

Village of Port Clements



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2019 ANNUAL REPORT



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2019 Mayors Report

2019 was an eventful year that saw progress on a number of outstanding issues. Telus came through with a cell tower that became operational in April. Thanks to the previous Mayor and Council. After several starts, Gwaii Comm finished installing last mile fibre to most of the households within our Village, improving communications substantially for the residents. With funding from the Northern Capital and Planning Grant the Village drilled two new wells to ensure an adequate water supply as the existing wells are near the end of their lifespan.

We finally were able to get the funding for repairs to the Rainbow Wharf, which is scheduled to begin this month. It will be a relief to see this iconic Port Clements landmark repaired and ready for the next few years.

Our Public works finally got some new equipment to help them with the many different jobs they need to take on to keep the water running, the wastewater going out, and the many chores needed to keep our Village safe and healthy.

And speaking of wastewater, the preliminary engineering for upgrades to the sewer lagoon and associated improvements and repairs is mostly done, with monitoring an ongoing project. The funding for the actual construction is applied for and we expect a decision this year.

Canada days 2019 was a big success, and we can only look back somewhat wistfully since COVID 19 has hit all large public gatherings for summer of 2020.

Another successful project was the restoration of the exterior of the Port Clements Firehall. Sharoon Construction replaced the roof, the siding, and the windows and doors to give us an attractive exterior that should keep the rain out for many years.

Council and staff continue to look for ways to help our residents and businesses adapt to the unusual situation we are in in 2020. Above all, stay safe, stay calm, be kind, and stay healthy. Wishing our residents all the best for the remainder of 2020 and the years to come.

Doug Daugert

Mayor, Village of Port Clements

July 2020

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER FOR 2019

In 2019, the administrative staff of the Village of Port Clements (VOPC) continued to work on understanding their roles. Although 2018, was a challenging year and it was the first year for the Chief Administrative Officer and the Deputy Clerk working in their roles, they took those lessons and applied their training and experience in the 2019 year.

In the Spring of 2019, staff assisted the auditor, helped Council develop their 2019 Strategic Plan, worked with Gwaii Communications to develop an agreement to install internet fibre within Port Clements Right of Ways, completing the Asset Information and Replacement Plan funded by both the Federal Canadian Municipalities and Union of BC Municipalities (UBCM), prepared for annual reporting. Challenges faced were continuing to understand the reporting requirements and reporting practices

Administrative staff are responsible for managing programs and services provided by the municipality. This includes property management (Village Property leasing), collecting taxes, water and sewer services, corporate and business reporting, human resources management, policy and by-law development, elections, emergency preparedness, finance management, liaison with other governments, and contract management. Most municipalities have a Chief Financial Officer (CFO) to do financial related responsibilities; however, the VOPC has added those responsibilities to the CAO position.

There were several grant applications that staff worked with the Grant Writer and the Resource Benefits Alliance (RBA) to acquire funds for projects. In April 2019, Port Clements received \$2.085 million dollars from the Province a one-time conditional grant from the Northern Capital and Planning Grant fund created to address the Resource Benefit Alliance (RBA) lobbying to the Provincial government for revenue sharing in resource extraction communities. A similar revenue sharing occurs in the oil and gas sector in North Eastern BC. RBA continues to negotiate a long-term revenue sharing agreement with the Province.

Through the 2019 year, grant funding applications were submitted to various funding agencies. Many of these grants are linked to projects or initiatives the Provincial or Federal Government have to assist local governments improve their service delivery. Some of the funds received in 2019 were from the 2018 Business Façade grant and the Local Government Internship grant from Northern Development Initiative Trust (NDIT). The Business Façade program funding was provided for 2018; however, it was extended to 2019 as the full \$20,000 was not allocated in 2018. In 2018, there was only \$5000 awarded to a local business and only \$10,000 was successfully awarded to two local businesses. The Village was successful in receiving \$40,000 for the Local Government Internship position. VOPC was responsible for contributing \$10,000 towards the intern's salary and were fortunate and grateful that Gwaii

Trust provided this funding through the Community Innovations grant. In May 2019, Management Intern Emily Welford joined the municipality to work and train in local government and resigned in September 2019. Emily's training involved developing VOPC Policy and Bylaws, Municipal Finance software training, and Local Government Management (LGMA) Introduction to Local Government training course held in Kelowna, BC. Emily did well in contributing to the VOPC and was greatly missed the rest of the year. Part

Other grants applied for the Gwaii Trust (GT) Major Infrastructure Grant, GT Vibrant Communities grant, GT Community Events Grant, GT Winter Grant, GT Community Innovations the Rural Dividends Fund, Canada Summer Jobs, UBCM Community Wildfire Protection Plan Grant, UBCM Housing Needs Assessment Grant and NDIT Housing Needs Assessment Grant.

VOPC was fortunate to successfully receive funding for all its Gwaii Trust applications. The Major Infrastructure Grant funded re-enveloping the Port Clements Volunteer Fire Department. The Community Events Grant provided funding for the Tlell Fall Fair, Edge of the World Music Festival and the Port Clements' Canada Days. The Winter Grant provided funds for the Port Bucks, Breakfast with Santa and the Senior's Christmas Party.

VOPC was successful in funding for two Canada Summer Jobs which employed two workers between 15-30 years for 8 weeks. Two employees were hired and greatly contributed to the annual increased workload from the Canada Days event, mowing, and other Public Works related duties. UBCM did fund the VOPC for writing their Community Wildfire Protection Plan and did a joint Request For Proposal with the North Coast Regional District (NCRD), Village of Queen Charlotte, and the Village of Masset. In the fall of 2019, the contract was awarded to Blackwell and Associates to write a plan for each the community to be completed in March 2021.

VOPC did apply for the Rural Dividends fund for a Sunset Park Trail Improvement Project. This project was set to replace the bridges and upgrade the trail as well as brush out danger trees and brushy portions of the trail. Bear proof canisters were also included in this project. Unfortunately, the Rural Dividend funds were redirected to fund the new forestry worker program and early-retirement bridging program for older forestry workers.

Other initiatives council undertook was to apply to UBCM and NDIT for Housing Needs Assessment grants. At the time of strategic planning, Council did not make housing a strategic priority. Several community members saw the opportunity to acquire housing funding from the Provincial Government and formed the Port Clements Housing and Restoration Society. They took the initiative to ask Council to apply for the to apply to UBCM and NDIT to obtain the grant money to complete a Housing Needs Assessment. On April 19, 2020, the Province made it a legal requirement for local governments to complete Housing Needs Assessments every 5 years. The funding was made available and Council agreed to support the PCHRS' initiative by applying to UBCM and NDIT for funding a Housing Needs Assessment. Decisions for these funding programs were not determined until 2020 and Port Clements was successful in their applications.

Although staff had barriers to overcome, they were successful in supporting Council's goals:

Water – Drill 2 wells for securing drinking water and hire a Hydrogeologist consultant to ensure the well development was going to be a reliable site and to ensure the drilled well was to an acceptable depth for above satisfactory water production. This project was paid for by the Northern Capital and Planning Grant.

Cell Service – Staff helped Telus contractors in successfully installing the cell phone tower. This was initiated by previous Council and is now providing cell service year-round to residents.

Last Mile Connection – Another hurdle in the year was the install of the Fibre to the Home project. In the fall of 2018, Gwaii Communications had approached the municipality to install internet fibre within the road right of ways. This new project required much of staff's time and became the number one priority due to funding timelines for install. Thankfully, staff worked diligently with Gwaii Communications and the fibre install into the municipal right of ways was completed. As staff were unfamiliar with this work, a Communications Engineer was contracted to provide direction and assistance to staff. The community was looking forward to receiving highspeed internet in the near future. Funding for this work was covered through fees charged to Gwaii Communications for installing fibre in the road right of ways.

Sewer Infrastructure – Advertise and hire a professional engineer to obtain compliance in the existing sewer treatment facility. Professional design was provided to council to contemplate repairing the existing sewer treatment lagoon or constructing one for the Village of Port Clements. Upon consideration of the report from the options available for VOPC, Council took advice from the engineer and committed to constructing a new sewage treatment lagoon. An RFP was advertised for designing the new facilities and with the support from AHLT Engineering Consultant to evaluate submitted bids, PS Turje and Associates were the successful engineers hired. The deliverables were completed in 2020 by submitting an application to the ICIP Green Infrastructure grant application with the Village committing up to \$1 million dollars to the new construction of a sewer lagoon from the Northern Capital and Planning Grant. Funding announcements are anticipated to be released in early 2021.

Water Tower Grubbing & Land clearing– The old water tower was removed in 2018. Work was completed to level the land and remove any vegetation.

Staff also assisted with the Asset Inventory & Asset Management Investment Plan for the Village of Port Clements, which was funded by the Union of BC Municipalities and the Federation of Canadian Municipalities. This project identified municipal assets, their value, their replacement timelines and their replacement costs. This plan is an important tool that will be used for future budgeting and long-term capital works planning so that the municipality can provide sustainable service delivery to the residents.

There were several other projects not completed because the work on the fibre install and preparatory work for the sewer lagoon study requiring most of public works time, these items

have been carried over into the 2020 fiscal year.

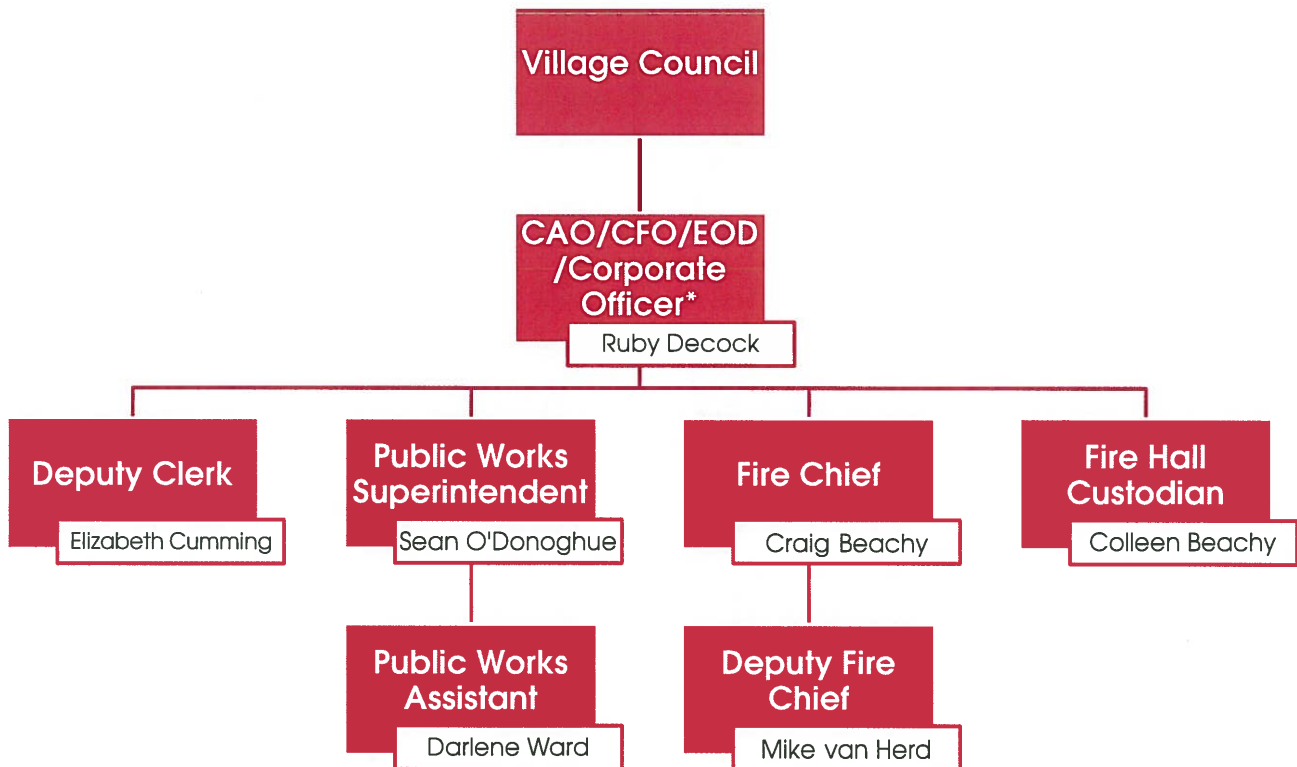
Considering the various staffing difficulties, fiscal challenges, and several unplanned projects, the overall functioning of the Administration Office for the Village of Port Clements has been fruitful and beneficial to the township residents. Provided that there are no unexpected changes to the 2019 Strategic Priorities or unexpected external projects requiring VOPC's attention, the staff foresee another productive year.

Ruby Decock, CAO

August 2020



Village of Port Clements Organizational Chart



* Chief Administrative Officer, Chief Financial Officer, Emergency Operations Director, Corporate Officer
Revised: August 18, 2020

2019 Financial Information

The Chief Financial Officer is responsible for all financial services including: the monitoring and reporting of government grants; processing of financial transactions, including the purchasing of goods and services; management of Village funds (including financing and investing) billing; and collection of property taxes and utility user fees.

Annually, the Village of Port Clements hires an auditor to review the financial transactions and prepare financial statements in accordance with the Canadian Public Sector Accounting Standards. FBB Chartered Professional Accountants LLP was the municipal auditor for 2019. The accompanying independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Village's financial statements.

In 2019, there was a slight increase in tax rates from the previous year but no changes to utility rates. The revenue that the municipality collected for 2019 taxes was \$130, 809. The utility revenues collected were \$58,323 for water and \$32,082 for sewer.

2019 Public Works Report

A review of the year 2019 on behalf of Public Works:

The day to day activities of the public works staff include the operations of the sewer collection and treatment system and the water treatment and distribution systems, upkeep of the various infrastructure owned or administered by the Village, including Rainbow Wharf, Small Craft Harbour, the Port Health Clinic and BC ambulance station, Millennium park, Sunset Park campground and recreational trail, Multiplex building, Firehall and Biomass heating complex, roads and laneways, and the associated grounds keeping of the school, parks and greenspaces in the village, and most importantly ensuring a safe environment for all. This wide array of duties has its challenges regarding staffing levels but as always, the commitment of volunteers and residents in the community who assist in upkeep and beautification is forever greatly appreciated by the Public Works department. We wouldn't be happy in our jobs without them!

2019 was a productive year for the Public Works department in its realization of successful completion of many of the strategic priorities laid out by the Village's Mayor, Council, and administration.

Highlights of Public Works activities for the year include:

- Ongoing operations providing safe potable water in compliance with the Northern Health Authority's permit to supply drinking water. The continued effort to operationally apply a multi barrier systematic approach to water source and distribution protection helps to ensure public health protection. This is paramount to an operator's role.
- The first phases of upgrading potable water security were completed with a hydrogeological study and the drilling and securing of two new potable water wells.
- Continued support of the "Fiber to Home" project with the complicated project of shallow burial of fiber optic cable within Village Right of Ways, while respecting the critical role of protecting existing Village underground infrastructure.
- Completion and implementation of an Asset Management and Asset Inventory plans.
- Continuation of a Wastewater Monitoring project culminating with an engineered design plan for Wastewater treatment upgrades with the goal of complete compliance with both Provincial and Federal regulating bodies.
- Completion of a major firehall re-enveloping project.

Regards,

Sean O'Donoghue, Public Works Superintendent

Recreation Commission Report

Even though our numbers are declining we are still welcoming new ideas and input for activities. Port Clements has a lot of enthusiasm.

Friday night movies continue to be well attended with the parade of blankets, animal pillows and pjs. Thanks to Lisa for doing up our posters.

March 8th. we participated in the International Women's day. Thanks to Conch for coordinating this day.

Easter was on April 20th. This was held at the museum. With chocolates, gifts, hot chocolate and obstacle courses. Thanks to Bev, Teri, Conch, Florida, Ruth and Neil.

May 12th. we held a Mother's Day brunch in the senior's room. It was quite festive with a variety of dishes and flowers for the ladies. Thanks go to Teri, Conch, Maureen and Marilyn.

Our Canada Day is well attended from all islanders. Fishing Derby had 28 fishers (thanks Germain), the walk/run trail run brought out 20 who signed up (thanks Christine) and the canoe/kayak race brought 5 boats with 9 who signed up (thanks Harmonie). Other events were bird house competition, roller ladies, ball games, children's events, beer garden, yarn bombing, foam machine, loggers sports, mud bog and dance. Thanks to Port firemen for breakfast and lunch.

Children love the haunted house and scary Community Hall at Halloween.

New this year we have sponsored the Teen Centre held on Friday nights at the firehall. We have some new games and look forward to being able to mix with other communities. Thanks to Elizabeth.

Also new – the first Saturday of the month the Coffee House with local musicians from islanders. This takes place at St Mark's church from November to April. Very entertaining for the long winter months. Thanks Harmonie and Kaz.

Breakfast with Santa, always a Port Clements highlight. Great attendance for the morning with pancakes, bacon and eggs serving approximately 125. Thanks to cooks Bev, Angela, Penny, Shirley and Marion. Craft room busy making xmas ideas made by Evelyn.

Visit from Santa brought many a smile and enthusiastic excitement!

The recreation commission behind the scenes repaired the ball dugouts and have new designs on the walls of the washrooms. Thanks Lori.

Christmas in the Park, what a welcome idea. Music, making eatable ornaments for the birds, hot chocolate and lights in the trees. Thanks Teri.

Again, events do not happen without the support of the community and our energy from much appreciated VOLUNTEERS. THANK YOU!

Thanks to the Port Clements Recreation Commission

Strategic Priorities 2019

As Council had made many commitments for 2019 through grant applications, the newly elected Council had limited input for the 2019 Strategic Priorities. Therefore, strategic priorities were set to restore/ resolve current or outstanding municipal issues. The following is a list of the priorities for 2019:

- Installing an Engineered Community Well – To ensure continued sufficient drinking water and sufficient water for fire suppression. This project involves drilling a community well, installing well sensors, connecting the well to the water treatment plant, and installing an upgraded computerized monitoring system for the well. A grant application was submitted to the Investing in Canada Infrastructure Program and unfortunately was not successful. Council originally committed to using funds from Gwaii Trust Vibrant Community Grant but decided that the application for connecting the wells will be submitted to Gwaii Trust for approval and use the Northern Capital and Planning Grant to drill the 2 wells and hire a Hydrogeologist.
- Continue working on the Fibre to Home install – Working with the fibre crews to ensure the protection of the Village of Port Clements infrastructure located within the road right of ways. Most of this project has been completed within Village road right of ways; however, the final completion of the install is yet to be finalized.
- Continue working on the Asset Inventory & Asset Management Plan – This project was completed in Spring 2019. Staff will now utilize the information for budgeting and developing a capital works plan.
- Complete maintenance on Rainbow Wharf – The municipality has a 30-year lease on the Rainbow Wharf which commits it to maintaining it to the condition it has received the Rainbow Wharf.
- Complete a Community Wildfire Protection Plan. This funding came available through the Union of British Columbia Municipalities. The municipality is working with other communities on Haida Gwaii to hire the same consultant to address the needs for the municipality as well as address how the communities of Haida Gwaii would be able to
- Re-envelope the Port Clements Fire Hall – This is replacing the roof; siding; installing new windows, doors, and exterior lights; Fifty percent of this funding was sponsored by the Major Contributions Gwaii Trust grant and the remainder is coming from reserves. The contract has been advertised and awarded. Anticipated completion for this project was September 30, 2019; however, this project was completed in December 2019.

- Obtaining Compliance with the Wastewater Systems Effluent Regulations – Compliance targets for sewage discharge. This involves hiring a professional engineer to design new wastewater treatment facilities. The 2019 objective is to collect the necessary engineering data, acquire adjacent crown land for developing a new sewer lagoon, and develop an application for 100% funding in late 2019/early 2020.
- Hire a Local Government Intern – In the fall of 2018 to the municipality applied for Northern Development Initiative Trust Local Government Intern Program. The Village has been successful, and the new intern started May 2019 and will be working with administrative staff until April 2020.
- Install Froese Subdivision Street Lights - A resident in Froese Subdivision identified that there is no street lighting on that road. This project is ongoing. BC Hydro has a backlog on street lighting projects.
- Chlorine Shed Repairs – Plans are to replace the roof and siding.
- Fencing & Grubbing old Water Tower lot. It is being prepped to be a public works storage yard.
- Beautification – Replace and install fencing, repair vandalized bridges, tree removal in parks
- Replace Mom & Tot Swing rack. The existing structure rotted and had to be removed.
- Housing Needs Assessment Grant Applications – The Port Clements Housing and Restorative Society requested that the Village of Port Clements complete a Housing Needs Assessment. Applications for funding the entire project was submitted to the Northern Development Initiatives Trust and the Union of BC Municipalities. In April 2019, it became a legal requirement for municipalities to complete a Housing Needs Assessment and BC municipalities have until 2022 to complete it.

Year ended December 31, 2019

Elected Officials

Name	Position	Remuneration	Expenses	Total Per Official
Cumming, Brigid	Councillor	\$ 3000.00	\$ 0.00	\$ 3,000.00
Daugert, Doug	Mayor	\$ 5000.00	\$ 3,830.56	\$ 8,830.56
Falconbridge, Kazmir	Councillor	\$ 3000.00	\$ 0.00	\$ 500.00
Gould, Ian	Councillor	\$ 3000.00	\$ 0.00	\$ 500.00
Kish, Teri	Councillor	\$ 3000.00	\$ 3,096.50	\$ 6,096.50
TOTALS FOR ALL OFFICIALS		\$ 17,000.00	\$ 6,927.06	\$ 23,927.06

Employees

Name	Remuneration	Expenses	Total
Employees over \$75,000.00			\$ 0.00
Employees under \$75,000.00 (all)	\$ 266,785.31	\$ 17,323.43	\$ 284,108.74
TOTALS FOR ALL EMPLOYEES	\$ 266,785.31	\$ 17,323.43	\$ 284,108.74

Severance Pay

There was no severance pay for 2019.

2019 Audited Financial Statement

Village of Port Clements
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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MANAGEMENT'S RESPONSIBILITY

The information and representations in the consolidated financial statements are the responsibility of management and have been approved by the Mayor and Council of the Village of Port Clements. The consolidated financial statements were prepared by management in accordance with Canadian Public Sector Accounting Standards and, where necessary, reflect management's best estimates and judgements at this time. It is reasonably possible that circumstances may arise which cause actual results to differ. Management does not believe it is likely that any differences will be material.

The Village of Port Clements maintains systems of internal accounting controls, policies and procedures to provide reasonable assurances as to the reliability of the financial records and safeguarding of its assets.

The Mayor and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been reviewed and approved by the Mayor and Council. The consolidated financial statements have been audited by FBB Chartered Professional Accountants LLP, the independent auditors, whose report follows.

July 30, 2020

Port Clements, British Columbia



Ryan Broughton, CPA, CA*
Partner

Quan Cheng, CPA, CA*
Partner

**Denotes incorporated professional*

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council,
Village of Port Clements

Opinion

We have audited the financial statements of Village of Port Clements, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, 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 financial position of the Village of Port Clements as at December 31, 2019, and its financial performance and 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 Financial Statements section of our report. We are independent of the Village in accordance with 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.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements, management is responsible for assessing the Village'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 municipality or to cease operations, or has no realistic alternative but to do so.

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



INDEPENDENT AUDITOR'S REPORT (continued)

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

Our objectives are to obtain reasonable assurance about whether the 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 judgement 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 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 municipality'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 municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



July 30, 2020
Prince George, British Columbia

FBB Chartered Professional Accountants LLP

Village of Port Clements**Consolidated Statement of Financial Position****As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
Financial assets		
Cash and investments	\$ 5,157,756	\$ 3,018,593
Taxes and accounts receivable (note 2)	<u>130,844</u>	<u>152,010</u>
	<u>5,288,600</u>	<u>3,170,603</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 3)	51,855	87,064
Liability for contaminated site (note 14)	3,425,832	.
Deferred revenue (note 4)	<u>192,242</u>	<u>52,817</u>
	<u>3,669,929</u>	<u>139,881</u>
Net financial assets	<u>1,618,671</u>	<u>3,030,722</u>
Non-financial assets		
Property acquired for taxes	16,859	9,189
Prepaid expenses	71,228	67,439
Tangible capital assets (note 6)	<u>8,609,866</u>	<u>8,489,216</u>
	<u>8,697,953</u>	<u>8,565,844</u>
Accumulated Surplus (note 9)	<u>\$ 10,316,624</u>	<u>\$ 11,596,566</u>

Approved by the Mayor and Council

Village of Port Clements
Consolidated Statement of Operations
For the year ended December 31, 2019

	2019 Budget (unaudited)	2019 Actual	2018 Actual
Revenue			
Property taxes	\$ 223,246	\$ 220,019	\$ 217,516
Grants in lieu	8,285	10,390	6,600
Sale of services	9,700	9,452	10,378
Revenue from own sources	208,165	244,251	225,959
Multi-purpose building rental	13,700	15,384	14,797
Unconditional grants	405,700	430,858	405,701
Conditional grants	441,860	2,193,487	168,181
Interest and penalties on taxes and user fees	47,600	91,706	42,381
Collections for other agencies	187,864	187,861	184,192
	<u>1,546,120</u>	<u>3,403,408</u>	<u>1,275,705</u>
Expenses			
Legislative	47,700	30,872	41,037
General administration	318,375	264,015	233,325
Emergency services	9,224	8,114	7,294
Protective services	46,750	43,914	37,201
Common services	37,290	32,472	39,130
Wharf	23,000	8,551	15,527
Small craft harbour	16,000	11,777	17,799
Roads and public works	66,450	47,628	46,598
Contaminated site remediation	-	3,456,260	-
Economic development	50,000	134,478	62,651
Parks, recreation and tourism	95,100	81,355	95,832
Water and sewer utility operations	114,050	149,418	126,129
Multi-purpose building maintenance	72,500	71,338	61,693
Fiscal services	2,300	1,425	1,823
Amortization	226,000	153,871	151,942
Payments to other agencies	187,864	187,862	184,186
	<u>1,312,603</u>	<u>4,683,350</u>	<u>1,122,167</u>
Annual Surplus	<u>233,517</u>	<u>(1,279,942)</u>	<u>153,538</u>
Transfer to (from) reserve funds		-	-
Accumulated surplus, beginning of year		<u>11,596,566</u>	<u>11,443,028</u>
Accumulated surplus, end of year		<u>\$ 10,316,624</u>	<u>\$ 11,596,566</u>

Village of Port Clements**Consolidated Statement of Changes in Net Financial Assets****For the year ended December 31, 2019**

	2019 Budget (unaudited)	2019 Actual	2018 Actual
Annual surplus	\$ 233,517	\$ (1,279,942)	\$ 153,538
Amortization	-	153,871	151,942
Change in property acquired for taxes	-	(7,670)	-
Change in prepaid expenses	-	(3,789)	(48,666)
Transfer (to) from reserve funds	187,933	-	-
Acquisition of tangible capital assets	(390,000)	(274,521)	(224,490)
Increase in net financial assets	\$ 31,450	(1,412,051)	32,324
Net Financial Assets, beginning of year		3,030,722	2,998,398
Net Financial Assets, end of year		\$ 1,618,671	\$ 3,030,722

Village of Port Clements
Consolidated Statement of Cash Flows
For the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
NET INFLOW (OUTFLOW) OF CASH:		
Operating Activities		
Annual surplus	\$ (1,279,942)	\$ 153,538
Non-cash charges to operations		
Amortization	153,871	151,942
Liability for contaminated site	3,425,832	-
Changes in non-cash operating balances:		
Increase in taxes and accounts receivable	21,166	(28,804)
Increase (decrease) in accounts payable and accrued liabilities	(35,209)	41,934
Property acquired for taxes	(7,670)	-
Decrease in deferred revenue	139,425	(90,896)
Decrease in prepaid expenses	(3,789)	(48,666)
	<u>2,413,684</u>	<u>179,048</u>
Capital Activity		
Acquisition of tangible capital assets	(274,521)	(224,490)
	<u>2,139,163</u>	<u>(45,442)</u>
Increase (decrease) in cash and investments	<u>2,139,163</u>	<u>(45,442)</u>
Cash and investments, beginning of year	<u>3,018,593</u>	<u>3,064,035</u>
Cash and investments, end of year	<u>\$ 5,157,756</u>	<u>\$ 3,018,593</u>

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

General

The Village of Port Clements is a municipality and provides general government, water, sewer and related services to the residents of Port Clements, British Columbia.

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

These consolidated financial statements reflect all revenues, expenses, assets and liabilities of the Village of Port Clements. It is the Village's policy to follow Canadian public sector accounting standards and apply such principles consistently. The consolidated financial statements have been prepared incorporating guidelines issued by the Public Sector Accounting Board (PSAB) of the CPA Canada Handbook as recommended by Municipal Affairs, Province of British Columbia.

The focus of Canadian public sector accounting standards is on the financial position of the Village and the changes thereto. The Consolidated Statement of Financial Position reflects the combined results and activities of the Village's Operating, Capital and Reserve Funds. The purposes of these funds are:

i. Operating Funds

Operating Funds are to be used to record the costs associated with providing Village services.

ii. Capital Funds

Capital Funds are used to account for the acquisition costs of the Village's Tangible Capital Assets, the accumulated amortization thereon, and the funding thereof including related long-term debt.

iii. Reserve Funds

Under the Local Government Act of the Province of British Columbia, the Mayor and Council of the Village may, by bylaw, establish Reserve Funds for specific purposes. Money in a Reserve Fund and interest thereon must be used only for the purpose for which the fund was established. If the amount in a Reserve Fund is greater than required, the Mayor and Council may, by bylaw, transfer all or part of the balance to another Reserve Fund.

Financial assets are economic resources controlled by the government as a result of past transactions from which future economic benefits may be obtained. Liabilities are present obligations of the government to others arising from past transactions, the settlement of which is expected to result in the future sacrifice of economic benefits.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recorded in the period in which goods and services are acquired and a liability is incurred.

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Restricted Financial Assets

Restricted financial assets include assets held in trust to be expended only in accordance with the conditions of the trust, and amounts from reserve funds set aside for future debt retirement or for future capital expenditures.

c. Revenue recognition

Taxes are recognized as revenue when they are levied. Sale of services and user fee revenues are recognized when the service or product is provided by the Village. Conditional grants are recorded as revenue when specified conditions have been met. Unconditional grants are recorded when funding is received or receivable. Revenues received where conditions have not yet been met are recorded as deferred revenue.

d. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, excluding all interest costs. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Assets under development or construction are not amortized until put into use.

Amortization is provided using the straight-line method at the estimated useful lives of the assets at the following rates:

Land	Nil
Buildings	20-150 years
Automotive	6-13 years
Fire department	10-30 years
Office equipment	15 years
Tools and equipment	4-20 years
Parks and recreation	3-100 years
Roads and sidewalks	20-40 years
Biomass heating system	50-70 years
Water system	4-140 years
Sewer system	165 years

e. Property acquired for taxes

Property acquired for taxes is recorded at acquisition cost.

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates include: determination of accrued sick benefits, collectibility of accounts receivable, amortization of tangible capital assets, liability for contaminated site and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

g. Liability for contaminated sites

The Village recognizes a liability for contaminated sites as at the reporting date when:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government:
 - (i) is directly responsible; or
 - (ii) accepts responsibility;
- (d) it is expected that future economic benefits will be given up; and
- (e) a reasonable estimate of the amount can be made.

An asset acquired as part of remediation is recorded as an expense if the asset has no alternate use.

2. TAXES AND ACCOUNTS RECEIVABLE

	2019	2018
Property taxes	\$ 42,839	\$ 70,800
Utilities	(3,596)	(2,842)
Sales taxes	23,339	31,216
Other receivables	68,262	52,836
	<u>\$ 130,844</u>	<u>\$ 152,010</u>

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade and accrued liabilities	\$ 50,767	\$ 83,043
Payroll and withholding taxes	1,088	4,021
	<u>\$ 51,855</u>	<u>\$ 87,064</u>

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

4. DEFERRED REVENUE

Federal Gas Tax Community Works	\$ 192,092	\$ 52,817
Prepaid taxes, business licences, fitness memberships	150	-
	<u>\$ 192,242</u>	<u>\$ 52,817</u>

The Village is a participant under the Community Works Fund that provides for the Village's receiving Federal gas taxes transferred under the New Deal for Cities and Communities signed by the Union of BC Municipalities, the Province of British Columbia, and the Government of Canada. Although the Village has some latitude in determining which projects to pursue, the agreement provides that projects should address the reduction of greenhouse gas emissions, cleaner air and cleaner water.

5. BANK INDEBTEDNESS

The Village has a \$189,000 operating line of credit the Canadian Imperial Bank of Commerce bearing interest at bank prime (December 31, 2019 - 3.95%). The facility was unused as at December 31, 2019.

6. TANGIBLE CAPITAL ASSETS

			<u>2019</u>	<u>2018</u>
	Cost	Accumulated Amortization	Net Carrying Amount	
Land	\$ 466,958	\$ -	\$ 466,958	\$ 466,958
Buildings	3,818,933	862,696	2,956,237	2,861,625
Automotive	99,996	39,662	60,334	66,624
Fire department	546,175	283,413	262,762	289,034
Office equipment	34,389	14,783	19,606	19,606
Tools and equipment	70,019	36,207	33,812	37,782
Parks and recreation	1,122,401	237,847	884,554	899,070
Roads and sidewalks	487,359	126,353	361,006	376,238
Biomass heating system	414,148	61,475	352,673	362,251
Solar Panel	151,900	35,444	116,456	126,583
Water system	2,350,961	351,144	1,999,817	1,879,366
Sewer system	1,390,634	294,983	1,095,651	1,104,079
	<u>\$ 10,953,873</u>	<u>\$ 2,344,007</u>	<u>\$ 8,609,866</u>	<u>\$ 8,489,216</u>

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

6. TANGIBLE CAPITAL ASSETS (continued)

Tangible Capital Asset Additions for the year are as follows:

	Cost January 1, 2019	Additions	Cost December 31, 2019
Land	\$ 466,958	\$ -	\$ 466,958
Buildings	3,684,192	134,741	3,818,933
Automotive	99,996	-	99,996
Fire department	546,175	-	546,175
Office equipment	34,389	-	34,389
Tools and equipment	69,122	897	70,019
Parks and recreation	1,122,401	-	1,122,401
Roads and sidewalks	487,359	-	487,359
Biomass heating system	414,148	-	414,148
Solar panel	151,900	-	151,900
Water system	2,212,078	138,883	2,350,961
Sewer system	1,390,634	-	1,390,634
	<u>\$ 10,679,352</u>	<u>\$ 274,521</u>	<u>\$ 10,953,873</u>

Amortization for the year is as follows:

	Balance January 1, 2019	Amortization	Balance December 31, 2019
Land	\$ -	\$ -	\$ -
Buildings	822,567	40,129	862,696
Automotive	33,372	6,290	39,662
Fire department	257,141	26,272	283,413
Office equipment	14,783	-	14,783
Tools and equipment	31,340	4,867	36,207
Parks and recreation	223,331	14,516	237,847
Roads and sidewalks	111,121	15,232	126,353
Biomass heating system	51,897	9,578	61,475
Solar panel	25,317	10,127	35,444
Water system	332,712	18,432	351,144
Sewer system	286,555	8,428	294,983
	<u>\$ 2,190,136</u>	<u>\$ 153,871</u>	<u>\$ 2,344,007</u>

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

7. NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS

	<u>2019</u>	<u>2018</u>
Net assets in tangible capital assets, beginning of year	\$ 8,489,216	\$ 8,416,668
Add: acquisition of tangible capital assets	274,521	224,490
Less: amortization	<u>(153,871)</u>	<u>(151,942)</u>
	<u>\$ 8,609,866</u>	<u>\$ 8,489,216</u>

8. RESERVE FUNDS

	<u>Balance January 1, 2019</u>	<u>Additions/ Funds used</u>	<u>Balance December 31, 2019</u>
Northern Capital and Planning Grant	\$ -	\$ 2,115,326	\$ 2,115,326
Latecomer's fee reserve	9,369	-	9,369
Fire department reserve	5,500	-	5,500
Planning fund reserve	<u>3,595</u>	<u>-</u>	<u>3,595</u>
	<u>\$ 18,464</u>	<u>\$ 2,115,326</u>	<u>\$ 2,133,790</u>

These internally restricted net assets are not available for other purposes without the approval of mayor and council.

9. ACCUMULATED SURPLUS

	<u>2019</u>	<u>2018</u>
General operating fund	\$ 1,877,612	\$ 1,830,962
Water system	613,860	734,285
Sewer system	(2,918,504)	523,639
Net assets invested in tangible capital assets (note 7)	8,609,866	8,547,487
Reserve funds (note 8)	<u>2,133,790</u>	<u>18,464</u>
	<u>\$ 10,316,624</u>	<u>\$ 11,654,837</u>

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

10. COMMITMENTS AND CONTINGENCIES

- a. The Village is jointly and severally liable under the provisions of the Community Charter for any default on monies borrowed by the Village.

- b. **Municipal Pension Plan**

The Village and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to the fund. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit. The most recent valuation as at December 2018 indicated a funding surplus of \$2,866 million for basic pension benefits on a going concern basis.

The next valuation will be 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 accounting). This is because the Plan records accrued liabilities and assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the Plan.

The Village of Port Clements paid \$26,613 for employer contributions and \$19,370 in employee contributions to the Plan in the year ended December 31, 2019 (\$34,626 - 2018).

11. ECONOMIC DEPENDENCE

The Village receives a significant portion of revenue from the Province of British Columbia through the government's Small Community Protection Program.

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Village's financial instruments consist of cash and investments, taxes and accounts receivable, accounts payable and accrued liabilities and deferred revenue. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Village is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Village provides services may experience financial difficulty and be unable to fulfill their obligations. The Village mitigates this risk by dealing with counterparties management considers to be of high integrity.

The Village is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments. No financial instruments are held that mitigate this risk.

13. EXPENSES BY OBJECT

	<u>2019</u>	<u>2018</u>
Salaries, wages and benefits	\$ 278,528	\$ 276,016
Materials and supplies	72,722	79,957
Contracted services	72,001	57,992
Rent, maintenance and utilities	268,326	249,160
Mayor and council remuneration and travel	25,802	23,119
Insurance	32,002	28,559
Grants	134,548	69,447
Interest and bank charges	1,428	1,789
Amortization	153,871	151,942
Contaminated site remediation	3,456,260	-
Payment to other agencies	187,862	184,186
	<u>\$ 4,683,350</u>	<u>\$ 1,122,167</u>

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

14. LIABILITY FOR CONTAMINATED SITES

The Village is aware of one potentially contaminated site on land the Village is responsible for. An old gas station site may require environmental remediation. The Village has no plans to redevelop or sell the property and has no future plans to remediate the property. Since there is no obligation to remediate the property or expected future outlay, no provision has been made in these financial statements. Should management become aware of any contaminated sites the Village is responsible for remediating, a liability for contaminated sites would be setup in accordance with PS3260.

During the year, the Village has exceeded environmental standards relating to its effluent discharge from its wastewater operations into the Masset Inlet which has been deemed hazardous to fish as per Environment Canada. As directed by Environment Canada, the Village has to remediate the effluent discharge fully or reduce to acceptable levels by September 2022. The Village has determined the only effective way to mitigate the issue is the construction of a new sewer lagoon and related wastewater facility. The Village has undertaken studies and quotation from professional contractors for the costs to extend the sewer lagoon and facilities and has recorded a liability for environmental contamination as follows:

Construction costs, with 3% inflation allowance for materials	\$ 2,535,984
Consultant costs (engineers, forester, monitor)	435,500
Other costs (federal and provincial required signage)	7,500
Contingency for cost overruns and unforeseen items (15%)	<u>446,848</u>
Provision for environmental remediation	<u>\$ 3,425,832</u>

During the year, the Village has also incurred \$30,428 in costs with respect to planning and preparation for this project. These items have been expensed in the year under Environmental remediation expenses in the statement of operations along with the above provision. The item is recorded as an expense rather than an asset since it has no alternate use as required by PS3260.45 and Note 2.

The Villages believes the above liability will be funded \$1,000,000 by the Village from a combination of reserves and surpluses and the additional \$2,425,832 will be funded by federal and provincial grants. The Village will apply for the relevant grants in the future and no receivable for federal or provincial grants related to the above liability have been recorded in these financial statements.

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

15. BUDGETED FIGURES

The budget amounts presented throughout these consolidated financial statements are unaudited and represent the amended five year financial plan bylaw No. 449 approved by the Village Mayor and Council on December 20, 2018.

16. CONTINGENT LIABILITY

The Village is contingently liable for fines of \$500,000 to \$6,000,000 from Environment Canada should they not carry out the environmental remediation as disclosed in Note 14. The Village believes their remediation plan will be accepted by Environment Canada and the project will be completed before any fines are applied.

17. SUBSEQUENT EVENT

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At this time, these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.



**CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP**

Ryan Broughton CPA, CA*
Partner

Quan Cheng CPA, CA*
Partner

**Denotes incorporated professional*

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

**To the Mayor and Council,
Village of Port Clements,**

We have audited and reported separately herein on the consolidated financial statement of the Village of Port Clements as at and for the year ended December 31, 2019.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

**July 30, 2020
Prince George, British Columbia**

FBB Chartered Professional Accountants LLP

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Village of Port Clements

General Operating Fund - Statement of Financial Position

As at December 31, 2019

	<u>2019</u>	<u>2018</u>
Financial assets		
Cash and investments	\$ 5,157,756	\$ 3,018,593
Taxes and accounts receivable	<u>130,844</u>	<u>152,010</u>
	<u>5,288,600</u>	<u>3,170,603</u>
Financial Liabilities		
Accounts payable and accrued liabilities	51,855	87,064
Deferred revenue	192,242	52,817
Due to other funds	<u>1,121,188</u>	<u>1,257,924</u>
	<u>1,365,285</u>	<u>1,397,805</u>
Net financial assets	<u>3,923,315</u>	<u>1,772,798</u>
Non-financial assets		
Property acquired for taxes	16,859	9,189
Prepaid expenses	71,228	67,439
Tangible capital assets	<u>5,514,398</u>	<u>5,505,771</u>
	<u>5,602,485</u>	<u>5,582,399</u>
	<u>\$ 9,525,800</u>	<u>\$ 7,355,197</u>
Accumulated surplus		
Accumulated surplus	1,877,612	1,830,962
Equity in tangible capital assets	5,514,398	5,505,771
Reserves	<u>2,133,790</u>	<u>18,464</u>
	<u>\$ 9,525,800</u>	<u>\$ 7,355,197</u>

Village of Port Clements

General Operating Fund - Statement of Operations

For the year ended December 31, 2019

	2019 Budget (unaudited)	2019 Actual	2018 Actual
Revenue			
Property taxes	\$ 130,810	\$ 130,809	\$ 126,904
Grants in lieu	8,285	10,390	6,600
Sale of services	9,700	9,452	10,378
Revenue from own sources	121,165	153,846	136,647
Multi-purpose building rental	13,700	15,384	14,797
Unconditional grants	405,700	430,858	405,701
Conditional grants	376,860	2,193,487	168,181
Interest and penalties on taxes and user fees	47,600	89,328	40,342
Collections for other agencies	187,864	187,861	184,192
	<u>1,301,684</u>	<u>3,221,415</u>	<u>1,093,742</u>
Expenses			
Legislative	47,700	30,872	41,037
General administration	318,375	264,015	233,325
Emergency services	9,224	8,114	37,201
Protective services	46,750	43,914	7,294
Common services	37,290	32,472	39,130
Wharf	23,000	8,551	15,527
Small craft harbour	16,000	11,777	17,799
Roads and public works	66,450	47,628	46,598
Economic development	50,000	134,478	62,651
Parks, recreation and tourism	95,100	81,355	95,832
Multi-purpose building maintenance	72,500	71,338	61,693
Fiscal services	2,300	1,425	1,823
Amortization	126,000	127,011	125,327
Payments to other agencies	187,864	187,862	184,186
	<u>1,098,553</u>	<u>1,050,812</u>	<u>969,423</u>
Annual surplus	<u>203,131</u>	2,170,603	124,319
Transfer from reserves	68,319	-	-
Investment in tangible capital assets	(240,000)	-	-
Accumulated surplus, beginning of year		<u>7,355,197</u>	<u>7,230,878</u>
Accumulated surplus, end of year		<u>\$ 9,525,800</u>	<u>\$ 7,355,197</u>

Village of Port Clements**Water System - Statement of Financial Position****As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
Financial assets		
Due from general operating fund	\$ 613,860	\$ 734,285
Non-financial assets		
Tangible capital assets	<u>1,999,817</u>	<u>1,879,366</u>
	<u>\$ 2,613,677</u>	<u>\$ 2,613,651</u>
Accumulated Surplus		
Accumulated surplus	\$ 613,860	\$ 734,285
Equity in tangible capital assets	<u>1,999,817</u>	<u>1,879,366</u>
	<u>\$ 2,613,677</u>	<u>\$ 2,613,651</u>

Village of Port Clements
Water System - Statement of Operations
For the year ended December 31, 2019

	2019 Budget (unaudited)	2019 Actual	2018 Actual
Revenue			
User charges	\$ 55,000	\$ 58,323	\$ 57,662
Water frontage tax	56,000	52,155	53,367
Community works	65,000	-	-
Interest and other	-	2,378	2,133
	<u>176,000</u>	<u>112,856</u>	<u>113,162</u>
Expenses			
Administration	5,000	5,000	4,757
Amortization	91,000	18,432	18,186
Distribution	20,000	18,974	20,614
Repairs and maintenance	15,000	26,367	17,967
Wages and benefits	25,550	44,057	33,834
	<u>156,550</u>	<u>112,830</u>	<u>95,358</u>
Annual surplus (deficit)	<u>19,450</u>	26	17,804
Accumulated surplus, beginning of year		<u>2,613,651</u>	<u>2,595,847</u>
Accumulated surplus, end of year		<u>\$ 2,613,677</u>	<u>\$ 2,613,651</u>

Village of Port Clements**Sewer System - Statement of Financial Position****As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
Financial assets		
Due from general operating fund	\$ 507,328	\$ 523,639
Financial Liabilities		
Liability for contaminated site	<u>3,425,832</u>	<u>-</u>
Net financial assets	<u>(2,918,504)</u>	<u>523,639</u>
Non-financial assets		
Tangible capital assets	<u>1,095,651</u>	<u>1,104,079</u>
	<u>1,095,651</u>	<u>1,104,079</u>
	<u>\$ (1,822,853)</u>	<u>\$ 1,627,718</u>
Accumulated surplus		
Accumulated surplus	\$ (2,918,504)	\$ 523,639
Equity in tangible capital assets	<u>1,095,651</u>	<u>1,104,079</u>
	<u>\$ (1,822,853)</u>	<u>\$ 1,627,718</u>

Village of Port Clements
Sewer System - Statement of Operations
For the year ended December 31, 2019

	2019 Budget (unaudited)	2019 Actual	2018 Actual
Revenue			
User charges	\$ 31,000	\$ 32,082	\$ 31,557
Sewer frontage tax	37,436	37,055	37,245
	<u>68,436</u>	<u>69,137</u>	<u>68,802</u>
Expenses			
Administration	3,000	3,000	3,000
Amortization	9,000	8,428	8,428
Contaminated site remediation	-	3,456,260	-
Operations	8,875	6,697	6,770
Repairs and maintenance	11,625	14,436	16,290
Sewer study	-	5,867	-
Wages and benefits	25,000	25,020	22,899
	<u>57,500</u>	<u>3,519,708</u>	<u>57,387</u>
Annual surplus (deficit)	<u>10,936</u>	<u>(3,450,571)</u>	<u>11,415</u>
Accumulated surplus, beginning of year		<u>1,627,718</u>	<u>1,616,303</u>
Accumulated surplus, end of year		<u>\$ (1,822,853)</u>	<u>\$ 1,627,718</u>

Village of Port Clements**Northern Capital and Planning Grant - Statement of Operations****For the year ended December 31, 2019**

	2019	2019	2018
	Budget	Actual	Actual
	<u>(unaudited)</u>		
Revenue			
Northern Capital and Planning Grant	\$ -	\$ 2,085,000	\$ -
Interest	<u>-</u>	<u>30,326</u>	<u>-</u>
	-	2,115,326	-
Reserve funds, beginning of year		<u>-</u>	<u>-</u>
Reserve funds, end of year		<u><u>\$ 2,115,326</u></u>	<u><u>\$ -</u></u>