



VILLAGE OF PORT ALICE

ANNUAL REPORT

FOR YEAR ENDING 2022

(Community Charter Section 98)

Approved by Council:

June 28, 2023



VILLAGE OF PORT ALICE

ANNUAL REPORT

FOR YEAR ENDING 2022

(Community Charter Section 98)

Index

	Page
2022 Management Letter	5
2022 Audited Financial Statements	7-30
2022 Five Year Financial Plan Bylaw No.670	31-36
2022 Statement of Permissive Exemptions and Bylaws No. 668	37-40
2022 Statement of Remuneration & Expenses	41
2022 Statement of Goods & Services & Financial Information Approval	42-43
2022 Statement of Declaration of Disqualification	44-45
2022 Municipal Services & Operations Summary for 2022	47-48
2022 Review of 2022 Goals & Objectives	49-50
2023 Goals & Objectives	51
 APPENDIX "A"	
2022 North Island Community Forest Limited Partnership Financial Statements	53-63

Approved by Council:
June 28, 2023

**VILLAGE OF PORT ALICE
MANAGEMENT REPORT
FOR FISCAL YEAR END
2022**

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, 2023

VILLAGE OF PORT ALICE
Financial Statements
December 31, 2022

VILLAGE OF PORT ALICE

Index to the Financial Statements

December 31, 2022

MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
NOTES TO THE FINANCIAL STATEMENTS	8-17
SCHEDULES	
Schedule 1 - Government Grants to the Village and Ratepayers	18
Schedule 2 - Combined Statement of Operations by Segment (2022)	19
Schedule 3 - Combined Statement of Operations by Segment (2021)	20
Schedule 4 - Reserve Fund Transactions	21
Schedule 5 - COVID-19 Safe Restart Grant Unaudited	22

MANAGEMENT REPORT

December 31, 2022

The Mayor and 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, 2022.



Bonnie Danyk, CAO, CFO
May 4, 2023



INDEPENDENT AUDITORS' 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, 2022, 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, 2022, 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 Auditors' 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Auditors' 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 auditors' 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 auditors' 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 Nawrood Boatis Inc

Chartered Professional Accountants
Campbell River, BC

May 4, 2023

VILLAGE OF PORT ALICE

Statement of Financial Position

December 31, 2022

2022

2021

FINANCIAL ASSETS

Cash	\$ 2,026,699	\$ 2,078,200
Portfolio Investments (Note 2)	2,118,978	2,078,737
Accounts Receivable (Note 3)	42,742	58,950
Taxes and User Fees Receivable (Note 4)	214,603	160,539
Investment in NICFL and NICFLP (Note 5)	301,289	224,914
	<u>4,704,311</u>	<u>4,601,340</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	187,398	194,956
Deferred Grants and Unearned Revenue (Note 6)	383,818	394,912
Long Term Debt (Note 7)	403,953	429,233
	<u>975,169</u>	<u>1,019,101</u>

NET FINANCIAL ASSETS

3,729,142 3,582,239

NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 9)	8,512,443	8,694,532
Inventory	2,347	2,347
	<u>8,514,790</u>	<u>8,696,879</u>


ACCUMULATED SURPLUS (Note 10)

\$ 12,243,932 \$ 12,279,118

Approved by:



Chief Finance Officer



Mayor

VILLAGE OF PORT ALICE

Statement of Operations

Year Ended December 31, 2022

	2022		2021
	Budget	Actual	
	(Note 16)		
Revenues (Schedules 2 and 3)			
Taxation	\$ 697,000	\$ 673,096	\$ 553,995
Utility Connection Fees and User Rates	203,000	210,148	207,299
Government Grants - Federal (Schedule 1)	7,100	8,808	7,026
Government Grants - Provincial (Schedule 1)	574,500	629,730	556,315
Sales of Services	103,750	116,657	87,937
Equity Loss - NICFL and NICFLP (Note 5)	-	226,375	(26,064)
Other (Note 12)	62,300	307,995	189,579
	<u>1,647,650</u>	<u>2,172,809</u>	<u>1,576,087</u>
Expenditures (Schedules 2 and 3)			
General Departmental Expenditures	1,371,650	1,895,959	1,629,674
Water System Operations	54,500	95,182	77,438
Sewer System Operations	89,700	216,854	251,701
	<u>1,515,850</u>	<u>2,207,995</u>	<u>1,958,813</u>
Annual Surplus (Deficit)	131,800	(35,186)	(382,726)
Accumulated Surplus - Beginning of Year	<u>12,279,118</u>	<u>12,279,118</u>	<u>12,661,844</u>
Accumulated Surplus - End of Year	<u>\$ 12,410,918</u>	<u>\$ 12,243,932</u>	<u>\$ 12,279,118</u>

VILLAGE OF PORT ALICE

Statement of Change in Net Financial Assets

Year Ended December 31, 2022

	2022		2021
	Budget	Actual	
	(Note 16)		
Annual Surplus (Deficit)	\$ 131,800		\$ (35,186)
\$ (382,726)			
Acquisition of Tangible Capital Assets	450,000	(250,940)	(111,651)
Amortization of Tangible Capital Assets	-	433,029	426,233
	<u>450,000</u>	<u>182,089</u>	<u>314,582</u>
Change in Net Financial Assets for the Year	(318,200)	146,903	(68,144)
Net Financial Assets - Beginning of Year	<u>3,582,239</u>	<u>3,582,239</u>	<u>3,650,383</u>
Net Financial Assets - End of Year	<u>\$ 3,264,039</u>	<u>\$ 3,729,142</u>	<u>\$ 3,582,239</u>

VILLAGE OF PORT ALICE

Statement of Cash Flows

Year Ended December 31, 2022

2022

2021

Cash Flows From Operating Activities:

Annual Surplus (Deficit)	\$ (35,186)	\$ (382,726)
Items Not Involving Cash		
Equity (Income) Loss from NICFL and NICFLP	(226,375)	26,064
Amortization of Tangible Capital Assets	<u>433,029</u>	<u>426,233</u>
	171,468	69,571
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(37,856)	243,453
Accounts Payable and Accrued Liabilities	(7,504)	49,284
Deferred Grants and Unearned Revenue	<u>(11,094)</u>	<u>290,182</u>
	<u>115,014</u>	<u>652,490</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(250,940)</u>	<u>(111,651)</u>
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Cash Flows From Investing Activities:

Transfers to Portfolio Investments	(40,295)	(1,002,036)
Transfers from North Island Community Forest	<u>150,000</u>	<u>-</u>
	<u>109,705</u>	<u>(1,002,036)</u>

Cash Flows From Financing Activities:

Repayment of Long Term Debt	<u>(25,280)</u>	<u>(18,058)</u>
Decrease in Cash	(51,501)	(479,255)
Cash - Beginning of Year	<u>2,078,200</u>	<u>2,557,455</u>
Cash - End of Year	<u>\$ 2,026,699</u>	<u>\$ 2,078,200</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

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 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	15 to 50 years
Equipment	5 to 25 years
Roads and Bridges	5 to 70 years
Other	5 to 50 years
Water and Other Utility Systems	5 to 100 years
Sewer	5 to 80 years
Drainage	25 to 80 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:

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, 2022

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 in 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. 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 standard, 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 for which the Village accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability was recognized as at December 31, 2022 or December 31, 2021.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

1. Significant Accounting Policies (continued):

k) Financial Instruments:

Financial instruments consist of cash, portfolio investments, accounts receivable, accounts payable, and long term debt. 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, estimates of contingent liabilities, the provision for amortization, and the estimation of potential environmental liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Portfolio Investments:

	<u>2022</u>	<u>2021</u>
Money Market Funds - Municipal Finance Authority (MFA)	\$ <u>2,118,978</u>	\$ <u>2,078,737</u>

The current average annual yield of the money market funds held with MFA as at December 31, 2022 was 1.93% (2021 - 0.15%). The funds are redeemable on demand.

3. Accounts Receivable:

	<u>2022</u>	<u>2021</u>
Tax Prepayment - Regional District of Mount Waddington	\$ -	\$ 36,630
Trade and Insurance Receivable	1,091	879
GST Recoverable	39,312	19,776
Sundry	<u>2,339</u>	<u>1,665</u>
	\$ <u>42,742</u>	\$ <u>58,950</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

4. Taxes and User Fees Receivable:

	<u>2022</u>	<u>2021</u>
Taxes Receivable	\$ 2,552,945	\$ 2,293,884
Allowance for Doubtful Accounts	<u>(2,338,342)</u>	<u>(2,133,345)</u>
	<u>\$ 214,603</u>	<u>\$ 160,539</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 NICFL and NICFLP are treated as a government business enterprise and accounted for using the modified equity method. Under this method, the government business enterprise's 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.

	<u>2022</u>	<u>2021</u>
Investment in NICFL	\$ 1	\$ 1
Investment in NICFLP	5,000	5,000
Accumulated Net Equity Surplus - Beginning of Year	219,913	245,977
Share of Increase (Decrease) in Shareholders' Equity	226,375	(26,064)
Withdrawals During the Year	<u>(150,000)</u>	<u>-</u>
Accumulated Net Equity Surplus - End of Year	<u>\$ 301,289</u>	<u>\$ 224,914</u>

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

	<u>2022</u>	<u>2021</u>
Statement of Financial Position:		
Assets		
Cash and Receivables	\$ 1,074,781	\$ 696,086
Prepaid Expenses	<u>3,120</u>	<u>2,667</u>
Total Assets	1,077,901	698,753
Liabilities and Partners' Capital		
Trade and Other Payables	174,031	24,008
Total Partners' Capital	<u>903,870</u>	<u>674,745</u>
	<u>\$ 1,077,901</u>	<u>\$ 698,753</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

5. Investment in NICFL and NICFLP (continued):

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

	<u>2022</u>	<u>2021</u>
Statement of Income:		
Revenue	\$ 781,986	\$ 4,558
Expenditures	<u>102,861</u>	<u>82,749</u>
Net Loss	<u>679,125</u>	<u>(78,191)</u>
Partners' Capital:		
Partnership Units	71,370	64,578
Cumulative Withdrawals	(6,397,529)	(5,947,529)
Retained Earnings - End of Year	<u>7,230,029</u>	<u>6,557,696</u>
	<u>\$ 903,870</u>	<u>\$ 674,745</u>

6. Deferred Grants and Unearned Revenue:

	<u>2022</u>	<u>2021</u>
Prepaid Property Taxes	\$ 21,150	\$ 12,388
Provincial Government	357,407	377,513
Community Centre Deposits	<u>5,261</u>	<u>5,011</u>
	<u>\$ 383,818</u>	<u>\$ 394,912</u>

7. Long Term Debt:

	<u>2022</u>	<u>2021</u>
Community Centre Upgrade:		
Repayable at \$33,907 per year including interest at 2.0% per annum to the Municipal Financial Authority of British Columbia;		
Matures in October 2036	<u>\$ 403,953</u>	<u>\$ 429,233</u>

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

2023	\$ 22,905
2024	23,707
2025	24,537
2026	25,395
2027	26,284
2027 and onwards	<u>281,125</u>
	<u>\$ 403,953</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

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 risk of a liability 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. Management has assessed the risk of a liability as unlikely at this time therefore no provision has been recorded in the financial statements.

9. Tangible Capital Assets:

	Cost					Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Transfers	Closing	Opening	Amort	Disposals	Closing	2022	2021
Land	\$ 841,186	\$ -	\$ -	\$ -	\$ 841,186	\$ -	\$ -	\$ -	\$ -	\$ 841,186	\$ 841,186
Buildings	4,015,993	-	-	-	4,015,993	2,559,929	116,253	-	2,676,182	1,339,811	1,456,064
Equipment	1,411,615	44,109	-	-	1,455,724	999,193	45,566	-	1,044,759	410,965	412,422
Roads and Bridges	3,974,629	-	-	-	3,974,629	2,623,802	75,524	-	2,699,326	1,275,303	1,350,827
Other	1,411,842	75,000	-	-	1,486,842	345,131	68,428	-	413,559	1,073,283	1,066,711
Water Infrastructure	1,451,936	123,393	-	-	1,575,329	423,017	25,154	-	448,171	1,127,158	1,028,919
Sewer Infrastructure	3,320,974	-	-	-	3,320,974	999,649	97,486	-	1,097,135	2,223,839	2,321,325
Drainage	330,869	-	-	-	330,869	233,231	4,618	-	237,849	93,020	97,638
Work in Progress	119,440	8,438	-	-	127,878	-	-	-	-	127,878	119,440
	<u>\$16,878,484</u>	<u>\$ 250,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$17,129,424</u>	<u>\$8,183,952</u>	<u>\$ 433,029</u>	<u>\$ -</u>	<u>\$8,616,981</u>	<u>\$8,512,443</u>	<u>\$8,694,532</u>

10. Accumulated Surplus:

The Village segregates its accumulated surplus into the following categories:

	2022	2021
Current Fund	\$ 2,618,539	\$ 2,466,355
Reserve Funds (a)	1,514,556	1,545,117
Investment in Non-Financial Assets (b)	<u>8,110,837</u>	<u>8,267,646</u>
	<u>\$ 12,243,932</u>	<u>\$ 12,279,118</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, less any debt incurred to acquire the assets.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

10. Accumulated Surplus (continued):

Details of Reserve Funds are as follows:

	<u>2022</u>	<u>2021</u>
General Capital Reserve (a)	\$ 365,043	\$ 358,273
Fire Protection Capital Reserve (b)	202,874	191,292
Gas Tax Agreement - Community Works (c)	<u>946,639</u>	<u>995,552</u>
	<u>\$ 1,514,556</u>	<u>\$ 1,545,117</u>

(a) **General Capital Reserve**

The General Capital Reserve was established by Bylaw 606 to provide for new works, extensions or renewals of existing works, and to provide for land, machinery and equipment necessary for capital projects. Money from the sale of land, current revenue, or from the General Operating fund surpluses may be paid into the Capital Works Reserve.

(b) **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. Money from Fire Protection surpluses may be paid into the Fire Protection Capital Reserve.

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

The Gas Tax Agreement - Community Works consists of \$946,639 that remained unspent as at December 31, 2022 that included additional receipts of \$87,104 (2021 - \$170,191) and interest earnings of \$19,093 (2021 - \$4,217) in 2022. During 2022, eligible expenditures of \$142,553 were made (2021 - \$34,924). The unspent amount will remain in the reserve until spent on eligible projects.

11. Collections for Other Governments:

	<u>2022</u>	<u>2021</u>
Regional District of Mt. Waddington	\$ 57,396	\$ -
Province of British Columbia - School Tax	259,730	228,404
Regional Hospital District	23,816	-
Municipal Finance Authority	22	16
British Columbia Assessment Authority	4,549	3,766
Province of BC - Police Tax	<u>33,935</u>	<u>31,016</u>
	<u>\$ 379,448</u>	<u>\$ 263,202</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

12. Other Revenue:

	<u>2022</u>	<u>2021</u>
Investment Income	\$ 78,233	\$ 10,130
Tax Penalties - Interest and Fees	160,832	123,083
Parking and Moorage	20,037	19,803
Recreation	6,655	2,227
Business Licenses	5,215	4,979
Other	<u>37,023</u>	<u>29,357</u>
	<u>\$ 307,995</u>	<u>\$ 189,579</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, 2021 the Plan had about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024, with results available in 2025.

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.

The Village paid \$45,152 (2021 - \$45,499) for employer contributions, while employees contributed \$41,757 (2021 - \$40,488) to the Plan in fiscal 2022.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2022

14. Trust Funds:

(a) **Ford Memorial Trust Fund**

As at December 31, 2022, the Village held \$7,726 (2021 - \$9,545) 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 Trust Fund is established pursuant to the provision of the Community Charter. Monies in the reserve can be used for cemetery purposes only. A balance of \$2,028 (2021 - \$1,770) was held as at December 31, 2022 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 13, 2022.

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>2022</u>
Financial Plan (Budget) By-Law Approved for the Year	\$ -
Add:	
Capital Expenditures	450,000
Less:	
Budgeted Transfers from Accumulated Surplus	<u>(318,200)</u>
Annual Surplus Presented in Financial Statements	<u>\$ 131,800</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, 2022

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.

VILLAGE OF PORT ALICE

Schedule 1 - Government Grants to the Village and Ratepayers

Year Ended December 31, 2022

	2022		2021
	Budget (Note 16)	Actual	
Federal Government			
Grants in Lieu of Taxes	\$ 6,000	\$ 7,648	\$ 5,926
Other	<u>1,100</u>	<u>1,160</u>	<u>1,100</u>
	<u>7,100</u>	<u>8,808</u>	<u>7,026</u>
Province of British Columbia			
General Fund			
Small Communities Protection	\$ 330,000	\$ 430,000	\$ 323,000
Rural Dividend Grant	-	45,000	30,017
Other	<u>159,500</u>	<u>67,626</u>	<u>33,107</u>
	489,500	542,626	386,124
General Capital Fund			
Gas Tax	<u>85,000</u>	<u>87,104</u>	<u>170,191</u>
	<u>\$ 574,500</u>	<u>\$ 629,730</u>	<u>\$ 556,315</u>

VILLAGE OF PORT ALICE

Schedule 2 - Combined Statement of Operations by Segment Year Ended December 31, 2022

	General Government	Volunteer Fire Department	Public Works Department	Environmental Health Services	Recreation Services	Arena	Community Centre	Sea View Activity Centre	Water Utility	Sewer Utility	2022 Actual	2022 Budget (Note 16)
Revenues												
General Taxes	\$ 673,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 673,096	\$ 697,000
Grants - Federal	8,808	-	-	-	-	-	-	-	-	-	8,808	7,100
Grants - Provincial	629,730	-	-	-	-	-	-	-	-	-	629,730	574,500
Utility Charges	-	-	-	-	-	-	-	-	64,979	145,169	210,148	203,000
Sales of Services	-	-	-	80,408	29,378	-	6,871	-	-	-	116,657	103,750
Other Revenue	307,995	-	-	-	-	-	-	-	-	-	307,995	62,300
Equity Income from NICFL and NICFLP	226,375	-	-	-	-	-	-	-	-	-	226,375	-
	<u>\$ 1,846,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,408</u>	<u>\$ 29,378</u>	<u>\$ -</u>	<u>\$ 6,871</u>	<u>\$ -</u>	<u>\$ 64,979</u>	<u>\$ 145,169</u>	<u>\$ 2,172,809</u>	<u>\$ 1,647,650</u>
Expenditures												
Goods and Services	\$ 315,990	\$ 73,828	\$ 205,494	\$ 111,502	\$ 41,809	\$ 31,118	\$ 45,844	\$ 2,202	\$ 50,061	\$ 76,354	\$ 954,202	\$ 709,950
Labour	343,499	8,373	202,436	62,936	111,384	-	28,194	-	19,967	38,395	815,184	769,000
Interest and Bank Charges	-	5,580	-	-	-	-	-	-	-	-	-	5,580
Amortization	148,444	11,938	30,366	386	6,888	5,547	102,201	-	25,154	102,105	433,029	-
	<u>813,513</u>	<u>94,139</u>	<u>438,296</u>	<u>174,824</u>	<u>160,081</u>	<u>36,665</u>	<u>176,239</u>	<u>2,202</u>	<u>95,182</u>	<u>216,854</u>	<u>2,207,995</u>	<u>1,515,850</u>
Annual Surplus (Deficit)	<u>\$ 1,032,491</u>	<u>\$ (94,139)</u>	<u>\$ (438,296)</u>	<u>\$ (94,416)</u>	<u>\$ (130,703)</u>	<u>\$ (36,665)</u>	<u>\$ (169,368)</u>	<u>\$ (2,202)</u>	<u>\$ (30,203)</u>	<u>\$ (71,685)</u>	<u>\$ (35,186)</u>	<u>\$ 131,800</u>

VILLAGE OF PORT ALICE

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2021

	General Government	Volunteer Fire Department	Public Works Department	Environmental Health Services	Recreation Services	Arena	Community Centre	Sea View Activity Centre	Water Utility	Sewer Utility	2021 Actual	2021 Budget
Revenues												
General Taxes	\$ 553,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 553,995	\$ 637,450
Grants - Federal	7,026	-	-	-	-	-	-	-	-	-	7,026	5,500
Grants - Provincial	556,315	-	-	-	-	-	-	-	-	-	556,315	3,617,630
Utility Charges	-	-	-	-	-	-	-	-	64,450	142,849	207,299	203,000
Sales of Services	-	-	-	64,624	18,341	4,972	-	-	-	-	87,937	65,000
Other Revenue	189,579	-	-	-	-	-	-	-	-	-	189,579	81,150
Equity Loss from NICFL and NICFLP	(26,064)	-	-	-	-	-	-	-	-	-	(26,064)	-
	<u>\$ 1,280,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,624</u>	<u>\$ 18,341</u>	<u>\$ 4,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,450</u>	<u>\$ 142,849</u>	<u>\$ 1,576,087</u>	<u>\$ 4,609,730</u>
Expenditures												
Goods and Services	\$ 230,749	\$ 32,603	\$ 155,425	\$ 137,626	\$ 41,310	\$ 20,757	\$ 47,796	\$ 2,859	\$ 37,551	\$ 109,408	\$ 816,084	\$ 733,850
Labour	278,618	5,905	213,566	38,646	83,308	-	23,086	-	19,669	32,275	695,073	669,250
Interest and Bank Charges	-	5,574	-	-	-	-	-	15,849	-	-	-	21,423
Amortization	126,975	26,599	30,408	386	6,888	5,547	99,194	-	20,218	110,018	426,233	426,233
	<u>641,916</u>	<u>65,107</u>	<u>399,399</u>	<u>176,658</u>	<u>131,506</u>	<u>26,304</u>	<u>185,925</u>	<u>2,859</u>	<u>77,438</u>	<u>251,701</u>	<u>1,958,813</u>	<u>1,868,233</u>
Annual Surplus (Deficit)	<u>\$ 638,935</u>	<u>\$ (65,107)</u>	<u>\$ (399,399)</u>	<u>\$ (112,034)</u>	<u>\$ (113,165)</u>	<u>\$ (21,332)</u>	<u>\$ (185,925)</u>	<u>\$ (2,859)</u>	<u>\$ (12,988)</u>	<u>\$ (108,852)</u>	<u>\$ (382,726)</u>	<u>\$ 2,741,497</u>

VILLAGE OF PORT ALICE

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2022

	General Capital Reserve	Fire Protection	Economic Development	Total 2022	Total 2021
Balance, Beginning of Year	\$ 358,273	\$ 191,292	\$ 995,552	\$ 1,545,117	\$ 1,370,373
Interest Earned	6,770	3,615	19,093	29,478	6,531
Transfer From Other Funds	-	7,967	74,547	82,514	203,137
Used for Capital Expenditures	-	-	(142,553)	(142,553)	(34,924)
Balance, End of Year	\$ 365,043	\$ 202,874	\$ 946,639	\$ 1,514,556	\$ 1,545,117

VILLAGE OF PORT ALICE

Schedule 5 - COVID-19 Safe Restart Grant Unaudited

Year Ended December 31, 2022

The Village of Port Alice received a grant of \$386,000 under the COVID-19 Safe Restart Grant for Local Governments in the year ending December 31, 2020. The details surrounding these funds are shown in the schedule below:

	<u>2022</u>
COVID-19 Safe Restart Grant Funds Carried Forward	\$ <u>274,498</u>
Eligible Expenses	
Facility Reopening and Operating	65,889
Bylaw Enforcement and Protective Services	6,891
Computer and Other Electronic Technology	<u>514</u>
	<u>73,294</u>
Unused Grant at December 31, 2022	\$ <u>201,204</u>

VILLAGE OF PORT ALICE
BYLAW NO. 670, 2022

BEING A BYLAW FOR THE VILLAGE OF PORT ALICE FINANCIAL PLAN 2022 - 2026

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 2022 – 2026, Revenues and Expenditures.
2. Schedule "B" attached to and forming part of this Bylaw is the Village of Port Alice Financial Plan 2022 – 2026 Statement of Objectives and Policies.
3. This Bylaw may be cited for all purposes as the "Village of Port Alice Financial Plan 2022 - 2026 Bylaw No.670, 2022".

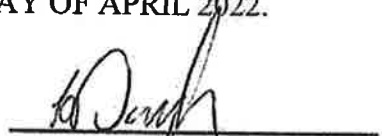
READ A FIRST AND SECOND TIME THIS 9th DAY OF MARCH 2022.

PUBLIC CONSULTATION HELD MARCH 17th, 2022.

READ A THIRD TIME THIS 23rd DAY OF MARCH 2022.

RECONSIDERED, AND ADOPTED THIS 13th DAY OF APRIL 2022.


Mayor


Chief Administrative Officer

Certified a true copy of Bylaw No.670, as adopted by Council on the 13th day of April 2022.

Chief Administrative Officer

VILLAGE OF PORT ALICE
BYLAW NO. 670, 2022

VILLAGE OF PORT ALICE FINANCIAL PLAN 2022 - 2026
Bylaw No. 670, 2022 - Schedule 'A' REVENUES

REVENUES	2022	2023	2024	2025	2026
Property Taxes	\$676,000	\$788,001	\$799,096	\$810,302	\$833,620
Utility/Grant in Place of Taxes	\$21,000	\$21,210	\$21,423	\$21,637	\$21,853
Total Taxation	\$697,000	\$809,211	\$820,519	\$831,939	\$855,473
Fees and Charges					
Garbage Rates/Penalties	\$80,000	\$80,800	\$81,608	\$82,424	\$83,248
Recreation Supplies and Services	\$9,000	\$9,090	\$9,181	\$9,273	\$9,365
Recreation Facilities Rentals	\$14,750	\$14,898	\$15,046	\$15,197	\$15,349
Licenses/Permits	\$11,600	\$11,716	\$11,833	\$11,951	\$12,071
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	\$51,700	\$52,217	\$52,739	\$53,267	\$53,799
Total Fees and Charges	\$370,050	\$373,751	\$377,487	\$381,263	\$385,075
Other Revenue					
Federal Govt Grants	\$1,100	\$0	\$0	\$0	\$0
Provincial Govt Grants -	\$574,500	\$1,522,020	\$422,141	\$422,212	\$422,284
Regional District of Mt. Waddington	\$5,000	\$0	\$0	\$0	\$0
Total Other Revenue	\$580,600	\$1,522,020	\$422,141	\$422,212	\$422,284
Appropriation from Reserve					
Appropriation from NICF Funds	\$25,000	\$25,000	\$25,000	\$0	\$0
Appropriation from Surplus	\$97,000	\$400,050	\$0	\$0	\$0
Appropriation from Deferred Revenue: Gas Tax Fun	\$230,000	\$30,000	\$30,000	\$30,000	\$30,000
Appropriation from Covid Recovery Funds	\$110,000	\$0	\$0	\$0	\$0
Total Appropriation from Reserve	\$462,000	\$455,050	\$55,000	\$30,000	\$30,000
Funds Transfers	\$0	\$0	\$0	\$0	\$0
TOTAL LOCAL GOVERNMENT REVENUE	\$2,109,650	\$3,160,032	\$1,675,147	\$1,665,414	\$1,692,832

**VILLAGE OF PORT ALICE
BYLAW NO. 670, 2022**

**VILLAGE OF PORT ALICE FINANCIAL PLAN 2022 - 2026
Bylaw No. 670, 2022 - Schedule 'A'**

EXPENDITURES	2022	2023	2024	2025	2026
Debenture Debt Interest					
Community Centre Upgrades Matures - 2036	\$33,900	\$34,239	\$34,581	\$34,927	\$35,276
Total Debenture Debt	\$33,900	\$34,239	\$34,581	\$34,927	\$35,276
Capital Expenditures					
General	\$300,000	\$55,000	\$55,000	\$30,000	\$30,000
Water Utility	\$150,000	\$0	\$0	\$0	\$0
Sewer Utility	\$0	\$1,500,000	\$0	\$0	\$0
Total Capital Expenditures	\$450,000	\$1,555,000	\$55,000	\$30,000	\$30,000
Other Municipal Purposes					
General Government, & Fiscal Services	\$454,800	\$388,988	\$392,798	\$396,646	\$412,533
Fire & Protective Services	\$78,000	\$78,780	\$79,568	\$80,363	\$81,167
Public Works	\$360,700	\$364,307	\$367,950	\$371,630	\$375,346
Health & Environmental Services	\$225,000	\$227,245	\$229,512	\$231,803	\$234,116
Recreation Services	\$219,250	\$221,443	\$223,657	\$225,893	\$228,152
Water Utility	\$54,500	\$55,045	\$55,595	\$56,151	\$56,713
Sewer Utility	\$89,700	\$90,597	\$91,503	\$92,418	\$93,342
Total Other Municipal Purposes	\$1,481,950	\$1,426,405	\$1,440,583	\$1,454,904	\$1,481,369
Transfers to Reserves					
General Fund	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
Water Fund	\$6,500	\$6,565	\$6,632	\$6,698	\$6,763
Sewer Fund	\$52,300	\$52,823	\$53,351	\$53,885	\$54,424
Total Transfer of Funds	\$143,800	\$144,388	\$144,983	\$145,583	\$146,187
GRAND TOTAL	\$2,109,650	\$3,160,032	\$1,675,147	\$1,665,414	\$1,692,832
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**VILLAGE OF PORT ALICE
BYLAW NO. 670, 2022**

**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 2022. Property taxes normally contribute to the greatest proportion of the Village's revenue, however, in 2022 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: 2022 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
Total	100.00%	\$ 5,101,400

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: 2022 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
Total	100.00%	\$ 620,450

VILLAGE OF PORT ALICE
BYLAW NO. 670, 2022

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.

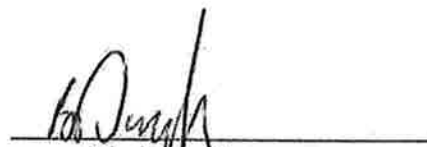
Policies

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

Reviewed and adopted by Council on 9th March 2022.



Mayor



Chief Administrative Officer

VILLAGE OF PORT ALICE

2022 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 13, 2021 Council passed the following permissive exemption bylaws which have an effect on taxation for 2022:

Village of Port Alice Permissive Exemptions Bylaw No. 668, 2021

				GENERAL MUNICIPAL	REGIONAL		REGIONAL				
ASSESSMENT/1000.	CLASS			SCHOOL	HOSPITAL	DISTRICT	B.C.A.A.	M.F.A.	POLICE	TOTAL	
2021 TAX RATES	1			8.32689	3.0798	0	0	0.0411	0.0002	0.4031	11.85109
2021 TAX RATES	6			12.49033	3.86	0	0	0.1137	0.0005	0.9876	17.45213
2021 TAX RATES	8			8.32689	2.33	0	0	0.0411	0.0002	0.4031	11.10129

				Gen Mun.	School	Reg. Hospital	Reg. District	B.C.A.A.	M.F.A.	Police	TOTAL
FOLIO	ROYAL CANADIAN LEGION										
779000	6	240700	240.7	\$ 3,006.42	\$ 929.10	\$ -	\$ -	\$ 27.37	\$ 0.12	\$ 237.72	\$ 4,200.73
FOLIO	PORT ALICE MARINE RESCUE SOCIETY										
2000	6	16100	16.1	\$ 201.09	\$ 62.15	\$ -	\$ -	\$ 1.83	\$ 0.01	\$ 15.90	\$ 280.98
1025000	6	141000	141	\$ 1,761.14	\$ 544.26	\$ -	\$ -	\$ 16.03	\$ 0.07	\$ 139.25	\$ 2,460.75
1025000	8	49300	49.3	\$ 410.52	\$ 114.87	\$ -	\$ -	\$ 2.03	\$ 0.01	\$ 19.87	\$ 547.29
FOLIO	ECUMENICAL SOCIETY										
648000	8	192900	192.9	\$ 1,606.26	\$ 449.46	\$ -	\$ -	\$ 7.93	\$ 0.04	\$ 77.76	\$ 2,141.44
FOLIO	PENTECOSTAL ASSEMBLIES										
788030	8	303200	303.2	\$ 2,524.71	\$ 706.46	\$ -	\$ -	\$ 12.46	\$ 0.06	\$ 122.22	\$ 3,365.91
788031	6	77100	77.1	\$ 963.00	\$ 297.61	\$ -	\$ -	\$ 8.77	\$ 0.04	\$ 76.14	\$ 1,345.56
FOLIO	PORT ALICE GOLF CLUB										
75000	6	551,000	551	\$ 4,588.12	\$ 1,283.83	\$ -	\$ -	\$ 22.65	\$ 0.11	\$ 222.11	\$ 6,116.81
FOLIO	PORT ALICE YACHT CLUB										
27506940	8	63200	63.2	\$ 526.26	\$ 147.26	\$ -	\$ -	\$ 2.60	\$ 0.01	\$ 25.48	\$ 701.60
27506940	6	82400	82.4	\$ 1,029.20	\$ 318.06	\$ -	\$ -	\$ 9.37	\$ 0.04	\$ 81.38	\$ 1,438.06
TOTAL PROPERTY TAXATION				\$ 16,616.72	\$ 4,853.05	\$ -	\$ -	\$ 111.02	\$ 0.51	\$ 1,017.82	\$22,599.13


Bonnie Danyk, Finance Officer

VILLAGE OF PORT ALICE

BYLAW NO. 668

A BYLAW TO EXEMPT SPECIFIC PROPERTIES FROM TAXATION FOR THE YEAR 2022

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 2022:

1. THE WHARF AT JEUNE LANDING

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

2. ECUMENICAL AND PENTECOSTAL CHURCHES

- 2.1 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**

- 2.2 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

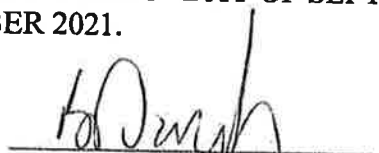
This Bylaw may be cited as the "Village of Port Alice Permissive Exemption Taxation Bylaw for the Year 2022, Bylaw No. 668, 2021."

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 8th DAY OF SEPTEMBER 2021.
ADOPTED THE 13th DAY OF OCTOBER 2021.


Mayor


Chief Administrative Officer

Certified a true and correct copy of Bylaw No. 668, as adopted on the ____ day of _____, 20__.

Chief Administrative Officer

VILLAGE OF PORT ALICE
STATEMENT OF FINANCIAL INFORMATION
2022 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	\$3,074.00	\$14,897.00
Aldis Holly	Councillor	\$7,882.00	\$0.00	\$7,882.00
Lloyd Bruce	Councillor	\$7,225.00	\$223.00	\$7,448.00
Murray Russell	Councillor	\$1,314.00	\$0.00	\$1,314.00
Stewart David	Councillor	\$1,314.00	\$0.00	\$1,314.00
Yunker Angela	Councillor	\$7,225.00	\$0.00	\$7,225.00
Watson Sean	Councillor	\$7,882.00	\$0.00	\$7,882.00
Sub Total (A)		\$44,665.00	\$3,297.00	\$47,962.00

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

Employees	Remuneration	Expenses	Totals
Remuneration & Expenses in excess of \$75,000.00			
Bonnie Danyk, Finance Officer / CAO	\$ 114,889.00	\$ 3,887.00	\$ 118,776.00
Jason Yunker, Public Works Foreman	\$ 87,615.00	\$ -	\$ 87,615.00
Consolidated Remuneration & Expenses under \$75,000.00	\$ 416,767.00	\$ 2,850.00	\$ 419,617.00
Sub Total (B)	\$619,271.00	\$6,737.00	\$626,008.00

3. Reconciliation

Total Remuneration Elected Officials (Sub Total (A))					\$44,665.00
Total Remuneration Employees (Sub Total (B))					\$619,271.00
Subtotal					\$663,936.00
Staff Benefits Payments					\$151,248.00
Total Per statement of Revenue & Expenditure					\$815,184.00
Variance					\$0.00

VILLAGE OF PORT ALICE
2022 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 2022.

VILLAGE OF PORT ALICE
STATEMENT OF FINANCIAL INFORMATION
2022 SCHEDULE OF GOODS & SERVICES
Statement of Payments made for Goods and Services

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

BC Hydro	\$	79,284.70
CIBC Corporate Visa Plus	\$	70,576.66
Lime Designs Inc.	\$	47,250.00
Municipal Insurance Association of BC	\$	47,893.00
North Island Waste Management Ltd.	\$	88,263.00
Red Williams Well Drilling Ltd.	\$	129,001.64
Tex Electric Ltd.	\$	35,166.60
Vancouver Island Regional Library	\$	25,354.00
	\$	522,789.60

2. Consolidated total paid to suppliers receiving payments of \$25,000.00 or less	\$	431,412.40
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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	\$	522,789.60
Consolidated total of payments of \$25,000 or less	\$	431,412.40
Consolidated total of all grants & contributions exceeding \$ 25,000	\$	-
Reconciling Items		

Total Per Statement of Revenue and Expenditure	\$	954,202.00
Variance	\$	-

VILLAGE OF PORT ALICE
2022 STATEMENT OF FINANCIAL INFORMATION APPROVAL

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

Mayor



Finance Officer

VILLAGE OF PORT ALICE

STATEMENT OF FINANCIAL INFORMATION

STATEMENT OF DECLARATION OF DISQUALIFICATION

Community Charter (Section 110)

Community Charter Section 110

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

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

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

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

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

Community Charter Section 111

Application to court for declaration of disqualification.

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

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

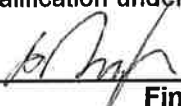
- 3** Section 100 [disclosure of conflict] and 101 [restrictions on participation if in conflict] do not apply to the council member who is subject to a resolution referred to in subsection (2) of this section in relation to that resolution.

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

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

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

There were no declarations of disqualification under section 111 of the Community Charter during 2022.



Finance Officer



Municipal Services & Operations Summary for 2022

General:

Remediation at the mill site is ongoing. Some buildings have been demolished along with some of the dock structures. An air curtain burner was brought onsite to help dispose of the large pile of hog fuel.

An agreement was signed with the Connected Coast Project for the installation of a landing site in the Village for fibre internet.

Municipal Elections were held in the fall. Councillors Holly Aldis, Russell Murray, Dave Stewart and Sean Watson were acclaimed, and Mayor Kevin Cameron was re-elected.

The Interpretive sign project was completed. The Kayak Storage Building project is ongoing and is expected to be complete in June of 2023. Outdoor fitness equipment was purchased for Lion's Park and was installed in the Spring of 2023.

A contractor was hired to update the OCP and Zoning Bylaws. Public consultation sessions were held in the Fall of 2022. This project is expected to be complete in the Fall of 2023.

Fire Department:

The Fire Department continues to struggle to recruit more volunteers. A grant was received from the CEPF- Fire Departments program for radios, pagers and some turnout gear.

Recreation Department:

The Community Centre returned to regular hours and some new programming was introduced. Participation was slow at first but increased over time. The monthly markets have had good participation. The tourism center was moved back to the Community Centre. Staff set up a display in the computer room which included local animals and photos, tourist information and merchandise. Canada Day celebrations were back to pre-covid levels with a parade, activities at the park and a salmon barbecue. Halloween and Christmas activities were well attended.

Public Works & Operations:

The Transfer Station had a large increase in usage. Due to changes in the tipping rules at 7 Mile the transfer station is now staffed. Staff had to educate the many new residents about what is not accepted at the Transfer Station and where material is to be dropped off.

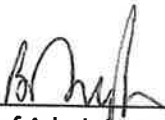
Six streetlights and bases were ordered and received late in the year. They will be installed in the Spring of 2023.

Emergency Planning and Hazard Assessment:

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

Community Forest:

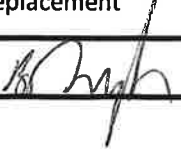
The Community Forest group has continued to lobby the Provincial Government to request more tenure for the North Island Community Forest.



Chief Administrative Officer

	2022 Goals & Objectives		
SERVICE	OBJECTIVE	STRATEGY	MEASURE
ADMINISTRATION & FINANCE	2022 Municipal Election	Update Election Bylaws to allow for mail in ballots.	Completed. No requests received though.
	Update Bylaws	Update Anti-Noise and Unsightly Premises Bylaws. Review Boulevard	Ongoing
	Asset Planning	Apply for funding for Asset Plan for Buildings.	Moved to 2023
COMMUNICATION	Enhanced Online Communication	Explore Instagram account. Update website with Municipal Election Page	Website updated. PA Tourism has Instagram
COMMUNITY FOREST	Allowable Cut	Continue to lobby the Province to increase the amount of timber available to the North Island Community Forest.	Had meetings with Ministry on the North Island and at UBCM
ECONOMIC DEVELOPMENT	Tourist Promotion	Continue to work with Destination BC, Trip Advisor, Ahoy BC, Marine Trails and others to update our tourism profiles.	Became an affiliate Visitor Center. Updated online profiles.
	Tourism Accommodation	Work with potential developers to build tourist accommodation at the Lion's Park site and to rehabilitate or rebuild the Quatsino Chalet.	Ongoing. Have received an offer on the property and are working on subject removal.
	Training	Lobby North Island College to reinstate regular training opportunities in Port Alice	We are participating in the VINTAS Learning Council
	North Island Communities	Continue to work with other North Island Communities and Vancouver Island North Tourism Association to cross promote each other's communities and have consistent messaging.	Attended meetings with Vancouver Island North Tourism Association at 7 Hills.
	Bike Trails	Work with property owners for land use agreements and start rehabilitation of bike trails	Working on Land use agreements. Received grant funding.
	Interpretive Signage	Complete Interpretive Sign Project	Completed.
	Business Development Workshop	Collaborate with Community Futures to offer a Business Development Workshop in Port Alice.	Set up meetings with Community Futures and potential business startups.
MARINA	Kayak Storage and Launch	Complete construction of the Kayak Storage Facilities and Launch	Ongoing. Expected to be complete in June 2023
PROTECTIVE SERVICES	Fire Department	Research Grant Opportunities for Hall Upgrades. Continue to work on member recruitment	Budget in 2023 for upgrades funded through Climate Action Grant and Gas Tax

	Emergency Planning	Update contact lists. Update emergency plan to align with new Provincial requirements. Investigate funding opportunities to purchase emergency equipment.	Contact list updated. New Provincial requirements delayed due to Covid. Applied for CEPF Grants
PLANNING	OCP and Zoning Bylaw	Hire a Contractor to update the OCP and Zoning Bylaw.	Hired John Waston & Co. OCP started.
RECREATION	Community Centre	Review programming with the focus on increased participation	Open at pre covid level. Participation increasing.
SERVICE	OBJECTIVE	STRATEGY	MEASURE
WATER	Water Well Replacement	Upgrade and Replace 3 Water Wells	Complete
STREETLIGHTS	Replacement	Continue to replace streetlights with energy efficient LED models	Ongoing. Six lights received and installed in 2023

	2023 Goals & Objectives	
SERVICE	OBJECTIVE	STRATEGY
ADMINISTRATION & FINANCE	Update Bylaws	Update Anti-Noise, Unsightly Premises and Garbage Collection Bylaws
	Asset Planning	Apply for funding for Asset Plan for Buildings.
	Tourism Strategy	Look for funding opportunities for the preparation of a Tourism Strategy
	Island Health	Meet with Island Health to discuss retention of services and recruitment strategies
COMMUNICATION	Digital Marquee	Explore options and costs for installing a digital marquee at the Community Centre
COMMUNITY FOREST	Allowable Cut	Continue to lobby the Province to increase the amount of timber available to the North Island Community Forest.
ECONOMIC DEVELOPMENT	Economic Development Officer	Apply for Grant Funding to continue the Economic Development Officer position for the next two years.
	Tourism Accommodation	Explore actions regarding the Quatsino Chalet. Complete sale of the Lion's Park site.
	Training	Continue to work with the VINTAS Learning Council to improve targeted training on the North Island
	North Island Communities	Continue to work with other North Island Communities and Vancouver Island North Tourism Association to cross promote each other's communities and have consistent messaging.
	Bike Trails	Continue to work with property owners for land use agreements and start rehabilitation of bike trails
	Business Development Workshop	Collaborate with Community Futures to offer a Business Development Workshop in Port Alice.
MARINA	Kayak Storage and Launch	Complete construction of the Kayak Storage Facilities and Launch
	Breakwater	Collaborate with the Yacht Club to make improvements to the breakwater.
PROTECTIVE SERVICES	Fire Department	Complete Fire Hall Upgrades
	Emergency Planning	Update emergency plan to align with new Provincial requirements. Investigate funding opportunities to purchase emergency equipment.
PLANNING	OCP and Zoning Bylaw	Complete OCP and Zoning Bylaw updates
RECREATION	Community Centre	Continue to review programming with the focus on increased participation
	Arena Building	Develop a plan for Arena Building usage and sale of equipment
	Lion's Park	Hire a contractor to write a Park's Plan for Lion's Park
STREETLIGHTS	Replacement	Continue to replace streetlights with energy efficient LED models
Chief Administrative Officer		Mayor



VILLAGE OF PORT ALICE

ANNUAL REPORT

FOR YEAR ENDING 2022

(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, 2022.

**NORTH ISLAND COMMUNITY FOREST
LIMITED PARTNERSHIP
Financial Statements - December 31, 2022**

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Index to Financial Statements

Year Ended December 31, 2022

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



INDEPENDENT AUDITORS' 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, 2022, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises.

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 Auditors' 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 Partnership's 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' 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 those charged with governance, in lieu of 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 auditors' 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 auditors' 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.

Chan Nawrood Boatis Inc

Chartered Professional Accountants
Campbell River, BC

April 26, 2023

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Balance Sheet

December 31, 2022

2022

2021

ASSETS

Current Assets

Cash	\$	956,748	\$	694,865
Accounts Receivable		117,466		-
GST Receivable		-		1,221
Prepaid Expenses		3,120		2,667
Due from North Island Community Forest Ltd. (Note 3)		567		-
	\$	<u>1,077,901</u>	\$	<u>698,753</u>

LIABILITIES

Current Liabilities

Accounts Payable	\$	29,894	\$	10,572
GST Payable		5,148		-
Accrual for Silviculture Liabilities (Note 6)		30,061		13,436
Prepaid Deposits		<u>108,928</u>		-
		174,031		24,008

PARTNERS' CAPITAL

	903,870	674,745
	<u>\$ 1,077,901</u>	<u>\$ 698,753</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, 2022

2022

2021

Town of Port McNeill

Balance, Beginning of Year	\$ 203,389	\$ 229,193
Withdrawals	(150,000)	-
Share of Net Income (Loss)	<u>224,111</u>	<u>(25,804)</u>
Balance, End of Year	<u>277,500</u>	<u>203,389</u>

District of Port Hardy

Balance, Beginning of Year	203,389	229,193
Withdrawals	(150,000)	-
Share of Net Income (Loss)	<u>224,111</u>	<u>(25,804)</u>
Balance, End of Year	<u>277,500</u>	<u>203,389</u>

Village of Port Alice

Balance, Beginning of Year	203,389	229,193
Withdrawals	(150,000)	-
Share of Net Income (Loss)	<u>224,111</u>	<u>(25,804)</u>
Balance, End of Year	<u>277,500</u>	<u>203,389</u>

North Island Community Forest Ltd.

Balance, Beginning of Year	64,578	65,359
Share of Net Income (Loss)	<u>6,792</u>	<u>(781)</u>
Balance, End of Year	<u>71,370</u>	<u>64,578</u>

Total Partners' Capital

\$ 903,870 \$ 674,745

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Statement of Income

Year Ended December 31, 2022

2022

2021

Revenue	\$ <u>761,899</u>	\$ <u>-</u>
Expenses		
Directors Fees (Note 4)	8,498	22,500
Insurance	3,551	3,501
Interest and Bank Charges	-	43
Meeting Expenses	1,708	-
Office	6,057	1,536
Professional Fees	6,000	5,510
Repairs and Maintenance	140	-
Silviculture	16,625	-
Stumpage	36,111	-
Subcontractors	20,323	45,813
Tenure License	<u>3,848</u>	<u>3,848</u>
	<u>102,861</u>	<u>82,751</u>
Income (Loss) from Operations	659,038	(82,751)
Other Income		
Interest Income	<u>20,087</u>	<u>4,558</u>
Net Income (Loss)	\$ <u>679,125</u>	\$ <u>(78,193)</u>

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Statement of Cash Flows

Year Ended December 31, 2022

2022

2021

Cash Flows From Operating Activities:

Cash Receipts from Customers	\$ 753,361	\$ -
Cash Paid to Suppliers and Subcontractors	(60,998)	(101,186)
Interest Received	<u>20,087</u>	<u>4,558</u>
	<u>712,450</u>	<u>(96,628)</u>

Cash Flows From Financing Activities:

Partners' Drawings and Advances to Partners	<u>(450,567)</u>	<u>-</u>
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Net Increase (Decrease) in Cash and Cash Equivalents	261,883	(96,628)
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Cash and Cash Equivalents - Beginning of Year	<u>694,865</u>	<u>791,493</u>
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Cash and Cash Equivalents - End of Year	<u>\$ 956,748</u>	<u>\$ 694,865</u>
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Cash and Cash Equivalents are Represented by:

Cash	\$ 420,819	\$ 167,752
Guaranteed Investment Certificate	<u>535,929</u>	<u>527,113</u>
	<u>\$ 956,748</u>	<u>\$ 694,865</u>

NORTH ISLAND COMMUNITY FOREST LIMITED PARTNERSHIP

Notes to Financial Statements

December 31, 2022

1. Statutes of Incorporation and Nature of Activities:

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 10,400 cubic meters annual allowable cut 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

As a government business enterprise, Canadian public sector accounting standards require the Partnership to adhere to the standards applicable to publicly accountable enterprises in the CPA Handbook - Accounting. Accordingly, the Partnership is required to prepare its financial statements using International Financial Reporting Standards ("IFRS"). The Partners and the Board of Directors of the GP has determined that the internal reporting needs of the Partnerships and its Partners are met through the use of a special purpose framework, Canadian accounting standards for private enterprises ("ASPE") and, therefore, these financial statements have been prepared in accordance with that framework. Since ASPE is not designed to necessarily meet the needs of all users of the financial statements of a government business enterprise, the readers of these financial's statements may require additional information.

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. Timber sales 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, accounts receivable 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, 2022

3. Due from North Island Community Forest Ltd.:

Amounts due from North Island Community Forest Ltd. are non-interest bearing and have no stated term of repayment.

4. Related Party Transactions:

Included in the financial statements of the Partnership are directors' fees paid to the board members of the General Partner of \$8,500 (2021 - \$21,900).

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, GST payable and silviculture liabilities. 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 2022, \$Nil (2021 - \$Nil) expenditures were incurred 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 silviculture liability as at December 31, 2022 is \$30,061 (2021 - \$13,436).

