



— CITY OF —
PORT ALBERNI

Consolidated Financial Statements of

CITY OF PORT ALBERNI

Year Ended December 31, 2019

CITY OF PORT ALBERNI
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	2019	2018 <i>(Restated - Note 18)</i>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 10,050,393	\$ 5,925,134
Investments (Note 3)	28,458,862	30,766,202
Accounts receivable (Note 4)	5,098,787	4,600,470
Inventory for resale	31,415	53,268
Investment in government business enterprise (Note 5)	3,136,187	1,721,135
	46,775,644	43,066,209
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	6,460,585	6,488,610
Deferred revenue (Note 7)	6,823,723	4,754,537
Refundable deposits	460,725	351,227
Short-term debt (Note 8, Schedule 3)	4,450,000	-
Long-term debt (Note 8, Schedule 3)	9,835,068	10,163,466
	28,030,101	21,757,840
NET FINANCIAL ASSETS	18,745,543	21,308,369
Commitments and Contingencies (Note 14)		
Subsequent Event (Note 15)		
NON-FINANCIAL ASSETS		
Inventory of supplies	490,306	488,077
Prepaid expenses	242,899	201,989
Tangible Capital Assets (Note 11, Schedule 1)	122,477,625	107,991,379
	123,210,830	108,681,445
ACCUMULATED SURPLUS (Note 12)	\$ 141,956,373	\$ 129,989,814

Approved on behalf of the City

Rosalyn Macauley
Deputy Director of Finance

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF OPERATIONS
As at December 31, 2019

	Budget (Note 16)	2019	2018 (Restated - Note 18)
REVENUE			
Taxation (Schedule 4)	\$ 23,379,646	\$ 23,439,470	\$ 22,723,923
Sale of services	10,256,190	10,463,191	9,870,774
Other revenue from own sources	737,940	942,393	966,169
Investment income	263,000	716,073	571,705
Grants (Note 13)	1,349,857	11,172,799	2,905,256
Loss on disposal of tangible capital assets	-	(49,853)	(23,830)
Income (loss) from investment in government business enterprise (Note 5)	-	1,565,052	(371,888)
Other	456,400	4,629	117,139
	<u>36,443,033</u>	<u>48,253,754</u>	<u>36,759,248</u>
EXPENSES			
General government services	\$ 3,591,534	\$ 4,408,643	\$ 3,666,911
Protective services	11,617,524	11,606,813	10,549,188
Transportation services	4,198,108	6,078,785	5,863,040
Environmental health services	804,211	1,000,776	1,010,444
Environmental and economic development	1,374,447	1,321,252	1,052,644
Recreation and cultural services	6,199,683	7,505,019	7,042,514
Water utility	1,473,672	2,369,605	2,376,259
Sewer utility	1,496,154	1,969,552	1,932,066
Other	-	26,750	130,000
	<u>30,755,333</u>	<u>36,287,195</u>	<u>33,623,066</u>
ANNUAL SURPLUS	5,687,700	11,966,559	3,136,182
Accumulated surplus, beginning of year	129,989,814	129,989,814	126,853,632
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 135,677,514</u>	<u>\$ 141,956,373</u>	<u>\$ 129,989,814</u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
As at December 31, 2019

	Budget	2019	2018
	(Note 16)		<i>(Restated - Note 18)</i>
ANNUAL SURPLUS	\$ 5,687,700	\$ 11,966,559	\$ 3,136,182
Acquisition of tangible capital assets	(8,105,810)	(19,234,060)	(7,157,687)
Amortization of tangible capital assets	-	4,658,156	4,645,205
Loss on disposal of tangible capital assets	-	50,128	23,830
Proceeds from sale of tangible capital assets	-	39,530	114,000
	<u>(2,418,110)</u>	<u>(2,519,687)</u>	<u>761,530</u>
Acquisition of supply inventory	-	(490,306)	(488,077)
Acquisition of prepaid expenses	-	(242,899)	(201,988)
Consumption of inventory of supplies	-	488,077	442,651
Use of prepaid expenses	-	201,989	154,938
	<u>-</u>	<u>(43,139)</u>	<u>(92,476)</u>
CHANGE IN NET FINANCIAL ASSETS	(2,418,110)	(2,562,826)	669,054
Net financial assets, beginning of year	21,308,369	21,308,369	20,639,315
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ 18,890,259</u>	<u>\$ 18,745,543</u>	<u>\$ 21,308,369</u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF CASH FLOWS
As at December 31, 2019

	2019	2018 <i>(Restated - Note 18)</i>
Cash provided by (used in):		
OPERATING ACTIVITIES		
Annual surplus	\$ 11,966,559	\$ 3,136,182
Non-cash items		
Amortization of tangible capital assets	4,658,156	4,645,205
Loss on disposal of tangible capital assets	50,128	23,830
Investment in government business enterprise	(1,415,052)	371,888
Actuarial adjustment	(73,841)	(61,576)
Inventory of supplies	(2,229)	(45,426)
Prepaid expenses	(40,910)	(47,051)
Changes in working capital balances		
Accounts receivable	(498,317)	(248,110)
Inventory for resale	21,853	8,478
Accounts payable and accrued liabilities	(28,025)	1,449,740
Deferred revenue	2,069,186	932,442
Refundable deposits	109,498	(6,177)
	<u>16,817,006</u>	<u>10,159,425</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(19,234,060)	(7,157,687)
Proceeds from sale of tangible capital assets	39,530	114,000
	<u>(19,194,530)</u>	<u>(7,043,687)</u>
INVESTING ACTIVITIES		
Change in investments	<u>2,307,340</u>	<u>(3,039,762)</u>
FINANCING ACTIVITIES		
Acquisition of short-term debt	4,450,000	-
Repayment of long-term debt	(254,557)	(254,557)
	<u>4,195,443</u>	<u>(254,557)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,125,259	(178,581)
Cash and cash equivalents - beginning of year	5,925,134	6,103,715
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,050,393</u>	<u>\$ 5,925,134</u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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 City 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. Significant Accounting Policies

The consolidated financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the City. Inter-departmental balances and transactions have been eliminated.

The City's business partnership, the Alberni Valley Community Forest Corporation, which is owned and controlled by the City but not dependent on the City for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the accounting policies for the wholly owned subsidiary are not adjusted to conform to those of the city. The Alberni Valley Community Forest Corporation reports under International Financial Reporting Standards. The City's investment in this entity is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post acquisition losses and distributions received.

The City administers certain trusts on behalf of external parties which are excluded from the financial statements.

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:

General Revenue Funds 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.

Capital Funds account for all capital assets and unfunded work-in-progress of the City and offset by long-term debt and investment in capital assets.

Reserve Funds 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.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies *(continued from previous page)*

Water and Sewer Funds 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.

Basis of accounting

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Revenue recognition

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. Charges for water and sewer usage, solid waste collection and recreation programs and admissions are recorded as sales of service and are recognized as revenue when the service or product is rendered by the City. Development contributions are recorded as contributed tangible capital assets at their fair value on the date of contribution. Other revenue is recorded when performance of services is complete, amounts are measurable, and collectability is reasonably assured. Income from investments in government business enterprises is recorded using the modified equity method based on the annual earnings from the government business enterprise for the year.

Government transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Deferred revenue

Deferred revenue includes non-government grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired. Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

Investment income

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance. Investment income is allocated to various reserves and operating funds on a proportionate basis.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies *(continued from previous page)*

Cash equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

Debt

Debt is recorded net of principal repayments and actuarial adjustments.

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.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets

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. Contributed tangible capital assets are recorded as revenue at fair value at the time of contribution. The useful life is applied straight line to calculate amortization at the following estimated useful lives:

Asset	Useful life - years
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

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies *(continued from previous page)*
Non-financial assets *(continued from previous page)*

The City has capitalized interest costs associated with the construction of tangible capital assets, during the period of construction only.

Natural resources that have not been purchased are not recognized as assets in the financial statements.

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

Leased tangible capital assets which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as operating leases and the related payments are charge to expenses as incurred.

Inventory of supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost, using the first in, first out method.

Use of estimates

The preparation of consolidated financial statements 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 revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accounts receivable, inventory, accrued liabilities, performing calculations of employee future benefits and estimating the useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for. Developer contributions of tangible capital assets are recorded at the City's best estimate of fair value on the date of contribution, calculated using engineering plans and standardized item cost estimates. Actual results could differ from these estimates.

Refundable deposits

Receipts restricted by third parties are deferred and reported as refundable deposits under certain circumstances. Refundable deposits are returned when the third party meets their obligations, or the deposits are recognized as revenue when qualifying expenditures are incurred.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

At each financial reporting date, the City reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

2. Significant Accounting Policies *(continued from previous page)*

Reserve accounts

Reserves for future expenditures are non-statutory reserves, which represent an allocation of revenue for specific purposes.

Financial instruments

The City's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, refundable deposits, short-term debt 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.

3. Investments

Investments include funds invested in Guaranteed Investment Certificates and Money Market Funds with Raymond James and the Municipal Finance Authority of B.C. The investments are carried at market value which is equal to the carrying value. The investments have various maturity dates between Feb 2020 and Dec 2020 with a range of interest rates between 2.15% and 2.75%

4. Accounts Receivable

	2019	2018
Property taxes	\$ 818,044	\$ 749,266
Provincial government	469,001	60,997
Federal government	136,681	160,835
General	<u>3,675,061</u>	<u>3,629,372</u>
	<u>\$ 5,098,787</u>	<u>\$ 4,600,470</u>

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

5. Investment in government business enterprise

The investment in the Alberni Valley Community Forest Corporation (AVCFC) is reported as a government business enterprise (GBE) and accounted for using the modified equity method. Under this method, the government business' accounting principles are not adjusted to conform with those of the City and inter-corporate transactions are not eliminated. The City owns 100% of the issued and outstanding shares.

In the prior and current year, the AVCFC financial statements were prepared under International Financial Reporting Standards (IFRS).

The following table provides condensed supplementary financial information for the corporation at December 31, 2019:

	2019	2018
Financial position		
Assets	\$ 3,500,118	\$ 2,154,941
Liabilities	355,187	425,062
Equity	3,144,931	1,729,879
	3,500,118	2,154,941
Operations		
Revenue	3,056,224	662,502
Expenses	1,491,172	1,034,390
Net income (loss)	1,565,052	(371,888)

	2019	2018 (Restated Note 18)
Summary of investment in GBE		
AVCFC shares	\$ 1	\$ 1
Accumulated earnings to date	3,136,186	1,721,134
	\$ 3,136,187	\$ 1,721,135

During the year the City received a dividend from AVCFC of \$150,000 (2018 - \$0)

6. Accounts payable and accrued liabilities

	2019	2018
Due to senior governments	\$ -	\$ 236
Other local governments	27,888	31,389
Trade accounts	3,846,529	3,912,058
Salaries and wages	505,175	613,031
Accrued debenture interest	63,419	63,419
Accrued employee benefits	2,017,574	1,868,477
	\$ 6,460,585	\$ 6,488,610

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

6. Accounts payable and accrued liabilities (continued from previous page)

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.

		2019		2018
Benefit liability – beginning of year	\$	694,200	\$	662,653
Add: current service costs		49,000		47,300
Interest on accrued benefit obligations		28,800		28,300
Amortization of actuarial loss		16,300		19,447
Less: Benefits paid		(63,500)		(63,500)
Benefit liability – end of year		724,800		694,200
Unamortized actuarial loss (gain)		95,300		111,600
Accrued benefit obligation – end of year	\$	820,100	\$	805,800

The retirement liability requires no contribution from the employees.

b) Accrued vacation liability

		2019		2018
Accrued vacation liability – end of year	\$	1,097,744	\$	962,677

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 the appropriate collective agreement. Sick leave for management employees does not accumulate. At December 31, 2019 this liability is estimated at \$100,000 (2018 - \$100,000).

d) Employee benefit obligations

		2019		2018
Accrued retirement benefits	\$	820,100	\$	805,800
Accrued vacation payable		1,097,474		962,677
Accumulated sick leave liability		100,000		100,000
Total employee benefit obligations	\$	2,017,574	\$	1,868,477

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

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, clearer water, or decreased greenhouse gas emissions.

	2019		2018
			(Restated Note 18)
Capital grants, opening balance	\$ 25,997	\$	55,997
Capital grants, receipts	2,000		-
Capital projects recognized into revenue	-		(30,000)
Capital grants, ending balance	27,997		25,997
Property taxes	1,476,755		1,416,840
Other	1,227,413		855,346
Development cost charges (DCC's)	1,581,681		924,469
Federal Gas Tax Agreement	2,509,877		1,531,885
	\$ 6,823,723	\$	4,754,537

Development cost charges (DCCs)

Opening balance	\$ 924,469	\$	247,715
Add: DCCs received during the year	648,021		671,378
Less: Amount recognized as revenue	-		-
Add: Interest	9,191		5,376
	\$ 1,581,681	\$	924,469

Federal Gas Tax funds

Opening balance	\$ 1,531,885	\$	1,379,578
Add: Funding received during the year	1,638,361		839,115
Less: Amount recognized as revenue	(742,875)		(686,808)
Add: Interest	82,506		-
	\$ 2,509,877	\$	1,531,885

Federal Gas Tax funding is provided by the Federal government. The use of funding is established by a funding agreement between the City and the Union of British Columbia Municipalities (UBCM). These funds may be used towards designated infrastructure projects that help communities build and revitalize public infrastructure supporting economic growth and a clean environment.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

8. Debt

Debt Reserve Fund

The Alberni-Clayoquot Regional District (ACRD) obtains long-term debt, on behalf of the City, through the Municipal Finance Authority (MFA), pursuant to security issuing bylaws under the authority of the Local Government Act, to finance certain capital expenditures.

The MFA 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 MFA 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.

The loan agreements with the ACRD and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the City.

As a condition of the loan agreements, the City is obligated to provide security by way of demand notes and interest-bearing cash deposits (sinking fund balances) based on the amount of the debt. If the debt is repaid without default, the deposits are refunded to the City. The demand notes are held by the MFA and upon maturity of the debt, the demand notes are released. As of December 31, 2019, there are contingent demand notes of \$203,829 (2018 - \$203,829) that are not recorded in the City's financial statements.

Short-term Debt

During the year, short-term debt in the amount of \$4,450,000 was acquired. Subsequent to year end, May 2020, it was converted into long-term debt.

Long-term Debt

All debenture debt is owed to the MFA and is reported at gross amount. The City has no debt assumed by others on its behalf and has assumed no debt for others. Debenture debt by Bylaw is detailed on Schedule 3.

Principal payments on long-term debt as of December 31, 2019 for the next five years are as follows:

Long-term Debt	
2020	254,557
2021	254,557
2022	254,557
2023	254,557
2024	254,557
Total	\$ 1,272,785

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

8. Debt (continued from previous page)

Scheduled long-term debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$254,557 (2018 - \$254,557). Total interest expense during the year was \$295,628 (2018 - \$295,628). Included in revenue is \$73,841 (2018 - \$61,576) of actuarial adjustments on the City's annual debt principal repayments invested by MFA. This annual investment income results in a reduction in the overall cost of borrowing.

9. Trust Funds

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Internment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. As at December 31, 2019, the balance of funds held in trust was \$176,428 (2018 - \$162,787).

10. Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The City of Port Alberni paid \$1,282,286 (2018 - \$1,259,580) for employer contributions while employees contributed \$1,072,171 (2018 - \$1,040,423) to the plan in fiscal 2019.

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

Employers participating in the plan record their pension expense as the amount of 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 consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

11. Tangible capital assets

Tangible Capital Assets are stated at their net book value.

	2019	2018
Land	\$ 4,084,040	4,084,040
Land Improvements	5,246,097	5,301,298
Buildings	17,676,838	18,217,898
Machinery and Equipment	5,191,725	4,953,421
Engineering Structures	2,845,108	2,878,554
Storm Drains	16,326,832	16,290,011
Transportation	8,909,681	9,190,742
Water	20,743,351	20,144,796
Sewer	21,150,326	21,208,427
Leased assets	68,889	86,111
	102,242,887	102,355,298
Work-in-progress: Assets under construction not being amortized	20,234,738	5,636,081
	\$ 122,477,625	107,991,379

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

There were no write-downs of tangible capital assets in 2019 (2018 - \$ nil). Contributed assets recognized in 2019 were nil (2018 \$ nil). Interest capitalized in 2019 was \$146,973 (2018 \$118,140). No amortization has been recorded on assets not in use in 2019.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

12. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserve funds as follows:

	2019	2018 (Restated Note 18)
Operations		
General	\$ (18,875,937)	\$ (17,919,249)
Water	1,908,123	976,849
Sewer	(2,250,609)	(2,610,944)
	<u>\$ (19,218,423)</u>	<u>\$ (19,553,344)</u>
Capital		
General	\$ 25,853,347	\$ 23,136,838
Water	1,314,782	2,772,190
Sewer	518,578	1,783,810
	<u>\$ 27,686,707</u>	<u>\$ 27,692,838</u>
Equity in tangible capital assets		
General	\$ 57,458,828	\$ 58,326,917
Water	20,179,525	18,717,905
Sewer	30,554,204	20,783,091
	<u>\$ 108,192,557</u>	<u>\$ 97,827,913</u>
Reserves		
Reserve funds – statutory		
Parkland acquisition	\$ 292,894	\$ 287,618
Land Sale	840,843	848,131
	<u>1,133,737</u>	<u>1,135,749</u>
Reserve funds – restricted		
Equipment replacement	6,438,022	5,931,628
Carbon fund	170,267	302,710
Parks and recreation capital	2,259,221	2,197,871
Capital works	991,977	1,022,748
Alberni Valley Community Forest Corporation reserve	258,420	106,422
	<u>10,117,907</u>	<u>9,561,379</u>
Reserve funds – unrestricted		
General fund – projects and purchases	2,749,926	2,777,107
Loss on taxation	1,351,000	1,351,000
Museum purchases	58,627	57,074
RCMP – contract surplus	1,085,188	1,085,188
McLean Mill projects	334,300	200,000
Water fund – projects and purchases	4,162,123	4,162,223
Sewer fund – projects and purchases	4,302,724	3,692,687
	<u>14,043,888</u>	<u>13,325,279</u>
Total reserves	<u>25,295,532</u>	<u>24,022,407</u>
	<u>\$ 141,956,373</u>	<u>\$ 129,989,814</u>

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

13. Grants and Transfers

The City recognizes the transfer of government funding as revenue in the period received and when all related eligibility criteria and stipulations have been satisfied. The government transfers reported on the Consolidated Statement of Operations are:

	2019	2018
Operating Grants		
Federal	\$ -	\$ 15,018
Provincial	1,385,016	1,198,909
Total Government Operating Grants	1,385,016	1,213,927
Local	31,833	21,833
Capital		
Federal	6,118,452	1,380,823
Federal/Provincial	3,599,134	-
	9,717,586	1,380,823
Total Government Grants and Transfers	11,134,435	2,616,583
Other Grants – Non-Government	38,364	288,673
Total Grants and Transfers	\$ 11,172,799	\$ 2,905,256

14. Commitments and Contingencies:

a) 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.

b) Claims for damages:

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

c) Commitments:

The City entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 2012. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2020 estimated cost of this contract is \$5,684,181 (2019 - \$4,816,245).

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

15. Subsequent Event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City of Port Alberni as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

16. Budget

The budget data presented in these consolidated financial statements includes both operating and capital budgets. The City of Port Alberni budget was approved by Council on March 25, 2019 with the adoption of the Five-Year Financial Plan (2019-2023) Bylaw No 4960, 2019. The chart below reconciles the approved budget per the Financial Plan to the budget reported in these consolidated financial statements.

	2019 Budget
Consolidated Budgeted Surplus, per City of Port Alberni Financial Plan Bylaw No. 4960	\$ -
 Add	
Acquisition of tangible capital assets	8,105.810
Contingency	264,700
Debt repayments	347,143
 Less	
Proceeds of borrowing	-
Transfers from reserves	2,979,884
Transfers from surplus	50.069
Amortization	-
 <hr/>	
Consolidated Budgeted Surplus, per City of Port Alberni Statement of Operations	\$5,687,700

17. Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation.

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

18. Restatement of comparative figures

During the year, the City determined that development cost charges were being recognized into revenue when received. Canadian Public Sector Accounting Standards require amounts restricted by legislation to be recorded as deferred revenue when received and brought into revenue when the corresponding expenditures are incurred. This restatement resulted in the following changes to the 2018 comparative amounts: revenue decreased by \$676,755; annual surplus decreased by \$676,755; deferred revenue increased by \$924,470; and reserves decreased by \$924,470.

The City also determined that dividends received prior to 2018 from the Alberni Valley Community Forest Corporation had not been recorded, resulting in the investment in government business enterprise being overstated by \$450,000.

The above restatements have changed amounts reported in the December 31, 2018 amounts as follows:

Investment in government business enterprise	\$	(450,000)
Deferred revenue		924,470
Accumulated surplus		(1,370,470)
Revenue		(676,755)
Annual surplus		(676,755)

19. 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 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

CITY OF PORT ALBERNI
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2019

19. Segmented information (continued from previous page)

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
SCHEDULE 1: TANGIBLE CAPITAL ASSETS
As at December 31, 2019

	ASSETS				ACCUMULATED AMORTIZATION				NET BOOK VALUE 2019	NET BOOK VALUE 2018
	Balance	2019 Additions	2019 Disposals	Balance	Balance	2019 Additions	2019 Disposals	Balance		
	December 31,			December 31,	December 31,			December 31,		
	2018			2019	2018			2019		
Land	4,084,040	-	-	4,084,040	-	-	-	-	4,084,040	4,084,040
Land Improvements	12,367,649	330,106	-	12,697,755	7,066,351	385,307	-	7,451,658	5,246,097	5,301,298
Buildings	36,348,234	436,830	-	36,785,064	18,130,336	977,890	-	19,108,226	17,676,838	18,217,898
Machinery & Equipment	14,110,770	953,434	(277,861)	14,786,343	9,157,349	660,130	(222,861)	9,594,618	5,191,725	4,953,421
Engineered Structures	4,046,008	10,585	-	4,056,593	1,167,454	44,031	-	1,211,485	2,845,108	2,878,554
Storm Drains	24,313,507	381,337	(5,822)	24,689,022	8,023,496	339,625	(931)	8,362,190	16,326,832	16,290,011
Transportation	43,386,507	639,738	(188,596)	43,837,649	34,195,765	905,996	(173,793)	34,927,968	8,909,681	9,190,742
Water	36,208,747	1,402,511	(491,106)	37,120,152	16,063,951	803,956	(491,106)	16,376,801	20,743,351	20,144,796
Sewer	31,435,423	480,862	(36,985)	31,879,300	10,226,996	523,999	(22,021)	10,728,974	21,150,326	21,208,427
Leased assets	1,425,000	-	-	1,425,000	1,338,889	17,222	-	1,356,111	68,889	86,111
Work in progress	5,636,081	20,234,738	(5,636,081)	20,234,738	-	-	-	-	20,234,738	5,636,081
	<u>213,361,966</u>	<u>24,870,141</u>	<u>(6,636,451)</u>	<u>231,595,656</u>	<u>105,370,587</u>	<u>4,658,156</u>	<u>(910,712)</u>	<u>109,118,031</u>	<u>122,477,625</u>	<u>107,991,379</u>

CITY OF PORT ALBERNI
SCHEDULE 2: SEGMENTED INFORMATION
As at December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental & Economic Development	Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Consolidated 2019	Budget (Note 16)	Consolidated 2018 (Restated - Note 18)
Revenue												
Taxes	\$ 23,439,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,439,470	\$ 23,379,646	\$ 22,723,923
Sales of services	64,948	393,959	435,657	770,937	204,868	1,553,664	3,226,565	2,841,349	971,244	10,463,191	10,256,190	9,870,774
Other revenue from own sources	293,729	352,262	-	9,750	145,112	-	35,228	32,472	73,840	942,393	737,940	966,169
Investment income	472,032	-	-	-	-	-	38,986	61,434	143,621	716,073	263,000	571,705
Grants	1,120,424	5,492	23,070	-	302,399	116,994	-	8,509,045	1,095,375	11,172,799	1,349,857	2,905,256
Gain/loss on disposal of assets	-	-	-	-	-	-	-	-	(49,853)	(49,853)	-	(23,830)
Income (loss) from investment in Government Business Enterprise	-	-	-	-	1,565,052	-	-	-	-	1,565,052	-	(371,888)
Other	-	-	-	-	-	-	-	-	4,629	4,629	456,400	117,139
Total revenue	25,390,603	751,713	458,727	780,687	2,217,431	1,670,658	3,300,779	11,444,300	2,238,856	48,253,754	36,443,033	36,759,248
Expenses												
Salaries, wages, and benefits	2,528,532	5,558,431	2,824,163	364,889	558,711	4,134,992	799,954	479,010	-	17,248,682	16,009,718	15,870,745
Debt servicing	26,812	91,203	-	-	-	21,536	44,508	161,796	-	345,855	396,128	214,561
RCMP contract	-	4,863,405	-	-	-	-	-	-	-	4,863,405	5,606,456	4,593,360
Grants	27,890	-	-	-	474,134	-	-	-	-	502,024	166,152	211,738
Other contracts	18,540	-	1,077,948	-	80,766	-	-	-	-	1,177,254	1,354,472	1,198,756
Goods and services	1,649,673	806,174	489,687	631,728	139,579	2,239,516	721,187	787,525	26,750	7,491,819	7,222,407	6,888,701
	4,251,447	11,319,213	4,391,798	996,617	1,253,190	6,396,044	1,565,649	1,428,331	26,750	31,629,039	30,755,333	28,977,861
Amortization	157,196	287,600	1,686,987	4,159	68,062	1,108,975	803,956	541,221	-	4,658,156	-	4,645,205
Total expenses	4,408,643	11,606,813	6,078,785	1,000,776	1,321,252	7,505,019	2,369,605	1,969,552	26,750	36,287,195	30,755,333	33,623,066
Annual surplus (deficit)	20,981,960	(10,855,100)	(5,620,058)	(220,089)	896,179	(5,834,361)	931,174	9,474,748	2,212,106	11,966,559	5,687,700	3,136,182

CITY OF PORT ALBERNI
SCHEDULE 3: DEBT
As at December 31, 2019

Security Issuing Bylaw	Purpose	Term in Years	Annual Interest Rate	Maturity Date	Original Issue	Balance Dec. 31, 2018	Principal Paid	Actuarial Recognized	Balance Dec. 31, 2019	Debt Reserve Cash Balance Dec. 31, 2018	Debt Reserve Income & Expenses	Debt Reserve Cash Balance Dec. 31, 2019
Long-term debt												
4575	General	25	1.75%	19-Apr-31	3,375,064	2,157,343	81,042	48,709	2,027,592	50,857	1,185	52,042
4807	General	30	3.00%	14-Oct-44	428,300	397,250	7,637	1,297	388,316	4,470	104	4,574
4846	General	20	2.20%	8-Apr-35	912,000	811,827	32,249	3,506	776,072	9,955	232	10,187
					<u>4,715,364</u>	<u>3,366,420</u>	<u>120,928</u>	<u>53,512</u>	3,191,980	<u>65,282</u>	<u>1,521</u>	66,803
4848	Water	30	2.20%	8-Apr-45	2,000,000	1,879,657	38,743	4,212	1,836,702	21,831	508	22,339
4807	Waste Water	30	3.00%	14-Oct-44	5,321,700	4,917,389	94,886	16,117	4,806,386	59,116	1,377	60,493
					<u>12,037,064</u>	<u>10,163,466</u>	<u>254,557</u>	<u>73,841</u>	9,835,068	<u>146,229</u>	<u>3,406</u>	<u>149,635</u>
Short-term debt												
4939	Waste Water	30	2.40%	09-Apr-50	4,450,000	-	-	-	4,450,000			
					<u>16,487,064</u>	<u>10,163,466</u>	<u>254,557</u>	<u>73,841</u>	14,285,068	<u>146,229</u>	<u>3,406</u>	149,635

CITY OF PORT ALBERNI
SCHEDULE 4: TAX LEVIES AND GRANTS IN LIEU OF TAXES
As at December 31, 2019

	Budget (Note 16)	2019	2018
TAX LEVIES			
General purpose	\$ 22,316,005	\$ 22,383,144	\$ 21,597,956
Local improvement - sewer	-	-	3,198
Off-street parking	12,000	10,859	9,387
Utility	698,141	694,941	759,988
Parcel Tax	134,000	134,857	133,693
	<u>23,160,146</u>	<u>23,223,801</u>	<u>22,504,222</u>
Grants in lieu of taxes	219,500	215,669	219,701
Total Municipal Taxes	<u>23,379,646</u>	<u>23,439,470</u>	<u>22,723,923</u>
COLLECTIONS FOR OTHER GOVERNMENTS			
School Districts	5,100,000	5,503,746	5,319,033
Alberni Clayoquot Regional Hospital District	760,000	692,282	766,805
Alberni Clayoquot Regional District	1,170,000	1,464,497	1,311,810
B.C. Assessment	160,000	166,967	155,907
Vancouver Island Regional Library	703,211	703,212	726,996
Municipal Finance Authority	500	1,186	-
	<u>7,893,711</u>	<u>8,531,890</u>	<u>8,280,551</u>
Total Taxes Collected	<u>\$ 31,273,357</u>	<u>\$ 31,971,360</u>	<u>\$ 31,004,474</u>

CITY OF PORT ALBERNI
SCHEDULE 5: GENERAL GOVERNMENT EXPENSES
As at December 31, 2019
(UNAUDITED)

	Budget (Note 16)	2019	2018
Legislative	\$ 205,664	\$ 203,843	\$ 173,285
City manager's office	206,362	207,680	205,912
Municipal clerk's office	418,995	497,041	391,415
Legal fees	40,000	65,641	36,266
Financial management	805,994	809,990	774,016
Administration vehicle	9,377	15,789	15,309
External audit	31,200	66,988	34,500
Purchasing	122,500	242,709	161,368
Buildings	169,119	207,451	230,691
Information services	674,591	857,135	811,669
Appraisals	-	24,250	-
Personnel	293,006	277,125	260,045
Election expenses	-	3,110	48,740
Training and development	198,870	173,451	147,468
Damage claims	21,224	6,383	5,570
Grants and grant funded programs	36,350	27,890	-
Office equipment supplies and printing	494,382	394,776	369,924
Public liability insurance	262,700	268,751	252,802
Other general services	58,200	424,289	161,469
Administration recoveries	(465,000)	(489,000)	(479,494)
Reconciliation Committee	-	2,879	2,042
Asset Management Plan	-	93,659	46,983
Debt servicing	8,000	26,813	16,931
Total	\$ 3,591,534	\$ 4,408,643	\$ 3,666,911

CITY OF PORT ALBERNI
SCHEDULE 6: PROTECTIVE SERVICES EXPENSES
As at December 31, 2019
(UNAUDITED)

	Budget (Note 16)	2019	2018
Police protection	\$ 7,325,994	\$ 6,864,236	\$ 6,519,055
Fire protection	3,589,253	4,022,747	3,504,701
Emergency measures	500	7,143	7,145
Building and plumbing inspections	108,664	118,942	119,715
Animal pound operations	151,250	164,238	148,954
Bylaw enforcement	350,660	338,304	160,906
Debt servicing	91,203	91,203	88,712
	\$ 11,617,524	\$ 11,606,813	\$ 10,549,188

CITY OF PORT ALBERNI
SCHEDULE 7: TRANSPORTATION SERVICES EXPENSES
As at December 31, 2019
(UNAUDITED)

	Budget (Note 16)	2019	2018
COMMON SERVICES			
Engineering administration	\$ 593,113	\$ 565,488	\$ 524,159
Engineering consulting services	141,824	169,062	157,432
Public works supervision	379,785	519,064	367,712
Equipment and supplies	46,643	120,916	104,486
Building and yard maintenance	162,720	199,866	161,160
Equipment maintenance	838,807	1,180,409	1,152,305
	<u>2,162,892</u>	<u>2,754,805</u>	<u>2,467,254</u>
ROADS AND STREET MAINTENANCE			
Roadway surfaces maintenance	1,157,740	1,811,291	1,946,670
Snow and ice removal	199,545	106,810	99,534
Parking	7,881	7,895	10,227
Gravel	202,648	236,842	241,949
Bridges and retaining walls	43,529	35,319	46,272
Street lighting	302,400	393,635	333,895
Traffic control	233,352	292,223	344,314
	<u>2,147,095</u>	<u>2,884,015</u>	<u>3,022,861</u>
OTHER			
Ditch and dyke maintenance	118,222	79,690	85,062
Storm sewers	189,020	620,396	593,586
Public transit	1,093,646	1,077,777	1,087,705
Other	114,333	73,274	73,902
Recoveries	(1,627,100)	(1,411,172)	(1,467,330)
	<u>- 111,879</u>	<u>439,965</u>	<u>372,925</u>
	<u>\$ 4,198,108</u>	<u>\$ 6,078,785</u>	<u>\$ 5,863,040</u>

CITY OF PORT ALBERNI
SCHEDULE 8: RECREATION AND CULTURAL SERVICES
As at December 31, 2019
(UNAUDITED)

	2019				2018		
	Budget Revenue	Actual Revenue	Budget Expense	Actual Expense	Budget Operating Deficit	Actual Operating Deficit	Actual Operating Deficit
RECREATION SERVICES							
Administration	\$ -	\$ -	\$ 555,459	\$ 509,663	\$ (555,459)	\$ (509,663)	\$ (509,054)
Leisure Centre	276,777	275,087	524,949	629,387	(248,172)	(354,300)	(316,400)
Swimming pool	297,861	300,419	540,087	500,392	(242,226)	(199,973)	(322,595)
Arena	579,504	607,303	950,265	1,683,853	(370,761)	(1,076,550)	(1,038,821)
Parks, Playgrounds, and other Programs	37,567	27,146	1,521,219	2,036,866	(1,483,652)	(2,009,720)	(1,638,465)
	148,461	283,077	1,508,114	1,379,771	(1,359,653)	(1,096,694)	(1,144,558)
	<u>1,340,170</u>	<u>1,493,032</u>	<u>5,600,093</u>	<u>6,739,932</u>	<u>(4,259,923)</u>	<u>(5,246,900)</u>	<u>(4,969,893)</u>
CULTURAL SERVICES							
Museum services	115,950	149,386	473,290	517,278	(357,340)	(367,892)	(493,774)
McLean Mill	-	28,240	126,300	247,809	(126,300)	(219,569)	(282,802)
	<u>115,950</u>	<u>177,626</u>	<u>599,590</u>	<u>765,087</u>	<u>(483,640)</u>	<u>(587,461)</u>	<u>(776,576)</u>
	<u>\$ 1,456,120</u>	<u>\$ 1,670,658</u>	<u>\$ 6,199,683</u>	<u>\$ 7,505,019</u>	<u>\$ (4,743,563)</u>	<u>\$ (5,834,361)</u>	<u>\$ (5,746,469)</u>

CITY OF PORT ALBERNI
SCHEDULE 9: SALES OF SERVICES
As at December 31, 2019
(UNAUDITED)

	Budget (Note 16)	2019	2018
GENERAL REVENUE			
General Services	\$ 1,831,732	\$ 1,812,998	\$ 1,655,978
Arena	579,504	607,303	447,158
Leisure Centre	276,777	275,087	262,202
Parks, playgrounds and other	37,567	27,146	20,531
Swimming Pool	297,861	300,419	247,590
Programs	148,461	272,077	255,310
Museum	32,550	43,793	33,257
McLean Mill	-	27,840	29,998
	<u>3,204,452</u>	<u>3,366,663</u>	<u>2,952,024</u>
MISCELLANEOUS REVENUE	-	971,242	911,494
SERVICES PROVIDED TO OTHER GOVERNMENTS	167,000	57,371	88,853
WATER REVENUE			
Sale of water	3,763,660	3,223,319	3,057,173
Connections and sundry charges	51,155	3,247	2,888
	<u>3,814,815</u>	<u>3,226,566</u>	<u>3,060,062</u>
SEWER REVENUE			
Sale of sewer service	2,997,544	2,749,393	2,799,965
Connections and sundry charges	72,379	91,956	58,376
	<u>3,069,923</u>	<u>2,841,349</u>	<u>2,858,341</u>
	<u>\$ 10,256,190</u>	<u>\$ 10,463,191</u>	<u>\$ 9,870,774</u>

CITY OF PORT ALBERNI
SCHEDULE 10: OTHER REVENUE FROM OWN SOURCES
As at December 31, 2019
(UNAUDITED)

	Budget (Note 16)	2019	2018
Licences and permits	\$ 219,140	\$ 305,789	\$ 245,701
Fines and costs	9,500	46,473	14,136
Land and building rentals	143,200	145,112	142,203
Penalties and interest	247,800	273,567	220,104
Miscellaneous revenue	118,300	97,612	282,449
Other revenue from own sources - Capital Fund	-	73,840	61,576
	<u>\$ 737,940</u>	<u>\$ 942,393</u>	<u>\$ 966,169</u>

CITY OF PORT ALBERNI
SCHEDULE 11: SEWER AND WATER UTILITIES

As at December 31, 2019

(UNAUDITED)

	Budget (Note 16)	2019	2018
WATER UTILITY			
Administration	400,743	526,695	509,197
Service of supply	121,951	224,014	280,489
Pumping	272,513	314,055	345,251
Transmission and distribution	634,465	1,260,333	1,196,856
Debt servicing	44,000	44,508	44,466
	<u>\$ 1,473,672</u>	<u>\$ 2,369,605</u>	<u>\$ 2,376,259</u>
SEWER UTILITY			
Administration	\$ 462,230	\$ 415,006	\$ 396,758
Sewage treatment and disposal	299,787	529,692	519,158
Sewage collection system	315,225	627,529	700,851
Sewage pump stations	163,987	235,406	268,409
Other	2,000	123	861
Debt servicing	252,925	161,796	46,029
	<u>1,496,154</u>	<u>1,969,552</u>	<u>1,932,066</u>