

VILLAGE OF PORT ALICE
SPECIAL COUNCIL MEETING AGENDA
TO BE HELD THURSDAY May 1, 2025, at CLOSE OF RECREATION
COMMITTEE MEETING
AT COUNCIL CHAMBERS, VILLAGE OFFICE



(1) CALL TO ORDER

We are privileged to acknowledge that this meeting is being held on the traditional territory of the Quatsino First Nations.

(2) RESOLUTION TO PROCEED TO CLOSED MEETING -

THAT the meeting be closed to the public to consider matters pursuant to the following sections of the Community Charter:

Section 90(1) (c) labour relations or other employee relations

RECONVENE

(3) ADOPTION OF AGENDA:

THAT the Agenda for the Special Meeting of the Village of Port Alice for May 1, 2025, be approved; AND THAT all delegations, reports, correspondence, and other information set to the agenda be received.

(4) COMMUNICATIONS:

a.) Village of Port Alice Draft Financial Statements

RECOMMENDATION: That the Village of Port Alice Draft Financial Statements for the year ended December 31, 2024 be approved as presented.

(5) BYLAWS:

a.) Bylaw 697 – Levy of Property Tax Rates for the Year 2025

RECOMMENDATION: THAT the Village of Port Alice Bylaw 697 – Levy of Property Tax Rates for the Year 2025 be given fourth reading and adoption.

(6) QUESTION PERIOD:

(7) ADJOURNMENT:

THAT the meeting of the Village of Port Alice Council held May 1, 2025, be adjourned

VILLAGE OF PORT ALICE
Financial Statements
December 31, 2024

DRAFT

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.

Chartered Professional Accountants
Campbell River, BC

April 23, 2025

VILLAGE OF PORT ALICE

Statement of Financial Position

December 31, 2024

2024

2023

FINANCIAL ASSETS

Cash	\$ 3,867,521	\$ 3,238,824
Portfolio Investments (Note 2)	2,333,199	2,226,117
Accounts Receivable (Note 3)	70,287	115,347
Taxes and User Fees Receivable (Note 4)	356,250	274,575
Investment in NICFL and NICFLP (Note 5)	<u>261,645</u>	<u>266,833</u>
	<u>6,888,902</u>	<u>6,121,696</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	334,839	397,404
Deferred Grants and Unearned Revenue (Note 6)	1,523,786	816,629
Long Term Debt (Note 7)	357,341	381,048
Asset Retirement Obligations (Note 8)	<u>566,719</u>	<u>553,436</u>
	<u>2,782,685</u>	<u>2,148,517</u>

NET FINANCIAL ASSETS

4,106,217

3,973,179

NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 10)	8,617,873	8,864,314
Inventory	<u>2,347</u>	<u>2,347</u>
	<u>8,620,220</u>	<u>8,866,661</u>

ACCUMULATED SURPLUS (Note 11)

\$ 12,726,437

\$ 12,839,840

Approved by:

Chief Finance Officer

Mayor

VILLAGE OF PORT ALICE

Statement of Change in Net Financial Assets

Year Ended December 31, 2024

	2024		2023
	Budget	Actual	
	(Note 17)		
Annual Surplus (Deficit)	\$ 1,809,898	\$ (113,403)	\$ 595,908
Net Acquisition of Tangible Capital Assets	2,574,935	(293,522)	(886,868)
Amortization of Tangible Capital Assets	-	539,963	534,997
	<u>2,574,935</u>	<u>246,441</u>	<u>(351,871)</u>
Change in Net Financial Assets for the Year	(765,037)	133,038	244,037
Net Financial Assets - Beginning of Year	<u>3,973,179</u>	<u>3,973,179</u>	<u>3,729,142</u>
Net Financial Assets - End of Year	<u>\$ 3,208,142</u>	<u>\$ 4,106,217</u>	<u>\$ 3,973,179</u>

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VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2024

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 15).

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, 2024

1. Significant Accounting Policies (continued):

k) Asset Retirement Obligations:

The Village recognizes a liability for an asset retirement obligation when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date.

l) 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.

m) 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 and asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Portfolio Investments:

	<u>2024</u>	<u>2023</u>
Money Market Funds - Municipal Finance Authority (MFA)	\$ <u>2,333,199</u>	\$ <u>2,226,117</u>

The current average annual yield of the money market funds held with MFA as at December 31, 2024 was 4.83% (2023 - 5.07%). The funds are redeemable on demand.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2024

5. Investment in NICFL and NICFLP (continued):

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

	<u>2024</u>	<u>2023</u>
Statement of Financial Position:		
Assets		
Cash and Receivables	\$ 745,747	\$ 827,193
Prepaid Expenses	3,799	3,274
Total Assets	<u>\$ 749,546</u>	<u>\$ 830,467</u>
Liabilities and Partners' Capital		
Trade and Other Payables	\$ 24,609	\$ 29,965
Total Partners' Capital	<u>724,937</u>	<u>800,502</u>
	<u>\$ 749,546</u>	<u>\$ 830,467</u>
	<u>2024</u>	<u>2023</u>
Statement of Income:		
Revenue	\$ 40,941	\$ 265,946
Expenditures	<u>56,505</u>	<u>174,314</u>
Net Income (Loss)	<u>(15,564)</u>	<u>91,632</u>
Partners' Capital:		
Partnership Units	12,128	72,285
Cumulative Withdrawals	(6,592,529)	(6,592,529)
Retained Earnings - End of Year	<u>7,305,338</u>	<u>7,320,746</u>
	<u>\$ 724,937</u>	<u>\$ 800,502</u>

6. Deferred Grants and Unearned Revenue:

	<u>2024</u>	<u>2023</u>
Prepaid Property Taxes	\$ 26,200	\$ 30,834
Provincial Government	1,059,398	771,131
Community Centre Deposits	5,932	5,692
Tax Sale Proceeds	<u>432,256</u>	<u>8,972</u>
	<u>\$ 1,523,786</u>	<u>\$ 816,629</u>

7. Long Term Debt:

	<u>2024</u>	<u>2023</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>\$ 357,341</u>	<u>\$ 381,048</u>

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2024

11. Accumulated Surplus:

The Village segregates its accumulated surplus into the following categories:

	<u>2024</u>	<u>2023</u>
Current Fund	\$ 2,524,616	\$ 2,529,797
Reserve Funds (a)	2,505,661	2,377,866
Investment in Non-Financial Assets (b)	<u>7,696,160</u>	<u>7,932,177</u>
	<u>\$ 12,726,437</u>	<u>\$ 12,839,840</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.

Details of Reserve Funds are as follows:

	<u>2024</u>	<u>2023</u>
General Capital Reserve (a)	\$ 401,771	\$ 382,821
Fire Protection Capital Reserve (b)	233,982	206,136
Gas Tax Agreement - Community Works (c)	1,091,354	1,011,224
Growing Communities Fund (d)	758,519	742,685
Community Centre Improvements Reserve (e)	<u>20,035</u>	<u>35,000</u>
	<u>\$ 2,505,661</u>	<u>\$ 2,377,866</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 \$1,091,355 that remained unspent as at December 31, 2024 that included additional receipts of \$97,061 (2023 - \$91,351) and interest earnings of \$50,865 (2023 - \$46,851) in 2024. During 2024, eligible expenditures of \$67,796 were made (2023 - \$76,618). The unspent amount will remain in the reserve until spent on eligible projects.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2024

14. Pension Plan (continued):

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.

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 \$47,946 (2023 - \$44,789) for employer contributions, while employees contributed \$44,341 (2023 - \$40,704) to the Plan in fiscal 2024.

15. Trust Funds:

(a) **Ford Memorial Trust Fund**

As at December 31, 2024, the Village held \$7,349 (2023 - \$8,958) 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 \$2,265 (2023 - \$2,128) was held as at December 31, 2024 and is not reported elsewhere in these financial statements.

16. 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.

VILLAGE OF PORT ALICE

Notes to the Financial Statements

December 31, 2024

18. Segmented Information (continued):

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.

19. Comparative Figures:

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

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VILLAGE OF PORT ALICE

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2024

	General Government	Volunteer Fire Department	Public Works Department	Environmental Health Services	Recreation Services	Arena	Community Centre	Sea View Activity Centre	Water Utility	Sewer Utility	2024 Actual	2024 Budget (Note 17)
Revenues												
General Taxes	\$ 762,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 762,767	\$ 781,465
Grants - Federal	31,204	-	-	-	-	-	-	-	-	-	31,204	8,300
Grants - Provincial	671,715	-	-	-	-	-	-	-	-	-	671,715	2,406,098
Utility Charges	-	-	-	-	-	-	-	171,607	146,828	-	318,435	203,000
Sales of Services	-	-	-	89,260	67,431	-	11,040	-	-	-	167,731	132,000
Other Revenue	679,421	-	-	-	-	-	-	-	-	-	679,421	243,135
Equity Loss from NICFL and NICFLP	(5,188)	-	-	-	-	-	-	-	-	-	(5,188)	-
	<u>\$ 2,139,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,260</u>	<u>\$ 67,431</u>	<u>\$ -</u>	<u>\$ 11,040</u>	<u>\$ -</u>	<u>\$ 171,607</u>	<u>\$ 146,828</u>	<u>\$ 2,626,085</u>	<u>\$ 1,773,998</u>
Expenditures												
Goods and Services	\$ 489,814	\$ 75,216	\$ 220,395	\$ 203,920	\$ 68,726	\$ 22,589	\$ 39,572	\$ 7,253	\$ 35,236	\$ 95,462	\$ 1,258,183	\$ 1,032,700
Labour	360,135	11,340	236,334	111,123	128,848	-	35,480	-	16,009	36,999	936,268	892,500
Interest and Bank Charges	5,074	-	-	-	-	-	-	-	-	-	5,074	38,900
Amortization	254,804	9,039	30,366	409	6,888	5,547	102,201	-	27,704	102,105	539,963	-
	<u>1,109,827</u>	<u>96,495</u>	<u>487,095</u>	<u>315,452</u>	<u>204,462</u>	<u>28,136</u>	<u>177,253</u>	<u>7,253</u>	<u>78,949</u>	<u>234,566</u>	<u>2,739,488</u>	<u>1,964,100</u>
Annual Surplus (Deficit)	<u>\$ 1,030,092</u>	<u>\$ (96,495)</u>	<u>\$ (487,095)</u>	<u>\$ (226,192)</u>	<u>\$ (137,031)</u>	<u>\$ (28,136)</u>	<u>\$ (166,213)</u>	<u>\$ (7,253)</u>	<u>\$ 92,658</u>	<u>\$ (87,738)</u>	<u>\$ (113,403)</u>	<u>\$ 1,809,898</u>

VILLAGE OF PORT ALICE

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2024

	General Capital Reserve	Fire Protection	Economic Development	Growing Communities Fund	Community Centre Improvements	Total 2024	Total 2023
Balance, Beginning of Year	\$ 382,821	\$ 206,136	\$ 1,011,224	742,685	35,000	\$ 2,377,866	\$ 1,514,556
Interest Earned	18,950	10,204	50,865	36,763	-	116,782	74,509
Transfer From (To) Other Funds	-	17,642	97,061	(20,929)	(14,965)	78,809	858,128
Used for Capital Expenditures	-	-	(67,796)	-	-	(67,796)	(69,327)
Balance, End of Year	<u>\$ 401,771</u>	<u>\$ 233,982</u>	<u>\$ 1,091,354</u>	<u>758,519</u>	<u>20,035</u>	<u>\$ 2,505,661</u>	<u>\$ 2,377,866</u>

VILLAGE OF PORT ALICE

Schedule 6 - Growing Communities Fund - Unaudited

Year Ended December 31, 2024

The Province of British Columbia distributed conditional Growing Communities Fund ("GCF") grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia. The Village of Port Alice received \$783,000 in funding in March 2023.

	<u>2024</u>
Balance, Beginning of Year	\$ 742,685
Eligible Costs	
Sewer Infrastructure Upgrades	<u>40,315</u>
Balance, End of Year	<u>\$ 702,370</u>

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VILLAGE OF PORT ALICE
BYLAW NO. 697, 2025

A Bylaw for the Levying of Property Tax Rates for the Year 2025.

WHEREAS, under section 197 of the Community Charter, each year after the adoption of the financial plan, but before May 15th, Council must impose property value taxes for the year by establishing tax rates for:

- a) the municipal revenue proposed to be raised for the year from property value taxes, as provided in the Financial Plan, and
- b) the amounts to be collected for the year by means of rates established by the municipality to meet its taxing obligations in relation to another local government or other public body.

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

1. The following rates in Schedule "A", attached to and forming part of this Bylaw are hereby imposed and levied for the year 2025.
2. The minimum amount of taxation upon a parcel of real property is \$1.00
3. This Bylaw may be cited for all purposes as the Village of Port Alice Annual Tax Rates Bylaw No. 697, 2025.

Read a first time this 23rd day of April, 2025.
Read a second time this 23rd day of April, 2025.
Read a third time this 23rd day of April, 2025.
Adopted this 7th day of May, 2025.

Mayor

Chief Administrative Officer

Certified a true and correct copy of Bylaw No.697, as adopted by Council on the 7th day of May 2025.

Chief Administrative Officer

Annual Tax Rates (2025)

Bylaw No. 697

SCHEDULE 'A'

PROPERTY CLASS	MUNICIPAL	REG. DIST. MT. WADD.	MT. WADD. REG. HOSP. DIST.	Totals for Bylaw
Residential	5.01643			
Library	0.24313			
1 Total Residential	5.25956	0.60136	0.24828	6.10919
2 Utilities	23.66801	2.10474	0.86899	26.64174
4 Major Industrial	0.00000	2.04461	0.84416	2.88877
5 Light Industrial	31.55734	2.04461	0.84416	34.44611
6 Business	9.46720	1.47332	0.60829	11.54881
8 Recreation	5.25956	0.60136	0.24828	6.10919
TOTALS	75.21166	8.86999	3.66216	87.74381