have been received from non-government sources in advance of services being rendered are recorded as deferred revenue until the City discharges the obligations that led to the collection of funds. Following are the types of revenue received and a description of their recognition:

Taxes for Municipal Purposes are recognized in the year levied.

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.

Revenues from own sources are recognized in the period in which the transactions or events that gave rise to the revenue occur or are earned, provided the amount can be estimated and collection is reasonably assured.

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.

Contributions are recorded when the event giving rise to the contribution occurs.

DCC Revenue is recorded in the year that it is used to fund a capital project and has been authorized by bylaw.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**PAGE 2 OF 15**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) Revenue and Expense Recognition (continued)

Investment income, taxation penalties, and actuarial earnings are recorded in the year they are earned.

(c) Accrued Payroll Benefits

Earned but unpaid vacation is fully accrued and recorded in the consolidated financial statements.

Post employment benefits are accrued and recorded in the consolidated financial statements. This amount is provided by an Actuary that the City has engaged.

(d) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts Receivable are stated after evaluation of their collectability. Post employment benefits are calculated by an Actuary. Amortization is based on the estimated useful lives of tangible capital assets. These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in earnings in the periods in which they become known. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City of Courtenay is responsible for. Asset retirement obligations are estimated based on the best information available related to the costs associated with retiring, decommissioning or otherwise removing an asset from productive service.

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(f) Inventories

Inventories are valued at the lower of cost and replacement cost.

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(g) Tangible Capital Assets

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. Tangible capital asset expenditures exceeding the following thresholds per major category are capitalized. The average useful life is applied straight line to calculate amortization.

Major Asset Category	Threshold	Average Useful Life
Land	\$1	Indefinite
Land Improvements	\$10,000	Varies from 10 to 40 years
Building	\$10,000	Varies from 25 to 60 years
Vehicles, Machinery/Equipment	\$5,000 to \$10,000	Varies from 5 to 25 years
Engineering Structures		
Roads	\$5,000 to \$50,000	Varies from 10 to 60 years
Water	\$5,000 to \$10,000	Varies from 8 to 80 years
Sewer	\$10,000	Varies from 8 to 60 years
Other – Includes Storm	\$10,000	Varies from 25 to 75 years
Other Tangible Capital Assets (includes IT software)	\$5,000	5 years

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. Contributed tangible capital assets are recorded at their fair value on the date of contribution. Assets under construction are not amortized until the asset is in use.

(h) Financial Instruments

The City of Courtenay recognizes its financial instruments when Courtenay becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at fair value.

At initial recognition, Courtenay may irrevocably elect to subsequently measure any financial instrument at fair value. Courtenay has made such an election during the year.

Courtenay subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price negotiations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(h) Financial Instruments (continued)

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost, and/or amortized cost, to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net measurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

The City of Courtenay has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses).

(i) Debt Charges

Interest payments are charged against current fund balances in the period they become payable and have been accrued to December 31, 2023. Actuarial adjustments are offset against interest charged. Principal payments are applied directly to loan balances in the period they accrue.

(j) Receivables

Following is a breakdown of receivables outstanding at December 31, 2023 with 2022 comparatives:

	<b>2023</b>	<b>2022</b>
Federal Government	\$ 164,050	\$ 1,590,449
Provincial Government	317,156	1,174,270
Regional and other Local Governments	653,512	579,745
Property Taxes	1,262,714	1,249,034
Other	1,846,363	1,063,194
Total Receivables	\$ 4,243,795	\$ 5,656,692

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(k) Accounts Payable

Following is a breakdown of accounts payable and accrued liabilities outstanding at December 31, 2023 with 2022 comparatives:

	2023	2022
Federal Government	\$ 2,948,061	\$ 3,128,561
Provincial Government	705,436	665,871
Regional and other Local Governments	526,624	533,967
Employee Retirement Benefits (Note 12)	1,343,900	1,307,000
Trade and accrued liabilities	4,652,257	7,150,280
 Total Accounts Payable	\$ 10,176,278	\$ 12,785,679

(l) 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 of Courtenay 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, 2023.

At each financial reporting date, the City of Courtenay reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period when revisions are made. The City of Courtenay 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.

(m) Asset Retirement Obligations

PS 3280 Asset Retirement Obligations, issued August 2018, establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective for the Municipality as of January 1, 2023. A liability will be recognized when, as at the financial reporting date:

- a. There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b. The past transaction or event giving rise to the liability has occurred;
- c. It is expected that future economic benefits will be given up; and
- d. A reasonable estimate of the amount can be made.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**PAGE 6 OF 15**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(m) Asset Retirement Obligations (continued)

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. The capitalized asset retirement cost is amortized on the same basis as the related asset is included in the Statement of Operations. The City will not inflate and discount current valuations due to the uncertainty surrounding the actual settlement of the asset retirement obligations included in scope.

**2. CHANGE IN ACCOUNTING POLICY**

(a) Asset Retirement Obligations

Effective, January 1, 2023 Courtenay adopted PS 3280, Asset Retirement Obligations. The new standard establishes guidelines for acknowledging, assessing, presenting, and disclosing legal responsibilities connected with the retirement of tangible capital assets. The Municipality has chosen the prospective approach where liabilities are recognized on a forward-looking basis for the current and subsequent periods only. The valuation and accounting of the asset retirement obligation is completed at the time of adoption without consideration for previous years.

(b) Financial Instruments

Effective January 1, 2023, the City of Courtenay adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives, under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

**3. CONTINGENT LIABILITIES AND COMMITMENTS**

(a) Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the District and each member municipality within the District, including the Corporation of the City of Courtenay. Readers are referred to the Comox Valley Regional District 2023 Audited Financial Statements for specific information and detail.

(b) Principal repayments on long-term debt in each of the next five years are estimated as follows:

2024	986,177
2025	843,732
2026	780,099
2027	675,542
2028	366,337
	<u>\$ 3,651,887</u>

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**PAGE 7 OF 15**

**3. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**

- (c) The Municipality is obligated to collect and transmit the tax levies of the following bodies:

Provincial Government – Schools  
Comox Valley Regional District  
Comox-Strathcona Regional Hospital District  
Municipal Finance Authority  
British Columbia Assessment Authority  
Vancouver Island Regional Library  
Downtown Courtenay Business Improvement Area

These levies are not included in the revenues of the Municipality.

- (d) As at December 31, 2023, there existed outstanding claims against the City. These claims have been referred to legal counsel and to the City's liability insurers. It is not possible to determine the City's potential liability, if any, with respect to these matters. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

**4. PENSION LIABILITY**

The employer 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 assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City of Courtenay paid \$1,302,301 for employer contributions to the plan in fiscal 2023.

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.



**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**PAGE 8 OF 15**

**5. HOST FINANCIAL ASSISTANCE AGREEMENT**

The City of Courtenay is a host community for a casino gaming facility operated under agreement with the British Columbia Lottery Corporation. The City receives a percentage of the net gaming income generated by the Chances Courtenay Gaming Centre to be used for public benefit through a quarterly unrestricted transfer from the Province of British Columbia.

**6. CANADA COMMUNITY BUILDING FUND (PREVIOUSLY GAS TAX AGREEMENT)**

The City received transfers of Canada Community Building Fund (CCBF) through the Union of BC Municipalities. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Funds may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

The City of Courtenay received the first contribution of CCBF in 2005 and reports the balance in a General Fund Reserve – New Works Canada Community Building Fund (Schedule 2) until it is used to fund the specified projects outlined in the funding agreement. Interest is accrued and allocated monthly to the balance.

Following is a schedule of CCBF receipts and disbursements received in 2023 with comparatives to 2022.

	2023	2022
Opening Balance of Unspent Funds	\$ 2,069,886	\$ 3,051,945
Additions:		
Amounts Received During the Year	1,235,824	1,184,542
Interest Earned	108,069	60,965
Deductions:		
Amount Spent on Projects	(1,148,636)	(2,227,566)
Closing Balance of Unspent Funds	\$ 2,265,143	\$ 2,069,886

**7. GROWING COMMUNITIES FUND**

The Growing Communities Fund (GCF) was provided to local governments to assist with increasing the local housing supply with investments in community infrastructure and amenities. The GCF may be used towards one-off costs needed to build required infrastructure and amenities rather than funding ongoing or operational activities. These funds are to be incremental to currently planned investments and should accelerate the delivery of capital projects. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The City of Courtenay received \$7,655,000 in March 2023 and reports the balance in a General Fund Reserve – Growing Communities Reserve Fund (Schedule 2) until it is used to fund eligible costs. Interest is accrued and allocated monthly to the balance.

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**7. GROWING COMMUNITIES FUND (continued)**

Following is a schedule of the GCF receipts and disbursements received in 2023.

	2023
Growing Communities Grant Received	\$ 7,655,000
Additions:	
Interest Earned	277,334
Deductions:	
Playground Development	(168,848)
Closing Balance of Unspent Funds	\$ 7,763,486

**8. DEFERRED REVENUE - DEVELOPMENT COST CHARGES**

In order to conform to the Public Sector Accounting Standards of CPA Canada, the unspent development cost charges have been recorded as a liability. Following is a breakdown of cash increases and decreases for the General, Water, and Sewer development costs charge reserves for 2023 and 2022.

	2023				
	General Reserve DCC BL #2840	Water Utility Reserve DCC BL #2840	Sewer Utility Reserve DCC BL #2840	Sewer Utility Reserve DCC BL #1638	2023 Total
<b>Balance Forward</b>	\$ 8,918,301	\$ 724,188	\$ 1,415,789	\$ 35,665	\$ 11,093,943
<b>Increases</b>					
Interest	461,121	38,559	80,444	1,687	581,811
Other Contributions	1,864,899	199,498	624,411	-	2,688,808
	2,326,020	238,057	704,855	1,687	3,270,619
<b>Ending Balance Deferred Revenue - DCC</b>	\$ 11,244,321	\$ 962,245	\$ 2,120,644	\$ 37,352	\$ 14,364,562

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**8. DEFERRED REVENUE - DEVELOPMENT COST CHARGES (continued)**

2022

	<b>General Reserve DCC BL #2840</b>	<b>Water Utility Reserve DCC BL #2840</b>	<b>Sewer Utility Reserve DCC BL #2840</b>	<b>Sewer Utility Reserve DCC BL #1638</b>	<b>2022 Total</b>
<b>Balance Forward</b>	\$ 8,580,411	\$ 679,567	\$ 1,263,638	\$ 35,042	\$ 10,558,658
<b>Increases</b>					
Interest	158,066	12,514	24,291	623	195,494
Other Contributions	408,646	32,107	127,860		568,613
	566,712	44,621	152,151	623	764,107
<b>Decreases</b>					
Revenue Recognized to Fund Capital Projects	(228,822)	-	-	-	(228,822)
	(228,822)	-	-	-	(228,822)
<b>Ending Balance Deferred Revenue - DCC</b>	\$ 8,918,301	\$ 724,188	\$ 1,415,789	\$ 35,665	\$ 11,093,943

**9. TRUST AND ENDOWMENT FUNDS**

- (a) The Cemetery Perpetual Care Fund has been assigned to the City to be administered as directed by statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. Following is a summary of the financial position and activities for 2023 and 2022, which has been excluded from the City's consolidated financial statements.

**CEMETERY PERPETUAL CARE FUND  
FINANCIAL POSITION**

**CEMETERY PERPETUAL CARE FUND  
FINANCIAL ACTIVITIES**

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
<b>Financial Assets</b>			<b>Revenue</b>		
Cash on Hand	\$ 173,413	\$ 148,871	Fees Levied	\$ 16,191	\$ 13,135
Term Deposits	271,001	255,186	Interest Revenue	24,166	9,094
<b>Net Financial Position</b>	<b>\$ 444,414</b>	<b>\$ 404,057</b>	<b>Excess Revenue over Expenditure</b>	<b>\$ 40,357</b>	<b>\$ 22,229</b>

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**PAGE 11 OF 15**

**10. DEFERRED REVENUE – OTHER**

Other Deferred Revenue recorded in the Liability section of the City’s Consolidated Financial Statements consists of the revenues related to business license revenue levied and to be recognized in future years, Government transfers received prior to revenue recognition criteria being met. Following is a breakdown of the change in this balance for 2023 and 2022:

	2023	2022
Opening Balance	\$ 2,255,353	\$ 2,133,611
Additions to Deferred Revenue	3,278,368	2,255,353
Revenue Recognized	(2,255,353)	(2,133,611)
	\$ 3,278,368	\$ 2,255,353
Ending Balance Deferred Revenue Other	\$ 3,278,368	\$ 2,255,353

**11. MFA DEBT RESERVE FUNDS**

The City secures its long term borrowing through the Municipal Finance Authority. As a condition of these borrowings a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. These funds are not reported in the financial statements as they are eliminated upon consolidation. As at December 31, 2023 the City had debt reserve funds of \$340,109 (\$336,570 in 2022).

**12. EMPLOYEE RETIREMENT BENEFIT LIABILITY**

Employees with 10 years of continuous service retiring under the terms of the Municipal Superannuation Act are entitled to a payout of up to 72 days of their accumulated unused sick leave bank and up to a maximum of 8 additional severance days for each year of service in which the employee used no sick leave. Additionally, upon death of the employee, the bank, up to a maximum of 72 days, will be payable to the employee’s life benefit beneficiary. The value of this liability is calculated by an Actuary engaged by the City and reflects the likelihood that all eligible City employees will become entitled to this benefit. Actuarial valuation assumptions for 2023 were based on an interest (discount) rate of 4.1% per annum (2022 – 4.4%) and an inflation rate of 2.5% (2022 – 2.5%). The total estimated employee retirement benefit liability at December 31, 2023 is \$1,343,900 (2022 - \$1,307,000) and is included in the accounts payable balance on Statement A. Following is a breakdown of the benefit liability:

	2023	2022
Accrued benefit liability at beginning of year	\$ 1,307,000	\$ 1,205,200
Expense	135,400	163,048
Benefit Payments	(98,500)	(61,248)
	\$ 1,343,900	\$ 1,307,000
Accrued benefit liability at end of year	\$ 1,343,900	\$ 1,307,000

**THE CORPORATION OF THE CITY OF COURTENAY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**13. ASSET RETIREMENT OBLIGATION**

The City owns and operates the following asset that have asset retirement obligations associated with them:

**Well Decommissioning Obligation:**

The Groundwater Protection Regulation provides specific guidelines for decommissioning wells which give rise to a retirement obligation. The City must recognize an asset retirement obligation related to three wells owned by the City that will be required to be decommissioned at the end of life. This resulted in an increase of \$45,000 to the asset retirement liability. These wells were previously unrecognized and as a result the corresponding amount was recognized as an expense.

**Underground Tank Obligation:**

The Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations dictate the requirements for the proper removal and disposal of underground fuel storage tanks upon the expiration of their useful life. This legislated regulation gives rise to an asset retirement obligation for the City for any underground fuel tanks they own. As a result, the City recognized an increase in the asset retirement liability of \$52,700 with a corresponding increase to the historical cost base of the associated asset which will be amortized over the remaining useful life.

**Asbestos obligation:**

Asbestos and other designated hazardous materials represent a health hazard upon disturbance and as a result carry a legal obligation to remove them when a facility undergoes a significant renovation or demolition. The City owns and operates several facilities that are known to have asbestos and as a result recognized an obligation relating to the removal of the hazardous materials upon adoption of the PS 3280 Asset Retirement Obligations. An asset retirement obligation associated with asbestos within several facilities owned by the City that will need to be abated upon retirement. This resulted in a \$233,100 increase in the asset retirement liability and an equal increase in the historical costs base of the associated building assets.

Asset Retirement Obligation	Well Decommissioning	Underground Tank Removal	Asbestos Abatement	Balance December 31, 2023
Balance	\$45,000	\$52,700	\$233,100	\$330,800

#### **14. CONSOLIDATED SEGMENT DISCLOSURE BY SERVICE**

The City of Courtenay Consolidated Financial Statements includes the financial activities of various services made available to the community. Following is a description of the types of services included in each of the main service segments of the City's financial statements. A detailed summary of the 2023 revenues and expenses with 2022 comparatives for each segment can be found in Schedule 1 of the accompanying financial statements.

##### **General Government Services**

Provide services related to general corporate and legislative administration as well as human resources, information technology, financial management, and revenues received from the Province related to gaming.

##### **Protective Services**

Includes services related to providing fire protection, bylaw enforcement, and building inspection to the City, as well as the City's share of expenses related to providing police protection to the Comox Valley.

##### **Transportation Services**

Includes the delivery of municipal public works services related to planning, development and maintenance of roadway systems, street lighting, and other public works and engineering related services.

##### **Environmental Health Services**

Includes services related to the collection of garbage, recycling, and yard waste, as well as environmental testing and monitoring.

##### **Public Health and Welfare Services**

Includes cemetery services.

##### **Environmental Development Services**

Includes services related to planning, zoning, sustainability, and hotel taxes, as well as actions relating to homelessness.

##### **Recreational and Cultural Services**

Provides recreation and leisure services to the community and includes parks and facilities that allow for fitness, aquatic, cultural, and other activities for the public to enjoy.

##### **Water Utility Services**

Provides for the delivery of water to users and includes the planning, development and maintenance of the City's water infrastructure.

##### **Sewer Utility Services**

Provides for the delivery of sewerage removal and includes the planning, development and maintenance of the City's sewer infrastructure.

**THE CORPORATION OF THE CITY OF COURTENAY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**PAGE 14 OF 15**

**15. TANGIBLE CAPITAL ASSET DETAILS**

(See Schedule 3 for further details)

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded in the consolidated financial statements in 2023 is \$3,260,675 (\$3,621,460 in 2022).

Tangible capital assets include land under the City's roads, recorded at a nominal amount.

Art and historic treasures are displayed at various city facilities and consist of paintings, historical photographs, sculptures, carvings, and other cultural artefacts. These items have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

**16. RESTATEMENT OF 2023 BUDGET**

The budget amounts presented throughout these consolidated financial statements are based upon the Five Year Financial Plan approved by Council on April 26, 2023 except in regard to budget amounts for amortization, tangible capital assets, and the use of debt, reserves and prior year surpluses.

The summary below shows the adjustments to the 2023-2027 Consolidated Financial Plan Bylaw 3096, 2023 adopted by Council on April 26, 2023 and reflected in these consolidated financial statements:

**Adjustments to 2023 Budgeted Annual Surplus**

<b>Budgeted Surplus per Council approved Budget</b>	<b>\$ -</b>
Purchase of Capital Assets	25,039,200
Amortization Budgeted	(6,661,000)
Transfer from Reserves	(12,528,500)
Transfer to Reserves	4,391,100
Use of Prior Year Surplus	(3,947,900)
Debt Issues in Financial Plan	(5,278,000)
Debt principle repayments in Financial Plan	1,008,300
<b>Budgeted Surplus per Consolidated Statement of Operations</b>	<b><u>\$ 2,023,200</u></b>

**THE CORPORATION OF THE CITY OF COURTENAY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**17. CONTRACTUAL RIGHTS**

Following is the breakdown of the contractual rights at December 31, 2023:

<b>Contractual Right with</b>	<b>Description of Contractual Right</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Courtenay Fire Protection District	Courtenay Fire Protection	687,495	700,790	732,650	825,627	850,396	\$ 3,796,958

**18. FINANCIAL INSTRUMENTS**

The City, as a part of its operations, carries a number of financial instruments. It is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.



**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2023**

SCHEDULE 1  
(Note 14)  
Page 1 of 2

	General Government Services		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUE</b>										
Taxation	32,130,499	28,937,219	-	-	-	-	-	-	-	-
Sales of Services	-	-	696,088	672,140	-	-	2,814,002	4,010,017	-	-
Revenue from Own Sources	-	-	1,982,918	987,632	205,578	107,774	-	-	-	-
Government Transfers	9,113,034	1,470,880	169,473	76,246	1,616,124	3,050,125	-	-	929,971	714,852
Other Revenue	101,469	101,938	-	-	214,766	220,073	-	-	212,233	140,543
Other Contributions	17,410	-	-	-	2,759,693	3,359,059	-	-	-	-
Interest Earned	3,456,923	1,697,439	67,202	45,927	335,546	138,162	-	-	-	-
Gain on sale of TCA	750	6	-	-	1,309	4,939	-	-	-	-
<b>Total Revenues</b>	<u>44,820,085</u>	<u>32,207,482</u>	<u>2,915,681</u>	<u>1,781,945</u>	<u>5,133,016</u>	<u>6,880,132</u>	<u>2,814,002</u>	<u>4,010,017</u>	<u>1,142,204</u>	<u>855,395</u>
<b>EXPENSES</b>										
Salaries and Benefits	4,856,898	4,467,140	3,787,600	3,210,689	2,747,446	3,022,955	211,736	161,280	273,430	267,564
Goods and Services	459,206	1,773,663	6,544,886	7,369,711	2,635,922	3,614,839	2,470,560	3,626,604	153,626	120,632
Amortization Expense	190,496	249,698	381,834	348,997	3,645,828	3,500,431	437,319	419,634	50,843	45,075
Debt Servicing	-	-	(19,328)	(16,079)	57,805	25,368	-	-	-	-
Other Expenditures	168,908	166,249	-	1,976	100,962	92,750	-	15,000	-	-
Loss on Disposal of TCA	-	31,053	203,256	-	41,973	4,091	268	-	-	-
<b>Total Expenses</b>	<u>5,675,508</u>	<u>6,687,803</u>	<u>10,898,248</u>	<u>10,915,294</u>	<u>9,229,936</u>	<u>10,260,434</u>	<u>3,119,883</u>	<u>4,222,518</u>	<u>477,899</u>	<u>433,271</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 39,144,577</u>	<u>\$ 25,519,679</u>	<u>\$ (7,982,567)</u>	<u>\$ (9,133,349)</u>	<u>\$ (4,096,920)</u>	<u>\$ (3,380,302)</u>	<u>\$ (305,881)</u>	<u>\$ (212,501)</u>	<u>\$ 664,305</u>	<u>\$ 422,124</u>

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE  
YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE 1  
(Note 14)  
Page 2 of 2**

	Environmental Development Services		Recreational and Cultural Services		Water Utility Services		Sewer Utility Services		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUE</b>										
Taxation	-	-	-	-	\$ 1,233,274	\$ 1,229,645	2,117,782	2,111,108	35,481,555	32,277,972
Sales of Services	-	-	-	-	8,907,429	7,831,087	6,798,638	6,326,863	19,216,157	18,840,107
Revenue from Own Sources	553,963	533,768	1,562,225	1,507,540	409,549	234,808	16,424	23,940	4,730,657	3,395,462
Government Transfers	185,082	173,082	530,823	482,797	-	-	-	-	12,544,507	5,967,982
Other Revenue	462,700	795,248	-	-	-	-	-	-	991,168	1,257,802
Other Contributions	209,100	234,700	10,813	126,529	407,870	486,750	401,915	700,592	3,806,801	4,907,630
Interest Eamed	77,904	34,520	64,203	24,133	172,509	59,013	189,999	72,746	4,364,286	2,071,940
Gain on sale of TCA	-	-	563	7,091	-	-	-	-	2,622	12,036
<b>Total Revenues</b>	<u>1,488,749</u>	<u>1,771,318</u>	<u>2,168,627</u>	<u>2,148,090</u>	<u>11,130,631</u>	<u>9,841,303</u>	<u>9,524,758</u>	<u>9,235,249</u>	<u>81,137,753</u>	<u>68,730,931</u>
<b>EXPENSES</b>										
Salaries and Benefits	1,242,915	1,066,648	5,796,260	5,236,190	1,114,227	974,355	666,053	606,934	20,696,565	19,013,755
Goods and Services	1,479,257	1,487,785	3,714,281	3,189,876	8,584,386	5,702,485	1,427,065	375,636	27,469,189	27,261,231
Amortization Expense	1,095	-	1,096,358	1,075,117	579,332	555,565	554,426	466,052	6,937,531	6,660,569
Debt Servicing	-	-	48,093	32,867	(8,105)	(6,744)	4,749	11,132	83,214	46,544
Other Expenditures	756	764	47,929	265,348	-	-	5,637,600	4,925,519	5,956,155	5,467,606
Loss on Disposal of TCA	-	-	40,415	-	133,655	14,092	45,580	1,525	465,147	50,761
<b>Total Expenses</b>	<u>2,724,023</u>	<u>2,555,197</u>	<u>10,743,336</u>	<u>9,799,398</u>	<u>10,403,495</u>	<u>7,239,753</u>	<u>8,335,473</u>	<u>6,386,798</u>	<u>61,607,801</u>	<u>58,500,466</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (1,235,274)</u>	<u>\$ (783,879)</u>	<u>\$ (8,574,709)</u>	<u>\$ (7,651,308)</u>	<u>\$ 727,136</u>	<u>\$ 2,601,550</u>	<u>\$ 1,189,285</u>	<u>\$ 2,848,451</u>	<u>\$ 19,529,952</u>	<u>\$ 10,230,465</u>

**SCHEDULE 2**

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS & RESERVES  
YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>SURPLUS</b>		
Invested in Tangible Capital Assets	\$ 174,018,659	\$ 170,008,982
General Operating Fund	19,318,822	13,399,070
General Capital Fund	733,665	733,665
Water Utility Operating Fund	5,830,425	5,920,905
Water Utility Capital Fund	108,869	108,869
Sewer Utility Operating Fund	3,461,914	3,197,321
Sewer Utility Capital Fund	21,706	21,706
Gaming Fund	2,142,538	1,951,345
	<b>205,636,598</b>	<b>195,341,863</b>
<b>RESERVES</b>		
General Fund Reserves:		
Machinery and Equipment	1,739,055	1,767,915
Land Sale	827,696	793,955
New Works and Equipment	4,849,625	4,428,655
New Works - Canada Community Building Fund (Note 6)	2,265,143	2,069,886
General Asset Management Reserve	1,186,695	786,262
Risk Reserve	111,582	106,544
Public Parking	291,648	126,991
Parkland Acquisition	358,647	342,452
Police Contingency Reserve	1,284,719	792,286
Assessment Appeal	480,677	435,878
Housing Amenity	1,196,760	1,258,566
Tree Reserve	148,354	118,555
Amenity	685,590	680,776
Growing Communities Fund (Note 7)	7,763,486	-
	<b>23,189,677</b>	<b>13,708,721</b>
Water Utility Reserves:		
Water Utility	1,860,360	1,795,546
Water Asset Management Reserve	486,274	1,341,848
Machinery and Equipment	394,913	347,794
	<b>2,741,547</b>	<b>3,485,188</b>
Sewer Utility Reserves:		
Sewer Utility	1,137,957	1,091,521
Sewer Asset Management Reserve	2,282,368	1,886,448
Machinery and Equipment	866,462	810,916
	<b>4,286,787</b>	<b>3,788,885</b>
Total Reserves	<b>30,218,011</b>	<b>20,982,794</b>
ACCUMULATED SURPLUS (Statement A)	<b>\$ 235,854,609</b>	<b>\$ 216,324,657</b>

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE 3**

	Land	Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures				Other Tangible Capital Assets	Total	2022
					Roads	Water	Sewer	Other			
<b>COST</b>											
Opening Balance Construction-in-progress (CIP)	-	76,316	632,091	140,279	545,064	338,453	393,310	298,508	-	\$ 2,424,021	13,127,478
Add: Construction-in-progress (CIP)	3,805	-	76,445	-	153,252	13,642	309,928	101,945	-	659,017	1,213,188
Less: Transfers into Service	-	(40,385)	(145,509)	(79,041)	-	-	-	(41,524)	-	(306,459)	(11,916,645)
Less: Writedowns & Reallocations	-	-	(179,196)	(45,580)	(6,140)	(88,655)	-	(20,194)	-	(339,765)	-
Closing Balance Construction-in-progress	3,805	35,931	383,831	15,658	692,176	263,440	703,238	338,735	-	2,436,814	2,424,021
Opening Balance Tangible Capital Assets	25,864,343	8,483,468	32,947,621	23,768,401	121,387,377	28,555,696	20,773,221	31,215,586	1,239,730	294,235,443	269,387,611
Add: Writedown	-	-	-	-	-	-	-	-	-	-	-
Add: Additions (including Transfers into Service)	-	527,080	633,332	1,540,585	2,816,207	2,246,441	497,042	1,845,035	94,315	10,200,037	25,245,651
Less: Disposals	-	(188,801)	-	(251,749)	(249,350)	(23,975)	(36,250)	(57,493)	-	(807,618)	(397,819)
Closing Balance Tangible Capital Assets and CIP	25,868,148	8,857,678	33,964,784	25,072,895	124,646,411	31,041,602	21,937,251	33,341,863	1,334,045	306,064,676	296,659,464
<b>ACCUMULATED AMORTIZATION</b>											
Opening Balance	-	4,175,693	14,894,216	13,586,850	56,954,916	8,982,121	3,117,205	11,956,049	1,102,879	114,769,929	108,443,500
Add: Amortization	-	314,162	785,392	1,020,639	2,971,595	550,039	369,928	852,094	73,682	6,937,531	6,660,569
Less: Accum Amortization on Disposals	-	(99,710)	-	(189,222)	(115,499)	(400)	(604)	(5,880)	-	(411,315)	(334,140)
	-	4,390,145	15,679,608	14,418,267	59,811,012	9,531,760	3,486,529	12,802,263	1,176,561	121,296,145	114,769,929
<b>Net Book Value for year ended December 31, 2023</b>	<b>\$ 25,868,148</b>	<b>\$ 4,467,533</b>	<b>\$ 18,285,175</b>	<b>\$ 10,654,629</b>	<b>\$ 64,835,399</b>	<b>\$ 21,509,842</b>	<b>\$ 18,450,722</b>	<b>\$ 20,539,600</b>	<b>\$ 157,483</b>	<b>\$ 184,768,531</b>	<b>\$ 181,889,535</b>

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT  
YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE 4**

<u>Bylaw Number</u>	<u>Term Years</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Principal Outstanding Dec 31/22</u>	<u>Current Year Borrowing</u>	<u>Actuarial Adjustment/ Princ. Reduction</u>	<u>Principal Outstanding Dec 31/23</u>	
<b>General Capital Fund</b>								
2227	Fifth Street Bridge	15	2023	2.90	39,565	-	39,565	-
2304	Lerwick Road Ext. Prop Acquisition	25	2029	2.85	410,558	-	50,425	360,133
2354	Repaving Program	20	2025	0.63	91,947	-	29,881	62,066
2355	Lerwick Road Extension	25	2030	0.91	299,079	-	33,633	265,446
2425	Lerwick Road Construction	20	2026	1.53	192,307	-	45,286	147,021
2453	Police Property Acquisition	20	2026	1.53	381,811	-	89,913	291,898
2539	Capital Infrastructure Work	15	2024	2.25	534,358	-	261,940	272,418
2538	Native Sons Hall Renovation	15	2025	1.28	149,072	-	47,991	101,081
2680	Lewis Centre Renovation	15	2027	3.39	1,681,687	-	313,603	1,368,084
2681	Infrastructure Works - Road Paving	15	2027	3.39	624,627	-	116,481	508,146
2978	Fifth Street Bridge Rehabilitation	20	2041	2.58	3,263,517	-	139,554	3,123,963
<b>TOTAL GENERAL CAPITAL FUND</b>					<u>7,668,528</u>	<u>-</u>	<u>1,168,272</u>	<u>6,500,256</u>
<b>Water Capital Fund</b>								
Debenture Debt								
2424	Water Extension - Lerwick Road	20	2026	1.53	160,256	-	37,739	122,517
<b>TOTAL WATER CAPITAL FUND</b>					<u>160,256</u>	<u>-</u>	<u>37,739</u>	<u>122,517</u>
<b>Sewer Capital Fund</b>								
Debenture Debt								
2305	Sewer Extension	25	2029	2.85	307,920	-	37,820	270,100
2353	Sewer Extension	25	2030	0.91	841,696	-	94,655	747,041
2423	Sewer Extension - Lerwick Road	20	2026	1.53	97,222	-	22,895	74,327
2985	Sewer Extension - Greenwood Trunk	25	2045	0.91	2,804,930	-	100,101	2,704,829
<b>TOTAL SEWER CAPITAL FUND</b>					<u>4,051,768</u>	<u>-</u>	<u>255,471</u>	<u>3,796,297</u>
<b>TOTAL ALL CAPITAL FUNDS</b>					<u>11,880,552</u>	<u>-</u>	<u>1,461,482</u>	<u>10,419,070</u>

**THE CORPORATION OF THE CITY OF COURTENAY  
CONSOLIDATED SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE 5**

	2023		2022
<b>Cash On Hand</b>			
General Fund	\$ 27,892,728	\$	34,816,708
Gaming Fund	1,920,043		1,685,532
Total Cash on Hand	\$ 29,812,771	\$	36,502,240
 <b>TERM DEPOSITS AND POOLED FUNDS</b>			
Municipal Finance Authority, Money Market Fund at fluctuating rate, no maturity date	26,123,436		15,332,338
Guaranteed Investment Certificates	10,421,221		21,527,940
Municipal Finance Authority, Pooled Government Focused Ultra-Short Bond	15,000,000		-
Municipal Finance Authority, Pooled BC Fossil Fuel Free Bond	10,000,000		-
Total Term Deposits and Pooled Funds	61,544,657		36,860,278
<b>TOTAL CASH AND INVESTMENTS</b>	\$ 91,357,428	\$	73,362,518