



**2023 STATEMENT OF FINANCIAL  
INFORMATION  
FOR THE  
VILLAGE OF PORT CLEMENTS**

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# 2023 Audited Financial Statements

**Village of Port Clements**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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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.

March 13, 2024  
Port Clements, British Columbia

## 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.

March 13, 2024  
Prince George, British Columbia

FBB Chartered Professional Accountants LLP

**Village of Port Clements**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Financial assets</b>		
Cash and investments	\$ 7,335,198	\$ 6,557,835
Taxes and accounts receivable (note 2)	<u>172,189</u>	<u>204,475</u>
	<u>7,507,387</u>	<u>6,762,310</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (note 3)	102,728	122,783
Liability for contaminated site (note 13)	4,443,660	4,479,385
Deferred revenue (note 4)	<u>764,372</u>	<u>697,928</u>
	<u>5,310,760</u>	<u>5,300,096</u>
<b>Net financial assets</b>	<u>2,196,627</u>	<u>1,462,214</u>
<b>Non-financial assets</b>		
Property acquired for taxes	9,202	9,202
Prepaid expenses	213,916	28,012
Tangible capital assets (note 5)	<u>8,560,000</u>	<u>8,632,028</u>
	<u>8,783,118</u>	<u>8,669,242</u>
<b>Accumulated Surplus (note 8)</b>	<u>\$ 10,979,745</u>	<u>\$ 10,131,456</u>

Approved by the Mayor and Council

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**Village of Port Clements**  
**Consolidated Statement of Operations**  
**For the year ended December 31, 2023**

	<b>2023</b> <b>Budget</b> <b>(unaudited)</b>	<b>2023</b> <b>Actual</b>	<b>2022</b> <b>Actual</b>
<b>Revenue</b>			
Property taxes	\$ 224,235	\$ 225,681	\$ 224,236
Grants in lieu	8,750	8,804	8,335
Sale of services	5,500	6,855	5,184
Revenue from own sources	239,769	251,671	246,820
Sale of logs	-	-	199,458
Multi-purpose building rental	13,500	13,681	13,028
Unconditional grants	1,289,662	600,113	483,000
Conditional grants	1,629,292	698,904	375,523
Interest and penalties on taxes and user fees	41,200	231,558	95,279
Collections for other agencies	255,065	292,601	232,374
	<u>3,706,973</u>	<u>2,329,868</u>	<u>1,883,237</u>
<b>Expenses</b>			
Legislative	58,400	44,270	30,999
General administration	405,900	372,335	308,364
Emergency services	7,000	2,040	2,440
Protective services	49,000	36,585	31,327
Common services	70,575	50,961	39,310
Wharf	10,480	1,626	560
Small craft harbour	24,700	10,712	12,068
Roads and public works	75,200	41,319	53,251
Contaminated site remediation	-	-	1,355,168
Economic development	1,955,543	179,162	317,839
Parks, recreation and tourism	121,300	69,633	73,230
Water and sewer utility operations	994,875	154,066	148,461
Multi-purpose building maintenance	72,400	70,543	57,473
Fiscal services	2,000	1,785	1,248
Amortization	148,392	153,953	138,404
Payments to other agencies	243,655	292,589	232,367
	<u>4,239,420</u>	<u>1,481,579</u>	<u>2,802,509</u>
<b>Annual Surplus (deficit)</b>	<u>(532,447)</u>	848,289	(919,272)
<b>Accumulated surplus, beginning of year</b>		<u>10,131,456</u>	<u>11,050,728</u>
<b>Accumulated surplus, end of year (Note 8)</b>		<u>\$ 10,979,745</u>	<u>\$ 10,131,456</u>

## Village of Port Clements

### Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2023

	<u>2023</u> <u>Budget</u> (unaudited)	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
<b>Annual surplus</b>	\$ (532,447)	\$ 848,289	\$ (919,272)
Amortization	-	153,953	138,404
Change in property acquired for taxes	-	-	-
Change in prepaid expenses	-	(185,904)	(5,936)
Transfer (to) from reserve funds	313,807	-	-
Disposition of tangible capital assets	-	-	-
Acquisition of tangible capital assets	-	(81,925)	(73,150)
<b>Increase in net financial assets</b>	<u>\$ (218,640)</u>	734,413	(859,954)
<b>Net Financial Assets, beginning of year</b>		<u>1,462,214</u>	<u>2,322,168</u>
<b>Net Financial Assets, end of year</b>		<u>\$ 2,196,627</u>	<u>\$ 1,462,214</u>

**Village of Port Clements**  
**Consolidated Statement of Cash Flows**  
**For the year ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>NET INFLOW (OUTFLOW) OF CASH:</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 848,289	\$ (919,272)
Non-cash charges to operations		
Amortization	153,953	138,404
Loss on disposition of tangible capital assets	-	-
Liability for contaminated site	(35,725)	1,053,553
Changes in non-cash operating balances:		
Increase in taxes and accounts receivable	32,286	(81,566)
Increase (decrease) in accounts payable and accrued liabilities	(20,055)	71,993
Property acquired for taxes	-	-
Decrease in deferred revenue	66,444	198,325
Decrease in prepaid expenses	(185,904)	(5,936)
	<u>859,288</u>	<u>455,501</u>
<b>Capital Activity</b>		
Acquisition of tangible capital assets	(81,925)	(73,150)
<b>Increase (decrease) in cash and investments</b>	<u>777,363</u>	<u>382,351</u>
<b>Cash and investments, beginning of year</b>	<u>6,557,835</u>	<u>6,175,484</u>
<b>Cash and investments, end of year</b>	<u>\$ 7,335,198</u>	<u>\$ 6,557,835</u>

# Village of Port Clements

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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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, 2023

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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, 2023

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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>2023</u>	<u>2022</u>
Property taxes	\$ 28,402	\$ 29,280
Utilities	23,179	19,828
Sales taxes	13,196	23,137
Other receivables	107,412	132,230
	<u>\$ 172,189</u>	<u>\$ 204,475</u>

#### 3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade and accrued liabilities	\$ 102,208	\$ 120,915
Payroll and withholding taxes	520	1,868
	<u>\$ 102,728</u>	<u>\$ 122,783</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements For the year ended December 31, 2023

#### 4. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Federal Gas Tax Community Works	\$ 461,728	\$ 387,910
Province of B.C. - Sunset Trail	82,164	81,270
CERIP - Sunset Bird Tower Grant	219,000	227,838
Prepaid taxes, business licences, fitness memberships	1,480	910
	<u>\$ 764,372</u>	<u>\$ 697,928</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>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>	
Land	\$ 466,958	\$ -	\$ 466,958	\$ 466,958
Buildings	3,853,409	736,275	3,117,134	3,156,048
Automotive	196,189	74,135	122,054	144,912
Fire department	546,175	479,063	67,112	76,887
Office equipment	36,180	16,586	19,594	19,953
Tools and equipment	83,903	73,478	10,425	12,266
Parks and recreation	1,185,764	351,597	834,167	814,163
Roads and sidewalks	471,067	274,381	196,686	211,818
Biomass heating system	414,148	90,470	323,678	333,160
Solar Panel	151,900	75,952	75,948	86,075
Water system	2,458,222	418,487	2,039,735	2,013,458
Sewer system	1,620,533	334,024	1,286,509	1,296,330
	<u>\$ 11,484,448</u>	<u>\$ 2,924,448</u>	<u>\$ 8,560,000</u>	<u>\$ 8,632,028</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements For the year ended December 31, 2023

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

Tangible Capital Asset Additions for the year are as follows:

	Cost January 1, 2023	Disposals	Additions	Cost December 31, 2023
Land	\$ 466,958	\$ -	\$ -	\$ 466,958
Buildings	3,853,409	-	-	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	1,147,439	-	38,325	1,185,764
Roads and sidewalks	471,067	-	-	471,067
Biomass heating system	414,148	-	-	414,148
Solar panel	151,900	-	-	151,900
Water system	2,414,622	-	43,600	2,458,222
Sewer system	1,620,533	-	-	1,620,533
	<u>\$ 11,402,523</u>	<u>\$ -</u>	<u>\$ 81,925</u>	<u>\$ 11,484,448</u>

Amortization for the year is as follows:

	Balance January 1, 2023	Adjustments	Amortization	Balance December 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Buildings	697,361	-	38,914	736,275
Automotive	51,277	-	22,858	74,135
Fire department	469,288	-	9,775	479,063
Office equipment	16,227	-	359	16,586
Tools and equipment	71,637	-	1,841	73,478
Parks and recreation	333,276	-	18,321	351,597
Roads and sidewalks	259,249	-	15,132	274,381
Biomass heating system	80,988	-	9,482	90,470
Solar panel	65,825	-	10,127	75,952
Water system	401,164	-	17,323	418,487
Sewer system	324,203	-	9,821	334,024
	<u>\$ 2,770,495</u>	<u>\$ -</u>	<u>\$ 153,953</u>	<u>\$ 2,924,448</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements For the year ended December 31, 2023

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

	<u>2023</u>	<u>2022</u>
Details of asset additions:		
Water system - Control panel and wireless system	\$ 43,600	
Pickleball court, fencing, freight & materials	38,325	
	<u>\$ 81,925</u>	

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

Net assets in tangible capital assets, beginning of year	\$ 8,632,028	\$ 8,697,282
Add: acquisition of tangible capital assets	81,925	73,150
Less: amortization	<u>(153,953)</u>	<u>(138,404)</u>
	<u>\$ 8,560,000</u>	<u>\$ 8,632,028</u>

#### 7. RESERVE FUNDS

	<u>Balance January 1, 2023</u>	<u>Additions/ Funds used</u>	<u>Balance December 31, 2023</u>
Northern Capital and Planning Grant	\$ 2,271,224	\$ 121,378	\$ 2,392,602
Growing Communities Grant	-	600,000	600,000
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>\$ 2,290,188</u>	<u>\$ 721,378</u>	<u>\$ 3,011,566</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 \$121,379.

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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#### 8. ACCUMULATED SURPLUS

	<u>2023</u>	<u>2022</u>
General operating fund	\$ 3,213,900	\$ 3,008,275
Water system	636,934	659,959
Sewer system	(4,442,655)	(4,458,994)
Net assets invested in tangible capital assets (note 6)	8,560,000	8,632,028
Reserve funds (note 7)	3,011,566	2,290,188
	<u>\$ 10,979,745</u>	<u>\$ 10,131,456</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 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 \$32,050 for employer contributions and \$29,640 in employee contributions to the Plan in the year ended December 31, 2023 (2022 - \$20,264 and \$18,664).

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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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

	<b>2023</b> <b>Budget</b> (Unaudited)	<b>2023</b> <b>Actual</b>	<b>2022</b> <b>Actual</b>
Salaries, wages and benefits	\$ 438,715	\$ 398,410	\$ 333,804
Materials and supplies	142,154	107,096	108,676
Contracted services	98,669	61,642	41,928
Rent, maintenance and utilities	1,153,961	209,425	1,581,582
Mayor and council remuneration and travel	47,200	43,520	18,583
Insurance	38,600	45,824	31,578
Grant expenses	1,926,574	167,317	314,344
Interest and bank charges	1,500	1,803	1,243
Amortization	148,392	153,953	138,404
Payment to other agencies	243,655	292,589	232,367
	<u>\$ 4,239,420</u>	<u>\$ 1,481,579</u>	<u>\$ 2,802,509</u>

## Village of Port Clements

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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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>(337,340)</u>
Provision for environmental remediation	<u><u>\$ 4,443,660</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, 2023**

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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. 480 approved by the Village Mayor and Council on May 8, 2023.

#### **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.

## 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, 2023.

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.

March 13, 2024  
Prince George, British Columbia

FBB Chartered Professional Accountants LLP

# Village of Port Clements

## General Operating Fund - Statement of Financial Position

As at December 31, 2023

	<u>2023</u>	<u>2022</u>
<b>Financial assets</b>		
Cash and investments	\$ 7,335,198	\$ 6,557,835
Taxes and accounts receivable	<u>172,189</u>	<u>204,475</u>
	<u>7,507,387</u>	<u>6,762,310</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	102,728	122,783
Deferred revenue	764,372	697,928
Due to other funds	<u>637,939</u>	<u>680,350</u>
	<u>1,505,039</u>	<u>1,501,061</u>
<b>Net financial assets</b>	<u>6,002,348</u>	<u>5,261,249</u>
<b>Non-financial assets</b>		
Property acquired for taxes	9,202	9,202
Prepaid expenses	213,916	28,012
Tangible capital assets	<u>5,233,757</u>	<u>5,322,240</u>
	<u>5,456,875</u>	<u>5,359,454</u>
	<u>\$ 11,459,223</u>	<u>\$ 10,620,703</u>
<b>Accumulated surplus</b>		
Accumulated surplus	3,213,900	3,008,275
Equity in tangible capital assets	5,233,757	5,322,240
Reserves	<u>3,011,566</u>	<u>2,290,188</u>
	<u>\$ 11,459,223</u>	<u>\$ 10,620,703</u>

**Village of Port Clements**  
**General Operating Fund - Statement of Operations**  
**For the year ended December 31, 2023**

	<u>2023</u> <u>Budget</u> (unaudited)	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
<b>Revenue</b>			
Property taxes	\$ 136,000	\$ 135,982	\$ 136,001
Grants in lieu	8,750	8,804	8,335
Sale of services	5,500	6,855	5,184
Revenue from own sources	144,169	152,863	151,558
Sale of logs	-	-	199,458
Multi-purpose building rental	13,500	13,681	13,028
Unconditional grants	1,289,662	600,113	483,000
Conditional grants	1,629,292	698,904	375,523
Interest and penalties on taxes and user fees	39,700	229,086	92,894
Collections for other agencies	255,065	292,601	232,374
	<u>3,521,638</u>	<u>2,138,889</u>	<u>1,697,355</u>
<b>Expenses</b>			
Legislative	58,400	44,270	30,999
General administration	405,900	372,335	308,364
Emergency services	7,000	2,040	2,440
Protective services	49,000	36,585	31,327
Common services	70,575	50,961	39,310
Wharf	10,480	1,626	560
Small craft harbour	24,700	10,712	12,068
Roads and public works	75,200	41,319	53,251
Economic development	1,955,543	179,162	317,839
Parks, recreation and tourism	121,300	69,633	73,230
Sewer lagoon	-	-	9,470
Multi-purpose building maintenance	72,400	70,543	57,473
Fiscal services	2,000	1,785	1,249
Amortization	122,921	126,809	114,037
Payments to other agencies	243,655	292,589	232,367
	<u>3,219,074</u>	<u>1,300,369</u>	<u>1,283,984</u>
<b>Annual surplus</b>	<u>302,564</u>	838,520	413,371
<b>Transfer from reserves</b>	-	-	-
<b>Investment in tangible capital assets</b>	-	-	-
<b>Accumulated surplus, beginning of year</b>		<u>10,620,703</u>	<u>10,207,332</u>
<b>Accumulated surplus, end of year</b>		<u>\$ 11,459,223</u>	<u>\$ 10,620,703</u>

**Village of Port Clements**  
**Water System - Statement of Financial Position**  
**As at December 31, 2023**

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	<u>2023</u>	<u>2022</u>
<b>Financial assets</b>		
Due from general operating fund	\$ 636,934	\$ 659,959
<b>Non-financial assets</b>		
Tangible capital assets	<u>2,039,734</u>	<u>2,013,458</u>
	<u>\$ 2,676,668</u>	<u>\$ 2,673,417</u>
<b>Accumulated Surplus</b>		
Accumulated surplus	\$ 636,934	\$ 659,959
Equity in tangible capital assets	<u>2,039,734</u>	<u>2,013,458</u>
	<u>\$ 2,676,668</u>	<u>\$ 2,673,417</u>

**Village of Port Clements**  
**Water System - Statement of Operations**  
**For the year ended December 31, 2023**

	<b>2023 Budget (unaudited)</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Revenue</b>			
User charges	\$ 61,900	\$ 64,182	\$ 61,912
Water frontage tax	52,570	53,320	52,570
Interest and other	1,850	2,682	2,385
	<u>116,320</u>	<u>120,184</u>	<u>116,867</u>
<b>Expenses</b>			
Administration	15,000	15,000	15,000
Amortization	17,043	17,323	14,545
Distribution	31,650	36,207	29,192
Repairs and maintenance	14,000	4,241	5,680
Wages and benefits	37,360	44,162	36,203
	<u>115,053</u>	<u>116,933</u>	<u>100,620</u>
<b>Annual surplus (deficit)</b>	<u>1,267</u>	3,251	16,247
<b>Transfer from surplus Capital projects</b>	(1,267)	-	-
<b>Accumulated surplus, beginning of year</b>		<u>2,673,417</u>	<u>2,657,170</u>
<b>Accumulated surplus, end of year</b>		<u>\$ 2,676,668</u>	<u>\$ 2,673,417</u>

**Village of Port Clements**  
**Sewer System - Statement of Financial Position**  
**As at December 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Financial assets</b>		
Due from general operating fund	\$ 1,005	\$ 20,391
<b>Financial Liabilities</b>		
Liability for contaminated site	<u>4,443,660</u>	<u>4,479,385</u>
<b>Net financial assets</b>	<u>(4,442,655)</u>	<u>(4,458,994)</u>
<b>Non-financial assets</b>		
Tangible capital assets	<u>1,286,509</u>	<u>1,296,330</u>
	<u>1,286,509</u>	<u>1,296,330</u>
	<u>\$ (3,156,146)</u>	<u>\$ (3,162,664)</u>
<b>Accumulated surplus</b>		
Accumulated surplus	\$ (4,442,655)	\$ (4,458,994)
Equity in tangible capital assets	<u>1,286,509</u>	<u>1,296,330</u>
	<u>\$ (3,156,146)</u>	<u>\$ (3,162,664)</u>

**Village of Port Clements**  
**Sewer System - Statement of Operations**  
**For the year ended December 31, 2023**

	<b>2023 Budget (unaudited)</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Revenue</b>			
User charges	\$ 33,350	\$ 34,417	\$ 33,350
Sewer frontage tax	35,665	36,379	35,665
	<u>69,015</u>	<u>70,796</u>	<u>69,015</u>
<b>Expenses</b>			
Administration	10,000	10,000	10,000
Amortization	8,428	9,821	9,821
Contaminated site remediation	-	-	1,355,168
Operations	12,400	9,592	10,735
Repairs and maintenance	5,000	2,871	1,882
Wages and benefits	32,600	31,994	30,299
	<u>68,428</u>	<u>64,278</u>	<u>1,417,905</u>
<b>Annual surplus (deficit)</b>	<u>587</u>	6,518	(1,348,890)
<b>Transfer to surplus</b>	(587)	-	-
<b>Capital grant</b>	-	-	-
<b>Accumulated surplus, beginning of year</b>		<u>(3,162,664)</u>	<u>(1,813,774)</u>
<b>Accumulated surplus, end of year</b>		<u>\$ (3,156,146)</u>	<u>\$ (3,162,664)</u>

## Village of Port Clements

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

For the year ended December 31, 2023

	<u>2023</u> <u>Budget</u> (unaudited)	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
<b>Revenue</b>			
Northern Capital and Planning Grant	\$ -	\$ -	\$ -
Interest	-	121,378	47,398
	-	121,378	47,398
<b>Reserve funds, beginning of year</b>		<u>2,271,224</u>	<u>2,223,826</u>
<b>Reserve funds, end of year</b>		<u>\$ 2,392,602</u>	<u>\$ 2,271,224</u>

**Village of Port Clements**  
**Growing Communities Grant - Statement of Operations**  
**For the year ended December 31, 2023**

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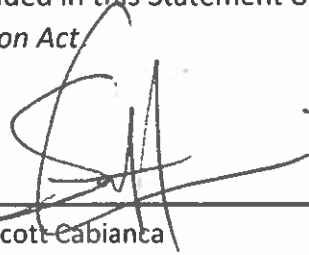
	<u>2023</u> <u>Budget</u> <u>(unaudited)</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
<b>Revenue</b>			
Growing Communities Grant	\$ -	\$ 600,000	\$ -
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Reserve funds, end of year</b>		<u>\$ 600,000</u>	<u>\$ -</u>

Village of Port Clements  
STATEMENT OF FINANCIAL INFORMATION APPROVAL  
For The Period of January 1 – December 1, 2023

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, Subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



\_\_\_\_\_  
Marjorie Dobson  
Chief Administrative Officer/Chief Financial Officer  
June 18, 2024



\_\_\_\_\_  
Scott Cabianca  
Mayor  
June 18, 2024



The Village of  
**PORT CLEMENTS**  
*"Gateway to the Wilderness"*

**CERTIFIED EXTRACT**  
**REGULAR MEETING OF COUNCIL**

2024-05-074—Moved by Councillor Cumming, seconded by Councillor Reindl

THAT Council receives and approves the 2023 Audited Financial Statements as presented by FBB Accounting.

**CARRIED**

Certified a true extract of the Minutes  
of the Special Council Meeting

held May 7, 2024.

A handwritten signature in black ink, appearing to read 'M. Dobson', written over a horizontal line.

Marjorie Dobson, CAO



The Village of  
**PORT CLEMENTS**  
"Gateway to the Wilderness"

36 Cedar Avenue West  
PO Box 198  
Port Clements, BC  
V0T1R0  
OFFICE :250-557-4295  
FAX :250-557-4568

## Management Letter

### Fiscal Year 2023

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by administration in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements is the Chief Administrative Officer's responsibility. Administration is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Administration is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Village of Port Clements Council is responsible for ensuring that administration fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Village Council which meets twice monthly.

The CAO has the responsibility for assessing the management systems and practices of the Village office.

The external auditors, FBB Chartered Professional Accountants LLP, Prince George, BC, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to Village of Port Clements financial records, Council and administrative staff.

On behalf of the Village of Port Clements,

Marjorie Dobson, CAO

# Village of Port Clements Schedule of Debt

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The Village of Port Clements did not incur any debt during the 2023 financial year as per the Financial Information Regulation Schedule 1, section 4.

## **Village of Port Clements Schedule of Guarantee and Indemnity Agreements**

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The Village of Port Clements does not have any Guarantee and Indemnity Agreements as per the Financial Information Regulation Schedule 1, section 5.

## Village of Port Clements

### Schedule of Remuneration and Expenses paid to each Employee

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As per the Financial Information Regulations Schedule 1, section 6.

#### 1. Elected Officials

Name	Position	Remuneration	Expenses	Total Per Official
Cabianca, Scott	Mayor	\$ 10,000.00	\$ 4,463.71	\$ 14,463.71
Cumming, Brigid	Councillor	\$ 6,000.00	\$ 0.00	\$ 6,000.00
Falconbridge, Kazamir	Councillor	\$ 6,000.00	500.00	\$ 6,500.00
Nicol, Wayne	Councillor	\$ 6,000.00	\$ 0.00	\$ 6,000.00
Reindl, Dennis	Councillor	\$ 6,000.00	\$ 0.00	\$ 6,000.00
<b>TOTALS FOR ALL OFFICIALS</b>		<b>\$ 34,000.00</b>	<b>\$ 4,963.51</b>	<b>\$ 38,963.51</b>

#### 2. Employees

Name	Remuneration	Expenses	Total
Dobson, Marjorie	\$ 105,668.66	\$ 3,245.63	\$ 108,914.29
O'Donoghue, Peter	\$ 79,041.52	\$ 0.00	\$ 79,041.52
Employees under \$75,000.00	\$ 164,891.08	\$ 1,874.20	\$ 166,765.28
<b>TOTALS FOR ALL EMPLOYEES</b>	<b>\$ 349,601.26</b>	<b>\$ 5,119.83</b>	<b>\$ 354,721.09</b>

\*Remuneration includes taxable benefits

#### 3. Reconciliation

No reconciliation is required as the financial statements record remuneration by department and not as a separate line item.

## **Village of Port Clements Statement of Severance Agreements**

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As per the Financial Information Regulations Schedule 1 section 6 (7), a severance agreement was not entered into in 2023.

## Village of Port Clements Schedule of Payments to Suppliers of Goods and Services

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As per the Financial Information Regulation Schedule 1, section 7 the table below is the alphabetical list of suppliers and their aggregate payments exceeding \$25,000.00.

Name	Amount
Alderleaf Land and Tree Services	\$ 26,730.38
BC Hydro	\$ 60,201.63
Big Dog Ent.	\$ 29,369.42
Board of School Trustees	\$ 34,369.42
BV Electric	\$ 47,126.23
Fort Garry Fire Trucks Ltd	\$ 182,000.00
King Creek Falling Ltd	\$ 33,125.40
Minister of Finance School & Police Tax	\$ 81,739.93
Misty Isles Economic Development Society	\$ 62,595.00
Municipal Pension Plan	\$ 61,689.71
North Coast Regional District	\$ 112,819.85
Northwest Regional Hospital	\$ 37,278.00
P.S. Turje & Associates Ltd.	\$ 49,715.05
Receiver General CRA	\$ 106,314.22
<b>Subtotal</b>	<b>\$ 924,936.82</b>

Payments Made (Vendors over \$25,000)	\$ 924,936.82
Miscellaneous Payments (\$25,000 and under)	\$ 423,486.12
<hr/>	
<b>TOTAL</b>	<b>\$ 1,348,422.94</b>

## Village of Port Clements

### Schedule of Grant Payments (included in the suppliers listing above)

Name	Amount
Port Clements Housing and Restoration Society	\$ 500.00
Royal Canadian Legion	\$ 215.00

**Total Grants**

**\$ 715.00**