



**2024 STATEMENT OF FINANCIAL
INFORMATION
FOR THE
VILLAGE OF PORT CLEMENTS**

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2024 Audited Financial Statements

Village of Port Clements

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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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 19, 2025
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, 2024, 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, 2024, 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.

March 19, 2025

Prince George, British Columbia

FBB Chartered Professional Accountants LLP



Village of Port Clements
Consolidated Statement of Financial Position
As at December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and investments	\$ 8,499,665	\$ 7,335,198
Taxes and accounts receivable (note 2)	<u>228,245</u>	<u>172,189</u>
	<u>8,727,910</u>	<u>7,507,387</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 3)	80,174	102,728
Liability for contaminated site (note 13)	3,475,900	4,443,660
Deferred revenue (note 4)	<u>1,704,677</u>	<u>764,372</u>
	<u>5,260,751</u>	<u>5,310,760</u>
Net financial assets	<u>3,467,159</u>	<u>2,196,627</u>
Non-financial assets		
Property acquired for taxes	9,202	9,202
Prepaid expenses	42,285	213,916
Tangible capital assets (note 5)	<u>9,024,602</u>	<u>8,560,000</u>
	<u>9,076,089</u>	<u>8,783,118</u>
Accumulated Surplus (note 8)	<u>\$ 12,543,248</u>	<u>\$ 10,979,745</u>

Approved by the Mayor and Council

Brigid Cumming
[Signature]

Village of Port Clements

Consolidated Statement of Operations For the year ended December 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
Property taxes	\$ 221,050	\$ 224,921	\$ 225,681
Grants in lieu	8,513	8,468	8,804
Sale of services	5,500	6,915	6,855
Revenue from own sources	220,599	273,326	251,671
Multi-purpose building rental	14,500	14,791	13,681
Unconditional grants (Schedule 1)	2,159,213	382,957	600,113
Conditional grants (Schedule 1)	1,676,232	1,655,775	698,904
Interest and penalties on taxes and user fees	103,178	316,801	231,558
Collections for other agencies	317,498	317,128	292,601
	<u>4,726,283</u>	<u>3,201,082</u>	<u>2,329,868</u>
Expenses			
Legislative	49,500	41,881	44,270
General administration	401,900	380,696	372,335
Emergency services	5,500	7,225	2,040
Protective services	48,600	40,918	36,585
Common services	74,648	78,406	50,961
Wharf	10,480	3,662	1,626
Small craft harbour	22,000	12,231	10,712
Roads and public works	82,350	65,991	41,319
Economic development	65,600	158,065	179,162
Parks, recreation and tourism	104,100	94,465	69,633
Water and sewer utility operations	259,346	195,371	154,066
Multi-purpose building maintenance	80,400	64,035	70,543
Fiscal services	1,500	2,140	1,785
Amortization	148,392	174,957	153,953
Payments to other agencies	317,498	317,536	292,589
	<u>1,671,814</u>	<u>1,637,579</u>	<u>1,481,579</u>
Annual Surplus	<u>3,054,469</u>	1,563,503	848,289
Accumulated surplus, beginning of year		<u>10,979,745</u>	<u>10,131,456</u>
Accumulated surplus, end of year (Note 8)		<u>\$ 12,543,248</u>	<u>\$ 10,979,745</u>

Village of Port Clements

Consolidated Statement of Changes in Net Financial Assets For the year ended December 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Annual surplus	\$ 3,054,469	\$ 1,563,503	\$ 848,289
Amortization	-	174,957	153,953
Change in prepaid expenses	-	171,631	(185,904)
Transfer (to) from reserve funds	434,976	-	-
Disposition of tangible capital assets	-	1,288	-
Proceeds on sale of tangible capital assets	-	(1,288)	-
Acquisition of tangible capital assets	(3,489,445)	(639,559)	(81,925)
Increase in net financial assets	<u>\$ -</u>	<u>1,270,532</u>	<u>734,413</u>
Net Financial Assets, beginning of year		<u>2,196,627</u>	<u>1,462,214</u>
Net Financial Assets, end of year		<u>\$ 3,467,159</u>	<u>\$ 2,196,627</u>

Village of Port Clements

Consolidated Statement of Cash Flows For the year ended December 31, 2024

	2024	2023
NET INFLOW (OUTFLOW) OF CASH:		
Operating Activities		
Annual surplus	\$ 1,563,503	\$ 848,289
Non cash charges to operations		
Amortization	174,957	153,953
Gain on disposition of tangible capital assets	(1,288)	-
Liability for contaminated site	(967,760)	(35,725)
Changes in non-cash operating balances:		
(Increase) decrease in taxes and accounts receivable	(56,056)	32,286
Decrease in accounts payable and accrued liabilities	(22,554)	(20,055)
Property acquired for taxes	-	-
Decrease in deferred revenue	940,305	66,444
Decrease (increase) in prepaid expenses	171,631	(185,904)
	1,802,738	859,288
Capital Activity		
Proceeds on sale of tangible capital assets	1,288	-
Acquisition of tangible capital assets	(639,559)	(81,925)
Increase in cash and investments	1,164,467	777,363
Cash and investments, beginning of year	7,335,198	6,557,835
Cash and investments, end of year	\$ 8,499,665	\$ 7,335,198

Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

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.



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
Solar Panel	15 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, 2024

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>2024</u>	<u>2023</u>
Property taxes	\$ 43,835	\$ 28,402
Utilities	26,474	23,179
Sales taxes	70,430	13,196
Other receivables	87,506	107,412
	<u>\$ 228,245</u>	<u>\$ 172,189</u>

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade and accrued liabilities	\$ 79,339	\$ 102,208
Payroll and withholding taxes	835	520
	<u>\$ 80,174</u>	<u>\$ 102,728</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2024

4. DEFERRED REVENUE

	2024	2023
Federal Gas Tax Community Works	\$ 552,741	\$ 461,728
Province of B.C. - Climate Action Program	202,537	82,164
Province of B.C. - Development approval process	151,141	-
Province of B.C. - EDMA Indigenous Engagement grant	40,000	-
Northwest Resource Benefit Alliance - 85% restricted	757,347	-
CERIP - Sunset Bird Tower Grant	-	219,000
Prepaid taxes, business licences, fitness memberships	910	1,480
	<u>\$ 1,704,676</u>	<u>\$ 764,372</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.

In June 2024, the Village received funds as a local government member through the Northwest Resource Benefit Alliance providing \$50M in funding to all Northwest B.C. local governments. The Village's share of these funds was \$890,997. The terms of the agreement states that 85% of this amount must be expended on major capital projects and the Village has deferred this portion of the funds for major capital projects to occur in subsequent years.

5. TANGIBLE CAPITAL ASSETS

			2024	2023
	Cost	Accumulated Amortization	Net Carrying Amount	
Land	\$ 466,958	\$ -	\$ 466,958	\$ 466,958
Buildings	3,864,107	776,951	3,087,156	3,117,134
Automotive	678,591	116,683	561,908	122,054
Fire department	546,175	488,838	57,337	67,112
Office equipment	38,967	17,144	21,823	19,594
Tools and equipment	57,685	42,609	15,076	10,425
Parks and recreation	1,185,764	370,210	815,554	834,167
Roads and sidewalks	471,067	289,513	181,554	196,686
Biomass heating system	414,148	98,753	315,395	323,678
Solar Panel	151,900	86,079	65,821	75,948
Water system	2,595,142	435,810	2,159,332	2,039,735
Sewer system	1,620,533	343,845	1,276,688	1,286,509
	<u>\$ 12,091,037</u>	<u>\$ 3,066,435</u>	<u>\$ 9,024,602</u>	<u>\$ 8,560,000</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2024

5. TANGIBLE CAPITAL ASSETS (continued)

Tangible Capital Asset Additions for the year are as follows:

	Cost January 1, 2024	Disposals	Additions	Cost December 31, 2024
Land	\$ 466,958	\$ -	\$ -	\$ 466,958
Buildings	3,853,409	-	10,698	3,864,107
Automotive	196,189	-	482,402	678,591
Fire department	546,175	-	-	546,175
Office equipment	36,180	-	2,787	38,967
Tools and equipment	83,903	(32,970)	6,752	57,685
Parks and recreation	1,185,764	-	-	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	2,458,222	-	136,920	2,595,142
Sewer system	1,620,533	-	-	1,620,533
	<u>\$ 11,484,448</u>	<u>\$ (32,970)</u>	<u>\$ 639,559</u>	<u>\$ 12,091,037</u>

Amortization for the year is as follows:

	Balance January 1, 2024	Adjustments	Amortization	Balance December 31, 2024
Land	\$ -	\$ -	\$ -	\$ -
Buildings	736,275	-	40,676	776,951
Automotive	74,135	-	42,548	116,683
Fire department	479,063	-	9,775	488,838
Office equipment	16,586	-	558	17,144
Tools and equipment	73,478	(32,970)	2,101	42,609
Parks and recreation	351,597	-	18,613	370,210
Roads and sidewalks	274,381	-	15,132	289,513
Biomass heating system	90,470	-	8,283	98,753
Solar panel	75,952	-	10,127	86,079
Water system	418,487	-	17,323	435,810
Sewer system	334,024	-	9,821	343,845
	<u>\$ 2,924,448</u>	<u>\$ (32,970)</u>	<u>\$ 174,957</u>	<u>\$ 3,066,435</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2024

5. TANGIBLE CAPITAL ASSETS (continued)

	2024	2023
Details of asset additions:		
Water system - Control panel and wireless system	\$ -	\$ 43,600
Water system - Well #3 and related capital	136,920	-
Public works yard - Quanset cover for seacan, crush	10,698	-
Computers for public works and office	2,787	-
2016 Ford F150 Public Works	14,766	-
Freightliner M2-106 Pumper Truck	467,636	-
Public works - landscaping equipment	6,752	-
Pickleball court, fencing, freight & materials	-	38,325
	<u>\$ 639,559</u>	<u>\$ 81,925</u>

6. NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS

Net assets in tangible capital assets, beginning of year	\$ 8,560,000	\$ 8,632,028
Add: acquisition of tangible capital assets	639,559	81,925
Less: amortization	<u>(174,957)</u>	<u>(153,953)</u>
	<u>\$ 9,024,602</u>	<u>\$ 8,560,000</u>

7. RESERVE FUNDS

	Balance January 1, 2024	Additions/ Funds used	Balance December 31, 2024
Northern Capital and Planning Grant	\$ 2,392,602	\$ 129,625	\$ 2,522,227
Growing Communities Grant	600,000	18,006	618,006
NWRBA reserve	-	898,065	898,065
Latecomer's fee reserve	9,369	-	9,369
Fire department reserve	5,500	-	5,500
Bursary reserve	500	-	500
Planning fund reserve	<u>3,595</u>	<u>-</u>	<u>3,595</u>
	<u>\$ 3,011,566</u>	<u>\$ 1,045,696</u>	<u>\$ 4,057,262</u>

These internally restricted net assets are not available for other purposes without the approval of mayor and council. Interest was added to the following reserves: NCPG grant reserve \$129,625, Growing Communities Fund \$18,006, and NWRBA reserve \$7,068.

During the year, the Province of B.C. announced an award to the Northwest Resource Benefit Alliance in the amount of \$50,000,000. The funds have been distributed to the member municipalities proportionately based on population; the Village received \$890,997 as its share.

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2024

8. ACCUMULATED SURPLUS

	2024	2023
General operating fund	\$ 3,402,344	\$ 3,213,900
Water system	509,555	636,934
Sewer system	(4,450,515)	(4,442,655)
Net assets invested in tangible capital assets (note 6)	9,024,602	8,560,000
Reserve funds (note 7)	4,057,262	3,011,566
	<u>\$ 12,543,248</u>	<u>\$ 10,979,745</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 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 \$26,719 for employer contributions and \$24,710 in employee contributions to the Plan in the year ended December 31, 2024 (2023 - \$32,050 and \$29,640).

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2024

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

	2024	2024	2023
	Budget	Actual	Actual
	(Unaudited)		
Salaries, wages and benefits	\$ 505,174	\$ 445,677	\$ 398,410
Materials and supplies	129,700	108,325	107,096
Contracted services	73,100	49,123	61,642
Rent, maintenance and utilities	349,000	264,932	209,425
Mayor and council remuneration and travel	48,500	41,697	43,520
Insurance	44,950	59,958	45,824
Grant expenses	1,706,732	173,317	167,317
Interest and bank charges	1,500	2,057	1,803
Amortization	148,392	174,957	153,953
Payment to other agencies	317,498	317,536	292,589
	<u>\$ 3,324,546</u>	<u>\$ 1,637,579</u>	<u>\$ 1,481,579</u>

Village of Port Clements

Notes to the Consolidated Financial Statements For the year ended December 31, 2024

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>(1,305,100)</u>
Provision for environmental remediation	<u>\$ 3,475,900</u>

During the year, the Village has already incurred \$967,760, (2023 to date, \$337,340) 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. \$1,000,000 of funding was received in 2024 from the Province of B.C. channeled from the federal government.



Village of Port Clements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

14. BUDGETED FIGURES

The budget amounts presented throughout these consolidated financial statements are unaudited and represent the amended five year financial plan bylaw No. 485 approved by the Village Mayor and Council on May 9, 2024.

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.



Village of Port Clements**Schedule 1****Schedule of Grant Revenues****For the year ended December 31, 2024**

	2024	2023
Unconditional Grants		
Small Community Protection Grant	\$ 371,500	\$ 361,000
Investing in Canada Infrastructure - waste water upgrades	11,457	239,113
	<u>382,957</u>	<u>600,113</u>
Conditional Grants		
CERIP 2023 carried forward	\$ 219,000	\$ -
UBCM Fire department equipment grant	14,722	-
UBCM Flood risk assessment	-	13,217
Canada summer jobs	-	2,263
Western Economic Diversification	11,449	-
Province of B.C. - growing communities fund	-	600,000
Gwaii Trust - Youth program	5,000	5,000
Gwaii Trust - major contribution	250,000	-
Gwaii Trust - community events	806	-
Gwaii Trust - holiday event grant	8,106	17,832
Province of B.C. - waste water improvements	1,000,000	-
Northwest Resource Benefit Alliance	890,997	-
Northwest Resource Benefit Alliance - 85% restricted deferred	(757,347)	-
NDIT - grant writer	8,000	8,000
Sunset trail grant	-	49,026
Vibrant community commission	615	-
Other	4,427	3,566
	<u>\$ 1,655,775</u>	<u>\$ 698,904</u>

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, 2024.

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 19, 2025
Prince George, British Columbia

FBB Chartered Professional Accountants LLP



Village of Port Clements

General Operating Fund - Statement of Financial Position

As at December 31, 2024

	2024	2023
Financial assets		
Cash and investments	\$ 8,499,665	\$ 7,335,198
Due from other funds	465,060	-
Taxes and accounts receivable	228,245	172,189
	<u>9,192,970</u>	<u>7,507,387</u>
Financial Liabilities		
Accounts payable and accrued liabilities	80,174	102,728
Deferred revenue	1,704,677	764,372
Due to other funds	-	637,939
	<u>1,784,851</u>	<u>1,505,039</u>
Net financial assets	<u>7,408,119</u>	<u>6,002,348</u>
Non-financial assets		
Property acquired for taxes	9,202	9,202
Prepaid expenses	42,285	213,916
Tangible capital assets	5,588,584	5,233,757
	<u>5,640,071</u>	<u>5,456,875</u>
	<u>\$ 13,048,190</u>	<u>\$ 11,459,223</u>
Accumulated surplus		
Accumulated surplus	3,402,344	3,213,900
Equity in tangible capital assets	5,588,584	5,233,757
Reserves	4,057,262	3,011,566
	<u>\$ 13,048,190</u>	<u>\$ 11,459,223</u>



Village of Port Clements

General Operating Fund - Statement of Operations

For the year ended December 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
Property taxes	\$ 136,000	\$ 135,780	\$ 135,982
Grants in lieu	8,513	8,468	8,804
Sale of services	5,500	6,915	6,855
Revenue from own sources	121,791	167,372	152,863
Multi-purpose building rental	14,500	14,791	13,681
Unconditional grants	2,159,213	382,957	600,113
Conditional grants	1,676,232	1,655,775	698,904
Interest and penalties on taxes and user fees	100,705	314,841	229,086
Collections for other agencies	317,498	317,128	292,601
	<u>4,539,952</u>	<u>3,004,027</u>	<u>2,138,889</u>
Expenses			
Legislative	49,500	41,881	44,270
General administration	401,900	380,697	372,335
Emergency services	5,500	7,225	2,040
Protective services	48,600	40,918	36,585
Common services	74,648	78,406	50,961
Wharf	10,480	3,662	1,626
Small craft harbour	22,000	12,231	10,712
Roads and public works	82,350	65,991	41,319
Economic development	65,600	158,060	179,162
Parks, recreation and tourism	104,100	94,465	69,633
Multi-purpose building maintenance	80,400	64,035	70,543
Fiscal services	1,500	2,140	1,785
Amortization	122,921	147,813	126,809
Payments to other agencies	317,498	317,536	292,589
	<u>1,386,997</u>	<u>1,415,060</u>	<u>1,300,369</u>
Annual surplus	<u>3,152,955</u>	1,588,967	838,520
Accumulated surplus, beginning of year		<u>11,459,223</u>	<u>10,620,703</u>
Accumulated surplus, end of year		<u>\$ 13,048,190</u>	<u>\$ 11,459,223</u>



Village of Port Clements
Water System - Statement of Financial Position
As at December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial assets		
Due from general operating fund	\$ 509,555	\$ 636,934
Non-financial assets		
Tangible capital assets	<u>2,159,332</u>	<u>2,039,734</u>
	<u>\$ 2,668,887</u>	<u>\$ 2,676,668</u>
Accumulated Surplus		
Accumulated surplus	\$ 509,555	\$ 636,934
Equity in tangible capital assets	<u>2,159,332</u>	<u>2,039,734</u>
	<u>\$ 2,668,887</u>	<u>\$ 2,676,668</u>



 Village of Port Clements
Water System - Statement of Operations
For the year ended December 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
User charges	\$ 64,182	\$ 68,273	\$ 64,182
Water frontage tax	52,050	53,060	53,320
Interest and other	2,682	2,327	2,682
	<u>118,914</u>	<u>123,660</u>	<u>120,184</u>
Expenses			
Administration	15,000	15,000	15,000
Amortization	17,043	17,323	17,323
Distribution	49,000	31,216	36,207
Repairs and maintenance	14,000	16,016	4,241
Wages and benefits	69,923	51,886	44,162
	<u>164,966</u>	<u>131,441</u>	<u>116,933</u>
Annual surplus (deficit)	<u>(46,052)</u>	(7,781)	3,251
Accumulated surplus, beginning of year		<u>2,676,668</u>	<u>2,673,417</u>
Accumulated surplus, end of year		<u>\$ 2,668,887</u>	<u>\$ 2,676,668</u>



Village of Port Clements

Sewer System - Statement of Financial Position

As at December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial assets		
Due from general operating fund	\$ (974,615)	\$ 1,005
Financial Liabilities		
Liability for contaminated site	<u>3,475,900</u>	<u>4,443,660</u>
Net financial assets	<u>(4,450,515)</u>	<u>(4,442,655)</u>
Non-financial assets		
Tangible capital assets	<u>1,276,688</u>	<u>1,286,509</u>
	<u>1,276,688</u>	<u>1,286,509</u>
	<u>\$ (3,173,827)</u>	<u>\$ (3,156,146)</u>
Accumulated surplus		
Accumulated deficit	\$ (4,450,515)	\$ (4,442,655)
Equity in tangible capital assets	<u>1,276,688</u>	<u>1,286,509</u>
	<u>\$ (3,173,827)</u>	<u>\$ (3,156,146)</u>



Village of Port Clements

Sewer System - Statement of Operations For the year ended December 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
User charges	\$ 34,417	\$ 37,314	\$ 34,417
Sewer frontage tax	33,000	36,081	36,379
	<u>67,417</u>	<u>73,395</u>	<u>70,796</u>
Expenses			
Administration	10,000	10,000	10,000
Amortization	8,428	9,821	9,821
Operations	27,500	11,507	9,592
Repairs and maintenance	4,000	20,713	2,871
Wages and benefits	69,923	39,035	31,994
	<u>119,851</u>	<u>91,076</u>	<u>64,278</u>
Annual surplus (deficit)	<u>(52,434)</u>	(17,681)	6,518
Accumulated deficit, beginning of year		<u>(3,156,146)</u>	<u>(3,162,664)</u>
Accumulated deficit, end of year		<u>\$ (3,173,827)</u>	<u>\$ (3,156,146)</u>

Village of Port Clements

Northern Capital and Planning Grant - Statement of Operations

For the year ended December 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
Interest	-	129,625	121,378
	-	129,625	121,378
Reserve funds, beginning of year		2,392,602	2,271,224
Reserve funds, end of year		<u>\$ 2,522,227</u>	<u>\$ 2,392,602</u>

Village of Port Clements

Growing Communities Grant - Statement of Operations For the year ended December 31, 2024

	<u>2024</u> <u>Budget</u> (unaudited)	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Revenue			
Growing Communities Grant	\$ -	\$ -	\$ 600,000
Interest	-	18,006	-
Annual surplus	-	18,006	600,000
Reserve funds, beginning of year		600,000	-
Reserve funds, end of year		<u>\$ 618,006</u>	<u>\$ 600,000</u>



Village of Port Clements

Northwest Resource Benefit Alliance - Statement of Operations For the year ended December 31, 2024

	<u>2024</u> <u>Budget</u> (unaudited)	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Revenue			
NW Resource Benefit Alliance	\$ -	\$ 890,997	\$ -
Interest	-	7,068	-
Annual surplus	<u>-</u>	<u>898,065</u>	
Reserve funds, beginning of year			
Reserve funds, end of year		<u>\$ 898,065</u>	<u>\$ -</u>



Village of Port Clements
STATEMENT OF FINANCIAL INFORMATION APPROVAL
For the period of January 1 – December 1, 2024

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 16, 2025



Scott Cabianca
Mayor
June 16, 2025



The Village of
PORT CLEMENTS
"Gateway to the Wilderness"

CERTIFIED EXTRACT

REGULAR MEETING OF COUNCIL

2025-05-119—Moved by Mayor Cabianca, seconded by Councilor Falconbridge
THAT Council receives and approves the 2024 Audited Financial Statements as presented by FBB
Accounting.
CARRIED

Certified a true extract of the Minutes of the Special Meeting of Council, Monday, May 12th, 2025

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 2024

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 at least once per month.

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, conducted an independent examination, in accordance with generally accepted auditing standards, and expressed 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

The Village of Port Clements did not incur any debt during the 2024 financial year as per the Financial Information Regulation Schedule 1, section 4.

Village of Port Clements

Schedule of Guarantee and Indemnity Agreements

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

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	\$ 3,947.02	\$ 13,947.02
Cumming, Brigid	Councillor	\$ 6,000.00	\$ 0.00	\$ 6,000.00
Falconbridge, Kazamir	Councillor	\$ 6,000.00	\$ 56.70	\$ 6,056.70
Nicol, Wayne	Councillor	\$ 6,000.00	\$ 0.00	\$ 6,000.00
Reindl, Dennis	Councillor	\$ 6,000.00	\$ 0.00	\$ 6,000.00
TOTALS FOR ALL OFFICIALS		\$ 34,000.00	\$ 4,003.72	\$ 38,003.72

2. Employees

Name	Remuneration	Expenses	Total
Dobson, Marjorie	\$ 102,438.32	\$ 140.24	\$ 102,578.56
Employees under \$75,000.00	\$ 291,021.36	\$ 701.28	\$ 291,772.64
TOTALS FOR ALL EMPLOYEES	\$ 393,459.68	\$ 841.52	\$ 394,301.20

*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

As per the Financial Information Regulations Schedule 1 section 6 (7), a severance agreement was not entered into in 2024.

Village of Port Clements

Schedule of Payments to Suppliers of Goods and Services

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
BC Hydro	\$ 67,076.14
Board of School Trustees	\$ 33,292.51
BV Electric Ltd.	\$ 49,978.96
Canadian Western Mechanical	\$ 61,950.00
Fort Garry Fire Trucks Ltd.	\$ 307,488.16
Infracon Construction Inc.	\$ 821,855.72
Minister of Finance	\$ 118,752.97
Misty Isles Economic Development Society	\$ 63,344.75
Municipal Insurance Association	\$ 35,085.00
Municipal Pension Plan	\$ 51,075.41
North Coast Regional District	\$ 142,122.80
Northwest Regional Hospital	\$ 40,310.00
P.S. Turje & Associates Ltd.	\$ 166,292.70
Receiver General CRA	\$ 129,019.01
Regional District of Kitimat-Stikine	\$ 27,894.00
Subtotal	\$ 2,115,538.13

Payments Made (Vendors over \$25,000)	\$ 2,115,538.13
Miscellaneous Payments (\$25,000 and under)	\$ 559,335.95
TOTAL	\$ 2,674,874.08

Village of Port Clements

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

Name	Amount
Port Clements Historical Society	\$3,000.00

Total Grants

\$3,000.00