



TOWN OF COMOX

Statement of Financial Information
Year Ended December 31, 2023

Town of Comox
Statement of Financial Information
Statement of Financial Information Approval
For the year ended December 31, 2023


I certify that I have prepared the whole of the Statement of Financial Information and am responsible for its contents. It has not been audited by the Town's independent auditors.



Edward Henley, Director of Finance

August 7, 2024
Date

This whole Statement of Financial Information has been approved by the Town of Comox Council.



Nicole Minions, Mayor

August 8, 2024
Date

Town of Comox

Management Report

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian Public Sector Accounting Standards and are outlined under "Significant Accounting Policies" in the notes to the financial statements, and the integrity and objectivity of these statements and schedules are management's responsibility. Management is also responsible for all of the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian Public Sector accounting standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

Edward Henley
Director of Finance

To the Mayor and Council of the Town of Comox:

Opinion

We have audited the consolidated financial statements of Town of Comox (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, remeasurement gains and losses, changes in net financial assets and cash flows 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 Town as at December 31, 2023, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its 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 Town 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 do 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 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town'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 Town'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 Town'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 Town 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.

Nanaimo, British Columbia

May 8, 2024

MNP LLP

Chartered Professional Accountants

Town of Comox
Consolidated Statement of Financial Position
as at December 31, 2023

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| Financial Assets: | | |
| Cash & Cash equivalents | \$ 2,370,240 | \$ 10,914,514 |
| Short-term investments (Note 2c) | 49,384,766 | 37,619,045 |
| Receivables (Note 3) | 3,009,101 | 1,479,547 |
| Land for resale | 9,847 | 9,847 |
| | 54,773,954 | 50,022,953 |
| Financial Liabilities: | | |
| Payables (Note 4) | 4,481,407 | 3,976,779 |
| Deferred revenue (Schedule 2) | 1,698,286 | 1,605,064 |
| Restricted revenue (Schedule 2) | 8,272,529 | 8,049,856 |
| Deposits | 3,374,743 | 3,437,103 |
| Net debenture debt (Note 5) | - | 20,371 |
| Equipment Financing (Note 6) | 1,699,547 | - |
| Future payroll obligations (Note 9) | 1,084,184 | 1,131,611 |
| Asset Retirement Obligations (Note 17) | 275,402 | - |
| | 20,886,098 | 18,220,784 |
| Net Financial Assets | 33,887,856 | 31,802,169 |
| Non-financial assets: | | |
| Tangible capital assets (Schedule 4) | 99,067,651 | 89,754,706 |
| Supply inventory | 260,753 | 280,716 |
| Prepaid expenses | 142,079 | 86,070 |
| Shares in Courtenay Golf Club Ltd. | 8,750 | 8,750 |
| | 99,479,233 | 90,130,242 |
| Accumulated surplus | \$ 133,367,089 | \$ 121,932,411 |
| Accumulated Surplus consists of: | | |
| Accumulated surplus (Note 16) | 133,278,466 | 122,093,344 |
| Accumulated remeasurement gain (loss) | 88,623 | (160,933) |
| Accumulated surplus | \$ 133,367,089 | \$ 121,932,411 |

Contingent liabilities (Note 7)
Commitment (Note 19)



Edward Henley, Director of Finance, responsible for financial administration.

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

Town of Comox
Consolidated Statement of Operations
Year Ended December 31, 2023

| | Budget (Note 15) | 2023 | 2022 |
|---|-----------------------|-----------------------|-----------------------|
| Revenue | | | |
| Property taxation | \$ 14,045,739 | \$ 14,125,882 | \$ 12,813,373 |
| Sale of services | 12,645,770 | 13,686,804 | 11,262,306 |
| Government transfers | 5,960,054 | 7,993,292 | 3,650,755 |
| Investment income | 400,000 | 1,916,700 | 925,021 |
| Development contributions | 79,500 | 427,543 | 685,908 |
| Gain on disposal of tangible capital assets | - | 205,282 | 51,332 |
| Other | 145,000 | 148,744 | 126,063 |
| | 33,276,063 | 38,504,247 | 29,514,758 |
| Expenses | | | |
| General government | 3,953,051 | 3,822,517 | 3,506,695 |
| Protective services | 4,694,382 | 4,672,379 | 4,145,253 |
| Solid waste management | 1,806,965 | 1,863,581 | 1,591,869 |
| Affordable Housing | - | 35,267 | 17,634 |
| Development services | 754,309 | 687,202 | 763,926 |
| Transportation | 4,185,706 | 4,512,611 | 4,267,171 |
| Parks, recreation, and culture | 5,533,025 | 5,439,315 | 4,944,143 |
| Marina | 292,930 | 283,581 | 350,981 |
| Water services | 3,411,701 | 3,166,185 | 2,515,835 |
| Sewer services | 3,507,507 | 2,836,487 | 2,604,212 |
| | 28,139,576 | 27,319,125 | 24,707,719 |
| Annual surplus | 5,136,487 | 11,185,122 | 4,807,039 |
| Accumulated surplus, beginning of year | 122,093,344 | 122,093,344 | 117,286,305 |
| Accumulated surplus, end of year | \$ 127,229,831 | \$ 133,278,466 | \$ 122,093,344 |

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

Town of Comox

Consolidated Statement of Remeasurement Gains and Losses

Year Ended December 31, 2023

| | 2023 | 2022 |
|--|------------------|---------------------|
| Accumulated remeasurement losses, beginning of the year | \$ (160,933) | \$ - |
| Unrealized Gain (loss) attributable to portfolio investments | 249,556 | (160,933) |
| Accumulated remeasurement gains (loss), end of year | \$ 88,623 | \$ (160,933) |

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

Town of Comox

Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2023

| | Budget (Note 15) | 2023 | 2022 |
|---|----------------------|----------------------|----------------------|
| Annual surplus | \$ 5,136,487 | \$ 11,185,122 | \$ 4,807,039 |
| Acquisition of tangible capital assets | (20,502,214) | (12,181,724) | (6,173,949) |
| Increase in tangible capital assets due to asset retirement obligations | | (251,134) | |
| Tangible capital assets contributed | - | (422,486) | - |
| Additions of Capital Assets | (20,502,214) | (12,855,344) | (6,173,949) |
| Amortization of tangible capital assets | 3,300,000 | 3,542,399 | 3,278,188 |
| | (12,065,727) | 1,872,177 | 1,911,278 |
| Unrealized gain (loss) on investments | - | 249,556 | (160,933) |
| Decrease / (increase) in supply inventory | - | 19,963 | (41,553) |
| (Increase) in prepaid expenses | - | (56,009) | (50,037) |
| | - | 213,510 | (252,523) |
| Increase (decrease) in Net Financial Assets | (12,065,727) | 2,085,687 | 1,658,755 |
| Net Financial Assets at beginning of year | 31,802,169 | 31,802,169 | 30,143,414 |
| Net Financial Assets at end of year | \$ 19,736,442 | \$ 33,887,856 | \$ 31,802,169 |

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

Town of Comox
Consolidated Statement of Cash Flows
as at December 31, 2023

| | 2023 | 2022 |
|---|---------------------|----------------------|
| Net inflow (outflow) of cash related to the following activities: | | |
| Operating activities: | | |
| Annual surplus | \$ 11,185,122 | \$ 4,807,039 |
| Non-cash items included in operations: | | |
| Contribution from developers | (422,486) | - |
| Amortization of tangible capital assets | 3,542,399 | 3,278,188 |
| Accretion | 24,268 | - |
| Disposition of tangible capital assets | - | - |
| Actuarial adjustment on debt | (11,907) | (20,754) |
| Unrealized loss on investments | 249,556 | (160,933) |
| Net changes to financial assets & liabilities through operations: | | |
| (Increase) / decrease in receivables | (1,529,554) | 454,744 |
| Increase in payables | 504,628 | 606,038 |
| Increase in deferred revenue | 93,222 | 81,885 |
| Increase / (decrease) in restricted revenue | 222,673 | (1,767,096) |
| (Increase) in other deposits | (62,360) | (1,059,577) |
| (Decrease) in future employee obligations | (47,427) | (42,084) |
| Decrease / (increase) in supply inventory | 19,963 | (41,553) |
| (Increase) in prepaid expenses | (56,009) | (50,037) |
| | 13,712,088 | 6,085,860 |
| Investing Activities | | |
| Short-term investing | (11,765,721) | 4,081,177 |
| Capital Activities | | |
| Acquisition of tangible capital assets | (12,181,724) | (6,173,949) |
| Financing activities: | | |
| Debenture principal repaid | (8,464) | (23,225) |
| Long-term debt borrowing | 1,804,024 | |
| Long-term debt repayment | (104,477) | |
| | 1,691,083 | (23,225) |
| (Decrease) / increase in cash and cash equivalents | (8,544,274) | 3,969,863 |
| Cash and cash equivalents, beginning of year | 10,914,514 | 6,944,651 |
| Cash and cash equivalents, end of year | \$ 2,370,240 | \$ 10,914,514 |
| Supplemental cash flow information | | |
| Interest paid | \$ 77,386 | \$ 21,355 |
| Interest received | \$ 1,916,700 | \$ 925,021 |

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

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

1. PURPOSE

The Town of Comox was incorporated in 1946 to provide municipal services to its residents, and is governed by the Community Charter and the Local Government Act of British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) British Columbia Municipalities

It is the policy of the Town to follow accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. As part of this policy, the resources and operation of the Town 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.

The consolidated financial statements are prepared in accordance with recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the financial position, financial operations, change in remeasurement gains and losses, change in net financial assets, and change in cash flows of the one economic entity of the Town of Comox. Inter-fund transactions and fund balances have been eliminated on consolidation.

(b) Investments and Financial Instruments

Financial instruments are classified into two categories fair value or cost.

- (i) Fair value category: investments quoted in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances reversed from the Statement of Remeasurement Gains and Losses.

- (ii) Cost category: investments not quoted in an active market, financial assets and liabilities are recorded at cost or amortized cost. Gains and losses are recognized in the Statement of Operations when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, the Town of Comox determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Town of Comox expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial adjusted cost base.

(c)

Short-term Investments

Investments are comprised of various investment funds which have fluctuating returns and are carried at the market value, which is equal to the carrying value, and Guaranteed Investment Certificates which are recorded at cost.

| Short-term Investments | 2023 | 2022 |
|--|---------------|---------------|
| Municipal Finance Authority of BC Funds: | | |
| Short-term Bond Fund * | \$ 5,105 | \$ 4,871 |
| Intermediate Bond Fund | 4,617,062 | 4,382,983 |
| Money Market Fund | 14,943 | 14,224 |
| * Adjusted for Trust Fund | 4,637,110 | 4,402,078 |
| Guaranteed Investment Certificates | | |
| Scotiabank | 2,000,000 | - |
| Scotiabank (30-day Note Plan) | 4,220,849 | 48,760 |
| Coast Capital Savings | 10,526,807 | 21,668,207 |
| Raymond James | 28,000,000 | 11,500,000 |
| Subtotal | 44,747,656 | 33,216,967 |
| | \$ 49,384,766 | \$ 37,619,045 |

(d)

Trust Fund

A Town-administered trust fund has been excluded from the consolidated financial statements. The balance in the fund was \$286,469 at December 31, 2023 (\$271,945 in 2022). It was invested in the MFA Short-term Bond Fund in 2023 and 2022.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e)

Tangible Capital Assets

Tangible capital assets are recorded at cost, net of disposals, write-downs and amortization. Acquisitions exceeding the capitalization thresholds are capitalized. The Town records certain infrastructure assets as one network without breaking down the asset into component parts. Expenditures to replace components of such a network are expensed as incurred. Amortization is calculated straight line over the estimated life of the class of assets. Amortization is not taken until the asset is in use. Repairs and maintenance are not capitalized, but are expensed in the period in which they occur. Betterments which enhance the asset life or capacity are capitalized.

| Major Asset Category | Threshold | Estimated Life |
|---|-----------|--------------------------|
| Land | \$ 10,000 | Indefinite |
| Land improvements | \$ 10,000 | 25 years |
| Buildings | \$ 10,000 | 50 years |
| Vehicles, Machinery and Computers and programs | \$ 10,000 | 8 to 20 years 5 years |
| Engineered Structures | | |
| Road surfaces | \$ 10,000 | 25 years |
| Road sub-surfaces | \$ 10,000 | 50 years |
| Sidewalks | \$ 10,000 | 50 years |
| Storm drains surface | \$ 10,000 | 25 years |
| Storm drains sub-surface | \$ 10,000 | 75 years |
| Water | \$ 10,000 | 75 years |
| Sewer | \$ 10,000 | 75 years |
| Other surface structures | \$ 10,000 | 25 years |

(f) Future Payroll Obligations

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

An accrual is made for expected payments of employee sick leave, payout on retirement, disability or death, and termination pay discounted from expected future values to net present value at year-end.

(g) Inventory

Inventory of supplies is recorded as a non-financial asset and is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Funds

The financial operations of the Town of Comox are divided into seven funds: General Operating Fund, General Capital Fund, Reserve Fund, Water Operating Fund, Water Capital Fund, Sewer Operating Fund and Sewer Capital Fund. Functionally, the Water and Sewer Funds are used for the services of distribution of potable water and collection and treatment of sanitary sewage respectively. The General Operating Fund is used for all other Town services. Capital Funds (General, Water and Sewer are used to segregate tangible capital assets and related debt). All revenue and expenses for services are recognized in the operating funds. The Reserve Fund is used to segregate capital and other statutory reserves.

(i) Revenue Recognition

Property tax revenues are recognized in the year they are levied. User fees and garbage revenues are recognized when the service is provided. Interest and operating grants are recognized as earned. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees, garbage collection and disposal are recognized as revenue when the service is provided according to rates set in various fees and charges bylaws. Permit fees are recognized once the permit has been approved and the fee collected. Development cost charges are deferred and recognized as revenue in the year an acquisition authorized by bylaw is incurred. Contributed tangible capital assets are recorded at fair market value when the contribution is received.

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

(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 Town 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.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

At each financial reporting date, the Town 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 Town 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. As at December 31, 2023 the Town has not recorded any liability for contaminated sites as no such sites have been identified.

(k) Measurement Uncertainty

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 the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the estimated life of tangible capital assets (used to establish amortization), asset retirement obligations, determination of future payroll obligations, collectability of accounts receivable and provisions for contingencies. Actual results may vary from the estimates and adjustments will be reported and reflected in operations as they become known. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Town is responsible for.

(l) Asset Retirement Obligation

A liability for an asset retirement obligation is required at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Town to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of an asset retirement obligation incorporates present value technique, when the cash flows required to settle or otherwise extinguish an obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or a component thereof). The asset retirement cost is amortized over the useful life of the related asset. At each financial reporting date, the Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursement made to settle the liability are deducted from the reported liability when they are made.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

(m) Change in Accounting Policy

Asset Retirement Obligations

Effective January 1, 2023, the Town adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 2(l). Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated. As such, the Town recognized asset retirement obligations for those arising on or after January 1, 2023, as well as for those arising prior to January 1, 2023 but for which an obligation was not previously recognized. See note 17 for details of the impact on the consolidated financial statements.

Town of Comox
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

3. RECEIVABLES

Receivables are composed of the following amounts:

| | 2023 | 2022 |
|--------------------------|---------------------|---------------------|
| Employees | \$ 1,617 | \$ 7,859 |
| Governments | 674,611 | 252,190 |
| Other | 2,332,873 | 1,219,498 |
| Total receivables | \$ 3,009,101 | \$ 1,479,547 |

4. PAYABLES

Payables are composed of the following amounts:

| | 2023 | 2022 |
|-----------------------|---------------------|---------------------|
| Wages payable | \$ 377,265 | \$ 325,008 |
| Governments | 1,732,925 | 2,175,912 |
| Trade & Other | 2,371,218 | 1,475,859 |
| Total payables | \$ 4,481,407 | \$ 3,976,779 |

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

5. NET DEBENTURE DEBT

The Town's debenture debt arose from participation in debenture issued by the Municipal Finance Authority (MFA) of B.C.

The debt was taken to help fund the Kye Bay Water and Sewer system expansion under Bylaw #2426. The balance of the debt at year-end is nil (2022 - \$20,371). The interest rate was 2.40% and was paid off over 19 years.

6. EQUIPMENT FINANCING

| General Capital Fund | Balance, Beginning of Year | Additions | Principal Payments | Interest Paid | Balance, End of Year |
|-----------------------------|----------------------------------|-----------|-----------------------|---------------|---------------------------------|
| Equipment Financing | \$ - | 1,804,024 | (104,477) | (33,060) | 1,699,547 |

The entire loan is repayable on-demand by the Municipal Finance Authority. The applicable rate of interest is variable, based on the annual variable rate offered by the Municipal Finance Authority. The rate of interest for the payments in 2023 was 5.07%, it may increase or decreased based upon market fluctuations. The requirements for future repayments of principal and interest on existing debt for the next five years are estimated as follows:

| | General Capital Fund | |
|--------------|-----------------------------|-------------------|
| | Principal | Interest |
| 2024 | \$ 325,333 | \$ 87,276 |
| 2025 | 344,330 | 68,279 |
| 2026 | 364,151 | 48,458 |
| 2027 | 385,113 | 27,496 |
| 2028 | 280,621 | 6,121 |
| Total | \$1,699,547 | \$ 237,630 |

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

7. CONTINGENT LIABILITIES

(a) Regional District Debt

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 Town of Comox. Readers are referred to the Comox Valley Regional District 2023 Audited Financial Statements for specific information and detail.

(b) Comox Fire Department

The Comox Fire Department protects both the Town of Comox and the Comox Rural Fire Protection Improvement District, and so is jointly funded by the Town and the District. In the event that this relationship ended, the Town would have to compensate the District for its share of the equity of Fire Department assets. At December 31, 2023 the District's share of those tangible capital assets (at cost and net book value) were \$1,424,243 and \$709,776 respectively (\$1,133,698 and \$442,542 in 2022) and its share of a Fire Department Capital Reserve was \$411,770 (\$485,422 in 2022). Due to the new Asset Retirement Obligation rules (See Note 17), the Improvement District has a related balance of \$19,485 which is for the buildings they maintain 1/3 ownership in.

(c) Claims

At December 31st there existed outstanding claims against the Town. These claims have been referred to legal counsel and to the Town's liability insurers. It is not possible to determine the Town's potential liability, if any, with respect to these matters.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

8. PENSION INFORMATION

The Town of Comox 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 Town of Comox paid \$563,594 for employer contributions to the plan in fiscal 2023 (\$519,477 in 2022).

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.

9. FUTURE PAYROLL OBLIGATIONS

The Town calculates the value of vacation, sick, severance, and meritorious service accruals to be \$1,084,184 at December 31, 2023 (\$1,131,611 in 2022).

Vacation Accrual is calculated to be \$548,302 at December 31, 2023 (\$599,096 in 2022). Sick, Severance, & Meritorious Service is calculated to be \$535,883 at December 31, 2023 (\$532,516 in 2022). In 2023, an unamortized net actuarial gain of \$110,906 (\$187,390 in 2022) was recognized as a result of an overvaluation from prior years.

Meritorious Service is for Town employees who have worked at least 10 years for the Town and then retire, become permanently disabled, or die receive 2 days pay for each year of service. The reported liability reflects the likelihood that employees will become eligible for this benefit. The calculations were projected into the future with an inflation factor of 6% and discounted back at a discount rate of 4.10% (2.5% and 4.5% respectively in 2022). Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

10. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Town of Comox is potentially exposed to credit risk, market and interest rate risk, and liquidity risk from the Town's financial instruments. Qualitative and quantitative analysis of the significant risks from the Town's financial instruments is provided below by type of risk.

(a) Credit Risk:

Credit risk primarily arises from the Town's cash, investments and accounts receivable. The risk exposure is limited to their carrying amounts as at the date of the statement of financial position.

Accounts receivable primarily consist of amounts receivable from other government organizations and residents. To reduce the risk, the Town regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2023, the amount of allowance for uncollectible amounts was nil (2022 - nil). The Town historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

(b) Market and Interest Rate Risk:

Market risk is the risk that changes in market prices and inputs, such as interest rates, will affect the Town's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

The Town manages market risk by holding cash balances with top rated Canadian Schedule I financial institutions. The investments are managed following the investment policy which is approved by the Town's council. The Town periodically reviews its investments and is satisfied that the portfolio investments are being managed in accordance with the investment policy.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Town's investments are disclosed in Note 2 and changes in the fair value of investments have parallel changes in unrealized gains or losses until realized on disposal. The Town's exposure to interest rate risk in relation to debt instruments is limited to long-term debt and short-term financing. The risk applies only to long-term debt when amortization periods exceed the initial locked-in term. Short-term financing is subject to daily floating rates, which can result in variability over the course of short-term financing. Interest rate risk related to debt instruments is managed through budget and cash forecasts.

Interest rates have increased during the year, which primarily affects interest costs of short-term debt, and interest earnings on investments.

(c) Liquidity Risk:

Liquidity risk is the risk that the Town will not be able to meet its financial obligations as they become due. The Town manages liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

11. FEDERAL PAYMENTS IN LIEU OF TAX

Although the Town is not economically dependent upon receipt of Federal Payments in Lieu of Tax (PILT), it normally receives 15% of its revenue from taxation from this source of revenue. Were the Government of Canada to halt its PILT, there would be a significant impact on operations that could result in either a reduction in service levels and/or an increase in property tax rates.

12. RESTRICTION ON DEFERRED REVENUE

The Town receives Development Cost Charges from developers. Section 935 of the Local Government Act requires that these funds are deposited to reserves and limits the use of those reserves (including the interest earned on them) to capital costs related to the purpose for which the charge was collected. Section 941 of the Local Government Act similarly limits the use of cash payments received in lieu of the 5% parklands provided at subdivision of land, for acquisitions of parkland. See Schedule 2 for details of deferred revenues.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

13. SEGMENTED INFORMATION

The Town of Comox is a local government that provides a wide range of services to its citizens. For management and reporting purposes the Town's operations are organized and reported by segments. Schedules 5 and 6 (for 2023 and 2022, respectively) of these Financial Statements disclose the Town's revenue and expenses split into the following segments:

General Government – including the activities of Council plus general Town administration, finance, and enforcement of Town bylaws.

Protective Services – including the activities of the RCMP on behalf of Comox, plus the Comox Volunteer Fire Department, building inspection, emergency planning and animal control.

Transportation – including roads, sidewalks, street lighting, traffic control and storm drains.

Solid Waste Management – including collection and disposal of garbage, recyclables and yard waste. The Town does not operate any landfills or transfer facilities.

Development Services – including Town planning and our annual grants to the Downtown Business Improvement Area Association.

Marina – is operation of the Town's marina.

Parks, Recreation, and Culture – including operating the Town's recreation centre and public recreation programs, Town parks and greenways, cultural grants from the Town and events sponsored for the Town, Christmas lighting, and Town buildings used for recreation and cultural activities. The Town is a member of the Vancouver Island Regional Library (VIRL), and owns library space that it rents to VIRL, which operates the Comox library branch.

Water Service – is the distribution of water to Town residents. The Town buys treated bulk water from the Comox Valley Regional District, so the Town neither produces nor treats the water it distributes.

Sanitary Sewer Service – is the collection of sanitary sewage and transmission of the same to the sanitary sewer treatment system operated by the Comox Valley Regional District. The Regional District charges the Town for a share of the costs to operate its system.

Certain allocations are employed in the preparation of segmented financial information. General Property Taxation, Payments in Lieu thereof, and Investment income are not allocated between segments, but are allocated to General Government. Government grants and DCCs used for capital acquisitions are allocated to segments depending on the purpose of the grant. Investment income is allocated to segments depending on the nature of the capital reserves that it has been earned on. Some expenses are allocated to segments based on an estimated use of resources.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 2.

There are no inter-segment sales of goods or services.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

14. COMMUNITY WORKS (FEDERAL GAS TAX) FUNDS

The Town receives transfers of Community Works (federal gas tax) Funds through the Union of BC Municipalities that can be used to fund eligible expenditures.

| Continuity of Funds: | 2023 | 2022 |
|----------------------------------|--------------|--------------|
| Opening balance at start of year | \$ 5,329,402 | \$ 5,339,909 |
| Transfers received during year | 704,736 | 675,280 |
| Interest on investments | 269,466 | 103,371 |
| Draws to fund eligible projects | (2,147,046) | (789,158) |
| Closing balance at end of year | \$ 4,156,558 | \$ 5,329,402 |

These transfers are recorded as conditional grant revenue because they can only be used for eligible expenditures under the terms of a 2014 agreement between the Government of Canada and the Union of BC Municipalities.

15. RECONCILIATION OF 2023 BUDGET

The Town's budget figures come from a five-year Financial Plan adopted May 10, 2023 in accordance with Section 165 of the Community Charter of BC. That section requires that municipalities must set out for each year of their Plan, the proposed expenditures (including debt principal repayments, transfers to reserves, and tangible capital asset acquisitions) and the proposed funding sources for them (including debt issues and transfers from reserves and accumulated surplus). However, for financial reporting purposes the Town follows public sector accounting standards and reports revenues and expenses, so the following adjustments must be made to the budgeted figures to reconcile them to the Town's 2023 Financial Plan:

| Reconciliation of 2023 Budget Reported to Financial Plan: | |
|---|--------------|
| Net budget for 2023 reported | \$ 5,136,487 |
| Capital acquisitions in Financial Plan | (20,502,214) |
| Transfers from capital reserves in Financial Plan | 14,454,972 |
| Transfers to capital reserves in Financial Plan | (3,996,639) |
| Debt principal repayments in Financial Plan | (196,630) |
| Loan Proceeds | 1,804,024 |
| Amortization expense | 3,300,000 |
| Net of Financial Plan | \$ - |

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

16. ACCUMULATED SURPLUS

Operating Funds - comprise the principal operating activities of the Town and are separated into General, Water, and Sanitary Sewer Funds.

Capital Funds - used to record the acquisition and disposal of tangible capital assets and related financing and are similarly separated into General, Water and Sanitary Sewer Funds. The General Capital Fund also contains shares in Courtenay Golf Club Ltd. carried at a value of \$8,750.

Reserve Funds - created to hold cash, and investments for specific future requirements. They are comprised of the funds shown in Schedule 1.

| Accumulated Surplus | 2023 | 2022 |
|-------------------------------|----------------|----------------|
| Operating Funds: | | |
| General Operating Fund | \$ 2,977,984 | \$ 5,168,417 |
| Water Operating Fund | 2,771,083 | 2,140,072 |
| Sanitary Sewer Operating Fund | 4,614,975 | 4,067,185 |
| | <hr/> | <hr/> |
| | 10,364,042 | 11,375,674 |
| Capital Funds: | | |
| General Capital Fund | 80,280,443 | 73,393,402 |
| Water Capital Fund | 9,029,090 | 8,530,457 |
| Sanitary Sewer Capital Fund | 8,067,321 | 7,819,226 |
| | <hr/> | <hr/> |
| | 97,376,854 | 89,743,085 |
| Reserve Funds (Schedule 1) | 25,537,570 | 20,974,585 |
| | <hr/> | <hr/> |
| | \$ 133,278,466 | \$ 122,093,344 |

17. ASSET RETIREMENT OBLIGATIONS

The Town of Comox owns and operates several assets that are known to have asbestos, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. Following adoption of Public Sector Accounting Standard PS 3280 Asset Retirement Obligations, the Town The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Fire capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related The Town has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totalling \$251,134 have been discounted using a present value calculation with a discount rate of 4.72%. The timing of these expenditures is estimated to occur between 2024 and 2074 with the regular replacement, renovation or disposal of assets. No recoveries are expected at this time.

Town of Comox

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

17. ASSET RETIREMENT OBLIGATIONS (Continued)

| | <u>2023</u> |
|---|-------------------|
| Opening Asset Retirement Obligation | \$ - |
| Initial recognition of expected discounted cash flows | 251,134 |
| Increase due to accretion | 24,268 |
| Closing Asset Retirement Obligation | <u>\$ 275,402</u> |

18. GROWING COMMUNITIES FUND

The Province of British Columbia distributed conditional GCF grants to communities at the end of March 2023 to help local governments build community infrastructure and grant to all municipalities in British Columbia.

The Town of Comox received \$4,693,000 of GCF funding in March 2023.

| <u>Growing Communities Fund</u> | <u>2023</u> |
|---------------------------------|---------------------|
| Opening Balance | \$ - |
| Grant | 4,693,000 |
| Eligible Costs | |
| Queens Ave. Storm Drainage | (271,649) |
| Town Hall Reengineer | (17,237) |
| Net Zero Project | (739,619) |
| Balance, end of year | <u>\$ 3,664,495</u> |

The remaining balance of the Growing Communities Fund was allocated to the Capital Works Reserve for the 2023 fiscal year, any funds remaining at the end of 2024 will be allocated to a separate Growing Communities Fund reserve.

19. COMMITMENT

The Town of Comox has an agreement with Emterra Environmental for garbage, recycling Service is provided by Emterra weekly to the residents in the Town of Comox and costs are expensed monthly. Contracted cost estimate for 2024 is \$1,645,302.

20. COMPARATIVE FIGURES

Comparative figures have been reclassified to conform to current year's presentation.

Town of Comox

Schedule of Continuity of Reserve Funds
Year ended December 31, 2023

Schedule 1
(unaudited)

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Opening Balance of Reserve Funds | \$ 20,974,585 | \$ 19,366,742 |
| Contributions to funds from operations | 13,567,430 | 4,808,446 |
| Interest earned on funds | 1,060,521 | 374,906 |
| Withdrawals from funds for capital acquisitions | (10,064,966) | (3,575,509) |
| Closing balance of Reserve Funds | \$ 25,537,570 | \$ 20,974,585 |

Represented by the following financial assets:

| | | |
|---------------------------------|---------------|---------------|
| Cash and short-term investments | \$ 25,537,570 | \$ 20,974,585 |
|---------------------------------|---------------|---------------|

Including the following Reserve Funds:

| | | |
|---|----------------------|----------------------|
| Federal Gas Tax (Community Works) Funds (Note 14) | \$ 4,156,558 | \$ 5,329,402 |
| Capital Works Reserve | 7,237,424 | 3,848,110 |
| Equipment Replacement Reserve | 2,367,765 | 858,150 |
| Municipal Marina Reserve | 658,099 | 531,238 |
| Water Utility Reserve | 2,966,781 | 2,847,974 |
| Sewer Enterprise Reserve | 6,223,635 | 5,480,297 |
| Lancaster Sewer Lift Station Capital Reserve | 86,995 | 82,808 |
| Point Holmes Sewer Lift Station Capital Reserve | 57,373 | 54,611 |
| Recreation Centre Capital Reserve | 6,312 | 6,009 |
| Waterfront Walkway Reserve | 366 | 348 |
| Affordable Housing Reserve | 197,343 | 187,845 |
| Public Safety Reserve | 330,212 | 219,132 |
| Fire Department Capital Reserve - Town Share | 836,937 | 1,043,239 |
| | 25,125,800 | 20,489,163 |
| Fire Department Capital Reserve CFPID share (Note 7b) | 411,770 | 485,422 |
| | \$ 25,537,570 | \$ 20,974,585 |

Town of Comox
 Schedule of Deferred and Restricted Revenue Continuity
 Year ended December 31, 2023

Schedule 2

| | 2022 | | | 2023 | | |
|--|------------------|------------------|----------------|----------------|-----------------------|------------------|
| | Balance | Receipts | Interest | Refunded | Recognized as Revenue | Balance |
| Deferred Revenue | | | | | | |
| Prepaid property taxes | \$ 1,071,634 | 1,127,585 | 17,227 | - | 1,071,634 | \$ 1,144,812 |
| Parcel Tax-Commutation, Kyle Bay | 7,662 | 7,662 | - | - | 15,324 | - |
| Prepaid General Fees | | | | | | |
| Prepaid Storm Drainage Development Works Payment | 113 | - | - | - | 73 | 40 |
| Prepaid marina fees | | | | | | |
| Prepaid dog tags | | | | | | |
| Prepaid business licer | | | | | | |
| Prepaid environmental mitigation (\$7,670) | | | | | | |
| General Unearned Income | 99,361 | 104,489 | - | - | 103,525 | 100,325 |
| Growing Communities Fund | - | 4,693,000 | - | - | 4,693,000 | - |
| General Unearned Income - 2nd account | - | - | - | - | - | - |
| Prepaid General Fees | 99,474 | 4,797,489 | - | - | 4,796,598 | 100,365 |
| Prepaid Recreation | | | | | | |
| Recreation Unearned Income | 423,877 | 2,871,337 | - | - | 2,844,199 | 451,015 |
| Recreation Unearned Income - 2nd account | 2,417 | - | - | (323) | - | 2,094 |
| Recreation, unearned renters income | - | - | - | - | - | - |
| Recreation, facility deposits | - | - | - | - | - | - |
| Recreation, facility deposits - 2nd account to be remapp | - | - | - | - | - | - |
| Prepaid Recreation | 426,294 | 2,871,337 | - | (323) | 2,844,199 | 453,109 |
| Total Deferred Revenue | 1,605,064 | 8,804,073 | 17,227 | (323) | 8,727,755 | 1,698,286 |
| Restricted Revenue | | | | | | |
| Development/Charities: | | | | | | |
| Open Space Development Cost Charges | 3,839,030 | 6,515 | 184,688 | - | - | 4,030,233 |
| Water Development Cost Charges | 925,107 | - | 44,466 | - | - | 969,573 |
| Major Road Development Cost Charges | 1,205,986 | 8,245 | 58,170 | (5,057) | - | 1,267,344 |
| Storm Drain Development Cost Charges | 407,229 | - | 19,574 | - | - | 426,803 |
| Sanitary Sewer Development Cost Charges | 489,807 | 3,216 | 23,624 | - | - | 516,647 |
| Other Restricted Revenue | 6,867,159 | 17,976 | 330,522 | (5,057) | - | 7,210,600 |
| 5% Payment in Lieu of Parks Dedication | 268,856 | - | 12,922 | - | - | 281,778 |
| Developer Payments in Lieu of Parking | 31,775 | - | 1,528 | - | - | 33,303 |
| Developer Contribution for Public Amenities | 10,084 | - | 485 | - | - | 10,569 |
| Developer Payments for Affordable Housing | 169,293 | - | 8,137 | - | - | 177,430 |
| Provincial Government, Climate Action | 135,082 | 135,082 | - | - | - | 270,164 |
| Provincial Government, Child Care Spaces | - | - | - | - | - | - |
| Provincial Government, Marine Services Building | 567,607 | 224,949 | 27,283 | - | 819,839 | - |
| Regional Government, Transportation | - | 250,000 | 0 | 0 | - | 250,000 |
| Provincial Government, Community Economic Developm | - | 80,000 | - | - | 56,315 | 23,685 |
| Provincial Government, Fire | - | 15,000 | - | - | - | 15,000 |
| Total Restricted Revenue | 1,182,697 | 705,031 | 50,355 | - | 819,839 | 1,023,244 |
| Total Restricted Revenue | 8,049,856 | 723,007 | 380,877 | (5,057) | 876,154 | 8,272,529 |

Town of Comox
Continuity of Equity in Tangible Capital Assets
Year ended December 31, 2023

Schedule 3

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Opening balance of equity in Tangible Capital Assets | 89,743,085 | 86,803,345 |
| Changes in Capital Assets | | |
| Acquisitions of tangible capital assets | 12,181,724 | 6,173,949 |
| Increase in tangible capital assets due to asset retirement obligations | 251,134 | |
| Tangible capital assets contributed | 422,486 | - |
| Additions of Capital Assets | 12,855,344 | 6,173,949 |
| Write-offs of assets replaced (at NBV) | - | - |
| Amortization expense | (3,542,399) | (3,278,188) |
| Changes in related liabilities | | |
| Principal payment on debenture (to sinking fund) | 8,464 | 23,225 |
| Actuarial earnings on debenture sinking fund | 11,907 | 20,754 |
| Borrowing in year | (1,804,024) | |
| Borrowing principal repaid | 104,477 | - |
| Closing Balance of Equity in Tangible Capital Assets | \$ 97,376,854 | \$ 89,743,085 |

Represented by the following:

| | | |
|--|----------------------|----------------------|
| Tangible capital assets at net book value (Schedule 4) | | |
| Capital assets at cost | \$ 161,326,096 | \$ 148,981,583 |
| Less accumulated amortization | (62,258,445) | (59,226,877) |
| Tangible capital assets at net book value | 99,067,651 | 89,754,706 |
| Net debenture debt (Note 5) | - | (20,371) |
| Equipment Financing (Note 6) | (1,699,547) | - |
| Shares in Courtenay Golf Club Ltd. | 8,750 | 8,750 |
| | \$ 97,376,854 | \$ 89,743,085 |

Town of Comox
Schedule of Tangible Capital Assets
Year ended December 31, 2023

Town of Comox
Schedule of Tangible Capital Assets
Year ended December 31, 2023

| | Totals | | | | | | | | | | |
|--|-----------|-------------------|------------|------------|----------------|-------------|---------------|---------------|------------------|-------------|-------------|
| | Land | Land Improvements | Buildings | Equipment | Transportation | Storm Drain | Water Service | Sewer Service | Work in Progress | 2023 | 2022 |
| Cost | | | | | | | | | | | |
| Opening costs | 9,138,380 | 5,131,949 | 21,294,928 | 9,824,625 | 50,479,606 | 23,652,295 | 14,127,253 | 12,176,596 | 3,155,951 | 148,981,583 | 142,999,030 |
| Additions during the year | - | 241,612 | 1,800,280 | 1,493,449 | 4,959,365 | 419,427 | 708,736 | 427,023 | 2,554,318 | 12,604,210 | 6,173,949 |
| Add/(Less): Assets put to use | - | - | 491,176 | - | 1,807,861 | - | 12,305 | - | (2,311,342) | - | - |
| Additions due to ARO recognition Note (17) | - | 7,733 | 243,401 | - | - | - | - | - | - | 251,134 | - |
| Disposals and write downs | - | - | - | (510,831) | - | - | - | - | - | (510,831) | (131,396) |
| Closing costs | 9,138,380 | 5,381,294 | 23,829,785 | 10,807,243 | 57,246,832 | 24,071,722 | 14,848,294 | 12,603,619 | 3,398,927 | 161,326,096 | 148,981,583 |
| Accumulated Amortization | | | | | | | | | | | |
| Opening accum'd amortization | - | 2,817,169 | 5,744,668 | 5,991,378 | 26,653,373 | 7,973,756 | 5,504,436 | 4,542,097 | - | 59,226,877 | 56,080,085 |
| Amortization | - | 171,558 | 496,303 | 676,145 | 1,466,467 | 327,148 | 225,850 | 178,928 | - | 3,542,399 | 3,278,188 |
| Accum Amort Adj for Disp/WD | - | - | - | (510,831) | - | - | - | - | - | (510,831) | (131,396) |
| Closing accum'd amortization | - | 2,988,727 | 6,240,971 | 6,156,692 | 28,119,840 | 8,300,904 | 5,730,286 | 4,721,025 | - | 62,258,445 | 59,226,877 |
| Net Book Value of Tangible Capital Assets | 9,138,380 | 2,392,567 | 17,588,814 | 4,650,551 | 29,126,992 | 15,770,818 | 9,118,008 | 7,882,594 | 3,398,927 | 99,067,651 | 89,754,706 |

Town of Comox
 Schedule of Operations by Segment
 Year ended December 31, 2023

Schedule 5

| Revenue | General Government | Protective Services | Waste Disposal | Affordable Housing | Development Services | Transportation | Parks, Recreation & Culture | Marina | Water | Sanitary Sewer | Total All Segments | 2023 Budget |
|--------------------------------|--------------------|---------------------|----------------|--------------------|----------------------|----------------|-----------------------------|--------------|------------|----------------|--------------------|---------------|
| | | | | | | | | | | | | |
| Taxation | \$ 13,140,435 | \$ - | \$ - | \$ - | \$ 72,874 | \$ 4,239 | \$ - | \$ - | \$ 440,564 | \$ 467,770 | \$ 14,125,882 | \$ 14,045,739 |
| Sale of Services | 204,048 | 1,636,528 | 2,111,323 | - | 170,065 | 598,586 | 1,891,080 | 487,632 | 3,265,326 | 3,322,216 | 13,686,804 | 12,645,770 |
| Government Transfers | 5,606,786 | 84,000 | - | - | - | 1,033,768 | 184,213 | 1,084,525 | - | - | 7,993,292 | 5,960,054 |
| Investment Income | 1,235,222 | 88,372 | - | 9,498 | - | 299,563 | - | - | 6,949 | 277,096 | 1,916,700 | 400,000 |
| Development Contributions | - | - | - | - | - | 237,930 | 54,501 | - | 74,578 | 60,534 | 427,543 | 79,500 |
| Gain (loss) on Disposals | - | - | - | - | - | 204,900 | 382 | - | - | - | 205,282 | - |
| Other | 136,223 | 3,662 | - | - | - | 2,943 | 5,916 | - | - | - | 148,744 | 145,000 |
| | 20,322,714 | 1,812,562 | 2,111,323 | 9,498 | 242,939 | 2,381,929 | 2,136,092 | 1,572,157 | 3,787,417 | 4,127,616 | 38,504,247 | 33,276,063 |
| Expenses | | | | | | | | | | | | |
| Employees | 1,859,558 | 1,777,489 | - | - | 576,332 | 1,272,301 | 3,010,680 | 47,582 | 228,359 | 53,907 | 8,826,208 | 9,093,813 |
| Materials | 227,412 | 316,158 | - | - | 1,557 | 276,618 | 466,788 | 35,822 | 2,552,773 | 41,151 | 3,918,279 | 3,788,037 |
| Services | 1,438,638 | 2,428,976 | 1,869,581 | - | 109,313 | 741,031 | 1,537,007 | 118,221 | 155,584 | 2,562,501 | 10,954,852 | 11,879,166 |
| Interest | 40,707 | - | - | - | - | 33,060 | - | - | 3,619 | - | 77,386 | 78,560 |
| Amortization | 256,202 | 149,756 | - | 35,267 | - | 2,189,601 | 424,840 | 81,956 | 225,850 | 178,928 | 3,542,400 | 3,300,000 |
| | 3,822,517 | 4,672,379 | 1,863,581 | 35,267 | 687,202 | 4,512,611 | 5,439,315 | 283,581 | 3,166,185 | 2,836,487 | 27,319,125 | 28,139,576 |
| Surplus (deficit) for the year | \$ 16,500,197 | \$ (2,859,817) | \$ 247,742 | \$ (25,769) | \$ (444,263) | \$ (2,130,682) | \$ (3,303,223) | \$ 1,288,576 | \$ 621,232 | \$ 1,291,129 | \$ 11,185,122 | \$ 5,136,487 |

Year ended December 31, 2022

Schedule 6

| Revenue | General Government | Protective Services | Waste Disposal | Affordable Housing | Development Services | Transportation | Parks, Recreation & Culture | Marina | Water | Sanitary Sewer | Total All Segments | 2022 Budget |
|-----------------------------------|--------------------|---------------------|----------------|--------------------|----------------------|----------------|-----------------------------|-----------|--------------|----------------|--------------------|---------------|
| | | | | | | | | | | | | |
| Property taxation | \$ 11,894,370 | \$ - | \$ - | \$ - | \$ 73,008 | \$ 4,239 | \$ - | \$ - | \$ 439,556 | \$ 402,200 | \$ 12,813,373 | \$ 13,165,150 |
| Sale of services | 197,771 | 808,301 | 1,857,250 | - | 116,324 | 39,317 | 1,570,392 | 442,186 | 3,106,607 | 3,124,158 | 11,262,306 | 9,986,585 |
| Government transfers | 1,954,355 | 80,519 | - | 1,147,479 | - | - | 468,402 | - | - | - | 3,650,755 | 6,223,842 |
| Investment Income | 550,115 | 47,786 | - | 3,567 | - | - | 121 | 8,189 | 40,668 | 98,655 | 925,021 | 400,000 |
| Development contributions | - | - | - | - | - | 175,920 | 326,314 | - | - | - | 685,908 | 1,254,500 |
| Gain (loss) on disposal of assets | 3,450 | - | - | - | - | 359,594 | - | - | - | - | 51,332 | - |
| Other | 113,441 | 11,036 | - | - | - | 47,500 | 382 | - | - | - | 126,063 | 105,000 |
| | 14,713,502 | 947,642 | 1,857,250 | 1,151,046 | 189,332 | 626,570 | 2,367,197 | 450,375 | 3,586,831 | 3,625,013 | 29,514,758 | 31,135,077 |
| Expenses | | | | | | | | | | | | |
| Employees | 1,802,339 | 1,465,095 | - | - | 641,250 | 1,250,188 | 2,763,904 | 71,552 | 211,275 | 64,407 | 8,270,010 | 8,223,942 |
| Materials | 79,911 | 158,381 | 126 | - | 2,243 | 297,336 | 413,925 | 13,547 | 2,014,383 | 18,730 | 2,998,582 | 3,036,142 |
| Services | 1,375,146 | 2,378,726 | 1,591,743 | - | 120,433 | 701,709 | 1,394,873 | 185,826 | 48,134 | 2,342,994 | 10,139,584 | 10,743,719 |
| Interest | 12,534 | - | - | - | - | - | - | - | 8,821 | - | 21,355 | 27,240 |
| Amortization | 236,765 | 143,051 | - | 17,634 | - | 2,017,938 | 371,441 | 80,056 | 233,222 | 178,081 | 3,278,188 | 3,300,000 |
| | 3,506,695 | 4,145,253 | 1,591,869 | 17,634 | 763,926 | 4,267,171 | 4,944,143 | 350,981 | 2,515,835 | 2,604,212 | 24,707,719 | 25,331,043 |
| Surplus (deficit) for the year | \$ 11,206,807 | \$ (3,197,611) | \$ 265,381 | \$ 1,133,412 | \$ (574,594) | \$ (3,640,601) | \$ (2,576,946) | \$ 99,394 | \$ 1,070,996 | \$ 1,020,801 | \$ 4,807,039 | \$ 5,804,034 |

Town of Comox
Statement of Financial Information
Schedule of Remuneration & Expenses for Elected Officials
For the year ended December 31, 2023

| | Remuneration | Expenses |
|-----------------------------|--------------------------|-------------------------|
| Steve Blacklock, Councillor | 26,371 | 6,527 |
| Ken Grant, Councillor | 26,371 | 13,630 |
| Chris Haslett, Councillor | 26,371 | 4,661 |
| Jonathan Kerr, Councillor | 26,371 | 5,160 |
| Jenn Meilleur, Councillor | 26,371 | 4,194 |
| Nicole Minions, Mayor | 58,275 | 9,323 |
| Maureen Swift, Councillor | <u>26,371</u> | <u>-</u> |
| | <u><u>\$ 216,501</u></u> | <u><u>\$ 43,495</u></u> |

Expenses include expense claims by Council members, together with registration fees and travel expenses paid by the Town on their behalf.

In addition, each member of Council is covered under an accident insurance policy (when on Town business) which provides:

- 1) \$ 100,000 life insurance
- 2) \$ 300 weekly indemnity for total disability
- 3) \$ 3,000 additional medical expense

Town of Comox
Statement of Financial Information
Schedule of Remuneration & Expenses for Employees Earning over \$75,000
For the year ended December 31, 2023

| | Remuneration | Expenses |
|--|---------------------|------------------|
| Shelley Ashfield, Director of Operations | 139,103 | 794 |
| Regina Bozerocka, Planner II | 85,747 | 3,516 |
| Corey Brooks, Platoon Captain | 118,953 | 940 |
| Brent Craven, Lieutenant | 90,987 | 940 |
| Kirsten Edwards, Chargehand | 80,757 | 734 |
| Dany Fortin, Arborist | 76,936 | 296 |
| Clive Freundlich, Director of Finance | 139,091 | 259 |
| Eric Gaylor - Maintenance Operator | 78,603 | 1,152 |
| Elsa Gilroy, Lieutenant | 79,212 | 3,728 |
| Samuel Greene - Maintenance Operator | 81,844 | 3,633 |
| Koreen Gurak, Communications and Legislative Coordinator | 87,211 | 567 |
| Ted Hagmeier, Recreation Director | 114,173 | - |
| Kylie Jorgensen, Labourer/Equipment Operator | 78,618 | 88 |
| Marvin Kamenz, Town Planner | 137,469 | 4,302 |
| Geoffrey Kreek, Deputy Director of Finance | 105,844 | 1,417 |
| Jim Lariviere, Assistant Fire Chief | 130,012 | 1,400 |
| Pascal Lafreniere - Platoon Captain | 117,271 | 610 |
| Joel Louke, Utilities Operator | 81,912 | 777 |
| Kenneth Makortoff, Foreman | 93,841 | 1,787 |
| Tryna McLean - Chargehand | 79,914 | - |
| Wayne Meyer - Equipment Operator | 80,978 | 349 |
| Robert Nall, Parks Superintendent | 97,287 | 621 |
| Robin Pallett, Planner II | 84,521 | 3,302 |
| Craig Perry, Manager of Public Works | 118,940 | 923 |
| Lia Pesklevits, Executive Coordinator | 81,883 | 1,076 |
| Jessie Proske, Deputy Director of Finance | 109,851 | 7,530 |
| Ian Rogers, Building Inspector II | 94,250 | 3,110 |
| Shelly Russwurm, Corporate Officer | 131,278 | - |
| Mark Salter, Groundskeeper | 76,238 | - |
| Gord Schreiner, Fire Chief | 146,036 | - |
| Andrew Scott - Equipment Operator | 80,567 | 777 |
| Rick Shelton, Assistant Fire Chief | 137,040 | - |
| Michael Springer, Asset and Facilities Manager | 100,269 | - |
| Jeffrey Spruyt, Maintenance Operator | 75,834 | 105 |
| Robert Stevens, Platoon Captain | 116,586 | 680 |
| Marisa Thurborn, Revenue Manager | 81,493 | 4,749 |
| Elliot Turnbull, Planner II | 86,037 | 1,277 |
| Doug Ure, Tradesperson I | 77,562 | 163 |
| Jordan Wall, Chief Administrative Officer | 172,384 | 5,198 |
| John Williams, Maintenance Operator | 75,363 | 2,567 |
| subtotal | 4,021,899 | 59,367 |
| all employees under \$75,000 | 2,952,254 | 31,584 |
| Total for all employees | <u>\$ 6,974,153</u> | <u>\$ 90,951</u> |

Reconciliation to Salaries, Wages & Employee Benefits reported in Financial Statement

| | |
|---|---------------------|
| Total employee remuneration (above) less taxable benefits | \$ 6,904,488 |
| Plus Council remuneration | 216,501 |
| Decrease to Accrued Payroll & Post-Employment Benefits in year | 4,830 |
| Plus employee benefits included in Disbursements | <u>1,700,389</u> |
| Salaries, wages and employee benefits reported on Schedule 5 of the Consolidated Financial Statements for the Town of Comox | <u>\$ 8,826,208</u> |

NOTES:

- Expenses include payments to employees plus expenses paid on their behalf.
- No schedule of severance agreements is included because there were none in the year.

Town of Comox
Statement of Financial Information
Schedule of Severance Agreements
For the year ended December 31, 2023

NIL

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7).

Town of Comox

Statement of Financial Information
Schedule of Disbursements over \$25,000
For the year ended December 31, 2023

| | |
|---|-----------|
| 1297398 B.C. Ltd. | 50,405 |
| ABC Printing & Signs | 29,246 |
| ACL Landscaping Ltd | 40,641 |
| A-Mais Technologies Inc. | 33,412 |
| Active Network Ltd | 31,920 |
| Alpha Strategy Media Inc. | 590,351 |
| Andrew Sheret Limited | 77,335 |
| Aon Reed Stenhouse Inc | 257,273 |
| B C Hydro | 379,327 |
| Ballard Fine Homes Ltd | 51,500 |
| Benco Ventures Ltd | 379,831 |
| Big Island Building Services Ltd. | 59,815 |
| Brogan Fire & Safety | 49,303 |
| Bunzl Cleaning & Hygiene | 53,100 |
| C3 Mainline Inspections Incorporated | 46,287 |
| Cameron Contracting Ltd | 120,811 |
| Ceridian Canada Ltd. | 43,431 |
| City of Courtenay | 33,331 |
| Civic Legal LLP | 42,916 |
| Cohlmeyer Architecture Limited | 77,587 |
| Commercial Emergency Equipment Co. | 648,712 |
| Comox Archives And Museum Society | 32,499 |
| Comox Business In Action | 93,150 |
| Comox Firefighters Association | 35,877 |
| Comox Nautical Days Society | 28,000 |
| Comox Valley Martial Arts & Fitness | 60,064 |
| Comox Valley Regional District | 9,572,295 |
| Comox Valley Transition Society | 30,000 |
| Comox-Strathcona Regional Hospital Dist | 1,540,665 |
| Compass Adventure | 30,219 |
| CUPE Local 556 | 63,635 |
| D.K.I Services Ltd | 32,771 |
| Duncan Electric Motor Ltd. | 155,993 |
| Edgett Excavating Ltd. | 993,753 |
| Elisco Enterprises Inc. | 37,041 |
| Ertterra Environmental | 951,669 |
| Enex Fuels Ltd. | 60,877 |
| Expertec | 30,268 |
| GHD Limited | 78,429 |
| GROW Tree Care | 63,432 |
| Habitat Systems Inc. | 167,194 |
| Hand-In-Hand Early Years | 121,880 |
| Highstreet Aurora Developments Ltd. | 28,750 |
| Hyatt Regency Vancouver | 34,395 |
| ICBC Insurance Corporation of BC | 31,305 |
| ISL Engineering and Land Services Ltd | 90,086 |
| Johnson Controls #V4020 | 1,598,719 |
| JP Morgan | 47,139 |
| Kinetic Construction Ltd. | 1,773,383 |
| KTI Limited | 82,838 |
| Lafrentz Road Marking, | 36,243 |
| Lee Mac Electric Ltd. | 54,832 |
| Leighton Contracting (2009)Ltd | 4,209,775 |
| LITTLUNIVERSE Education | 26,339 |
| MacLeod James | 45,739 |
| McElhanney Ltd | 68,068 |
| Metro Motors Ltd. | 152,506 |
| Minister Of Finance | 2,928,866 |
| MNP LLP | 49,193 |
| Municipal Finance Authority of BC | 103,241 |
| Municipal Pension Plan | 1,061,736 |
| North Island Tractor | 58,889 |
| North Nanaimo Rental Ltd | 46,986 |
| Onsite Engineering Ltd. | 275,428 |
| Oyster River Fire Rescue | 104,297 |
| Peninsula Co-op | 79,309 |

Town of Comox
Statement of Financial Information
Schedule of Disbursements over \$25,000
For the year ended December 31, 2023

| | |
|--|-------------------------------|
| Progressive Systems Ltd. | 51,978 |
| Raylec Power LP | 96,215 |
| RDH Building Science | 25,341 |
| Receiver General For Canada | 4,137,273 |
| Riptide Marine Sales Ltd | 55,935 |
| Rocky Mountain Phoenix | 27,017 |
| Silvacare Inc | 48,077 |
| Slegg Building Materials | 51,992 |
| Sun Life Assurance Company of Canada | 612,585 |
| Suncorp Valuations | 27,825 |
| Tayco Paving Co Ltd | 79,217 |
| Telus | 34,559 |
| Terralink Canada | 33,740 |
| The Owners of Strata EPS5411 | 68,272 |
| Thomson, Steve | 63,384 |
| Tower Fence Products Ltd. | 46,434 |
| Trane Canada ULC | 59,202 |
| Trans-Care Rescue Ltd. | 31,190 |
| U.S. Bank Canada | 300,774 |
| Urban Systems Ltd. | 315,520 |
| Vancouver Island Regional Library | 813,945 |
| Vimar Equipment Ltd. | 501,301 |
| Westview Ford Sales Ltd. | 99,053 |
| Worksafe BC | 225,863 |
| Young, Anderson | 53,056 |
| Your City Solutions Inc | 31,500 |
| | <hr/> |
| subtotal | 38,155,555 |
| Plus all payees disbursed under \$25,000 | 2,313,906 |
| Total disbursements, all payees | <hr/> <hr/> 40,469,461 |
| <u>Reconciliation to Total Expenditures reported in Financial Statement:</u> | |
| Total Disbursements for all payees (reported above) | 40,469,461 |
| Plus Council & Employee remuneration | 7,120,989 |
| Less remittances of property taxes collected for others (net of offsets) not included in expenditures on the Financial Statements | (8,976,464) |
| Less long term debt principal payments not included in expenditures on the Financial Statements | (112,941) |
| Less employees share of payroll disbursements not included in expenditures on the Financial Statements | (2,156,529) |
| Less GST recoveries from disbursements in year | (857,207) |
| Less expenditures on tangible capital assets | (12,181,724) |
| Plus amortization expense from tangible capital assets | 3,542,399 |
| Less DCCs, development bonds and deposits refunded in year | (288,797) |
| Less changes in other asset & liability accounts included in expenses on the Financial Statements | <hr/> 759,939 |
| Total Expenses per Consolidated Statement of Operations | <hr/> <hr/> 27,319,125 |

Town of Comox
 Statement of Financial Information
 For the year ended December 31, 2023
 Schedule of Payments for Grants or Contributions

| Recipient of Grant or Contribution | | Purpose of Grant |
|---|-------------------|---------------------------------------|
| Comox Business in Action Association | \$ 72,900 | Business Improvement Area |
| Comox Archives & Museum Society | 32,500 | Operation of Society |
| Comox Valley Citizens On Patrol Society | 4,700 | Operation of Society |
| Comox Valley Community Policing | 6,150 | Auxiliary Policing & Crime Prevention |
| Comox Valley Art Gallery | 5,000 | Gallery Operations |
| Comox Valley Affordable Housing | 10,000 | Operation of Society |
| Comox Valley Transition Society | 30,000 | Operation of Society |
| Sid William Theatre Society | 25,000 | Theatre Operations |
| Zachary MacQuarrie | <u>500</u> | Mack Laing Bursary |
| | <u>\$ 186,750</u> | |