



**City of Kelowna  
Audit Committee Open Meeting  
Minutes**

Date: April 28, 2022  
 Location: Council Chamber  
 City Hall, 1435 Water Street

Members Present Mayor Colin Basran, Councillors Gail Given and Luke Stack

Staff Present City Manager, Doug Gilchrist; City Clerk, Stephen Fleming; Divisional Director, Financial Services, Genelle Davidson; Corporate Finance Manager, Shelly Little

Staff participating Remotely Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal\*

Guest Tyler Neels, Auditor Grant Thornton

(\* Denotes partial attendance)

**1. Call to Order - Chair**

Mayor Basran called the meeting to order at 1:07 p.m.

**2. Confirmation of Minutes - Chair**

Moved By Councillor Stack

R0001/04/28/22 THAT the Minutes of the Audit Committee Meeting of April 29, 2021 be confirmed as circulated.

Carried

**3. Financial Services Opening Remarks**

The Divisional Director, Financial Services provided opening remarks.

**4. 2021 Airport Financial Statements**

**4.1 Auditor's Report and Airport Financial Statement**

Tyler Neels, Auditor

- Provided introductory remarks.
- Spoke to the role of the Auditor and Auditor's Airport Letter.

#### 4.2 Memorandum - Review of Airport Financial Statements

Senior Airport Finance & Corporate Services Manager:

- Displayed a PowerPoint presentation.
- Financial Statements are for 2021.
- Spoke to impacts of the pandemic, which had started in 2020 and continued into 2021.
- Recovery took until 2021 Q4, passenger numbers increased in 2021 over 2020 but still well below pre-pandemic volume.
- Provided comments on the Airport Financial Statements, with an emphasis on the financial impacts due to the reduced numbers of passengers travelling in 2021 expenditures in 2020 and 2021 remained relatively consistent.
- Spoke to statement of cash flows and comments on the net increase in cash in 2021 over 2020.
- Responded to questions from Council.

Moved By Councillor Given

**R0002/04/28/22** THAT the Audit Committee receive, for information, the 2021 Airport Financial Statements, dated April 28, 2022.

**Carried**

#### 5. 2021 Consolidated Financial Statements

##### 5.1 Auditor's Report and Consolidated Financial Statements

Tyler Neels, Auditor

- Spoke to the Auditor's Report
- Provided opening comments

##### 5.2 Memorandum - Review of Consolidated Financial Statements

Staff:

- Displayed a PowerPoint presentation.
- Provided an overview of the Statements.

##### 5.3 Notes to the Financial Statements and Supporting Schedules

Tyler Neels, Auditor

- Displayed a PowerPoint presentation.
- Provided highlights from the Notes to the Consolidated Financial Statements and Schedules.
- Responded to questions from the Audit Committee.

##### 5.4 Financial Health Indicators

Staff:

- Displayed a PowerPoint presentation.
- Displayed various Sustainability ratios and provided comment on each.
- Displayed various Flexibility ratios and provided comment on each.
- Displayed various Vulnerability ratios and provided comment on each.
- Confirmed overall Financial Health of the City is strong.
- Responded to questions from the Audit Committee.

#### 6. Resolution Closing the Meeting to the Public

Moved By Councillor Given

**R0003/04/28/22** THAT this meeting be closed to the public pursuant to Section 90(1) (l) of the Community Charter for the Audit Committee to deal with matters relating to the following:

- Annual Report

**Carried**

**7. Adjourn to Closed Session**

The meeting adjourned to a closed session and took a break at 2:38 p.m.

**8. Reconvene to Open Session**

The meeting reconvened to an open session at 3:32 p.m.

**9. 2021 Financial Statements**

**9.1 Memorandum - Audit Committee Review of 2021 Surplus and Reserves**

Staff:

- Identified 2021 operating and utility surplus funds accumulations and expenditures.

**9.2 Memorandum - 2021 Surplus from Operations**

Divisional Director, Financial Services

- Spoke to 2021 Surplus from Operations memo dated April 28, 2022.
- Responded to questions from the Audit Committee.

Moved By Councillor Given

**R0004/04/28/22** THAT the 2021 General Fund Surplus of \$8,786,918 generated from operating and capital programs be distributed as per the City Manager's memo dated April 28, 2022.

**Carried**

**10. Consideration of Financial Statements and Surplus Allocation**

**10.1 Draft Report to Council - Audit Committee Review of 2021 Financial Statements and Recommendation**

**10.2 Adoption of Financial Statements, Surplus Allocation Recommendation and Report to Council**

Moved By Councillor Given

**R0005/04/28/22** THAT the Audit Committee receives, for information, the Report from Financial Services and the City Auditor dated April 29, 2022 with respect to the Consolidated Financial Statements and Auditor's Report for the City of Kelowna for the year ending December 31, 2021 and recommends the Report be forwarded to Council;

AND THAT the Audit Committee recommends to Council the appropriation of \$8,786,918 generated from all general fund operations in 2021 to reserves and accumulated surplus as detailed in the Report from the City Manager dated April 28, 2022;

AND THAT the Audit Committee recommend to Council that the Consolidated Financial Statements and Auditor's Report for the City of Kelowna for the year ending December 31, 2021 be reprinted in and form part of the City of Kelowna's Annual Report.

**Carried**

**11. Termination**

The meeting was declared terminated at 3:55 p.m.