



The Corporation of the City of Courtenay

Presentation to Mayor and Council

Presented by Cory Vanderhorst

May 8, 2024



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Topics

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

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

		2023		2022
Cash and investments	\$	91,357,428	\$	73,362,518
Total financial assets	\$	95,601,223	\$	79,019,210
Debt	\$	10,419,071	\$	11,880,552
Total liabilities	\$	45,335,894	\$	45,612,136
Net financial assets	\$	50,265,329	\$	33,407,074
Tangible capital assets	\$	184,768,531	\$	181,889,535
Accumulated surplus	\$	235,854,609	\$	216,324,657

New for 2023

- Included in total liabilities is a new liability for Asset retirement obligations
 - Total estimate \$330,800 includes:
 - \$233,100 for asbestos and other hazardous materials in buildings
 - \$45,000 for well decommissioning
 - \$52,700 for underground tank removal
- This new liability will be reduced by future spending and adjusted by:
 - Changes in regulations
 - Changes in cost estimates for remediation
 - Inflation

Financial Statement Highlights

Statement of Operations

		2023		2022		Budget
Total revenue	\$	81,137,753	\$	68,730,931	\$	67,024,900
Total expenses	\$	61,607,801	\$	58,500,466	\$	65,001,700
Annual surplus (deficit)	\$	19,529,952	\$	10,230,465	\$	2,023,200

Financial Statement Highlights

Statement of Cash Flows

		2023		2022
Provided by operations	\$	25,690,751	\$	11,402,465
Used by capital	\$	(6,687,577)	\$	(10,895,780)
Net transferred to investments	\$	(24,684,379)	\$	(828,660)
Provided by financing (repayment of debt)	\$	(1,008,264)	\$	(1,064,633)
Net cash inflow (outflow)	\$	(6,689,469)	\$	(1,386,608)

Financial Statement Highlights

Composition of accumulated surplus

		2023		2022
Invested in tangible capital assets	\$	174,018,659	\$	170,008,982
Reserves	\$	30,218,011	\$	20,982,794
Capital fund	\$	864,240	\$	864,240
Operating fund	\$	28,611,161	\$	22,517,296
Gaming fund	\$	2,142,538	\$	1,951,345
Total accumulated surplus	\$	235,854,609	\$	216,324,657

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 8, 2024.

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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