

# Village of Port Clements



## 2022 ANNUAL REPORT



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## Mayor's Message

A new Council took office in November 2022. There were two returning Councillors from the previous term, with the rest of the members being new to politics and municipal operations. This new group is eager to bring some energy to the community, and hopefully a perspective that is beneficial to Port Clements.

The new Council thanks the previous Council for the work they undertook – there's no question it was a challenging term due to the pandemic. The new Council has already taken steps to continue these efforts and to engage the public with respect to moving forward.

As a remote northern community Port Clements is always faced with a variety of challenges both logistically and financially. However, the Council is determined, despite these circumstances, to navigate the challenges, find new ways, and advance the community to the best of its ability.

Scott Cabianca

Mayor

June 2023

# CHIEF ADMINISTRATIVE OFFICER REPORT

One of the goals of Council was to create stability and increase staff capacity to maintain municipal operations in an efficient and sustainable manner. A new Chief Administrative Officer joined the team during the year, thereby increasing administrative staff capacity. However, the Village continues to suffer from a capacity deficit evidenced in staff struggling to meet community demand and satisfy Provincial as well as Federal legislative requirements on a continuous basis.

During 2022, there were external factors that impacted and continue to impact municipal operations. These included, but are not limited to the post pandemic COVID-19 effect, high prices, island wide incapacity etc.

The effects of the COVID-19 pandemic delayed projects completion deadlines as it became more difficult to get specialized contractors on island to complete projects in a timely manner. All projects related to our core services required time extensions. In addition, the unexpected increases in prices resulted in cost budget imbalance. This created additional financial burden on the Village since funding agencies are not willing to finance projects that have already started.

The Village strategic plan spans 2021 to 2025. Among other things, the plan sets goals and objectives with the aim to achieve these during specific periods. The dedicated staff along with contractors were able to complete 28 percent of the target in an environment plagued with increased prices, supply chain issues, unsuitable weather conditions, and specialized contractor deficiency, among other things. Two critical infrastructure projects that are worth mentioning are the Wastewater System upgrade and outfitting Well No. 3 for incorporation into the existing water systems. Both projects have been hampered by delays. The construction phase of the Wastewater System upgrade which should have started in 2022 did not reach that milestone by the end of the year. To date that phase is yet to begin and faces challenges including increased costs due mainly to the prevailing complexities in the construction industry. The incorporation of Well No. 3 into the existing water system was affected mainly by contractor delays, supply chain issues, coupled with budget overrun.

In addition to the projects specified in the strategic plan, the Council saw the need to obtain a new Fire Truck Tanker for the Fire Department. The objective was to improve the Village fire fighting capabilities. This project was jointly financed by a grant, and the Village.

The Council identified the review and update of the Official Community Plan as a priority for 2022 with the goal to have the comprehensive update adopted in 2023. Staff began the preliminary work, and a consultant was subsequently contracted to provide the services necessary to complete the process.

During the last quarter of the year, the Village organized a dinner in recognition of the many volunteers who dedicate their time for the advancement of the community. These are the people who do much, and sometimes wear many volunteer hats.

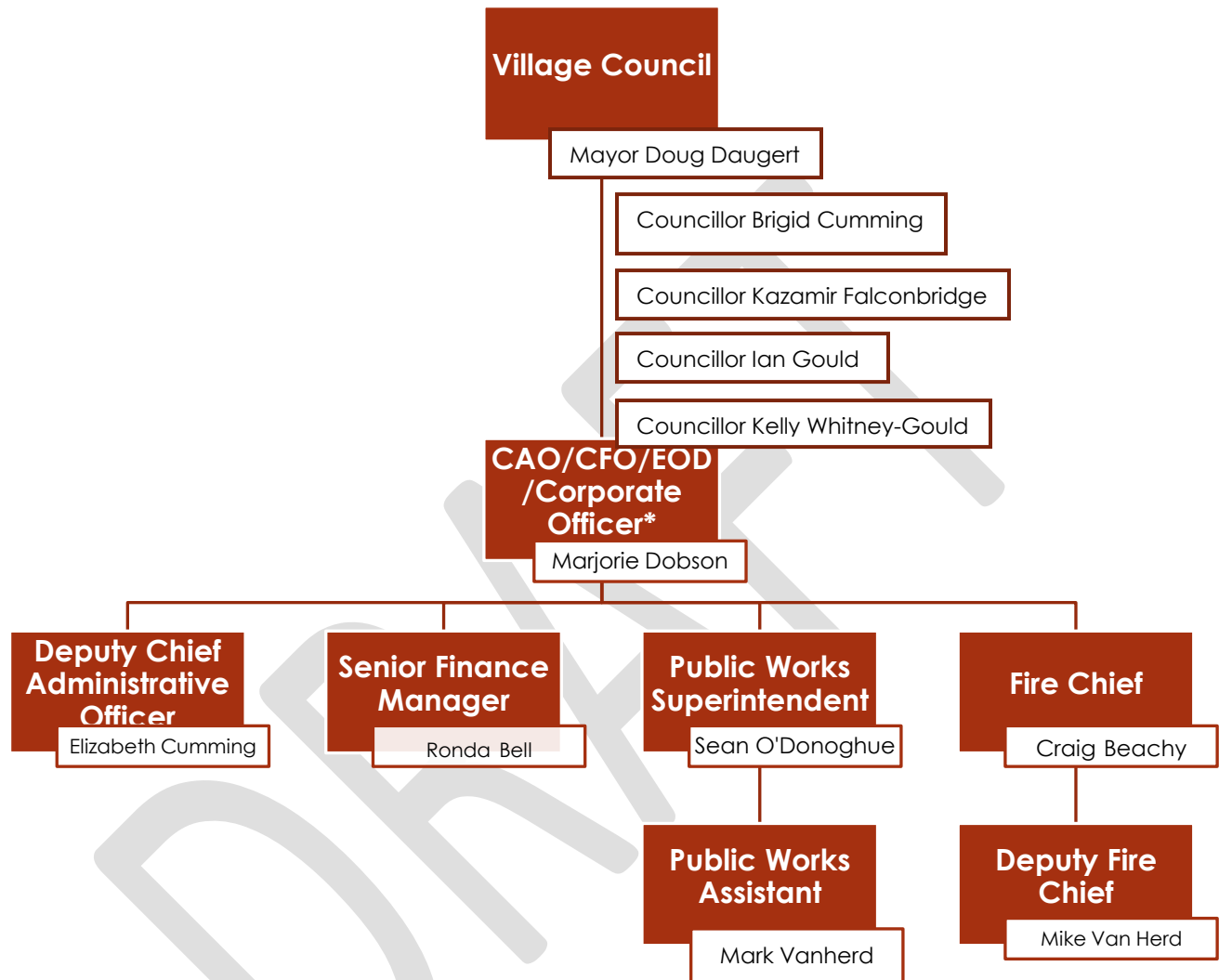
Despite the range of issues, the staff were successful in supporting the Council in reaching some of their goals. Among these were the substantial completion of some projects including the community park improvement, public works storage facility, Sunset Park revitalization, while Froese subdivision streetlights, the fire hall flooring, and recruiting CAO were completed. Additionally, the staff was able to maintain overall municipal service operations with minimal disruptions.

Marjorie Dobson

Chief Administrative Office

June 2022

# Village of Port Clements Organizational Chart



Note: There was a local government election in October 2022 which brought in Mayor Scott Cabianca, Councillor Brigid Cumming, Councillor Kazamir Falconbridge, Councillor Wayne Nicol and Councillor Dennis Reindl as new Council that took office in November 2022.

\* Chief Administrative Officer, Chief Financial Officer, Corporate Officer, Emergency Operations Director

# 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 2022. The attached independent Auditor's Report outlines their responsibilities, their scope, and their opinion of the Village's financial statements.

In January of 2022 there was a small increase to the water and sewer user rates which resulted in increased revenue from 2021 of \$6,000. The municipality collected \$136,002 from property taxes, \$52,570 from water frontage tax, and \$35,665 from sewer frontage tax.

There was an increase in the campground revenue, up to the level of previous years.

40 Business licences were purchased in 2022, down from 42 in 2020 but up from 28 in 2021.

The Village hired Kim Mushynsky as a project manager last year to oversee the Tourism Advocacy Grant, the Sunset Park Trail Upgrade Grant, and the Bird tower/Campground Grant. She has finalized and completed the reports for the Tourism Advocate and the Sunset Park Trail Grants. The Birdtower/Campground has received an extension and must be completed before the deadline of March 2024.

Ronda Bell  
Senior Finance Manager  
April 2023

# Public Works' Report

A review of the year 2022 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 capacity 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!

2022 was a transition year, adjusting to a post Covid new normal, and preparing for a change in leadership brought on by end of year elections for mayor and council.

Highlights of Public Works activities despite the challenges of working with limited capacity 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. During 2022, the first phase of the entire project was completed.
- Necessary upgrades to bird tower and Sunset trail progressed by outside contractors with support from Public Works.
- Improvements continued to the Community Park with a major project involving rehabilitation of the entire sports court surface.
- 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 2023 sees continued improvements and growth through cooperation with mayor, council and the entire community.

With kind regards,

Sean P O'Donoghue  
Superintendent of Public Works  
June 2023

# Recreation Commission's Report

We were still restricted for activities for part of the year but were able to have events.

Finishing off the 2021 year – Christmas in the Park was a huge success. Grilled cheese sandwiches and chicken strips made a nice change from hot dogs. A fish pond, bean bag toss, wreath making and a light show from Julia Breeze and her students was very entertaining. Topping the event was a falling of lots of snow – much the pleasure of all families. Several snowmen graced the park.

The Easter Bunny was welcomed at the Museum delivering goodie bags.

For Mother's Day 140 plants were delivered to the ladies of Port Clements. Thanks to the volunteers to make this possible.

With the help of the Dairy Queens a successful event was held at the park with the makings of banana splits, floats, and sundaes.

We were able to have Canada Day activities – children's fishing derby on the Friday, thanks to Tracy and Shane. Saturday brought a small parade then off to the park for slow pitch tournament, home run derby, golf driving competition, children's activities, and bird house competition.

A couple of movie nights were held, a teen centre has been started, volleyball in the gym, indoor soccer. Thanks to our volunteers.

The new sandbox roof is a welcome hit.

Breakfast with Santa was held Dec 10, pancakes, eggs and bacon, children's crafts, the Santa arriving to deliver gifts.

As always events do not happen without the support of our community and the energy from our most appreciated volunteers. THANK YOU!

Port Clements Recreation Commission

February 2023



# Vibrant Community Commission's Report

## Key Objectives

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

## Key Initiatives

Tourism Marketing website	Infrastructure was completed but has not been activated
St Mark's Church gift shop	Equipment was purchased, but project was stalled due to Covid. Current commission has requested amendment to this plan.
Signage for swim spot	Not undertaken. Current commission is requesting funding to continue and expand this project for 2023.
Beachy bench	Benches delivered but not placed, current commission will pursue
Seaview ramp	Funding was secured, but project did not proceed. Current commission members have applied to amend this project for 2023.
Swimming hole	Benches, picnic table, gazebo, outhouse, and garbage can delivered and placed.
Beach access sani-station	Did not proceed

## Operational Overview

Kelly Whitney-Gould and Ian Gould resigned from the commission in November 2022. Ruth Bellamy and Lauren Williams were welcomed on to the commission and in turn invited Christine Cunningham to participate as a commission members.

The Vibrant Community Commission wishes to pursue and or continue several of the projects from 2022 as we believe they will be beneficial to locals as well as visitors to the community. We also have identified an additional project, painting St. Mark's Church and will look at feasibility for that in the coming year.

Vibrant Community Commission

March 2023

# 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. They updated their strategic plan in January 2022. The following list of strategic priorities from this plan that were targeted for 2022:

- CAO Recruitment
- Municipal COVID-19 Reopening Plan
- Vibrant Community Commission
  - Golden Spruce Trail Extension Study
  - Tourism Signage
  - Sunset Trail Improvement Project
- Water Treatment Plant Upgrades
  - Well#3 connection
  - Chlorine Shed Repairs
  - Asbestos cement water line replacement (2022)
  - Operating System Upgrades (2022)
- Sewer Lagoon Compliance Upgrade (2021 thru 2023)
  - Lift station(s)
- Clinic heat return ventilation system & heat pumps, drainage, building assessment (2022)
- Heat pumps for St. Marks, park bathroom, water pump house (2022)
- Sunset Park Campground Upgrade
- Community Park Improvements
  - Tennis Court Revitalization
  - Soccer Field
  - Bathroom Security
  - Playground Fencing
  - Playground Equipment (Recreation Commission)
- Update Emergency Preparedness Plan & Review Community Wildfire Protection Plan
- Coastal Erosion and Flood Mapping Study
- Official Community Plan, Zoning/Subdivision Bylaw Modernization

# Strategic Priorities 2023

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. They updated their strategic plan in January 2022. The following list of strategic priorities are from the updated plan as well as any priorities that were not completed in 2022 and rolled over into 2023:

- 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)
- 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, 2022

## Elected Officials

Name	Position	Remuneration	Expenses	Total Per Official
Cumming, Brigid	Councillor	\$ 3000.00	\$ 0.00	\$3000.00
Daugert, Doug	Mayor	\$ 4250.02	\$ 0.00	\$4250.02
Falconbridge, Kazamir	Councillor	\$ 3000.00	\$ 22.80	\$3000.00
Gould, Ian	Councillor	\$ 2549.98	\$ 0.00	\$2549.98
Whitney-Gould, Kelly	Councillor	\$ 2549.98	\$ 0.00	\$2549.98
Cabianca, Scott	Mayor	\$ 750.03	\$ 0.00	\$ 750.03
Nicol, Wayne	Councillor	\$ 449.92	\$ 0.00	\$ 449.92
Reindl, Dennis	Councillor	\$ 449.92	\$ 0.00	\$ 449.92
<b>TOTALS FOR ALL OFFICIALS</b>		<b>\$ 16,999.85</b>	<b>\$ 22.80</b>	<b>\$17,022.65</b>

## Employees

Name	Remuneration	Expenses	Total
Employees over \$75,000.00	\$94,154.57	\$0.00	\$94,154.57
Employees under \$75,000.00 (all)	\$202,651.98	\$1,466.44	\$204,118.42
<b>TOTALS FOR ALL EMPLOYEES</b>	<b>\$296,806.55</b>	<b>\$1,466.44</b>	<b>\$298,272.99</b>

## Severance Pay

**TOTAL EMPLOYEE SEVERANCE PAY FOR 2022** **\$ 0.00**

## Permissive Tax Exemptions for 2022 (Bylaw 454)

<b>Organization Name</b>	<b>Municipal Taxes Exempt Portion</b>
Cedarview Pentecostal Church	\$636.52
<b>TOTALS FOR ALL EXEMPTIONS</b>	<b>\$636.52</b>

DRAFT

# 2022 Audited Financial Statement

DRAFT

**Village of Port Clements**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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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 8, 2023  
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, 2022, 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, 2022, 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 8, 2023

Prince George, British Columbia

FBB Chartered Professional Accountants LLP



## Village of Port Clements

### Consolidated Statement of Financial Position

As at December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>Financial assets</b>		
Cash and investments	\$ 6,557,835	\$ 6,175,484
Taxes and accounts receivable (note 2)	<u>204,475</u>	<u>122,909</u>
	<u>6,762,310</u>	<u>6,298,393</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 3)	122,783	50,790
Liability for contaminated site (note 13)	4,479,385	3,425,832
Deferred revenue (note 4)	<u>697,928</u>	<u>499,603</u>
	<u>5,300,096</u>	<u>3,976,225</u>
<b>Net financial assets</b>	<u>1,462,214</u>	<u>2,322,168</u>
<b>Non-financial assets</b>		
Property acquired for taxes	9,202	9,202
Prepaid expenses	28,012	22,076
Tangible capital assets (note 5)	<u>8,632,028</u>	<u>8,697,282</u>
	<u>8,669,242</u>	<u>8,728,560</u>
<b>Accumulated Surplus (note 8)</b>	<u>\$ 10,131,456</u>	<u>\$ 11,050,728</u>

Approved by the Mayor and Council

## Village of Port Clements

### Consolidated Statement of Operations For the year ended December 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
<b>Revenue</b>			
Property taxes	\$ 224,300	\$ 224,236	\$ 202,366
Grants in lieu	8,150	8,335	8,766
Sale of services	5,300	5,184	2,379
Revenue from own sources	234,705	246,820	236,797
Sale of logs	-	199,458	-
Multi-purpose building rental	12,200	13,028	11,900
Unconditional grants	389,000	483,000	389,000
Conditional grants	2,537,527	375,523	387,678
Interest and penalties on taxes and user fees	29,550	95,279	49,276
Collections for other agencies	188,510	232,374	194,042
	<u>3,629,242</u>	<u>1,883,237</u>	<u>1,482,204</u>
<b>Expenses</b>			
Legislative	35,800	30,999	26,435
General administration	404,100	308,364	307,757
Emergency services	3,000	2,440	10,086
Protective services	51,750	31,327	43,092
Common services	46,000	39,310	51,331
Wharf	10,120	560	5,060
Small craft harbour	16,700	12,068	10,467
Roads and public works	64,050	53,251	60,486
Contaminated site remediation	1,750,000	1,355,168	-
Economic development	4,500	317,839	242,320
Parks, recreation and tourism	83,300	73,230	56,731
Water and sewer utility operations	137,750	148,461	140,900
Multi-purpose building maintenance	64,900	57,473	54,180
Fiscal services	2,000	1,248	2,109
Amortization	181,889	138,404	167,176
Payments to other agencies	188,510	232,367	194,041
	<u>3,044,369</u>	<u>2,802,509</u>	<u>1,372,171</u>
<b>Annual Surplus (deficit)</b>	<u>584,873</u>	(919,272)	110,033
<b>Accumulated surplus, beginning of year (Note 17)</b>		<u>11,050,728</u>	<u>10,940,695</u>
<b>Accumulated surplus, end of year (Note 8)</b>		<u>\$ 10,131,456</u>	<u>\$ 11,050,728</u>

## Village of Port Clements

### Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2022

	<b>2022</b> <b>Budget</b> <b>(unaudited)</b>	<b>2022</b> <b>Actual</b>	<b>2021</b> <b>Actual</b>
<b>Annual surplus</b>	\$ 584,873	\$ (919,272)	\$ 110,033
Amortization	-	138,404	167,176
Change in property acquired for taxes	-	-	7,657
Change in prepaid expenses	-	(5,936)	(4,482)
Transfer (to) from reserve funds	140,785	-	-
Disposition of tangible capital assets	-	-	1,000
Acquisition of tangible capital assets	(725,658)	(73,150)	(91,746)
<b>Increase in net financial assets</b>	<u>\$ -</u>	(859,954)	189,638
<b>Net Financial Assets, beginning of year</b>		<u>2,322,168</u>	<u>2,132,530</u>
<b>Net Financial Assets, end of year</b>		<u>\$ 1,462,214</u>	<u>\$ 2,322,168</u>

## Village of Port Clements

### Consolidated Statement of Cash Flows For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>NET INFLOW (OUTFLOW) OF CASH:</b>		
<b>Operating Activities</b>		
Annual surplus	\$ (919,272)	\$ 110,033
Non-cash charges to operations		
Amortization	138,404	167,176
Loss on disposition of tangible capital assets	-	1,000
Liability for contaminated site	1,053,553	-
Changes in non-cash operating balances:		
Increase in taxes and accounts receivable	(81,566)	146,594
Increase (decrease) in accounts payable and accrued liabilities	71,993	(48,555)
Property acquired for taxes	-	7,657
Decrease in deferred revenue	198,325	(33,438)
Decrease in prepaid expenses	(5,936)	(4,482)
	<u>455,501</u>	<u>345,985</u>
<b>Capital Activity</b>		
Acquisition of tangible capital assets	<u>(73,150)</u>	<u>(91,746)</u>
<b>Increase (decrease) in cash and investments</b>	<u>382,351</u>	<u>254,239</u>
<b>Cash and investments, beginning of year</b>	<u>6,175,484</u>	<u>5,921,245</u>
<b>Cash and investments, end of year</b>	<u><u>\$ 6,557,835</u></u>	<u><u>\$ 6,175,484</u></u>

## **Village of Port Clements**

### **Notes to the Consolidated Financial Statements**

**For the year ended December 31, 2022**

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#### **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, 2022

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#### 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, 2022

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#### 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>2022</u>	<u>2021</u>
Property taxes	\$ 29,280	\$ 14,878
Utilities	19,828	28,976
Sales taxes	23,137	10,345
Other receivables	<u>132,230</u>	<u>68,711</u>
	<u>\$ 204,475</u>	<u>\$ 122,910</u>

#### 3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade and accrued liabilities	\$ 120,915	\$ 48,016
Payroll and withholding taxes	<u>1,868</u>	<u>2,774</u>
	<u>\$ 122,783</u>	<u>\$ 50,790</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

#### 4. DEFERRED REVENUE

	2022	2021
Federal Gas Tax Community Works	\$ 387,910	\$ 316,780
Province of B.C. - Sunset Trail	81,270	99,951
Province of B.C. - Trail Extension Study	-	10,000
Union of B.C. Municipalities - Flood Study	-	4,602
Covid-19 Restart Grant	-	68,000
CERIP - Sunset Bird Tower Grant	227,838	-
Prepaid taxes, business licences, fitness memberships	910	270
	<u>\$ 697,928</u>	<u>\$ 499,603</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

			2022	2021
	Cost	Accumulated Amortization	Net Carrying Amount	
Land	\$ 466,958	\$ -	\$ 466,958	\$ 466,958
Buildings	3,853,409	697,361	3,156,048	2,877,086
Automotive	196,189	51,277	144,912	149,857
Fire department	546,175	469,288	76,887	210,218
Office equipment	36,180	16,227	19,953	19,964
Tools and equipment	83,903	71,637	12,266	37,487
Parks and recreation	1,147,439	333,276	814,163	851,631
Roads and sidewalks	471,067	259,249	211,818	330,542
Biomass heating system	414,148	80,988	333,160	333,517
Solar Panel	151,900	65,825	86,075	96,202
Water system	2,414,622	401,164	2,013,458	2,017,669
Sewer system	1,620,533	324,203	1,296,330	1,306,151
	<u>\$ 11,402,523</u>	<u>\$ 2,770,495</u>	<u>\$ 8,632,028</u>	<u>\$ 8,697,282</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

#### 5. TANGIBLE CAPITAL ASSETS (continued)

Tangible Capital Asset Additions for the year are as follows:

	Cost January 1, 2022	Disposals	Additions	Cost December 31, 2022
Land	\$ 466,958	\$ -	\$ -	\$ 466,958
Buildings	3,818,933	-	34,476	3,853,409
Automotive	196,189	-	-	196,189
Fire department	546,175	-	-	546,175
Office equipment	36,180	-	-	36,180
Tools and equipment	83,903	-	-	83,903
Parks and recreation	1,119,099	-	28,340	1,147,439
Roads and sidewalks	471,067	-	-	471,067
Biomass heating system	414,148	-	-	414,148
Solar panel	151,900	-	-	151,900
Water system	2,404,288	-	10,334	2,414,622
Sewer system	1,620,533	-	-	1,620,533
	<u>\$ 11,329,373</u>	<u>\$ -</u>	<u>\$ 73,150</u>	<u>\$ 11,402,523</u>

Amortization for the year is as follows:

	Balance January 1, 2022	Adjustments	Amortization	Balance December 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Buildings	671,488	(13,041)	38,914	697,361
Automotive	40,083	-	11,194	51,277
Fire department	447,265	-	22,023	469,288
Office equipment	15,869	-	358	16,227
Tools and equipment	67,654	-	3,983	71,637
Parks and recreation	317,510	-	15,766	333,276
Roads and sidewalks	244,017	-	15,232	259,249
Biomass heating system	71,506	-	9,482	80,988
Solar panel	55,698	-	10,127	65,825
Water system	386,619	(2,778)	17,323	401,164
Sewer system	314,382	-	9,821	324,203
	<u>\$ 2,632,091</u>	<u>\$ (15,819)</u>	<u>\$ 154,223</u>	<u>\$ 2,770,495</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

#### 5. TANGIBLE CAPITAL ASSETS (continued)

	2022	2021
Details of asset additions:		
Public works yard improvements in progress	\$ 20,000	
Sandbox shelter	14,476	
Outhouse building	18,340	
Gazebo near swimming hole	10,000	
Water system design and drawings	10,334	
	<u>\$ 73,150</u>	

#### 6. NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS

Net assets in tangible capital assets, beginning of year	\$ 8,697,282	\$ 8,773,712
Add: acquisition of tangible capital assets	73,150	91,746
Less: loss on disposals	-	(1,000)
Less: amortization	(138,404)	(167,176)
	<u>\$ 8,632,028</u>	<u>\$ 8,697,282</u>

#### 7. RESERVE FUNDS

	Balance January 1, 2022	Additions/ Funds used	Balance December 31, 2022
Northern Capital and Planning Grant	\$ 2,223,826	\$ 47,398	\$ 2,271,224
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>\$ 2,242,790</u>	<u>\$ 47,398</u>	<u>\$ 2,290,188</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 in the amount of \$47,398.

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

#### 8. ACCUMULATED SURPLUS

	<u>2022</u>	<u>2021</u>
General operating fund	\$ 3,008,275	\$ 2,591,080
Water system	659,959	639,501
Sewer system	(4,458,994)	(3,119,925)
Net assets invested in tangible capital assets (note 6)	8,632,028	8,697,282
Reserve funds (note 7)	2,290,188	2,242,790
	<u>\$ 10,131,456</u>	<u>\$ 11,050,728</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 227,000 active members and approximately 118,000 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 2021 indicated a funding surplus of \$3,761 million for basic pension benefits on a going concern basis.

The next valuation will be December 31, 2024 with results available in 2025. 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 \$20,264 for employer contributions and \$18,664 in employee contributions to the Plan in the year ended December 31, 2022 (2021 - \$18,043 and \$15,775).

## Village of Port Clements

### Notes to the Consolidated Financial Statements For the year ended December 31, 2022

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#### 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>2022</u>	<u>2021</u>
Salaries, wages and benefits	\$ 333,804	\$ 273,602
Materials and supplies	108,676	93,009
Contracted services	41,928	102,495
Rent, maintenance and utilities	1,581,582	249,455
Mayor and council remuneration and travel	18,583	19,735
Insurance	31,578	33,544
Grant expenses	314,344	237,925
Interest and bank charges	1,243	1,189
Amortization	138,404	167,176
Payment to other agencies	232,367	194,041
	<u>\$ 2,802,509</u>	<u>\$ 1,372,171</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

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#### 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. Given the issues surrounding Covid-19 and obtaining contractors to complete the project, the Village was granted additional time to complete the project. 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	\$ 3,552,000
Consultant costs (engineers, forester, monitor)	349,000
Other costs (federal and provincial required signage)	2,000
Contingency for cost overruns and unforeseen items (15%)	<u>878,000</u>
	4,781,000
Less costs incurred to date	<u>(301,615)</u>
Provision for environmental remediation	<u><u>\$ 4,479,385</u></u>

During the year, the Village has already incurred \$301,615 in costs with respect to planning and preparation for this project. These items have been expensed in the year incurred 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 balance 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, 2022**

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#### **14. BUDGETED FIGURES**

The budget amounts presented throughout these consolidated financial statements are unaudited and represent the amended five year financial plan bylaw No. 477 approved by the Village Mayor and Council on May 10, 2022.

#### **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. COMPARATIVE FIGURES**

Due to the updating of useful lives of certain of the tangible capital assets, the opening accumulated amortization has been retrospectively adjusted through amortization expense in the amount of \$15,819, (a decrease to amortization expense). The amount of adjustment is included on Note 5 and was not material to adjust retroactively.





**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 statements of the Village of Port Clements as at and for the year ended December 31, 2022.

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 8, 2023  
Prince George, British Columbia

FBB Chartered Professional Accountants LLP

## Village of Port Clements

### General Operating Fund - Statement of Financial Position

As at December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>Financial assets</b>		
Cash and investments	\$ 6,557,835	\$ 6,175,484
Taxes and accounts receivable	<u>204,475</u>	<u>122,909</u>
	<u>6,762,310</u>	<u>6,298,393</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	122,783	50,790
Deferred revenue	697,928	499,603
Due to other funds	<u>680,350</u>	<u>945,408</u>
	<u>1,501,061</u>	<u>1,495,801</u>
<b>Net financial assets</b>	<u>5,261,249</u>	<u>4,802,592</u>
<b>Non-financial assets</b>		
Property acquired for taxes	9,202	9,202
Prepaid expenses	28,012	22,076
Tangible capital assets	<u>5,322,240</u>	<u>5,373,462</u>
	<u>5,359,454</u>	<u>5,404,740</u>
	<u>\$ 10,620,703</u>	<u>\$ 10,207,332</u>
<b>Accumulated surplus</b>		
Accumulated surplus	3,008,275	2,591,080
Equity in tangible capital assets	5,322,240	5,373,462
Reserves	<u>2,290,188</u>	<u>2,242,790</u>
	<u>\$ 10,620,703</u>	<u>\$ 10,207,332</u>

## Village of Port Clements

### General Operating Fund - Statement of Operations

For the year ended December 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
<b>Revenue</b>			
Property taxes	\$ 136,000	\$ 136,001	\$ 113,998
Grants in lieu	8,150	8,335	8,766
Sale of services	3,250	5,184	2,379
Revenue from own sources	93,555	151,558	147,552
Sale of logs	-	199,458	-
Multi-purpose building rental	12,200	13,028	11,900
Unconditional grants	389,000	483,000	389,000
Conditional grants	837,527	375,523	387,678
Interest and penalties on taxes and user fees	27,200	92,894	47,273
Collections for other agencies	188,510	232,374	194,042
	<u>1,695,392</u>	<u>1,697,355</u>	<u>1,302,588</u>
<b>Expenses</b>			
Legislative	35,800	30,999	26,435
General administration	404,100	308,364	307,757
Emergency services	3,000	2,440	10,086
Protective services	51,750	31,327	43,092
Common services	46,000	39,310	51,331
Wharf	10,120	560	5,060
Small craft harbour	16,700	12,068	10,467
Roads and public works	64,050	53,251	60,486
Economic development	4,500	317,839	242,320
Parks, recreation and tourism	83,300	73,230	56,731
Sewer lagoon	-	9,470	2,500
Multi-purpose building maintenance	63,700	57,473	54,180
Fiscal services	2,000	1,249	2,109
Amortization	137,889	114,037	139,162
Payments to other agencies	188,510	232,367	194,041
	<u>1,111,419</u>	<u>1,283,984</u>	<u>1,205,757</u>
<b>Annual surplus</b>	<u>583,973</u>	413,371	96,831
<b>Transfer from reserves</b>	141,685	-	-
<b>Investment in tangible capital assets</b>	(725,658)	-	-
<b>Accumulated surplus, beginning of year</b>		10,207,332	10,110,501
<b>Accumulated surplus, end of year</b>		<u>\$ 10,620,703</u>	<u>\$ 10,207,332</u>

## Village of Port Clements

### Water System - Statement of Financial Position

As at December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>Financial assets</b>		
Due from general operating fund	\$ 659,959	\$ 639,501
<b>Non-financial assets</b>		
Tangible capital assets	<u>2,013,458</u>	<u>2,017,669</u>
	<u>\$ 2,673,417</u>	<u>\$ 2,657,170</u>
<b>Accumulated Surplus</b>		
Accumulated surplus	\$ 659,959	\$ 639,501
Equity in tangible capital assets	<u>2,013,458</u>	<u>2,017,669</u>
	<u>\$ 2,673,417</u>	<u>\$ 2,657,170</u>

# Village of Port Clements

## Water System - Statement of Operations

For the year ended December 31, 2022

	<b>2022 Budget (unaudited)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue</b>			
User charges	\$ 62,000	\$ 61,912	\$ 57,685
Water frontage tax	52,600	52,570	52,640
Interest and other	2,350	2,385	2,004
	<u>116,950</u>	<u>116,867</u>	<u>112,329</u>
<b>Expenses</b>			
Administration	5,000	15,000	5,055
Amortization	26,000	14,545	17,043
Distribution	28,350	29,192	23,408
Repairs and maintenance	15,900	5,680	7,480
Wages and benefits	40,350	36,203	33,232
	<u>115,600</u>	<u>100,620</u>	<u>86,218</u>
<b>Annual surplus (deficit)</b>	<u>1,350</u>	16,247	26,111
<b>Transfer from surplus</b>	(1,350)		
<b>Capital projects</b>	-	-	-
<b>Accumulated surplus, beginning of year</b>		<u>2,657,170</u>	<u>2,631,059</u>
<b>Accumulated surplus, end of year</b>		<u>\$ 2,673,417</u>	<u>\$ 2,657,170</u>

## Village of Port Clements

### Sewer System - Statement of Financial Position

As at December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>Financial assets</b>		
Due from general operating fund	\$ 20,391	\$ 305,907
<b>Financial Liabilities</b>		
Liability for contaminated site	<u>4,479,385</u>	<u>3,425,832</u>
<b>Net financial assets</b>	<u>(4,458,994)</u>	<u>(3,119,925)</u>
<b>Non-financial assets</b>		
Tangible capital assets	<u>1,296,330</u>	<u>1,306,151</u>
	<u>1,296,330</u>	<u>1,306,151</u>
	<u>\$ (3,162,664)</u>	<u>\$ (1,813,774)</u>
<b>Accumulated surplus</b>		
Accumulated surplus	\$ (4,458,994)	\$ (3,119,925)
Equity in tangible capital assets	<u>1,296,330</u>	<u>1,306,151</u>
	<u>\$ (3,162,664)</u>	<u>\$ (1,813,774)</u>

# Village of Port Clements

## Sewer System - Statement of Operations

For the year ended December 31, 2022

	<b>2022 Budget (unaudited)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue</b>			
User charges	\$ 33,000	\$ 33,350	\$ 31,560
Sewer frontage tax	35,700	35,665	35,728
	<u>68,700</u>	<u>69,015</u>	<u>67,288</u>
<b>Expenses</b>			
Administration	3,000	10,000	3,000
Amortization	18,000	9,821	10,971
Contaminated site remediation	1,750,000	1,355,168	21,177
Operations	9,850	10,735	12,074
Repairs and maintenance	11,000	1,882	3,922
Wages and benefits	26,100	30,299	29,053
	<u>1,817,950</u>	<u>1,417,905</u>	<u>80,197</u>
<b>Annual surplus (deficit)</b>	<u>(1,749,250)</u>	(1,348,890)	(12,909)
<b>Transfer to surplus</b>	(750)	-	-
<b>Capital grant</b>	1,750,000	-	-
<b>Accumulated surplus, beginning of year</b>		<u>(1,813,774)</u>	<u>(1,800,865)</u>
<b>Accumlated surplus, end of year</b>		<u>\$ (3,162,664)</u>	<u>\$ (1,813,774)</u>

## Village of Port Clements

### Northern Capital and Planning Grant - Statement of Operations

For the year ended December 31, 2022

	<b>2022 Budget (unaudited)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue</b>			
Northern Capital and Planning Grant	\$ 729,000	\$ -	\$ -
Interest	-	47,398	17,048
	729,000	47,398	17,048
<b>Reserve funds, beginning of year</b>		2,223,826	2,206,778
<b>Reserve funds, end of year</b>		<u>\$ 2,271,224</u>	<u>\$ 2,223,826</u>