

Village of Port Clements



2021 ANNUAL REPORT



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Mayor's Report

Entering 2021 the Village of Port Clements Council had high hopes that with the release of Covid vaccines we could all move forward to a more "normal" existence. That was not the way the year rolled out. New variants of the disease challenged the health care system once again. Travel was still restricted, and rapidly increasing costs and uncertainty of supply of many materials made operations difficult for businesses, individuals, and governments.

Council spent a great deal of time in our search for a suitable CAO to help direct us through the many challenges a very small community faces. After advertising and interviewing candidates, we found Marjorie Dobson, whose hiring was completed in early 2022. Thank you to Village staff who filled in and helped through this transition.

During the year, projects were all impacted by supply chain shortages, skilled labour shortages, and escalating costs. Public Works managed to maintain the momentum on our sewer lagoon upgrade project, kept working on the new drinking water well hookups and associated engineering and construction challenges and dealt with an unexpected amount of snow in December.

Another small step in our adaption to the reality of Covid was the purchase and installation of equipment to live stream our Council Meetings. Much of the equipment was backordered, but when it finally arrived it worked very well. Unfortunately, the delays were too long, and much of the public lost interest in attending, but we will persist in making all our meetings available to our citizens, and as issues arise, I expect use of the platform to increase.

Through these challenges, Port Clements remained a beautiful place to live. Our trails got frequent use by residents, and our local branch of the Vancouver Island Regional Library was open and offered one gateway to many other worlds. Volunteers organized mini-golf at our Community Park. We were able to watch the local children and youth growing with new interests even as their parents struggled to make the "new reality" work for their families.

The quality of life in Port Clements was recognized elsewhere, as properties in the Village and surrounding area became increasingly expensive due to people wanting to build and move here. While this may make it more difficult for current residents on limited incomes, it also brings hope that we will again have the people and enthusiasm that have made Port such a great place to live.

Doug Daugert
Mayor, Village of Port Clements

June 2021

CHIEF ADMINISTRATIVE OFFICER REPORT

2021 continued to be a disruptive and challenging year to municipal operations and regular processes. The previous Chief Administrative Officer (CAO) for the Village, Ruby Decock, was let go unexpectedly at the end of November 2020.

The Deputy Clerk served as Acting CAO through the initial recruitment phase for a new CAO from the end of 2020 into the beginning of 2021. While a new permanent CAO, Jana Zamyslicka was hired and in place by May, unfortunately she parted with the Village in September. On a short-term contract, Elsie Lemke was hired as a temporary CAO for the Village and was in place until the beginning of 2022. She led the second recruitment phase for a new permanent CAO for the Village, oversaw a strategic planning update, and offered much leadership and guidance to staff and Council.

Asides from the turnover disruption, the global COVID-19 pandemic was ongoing. In June 2021, after vaccinations were made available and a threshold of the population had received them, the Provincial State of Emergency was declared over. The impacts of the pandemic had many profound effects locally, provincially, nationally, and globally. Notable impacts were felt with supply-chain issues, substantial cost increases for material and labour, and the sociopolitical and economic effects of imposed, and fluctuating, restrictions. These impacts were further exacerbated by notable weather events in the province such as the significant heat dome that burned the Village of Lytton to the ground, massive flooding in the south of the province later in the year, and an unusual freezing winter that saw prolonged month-long snow on Haida Gwaii. Many of the 2021 strategic priorities were impacted, with many projects delayed into 2022 due to these challenges.

However, some of the challenges of 2020 had eased in 2021. Many of the municipal indoor facilities and campground were able to reopen, though limited by restrictions. In-person access to the municipal office also returned. Significant restrictions remained in place for gatherings and events and impacted the ability for in-person attendance at Council meetings at various points in the year.

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 resource management, policy and by-law development, elections, emergency preparedness, finance management, liaison with other governments, and contract management. The 2020 audit continued to be undertaken digitally, as well as many other regular processes that were normally conducted in-person. A notable change was the closure of Rainbow Wharf for commercial use at the end of the year, due to changes in the insurance environment which makes the premiums for the required insurance coverage for such usages unaffordable for the Village. Rainbow Wharf is closed to all moorages; no vessel may use Rainbow Wharf.

2021 saw a more comprehensive look at Strategic Planning, resulting in a 5-year, 2021 – 2025 Strategic Plan being adopted in April. This was also followed up with the start of quarterly strategic plan progress reporting to ensure a clearer information and update feedback to Council on the progress of the strategic plan priorities.

Throughout 2021, grant funding applications were submitted to various funding agencies. Grant programs applied for include the Canada Summer Jobs program, Canada Community Revitalization Fund (for Community Park Improvement Project), the Community and Holiday Events Grant with Gwaii Trust (for winter activities), and the Community Places program with Northern Development Initiative Trust (for the Port Clements Seaview Ramp and Wheelchair Platform project).

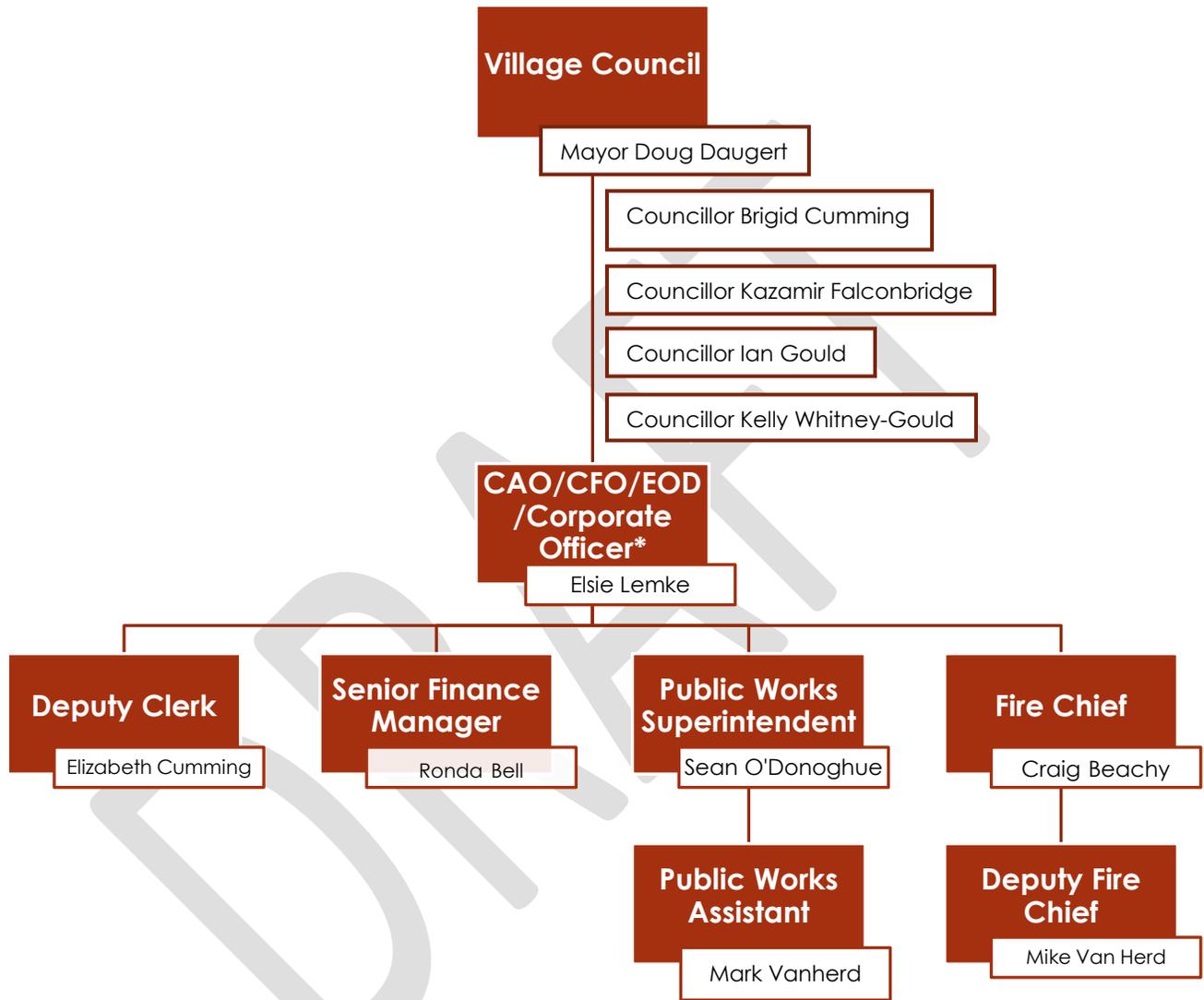
While all projects were impacted by the pandemic, and some were delayed and extended or reorganized, many projects were still completed in 2021. Projects such as the Emergency Support Services Grant project, EOC supplies and Training Grant project, Office Improvement Project, Weight Room COVID Safety Improvements, Weight Room Upgrades, and COVID Meal Delivery to Seniors to identify a few.

Considering the ongoing challenges posed by the pandemic and CAO turnover experienced, the overall function of the municipality carried on. The main services of water and sewer were provided without disruption, legislative requirements were met, grants were applied for, projects were completed (though many were delayed), and Council meetings were held.

Elizabeth Cumming
Deputy Clerk

May 2022

Village of Port Clements Organizational Chart



Note: Deputy Clerk Elizabeth Cumming served as Acting CAO until May and Jana Zamylicka was CAO until the end of September. Elsie Lemke served as CAO through to the new year.

* Chief Administrative Officer, Chief Financial Officer, Corporate Officer, Emergency Operations Director
Revised: May 12th, 2022

Finance's Report

The Senior Finance Manager, under the Chief Financial Officer, is responsible for most of the financial services including: the processing of financial transactions, the purchasing of goods and services, management of Village funds, billing, collection of property taxes and utility user fees and reconciling the monthly reports.

An auditor is annually hired to review the financial transactions and prepare the financial statements in accordance with the Canadian Public Sector Accounting Standards. FBB Chartered Professional Accountants LLP was hired in 2021. The attached independent Auditor's Report outlines their responsibilities, their scope, and their opinion of the Village's financial statements.

2021 was very much like 2020 with the ongoing restrictions due to the COVID-19 pandemic. There was a small increase in the campground revenue, but it is still well below previous years. The Emergency Operations Centre for the municipality was open over the winter and de-activated in May of 2021.

Tax rates for 2021 were unchanged from 2020. The municipality collected \$113,998 from property taxes, \$52,641 from water frontage tax and \$35,788 from sewer frontage tax. Water and sewer usage charges were unchanged from the previous year.

28 Business licences were purchased in 2021, down from 42 in 2020.

Ronda Bell

Senior Finance Manager

June 2022

Public Works' Report

A review of the year 2021 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), 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 would not be happy in our jobs without them!

2021 proved to be a difficult period as we all adapted from the unknowns of a worldwide pandemic to a new normal of living and working during that pandemic.

Highlights of Public Works activities despite the challenges of working during a pandemic 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.
- Continued progress towards upgrading potable water security was realized with the successful application for the necessary construction permit and design review of new well construction, as well as associated electrical upgrades.
- Daily monitoring and operational improvements to the wastewater process during 2021 have brought us more in-line with regulatory requirements of our Provincial permit as well as new federal wastewater guidelines.
- Continued assistance and support of administration and our engineer of record on a major wastewater treatment expansion project which will ensure compliance with increasingly stringent provincial and federal regulatory requirements well into the future.
- Outdoor facilities were slowly opened back up and repurposed as provincial orders allowed.
- Public Works supported efforts to obtain funding for projects envisioned by various committees and village council, as well as supported project managers and consultants in bringing these visions to reality when funding was successfully secured.
- It should be noted that ongoing supply chain issues as well as a local lack of internal and externally contracted capacities will continue to burden us as we progress through operations and projects.

It is the Public Works department's hope that 2022 is a safer, more productive year, with whatever "new normal" continues.

With kind regards,

Sean P O'Donoghue
Superintendent of Public Works

June 2021

Recreation Commission's Report

Throughout all of 2021 events planned by the Recreation Commission were limited by the need to comply with public health regulations regarding the Covid-19 pandemic. This meant many events had to be cancelled – like the film nights at the Multipurpose Building – and others were held outside instead of inside, like our “Christmas at the Park” instead of “Breakfast with Santa.”

At the beginning of the year, the Commission received a meal program grant from Gwaii Trust. Volunteers from Tlell and Port Clements cooked and delivered 61 meals to seniors and others in need every week for over two months.

Easter Sunday the Easter Bunny delivered goodies door-to-door, making 32 Port Clements children very happy.

In May, 135 flowering plants were delivered to the ladies of the village for Mother's Day.

On May 31st, things got udderly ridiculous with a well-received “Dairy Queen” drive through with costume-clad car hops to take safely distanced orders for banana splits, sundaes, and floats at the Community Park parking lot.

Canada Day weekend returned in a very limited way the weekend of July 3rd/4th, 2021. There was a softball tournament at the Community Park, a fun run/walk and bike rodeo out in front of the Museum, a kid's scavenger hunt and the birdhouse competition.

The Recreation Commission also bought toys to go in the Community Park playground sand box.

In October, Seniors were treated to Thanksgiving Turkey Dinner with all the trimmings and dessert “to go” again with funding from Gwaii Trust.

The final event of the year was “Christmas at the Community Park”, which had a fish pond, bean bag toss, pin-the-heart-on-the-grinch, craft making and delicious grilled cheese sandwiches and chicken strips, plus cocoa! Snow fell that morning, immensely delighting all who attended.

We hope everyone enjoyed the year's events. The Port Clements Recreation Commission is extremely grateful to all the many volunteers who put in time and energy, as well as (often) putting on costumes, to make the fun happen.

Port Clements Recreation Commission

June 2021

Vibrant Community Commission's Report

Bylaw Established

Pursuant to Section 8.3, the following "report of the previous years activities" has been prepared and approved by the Vibrant Community Commission.

Key Objectives

The broader objectives of the Commission remain unchanged from the previous year: 1) increase the number of available amenities, 2) improve visitor related infrastructure, 3) undertake targeted beautification projects, and 4), undertake strategic planning to support development.

Key Initiatives

Given the continuing challenges of COVID-19, the Commission was unable to complete work key initiatives (current status noted to the right)

- Hire the Tourism Advocate Position (deferred/unable to hire)
- Re-open St. Marks Gift & Gallery (partially deferred/unable to open)
- Undertake tourism marketing (work ongoing)
- Complete three beautification projects (work ongoing)

As we were unable to hire a tourism advocate or reopen St. Marks in 2021, an amended grant application was prepared and submitted to the Gwaii Trust, requesting permission to reallocate funding to support completion of:

- 1. Tourism website: social media marketing, and strategic planning:** (ongoing)
- 2. Beautification projects including installation of:**
 - a. Outhouse (est. install Feb 2022)
 - b. Change shack (est. Install May 2022)
 - c. Two benches (est. Install May 2022)
 - d. Picnic table (est. Install May 2022)
 - e. Gazebo (est. Install June 2022)
- 3. Purchase of display cabinets and items for St. Marks included:**
 - a. (3) Cabinet style display cases (pending)
 - b. (1) Buffet display case (complete/onsite)
 - c. (1) Glass cabinet display case (complete/onsite)
 - d. (1) Cash counter (complete/onsite)
 - e. (1) POS system (complete/stored)
 - f. (1) Espresso machine (complete/stored)
- 4. Proposed initiatives planned for development/implementation in 2022 include:**
 - a. Placement of bench across from Beachy residence
 - b. Installation of cement beach access stairs at 2 sites
 - c. Support for ongoing social media marketing to draw visitors
 - d. Signage for swimming area
 - e. Draft plans to encourage local use of St. Marks (e.g. Saturday market)

Operational Overview

Covid-19 has continued to have a major negative impact on the ability of the Vibrant Community Commission to undertake and fulfill its objectives. However, Gwaii Trust funding in the amount of \$51,516.40 has been fully allocated and all identified projects and initiatives should be completed well in advance of 31 December 2022.

The Commission was unable to find a replacement for Joan Hein and in November 2021, Wayne Nicol resigned.

In total, the Commission held only five meetings; due to ongoing issues linked to the pandemic.

New Funding Initiatives

The Vibrant Community Commission still considers the above initiatives and projects critical to supporting long-term economic viability in the Village of Port Clements. At this time, the Commission remains in support of these objectives in addition to identifying funding to support the hiring of a Tourism Advocate in spring 2023 to manage ongoing tourism related projects and initiatives.

The Commission continues to support for the development of the Dyson Corner Rest Stop to provide needed services to visitors: information; showers; bathrooms; laundry. If approved, a process of community consultation would be completed in order to inform Council on how the property should be managed and operated. The Commission also supports continuing efforts to complete the Golden Spruce Extension Study and extend the Sunset Park Trail and Campground upgrades.

Vibrant Community Commission

January 2022

Strategic Priorities 2021

Council went through an extensive strategic plan development process at the beginning of 2021 and adopted their 5-year strategic plan, 2021-2025 inclusive, in April 2021. The following list of strategic priorities from this plan that were targeted for 2021:

- CAO Recruitment
- Municipal COVID-19 Reopening Plan
- Commission Role Clarity
- Village Staff Training (2021 thru 2025)
- Vibrant Community Commission
 - Recruit Tourism Advocate
 - St. Mark's Gift Shop
 - Downtown Core Beautification Projects
 - Golden Spruce Trail Extension Study
 - Tourism Marketing
- Emergency Management Commission
 - Emergency Support Services Grant
 - EOC Supplies and Training Grant
- Office Improvement Project
- Water Treatment Plant Upgrades
 - Well#3 connection
 - Chlorine Shed Repairs
- Sewer Lagoon Compliance Upgrade (2021 thru 2023)
 - Lift station(s)
- Weight Room COVID Safety Improvements
- Weight Room Upgrade
- Froese Subdivision Street Lights
- Fire Hall Floors
- Sunset Park Campground Upgrade
- Community Park Improvements
 - Tennis Court Revitalization
- COVID Meal Delivery to Seniors
- Coastal Erosion and Flood Mapping Study
- Dyson Corner Development
 - Planning and Organizing Ditching
- Official Community Plan, Zoning/Subdivision Bylaw Modernization (2021 thru 2022)

Strategic Priorities 2022

Council went through an extensive strategic plan development process at the beginning of 2021 and adopted their 5-year strategic plan, 2021-2025 inclusive, in April 2021. On January 17th, 2022, Council adopted an updated strategic plan for 2021-2025 to reflect changes in priorities (additions/deletions), changes to expected timelines for priorities, the carry over of priorities that were not completed in 2021 as targeted, and completion of 2021 priorities:

- CAO Recruitment
- Municipal COVID-19 Reopening Plan
- Vibrant Community Commission
 - Golden Spruce Trail Extension Study
 - Tourism Signage
- Water Treatment Plant Upgrades
 - Well#3 connection
 - Chlorine Shed Repairs
 - Asbestos Cement Water Line Replacement
 - Operating System Upgrades
- Sewer Lagoon Compliance Upgrade (2021 thru 2023)
 - Lift station(s)
- Froese Subdivision Street Lights
- Fire Hall Floors
- Public Works Salt/Sand Shed/Pellet Storage
- Clinic Project
 - Heat Return Ventilation System & Heat Pumps
 - Drainage
 - Building Assessment
- Heat Pump Project
 - St. Marks, Community Park Washroom, Water Pump House
- Sunset Park Campground Upgrade (2022 thru 2023)
- Community Park Improvements (2022 thru 2023)
 - Tennis Court Revitalization
 - Soccer Field
 - Bathroom Security
 - Playground Fencing
 - Playground Equipment (Recreation Commission)
- Coastal Erosion and Flood Mapping Study
- Update Emergency Preparedness Plan
- Review Community Wildfire Protection Plan
- Official Community Plan, Zoning/Subdivision Bylaw Modernization

Year ended December 31, 2021

Elected Officials

Name	Position	Remuneration	Expenses	Total Per Official
Cumming, Brigid	Councillor	\$ 3000.00	\$ 0.00	\$3000.00
Daugert, Doug	Councillor/Mayor	\$ 5000.00	\$ 0.00	\$5000.00
Falconbridge, Kazamir	Councillor	\$ 3000.00	\$ 0.00	\$3000.00
Gould, Ian	Councillor	\$ 3000.00	\$ 500.00	\$3500.00
Whitney-Gould, Kelly	Councillor	\$ 3000.00	\$ 0.00	\$3000.00
TOTALS FOR ALL OFFICIALS		\$ 17,000.00	\$ 500.00	\$17,500.00

Employees

Name	Remuneration	Expenses	Total
Employees over \$75,000.00			\$0.00
Employees under \$75,000.00 (all)	\$280,546.25	\$5615.88	\$286,162.13
TOTALS FOR ALL EMPLOYEES	\$280,546.25	\$5615.88	\$286,162.13

Severance Pay

TOTAL EMPLOYEE SEVERANCE PAY FOR 2021 \$ 0.00

2021 Audited Financial Statement

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Village of Port Clements
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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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.

May 1, 2022
Port Clements, British Columbia

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, 2021, 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, 2021, 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.

May 1, 2022
Prince George, British Columbia

FBB Chartered Professional Accountants LLP

Village of Port Clements
Consolidated Statement of Financial Position
As at December 31, 2021

	<u>2021</u>	<u>2020</u> (restated)
Financial assets		
Cash and investments	\$ 6,175,484	\$ 5,921,245
Taxes and accounts receivable (note 2)	<u>122,909</u>	<u>269,503</u>
	<u>6,298,393</u>	<u>6,190,748</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 3)	50,790	99,345
Liability for contaminated site (note 13)	3,425,832	3,425,832
Deferred revenue (note 4)	<u>499,603</u>	<u>533,041</u>
	<u>3,976,225</u>	<u>4,058,218</u>
Net financial assets	<u>2,322,168</u>	<u>2,132,530</u>
Non-financial assets		
Property acquired for taxes	9,202	16,859
Prepaid expenses	22,076	17,594
Tangible capital assets (note 5)	<u>8,697,282</u>	<u>8,773,712</u>
	<u>8,728,560</u>	<u>8,808,165</u>
Accumulated Surplus (note 8)	<u>\$ 11,050,728</u>	<u>\$ 10,940,695</u>

Approved by the Mayor and Council

Day L R Dept
Brigid Cumming

Village of Port Clements
Consolidated Statement of Operations
For the year ended December 31, 2021

	2021	2021	2020
	Budget	Actual	Actual
	(unaudited)		
Revenue			
Property taxes	\$ 202,300	\$ 202,366	\$ 204,281
Grants in lieu	8,730	8,766	7,847
Sale of services	31,675	2,379	4,861
Revenue from own sources	210,450	236,797	220,740
Multi-purpose building rental	10,200	11,900	11,131
Unconditional grants	425,000	389,000	425,979
Conditional grants	1,486,600	387,678	1,008,900
Interest and penalties on taxes and user fees	2,350	49,276	154,406
Collections for other agencies	171,607	194,042	171,951
	<u>2,548,912</u>	<u>1,482,204</u>	<u>2,210,096</u>
Expenses			
Legislative	31,150	26,435	21,009
General administration	336,950	307,757	382,154
Emergency services	22,000	10,086	3,376
Protective services	54,100	43,092	42,274
Common services	47,050	51,331	32,590
Wharf	11,600	5,060	324,301
Small craft harbour	14,700	10,467	33,235
Roads and public works	71,050	60,486	49,956
Economic development	18,500	242,320	108,828
Parks, recreation and tourism	61,300	56,731	60,427
Water and sewer utility operations	180,000	140,900	115,798
Multi-purpose building maintenance	65,000	54,180	59,298
Fiscal services	2,100	2,109	1,766
Amortization	126,000	167,176	158,762
Payments to other agencies	171,607	194,041	171,664
	<u>1,213,107</u>	<u>1,372,171</u>	<u>1,565,438</u>
Annual Surplus	<u>1,335,805</u>	110,033	644,658
Accumulated surplus, beginning of year (Note 17)		<u>10,940,695</u>	<u>10,296,037</u>
Accumulated surplus, end of year (Note 8)		<u>\$ 11,050,728</u>	<u>\$ 10,940,695</u>

Village of Port Clements

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2021

	<u>2021</u> <u>Budget</u> (unaudited)	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Annual surplus	\$ 1,335,805	\$ 110,033	\$ 644,658
Amortization	-	167,176	158,762
Change in property acquired for taxes	-	7,657	-
Change in prepaid expenses	-	(4,482)	3,634
Transfer (to) from reserve funds	(30,805)	-	-
Disposition of tangible capital assets	-	1,000	-
Acquisition of tangible capital assets	(1,305,000)	(91,746)	(322,608)
Increase in net financial assets	<u>\$ -</u>	189,638	484,446
Net Financial Assets, beginning of year		<u>2,132,530</u>	<u>1,648,084</u>
Net Financial Assets, end of year		<u>\$ 2,322,168</u>	<u>\$ 2,132,530</u>

Village of Port Clements
Consolidated Statement of Cash Flows
For the year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
NET INFLOW (OUTFLOW) OF CASH:		
Operating Activities		
Annual surplus	\$ 110,033	\$ 644,658
Non-cash charges to operations		
Amortization	167,176	158,762
Loss on disposition of tangible capital assets	1,000	-
Liability for contaminated site	-	-
Changes in non-cash operating balances:		
Increase in taxes and accounts receivable	146,594	(138,659)
Increase (decrease) in accounts payable and accrued liabilities	(48,555)	47,490
Property acquired for taxes	7,657	-
Decrease in deferred revenue	(33,438)	370,212
Decrease in prepaid expenses	(4,482)	3,634
	<u>345,985</u>	<u>1,086,097</u>
Capital Activity		
Acquisition of tangible capital assets	(91,746)	(322,608)
Increase (decrease) in cash and investments	<u>254,239</u>	<u>763,489</u>
Cash and investments, beginning of year	<u>5,921,245</u>	<u>5,157,756</u>
Cash and investments, end of year	<u>\$ 6,175,484</u>	<u>\$ 5,921,245</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2021

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, 2021

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, 2021

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

	<u>2021</u>	<u>2020</u>
Property taxes	\$ 14,878	\$ 16,116
Utilities	28,976	25,326
Sales taxes	10,345	33,374
Other receivables	68,711	194,687
	<u>\$ 122,910</u>	<u>\$ 269,503</u>

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade and accrued liabilities	\$ 48,016	\$ 96,818
Payroll and withholding taxes	2,774	2,527
	<u>\$ 50,790</u>	<u>\$ 99,345</u>

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

4. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Federal Gas Tax Community Works	\$ 316,780	\$ 230,355
Province of B.C. - Sunset Trail	99,951	99,951
Province of B.C. - Trail Extension Study	10,000	10,000
Union of B.C. Municipalities - Flood Study	4,602	44,255
Covid-19 Restart Grant	68,000	148,000
Prepaid taxes, business licences, fitness memberships	270	480
	<u>\$ 499,603</u>	<u>\$ 533,041</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. TANGIBLE CAPITAL ASSETS

			<u>2021</u>	<u>2020</u>
	Cost	Accumulated Amortization	Net Carrying Amount	
Land	\$ 466,958	\$ -	\$ 466,958	\$ 466,958
Buildings	3,818,933	941,847	2,877,086	2,916,108
Automotive	196,189	46,332	149,857	165,649
Fire department	546,175	335,957	210,218	236,490
Office equipment	36,180	16,216	19,964	21,038
Tools and equipment	83,903	46,416	37,487	29,417
Parks and recreation	1,119,099	267,468	851,631	870,038
Roads and sidewalks	471,067	140,525	330,542	345,774
Biomass heating system	414,148	80,631	333,517	343,095
Solar Panel	151,900	55,698	96,202	106,329
Water system	2,404,288	386,619	2,017,669	2,006,561
Sewer system	1,620,533	314,382	1,306,151	1,266,255
	<u>\$ 11,329,373</u>	<u>\$ 2,632,091</u>	<u>\$ 8,697,282</u>	<u>\$ 8,773,712</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2021

5. TANGIBLE CAPITAL ASSETS (continued)

Tangible Capital Asset Additions for the year are as follows:

	Cost			Cost
	January 1, 2021	Disposals	Additions	December 31, 2021
Land	\$ 466,958	\$ -	\$ -	\$ 466,958
Buildings	3,818,933	-	-	3,818,933
Automotive	215,449	(19,260)	-	196,189
Fire department	546,175	-	-	546,175
Office equipment	36,180	-	-	36,180
Tools and equipment	71,175	-	12,728	83,903
Parks and recreation	1,122,401	(3,302)	-	1,119,099
Roads and sidewalks	487,359	(16,292)	-	471,067
Biomass heating system	414,148	-	-	414,148
Solar panel	151,900	-	-	151,900
Water system	2,376,137	-	28,151	2,404,288
Sewer system	1,569,666	-	50,867	1,620,533
	<u>\$ 11,276,481</u>	<u>\$ (38,854)</u>	<u>\$ 91,746</u>	<u>\$ 11,329,373</u>

Amortization for the year is as follows:

	Balance			Balance
	January 1, 2021	Disposals	Amortization	December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Buildings	902,825	-	39,022	941,847
Automotive	49,800	(18,260)	14,792	46,332
Fire department	309,685	-	26,272	335,957
Office equipment	15,142	-	1,074	16,216
Tools and equipment	41,758	-	4,658	46,416
Parks and recreation	252,363	(3,302)	18,407	267,468
Roads and sidewalks	141,585	(16,292)	15,232	140,525
Biomass heating system	71,053	-	9,578	80,631
Solar panel	45,571	-	10,127	55,698
Water system	369,576	-	17,043	386,619
Sewer system	303,411	-	10,971	314,382
	<u>\$ 2,502,769</u>	<u>\$ (37,854)</u>	<u>\$ 167,176</u>	<u>\$ 2,632,091</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2021

5. TANGIBLE CAPITAL ASSETS (continued)

	<u>2021</u>	<u>2020</u>
Details of asset additions:		
Shipping containers	\$ 12,728	
Water well project	28,151	
Flygt Sewer System Pumps	50,868	
	<u>\$ 91,747</u>	

6. NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS

Net assets in tangible capital assets, beginning of year	\$ 8,773,712	\$ 8,609,866
Add: acquisition of tangible capital assets	91,746	322,608
Less: loss on disposals	(1,000)	-
Less: amortization	(167,176)	(158,762)
	<u>\$ 8,697,282</u>	<u>\$ 8,773,712</u>

7. RESERVE FUNDS

	<u>Balance</u> <u>January 1, 2021</u>	<u>Additions/</u> <u>Funds used</u>	<u>Balance</u> <u>December 31, 2021</u>
Northern Capital and Planning Grant	\$ 2,206,778	\$ 17,048	\$ 2,223,826
Latecomer's fee reserve	9,369	-	9,369
Fire department reserve	5,500	-	5,500
Bursary reserve	-	500	500
Planning fund reserve	3,595	-	3,595
	<u>\$ 2,225,242</u>	<u>\$ 17,548</u>	<u>\$ 2,242,790</u>

These internally restricted net assets are not available for other purposes without the approval of mayor and council. Interest was added to NCPG grant reserve and \$500 was appropriated for bursary reserve.

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2021

8. ACCUMULATED SURPLUS

	<u>2021</u>	<u>2020</u>
General operating fund	\$ 2,591,080	\$ 2,434,363
Water system	639,501	624,498
Sewer system	(3,119,925)	(3,067,120)
Net assets invested in tangible capital assets (note 6)	8,697,282	8,773,712
Reserve funds (note 7)	2,242,790	2,225,242
	<u>\$ 11,050,728</u>	<u>\$ 10,990,695</u>

9. 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 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 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 \$18,043 for employer contributions and \$15,775 in employee contributions to the Plan in the year ended December 31, 2021 (\$24,771 and \$22,111 - 2020).

Village of Port Clements

Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

10. ECONOMIC DEPENDENCE

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

11. 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.

12. EXPENSES BY OBJECT

	<u>2021</u>	<u>2020</u>
Salaries, wages and benefits	\$ 273,602	\$ 342,125
Materials and supplies	93,009	104,352
Contracted services	102,495	85,176
Rent, maintenance and utilities	249,455	548,987
Mayor and council remuneration and travel	19,735	17,669
Insurance	33,544	32,718
Grants	237,925	102,223
Interest and bank charges	1,189	1,762
Amortization	167,176	158,762
Payment to other agencies	194,041	171,664
	<u>\$ 1,372,171</u>	<u>\$ 1,565,438</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2021

13. 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 \$21,177 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 has applied for and received confirmation for the relevant federal and provincial grants and these grant will be recorded as revenue when received or receivable.

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

14. BUDGETED FIGURES

The budget amounts presented throughout these consolidated financial statements are unaudited and represent the amended five year financial plan bylaw No. 468 approved by the Village Mayor and Council on December 20, 2021.

15. 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.

16. COVID-19

In March 2020, 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 continue to 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.

17. PRIOR PERIOD ADJUSTMENT

Management has determined that \$50,000 of the NDIT economic development flow-through grant paid to Misty Isles Economic development is actually for prior years. It was previously understood that the Village paid \$50,000 twice in 2018 and had prepaid for 2019. It has been determined that the Village has always been paying the flow-through grant for the previous fiscal year and the item should have been setup originally as accounts payable and then cleared with the payment. This goes back to the start of the flow-through economic development grant many years ago. Management has corrected this item retroactively and restated the figures for 2020. The impact of the change is as follows:

	<u>2021</u>	<u>2020</u>
Accumulated surplus opening, as previously reported	\$ 10,990,695	\$ 10,346,037
Decrease to 2020 opening operating surplus	(50,000)	(50,000)
Accumulated surplus opening, as restated	<u>10,940,695</u>	<u>10,296,037</u>
Decrease to 2020 prepaid expenses	\$ -	\$ (50,000)

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 statements of the Village of Port Clements as at and for the year ended December 31, 2021.

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.

May 1, 2022
Prince George, British Columbia

FBB Chartered Professional Accountants LLP

Village of Port Clements

General Operating Fund - Statement of Financial Position

As at December 31, 2021

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and investments	\$ 6,175,484	\$ 5,921,245
Taxes and accounts receivable	122,909	269,503
	<u>6,298,393</u>	<u>6,190,748</u>
Financial Liabilities		
Accounts payable and accrued liabilities	50,790	99,345
Deferred revenue	499,603	533,041
Due to other funds	945,408	983,210
	<u>1,495,801</u>	<u>1,615,596</u>
Net financial assets	<u>4,802,592</u>	<u>4,575,152</u>
Non-financial assets		
Property acquired for taxes	9,202	16,859
Prepaid expenses	22,076	17,594
Tangible capital assets	5,373,462	5,500,896
	<u>5,404,740</u>	<u>5,535,349</u>
	<u>\$ 10,207,332</u>	<u>\$ 10,110,501</u>
Accumulated surplus		
Accumulated surplus	2,591,080	2,384,363
Equity in tangible capital assets	5,373,462	5,500,896
Reserves	2,242,790	2,225,242
	<u>\$ 10,207,332</u>	<u>\$ 10,110,501</u>

Village of Port Clements

General Operating Fund - Statement of Operations For the year ended December 31, 2021

	2021 Budget (unaudited)	2021 Actual	2020 Actual
Revenue			
Property taxes	\$ 114,000	\$ 113,998	\$ 113,939
Grants in lieu	8,730	8,766	7,847
Sale of services	31,675	2,379	4,861
Revenue from own sources	121,100	147,552	131,382
Multi-purpose building rental	10,200	11,900	11,131
Unconditional grants	425,000	389,000	425,979
Conditional grants	261,600	387,678	1,008,900
Interest and penalties on taxes and user fees	-	47,273	152,078
Collections for other agencies	171,607	194,042	171,951
	<u>1,143,912</u>	<u>1,302,588</u>	<u>2,028,068</u>
Expenses			
Legislative	31,150	26,435	21,009
General administration	336,950	307,757	382,154
Emergency services	22,000	10,086	3,376
Protective services	54,100	43,092	42,274
Common services	47,050	51,331	32,590
Wharf	11,600	5,060	324,301
Small craft harbour	14,700	10,467	33,235
Roads and public works	71,050	60,486	49,956
Economic development	18,500	242,320	108,828
Parks, recreation and tourism	61,300	56,731	60,427
Sewer lagoon	-	2,500	-
Multi-purpose building maintenance	65,000	54,180	59,298
Fiscal services	2,100	2,109	1,766
Amortization	126,000	139,162	131,902
Payments to other agencies	171,607	194,041	171,664
	<u>1,033,107</u>	<u>1,205,757</u>	<u>1,422,780</u>
Annual surplus	<u>110,805</u>	96,831	605,288
Transfer to reserves	(30,805)	-	-
Investment in tangible capital assets	(80,000)	-	-
Accumulated surplus, beginning of year		<u>10,110,501</u>	<u>9,505,213</u>
Accumulated surplus, end of year		<u>\$ 10,207,332</u>	<u>\$ 10,110,501</u>

Village of Port Clements
Water System - Statement of Financial Position
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
Financial assets		
Due from general operating fund	\$ 639,501	\$ 624,498
Non-financial assets		
Tangible capital assets	<u>2,017,669</u>	<u>2,006,561</u>
	<u>\$ 2,657,170</u>	<u>\$ 2,631,059</u>
Accumulated Surplus		
Accumulated surplus	\$ 639,501	\$ 624,498
Equity in tangible capital assets	<u>2,017,669</u>	<u>2,006,561</u>
	<u>\$ 2,657,170</u>	<u>\$ 2,631,059</u>

Village of Port Clements
Water System - Statement of Operations
For the year ended December 31, 2021

	<u>2021</u> <u>Budget</u> (unaudited)	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenue			
User charges	\$ 58,150	\$ 57,685	\$ 58,149
Water frontage tax	52,600	52,640	52,640
Interest and other	2,350	2,004	2,328
	<u>113,100</u>	<u>112,329</u>	<u>113,117</u>
Expenses			
Administration	5,000	5,055	5,000
Amortization	26,000	17,043	18,432
Distribution	27,600	23,408	23,632
Repairs and maintenance	15,500	7,480	10,184
Wages and benefits	39,000	33,232	38,487
	<u>113,100</u>	<u>86,218</u>	<u>95,735</u>
Annual surplus (deficit)	<u>-</u>	26,111	17,382
Capital project grant	225,000		
Capital projects	(225,000)	-	-
Accumulated surplus, beginning of year		<u>2,631,059</u>	<u>2,613,677</u>
Accumulated surplus, end of year		<u>\$ 2,657,170</u>	<u>\$ 2,631,059</u>

Village of Port Clements
Sewer System - Statement of Financial Position
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
Financial assets		
Due from general operating fund	\$ 305,907	\$ 358,712
Financial Liabilities		
Liability for contaminated site	<u>3,425,832</u>	<u>3,425,832</u>
Net financial assets	<u>(3,119,925)</u>	<u>(3,067,120)</u>
Non-financial assets		
Tangible capital assets	<u>1,306,151</u>	<u>1,266,255</u>
	<u>1,306,151</u>	<u>1,266,255</u>
	<u>\$ (1,813,774)</u>	<u>\$ (1,800,865)</u>
Accumulated surplus		
Accumulated surplus	\$ (3,119,925)	\$ (3,067,120)
Equity in tangible capital assets	<u>1,306,151</u>	<u>1,266,255</u>
	<u>\$ (1,813,774)</u>	<u>\$ (1,800,865)</u>

Village of Port Clements
Sewer System - Statement of Operations
For the year ended December 31, 2021

	<u>2021</u> <u>Budget</u> (unaudited)	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenue			
User charges	\$ 31,200	\$ 31,560	\$ 31,209
Sewer frontage tax	35,700	35,728	37,702
	<u>66,900</u>	<u>67,288</u>	<u>68,911</u>
Expenses			
Administration	3,000	3,000	3,000
Amortization	18,000	10,971	8,428
Contaminated site remediation	-	21,177	-
Operations	9,850	12,074	7,822
Repairs and maintenance	11,000	3,922	5,979
Wages and benefits	25,050	29,053	21,694
	<u>66,900</u>	<u>80,197</u>	<u>46,923</u>
Annual surplus (deficit)	<u>-</u>	(12,909)	21,988
Capital project grant	1,000,000	-	-
Capital projects	(1,000,000)	-	-
Accumulated surplus, beginning of year		<u>(1,800,865)</u>	<u>(1,822,853)</u>
Accumulated surplus, end of year		<u>\$ (1,813,774)</u>	<u>\$ (1,800,865)</u>

Village of Port Clements

Northern Capital and Planning Grant - Statement of Operations

For the year ended December 31, 2021

	<u>2021 Budget (unaudited)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Revenue			
Northern Capital and Planning Grant	\$ -	\$ -	\$ -
Interest	-	<u>17,048</u>	<u>91,452</u>
	-	17,048	91,452
Reserve funds, beginning of year		<u>2,206,778</u>	<u>2,115,326</u>
Reserve funds, end of year		<u>\$ 2,223,826</u>	<u>\$ 2,206,778</u>