



— CITY OF —  
**PORT ALBERNI**

Consolidated Financial Statements of

# **CITY OF PORT ALBERNI**

Year Ended December 31, 2021

**CITY OF PORT ALBERNI**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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To the Mayor and Council of the City of Port Alberni:

## Opinion

We have audited the consolidated financial statements of the City of Port Alberni (the "City"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including schedules 1 to 11, have been presented for purposes of additional analysis. The supplementary schedules 1, 2, 3, and 4 have been subjected to the auditing procedures applied to the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an audit opinion on schedules 5 to 11 because our examination did not extend to the detailed information therein.

## Other Information

Management is responsible for the other information, consisting of an annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

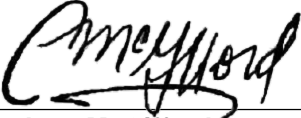
May 9, 2022

*MNP* LLP  
Chartered Professional Accountants

**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at December 31, 2021*

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 12,720,513	\$ 10,980,337
Investments (Note 3)	20,240,566	26,487,148
Accounts receivable (Note 4)	6,344,112	6,556,170
Inventory for resale	68,959	52,859
Investment in government business enterprise (Note 5)	1,200,374	1,512,323
	<b>40,574,524</b>	<b>45,588,837</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	8,454,469	6,135,519
Deferred revenue (Note 7)	9,299,524	7,145,763
Refundable deposits	1,052,203	314,332
Long-term debt (Note 8, Schedule 3)	13,479,858	13,943,928
	<b>32,286,054</b>	<b>27,539,542</b>
<b>NET FINANCIAL ASSETS</b>	<b>8,288,470</b>	<b>18,049,295</b>
<b>Commitments and Contingencies (Note 14)</b>		
<b>Significant Event (Note 15)</b>		
<b>NON-FINANCIAL ASSETS</b>		
Inventory of supplies	518,079	475,837
Prepaid expenses	139,175	273,226
Tangible Capital Assets (Note 11, Schedule 1)	143,828,035	132,151,528
	<b>144,485,289</b>	<b>132,900,591</b>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<b>\$ 152,773,759</b>	<b>\$ 150,949,886</b>

Approved on behalf of the City

  
 Andrew McGifford  
 Director of Finance

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

**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
*As at December 31, 2021*

	<b>Budget (Note 16)</b>	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>			
Taxation (Schedule 4)	\$ 24,680,709	\$ <b>24,818,993</b>	\$ 23,730,348
Sale of services	10,548,377	<b>11,467,272</b>	10,541,469
Other revenue from own sources	878,555	<b>1,230,103</b>	785,252
Investment income	268,000	<b>254,505</b>	440,146
Grants and transfers (Note 13)	5,291,028	<b>2,565,914</b>	9,121,805
Recognition of development cost charges (Note 7)	-	<b>165,907</b>	-
Gain (loss) on disposal of tangible capital assets	-	<b>(145,806)</b>	684,376
Income (loss) from investment in government business enterprise (Note 5)	-	<b>(11,949)</b>	376,136
Other	360,000	-	-
	<b>42,026,669</b>	<b>40,344,939</b>	<b>45,679,531</b>
<b>EXPENSES</b>			
General government services	\$ 3,924,394	\$ <b>4,023,779</b>	4,526,974
Protective services	12,405,343	<b>13,851,539</b>	11,593,909
Transportation services	4,103,080	<b>6,375,826</b>	5,698,081
Environmental health services	1,523,802	<b>1,226,059</b>	1,023,172
Environmental and economic development	1,520,939	<b>1,456,896</b>	1,835,748
Recreation and cultural services	5,846,213	<b>6,846,620</b>	7,579,114
Water utility	1,804,669	<b>2,552,198</b>	2,489,889
Sewer utility	1,724,519	<b>2,166,413</b>	1,933,765
Other	-	<b>21,736</b>	5,365
	<b>32,852,959</b>	<b>38,521,066</b>	<b>36,686,018</b>
<b>ANNUAL SURPLUS</b>	<b>9,173,710</b>	<b>1,823,873</b>	<b>8,993,513</b>
Accumulated surplus, beginning of year	150,949,886	<b>150,949,886</b>	141,956,373
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 160,123,596</b>	<b>\$ 152,773,759</b>	<b>\$ 150,949,886</b>

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

**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
*As at December 31, 2021*

	<b>Budget (Note 16)</b>	<b>2021</b>	<b>2020</b>
<b>ANNUAL SURPLUS</b>	\$ 9,173,710	\$ 1,823,873	\$ 8,993,513
Acquisition of tangible capital assets	(9,991,445)	<b>(16,436,118)</b>	(14,564,960)
Amortization of tangible capital assets	-	<b>4,598,806</b>	4,597,550
Loss (gain) on disposal of tangible capital assets	-	<b>145,806</b>	(684,376)
Proceeds from sale of tangible capital assets	-	<b>15,000</b>	977,883
	<u>(817,735)</u>	<u><b>(9,852,633)</b></u>	<u>(680,390)</u>
Acquisition of supply inventory	-	<b>(518,079)</b>	(475,837)
Acquisition of prepaid expenses	-	<b>(139,175)</b>	(273,226)
Consumption of inventory of supplies	-	<b>475,837</b>	490,306
Use of prepaid expenses	-	<b>273,225</b>	242,899
	<u>-</u>	<u><b>91,808</b></u>	<u>(15,858)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(817,735)	<b>(9,760,825)</b>	(696,248)
Net financial assets, beginning of year	18,049,295	<b>18,049,295</b>	18,745,543
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 17,231,560</u>	<u>\$ 8,288,470</u>	<u>\$ 18,049,295</u>

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



**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
*As at December 31, 2021*

	2021	2020
Cash provided by (used in):		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 1,823,873	\$ 8,993,513
Non-cash items		
Amortization of tangible capital assets	4,598,806	4,597,550
Loss on disposal of tangible capital assets	145,806	(684,376)
Loss (income) from investment in government business enterprise	11,949	(376,136)
Actuarial adjustment	(99,821)	(86,584)
Inventory of supplies	(42,242)	14,470
Prepaid expenses	134,050	(30,327)
Changes in working capital balances		
Accounts receivable	212,058	(1,494,584)
Inventory for resale	(16,100)	(21,444)
Accounts payable and accrued liabilities	2,318,950	(349,345)
Deferred revenue	2,153,761	369,006
Refundable deposits	737,871	(131,879)
	<b>11,978,961</b>	<b>10,799,864</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(16,436,118)	(14,564,960)
Proceeds from sale of tangible capital assets	15,000	977,883
	<b>(16,421,118)</b>	<b>(13,587,077)</b>
<b>INVESTING ACTIVITIES</b>		
Dividend from government business enterprise	300,000	2,000,000
Change in investments	6,246,582	1,971,714
	<b>6,546,582</b>	<b>3,971,714</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(364,249)	(254,557)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,740,176</b>	<b>929,944</b>
Cash and cash equivalents - beginning of year	10,980,337	10,050,393
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 12,720,513</b>	<b>\$ 10,980,337</b>

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

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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**1. General**

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

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

**2. Significant Accounting Policies**

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

***Reporting entity***

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

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

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

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

***Basis of Presentation***

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

***General Revenue Funds*** account for all financial resources except those required to be accounted for in another fund. The General Revenue Fund is the City's operating fund including collection of taxation, administering operations, roads, policing, fire protection etc.

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

***Reserve Funds*** account for activities within designated funds established for specific purposes with the approval of the Ministry of Community Development. The funds are governed by bylaws defining their purpose and are funded primarily by budgetary contributions from the General Revenue Fund plus interest earned on the fund balances.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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

**Water and Sewer Funds** account for operations that are financed and operated in a manner similar to private business operations, where the intent is that costs of providing the services on a continuing basis be financed through user charges.

***Basis of accounting***

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

***Revenue recognition***

Taxes are recognized as revenue in the year they are levied. Taxes may be adjusted by the Province by way of supplementary roll adjustments through the BC Assessment appeal process. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Charges for water and sewer usage, solid waste collection and recreation programs and admissions are recorded as sales of service and are recognized as revenue when the service or product is rendered by the City. Development contributions are recorded as contributed tangible capital assets at their fair value on the date of contribution. Other revenue is recorded when performance of services is complete, amounts are measurable, and collectability is reasonably assured. Income from investments in government business enterprises is recorded using the modified equity method based on the annual earnings from the government business enterprise for the year.

***Government transfers***

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

***Deferred revenue***

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

***Investment income***

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

***Cash equivalents***

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

***Debt***

Debt is recorded net of principal repayments and actuarial adjustments.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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

***Employee future benefits***

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

***Non-financial assets***

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

***Tangible capital assets***

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition, construction, or interest from financing of the tangible capital asset. Contributed tangible capital assets are recorded as revenue at fair value at the time of contribution. The useful life is applied straight line to calculate amortization at the following estimated useful lives:

<u>Asset</u>	<u>Useful life - years</u>
Land improvements	10 to 20 years
Buildings, including building components	25 to 40 years
Machinery and equipment	5 to 30 years
Engineering structures	30 to 75 years
Storm systems	45 to 75 years
Transportation systems	15 to 60 years
Water systems	8 to 75 years
Sewer systems	8 to 75 years

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

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

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

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

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

***Inventory of supplies***

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

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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

***Use of estimates***

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

***Refundable deposits***

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

***Liability for contaminated sites***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2021.

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

During the year, the City purchased multiple lots related to a former mill site (the Somass lands). The City is in the early stages of engaging environmental engineers to assess the amount of potential contamination on those lots and any required remediation associated with those lots. Any liability for contaminated sites is not currently estimable. When a reasonable estimate can be obtained, the City will record a liability at that time.

***Reserve accounts***

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

***Financial instruments***

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

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**3. Investments**

Investments include funds invested in Guaranteed Investment Certificates and Money Market Funds with Raymond James and the Municipal Finance Authority of B.C. The investments are carried at market value which is equal to the carrying value. The investments have various maturity dates between Jan 2022 and Mar 2022 with a range of interest rates between 0.15% and 2.40%.

**4. Accounts Receivable**

	2021	2020
Property taxes	\$ 960,065	\$ 978,414
Provincial government	-	186,686
Federal government	139,540	108,159
General	5,244,507	5,282,911
	\$ 6,344,112	\$ 6,556,170

**5. Investment in government business enterprise**

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

The AVCFC financial statements were prepared under International Financial Reporting Standards (IFRS).

The following table provides condensed supplementary financial information for the corporation at December 31, 2021:

	2021	2020
<b>Financial position</b>		
Assets	\$ 1,515,587	\$ 2,022,376
Liabilities	306,469	501,309
Equity	1,209,118	1,521,067
	1,515,587	2,022,376
<b>Operations</b>		
Revenue	1,950,627	637,062
Expenses	1,962,576	290,926
Net income (loss)	(11,949)	376,136
 <b>Summary of investment in GBE</b>		
AVCFC shares	\$ 1	\$ 1
Accumulated earnings to date	1,200,373	1,512,322
	\$ 1,200,374	\$ 1,512,323

During the year the City received a dividend from AVCFC of \$300,000 (2020 - \$2,000,000)

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**6. Accounts payable and accrued liabilities**

	2021	2020
Other local governments	903,604	25,700
Trade accounts	5,002,228	3,088,966
Salaries and wages	269,467	578,318
Accrued debenture interest	82,071	83,556
Accrued employee benefits	2,197,099	2,358,979
	<b>\$ 8,454,469</b>	<b>\$ 6,135,519</b>

***Employee future benefits***

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

a) Retirement benefit payments

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

	2021	2020
Benefit liability – beginning of year	\$ 757,700	\$ 724,800
Add: current service costs	52,900	50,700
Interest on accrued benefit obligations	21,200	29,400
Amortization of actuarial loss	16,300	16,300
Less: Benefits paid	(82,300)	(63,500)
Benefit liability – end of year	765,800	757,700
Unamortized actuarial loss (gain)	126,800	79,000
Accrued benefit obligation – end of year	\$ 892,600	\$ 836,700

The retirement liability requires no contribution from the employees.

b) Accrued vacation liability

	2021	2020
Accrued vacation liability – end of year	\$ 1,165,399	\$ 1,192,279

c) Accumulated sick leave liability

The City provides benefits for sick leave to all its employees. Employees in the classification of CUPE and Firefighter accumulate sick leave on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Sick leave is accumulated to a maximum as determined by the appropriate collective agreement. Sick leave for management employees does not accumulate. At December 31, 2021, this liability is estimated at \$139,100 (2020 - \$330,000).

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**6. Accounts payable and accrued liabilities (continued)**

d) Employee benefit obligations

		2021		2020
Accrued benefit obligation	\$	892,600	\$	836,700
Accrued vacation payable		1,165,399		1,192,279
Accumulated sick leave liability		139,100		330,000
<b>Total employee benefit obligations</b>	<b>\$</b>	<b>2,197,099</b>	<b>\$</b>	<b>2,358,979</b>

**7. Deferred revenue**

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

		2021		2020
Capital grants, opening balance	\$	27,997	\$	27,997
Capital grants, receipts		551,180		-
Capital projects recognized into revenue		-		-
Capital grants, ending balance		579,177		27,997
Property taxes		1,954,557		1,566,136
Other		1,064,621		1,135,099
Development cost charges (DCC's)		1,889,119		1,763,639
Federal Gas Tax Agreement		3,812,050		2,652,892
	<b>\$</b>	<b>9,299,524</b>	<b>\$</b>	<b>7,145,763</b>

Development cost charges (DCCs)

Opening balance	\$	1,763,639	\$	1,581,681
Add: DCCs received during the year		284,232		175,713
Less: Amount recognized as revenue		(165,907)		-
Add: Interest		7,155		6,245
	<b>\$</b>	<b>1,889,119</b>	<b>\$</b>	<b>1,763,639</b>

Federal Gas Tax funds

Opening balance	\$	2,652,892	\$	2,509,877
Add: Funding received during the year		1,989,899		799,581
Less: Amount recognized as revenue		(833,374)		(674,419)
Add: Interest		2,633		17,853
	<b>\$</b>	<b>3,812,050</b>	<b>\$</b>	<b>2,652,892</b>

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



**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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**8. Debt**

***Debt Reserve Fund***

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

The MFA is required to establish a Debt Reserve Fund. Each regional district through its member municipalities who share in the proceeds of a debt issue is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The MFA pays into the Debt Reserve Fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts.

It must then use this fund, if at any time there are insufficient funds, to meet payments on its obligations. When this occurs, the regional districts may be called upon to restore the fund.

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

As a condition of the loan agreements, the City is obligated to provide security by way of demand notes and interest-bearing cash deposits (sinking fund balances) based on the amount of the debt. If the debt is repaid without default, the deposits are refunded to the City. The demand notes are held by the MFA and upon maturity of the debt, the demand notes are released. As of December 31, 2021, there are contingent demand notes of \$258,452 (2020 - \$258,452) that are not recorded in the City's financial statements.

***Long-term Debt***

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

Principal payments on long-term debt as of December 31, 2021, for the next five years are as follows:

Long-term Debt	
2022	364,249
2023	364,249
2024	364,249
2025	364,249
2026	364,249
<b>Total</b>	<b>\$ 1,821,245</b>

Scheduled long-term debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$364,249 (2020 - \$254,557). Total interest expense during the year was \$380,470 (2020 - \$237,062). Included in revenue is \$99,821 (2020 - \$86,584) of actuarial adjustments on the City's annual debt principal repayments invested by MFA. This annual investment income results in a reduction in the overall cost of borrowing.

**9. Trust Funds**

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Internment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. As at December 31, 2021, the balance of funds held in trust was \$158,296 (2020 - \$167,608).

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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**10. Municipal Pension Plan**

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 million funding surplus for basic pension benefits on a going concern basis.

The City of Port Alberni paid \$1,315,157 (2020 - \$1,318,011) for employer contributions while employees contributed \$1,100,705 (2020 - \$1,110,075) to the plan in fiscal 2022.

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

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

**11. Tangible capital assets**

Tangible Capital Assets are stated at their net book value.

	<b>2021</b>	2020
Land	\$ <b>9,800,514</b>	4,079,264
Land Improvements	<b>4,782,113</b>	4,979,712
Buildings	<b>15,946,183</b>	16,704,894
Machinery and Equipment	<b>5,240,978</b>	5,281,935
Engineering Structures	<b>2,978,771</b>	2,987,812
Storm Drains	<b>15,953,329</b>	16,168,911
Transportation	<b>7,546,554</b>	8,390,332
Water	<b>22,556,290</b>	20,867,741
Sewer	<b>21,287,124</b>	20,284,318
Leased assets	<b>68,889</b>	68,889
	<b>106,160,745</b>	99,813,808
Work-in-progress: Assets under construction not being amortized	<b>37,667,290</b>	32,337,720
	<b>\$ 143,828,035</b>	132,151,528

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**11. Tangible capital assets** (continued from previous page)

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

There were no write-downs of tangible capital assets in 2021 (2020 - \$ nil). Contributed assets recognized in 2021 were nil (2020 \$ nil). Interest capitalized in 2021 was \$204,205 (2019 \$236,280). No amortization has been recorded on assets not in use in 2021.

**12. Accumulated surplus**

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

	2021	2020
<b>Operations</b>		
General	\$ (25,320,719)	\$ (23,697,457)
Water	1,590,523	2,021,061
Sewer	(1,540,634)	(1,641,587)
	\$ (25,270,830)	\$ (23,317,983)
<b>Capital</b>		
General	\$ 28,289,990	\$ 34,571,374
Water	(591,048)	(6,410,839)
Sewer	(6,692,843)	(5,859,378)
	\$ 21,006,099	\$ 22,301,157
<b>Equity in tangible capital assets</b>		
General	\$ 61,165,297	\$ 49,856,058
Water	22,088,999	27,927,943
Sewer	47,093,885	40,423,599
	\$ 130,348,181	\$ 118,207,600
<b>Reserves</b>		
Reserve funds – statutory		
Parkland acquisition	\$ 293,368	\$ 294,898
Land Sale	90,400	1,795,875
	383,768	2,090,773
Reserve funds – restricted		
Equipment replacement	7,515,548	6,749,653
Carbon fund	305,119	171,313
Parks and recreation capital	2,373,963	2,331,444
Capital works	691,868	1,011,301
Alberni Valley Community Forest Corporation reserve	297,868	2,259,347
	11,184,366	10,117,907
Reserve funds – unrestricted		
General fund – projects and purchases	3,354,050	5,100,368
Loss on taxation	-	1,351,000
Museum purchases	62,040	59,789
RCMP – contract surplus	2,408,962	2,000,000
McLean Mill projects	334,300	334,300
Water fund – projects and purchases	7,177,145	5,287,908
Sewer fund – projects and purchases	1,785,678	5,011,916
	15,122,175	19,145,281
<b>Total reserves</b>	26,690,309	33,759,112
	\$ 152,773,759	\$ 150,949,886

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**12. Accumulated Surplus** (continued from previous page)

The COVID-19 Safe Restart Grant for Local Governments was provided to local governments to assist with the increased operating costs and revenue short-falls as a result of the COVID-19 pandemic. The COVID-19 Safe Restart Grant may be used towards specific eligible costs for funding such as addressing revenue short-falls, facility reopening and operating costs, emergency planning and response costs, bylaw enforcement and protective services, computer and other technology costs, and services for vulnerable persons.

The City of Port Alberni received \$3,536,000 in COVID-19 Safe Restart Grant in 2020 and reports the balance in the General fund – projects and purchases reserve.

	2021	2020
Opening balance	2,241,022	-
COVID-19 Safe restart grant received	-	3,536,000
Deductions:		
Parks and recreation revenue shortfall	(582,472)	(417,849)
Parks and recreation expenditures	(318,219)	(82,941)
COVID-19 costs	(493,930)	(330,374)
BC transit revenue (net) shortfall (excess)	106,950	(106,950)
Community gaming funds shortfall	(231,966)	(356,864)
Closing balance of unspent funds	721,385	2,241,022

**13. Grants and Transfers**

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

	2021	2020
<b>Operating Grants</b>		
Federal	\$ -	\$ 3,536,000
Provincial	1,699,488	1,397,067
<b>Total Government Operating Grants</b>	1,699,488	4,933,067
Local	8,500	12,721
<b>Capital</b>		
Federal	833,374	699,419
Federal/Provincial	-	3,476,598
	833,374	4,176,017
<b>Total Government Grants and Transfers</b>	2,541,362	9,121,805
Other Grants – Non-Government	24,552	-
<b>Total Grants and Transfers</b>	\$ 2,565,914	\$ 9,121,805

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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**14. Commitments and Contingencies:**

- a) **Regional District Debt:**  
Debt issued by the Regional District of Alberni Clayoquot is a direct joint and several liability of the District and each member municipality including the City.
  
- b) **Claims for damages:**  
In the normal course of a year, the City is faced with lawsuits and other claims for damages of a diverse nature. At year end, the City's estimated exposure for such liabilities is not considered to be significant. The City carried general liability insurance with a private insurance carrier in the amount of \$5 million, plus an umbrella policy in the amount of \$45 million. When claims are paid the expense is charge to the General Government expense category.
  
- c) **Commitments:**  
The City entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 2012. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2021 estimated cost of this contract is \$6,898,403 (2020 - \$6,195,994).

**15. Significant Event**

In early 2020, there was an outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, municipality operations and isolation/quarantine orders. The impact of COVID has varied throughout the duration of the pandemic. In 2021, operations were affected by staff shortages including unfilled positions and absenteeism. Supply chain disruptions have delayed or altered projects and Provincial Health restrictions due to COVID have closed or reduced capacity in facilities including parks and recreation. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographical spread of the disease and the duration of the outbreak, including the duration of travel restrictions, office closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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**16. Budget**

The budget data presented in these consolidated financial statements includes both operating and capital budgets. The City of Port Alberni budget was approved by Council on April 12, 2021, with the adoption of the Five-Year Financial Plan (2021-2025) Bylaw No 5023, 2021. The chart below reconciles the approved budget per the Financial Plan to the budget reported in these consolidated financial statements.

	<b>2021 Budget</b>
Consolidated Budgeted Surplus, per City of Port Alberni Financial Plan Bylaw No. 5023	\$ -
Add	
Acquisition of tangible capital assets	9,991,445
Contingency	3,736,000
Debt repayments	476,634
Less	
Proceeds of borrowing	-
Transfers from reserves	5,030,369
<hr/>	
Consolidated Budgeted Surplus, per Statement of Operations	\$9,173,710

**17. Segmented information**

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

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

***General government services***

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

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

The Royal Canadian Mounted Police is Canada's national police service. They are committed to preserving the peace, upholding the law and providing quality service in partnership with Canadian communities and for all Canadian citizens. The mandate of the Port Alberni Fire Department is to provide fire suppression services; fire prevention programs; training and education related to prevention, detection or extinguishment of fires.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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**17. Segmented information** (continued from previous page)

It is the mandate of the Building Inspection Department to provide building inspection services as set out in the building bylaw for residents and builders. Building inspection services are provided in order to assist residents and builders in constructing projects which meet minimum construction standards.

***Transportation services***

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

***Environmental health services***

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

***Environmental and economic development***

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

***Recreation and cultural services***

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

***Water utility***

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

***Sewer utility***

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

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

**CITY OF PORT ALBERNI**  
**SCHEDULE 1: TANGIBLE CAPITAL ASSETS**  
**As at December 31, 2021**

	ASSETS				ACCUMULATED AMORTIZATION				NET BOOK VALUE 2021	NET BOOK VALUE 2020		
	Balance December 31, 2020		2021 Additions	2021 Disposals	Balance December 31, 2021		Balance December 31, 2020	2021 Additions			2021 Disposals	Balance December 31, 2021
	2020	2021			2020	2021						
Land	4,079,264	5,721,250	-	-	9,800,514	-	-	-	-	9,800,514	4,079,264	
Land Improvements	12,804,828	187,843	-	-	12,992,671	7,825,116	385,442	-	8,210,558	4,782,113	4,979,712	
Buildings	36,610,388	233,424	(113,970)	-	36,729,842	19,905,494	964,782	(86,617)	20,783,659	15,946,183	16,704,894	
Machinery & Equipment	15,234,057	626,434	(93,145)	-	15,767,346	9,952,122	652,391	(78,145)	10,526,368	5,240,978	5,281,935	
Engineered Structures	4,240,108	31,771	-	-	4,271,879	1,252,296	40,812	-	1,293,108	2,978,771	2,987,812	
Storm Drains	24,871,544	126,548	-	-	24,998,092	8,702,633	342,130	-	9,044,763	15,953,329	16,168,911	
Transportation	44,171,888	2,515	-	-	44,174,403	35,781,556	846,293	-	36,627,849	7,546,554	8,390,332	
Water	37,939,225	2,659,316	(341,690)	-	40,256,851	17,071,484	852,315	(223,238)	17,700,561	22,556,290	20,867,741	
Sewer	31,526,522	1,517,447	-	-	33,043,969	11,242,204	514,641	-	11,756,845	21,287,124	20,284,318	
Leased assets	1,425,000	-	-	-	1,425,000	1,356,111	-	-	1,356,111	68,889	68,889	
Work in progress	32,337,720	5,329,570	-	-	37,667,290	-	-	-	-	37,667,290	32,337,720	
	<b>245,240,544</b>	<b>16,436,118</b>	<b>(548,805)</b>	<b>261,127,857</b>	<b>113,089,016</b>	<b>4,598,806</b>	<b>(388,000)</b>	<b>117,299,822</b>	<b>143,828,035</b>	<b>132,151,528</b>		



**CITY OF PORT ALBERNI**  
**SCHEDULE 2: SEGMENTED INFORMATION**  
**As at December 31, 2021**

	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental & Economic Development	Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Consolidated 2021	Budget (Note 16)	Consolidated 2020
<b>Revenue</b>												
Taxes	\$ 24,818,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,818,993	\$ 24,680,709	\$ 23,730,348
Sales of services	354,235	372,826	365,031	944,657	277,449	892,645	3,903,005	3,321,830	1,035,594	11,467,272	10,548,377	10,541,469
Other revenue from own sources	450,402	415,167	-	9,154	-	-	40,582	36,990	99,822	1,230,103	878,555	785,252
Investment income	90,957	-	-	-	-	-	67,309	68,968	27,271	254,505	268,000	440,146
Grants	852,775	-	17,347	-	198,004	664,414	-	-	833,374	2,565,914	5,291,028	9,121,805
Recognition of development cost charges	-	-	-	-	-	90,907	-	75,000	-	165,907	-	-
Gain/loss on disposal of assets	-	-	-	-	-	-	-	-	145,806	(145,806)	-	684,376
Income (loss) from investment in Government Business Enterprise	-	-	-	-	(11,949)	-	-	-	-	(11,949)	-	376,136
Other	-	-	-	-	-	-	-	-	-	-	360,000	-
<b>Total revenue</b>	<b>26,567,362</b>	<b>787,993</b>	<b>382,378</b>	<b>953,811</b>	<b>641,490</b>	<b>1,647,966</b>	<b>4,010,896</b>	<b>3,502,788</b>	<b>1,850,255</b>	<b>40,344,939</b>	<b>42,026,669</b>	<b>45,679,531</b>
<b>Expenses</b>												
Salaries, wages, and benefits	2,377,166	5,415,567	2,963,358	486,328	751,603	3,691,524	862,527	521,236	-	17,069,309	17,594,743	16,388,247
Debt servicing	9,123	83,515	-	-	-	7,874	116,197	47,107	-	263,816	495,316	285,363
RCMP contract	-	6,683,045	-	-	-	-	-	-	-	6,683,045	5,831,524	4,778,443
Grants	4,300	-	-	-	328,409	-	-	-	-	332,709	218,500	267,894
Other contracts	46,316	-	912,963	-	100,939	-	-	-	-	1,060,218	1,387,714	965,685
Goods and services	1,385,500	1,397,458	906,277	737,548	206,613	2,053,443	721,159	1,083,429	21,736	8,513,163	7,325,162	9,402,836
	3,822,405	13,579,585	4,782,598	1,223,876	1,387,564	5,752,841	1,699,883	1,651,772	21,736	33,922,260	32,852,959	32,088,468
Amortization	201,374	271,954	1,593,228	2,183	69,332	1,093,779	852,315	514,641	-	4,598,806	-	4,597,550
<b>Total expenses</b>	<b>4,023,779</b>	<b>13,851,539</b>	<b>6,375,826</b>	<b>1,226,059</b>	<b>1,456,896</b>	<b>6,846,620</b>	<b>2,552,198</b>	<b>2,166,413</b>	<b>21,736</b>	<b>38,521,066</b>	<b>32,852,959</b>	<b>36,686,018</b>
<b>Annual surplus (deficit)</b>	<b>22,543,583</b>	<b>(13,063,546)</b>	<b>(5,993,448)</b>	<b>(272,248)</b>	<b>(815,406)</b>	<b>(5,198,654)</b>	<b>1,458,698</b>	<b>1,336,375</b>	<b>1,828,519</b>	<b>1,823,873</b>	<b>9,173,710</b>	<b>8,993,513</b>
	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental & Economic Development	Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Consolidated 2020	Budget	Consolidated 2019
<b>Revenue</b>												
Taxes	\$ 23,730,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,730,348	\$ 23,739,850	\$ 23,439,470
Sales of services	243,511	446,312	310,501	764,904	152,394	885,462	3,697,711	3,157,946	882,727	10,541,469	10,463,865	10,463,191
Other revenue from own sources	239,441	311,210	-	(6)	148,123	-	(54)	(46)	86,584	785,252	668,715	942,393
Investment income	259,720	-	-	-	-	-	30,956	43,738	105,733	440,146	268,000	716,073
Grants	4,154,067	-	-	-	679,301	137,420	-	3,476,598	674,419	9,121,805	2,124,260	11,172,799
Gain/loss on disposal of assets	-	-	-	-	-	-	-	-	684,376	684,376	-	(49,853)
Income (loss) from investment in Government Business Enterprise	-	-	-	-	376,136	-	-	-	-	376,136	-	1,565,052
Other	-	-	-	-	-	-	-	-	-	-	395,000	4,629
<b>Total revenue</b>	<b>28,627,087</b>	<b>757,522</b>	<b>310,501</b>	<b>764,898</b>	<b>1,355,955</b>	<b>1,022,882</b>	<b>3,728,613</b>	<b>6,678,235</b>	<b>2,433,838</b>	<b>45,679,531</b>	<b>37,659,690</b>	<b>48,253,754</b>
<b>Expenses</b>												
Salaries, wages, and benefits	2,523,980	5,445,514	2,668,438	348,435	563,917	3,562,238	842,183	433,542	-	16,388,247	17,191,482	17,248,682
Debt servicing	16,284	86,223	-	-	-	7,087	92,761	83,008	-	285,363	487,816	345,855
RCMP contract	-	4,778,443	-	-	-	-	-	-	-	4,778,443	5,550,410	4,863,405
Grants	49,615	-	-	-	218,279	-	-	-	-	267,894	130,700	502,024
Other contracts	33,213	-	869,236	-	63,236	-	-	-	-	965,685	955,082	1,177,254
Goods and services	1,743,838	1,004,725	508,945	672,554	922,254	2,911,991	734,062	899,102	5,365	9,402,836	7,520,587	7,491,819
	4,366,930	11,314,905	4,046,619	1,020,989	1,767,686	6,481,316	1,669,006	1,415,652	5,365	32,088,468	31,836,077	31,629,039
Amortization	160,044	279,005	1,651,462	2,183	68,062	1,097,798	820,883	518,113	-	4,597,550	-	4,658,156
<b>Total expenses</b>	<b>4,526,974</b>	<b>11,593,910</b>	<b>5,698,081</b>	<b>1,023,172</b>	<b>1,835,748</b>	<b>7,579,114</b>	<b>2,489,889</b>	<b>1,933,765</b>	<b>5,365</b>	<b>36,686,018</b>	<b>31,836,077</b>	<b>36,287,195</b>
<b>Annual surplus (deficit)</b>	<b>24,100,113</b>	<b>(10,836,388)</b>	<b>(5,387,580)</b>	<b>(258,274)</b>	<b>(479,793)</b>	<b>(6,556,232)</b>	<b>1,238,724</b>	<b>4,744,470</b>	<b>2,428,473</b>	<b>8,993,513</b>	<b>5,823,613</b>	<b>11,966,559</b>

**CITY OF PORT ALBERNI**  
**SCHEDULE 3: DEBT**  
**As at December 31, 2021**

Security Issuing Bylaw	Purpose	Term in Years	Annual Interest Rate	Maturity Date	Original Issue	Balance Dec. 31, 2020	Principal Paid	Actuarial Recognized	Balance Dec. 31, 2021	Debt Reserve Cash Balance Dec. 31, 2020	Debt Reserve Income & Expenses	Debt Reserve Cash Balance Dec. 31, 2021
Long-term debt												
4575	General	25	1.75%	19-Apr-31	3,375,064	1,892,652	81,042	59,296	<b>1,752,314</b>	53,113	903	<b>54,016</b>
4807	General	30	3.00%	14-Oct-44	428,300	284,138	102,523	2,026	<b>179,589</b>	4,668	80	<b>4,748</b>
4846	General	20	2.20%	8-Apr-35	912,000	739,065	32,249	6,053	<b>700,763</b>	10,397	177	<b>10,574</b>
					<u>4,715,364</u>	<u>2,915,855</u>	<u>215,814</u>	<u>67,375</u>	<b>2,632,666</b>	<u>68,178</u>	<u>1,160</u>	<b>69,338</b>
4848	Water	30	2.20%	8-Apr-45	2,000,000	1,792,244	38,743	7,271	<b>1,746,230</b>	22,799	388	<b>23,187</b>
4807	Waste Water	30	3.00%	14-Oct-44	5,321,700	4,785,829	-	25,175	<b>4,760,654</b>	61,738	1,050	<b>62,788</b>
4939	Waste Water	30	1.45%	09-Apr-50	4,450,000	4,450,000	109,692	-	<b>4,340,308</b>	45,147	768	<b>45,915</b>
					<u>9,771,700</u>	<u>9,235,829</u>	<u>109,692</u>	<u>25,175</u>	<b>9,100,962</b>	<u>106,885</u>	<u>1,818</u>	<b>108,703</b>
					<u>16,487,064</u>	<u>13,943,928</u>	<u>364,249</u>	<u>99,821</u>	<b>13,479,858</b>	<u>197,862</u>	<u>3,366</u>	<b>201,228</b>

**CITY OF PORT ALBERNI**  
**SCHEDULE 4: TAX LEVIES AND GRANTS IN LIEU OF TAXES**  
*As at December 31, 2021*

	Budget (Note 16)	2021	2020
<b>TAX LEVIES</b>			
General purpose	\$ 23,721,229	\$ <b>23,849,069</b>	\$ 22,602,042
Off-street parking	14,500	<b>14,266</b>	10,714
Utility	725,000	<b>736,720</b>	768,761
Parcel Tax	-	-	123,234
	<u>24,460,729</u>	<u><b>24,600,054</b></u>	<u>23,504,750</u>
Grants in lieu of taxes	219,980	<b>218,939</b>	225,598
Total Municipal Taxes	<u>24,680,709</u>	<u><b>24,818,993</b></u>	<u>23,730,348</u>
<b>COLLECTIONS FOR OTHER GOVERNMENTS</b>			
School Districts	5,040,892	<b>6,003,287</b>	5,040,891
Alberni Clayoquot Regional Hospital District	700,665	<b>671,425</b>	667,300
Alberni Clayoquot Regional District	1,372,574	<b>1,462,475</b>	1,495,840
B.C. Assessment	181,000	<b>187,634</b>	182,328
Vancouver Island Regional Library	804,622	<b>804,622</b>	792,460
Municipal Finance Authority	700	<b>676</b>	676
	<u>8,100,453</u>	<u><b>9,130,119</b></u>	<u>8,179,495</u>
Total Taxes Collected	<u>\$ 32,781,162</u>	<u>\$ <b>33,949,112</b></u>	<u>\$ 31,909,843</u>

**CITY OF PORT ALBERNI**  
**SCHEDULE 5: GENERAL GOVERNMENT EXPENSES**  
*As at December 31, 2021*  
(UNAUDITED)

	Budget (Note 16)	2021	2020
Legislative	\$ 211,546	\$ 207,000	\$ 200,045
City manager's office	213,636	149,752	228,305
Municipal clerk's office	563,541	523,143	556,200
Legal fees	20,000	30,488	83,092
Financial management	840,239	850,477	863,122
Administration vehicle	9,913	16,553	16,884
External audit	27,300	28,358	26,775
Purchasing	126,480	150,521	138,651
Buildings	161,522	246,291	212,864
Information services	733,309	906,487	822,098
Appraisals	-	4,655	3,425
Personnel	335,482	324,431	328,349
Election expenses	-	-	-
Training and development	160,941	84,329	83,791
Damage claims	22,082	2,135	411
Grants and grant funded programs	11,000	4,300	49,615
Office equipment supplies and printing	449,203	387,971	411,555
Public liability insurance	450,000	413,533	466,990
Other general services	56,200	49,049	397,700
Administration recoveries	(483,500)	(507,492)	(498,000)
Reconciliation Committee	-	-	5,551
Asset Management Plan	-	142,675	114,100
Debt servicing	15,500	9,123	16,273
<b>Total</b>	<b>\$ 3,924,394</b>	<b>\$ 4,023,779</b>	<b>\$ 4,526,974</b>

**CITY OF PORT ALBERNI**  
**SCHEDULE 6: PROTECTIVE SERVICES EXPENSES**  
*As at December 31, 2021*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2021</b>	<b>2020</b>
Police protection	\$ 7,766,649	\$ 9,098,214	\$ 6,936,775
Fire protection	3,870,382	4,002,475	3,859,631
Emergency measures	550	8,436	7,102
Building and plumbing inspections	113,638	173,856	148,537
Animal pound operations	151,328	139,164	149,263
Bylaw enforcement	411,593	345,879	406,379
Debt servicing	91,203	83,515	86,223
	<b>\$ 12,405,343</b>	<b>\$ 13,851,539</b>	<b>\$ 11,593,910</b>

**CITY OF PORT ALBERNI**  
**SCHEDULE 7: TRANSPORTATION SERVICES EXPENSES**  
*As at December 31, 2021*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2021</b>	<b>2020</b>
<b>COMMON SERVICES</b>			
Engineering administration	\$ 588,360	\$ 706,430	\$ 700,665
Engineering consulting services	166,017	242,605	126,031
Public works supervision	347,573	395,298	374,011
Equipment and supplies	45,328	109,633	36,432
Building and yard maintenance	265,953	253,422	302,387
Equipment maintenance	775,986	1,088,391	1,021,107
	<u>2,189,217</u>	<u>2,795,779</u>	<u>2,560,633</u>
<b>ROADS AND STREET MAINTENANCE</b>			
Roadway surfaces maintenance	1,216,005	1,994,008	1,784,983
Snow and ice removal	192,977	202,391	113,403
Parking	14,500	10,959	14,330
Gravel	206,227	108,847	231,836
Bridges and retaining walls	43,655	47,776	56,152
Street lighting	311,035	335,086	389,974
Traffic control	238,305	293,351	314,002
	<u>2,222,704</u>	<u>2,992,418</u>	<u>2,904,680</u>
<b>OTHER</b>			
Ditch and dyke maintenance	100,880	139,312	112,344
Storm sewers	215,052	802,551	578,667
Public transit	976,629	910,373	869,210
Other	90,498	66,257	45,640
Recoveries	(1,691,900)	(1,330,864)	(1,373,093)
	<u>(308,841)</u>	<u>587,629</u>	<u>232,768</u>
	<u>\$ 4,103,080</u>	<u>\$ 6,375,826</u>	<u>\$ 5,698,081</u>

**CITY OF PORT ALBERNI**  
**SCHEDULE 8: RECREATION AND CULTURAL SERVICES**  
*As at December 31, 2021*  
*(UNAUDITED)*

	2021				2020		
	Budget Revenue	Actual Revenue	Budget Expense	Actual Expense	Budget Operating Deficit	Actual Operating Deficit	Actual Operating Deficit
<b>RECREATION SERVICES</b>							
Administration	\$ -	\$ -	\$ 593,541	\$ 457,953	\$ (593,541)	\$ (457,953)	\$ (416,445)
Leisure Centre	247,150	187,059	560,934	589,954	(313,784)	(402,895)	(336,368)
Swimming pool	231,925	92,570	445,326	511,988	(213,401)	(419,418)	(331,800)
Arena	492,033	255,874	866,672	1,450,500	(374,639)	(1,194,626)	(1,057,153)
Parks, Playgrounds, and other Programs	21,500	8,653	1,813,391	1,963,679	(1,791,891)	(1,955,026)	(1,847,529)
	75,890	306,815	989,778	1,110,667	(913,888)	(803,852)	(1,075,703)
	<u>1,068,498</u>	<u>850,971</u>	<u>5,269,642</u>	<u>6,084,741</u>	<u>(4,201,144)</u>	<u>(5,233,770)</u>	<u>(5,064,998)</u>
<b>CULTURAL SERVICES</b>							
Museum services	24,800	11,774	386,571	429,926	(361,771)	(418,152)	(336,945)
McLean Mill	-	29,900	190,000	331,953	(190,000)	(302,053)	(1,291,709)
	<u>24,800</u>	<u>41,674</u>	<u>576,571</u>	<u>761,879</u>	<u>(551,771)</u>	<u>(720,205)</u>	<u>(1,628,654)</u>
	<u>\$ 1,093,298</u>	<u>\$ 892,645</u>	<u>\$ 5,846,213</u>	<u>\$ 6,846,620</u>	<u>\$ (4,752,915)</u>	<u>\$ (5,953,975)</u>	<u>\$ (6,693,652)</u>

**CITY OF PORT ALBERNI**  
**SCHEDULE 9: SALES OF SERVICES**  
*As at December 31, 2021*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2021</b>	<b>2020</b>
<b>GENERAL REVENUE</b>			
General Services	\$ 2,012,631	\$ <b>2,256,726</b>	\$ 1,809,954
Arena	492,033	<b>255,874</b>	353,646
Leisure Centre	247,150	<b>187,059</b>	195,122
Parks, playgrounds and other	21,500	<b>8,653</b>	11,545
Swimming Pool	231,925	<b>92,570</b>	98,586
Programs	75,890	<b>306,815</b>	180,835
Museum	24,800	<b>11,774</b>	15,828
McLean Mill	-	<b>29,900</b>	29,900
	<u>3,105,929</u>	<u><b>3,149,371</b></u>	<u>2,695,416</u>
<b>MISCELLANEOUS REVENUE</b>	-	<b>1,035,594</b>	882,727
<b>SERVICES PROVIDED TO OTHER GOVERNMENTS</b>	171,238	<b>57,472</b>	107,669
<b>WATER REVENUE</b>			
Sale of water	3,951,843	<b>3,885,851</b>	3,613,668
Connections and sundry charges	97,698	<b>17,154</b>	84,043
	<u>4,049,541</u>	<u><b>3,903,005</b></u>	<u>3,697,711</u>
<b>SEWER REVENUE</b>			
Sale of sewer service	3,111,167	<b>3,161,365</b>	3,029,811
Connections and sundry charges	110,502	<b>160,465</b>	128,135
	<u>3,221,669</u>	<u><b>3,321,830</b></u>	<u>3,157,946</u>
	<u><u>\$ 10,548,377</u></u>	<u><u>\$ <b>11,467,272</b></u></u>	<u><u>\$ 10,541,469</u></u>



**CITY OF PORT ALBERNI**  
**SCHEDULE 10: OTHER REVENUE FROM OWN SOURCES**  
*As at December 31, 2021*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2021</b>	<b>2020</b>
Licences and permits	\$ 247,280	\$ <b>404,130</b>	\$ 297,705
Fines and costs	17,000	<b>10,038</b>	13,506
Land and building rentals	145,500	<b>177,986</b>	148,123
Penalties and interest	247,800	<b>279,179</b>	189,507
Miscellaneous revenue	220,975	<b>258,948</b>	49,828
Other revenue from own sources - Capital Fund	-	<b>99,822</b>	86,583
	<b>\$ 878,555</b>	<b>\$ 1,230,103</b>	<b>\$ 785,252</b>

**CITY OF PORT ALBERNI**  
**SCHEDULE 11: SEWER AND WATER UTILITIES**

*As at December 31, 2021*

*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2021</b>	<b>2020</b>
<b>WATER UTILITY</b>			
Administration	496,701	<b>643,366</b>	607,168
Service of supply	219,175	<b>269,843</b>	249,304
Pumping	295,627	<b>315,820</b>	334,733
Transmission and distribution	749,166	<b>1,278,781</b>	1,254,224
Debt servicing	44,000	<b>44,388</b>	44,460
	<u>\$ 1,804,669</u>	<u>\$ 2,552,198</u>	<u>\$ 2,489,889</u>
<b>SEWER UTILITY</b>			
Administration	\$ 545,386	<b>\$ 489,252</b>	\$ 511,569
Sewage treatment and disposal	319,086	<b>561,957</b>	488,871
Sewage collection system	343,332	<b>560,517</b>	576,402
Sewage pump stations	170,102	<b>507,580</b>	273,668
Other	2,000	-	246
Debt servicing	344,613	<b>47,107</b>	83,009
	<u>1,724,519</u>	<u><b>2,166,413</b></u>	<u>1,933,765</u>