

City of Port Alberni British Columbia

2014 Comprehensive Annual Financial Report

For the year ended December 31, 2014



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

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
2014**

FISCAL YEAR ENDED DECEMBER 31, 2014

This Document
Prepared by the Finance Department

Cover photo credit: Tawney Lem

CITY OF PORT ALBERNI

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DECEMBER 31, 2014

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INTRODUCTORY SECTION

June 8, 2015
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, 2014 as audited by R. Anderson & Associates (formerly Duncan Sabine Collyer Partners ^{LLP}).

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, 2014. 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 2014 fiscal year with an increase in the consolidated accumulated surplus of \$1,571,505.

A summary of the 2014 overall accumulated surplus increases (decreases) are as follows:

Operating Fund	\$ (2,296,303)
Capital Fund	2,550,807
Reserve Accounts	(80,709)
Reserve Fund Operations	<u>1,397,710</u>
	\$ 1,571,505

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 which are charged to only those who benefit from the services.

Investment earnings increased from \$266,622 in 2013 to \$282,452 in 2014. Total investment income was \$254,999 in 2012, \$243,196 in 2011, and \$137,199 in 2010.

The following table compares temporary borrowing requirements incurred during the first half of the year, prior to receiving our taxation revenue.

YEAR	MAXIMUM BORROWING	COST
2014	\$0	\$0
2013	\$0	\$0
2012	\$0	\$0
2011	\$0	\$0
2010	\$559,000	\$0

The City's 2014 long-term debt increased from \$3,123,974 to \$8,611,376. The City's 2014 capital program of \$3,115,069 includes capital items funded \$1,331,049 from current operations revenue; \$249,306 from grants and donations; and \$1,534,714 from Reserves.


Consolidated revenues decreased by \$1,657,420 from \$35,840,401 in 2013 to \$ 34,182,981 in 2014. This decrease is attributed mostly to: decrease in grant funding of approximately \$2 million; and utilities increase of \$600,000. Consolidated expenses increased by \$1,049,756, from \$31,561,720 in 2013 to \$32,611,476 in 2014. This increase is attributed to Transportation Services, General Government, and Water Utility.

The municipal statistics section of the report indicates that total current taxes collected as a percentage of current levy is 96.6% for 2014 (96.5% in 2013).

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

Economic Condition and Outlook
 Significant Local Events 2014
 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, 2013. 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.

2013 marks the twenty-first 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, 2013

Executive Director/CEO

Directory of Officials

Port Alberni

Mayor and City Council 2011 – 2014



Back row: Councillors R. Cole, J. McLeman, H. Chopra, C. Solda
Front row: Councillor W. Kerr, Mayor J. Douglas, Councillor D. Washington

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 2011

Appointed Officials

City Manager	K. Watson
City Clerk/Deputy City Manager	D. Hartwell
Director of Finance.....	C. Rothwell
City Engineer.....	G. Cicon
Director of Parks, Recreation and Heritage.....	S. Kenny
Director of Corporate Services.....	T. Kingston
Fire Chief.....	T. Pley
Building Inspector	D. Cappus
Manager of Information Technology.....	J. Pelech
City Planner.....	S. Smith
Licence Inspector/Bylaw Enforcement Officer.....	T. Hautzinger
Area Assessor - B.C. Assessment	B. MacGougan
Solicitor	Young Anderson
RCMP Officer In Charge	M. Richards
Emergency Planning Coordinator	R. Shanks
Chair – Island Health Authority	D. Hubbard
Auditors	R. Anderson & Associates
Bankers	BMO Bank of Montreal

Directory of Officials (continued)

2014/15 Advisory Planning Commission

S. Chrest
C. Colclough
V. Barnett
W. Hewitt
S. Dhaliwal
L. Kelsall
B. Sayers
C. Stern
C. Solda (Council Liaison)
M. Coady (RMCP Liaison)
R. Thoen (Fire Dept. Liaison)
L. Ransom

2014/15 AV Heritage Commission

D. Tranfield	B. Simpson
M. McDowall	J. Carlson
S. Steven	D. Washington
G. Stephen-Player	M. Williamson
L. George	G. Flostrand
P. Craig	
N. Malbon	
P. Cote	



CITY OF PORT ALBERNI

MUNICIPAL COUNCIL RESPONSIBILITIES

FOR CITY SERVICES

DECEMBER 31, 2014

<p>Mayor John Douglas</p> <ul style="list-style-type: none"> - Director, Alberni Clayoquot Regional District - Board Member, Island Coastal Economic Trust - Director, Upnit Power Corporation - Chair, Personnel Committee - Emergency Planning Program - Liaison, Port Alberni International Twinning Society
<p>Councillor Hira Chopra</p> <ul style="list-style-type: none"> - Liaison, Advisory Planning Commission - Liaison, Alberni Valley Chamber of Commerce - Chair, Audit Committee - Member, Personnel Committee - Court of Revision
<p>Councillor Rob Cole</p> <ul style="list-style-type: none"> - Liaison, Advisory Traffic Committee - Liaison, SD 70/North Island College - Community Investment Program/Permissive Tax Exemption Committee
<p>Councillor Wendy Kerr</p> <ul style="list-style-type: none"> - Vancouver Island Regional Library Board - Member, Personnel Committee - Liaison, Continuing Care Societies - Liaison, Community Stakeholders Initiative on Homelessness
<p>Councillor Jack McLeman</p> <ul style="list-style-type: none"> - Member of Audit Committee - Liaison, AV Community Forest Corporation - Liaison, Centennial Committee - Member of West Island Woodlands Advisory Group
<p>Councillor Cindy Solda</p> <ul style="list-style-type: none"> - Director, Alberni Clayoquot Regional District - Chair, Regional Hospital District - Director, AVICC - Member, RCMP Contract Management Committee (UBCM) - Court of Revision
<p>Councillor Dan Washington</p> <ul style="list-style-type: none"> - Member, Audit Committee - Liaison, Alberni Valley Heritage Commission

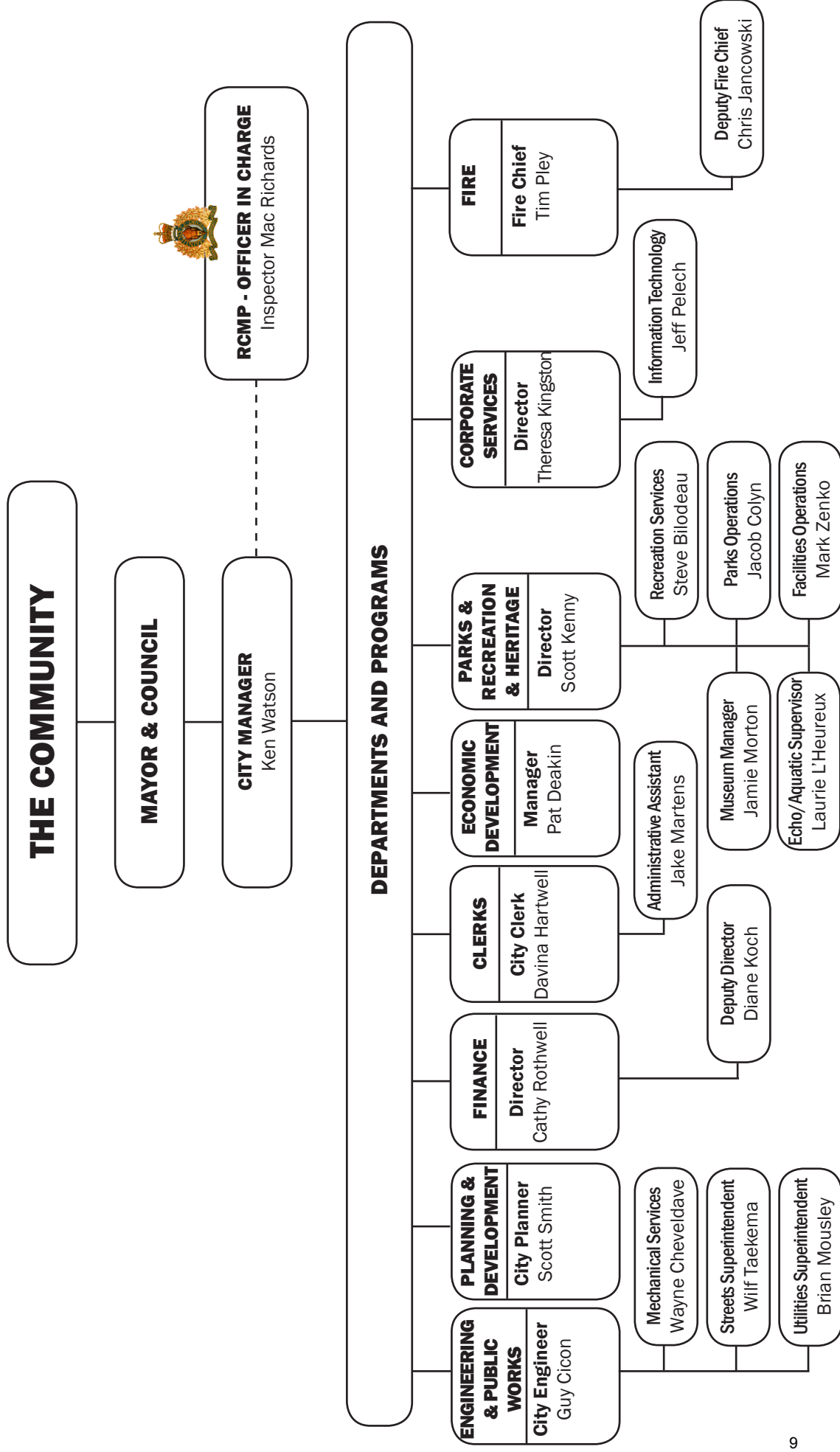


ORGANIZATIONAL CHART

City Hall, 4850 Argyle Street, Port Alberni, BC V9Y 1V8 Phone: 250.723.2146 Website: www.portalberni.ca

Updated: October 2014

CITY OF PORT ALBERNI



Where we are



VISION

MISSION

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 Heart of Vancouver Island

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 center. 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. A significant increase in 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 industries 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 has 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 the sometimes challenging economic conditions.

Port Alberni, like many Canadian local governments, faces significant financial challenges in funding necessary upgrades to aging infrastructure. In 2014, capital works projects totaling \$3.1 million were completed. Significant projects included road upgrades on Beaver Creek Road, Montrose Street, 16th Avenue, 2nd Avenue, Elizabeth Street; storm drain construction on 15th and 2nd Avenues; and water construction on North Crescent, Wallace Street, 2nd Avenue, and the Centennial Pier. Work continues on the next phases of water supply upgrades at Bainbridge; and sewage treatment. Funding for the completed projects included \$249,000 in government grants; and \$1.1 million in contributions from City reserves.

Capital construction plans over the next five years include necessary major projects for roads and water supply, aquatic facilities, and sewer treatment upgrades. Funding esti-

mates require that \$14 million be raised from borrowing.

Long term debenture debt per capita in 2014 has increased to \$485 from \$176 in 2013.

Significant Local Events 2014

Planning

The Planning Department processed 92 building permits with an aggregate value of \$11 million in 2014. New construction commenced on boat maintenance and storage facility on 2nd Avenue and Dunbar Street as well as a commercial card lock station on the same property; a liquor, beer and wine store on lower 3rd Avenue; a Church of the Nazarene on Victoria Drive; and a fourplex residential building on Melrose Avenue. A renovation of the former RCMP detachment into a fitness centre on 6th Avenue was completed. Construction completed on the Ford dealership on Beaver Creek Road, and a 6 bay car wash at Southgate and Gertrude Streets. A comprehensive review and rewrite of the City's zoning bylaw was completed and adopted by Council; and the Waterfront North Study was completed, in cooperation with Hupacasath First Nation, Tseshah First Nation, and the Port Authority.

Fire Department

During 2014, Port Alberni Fire Department responded to 1,272 calls for service (1,137 in 2012). The department conducted 1,046 fire inspections in 2014 (1,136 in 2013) throughout the year, and monitored a number of third party inspections during the same time period. In 2014, Port Alberni continued to improve over 2013 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 completed 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 and Beaver Creek Fire Departments continues to result in a high level of coordinated service in 2014. Other highlights include scheduled replacement/upgrade of equipment.

Parks, Recreation & Heritage

Project highlights for 2014 include: Tennis courts at Gyro Park; Kitsuksis Creek diversion and bridge at McLean Mill; pedestrian bridge over Kitsuksis Creek at Gertrude Street and replacement of a propane powered Zamboni with an electric machine.

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 2014: 17,453 (16,607 in 2013); and 848 children participated in the museum's educational programs. McLean Mill attendance increased to 11,388 in 2014 from 11,053 in 2013.

Exhibits and community events in 2014 were very successful and well received by visitors. The BC Arts Council awarded \$65,000 for funding of operations.

The new gift shop generated sales of more than \$11,000 in 2014.

Heritage Fair, a major museum educational initiative for grades 4 to 9, was supported financially by the Lions Club, Quality Foods, the Alberni Valley Times, the Alberni Valley Community Foundation, and the BC Heritage Fairs Society.

2014 Works Program

Each year a number of capital projects are undertaken to maintain and improve the City's infrastructure. In 2014 major street projects included Beaver Creek Road, 2nd Avenue, and Elizabeth Street.

Construction of storm/sanitary sewers throughout the City included 2nd and 15th Avenues. Replacement of mains and decreasing the number of dead end mains is ongoing. Water construction on North Crescent, Wallace Street, 2nd Avenue, and the Centennial Pier was completed. Work continues on the water supply upgrades at Bainbridge; as well as sewer infrastructure.

Two pickups and an SUV 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 2014, the detachment continued to focus on its Crime Reduction Strategy, which began in late 2006. The strategy is multi-faceted with the goal of reducing crime and victimization in the community. 2014 saw a 17% reduction in Criminal Code offences. Reducing 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 2014 include: the assignment of a full time officer to address violence in relationship occurrences, an increased focus on youth and youth at risk, and a number of initiatives aimed at increasing road safety and community engagement.

The RCMP managed public safety at our three popular annual events, the Salmon Festival, Thunder in the Valley, and the Fall Fair. Continuing in 2014, the detachment committed to higher visibility through periodic foot and bike patrols in the downtown core and on site at community special events.

There were 3,386 reported offences in 2014, down from 3,507 in 2013. The number of prisoners incarcerated in detachment cells in 2014 was 1,742, up 18% from 2013.

Port Alberni RCMP's 2015/2016 Annual Performance Plan will focus on crime reduction, mental health awareness, visibility and engagement, and traffic safety.

Municipal Infrastructure

The City of Port Alberni provides a wide range of services to the public.

Roads & Transportation

The City's road network consists of approximately 175 km of paved roadways. From a service capacity perspective almost all roads 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 strategies used to include crack sealing, sand sealing, and chip sealing as well as asphalt recycling.

There are a total of 10 bridges, in the City of varying age and type. Five are vehicular traffic bridges

and five are pedestrian bridges. Most of the vehicular traffic bridges date from the 1950's. All bridges were structurally evaluated in 1986 and found to be generally in good condition. One bridge was re-decked in 1991 and another bridge was repainted in 1994. In 2011, anchor bolts were replaced on the Victoria Quay bridge over Roger Creek.

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. In addition, the City has a storage dam located on Lizard Lake, which feeds a tributary to China Creek.

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 the China Creek supply began in 2006. Phase 1 of this project was completed in 2008. Phase 2 began in 2009 and was completed in 2011. Current capital projects include water treatment for Bainbridge. Meters were installed in 2002. A reservoir and a pump station were constructed in Northport in 1986 and all other reservoirs were lined and covered in the 1980's.

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 mains is being monitored for structural problems. Compliance with Island Health Authority regulations requires that the City upgrade treatment methods. 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.

Storm and Sewer

The City's sanitary sewer utility provides service to approximately 98% of the residences and developments within the City. The collection system in the south portion of the City is mostly combined resulting in combined sewer overflows during rainfall events. The collection system in the northern part of the City is separate. Sewage from the whole City is pumped via 5 pump stations to an aeration lagoon located on the south side of the Somass River. The treatment facility produces effluent well within current permit parameters. Biosolids removal from the lagoon was undertaken in 2004. A major upgrade to the Argyle Street Pump station was completed in 2009.

Much of the collection system dates from before the 1950's and television inspection indicates that the general condition is fair. Some particular areas have serious pipe deterioration and root intrusion and infiltration problems which will be focused on in upcoming capital spending programs.

Continuing inspection will likely reveal more problem areas. Sewer twinning in combined areas is also focused upon with the objective of reducing 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 2017. Sewage treatment plant upgrades will continue for 2014 through 2018, funded through borrowing and federal grants.

Solid Waste

The City operates a residential collection service and a commercial dumpster type collection service. 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 3rd Avenue.

Cemetery

The City operates and maintains the Greenwood Cemetery, with a section dedicated as a Field of Honour.

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.

City Hall houses the City Council Chambers and Committee Rooms, as well as the General Administrative Offices on the main floor. The Engineering Department administration and technical offices are located on the lower floor.

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 concluded in 2000.

Public Safety Building

The Public Safety Building located at 4444 Morton Street was completed in the fall of 2006. This facility provides a safe, efficient and modern building which will adequately house our RCMP detachment for many years to come. This \$6 million project was financed through City reserve funds and borrowing. Upgrades for 2014 included a closed circuit video system.

Works Yard Complex

The Works Yard Complex is located at 4150 - 6th Avenue and was constructed in 1966.

This complex houses the public works, parks operations, stores, purchasing and related offices. Approximately 54 employees are dispatched from the various shops including water, sewer, streets, parks, facilities, and mechanical. A fleet of about 100 vehicles and pieces of 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 areas can combine into a large banquet, social, or conference setting capable of hosting groups as large as 332 persons. Two well-equipped kitchens are adjacent. The Centre also contains 2 craft studios, a branch of the Vancouver Island Regional Library, the Alberni Valley Museum and Echo Aquatic Centre. The Aquatic Centre 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 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.

The main features of the Alberni Valley Multiplex include:

- Two regulation size ice surfaces;
- Seating for 1,500 on the main ice arena;

- Four dressing rooms for each ice surface, and a Junior A hockey team room for the Alberni Valley Bulldogs;
- Fully accessible facility – including all change rooms, upper and lower lounge areas and main arena viewing. An elevator gives access to upper level viewing;
- Heated viewing and food services lounge that overlooks both ice surfaces;
- A sizeable deck off the upper lounge which gives a spectacular view of the Alberni Valley and some of the adjacent playfields.

The facility is equipped with a sound system with acoustic panels in the ceiling of both ice rinks and over ice flooring panels. Energy Audit Upgrades were completed in 2014 with funding from Gas Tax grants.

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 a multitude of dances, socials, and annual 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.

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.

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.

Klitsa Park Baseball Fields

Klitsa Park Baseball Fields were completed in 2010. It features two excellent 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 area includes shops, charter services, seasonal booths and retail marketplace, generating rental revenue for the City. The area includes a park with a picnic area, lawn, Shipwreck Playground, spray pool and the Clock Tower. The centrepiece of the site is the Babe Gunn "Life Cycle of the Pacific Salmon" stone sculpture in a central fountain.

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."

Municipal Computer System

The municipality 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.

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)
- 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, recycling services, and debt placement on behalf of the City of Port Alberni through the Municipal Finance Authority

Vancouver 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.

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 tourism 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 2014

Bill 88, passed in the fall of 2000, requires municipalities to prepare a Five Year Financial Plan bylaw 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 2014 budget activities began with a public consultation process on the 5 year plan in the form of a public discussion held at Echo Centre in early 2013. In the months following the discussion City Council reviewed the input received both during the discussion and subsequent submissions. In February and March 2014 Council received presentations from City staff on departmental budgets and reports on reserves and debt levels. Council then provided direction for the 2014-2018 five year plan. The five year plan 2014-2018 Bylaw #4837 was adopted April 14, 2014.

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

USES OF FUNDING

FIRE PROTECTION:

Pickup truck replaced	\$ 47,789	
Exhaust extractor	31,504	
High volume hose	47,764	\$ 127,057

PUBLIC WORKS:

Transportation:		
2 pickup trucks and SUV replaced		105,081

Paving and road reconstruction:

Beaver Creek – Alexander to Pineo	213,686	
Montrose St - 10 th Ave to 11 th Ave	35,701	
16 th Ave – Redford to Bute	114,503	
2 nd Ave – Stirling to Melrose to 3 rd	73,436	
Elizabeth St – Arrowsmith to Lathom	42,424	
Elizabeth St – Burke to Lathom	<u>28,741</u>	508,491

Storm Drain Construction:

15 th Ave – Redford to Bute	87,315	
2 nd Ave – Stirling to Melrose to 3 rd	16,922	
Small capital storm main replacement	<u>78,118</u>	182,355

PARKS AND RECREATION:

Gyro Park tennis courts	58,542	
City Hall HVAC	7,444	
Museum storage	41,559	
Echo Centre HVAC upgrades	3,196	
RCMP closed circuit TV replacement	147,230	
Kitsuksis Creek diversion at McLean Mill	456,428	
Kitsuksis Creek bridge at McLean Mill	109,990	
Gertrude St pedestrian bridge over Kitsuksis	158,128	
Zamboni replaced	181,818	
Brush chipper replaced	38,424	
Mower replaced	106,967	
ATV replaced	<u>28,022</u>	1,337,748

ADMINISTRATION:	
Municipal Application Software System	314,664
WATER SYSTEM:	
Distribution system	368,866
SEWER SYSTEM:	
Renewals and relines	<u>170,807</u>
	<u>\$ 3,115,069</u>

SOURCES OF FUNDING

Revenue Funds	\$ 1,331,049
Equipment Replacement Reserve Fund	429,765
Land Sale Reserve Fund	210,640
Capital Reserves	677,079
Carbon Reserve Fund	70,000
Government Grants (Gas Tax)	249,306
RCMP Surplus Reserve	<u>147,230</u>
	<u>\$ 3,115,069</u>

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FINANCIAL SECTION

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**CITY OF PORT ALBERNI
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

AUDITORS' REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of City of Port Alberni

I have audited the accompanying consolidated financial statements of City of Port Alberni, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, change 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 Consolidated 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

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of City of Port Alberni as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

My 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 my opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Port Alberni, BC
May 19, 2015

R. Anderson & Associates Inc.

CHARTERED 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, 2014
(with comparative figures for 2013)

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
FINANCIAL ASSETS:		
Cash (Note 2)	\$ 27,970,456	\$ 24,950,510
Accounts receivable (Note 4)	4,001,043	3,685,577
Inventory for resale (Note 2)	30,862	21,172
Long Term Investments (Note 9)	<u>1,062,445</u>	<u>1,596,301</u>
	<u>33,064,806</u>	<u>30,253,560</u>
LIABILITIES:		
Interim capital financing	2,225,000	5,139,685
Accounts payable and accrued liabilities (Note 6)	5,243,975	5,841,565
Deferred revenue (Note 7)	2,730,833	2,263,614
Refundable deposits	372,312	331,149
Debenture debt (Note 8, Schedule 3)	<u>8,611,376</u>	<u>3,123,974</u>
	<u>19,183,496</u>	<u>16,699,987</u>
NET FINANCIAL ASSETS	<u>13,881,310</u>	<u>13,553,573</u>
NON-FINANCIAL ASSETS:		
Inventory of supplies (Note 2)	414,632	390,718
Prepaid expenses	1,433,054	1,393,568
Tangible Capital Assets (Notes 2 and 13, Schedule 1)	97,838,310	96,657,943
Other Assets	<u>155,000</u>	<u>155,000</u>
	<u>99,840,996</u>	<u>98,597,229</u>
ACCUMULATED SURPLUS	<u>\$ 113,722,306</u>	<u>\$ 112,150,802</u>

Crothwell

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, 2014
(with comparative figures for 2013)

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
REVENUES:			
Taxes (Schedule 4)	\$ 21,296,623	\$ 21,354,953	\$ 20,962,530
Sale of services (Schedule 9)	8,223,666	8,857,168	8,305,262
Other revenue from own sources (Schedule 10)	633,727	1,868,120	1,720,956
Investment income	148,400	282,452	266,622
Grants (Note 11)	1,064,164	1,747,708	3,851,394
Developer contributions	-	63,240	112,058
Sale of property and equipment	-	25,351	211,600
Gain (loss) on disposal of assets	-	(16,011)	409,979
	<u>31,366,580</u>	<u>34,182,981</u>	<u>35,840,401</u>
EXPENSES:			
General government (Schedule 5)	3,159,055	3,970,532	3,826,346
Protective services (Schedule 6)	9,929,068	9,607,691	9,077,118
Transportation services (Schedule 7)	4,111,242	5,860,288	5,711,745
Environmental health services	1,019,683	1,132,995	1,101,465
Environmental development	887,957	943,186	1,046,250
Recreation and cultural services (Schedule 8)	6,447,770	7,503,696	7,428,513
Interest	633,129	255,838	253,516
Debt reserve	40,500	2,365	3,153
Water utility (Schedule 11)	1,390,350	1,848,594	1,736,030
Sewer utility (Schedule 11)	1,100,740	1,456,312	1,371,351
Cost of sales and service	-	29,979	6,233
	<u>28,719,494</u>	<u>32,611,476</u>	<u>31,561,720</u>
ANNUAL SURPLUS	2,647,086	1,571,505	4,278,681
Accumulated surplus - beginning of year - restated (Note 16)	<u>112,150,801</u>	<u>112,150,801</u>	<u>107,872,120</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$114,797,887</u>	<u>\$113,722,306</u>	<u>\$112,150,801</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, 2014
(with comparative figures for 2013)

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
ANNUAL SURPLUS	\$ (183,000)	\$ 1,571,505	\$ 4,278,680
Acquisition of tangible capital assets	-	(8,550,493)	(15,044,049)
Amortization	-	4,342,164	4,040,821
(Gain) loss on disposal of assets	-	16,011	(409,979)
Proceeds from sale of assets	-	63,400	663,200
Proceeds (repayments) from temporary borrowing	-	(2,775,000)	5,000,000
Acquisition of intangible asset	-	-	(155,000)
Proceeds from long term borrowing	-	5,750,000	-
	<u>(183,000)</u>	<u>417,587</u>	<u>(1,626,327)</u>
Acquisition of supply inventory		(431,079)	(390,718)
Acquisition of prepaid expenses		(1,443,054)	(1,393,568)
Consumption of inventory of supplies		390,718	377,847
Use of prepaid expenses		1,393,566	93,742
		<u>(89,849)</u>	<u>(1,312,697)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS		327,738	(2,939,024)
NET FINANCIAL ASSETS - BEGINNING OF YEAR		<u>13,553,572</u>	<u>16,492,597</u>
NET FINANCIAL ASSETS - END OF YEAR		<u>\$ 13,881,310</u>	<u>\$ 13,553,573</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, 2014
(with comparative figures for 2013)

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
OPERATING ACTIVITIES:		
Annual surplus for the year	\$ 1,571,505	\$ 4,278,681
Non-cash items		
Add: amortization of tangible capital assets	4,342,164	4,040,821
Add (deduct): (gain) loss on disposal of tangible capital assets	16,011	(409,979)
(Increase) decrease in investment	533,856	(799,594)
(Increase) inventory of supplies	(23,914)	(12,870)
(Increase) prepaid expenses	(39,485)	(1,299,827)
Deduct: developer contributions	(63,240)	(112,058)
Changes in working capital balances		
Accounts receivable	(315,466)	(387,355)
Inventory for resale	(9,690)	1,572
Accounts payable and accrued liabilities	(597,591)	558,117
Deferred revenue	467,219	(781,158)
Refundable deposits	<u>41,161</u>	<u>(21,887)</u>
	<u>5,922,530</u>	<u>5,054,463</u>
FINANCING ACTIVITIES:		
Proceeds from temporary borrowing	2,225,000	5,000,000
Repayment of temporary borrowing	(5,000,000)	-
Proceeds from long term debt	5,750,000	-
Long term debt repayment	<u>(262,597)</u>	<u>(252,342)</u>
	<u>2,712,403</u>	<u>4,747,658</u>
CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(3,902,025)	(10,442,496)
(Increase) decrease in work-in-progress	(1,776,362)	355,501
Proceeds from sale of assets	<u>63,400</u>	<u>663,200</u>
	<u>(5,614,987)</u>	<u>(9,423,795)</u>
INCREASE IN CASH FLOW	3,019,946	378,326
Cash and short term investments - beginning of year	<u>24,950,510</u>	<u>24,572,184</u>
CASH AND SHORT TERM INVESTMENTS - END OF YEAR	<u>\$ 27,970,456</u>	<u>\$ 24,950,510</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, 2014**

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, 2014**

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

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, 2014**

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 money market funds, and are readily available. Short term investments are recorded at cost. Cash and short term investments as at December 31, 2014 were comprised as follows:

	<u>2014</u>	<u>2013</u>
Cash	\$ 2,138,592	\$ 4,510,296
Municipal Finance Authority, Money Market Funds	<u>25,831,864</u>	<u>20,440,214</u>
	<u><u>\$ 27,970,456</u></u>	<u><u>\$ 24,950,510</u></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, 2014**

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 in 2014 as the infrastructure was not in use as of the date of these financial statements.

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.

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:

	2013				2014
	Balance	Interest	Receipts	Expenditures	Balance
Cemetery Trust	\$ <u>165,944</u>	\$ <u>2,364</u>	\$ <u>3,455</u>	\$ <u>(10,316)</u>	\$ <u>161,447</u>

CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

4. Accounts Receivable

	<u>2014</u>	<u>2013</u>
Property taxes	\$ 983,931	\$ 994,833
Provincial government	1,965	14,425
Federal government	14,380	(1,727)
General	<u>3,000,767</u>	<u>2,678,046</u>
	<u>\$ 4,001,043</u>	<u>\$ 3,685,577</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 Wednesday, December 31, 2014 the total investment of the Debt Reserve Fund was comprised of:

	<u>2014</u>	<u>2013</u>
General Revenue	\$ 143,928	\$ 136,927
Sewer Revenue	<u>169,515</u>	<u>94,140</u>
	<u>\$ 313,443</u>	<u>\$ 231,067</u>

6. Accounts Payable and Accrued Liabilities

	<u>2014</u>	<u>2013</u>
Due to senior governments	\$ 1,461	\$ (1,029)
Other local governments	16,111	5,038
Trade accounts	2,611,679	3,612,276
Salaries and wages	850,513	477,647
Accrued debenture interest	46,978	46,978
Accrued employee benefits	<u>1,717,233</u>	<u>1,700,655</u>
	<u>\$ 5,243,975</u>	<u>\$ 5,841,565</u>

Employee future benefits:

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

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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>2014</u>	<u>2013</u>
Benefit liability - beginning of year	\$ 547,753	\$ 532,853
Add: current service costs	38,000	38,500
interest on accrued benefit obligation	22,600	25,300
amortization of actuarial loss	11,200	11,200
Less Benefits paid	<u>(42,200)</u>	<u>(60,100)</u>
Benefit liability - end of year	577,353	547,753
 Add ERIP reserve	 93,000	 93,000
Unamortized actuarial loss (gain)	<u>57,947</u>	<u>79,647</u>
 Accrued benefit obligation - end of year	 <u>\$ 728,300</u>	 <u>\$ 720,400</u>

The retirement liability requires no contribution from the employees.

	<u>2014</u>	<u>2013</u>
b) Accrued vacation liability as at Wednesday, December 31, 2014	\$ <u>858,933</u>	\$ <u>850,255</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 the appropriate collective agreement. Sick leave for management employees does not accumulate. At Wednesday, December 31, 2014 this liability is estimated at \$130,000 (2012 - \$130,000)

d) Employee benefit obligations:

	<u>2014</u>	<u>2013</u>
Accrued Retirement Benefits	\$ 728,300	\$ 720,400
Accrued Payables, Accrued Payables	858,933	850,255
Accum. Sick Leave Liability, Sick Leave Pay	<u>130,000</u>	<u>130,000</u>
	<u>\$ 1,717,233</u>	<u>\$ 1,700,655</u>

CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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>2014</u>	<u>2013</u>
Prepaid property taxes	\$ 880,440	\$ 814,157
Capital grants	133,770	60,530
Other	348,462	497,738
Federal Gas Tax Agreement	<u>1,368,161</u>	<u>891,189</u>
	<u>\$ 2,730,833</u>	<u>\$ 2,263,614</u>

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 Wednesday, December 31, 2014 are as follows:

	Principal	Interest	Total
2015	\$ 293,915	\$ 411,242	\$ 705,157
2016	298,471	414,918	713,389
2017	254,557	393,842	648,399
2018	254,557	393,842	648,399
2019	254,557	393,842	648,399

CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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. On July 29, 2014, 1,500 shares were redeemed at \$100 each, for a total of \$150,000.

	<u>2014</u>	<u>2013</u>
Alberni Valley Community Forest Corporation		
Original investment	\$ 1	\$ 150,001
Accumulated earnings to date	<u>1,062,444</u>	<u>1,446,300</u>
	<u>\$ 1,062,445</u>	<u>\$ 1,596,301</u>

10. Expenses by Object

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Salaries Wages and Benefits	\$ 15,006,477	\$ 14,196,562	\$ 13,996,077	\$ 14,011,368	\$ 12,433,090
Debt Servicing	267,799	266,266	248,810	248,658	247,738
RCMP Contract	4,355,239	4,342,728	4,483,615	3,978,661	3,597,767
Grants	97,170	89,137	141,376	97,956	93,982
Other Contracts	1,219,318	1,303,941	1,362,344	1,413,647	1,171,707
Goods and Services	7,323,309	7,322,265	6,817,219	6,880,855	7,132,888
Amortization	<u>4,342,164</u>	<u>4,040,821</u>	<u>3,775,049</u>	<u>3,694,491</u>	<u>3,655,293</u>
	<u>\$ 32,611,476</u>	<u>\$ 31,561,720</u>	<u>\$ 30,824,490</u>	<u>\$ 30,325,636</u>	<u>\$ 28,332,465</u>

CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

11. Grants and Transfers

	<u>2014</u>	<u>2013</u>
Operating Grants		
Federal		
Invest Canada Community Initiative	\$ -	\$ 20,000
Gas Tax - Liquid Waste Management Plan	39,026	-
Provincial		
Strategic Community & Revenue Sharing	\$ 489,164	\$ 489,164
Community Gaming	444,500	445,000
BC Arts Council - Museum	65,000	57,500
Water Study	10,000	-
Age Friendly Community Projects & Planning	5,686	14,000
City Centennial	-	17,233
	<u>1,053,376</u>	<u>1,042,897</u>
Local - Alberni-Clayoquot Regional District		
Economic Development	<u>27,833</u>	<u>27,000</u>
Local - Port Alberni Port Authority		
Waterfront North Study	<u>22,391</u>	<u>25,000</u>
Capital		
Federal		
Federal Gas Tax Revenue (UBCM)	280,050	1,525,144
Dept. of Canadian Heritage	-	36,820
RCMP	14,723	-
Federal/Provincial		
Municipal Rural Infrastructure Fund - China Creek Water Main	-	1,166,666
Provincial		
BC Hydro Power Smart Incentive Program	108,615	-
Fraser Basin Council - Community Charging Infrastructure Fund	<u>-</u>	<u>16,000</u>
	403,388	2,744,630
Total Government Grants and Transfers	1,506,988	3,839,527
Other Grants - Non-Government	<u>240,720</u>	<u>11,867</u>
Total Grants and Transfers	<u><u>1,747,708</u></u>	<u><u>3,851,394</u></u>

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Port Alberni paid \$1,119,482 (\$1,023,507 for 2013) for employer contributions to the Plan in fiscal 2014, while employees contributed \$925,889 (\$847,097 for 2013) to the Plan in fiscal 2014.

CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

13. Tangible Capital Assets

Tangible Capital Assets are stated at net book value.

	2014	2013
Land	\$ 3,731,840	\$ 3,463,226
Land Improvements	4,718,863	4,452,888
Buildings	20,457,499	21,049,643
Machinery and Equipment	5,815,224	5,575,564
Engineering Structures	1,767,213	1,524,569
Storm Drains	12,812,244	12,897,046
Transportation	9,846,188	10,267,769
Water	16,809,492	17,038,277
Sewer	<u>18,572,975</u>	<u>18,858,551</u>
	94,531,538	95,127,533
Work-in-progress - assets under construction not being amortized	<u>3,306,772</u>	<u>1,530,410</u>
	<u>\$ 97,838,310</u>	<u>\$ 96,657,943</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 2014 (2013 - \$ nil). Contributed assets recognized in 2014 were \$63,240 (2013 - \$112,058) recorded at fair market value at the end of the warranty period. These include land, transportation, storm, sewer and water infrastructure. Interest capitalized in 2014 was \$47,756 (2013 - \$14,763). No amortization has been recorded on assets not in use in 2014.

14. Subsequent Event

In early 2014, federal and provincial grant funding from Building Canada Fund - Communities Component Flood Protection Program was approved, in the amount of \$1,824,332 for the Dry Creek Improvements project. A condition of this grant funding is that the City of Port Alberni meet one-third of the cost of the project as the grant covers two-thirds. The City's portion of the project (\$912,000) was financed through the Municipal Finance Authority with a draw down of \$225,000 in July of 2014. The balance of \$687,000 was drawn down in March of 2015.

In June of 2014, \$2,000,000 was requested from the Municipal Finance Authority in accordance with approved capital project plans for the Bainbridge Water Treatment Plant.

Both of these borrowings were under Temporary Borrowing Bylaws and converted to long term debt in March of 2015.

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

15. 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), City Manager's Office, City Clerk's Department, Financial Services, Information Services 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 and Recreation 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,

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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).

16. Prior Period Adjustment

Subsequent to the issue of the December 31, 2013 consolidated financial statements, an accounting error was discovered with regards to allocation of certain expenses to balance sheet accounts for the 2013 fiscal year. The corrections are as follows:

2013 Accumulated Surplus

Accumulated surplus, as previously reported	\$ 112,460,600
Add: Museum capital purchase - storage	41,559
ICBC expense reduction	77,190
McLean Mill recovery	44,423
Less: Correction of payroll benefits	<u>(472,971)</u>
Accumulated surplus, as restated	<u>\$ 112,150,801</u>

17. Comparative Figures

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

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

18. Accumulated Surplus

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

	2014	2013
Operations		
General	\$ (6,667,544)	\$ (5,252,460)
Water	2,088,394	3,226,702
Sewer	<u>(217,903)</u>	<u>(474,992)</u>
	<u>(4,797,053)</u>	<u>(2,500,750)</u>
Capital		
General	11,771,894	9,542,233
Water	3,172,076	1,771,327
Sewer	<u>1,138,256</u>	<u>917,509</u>
	<u>16,082,226</u>	<u>12,231,069</u>
Equity in tangible capital assets		
General	56,817,833	56,854,725
Water	16,397,066	17,428,949
Sewer	<u>14,034,035</u>	<u>14,265,610</u>
	<u>87,248,934</u>	<u>88,549,284</u>
Reserves		
Reserve funds - statutory		
Parkland Acquisition	138,906	137,508
Capital Works	1,356,256	1,383,564
Equipment Replacement	4,623,632	4,388,324
Land Sale	461,259	885,460
Development Cost Charges	147,371	84,132
Carbon Fund	266,923	196,068
Reserve funds - unrestricted		
General Fund - projects and purchases	2,223,514	2,513,878
Loss on taxation	1,351,000	1,351,000
Museum purchases	53,494	55,141
RCMP - contract surplus	332,770	480,000
Parks and Recreation building	1,249,994	1,127,414
Water Fund - projects and purchases	2,643,080	1,208,709
Sewer Fund - projects and purchases	<u>340,000</u>	<u>60,000</u>
	<u>15,188,199</u>	<u>13,871,198</u>
	<u>\$ 113,722,306</u>	<u>\$ 112,150,801</u>

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SUPPORTING SCHEDULES

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**CITY OF PORT ALBERNI
SCHEDULE OF TANGIBLE CAPITAL ASSETS (SCHEDULE 1)
AT DECEMBER 31, 2014**

	ASSETS				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2013	2014 Additions	2014 Disposals	Balance December 31, 2014	Balance December 31, 2013	2014 Additions	2014 Disposals	Balance December 31, 2014	2014 VALUE	2013 VALUE
Land	\$ 3,463,226	\$ 268,615	\$ 1	\$ 3,731,840	\$ -	\$ -	\$ -	\$ -	\$ 3,731,840	\$ 3,463,226
Land Improvements	9,750,086	514,970	14,769	10,250,287	5,297,198	246,041	11,815	5,531,424	4,718,863	4,452,888
Buildings	34,404,625	509,871	25,622	34,888,874	13,354,982	1,091,766	15,373	14,431,375	20,457,499	21,049,643
Machinery & Equipment	12,579,501	1,085,172	375,460	13,289,213	7,003,937	772,237	302,185	7,473,989	5,815,224	5,575,564
Engineered Structures	2,765,491	268,118	-	3,033,609	1,240,922	25,474	-	1,266,396	1,767,213	1,524,569
Storm Drains	19,317,298	176,099	-	19,493,397	6,420,252	260,901	-	6,681,153	12,812,244	12,897,046
Transportation	40,344,881	508,492	99,807	40,753,566	30,077,112	930,073	99,807	30,907,378	9,846,188	10,267,769
Water	29,988,178	331,935	-	30,320,113	12,949,901	560,720	-	13,510,621	16,809,492	17,038,277
Sewer	26,700,988	170,805	5,956	26,865,837	7,842,437	454,952	4,527	8,292,862	18,572,975	18,858,551
Work in progress	1,530,410	3,306,772	1,530,410	3,306,772	-	-	-	-	3,306,772	1,530,410
	\$ 180,844,684	\$ 7,140,849	\$ 2,052,025	\$ 185,933,508	\$ 84,186,741	\$ 4,342,164	\$ 433,707	\$ 88,095,198	\$ 97,838,310	\$ 96,657,943

Financial Statements

CITY OF PORT ALBERNI SEGMENTED INFORMATION (SCHEDULE 2) FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental & Economic Development
Revenue					
Taxes	\$ 21,354,953	\$ -	\$ -	\$ -	\$ -
Sales of services	65,868	587,880	349,933	1,002,860	158,569
Other revenue from own sources	441,822	249,506	-	-	135,760
Investment income	209,730	-	-	-	-
Grants	939,350	200	-	-	50,224
Developer contributions	-	-	-	-	-
Gain/loss on disposal of assets	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	23,011,723	837,586	349,933	1,002,860	344,553
Expenses					
Operating:					
Salaries, wages and benefits	2,339,097	4,155,500	2,541,140	462,041	433,711
Debt servicing	20,004	165,812	-	-	-
RCMP contract	-	4,338,968	-	-	-
Grants	29,440	-	-	-	84,000
Other contracts	205,455	128,295	1,020,751	-	54,110
Goods and services	1,118,614	632,878	739,243	667,433	212,695
	3,712,610	9,421,453	4,301,134	1,129,474	784,516
Amortization	397,902	352,050	1,559,155	3,520	58,068
Total expenses	4,110,512	9,773,503	5,860,289	1,132,994	842,584
Excess (deficiency) in revenue over expenses	\$ 18,901,211	\$ (8,935,917)	\$ (5,510,356)	\$ (130,134)	\$ (498,031)

**CITY OF PORT ALBERNI
SEGMENTED INFORMATION (SCHEDULE 2)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Consolidated 2014	Budget 2014	Consolidated 2013
\$ -	\$ -	\$ -	\$ -	\$ 21,354,953	\$ 21,296,623	\$ 20,962,530
1,426,013	2,426,068	2,028,398	811,579	8,857,168	8,223,666	8,305,262
-	30,381	25,038	985,613	1,868,120	633,727	1,720,956
-	-	965	71,757	282,452	148,400	266,622
69,328	10,000	39,026	639,580	1,747,708	1,064,164	3,851,394
-	-	-	63,240	63,240	-	112,058
-	-	-	(16,011)	(16,011)	-	409,979
-	-	-	25,351	25,351	-	211,600
1,495,341	2,466,449	2,093,427	2,581,109	34,182,981	31,366,580	35,840,401
3,909,124	718,162	447,703	-	15,006,478	15,736,968	14,196,562
-	-	81,983	-	267,799	823,873	266,266
-	-	-	-	4,338,968	4,998,112	4,328,960
-	-	-	-	113,440	94,400	102,904
-	-	-	-	1,408,611	1,504,639	1,448,168
2,609,805	569,712	553,658	29,978	7,134,016	5,704,247	7,178,039
6,518,929	1,287,874	1,083,344	29,978	28,269,312	28,862,239	27,520,899
955,797	560,720	454,952	-	4,342,164	-	4,040,821
7,474,726	1,848,594	1,538,296	29,978	32,611,476	28,862,239	31,561,720
\$ (5,979,385)	\$ 617,855	\$ 555,131	\$ 2,551,131	\$ 1,571,505	\$ 2,504,341	\$ 4,278,681

**CITY OF PORT ALBERNI
DEBTENTURE DEBT - SCHEDULE 3**

ALL FUNDS AT DECEMBER 31, 2014 - SHOWING REQUIREMENTS FOR PRINCIPAL AND INTEREST FOR 2015

Security Issuing Bylaw	Purpose	Original Issue	Amount Outstanding Dec. 31, 2014	Term in Years	Annual Interest Rate	Maturity Date	2015 Requirements Interest	2015 Requirements Principal	2014 Sinking Fund Addition	Debt Reserve Cash Balance Dec. 31, 2014
4280	General	98,120	14,640	20	4.43%	25-Sep-16	4,347	2,967	3,834	3,657
4575		3,375,064	2,628,325	25	4.65%	19-Apr-31	157,278	81,042	25,604	46,309
4807		428,300	428,300	30	3.00%	14-Oct-44	12,075	7,177	-	4,053
		3,901,484	3,071,265				173,700	91,186	29,438	54,019
4280	Sewer	147,180	21,960	20	4.43%	25-Sep-16	6,520	4,451	5,751	2,438
4559		797,642	94,560	10	4.55%	6-Apr-15	18,146	66,436	24,486	11,385
4601		438,170	101,891	10	4.65%	19-Apr-16	20,419	36,496	11,530	6,012
4807		5,321,700	5,321,700	30	3.00%	14-Oct-44	160,425	95,346	-	53,846
		6,704,692	5,540,111				205,510	202,729	41,767	73,681
		10,606,176	8,611,376				379,210	293,915	71,205	127,700

CITY OF PORT ALBERNI
TAX LEVIES and GRANTS IN LIEU OF TAXES (SCHEDULE 4)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
MUNICIPAL PURPOSES:			
Tax Levies:			
General purpose	\$ 20,281,967	\$20,279,350	\$ 19,916,818
Local improvement - sewer	-	32,003	32,003
Off-street parking	6,000	5,333	4,072
Utility	131,600	129,946	131,488
Parcel Tax	<u>160,992</u>	<u>160,986</u>	<u>160,022</u>
	20,580,559	20,607,618	20,244,403
 Grants in lieu of taxes	 <u>716,064</u>	 <u>747,335</u>	 <u>718,129</u>
Total Municipal Taxes	<u>21,296,623</u>	<u>21,354,953</u>	<u>20,962,532</u>
 COLLECTIONS FOR OTHER GOVERNMENTS:			
Tax Levies:			
School	5,400,000	5,433,730	5,467,863
Alberni Clayoquot Regional Hospital District	785,893	785,893	759,170
Alberni Clayoquot Regional District	817,342	817,342	751,668
B.C. Assessment	180,000	174,120	176,849
Municipal Finance Authority	<u>500</u>	<u>449</u>	<u>451</u>
Total Collections For Other Governments	<u>7,183,735</u>	<u>7,211,534</u>	<u>7,156,001</u>
Total Taxes Collected	<u>\$ 28,480,358</u>	<u>\$ 28,566,487</u>	<u>\$ 28,118,533</u>

**CITY OF PORT ALBERNI
GENERAL GOVERNMENT EXPENSES (SCHEDULE 5)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)**

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Legislative	\$ 177,464	\$ 176,486	\$ 151,511
City manager's office	204,000	203,063	228,691
Municipal clerk's office	338,284	375,889	335,345
Legal and bylaw prosecution services	40,000	51,311	21,267
Financial management	681,400	738,902	710,002
Administration vehicle	11,256	15,079	14,654
External audit	30,000	33,000	44,495
Purchasing	202,000	227,290	214,996
Buildings	130,583	344,747	132,045
Information services	572,966	798,737	714,811
Personnel	289,642	294,579	289,273
Election expenses	40,000	34,610	255
Training and development	182,800	154,095	171,096
Damage claims	40,000	11,906	13,461
Grants and grant funded programs	10,400	16,271	20,811
Office equipment supplies and printing	270,000	294,364	278,034
Public liability insurance	159,500	320,549	301,889
Other general services	56,200	157,094	455,714
Administration recoveries	<u>(277,440)</u>	<u>(277,440)</u>	<u>(272,004)</u>
	\$ <u>3,159,055</u>	\$ <u>3,970,532</u>	\$ <u>3,826,346</u>

CITY OF PORT ALBERNI
PROTECTIVE SERVICES (SCHEDULE 6)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Police protection	\$ 6,488,452	\$ 6,016,069	\$ 6,025,874
Fire protection	3,205,252	3,348,671	2,821,624
Emergency measures	697	8,295	6,042
Building and plumbing inspections	106,240	105,182	98,277
Animal pound operations	<u>128,427</u>	<u>129,474</u>	<u>125,301</u>
	\$ <u>9,929,068</u>	\$ <u>9,607,691</u>	\$ <u>9,077,118</u>

**CITY OF PORT ALBERNI
TRANSPORTATION SERVICES (SCHEDULE 7)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)**

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
COMMON SERVICES:			
Engineering administration	\$ 525,000	\$ 548,488	\$ 567,127
Engineering consulting services	138,700	121,187	194,305
Public works supervision	347,000	362,389	351,683
Equipment and supplies	41,177	110,459	120,586
Building and yard maintenance	192,000	206,176	209,769
Equipment maintenance	<u>834,627</u>	<u>1,127,676</u>	<u>1,163,164</u>
	<u>2,078,504</u>	<u>2,476,375</u>	<u>2,606,634</u>
ROADS AND STREET MAINTENANCE:			
Roadway surfaces maintenance	952,400	1,994,468	1,805,880
Snow and ice removal	203,600	174,308	106,084
Parking	9,000	12,981	16,177
Gravel	136,000	179,199	154,788
Ditch and dyke maintenance	138,500	157,763	114,544
Storm sewers	<u>250,400</u>	<u>415,757</u>	<u>431,473</u>
	<u>1,689,900</u>	<u>2,934,476</u>	<u>2,628,946</u>
Bridges and retaining walls	70,000	24,483	69,976
Street lighting	266,500	379,470	336,499
Traffic control	241,440	247,050	240,664
Public transit	1,082,898	1,020,751	982,855
Other	135,500	156,506	175,591
Recoveries	<u>(1,453,500)</u>	<u>(1,378,823)</u>	<u>(1,329,420)</u>
	<u>\$ 4,111,242</u>	<u>\$ 5,860,288</u>	<u>\$ 5,711,745</u>

CITY OF PORT ALBERNI
RECREATION AND CULTURAL SERVICES (SCHEDULE 8)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)

	2014 Budget <u>Revenue</u>	2014 Actual Revenue	2014 Budget <u>Expense</u>	2014 Actual Expense	2014 Budget Operating <u>Deficit</u>	2014 Actual Operating Deficit	2013 Actual Operating <u>Deficit</u>
RECREATION SERVICES:							
Administration	\$ -	\$ -	\$ 474,178	\$ 448,621	\$ (474,178)	\$ (448,621)	\$ (464,273)
Leisure Centre	247,967	235,243	418,577	492,695	(170,610)	(257,452)	(249,075)
Swimming pool	299,500	277,352	462,021	510,511	(162,521)	(233,159)	(245,813)
Arena	629,750	547,756	999,441	1,438,166	(369,691)	(890,409)	(855,638)
Parks, playgrounds and other	33,500	30,343	1,350,007	1,683,332	(1,316,507)	(1,652,989)	(1,526,112)
Programs	<u>333,425</u>	<u>311,293</u>	<u>1,380,682</u>	<u>1,465,911</u>	<u>(1,047,257)</u>	<u>(1,154,618)</u>	<u>(1,170,822)</u>
	<u>1,544,142</u>	<u>1,401,987</u>	<u>5,084,906</u>	<u>6,039,236</u>	<u>(3,540,764)</u>	<u>(4,637,248)</u>	<u>(4,511,733)</u>
CULTURAL SERVICES:							
Museum services	11,300	24,026	482,684	533,899	(471,384)	(509,873)	(544,929)
McLean Mill	-	-	239,000	289,381	(239,000)	(289,381)	(284,461)
Regional library	-	-	641,180	641,180	(641,180)	(641,180)	(600,728)
	<u>11,300</u>	<u>24,026</u>	<u>1,362,864</u>	<u>1,464,460</u>	<u>(1,351,564)</u>	<u>(1,440,434)</u>	<u>(1,430,118)</u>
	<u>\$ 1,555,442</u>	<u>\$ 1,426,013</u>	<u>\$ 6,447,770</u>	<u>\$ 7,503,696</u>	<u>\$ (4,892,328)</u>	<u>\$ (6,077,682)</u>	<u>\$ (5,941,851)</u>

**CITY OF PORT ALBERNI
SALE OF SERVICES (SCHEDULE 9)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)**

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
GENERAL REVENUE:			
General Services	\$ 1,935,013	\$ 1,906,672	\$ 1,983,267
Arena	629,750	547,756	586,256
Leisure Centre	247,967	235,243	225,434
Parks, playgrounds and other	33,500	30,343	28,354
Pool	299,500	277,352	284,106
Programs	333,425	311,293	306,426
Museum	11,300	24,026	14,395
McLean Mill	-	-	134
	<u>3,490,455</u>	<u>3,332,685</u>	<u>3,428,372</u>
MISCELLANEOUS REVENUE:			
Miscellaneous receipts/sales	-	811,580	849,733
SERVICES PROVIDED TO OTHER GOVERNMENTS:			
Services provided to other governments	160,000	258,437	167,297
SEWER REVENUE:			
Connections and sundry charges	52,267	146,580	136,228
Sale of sewer service	<u>2,030,989</u>	<u>1,881,818</u>	<u>1,585,210</u>
	<u>2,083,256</u>	<u>2,028,398</u>	<u>1,721,438</u>
WATER REVENUE:			
Sale of water	2,448,220	2,370,411	2,093,159
Connections and sundry charges	<u>41,735</u>	<u>55,657</u>	<u>45,263</u>
	<u>2,489,955</u>	<u>2,426,068</u>	<u>2,138,422</u>
	<u>\$ 8,223,666</u>	<u>\$ 8,857,168</u>	<u>\$ 8,305,262</u>

CITY OF PORT ALBERNI
OTHER REVENUE FROM OWN SOURCES (SCHEDULE 10)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Licences and permits	\$ 231,100	\$ 240,956	\$ 203,611
Fines and costs	8,000	8,551	8,251
Land and building rentals	157,727	135,760	159,396
Penalties and interest	131,900	242,417	215,205
Miscellaneous revenue	105,000	254,824	130,725
Other revenue from own sources - capital fund	<u>-</u>	<u>985,612</u>	<u>1,003,768</u>
	<u>\$ 633,727</u>	<u>\$ 1,868,120</u>	<u>\$ 1,720,956</u>

**CITY OF PORT ALBERNI
SEWER AND WATER UTILITIES (SCHEDULE 11)
FOR THE YEAR ENDED DECEMBER 31, 2014
(with comparative figures for 2013)**

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
SEWER UTILITY:			
Administration	\$ 318,000	\$ 286,757	\$ 266,391
Sewage treatment and disposal	253,000	435,537	411,319
Sewage collection system	337,240	490,420	461,009
Sewage pump stations	190,000	241,935	230,189
Other operating costs	<u>2,500</u>	<u>1,663</u>	<u>2,443</u>
	<u>\$ 1,100,740</u>	<u>\$ 1,456,312</u>	<u>\$ 1,371,351</u>
WATER UTILITY:			
Administration	\$ 325,000	\$ 310,442	\$ 288,176
Service of supply	199,800	273,051	254,933
Pumping	244,500	242,298	229,260
Transmission and distribution	613,550	1,022,803	963,460
Other operating costs	<u>7,500</u>	<u>-</u>	<u>201</u>
	<u>\$ 1,390,350</u>	<u>\$ 1,848,594</u>	<u>\$ 1,736,030</u>

STATISTICS SECTION

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Statistics

CITY OF PORT ALBERNI MISCELLANEOUS STATISTICS

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
Park 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	1,272
Number of inspections conducted	1,046
Police Protection:	
Number of stations	1
Number of police personnel and officers	33
Number of law violations:	
Incarcerations	1,742
Total offences reported	3,386
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	6
Number of middle schools	2
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, 2014

	2014	2013	2012	2011	2010
Population (based on last census) ⁽¹⁾	17,743	17,743	17,743	17,743	17,548
Assessed valuations for General Purposes⁽²⁾					
Land					
Residential	\$ 478,343,100	\$ 473,029,400	\$ 517,212,200	\$ 533,863,900	\$ 480,657,900
Commercial	\$ 69,146,168	\$ 72,295,032	\$ 71,236,667	\$ 69,831,231	\$ 69,928,611
Industrial	\$ 9,543,200	\$ 10,196,500	\$ 10,367,200	\$ 10,614,800	\$ 10,606,700
Other	\$ 2,030,027	\$ 2,043,802	\$ 2,281,287	\$ 2,037,087	\$ 2,198,827
	\$ 559,062,495	\$ 557,564,734	\$ 601,097,354	\$ 616,347,018	\$ 563,392,038
Improvements					
Residential	\$ 838,943,601	\$ 859,408,301	\$ 851,604,700	\$ 862,491,700	\$ 849,283,500
Commercial	\$ 149,608,082	\$ 136,721,642	\$ 128,740,419	\$ 125,348,361	\$ 124,069,131
Industrial	\$ 84,646,900	\$ 88,702,400	\$ 90,300,800	\$ 92,260,300	\$ 97,986,500
Other	\$ 2,203,500	\$ 2,161,300	\$ 2,277,600	\$ 3,247,500	\$ 2,935,700
	\$ 1,075,402,083	\$ 1,086,993,643	\$ 1,072,923,519	\$ 1,083,347,861	\$ 1,074,274,831
Total	\$ 1,634,464,578	\$ 1,644,558,377	\$ 1,674,020,873	\$ 1,699,694,879	\$ 1,637,666,869
General & Debt Tax Rates					
Residential	\$ 9.1145	\$ 8.7996	\$ 7.8638	\$ 7.4227	\$ 7.6185
Utilities	\$ 37.9708	\$ 38.8888	\$ 39.5794	\$ 40.3643	\$ 40.0860
Major Industrial	\$ 53.1950	\$ 50.6778	\$ 49.8032	\$ 53.1288	\$ 55.0405
Light Industrial	\$ 39.6821	\$ 36.5106	\$ 35.5130	\$ 33.7527	\$ 33.3172
Business & Other	\$ 15.4923	\$ 15.8269	\$ 16.0400	\$ 16.1459	\$ 16.0346
Seasonal Recreational	\$ 9.1145	\$ 8.7996	\$ 7.8638	\$ 7.4227	\$ 7.6185
Farm	\$ 9.1145	\$ 8.7996	\$ 7.8638	\$ 7.4227	\$ 7.6185
School Tax Rates					
Residential	\$ 2.6596	\$ 2.6425	\$ 2.5672	\$ 2.4926	\$ 2.5671
Utilities	\$ 13.6000	\$ 14.0000	\$ 14.2000	\$ 14.1000	\$ 14.4000
Major Industrial	\$ 6.0000	\$ 6.2000	\$ 6.4000	\$ 6.6000	\$ 6.8000
Light Industrial	\$ 6.0000	\$ 10.8000	\$ 6.4000	\$ 6.6000	\$ 6.8000
Business & Other	\$ 6.0000	\$ 6.2000	\$ 6.4000	\$ 6.6000	\$ 6.8000
Seasonal Recreational	\$ 3.4000	\$ 3.4000	\$ 3.4000	\$ 3.4000	\$ 3.5000
Farm	\$ 6.9000	\$ 6.9000	\$ 6.9000	\$ 6.6000	\$ 6.8000
Tax Rates for Residential Class					
General	\$ 9.0050	\$ 8.6919	\$ 7.7623	\$ 7.3269	\$ 7.5211
Debt	\$ 0.1095	\$ 0.1077	\$ 0.1015	\$ 0.0958	\$ 0.0974
School District-Residential	\$ 2.6596	\$ 2.6425	\$ 2.5672	\$ 2.4926	\$ 2.5671
Regional Hospital District	\$ 0.3533	\$ 0.3400	\$ 0.3479	\$ 0.3865	\$ 0.3678
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002
Regional District	\$ 0.2950	\$ 0.2650	\$ 0.2470	\$ 0.2408	\$ 0.2621
B.C. Assessment	\$ 0.0619	\$ 0.0610	\$ 0.0599	\$ 0.0621	\$ 0.0664
Total Residential Rate	\$ 12.4845	\$ 12.1083	\$ 11.0860	\$ 10.6049	\$ 10.8821

Statistics

CITY OF PORT ALBERNI GENERAL COMPARATIVE STATISTICS AT DECEMBER 31, 2014

	2014	2013	2012	2011	2010
Current Tax Levy					
General	\$ 20,033,774	\$ 19,671,143	\$ 18,770,602	\$ 18,781,245	\$ 18,955,730
Debt	\$ 245,577	\$ 245,674	\$ 245,477	\$ 245,488	\$ 245,448
School District-Residential	\$ 3,173,194	\$ 3,143,905	\$ 3,110,259	\$ 3,074,561	\$ 3,415,457
School District-Non-Residential	\$ 2,260,537	\$ 2,324,319	\$ 2,346,336	\$ 2,379,409	\$ 2,449,940
Other Levies-Special Assessments	\$ 446,598	\$ 445,658	\$ 451,924	\$ 466,054	\$ 752,989
Regional Hospital District	\$ 785,893	\$ 759,170	\$ 783,222	\$ 879,720	\$ 818,594
Municipal Finance Authority	\$ 449	\$ 451	\$ 455	\$ 459	\$ 449
Regional District	\$ 817,342	\$ 751,668	\$ 718,172	\$ 709,622	\$ 583,443
BC Assessment	\$ 174,120	\$ 176,849	\$ 176,325	\$ 182,763	\$ 187,269
Total Levy	\$ 27,937,484	\$ 27,518,837	\$ 26,602,772	\$ 26,719,321	\$ 27,409,319
Per Capita Levy	\$ 1,574.56	\$ 1,550.97	\$ 1,499.34	\$ 1,505.91	\$ 1,561.96
Tax Collection					
Current Taxes Payments	\$ 22,343,502	\$ 21,907,832	\$ 20,932,925	\$ 21,302,153	\$ 22,417,886
Provincial Home Owner Grants	\$ 4,645,975	\$ 4,640,835	\$ 4,640,757	\$ 4,632,235	\$ 3,558,659
Total Current Taxes Collected	\$ 26,989,477	\$ 26,548,667	\$ 25,573,682	\$ 25,934,388	\$ 25,976,545
Percentage of Current Levy	96.61%	96.47%	96.13%	97.06%	94.77%
Arrears and Delinquent Collected	\$ 1,187,235	\$ 1,045,556	\$ 992,503	\$ 1,008,092	\$ 4,765,142
Percentage of Current Levy	4.25%	3.80%	3.73%	3.77%	17.39%
Total Taxes Collected	\$ 28,176,712	\$ 27,594,223	\$ 26,566,185	\$ 26,942,480	\$ 30,741,687
Percentage of Current Levy	100.86%	100.27%	99.86%	100.84%	112.16%
Unpaid Taxes					
Current	\$ 684,364	\$ 707,706	\$ 611,354	\$ 602,282	\$ 639,389
Arrears	\$ 299,567	\$ 287,127	\$ 280,632	\$ 258,774	\$ 232,383
Total Unpaid Taxes	\$ 983,931	\$ 994,833	\$ 891,986	\$ 861,056	\$ 871,772
Per Capita	\$ 55.45	\$ 56.07	\$ 50.27	\$ 48.53	\$ 49.68
Summary of Surplus and Reserves					
Funded Reserves	\$ 15,188,199	\$ 13,871,198	\$ 14,219,588	\$ 10,913,767	\$ 10,701,790
Capital Fund	\$ 16,082,226	\$ 12,231,069	\$ 2,838,102	\$ -	\$ -
Equity in Capital Assets	\$ 87,248,934	\$ 88,549,284	\$ 90,582,600	\$ 87,308,272	\$ 80,412,612
Operating Surplus (Deficit)	\$ (4,797,053)	\$ (2,500,750)	\$ 231,832	\$ 5,364,165	\$ 8,419,293

CITY OF PORT ALBERNI
GENERAL COMPARATIVE STATISTICS
AT DECEMBER 31, 2014

	2014	2013	2012	2011	2010
Debenture Debt					
Water	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	\$ 5,540,111	\$ 367,561	\$ 510,882	\$ 648,601	\$ 780,939
General	\$ 3,071,265	\$ 2,756,413	\$ 2,865,434	\$ 2,970,203	\$ 3,070,885
Gross Debenture Debt	\$ 8,611,376	\$ 3,123,974	\$ 3,376,316	\$ 3,618,804	\$ 3,851,824
Per Capita	\$ 485.34	\$ 176.07	\$ 190.29	\$ 203.96	\$ 219.50
Less: Sewer and Water Utilities Debt	\$ 5,540,111	\$ 367,561	\$ 510,882	\$ 648,601	\$ 780,939
Net Debt Excluding Utilities	\$ 3,071,265	\$ 2,756,413	\$ 2,865,434	\$ 2,970,203	\$ 3,070,885
Per Capita	\$ 173.10	\$ 155.35	\$ 161.50	\$ 167.40	\$ 175.00
Liability Servicing Limit					
Liability Servicing Limit	\$ 7,882,165	\$ 7,661,877	\$ 7,158,364	\$ 6,926,394	\$ 7,065,220
Less Actual Debt Servicing Cost	\$ 587,880	\$ 445,859	\$ 579,733	\$ 568,078	\$ 600,610
Less Estimated Cost - Unissued Debt	\$ -	\$ 67,500	\$ -	\$ -	\$ -
Liability Servicing Capacity Available	\$ 7,294,285	\$ 7,148,518	\$ 6,578,631	\$ 6,358,316	\$ 6,464,610
Debt Payment as a percentage of non-capital expenditures					
Debt payments - gross	1.0%	1.0%	1.1%	1.1%	1.3%
General Revenue Fund Statistics					
Budget	\$ 35,101,209	\$ 34,349,157	\$ 33,454,891	\$ 33,604,329	\$ 34,073,052
Actual Revenues	\$ 34,182,981	\$ 35,840,401	\$ 31,836,088	\$ 30,756,807	\$ 33,643,880
Actual Expenditures	\$ 32,611,476	\$ 31,561,720	\$ 30,824,491	\$ 30,325,637	\$ 28,332,467
Surplus	\$ 1,571,505	\$ 4,278,681	\$ 1,011,597	\$ 431,170	\$ 5,311,413
Expenditure per Capita	\$ 1,837.99	\$ 1,778.83	\$ 1,737.28	\$ 1,709.16	\$ 1,614.57
Capital Expenditures					
Financed from General Revenue	\$ 1,185,820	\$ 1,167,298	\$ 794,796	\$ 779,186	\$ 579,129
Other Sources of Revenue					
Provincial Unconditional Grants	\$ 933,664	\$ 1,042,897	\$ 1,094,894	\$ 1,015,578	\$ 1,090,399
B.C. Hydro Grant	\$ 629,005	\$ 600,056	\$ 584,535	\$ 442,982	\$ 412,505
Building Permits					
Number Issued	92	91	114	125	125
Construction Values	\$ 11,159,320	\$ 12,404,980	\$ 14,945,710	\$ 53,041,064	\$ 28,584,551

SOURCES:

¹ Statistics Canada. 2012. Port Alberni, British Columbia (Code 5923008) and Alberni-Clayoquot, WE. Ottawa. Released October 24, 2012. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E> (accessed July 11, 2013).

² BC Assessment

**CITY OF PORT ALBERNI
DEMOGRAPHIC STATISTICS¹**

Population Composition

<u>Age</u>	<u>2011</u>			<u>2006</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
0 - 4 years	465	475	940	470	400	870
5 - 9 years	465	435	900	475	480	955
10 - 14 years	515	495	1010	590	535	1,125
15 - 19 years	570	535	1105	585	545	1,130
20 - 29 years	795	845	1640	860	860	1,720
30 - 39 years	915	980	1895	875	950	1,825
40 - 49 years	1105	1180	2285	1280	1325	2,605
50 - 59 years	1450	1508	2958	1470	1415	2,885
60 - 64 years	685	670	1355	615	575	1,190
65 - 69 years	580	545	1125	455	475	930
70 - 74 years	410	445	855	390	405	795
75 + years	750	925	1675	650	885	1,535
Total	<u>8,705</u>	<u>9,038</u>	<u>17,743</u>	<u>8,715</u>	<u>8,850</u>	<u>17,565</u>

Legal Married Status

	<u>2011</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Population 15 years and over	7270	7625	14895
Married or living with a common law partner	4145	4165	8310
Married	3395	3415	6810
Living common law	755	750	1505
Not married and not living with a common law partner	3120	3460	6580
Single	2010	1565	3575
Separated	225	275	500
Divorced	605	715	1320
Widowed	275	905	1180

¹ Statistics Canada. 2012. Port Alberni, British Columbia (Code 5923008) and Alberni-Clayoquot, WE. Ottawa. Released October 24, 2012. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E> (accessed July 11, 2013).

**CITY OF PORT ALBERNI
DEMOGRAPHIC STATISTICS¹**

Top Occupations and Industries for the Employed Labour Force

	2011 Port Alberni		2011 British Columbia	
	<u>Number</u>	<u>Rank</u>	<u>Number</u>	<u>Rank</u>
<u>Top Occupations</u>				
Industrial, electrical and construction trades	655	1	117,675	1
Service support and other service occupations	600	2	115,570	2
Sales representatives (wholesale and retail)	520	3	110,490	4
<u>Top Industries</u>				
Health care and social assistance	1,450	1	240,275	2
Retail trade	1,390	2	250,140	1
Manufacturing	870	3	139,695	7

Labour Force Indicators

	2011 Port Alberni	2011 British Columbia
Participation rate	51.4%	64.6%
Employment rate	46.0%	59.5%
Unemployment rate	10.4%	7.8%

¹ Statistics Canada. 2012. Port Alberni, British Columbia (Code 5923008) and Alberni-Clayoquot, WE. Ottawa. Released October 24, 2012. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E> (accessed July 11, 2013).

CITY OF PORT ALBERNI

MAJOR PROPERTY TAXPAYERS IN PORT ALBERNI

2014 TAXATION YEAR

	Registered Owner	Primary Property	Taxes Levied
1	Catalyst Paper Corporation	Paper Mill	\$ 4,177,559
2	Western Forest Products Inc.	Sawmills	\$ 1,255,223
3	Wal-Mart Canada Corp.	Building	\$ 512,603
4	Port Alberni Retail Development	Alberni Mall	\$ 471,694
5	SRF3 Pacific Rim Shopping Centre	Pacific Rim Shopping Centre	\$ 382,203
6	Loblaw Properties West Inc.	No Frills	\$ 231,524
7	BC Hydro & Power Authority	Building	\$ 189,871
8	Jim Pattison Developments Ltd.	Building	\$ 180,777
9	Marlow-Yeoman Limited	10th Avenue Plaza	\$ 148,681
10	Kelland Foods Ltd.	Building	\$ 122,516
11	Telus	Poles, Lines, Building	\$ 119,221
12	Terasen Gas (Vancouver Island) Inc.	Gas Utility	\$ 110,202
13	Alberni Valley Gaming Association	Chances Rim Rock	\$ 89,844
14	GDP Investments Ltd.	Building	\$ 82,213
15	Marco Investments Ltd.	Building	\$ 72,425
16	Northport Plaza Limited	Johnston Road Plaza	\$ 66,351
17	PCBG Land Corporation	Automobile Dealership	\$ 65,211
18	PA Hospitality Inns Ltd.	Hospitality Inn	\$ 51,285
19	CLCSC Holdings Inc.	Building	\$ 49,719
20	522521 BC Ltd.	Creek's Edge Development	\$ 48,018

**CITY OF PORT ALBERNI
FIVE YEAR PLAN
2014-2018**

REVENUES	2014	2015	2016	2017	2018
Taxes					
Property Taxes	\$ 20,442,773	\$ 22,934,017	\$ 23,362,464	\$ 23,963,269	\$ 24,586,395
Parcel Taxes	160,992	170,000	170,000	170,000	170,000
Other Taxes	171,751	171,751	171,751	171,751	171,751
Grants in Lieu of Taxes	716,064	716,011	716,011	716,011	716,011
Fees and Charges					
Sales of Service	3,583,955	3,887,280	3,942,016	4,013,259	4,687,296
Sales of Service/Utilities	4,573,211	5,022,994	5,517,682	6,059,846	6,054,975
Service to other Government	160,000	160,000	155,000	155,000	155,000
User Fees/Fines	239,100	239,100	239,100	239,100	239,100
Other Revenue					
Rentals	157,727	158,727	159,747	160,707	161,849
Interest/Penalties	377,900	377,900	377,900	381,800	381,800
Grants/Other Governments	14,170,527	1,357,000	445,000	445,000	5,445,000
Other	124,900	89,900	29,900	29,900	4,229,900
	<u>\$ 44,878,900</u>	<u>\$ 35,284,680</u>	<u>\$ 35,286,572</u>	<u>\$ 36,505,643</u>	<u>\$ 46,999,076</u>

EXPENSES

Debt Interest	475,207	584,231	657,231	646,364	646,364
Capital Expenses	30,453,000	7,739,400	5,689,900	5,111,936	27,100,602
Other Municipal Purposes					
General Municipal	3,247,055	3,237,601	3,323,353	3,413,883	3,431,988
Police Services	6,488,452	6,859,376	6,840,528	7,090,622	7,310,901
Fire Services	3,205,252	3,316,951	3,350,369	3,425,559	3,552,555
Other Protective Services	235,364	240,062	244,852	249,740	254,721
Transportation Services	4,111,242	4,296,023	4,384,283	4,476,419	4,565,027
Environmental Health and Development	1,814,640	2,129,143	2,164,168	2,199,869	2,236,271
Parks and Recreation	5,084,906	5,186,604	5,290,339	5,396,142	5,504,066
Cultural	1,362,864	1,411,116	1,452,030	1,494,773	1,540,782
Water	1,390,350	1,513,267	1,543,532	1,574,403	1,605,891
Sewer	1,100,740	1,262,695	1,287,947	1,313,708	1,339,982
Contingency	700,000	200,000	200,000	200,000	200,000
	<u>\$ 59,669,072</u>	<u>\$ 37,976,469</u>	<u>\$ 36,428,532</u>	<u>\$ 36,593,417</u>	<u>\$ 59,289,149</u>

OTHER

Borrowing Proceeds	10,813,637	2,456,000	2,000,000	-	14,000,000
Debt Principal	(361,079)	(427,365)	(463,025)	(455,607)	(455,607)
Transfer to Other Governments - Repayment	(160,992)	(170,000)	(170,000)	(170,000)	(170,000)
Transfer from Equipment Replacement Reserve	791,600	682,500	331,000	1,601,800	350,702
Transfer from other reserves	2,878,566	(99,346)	(556,015)	(888,419)	(1,435,022)
Transfer from Land Sale Reserve	250,000	250,000	-	-	-
Transfer from (to) Surplus	578,440	-	-	-	-
	<u>\$ 14,790,172</u>	<u>\$ 2,691,789</u>	<u>\$ 1,141,960</u>	<u>\$ 87,774</u>	<u>\$ 12,290,073</u>

BALANCED BUDGET

<u>\$</u>	<u>-</u>	<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

	2014	2013	2012	2011	2010
Taxes					
Property Taxes	\$ 20,279,350	\$ 19,916,817	\$ 18,853,588	\$ 18,864,937	\$ 19,038,712
Parcel Taxes	160,986	160,022	162,098	161,522	154,538
Other Taxes	167,282	167,563	170,936	179,732	178,388
Grants in Lieu of Taxes	747,335	718,128	703,425	567,782	537,859
Fees and Charges					
Sales of Service	3,332,685	3,428,372	3,538,128	3,747,513	3,884,834
Sales of Service/Utilities	4,454,466	3,859,860	3,359,371	3,293,608	3,374,958
Service to other Government	258,437	167,297	160,421	169,646	166,825
User Fees/Fines	249,507	211,862	227,705	308,517	274,172
Other Revenue					
Rentals	135,760	159,396	136,888	116,519	116,516
Investment Earnings	282,452	266,622	254,999	243,196	137,799
Grants/Other Governments	1,747,708	3,851,394	1,909,839	1,724,127	4,005,560
Developer Contributions	63,240	112,058	640,777	33,628	152,405
Gain/loss on Disposal of Assets	(16,011)	409,979	237,489	3,602	686,901
Parkland dedication deposits	-	-	-	22,450	12,093
Sale of property and equipment	25,351	211,600	-	-	-
Other	2,294,433	2,199,431	1,480,424	1,320,028	922,320
	<u>\$ 34,182,981</u>	<u>35,840,401</u>	<u>31,836,088</u>	<u>\$ 30,756,807</u>	<u>\$ 33,643,880</u>

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

	2014	2013	2012	2011	2010
<u>Analysis by function</u>					
General government	\$ 3,970,532	\$ 3,826,346	\$ 3,386,625	\$ 3,460,247	\$ 3,459,571
Protective services	9,607,691	9,077,118	9,300,588	8,920,744	7,811,747
Transportation services	5,860,288	5,711,745	5,494,076	5,411,991	5,000,243
Environmental health services	1,132,995	1,101,466	1,079,067	1,138,853	1,099,001
Environmental development	943,186	1,046,250	805,281	708,188	653,542
Recreation and cultural services	7,503,696	7,428,513	7,320,997	7,232,444	6,812,494
Interest	255,838	253,516	237,038	239,007	235,091
Debt reserve	2,365	3,153	1,897	2,070	1,910
Water utility	1,848,594	1,736,030	1,762,178	1,825,531	1,747,477
Sewer utility	1,456,312	1,371,351	1,403,343	1,383,249	1,301,910
Cost of sales and services	29,979	6,232	33,400	3,313	209,480
	<u>\$ 32,611,476</u>	<u>\$ 31,561,720</u>	<u>\$ 30,824,490</u>	<u>\$ 30,325,637</u>	<u>\$ 28,332,466</u>

Analysis by object

Salaries and benefits	\$ 15,006,478	\$ 14,196,562	\$ 13,995,197	\$ 14,011,369	\$ 12,389,259
Debt Servicing	267,799	266,266	248,810	248,658	237,003
RCMP contract	4,338,968	4,328,960	4,483,615	3,978,661	3,597,767
Grants	113,440	102,904	141,376	97,956	93,982
Other contracts	1,408,611	1,448,168	1,362,343	1,413,647	1,056,025
Goods and services	7,134,016	7,178,039	6,818,100	6,880,855	7,303,137
Amortization	4,342,164	4,040,821	3,775,049	3,694,491	3,655,293
	<u>\$ 32,611,476</u>	<u>\$ 31,561,720</u>	<u>\$ 30,824,490</u>	<u>\$ 30,325,637</u>	<u>\$ 28,332,466</u>

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

CAPITAL ACQUISITIONS	2014	2013	2012	2011	2010
General government	\$ 314,664	\$ 314,594	\$ 198,757	\$ 49,308	\$ -
Protective services	127,057	179,942	68,506	187,533	875,683
Transportation services	795,927	1,870,430	1,967,095	2,243,477	1,254,682
Recreation and cultural	1,337,748	2,675,473	263,711	109,387	4,116,693
Water	368,866	284,759	728,132	2,149,989	192,102
Sewer	170,807	3,934,786	471,133	348,376	-
	<u>\$ 3,115,069</u>	<u>\$ 9,259,984</u>	<u>\$ 3,697,334</u>	<u>\$ 5,088,070</u>	<u>\$ 6,439,160</u>

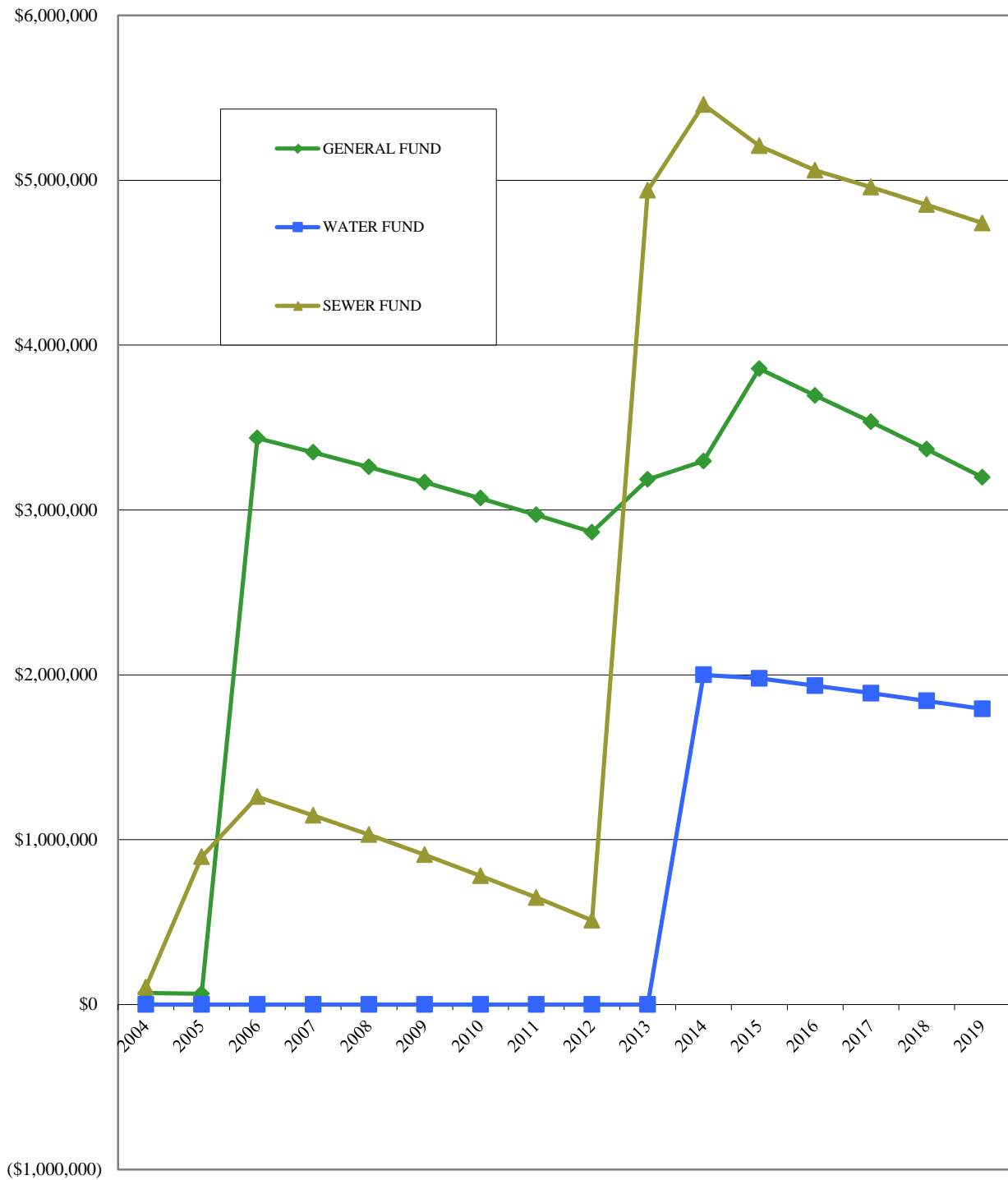
SOURCE OF FUNDING	2014	2013	2012	2011	2010
Revenue Funds	\$ 1,331,049	\$ 1,691,292	\$ 1,413,429	\$ 1,265,384	\$ 771,231
Reserve Funds	1,534,714	2,343,659	981,804	2,009,938	4,335,539
Short Term Borrowing	-	3,608,051	-	-	-
Long Term Borrowing	-	-	-	-	-
Grants	249,306	1,526,982	607,284	1,750,000	1,302,113
Other	-	90,000	694,817	62,748	30,277
	<u>\$ 3,115,069</u>	<u>\$ 9,259,984</u>	<u>\$ 3,697,334</u>	<u>\$ 5,088,070</u>	<u>\$ 6,439,160</u>

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

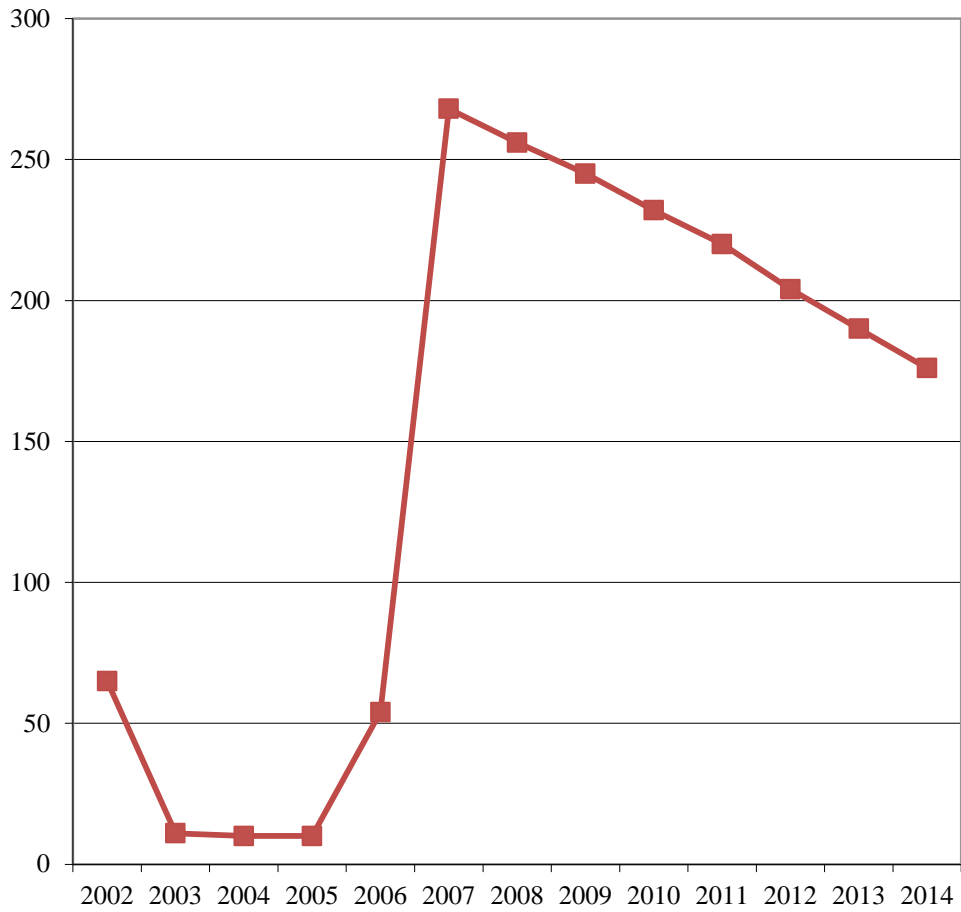
SURPLUS	2014	2013	2012	2011	2010
Annual surplus	\$ 1,571,505	\$ 4,278,681	\$ 1,011,598	\$ 431,170	\$ 5,311,413
Accumulated surplus, beginning of year	112,150,801	107,872,120	106,860,522	106,429,352	101,117,939
Accumulated surplus, end of year	<u>\$ 113,722,306</u>	<u>\$ 112,150,801</u>	<u>\$ 107,872,120</u>	<u>\$ 106,860,522</u>	<u>\$ 106,429,352</u>

NET FINANCIAL ASSETS	2014	2013	2012	2011	2010
Increase (decrease) in financial assets	\$ 327,738	\$ (2,939,024)	\$ 343,515	\$ (243,605)	\$ 3,741,480
Net financial assets, beginning of year	13,553,573	16,492,597	16,149,082	16,392,687	12,651,207
Net financial assets, end of year	<u>\$ 13,881,311</u>	<u>\$ 13,553,573</u>	<u>\$ 16,492,597</u>	<u>\$ 16,149,082</u>	<u>\$ 16,392,687</u>

CITY OF PORT ALBERNI-DEBT RETIREMENT



CITY OF PORT ALBERNI - DEBT PER CAPITA



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