



Consolidated Financial Statements of

CITY OF PORT ALBERNI

Year Ended December 31, 2024

To Mayor and Council of the City of Port Alberni:

Opinion

We have audited the consolidated financial statements of the City of Port Alberni (the "City"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, financial position, change in net debt and cash flows and related schedules 1 to 4 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 consolidated financial position of the City as at December 31, 2024, and the results of its consolidated operations, changes in its net debt and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the City in accordance with the 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.

Other Matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including schedules 5 to 11, have been presented for purposes of additional analysis. We do not express an audit opinion on schedules 5 to 11 because our examination did not extend to the detailed information therein.

Other Information

Management is responsible for the other information, consisting of an annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 judgment 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 for 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 City'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 City'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 consolidated 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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Nanaimo, British Columbia

May 12, 2025

MNP LLP

Chartered Professional Accountants

MNP
LLP

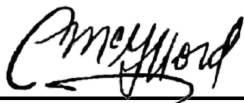
CITY OF PORT ALBERNI
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 4,669,223	\$ 1,807,017
Investments (Note 2)	28,271,474	34,263,623
Accounts receivable (Note 3)	12,745,092	9,933,228
Inventory for resale	44,575	50,570
Investment in government business enterprise (Note 4)	1,934,357	2,404,599
	47,664,721	48,459,037
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	11,696,300	9,792,923
Deferred revenue (Note 7)	7,504,424	7,155,985
Refundable deposits	1,280,652	1,970,988
Long-term debt (Note 11, Schedule 3)	20,327,655	21,003,293
Asset Retirement Obligations (Note 12)	20,802,008	42,617,953
	61,611,039	82,541,142
NET DEBT	(13,946,318)	(34,082,105)
Commitments and Contingencies (Note 18)		
NON-FINANCIAL ASSETS		
Inventory of supplies	962,060	883,822
Prepaid expenses	358,845	297,956
Tangible capital assets (Note 15, Schedule 1)	185,183,547	200,747,291
	186,504,452	201,929,069
ACCUMULATED SURPLUS (NOTE 16)	\$ 172,558,134	\$ 167,846,964

Approved on behalf of the City



Andrew McGifford
Director of Finance

The accompanying notes are an integral part of these consolidated financial statements

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2024

	Budget (Note 20)	2024	2023
REVENUE			
Taxation (Schedule 4)	\$ 31,218,075	\$ 30,936,748	\$ 27,873,962
Sale of services	12,107,858	14,345,968	13,889,841
Other revenue from own sources	1,692,005	1,960,921	1,261,637
Investment income	710,000	1,915,921	1,782,059
Grants and transfers (Note 17)	1,546,447	7,069,153	14,346,216
Recognition of developer contributions	-	682,716	-
Gain (loss) on disposal of tangible capital assets	-	2,247,610	(96,709)
Loss from investment in government business (Note 4)	-	(170,242)	(36,615)
	47,274,385	58,988,795	59,020,391
EXPENSES			
General government services	\$ 6,458,461	\$ 5,212,901	\$ 4,722,610
Protective services	14,858,714	16,580,784	15,073,926
Transportation services	6,497,624	8,087,985	8,012,334
Environmental health services	1,573,387	1,558,797	1,337,703
Environmental and economic development	1,730,047	2,026,603	1,589,825
Recreation and cultural services	7,850,310	9,888,300	9,167,954
Water utility	2,146,469	2,769,291	2,843,718
Sewer utility	1,849,760	8,134,714	8,655,501
Other	-	18,254	-
	42,964,773	54,277,629	51,403,571
ANNUAL SURPLUS	4,309,613	4,711,168	7,616,820
Accumulated surplus, beginning of year	167,846,964	167,846,964	160,230,144
ACCUMULATED SURPLUS - END OF YEAR	\$ 172,156,577	\$ 172,558,134	\$ 167,846,964

The accompanying notes are an integral part of these consolidated financial statements

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
As at December 31, 2024

	Budget (Note 19)	2024	2023
ANNUAL SURPLUS	\$ 4,309,613	\$ 4,711,168	\$ 7,616,820
Aquisition of Tangible Capital Assets	(8,479,289)	(12,939,457)	(16,432,538)
Developer Contributed Assets	-	(682,716)	-
Amortization	-	8,979,023	9,082,957
Accretion	-	592,061	1,520,017
Gain disposal of tangible capital assets	-	(2,247,610)	96,709
Loss (Gain) from sale of tangible capital assets	-	46,500	-
Change in Tangible Capital Assets due to Asset Retirement Obligations	-	21,815,945	(42,617,953)
	(4,169,676)	20,274,914	(40,733,988)
Acquisition of supply inventory	-	(962,060)	(883,822)
Acquisition of prepaid expenses	-	(358,845)	(297,956)
Consumption of inventory of supplies	-	883,822	648,291
Use of prepaid expenses	-	297,956	237,277
	-	(139,127)	(296,210)
CHANGE IN NET DEBT	(4,169,676)	20,135,787	(41,030,198)
Net financial assets, (net debt) beginning of year	(34,082,105)	(34,082,105)	6,948,091
NET DEBT - END OF YEAR	\$ (38,251,781)	\$ (13,946,318)	\$ (34,082,105)

The accompanying notes are an integral part of these consolidated financial statements

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF CASH FLOWS
As at December 31, 2024

	2024	2023
Cash provided by (used in):		
OPERATING ACTIVITIES		
Annual surplus	\$ 4,711,168	\$ 7,616,821
Non-cash items		
Developer Contributed Assets	(682,716)	-
Amortization	8,979,023	9,082,957
Accretion	592,061	1,520,017
(Loss) gain on disposal of tangible capital assets	(2,247,610)	96,709
Income (loss) from investment in government business enterprise	170,242	36,615
Actuarial adjustment	(149,424)	(132,296)
Inventory of supplies	(78,238)	(235,531)
Prepaid expenses	(60,889)	(60,679)
Changes in working capital balances		
Accounts receivable	(2,811,864)	(3,403,897)
Inventory for resale	5,995	(2,506)
Accounts payable and accrued liabilities	1,903,377	(1,915,172)
Deferred revenue	348,439	228,471
Refundable deposits	(690,336)	720,236
	9,989,229	13,551,745
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(12,939,457)	(16,432,538)
Proceeds from sale of tangible capital assets	46,500	-
	(12,892,957)	(16,432,538)
INVESTING ACTIVITIES		
Dividend from government business enterprise	300,000	300,000
Change in Investments	5,992,149	(11,859,852)
	6,292,149	(11,559,852)
FINANCING ACTIVITIES		
Repayment of long-term debt	(526,214)	(364,249)
Proceeds from long-term debt	-	8,500,000
	(526,214)	8,135,751
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,862,207	(6,304,894)
Cash and Cash Equivalents - Beginning of Year	1,807,017	8,111,910
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,669,223	\$ 1,807,017

The accompanying notes are an integral part of these consolidated financial statements

1. Significant Accounting Policies

The City of Port Alberni (the "City") is a municipality in the Province of British Columbia and operates under the provisions of the Community Charter. The activities of the City are carried out through the following funds: General Revenue Fund, General Capital Fund, Reserve Funds, Water Revenue Fund, Water Capital Fund, Sewer Revenue Fund, and Sewer Capital Fund.

The consolidated financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the City. Inter-departmental balances and transactions have been eliminated.

The City's business partnership, the Alberni Valley Community Forest Corporation, which is owned and controlled by the City but not dependent on the City for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the accounting policies for the wholly owned subsidiary are not adjusted to conform to those of the City. The Alberni Valley Community Forest Corporation reports under International Financial Reporting Standards. The City's investment in this entity is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post acquisition losses and distributions received.

The City administers certain trusts on behalf of external parties which are excluded from the financial statements.

b) Basis of presentation

The City practices fund accounting. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Funds currently in use are:

General Revenue Fund

Account for all financial resources except those required to be accounted for in another fund. The General Revenue Fund is the City's operating fund including collection of taxation, administering operations, roads, policing, fire protection etc.

Capital Funds

Account for all capital assets and unfunded work-in-progress of the City and offset by long-term debt and investment in capital assets.

1. Significant Accounting Policies (continued)

Basis of presentation (continued)

Reserve Funds

Account for activities within designated funds established for specific purposes with the approval of the Ministry of Housing and Municipal Affairs. The funds are governed by bylaws defining their purpose and are funded primarily by budgetary contributions from the General Revenue Fund plus interest earned on the fund balances.

Water and Sewer Funds

Account for operations that are financed and operated in a manner similar to private business operations, where the intent is that costs of providing the services on a continuing basis be financed through user charges.

c) *Basis of accounting*

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

d) *Revenue recognition*

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated. Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for tangible capital assets acquisitions are recorded as deferred capital revenue and amortized over the useful life of the related assets when recognized.

Donated and contributed tangible capital assets are recorded at fair market value and amortized over the useful life of the assets. Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied (by providing the promised goods or services to a payor). Revenue from transactions with no performance obligations is recognized when:

- (i) has the authority to claim or retain an inflow of economic resources; and
- (ii) identifies a past transaction or event that gives rise to an asset.

Income from investments in government business enterprises is recorded using the modified equity method based on the annual earnings from the government business enterprise for the year.

1. Significant Accounting Policies (continued)

e) *Government transfers*

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

f) *Deferred revenue*

Deferred revenue includes non-government grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services obligations are performed, or the tangible capital assets are acquired. Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

g) *Investment income*

Investment income is reported as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance. Investment income is allocated to various reserves and operating funds on a proportionate basis.

h) *Financial Instruments*

The City recognizes its financial instruments when the City becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. At initial recognition, the City may irrevocably elect to subsequently measure any financial instrument at fair value. The City has not made such an election during the year.

The City subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The City has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses).

Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method. Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

1. Significant Accounting Policies (continued)

i) Cash equivalents

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

j) Debt

Debt is recorded net of principal repayments and actuarial adjustments.

k) Employee future benefits

The City and its employees participate in a Municipal Pension Plan. The Plan is a multi-employer contributory defined benefit pension plan. Payments in the year are expensed. Sick leave benefits and retirement severance benefits are also available to the City's employees. The costs of these benefits are actuarially determined based on service and estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is accrued based on projected benefit costs as employees earn the future benefits.

l) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

m) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accounts receivable, inventory, accrued liabilities, performing calculations of employee future benefits, estimating the useful lives of tangible capital assets, and estimating asset retirement obligations. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for. Developer contributions of tangible capital assets are recorded at the City's best estimate of fair value on the date of contribution, calculated using engineering plans and standardized item cost estimates. Actual results could differ from these estimates.

n) Refundable deposits

Receipts restricted by third parties are deferred and reported as refundable deposits under certain circumstances. Refundable deposits are returned when the third party meets their obligations, or the deposits are recognized as revenue when qualifying expenditures are incurred.

1. Significant Accounting Policies (continued)

o) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to re-mediate the contaminated site when contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2024.

At each financial reporting date, the City reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

p) Inventory of Supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost, using the first in, first out method.

q) Reserve accounts

Reserves for future expenditures are non-statutory reserves, which represent an allocation of revenue for specific purposes.

r) Asset retirement obligation

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the City will be required to settle. The City recognizes asset retirement obligations when there is a legal obligation to incur retirements costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

s) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition, construction, or interest from financing of the tangible capital asset. Contributed tangible capital assets are recorded as revenue at fair value at the time of contribution.

The useful life is applied straight line to calculate amortization at the following estimated useful lives:

Asset	Useful life - years
Land improvements	10 to 20 years
Buildings, including building components	25 to 40 years
Machinery and equipment	5 to 30 years
Engineering structures	30 to 75 years
Storm systems	45 to 75 years
Transportation systems	15 to 60 years
Water systems	8 to 75 years
Sewer systems	8 to 75 years

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue. The City has capitalized interest costs associated with the construction of tangible capital assets, during the period of construction only. Natural resources that have not been purchased are not recognized as assets in the financial statements. Works of art and cultural and historic assets are not recorded as assets in these financial statements.

2. Investments

Investments include funds invested in Guaranteed Investment Certificates and Money Market Funds with Raymond James, The Municipal Finance Authority of B.C, and Canaccord Genuity. The investments are carried at market value which is equal to the carrying value. The investments have various maturity dates between 90 and 365 days with a range of interest rates between 2.90% and 4.95%.

3. Accounts Receivable

	2024	2023
Property taxes	\$ 2,196,970	\$ 1,412,629
Federal government	160,034	311,974
General	10,388,088	8,208,625
	\$ 12,745,092	\$ 9,933,228

4. Investment in government business enterprise

The investment in the Alberni Valley Community Forest Corporation (AVCFC) is reported as a government business enterprise (GBE) and accounted for using the modified equity method. Under this method, the government business' accounting principles are not adjusted to conform with those of the City and inter-corporate transactions are not eliminated. The City owns 100% of the issued and outstanding shares.

In the prior and current year, the AVCFC financial statements were prepared under International Financial Reporting Standards (IFRS). The following table provides condensed supplementary financial information for the corporation at December 31, 2024.

	2024	2023
Investment in Government Business Enterprise		
Financial Assets	\$ 2,268,907	\$ 3,057,742
Liabilities	325,807	644,399
Equity	1,943,100	2,413,343
	2,268,907	3,057,742
Operations		
Revenue	265,735	1,423,792
Expenses	435,977	1,460,407
Net loss	\$ (170,242)	\$ (36,615)
	2024	2023
AVCFC shares	\$ 1	\$ 1
Accumulated earnings to date	1,934,356	2,404,598
	\$ 1,934,357	\$ 2,404,599

During the year the City received a dividend from AVCFC of \$300,000 (2023 - \$300,000)

CITY OF PORT ALBERNI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

5. Accounts payable and accrued liabilities

	2024	2023
Other local governments	\$ 882	\$ 53,070
Trade accounts	7,794,205	6,691,718
Salaries and wages	1,546,552	780,869
Accrued debenture interest	120,715	107,199
Accrued employee benefits (Note 7)	2,233,946	2,160,066
	\$ 11,696,300	\$ 9,792,923

6. Employee future benefits

The City provides benefits for sick leave, vacation pay and certain retirement benefit arrangements to its employees.

a) Retirement benefit payments

The City provides retirement benefits to qualifying employees who cease employment with the City after a specified length of service. Retirement benefits are estimated for individual employees as per the appropriate collective agreement, based on estimated salary costs at the time of anticipated retirements, and discounting expected pay-outs over estimated years of service.

	2024	2023
Benefit liability – beginning of year	\$ 912,500	\$ 881,200
Add: current service costs	94,300	100,000
Interest on accrued benefit obligations	37,500	26,300
Amortization of actuarial loss	5,100	14,100
Adjustment for Change in discount rates	-	26,400
Less: Benefits paid	(134,900)	(135,500)
Benefit liability – end of year	914,500	912,500
Unamortized actuarial loss	(8,000)	(2,900)
Accrued benefit obligation – end of year	\$ 906,500	\$ 909,600

The retirement liability requires no contribution from the employees.

b) Accrued vacation liability

	2024	2023
Accrued vacation payable - end of year	\$ 1,250,466	\$ 1,110,198

6. Employee future benefits (continued)

c) **Accumulated sick leave liability**

The City provides benefits for sick leave to all its employees. Employees in the classification of CUPE and Firefighter accumulate sick leave on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Sick leave is accumulated to a maximum as determined by the appropriate collective agreement. Sick leave for management employees does not accumulate. At December 31, 2024, this liability is estimated at \$139,790 (2023 - \$140,268).

d) **Employee benefit obligations**

Accrued Benefit Obligation assumptions were reviewed for the 2024 year end and updated based on current market conditions. Accumulated sick leave liability is segregated from the accrued benefit obligation liability for statement presentation.

	2024	2023
Accrued benefit obligation	\$ 906,500	\$ 909,600
Accrued vacation payable	1,187,656	1,110,198
Accumulated sick leave liability	139,790	140,268
Total employee benefit obligations	\$ 2,233,946	\$ 2,160,066

7. Deferred revenue

Capital grants are restricted to spending on capital project expenses. Other deferred revenue is not restricted.

	2024	2023
Opening Balance	\$ 681,353	\$ 837,477
Capital grants, receipts	860,822	5,791,771
Capital projects recognized into revenue	(1,524,004)	(5,947,895)
Capital grants, ending balance	18,171	681,353
Property taxes	2,327,885	2,126,976
Other	1,522,470	1,101,061
Development cost charges	3,635,898	3,246,595
	\$ 7,504,424	\$ 7,155,985

Development cost charges (DCCs)

Opening Balances	\$ 3,246,595	\$ 3,177,801
Add: DCCs received during the year	322,508	(16,429)
Add: Interest	66,796	85,222
	\$ 3,635,898	\$ 3,246,595

8. Community Building Fund

Canada's Community Building funding is provided by the Federal government. The use of funding is established by a funding agreement between the City and the Union of British Columbia Municipalities (UBCM). These funds may be used towards designated infrastructure projects that help communities build and revitalize public infrastructure supporting economic growth and a clean environment. These funds are held in the Community Building Fund Reserve (see Note 16).

	<u>2024</u>	<u>2023</u>
Canada's Community Building Fund		
Opening Balance	\$ 3,237,726	\$ 3,115,328
Add: Funding received during the year	894,814	872,264
Less: Amount recognized as revenue	(376,514)	(852,924)
Add: Interest	126,862	103,058
	<u>\$ 3,882,888</u>	<u>\$ 3,237,726</u>

9. Local Housing Initiatives Grant

The Local Government Housing Initiatives program provides grant based funding to help facilitate implementation and support local governments to meet new legislative requirements for residential development, transit-oriented areas, and to adopt new authorities for development financing.

The grant funding will support local governments in creating Local Government Housing Initiative requirements for small-scale multi-unit housing. These funds are being held in Projects & Purchases Reserve (see Note 16).

	<u>2024</u>
Local Government Housing Initiative Grant	
Received	\$ 237,804
Interim Housing Needs Report	(18,133)
Official Community Plan Framework & Engagement	(176,207)
Zoning Bylaw Consolidation Planning	(7,686)
Closing balance of unspent funds	<u>\$ 35,778</u>

10. Financial Instruments

The City as part of its operations carries a number of financial instruments. It is management's position that the City is not exposed to significant interest, currency, or credit risks arising from these financial instruments unless otherwise disclosed.

11. Debt

Debt Reserve Fund

The Alberni-Clayoquot Regional District (ACRD) obtains long-term debt, on behalf of the City, through the Municipal Finance Authority (MFA), pursuant to security issuing bylaws under the authority of the Local Government Act, to finance certain capital expenditures.

The MFA is required to establish a Debt Reserve Fund. Each regional district through its member municipalities who share in the proceeds of a debt issue is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The MFA pays into the Debt Reserve Fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts.

It must then use this fund, if at any time there are insufficient funds, to meet payments on its obligations. When this occurs, the regional districts may be called upon to restore the fund. The loan agreements with the ACRD and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the City.

As a condition of the loan agreements, the City is obligated to provide security by way of demand notes and interest-bearing cash deposits (sinking fund balances) based on the amount of the debt. If the debt is repaid without default, the deposits are refunded to the City. The demand notes are held by the MFA and upon maturity of the debt, the demand notes are released. As of December 31, 2024, there are contingent demand notes of \$430,810 (2023 - \$430,810) that are not recorded in the City's financial statements.

Long-term Debt

All debenture debt is owed to the MFA and is reported at gross amount. The City has no debt assumed by others on its behalf and has assumed no debt for others. MFA Debenture debt by Bylaw is detailed on Schedule 3. Principal payments on long-term debt as of December 31, 2024, for the next 5 years are as follows:

Long Term Debt	
2025	526,214
2026	526,214
2027	526,214
2028	526,214
2029	526,214
Total \$	2,631,070

Scheduled long-term debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$526,214 (2023 - \$364,249). Total interest expense during the year was \$729,507 (2023 - \$553,132). Included in revenue is \$149,424 (2023 - \$132,296) of actuarial adjustments on the City's annual debt principal repayments invested by MFA. This annual investment income results in a reduction in the overall cost of borrowing.

12. Asset Retirement Obligations

The City owns and operates tangible capital assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. The City is also obligated under the Environmental Management Act to decommission and restore waste water lagoons. Following the adoption of Public Accounting Standard PS 3280 Asset Retirement Obligations, the City recognized an obligation relating to the removal of the hazardous materials in assets and decommissioning and restoration of waste water lagoons as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings and waste water infrastructure tangible capital assets. The increase in tangible capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

Estimated costs totaling \$21,591,613 have been discounted using a present value calculation with a discount rate of 3.7%. The timing of these expenditures is estimated to occur between 2025 and 2053 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	2024	2023
Opening Asset Retirement Obligation	\$ 42,617,953	\$ -
Initial Recognition of Expected Discounted Cashflows	-	41,097,936
Increase due to accretion	592,061	1,520,017
Disposal of Assets	(149,566)	-
Decrease due to Revision of Estimates - Sewer Lagoons	(22,258,440)	-
Closing Asset Retirement Obligation	\$ 20,802,008	\$ 42,617,953

13. Trust Funds

The City operates a cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Internment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. As at December 31, 2024, the balance of funds held in trust was \$163,228 (2023 - \$153,915).

14. Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

14. Municipal Pension Plan (continued)

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3.761 million funding surplus for basic pension benefits on a going concern basis.

The City of Port Alberni paid \$1,533,232 (2023 - \$1,405,041) for employer contributions while employees contributed \$1,581,339 (2023 - \$1,228,428) to the plan in fiscal 2024.

The next valuation will be as at 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 plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

15. Tangible capital assets

Tangible Capital Assets are stated at their net book value.

	2024	2023
Land	\$ 10,133,430	\$ 10,282,996
Land improvements	11,286,499	4,194,702
Buildings	24,230,036	18,192,201
Machinery and equipment	9,465,365	7,032,128
Engineering structures	2,856,622	2,897,147
Storm Drains	17,049,079	16,551,437
Transportation	8,096,122	8,084,425
Wate	25,094,945	25,585,483
Sewe	71,857,659	96,002,396
Leased asset	68,889	68,889
	180,138,646	188,891,804
Work-in-progress: Assets under construction not being amortized	5,044,901	11,855,487
	\$ 185,183,547	\$ 200,747,291

For more information on additions, disposals, and amortization, refer to Schedule of Tangible Capital Assets (Schedule 1). No Interest was capitalized in 2024 or the prior year (2023). No amortization has been recorded on work in progress assets not in use in 2024.

CITY OF PORT ALBERNI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

16. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserve funds as follows:

	2024	2023
Operations		
General	\$ 8,412,277	\$ 9,466,863
Water	(565,160)	224,039
Sewer	(13,723,553)	(8,735,370)
	\$ (5,876,436)	\$ 955,532
Capital		
General	23,792,164	20,769,750
Water	3,404,580	3,352,967
Sewer	(28,787,578)	(30,923,439)
	(1,590,834)	(6,800,722)
Equity in tangible capital assets		
General	\$ 82,917,646	\$ 74,384,988
Water	24,019,677	23,908,241
Sewer	37,116,552	38,832,817
	\$ 144,053,875	\$ 137,126,046
Reserves		
Reserve funds – statutory		
Parkland acquisition	\$ 362,757	\$ 314,284
Land Sale	1,514,743	991,722
	1,877,500	1,306,006
Reserve funds – restricted		
Equipment replacement	5,157,800	6,622,669
Carbon fund	878,576	549,410
Parks and recreation capital	895,110	2,650,919
Capital works	55,673	289,505
Community Building Fund Reserve (Note 9)	3,882,888	3,237,726
Growing Communities Fund	4,060,617	5,396,338
Aquatic Centre Reserve Fund	61,688	61,688
Alberni Valley Community Forest Corporation reserve	1,051,441	906,152
	16,043,793	19,714,407
Reserve funds – unrestricted		
General fund - project and purchases	2,439,380	2,357,710
Asset Management Reserve	240,751	-
Museum purchases	64,777	61,631
RCMP - contract surplus	1,064,416	1,040,231
McLean Mill project	37,780	334,300
Water fund - projects and purchases	7,413,891	5,402,014
Sewer fund - projects and purchases	6,789,240	6,349,809
	18,050,235	15,545,695

CITY OF PORT ALBERNI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

16. Accumulated surplus (continued)

	2024	2023
Total reserves	35,971,528	36,566,108
	\$ 172,558,134	\$ 167,846,964

a) Growing Communities Fund

The Province of British Columbia distributed conditional GCF grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The City of Port Alberni received \$5,269,000 of GCF funding in March 2023. In 2024 \$1,581,339 of grant proceeds were spent, in 2023 no funds were spent.

	2024	2023
Growing Communities opening balance	\$ 5,396,338	\$ -
Funds received	-	5,269,000
Interest Earned	245,618	127,338
Eligible expenses	(1,581,339)	-
Closing balance of unspent funds	\$ 4,060,617	\$ 5,396,338

17. Grants and Transfers

	2024	2023
Operating Grants		
Federal	\$ -	\$ 83,290
Provincial	1,896,547	1,662,388
Total Government Operating Grants	1,896,547	1,745,678
Local	296,940	10,500
Capital		
Federal	4,092,991	10,891,508
Federal/Provincial	326,420	1,690,000
	4,419,411	12,581,508
Total Government Grants and Transfers	6,612,898	14,337,686
Other Grants - Non Governmental	456,254	8,530
Total Grants and Transfers	\$ 7,069,153	\$ 14,346,216

18. Commitments and Contingencies

a.) Regional District Debt

Debt issued by the Regional District of Alberni Clayoquot is a direct joint and several liability of the District and each member municipality including the City.

b) Claims for damages

In the normal course of a year, the City is faced with lawsuits and other claims for damages of a diverse nature. At year end, the City's estimated exposure for such liabilities is not considered to be significant. The City carried general liability insurance with a private insurance carrier in the amount of \$5 million, plus an umbrella policy in the amount of \$45 million. When claims are paid the expense is charge to the General Government expense category.

c) Commitments

The City entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 2012. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2025 estimated cost of this contract is \$7,968,738 (2026 - \$8,310,565).

19. Budget

The budget data presented in these consolidated financial statements includes both operating and capital budgets. The City of Port Alberni budget was approved by Council on April 08, 2024, with the adoption of the Five-Year Financial Plan (2024-2028) Bylaw No 5097, 2024. The chart below reconciles the approved budget per the Financial Plan to the budget reported in these consolidated financial statements.

	2024 Budget
Consolidated Budgeted Surplus, per City of Port Alberni Financial Plan Bylaw No. 5075	\$ -
Add	
Acquisition of TCA	8,479,289
Contingency	275,000
Debt repayments	(363,788)
Less	
Transfers to reserves	4,080,888
Consolidated Budgeted Surplus, per City of Port Alberni Statement of Operations	\$ 4,309,613

20. Segmented information

The City of Port Alberni provides a wide range of services to its citizens including police, fire, recreation, roads, sewer and water. For reporting purposes, the City's operations and activities are organized and reported by Fund as described in Note 1. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide are as follows:

General government services

General government provides internal support services to Council and other departments who provide direct services to its citizens. General government consists of governance, corporate management and program support. Internal departments include Legislative (Council), Chief Administrator's Office, Corporate Services Department, Financial Services, Information Technology, and Human Resources.

Protective services - Police, Fire, and Building Inspection

The Royal Canadian Mounted Police is Canada's national police service. They are committed to preserving the peace, upholding the law and providing quality service in partnership with Canadian communities and for all Canadian citizens. The mandate of the Port Alberni Fire Department is to provide fire suppression services; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. It is the mandate of the Building Inspection Department to provide building inspection services as set out in the building bylaw for residents and builders. Building inspection services are provided in order to assist residents and builders in constructing projects which meet minimum construction standards.

Transportation services

The Public Works Department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, traffic control and street lighting.

Environmental health services

The function of environmental health services is to provide for the collection and disposal of solid waste as well as providing cemetery services to the citizens of Port Alberni.

Environmental and economic development

Environmental development provides services relating to planning, economic development and tourism. The Planning Department develops and administers land use regulations to ensure an orderly and well-planned community. Economic Development includes responsibilities for diversification of the economy through business retention, business attraction and marketing key properties owned by the City.

20. Segmented information (continued)

Recreation and cultural services

The mission of the Parks, Recreation and Heritage Department is to enrich the quality of life of residents and visitors. The parks, facilities, programs and services are designed and delivered to provide the greatest benefit to the community as a whole. The Museum Department works with the community to collect, document, preserve and present all aspects of the cultural heritage of the Alberni Valley and West Coast of Vancouver Island. Cultural services also contribute towards the information needs of citizens through the provision of library services in partnership with the Vancouver Island Regional Library.

Water utility

The Water Department provides for the supply and treatment of safe drinking water to the citizens of Port Alberni.

Sewer utility

The Sewer Department provides for the collection and treatment of wastewater. The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in (Note 1). For additional information see Segmented Information (Schedule 2).

CITY OF PORT ALBERNI
SCHEDULE 1: TANGIBLE CAPITAL ASSETS
As at December 31, 2024

	ASSETS				ACCUMULATED AMORTIZATION					
	Balance December 31, 2023	Additions 2024	Disposals 2024	Balance December 31, 2024	Balance December 31, 2023	Additions 2024	Disposals 2024	Balance December 31, 2024	NET BOOK VALUE 2024	NET BOOK VALUE 2023
Land	\$ 10,282,997	\$ -	\$ (149,566)	\$ 10,133,430	\$ -	\$ -	\$ -	\$ -	\$ 10,133,430	\$ 10,282,996
Land Improvements	13,139,186	7,482,900	-	20,622,086	8,944,486	391,103	-	9,335,589	11,286,499	4,194,702
Buildings	41,133,311	7,233,072	(17,501)	48,348,882	22,940,721	1,188,625	10,501	24,118,845	24,230,036	18,192,201
Machinery & Equipment	18,534,147	3,615,714	(687,053)	21,462,808	11,502,017	876,476	(381,054)	11,997,442	9,465,368	7,032,129
Engineered Structures	4,271,879	-	-	4,271,879	1,374,732	40,525	-	1,415,257	2,856,622	2,897,147
Storm Drains	26,295,811	873,783	(9,554)	27,160,040	9,744,374	372,702	(6,114)	10,110,962	17,049,078	16,551,437
Transportation	46,292,790	655,184	(287)	46,947,687	38,208,365	643,487	(287)	38,851,565	8,096,122	8,084,425
Water	44,857,250	303,463	(158,269)	45,002,444	19,271,769	794,001	(158,269)	19,907,500	25,094,945	25,585,481
Sewer	113,388,759	238,257	(21,610,075)	92,016,941	17,386,363	4,672,105	(1,899,186)	20,159,282	71,857,659	96,002,397
Lease Assets	1,425,000	-	-	1,425,000	1,356,111	-	-	1,356,111	68,889	68,889
Work in progress	11,855,486	5,044,901	(11,855,486)	5,044,901	-	-	-	-	5,044,901	11,855,487
	<u>\$ 331,476,616</u>	<u>\$ 25,447,274</u>	<u>\$ (34,487,791)</u>	<u>\$ 322,436,099</u>	<u>\$ 130,728,938</u>	<u>\$ 8,979,023</u>	<u>\$ (2,434,409)</u>	<u>\$ 137,252,553</u>	<u>\$ 185,183,548</u>	<u>\$ 200,747,291</u>

CITY OF PORT ALBERNI
SCHEDULE 2: SEGMENTED INFORMATION
For the Year Ended December 31, 2024

	General government services	Protective services	Transportation services	Environmental health services	Environmental and economic development	Recreation and cultural services	Water utility	Sewer utility	Other	Consolidated 2024	Budget (Note 20)	Consolidated 2023
Revenues												
Taxation	\$30,936,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$30,936,748	\$31,218,075	\$27,873,962
Sale of services	73,173	589,806	358,582	1,802,856	734,095	1,930,055	3,996,406	3,400,501	1,460,495	14,345,968	12,107,858	13,889,841
Other revenue from own sources	703,187	782,161	-	19,112	223,649	-	44,278	39,110	149,424	1,960,921	1,692,005	1,261,637
Investment income	1,006,531	-	12,094	-	-	-	228,731	250,351	418,213	1,915,921	710,000	1,782,059
Grants and transfers	5,687,740	-	71,400	-	742,504	165,255	-	-	402,253	7,069,153	1,546,447	14,346,216
Recognition of developer contributions	-	-	-	-	-	-	-	-	682,716	682,716	-	-
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	-	-	2,247,610	2,247,610	-	(96,709)
Loss from investment in government business	(170,242)	-	-	-	-	-	-	-	-	(170,242)	-	(36,615)
Total Revenues	38,237,137	1,371,967	442,076	1,821,968	1,700,248	2,095,310	4,269,415	3,689,962	5,360,711	58,988,795	47,274,385	59,020,391
Expenses												
Salaries, wages and benefits	3,233,353	7,277,884	2,859,834	427,901	950,467	5,524,321	972,428	438,858	-	21,685,046	21,768,690	19,508,602
Debt Servicing	69,943	83,777	-	-	-	23,746	44,851	654,954	-	877,271	(168,512)	867,266
RCMP Contract	-	7,118,292	-	-	-	-	-	-	-	7,118,292	7,287,407	7,035,396
Grants	10,000	-	-	-	383,314	100,972	-	-	-	494,286	173,500	333,358
Other Contracts	59,869	-	1,126,317	-	13,913	-	-	-	4,118	1,204,217	1,430,165	1,213,073
Goods and services	1,701,368	1,731,458	2,536,665	1,128,713	610,178	2,941,408	957,027	1,706,481	14,135	13,327,433	12,473,521	11,937,258
	5,074,533	16,211,411	6,522,816	1,556,614	1,957,872	8,590,447	1,974,306	2,800,293	18,253	44,706,545	42,964,771	40,800,596
Amortization	271,337	361,516	1,564,142	2,183	68,289	1,245,450	794,001	4,672,105	-	8,979,023	-	9,082,957
Accretion	(132,967)	7,856	1,027	-	443	52,403	984	662,316	-	592,062	-	1,520,017
Total expenses	5,212,901	16,580,784	8,087,985	1,558,797	2,026,603	9,888,300	2,769,291	8,134,714	18,254	54,277,629	42,964,773	51,403,571
Annual surplus (deficit)	\$33,024,234	\$(15,208,816)	\$(7,645,909)	\$ 263,171	\$ (326,356)	\$ (7,792,990)	\$ 1,500,124	\$ (4,444,752)	\$ 5,342,458	\$ 4,711,168	\$ 4,309,613	\$ 7,616,820

CITY OF PORT ALBERNI
SCHEDULE 2: SEGMENTED INFORMATION
For the Year Ended December 31, 2024

	General government services	Protective services	Transportation services	Environmental health services	Environmental and economic development	Recreation and cultural services	Water utility	Sewer utility	Other	Consolidated 2023	Budget	Consolidated 2022
Revenues												
Taxation	\$ 27,873,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$27,873,962	\$ 28,792,070	\$ 25,801,595
Sale of services	59,918	374,418	415,227	1,748,651	874,933	1,971,980	4,150,373	3,287,104	1,007,237	13,889,841	11,217,673	12,702,238
Other revenue from own sources	533,983	344,647	-	16,729	163,230	-	38,089	32,662	132,296	1,261,637	1,498,057	1,325,297
Investment income	1,007,677	-	7,018	-	-	-	208,696	231,387	327,281	1,782,059	450,000	623,066
Grants and transfers	11,354,201	-	8,530	-	263,489	1,029,995	-	1,680,000	10,000	14,346,216	6,069,314	3,989,808
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	(96,709)	(96,709)	-	(121,662)
(Loss) income from investment in government business	-	-	-	-	(36,615)	-	-	-	-	(36,615)	-	1,840,840
Total Revenues	40,829,741	719,065	430,775	1,765,380	1,265,037	3,001,975	4,397,158	5,231,153	1,380,105	59,020,391	48,027,114	46,161,182
Expenses												
Salaries, wages and benefits	2,727,180	6,585,916	2,735,788	402,563	853,828	4,975,747	779,880	447,701	-	19,414,245	19,763,554	17,187,875
Debt Servicing	81,988	83,777	-	-	-	21,372	44,737	541,035	-	772,909	1,309,057	217,453
RCMP Contract	-	7,035,396	-	-	-	-	-	-	-	7,035,396	6,730,009	6,043,880
Grants	-	5,833	-	-	253,163	74,362	-	-	-	333,358	203,500	539,612
Other Contracts	98,889	-	1,078,530	-	35,654	-	-	-	-	1,213,073	2,294,826	1,220,073
Goods and services	1,505,717	999,499	2,589,875	932,957	390,162	2,845,137	1,231,547	1,442,364	-	11,937,258	9,840,019	11,692,369
	4,413,774	14,710,421	6,404,193	1,335,520	1,532,807	7,916,618	2,056,164	2,431,100	-	40,800,596	39,411,990	36,901,261
Amortization	287,493	355,928	1,607,151	2,183	56,591	1,200,802	786,606	4,786,202	-	9,082,956	-	5,615,586
Accretion	21,343	7,576	991	-	427	50,533	949	1,438,198	-	1,520,017	-	-
Total expenses	4,722,610	15,073,926	8,012,334	1,337,703	1,589,825	9,167,954	2,843,718	8,655,501	-	51,403,571	39,411,990	42,516,845
Annual surplus (deficit)	\$ 36,070,516	\$ 14,354,860	\$ (7,581,560)	\$ 427,677	\$ (288,173)	\$ (6,165,978)	\$ 1,553,440	\$ (3,424,347)	\$ 1,380,105	\$ 7,616,820	\$ 8,615,124	\$ 3,644,337

CITY OF PORT ALBERNI
SCHEDULE 3: DEBT
As at December 31, 2024

Security Issuing Bylaw	Purpose	Term in Years	Annual Interest Rate	Maturity Date	Original Issue	Balance Dec 31, 2023	Principal Paid	Actuarial Recognized	Balance Dec 31, 2024	Debt Reserve Cash Dec 31, 2023	Debt Reserve Income & Expenses	Debt Reserve Cash Balance Dec 31, 2024
4575	General	25	1.53%	19-Apr-31	\$ 3,375,064	\$ 1,454,572	\$ 81,042	\$ 76,820	\$ 1,296,710	\$ 56,938	\$ 1,983	\$ 58,921
4807	General	30	3.00%	14-Oct-44	428,300	135,408	7,638	3,233	124,537	5,461	185	5,646
4846	General	20	2.20%	08-Apr-35	912,000	620,091	32,249	10,217	577,625	10,970	388	11,358
					4,715,364	2,210,071	120,929	90,270	1,998,872	73,369	2,556	75,925
4848	Water	30	2.20%	08-Apr-45	2,000,000	1,649,314	38,743	12,274	1,598,297	24,442	851	25,293
4807	Waste Water	30	3.00%	14-Oct-44	5,321,700	4,529,610	94,885	40,166	4,394,559	65,905	2,294	68,199
4939	Waste Water	30	1.99%	09-Apr-50	4,450,000	4,114,298	109,692	6,714	3,997,892	48,400	1,685	50,085
5038	Waste Water	30	4.15%	05-Jun-53	8,500,000	8,500,000	161,965	-	8,338,035	86,646	3,017	89,663
					18,271,700	17,143,908	366,542	46,880	16,730,486	200,951	6,996	207,947
					\$ 24,987,064	\$ 21,003,293	\$ 526,214	\$ 149,424	\$ 20,327,655	\$ 298,761	\$ 10,403	\$ 309,165

CITY OF PORT ALBERNI
SCHEDULE 4: TAX LEVIES AND GRANTS IN LIEU OF TAXES
For the Year Ended December 31, 2024

	Budget (Note 20)	2024	2023
Tax Levies			
General Purpose	\$ 30,150,872	\$ 29,831,273	\$ 26,745,407
Off-Street Parking	18,540	18,540	18,000
Utility	816,913	797,087	852,834
	30,986,325	30,646,900	27,616,241
Grants in lieu of taxes	231,750	289,847	257,721
Total Municipal Taxes	31,218,075	30,936,748	27,873,962
Collections For Other Governments			
School Districts	7,075,000	7,342,972	7,017,775
Alberni Clayoquot Regional Hospital District	679,233	679,292	682,652
Alberni Clayoquot Regional District	1,807,199	1,853,099	1,770,580
B.C. Assessment	220,000	215,900	214,261
Vancouver Island Regional Library	1,072,702	1,072,702	913,661
Municipal Finance Authority	1,200	1,067	-
	10,855,334	11,165,032	10,598,929
Total Taxes Collected	\$ 42,073,409	\$ 42,101,779	\$ 38,472,891

CITY OF PORT ALBERNI
SCHEDULE 5: GENERAL GOVERNMENT SERVICES EXPENSES
For the Year Ended December 31, 2024
(UNAUDITED)

	Budget (Note 20)	2024	2023
Legislative	\$ 323,565	\$ 395,972	\$ 303,893
Chief Administration Officer	338,984	287,267	263,905
Municipal clerk's office	812,438	753,666	682,093
Legal fees	25,000	49,224	22,796
Financial management	1,112,184	1,159,067	1,011,952
Administration vehicle	12,639	20,749	17,204
External audit	32,960	32,369	39,500
Purchasing	134,015	138,553	142,933
Buildings	143,017	299,599	255,884
Information services	968,488	1,007,805	764,727
Appraisals	-	-	3,661
Personnel	453,789	480,685	367,916
Training and development	267,212	215,659	222,854
Damage claims	21,000	20,028	4,986
Grants and grant funded programs	11,000	10,000	-
Office equipment supplies and printing	671,462	408,216	674,729
Public liability insurance	404,642	414,410	371,126
Other general services	1,197,866	68	87
Administration recoveries	(530,000)	(554,004)	(527,004)
Reconciliation Committee	-	3,623	-
Asset Management Plan	-	-	16,976
Debt servicing	58,200	69,946	82,394
Total	\$ 6,458,461	\$ 5,212,901	\$ 4,722,610

CITY OF PORT ALBERNI
SCHEDULE 6: PROTECTIVE SERVICES EXPENSES
For the Year Ended December 31, 2024
(UNAUDITED)

	Budget (Note 20)	2024	2023
Police protection	\$ 9,002,628	\$ 9,712,157	\$ 9,510,952
Fire protection	4,827,053	5,467,083	4,579,843
Emergency measures	6,401	15,684	7,134
Building and plumbing inspections	288,876	304,074	249,745
Animal pound operations	153,763	169,677	137,778
Bylaw enforcement	496,215	828,331	504,697
Debt servicing	83,777	83,777	83,777
Total	\$ 14,858,714	\$ 16,580,784	\$ 15,073,926

CITY OF PORT ALBERNI
SCHEDULE 7: TRANSPORTATION SERVICES EXPENSES
For the Year Ended December 31, 2024
(UNAUDITED)

	Budget (Note 20)	2024	2023
Common Services			
Engineering administration	\$ 841,031	\$ 766,184	\$ 760,357
Engineering consulting services	172,045	515,771	511,348
Public works supervision	390,448	428,091	534,152
Equipment and supplies	55,303	129,469	116,497
Building and yard maintenance	495,411	264,310	263,879
Equipment maintenance	821,458	1,291,245	1,272,217
	2,775,696	3,395,070	3,458,450
Road and Street Maintenance			
Roadway surfaces maintenance	1,441,127	1,908,019	1,826,908
Snow and ice removal	211,751	182,011	194,737
Parking	17,946	19,036	14,055
Gravel	119,706	77,384	130,062
Bridges and retaining walls	26,681	48,707	47,538
Street lighting	408,759	526,572	467,138
Traffic control	292,246	289,794	297,879
	2,518,216	3,051,523	2,978,317
Other			
Ditch and dyke maintenance	108,312	116,272	125,628
Storm sewers	305,024	708,303	652,060
Public transit	1,119,137	1,126,072	1,078,198
Other	170,240	124,837	183,535
Recoveries	(499,000)	(434,092)	(463,854)
	1,203,713	1,641,392	1,575,567
	\$ 6,497,624	\$ 8,087,985	\$ 8,012,334

CITY OF PORT ALBERNI
SCHEDULE 8: RECREATION AND CULTURAL SERVICES
For the Year Ended December 31, 2024
(UNAUDITED)

	2024				2023		
	Budget Revenue	Actual Revenue	Budget Expense	Actual Expense	Budget Operating Deficit	Actual Operating Deficit	Actual Operating Deficit
Recreation Services							
Administration	\$ -	\$ -	\$ 603,077	\$ 821,214	\$ (603,077)	\$ (821,214)	(615,537)
Leisure Centre	253,836	289,299	465,011	689,759	(211,175)	(400,460)	(430,164)
Swimming pool	235,500	223,079	512,687	632,005	(277,187)	(408,926)	(352,533)
Arena	681,100	826,003	1,259,022	2,104,411	(577,922)	(1,278,408)	(1,146,027)
Parks, Playgrounds, and other	19,500	17,670	2,286,880	2,560,720	(2,267,380)	(2,543,050)	(2,373,811)
Programs	371,180	502,400	1,922,487	2,054,870	(1,551,307)	(1,552,470)	(1,426,572)
	1,561,116	1,858,451	7,049,164	8,862,979	(5,488,048)	(7,004,528)	(6,344,644)
Cultural Services							
Museum services	42,800	40,220	597,129	721,361	(554,329)	(681,141)	(571,268)
McLean Mill	-	31,386	204,015	303,959	(204,015)	(272,573)	(280,349)
	42,800	71,606	801,144	1,025,320	(758,344)	(953,714)	(851,617)
	\$ 1,603,916	\$ 1,930,055	\$ 7,850,309	\$ 9,888,300	\$ (6,246,393)	\$ (7,958,246)	(7,196,261)

CITY OF PORT ALBERNI
SCHEDULE 9: SALES OF SERVICES
For the Year Ended December 31, 2024
(UNAUDITED)

	Budget (Note 20)	2024	2023
General Revenue			
General services	\$ 3,025,604	\$ 3,468,242	\$ 3,399,465
Arena	681,100	826,003	859,618
Leisure Center	253,836	305,865	272,095
Parks, playgrounds and other	19,500	17,670	15,080
Swimming Pool	235,500	223,079	233,601
Programs	371,180	502,400	514,698
Museum	35,800	40,220	48,160
McLean Mill	-	31,386	29,900
	4,622,520	5,414,862	5,372,617
Miscellaneous Revenue	-	1,460,495	1,007,237
Services Provided to Other Governments	70,000	73,703	72,509
Water Revenue			
Sale of water	3,851,896	3,991,049	4,010,229
Connections and sundry charges	111,500	5,357	140,144
	3,963,396	3,996,406	4,150,373
Sewer Revenue			
Sale of sewer services	3,230,739	3,242,552	3,167,634
Connections and sundry charges	221,203	157,949	119,470
	3,451,942	3,400,501	3,287,104
	\$ 12,107,858	\$ 14,345,968	\$ 13,889,841

CITY OF PORT ALBERNI
SCHEDULE 10: OTHER REVENUE FROM OWN SOURCES
For the Year Ended December 31, 2024
(UNAUDITED)

	Budget (Note 20)	2024	2023
Licenses and permits	\$ 604,135	\$ 376,609	\$ 333,327
Fines and costs	151,000	405,552	11,321
Land and building rentals	180,993	223,649	163,230
Penalties and interest	481,105	495,209	379,770
Miscellaneous revenue	274,772	310,478	241,693
Other revenue from own sources - Capital Fund	-	149,424	132,296
	\$ 1,692,005	\$ 1,960,921	\$ 1,261,637

CITY OF PORT ALBERNI
SCHEDULE 11: SEWER AND WATER UTILITIES
For the Year Ended December 31, 2024
(UNAUDITED)

	Budget (Note 20)	2024	2023
Water Utility			
Administration	\$ 956,368	\$ 1,042,552	\$ 901,468
Service of supply	106,996	332,191	369,165
Pumping	271,388	322,577	330,376
Transmission and distribution	811,716	1,027,121	1,197,971
Debt servicing	-	44,851	44,737
	\$ 2,146,469	\$ 2,769,293	\$ 2,843,718
Sewer Utility			
Administration	964,846	1,183,767	1,012,999
Sewage treatment and disposal	271,244	5,502,453	6,087,341
Sewage collection system	307,028	503,878	729,795
Sewage pump stations	305,642	289,662	284,332
Other	1,000	-	-
Debt servicing	-	654,954	541,035
	\$ 1,849,760	\$ 8,134,714	\$ 8,655,501