

# **City of Port Alberni British Columbia**

## **Comprehensive Annual Financial Report**

**For the year ended December 31, 2017**





**THE CITY  
OF PORT ALBERNI  
BRITISH COLUMBIA, CANADA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT  
2017**

FISCAL YEAR ENDED DECEMBER 31, 2017

This Document  
Prepared by the Finance Department

*Cover photo credit: Erica Watson*



# CITY OF PORT ALBERNI

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## **INTRODUCTORY SECTION**

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September 20, 2018  
Mayor and Council  
City of Port Alberni

In accordance with section 167 of the Community Charter, I herewith submit the Financial Report for the City of Port Alberni for the year ended December 31, 2017 as audited by R. Anderson & Associates.

The purpose of this Comprehensive Annual Financial Report is to present the financial operations results and the financial position of the City for the fiscal period December 31, 2017. The report is divided into three sections as follows:

- Introductory Section
  - Provides the reader with an overview of the political, economic and administrative context within which the City operates.
- Financial Section
  - Presents the consolidated financial statements, supporting notes and schedules, and the independent external auditors' report. These statements and schedules show comparative amounts for the current and prior years, and the current year's approved budget.
- Statistics Section
  - Presents relevant current and historical statistical and financial information.

The preparation and presentation of the financial statements and related information in the annual report is the responsibility of the Management of the City of Port Alberni. These statements have been prepared in accordance with Canadian public sector accounting standards. The preparation of financial information contained herein, necessarily involves the use of estimates and judgments which have been based on careful assessment of the data made available through the City's information systems. The City maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records. Management recognizes the limits that are inherent in all systems of internal accounting control, however, management believes that the City has an effective and responsive system of internal accounting controls which is subject to regular review and revision.

Port Alberni City Council is responsible for ensuring that City Administration fulfills its responsibilities for financial reporting, internal control and risk management. To assist City Council with these responsibilities, Council appointed three Councillors to the Audit Committee. The committee meets with management on a quarterly basis to review financial reports and any concerns with the financial reporting process. Municipal governments are entrusted with providing services within approved budget amounts in an environment of transparency, accountability and responsibility. The Audit Committee provides a focal point for communication between Council, the external auditor and management, and facilitates an impartial, objective and independent review of management practices.

The audit firm of R. Anderson & Associates is appointed by the Council of the City of Port Alberni, and is responsible to report directly to you with their audit opinion.

The City of Port Alberni completed the 2017 fiscal year with an increase in the consolidated accumulated surplus of \$4,381,849.

A summary of the 2017 overall accumulated surplus increases (decreases) are as follows:

Operating Funds	\$ (3,690,966)
Capital Funds	6,250,255
Statutory Reserve Funds	898,751
Unrestricted Reserve Funds	<u>923,809</u>
	<b>\$ 4,381,849</b>



Financial management policies and procedures are in place to assist in the management of the City's financial affairs. The approved policies and procedures are designed to meet the requirements of legislated standards and Canadian public sector accounting standards. Significant financial management policies include:

- Investments - Funds that are not currently being used are invested in accordance with approved policies which meet the requirements of the various pieces of legislation that govern municipal investments. The City invests these funds in short term investment instruments to accommodate major capital project funding requirements.
- Utilities - The City's policy is to not use general taxation to fund the provision of water service, sewer service or solid waste collection services. These services are funded through user fees.

Investment earnings increased from \$415,078 in 2016 to \$415,873 in 2017. Total investment income was \$309,796 in 2015, \$286,558 in 2014, and \$266,622 in 2013.

The City's 2017 long-term debt decreased from \$10,783,927 to \$10,479,600. The City's 2017 capital program of \$3,034,305 includes capital items funded \$1,864,063 from current operations revenue; \$780,243 from grants and donations; and \$390,011 from Reserves.

Consolidated revenues decreased by \$688,001 from \$40,167,688 in 2016 to \$39,479,687 in 2017. This decrease is attributed mostly to: decrease in grant funding of approximately \$1.2 million; increase in property tax levy of \$400,000; increase in sale of services of \$700,000; and decrease in sale of property of \$600,000. The decrease in grant funding is a result of deferring Community Works Gas Tax funds until completion of gas tax funded capital projects; and grant funded projects completed in 2016 and in progress in 2017. Water and sewer utility fees revenue increased as scheduled in accordance with the Water and Sewer Rates Review adopted in 2013. Decreases in expenses are mostly due to a decrease in amortization of the lagoon sludge disposal agreement that expired in 2016, debt interest in sewer; and completion of the lagoon desludging contract. Consolidated expenses decreased by \$1,936,436, from \$37,034,274 in 2016 to \$35,097,838 in 2017. This net decrease is attributed to a combination of increases and decreases city-wide, most notably in sewer operations.

The municipal statistics section of the report indicates that total current taxes collected as a percentage of current levies is 94.4% for 2017 (97.04% in 2016).

The following reports are included in the introductory section and should be read in conjunction with this report:

Economic Condition and Outlook  
Highlights  
Municipal Infrastructure  
Summary of Services and Regional Relationships  
Budget Process and Timing  
Source and Use of Capital Funding

Respectfully submitted,



Cathy Rothwell  
Director of Finance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Port Alberni for our annual financial report for the fiscal year ended December 31, 2016. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting Program requirements, and we are submitting it to the GFOA.

2016 marks the twenty-fourth year the City has received the award.



Government Finance Officers Association

# **Canadian Award for Financial Reporting**

Presented to

**City of Port Alberni  
British Columbia**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2016**

*Christopher P. Morrell*

Executive Director/CEO

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## Directory of Officials

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### Port Alberni

#### Mayor and City Council 2017



**Back row:** Councillor J. McLeman, Mayor M. Ruttan, Councillors D. Washington, R. Paulson  
**Front row:** Councillors C. Alemany, S. Minions, D. Sauvé

#### **Declaration and Identification of Disqualified Council Members:**

**In accordance with Section 98(2)(e) of the Community Charter, there were no declarations of disqualification made under Section 111 of the Community Charter in 2017**

#### **Appointed Officials**

Chief Administrative Officer .....	T. Pley
City Clerk .....	D. Hartwell
Director of Finance.....	C. Rothwell
City Engineer.....	Vacant
Director of Parks, Recreation & Heritage.....	W. Thorpe
Fire Chief.....	K. Gilday
Building Inspector .....	K. Peters
Manager of Information Technology.....	J. Pelech
Director of Development Services .....	S. Smith
Licence Inspector/Bylaw Enforcement Officer.....	T. Hautzinger
Area Assessor - B.C. Assessment .....	B. MacGougan
Solicitor .....	Young, Anderson
RCMP Officer In Charge .....	B. Hunter
Emergency Planning Coordinator .....	R. Shanks
Chair – Island Health Authority .....	L. Hollins
Auditors .....	R. Anderson & Associates
Bankers .....	BMO Bank of Montreal

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## Directory of Officials (continued)

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### 2017/18 Advisory Planning Commission

A. Anaka  
C. Dick  
J. Douglas  
D. Ferster  
R. Gaudreault (Parks, Rec & Heritage Liaison)  
K. McRae  
S. McRuer  
R. Newberry (Fire Dept. Liaison)  
J. Nichols  
L. Ransom (SD70 Liaison)  
D. Sauvé (Council Liaison)  
T. Smith (RCMP Liaison)  
J. Tatoosh

### 2017/18 AV Heritage Commission

D. Beaudoin  
N. Blair  
J. Carlson  
B. Collette  
P. Cote  
P. Craig  
J. Dick  
J. Douglas  
G. Flostrand  
L. Manson  
J. Morton  
B. Simpson  
D. Washington



**CITY OF PORT ALBERNI  
MUNICIPAL COUNCIL RESPONSIBILITIES  
FOR CITY SERVICES  
DECEMBER 31, 2017**

<p>Mayor Mike Ruttan</p> <ul style="list-style-type: none"> <li>- Director, Alberni Clayoquot Regional District</li> <li>- Member, North Island-Sunshine Coast Regional Advisory Committee</li> <li>- Director, Upnit Power Corporation</li> <li>- Chair, Personnel Committee</li> <li>- Court of Revision</li> </ul>
<p>Councillor Chris Alemany</p> <ul style="list-style-type: none"> <li>- Liaison, Advisory Traffic Committee</li> <li>- Air Quality Council</li> <li>- Member, Emergency Planning Committee</li> <li>- Member, ACRD Transportation Committee</li> <li>- Liaison, Island Corridor Foundation Local Government Liaison Committee</li> <li>- Member, Food Security &amp; Climate Disruption Committee</li> </ul>
<p>Councillor Jack McLeman</p> <ul style="list-style-type: none"> <li>- Director, Alberni Clayoquot Regional District</li> <li>- Member, AV Community Forest Legacy Committee</li> <li>- Liaison, AV Community Forest Corporation</li> <li>- Member, Personnel Committee</li> <li>- Liaison, McLean Mill Society</li> </ul>
<p>Councillor Sharie Minions</p> <ul style="list-style-type: none"> <li>- Trustee, Vancouver Island Regional Library Board</li> <li>- Liaison, Alberni Valley Chamber of Commerce</li> <li>- Liaison, West Coast Native Healthcare Society</li> <li>- Court of Revision</li> <li>- Member, Reconciliation Committee</li> </ul>
<p>Councillor Ron Paulson</p> <ul style="list-style-type: none"> <li>- Liaison, Continuing Care Societies</li> <li>- Liaison, School District 70/North Island College</li> <li>- Member, Community Investment Program/Permissive Tax Exemption Committee</li> <li>- Member, AV Community Forest Legacy Committee</li> <li>- Member, Audit Committee</li> </ul>
<p>Councillor Denis Sauvé</p> <ul style="list-style-type: none"> <li>- Liaison, Port Alberni International Twinning Society</li> <li>- Liaison, Advisory Planning Commission</li> <li>- Court of Revision</li> <li>- Member, Audit Committee</li> <li>- Member, Personnel Committee</li> <li>- Member, Seniors Advisory Committee</li> <li>- Liaison, Community Stakeholders Initiative on Homelessness</li> </ul>
<p>Councillor Dan Washington</p> <ul style="list-style-type: none"> <li>- Chair, Audit Committee</li> <li>- Liaison, Alberni Valley Heritage Commission</li> <li>- Liaison, West Island Woodlands Advisory Group</li> </ul>

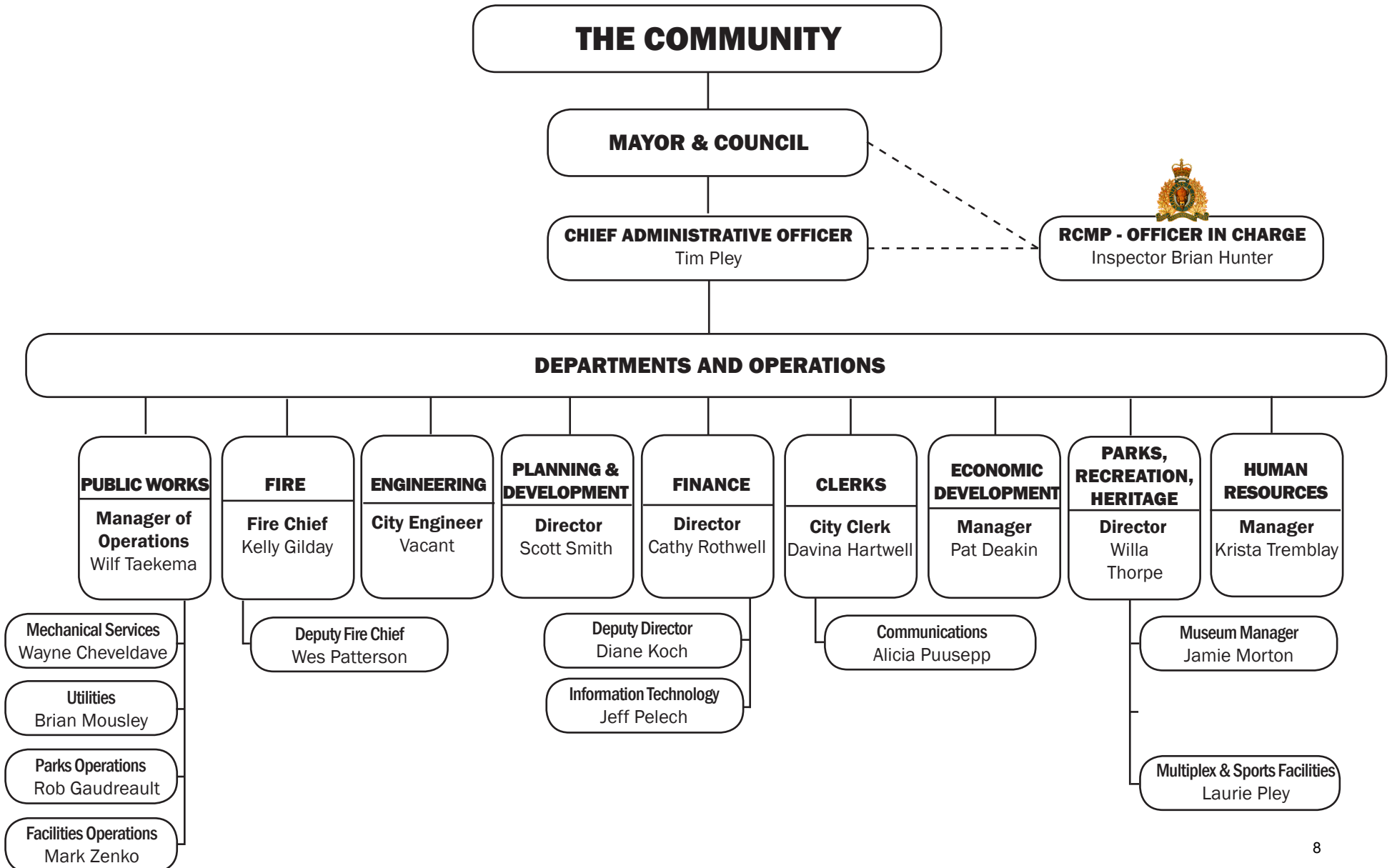


# ORGANIZATIONAL CHART

City Hall, 4850 Argyle Street, Port Alberni, BC V9Y 1V8 Phone: 250.723.2146 Website: [www.portalberni.ca](http://www.portalberni.ca)

Updated: November 2016

## CITY OF PORT ALBERNI





## Where we are





## VISION

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## MISSION

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## VALUES

### Vision

The City of Port Alberni is a vibrant waterfront community at the heart of the west coast that is:

- Sustainable and environmentally responsible;
- Safe, caring, and healthy;
- Economically robust and diverse;
- Welcoming, accessible, and attractive;
- Actively creating its future.

### Mission

Our mission is to enhance the quality of life of residents and taxpayers by creating a vibrant, healthy, and united community through:

- Providing or facilitating the delivery of high quality core municipal services and programs;
- Fiscal responsibility;
- Planning and encouraging development to ensure a thriving economy and a strong tax base;
- Maintaining infrastructure to support public health, growth, and economic diversification;
- Providing leadership and building internal/external partnerships of benefit to the City.

### Values

City Council, municipal staff and volunteers are committed to the following values:

- Service to others: providing high quality, reliable and friendly customer service;
- Respect: consideration for the beliefs and needs of others;
- Integrity: honesty in all dealings and the courage to act and live by these values;
- Innovation: open to change and learning in order to improve effectiveness and efficiency;
- Contribution: pride in one's work and the recognition and appreciation of skills and accomplishments.



*Photo credit: Chris Finlayson*

## Economic Condition and Outlook

Port Alberni is situated at the heart of the west coast of Vancouver Island in a broad valley at the end of a 48 kilometre ocean inlet. Three large lakes are within 20 minutes of the City's centre. This location provides stunning views of majestic mountains, the inlet and a river estuary, many exciting outdoor recreational opportunities and abundant quantities of high quality fresh water.

Port Alberni has a deep sea port, a hospital, shopping malls, two post-secondary institutions, nine schools, many parks, a well-developed array of recreational facilities, significant tourism attractions, and a small airport.

While forestry and related manufacturing have long been the mainstays of the Port Alberni economy, diversification efforts are being directed into tourism, marine industry, deep sea port activities, the arts, agriculture, clean energy technologies, and investments in lifestyle amenities.

In spite of considerable downsizing in the forest and fishing industries over the last few decades, the population in Port Alberni has remained relatively constant, at approximately 17,500. Commercial and residential development in the City has been fueled by the fact that our community has exceptional quality of life and some of the lowest property costs in British Columbia. This is attracting investors, retirees, and young families wanting to own their own homes.

In Port Alberni, Western Forest Products, Island Health, School District 70, and Catalyst Paper are the major employers. The lumber and paper industries are the primary individual taxpayers. These indus-

tries have a tremendously positive local impact.

In 2012 the City completed its commitment program of accelerated tax reductions for the Major Industry class totaling \$2.1 million over the five years (2008-2012). For the years 2013 through 2017, the City had committed to no tax increase for the Major Industry class as per the sewage lagoon purchase agreement reached with Catalyst in 2013. The City continues to work with Catalyst Paper Corporation and Western Forest Products Ltd., the two largest industrial operators in our community, to try and find ways of keeping their operations sustainable under challenging economic conditions.

Port Alberni, like many Canadian local governments, faces significant financial challenges in funding necessary upgrades to aging infrastructure. In 2017, capital works projects totaling \$2.4 million were completed. Significant projects included road upgrades at Argyle Street and Kingsway Avenue; storm drain construction on Bute Street, Virginia Road, and Compton Road near Neill School; rehabilitation of Josephine Street bridge; water construction at Bainbridge Lake, 21<sup>st</sup> Avenue, Margaret Street, and Strathcona Street; and sewer construction on Bute Street and 14<sup>th</sup> Avenue. Work continues on the next phases of water construction on 21<sup>st</sup> Avenue; and sewer construction on the Coal Creek outfall, and sewage treatment at the Catalyst lagoon. Funding for the completed projects included \$800,000 in government grants; \$1.2 million in operating funds; and \$370,000 in contributions from City reserves.

Capital construction plans over the next five years include necessary major projects for roads, water supply, storm drains, facilities upgrades, and sewer treatment upgrades. Funding estimates require that \$4.5 million be raised from borrowing.

Total long term debenture debt per capita in 2017 has decreased to \$593 from \$610 in 2016.

## Highlights - 2017

### Development Services

The Development Services Department processed 161 building permits with an aggregate value of \$16.3 million in 2017. New construction commenced on an industrial warehouse on Glenwood Drive; commenced and completed on the Co-op Gas station and convenience store on 10<sup>th</sup> Avenue, and a drive-thru for a fast food chain on Johnston Road; completed on the day care facilities at the Port Alberni Friendship Centre on 4<sup>th</sup> Avenue; and continued on a 25 unit apartment building at 4<sup>th</sup> Avenue and Athol Street. Renovations completed on the exterior of Riverside Motel on Roger Street. A substantial Revitalization Tax Exemption program was completed for all commercial areas to provide incentive for investment into commercial properties. The Development Services department began an Official Community Plan and Zoning amendment for the former secondary school property on Burde Street. An oil furnace to heat pump exchange program was established in 2017, to help reduce greenhouse gas emissions in the Alberni Valley.

### Fire Department

During 2017, Port Alberni Fire Department responded to 1,492 calls for service (1,305 in 2016). The department conducted 552 fire inspections in 2017 (844 in 2016) throughout the year, and monitored a number of third party inspections during the same time period. In 2017, Port Alberni continued to improve over 2016 levels of fire

protection service and is rated by Fire Underwriters as a “1” on the Dwelling Protection Grade scale and a “4” on the Public Fire Protection Classification scale. The scale ratings are maintained in part by continuing to provide fire suppression minimum on duty staffing of 4, maintaining the City’s fleet of rated fire apparatus, and continuing to commit one full time employee to fire prevention.

In 2012, the Fire Department advanced Council’s strategic initiative of developing a regional approach to the delivery of fire protection services. The 2012 Automatic Mutual Aid Agreement with Sproat Lake, Beaver Creek, and Cherry Creek Fire Departments continues to result in a high level of coordinated service in 2017.

### Parks, Recreation & Heritage

Project highlights for 2017 include: A third bridge installation on Scott Kenny Trail; renovation to Gyro Recreation Park facilities in collaboration with Canada 150 grant funding; upgrades at the Aquatic Centre; and completing phase 1 of Millstone Park.

Programming highlights include a series of special events for all ages and all seasons – such as Polar Bear Swim, Easter Bunny Express, Our Town, Seniors Week, and Walk with your Doc. Canada 150 celebrations included special events, partnering with Folk Fest, Art Rave, and Tri-Conic Challenge among others, and fireworks at Harbour Quay. The department also partnered with the Arrowsmith Rotary Club to co-sponsor the Community Banner Painting Days at Glenwood Centre.

Parks, Recreation & Heritage continues to work towards its mission by developing and maintaining efficient operations of parks and facilities; ensuring full and equitable access to a wide range of leisure opportunities; promoting an appreciation of the environment; facilitating partnerships with the volunteer, public and private sector; and providing leadership and personal development opportunities promoting positive community values.

### Alberni Valley Museum

The Alberni Valley Museum mission is to conserve, strengthen and share the unique heritage of the Alberni Valley. The Museum partners with the community in acquiring, documenting and preserving artifacts and photographs, making collections accessible, developing exhibits and school and public programs, facilitating the work of volunteers and supporting economic diversification through heritage tourism.

Attendance in 2017: 16,282 (20,654 in 2016); and 1,816 children participated in the museum’s educational programs. The gift shop generated sales of approximately \$9,600 in 2017 (\$9,000 in 2016).

The BC Arts Council awarded \$65,000 for funding of operations.

Exhibits and community events in 2017 were very successful and well received by visitors. Highlights include Vacation Land: Pleasurable Diversions in the Alberni Valley, a collaboration with the community, which presented the 1900-1960 “golden era” of tourism; British Columbia’s War: 1914-1918,

from the Royal BC Museum, and augmented with local content.; and The Home Front: WWII in British Columbia.

The museum also hosted the 15<sup>th</sup> annual North Island Regional Heritage Fair, a major museum educational initiative for grades 4 to 9.

The McLean Mill Society was formed in late 2016 to manage operations of the mill site and railway for 2017 under a three part value system: financial responsibility; protection of assets, and reinvigoration of the relationship with the community. Many new and exciting events were initiated, as well as significant upgrades to the grounds and facilities.

### **Public Works**

Each year a number of capital projects are undertaken to maintain and improve the City's infrastructure. In 2017 major street projects included Burde Street and Argyle/Kingsway Avenue.

Construction of storm/sanitary sewers throughout the City included Virginia Road, Compton Road/Neill School, and Bute Street. Replacement of mains and decreasing the number of dead end mains is ongoing. Water construction included new pumps and intake at Bainbridge Lake, continued replacement of mains renewals; and a water meter replacement was begun. Rehabilitation of the Josephine Street Bridge deck completed in 2017. Construction of major capital sewer infrastructure continues.

An EV van, two truck boxes, and de-icing equipment were replaced

as scheduled, funded from the Equipment Replacement Reserve Fund (ERRF).

### **Policing**

The City of Port Alberni and adjoining rural areas are policed by the RCMP under contract from the Province of British Columbia and the Federal Government. The Port Alberni Detachment area encompasses some 1,528 square miles of west-central Vancouver Island. The Detachment area includes the traditional territories of the Hupacasath, Tseshah and Uchucklesaht First Nations, as well as Sproat Lake and Great Central Lake. The total area population served by Port Alberni Detachment is approximately 30,000 full-time residents, plus increases due to summer tourism. Port Alberni Detachment provides policing services along three business lines or contracts – Municipal, Provincial and Aboriginal Policing. The municipal policing service includes disciplines such as General Duty Investigations, Drug Enforcement, Major or Serious Crimes, Police Dog Service, Forensic Identification, Traffic Enforcement, Community Policing, Youth Officer, Violence in Relationship Officer, and police based Victim Services. Our Community Policing Program engages volunteers who have donated thousands of hours in support of policing initiatives.

In 2017, the detachment continued to focus on its Crime Reduction Strategy. The strategy is multifaceted with the goal of reducing crime and victimization in the community. 2017 saw a 6% decrease in violent crime and a 9% increase in property crime. Reduc-

ing crime is a community effort and the RCMP are supported in this by a number of external partner agencies and organizations such as Corrections, Court Services, Citizens on Patrol, Block Watch, Island Health and First Nations.

Some of the highlights for 2017 include: continued focus on youth and youth at risk, chronic offenders, and a number of initiatives aimed at increasing road safety and community engagement. Partnerships continue with Mental Health & Addictions, and West Coast General Hospital.

The RCMP managed public safety at our three popular annual events, the Salmon Festival, Thunder in the Valley, and the Fall Fair. The detachment continues to be committed to higher visibility through periodic foot and bike patrols in the downtown core and on site at community special events.

There were 9,191 calls for service in 2017, up slightly from 8,964 in 2016.

Port Alberni RCMP's 2017/2018 Annual Performance Plan will focus on property crime and drugs, family violence, excellence in Aboriginal Policing, traffic safety, crime reduction/offender management, continued partnership with First Nations, and positive interactions with youth programs including RCMP Youth Camp in the summer of 2018.

## **Municipal Infrastructure**

### **Roads & Transportation**

The City's road network consists of approximately 175 km of paved roadways, most of which are adequate to handle current traffic volumes. The majority of roads in Port Alberni are in excess of forty years old and in many areas reconstruction of original road surfaces is required. Road rehabilitation has been identified as a priority for Capital spending within the next five years.

The City has a pavement management system initiated in the mid 1980's which is used to prioritize maintenance strategies to extend the life of existing roads. In recent years the City has expanded the pavement maintenance to include crack sealing, sand sealing, and chip sealing as well as asphalt recycling.

There are 10 bridges in the City, of varying age and type. Five are vehicular traffic bridges dating from the 1950's, and five are pedestrian bridges. Construction to replace the Gertrude Bridge over Kitsuksis Creek and rehabilitation of Victoria Quay Bridge over Roger Creek was completed in 2016, and rehabilitation of Josephine Street Bridge was completed in 2017.

### **Waterworks**

The City of Port Alberni obtains water from China Creek and Bainbridge Lake and has an intake on the Somass River for use during peak demands. There is a storage dam on Lizard Lake, which feeds a

tributary to China Creek. Growth of the City is limited by an inadequate volume in our China Creek and Bainbridge sources. The City and Regional District are jointly investigating development of new regional sources.

The condition of the City's 170 km of water mains is generally good, with some deterioration due to age. The condition of asbestos cement and cast iron mains is being monitored for structural problems. The state of the waterworks infrastructure is good, and considerable investment has been made in the last 10 years to upgrade facilities. A major upgrade to the supply main trestles from China Creek was completed in 2011. Capital projects substantially completed in 2017 include a new intake and pumps at Bainbridge Lake, and main renewals and upgrades on 21<sup>st</sup> Avenue, Margaret Street, and Strathcona Street.

### **Storm and Sewer**

The City's sanitary sewer utility provides service to approximately 98% of the residences and developments within the City. Much of the collection system in the south portion of the City is combined and results in sewer overflows during rainfall events. The collection system in the northern part of the City is separate. Five pump stations pump all of the City's sewage to an aeration lagoon located on the south side of the Somass River. The present treatment facility produces effluent that often fails permit parameters. Bio solids removal from the lagoon was undertaken in 2016.

Most of the collection system dates from before the 1950's and video inspection indicates that the general condition is fair. Some areas have serious pipe deterioration, root intrusion, or infiltration. Upgrades continue in capital spending programs. Sewer and storm twinning is also a project priority to achieve reduction in combined sewer overflows. The City drainage system includes outlets into the Alberni Inlet and Somass River as well as into several creeks within the City boundaries.

In 2013, the City acquired the sewage lagoon from Catalyst Paper, one of the first steps to upgrades planned in 2013 through 2020. Sewage treatment plant upgrades will continue for 2017 through 2020, funded through borrowing and federal grants. Plans include wetland restoration for the old lagoon when the new lagoon is operational.

### **Solid Waste**

The City operates a weekly residential collection service with two trucks. Solid waste is taken to the Alberni Valley Landfill operated by the Alberni-Clayoquot Regional District.

Curbside collection of recyclables is provided by Multi-Material BC (MMBC). The Alberni-Clayoquot Regional District operates a central depot on 3<sup>rd</sup> Avenue.

### **Cemetery**

The City operates and maintains the Greenwood Cemetery, with a section dedicated as a Field of Honour. A permanent row marker installation was completed in 2017.

## **City Hall**

The Port Alberni City Hall located at 4850 Argyle was constructed in 1958. Renovations to the roof, heating and lighting systems were completed in 2013. A cedar façade renovation was completed in 2016, funded in part from corporate donations. City Hall houses the City Council Chambers and Committee Rooms, as well as the General Administrative Offices on the main floor. The Engineering, Development Services, and Economic Development Departments' administration and technical offices are located on the lower floor.

The City operates with various municipal software for finance, planning, utilities, elections, parks and recreation program registration, and data management. Implementation of new financial software (Microsoft Dynamics GP) was completed in 2014. Migration to paperless billing was launched in 2016. Payroll records went completely paperless in 2016. New Parks & Recreation software (PerfectMIND) will be implemented in 2018, and a corporate-wide internet based telephone system installation was completed in 2017.

## **Fire Hall**

Port Alberni has one fire hall constructed in 1967 located at 3699 10th Avenue. This building houses the City's Fire Department consisting of 21 fire fighters, four fire trucks and an emergency rescue vehicle. Seismic upgrading of the fire hall was completed in 2000.

## **Public Safety Building**

The Public Safety Building at 4444 Morton Street was completed in the fall of 2006. This facility provides a safe and efficient building which houses our RCMP detachment. This \$6 million project was financed through City reserve funds and borrowing. Upgrades in 2014 included a closed circuit video system.

## **Works Yard**

The Works Yard at 4150 - 6th Avenue was constructed in 1966. This facility houses the public works operations, parks operations, stores, and inventory. Approximately 54 employees are dispatched from the various shops including water, sewer, streets, parks, facilities, and mechanical. A fleet of about 100 vehicles and equipment is maintained in the works yard mechanical shop.

## **Echo '67 Centre**

Opened in 1967 as a Canada Centennial project and a celebration of the amalgamation of the Cities of Alberni and Port Alberni, Echo '67 Centre is the hub of community activity in the Alberni Valley. A most versatile facility, Echo Centre contains six meeting and activity rooms ranging in capacity from 33 to 133 persons. Three of these can combine into one large room, capable of hosting groups as large as 332 persons. Two well-equipped kitchens are adjacent.

The Centre also contains two craft studios, a branch of the Vancouver Island Regional Library, the Alberni Valley Museum and Echo Aquatic Centre. The Aquatic Cen-

tre facility provides a 25 metre pool, a shallow pool, a tot's pool, a whirlpool, 2 saunas and a fitness studio. Besides public swimming and swim lesson programs, the Aquatic Centre is home to the Tsunami Swim Club. Renovations to the roof, heating and lighting system were completed in 2013.

## **Community Arena**

Construction of the fully accessible Alberni Valley Multiplex facility was approved in a referendum held in November 1999. It was a \$6.5 million dollar project which saw Alberni Valley residents commit to pay \$5 Million through taxation, while the Arena Society covered the remaining \$1.5 Million through fund raising. As the project developed, the value of the facility increased to more than \$7.4 million due mainly to improvements supported by additional fund raising initiatives by the Arena Society. One of the most significant improvements was the purchase and installation of 1,500 stadium style seats in the Weyerhaeuser Arena. Energy efficient upgrades were made in 2014 with funding from Gas Tax, and an office addition was added in 2015 with funds from the Alberni Valley Community Forest Legacy fund.

Features of the Alberni Valley Multiplex include two regulation size ice surfaces with four dressing rooms for each ice surface, and a Junior A hockey team room and office for the Alberni Valley Bulldogs. The facility has a heated viewing and food services lounge that overlooks both ice surfaces, as well as a large deck off the upper lounge which gives a spectacular



view of the Alberni Valley and some of the adjacent playfields.

### **Glenwood Sports Centre**

This is a major multi-purpose facility adjacent to both the Fall Fair Grounds and Bob Dailey Stadium field and athletic track. With its very large floor space, Glenwood Centre accommodates regular public roller blade sessions, a batting practice cage, indoor tennis practice courts, and many community special events. Those events range from exhibitions and dog shows, to Fall Fair exhibits. Energy Audit Upgrades were completed in 2014 with funding from Gas Tax grants.

### **Gyro Youth Centre**

Surrounded by parkland, the Centre houses an activity area for teens, seniors, and other groups. It is equipped with a small kitchen. Tennis courts, a lacrosse box, a spray park, and a children's playground are adjacent to the Centre. A number of upgrades were made to the tennis courts and playground in 2015. A successful grant application in 2017 contributed significantly to major upgrades in 2017.

### **Bob Dailey Stadium**

Opened for the City of Port Alberni's hosting of the 1992 B.C. Summer Games, this stadium is the one of the jewels of our outdoor recreation facilities. This 400 metre synthetic surface track is complemented by an infield suitably sized for sports such as soccer, football, field hockey, etc. Areas for high jump, javelin, shot put, and pole vault events are part of this stadium facility. A grandstand with a seating capacity of 650 overlooks the track

and the field, with Mount Arrowsmith providing a spectacular backdrop to the setting. The track was resurfaced in 2013 with funding from Land Sale Reserve. An outdoor fitness circuit park was added in 2016.

### **Echo Park and Fieldhouse**

Echo Park is our major community outdoor recreation complex. It contains three junior baseball fields, six softball diamonds which accommodate soccer fields as well in the fall and winter season, two slow-pitch fields and a skateboard park. Central to these playing fields is the Echo Park Fieldhouse. This facility consists of a lounge/meeting area for up to 60 people, a kitchen/concession area beside the lounge, an outdoor patio/terrace area off the lounge, public washrooms, storage rooms as well as change rooms and an officials' room. Interior upgrades were completed in 2016.

### **Klitsa Park Baseball Fields**

Klitsa Park Baseball Fields were completed in 2010. It features two well utilized junior baseball fields and a playground area.

### **Alberni Harbour Quay**

The "Quay" is Port Alberni's well used and popular park-marketplace by the sea. This facility is managed by the Parks, Recreation & Heritage Department. The commercial area has shops, charter services, seasonal booths and retail marketplace, generating rental revenue for the City. There is a park with a picnic area, lawn, Shipwreck Playground, and the Clock Tower. The Babe Gunn "Life Cycle of the

Pacific Salmon" stone sculpture in a central fountain is in the centre of the Quay.

The Harbour Quay Spirit Square project was completed in 2010, as well as improvements to the Farmers' Market. The project included an extension of the wharf and a boardwalk, providing much more space for waterfront viewing. The improvements to the former "Market Square" included a covered area that will accommodate additional vendors, street lighting, and an entrance canopy.

The "Quay" annually plays host to a number of community events such as the *Our Town Finale*, the *Farmer's Market*, the *Austin Healey Rendezvous*, and various "Show and Shines."

## **CITY OF PORT ALBERNI**

### **SUMMARY OF SERVICES AND REGIONAL RELATIONSHIPS**

The City is responsible for the provision of a wide variety of local government services. These include:

- Transportation network (roads, bridges, street cleaning, sidewalks, street lighting, etc. - except the Alberni Highway #4) which is under Provincial Government jurisdiction.
- Drainage
- Sanitary Sewer Collection System
- Solid Waste Collection
- Waterworks Distribution and Collection System
- Parks
- Recreation and Cultural Facilities Programs
- Library Facilities
- Land Use Planning
- Police and Fire Protection
- Building Permits
- Business Licensing
- Domestic Animal Control
- Bylaw Establishment and Enforcement
- Emergency Preparedness
- Public Transit
- Heritage

Government services that are not the responsibility of the City of Port Alberni include:

- School System (Provincial Government and Local School Board)
- Social and Health Programs (Provincial Government)
- Hospital Care Systems (Provincial Government)
- Real Property Assessments (Provincial Government)
- Recycling Pickup (Alberni-Clayoquot Regional District)
- Landfill (Alberni-Clayoquot Regional District)
- Municipal Pension Plan (Provincial Plan)
- Debt Marketing (Municipal Finance Authority)
- Flood Control (Provincial Government)
- Library System (Vancouver Island Regional Library)

The City of Port Alberni is represented on the following Regional Boards which provide a variety of services for the residents of Port Alberni:

#### **Alberni-Clayoquot Regional District**

Provides landfill operations and recycling services. Debt placement on behalf of the City of Port Alberni through the Municipal Finance Authority

#### **Island Health Authority**

Provides Regional Hospital Planning input to the Provincial Government on the Hospital system and raises local capital construction contributions.



#### Vancouver Island Regional Library

A regionalized library collection and distribution system that provides all of the operational aspects of a library system. The members provide the local facilities.

The City of Port Alberni obtains services from the following organizations:

#### Municipal Finance Authority

A Provincial organization that provides for marketing, placement and administration of all municipal debt requirements (except the City of Vancouver). This Authority also operates an investment pool on behalf of municipalities.

#### Royal Canadian Mounted Police (R.C.M.P.)

Contract with the Federal Government to provide police services (police officers); the City provides the clerical support services, custodial guards, and facilities.

#### B.C. Society for the Prevention of Cruelty to Animals (B.C.S.P.C.A.)

Contract to provide domestic animal pound and shelter services and to operate a large animal pound as required.

#### Alberni Valley Chamber of Commerce

Contract to provide visitor information to the general public.

#### Alberni Valley Tourism

A destination tourism marketing organization to promote the Alberni Valley's attractions and events to potential visitors.

The City of Port Alberni issues property tax notices and acts as a collection agent for all property taxes.

- (A) The following organizations' property tax levies are listed on the City's Property Tax Notice; however the City Council does not have control or responsibility over their levy rates, expenditure or operation:

B.C. Assessment  
Municipal Finance Authority  
Provincial Government School System (Residential and Non-Residential)

- (B) The following organizations' levies are listed on the City's Property Tax Notice, however the City Council does not have control or responsibility over their levy, expenditure or operation, except as a voting member:

Alberni-Clayoquot Regional District  
Alberni-Clayoquot Regional Hospital District

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## **CITY OF PORT ALBERNI**

### **BUDGET PROCESS**

#### **BUDGET PROCESS FOR THE YEAR 2017**

Bill 88, passed in the fall of 2000, requires municipalities to prepare a Five Year Financial Plan by-law which is adopted annually, prior to the property tax rates bylaw adoption deadline of May 15. The Plan may be amended at any time by bylaw. Each year, the Financial Plan from the previous year remains in place until the Plan for the current year is adopted. As part of the Plan process, Council must undertake a process of public consultation regarding the Financial Plan before it is adopted. The Community Charter does not specify the format of the public consultation process and it may be varied at Council's discretion to suit the local community.

The year 2017 budget activities began with an on-line survey in November 2016, followed by an e-Town Hall in February 2017. In the months following the discussion City Council reviewed the input received both during the discussion and subsequent submissions. In February and March 2017 Council received presentations from City staff on departmental budgets and reports on reserves and debt levels. Council then provided direction for the 2017-2021 five year plan. The five year plan 2017-2021 Bylaw 4932 was adopted April 10, 2017.

**CITY OF PORT ALBERNI  
SOURCES AND USES OF CAPITAL FUNDING IN 2017**

**USES OF FUNDING**

**PUBLIC WORKS:**

Transportation:

EV Van	53,262	
2 Truck Boxes	48,069	
De-icing Equipment	<u>22,582</u>	123,913

Paving and Road Reconstruction:

Margaret St – Richardson to Glenside	57,121	
Burde St – 10 <sup>th</sup> to Anderson	82,657	
Burde St – Estevan to Lyall Pt	39,867	
Neill St – Anderson to 14th	24,709	
Compton Rd/Neill School	43,932	
Argyle St – Kingsway to 1 <sup>st</sup>	<u>530,602</u>	778,888

Traffic Upgrades:

LED Streetlight Upgrade (completion)		3,442
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Storm Drain Construction:

Small capital storm main replacements	4,888	
Virginia Rd – Leslie to Gordon	91,777	
3800 Block 14th	31,070	
Compton Rd/Neill School	77,517	
Argyle St – Kingsway to 1 <sup>st</sup>	34,934	
Lathom Rd – Gertrude East	24,331	
Bute St – 4 <sup>th</sup> to 5th	<u>127,908</u>	392,425

Other:

Josephine St Bridge Deck	73,730	
Vimy St Sidewalk	<u>24,468</u>	98,198

**PARKS, RECREATION & HERITAGE:**

Aquatic Centre Slide	41,319	
Field of Honour Permanent Row	15,959	
Multiplex Canopy	26,217	
McLean Mill Capital Projects	<u>131,163</u>	214,658

ADMINISTRATION:

Telephone System	187,302	
Server Replacements	<u>123,748</u>	311,050

FIRE:

Thermal Imagers		23,253
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WATER SYSTEM:

Distribution system – main renewals and upgrades	431,429	
Water Meter Replacement	136,863	
Bainbridge Lake – New Intake and Pumps	<u>389,734</u>	958,026

SEWER SYSTEM:

Renewals and relines		<u>130,452</u>
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\$ 3,034,305

SOURCES OF FUNDING

Revenue Funds	\$ 1,864,052
Equipment Replacement Reserve Fund	365,011
Land Sale Reserve Fund	25,000
Gas Tax Community Works	711,743
Other Sources	<u>68,500</u>

\$ 3,034,305

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**FINANCIAL SECTION**

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**CITY OF PORT ALBERNI  
INDEX TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**AUDITORS' REPORT**

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## INDEPENDENT AUDITOR'S REPORT

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To the Mayor and Councillors of the City of Port Alberni

We have audited the accompanying consolidated financial statements of City of Port Alberni, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Port Alberni as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Other Matter

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 11 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Port Alberni, BC  
September 19, 2018

*R. Anderson & Associates Inc.*  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## CONSOLIDATED FINANCIAL STATEMENTS

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**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (STATEMENT A)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(with comparative figures for 2016)**

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>FINANCIAL ASSETS:</b>		
Cash (Note 2)	\$ 33,830,155	\$ 28,125,829
Accounts receivable (Note 4)	4,352,361	4,319,328
Inventory for resale (Note 2)	61,746	64,552
Long Term Investments (Note 9)	<u>2,543,023</u>	<u>2,847,778</u>
	<u>40,787,285</u>	<u>35,357,487</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities (Note 6)	5,038,870	5,179,753
Deferred revenue (Note 7)	3,574,387	3,041,156
Refundable deposits	357,403	350,410
Debenture debt (Note 8, Schedule 3)	<u>10,479,600</u>	<u>10,783,927</u>
	<u>19,450,260</u>	<u>19,355,246</u>
<b>NET FINANCIAL ASSETS</b>	<u>21,337,025</u>	<u>16,002,241</u>
<b>NON-FINANCIAL ASSETS:</b>		
Inventory of supplies (Note 2)	442,651	396,324
Prepaid expenses	154,939	205,714
Tangible Capital Assets (Notes 2 and 13, Schedule 1)	105,513,395	106,444,659
Intangible assets (Note 2)	<u>103,333</u>	<u>120,556</u>
	<u>106,214,318</u>	<u>107,167,253</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 127,551,343</u>	<u>\$ 123,169,494</u>

*Cathy Rothwell*

Cathy Rothwell  
 Director of Finance

The notes to the financial statements are an integral part of this statement.

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**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF OPERATIONS (STATEMENT B)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(with comparative figures for 2016)**

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<b>REVENUES:</b>			
Taxes (Schedule 4)	\$ 22,725,595	\$ 22,772,563	\$ 22,388,744
Sale of services (Schedule 9)	9,604,189	9,784,198	9,031,364
Other revenue from own sources (Schedule 10)	587,440	227,518	107,265
Investment income	277,350	415,873	415,078
Grants (Note 11)	1,599,940	5,562,709	6,901,625
Developer contributions	-	55,938	43,100
Sale of property and equipment	-	386,325	747,746
Gain (loss) on disposal of assets	-	274,563	532,766
	<u>34,794,514</u>	<u>39,479,687</u>	<u>40,167,688</u>
<b>EXPENSES:</b>			
General government (Schedule 5)	3,505,153	3,786,648	4,149,432
Protective services (Schedule 6)	10,613,438	11,129,460	11,307,975
Transportation services (Schedule 7)	4,253,484	6,257,913	6,259,270
Environmental health services	781,682	938,581	889,429
Environmental development	1,440,815	1,259,562	1,065,216
Recreation and cultural services (Schedule 8)	6,873,636	7,613,040	7,581,487
Interest	743,271	186,283	229,750
Debt reserve	20,300	2,738	3,988
Water utility (Schedule 11)	1,402,646	2,108,088	2,170,523
Sewer utility (Schedule 11)	1,192,790	1,798,156	3,015,139
Cost of sales and service	-	17,369	362,065
	<u>30,827,215</u>	<u>35,097,838</u>	<u>37,034,274</u>
<b>ANNUAL SURPLUS</b>	3,967,299	4,381,849	3,133,414
Accumulated surplus - beginning of year	<u>123,169,494</u>	<u>123,169,494</u>	<u>120,036,080</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>\$127,136,793</u>	<u>\$127,551,343</u>	<u>\$123,169,494</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (STATEMENT C)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(with comparative figures for 2016)**

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
ANNUAL SURPLUS	\$ (400,000)	\$ 4,381,849	\$ 3,133,414
Acquisition of tangible capital assets	-	(3,734,230)	(7,867,632)
Amortization	-	4,582,533	5,817,113
(Gain) loss on disposal of assets	-	(274,563)	(532,766)
Proceeds from sale of assets	-	374,745	639,433
	<u>(400,000)</u>	<u>5,330,334</u>	<u>1,189,562</u>
Acquisition of supply inventory		(442,651)	(396,324)
Acquisition of prepaid expenses		(154,938)	(205,715)
Consumption of inventory of supplies		396,324	456,811
Use of prepaid expenses		<u>205,715</u>	<u>1,483,307</u>
		<u>4,450</u>	<u>1,338,079</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS		5,334,784	2,527,641
NET FINANCIAL ASSETS - BEGINNING OF YEAR		<u>16,002,241</u>	<u>13,474,600</u>
NET FINANCIAL ASSETS - END OF YEAR		<u>\$ 21,337,025</u>	<u>\$ 16,002,241</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (STATEMENT D)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
 (with comparative figures for 2016)

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
OPERATING ACTIVITIES:		
Annual surplus for the year	\$ 4,381,849	\$ 3,133,414
Non-cash items		
Add: amortization of tangible capital assets	4,582,533	5,817,113
Add: (gain) loss on disposal of tangible capital assets	(274,563)	(532,766)
(Increase) decrease in investment	-	(686,547)
(Increase) inventory of supplies	(46,328)	60,487
(Increase) decrease prepaid expenses	50,777	1,277,592
Deduct: developer contributions	(55,938)	(43,100)
Changes in working capital balances		
Accounts receivable	(33,032)	822,596
Inventory for resale	2,806	(36,287)
Accounts payable and accrued liabilities	(140,883)	183,737
Deferred revenue	533,231	(820,050)
Refundable deposits	<u>6,992</u>	<u>(19,914)</u>
	<u>9,007,444</u>	<u>9,156,275</u>
FINANCING ACTIVITIES:		
Repayment of long term debt	<u>(304,327)</u>	<u>(363,655)</u>
	<u>(304,327)</u>	<u>(363,655)</u>
Acquisition of tangible capital assets	(2,855,788)	(9,332,042)
(Increase) decrease in work-in-progress	(517,748)	1,379,727
Proceeds from sale of assets	<u>374,745</u>	<u>639,435</u>
	<u>(2,998,791)</u>	<u>(7,312,880)</u>
INCREASE IN CASH FLOW	5,704,326	1,479,740
Cash and short term investments - beginning of year	<u>28,125,829</u>	<u>26,646,089</u>
CASH AND SHORT TERM INVESTMENTS - END OF YEAR	<u>\$ 33,830,155</u>	<u>\$ 28,125,829</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ALBERNI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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1. **General**

The City of Port Alberni (the "City") is a municipality in the Province of British Columbia and operates under the provisions of the Community Charter. The activities of the corporation are carried out through the following funds: General Revenue Fund, General Capital Fund, Reserve Funds, Water Revenue Fund, Water Capital Fund, Sewer Revenue Fund, and Sewer Capital Fund.

In December, 2009 the City of Port Alberni incorporated a company known as Alberni Valley Community Forest Corporation. The City retains full ownership of the company. Alberni Valley Community Forest Corporation general operations include forestry and business activities associated with forestry including harvesting and selling timber and non-timber forest products.

2. **Summary of Significant Accounting Policies**

The accounting policies of the City conform to generally accepted accounting principles as applicable to British Columbia municipalities. The financial statements have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

**Basis of Presentation**

The City practises fund accounting. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Funds currently in use are:

- 1) **General Revenue Funds** – to account for all financial resources except those required to be accounted for in another fund. The General Revenue Fund is the City's operating fund including collection of taxation, administering operations, roads, policing, fire protection etc.
- 2) **Capital Funds** – to account for all capital assets and unfunded work-in-progress of the City and offset by long-term debt and investment in capital assets.
- 3) **Reserve Funds** – to account for activities within designated funds established for specific purposes with the approval of the Ministry of Community Development. The funds are governed by bylaws defining their purpose, and are funded primarily by budgetary contributions from the General Revenue Fund plus interest earned on the fund balances.
- 4) **Water and Sewer Funds** – to account for operations that are financed and operated in a manner similar to private business operations, where the intent is that costs of providing the services on a continuing basis be financed through user charges.

**CITY OF PORT ALBERNI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**Consolidated Financial Statements** – the General Revenue Fund, Water Revenue Fund, Sewer Revenue Fund, General Capital Fund, Water Capital Fund, Sewer Capital Fund, Parkland Acquisition Reserve Fund, Equipment Replacement Reserve Fund, Capital Works Reserve Fund, Land Sale Reserve Fund, Development Cost Charges Fund, and Carbon Trust Fund belong to one economic entity under control of City Council.

The consolidated financial statements reflect the removal of internal transactions and balances. The Cemetery Trust Fund administered by the City is specifically excluded from the consolidated financial statement.

**Basis of Accounting** – Revenues and expenses are recorded on the accrual basis, except for cash flow information, in accordance with International Financial Reporting Standards (IFRS), replacing Generally Accepted Accounting Principles (Canadian GAAP). Revenues and expenses are recorded in the period that the events or transactions giving rise to the revenues and expenses occur.

**Tangible Capital Assets** – effective 2008 the City adopted the provisions of PSAB Accounting Handbook Section 3150 that required that tangible capital assets be recorded at cost and amortized over their useful lives.

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition, construction, or interest from financing of the tangible capital asset. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset. Assets under construction are not amortized. Contributed tangible capital assets are recorded as revenue at fair value at the time of contribution.

Estimated useful lives of tangible capital assets are as follows:

Land improvements	10 to 20 years
Buildings (including building components)	25 to 40 years
Machinery and equipment	5 to 30 years
Engineering structures	30 to 75 years
Storm systems	45 to 75 years
Transportation systems	15 to 60 years
Water systems	8 to 75 years
Sewer systems	8 to 75 years

Certain of the tangible capital assets are recorded at cost that would be considered a nominal value. These assets include land held for sale, parklands, and some structures that were included in purchase transactions.

Tangible capital assets do not include works of art or historical treasures. Costs related to the acquisition of such items are expensed in the year in which they are acquired.

CITY OF PORT ALBERNI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

### Revenue and Expense Recognition

- 1) **Taxation** – taxes are recognized as revenue in the year they are levied. Taxes may be adjusted by the Province by way of supplementary roll adjustments through the BC Assessment appeal process. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.
- 2) **Sales of services** – charges for water and sewer usage, solid waste collection and recreation programs and admissions are recorded as sales of services.
- 3) **Other revenue** – includes permit and licence fees, fines, and penalty charges.
- 4) **Investment income** – the City invests in pooled funds of the Municipal Finance Authority of BC. The Municipal Finance Authority distributes earnings of these funds to its investors from time to time based on the market value of the pool. The City recognizes only its share of the realized earnings of the pool. This revenue is recorded as investment income and the amount is added to the cost of the units held. To the extent that financial instruments have no stated rate of return investment income is recognized as it is received.
- 5) **Grants** – are recognized as revenues in the period that the events giving rise to the transfer occur.
- 6) **Expenses** - are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

**Cash and Short Term Investments** – cash consists of funds situate in till floats, ATMs, and bank accounts. Short term investments are considered cash equivalents when there is a maturity date of less than 90 days. All short term investments held by the City consist of GICs and term deposits, cashable on demand or within 30 days, and are readily available. Short term investments are recorded at cost. Cash and short term investments as at December 31, 2017 were comprised as follows:

	<u>2017</u>	<u>2016</u>
Cash	\$ 6,085,054	\$ 4,064,631
Short Term Investments	<u>27,745,101</u>	<u>24,061,198</u>
	<u>\$ 33,830,155</u>	<u>\$ 28,125,829</u>

**Inventories** – inventories of materials and supplies are valued at cost with an allowance made for damaged or obsolete goods. Inventories for resale are classified as Financial Assets. Inventories of supplies for internal use are classified as Non-Financial Assets and are expensed in the year of acquisition.

**CITY OF PORT ALBERNI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**Contributed Tangible Capital Assets** – land developers are required to provide subdivision infrastructure such as streets, lighting, sidewalks and drainage, etc. At the end of the warranty period, they are turned over to the City for no consideration. The City is not involved in the construction and does not budget for either the contribution from the developer or the capital expenditure in its annual bylaw.

**Intangible Assets** - Intangible assets consist of the fair value of a permanent lease acquired for access to properties on which sewage infrastructure is situated. Amortization will be recorded over the remaining term of the lease plus one renewal term. No amortization has been recorded prior to 2015 as the infrastructure was not in use until 2015.

**Reserve Accounts** – reserves for future expenditures are non-statutory reserves, which represent an allocation of revenue for specific purposes.

**Employee Future Benefits** - The City and its employees participate in a Municipal Pension Plan. The Plan is a multi-employer contributory defined benefit pension plan. Payments in the year are expensed. Sick leave benefits and retirement severance benefits are also available to the City's employees. The costs of these benefits are actuarially determined based on service and estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is accrued based on projected benefit costs as employees earn the future benefits.

**Use of Estimates/Measurement Uncertainty** – the preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring use of management estimates relate to the useful lives of tangible capital assets for calculation of amortization, determination of employee future benefits, collectability of accounts receivable, and provisions for contingencies.

**Financial Instruments** – the City's financial instruments consist of cash and temporary investments, portfolio investments, accounts receivable, other assets, accounts payable and accrued liabilities, refundable deposits and long term debt. Unless otherwise indicated, it is management's opinion that the City is not exposed to any significant interest, credit, or currency risks arising from these financial instruments.

**Adoption of New Accounting Policy** - on January 1, 2015, the City adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to January 1, 2014 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the City.

CITY OF PORT ALBERNI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

3. Trust Funds

The City holds trust funds under British Columbia law for the purposes of maintaining a public cemetery. This fund is excluded from the consolidated statement of financial position and is comprised of the following:

	<u>2016</u>				<u>2017</u>
	Balance	Interest	Receipts	Expenditures	Balance
Cemetery Trust	\$ <u>148,889</u>	\$ <u>2,135</u>	\$ <u>6,989</u>	\$ <u>(2,135)</u>	\$ <u>155,878</u>

4. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Property taxes	\$ 731,782	\$ 914,909
Provincial government	25,070	68,505
Federal government	13,970	8,601
General	<u>3,581,539</u>	<u>3,327,313</u>
	\$ <u>4,352,361</u>	\$ <u>4,319,328</u>

5. Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. Each regional district through its member municipalities who share in the proceeds of a debt issue is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The Authority pays into the Debt Reserve Fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund, if at any time there are insufficient funds, to meet payments on its obligations. When this occurs the regional districts may be called upon to restore the fund.

Upon the maturity of a debt issue the unused portion of the Debt Reserve Fund established for that issue will be discharged to the City. The proceeds from these discharges will be credited to income in the year they are received. As at Sunday, December 31, 2017 the total investment of the Debt Reserve Fund was comprised of:

	<u>2017</u>	<u>2016</u>
General Revenue	\$ 171,933	\$ 170,706
Water Revenue	42,737	42,328
Sewer Revenue	<u>132,274</u>	<u>131,172</u>
	\$ <u>346,944</u>	\$ <u>344,206</u>



CITY OF PORT ALBERNI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

6. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Due to senior governments	\$ 334	\$ -
Other local governments	9,008	9,158
Trade accounts	2,733,711	2,787,698
Salaries and wages	402,847	496,505
Accrued debenture interest	63,419	63,419
Accrued employee benefits	<u>1,829,551</u>	<u>1,822,973</u>
	<u>\$ 5,038,870</u>	<u>\$ 5,179,753</u>

Employee future benefits:

The City provides benefits for sick leave, vacation pay and certain retirement benefit arrangements to its employees.

a) Retirement benefit payments

The City provides retirement benefits to qualifying employees who cease employment with the City after a specified length of service. Retirement benefits are estimated for individual employees as per the appropriate collective agreement, based on estimated salary costs at the time of anticipated retirements, and discounting expected pay-outs over estimated years of service.

	<u>2017</u>	<u>2016</u>
Benefit liability - beginning of year	\$ 600,453	\$ 600,453
Add: current service costs	40,700	40,700
interest on accrued benefit obligation	23,300	23,300
amortization of actuarial loss	10,100	10,100
Less Benefits paid	<u>(46,000)</u>	<u>(46,000)</u>
Benefit liability - end of year	628,553	628,553
Add ERIP reserve	93,000	93,000
Unamortized actuarial loss (gain)	<u>37,747</u>	<u>37,747</u>
Accrued benefit obligation - end of year	<u>\$ 759,300</u>	<u>\$ 759,300</u>

The retirement liability requires no contribution from the employees.

	<u>2017</u>	<u>2016</u>
b) Accrued vacation liability as at Sunday, December 31, 2017	<u>\$ 940,251</u>	<u>\$ 933,673</u>

c) Accumulated sick leave liability

The City provides benefits for sick leave to all its employees. Employees in the classification of CUPE and Firefighter accumulate sick leave on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Sick leave is accumulated to a maximum as determined by

**CITY OF PORT ALBERNI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

the appropriate collective agreement. Sick leave for management employees does not accumulate. At Sunday, December 31, 2017 this liability is estimated at \$130,000 (2012 - \$130,000)

d) Employee benefit obligations:

	<u>2017</u>	<u>2016</u>
Accrued Retirement Benefits	\$ 759,300	\$ 759,300
Accrued Vacation Payable	940,251	933,673
Accum. Sick Leave Liability	<u>130,000</u>	<u>130,000</u>
	<u>\$ 1,829,551</u>	<u>\$ 1,822,973</u>

The Employee Benefit Obligations liability was determined by actuarial valuation, with the exception of accrued vacation pay, which is recorded at actual. The actuarial valuation was performed by AON Hewitt in accordance with sections PS3250 and PS3255 of the CPA Canada Public Sector Accounting handbook. Actuarial valuations for accounting purposes are performed triennially using the projected accrued benefit cost method. The most recent valuation was completed December 31, 2014. The significant actuarial assumptions adopted in estimating the City's accrued benefit obligation are as follows:

Discount rates	3.50% per annum
Expected future inflation rates	2.25% per annum
Expected wage and salary increases	2.50% per annum

**7. Deferred Revenue**

Capital grants are restricted to spending on capital project expenses. Other deferred revenue is not restricted. Federal Gas Tax Agreement funding has broad guidelines for use for projects that result in cleaner air, cleaner water, or decreased greenhouse gas emissions.

	<u>2017</u>	<u>2016</u>
Capital grants, opening balance	\$ 107,233	\$ 1,283,224
Capital projects in progress, end of year	-	27,883
Capital projects completed during year	<u>(51,236)</u>	<u>(1,203,874)</u>
Capital grants, ending balance	55,997	107,233
Property taxes	1,425,216	1,039,097
Other	713,596	537,815
Federal Gas Tax agreement	<u>1,379,578</u>	<u>1,357,011</u>
	<u>\$ 3,574,387</u>	<u>\$ 3,041,156</u>

CITY OF PORT ALBERNI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

8. Debenture Debt

All debenture debt is owed to the Municipal Finance Authority of British Columbia, and is reported at gross amount. The City has no debt assumed by others on its behalf, and has assumed no debt for others.

The annual principal and interest requirements for the next five years as of Sunday, December 31, 2017 are as follows:

		Principal		Interest		Total
2018	\$	254,557	\$	295,628	\$	550,185
2019		254,557		295,628		550,185
2020		254,557		295,628		550,185
2021		254,557		295,628		550,185
2022		254,557		295,628		550,185

9. Long Term Investments

The City of Port Alberni owns 100% of the issued and outstanding shares of Alberni Valley Community Forest Corporation. The original investment is recorded at cost, and accumulated earnings to date are recorded on the equity basis.

	<u>2017</u>	<u>2016</u>
Alberni Valley Community Forest Corporation		
Shares	\$ 1	\$ 1
Accumulated earnings to date	<u>2,543,022</u>	<u>2,847,777</u>
	<u>\$ 2,543,023</u>	<u>\$ 2,847,778</u>

10. Expenses by Object

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Salaries Wages and Benefits	\$ 15,716,646	\$ 16,390,356	\$ 14,099,861	\$ 15,006,477	\$ 14,196,562
Debt Servicing	200,919	250,400	372,593	267,799	266,266
RCMP Contract	5,488,750	5,160,770	4,677,793	4,338,968	4,328,960
Grants	288,938	135,325	124,900	113,440	102,904
Other Contracts	1,328,666	1,305,558	1,296,074	1,219,318	1,303,941
Goods and Services	7,491,386	7,974,752	7,976,677	7,323,311	6,807,131
Amortization	<u>4,582,533</u>	<u>5,817,113</u>	<u>4,788,134</u>	<u>4,342,164</u>	<u>4,040,821</u>
	<u>\$ 35,097,838</u>	<u>\$ 37,034,274</u>	<u>\$ 33,336,032</u>	<u>\$ 32,611,477</u>	<u>\$ 31,046,585</u>

CITY OF PORT ALBERNI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

11. Grants and Transfers

	<u>2017</u>	<u>2016</u>
<b>Operating Grants</b>		
Federal		
Western Diversification Canada 150 - Museum	\$ 21,000	\$ -
Provincial		
Strategic Community Investment & Traffic Fine Revenue Sharing	\$ 552,916	\$ 696,460
Community Gaming	445,840	445,000
BC Arts Council - Museum	65,000	65,000
Rural Dividend BC	287,160	86,940
Emergency Management BC	9,949	-
BC Summer Jobs Program	2,714	-
UBCM - Asset Management Plan	10,000	-
Total Provincial Grants	<u>1,373,579</u>	<u>1,293,400</u>
<b>Total Government Operating Grants</b>	<u>1,394,579</u>	<u>1,293,400</u>
Local - Alberni-Clayoquot Regional District		
Economic Development	<u>21,833</u>	<u>28,833</u>
<b>Capital</b>		
Federal		
Federal Gas Tax Revenue (UBCM)	788,817	1,591,798
General Strategic Priorities Fund (UBCM)	698,051	1,934,757
Port Alberni Port Authority	-	5,000
Western Diversification Canada 150	142,276	-
Employment and Social Development Canada	50,000	-
Federal/Provincial		
Building Canada Fund - Communities Component	-	1,824,332
Clean Water Wastewater Fund	2,193,175	-
Provincial		
BC Hydro Power Smart Incentive Program	2,319	46,382
	<u>-</u>	<u>-</u>
	<u>3,874,638</u>	<u>5,402,269</u>
<b>Total Government Grants and Transfers</b>	5,291,050	6,724,502
Other Grants - Non-Government	<u>271,659</u>	<u>177,123</u>
<b>Total Grants and Transfers</b>	<u><u>5,562,709</u></u>	<u><u>6,901,625</u></u>

CITY OF PORT ALBERNI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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12. **Contingent Liabilities**

**Regional District Debt**

Debt issued by the Regional District of Alberni Clayoquot is a direct joint and several liability of the District and each member municipality including the City.

**Claim for Damages**

In the normal course of a year, the City is faced with lawsuits and other claims for damages of diverse nature. At year end, the City's estimated exposure for such liabilities is not considered to be significant. The City carries general liability insurance with a private insurance carrier in the amount of \$5 million, plus an umbrella liability policy in the amount of \$45 million. When claims are paid the expense is charged to the General Government expense category.

**Pension Liability**

The municipality 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 benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

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

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City of Port Alberni paid \$1,203,794 (\$1,292,399 in 2016) for employer contributions to the plan in fiscal 2017, while employees contributed \$991,065 to the plan in fiscal 2017 (\$1,06,0528 in 2016).

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the Plan record their pension expenses as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no

**CITY OF PORT ALBERNI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

**13. Tangible Capital Assets**

Tangible Capital Assets are stated at net book value.

	<u>2017</u>	<u>2016</u>
Land	\$ 4,081,550	\$ 4,079,341
Land Improvements	5,007,334	5,376,792
Buildings	18,741,599	19,551,689
Machinery and Equipment	4,614,146	4,839,214
Engineering Structures	2,814,494	2,784,795
Storm Drains	15,987,786	15,924,607
Transportation	9,719,411	9,806,904
Water	20,643,551	20,428,355
Sewer	<u>20,823,022</u>	<u>21,090,209</u>
	102,432,893	103,881,906
Work-in-progress - assets under construction not being amortized	<u>3,080,502</u>	<u>2,562,753</u>
	<u>\$ 105,513,395</u>	<u>\$ 106,444,659</u>

For more information on additions, disposals, and amortization, refer to Schedule 1 (Schedule of Tangible Assets)

There were no writedowns of tangible capital assets in 2017 (2016 - \$ nil). Contributed assets recognized in 2017 were nil (2016 - nil). These include land, transportation, storm, sewer and water infrastructure. Interest capitalized in 2017 was \$118,140 (2016 - \$118,140). No amortization has been recorded on assets not in use in 2016.

**14. Segmented Information**

The City of Port Alberni provides a wide range of services to its citizens including police, fire, recreation, roads, sewer and water. For reporting purposes the City's operations and activities are organized and reported by Fund as described in Note 1. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide are as follows:

*General government services*

General government provides internal support services to Council and other departments who provide

**CITY OF PORT ALBERNI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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direct services to its citizens. General government consists of governance, corporate management and program support. Internal departments include Legislative (Council), Chief Administrator's Office, City Clerk's Department, Financial Services, Information Technology, and Human Resources.

*Protective services - Police, Fire, and Building Inspection*

The Royal Canadian Mounted Police is Canada's national police service. They are committed to preserving the peace, upholding the law and providing quality service in partnership with Canadian communities and for all Canadian citizens. The mandate of the Port Alberni Fire Department is to provide fire suppression services; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. It is the mandate of the Building Inspection Department to provide building inspection services as set out in the building bylaw for residents and builders. Building inspection services are provided in order to assist residents and builders in constructing projects which meet minimum construction standards.

*Transportation services*

The Public Works Department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, traffic control and street lighting.

*Environmental health services*

The function of environmental health services is to provide for the collection and disposal of solid waste as well as providing cemetery services to the citizens of Port Alberni.

*Environmental and economic development*

Environmental development provides services relating to planning, economic development and tourism. The Planning Department develops and administers land use regulations to ensure an orderly and well planned community. Economic Development includes responsibilities for diversification of the economy through business retention, business attraction and marketing key properties owned by the City.

*Recreation and cultural services*

The mission of the Parks, Recreation and Heritage Department is to enrich the quality of life of residents and visitors. The parks, facilities, programs and services are designed and delivered to provide the greatest benefit to the community as a whole. The Museum Department works with the community to collect, document, preserve and present all aspects of the cultural heritage of the Alberni Valley and West Coast of Vancouver Island. Cultural services also contribute towards the information needs of citizens through the provision of library services in partnership with the Vancouver Island Regional Library.

*Water utility*

The Water Department provides for the supply and treatment of safe drinking water to the citizens of Port Alberni.

*Sewer utility*

The Sewer Department provides for the collection and treatment of wastewater.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 2. For additional information see Segmented Information (Schedule 2).

CITY OF PORT ALBERNI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

15. Accumulated Surplus

Accumulated surplus consists of individual fund surplus, surplus invested in tangible capital assets and reserve fund and accounts as follows:

	<u>2017</u>	<u>2016</u>
Operations		
General	\$ (16,510,178)	\$ (13,229,995)
Water	1,240,526	1,548,225
Sewer	<u>(2,390,891)</u>	<u>(2,287,807)</u>
	<u>(17,660,543)</u>	<u>(13,969,577)</u>
Capital		
General	20,684,563	17,244,151
Water	2,396,735	1,651,719
Sewer	<u>4,239,001</u>	<u>1,530,013</u>
	<u>27,320,299</u>	<u>20,425,883</u>
Equity in tangible capital assets		
General	58,352,503	59,516,586
Water	19,090,601	18,884,175
Sewer	<u>17,694,024</u>	<u>17,380,528</u>
	<u>95,137,128</u>	<u>95,781,289</u>
Reserves		
Reserve funds - statutory		
Parkland Acquisition	283,330	202,060
Capital Works	1,106,886	1,085,736
Equipment Replacement	6,059,450	5,602,947
Land Sale	959,376	675,476
Development Cost Charges	247,715	189,477
Carbon Fund	258,588	235,899
Alberni Valley Community Forest Corporation Reserve	104,679	104,620
Reserve funds - unrestricted		
General Fund - projects and purchases	3,381,185	3,766,938
Loss on taxation	1,351,000	1,351,000
Museum purchases	54,461	52,008
RCMP - contract surplus	1,085,188	1,000,000
Parks and Recreation building	2,163,271	2,003,073
Water Fund - projects and purchases	3,185,495	3,008,290
Sewer Fund - projects and purchases	<u>2,513,835</u>	<u>1,654,375</u>
	<u>22,754,459</u>	<u>20,931,899</u>
	<u>\$ 127,551,343</u>	<u>\$ 123,169,494</u>



CITY OF PORT ALBERNI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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16. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current presentation.

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## **SUPPORTING SCHEDULES**

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**CITY OF PORT ALBERNI  
SCHEDULE OF TANGIBLE CAPITAL ASSETS (SCHEDULE 1)  
AT DECEMBER 31, 2017**

	ASSETS				ACCUMULATED AMORTIZATION				NET BOOK VALUE 2017	NET BOOK VALUE 2016
	Balance December 31, 2016	2017 Additions	2017 Disposals	Balance December 31, 2017	Balance December 31, 2016	2017 Additions	2017 Disposals	Balance December 31, 2017		
Land	\$ 4,079,342	\$ 2,490	\$ 281	\$ 4,081,551	\$ -	\$ -	\$ -	\$ -	\$ 4,081,551	\$ 4,079,342
Land Improvements	11,621,987	19,401	-	11,641,388	6,245,195	388,858	-	6,634,053	5,007,335	5,376,792
Buildings	35,784,954	131,880	9,812	35,907,022	16,233,263	941,970	9,812	17,165,421	18,741,601	19,551,691
Machinery & Equipment	13,323,707	525,036	93,861	13,754,882	8,484,497	730,490	74,247	9,140,740	4,614,142	4,839,210
Engineered Structures	3,871,686	73,730	7,498	3,937,918	1,086,891	44,031	7,498	1,123,424	2,814,494	2,784,795
Storm Drains	23,294,036	392,425	9,585	23,676,876	7,369,429	325,796	6,135	7,689,090	15,987,786	15,924,607
Transportation	42,319,751	803,357	18,373	43,104,735	32,512,847	890,850	18,373	33,385,324	9,719,411	9,806,904
Water	35,254,923	958,026	23,645	36,189,304	14,826,568	734,889	15,705	15,545,752	20,643,552	20,428,355
Sewer	30,299,896	246,102	9,856	30,536,142	9,209,687	508,427	4,994	9,713,120	20,823,022	21,090,209
Work in progress	2,562,754	3,080,501	2,562,754	3,080,501	-	-	-	-	3,080,501	2,562,754
	<u>\$ 202,413,036</u>	<u>\$ 6,232,948</u>	<u>\$ 2,735,665</u>	<u>\$ 205,910,319</u>	<u>\$ 95,968,377</u>	<u>\$ 4,565,311</u>	<u>\$ 136,764</u>	<u>\$ 100,396,924</u>	<u>\$ 105,513,395</u>	<u>\$ 106,444,659</u>

# Financial Statements

## CITY OF PORT ALBERNI SEGMENTED INFORMATION (SCHEDULE 2) FOR THE YEAR ENDED DECEMBER 31, 2017

	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental & Economic Development
<b>Revenue</b>					
Taxes	\$ 22,772,563	\$ -	\$ -	\$ -	\$ -
Sales of services	(29,456)	488,966	437,016	734,327	165,904
Other revenue from own sources	203,672	251,784	-	10,795	140,056
Investment income	251,755	-	-	-	-
Grants	1,089,734	15,000	2,379	-	308,993
Developer contributions	-	-	-	-	-
Gain/loss on disposal of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenue</b>	<b>24,288,268</b>	<b>755,750</b>	<b>439,395</b>	<b>745,122</b>	<b>614,953</b>
<b>Expenses</b>					
Operating:					
Salaries, wages and benefits	2,341,774	4,555,348	2,667,301	359,776	513,440
Debt servicing	21,921	88,713	-	-	-
RCMP contract	-	5,488,750	-	-	-
Grants	96,571	-	-	-	192,368
Other contracts	14,531	135,245	1,089,835	-	89,055
Goods and services	1,229,846	641,558	810,860	574,646	238,053
	3,704,643	10,909,614	4,567,996	934,422	1,032,916
Amortization	269,335	307,357	1,689,917	4,159	62,436
<b>Total expenses</b>	<b>3,973,978</b>	<b>11,216,971</b>	<b>6,257,913</b>	<b>938,581</b>	<b>1,095,352</b>
<b>Revenue Over (Under) Expenses</b>	<b>\$ 20,314,290</b>	<b>\$(10,461,221)</b>	<b>\$ (5,818,518)</b>	<b>\$ (193,459)</b>	<b>\$ (480,399)</b>

**CITY OF PORT ALBERNI  
SEGMENTED INFORMATION (SCHEDULE 2)  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Consolidated 2017	Budget 2017	Consolidated 2016
\$ -	\$ -	\$ -	\$ -	\$ 22,772,563	\$ 22,725,595	\$ 22,388,744
1,477,663	2,937,686	2,688,688	883,404	9,784,198	9,604,189	9,031,364
-	32,986	29,279	(441,054)	227,518	587,440	107,265
-	9,356	7,623	147,139	415,873	277,350	415,078
91,419	-	-	4,055,184	5,562,709	1,599,940	6,901,625
-	-	-	55,938	55,938	-	43,100
-	-	-	274,563	274,563	-	532,766
-	-	-	386,325	386,325	-	747,746
1,569,082	2,980,028	2,725,590	5,361,499	39,479,687	34,794,514	40,167,688
3,989,281	756,220	533,505	-	15,716,645	15,615,220	16,420,314
-	44,409	45,877	-	200,920	735,828	250,400
-	-	-	-	5,488,750	5,301,190	5,160,770
-	-	-	-	288,939	521,036	122,485
-	-	-	-	1,328,666	1,334,835	1,305,558
2,623,073	616,979	739,002	17,368	7,491,385	7,319,106	7,957,634
6,612,354	1,417,608	1,318,384	17,368	30,515,305	30,827,215	31,217,161
988,791	734,889	525,649	-	4,582,533	-	5,817,113
7,601,145	2,152,497	1,844,033	17,368	35,097,838	30,827,215	37,034,274
\$ (6,032,063)	\$ 827,531	\$ 881,557	\$ 5,344,131	\$ 4,381,849	\$ 3,967,299	\$ 3,133,414

CITY OF PORT ALBERNI  
DEBTENTURE DEBT - SCHEDULE 3

ALL FUNDS AT DECEMBER 31, 2017 - SHOWING REQUIREMENTS FOR PRINCIPAL AND INTEREST FOR 2018

Security Issuing Bylaw	Purpose	Original Issue	Amount Outstanding Dec. 31, 2017	Term in Years	Annual Interest Rate	Maturity Date	2018 Requirements Interest	2018 Requirements Principal	2017 Sinking Fund Addition	Debt Reserve Cash Balance Dec. 31, 2017
4575		3,375,064	2,282,104	25	1.75%	19-Apr-31	59,064	81,042	38,920	49,774
4807		428,300	405,381	30	3.00%	14-Oct-44	12,075	7,177	623	4,369
4846		912,000	846,373	20	2.20%	8-Apr-35	20,064	32,249	1,129	9,743
	General	4,715,364	3,533,858				91,203	120,468	40,672	63,886
4848	Water	2,000,000	1,921,159	30	2.20%	8-Apr-45	44,000	38,743	1,356	21,366
4807	Waste Water	5,321,700	5,024,583	30	3.00%	14-Oct-44	160,425	95,346	7,743	57,863
		12,037,064	10,479,600				295,628	254,557	49,771	143,115



**CITY OF PORT ALBERNI**  
**TAX LEVIES and GRANTS IN LIEU OF TAXES (SCHEDULE 4)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
 (with comparative figures for 2016)

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<b>MUNICIPAL PURPOSES:</b>			
Tax Levies:			
General purpose	\$ 21,700,402	\$21,742,686	\$ 21,370,944
Local improvement - sewer	-	3,198	3,198
Off-street parking	10,500	9,134	9,026
Utility	660,000	660,811	643,717
Parcel Tax	<u>133,993</u>	<u>134,193</u>	<u>133,855</u>
	22,504,895	22,550,022	22,160,740
Grants in lieu of taxes	<u>220,700</u>	<u>222,541</u>	<u>228,004</u>
Total Municipal Taxes	<u>22,725,595</u>	<u>22,772,563</u>	<u>22,388,744</u>
<b>COLLECTIONS FOR OTHER GOVERNMENTS:</b>			
Tax Levies:			
School	5,100,000	4,982,810	5,162,019
Alberni Clayoquot Regional Hospital District	707,654	707,654	647,008
Alberni Clayoquot Regional District	1,202,692	1,202,692	1,213,083
B.C. Assessment	160,000	147,863	159,269
Municipal Finance Authority	<u>500</u>	<u>483</u>	<u>450</u>
Total Collections For Other Governments	<u>7,170,846</u>	<u>7,041,502</u>	<u>7,181,829</u>
Total Taxes Collected	<u>\$ 29,896,441</u>	<u>\$29,814,065</u>	<u>\$ 29,570,573</u>

**CITY OF PORT ALBERNI  
GENERAL GOVERNMENT EXPENSES (SCHEDULE 5)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(with comparative figures for 2016)**

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
Legislative	\$ 199,192	\$ 206,545	\$ 189,617
City manager's office	196,677	249,875	316,745
Municipal clerk's office	411,841	383,750	394,603
Legal fees	40,000	22,605	113,925
Financial management	737,300	694,525	726,042
Administration vehicle	7,747	14,971	11,459
External audit	30,600	25,000	15,000
Purchasing	206,900	231,319	217,537
Buildings	92,360	185,073	190,236
Information services	640,681	932,372	945,788
Appraisals	-	-	2,211
Personnel	302,087	287,526	269,289
Training and development	194,800	138,041	151,200
Damage claims	20,400	34,661	6,114
Grants and grant funded programs	10,820	33,956	20,925
Office equipment supplies and printing	344,448	406,156	383,121
Public liability insurance	257,500	252,145	264,350
Other general services	258,800	162,128	396,485
Administration recoveries	<u>(447,000)</u>	<u>(474,000)</u>	<u>(465,215)</u>
	\$ <u>3,505,153</u>	\$ <u>3,786,648</u>	\$ <u>4,149,432</u>

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CITY OF PORT ALBERNI  
PROTECTIVE SERVICES (SCHEDULE 6)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(with comparative figures for 2016)

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	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
Police protection	\$ 6,946,411	\$ 7,379,648	\$ 6,972,541
Fire protection	3,410,255	3,504,275	4,051,838
Emergency measures	500	7,105	6,981
Building and plumbing inspections	105,072	100,221	111,635
Animal pound operations	<u>151,200</u>	<u>138,211</u>	<u>164,980</u>
	\$ <u>10,613,438</u>	\$ <u>11,129,460</u>	\$ <u>11,307,975</u>

**CITY OF PORT ALBERNI**  
**TRANSPORTATION SERVICES (SCHEDULE 7)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(with comparative figures for 2016)**

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<b>COMMON SERVICES:</b>			
Engineering administration	\$ 608,313	\$ 555,024	\$ 583,739
Engineering consulting services	146,140	136,569	128,926
Public works supervision	365,000	380,233	369,235
Equipment and supplies	44,999	109,448	110,160
Building and yard maintenance	175,420	175,264	173,381
Equipment maintenance	<u>843,796</u>	<u>1,159,874</u>	<u>1,110,766</u>
	<u>2,183,668</u>	<u>2,516,412</u>	<u>2,476,207</u>
<b>ROADS AND STREET MAINTENANCE:</b>			
Roadway surfaces maintenance	1,182,124	1,893,471	2,044,983
Snow and ice removal	185,250	353,624	242,494
Parking	8,200	19,143	10,677
Gravel	177,000	200,844	206,328
Ditch and dyke maintenance	115,000	93,626	107,222
Storm sewers	<u>215,300</u>	<u>523,222</u>	<u>626,210</u>
	<u>1,882,874</u>	<u>3,083,930</u>	<u>3,237,914</u>
<b>Bridges and retaining walls</b>	43,500	71,408	73,524
<b>Street lighting</b>	298,400	423,171	411,490
<b>Traffic control</b>	215,450	323,438	338,211
<b>Public transit</b>	1,077,292	1,089,835	1,058,962
<b>Other</b>	117,300	178,902	151,692
<b>Recoveries</b>	<u>(1,565,000)</u>	<u>(1,429,183)</u>	<u>(1,488,730)</u>
	<u>\$ 4,253,484</u>	<u>\$ 6,257,913</u>	<u>\$ 6,259,270</u>

**CITY OF PORT ALBERNI**  
**RECREATION AND CULTURAL SERVICES (SCHEDULE 8)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
 (with comparative figures for 2016)

	2017 Budget Revenue	2017 Actual Revenue	2017 Budget Expense	2017 Actual Expense	2017 Budget Operating Deficit	2017 Actual Operating Deficit	2016 Actual Operating Deficit
<b>RECREATION SERVICES:</b>							
Administration	\$ -	\$ -	\$ 507,269	\$ 511,567	\$ (507,269)	\$ (511,567)	\$ (494,614)
Leisure Centre	265,634	255,921	449,637	560,381	(184,003)	(304,460)	(283,493)
Swimming pool	295,500	272,316	516,437	506,584	(220,937)	(234,269)	(234,482)
Arena	565,750	495,661	958,467	1,415,650	(392,717)	(919,989)	(925,858)
Parks, playgrounds and other	32,500	22,913	1,489,523	1,625,104	(1,457,023)	(1,602,191)	(1,585,944)
Programs	<u>353,225</u>	<u>374,261</u>	<u>1,531,175</u>	<u>1,474,145</u>	<u>(1,177,950)</u>	<u>(1,099,883)</u>	<u>(1,182,932)</u>
	<u>1,512,609</u>	<u>1,421,072</u>	<u>5,452,508</u>	<u>6,093,431</u>	<u>(3,939,899)</u>	<u>(4,672,359)</u>	<u>(4,707,323)</u>
<b>CULTURAL SERVICES:</b>							
Museum services	21,100	26,593	484,936	481,889	(463,836)	(455,296)	(469,267)
McLean Mill	-	29,997	261,000	362,528	(261,000)	(332,531)	(301,980)
Regional library	-	-	675,192	675,192	(675,192)	(675,192)	(673,332)
	<u>21,100</u>	<u>56,590</u>	<u>1,421,128</u>	<u>1,519,609</u>	<u>(1,400,028)</u>	<u>(1,463,019)</u>	<u>(1,444,579)</u>
	<u>\$ 1,533,709</u>	<u>\$ 1,477,662</u>	<u>\$ 6,873,636</u>	<u>\$ 7,613,040</u>	<u>\$ (5,339,927)</u>	<u>\$ (6,135,378)</u>	<u>\$ (6,151,902)</u>

**CITY OF PORT ALBERNI**  
**SALES OF SERVICES (SCHEDULE 9)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
 (with comparative figures for 2016)

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<b>GENERAL REVENUE:</b>			
General Services	\$ 1,642,710	\$ 1,652,631	\$ 1,640,786
Arena	565,750	495,661	519,358
Leisure Centre	265,634	255,921	244,915
Parks, playgrounds and other	32,500	22,913	28,325
Pool	295,500	272,316	265,809
Programs	353,225	374,261	344,021
Museum	21,100	26,593	29,150
McLean Mill	-	29,997	(1,995)
	<u>3,176,419</u>	<u>3,130,293</u>	<u>3,070,369</u>
<b>MISCELLANEOUS REVENUE:</b>			
Miscellaneous receipts/sales	-	883,404	927,183
<b>SERVICES PROVIDED TO OTHER GOVERNMENTS:</b>			
Services provided to other governments	167,000	144,127	156,165
<b>SEWER REVENUE:</b>			
Connections and sundry charges	69,568	126,219	111,094
Sale of sewer service	<u>2,888,332</u>	<u>2,562,469</u>	<u>2,200,195</u>
	<u>2,957,900</u>	<u>2,688,688</u>	<u>2,311,289</u>
<b>WATER REVENUE:</b>			
Sale of water	3,258,580	2,862,374	2,526,978
Connections and sundry charges	<u>44,290</u>	<u>75,312</u>	<u>39,380</u>
	<u>3,302,870</u>	<u>2,937,686</u>	<u>2,566,358</u>
	<u>\$ 9,604,189</u>	<u>\$ 9,784,198</u>	<u>\$ 9,031,364</u>

**CITY OF PORT ALBERNI**  
**OTHER REVENUE FROM OWN SOURCES (SCHEDULE 10)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
 (with comparative figures for 2016)

	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
Licences and permits	\$ 206,140	\$ 240,338	\$ 222,969
Fines and costs	9,000	11,445	5,940
Land and building rentals	141,000	140,056	139,903
Penalties and interest	221,800	215,208	237,003
Miscellaneous revenue	9,500	61,524	39,824
Other revenue from own sources - capital fund	<u>-</u>	<u>(441,053)</u>	<u>(538,374)</u>
	<u>\$ 587,440</u>	<u>\$ 227,518</u>	<u>\$ 107,265</u>

**CITY OF PORT ALBERNI**  
**SEWER AND WATER UTILITIES (SCHEDULE 11)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
 (with comparative figures for 2016)

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	2017 <u>Budget</u>	2017 <u>Actual</u>	2016 <u>Actual</u>
<b>SEWER UTILITY:</b>			
Administration	\$ 454,690	\$ 403,120	\$ 420,937
Sewage treatment and disposal	287,000	485,452	1,602,149
Sewage collection system	281,500	631,094	614,555
Sewage pump stations	167,600	277,055	375,942
Other operating costs	<u>2,000</u>	<u>1,435</u>	<u>1,556</u>
	<u>\$ 1,192,790</u>	<u>\$ 1,798,156</u>	<u>\$ 3,015,139</u>
<b>WATER UTILITY:</b>			
Administration	\$ 363,321	\$ 478,925	\$ 474,964
Service of supply	123,525	243,336	266,250
Pumping	266,500	354,772	338,221
Transmission and distribution	<u>649,300</u>	<u>1,031,055</u>	<u>1,091,088</u>
	<u>\$ 1,402,646</u>	<u>\$ 2,108,088</u>	<u>\$ 2,170,523</u>



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# STATISTICS SECTION

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## Statistics

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### CITY OF PORT ALBERNI MISCELLANEOUS STATISTICS

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Date of Incorporation	1912
Form of Government	City/Council/Manager
Number of employees (excluding police and fire)	
Bargaining Unit (Full Time)	96
Exempt	21
Area in Hectares	2,151
City of Port Alberni Facilities and Services:	
Kilometers of streets	175
Number of street lights	672
Culture and Recreation:	
Community centers	6
Parks	46
Parks in hectares	271
Swimming pools	1
Tennis courts	5
Fire Protection:	
Number of stations	1
Number of fire personnel and officers	21
Number of calls received - Fire/Rescue/First Responder	1,305
Number of inspections conducted	844
Police Protection:	
Number of stations	1
Number of police personnel and officers	33
Number of law violations:	
Incarcerations	1,559
Total files	11,956
Sewerage System:	
Kilometers of sanitary sewers and storm sewer	258
Number of treatment plants	1
Number of service connections	6,632
Daily average treatment of cubic meters	18,800
Water System:	
Kilometers of water mains	163
Number of service connections	6,856
Number of fire hydrants	729
Daily average consumption in cubic meters	8,000
Maximum daily capacity of plant in cubic meters	48,000
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	8
Number of secondary schools	1
Number of community colleges	2
Hospitals:	
Number of hospitals	1
Number of patient beds	53

**CITY OF PORT ALBERNI**  
**ASSESSMENT/TAXATION COMPARATIVE STATISTICS**  
**AT DECEMBER 31, 2017**

	2017	2016	2015	2014	2013
Population (based on last census) <sup>(1)</sup>	17,678	17,678	17,743	17,743	17,743
<b>Assessed valuations for General Purposes<sup>(2)</sup></b>					
Land					
Residential	\$ 416,369,800	\$ 397,484,400	\$ 454,907,350	\$ 478,343,100	\$ 473,029,400
Commercial	\$ 44,852,420	\$ 47,879,885	\$ 50,749,463	\$ 69,146,168	\$ 72,295,032
Industrial	\$ 8,830,700	\$ 8,562,500	\$ 9,002,300	\$ 9,543,200	\$ 10,196,500
Other	\$ 1,569,911	\$ 1,680,911	\$ 1,641,111	\$ 2,030,027	\$ 2,043,802
	\$ 471,622,831	\$ 455,607,696	\$ 516,300,224	\$ 559,062,495	\$ 557,564,734
Improvements					
Residential	\$ 1,008,406,900	\$ 908,882,801	\$ 859,774,451	\$ 838,943,601	\$ 859,408,301
Commercial	\$ 199,337,828	\$ 179,816,613	\$ 174,994,182	\$ 149,608,082	\$ 136,721,642
Industrial	\$ 83,112,200	\$ 83,487,800	\$ 83,690,900	\$ 84,646,900	\$ 88,702,400
Other	\$ 2,525,400	\$ 2,083,500	\$ 2,565,200	\$ 2,203,500	\$ 2,161,300
	\$ 1,293,382,328	\$ 1,174,270,714	\$ 1,121,024,733	\$ 1,075,402,083	\$ 1,086,993,643
Total	\$ 1,765,005,159	\$ 1,629,878,410	\$ 1,637,324,957	\$ 1,634,464,578	\$ 1,644,558,377
<b>General &amp; Debt Tax Rates</b>					
Residential	\$ 9.1539	\$ 9.7708	\$ 9.4476	\$ 9.1145	\$ 8.7996
Utilities	\$ 37.1852	\$ 38.6932	\$ 38.4756	\$ 37.9708	\$ 38.8888
Major Industrial	\$ 53.7400	\$ 53.9084	\$ 53.7788	\$ 53.1950	\$ 50.6778
Light Industrial	\$ 54.5034	\$ 60.2253	\$ 48.5543	\$ 39.6821	\$ 36.5106
Business & Other	\$ 15.4501	\$ 16.2078	\$ 15.4371	\$ 15.4923	\$ 15.8269
Seasonal Recreational	\$ 9.1539	\$ 9.7708	\$ 9.4476	\$ 9.1145	\$ 8.7996
Farm	\$ 9.1539	\$ 9.7708	\$ 9.4476	\$ 9.1145	\$ 8.7996
<b>School Tax Rates</b>					
Residential	\$ 2.3202	\$ 2.5666	\$ 2.6405	\$ 2.6596	\$ 2.6425
Utilities	\$ 13.4000	\$ 13.5000	\$ 13.6000	\$ 13.6000	\$ 14.0000
Major Industrial	\$ 4.8000	\$ 5.4000	\$ 5.8000	\$ 6.0000	\$ 6.2000
Light Industrial	\$ 4.8000	\$ 5.4000	\$ 5.8000	\$ 6.0000	\$ 10.8000
Business & Other	\$ 4.8000	\$ 5.4000	\$ 5.8000	\$ 6.0000	\$ 6.2000
Seasonal Recreational	\$ 2.7000	\$ 3.1000	\$ 3.3000	\$ 3.4000	\$ 3.4000
Farm	\$ 6.9000	\$ 6.9000	\$ 6.9000	\$ 6.9000	\$ 6.9000
<b>Tax Rates for Residential Class</b>					
General	\$ 9.0652	\$ 9.6054	\$ 9.3015	\$ 9.0050	\$ 8.6919
Debt	\$ 0.0887	\$ 0.1654	\$ 0.1461	\$ 0.1095	\$ 0.1077
School District-Residential	\$ 2.3202	\$ 2.5666	\$ 2.6405	\$ 2.6596	\$ 2.6425
Regional Hospital District	\$ 0.2956	\$ 0.2900	\$ 0.2946	\$ 0.3533	\$ 0.3400
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002
Regional District	\$ 0.4465	\$ 0.4838	\$ 0.3722	\$ 0.2950	\$ 0.2650
B.C. Assessment	\$ 0.0432	\$ 0.0543	\$ 0.0596	\$ 0.0619	\$ 0.0610
Total Residential Rate	\$ 12.2596	\$ 13.1657	\$ 12.8147	\$ 12.4845	\$ 12.1083

**CITY OF PORT ALBERNI  
GENERAL COMPARATIVE STATISTICS  
AT DECEMBER 31, 2017**

	2017	2016	2015	2014	2013
<b>Current Tax Levy</b>					
General	\$ 21,622,725	\$ 21,139,152	\$ 20,489,626	\$ 20,033,774	\$ 19,671,143
Debt	\$ 211,672	\$ 364,027	\$ 323,969	\$ 245,577	\$ 245,674
School District-Residential	\$ 3,311,820	\$ 3,062,061	\$ 3,154,967	\$ 3,173,194	\$ 3,143,905
School District-Non-Residential	\$ 1,987,652	\$ 2,101,664	\$ 2,224,589	\$ 2,260,537	\$ 2,324,319
Other Levies-Special Assessments	\$ 1,029,877	\$ 379,661	\$ 408,763	\$ 446,598	\$ 445,658
Regional Hospital District	\$ 707,654	\$ 646,935	\$ 658,282	\$ 785,893	\$ 759,170
Municipal Finance Authority	\$ 484	\$ 450	\$ 451	\$ 449	\$ 451
Regional District	\$ 1,068,699	\$ 1,079,217	\$ 831,678	\$ 817,342	\$ 751,668
BC Assessment	\$ 147,863	\$ 159,266	\$ 169,037	\$ 174,120	\$ 176,849
Total Levy	\$ 30,088,446	\$ 28,932,433	\$ 28,261,362	\$ 27,937,484	\$ 27,518,837
Per Capita Levy	\$ 1,702.03	\$ 1,636.63	\$ 1,592.82	\$ 1,574.56	\$ 1,550.97
<b>Tax Collection</b>					
Current Taxes Payments	\$ 23,604,148	\$ 23,377,476	\$ 22,790,422	\$ 22,343,502	\$ 21,907,832
Provincial Home Owner Grants	\$ 4,796,269	\$ 4,697,525	\$ 4,674,586	\$ 4,645,975	\$ 4,640,835
Total Current Taxes Collected	\$ 28,400,417	\$ 28,075,001	\$ 27,465,008	\$ 26,989,477	\$ 26,548,667
Percentage of Current Levy	94.39%	97.04%	97.18%	96.61%	96.47%
Arrears and Delinquent Collected	\$ 685,505	\$ 733,156	\$ 1,146,300	\$ 1,187,235	\$ 1,045,556
Percentage of Current Levy	2.28%	2.53%	4.06%	4.25%	3.80%
Total Taxes Collected	\$ 29,085,922	\$ 28,808,157	\$ 28,611,308	\$ 28,176,712	\$ 27,594,223
Percentage of Current Levy	96.67%	99.57%	101.24%	100.86%	100.27%
<b>Unpaid Taxes</b>					
Current	\$ 519,673	\$ 633,531	\$ 681,999	\$ 684,364	\$ 707,706
Arrears	\$ 212,109	\$ 281,377	\$ 342,818	\$ 299,567	\$ 287,127
Total Unpaid Taxes	\$ 731,782	\$ 914,908	\$ 1,024,817	\$ 983,931	\$ 994,833
Per Capita	\$ 41.40	\$ 51.75	\$ 57.76	\$ 55.45	\$ 56.07
<b>Summary of Surplus and Reserves</b>					
Funded Reserves	\$ 22,754,459	\$ 20,931,899	\$ 16,306,945	\$ 15,188,199	\$ 13,871,198
Capital Fund	\$ 27,320,299	\$ 20,425,883	\$ 15,806,292	\$ 16,082,226	\$ 12,231,069
Equity in Capital Assets	\$ 95,137,128	\$ 95,781,289	\$ 93,473,778	\$ 87,248,934	\$ 88,549,284
Operating Surplus (Deficit)	\$ (17,660,543)	\$ (13,969,578)	\$ (5,550,934)	\$ (4,797,053)	\$ (2,500,750)

**CITY OF PORT ALBERNI**  
**GENERAL COMPARATIVE STATISTICS**  
**AT DECEMBER 31, 2017**

	2017	2016	2015	2014	2013
<b>Debenture Debt</b>					
Water	\$ 1,921,159	\$ 1,961,257	\$ 2,000,000	\$ -	\$ -
Sewer	\$ 5,024,583	\$ 5,127,672	\$ 5,289,547	\$ 5,540,111	\$ 367,561
General	\$ 3,533,858	\$ 3,694,998	\$ 3,858,035	\$ 3,071,265	\$ 2,756,413
Gross Debenture Debt	\$ 10,479,600	\$ 10,783,927	\$ 11,147,582	\$ 8,611,376	\$ 3,123,974
Per Capita	\$ 592.80	\$ 610.02	\$ 628.28	\$ 485.34	\$ 176.07
Less: Sewer and Water Utilities Debt	\$ 6,945,742	\$ 7,088,929	\$ 7,289,547	\$ 5,540,111	\$ 367,561
Net Debt Excluding Utilities	\$ 3,533,858	\$ 3,694,998	\$ 3,858,035	\$ 3,071,265	\$ 2,756,413
Per Capita (funded by property tax)	\$ 199.90	\$ 209.02	\$ 217.44	\$ 173.10	\$ 155.35
<b>Liability Servicing Limit</b>					
Liability Servicing Limit	\$ 8,069,791	\$ 7,820,069	\$ 8,022,893	\$ 7,930,217	\$ 7,661,877
Less Actual Debt Servicing Cost	\$ 455,476	\$ 664,282	\$ 2,930,157	\$ 5,587,880	\$ 445,859
Less Estimated Cost - Unissued Debt	\$ -	\$ -	\$ -	\$ 61,830	\$ 67,500
Liability Servicing Capacity Available	\$ 7,614,315	\$ 7,155,787	\$ 5,092,736	\$ 2,280,507	\$ 7,148,518
<b>Debt Payment as a percentage of non-capital expenditures</b>					
Debt payments - gross	0.7%	0.7%	0.9%	1.0%	1.0%
<b>General Revenue Fund Statistics</b>					
Budget	\$ 35,991,290	\$ 34,907,995	\$ 34,728,119	\$ 35,101,209	\$ 34,349,157
Actual Revenues (consolidated)	\$ 39,479,687	\$ 40,167,688	\$ 37,348,943	\$ 34,182,981	\$ 35,840,401
Actual Expenditures (consolidated)	\$ 35,097,838	\$ 37,034,276	\$ 33,336,032	\$ 32,668,680	\$ 31,561,720
Surplus (consolidated)	\$ 4,381,849	\$ 3,133,412	\$ 4,012,911	\$ 1,514,301	\$ 4,278,681
Expenditure per Capita	\$ 1,985.40	\$ 2,094.94	\$ 1,878.83	\$ 1,841.22	\$ 1,778.83
<b>Capital Expenditures</b>					
Financed from General Revenue	\$ 695,975	\$ 915,440	\$ 1,076,457	\$ 1,185,820	\$ 1,167,298
<b>Other Sources of Revenue</b>					
Provincial Unconditional Grants	\$ 998,756	\$ 1,141,460	\$ 944,164	\$ 933,664	\$ 1,042,897
Grants in Lieu of Taxes	\$ 222,541	\$ 638,138	\$ 631,753	\$ 629,005	\$ 600,056
<b>Building Permits</b>					
Number Issued	161	155	119	92	91
Construction Values	\$ 16,296,274	\$ 14,554,563	\$ 13,501,167	\$ 11,159,320	\$ 12,404,980

**SOURCES:**

<sup>1</sup> Statistics Canada. 2017. Census Profile. 2016 Census.

Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

<sup>2</sup> BC Assessment

**CITY OF PORT ALBERNI  
DEMOGRAPHIC STATISTICS<sup>1</sup>**

**Population Composition**

<b>Age</b>	<b>2016</b>			<b>2011</b>		
	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
0 - 4 years	405	430	835	465	475	940
5 - 9 years	450	480	930	465	435	900
10 - 14 years	475	435	910	515	495	1,010
15 - 19 years	500	510	1,010	570	535	1,105
20 - 29 years	905	820	1,725	795	845	1,640
30 - 39 years	900	900	1,800	915	980	1,895
40 - 49 years	915	980	1,895	1,105	1,180	2,285
50 - 59 years	1,355	1,445	2,800	1,450	1,508	2,958
60 - 64 years	715	775	1,490	685	670	1,355
65 - 69 years	690	680	1,370	580	545	1,125
70 - 74 years	530	525	1,055	410	445	855
75 + years	803	1,055	1,858	750	925	1,675
Total	8,643	9,035	17,678	8,705	9,038	17,743

**Legal Married Status**

	<b>2016</b>			<b>2011</b>		
	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Population 15 years and over	7,310	7,685	14,995	7,270	7,625	14,895
Married or living with a common law partner	4,090	4,070	8,160	4,145	4,165	8,310
Married	3,220	3,200	6,420	3,395	3,415	6,810
Living common law	865	865	1,730	755	750	1,505
Not married and not living with a common law partner	3,230	3,620	6,850	3,120	3,460	6,580
Never married	2,145	1,605	3,750	2,010	1,565	3,575
Separated	210	280	490	225	275	500
Divorced	600	735	1,335	605	715	1,320
Widowed	275	1,005	1,280	275	905	1,180

<sup>1</sup> Statistics Canada. 2017. Census Profile. 2016 Census.

Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.  
<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

## CITY OF PORT ALBERNI DEMOGRAPHIC STATISTICS<sup>1</sup>

### Top Occupations and Industries for the Employed Labour Force

	2016 Port Alberni		2016 British Columbia	
	<u>Number</u>	<u>Rank</u>	<u>Number</u>	<u>Rank</u>
<b><u>Top Occupations</u></b>				
Sales and service occupations	1,885	1	595,225	1
Trades; transport/equipment operators/related	1,395	2	360,970	3
Education; law and social; community and government services	925	3	269,255	5
<b><u>Top Industries</u></b>				
Health care and social assistance	1,165	1	270,855	2
Retail trade	1,100	2	283,135	1
Manufacturing	740	3	157,560	7

### Labour Force Indicators

	<u>2016 Port Alberni</u>	<u>2016 British Columbia</u>
Participation rate	52.2%	63.9%
Employment rate	46.8%	59.6%
Unemployment rate	10.3%	6.7%

<sup>1</sup> Statistics Canada. 2017. Census Profile. 2016 Census.

Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>



## CITY OF PORT ALBERNI

### MAJOR PROPERTY TAXPAYERS IN PORT ALBERNI

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#### 2017 TAXATION YEAR

	<b>Registered Owner</b>	<b>Primary Property</b>	<b>Taxes Levied</b>
1	Catalyst Paper Corporation	Paper Mill	\$ 4,116,074
2	Western Forest Products Inc.	Sawmills	\$ 1,302,431
3	Wal-Mart Canada Corp.	Building	\$ 526,131
4	Port Alberni Retail Development	Alberni Mall	\$ 493,588
5	SRF3 Pacific Rim Shopping Centre	Pacific Rim Shopping Centre	\$ 404,057
6	Loblaw Properties West Inc.	No Frills	\$ 236,030
7	Jim Pattison Developments Ltd.	Building	\$ 207,957
8	BC Hydro & Power Authority	Building	\$ 178,519
9	Kelland Foods Ltd.	Building	\$ 137,302
10	Telus	Poles, Lines, Building	\$ 128,958
11	Marlow-Yeoman Limited	10th Avenue Plaza	\$ 126,518
12	Alberni Valley Gaming Association	Chances Rim Rock	\$ 104,451
13	Fortis BC	Gas Utility	\$ 104,435
14	GDP Investments Ltd.	Building	\$ 87,873
15	Northport Plaza Limited	Johnston Road Plaza	\$ 82,030
16	Marco Investments Ltd.	Building	\$ 81,867
17	PCBG Land Corporation	Automobile Dealership	\$ 60,644
18	Van Isle Ford	Automobile Dealership	\$ 57,010
19	JBNS Holdings Ltd.	Building	\$ 56,852
20	SNJ Holdings Ltd.	Hospitality Inn	\$ 53,072

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**CITY OF PORT ALBERNI  
FIVE YEAR PLAN  
2017-2021**

<b>REVENUES</b>	2017	2018	2019	2020	2021
Taxes					
Property Taxes	\$ 21,834,395	\$ 22,496,046	\$ 23,159,988	\$ 23,848,436	\$ 24,557,539
Other Taxes	715,708	656,612	657,534	658,475	659,434
Grants in Lieu of Taxes	220,700	218,700	218,700	218,700	218,700
Fees and Charges					
Sales of Service	3,630,804	3,349,765	3,409,737	3,478,236	3,545,111
Sales of Service/Utilities	6,260,770	6,480,042	6,708,586	6,946,103	7,194,488
Service to other Government	167,000	167,000	167,000	167,000	167,000
User Fees/Fines	215,140	215,140	215,140	215,140	215,140
Other Revenue					
Rentals	141,000	142,100	143,200	144,300	145,500
Interest/Penalties	530,400	530,400	530,400	530,400	758,700
Grants/Other Governments	18,793,545	1,330,300	1,072,800	1,072,800	1,072,800
Other	410,101	243,500	55,000	67,600	25,000
	<u>\$ 52,919,563</u>	<u>\$ 35,829,605</u>	<u>\$ 36,338,085</u>	<u>\$ 37,347,190</u>	<u>\$ 38,559,412</u>

**EXPENSES**

Debt Interest	396,128	396,128	396,128	396,128	396,128
Capital Expenses	28,797,193	5,443,024	4,543,569	6,932,962	5,481,528
Other Municipal Purposes					
General Municipal	3,402,862	3,449,422	3,376,898	3,413,784	3,450,456
Police Services	6,946,411	7,103,512	7,083,861	7,248,287	7,426,413
Fire Services	3,410,255	3,502,785	3,591,004	3,656,289	3,748,855
Other Protective Services	256,772	259,328	261,385	263,544	266,145
Transportation Services	4,253,484	4,238,239	4,263,523	4,290,766	4,377,473
Environmental Health and Development	2,124,788	1,789,760	1,778,947	1,795,429	1,812,497
Parks and Recreation	5,452,508	5,570,148	5,613,338	5,698,549	5,737,590
Cultural	1,421,128	1,343,087	1,335,269	1,315,431	1,290,963
Water	1,402,646	1,421,438	1,438,950	1,456,816	1,475,045
Sewer	1,192,790	1,192,876	1,208,613	1,224,719	1,241,208
Contingency	200,000	200,000	200,000	200,000	200,000
	<u>\$ 59,256,965</u>	<u>\$ 35,909,747</u>	<u>\$ 35,091,485</u>	<u>\$ 37,892,704</u>	<u>\$ 36,904,301</u>

**OTHER**

Borrowing Proceeds	4,404,790	-	-	-	-
Debt Principal	(347,143)	(347,143)	(347,143)	(347,143)	(347,143)
Transfer from Equipment Replacement Reserve	967,000	327,000	662,700	2,416,600	2,328,100
Transfer from Land Sale Reserve	255,000	-	-	-	-
Transfer from (to) other reserves	1,057,755	100,285	(1,562,157)	(1,523,943)	(3,636,068)
	<u>\$ 6,337,402</u>	<u>\$ 80,142</u>	<u>\$ (1,246,600)</u>	<u>\$ 545,514</u>	<u>\$ (1,655,111)</u>

**BALANCED BUDGET**

<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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**CITY OF PORT ALBERNI**  
**CONSOLIDATED REVENUE**  
**LAST FIVE YEARS COMPARISON**

	2017	2016	2015	2014	2013
Taxes					
Property Taxes	\$ 21,742,686	\$ 21,370,945	\$ 20,813,595	\$ 20,279,350	\$ 19,916,817
Parcel Taxes	134,193	133,855	131,550	160,986	160,022
Other Taxes	673,143	655,941	161,745	167,282	167,563
Grants in Lieu of Taxes	222,541	228,004	747,221	747,335	718,128
Fees and Charges					
Sales of Service	3,130,293	3,070,369	3,329,996	3,332,685	3,428,372
Sales of Service/Utilities	5,626,374	4,877,647	4,596,061	4,454,466	3,859,860
Service to other Government	144,127	156,165	142,722	258,437	167,297
User Fees/Fines	251,783	228,909	178,395	249,507	211,862
Other Revenue					
Rentals	140,056	139,903	136,364	135,760	159,396
Investment Earnings	415,873	415,078	309,796	286,558	266,622
Grants/Other Governments	5,562,709	6,901,625	3,395,538	1,747,708	3,851,394
Developer Contributions	55,938	43,100	1,226,328	62,583	112,058
Gain/loss on Disposal of Assets	274,563	532,766	(84,592)	(16,011)	409,979
Parkland dedication deposits	-	-	-	-	-
Sale of property and equipment	386,325	747,746	344,945	25,351	211,600
Other	719,083	665,635	1,919,279	2,290,984	2,199,431
	<u>\$ 39,479,687</u>	<u>\$ 40,167,688</u>	<u>37,348,943</u>	<u>34,182,981</u>	<u>35,840,401</u>

**CITY OF PORT ALBERNI  
CONSOLIDATED EXPENSES  
LAST FIVE YEARS COMPARISON**

	2017	2016	2015	2014	2013
<b><u>Analysis by function</u></b>					
General government	\$ 3,786,648	\$ 4,270,894	\$ 3,897,542	\$ 3,970,532	\$ 3,474,988
Protective services	11,129,460	11,307,009	9,775,488	9,607,691	9,077,118
Transportation services	6,257,913	6,259,270	5,607,707	5,860,288	5,711,745
Environmental health services	938,581	889,430	1,014,982	1,132,995	1,101,465
Environmental development	1,259,562	950,866	908,791	943,186	1,046,250
Recreation and cultural services	7,613,040	7,564,711	7,300,586	7,503,696	7,470,072
Interest	186,283	246,412	311,363	313,042	253,516
Debt reserve	2,738	3,988	50,227	2,365	3,153
Water utility	2,108,088	2,170,523	2,099,625	1,848,594	1,736,030
Sewer utility	1,798,156	3,009,105	1,524,911	1,456,312	1,371,351
Cost of sales and services	17,369	362,066	844,810	29,979	6,233
	<u>\$ 35,097,838</u>	<u>\$ 37,034,274</u>	<u>\$ 33,336,032</u>	<u>\$ 32,668,680</u>	<u>\$ 31,251,921</u>

**Analysis by object**

Salaries and benefits	\$ 15,716,645	\$ 16,420,314	\$ 14,099,861	\$ 15,006,478	\$ 14,209,340
Debt Servicing	200,920	250,400	372,593	325,002	266,266
RCMP contract	5,488,750	5,160,770	4,677,793	4,338,968	4,328,960
Grants	288,939	122,485	124,900	113,440	102,904
Other contracts	1,328,666	1,305,558	1,296,074	1,408,611	1,448,168
Goods and services	7,491,385	7,957,634	7,976,677	7,134,017	6,855,462
Amortization	4,582,533	5,817,113	4,788,134	4,342,164	4,040,821
	<u>\$ 35,097,838</u>	<u>\$ 37,034,274</u>	<u>\$ 33,336,032</u>	<u>\$ 32,668,680</u>	<u>\$ 31,251,921</u>

**CITY OF PORT ALBERNI  
CAPITAL ASSETS ACQUIRED  
LAST FIVE YEARS COMPARISON**

<b>CAPITAL ACQUISITIONS</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
General government	\$ 311,050	\$ -	\$ 21,872	\$ 314,664	\$ 314,594
Protective services	23,253	50,497	164,308	127,057	179,942
Transportation services	1,396,866	4,326,235	1,445,613	795,927	1,870,430
Recreation and cultural	214,658	256,650	1,592,925	1,337,748	2,675,473
Water	958,026	606,581	392,331	368,866	284,759
Sewer	130,452	3,679,584	136,539	170,807	3,934,786
	<u>\$ 3,034,305</u>	<u>\$ 8,919,547</u>	<u>\$ 3,753,588</u>	<u>\$ 3,115,069</u>	<u>\$ 9,259,984</u>

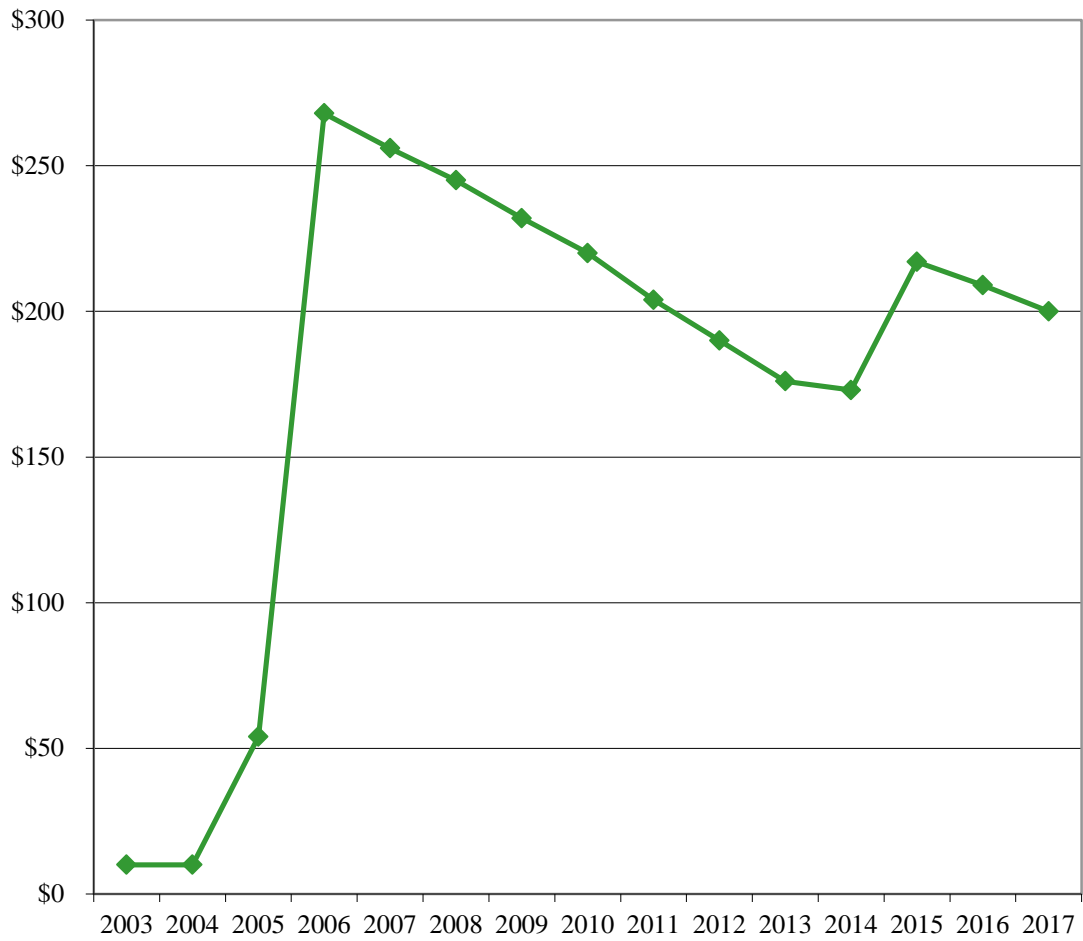
<b>SOURCE OF FUNDING</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Revenue Funds	\$ 1,864,051	\$ 1,960,163	\$ 1,614,329	\$ 1,331,049	\$ 1,691,292
Reserve Funds	390,011	402,709	609,361	1,534,714	2,343,659
Long Term Borrowing	-	1,992,480	-	-	3,608,051
Grants	711,743	4,501,269	1,030,245	249,306	1,526,982
Other	68,500	62,926	499,653	-	90,000
	<u>\$ 3,034,305</u>	<u>\$ 8,919,547</u>	<u>\$ 3,753,588</u>	<u>\$ 3,115,069</u>	<u>\$ 9,259,984</u>

**CITY OF PORT ALBERNI  
SURPLUS AND NET FINANCIAL ASSETS  
LAST FIVE YEARS COMPARISON**

<b>SURPLUS</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Annual surplus	\$ 4,381,849	\$ 3,133,414	\$ 4,012,911	\$ 1,514,301	\$ 4,278,681
Accumulated surplus, beginning of year	<u>123,169,494</u>	<u>120,036,080</u>	<u>116,023,170</u>	<u>114,508,869</u>	<u>107,872,120</u>
Accumulated surplus, end of year	<u><u>\$ 127,551,343</u></u>	<u><u>\$ 123,169,494</u></u>	<u><u>\$ 120,036,081</u></u>	<u><u>\$ 116,023,170</u></u>	<u><u>\$ 112,150,801</u></u>

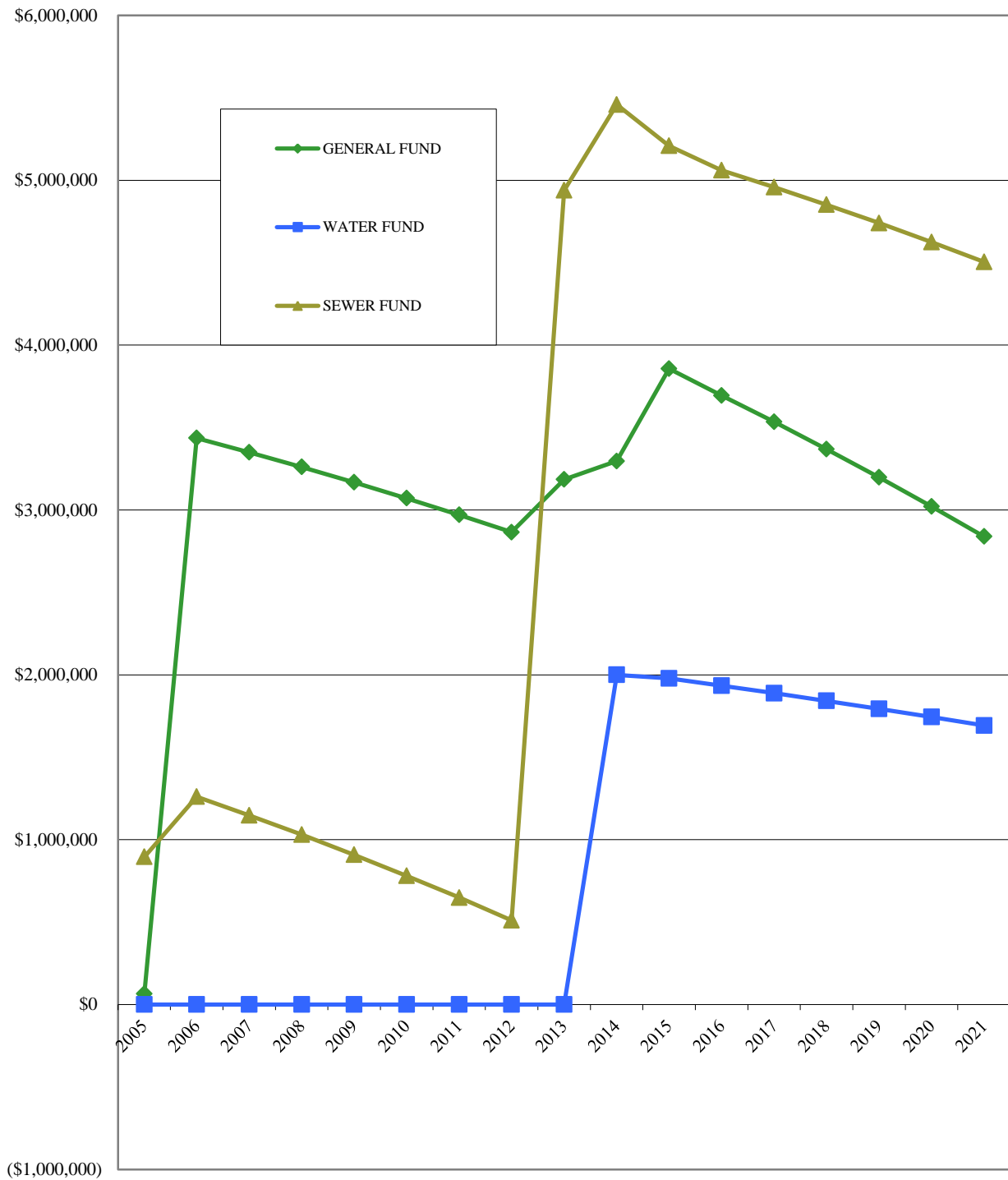
<b>NET FINANCIAL ASSETS</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Increase (decrease) in financial assets	\$ 5,334,784	\$ 2,527,641	\$ (341,251)	\$ 262,278	\$ (2,939,024)
Net financial assets, beginning of year	<u>16,002,241</u>	<u>13,474,600</u>	<u>13,815,851</u>	<u>13,553,573</u>	<u>16,492,597</u>
Net financial assets, end of year	<u><u>\$ 21,337,025</u></u>	<u><u>\$ 16,002,241</u></u>	<u><u>\$ 13,474,600</u></u>	<u><u>\$ 13,815,851</u></u>	<u><u>\$ 13,553,573</u></u>

**CITY OF PORT ALBERNI - DEBT PER CAPITA**  
**(Funded By Property Taxes)**





## CITY OF PORT ALBERNI-DEBT RETIREMENT





**City of Port Alberni  
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