



VILLAGE OF PORT ALICE

ANNUAL REPORT

FOR YEAR ENDING 2019

(Community Charter Section 98)

Approved by Council:

June 24, 2020



VILLAGE OF PORT ALICE

ANNUAL REPORT

FOR YEAR ENDING 2019

(Community Charter Section 98)

Index

	Page
2019 Management Letter	5
2019 Audited Financial Statements	7-32
2019 Five Year Financial Plan Bylaw No.651	33-38
2019 Statement of Permissive Exemptions and Bylaws No. 649 & 650	39-43
2019 Statement of Remuneration & Expenses	45
2019 Statement of Goods & Services & Financial Information Approval	46-47
2019 Statement of Declaration of Disqualification	49-50
2019 Municipal Services & Operations Summary for 2020	51-52
2019 Review of 2019 Goals & Objectives	53
2020 Goals & Objectives	54
 APPENDIX "A"	
2019 North Island Community Forest Limited Partnership Financial Statements	57-66

Approved by Council:
June 24, 2020

MANAGEMENT REPORT

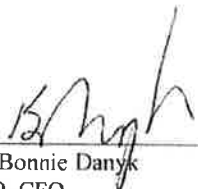
December 31, 2019

The Council of the Village of Port Alice has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Village of Port Alice. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Village of Port Alice's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Village of Port Alice's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Village of Port Alice as at December 31, 2019.



Ms. Bonnie Danyk
CAO, CFO

May 13, 2020

VILLAGE OF PORT ALICE
Financial Statements
December 31, 2019

VILLAGE OF PORT ALICE

Index to the Financial Statements

December 31, 2019

MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
NOTES TO THE FINANCIAL STATEMENTS	8-19
SCHEDULES	
Schedule 1 - Government Grants and Transfers to the Village and Ratepayers	20
Schedule 2 - Combined Statement of Operations by Segment (2019)	21
Schedule 3 - Combined Statement of Operations by Segment (2018)	22
Schedule 4 - Reserve Fund Transactions	23

MANAGEMENT REPORT

December 31, 2019

The Council of the Village of Port Alice has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Village of Port Alice. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Village of Port Alice's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Village of Port Alice's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Village of Port Alice as at December 31, 2019.



Ms. Bonnie Danyk
CAO, CFO

May 13, 2020



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Port Alice

Opinion

We have audited the accompanying financial statements of the Village of Port Alice (the "Village"), which comprise the statement of financial position as at December 31, 2019, the statement of operations and changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Village's financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2019, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Emphasis of Matter

As at December 31, 2019 as well as the date of this audit report Neucel Specialty Cellulose had not paid their 2019 or 2018 assessed property taxes as well as other municipal tax amounts which totalled approximately \$1,816,999 at December 31, 2019. Management of the Village and the Village Mayor and Council have asserted that the receivable may not be collectible in full by way of future payment or the eventual tax sale of the land and associated buildings and assets on the land. As a result an allowance for the above described amount receivable has been provided for in full.

Management of the Village and the Village Mayor and Council assert that while the Village's largest tax payer has not paid their outstanding tax amount owing to the Village, that the Village has sufficient cash, investment resources and other sources of income to continue operations into the foreseeable future. Our audit opinion is not modified with respect to this matter.

Basis of 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 Financial Statements section of our report.

We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the 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 of our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Village'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 intends for the Village to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Village's financial reporting process.

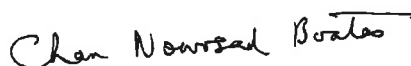
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the users taken on the basis of these 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 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 Village'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 Village'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 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 Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.



Chartered Professional Accountants
Campbell River, BC

May 13, 2020

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VILLAGE OF PORT ALICE

Statement of Financial Position

December 31, 2019

2019

2018
(Note 18)

\$

\$

FINANCIAL ASSETS

Cash	595,197	400,278
Portfolio Investments (Note 2)	2,869,636	3,021,262
Accounts Receivable (Note 3)	144,960	563,248
Taxes and User Fees Receivable (Note 4)	146,228	1,177,552
Investment in NICFL and NICFLP (Note 5)	<u>361,900</u>	<u>81,495</u>
	<u>4,117,921</u>	<u>5,243,835</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	116,732	212,889
Deferred Grants and Unearned Revenue (Note 6)	30,968	47,892
Long Term Debt (Note 7)	<u>467,008</u>	<u>485,967</u>
	<u>614,708</u>	<u>746,748</u>

NET FINANCIAL ASSETS

3,503,213 4,497,087

NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 9)	9,470,374	9,185,443
Inventory	<u>2,347</u>	<u>21,447</u>
	<u>9,472,721</u>	<u>9,206,890</u>

ACCUMULATED SURPLUS (Note 10)

12,975,934 13,703,977

Approved by:


Finance Officer


Mayor

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Statement of Operations

Year Ended December 31, 2019

	2019		2018
	Budget	Actual	
	\$	\$	\$
	(Note 16)		(Note 18)
Revenues (Schedules 2 and 3)			
Taxation - Net (Note 11)	876,700	875,091	1,106,144
Utility Connection Fees and User Rates	203,000	208,077	201,485
Government Grants - Federal (Schedule 1)	4,000	74,459	334,694
Government Grants - Provincial (Schedule 1)	847,980	531,437	929,796
Sales of Services	73,500	106,262	93,628
Equity Income NICFLP and NICFL (Note 5)	-	989,018	40,500
Other (Note 12)	120,500	253,357	204,152
	<u>2,125,680</u>	<u>3,037,701</u>	<u>2,910,399</u>
Expenditures (Schedules 2 and 3)			
General Departmental Expenditures	1,651,895	3,441,366	1,646,353
Water System Operations	73,518	66,831	80,521
Sewer System Operations	239,361	262,257	181,254
	<u>1,964,774</u>	<u>3,770,454</u>	<u>1,908,128</u>
Annual Surplus (Deficit) Prior to Other Items	160,906	(732,753)	1,002,271
Gain on Disposal of Inventory	-	4,710	-
Loss on Disposal of Tangible Capital Assets	-	-	(153,878)
Annual Surplus (Deficit)	<u>160,906</u>	<u>(728,043)</u>	<u>848,393</u>
Accumulated Surplus - Beginning of Year as Previously Stated		13,762,980	12,963,893
Prior Period Adjustment (Note 18)		(59,003)	(108,309)
Accumulated Surplus - Beginning of Year as Restated		<u>13,703,977</u>	<u>12,855,584</u>
Accumulated Surplus - End of Year		<u>12,975,934</u>	<u>13,703,977</u>

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Statement of Change in Net Financial Assets

Year Ended December 31, 2019

	2019		2018
	Budget \$	Actual \$	
	(Note 16)		(Note 18)
Annual Surplus (Deficit)	160,906	(728,043)	848,393
Acquisition of Tangible Capital Assets	(1,002,000)	(723,005)	(1,037,184)
Amortization of Tangible Capital Assets	438,074	438,074	369,219
Loss on Disposal of Tangible Capital Assets	-	-	153,878
Sale (Acquisition) of Inventory	-	19,100	(19,100)
	<u>(403,020)</u>	<u>(265,831)</u>	<u>(533,187)</u>
Change in Net Financial Assets for the Year	<u>(242,114)</u>	(993,874)	315,206
Net Financial Assets - Beginning of Year		<u>4,497,087</u>	<u>4,181,881</u>
Net Financial Assets - End of Year		<u>3,503,213</u>	<u>4,497,087</u>

VILLAGE OF PORT ALICE

Statement of Cash Flows

Year Ended December 31, 2019

2019

2018

(Note 18)

\$

\$

Cash Flows From Operating Activities:

Annual Surplus (Deficit)	(728,043)	848,393
Items Not Involving Cash		
Equity Income NICFLP and NICFL	(989,018)	(40,500)
Amortization of Tangible Capital Assets	<u>438,074</u>	<u>369,219</u>
	(1,278,987)	1,177,112
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	1,449,612	(1,146,539)
Accounts Payable and Accrued Liabilities	(96,157)	(22,498)
Deferred Grants and Unearned Revenue	(16,924)	(41,452)
Inventory	<u>19,100</u>	<u>(19,100)</u>
	<u>76,644</u>	<u>(52,477)</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(723,005)	(1,037,184)
Loss on Disposal of Tangible Assets	<u>-</u>	<u>153,878</u>
	<u>(723,005)</u>	<u>(883,306)</u>

Cash Flows From Investing Activities:

Proceeds from Portfolio Investments	151,626	255,860
Transfers from North Island Community Forest	<u>708,613</u>	<u>-</u>
	<u>860,239</u>	<u>255,860</u>

Cash Flows From Financing Activities:

Repayment of Long Term Debt	<u>(18,959)</u>	<u>(17,529)</u>
Increase (Decrease) in Cash and Cash Equivalents	194,919	(697,452)
Cash and Cash Equivalents - Beginning of Year	<u>400,278</u>	<u>1,097,730</u>
Cash and Cash Equivalents - End of Year	<u>595,197</u>	<u>400,278</u>

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

The Village of Port Alice (the "Village") was incorporated as a municipality in 1965 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services to the residents of the Village. These services include fire protection, public works, planning, parks and recreation, water distribution and sewer collection, and other general government services, as governed by the Community Charter and Local Government Act.

1. Significant Accounting Policies:

a) Basis of Presentation:

The Village prepares its financial statements in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAB") for the Chartered Professional Accountants of Canada.

b) Investments:

Portfolio investments are recorded at fair value. The investments in Island Community Forest Ltd. and North Island Community Forest Limited Partnership are recorded using the modified equity method.

c) Tangible Capital Assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is in use. Donated tangible capital assets are recorded at fair value at the time of the donation.

Estimated useful lives of tangible capital assets are as follows:

Buildings	40 to 75 years
Equipment	15 to 25 years
Roads and Bridges	10 to 100 years
Other	15 to 50 years
Water and Other Utility Systems	10 to 100 years
Sewer	10 to 100 years
Drainage	10 to 100 years

d) Collection of Taxes on Behalf of Other Taxation Authorities:

The Village collects taxation on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these financial statements. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

e) Trust Funds:

Trust funds held in trust by the Village, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately (Note 14).

f) Retirement Benefits and Other Future Employee Benefit Plans:

The Village's contributions to its multi-employer defined benefit plan are expensed as incurred. The costs of other pensions and other retirement benefits that accumulate over the period of service provided by employees are determined using the projected benefit method prorated on services based on management's best estimate of retirement age, inflation rates, investment returns, wage and salary escalation, insurance and health care cost trends, employee turnover, and discount rates.

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

1. Significant Accounting Policies (continued):

g) Revenue Recognition and Deferred Grants:

The Village recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by a legislature, council, or legislative convention, and the taxable event has occurred. Taxes are initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

Through the British Columbia Assessment's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes are recognized at the time they are awarded. Levies imposed by regional district services and general administrative service and other taxing authorities are not included as taxes for municipal services.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Government transfers, including legislative grants, are recognized as revenue when received, provided the transfers are authorized and any eligibility criteria has been met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized on the Statement of Operations as the stipulation liabilities are settled.

Sales of services and other revenue are recognized when the service is provided or the amount is earned, when the amount can be estimated, and when collection is reasonably assured. Amounts received in advance of services being rendered are recorded as unearned revenue until the Village discharges the obligation that led to the collection of the funds.

h) Unearned Revenue:

Revenues from prepaid taxes, the sale of business licenses, dog tags, recreation time and rental revenues pertaining to the subsequent year have been deferred. These amounts will be recognized as revenue in the next fiscal year.

i) Leases:

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital leases are amortized on a straight line basis over the term of the lease that is the estimated useful lives of the assets. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

j) Contaminated Sites:

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standards, the government has responsibility for the remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the Village accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability was recognized as at December 31, 2019 or December 31, 2018.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

1. Significant Accounting Policies (continued):

k) Financial Instruments:

Financial instruments consist of cash and portfolio investments, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

l) Use of Estimates:

The preparation of 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 financial statements, as well as the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of management estimates relates to the collectability of accounts receivable, valuation of investments, estimates of contingent liabilities, and the provision for amortization and the estimation of potential environmental liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Portfolio Investments:

	<u>2019</u>	<u>2018</u>
	\$	\$
Bank of Nova Scotia Business Investment Account	1,801,979	1,973,112
Money Market Funds - Municipal Finance Authority (MFA)	<u>1,067,657</u>	<u>1,048,150</u>
	<u>2,869,636</u>	<u>3,021,262</u>

The current average annual yield of the money market funds held with MFA as at December 31, 2019 was 1.86% (2018 - 1.65%). The funds are redeemable on demand. The investment held with the Bank of Nova Scotia is redeemable on demand and yields an annual average interest rate of 1.25% (2018 - 1.10%). These investments are carried at market value.

3. Accounts Receivable:

	<u>2019</u>	<u>2018</u>
	\$	\$
Government Transfers Receivable	75,110	462,374
Trade Receivable	5,966	7,464
GST Recoverable	63,518	92,810
Sundry	<u>366</u>	<u>600</u>
	<u>144,960</u>	<u>563,248</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

4. Taxes and User Fees Receivable:

	2019	2018
	\$	\$
Taxes Receivable	1,963,556	1,177,690
Allowance for Doubtful Accounts	<u>(1,817,328)</u>	<u>(138)</u>
	<u>146,228</u>	<u>1,177,552</u>

5. Investment in NICFL and NICFLP:

The Village has a 33% ownership interest in North Island Community Forest Ltd. (NICFL) and North Island Community Forest Limited Partnership (NICFLP). The investments in NICFLP and NICFL are reported as a government business enterprise and accounted for using the modified equity method. Under this method, the government businesses' accounting principles are not adjusted to conform with those of the Village and inter-corporate transactions are not eliminated.

As a government business enterprise, the NICFLP is required to report under International Financial Reporting Standards (IFRS). In the prior and current year, the NICFLP financial statements were prepared under Canadian Accounting Standards for Private Enterprises (ASPE). Any differences between ASPE and IFRS would likely be insignificant in nature.

	2019	2018
	\$	\$
Investment in NICFL	1	1
Investment in NICFLP	5,000	5,000
Accumulated Net Equity Surplus - Beginning of Year	76,494	35,994
Share of Increase in Shareholders' Equity	989,018	40,500
Withdrawals During the Year	<u>(708,613)</u>	<u>-</u>
Accumulated Net Equity Surplus - End of Year	<u>361,900</u>	<u>81,495</u>

The condensed supplementary financial statement information of the partnership is as follows:

	2019	2018
	\$	\$
Statement of Financial Position:		
Assets		
Cash and Receivables	<u>1,132,061</u>	<u>286,576</u>
Liabilities and Partners' Capital		
Trade and Other Payables	46,357	42,088
Total Partners' Capital	<u>1,085,704</u>	<u>244,488</u>
	<u>1,132,061</u>	<u>286,576</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

5. Investment in NICFL and NICFLP (continued):

The condensed supplementary financial statement information of the partnership is as follows (continued):

	2019	2018
	\$	\$
Statement of Comprehensive Income:		
Revenue	3,029,866	151,215
Expenditures	<u>62,813</u>	<u>51,742</u>
Net Income	<u>2,967,053</u>	<u>99,473</u>
Partners' Capital:		
Partnership Units	65,491	37,819
Cumulative Withdrawals	(5,678,029)	(3,552,192)
Retained Earnings - End of Year	<u>6,698,241</u>	<u>3,758,860</u>
	<u>1,085,704</u>	<u>244,488</u>

6. Deferred Grants and Unearned Revenue:

	2019	2018
	\$	\$
Prepaid Property Taxes	19,897	17,817
Provincial Government	6,500	18,446
Community Centre Deposits	4,571	4,351
Rural Dividend Grant	-	7,278
Tax Sale Proceeds	<u>-</u>	<u>-</u>
	<u>30,968</u>	<u>47,892</u>

7. Long Term Debt:

	2019	2018
	\$	\$
Community Centre Upgrade:		
Repayable at \$33,907 per year including interest at 2.0% per annum		
to the Municipal Financial Authority of British Columbia;		
Matures in October 2036	<u>467,008</u>	<u>485,967</u>

Future principal payments required on long-term debt are as follows:

	\$
2020	19,718
2021	20,506
2022	21,326
2023	22,179
2024	23,066
2025 and onwards	<u>360,213</u>
	<u>467,008</u>

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

8. Contingent Liabilities:

- (a) The Village is responsible as a member of the Regional District of Mount Waddington for its share of any operating deficits or long-term debt related to functions in which it participates. Management has assessed the risks as unlikely at this time therefore no provision has been recorded in the financial statements.
- (b) The Village is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village along with the other participants, would be required to contribute towards the deficit.

9. Tangible Capital Assets:

	Cost					Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Transfers	Closing	Opening	Amort	Disposals	Closing	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	841,186	-	-	-	841,186	-	-	-	-	841,186	841,186
Buildings	3,859,093	-	-	-	3,859,093	2,185,226	127,424	-	2,312,650	1,546,443	1,673,867
Equipment	1,332,948	70,013	-	-	1,402,961	814,889	67,768	-	882,657	520,304	518,059
Roads and Bridges	3,929,815	-	-	-	3,929,815	2,399,924	74,015	-	2,473,939	1,455,876	1,529,891
Other	1,096,535	-	-	-	1,096,535	394,384	47,188	-	441,572	654,963	702,151
Water Infrastructure	1,451,936	-	-	-	1,451,936	362,363	20,218	-	382,581	1,069,355	1,089,573
Sewer Infrastructure	1,945,699	398,273	-	966,884	3,310,856	717,036	96,842	-	813,878	2,496,978	1,228,663
Drainage	330,869	-	-	-	330,869	219,374	4,619	-	223,993	106,876	111,495
Work in Progress	<u>1,490,558</u>	<u>254,719</u>	<u>-</u>	<u>(966,884)</u>	<u>778,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778,393</u>	<u>1,490,558</u>
	<u>16,278,639</u>	<u>723,005</u>	<u>-</u>	<u>-</u>	<u>17,001,644</u>	<u>7,093,196</u>	<u>438,074</u>	<u>-</u>	<u>7,531,270</u>	<u>9,470,374</u>	<u>9,185,443</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

10. Accumulated Surplus:

The Village segregates its accumulated surplus into the following categories:

	<u>2019</u>	<u>2018</u>
	\$	\$
Current Fund	2,254,966	3,462,800
Reserve Funds (a)	1,248,247	1,034,287
Investment in Non-Financial Assets (b)	<u>9,472,721</u>	<u>9,206,890</u>
	<u>12,975,934</u>	<u>13,703,977</u>

(a) **Reserve Funds**

Reserve Funds represent funds set aside by Bylaw or Council resolution for specific purposes. Details of reserve funds are shown below.

(b) **Investment in Non-Financial Assets**

The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Details of Reserve Funds are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Capital Works Reserve (a)	243,791	234,792
Statutory Reserve (b)	115,603	113,529
Fire Protection Capital Reserve (c)	116,071	105,060
Gas Tax Treatment - Community Works (d)	<u>772,782</u>	<u>580,906</u>
	<u>1,248,247</u>	<u>1,034,287</u>

(a) **Capital Works Reserve**

The Capital Works Reserve was established by Bylaw 487 to provide for new works, extensions or renewals of existing works, and to provide for machinery and equipment necessary for capital projects, for the maintenance of municipal property, or for the protection of persons and property. Money from the sale of land, current revenue, or from the General Operating fund surpluses may be paid into the Capital Works Reserve.

(b) **Statutory Reserve**

The Statutory Reserve was established by Bylaw 528 for the purpose of setting aside funds on an annual basis to purchase machinery and equipment.

(c) **Fire Protection Capital Reserve**

The Fire Protection Capital Reserve was established by Bylaw 607 for the purpose of setting aside funds on an annual basis to purchase fire protection equipment.

(d) **Gas Tax Agreement - Community Works**

The Gas Tax Agreement - Community Works consists of \$772,782 that remained unspent as at December 31, 2019 plus additional receipts of \$173,769 (2018 - \$90,695) and interest earnings of \$10,449 (2018 - \$5,182) in 2019. During 2019 eligible expenditures of \$30,868 were made (2018 - \$28,817). The unspent amount will remain in the reserve until spent on eligible projects.

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

11. Taxation - Net:

	Budget 2019 \$	2019 \$	2018 \$
General Municipal Purposes	876,700	873,678	1,103,774
Collections for Other Governments			
Regional District of Mt. Waddington	-	127,841	125,764
Province of British Columbia - School Tax	-	307,859	316,691
Regional Hospital District	-	51,050	50,870
Municipal Finance Authority	-	33	32
British Columbia Assessment Authority	-	17,058	17,362
Province of BC - Police Tax	-	49,806	49,758
	<u>876,700</u>	<u>1,427,325</u>	<u>1,664,251</u>
Transfers			
Regional District of Mt. Waddington	-	127,841	125,772
Province of British Columbia - School Tax	-	306,446	314,310
Regional Hospital Districts	-	51,050	50,873
Municipal Finance Authority	-	33	32
British Columbia Assessment Authority	-	17,058	17,362
Province of BC - Police Tax	-	49,806	49,758
	<u>-</u>	<u>552,234</u>	<u>558,107</u>
Available for General Municipal Purposes	<u>876,700</u>	<u>875,091</u>	<u>1,106,144</u>

12. Other Revenue:

	2019 \$	2018 \$
Investment Income	57,907	44,206
Tax Penalties - Interest and Fees	147,867	106,516
Parking and Moorage	20,824	14,389
Recreation	4,187	4,828
Business Licenses	4,630	5,195
Other	17,942	29,018
	<u>253,357</u>	<u>204,152</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

13. Pension Plan:

The Village and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of the benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018 the Plan had about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local government.

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 is then adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$39,083 (2018 - \$42,158) for employer contributions, while employees contributed \$34,889 (2018 - \$37,971) to the Plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the Plan record their pension expense as the amount of the employer contributions made during the fiscal year (defined contributions 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.

14. Trust Funds:

(a) **Ford Memorial Trust Fund**

As at December 31, 2019, the Village held \$6,450 (2018 - \$9,250) in trust for the Ford Memorial Trust Fund. The transactions and balances of this fund are not reported elsewhere in these financial statements.

(b) **Cemetery Trust Fund**

The Cemetery Reserve is established pursuant to the provision of the Community Charter. Monies in the reserve can be used for cemetery purposes only. A balance of \$1,770 (2018 - \$1,770) was held as at December 31, 2019 and is not reported elsewhere in these financial statements.

15. Commitments:

The Village has entered into an agreement for services with North Island Waste Management Limited for residential garbage pick up and disposal services at an approximate average annual cost of \$76,000. The five year contract expires July 15, 2020 and has no option to renew.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

16. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on April 24, 2019.

The budget anticipated use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following schedule reconciles the approved Bylaw to the amounts presented in the financial statements.

	<u>2019</u>
	\$
Financial Plan (Budget) By-Law Approved for the Year	-
Add:	
Capital Expenditures	1,002,000
Less:	
Budgeted Transfers from Accumulated Surplus	(403,020)
Amortization	<u>(438,074)</u>
Annual Surplus Presented in Financial Statements	<u>160,906</u>

17. Segmented Information:

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as recreation, fire, sewer, water, and solid waste. Distinguishable functional segments have been separately disclosed in the segmented information in Schedules 2 and 3. The nature of the segments and activities they encompass are as follows:

General Government

General Government relates to the revenues and expenses of the operations of the Village public safety building and other costs that cannot be directly attributed to a specific segment, including general, administrative, legislative, and fiscal services.

Volunteer Fire Department

Volunteer Fire Department is comprised of fire protection services. The fire department is responsible to provide fire suppression services, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Public Works Department

The Public Works Department is responsible for the maintenance of roads, parks and playgrounds, the cemetery, and street lighting services.

Environmental Health Services

Environmental Health Services is comprised of municipal and contract services. The Village and the contractors work with other levels of government, at the Provincial and Regional levels, and the citizens to provide a safe healthy environment for the people and wildlife.

Recreation Services, Arena, Community Centre and Sea View Activity Centre

These service areas provide services meant to improve health and development of the Village's citizens. Recreational programs and cultural programs are provided at the Arena, Community Centre, and the Angus Dawson Memorial Ball Field.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

17. Segmented Information (continued):

Water Utility

Water Utility provides distribution of water to residents.

Sewer Utility

Sewer Utility includes the provision of sanitary sewer collection by providing and maintaining pipes, manholes, culverts and sewer treatment.

18. Prior Period Adjustments:

In the current year, the Village determined that certain classes of capital assets had not been amortized according to the Village policy. The Village also determined that eligible expenditures for the UBCM Emergency Social Services grant received in the current year had been incurred in fiscal 2018 and the receivable had not been appropriately recorded. As a result, the Village has elected to correct these issues by making the following adjustments:

- (a) To adjust amortization and capital asset balances to agree to the schedule maintained by the Village as at December 31, 2017, the Village adjusted Capital Asset Cost, Capital Asset Accumulated Amortization, and closing Accumulated Surplus. Adjustments resulted in a net decrease to Tangible Capital Assets and Opening Accumulated Surplus of \$105,119.
- (b) To adjust amortization and capital asset balances to agree to the schedule maintained by the Village as at December 31, 2018, the Village adjusted Capital Asset Cost, Capital Asset Accumulated Amortization, and closing Accumulated Surplus. Adjustments Resulted in a net increase to Tangible Capital Assets of \$35,096, amortization expense decreased by \$32,330 and Accumulated Surplus Decreased by \$3,190.
- (c) To recognize UBCM Emergency Social Services grant funding revenue and the balance receivable as at December 31, 2018, the Village has adjusted Revenues and Accounts Receivable and as a result, the closing Accumulated Surplus balance has increased. Provincial Grant Revenue and Accounts Receivable each increased by \$16,976.

As a result of the above adjustments, the net impact on the December 31, 2018 balances are as follows:

	Reported 2018 \$	Roads \$	Water \$	Sewer \$	Buildings \$	Other \$	UBCM \$	Adjusted 2018 \$
Statement of Financial Position								
Tangible Capital Assets	9,261,422	(56,216)	29,114	(45,688)	2,767	(5,956)	-	9,185,443
Accumulated Surplus - Opening	(12,963,893)	56,216	3,216	45,688	(2,767)	5,956	-	(12,855,584)
Accounts Receivable	546,272	-	-	-	-	-	16,976	563,248
		<u>-</u>	<u>32,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,976</u>	
Statement of Operations								
Government Grants - Provincial	912,820	-	-	-	-	-	16,976	929,796
Expenditures - Water System Operations	<u>112,851</u>	<u>-</u>	<u>(32,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,521</u>
Surplus	<u>799,087</u>	<u>-</u>	<u>32,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,976</u>	<u>848,393</u>

Certain 2018 comparative figures have been reclassified, where necessary, to conform with the financial statement presentation adopted in the current year.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2019

19. Subsequent Events:

The Village evaluated its December 31, 2019 financial statements for subsequent events to the date the financial statements were issued. As of this date, the global outbreak of the coronavirus disease (COVID-19) has caused economic uncertainties that are likely to have a material negative impact on the net income of the Village for the year ending December 31, 2020.

The COVID-19 outbreak has caused business disruptions through the reduction of non-essential services provided by the Village. While the disruption is expected to be temporary and the Village continues to provide essential services, there is considerable uncertainty regarding the duration of the disruption to non-essential services. Additionally, there is uncertainty regarding the collectability of taxation revenues for the year ending December 31, 2020 as the effect of the pandemic on the residents of the Village and the economy as a whole is not yet known. The extent that the effects of COVID-19 may have on the Village and its operations during the year ending December 31, 2020 cannot be determined at this time.

On April 14, 2020 the Supreme Court of British Columbia granted an Order declaring Neucel Specialty Cellulose Ltd. bankrupt. On this date, the court also appointed PricewaterhouseCoopers Inc. as a Trustee in bankruptcy and as Receiver of the assets, undertakings and properties of Neucel. No impact on the fiscal 2020 net income of the Village is anticipated as a result of this bankruptcy order, as all receivables for Neucel have been deemed uncollectible at the end of the current year and allowed for.

VILLAGE OF PORT ALICE

Schedule 1 - Government Grants to the Village and Ratepayers

Year Ended December 31, 2019

	2019		2018
	Budget \$	Actual \$	
Federal Government			
Grants in Lieu of Taxes	4,000	5,126	4,352
Water Capital Fund			
Water Tank	-	-	198,005
Sewer Capital Fund			
Building Canada Fund	-	69,333	132,337
	<u>4,000</u>	<u>74,459</u>	<u>334,694</u>
Province of British Columbia			
General Fund			
Small Communities Protection	310,000	326,590	318,559
Rural Dividend Grant	-	19,224	486,939
Other	<u>12,000</u>	<u>11,854</u>	<u>33,603</u>
	<u>322,000</u>	<u>357,668</u>	<u>839,101</u>
General Capital Fund			
Gas Tax	86,000	173,769	90,695
Water Reservoir	<u>439,980</u>	<u>-</u>	<u>-</u>
	<u>525,980</u>	<u>173,769</u>	<u>90,695</u>
	<u>847,980</u>	<u>531,437</u>	<u>929,796</u>

VILLAGE OF PORT ALICE

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2019

	General Government \$	Volunteer Fire Department \$	Public Works Department \$	Environmental Health Services \$	Recreation Services \$	Arena \$	Community Centre \$	Sea View Activity Centre \$	Water Utility \$	Sewer Utility \$	2019 Actual \$	2019 Plan (Note 16) \$
Revenues												
General Taxes	875,091	-	-	-	-	-	-	-	-	-	875,091	876,700
Grants - Federal	74,459	-	-	-	-	-	-	-	-	-	74,459	4,000
Grants - Provincial	531,437	-	-	-	-	-	-	-	-	-	531,437	847,980
Utility Charges	-	-	-	67,072	28,700	10,490	-	-	64,717	143,360	208,077	203,000
Sales of Services	-	-	-	-	-	-	-	-	-	-	106,262	73,500
Other Revenue	247,882	-	-	-	-	-	-	-	5,229	246	253,357	120,500
Equity Income from North Island Community Forest	989,018	-	-	-	-	-	-	-	-	-	989,018	-
	<u>2,717,887</u>	<u>-</u>	<u>-</u>	<u>67,072</u>	<u>28,700</u>	<u>10,490</u>	<u>-</u>	<u>-</u>	<u>69,946</u>	<u>143,606</u>	<u>3,037,701</u>	<u>2,125,680</u>
Expenditures												
Goods and Services	1,932,163	36,684	153,433	109,898	47,844	61,793	41,834	3,613	33,505	132,878	2,553,645	740,000
Labour	264,537	20,371	253,512	47,176	98,609	17,672	15,974	-	12,808	27,918	758,597	747,800
Interest and Bank Charges	5,190	-	-	-	-	-	14,948	-	-	-	20,138	38,900
Amortization	115,043	25,265	32,506	409	6,777	36,156	99,939	-	20,518	101,461	438,074	438,074
	<u>2,316,953</u>	<u>82,320</u>	<u>439,451</u>	<u>157,483</u>	<u>153,230</u>	<u>115,621</u>	<u>172,695</u>	<u>3,613</u>	<u>66,831</u>	<u>262,257</u>	<u>3,770,454</u>	<u>1,964,774</u>
	400,934	(82,320)	(439,451)	(90,411)	(124,530)	(105,131)	(172,695)	(3,613)	3,115	(118,651)	(732,753)	160,906
Gain on Disposition of Property	4,710	-	-	-	-	-	-	-	-	-	4,710	-
Annual Surplus (Deficit)	<u>405,644</u>	<u>(82,320)</u>	<u>(439,451)</u>	<u>(90,411)</u>	<u>(124,530)</u>	<u>(105,131)</u>	<u>(172,695)</u>	<u>(3,613)</u>	<u>3,115</u>	<u>(118,651)</u>	<u>(728,043)</u>	<u>160,906</u>

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2018

	General Government	Volunteer Fire Department	Public Works Department	Environmental Health Services	Recreation Services	Arts	Community Centre	Sea View Activity Centre	Water Utility	Sewer Utility	2018 Actual	2018 Plan
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues												
General Taxes	1,106,144	-	-	-	-	-	-	-	-	-	1,106,144	1,105,860
Grants - Federal	334,694	-	-	-	-	-	-	-	-	-	334,694	4,000
Grants - Provincial	929,796	-	-	-	-	-	-	-	-	-	929,796	956,180
Utility Charges	-	-	-	-	-	-	-	-	64,958	136,527	201,485	199,000
Sales of Services	-	-	-	64,760	21,734	7,134	-	-	-	-	93,628	69,300
Other Revenue	196,761	-	-	-	-	-	-	-	4,615	2,776	204,152	101,900
Equity Income (Loss) from North Island Community Forest	40,500	-	-	-	-	-	-	-	-	-	40,500	-
	<u>2,607,395</u>	<u>-</u>	<u>-</u>	<u>64,760</u>	<u>21,734</u>	<u>7,134</u>	<u>-</u>	<u>-</u>	<u>69,573</u>	<u>139,303</u>	<u>2,910,399</u>	<u>2,436,240</u>
Expenditures												
Goods and Services	111,269	28,171	150,245	103,580	48,481	85,428	38,346	5,114	38,317	114,398	723,349	871,630
Labour	295,844	17,806	234,295	49,877	71,144	47,349	22,176	-	21,686	33,653	793,830	891,550
Interest and Bank Charges	5,351	-	-	-	-	-	16,379	-	-	-	21,730	38,900
Amortization	117,521	24,599	30,096	409	6,777	36,156	99,940	-	20,518	33,203	169,219	401,549
	<u>529,985</u>	<u>70,576</u>	<u>414,636</u>	<u>153,866</u>	<u>126,402</u>	<u>168,933</u>	<u>176,841</u>	<u>5,114</u>	<u>80,521</u>	<u>181,254</u>	<u>1,908,128</u>	<u>2,203,629</u>
	2,077,910	(70,576)	(414,636)	(89,106)	(104,668)	(161,799)	(176,841)	(5,114)	(10,948)	(41,951)	1,002,271	232,611
Loss on Disposition of Tangible Capital Assets	-	-	-	-	-	-	-	-	(153,878)	-	(153,878)	-
Annual Surplus (Deficit)	<u>2,077,910</u>	<u>(70,576)</u>	<u>(414,636)</u>	<u>(89,106)</u>	<u>(104,668)</u>	<u>(161,799)</u>	<u>(176,841)</u>	<u>(5,114)</u>	<u>(104,826)</u>	<u>(41,951)</u>	<u>848,393</u>	<u>232,611</u>

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2019

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$
Balance, Beginning of Year	234,792	113,529	105,060	580,906	1,034,287	937,231
Interest Earned	4,290	2,074	1,920	10,449	18,733	9,280
Transfer From Other Funds	4,709	-	9,091	212,295	226,095	116,593
Used for Capital Expenditures	-	-	-	(30,868)	(30,868)	(28,817)
Balance, End of Year	<u>243,791</u>	<u>115,603</u>	<u>116,071</u>	<u>772,782</u>	<u>1,248,247</u>	<u>1,034,287</u>

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF PORT ALICE
BYLAW NO. 651, 2019

BEING A BYLAW FOR THE VILLAGE OF PORT ALICE FINANCIAL PLAN 2019 - 2023

WHEREAS, under section 165 of the Community Charter the Council of the Village of Port Alice is required to adopt a financial plan before the annual property tax bylaw is adopted.

NOW THEREFORE, the Council of the Village of Port Alice, in open meeting assembled, enacts as follows:

1. Schedule "A" attached to and forming part of this Bylaw is the Village of Port Alice Financial Plan 2019 – 2023, Revenues and Expenditures.
2. Schedule "B" attached to and forming part of this Bylaw is the Village of Port Alice Financial Plan 2019 – 2023 Statement of Objectives and Policies.
3. This Bylaw may be cited for all purposes as the "Village of Port Alice Financial Plan 2019 - 2023 Bylaw No.651, 2019".

READ A FIRST AND SECOND TIME THIS 27th DAY OF MARCH, 2019.

PUBLIC CONSULTATION MEETING HELD ON THE 9th DAY OF APRIL 2019.

READ A THIRD TIME THIS 10th DAY OF APRIL 2019.

RECONSIDERED, AND ADOPTED THIS 24th DAY OF APRIL 2019.


Mayor


Chief Administrative Officer

Certified a true copy of Bylaw No.651, as adopted by Council on the 24th day of April, 2019.

Chief Administrative Officer

**VILLAGE OF PORT ALICE
BYLAW NO. 651, 2019**

**VILLAGE OF PORT ALICE FINANCIAL PLAN 2019 - 2023
Bylaw No. 651, 2019 - Schedule 'A' REVENUES**

REVENUES	2019	2020	2021	2022	2023
Property Taxes	\$853,700	\$825,562	\$836,863	\$858,276	\$859,804
Utility/Grant in Place of Taxes	\$23,000	\$23,230	\$23,462	\$23,697	\$23,934
Total Taxation	\$876,700	\$848,792	\$860,325	\$881,973	\$883,738
Fees and Charges					
Garbage Rates/Penalties	\$73,500	\$74,235	\$74,977	\$75,727	\$76,484
Recreation Supplies and Services	\$12,500	\$12,625	\$12,751	\$12,879	\$13,008
Recreation Facilities Rentals	\$26,000	\$26,260	\$26,523	\$26,788	\$27,056
Licenses/Permits	\$7,700	\$7,777	\$7,855	\$7,933	\$8,013
Water Utility	\$61,000	\$61,610	\$62,226	\$62,848	\$63,477
Sewer Utility	\$142,000	\$143,420	\$144,854	\$146,303	\$147,766
Other Revenue	\$74,300	\$75,043	\$75,794	\$76,551	\$77,317
Total Fees and Charges	\$397,000	\$400,970	\$404,980	\$409,029	\$413,121
Other Revenue					
Federal Govt Grants	\$1,500	\$0	\$0	\$0	\$0
Provincial Govt Grants -	\$847,980	\$6,033,020	\$393,040	\$393,061	\$393,080
Regional District of Mt. Waddington	\$2,500	\$0	\$0	\$0	\$0
Total Other Revenue	\$851,980	\$6,033,020	\$393,040	\$393,061	\$393,080
Appropriation from Reserve					
Appropriation from Capital Reserve	\$40,000	\$0	\$0	\$0	\$0
Appropriation from Surplus	\$165,020	\$0	\$0	\$0	\$0
Appropriation from Deferred Revenue: Gas Tax Fund	\$330,000	\$0	\$0	\$0	\$0
Total Appropriation from Reserve	\$535,020	\$0	\$0	\$0	\$0
Funds Transfers	\$0	\$0	\$0	\$0	\$0
TOTAL LOCAL GOVERNMENT REVENUE	\$2,660,700	\$7,282,782	\$1,658,345	\$1,684,063	\$1,689,939

**VILLAGE OF PORT ALICE
BYLAW NO. 651, 2019**

**VILLAGE OF PORT ALICE FINANCIAL PLAN 2019 - 2023
Bylaw No. 651, 2019 - Schedule 'A'**

EXPENDITURES		2019	2020	2021	2022	2023
Debenture Debt Interest						
Community Centre Upgrades	Matures - 2036	\$33,900	\$34,239	\$34,581	\$34,927	\$35,276
Total Debenture Debt		\$33,900	\$34,239	\$34,581	\$34,927	\$35,276
Capital Expenditures						
General		\$87,000	\$5,640,000	\$0	\$0	\$0
Water Utility		\$600,000	\$0	\$0	\$0	\$0
Sewer Utility		\$315,000	\$0	\$0	\$0	\$0
Total Capital Expenditures		\$1,002,000	\$5,640,000	\$0	\$0	\$0
Other Municipal Purposes						
General Government, & Fiscal Services		\$406,000	\$410,060	\$414,161	\$428,303	\$422,485
Fire & Protective Services		\$77,000	\$77,770	\$78,548	\$79,333	\$80,127
Public Works		\$377,000	\$380,690	\$384,497	\$388,342	\$392,225
Health & Environmental Services		\$213,000	\$215,125	\$217,271	\$219,439	\$221,628
Recreation Services		\$262,800	\$233,868	\$236,207	\$238,568	\$240,955
Water Utility		\$53,000	\$53,530	\$54,065	\$54,606	\$55,153
Sewer Utility		\$137,900	\$139,279	\$140,672	\$142,079	\$143,499
Total Other Municipal Purposes		\$1,526,700	\$1,510,322	\$1,525,421	\$1,550,670	\$1,556,072
Transfers to Reserves						
General Fund		\$86,000	\$86,000	\$86,000	\$86,000	\$86,000
Water Fund		\$8,000	\$8,080	\$8,161	\$8,242	\$8,325
Sewer Fund		\$4,100	\$4,141	\$4,182	\$4,224	\$4,266
Total Transfer of Funds		\$98,100	\$98,221	\$98,343	\$98,466	\$98,591
GRAND TOTAL		\$2,660,700	\$7,282,782	\$1,658,345	\$1,684,063	\$1,689,939
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**VILLAGE OF PORT ALICE
BYLAW NO. 651, 2019**

**Schedule B
Statement of Objectives and Policies**

In accordance with Section 165 (3.1) of the Community Charter, the Village is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165 (7) of the Community Charter;
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2019. Property taxes contribute to the greatest proportion of the Village's revenue. This revenue source offers a number of advantages. For example, it is simple to administer and it is easy for residents to understand. It offers a stable and reliable source of revenue for local government services that are simply not practical or undesirable to fund on a user-pay basis. These services include general administration, fire protection, police services, bylaw enforcement, solid waste management, recreation, and local transportation services (i.e) maintenance & upkeep of local roads and streets.

User fees and charges form the third largest portion of planned revenue. Many services can be measured and charged on a user-pay basis. Services that are effectively charged on a user fee basis include water and sewer services, garbage collection, building permits, and the sale of other goods and services such as recreation and cemetery services. Village Council and Staff support the value of user fees that are relative to the cost of the service in an effort to avoid the service being subsidized by taxation.

Objective

Over the next 5 years, the Village of Port Alice will review the proportion of revenue that is received from user fees and charges and increase current levels as required.

Policies

The Village will annually review all user fee levels to ensure they are adequately meeting the delivery costs of service.

Where possible, the Village will endeavor to supplement revenues from user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.

Table 1: 2019 Sources of Revenue

Revenue Source	Revenue: Percentages of Total Budget	Dollar Value
Taxation	33%	876,700
Fees, Charges & Other Revenue	15%	397,000
Federal & Provincial Grants	32%	851,980
Appropriation from Reserves & Surplus	20%	535,020
Total	100.00%	\$ 2,660,700

VILLAGE OF PORT ALICE
BYLAW NO. 651, 2019

Schedule B Continued

Distribution of Property Tax Rates

Table 2 outlines the distribution of property taxes among the property classes. Historically the major industrial property class provides the largest proportion of property tax revenue. This was appropriate as this class formed the largest portion of the assessment base and was the main reason for the existence of the community. As the assessment base changes the Village will endeavor to reduce the percentage of property tax revenue that the major industrial property class pays.

Objectives

The Village Council continues to work with all levels of government and local business in an effort to attract additional economic opportunities.

The Village also recognizes the need to maintain the property tax rate for business (class 6) at a low rate.

Policies

Supplement, where possible, revenues from user fees and charges to help offset the tax burden on all property classes. This will provide some relief and reduction of dependency on the pulp mill and other rate payers.

Council will continue to maintain and encourage economic development initiatives designed to attract more retail and commercial business to invest in the community. New business investments will help offset revenue dependency on all tax payers by providing a broader tax base.

Align the distribution of tax rates among the property classes with the social and economic goals of the community, particularly to encourage a range of employment opportunities

Regularly review and compare the Village's distribution of tax burden relative to other BC municipalities.

Table 2: 2019 Distribution of Property Tax Rates
Based on Preliminary Values

Property Class	Percentage of Total Property Taxation	Dollar Value
Residential (1)	43.49%	\$ 371,157
Utilities (2)	0.46%	\$ 3,968
Major Industrial (4)	48.95%	\$ 417,971
Light Industrial (5)	2.65%	\$ 22,622
Business (6)	4.43%	\$ 37,733
Recreation (8)	0.02%	\$ 249
Total	100.00%	\$ 853,700

VILLAGE OF PORT ALICE
BYLAW NO. 651, 2019

Schedule B Continued

Permissive Tax Exemptions

The Village of Port Alice Council reviews all existing permissive tax exemption bylaws on an annual basis. Council bases their consideration on the following criteria:

The tax exemption must demonstrate benefit to the community and residents of Port Alice by enhancing the quality of life (economically, socially and culturally) within the community.

The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the Village of Port Alice.

The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial or private gain.

Permissive tax exemptions will be considered in conjunction with: (a) other assistance being provided by the Village; (b) the potential demands for Village services or infrastructure arising from the property; and (c) the amount of revenue that the Village will lose if the exemption is granted.

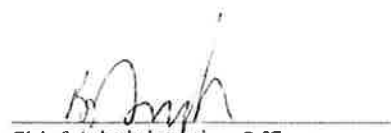
Objective

The Village of Port Alice will continue to provide permissive tax exemptions to non-profit societies that contribute social, economic and cultural benefits to the community.

Policies

Council will continue working with all the non-profit societies for the betterment of the Community.

Reviewed and adopted by Council on 27th March, 2019.


Mayor
Chief Administrative Officer

VILLAGE OF PORT ALICE
2019 STATEMENT OF PERMISSIVE EXEMPTION OF PROPERTY TAXATION

Under Section 98 (2) (b) of the Community Charter Council is required to report the value of taxation that is being exempt.
 On October 11th 2018 Council passed the following permissive exemption bylaws which have an effect on taxation for 2019:

Village of Port Alice Tax Exemption Bylaw No. 649 and Village of Port Alice Tax Exemption for Golf Course Bylaw No. 650

ASSESSMENT/1000.	CLASS	GENERAL MUNICIPAL	SCHOOL	REGIONAL HOSPITAL	REGIONAL DISTRICT	B.C.A.A.	M.F.A.	POLICE	TOTAL
2018 TAX RATES	1	5.9898	3.5312	0.32156	0.79499	0.0403	0.0002	0.3145	10.99255
2018 TAX RATES	6	10.1826	4.2	0.78783	1.94774	0.1241	0.0005	0.7705	18.01327
2018 TAX RATES	8	5.9898	2.5	0.32156	0.79499	0.0403	0.0002	0.3145	9.96135

FOLIO	ROYAL CANADIAN LEGION										
779000	6	230700	230.7	\$ 2,349.13	\$ 968.94	\$ 181.75	\$ 449.34	\$ 28.63	\$ 0.12	\$ 177.75	\$ 4,155.66

FOLIO	PORT ALICE MARINE RESCUE SOCIETY										
2000	6	16100	16.1	\$ 163.94	\$ 67.62	\$ 12.68	\$ 31.36	\$ 2.00	\$ 0.01	\$ 12.41	\$ 290.01
1025000	6	220300	220.3	\$ 2,243.23	\$ 925.26	\$ 173.56	\$ 429.09	\$ 27.34	\$ 0.11	\$ 169.74	\$ 3,968.32

FOLIO	ECUMENICAL SOCIETY										
648000	8	185100	185.1	\$ 1,108.71	\$ 462.75	\$ 59.52	\$ 147.15	\$ 7.46	\$ 0.04	\$ 58.21	\$ 1,843.85

FOLIO	PENTECOSTAL ASSEMBLIES										
788030	8	304600	304.6	\$ 1,824.49	\$ 761.50	\$ 97.95	\$ 242.15	\$ 12.28	\$ 0.06	\$ 95.80	\$ 3,034.23
788031	6	86700	86.7	\$ 882.83	\$ 364.14	\$ 68.30	\$ 168.87	\$ 10.76	\$ 0.04	\$ 66.80	\$ 1,561.75

FOLIO	PORT ALICE GOLF CLUB										
75000	6	601,000.00	601	\$ 3,599.87	\$ 1,502.50	\$ 193.26	\$ 477.79	\$ 24.22	\$ 0.12	\$ 189.01	\$ 5,986.77

FOLIO	PORT ALICE YACHT CLUB										
27506940	8	63200	63.2	\$ 378.56	\$ 158.00	\$ 20.32	\$ 50.24	\$ 2.55	\$ 0.01	\$ 19.88	\$ 629.56
27506940	6	76000	76	\$ 773.88	\$ 319.20	\$ 59.88	\$ 148.03	\$ 9.43	\$ 0.04	\$ 58.56	\$ 1,369.01

TOTAL PROPERTY TAXATION				\$ 9,724.76	\$ 4,027.41	\$ 673.97	\$ 1,666.24	\$ 100.44	\$ 0.43	\$ 659.15	\$16,852.39
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 Bonnie Danyk, Finance Officer

VILLAGE OF PORT ALICE

BYLAW NO. 649

A BYLAW TO EXEMPT SPECIFIC PROPERTIES FROM TAXATION FOR THE YEAR 2019

WHEREAS, Section 220 of the Community Charter exempts from taxation: 1) land, improvements or both of a public library; 2) a building and the land on which the building stands if title registered in the name of the religious organization using the building and Section 224 of the Community Charter empowers Council, by Bylaw, to exempt from taxation, land, improvements or both owned or held by a charitable, philanthropic or other not for profit corporation that are used for a purpose that is directly related to the purposes of the corporation;

NOW THEREFORE, the Council of the Village of Port Alice, in open meeting assembled, enacts that the following lands and improvements thereon, are hereby exempted from taxation, imposed under Section 197 (1) of the *Community Charter*, for the year 2019:

1. THE WHARF AT JEUNE LANDING

- 1.1 Plan 594321, D.L. 188, Rupert District, Wharf Approach, & D.L. 1514, Rupert District, Wharf Properties registered in the name of the Port Alice Marine Rescue Society **Roll No: 00002.000**
& Roll No. 01025.00

2. THE LIBRARY, ECUMENICAL AND PENTECOSTAL CHURCHES

- 2.1 The portion of the Community Centre Plan 22443, Lot 3, D.L.2137, Rupert District, located at 951 Marine Drive, for the space known as the Library
Property leased to the Vancouver Island Regional Library **Roll No. 00778.010**
- 2.2 Plan 18774, Lot 3, Block 7, D.L. 2137, Rupert District, located at 1100 Nigei St
Property registered in the name of the Port Alice Ecumenical Society **Roll No. 00648.000**
- 2.3 Plan 33023, Lots 13 & 14, D.L. 2137, Rupert District, located at 850-860 Marine Dr
Properties registered in the name of the Pentecostal Assemblies of Canada **Roll No. 00788.030**
& Roll No. 00788.031
- 3. THE LEGION HALL**
- 3.1 The Legion Hall, Plan 22668, Lot 1, D.L. 2137, Rupert District
Registered to the Royal Canadian Legion Branch #180 **Roll No. 00779.000**
- 3.2 The portion of Plan 22668, Lot 1, DL 2137, Rupert District, which contains a residential housing unit is exclusive of this Bylaw

4. THE YACHT CLUB

- 4.1 Rupert Land District, District Lot PT304 Roll Number 27506.940
The property registered in the name of the Port Alice Yacht Club **Roll No. 27506.940**

5. CITATION

This Bylaw may be cited as the "Village of Port Alice Permissive Exemption Taxation Bylaw for the Year 2019, Bylaw No. 649, 2018."

6. SEVERABILITY

If a court of competent jurisdiction declares any portion of this bylaw invalid, then the invalid portion must be severed and the remainder of the bylaw is deemed valid.

READ A FIRST, SECOND & THIRD TIME THE 8th DAY OF AUGUST 2018.
ADOPTED THE 11th DAY OF OCTOBER 2018.


Mayor


Chief Administrative Officer

Certified a true and correct copy of Bylaw No. 649, as adopted on the ____ day of _____, 20__.

Chief Administrative Officer

VILLAGE OF PORT ALICE

BYLAW NO. 650

A BYLAW TO EXEMPT SPECIFIC PROPERTIES FROM TAXATION FOR THE YEAR 2019

WHEREAS, Section 225 of the Community Charter empowers Council, by Bylaw, to exempt from taxation, eligible golf course property, being land maintained as a golf course.

NOW THEREFORE, the Council of the Village of Port Alice, in open meeting assembled, enacts that the following lands and improvements thereon, are hereby exempted from taxation, imposed under Section 197 (1) of the *Community Charter*, for the year 2019:

1. **PORT ALICE GOLF CLUB**

Eastern portion of District Lot 1187, Rupert Land District which is identified and assessed by BC Assessment as Recreation / Non-profit.

Property registered in the name of Neucel Specialty Cellulose Ltd.

Roll No: 00075.000

2. **CONDITIONS**

a.) The property must continue to be operated as a golf course and must be accessible by members of the public.

b.) Neucel Specialty Cellulose Ltd. must continue to pay Village of Port Alice taxes.

3. **CITATION**

This Bylaw may be cited as the "Village of Port Alice Permissive Exemption Taxation Bylaw for the Year 2019, Bylaw No. 650, 2018."

4. **SEVERABILITY**

If a court of competent jurisdiction declares any portion of this bylaw invalid, then the invalid portion must be severed and the remainder of the bylaw is deemed valid.

READ A FIRST, SECOND & THIRD TIME THE 8th DAY OF AUGUST 2018.
ADOPTED THE 11th DAY OF OCTOBER 2018.


Mayor


Chief Administrative Officer

Certified a true and correct copy of Bylaw No. 650, as adopted on the ____ day of _____, 20__.

Chief Administrative Officer

VILLAGE OF PORT ALICE
STATEMENT OF FINANCIAL INFORMATION
2019 SCHEDULE OF REMUNERATION & EXPENSES

1. Schedule of Remuneration & Expenses paid to or on behalf of Elected Officials.

Name	Position	Remuneration	Expenses	Totals
Cameron Kevin	Mayor	\$11,823.00	\$5,693.48	\$17,516.48
Aldis Holly	Councillor	\$7,882.00	\$1,331.68	\$9,213.68
Beatty Warren	Councillor	\$1,970.00	\$0.00	\$1,970.00
Lloyd Bruce	Councillor	\$7,882.00	\$1,569.96	\$9,451.96
Yunker Angela	Councillor	\$7,882.00	\$2,050.00	\$9,932.00
Wastson Sean	Councillor	\$1,550.00	\$0.00	\$1,550.00
Sub Total (A)		\$38,989.00	\$10,645.12	\$49,634.12

2. Schedule of Remuneration & Expenses paid to or on behalf of Employees.

Employees	Remuneration	Expenses	Totals
Remuneration & Expenses in excess of \$75,000.00			
Bonnie Danyk, Finance Officer / Deputy CAO	\$ 109,131.00	\$ 5,898.17	\$ 115,029.17
Jason Yunker, Public Works Foreman	\$ 81,078.00	\$ -	\$ 81,078.00
Consolidated Remuneration & Expenses under \$75,000.00	\$ 377,374.00	\$ 4,213.41	\$ 381,587.41
Sub Total (B)	\$567,583.00	\$10,111.58	\$577,694.58

3. Reconciliation

Total Remuneration Elected Officials (Sub Total (A))				\$38,989.00
Total Remuneration Employees (Sub Total (B))				\$567,583.00
Subtotal				\$606,572.00
Staff Benefits Payments				\$152,025.00
Total Per statement of Revenue & Expenditure				\$758,597.00
Variance				\$0.00

VILLAGE OF PORT ALICE
2019 STATEMENT OF SEVERANCE AGREEMENTS

There are no severance agreements under which payment commenced between the Village of Port Alice and its non-unionized employees during fiscal year 2019.

VILLAGE OF PORT ALICE
STATEMENT OF FINANCIAL INFORMATION
2019 SCHEDULE OF GOODS & SERVICES
Statement of Payments made for Goods and Services

1. Suppliers Who Received Aggregate Payments Exceeding \$25,000.00

ATCO STRUCTURES & LOGISTICS LTD	\$	32,134.94
BC HYDRO	\$	100,247.61
ISLAND INSTRUMENTATION SERVICES LTD.	\$	40,049.27
IWC EXCAVATION LTD	\$	198,733.43
MCELHANNEY CONSULTING SERVICES	\$	34,482.02
MINISTRY OF FINANCE	\$	136,721.55
MOUNT WADDINGTON REG. HOSPITAL DISTRICT	\$	51,203.52
MUNICIPAL INSURANCE ASSOCIATION OF BC	\$	45,752.00
NORTH ISLAND TRACTOR	\$	40,835.65
NORTH ISLAND WASTE MANAGEMENT LTD	\$	83,330.20
ORACH ENTERPRISES LTD	\$	41,438.74
RECEIVER GENERAL FOR CANADA	\$	149,549.13
REGIONAL DISTRICT OF MT. WADDINGTON	\$	217,377.84
SCOTIABANK	\$	76,827.69
SOUTHSIDE WELDING LTD	\$	50,219.46
TEX ELECTRIC LTD	\$	36,856.93
TROJAN TECHNOLOGIES	\$	285,488.00
VANCOUVER ISLAND REGIONAL LIBRARY	\$	36,916.00
	\$	1,658,163.98

2. Consolidated total paid to suppliers receiving payments of \$25,000.00 or less

\$ 421,494.45

3. Total of payment to suppliers for grants and contributions exceeding \$25,000.00

Consolidated total of grants exceeding \$25,000.00	\$	-
Consolidated total of contributions exceeding \$25,000.00	\$	-
Consolidated total grants and contributions exceeding \$25,000.00	\$	-

4. Reconciliation

Total Aggregate Amount Paid to Suppliers over \$25,000	\$	1,658,163.98
Consolidated total of payments of \$25,000 or less	\$	484,746.59
Consolidated total of all grants & contributions exceeding \$ 25,000	\$	410,734.43
Reconciling Items		

Total Per Statement of Revenue and Expenditure

\$ 2,553,645.00


Variance

\$ -

VILLAGE OF PORT ALICE
2019 STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9 (2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

Mayor



Finance Officer

VILLAGE OF PORT ALICE
STATEMENT OF FINANCIAL INFORMATION
STATEMENT OF DECLARATION OF DISQUALIFICATION
Community Charter (Section 110)

Community Charter Section 110

Circumstances in which a person is disqualified from office on council:

- 1** A person elected or appointed to office on a council is disqualified from holding that office if any of the following applies:
 - a)** the person does not make the required oath or affirmation of office within the time established by section 120 (1) [oath or affirmation of office];
 - b)** the person is absent from council meetings for a period of 60 consecutive days or 4 consecutive regularly scheduled council meetings, whichever is the longer time period, unless the absence is because of illness or injury or is with the leave of council;
 - c)** the person is disqualified under any of the following:
 - section 101 [restrictions on participation if in conflict]
 - section 102 [restrictions on inside influence]
 - section 103 [restrictions on outside influence]
 - section 105 [restrictions on accepting gifts]
 - section 106 [disclosure of gifts]
 - section 107 [disclosure of contracts]
 - section 108 [restrictions on use of insider information]
 - d)** the person is disqualified under section 191 [liabilities for use of money contrary to Act];
 - e)** the person is disqualified under section 66 (2) [who may hold elected office] of the Local Government Act or section 38 (2) [who may hold elected office] of the Vancouver Charter.
- 2** A person disqualified under subsection (1) is disqualified from holding office on a local government, including office on the council of the City of Vancouver, as follows:

Applicable provision	Period of disqualification
(1) (a) [failure to take oath]	until the next general local election;
(1) (b) [unexcused absence]	until the next general local election;
(1) (c) [conflict]	until the next general local election;
(1) (d) [unauthorized use of money]	for 3 years from the date of the vote to which which the disqualification relates;
(1) (e) [election disqualifications]	in accordance with Part 3 [Electors and Elections] of the Local Government Act or Part I of the Vancouver Charter

Section 110 provides circumstances in which Section 111 may be used and is for information purposes only.

VILLAGE OF PORT ALICE
STATEMENT OF FINANCIAL INFORMATION
STATEMENT OF DECLARATION OF DISQUALIFICATION
Community Charter (Section 111)

Community Charter Section 111

Application to court for declaration of disqualification.

- 1** If it appears that a person is disqualified under section 110 and is continuing to act in office,
 - a)** 10 or more electors of the municipality or
 - b)** the municipality,may apply to the Supreme Court for an order under this section.

- 2** As a restriction, a municipality may only make an application under subsection (1) if this is approved by resolution that
 - a)** is adopted by a vote of a least 2/3 of all council members, and
 - b)** identifies the grounds for disqualifications under section 110 which the council considers apply.

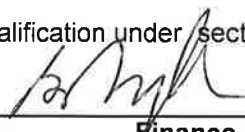
- 3** Section 100 [disclosure of conflict] and 101 [restrictions on participation if in conflict] do not apply to the council member who is subject to a resolution referred to in subsection (2) of this section in relation to that resolution.

- 4** An application under this section may only be made within 45 days after the alleged basis of the disqualification comes to the attention of
 - a)** any of the electors bringing the application, in the case of an application under subsection (1) (a), or
 - b)** any member of council other than the person alleged to be disqualified, in the case of an application under subsection (1) (b).

- 5** Within 7 days after the petition commencing an application under this section is filed, it must be served on
 - a)** the person whose right to hold office is being challenged, and
 - b)** in the case of an application under subsection (1) (a), the municipality.

- 6** On the hearing of the application, the court may declare
 - a)** that the person is qualified to hold office,
 - b)** that the person is disqualified from holding office, or
 - c)** that the person is disqualified from holding office and that the office is vacant.

There were no declarations of disqualification under section 111 of the Community Charter during 2019.



Finance Officer



Municipal Services & Operations Summary for 2019

General:

The Neucel Pulp Mill closed in February 2019. In March 2019 the Ministry of Environment received concerns about environmental risks on the site and proceeded to activate an emergency response at the Mill site.

Councillor Beatty resigned, a byelection was held in September and Sean Watson was the successful candidate. An Assent Vote was held at the same time with the question “ **Do you approve of the removal of the lot shown as dedicated park on Plan 17098 (currently being used as a parking lot) from park dedication for the purpose of offering it for sale to developers who would be willing to build a motel / hotel on the site as per Bylaw 656, Port Alice Park Closure Bylaw?**”. The result of the Assent Vote was a YES.

Fire Department:

The Ladysmith Fire Department sold us their surplus pumper truck which replaced the 1981 International which had failed its inspection last year. The Pumper truck was in fantastic condition and is a great addition to the Fire Department fleet.

Recreation Department:

The Doug Bondue Arena was open for one weekend in March for the 40th Oscar Hickee Tournament. The Community Centre added pickle ball and Mahjong to their activities.

Public Works & Operations:

The sewer plant retrofit was completed with the addition of a Salnes screener to improve the efficiency of the plant. The Rumble Beach Marina parking lot improvements were completed, and the building was ordered.

Emergency Planning and Hazard Assessment:

A review was done on sections of the OCP regarding Tsunami levels and development permit areas. A consultant was hired to help write the Bylaw to implement the changes.

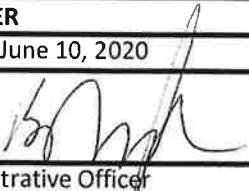

Community Forest:

There were several meetings with the Minister of Forest, Lands and Natural Resources, Doug Donaldson, to request more tenure for the North Island Community Forest.



Chief Administrative Officer

2019 Goals and Objectives			
SERVICE	OBJECTIVE	STRATEGY	MEASURE
ADMINISTRATION & FINANCE	Banking Services	Do an RFP for Banking Services	Completed
	Asset Planning	Review and Update Asset Management Registry, produce Asset Management Plan.	Ongoing
COMMUNICATION	Enhanced Online Communication	Create Village of Port Alice Facebook page. Explore updating website. Explore twitter and Instagram accounts.	Completed
COMMUNITY FOREST	Allowable Cut	Continue to lobby the Province to increase the amount of timber available to the North Island Community Forest.	Ongoing
DIKE SAFETY	Dike Maintenance	Continue to complete maintenance items as per the Dike Maintenance schedule.	Ongoing
ECONOMIC DEVELOPMENT	Economic Development Strategy	Review Port of Potential Plan. Continue to implement strategies.	Ongoing
	Business Promotion	Promote small business creation, collaborate with Community Futures on workshop	In Progress
	Official Community Plan	Review and update Official Community Plan to improve development permit requirements	Completed
	Training	Investigate possible partnership with North Island College to reinstate offer regular training opportunities in Port Alice	In Progress
MARINA	Upgrades	Implement plan to upgrade the Marina with utility connections, better parking and office space.	Completed
PROTECTIVE SERVICES	Fire Department	Review training requirements	Ongoing
	Emergency Planning	Update contact lists and emergency plan	Ongoing
PLANNING	OCP and Zoning Bylaw	Research grants to Complete update to OCP and commence Zoning Bylaw Updates	In Progress
PUBLIC WORKS			
RECREATION	Community Centre	Review programming. Survey Users	Completed
	Arena	Investigate uses for building.	Ongoing
TOURISM	Tourism Info Centre	Research grants to replace signs at town entrance across from PW Yard.	Completed
WATER	Water Conservation	Update Water Restriction Bylaw	Completed
WASTE WATER	Sewage Treatment Plant	Install Salnes Screen. Complete Asset Management Plan	Screen Complete, Plan in progress
		Approved on June 12, 2019	
Chief Administrative Officer		Mayor	

2020 Goals and Objectives		
SERVICE	OBJECTIVE	STRATEGY
ADMINISTRATION & FINANCE	Source new funding opportunities	Develop shovel ready projects to take advantage of short intake grant opportunities
	Update Bylaws	Update Marina Bylaw
	Asset Planning	Review and Update Asset Management Registry, produce Asset Management Plan.
COMMUNICATION	Enhanced Online Communication	Explore Twitter and Instagram accounts. Continue to update website
COMMUNITY FOREST	Allowable Cut	Continue to lobby the Province to increase the amount of timber available to the North Island Community Forest.
DIKE SAFETY	Dike Maintenance	Continue to complete maintenance items as per the Dike Maintenance schedule.
ECONOMIC DEVELOPMENT	Economic Development Strategy	Review Port of Potential Plan.
	Property Development	Inventory properties for possible future development
	Lions Park Property	Continue work to prepare property for eventual sale for accomodation development
	Training	Investigate possible partnership with North Island College to reinstate offer regular training opportunities in Port alicé
	NI Communities	Work with other North Island Communities to cross promote each other's communities and have consistant messaging.
MARINA	Building and Dock Repairs	Purchase washer & dryer and furnish office in Marina Building. Repair damage to dock and floats
PROTECTIVE SERVICES	Fire Department	Recruit new members
	Emergency Planning	Update contact lists and emergency plan
PLANNING	OCP and Zoning Bylaw	Complete update to OCP and commence Zoning Bylaw Updates
RECREATION	Community Centre	Review programming.
	Bike Trails	Investigate possibility of renewing mountain bike trails for recreational use
TOURISM	Signage	Replace signs at town entrance across from PW Yard. Sea walk signage project
WASTE WATER	Condition Assessment	Complete Sanitary Sewer replacement plan
Approved on June 10, 2020		
 		
Chief Administrative Officer		Mayor



VILLAGE OF PORT ALICE

ANNUAL REPORT

FOR YEAR ENDING 2019

(Community Charter Section 98)

A P P E N D I X “A”

North Island Community Forest
Audited Financial Statements for the year ended
December 31, 2019.

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Financial Statements

Year Ended December 31, 2019

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Index to Financial Statements
Year Ended December 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Income	4
Statement of Partners' Capital	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8

INDEPENDENT AUDITOR'S REPORT

To the Partners of North Island Community Forest Limited Partnership

Opinion

I have audited the financial statements of North Island Community Forest Limited Partnership (the Partnership), which comprise the balance sheet as at December 31, 2019, and the statements of income, partners' capital and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises (ASPE).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Partnership'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 Partnership or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my 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 financial statements.

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

(continues)

Independent Auditor's Report to the Partners of North Island Community Forest Limited Partnership *(continued)*

- Identify and assess the risks of material misstatement of the 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 my 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 Partnership'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 Partnership's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Port Hardy, British Columbia
March 12, 2020

Foster & Company
CHARTERED PROFESSIONAL ACCOUNTANT

Foster & Company
Chartered Professional Accountant


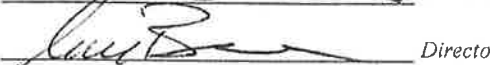
NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Balance Sheet

December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 1,130,507	\$ 286,576
Goods and services tax recoverable	1,554	-
	<u>\$ 1,132,061</u>	<u>\$ 286,576</u>
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT		
Accounts payable	\$ 32,921	\$ 27,234
Goods and services tax payable	-	854
	<u>32,921</u>	<u>28,088</u>
ACCRUAL FOR SILVICULTURE LIABILITIES (Note 5)	<u>13,436</u>	<u>14,000</u>
	46,357	42,088
PARTNERS' CAPITAL	<u>1,085,704</u>	<u>244,488</u>
	<u>\$ 1,132,061</u>	<u>\$ 286,576</u>

APPROVED BY THE BOARD OF DIRECTORS

 Director
 Director

See notes to financial statements

Foster & Company
Chartered Professional Accountant

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Statement of Income Year Ended December 31, 2019

	2019	2018
SALES	\$ 3,025,956	\$ 150,000
EXPENSES		
Directors' stipends	26,700	22,075
Manager's fees	7,086	-
Administrative assistant	6,537	6,617
Accounting and legal fees	6,483	4,600
Professional fees	4,088	1,475
Insurance	3,855	3,469
Annual Tenure Licence Fee	3,848	3,848
Office	2,047	1,450
Travel	1,377	2,440
Freight costs	500	-
Bridge and road maintenance	200	-
Stumpage	72	-
Interest and bank charges	20	29
Late filing penalty on GST	-	5,739
	62,813	51,742
INCOME FROM OPERATIONS	2,963,143	98,258
OTHER INCOME	3,910	1,215
NET INCOME	\$ 2,967,053	\$ 99,473

See notes to financial statements

Foster & Company
Chartered Professional Accountant

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Statement of Partners' Capital

Year Ended December 31, 2019

	Equity %	2018 Balance	Net Income	Contributions	Withdrawals	2019 Balance
Town of Port McNeill	33	\$ 68,889	\$ 979,127	\$ -	\$ (707,945)	\$ 340,071
District of Port Hardy	33	68,890	979,127	-	(707,946)	340,071
Village of Port Alice	33	68,890	979,127	-	(707,946)	340,071
North Island Community Forest Ltd.	1	37,819	29,672	-	(2,000)	65,491
Partners' total	100	\$ 244,488	\$ 2,967,053	\$ -	\$ (2,125,837)	\$ 1,085,704
	Equity %	2017 Balance	Net Income	Contributions	Withdrawals	2018 Balance
Town of Port McNeill	33	\$ 36,063	\$ 32,826	\$ -	\$ -	\$ 68,889
District of Port Hardy	33	36,064	32,826	-	-	68,890
Village of Port Alice	33	36,064	32,826	-	-	68,890
North Island Community Forest Ltd.	1	36,824	995	-	-	37,819
Partners' total	100	\$ 145,015	\$ 99,473	\$ -	\$ -	\$ 244,488

See notes to financial statements

Foster & Company
Chartered Professional Accountant

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Statement of Cash Flows

Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 3,025,956	\$ 150,000
Cash paid to suppliers and employees	(57,667)	(46,019)
Interest received	3,910	1,215
Interest paid	(22)	(31)
Goods and services tax	(2,409)	(97,851)
	<u>2,969,768</u>	<u>7,314</u>
Cash flow from operating activities		
FINANCING ACTIVITY		
Partners' drawings	(2,125,837)	-
	<u>843,931</u>	<u>7,314</u>
INCREASE IN CASH FLOW		
Cash - beginning of year	286,576	279,262
CASH - END OF YEAR	<u>\$ 1,130,507</u>	<u>\$ 286,576</u>

See notes to financial statements

Foster & Company
Chartered Professional Accountant

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Notes to Financial Statements Year Ended December 31, 2019

DESCRIPTION OF BUSINESS

North Island Community Forest Limited Partnership (the "partnership") was formed in British Columbia on April 15, 2011. The partnership has a 25 year agreement with the Province of British Columbia to operate a community forest with a quota of 52,000 cubic meters per 5 year period for the benefit of the Village of Port Alice, the District of Port Hardy, and the Town of Port McNeill.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements reflect the assets, liabilities, revenues and expenses of the partnership and do not include any other assets, liabilities, revenues or expenses of the owners/partners. They are presented in accordance with Canadian accounting standards for private enterprises (ASPE).

Cash and short term investments

Guaranteed Investment Certificates redeemable within one year are classified as cash equivalents.

Revenue recognition

Revenue recognition varies with the contract. Sales through BC Timber Sales are recognized when the sale proceeds, including non-refundable pre-harvesting payments, become receivable. Sales to other companies are recognized periodically as wood has been harvested.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

2. FINANCIAL INSTRUMENTS

The partnership is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the partnership's risk exposure and concentration as of December 31, 2019.

Financial assets measured at amortized cost totalled \$1,132,061 (2018 - \$286,576).

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The partnership is exposed to credit risk from customers. In order to reduce its credit risk, the partnership deals with large companies or government agencies with a history of fulfilling their payment obligations.

3. RELATED PARTY TRANSACTIONS

During the year, Hecate Integrated Resources Ltd., a corporation owned by the Chair of the Board of Directors, provided services at normal market rates to the North Island Community Forest Limited Partnership. The selection of the service provider followed the Board's conflict of interest policy. The services, for completing Forest Stewardship Plan, totalled \$4,087.50.

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Notes to Financial Statements

Year Ended December 31, 2019

4. INCOME TAXES

The partnership is not a taxable entity. Instead, its net income is distributed to its partners and is taxed in their hands if taxes are applicable.

5. CONTINGENT LIABILITY

An amount was accrued for post-harvest silviculture liabilities, which is a legislated obligation for forest tenure holders on cutblocks after harvesting.. During 2019, \$564 was paid for these costs. Management believes the remaining accrual to be sufficient for all costs that may arise in the future with respect to that cutblock. The current contracts through BC Timber Sales involve no responsibility for silviculture costs related to the 2017 and 2019 harvests as BC Timber Sales has taken on the obligation on behalf of the North Island Community Forest LP, as per the Disposition Agreements.
