



**VILLAGE OF PORT ALICE**

**ANNUAL REPORT**

**FOR YEAR ENDING 2020**

(Community Charter Section 98)

**Approved by Council:**

**June 23, 2021**





# VILLAGE OF PORT ALICE

## ANNUAL REPORT

### FOR YEAR ENDING 2020

(Community Charter Section 98)

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**Approved by Council:**  
**June 23, 2021**



**VILLAGE OF PORT ALICE  
MANAGEMENT REPORT  
FOR FISCAL YEAR END  
2020**

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

The Village Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control, and to this end conducts monthly reviews of internal financial information and an annual review of externally audited consolidated financial statements.

The external auditors Chan, Nowosad, Boates conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Village Council and may meet with it at any time upon request.

On behalf of The Village of Port Alice,

  
\_\_\_\_\_  
Bonnie Danyk  
CAO / CFO

June 7, 2021



**VILLAGE OF PORT ALICE**  
**Financial Statements**  
**December 31, 2020**

## MANAGEMENT REPORT


December 31, 2020

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, 2020.

  
\_\_\_\_\_  
Ms. Bonnie Danyk  
CAO, CFO

April 28, 2021





## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Port Alice,

### Opinion

We have audited the financial statements of the Village of Port Alice (the "Village"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2020, and the results of its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 for 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 PSAS, 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 either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process. When individuals responsible for the oversight of the financial reporting process are the same as those responsible for the preparation of the financial statements, no reference to oversight responsibilities is required.

### Auditor's 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 users taken on the basis of these financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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.

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

*Chan Newsrad Boates Inc*

Chartered Professional Accountants  
Campbell River, BC

April 28, 2021

# VILLAGE OF PORT ALICE

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December 31, 2020

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# VILLAGE OF PORT ALICE

## Statement of Financial Position

December 31, 2020

2020

2019

\$

\$

### FINANCIAL ASSETS

Cash	2,557,401	595,197
Portfolio Investments (Note 2)	1,076,755	2,869,636
Accounts Receivable (Note 3)	323,791	144,960
Taxes and User Fees Receivable (Note 4)	141,021	146,228
Investment in NICFL and NICFLP (Note 5)	<u>250,978</u>	<u>361,900</u>
	<u>4,349,946</u>	<u>4,117,921</u>

### LIABILITIES

Accounts Payable and Accrued Liabilities	147,542	116,732
Deferred Grants and Unearned Revenue (Note 6)	104,730	30,968
Long Term Debt (Note 7)	<u>447,291</u>	<u>467,008</u>
	<u>699,563</u>	<u>614,708</u>

### NET FINANCIAL ASSETS

3,650,383

3,503,213

### NON-FINANCIAL ASSETS

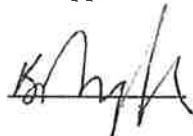
Tangible Capital Assets (Note 9)	9,009,114	9,470,374
Inventory	<u>2,347</u>	<u>2,347</u>
	<u>9,011,461</u>	<u>9,472,721</u>

### ACCUMULATED SURPLUS (Note 10)

12,661,844

12,975,934

Approved by:

  
Finance Officer

  
Mayor

# VILLAGE OF PORT ALICE

## Statement of Operations

Year Ended December 31, 2020

	2020		2019
	Budget	Actual	
	\$	\$	\$
	(Note 16)		
<b>Revenues (Schedules 2 and 3)</b>			
Taxation	877,700	540,460	875,091
Utility Connection Fees and User Rates	203,000	212,224	208,077
Government Grants - Federal (Schedule 1)	4,500	5,664	74,459
Government Grants - Provincial (Schedule 1)	626,500	810,420	531,437
Sales of Services	60,000	86,687	106,262
Equity Income (Loss) NICFLP and NICFL (Note 5)	-	(20,922)	989,018
Other (Note 12)	113,200	178,064	253,357
	<u>1,884,900</u>	<u>1,812,597</u>	<u>3,037,701</u>
<b>Expenditures (Schedules 2 and 3)</b>			
General Departmental Expenditures	1,879,753	1,627,890	3,441,366
Water System Operations	74,718	64,694	66,831
Sewer System Operations	229,361	199,696	262,257
	<u>2,183,832</u>	<u>1,892,280</u>	<u>3,770,454</u>
<b>Annual Deficit Prior to Other Items</b>	(298,932)	(79,683)	(732,753)
<b>Gain on Disposal of Inventory</b>	-	-	4,710
<b>Loss on Disposal of Tangible Capital Assets</b>	-	(234,407)	-
<b>Annual Deficit</b>	<u>(298,932)</u>	<u>(314,090)</u>	<u>(728,043)</u>
<b>Accumulated Surplus - Beginning of Year</b>		<u>12,975,934</u>	<u>13,703,977</u>
<b>Accumulated Surplus - End of Year</b>		<u>12,661,844</u>	<u>12,975,934</u>

# VILLAGE OF PORT ALICE

## Statement of Change in Net Financial Assets

Year Ended December 31, 2020

	2020		2019
	Budget	Actual	
	\$	\$	\$
	(Note 16)		
<b>Annual Deficit</b>	(298,932)	(314,090)	(728,043)
Acquisition of Tangible Capital Assets	(245,500)	(353,800)	(723,005)
Amortization of Tangible Capital Assets	403,032	403,032	438,074
Disposal of Tangible Capital Assets	-	412,028	-
Sale of Inventory	-	-	19,100
	<u>(141,400)</u>	<u>461,260</u>	<u>(265,831)</u>
<b>Change in Net Financial Assets for the Year</b>		147,170	(993,874)
<b>Net Financial Assets - Beginning of Year</b>		<u>3,503,213</u>	<u>4,497,087</u>
<b>Net Financial Assets - End of Year</b>		<u>3,650,383</u>	<u>3,503,213</u>

# VILLAGE OF PORT ALICE

## Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
	\$	\$
<b>Cash Flows From Operating Activities:</b>		
Annual Surplus (Deficit)	(314,090)	(728,043)
Items Not Involving Cash		
Equity Income (Loss) NICFLP and NICFL	20,922	(989,018)
Amortization of Tangible Capital Assets	403,032	438,074
Loss on Disposal of Tangible Capital Assets	<u>234,407</u>	<u>-</u>
	344,271	(1,278,987)
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(173,624)	1,449,612
Accounts Payable and Accrued Liabilities	30,810	(96,157)
Deferred Grants and Unearned Revenue	73,762	(16,924)
Inventory	<u>-</u>	<u>19,100</u>
	<u>275,219</u>	<u>76,644</u>
<b>Cash Flows From Capital Activities:</b>		
Purchase of Tangible Capital Assets	(353,800)	(723,005)
Proceeds on Disposal of Tangible Assets	<u>177,621</u>	<u>-</u>
	<u>(176,179)</u>	<u>(723,005)</u>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from Portfolio Investments	1,792,881	151,626
Transfers from North Island Community Forest	<u>90,000</u>	<u>708,613</u>
	<u>1,882,881</u>	<u>860,239</u>
<b>Cash Flows From Financing Activities:</b>		
Repayment of Long Term Debt	<u>(19,717)</u>	<u>(18,959)</u>
<b>Increase in Cash and Cash Equivalents</b>	1,962,204	194,919
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>595,197</u>	<u>400,278</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>2,557,401</u>	<u>595,197</u>

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

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 North 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.



# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 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 including sites that are no longer in productive use and sites which the Village accepts responsibility for. 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, 2020 or December 31, 2019.

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 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:

	2020	2019
	\$	\$
Bank of Nova Scotia Business Investment Account	-	1,801,979
Money Market Funds - Municipal Finance Authority (MFA)	1,076,755	1,067,657
	<u>1,076,755</u>	<u>2,869,636</u>

The current average annual yield of the money market funds held with MFA as at December 31, 2020 was 0.85% (2019 - 1.86%). The funds are redeemable on demand. The investment held with the Bank of Nova Scotia was redeemable on demand and yielded an annual average interest rate of 0.50% (2019 - 1.25%). These investments are carried at market value.

### 3. Accounts Receivable:

	2020	2019
	\$	\$
Tax Prepayment - RDMW	100,340	-
Trade and Insurance Receivable	188,881	5,966
GST Recoverable	33,760	63,518
Sundry	810	366
Government Transfers Receivable	-	75,110
	<u>323,791</u>	<u>144,960</u>

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 4. Taxes and User Fees Receivable:

	2020	2019
	\$	\$
Taxes Receivable	2,139,519	1,963,556
Allowance for Doubtful Accounts	(1,998,498)	(1,817,328)
	<u>141,021</u>	<u>146,228</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.

	2020	2019
	\$	\$
Investment in NICFL	1	1
Investment in NICFLP	5,000	5,000
Accumulated Net Equity Surplus - Beginning of Year	356,899	76,494
Share of Increase (Decrease) in Shareholders' Equity	(20,922)	989,018
Withdrawals During the Year	(90,000)	(708,613)
Accumulated Net Equity Surplus - End of Year	<u>250,978</u>	<u>361,900</u>

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

	2020	2019
	\$	\$
Statement of Financial Position:		
Assets		
Cash and Receivables	792,331	1,132,061
Prepaid Expenses	<u>2,895</u>	<u>-</u>
Total Assets	795,226	1,132,061
Liabilities and Partners' Capital		
Trade and Other Payables	42,289	46,357
Total Partners' Capital	<u>752,937</u>	<u>1,085,704</u>
	<u>795,226</u>	<u>1,132,061</u>

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 5. Investment in NICFL and NICFLP (continued):

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

	2020	2019
	\$	\$
Statement of Comprehensive Income:		
Revenue	6,480	3,029,866
Expenditures	69,746	62,813
Net Income (Loss)	(63,266)	2,967,053
Partners' Capital:		
Partnership Units	65,358	65,491
Cumulative Withdrawals	(5,947,529)	(5,678,029)
Retained Earnings - End of Year	6,635,108	6,698,241
	752,937	1,085,704

### 6. Deferred Grants and Unearned Revenue:

	2020	2019
	\$	\$
Prepaid Property Taxes	13,479	19,897
Provincial Government	86,500	6,500
Community Centre Deposits	4,751	4,571
	104,730	30,968

### 7. Long Term Debt:

	2020	2019
	\$	\$
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	447,291	467,008

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

	\$
2021	20,506
2022	21,326
2023	22,179
2024	23,066
2025	23,989
2026 and onwards	336,225
	447,291

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 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 \$	2020 \$	2019 \$
Land	841,186	-	-	-	841,186	-	-	-	-	841,186	841,186
Buildings	3,859,093	142,396	-	-	4,001,489	2,312,650	130,984	-	2,443,634	1,557,855	1,546,443
Equipment	1,402,962	8,653	-	-	1,411,615	882,657	59,317	-	941,974	469,641	520,305
Roads and Bridges	3,929,815	7,831	-	8,311	3,945,957	2,473,939	74,338	-	2,548,277	1,397,680	1,455,876
Other	1,096,535	193,224	(588,612)	696,325	1,397,472	441,572	16,714	(176,583)	281,703	1,115,769	654,963
Water Infrastructure	1,451,936	-	-	-	1,451,936	382,581	20,218	-	402,799	1,049,137	1,069,355
Sewer Infrastructure	3,310,856	-	-	-	3,310,856	813,878	96,842	-	910,720	2,400,136	2,496,978
Drainage	330,869	-	-	-	330,869	223,993	4,619	-	228,612	102,257	106,876
Work in Progress	778,393	1,696	-	(704,636)	75,453	-	-	-	-	75,453	778,393
	17,001,645	353,800	(588,612)	-	16,766,833	7,531,270	403,032	(176,583)	7,757,719	9,009,114	9,470,374

### 10. Accumulated Surplus:

The Village segregates its accumulated surplus into the following categories:

	2020 \$	2019 \$
Current Fund	2,280,010	2,254,966
Reserve Funds (a)	1,370,373	1,248,247
Investment in Non-Financial Assets (b)	9,011,461	9,472,721
	<u>12,661,844</u>	<u>12,975,934</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.

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 10. Accumulated Surplus (continued):

Details of Reserve Funds are as follows:

	2020	2019
	\$	\$
Capital Works Reserve (a)	239,851	243,791
Statutory Reserve (b)	116,817	115,603
Fire Protection Capital Reserve (c)	157,637	116,071
Gas Tax Treatment - Community Works (d)	856,068	772,782
	<u>1,370,373</u>	<u>1,248,247</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 \$856,068 that remained unspent as at December 31, 2020 that included additional receipts of \$83,087 (2019 - \$173,769) and interest earnings of \$8,511 (2019 - \$10,449) in 2020. During 2020 eligible expenditures of \$8,322 were made (2019 - \$30,868). The unspent amount will remain in the reserve until spent on eligible projects.

### 11. Collections for Other Governments:

	2020	2019
	\$	\$
Regional District of Mt. Waddington	53,793	127,841
Province of British Columbia - School Tax	203,832	307,859
Regional Hospital District	21,281	51,050
Municipal Finance Authority	34	33
British Columbia Assessment Authority	17,526	17,058
Province of BC - Police Tax	<u>22,258</u>	<u>49,806</u>
	<u>318,724</u>	<u>553,647</u>

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 12. Other Revenue:

	2020	2019
	\$	\$
Investment Income	24,789	57,907
Tax Penalties - Interest and Fees	122,304	147,867
Parking and Moorage	9,748	20,824
Recreation	2,516	4,187
Business Licenses	4,460	4,630
Other	14,247	17,942
	<u>178,064</u>	<u>253,357</u>

### 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, 2020 the Plan had about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 \$42,931 (2019 - \$39,083) for employer contributions, while employees contributed \$37,370 (2019 - \$34,889) to the Plan in fiscal 2020.

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.

# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 14. Trust Funds:

(a) **Ford Memorial Trust Fund**

As at December 31, 2020, the Village held \$6,530 (2019 - \$6,450) 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 (2019 - \$1,770) was held as at December 31, 2020 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 \$84,110. The five year contract expires July 15, 2025 and has no option to renew.

### 16. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on April 8, 2020.

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>2020</u>
	\$
Financial Plan (Budget) By-Law Approved for the Year	
Add:	
Capital Expenditures	245,500
Less:	
Budgeted Transfers from Accumulated Surplus	(141,400)
Amortization	<u>(403,032)</u>
Annual Surplus Presented in Financial Statements	<u>(298,932)</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.



# VILLAGE OF PORT ALICE

## Notes to the Financial Statements

December 31, 2020

### 17. Segmented Information (continued):

#### **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.

#### **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. Comparative Figures:

Certain comparative figures have been reclassified, where necessary, to conform with the current year's presentation.

### 19. COVID-19:

The global outbreak of the coronavirus disease (COVID-19) continued to cause economic uncertainties that are likely to have a material impact on the annual surplus of the Village. The extent, if any, of the continued impact of COVID-19 on the Village and its operations for the year ended December 31, 2021 cannot be determined at this time.

### 20. Subsequent Event:

On March 5, 2021 the Village entered into a contribution agreement with the Province of British Columbia under the Tourism Dependent Community Fund for a maximum provincial contribution of \$335,000 towards the Kayak Infrastructure Project. The project commencement date is March 5, 2021 and is to be completed no later than March 31, 2023. The project will consist of construction of a kayak launch, building kayak storage and adding signage, picnic tables and benches on Frigon Islets and Walkout Island.

## VILLAGE OF PORT ALICE

### Schedule 1 - Government Grants to the Village and Ratepayers

Year Ended December 31, 2020

	2020		2019
	Budget	Actual	
	\$	\$	\$
<b>Federal Government</b>			
Grants in Lieu of Taxes	4,500	5,664	5,126
Sewer Capital Fund			
Building Canada Fund	-	-	69,333
	<u>4,500</u>	<u>5,664</u>	<u>74,459</u>
<b>Province of British Columbia</b>			
General Fund			
Small Communities Protection	320,000	335,161	326,590
Rural Dividend Grant	-	-	19,224
COVID Safe Restart Grant	-	386,000	-
Other	<u>220,500</u>	<u>6,172</u>	<u>11,854</u>
	<u>540,500</u>	<u>727,333</u>	<u>357,668</u>
General Capital Fund			
Gas Tax	<u>86,000</u>	<u>83,087</u>	<u>173,769</u>
	<u>626,500</u>	<u>810,420</u>	<u>531,437</u>

# VILLAGE OF PORT ALICE

## Schedule 2 - Combined Statement of Operations by Segment Year Ended December 31, 2020

	General Government	Volunteer Fire Department	Public Works Department	Environmental Health Services	Recreation Services	Arena	Community Centre	Sea View Activity Centre	Water Utility	Sewer Utility	2020 Actual	2020 Plan (Note 16)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>												
General Taxes	540,460	-	-	-	-	-	-	-	-	-	540,460	877,700
Grants - Federal	5,664	-	-	-	-	-	-	-	-	-	5,664	4,500
Grants - Provincial	810,420	-	-	-	-	-	-	-	-	-	810,420	626,500
Utility Charges	-	-	-	-	-	-	-	-	66,230	145,994	212,224	203,000
Sales of Services	-	-	-	65,608	16,667	4,412	-	-	-	-	86,687	60,000
Other Revenue	178,064	-	-	-	-	-	-	-	-	-	178,064	113,200
Equity Income (Loss) from North Island Community Forest	(20,922)	-	-	-	-	-	-	-	-	-	(20,922)	-
	<u>1,513,686</u>	<u>-</u>	<u>-</u>	<u>65,608</u>	<u>16,667</u>	<u>4,412</u>	<u>-</u>	<u>-</u>	<u>66,230</u>	<u>145,994</u>	<u>1,812,597</u>	<u>1,884,900</u>
<b>Expenditures</b>												
Goods and Services	301,537	23,443	154,060	116,334	42,346	24,666	41,260	3,818	34,244	68,825	810,533	1,016,300
Labour	257,914	7,118	224,129	60,585	44,818	-	24,277	-	10,232	29,410	658,483	725,500
Interest and Bank Charges	6,042	-	-	-	-	-	14,190	-	-	-	20,232	39,000
Amortization	94,309	26,599	32,506	409	6,888	21,448	99,194	-	20,218	101,461	403,032	403,032
	<u>659,802</u>	<u>57,160</u>	<u>410,695</u>	<u>177,328</u>	<u>94,052</u>	<u>46,114</u>	<u>178,921</u>	<u>3,818</u>	<u>64,694</u>	<u>199,696</u>	<u>1,892,280</u>	<u>2,183,832</u>
	853,884	(57,160)	(410,695)	(111,720)	(77,385)	(41,702)	(178,921)	(3,818)	1,536	(53,702)	(79,683)	(298,932)
Loss on Disposition of Property	(234,407)	-	-	-	-	-	-	-	-	-	(234,407)	-
<b>Annual Surplus (Deficit)</b>	<u>619,477</u>	<u>(57,160)</u>	<u>(410,695)</u>	<u>(111,720)</u>	<u>(77,385)</u>	<u>(41,702)</u>	<u>(178,921)</u>	<u>(3,818)</u>	<u>1,536</u>	<u>(53,702)</u>	<u>(314,090)</u>	<u>(298,932)</u>

# VILLAGE OF PORT ALICE

## Schedule 3 - 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>												
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	-	-	-	-	-	-	-	-	64,717	143,360	208,077	203,000
Sales of Services	-	-	-	67,072	28,700	10,490	-	-	-	-	106,262	73,500
Other Revenue	247,882	-	-	-	-	-	-	-	5,229	246	253,357	120,500
Equity Income from North Island Community Forest	989,018	-	-	67,072	28,700	10,490	-	-	69,946	143,606	989,018	-
	<u>2,717,887</u>	-	-	-	-	-	-	-	-	-	<u>3,037,701</u>	<u>2,125,680</u>
<b>Expenditures</b>												
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	264,557	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	-
	<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 Tangible Capital Assets	4,710	-	-	-	-	-	-	-	-	-	4,710	-
<b>Annual Surplus (Deficit)</b>	<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>

# VILLAGE OF PORT ALICE

## Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2020

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$
Balance, Beginning of Year	243,791	115,603	116,071	772,782	1,248,247	1,034,287
Interest Earned	2,560	1,214	1,219	8,511	13,504	18,733
Transfer (To) From Other Funds	(6,500)	-	40,347	83,087	116,934	226,095
Used for Capital Expenditures	-	-	-	(8,312)	(8,312)	(30,868)
Balance, End of Year	239,851	116,817	157,637	856,068	1,370,373	1,248,247

## VILLAGE OF PORT ALICE

### Schedule 5 - COVID-19 Safe Restart Grant Unaudited

Year Ended December 31, 2020

2020

\$

<b>COVID-19 Safe Restart Grant</b>	<u>386,000</u>
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#### Eligible Expenses

Revenue Shortfall	16,000
Facility Reopening and Operating	26,004
Emergency Planning and Response	562
Bylaw Enforcement and Protective Services	300
Computer and Other Electronic Technology	<u>12,605</u>
	<u>55,471</u>

<b>Unused Grant at December 31, 2020</b>	<u>330,529</u>
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**VILLAGE OF PORT ALICE**  
**BYLAW NO. 665, 2021**

BEING A BYLAW FOR THE VILLAGE OF PORT ALICE FINANCIAL PLAN 2021 - 2025

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 2021 – 2025, Revenues and Expenditures.
2. Schedule "B" attached to and forming part of this Bylaw is the Village of Port Alice Financial Plan 2021 – 2025 Statement of Objectives and Policies.
3. This Bylaw may be cited for all purposes as the "Village of Port Alice Financial Plan 2021 - 2025 Bylaw No.665, 2021".

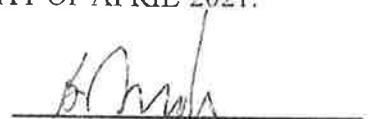
READ A FIRST AND SECOND TIME THIS 10<sup>th</sup> DAY OF MARCH 2021.

PUBLIC CONSULTATION HELD FROM MARCH 17 to MARCH 24, 2021.

READ A THIRD TIME THIS 24<sup>th</sup> DAY OF MARCH 2021.

RECONSIDERED, AND ADOPTED THIS 14<sup>th</sup> DAY OF APRIL 2021.

  
Mayor

  
Chief Administrative Officer

Certified a true copy of Bylaw No.665, as adopted by Council on the 14<sup>th</sup> day of April 2021.

\_\_\_\_\_  
Chief Administrative Officer

**VILLAGE OF PORT ALICE  
BYLAW NO. 665, 2021**

**VILLAGE OF PORT ALICE FINANCIAL PLAN 2021 - 2025  
Bylaw No. 665, 2021 - Schedule 'A' REVENUES**

REVENUES	2021	2022	2023	2024	2025
<b>Property Taxes</b>	\$620,450	\$776,571	\$777,581	\$788,702	\$799,934
Utility/Grant in Place of Taxes	\$22,500	\$22,725	\$22,953	\$23,182	\$23,413
<b>Total Taxation</b>	<b>\$642,950</b>	<b>\$799,296</b>	<b>\$800,534</b>	<b>\$811,884</b>	<b>\$823,347</b>
<b>Fees and Charges</b>					
Garbage Rates/Penalties	\$65,000	\$65,650	\$66,307	\$66,970	\$67,639
Recreation Supplies and Services	\$5,400	\$5,454	\$5,509	\$5,564	\$5,619
Recreation Facilities Rentals	\$13,750	\$13,888	\$14,026	\$14,167	\$14,308
Licenses/Permits	\$8,500	\$8,585	\$8,671	\$8,758	\$8,845
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	\$51,000	\$51,510	\$52,025	\$52,545	\$53,071
<b>Total Fees and Charges</b>	<b>\$346,650</b>	<b>\$350,117</b>	<b>\$353,618</b>	<b>\$357,155</b>	<b>\$360,725</b>
<b>Other Revenue</b>					
Federal Govt Grants	\$1,100	\$0	\$0	\$0	\$0
Provincial Govt Grants -	\$3,616,530	\$426,989	\$427,079	\$427,170	\$427,261
Regional District of Mt. Waddington	\$2,500	\$0	\$0	\$0	\$0
<b>Total Other Revenue</b>	<b>\$3,620,130</b>	<b>\$426,989</b>	<b>\$427,079</b>	<b>\$427,170</b>	<b>\$427,261</b>
<b>Appropriation from Reserve</b>					
Appropriation from NICF Funds	\$56,670	\$0	\$0	\$0	\$0
Appropriation from Surplus	\$70,000	\$0	\$0	\$0	\$0
Appropriation from Deferred Revenue: Gas Tax Fun	\$275,000	\$40,000	\$0	\$0	\$0
Appropriation from Covid Recovery Funds	\$90,000				
<b>Total Appropriation from Reserve</b>	<b>\$491,670</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Funds Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL LOCAL GOVERNMENT REVENUE</b>	<b>\$5,101,400</b>	<b>\$1,616,402</b>	<b>\$1,581,231</b>	<b>\$1,596,209</b>	<b>\$1,611,333</b>



**VILLAGE OF PORT ALICE  
BYLAW NO. 665, 2021**

**VILLAGE OF PORT ALICE FINANCIAL PLAN 2021 - 2025  
Bylaw No. 665, 2021 - Schedule 'A'**

<b>EXPENDITURES</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Debenture Debt Interest</b>					
Community Centre Upgrades      Matures - 2036	\$33,900	\$34,239	\$34,581	\$34,927	\$35,276
<b>Total Debenture Debt</b>	<b>\$33,900</b>	<b>\$34,239</b>	<b>\$34,581</b>	<b>\$34,927</b>	<b>\$35,276</b>
<b>Capital Expenditures</b>					
General	\$3,338,800	\$0	\$0	\$0	\$0
Water Utility	\$50,000	\$40,000	\$0	\$0	\$0
Sewer Utility	\$145,000	\$0	\$0	\$0	\$0
<b>Total Capital Expenditures</b>	<b>\$3,533,800</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Municipal Purposes</b>					
General Government, & Fiscal Services	\$405,800	\$409,859	\$403,858	\$407,898	\$411,974
Fire & Protective Services	\$78,000	\$78,780	\$79,568	\$80,363	\$81,167
Public Works	\$338,100	\$345,441	\$348,895	\$352,384	\$355,908
Health & Environmental Services	\$212,500	\$204,620	\$206,661	\$208,723	\$210,805
Recreation Services	\$213,300	\$215,433	\$217,587	\$219,763	\$221,960
Water Utility	\$54,500	\$55,045	\$55,595	\$56,151	\$56,713
Sewer Utility	\$105,900	\$106,959	\$108,029	\$109,109	\$110,200
<b>Total Other Municipal Purposes</b>	<b>\$1,408,100</b>	<b>\$1,416,137</b>	<b>\$1,420,193</b>	<b>\$1,434,391</b>	<b>\$1,448,727</b>
<b>Transfers to Reserves</b>					
General Fund	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000
Water Fund	\$6,500	\$6,565	\$6,631	\$6,697	\$6,764
Sewer Fund	\$36,100	\$36,461	\$36,826	\$37,194	\$37,566
<b>Total Transfer of Funds</b>	<b>\$125,600</b>	<b>\$126,026</b>	<b>\$126,457</b>	<b>\$126,891</b>	<b>\$127,330</b>
<b>GRAND TOTAL</b>	<b>\$5,101,400</b>	<b>\$1,616,402</b>	<b>\$1,581,231</b>	<b>\$1,596,209</b>	<b>\$1,611,333</b>
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**VILLAGE OF PORT ALICE  
BYLAW NO. 665, 2021**

**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 2021. Property taxes normally contribute to the greatest proportion of the Village's revenue, however, in 2021 the largest proportion is Grant Revenue which is directly related to Capital Projects. The property tax revenue source offers several 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 fourth 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 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: 2021 Sources of Revenue**

Revenue Source	Revenue: Percentages of Total Budget	Dollar Value
Taxation	13%	642,950
Fees, Charges & Other Revenue	7%	346,650
Federal & Provincial Grants	71%	3,620,130
Appropriation from Reserves & Surplus	9%	491,670
<b>Total</b>	<b>100.00%</b>	<b>\$ 5,101,400</b>

**VILLAGE OF PORT ALICE  
BYLAW NO. 665, 2021**

**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 provided 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. BC Assessment changed the Class of the Major Industrial property to Business in 2020 and significantly reduced the value.

**Objectives**

The Village Council continues to work with all levels of government and local business 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 taxpayers 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: 2021 Distribution of Property Tax Rates  
Based on Preliminary Values**

Property Class	Percentage of Total Property Taxation	Dollar Value
Residential (1)	79.9%	\$ 491,546
Utilities (2)	8%	\$ 51,173
Major Industrial (4)	0%	
Light Industrial (5)	5%	\$ 33,012
Business (6)	7%	\$ 44,439
Recreation (8)	0.1%	\$ 280
<b>Total</b>	<b>100.00%</b>	<b>\$ 620,450</b>

**VILLAGE OF PORT ALICE  
BYLAW NO. 665, 2021**

**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**

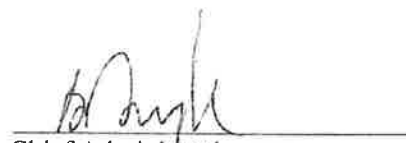
The Village of Port Alice will continue to provide permissive tax exemptions to non-profit societies that contribute social, economic and cultural benefits to the community.

**Policies**

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

Reviewed and adopted by Council on 10<sup>th</sup> March 2021.

  
Mayor

  
Chief Administrative Officer

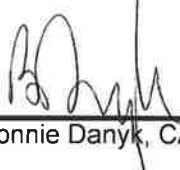
**VILLAGE OF PORT ALICE**

**2020 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 23, 2019 Council passed the following permissive exemption bylaws which have an effect on taxation for 2020:

**Village of Port Alice Tax Exemption Bylaw No. 663**

ASSESSMENT/1000.				CLASS	GENERAL MUNICIPAL	SCHOOL	REGIONAL HOSPITAL	REGIONAL DISTRICT	B.C.A.A.	M.F.A.	POLICE	TOTAL
2019 TAX RATES				1	7.40468	3.3498	0.31015	0.77668	0.0389	0.0002	0.3026	12.18301
2019 TAX RATES				6	11.10702	3.7	0.75986	1.90288	0.1082	0.0005	0.7414	18.31986
2019 TAX RATES				8	7.40468	2.3	0.31015	0.77668	0.0389	0.0002	0.3026	11.13321
				Gen Mun.	School	Reg. Hospital	Reg. District	B.C.A.A.	M.F.A.	Police	TOTAL	
FOLIO	ROYAL CANADIAN LEGION											
779000	6	230700	230.7	\$ 2,562.39	\$ 853.59	\$ 175.30	\$ 438.99	\$ 24.96	\$ 0.12	\$ 171.04	\$ 4,226.39	
FOLIO	PORT ALICE MARINE RESCUE SOCIETY											
2000	6	16100	16.1	\$ 178.82	\$ 59.57	\$ 12.23	\$ 30.64	\$ 1.74	\$ 0.01	\$ 11.94	\$ 294.95	
1025000	6	211300	211.3	\$ 2,346.91	\$ 781.81	\$ 160.56	\$ 402.08	\$ 22.86	\$ 0.11	\$ 156.66	\$ 3,870.99	
FOLIO	ECUMENICAL SOCIETY											
648000	8	185100	185.1	\$ 1,370.61	\$ 425.73	\$ 57.41	\$ 143.76	\$ 7.20	\$ 0.04	\$ 56.01	\$ 2,060.76	
FOLIO	PENTECOSTAL ASSEMBLIES											
788030	8	296400	296.4	\$ 2,194.75	\$ 681.72	\$ 91.93	\$ 230.21	\$ 11.53	\$ 0.06	\$ 89.69	\$ 3,299.88	
788031	6	81500	81.5	\$ 905.22	\$ 301.55	\$ 61.93	\$ 155.08	\$ 8.82	\$ 0.04	\$ 60.42	\$ 1,493.07	
FOLIO	PORT ALICE GOLF CLUB											
75000	6	601000	601	\$ 4,450.21	\$1,382.30	\$ 186.40	\$ 466.78	\$ 23.38	\$ 0.12	\$ 181.86	\$ 6,691.06	
FOLIO	PORT ALICE YACHT CLUB											
27506940	8	63200	63.2	\$ 467.98	\$ 145.36	\$ 19.60	\$ 49.09	\$ 2.46	\$ 0.01	\$ 19.12	\$ 703.62	
27506940	6	78300	78.3	\$ 869.68	\$ 289.71	\$ 59.50	\$ 149.00	\$ 8.47	\$ 0.04	\$ 58.05	\$ 1,434.45	
	TOTAL PROPERTY TAXATION			\$10,896.36	\$3,539.04	\$ 638.46	\$1,598.85	\$ 88.05	\$ 0.42	\$ 622.94	\$17,384.10	

  
Bonnie Danyk, CAO / CFO

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## VILLAGE OF PORT ALICE

### BYLAW NO. 657

#### A BYLAW TO EXEMPT SPECIFIC PROPERTIES FROM TAXATION FOR THE YEAR 2020

**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 2020:

**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. 01025.000**

**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. PORT ALICE GOLF CLUB**

- 5.1 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**

**6. CITATION**

This Bylaw may be cited as the "Village of Port Alice Permissive Exemption Taxation Bylaw for the Year 2020, Bylaw No. 657, 2019."

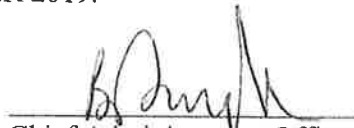
7. **SEVERABILITY**

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 2<sup>nd</sup> DAY OF OCTOBER 2019.  
ADOPTED THE 9<sup>th</sup> DAY OF OCTOBER 2019.



Mayor



Chief Administrative Officer

Certified a true and correct copy of Bylaw No. 657, as adopted on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Chief Administrative Officer



**VILLAGE OF PORT ALICE**  
**STATEMENT OF FINANCIAL INFORMATION**  
**2020 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	\$1,008.00	\$12,831.00
Aldis Holly	Councillor		\$7,882.00	\$0.00	\$7,882.00
Lloyd Bruce	Councillor		\$7,882.00	\$111.00	\$7,993.00
Yunker Angela	Councillor		\$7,882.00	\$0.00	\$7,882.00
Wastson Sean	Councillor		\$7,882.00	\$0.00	\$7,882.00
<b>Sub Total (A)</b>			<b>\$43,351.00</b>	<b>\$1,119.00</b>	<b>\$44,470.00</b>

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

Employees	Remuneration	Expenses	Totals
<b>Remuneration &amp; Expenses in excess of \$75,000.00</b>			
Bonnie Danyk, Finance Officer / Deputy CAO	\$ 109,872.00	\$ 850.00	\$ 110,722.00
Jason Yunker, Public Works Foreman	\$ 82,301.00	\$ -	\$ 82,301.00
Consolidated Remuneration & Expenses under \$75,000.00	\$ 299,252.00	\$ 1,597.00	\$ 300,849.00
<b>Sub Total (B)</b>	<b>\$491,425.00</b>	<b>\$2,447.00</b>	<b>\$493,872.00</b>

**3. Reconciliation**

Total Remuneration Elected Officials ( Sub Total (A))						\$43,351.00
Total Remuneration Employees ( Sub Total (B))						\$491,425.00
<b>Subtotal</b>						<b>\$534,776.00</b>
Staff Benefits Payments						\$123,707.00
<b>Total Per statement of Revenue &amp; Expenditure</b>						<b>\$658,483.00</b>
<b>Variance</b>						<b>\$0.00</b>

**VILLAGE OF PORT ALICE**  
**2020 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 2020.

**VILLAGE OF PORT ALICE**  
**STATEMENT OF FINANCIAL INFORMATION**  
**2020 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	\$	95,730.52
BC HYDRO	\$	101,018.32
MISSFELDT, GEORGE	\$	31,500.00
MOUNT WADDINGTON REG. HOSPITAL DISTRICT	\$	51,028.90
MUNICIPAL INSURANCE ASSOCIATION OF BC	\$	44,233.00
NEW WAVE MARINE SOLUTIONS	\$	199,879.40
NORTH ISLAND WASTE MANAGEMENT LTD	\$	84,004.32
RECEIVER GENERAL FOR CANADA	\$	149,024.99
REGIONAL DISTRICT OF MT. WADDINGTON	\$	172,992.21
SCOTIABANK	\$	28,878.08
VANCOUVER ISLAND REGIONAL LIBRARY	\$	34,156.00

<b>\$</b>	<b>992,445.74</b>
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**2. Consolidated total paid to suppliers receiving payments of \$25,000.00 or less**

<b>\$</b>	<b>458,763.14</b>
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**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	\$	992,445.74
Consolidated total of payments of \$25,000 or less	\$	484,746.59
Consolidated total of all grants & contributions exceeding \$ 25,000	\$	-
Reconciling Items	\$	415,087.67

<b>Total Per Statement of Revenue and Expenditure</b>	<b>\$</b>	<b>1,892,280.00</b>
Variance	\$	-


**VILLAGE OF PORT ALICE**

**VILLAGE OF PORT ALICE**  
**2020 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.

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Mayor



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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**

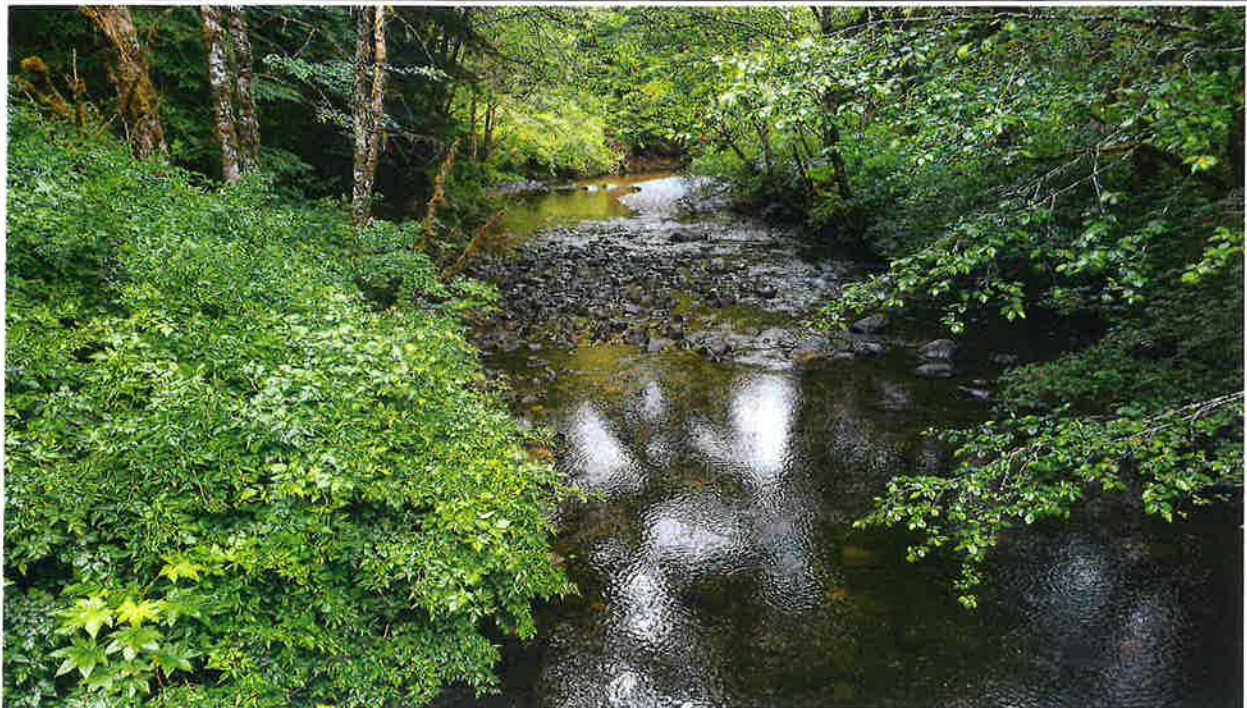
Application to court for declaration of disqualification.

- 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 2020**

### **General:**

On April 14, 2020, the Supreme Court of British Columbia (the "Court") granted an Order adjudging Neucel Specialty Cellulose Ltd bankrupt and appointing PricewaterhouseCoopers Inc as Trustee in Bankruptcy of Neucel. PWC has engaged in emergency clean up at the site in partnership with the Ministry of Environment.

Part of Lion's Park was removed from Park land, surveyed and a new titled was created. The Village is planning on selling this property for an accommodation development in the future.

Cell service in the Village deteriorated in 2020. Telus started talks with the Village Council to install a tower in the Village.

The Covid-19 Pandemic changed the way the Village did meetings and conferences. Council meetings were moved to the Larry Pepper Room and Sea-vac where there was more space to distance and RDMW Board meetings and conferences were done via the internet on platforms like Zoom.

### **Fire Department:**

The Fire Underwriters Survey agreed to extend the life of the Pumper Fire Truck to 25 years.

### **Recreation Department:**

Due to Covid-19 restrictions the Community Centre was closed for several months. During the closure the building was cleaned from top to bottom. The Community Centre opened again in the fall with reduced hours and limited programming.

The Weight room was closed for several months until the Covid-19 restrictions were relaxed and we were permitted to re-open with a strict safety plan in place.

### **Public Works & Operations:**

The Rumble Beach Marina Building was completed. The building includes washrooms with showers, coin operated washer and dryer and an office for the Marina Manager. Our Marina floats were destroyed in a severe storm in January. Due to slowdowns caused by Covid-19 we were not able to have the new floats in place until late in the year and the Village did not contract a Marina Manager for the summer.

The Community Centre Coordinator was moved over to Public Works for the summer as the CC was closed. She looked after the Village gardens and helped with grass maintenance.

The Transfer Station had a large increase in usage. With many new residents in the Village, staff had to educate them about what is not accepted at the Transfer Station and where material is to be dropped off. We had a tub grinder in to clean up our garden waste area at Sweeney's Pit.

Three streetlights and bases were replaced.

**Emergency Planning and Hazard Assessment:**

There was a mega storm in November which caused a four-day power outage. This was a great test of our emergency capabilities. The Community Centre was opened as a warming center and a hot meal was served to anybody that needed one. We will be updating our generator panel at the Office so we can have heat and will be storing some fuel at the yard.

The Village of Port Alice entered into an agreement with the Strathcona Regional District to provide Tsunami Mapping. This project is ongoing.

**Community Forest:**

The Community Forest group has continued to lobby the Provincial Government to request more tenure for the North Island Community Forest.



Chief Administrative Officer



<b>2020 Goals and Objectives</b>			
<b>SERVICE</b>	<b>OBJECTIVE</b>	<b>STRATEGY</b>	<b>MEASURE</b>
<b>ADMINISTRATION &amp; FINANCE</b>	Source new funding opportunities	Develop shovel ready projects to take advantage of short intake grant opportunities	Ongoing
	Update Bylaws	Update Marina Bylaw	On Hold until 2021
	Asset Planning	Review and Update Asset Management Registry, produce Asset Management Plan.	Ongoing
<b>COMMUNICATION</b>	Enhanced Online Communication	Explore Twitter and Instagram accounts. Continue to update website	Ongoing
<b>COMMUNITY FOREST</b>	Allowable Cut	Continue to lobby the Province to increase the amount of timber available to the North Island Community Forest.	Ongoing
<b>DIKE SAFETY</b>	Dike Maintenance	Continue to complete maintenance items as per the Dike Maintenance schedule.	Ongoing
<b>ECONOMIC DEVELOPMENT</b>	Economic Development Strategy	Review Port of Potential Plan.	Ongoing
	Property Development	Inventory properties for possible future development	Ongoing
	Lions Park Property	Continue work to prepare property for eventual sale for accommodation development	Ongoing
	Training	Investigate possible partnership with North Island College to reinstate offer regular training opportunities in Port Alice	On Hold
	NI Communities	Work with other North Island Communities to cross promote each other's communities and have consistent messaging.	Ongoing
<b>MARINA</b>	Building and Dock Repairs	Purchase washer & dryer and furnish office in Marina Building. Repair damage to dock and floats	Complete
<b>PROTECTIVE SERVICES</b>	Fire Department	Recruit new members	Ongoing
	Emergency Planning	Update contact lists and emergency plan	Ongoing
<b>PLANNING</b>	OCP and Zoning Bylaw	Complete update to OCP and commence Zoning Bylaw Updates	On Hold until 2021
<b>RECREATION</b>	Community Centre	Review programming.	Ongoing
	Bike Trails	Investigate possibility of renewing mountain bike trails for recreational use	Complete
<b>TOURISM</b>	Signage	Replace signs at town entrance across from PW Yard. Sea walk signage project	Ongoing
<b>WASTE WATER</b>	Condition Assessment	Complete Sanitary Sewer replacement plan	Complete
Approved on June 10, 2020			
Chief Administrative Officer		Mayor	



	<b>2021 Goals &amp; Objectives</b>	
<b>SERVICE</b>	<b>OBJECTIVE</b>	<b>STRATEGY</b>
<b>ADMINISTRATION &amp; FINANCE</b>	Source new funding opportunities	New Economic Development Officer to develop shovel ready projects to take advantage of short intake grant opportunities
	Update Bylaws	Update outdated Bylaws
	Asset Planning	Review and Update Asset Management Registry, produce Asset Management Plan.
<b>COMMUNICATION</b>	Enhanced Online Communication	Explore Twitter and Instagram accounts. Continue to update website
<b>COMMUNITY FOREST</b>	Allowable Cut	Continue to lobby the Province to increase the amount of timber available to the North Island Community Forest.
<b>DIKE SAFETY</b>	Dike Maintenance	Continue to complete maintenance items as per the Dike Maintenance schedule.
<b>ECONOMIC DEVELOPMENT</b>	Economic Development Strategy	New Economic Development Officer to Review Port of Potential Plan.
	Lions Park Property	List property with Realtor
	Training	Investigate possible partnership with North Island College to reinstate regular training opportunities in Port Alice
	NI Communities	Work with other North Island Communities and Vancouver Island North Tourism Association to cross promote each other's communities and have consistent messaging.
	Business Development Workshop	Collaborate with NI Community Futures to hold a Business Development Workshop
<b>MARINA</b>	Kayak Storage and Launch	Complete construction of the Kayak Storage Facilities and Launch
<b>PROTECTIVE SERVICES</b>	Fire Department	Recruit new members
	Emergency Planning	Update contact lists and emergency plan
<b>PLANNING</b>	OCP and Zoning Bylaw	Hire a Contractor to update the OCP and Zoning Bylaw.
<b>RECREATION</b>	Community Centre	Review programming with the focus on increased participation
<b>TOURISM</b>	Signage	Complete Interpretive Sign Project
<b>WASTE WATER</b>	Sewer Outfall Repairs	Complete Sanitary Sewer Outfall Repairs
Chief Administrative Officer		Mayor





**VILLAGE OF PORT ALICE**

**ANNUAL REPORT**

**FOR YEAR ENDING 2020**

(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, 2020.**



**NORTH ISLAND COMMUNITY FOREST  
LIMITED PARTNERSHIP**

**Financial Statements - December 31, 2020**

# **NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP**

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## **Index to Financial Statements**

Year Ended December 31, 2020

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## **INDEPENDENT AUDITOR'S REPORT**

To the Partners of the North Island Community Forest Limited Partnership,

### **Opinion**

We have audited the financial statements of the North Island Community Forest Limited Partnership (the "Partnership"), which comprise the balance sheet as at December 31, 2020, and the statements of partners' capital, income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2020, 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**

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 Partnership 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 for our opinion.

### **Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared for the purpose of providing information to the directors of the Partnership's General Partner and the Village of Port Alice, District of Port Hardy and Town of Port McNeill. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the directors of the Partnerships General Partner and the Village of Port Alice, District of Port Hardy and Town of Port McNeill. and should not be distributed to or used by parties other than those specified.

### **Responsibilities of Those Charged with Governance for the Financial Statements**

Those charged with governance of the Partnership, in lieu of management are responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Private Enterprises, and for such internal control as they determine 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, those charged with governance are 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 those charged with governance either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

### **Auditor's 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 users taken on the basis of these financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 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 those charged with governance'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 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 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.

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

### **Other Matters**

The financial statements for the year ended December 31, 2019 were audited by another firm of Chartered Professional Accountants who expressed an unqualified opinion on those financial statements on March 12, 2020.

*Chan Nawrood Boates Inc*

Chartered Professional Accountants  
Campbell River, BC

April 19, 2021

## NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

### Balance Sheet

December 31, 2020

2020

2019

\$

\$

### ASSETS

#### Current Assets

Cash	791,493	1,130,507
GST Receivable	838	1,554
Prepaid Expenses	<u>2,895</u>	<u>-</u>
	<u>795,226</u>	<u>1,132,061</u>

### LIABILITIES

#### Current Liabilities

Accounts Payable	28,852	32,921
Accrual for Silviculture Liabilities (Note 6)	<u>13,436</u>	<u>13,436</u>
	<u>42,288</u>	<u>46,357</u>

### PARTNERS' CAPITAL

<u>752,938</u>	<u>1,085,704</u>
<u>795,226</u>	<u>1,132,061</u>

Approved by the Board of Directors of the General Partner:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

## Statement of Partners' Capital

Year Ended December 31, 2020

	2020	2019
	\$	\$
<b>Town of Port McNeill</b>		
Balance, Beginning of Year	340,071	68,889
Withdrawals	(90,000)	(707,945)
Share of Net Income (Loss)	<u>(20,878)</u>	<u>979,127</u>
Balance, End of Year	<u>229,193</u>	<u>340,071</u>
<b>District of Port Hardy</b>		
Balance, Beginning of Year	340,071	68,890
Withdrawals	(90,000)	(707,946)
Share of Net Income (Loss)	<u>(20,878)</u>	<u>979,127</u>
Balance, End of Year	<u>229,193</u>	<u>340,071</u>
<b>Village of Port Alice</b>		
Balance, Beginning of Year	340,071	68,890
Withdrawals	(90,000)	(707,946)
Share of Net Income (Loss)	<u>(20,878)</u>	<u>979,127</u>
Balance, End of Year	<u>229,193</u>	<u>340,071</u>
<b>North Island Community Forest Ltd.</b>		
Balance, Beginning of Year	65,491	37,819
Contributions (Withdrawals)	500	(2,000)
Share of Net Income (Loss)	<u>(632)</u>	<u>29,672</u>
Balance, End of Year	<u>65,359</u>	<u>65,491</u>
<b>Total Partners' Capital</b>	<u>752,938</u>	<u>1,085,704</u>

# NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

## Statement of Income

Year Ended December 31, 2020

	2020	2019
	\$	\$
<b>Timber Sales</b>	<u>-</u>	<u>3,025,956</u>
<b>Expenses</b>		
Directors Fees	21,900	26,700
Insurance	3,529	3,855
Interest and Bank Charges	274	20
Office	847	2,547
Professional Fees	6,125	6,483
Repairs and Maintenance	932	200
Stumpage	-	72
Subcontractors	32,604	17,711
Tenure License	2,404	3,848
Travel	<u>1,131</u>	<u>1,377</u>
	<u>69,746</u>	<u>62,813</u>
<b>Income (Loss) from Operations</b>	(69,746)	2,963,143
<b>Other Income</b>		
Interest Income	<u>6,480</u>	<u>3,910</u>
<b>Net Income (Loss)</b>	<u>(63,266)</u>	<u>2,967,053</u>

# NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

## Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
	\$	\$
<b>Cash Flows From Operating Activities:</b>		
Cash Receipts from Customers	-	3,025,956
Cash Paid to Suppliers and Subcontractors	(75,994)	(60,098)
Interest Received	6,480	3,910
	<u>(69,514)</u>	<u>2,969,768</u>
<b>Cash Flows From Financing Activities:</b>		
Partners' Drawings	<u>(269,500)</u>	<u>(2,125,837)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(339,014)	843,931
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>1,130,507</u>	<u>286,576</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>791,493</u>	<u>1,130,507</u>
<b>Cash and Cash Equivalents are Represented by:</b>		
Cash	267,234	1,130,507
Guaranteed Investment Certificate	<u>524,260</u>	<u>-</u>
	<u>791,494</u>	<u>1,130,507</u>

# NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

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## Notes to Financial Statements

December 31, 2020

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### 1. Statutes of Incorporation and Nature of Activities:

The North Island Community Forest Limited Partnership (the "Partnership") was formed in British Columbia on April 15, 2011. The limited partners of the Partnership and their respective partnership unit holdings are; the Village of Port Alice (33%), the District of Port Hardy (33%) and the Town of Port McNeill (33%). The general partner of the Partnership is North Island Community Forest Ltd. (the "General Partner"), which holds 1% of the outstanding partnership units.

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.

### 2. Significant Accounting Policies:

#### Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE). The Partnership is governed by the Board of Directors of its General Partner, North Island Community Forest Ltd., and the municipalities who are partners within it and as a government business enterprise controlled by municipalities, the Partnership should be reporting under International Financial Reporting Standards (IFRS). Consequently, the basis of accounting used in these financial statements materially differs from IFRS.

#### Cash

Cash consists of cash on hand and balances held with chartered banks. 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. Interest income is recognized when earned and when collection is reasonably assured.

#### 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.

#### Financial Instruments

##### *Measurement of financial instruments*

The entity initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents and GST receivable. Financial liabilities measured at amortized cost include accounts payable and accrual for silviculture liabilities.

#### Use of Estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from those estimates. Significant estimates include the accrual for silviculture liabilities.

# NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

## Notes to Financial Statements

December 31, 2020

### 3. Related Party Transactions:

During the year ended December 31, 2020, the Partnership paid Hecate Integrated Resources Ltd., a corporation owned by the Chair of the Board of Directors \$3,868 (2019 - \$4,088) for services at normal market rates. The selection of the service provider was consistent with the Board's conflict of interest policy.

### 4. Economic Dependence:

The majority of the Partnership's revenue comes from contracts with BC Timber Sales. The total revenues from BC Timber Sales during the year ended December 31, 2020 totaled \$Nil (2019 - \$3,020,884 or 99% of total revenue).

### 5. Financial Instruments:

#### *Credit Risk*

Credit risk refers to the risk that a counter-party may default on its contractual obligations resulting in a financial loss. The Partnership is exposed to credit risk with respect to its accounts receivable. In order to reduce its credit risk the Partnership deals with large companies or government agencies with a history of fulfilling their payment obligations.

#### *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Partnership is exposed to this risk in respect to its ability to meet its current obligations which include accounts payable. The Partnership has sufficient current assets to meet current obligations.

#### *Market Risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Partnership's income or the value of its holding in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Based on the nature of the Partnership's operations, market risk is not considered to be a significant risk.

### 6. 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 2020, \$Nil (2019 - \$564) for silviculture related costs. Management believes the current and 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 Partnership, as per the Disposition Agreements.

The silviculture liability as at December 31, 2020 is \$13,436 (2019 - \$13,436).



# **NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP**

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## **Notes to Financial Statements**

December 31, 2020

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### **7. Significant Event:**

The Partnership evaluated its December 31, 2020 financial statements for events up 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 may have a material impact on the net income of the Partnership for the year ending December 31, 2021.

The extent that the effects of COVID-19 may have on the Partnership and its operations for the year ending December 31, 2021 cannot be determined at this time.

### **8. Comparative Figures:**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

