

# **City of Port Alberni**

## **British Columbia**

### **Comprehensive Annual Financial Report**

**For the year ended December 31, 2019**



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**THE CITY  
OF PORT ALBERNI  
BRITISH COLUMBIA, CANADA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT  
2019**

FISCAL YEAR ENDED DECEMBER 31, 2019

This Document  
Prepared by the Finance Department

**CITY OF PORT ALBERNI  
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DECEMBER 31, 2019**

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## **INTRODUCTORY SECTION**

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July 30, 2020  
Mayor and Council  
City of Port Alberni

In accordance with section 167 of the Community Charter, I herewith submit the Financial Report for the City of Port Alberni for the year ended December 31, 2019 as audited by MNP - LLP.

The purpose of this Comprehensive Annual Financial Report is to present the financial operations results and the financial position of the City for the fiscal period December 31, 2019. The report is divided into three sections as follows:

- Introductory Section – provides the reader with an overview of the political, economic and administrative context within which the City operates.
- Financial Section – presents the consolidated financial statements, supporting notes and schedules, and the independent external auditors’ report. These statements and schedules show comparative amounts for the current and prior years, and the current year’s approved budget.
- Statistics Section – presents relevant current and historical statistical and financial information.

The preparation and presentation of the financial statements and related information in the annual report is the responsibility of the Management of the City of Port Alberni. These statements have been prepared in accordance with Canadian generally accepted auditing standards for the Public Sector. The preparation of financial information contained herein, necessarily involves the use of estimates and judgments which have been based on careful assessment of the data made available through the City’s information systems. The City maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records. Management recognizes the limits that are inherent in all systems of internal accounting control, however, management believes that the City has an effective and responsive system of internal accounting controls which is subject to regular review and revision.

Port Alberni City Council is responsible for ensuring that City Administration fulfills its responsibilities for financial reporting, internal control and risk management. To assist City Council with these responsibilities, Council appointed three Councillors to the Audit Committee. The committee meets with management on a quarterly basis to review financial reports and any concerns with the financial reporting process. Municipal governments are entrusted with providing services within approved budget amounts in an environment of transparency, accountability and responsibility. The Audit Committee provides a focal point for communication between Council, the external auditor and management, and facilitates an impartial, objective and independent review of management practices.

The audit firm of MNP - LLP is appointed by the Council of the City of Port Alberni, and is responsible to report directly to you with their audit opinion.

The City of Port Alberni completed the 2019 fiscal year with an increase of \$11,966,559 in the consolidated accumulated surplus (see below for summary by fund):

Operating Funds	\$ 334,921
Capital Funds	10,358,513
Statutory Reserve Funds	(2,012)
Restricted Reserve Funds	556,528
Unrestricted Reserve Funds	718,609
	<u>\$ 11,966,559</u>

Financial management policies and procedures are in place to assist in the management of the City's financial affairs. The approved policies and procedures are designed to meet the requirements of legislated standards and Canadian public sector accounting standards. Significant financial management policies include:

- Investments - Funds that are not currently being used are invested in accordance with approved policies which meet the requirements of the various pieces of legislation that govern municipal investments. The City invests these funds in short term investment instruments to optimize cash flow and major capital project funding requirements.
- Utilities - The City's policy is to not use general taxation to fund the provision of water service, sewer service or solid waste collection services. These services are funded through user fees.

Investment earnings increased from \$571,705 to \$716,073 in 2019. The City's 2019 long-term debt decreased from \$10,163,466 to \$9,835,068, and \$4,450,000 in short term debt was added. The City's 2019 capital program of \$4,609,569 includes capital items of \$2,153,141 funded from current operations revenue; \$1,258,452 from grants and donations; and \$1,147,976 from Reserves.

Consolidated revenues increased by \$11,494,506, from \$36,759,248 in 2018 to \$ 48,253,754 in 2019. This increase is attributed to grant funding of approximately \$8.2 million and Alberni Valley Community Forest income of \$1.9 million. The increase in grant funding is in large part for the sewage lagoon project. Water and sewer utility fees revenue increased as scheduled in accordance with the Water and Sewer Rates Review adopted in 2013. Expenses for 2019 are consistent with 2018. Consolidated expenses increased by \$2,664,129 from \$33,623,066 in 2018 to \$36,287,195 in 2019. This net decrease is attributed to a combination of items city-wide, most notably in protective services, general government services and parks, recreation and heritage.

The municipal statistics section of the report indicates that total current taxes collected as a percentage of current levies is 90% for 2019 (97.49% in 2018).

The following reports are included in the introductory section and should be read in conjunction with this report:

Economic Condition and Outlook  
Highlights  
Municipal Infrastructure  
Summary of Services and Regional Relationships  
Budget Process and Timing  
Source and Use of Capital Funding

Respectfully submitted,



Andrew McGifford, CPA, CGA  
Director of Finance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Port Alberni for its annual financial report for the fiscal year ended December 31, 2018. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting Program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

2018 marks the twenty-sixth year the City has received the award.





Government Finance Officers Association

**Canadian Award  
for  
Financial Reporting**

Presented to

**City of Port Alberni  
British Columbia**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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## Directory of Officials

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### Port Alberni

#### Mayor and City Council 2019



**Left to Right:** Councillors D. Haggard, R. Paulson, H. Poon, R. Corbeil, D. Washington, Mayor S. Minions, Councillor C. Solda

#### **Declaration and Identification of Disqualified Council Members:**

**In accordance with Section 98(2)(e) of the Community Charter, there were no declarations of disqualification made under Section 111 of the Community Charter in 2019**

#### **Appointed Officials**

Chief Administrative Officer .....	T. Pley
City Clerk .....	D. Hartwell
Director of Finance.....	C. Rothwell
Acting Director of Finance Services.....	R. Macauley
Director of Engineering and Public Works .....	W. Taekema
Director of Parks, Recreation & Heritage.....	W. Thorpe
Fire Chief.....	M. Owens
Building Inspector .....	K. Peters
Manager of Information Technology.....	J. Pelech
Manager of Planning Services.....	K. McDougall
Licence Inspector/Bylaw Enforcement Officers.....	T. Hautzinger, N. Bourelle
Area Assessor - B.C. Assessment .....	T. Ireland
Solicitor .....	Young, Anderson
RCMP Officer In Charge .....	B. Hunter
Emergency Planning Coordinator .....	R. Shanks
Chair – Island Health Authority .....	L. Hollins
Auditors .....	MNP - LLP
Bankers .....	BMO Bank of Montreal

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## Directory of Officials (continued)

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### 2019 Advisory Planning Commission

A. Anaka  
J. Douglas  
D. Ferster  
D. Haggard (Council Liaison)  
K. McRae  
S. McRuer  
R. Newberry (Fire Dept. Liaison)  
J. Nichols  
T. Smith (RCMP Liaison)  
Jim Tatoosh (Hupacasath)  
TBC (Tseshah)  
Chris Washington

### 2019 AV Heritage Commission

N. Blair  
J. Carlson  
B. Collette  
P. Craig  
S. Flaconer  
G. Flostrand  
J. Manson  
B. Simpson  
D. Washington (Council Liaison)  
K. Watson



**CITY OF PORT ALBERNI  
MUNICIPAL COUNCIL RESPONSIBILITIES  
FOR CITY SERVICES  
DECEMBER 31, 2019**

<p>Mayor Sharie Minions</p> <ul style="list-style-type: none"> <li>- Director, Alberni-Clayoquot Regional District</li> <li>- Member, North Island-Sunshine Coast Regional Advisory Committee</li> <li>- Court of Revision</li> <li>- Trustee, VIRL (Alternate: Councillor Paulson)</li> <li>- Member, Reconciliation Committee</li> </ul>
<p>Councillor Ron Corbeil</p> <ul style="list-style-type: none"> <li>- Director of Upnit Power Corporation</li> <li>- Liaison, AV Community Forest Corporation</li> <li>- Liaison, Port Alberni Port Authority Dry Dock Committee</li> <li>- Member, Personnel Committee</li> <li>- Member, Audit Committee</li> <li>- Member, Community Investment Program</li> </ul>
<p>Councillor Debbie Haggard</p> <ul style="list-style-type: none"> <li>- Director, Alberni Clayoquot Regional District</li> <li>- Liaison, Community Action Team</li> <li>- Liaison, Alberni Valley Chamber of Commerce</li> <li>- Liaison, Advisory Planning Commission</li> <li>- Member, Emergency Planning Committee</li> </ul>
<p>Councillor Ron Paulson</p> <ul style="list-style-type: none"> <li>- Liaison, Port Alberni Port Authority Dry Dock Committee</li> <li>- Liaison, Continuing Care Society</li> <li>- Liaison, School District #70</li> <li>- Liaison, Learning Council/NIC</li> <li>- Liaison, Advisory Traffic Committee</li> </ul>
<p>Councillor Helen Poon</p> <ul style="list-style-type: none"> <li>- Liaison, Uptown Merchants Association</li> <li>- Court of Revision</li> <li>- Member, Air Quality Council</li> <li>- Member, Personnel Committee</li> <li>- Liaison, AV Transition Town Society</li> </ul>
<p>Councillor Cindy Solda</p> <ul style="list-style-type: none"> <li>- Liaison, West Coast Native Healthcare Society</li> <li>- Member, Audit Committee</li> <li>- Liaison, AV Community Stakeholders Initiative</li> <li>- Member, ACRD Transportation Committee</li> <li>- Court of Revision</li> </ul>
<p>Councillor Dan Washington</p> <ul style="list-style-type: none"> <li>- Chair, Audit Committee</li> <li>- Liaison, Alberni Valley Heritage Commission</li> <li>- Liaison, West Island Woodlands Advisory Group</li> <li>- Member, Personnel Committee</li> <li>- Member, Emergency Planning Committee</li> </ul>

# THE COMMUNITY

# ORGANIZATIONAL CHART City of Port Alberni

**MAYOR & COUNCIL**

**CHIEF ADMINISTRATIVE OFFICER**  
Tim Pley

**RCMP – OFFICER IN CHARGE**  
Inspector Eric Rochette

## DEPARTMENTS AND OPERATIONS

**ENGINEERING & PUBLIC WORKS**  
Director  
Ken Watson  
(Acting)

**OPERATIONS**  
Manager  
vacant

**Streets & Constr.**  
Superintendent  
Brian Mousley

**Utilities**  
Superintendent  
Clinton Wright

**Mechanical Services**  
Superintendent  
vacant

**CLERKS**  
City Clerk  
Davina Hartwell

**Deputy City Clerk**  
Twyla Slonski

**COMMUNITY SAFETY**  
Manager  
Gaylene Thorogood

**Police Support Services**  
Manager  
Wendy Murphy

**Community Policing**  
Manager  
Dave Cusson

**FIRE CHIEF**  
Mike Owens

**Deputy Fire Chief**  
Wes Patterson

**COMMUNICATIONS**  
Manager  
Alicia Puusepp

**FINANCE**  
Director  
Andrew McGifford

**Deputy Director**  
Rosalyn Maccauley

**PLANNING**  
Manager  
Katelyn McDougall

**INFORMATION SERVICES**  
Manager  
Jeff Pelech

**ECONOMIC DEVELOPMENT**  
Manager  
Pat Deakin

**HUMAN RESOURCES**  
Manager  
Krista Tremblay

**PARKS, RECREATION & HERITAGE**  
Director  
Willia Thorpe

**Recreation Services**  
Manager  
Shawn Bourgoin

**Facilities Operations**  
Supervisor  
Rob Kraneveldt

**Parks Operations**  
Supervisor  
Rob Gaudreault

# Where we are



## OUR MISSION & VISION

Port Alberni is a vibrant waterfront community at the heart of Vancouver Island that recognizes the waterfront as its greatest natural asset and works to ensure it integrates residents, tourists, arts, culture, industry and innovation.

### ***SUSTAINABLE & ENVIRONMENTALLY RESPONSIBLE***

We are committed to principles of economic, social and environmental sustainability. The City provides and maintains environmentally responsible services and infrastructure that meet our current and future needs.

### ***WELCOMING, ACCESSIBLE & ATTRACTIVE***

We are an attractive and livable City that embraces and celebrates its natural, historical and cultural resources. Residents and visitors are welcomed and included in all aspects of service delivery. We are recognized for service excellence through staff consistently delivering high-quality services and meeting the needs of the public.

### ***ACTIVELY CREATING OUR FUTURE***

Mayor and Council provide strong leadership based on a long-term vision which will be of benefit to the broader community. Citizens have access to all public information and participate in decisions that affect their well-being. The City includes economic, social and environmental factors in their decision-making processes.

### ***SAFE, CARING & HEALTHY***

We are committed to creating a safe and healthy community that provides safe and accessible facilities, and high-quality municipal services and programs for the enjoyment and wellbeing of its citizens. Our greatest asset is the “social capital” created by the active involvement of staff and volunteers in all aspects of service delivery.

### ***ECONOMICALLY ROBUST & DIVERSE***

The City encourages and supports economic development and the creation of a diversified economy, through active promotion of the City and partnering with a wide range of stakeholders. The City is business friendly and ensures policies and bylaws support a diversified economy including entrepreneurial activity, industry, small business, agriculture and tourism.

### ***FISCALLY RESPONSIBLE***

The City is committed to being fiscally responsible and to creating a climate for investment and involvement by its citizens.



## Economic Condition and Outlook

Port Alberni is situated at the heart of the west coast of Vancouver Island in a broad valley at the end of a 48 kilometre ocean inlet. Three large lakes are within 20 minutes of the City's centre. This location provides stunning views of majestic mountains, the inlet and a river estuary, many exciting outdoor recreational opportunities and abundant quantities of high quality fresh water.

Port Alberni has a deep sea port, a hospital, shopping malls, two post-secondary institutions, nine schools, many parks, a well-developed array of recreational facilities, significant tourism attractions, and a small airport.

While forestry and related manufacturing have long been the mainstays of the Port Alberni economy, diversification efforts are being directed into tourism, marine industry, deep sea port activities, the arts, agriculture, clean energy technologies, and investments in lifestyle amenities.

In spite of considerable downsizing in the forest and fishing industries over the last few decades, the population in Port Alberni has remained relatively constant, at approximately 18,751. Commercial and residential development in the City has been fueled by the fact that our community has exceptional quality of life and some of the lowest property costs in British Columbia. This is attracting investors, retirees, and young families wanting to own their own homes.

In Port Alberni, Western Forest Products, Island Health, School District 70, and Catalyst Paper are the major employers. The lumber and paper industries are the primary individual taxpayers. These industries

have a tremendously positive local impact.

In 2012 the City completed its commitment program of accelerated tax reductions for the Major Industry class totaling \$2.1 million over the five years (2008-2012). For the years 2013 through 2017, the City had committed to no tax increase for the Major Industry class as per the sewage lagoon purchase agreement reached with Catalyst in 2013. The City continues to work with Paper Excellence Canada and Western Forest Products Ltd., the two largest industrial operators in our community, to try and find ways of keeping their operations sustainable under challenging economic conditions.

Port Alberni, like many Canadian local governments, faces significant financial challenges in funding necessary upgrades to aging infrastructure. In 2019, capital works projects totaling \$4.5 million were completed. Significant projects included road upgrades on Argyle Street, between 17th Ave to 21st Avenues; continued Gyro Recreation Park revitalization; Multiplex Chiller Upgrade. Work continues on the next phases of water meter installation; and sewage treatment at the Catalyst lagoon. Funding for the completed projects included \$500,000 in government grants; \$2.3 million in operating funds; and \$1.7 million in contributions from City reserves.

Capital construction plans over the next five years include necessary major projects for roads, water supply, storm drains, facilities upgrades, and sewer treatment upgrades. Funding estimates require that \$5.68 million be raised from borrowing.

Total long term debenture debt per capita in 2019 has increased to \$808

from \$575 in 2018, the increase was associated with the sewage lagoon debt.



## Highlights - 2019

### Development Services

The Development Services Department processed over 150 building permits in 2019. A total of 152 multi-family units were created in 2019, up 375% from 2018 (32 units). There was a 25% increase in the number of development applications, in total of 36 development applications were received by the department in 2019.

In 2019 the Planning Department worked to amend Zoning Bylaws so as to permit cannabis cultivation and processing in Port Alberni. They also enabled new affordable housing and multi-family housing projects and set the course for revitalizing the Official Community Plan (OCP).

Affordable housing has always been a hot topic in the Alberni Valley and the City approved an OCP and Zoning Bylaw amendment for 4550 Maitland Street. This amendment allowed for the development of a new high-quality and energy efficient affordable housing unit called the "Maitland Family Housing Project." The department also issued development and building permits for Phase 2 of the Anderson Hill development at 4000 Burde Street, which will see the construction of two 4-storey multi-family buildings on the former high school lands.

### Fire Department

The Port Alberni Fire Department (PAFD) is committed to the health and well-being of its staff and the community, and aims to enhance awareness through education and public participation while providing

premier fire and rescue services. In addition to fire suppression and prevention services, the PAFD also provides medical, vehicle rescue, technical rescue, hazardous material response and fire investigation.

PAFD responded to 1,572 incidents in 2019 making it the second busiest year ever; only eclipsed by the 2018. Of these calls, 44 were structure fires accounting for an increase of 29 percent from the previous year and 173 were motor vehicle incidents up 9 percent from 2018. In addition to serving the City, PAFD provides road rescue under contract to the Province of BC which resulted in the response to 73 motor vehicle incidents outside the City in 2019.

In 2012, the Fire Department advanced Council's strategic initiative of developing a regional approach to the delivery of fire protection services. The 2012 Automatic Mutual Aid Agreement with Sproat Lake, Beaver Creek, and Cherry Creek Fire Departments continues to result in a high level of coordinated service in 2019.

### Parks, Recreation & Heritage

In 2019, Parks, Recreation and Heritage worked diligently to support Council's goals to provide and maintain quality services for our residents and foster a complete community that is safe, healthy and inclusive.

Additional upgrades to the Gyro Youth Centre improved accessibility, inclusivity and program delivery. The 19-year old chiller at the Multiplex was replaced with a new chiller system offering a 20-year life span.

Emphasis on improved service delivery prompted the installation of push buttons that activate spray parks at both Blair Park and 16<sup>th</sup> Avenue Park. Continually evaluating the highest and best use of City owned assets led to the addition of a fire pit at Canal Beach for families to relax around and enjoy views of the Alberni Inlet. Our Parks Department planted 40 new trees throughout the community as part of Council's goal to green existing streets.

### Alberni Valley Museum

The Alberni Valley Museum mission is to conserve, strengthen and share the unique heritage of the Alberni Valley. The Museum partners with the community in acquiring, documenting and preserving artifacts and photographs, making collections accessible, developing exhibits and school and public programs, facilitating the work of volunteers and supporting economic diversification through heritage tourism.

The Heritage Department is focused on providing heritage services that are authentic and inclusive of all eras, cultures and perspectives. Dedicated to enriching the lives of those they serve and expanding our understanding of Canadian History, the museum hosted its 17th Annual Alberni Valley Museum Regional Heritage Fair from which three of our local students were selected to attend the Provincial Heritage Fair.

In 2019, the Alberni Valley Museum was one of only two museums to host "Echoes in the Ice: Finding Franklin's Ship" and was the first venue to host an exhibit from the Royal BC Museum "Our Living Languages." Championing heritage

initiatives is paramount and 2019 saw the restoration of four integral assets for the National Historic Site, McLean Mill including the Arnold McLean Garage, and roof replacement on the Worker House, Cookhouse and Main Garage.

### **Public Works**

The City's Engineering and Public Works Department designs, undertakes and manages work on our municipal infrastructure including streets, bridges, sewer and storm drains, and the water system. The department also collects solid waste and provides administration and operation of Greenwood Cemetery.

In 2019 crews installed 286 metres of new water main, and replaced 1500 metres of old water main. A significant project was the Dry Creek Crossing, which saw the replacement of 800 metres of water supply main that connects the City's Cowichan Reservoir to the water distribution system that services North Port.

Our crews undertake maintenance and repair on over 150 kilometres of asphalt road surface and 135 kilometres of sidewalks. Water system including the three supply dams, five reservoirs, the water treatment plant, four pump stations, and the distribution system with over 170 kilometres of pipe, 740 hydrants and 6,800 water meters. Operating the wastewater collection system comprised of over 260 kilometres of sanitary and storm sewers, 3,600 manholes, 2,350 catch basins, six pumping stations, 110 storm outlets, four combined sewer overflows, and the wastewater treatment facility

### **Policing**

The City of Port Alberni and adjoining rural areas are policed by the RCMP under contract from the Province of British Columbia and the Federal Government. The Port Alberni Detachment area encompasses some 1,528 square miles of west-central Vancouver Island. The Detachment area includes the traditional territories of the Hupacasath, Tseshaht and Uchucklesaht First Nations, as well as Sproat Lake and Great Central Lake. The total area population served by Port Alberni Detachment is approximately 30,000 full-time residents, plus increases due to summer tourism. Port Alberni Detachment provides policing services along three business lines or contracts – Municipal, Provincial and Aboriginal Policing. The municipal policing service includes disciplines such as General Duty Investigations, Drug Enforcement, Major or Serious Crimes, Police Dog Service, Forensic Identification, Traffic Enforcement, Community Policing, Youth Officer, Violence in Relationship Officer, and police based Victim Services. Our Community Policing Program engages volunteers who have donated thousands of hours in support of policing initiatives.

The Port Alberni Detachment saw an increase in total calls for service in the City for 2019 compared to 2018. Total calls for service increased to 11,675 compared to 10,393 the previous year, for an increase of 12 percent.

The detachment employs 20 municipal employees in support of police operations. There are 15 fulltime employee positions and several auxiliary municipal employees who are

being led by the detachment's Manager of Police Support Services.

2019 saw the re-instatement of the Youth Liaison Officer position to bolster the RCMP presence within the schools and foster positive relationships with youth.

Port Alberni RCMP Community Policing initiatives target crime prevention as well as traffic safety. In response to Council's 2019-2023 Corporate Strategic Plan, the structure of Community Policing has shifted. It is now led by the City of Port Alberni with support from the RCMP. In response to these changes, a Manager of Community Policing position was created and plans to open a new Public Safety Building in the Uptown District where Community Policing and By-law Services will be co-located is underway. This new structure will bolster the City and RCMP approach to community safety and help address current and emerging public safety challenges.

Port Alberni RCMP's 2018/2019 Annual Performance Plan will focus on property crime and drugs, family violence, excellence in Aboriginal Policing, traffic safety, crime reduction/offender management, continued partnership with First Nations, and employee wellness.

## **Municipal Infrastructure**

### **Roads & Transportation**

The City's road network consists of approximately 175 km of paved roadways, most of which are adequate to handle current traffic volumes. The majority of roads in Port Alberni are in excess of forty years old and in many areas reconstruction of original road surfaces is required. Road rehabilitation has been identified as a priority for Capital spending within the next five years.

The City has a pavement management system initiated in the mid 1980's which is used to prioritize maintenance strategies to extend the life of existing roads. In recent years the City has expanded the pavement maintenance to include crack sealing, sand sealing, and chip sealing as well as asphalt recycling.

There are 10 bridges in the City, of varying age and type. Five are vehicular traffic bridges dating from the 1950's, and five are pedestrian bridges. Construction to replace the Gertrude Bridge over Kitsuksis Creek and rehabilitation of Victoria Quay Bridge over Roger Creek was completed in 2016, and rehabilitation of Josephine Street Bridge was completed in 2017.

### **Waterworks**

The City of Port Alberni obtains water from China Creek and Bainbridge Lake and has an intake on the Somass River for use during peak demands. There is a storage dam on Lizard Lake, which feeds a tributary to China Creek. Growth of the City

is limited by an inadequate volume in our China Creek and Bainbridge sources. The City and Regional District are jointly investigating development of new regional sources.

The condition of the City's 170 km of water mains is generally good, with some deterioration due to age. The condition of asbestos cement and cast iron mains is being monitored for structural problems. The state of the waterworks infrastructure is good, and considerable investment has been made in the last 10 years to upgrade facilities. A major upgrade to the supply main trestles from China Creek was completed in 2011, and a new intake and pumps were installed at Bainbridge Lake in 2017. Capital projects completed in 2018 include main renewals and upgrades, and continued water meter installation.

### **Storm and Sewer**

The City's sanitary sewer utility provides service to approximately 98% of the residences and developments within the City. Much of the collection system in the south portion of the City is combined and results in sewer overflows during rainfall events. The collection system in the northern part of the City is separate. Five pump stations pump all of the City's sewage to an aeration lagoon located on the south side of the Somass River. The present treatment facility produces effluent that often fails permit parameters. Bio solids removal from the lagoon was undertaken in 2016.

Most of the collection system dates from before the 1950's and video inspection indicates that the general condition is fair. Some areas have

serious pipe deterioration, root intrusion, or infiltration. Upgrades continue in capital spending programs. Sewer and storm twinning is also a project priority to achieve reduction in combined sewer overflows. The City drainage system includes outlets into the Alberni Inlet and Somass River as well as into several creeks within the City boundaries.

In 2013, the City acquired the sewage lagoon from Catalyst Paper, one of the first steps to upgrades planned in 2013 through 2021. Sewage treatment plant upgrades will continue for 2017 through 2021, funded through borrowing and federal grants. Plans include wetland restoration for the old lagoon when the new lagoon is operational.

### **Solid Waste**

The City operates a weekly residential collection service with three trucks. Solid waste is taken to the Alberni Valley Landfill operated by the Alberni-Clayoquot Regional District.

Curbside collection of recyclables is provided by Recycle BC. The Alberni-Clayoquot Regional District operates a central depot on 3<sup>rd</sup> Avenue.

### **Cemetery**

The City operates and maintains the Greenwood Cemetery, with a section dedicated as a Field of Honour. A permanent row marker installation was completed in 2017.

## **City Hall**

The Port Alberni City Hall located at 4850 Argyle was constructed in 1958. Renovations to the roof, heating and lighting systems were completed in 2013. A cedar façade renovation was completed in 2016, funded in part from corporate donations. An extensive renovation to the lower floor was completed in 2018, as was the installation of an elevator. City Hall houses the City Council Chambers and Committee Rooms, as well as the General Administrative Offices on the main floor. The Engineering and Development Services, and Economic Development Departments' administration and technical offices are located on the lower floor.

The City operates with various municipal software for finance, planning, utilities, elections, parks and recreation program registration, and data management. Implementation of new financial software (Microsoft Dynamics GP) was completed in 2014. Migration to paperless billing was launched in 2016. Payroll records went completely paperless in 2016. New Parks & Recreation software (PerfectMIND) was implemented in 2018, and a corporate-wide internet based telephone system installation was completed in 2017.

## **Fire Hall**

Port Alberni has one fire hall constructed in 1967 located at 3699 10th Avenue. This building houses the City's Fire Department consisting of 21 fire fighters, four fire trucks and an emergency rescue vehicle. Seismic upgrading of the fire hall was completed in 2000.

New control room equipment was installed in 2017.

## **Public Safety Building**

The Public Safety Building at 4444 Morton Street was completed in the fall of 2006. This facility provides a safe and efficient building which houses our RCMP detachment. This \$6 million project was financed through City reserve funds and borrowing. Upgrades in 2014 included a closed circuit video system.

## **Works Yard**

The Works Yard at 4150 - 6th Avenue was constructed in 1966. This facility houses the public works operations, parks operations, stores, and inventory. Approximately 54 employees are dispatched from the various shops including water, sewer, streets, parks, facilities, and mechanical. A fleet of about 100 vehicles and equipment is maintained in the works yard mechanical shop.

## **Echo ' 67 Centre**

Opened in 1967 as a Canada Centennial project and a celebration of the amalgamation of the Cities of Alberni and Port Alberni, Echo '67 Centre is the hub of community activity in the Alberni Valley. A most versatile facility, Echo Centre contains six meeting and activity rooms ranging in capacity from 33 to 133 persons. Three of these can combine into one large room, capable of hosting groups as large as 332 persons. Two well-equipped kitchens are adjacent.

The Centre also contains two craft studios, a branch of the Vancouver Island Regional Library, the Alberni Valley Museum and Echo

Aquatic Centre. The Aquatic Centre facility provides a 25 metre pool, a shallow pool, a tot's pool, a whirlpool, 2 saunas and a fitness studio. Besides public swimming and swim lesson programs, the Aquatic Centre is home to the Tsunami Swim Club. Renovations to the roof, heating and lighting system were completed in 2013.

## **Community Arena**

Construction of the fully accessible Alberni Valley Multiplex facility was approved in a referendum held in November 1999. It was a \$6.5 million dollar project which saw Alberni Valley residents commit to pay \$5 Million through taxation, while the Arena Society covered the remaining \$1.5 Million through fund raising. As the project developed, the value of the facility increased to more than \$7.4 million due mainly to improvements supported by additional fund raising initiatives by the Arena Society. One of the most significant improvements was the purchase and installation of 1,500 stadium style seats in the Weyerhaeuser Arena. Energy efficient upgrades were made in 2014 with funding from Gas Tax, and an office addition was added in 2015 with funds from the Alberni Valley Community Forest Legacy fund.

Features of the Alberni Valley Multiplex include two regulation size ice surfaces with four dressing rooms for each ice surface, and a Junior A hockey team room and office for the Alberni Valley Bulldogs. The facility has a heated viewing and food services lounge that overlooks both ice surfaces, as well as a large deck off the upper lounge which gives a spectacular

view of the Alberni Valley and some of the adjacent playfields.

### **Glenwood Sports Centre**

This is a major multi-purpose facility adjacent to both the Fall Fair Grounds and Bob Dailey Stadium field and athletic track. With its very large floor space, Glenwood Centre accommodates regular public roller blade sessions, a batting practice cage, indoor tennis practice courts, and many community special events. Those events range from exhibitions and dog shows, to Fall Fair exhibits. Energy Audit Upgrades were completed in 2014 with funding from Gas Tax grants.

### **Gyro Youth Centre**

Surrounded by parkland, the Centre houses an activity area for teens, seniors, and other groups. It is equipped with a small kitchen. Tennis courts, a lacrosse box, a spray park, and a children's playground are adjacent to the Centre. A number of upgrades were made to the tennis courts and playground in 2015. A successful grant application in 2017 contributed significantly to major upgrades in 2017.

### **Bob Dailey Stadium**

Opened for the City of Port Alberni's hosting of the 1992 B.C. Summer Games, this stadium is the one of the jewels of our outdoor recreation facilities. This 400 metre synthetic surface track is complemented by an infield suitably sized for sports such as soccer, football, field hockey, etc. Areas for high jump, javelin, shot put, and pole vault events are part of this stadium facility. A grandstand with a seating capacity of 650 overlooks the

track and the field, with Mount Arrowsmith providing a spectacular backdrop to the setting. The track was resurfaced in 2013 with funding from Land Sale Reserve. An outdoor fitness circuit park was added in 2016.

### **Echo Park and Fieldhouse**

Echo Park is our major community outdoor recreation complex. It contains three junior baseball fields, six softball diamonds which accommodate soccer fields as well in the fall and winter season, two slow-pitch fields and a skateboard park. Central to these playing fields is the Echo Park Fieldhouse. This facility consists of a lounge/meeting area for up to 60 people, a kitchen/concession area beside the lounge, an outdoor patio/terrace area off the lounge, public washrooms, storage rooms as well as change rooms and an officials' room. Interior upgrades were completed in 2016.

### **Klitsa Park Baseball Fields**

Klitsa Park Baseball Fields were completed in 2010. It features two well utilized junior baseball fields and a playground area.

### **Alberni Harbour Quay**

The "Quay" is Port Alberni's well used and popular park-marketplace by the sea. This facility is managed by the Parks, Recreation & Heritage Department. The commercial area has shops, charter services, seasonal booths and retail marketplace, generating rental revenue for the City. There is a park with a picnic area, lawn, Shipwreck Playground, and the Clock Tower. The Babe Gunn "Life Cycle of the Pacific Salmon" stone sculpture in a

central fountain is in the centre of the Quay.

The Harbour Quay Spirit Square project was completed in 2010, as well as improvements to the Farmers' Market. The project included an extension of the wharf and a boardwalk, providing much more space for waterfront viewing. The improvements to the former "Market Square" included a covered area that will accommodate additional vendors, street lighting, and an entrance canopy.

The "Quay" annually plays host to a number of community events such as the *Our Town Finale*, the *Farmer's Market*, the *Austin Healey Rendezvous*, and various "Show and Shines."

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## **CITY OF PORT ALBERNI**

### **SUMMARY OF SERVICES AND REGIONAL RELATIONSHIPS**

The City is responsible for the provision of a wide variety of local government services. These include:

- Transportation network (roads, bridges, street cleaning, sidewalks, street lighting, etc. - except the Alberni Highway #4) which is under Provincial Government jurisdiction.
- Drainage
- Sanitary Sewer Collection System
- Solid Waste Collection
- Waterworks Distribution and Collection System
- Parks
- Recreation and Cultural Facilities Programs
- Library Facilities
- Land Use Planning
- Police and Fire Protection
- Building Permits
- Business Licensing
- Domestic Animal Control
- Bylaw Establishment and Enforcement
- Emergency Preparedness
- Public Transit
- Heritage

Government services that are not the responsibility of the City of Port Alberni include:

- School System (Provincial Government and Local School Board)
- Social and Health Programs (Provincial Government)
- Hospital Care Systems (Provincial Government)
- Real Property Assessments (Provincial Government)
- Recycling Pickup (Alberni-Clayoquot Regional District)
- Landfill (Alberni-Clayoquot Regional District)
- Municipal Pension Plan (Provincial Plan)
- Debt Marketing (Municipal Finance Authority)
- Flood Control (Provincial Government)
- Library System (Vancouver Island Regional Library)

The City of Port Alberni is represented on the following Regional Boards which provide a variety of services for the residents of Port Alberni:

#### Alberni-Clayoquot Regional District

Provides landfill operations and recycling services. Debt placement on behalf of the City of Port Alberni through the Municipal Finance Authority

#### Island Health Authority

Provides Regional Hospital Planning input to the Provincial Government on the Hospital system and raises local capital construction contributions.

### Vancouver Island Regional Library

A regionalized library collection and distribution system that provides all of the operational aspects of a library system. The members provide the local facilities.

The City of Port Alberni obtains services from the following organizations:

#### Municipal Finance Authority

A Provincial organization that provides for marketing, placement and administration of all municipal debt requirements (except the City of Vancouver). This Authority also operates an investment pool on behalf of municipalities.

#### Royal Canadian Mounted Police (R.C.M.P.)

Contract with the Federal Government to provide police services (police officers); the City provides the clerical support services, custodial guards, and facilities.

#### B.C. Society for the Prevention of Cruelty to Animals (B.C.S.P.C.A.)

Contract to provide domestic animal pound and shelter services and to operate a large animal pound as required.

#### Alberni Valley Chamber of Commerce

Contract to provide visitor information to the general public.

#### Alberni Valley Tourism

A destination tourism marketing organization to promote the Alberni Valley's attractions and events to potential visitors.

The City of Port Alberni issues property tax notices and acts as a collection agent for all property taxes.

(A) The following organizations' property tax levies are listed on the City's Property Tax Notice; however the City Council does not have control or responsibility over their levy rates, expenditure or operation:

B.C. Assessment  
Municipal Finance Authority  
Provincial Government School System (Residential and Non-Residential)

(B) The following organizations' levies are listed on the City's Property Tax Notice, however the City Council does not have control or responsibility over their levy, expenditure or operation, except as a voting member:

Alberni-Clayoquot Regional District  
Alberni-Clayoquot Regional Hospital District



## **CITY OF PORT ALBERNI**

### **BUDGET PROCESS**

#### **BUDGET PROCESS FOR THE YEAR 2018**

Bill 88, passed in the fall of 2000, requires municipalities to prepare a Five Year Financial Plan bylaw which is adopted annually, prior to the property tax rates bylaw adoption deadline of May 15. The Plan may be amended at any time by bylaw. Each year, the Financial Plan from the previous year remains in place until the Plan for the current year is adopted. As part of the Plan process, Council must undertake a process of public consultation regarding the Financial Plan before it is adopted. The Community Charter does not specify the format of the public consultation process and it may be varied at Council's discretion to suit the local community.

The year 2019 budget activities began with a presentation of the Draft 2019-2023 Five Year Financial Plan in January 2019, followed by several special Budget Meetings for Council to consider public input and operations and capital funding requirements. The five year plan 2019-2023 Bylaw 4984 was adopted March 25, 2019.

**CITY OF PORT ALBERNI  
SOURCES AND USES OF CAPITAL FUNDING IN 2019**

USES OF FUNDING

PUBLIC WORKS:

Transportation:

2019 F150 Pickup Truck	39,205	
2019 Toyota Rav Hybrid #723	36,919	
2019 Dodge Ram 3500 Pickup Truck	93,204	
2019 Dodge Ram 5500 Pickup Truck	<u>96,418</u>	265,746

Paving and Road Reconstruction:

Miscellaneous	104,448	
Burde Street 16th Ave to Estevan Drive	53,684	
6th Ave-Argyle St to Melrose	249,274	
Coal Creek Phase 2	24,776	
Athol Street 3rd to 4th	<u>39,266</u>	471,447

Storm Drain Construction:

Athol St-3rd to 4th	51,552	
Montrose St.-6th Ave to 9th Ave	82,820	
8th Ave-Dogwood to Cedarwood	60,470	
Coal Creek Storm Phase 2	42,652	
6th Ave-Argyle St to Melrose	<u>151,917</u>	389,411

Other:

Grandview Walkway ditch infill and paved shoulder	94,985	
Line Painting Machine Power Driver & Trailer	<u>10,913</u>	105,898

PARKS, RECREATION & HERITAGE:

Johnston Rd sidewalk Merrifield to Rail crossing	67,229	
Canal Beach Improvements	138,186	
Harbour Quay-Playground Area Windbreak	30,542	
Multiplex Chiller Upgrade	303,582	
Roger Creek trail	161,380	
Multiplex Canopy	60,023	
Multiplex-Replace Walk In Cooler	52,215	
Multiplex & Parks Yard Genie Lift	58,632	
Multiplex-Service Membrane Roof	39,744	
Fitness Studio-Cardio Equipment Replacement	6,643	
Paper Mill Dam Stairs	8,897	
Tiger Flail Mower	227,230	
Glenwood Centre - Ride On Floor Scrubber	16,167	

Echo Field House Furnace	6,885	
Gyro Youth Centre	174,148	
Gyro Youth Centre drainage	1,687	
Gyro upgrades – Canada 150 grant	61,740	
Gyro Youth Centre Security Cameras	5,421	
McLean Mill Capital Projects	<u>101,175</u>	1,521,526

SEWER SYSTEM:

Distribution system – main renewals and upgrades	98,156	
Montrose-6th Ave to 9th Ave	70,211	
8th Ave-Dogwood to Cedarwood	122,223	
6th Ave-Argyle St to Melrose	<u>105,400</u>	453,029

WATER SYSTEM:

SCADA Upgrades	348,420	
Dead Ends & Distribution Upgrades	34,570	
Argyle Street-17th Ave to 21st Ave	744,174	
Athol St-3rd to 4th Ave	67,367	
6th Ave-Angus to Montrose-renewal/upgrades	200,000	
6th Ave-Argyle St to Melrose St	<u>136,138</u>	<u>1,402,512</u>

\$4,609,569

SOURCES OF FUNDING

Revenue Funds	\$ 2,153,141
Reserve Funds	1,147,976
Grants	1,258,452
Other Funding	<u>50,000</u>
	<u>\$ 4,609,569</u>

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## **FINANCIAL SECTION**

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— CITY OF —  
**PORT ALBERNI**

Consolidated Financial Statements of

# **CITY OF PORT ALBERNI**

Year Ended December 31, 2019

**CITY OF PORT ALBERNI**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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## Independent Auditor's Report

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To the 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, 2019, and the consolidated statements of operations, accumulated surplus, 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 and other explanatory information.

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, 2019, and the results of its consolidated operations, changes in net financial assets 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 Matters

The prior year comparative figures were audited by another firm of chartered professional accountants, who issued an unmodified opinion on June 24, 2019.

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 1 to 11, has been presented for purposes of additional analysis. The supplementary information in schedules 1, 2,3, and 4 has been subjected to the auditing procedures applied in the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole. We do not express an 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 the 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 will 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 identified above when it becomes available 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.

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

July 27, 2020

*MNP* LLP

Chartered Professional Accountants

# **City of Port Alberni**

## **Consolidated Financial Statements**

**For the year ended December 31, 2019**



**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at December 31, 2019*

	2019	2018
	<i>(Restated - Note 18)</i>	
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 10,050,393	\$ 5,925,134
Investments (Note 3)	28,458,862	30,766,202
Accounts receivable (Note 4)	5,098,787	4,600,470
Inventory for resale	31,415	53,268
Investment in government business enterprise (Note 5)	3,136,187	1,721,135
	<u>46,775,644</u>	<u>43,066,209</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	6,460,585	6,488,610
Deferred revenue (Note 7)	6,823,723	4,754,537
Refundable deposits	460,725	351,227
Short-term debt (Note 8, Schedule 3)	4,450,000	-
Long-term debt (Note 8, Schedule 3)	9,835,068	10,163,466
	<u>28,030,101</u>	<u>21,757,840</u>
<b>NET FINANCIAL ASSETS</b>	<u>18,745,543</u>	<u>21,308,369</u>
<b>Commitments and Contingencies (Note 14)</b>		
<b>Subsequent Event (Note 15)</b>		
<b>NON-FINANCIAL ASSETS</b>		
Inventory of supplies	490,306	488,077
Prepaid expenses	242,899	201,989
Tangible Capital Assets (Note 11, Schedule 1)	122,477,625	107,991,379
	<u>123,210,830</u>	<u>108,681,445</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>\$ 141,956,373</u>	<u>\$ 129,989,814</u>

Approved on behalf of the City

  
Rosalyn Macauley  
Deputy Director of Finance

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

**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
*As at December 31, 2019*

	Budget (Note 16)	2019	2018 (Restated - Note 18)
<b>REVENUE</b>			
Taxation (Schedule 4)	\$ 23,379,646	\$ <b>23,439,470</b>	\$ 22,723,923
Sale of services	10,256,190	<b>10,463,191</b>	9,870,774
Other revenue from own sources	737,940	<b>942,393</b>	966,169
Investment income	263,000	<b>716,073</b>	571,705
Grants (Note 13)	1,349,857	<b>11,172,799</b>	2,905,256
Loss on disposal of tangible capital assets	-	<b>(49,853)</b>	(23,830)
Income (loss) from investment in government business enterprise (Note 5)	-	<b>1,565,052</b>	(371,888)
Other	456,400	<b>4,629</b>	117,139
	<u>36,443,033</u>	<u><b>48,253,754</b></u>	<u>36,759,248</u>
<b>EXPENSES</b>			
General government services	\$ 3,591,534	\$ <b>4,408,643</b>	\$ 3,666,911
Protective services	11,617,524	<b>11,606,813</b>	10,549,188
Transportation services	4,198,108	<b>6,078,785</b>	5,863,040
Environmental health services	804,211	<b>1,000,776</b>	1,010,444
Environmental and economic development	1,374,447	<b>1,321,252</b>	1,052,644
Recreation and cultural services	6,199,683	<b>7,505,019</b>	7,042,514
Water utility	1,473,672	<b>2,369,605</b>	2,376,259
Sewer utility	1,496,154	<b>1,969,552</b>	1,932,066
Other	-	<b>26,750</b>	130,000
	<u>30,755,333</u>	<u><b>36,287,195</b></u>	<u>33,623,066</u>
<b>ANNUAL SURPLUS</b>	5,687,700	<b>11,966,559</b>	3,136,182
Accumulated surplus, beginning of year	129,989,814	<b>129,989,814</b>	126,853,632
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>\$ 135,677,514</u>	<u>\$ <b>141,956,373</b></u>	<u>\$ 129,989,814</u>

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

**CITY OF PORT ALBERNI**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
*As at December 31, 2019*

	<b>Budget</b>	<b>2019</b>	<b>2018</b>
	<b>(Note 16)</b>		<i>(Restated - Note 18)</i>
<b>ANNUAL SURPLUS</b>	\$ 5,687,700	\$ <b>11,966,559</b>	\$ 3,136,182
Acquisition of tangible capital assets	(8,105,810)	<b>(19,234,060)</b>	(7,157,687)
Amortization of tangible capital assets	-	<b>4,658,156</b>	4,645,205
Loss on disposal of tangible capital assets	-	<b>50,128</b>	23,830
Proceeds from sale of tangible capital assets	-	<b>39,530</b>	114,000
	<u>(2,418,110)</u>	<u><b>(2,519,687)</b></u>	<u>761,530</u>
Acquisition of supply inventory	-	<b>(490,306)</b>	(488,077)
Acquisition of prepaid expenses	-	<b>(242,899)</b>	(201,988)
Consumption of inventory of supplies	-	<b>488,077</b>	442,651
Use of prepaid expenses	-	<b>201,989</b>	154,938
	<u>-</u>	<u><b>(43,139)</b></u>	<u>(92,476)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(2,418,110)	<b>(2,562,826)</b>	669,054
Net financial assets, beginning of year	21,308,369	<b>21,308,369</b>	20,639,315
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 18,890,259</u>	<u>\$ <b>18,745,543</b></u>	<u>\$ 21,308,369</u>

*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, 2019*

	2019	2018 <i>(Restated - Note 18)</i>
Cash provided by (used in):		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 11,966,559	\$ 3,136,182
Non-cash items		
Amortization of tangible capital assets	4,658,156	4,645,205
Loss on disposal of tangible capital assets	50,128	23,830
Investment in government business enterprise	(1,415,052)	371,888
Actuarial adjustment	(73,841)	(61,576)
Inventory of supplies	(2,229)	(45,426)
Prepaid expenses	(40,910)	(47,051)
Changes in working capital balances		
Accounts receivable	(498,317)	(248,110)
Inventory for resale	21,853	8,478
Accounts payable and accrued liabilities	(28,025)	1,449,740
Deferred revenue	2,069,186	932,442
Refundable deposits	109,498	(6,177)
	<u>16,817,006</u>	<u>10,159,425</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(19,234,060)	(7,157,687)
Proceeds from sale of tangible capital assets	39,530	114,000
	<u>(19,194,530)</u>	<u>(7,043,687)</u>
<b>INVESTING ACTIVITIES</b>		
Change in investments	<u>2,307,340</u>	<u>(3,039,762)</u>
<b>FINANCING ACTIVITIES</b>		
Acquisition of short-term debt	4,450,000	-
Repayment of long-term debt	(254,557)	(254,557)
	<u>4,195,443</u>	<u>(254,557)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,125,259</b>	<b>(178,581)</b>
Cash and cash equivalents - beginning of year	5,925,134	6,103,715
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 10,050,393</u>	<u>\$ 5,925,134</u>

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

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**1. General**

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.

In December 2009 the City of Port Alberni incorporated a company known as Alberni Valley Community Forest Corporation. The City retains full ownership of the company. Alberni Valley Community Forest Corporation general operations include forestry and business activities associated with forestry including harvesting and selling timber and non-timber forest products.

**2. Significant Accounting Policies**

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:

***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.

***Basis of Presentation***

The City practises 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 Funds** 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.

**Reserve Funds** account for activities within designated funds established for specific purposes with the approval of the Ministry of Community Development. 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.



**2. Significant Accounting Policies** *(continued from previous page)*

**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.

***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.

***Revenue recognition***

Taxes are recognized as revenue in the year they are levied. Taxes may be adjusted by the Province by way of supplementary roll adjustments through the BC Assessment appeal process. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Charges for water and sewer usage, solid waste collection and recreation programs and admissions are recorded as sales of service and are recognized as revenue when the service or product is rendered by the City. Development contributions are recorded as contributed tangible capital assets at their fair value on the date of contribution. Other revenue is recorded when performance of services is complete, amounts are measurable, and collectability is reasonably assured. 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.

***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.

***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 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.

***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.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**2. Significant Accounting Policies** *(continued from previous page)*

**Cash equivalents**

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

**Debt**

Debt is recorded net of principal repayments and actuarial adjustments.

**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.

**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.

**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.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**2. Significant Accounting Policies** *(continued from previous page)*  
**Non-financial assets** *(continued from previous page)*

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.

Leased tangible capital assets which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as operating leases and the related payments are charge to expenses as incurred.

***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.

***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 and estimating the useful lives of tangible capital assets. 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.

***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.

***Liability for contaminated sites***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate 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, 2019.

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.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**2. Significant Accounting Policies** *(continued from previous page)*

***Reserve accounts***

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

***Financial instruments***

The City's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, refundable deposits, short-term debt and long-term debt. Unless otherwise indicated, it is management's opinion that the City is not exposed to any significant interest, credit, or currency risks arising from these financial instruments.

**3. Investments**

Investments include funds invested in Guaranteed Investment Certificates and Money Market Funds with Raymond James and the Municipal Finance Authority of B.C. The investments are carried at market value which is equal to the carrying value. The investments have various maturity dates between Feb 2020 and Dec 2020 with a range of interest rates between 2.15% and 2.75%

**4. Accounts Receivable**

	2019	2018
Property taxes	\$ 818,044	\$ 749,266
Provincial government	469,001	60,997
Federal government	136,681	160,835
General	3,675,061	3,629,372
	\$ 5,098,787	\$ 4,600,470

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**5. 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, 2019:

	2019	2018
<b>Financial position</b>		
Assets	\$ 3,500,118	\$ 2,154,941
Liabilities	355,187	425,062
Equity	3,144,931	1,729,879
	<b>3,500,118</b>	<b>2,154,941</b>
<b>Operations</b>		
Revenue	3,056,224	662,502
Expenses	1,491,172	1,034,390
Net income (loss)	1,565,052	(371,888)

	2019	2018 (Restated Note 18)
Summary of investment in GBE		
AVCFC shares	\$ 1	\$ 1
Accumulated earnings to date	3,136,186	1,721,134
	<b>\$ 3,136,187</b>	<b>\$ 1,721,135</b>

During the year the City received a dividend from AVCFC of \$150,000 (2018 - \$0)

**6. Accounts payable and accrued liabilities**

	2019	2018
Due to senior governments	\$ -	\$ 236
Other local governments	27,888	31,389
Trade accounts	3,846,529	3,912,058
Salaries and wages	505,175	613,031
Accrued debenture interest	63,419	63,419
Accrued employee benefits	2,017,574	1,868,477
	<b>\$ 6,460,585</b>	<b>\$ 6,488,610</b>

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**6. Accounts payable and accrued liabilities** (continued from previous page)

*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.

		2019		2018
Benefit liability – beginning of year	\$	694,200	\$	662,653
Add: current service costs		49,000		47,300
Interest on accrued benefit obligations		28,800		28,300
Amortization of actuarial loss		16,300		19,447
Less: Benefits paid		<u>(63,500)</u>		<u>(63,500)</u>
Benefit liability – end of year		724,800		694,200
Unamortized actuarial loss (gain)		95,300		111,600
Accrued benefit obligation – end of year	\$	<u>820,100</u>	\$	<u>805,800</u>

The retirement liability requires no contribution from the employees.

b) Accrued vacation liability

		2019		2018
Accrued vacation liability – end of year	\$	1,097,744	\$	962,677

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, 2019 this liability is estimated at \$100,000 (2018 - \$100,000).

d) Employee benefit obligations

		2019		2018
Accrued retirement benefits	\$	820,100	\$	805,800
Accrued vacation payable		1,097,474		962,677
Accumulated sick leave liability		100,000		100,000
Total employee benefit obligations	\$	<u>2,017,574</u>	\$	<u>1,868,477</u>

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**7. Deferred revenue**

Capital grants are restricted to spending on capital project expenses. Other deferred revenue is not restricted. Federal Gas Tax Agreement funding has broad guidelines for use for projects that result in cleaner air, clearer water, or decreased greenhouse gas emissions.

	<b>2019</b>	<b>2018</b> (Restated Note 18)
Capital grants, opening balance	\$ 25,997	\$ 55,997
Capital grants, receipts	2,000	-
Capital projects recognized into revenue	-	(30,000)
Capital grants, ending balance	27,997	25,997
Property taxes	1,476,755	1,416,840
Other	1,227,413	855,346
Development cost charges (DCC's)	1,581,681	924,469
Federal Gas Tax Agreement	2,509,877	1,531,885
\$ 6,823,723	\$ 4,754,537	

Development cost charges (DCCs)

Opening balance	\$ 924,469	\$ 247,715
Add: DCCs received during the year	648,021	671,378
Less: Amount recognized as revenue	-	-
Add: Interest	9,191	5,376
\$ 1,581,681	\$ 924,469	

Federal Gas Tax funds

Opening balance	\$ 1,531,885	\$ 1,379,578
Add: Funding received during the year	1,638,361	839,115
Less: Amount recognized as revenue	(742,875)	(686,808)
Add: Interest	82,506	-
\$ 2,509,877	\$ 1,531,885	

Federal Gas Tax 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.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**8. 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, 2019, there are contingent demand notes of \$203,829 (2018 - \$203,829) that are not recorded in the City's financial statements.

*Short-term Debt*

During the year, short-term debt in the amount of \$4,450,000 was acquired. Subsequent to year end, May 2020, it was converted into long-term debt.

*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. Debenture debt by Bylaw is detailed on Schedule 3.

Principal payments on long-term debt as of December 31, 2019 for the next five years are as follows:

Long-term Debt	
2020	254,557
2021	254,557
2022	254,557
2023	254,557
2024	254,557
<b>Total</b>	<b>\$ 1,272,785</b>



**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**8. Debt** (continued from previous page)

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 \$254,557 (2018 - \$254,557). Total interest expense during the year was \$295,628 (2018 - \$295,628). Included in revenue is \$73,841 (2018 - \$61,576) 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.

**9. Trust Funds**

The City operates the 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, 2019, the balance of funds held in trust was \$176,428 (2018 - \$162,787).

**10. 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The City of Port Alberni paid \$1,282,286 (2018 - \$1,259,580) for employer contributions while employees contributed \$1,072,171 (2018 - \$1,040,423) to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension 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.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**11. Tangible capital assets**

Tangible Capital Assets are stated at their net book value.

	<b>2019</b>	2018
Land	\$ <b>4,084,040</b>	4,084,040
Land Improvements	<b>5,246,097</b>	5,301,298
Buildings	<b>17,676,838</b>	18,217,898
Machinery and Equipment	<b>5,191,725</b>	4,953,421
Engineering Structures	<b>2,845,108</b>	2,878,554
Storm Drains	<b>16,326,832</b>	16,290,011
Transportation	<b>8,909,681</b>	9,190,742
Water	<b>20,743,351</b>	20,144,796
Sewer	<b>21,150,326</b>	21,208,427
Leased assets	<b>68,889</b>	86,111
	<b>102,242,887</b>	102,355,298
Work-in-progress: Assets under construction not being amortized	<b>20,234,738</b>	5,636,081
	<b>\$ 122,477,625</b>	107,991,379

For more information on additions, disposals, and amortization, refer to Schedule of Tangible Capital Assets (Schedule 1).

There were no write-downs of tangible capital assets in 2019 (2018 - \$ nil). Contributed assets recognized in 2019 were nil (2018 \$ nil). Interest capitalized in 2019 was \$146,973 (2018 \$118,140). No amortization has been recorded on assets not in use in 2019.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**12. Accumulated surplus**

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

	2019	2018 (Restated Note 18)
<b>Operations</b>		
General	\$ (18,875,937)	\$ (17,919,249)
Water	1,908,123	976,849
Sewer	(2,250,609)	(2,610,944)
	<u>\$ (19,218,423)</u>	<u>\$ (19,553,344)</u>
<b>Capital</b>		
General	\$ 25,853,347	\$ 23,136,838
Water	1,314,782	2,772,190
Sewer	518,578	1,783,810
	<u>\$ 27,686,707</u>	<u>\$ 27,692,838</u>
<b>Equity in tangible capital assets</b>		
General	\$ 57,458,828	\$ 58,326,917
Water	20,179,525	18,717,905
Sewer	30,554,204	20,783,091
	<u>\$ 108,192,557</u>	<u>\$ 97,827,913</u>
<b>Reserves</b>		
Reserve funds – statutory		
Parkland acquisition	\$ 292,894	\$ 287,618
Land Sale	840,843	848,131
	<u>1,133,737</u>	<u>1,135,749</u>
Reserve funds – restricted		
Equipment replacement	6,438,022	5,931,628
Carbon fund	170,267	302,710
Parks and recreation capital	2,259,221	2,197,871
Capital works	991,977	1,022,748
Alberni Valley Community Forest Corporation reserve	258,420	106,422
	<u>10,117,907</u>	<u>9,561,379</u>
Reserve funds – unrestricted		
General fund – projects and purchases	2,749,926	2,777,107
Loss on taxation	1,351,000	1,351,000
Museum purchases	58,627	57,074
RCMP – contract surplus	1,085,188	1,085,188
McLean Mill projects	334,300	200,000
Water fund – projects and purchases	4,162,123	4,162,223
Sewer fund – projects and purchases	4,302,724	3,692,687
	<u>14,043,888</u>	<u>13,325,279</u>
<b>Total reserves</b>	<u>25,295,532</u>	<u>24,022,407</u>
	<u>\$ 141,956,373</u>	<u>\$ 129,989,814</u>

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**13. Grants and Transfers**

The City recognizes the transfer of government funding as revenue in the period received and when all related eligibility criteria and stipulations have been satisfied. The government transfers reported on the Consolidated Statement of Operations are:

	2019	2018
<b>Operating Grants</b>		
Federal	\$ -	\$ 15,018
Provincial	1,385,016	1,198,909
<b>Total Government Operating Grants</b>	<b>1,385,016</b>	<b>1,213,927</b>
Local	31,833	21,833
<b>Capital</b>		
Federal	6,118,452	1,380,823
Federal/Provincial	3,599,134	-
	<b>9,717,586</b>	<b>1,380,823</b>
<b>Total Government Grants and Transfers</b>	<b>11,134,435</b>	<b>2,616,583</b>
Other Grants – Non-Government	38,364	288,673
<b>Total Grants and Transfers</b>	<b>\$ 11,172,799</b>	<b>\$ 2,905,256</b>

**14. 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 2020 estimated cost of this contract is \$5,684,181 (2019 - \$4,816,245).

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**15. Subsequent Event**

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City of Port Alberni as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**16. 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 March 25, 2019 with the adoption of the Five-Year Financial Plan (2019-2023) Bylaw No 4960, 2019. The chart below reconciles the approved budget per the Financial Plan to the budget reported in these consolidated financial statements.

	<b>2019 Budget</b>
Consolidated Budgeted Surplus, per City of Port Alberni Financial Plan Bylaw No. 4960	\$ -
 Add	
Acquisition of tangible capital assets	8,105,810
Contingency	264,700
Debt repayments	347,143
 Less	
Proceeds of borrowing	-
Transfers from reserves	2,979,884
Transfers from surplus	50,069
Amortization	-
 <hr/>	
Consolidated Budgeted Surplus, per City of Port Alberni Statement of Operations	\$5,687,700

**17. Comparative figures**

Certain comparative figures have been restated to conform with the current year's presentation.

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**18. Restatement of comparative figures**

During the year, the City determined that development cost charges were being recognized into revenue when received. Canadian Public Sector Accounting Standards require amounts restricted by legislation to be recorded as deferred revenue when received and brought into revenue when the corresponding expenditures are incurred. This restatement resulted in the following changes to the 2018 comparative amounts: revenue decreased by \$676,755; annual surplus decreased by \$676,755; deferred revenue increased by \$924,470; and reserves decreased by \$924,470.

The City also determined that dividends received prior to 2018 from the Alberni Valley Community Forest Corporation had not been recorded, resulting in the investment in government business enterprise being overstated by \$450,000.

The above restatements have changed amounts reported in the December 31, 2018 amounts as follows:

Investment in government business enterprise	\$	(450,000)
Deferred revenue		924,470
Accumulated surplus		(1,370,470)
Revenue		(676,755)
Annual surplus		(676,755)

**19. 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, City Clerk's 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

**CITY OF PORT ALBERNI**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

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**19. Segmented information** (continued from previous page)

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.

*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 2. For additional information see Segmented Information (Schedule 2).

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# **SUPPORTING SCHEDULES**

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CITY OF PORT ALBERNI  
SCHEDULE 1: TANGIBLE CAPITAL ASSETS  
As at December 31, 2019

	ASSETS			ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Balance December 31, 2018	2019 Additions	2019 Disposals	Balance December 31, 2018	2019 Additions	2019 Disposals	Balance December 31, 2019	NET BOOK VALUE 2019	NET BOOK VALUE 2018
Land	4,084,040	-	-	-	-	-	-	4,084,040	4,084,040
Land Improvements	12,367,649	330,106	-	7,066,351	385,307	-	7,451,658	5,246,097	5,301,298
Buildings	36,348,234	436,830	-	18,130,336	977,890	-	19,108,226	17,676,838	18,217,898
Machinery & Equipment	14,110,770	953,434	(277,861)	9,157,349	660,130	(222,861)	9,594,618	5,191,725	4,953,421
Engineered Structures	4,046,008	10,585	-	1,167,454	44,031	-	1,211,485	2,845,108	2,878,554
Storm Drains	24,313,507	381,337	(5,822)	8,023,496	339,625	(931)	8,362,190	16,326,832	16,290,011
Transportation	43,386,507	639,738	(188,596)	34,195,765	905,996	(173,793)	34,927,968	8,909,681	9,190,742
Water	36,208,747	1,402,511	(491,106)	16,063,951	803,956	(491,106)	16,376,801	20,743,351	20,144,796
Sewer	31,435,423	480,862	(36,985)	10,226,996	523,999	(22,021)	10,728,974	21,150,326	21,208,427
Leased assets	1,425,000	-	-	1,338,889	17,222	-	1,356,111	68,889	86,111
Work in progress	5,636,081	20,234,738	(5,636,081)	-	-	-	-	20,234,738	5,636,081
	213,361,966	24,870,141	(6,636,451)	105,370,587	4,658,156	(910,712)	109,118,031	122,477,625	107,991,379

CITY OF PORT ALBERNI  
 SCHEDULE 2: SEGMENTED INFORMATION  
 As at December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental & Economic Development	Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Consolidated 2019	Budget (Note 16)	Consolidated 2018 (Restated - Note 18)
<b>Revenue</b>												
Taxes	\$ 23,439,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,439,470	\$ 23,379,646	\$ 22,723,923
Sales of services	64,948	393,959	435,657	770,937	204,868	1,553,664	3,226,565	2,841,349	971,244	10,463,191	10,256,190	9,870,774
Other revenue from own sources	293,729	352,262	-	9,750	145,112	-	35,228	32,472	73,840	942,393	737,940	966,169
Investment income	472,032	-	-	-	-	-	38,986	61,434	143,621	716,073	263,000	571,705
Grants	1,120,424	5,492	23,070	-	302,399	116,994	-	8,509,045	1,095,375	11,172,799	1,349,857	2,905,256
Gain/loss on disposal of assets	-	-	-	-	-	-	-	-	(49,853)	(49,853)	-	(23,830)
Income (loss) from investment in Government Business Enterprise	-	-	-	-	1,565,052	-	-	-	-	1,565,052	-	(371,888)
Other	-	-	-	-	-	-	-	-	4,629	4,629	456,400	117,139
<b>Total revenue</b>	<b>25,390,603</b>	<b>751,713</b>	<b>458,727</b>	<b>780,687</b>	<b>2,217,431</b>	<b>1,670,658</b>	<b>3,300,779</b>	<b>11,444,300</b>	<b>2,238,856</b>	<b>48,253,754</b>	<b>36,443,033</b>	<b>36,759,248</b>
<b>Expenses</b>												
Salaries, wages, and benefits	2,528,532	5,558,431	2,824,163	364,889	558,711	4,134,992	799,954	479,010	-	17,248,682	16,009,718	15,870,745
Debt servicing	26,812	91,203	-	-	-	21,536	44,508	161,796	-	345,855	396,128	214,561
RCMP contract	-	4,863,405	-	-	-	-	-	-	-	4,863,405	5,606,456	4,593,360
Grants	27,890	-	-	-	474,134	-	-	-	-	502,024	166,152	211,738
Other contracts	18,540	-	1,077,948	-	80,766	-	-	-	-	1,177,254	1,354,472	1,198,756
Goods and services	1,649,673	806,174	489,687	631,728	139,579	2,239,516	721,187	787,525	26,750	7,491,819	7,222,407	6,888,701
	4,251,447	11,319,213	4,391,798	996,617	1,253,190	6,396,044	1,565,649	1,428,331	26,750	31,629,039	30,755,333	28,977,861
Amortization	157,196	287,600	1,686,987	4,159	68,062	1,108,975	803,956	541,221	-	4,658,156	-	4,645,205
<b>Total expenses</b>	<b>4,408,643</b>	<b>11,606,813</b>	<b>6,078,785</b>	<b>1,000,776</b>	<b>1,321,252</b>	<b>7,505,019</b>	<b>2,369,605</b>	<b>1,969,552</b>	<b>26,750</b>	<b>36,287,195</b>	<b>30,755,333</b>	<b>33,623,066</b>
<b>Annual surplus (deficit)</b>	<b>20,981,960</b>	<b>(10,855,100)</b>	<b>(5,620,058)</b>	<b>(220,089)</b>	<b>896,179</b>	<b>(5,834,361)</b>	<b>931,174</b>	<b>9,474,748</b>	<b>2,212,106</b>	<b>11,966,559</b>	<b>5,687,700</b>	<b>3,136,182</b>

**CITY OF PORT ALBERNI  
SCHEDULE 3: DEBT  
As at December 31, 2019**

Security Issuing Bylaw	Purpose	Term in Years	Annual Interest Rate	Maturity Date	Original Issue	Balance Dec. 31, 2018	Principal Paid	Actuarial Recognized	Balance Dec. 31, 2019	Debt Reserve Cash		Debt Reserve Balance Dec. 31, 2019
										Dec. 31, 2018	Dec. 31, 2019	
<b>Long-term debt</b>												
4575	General	25	1.75%	19-Apr-31	3,375,064	2,157,343	81,042	48,709	2,027,592	50,857	1,185	52,042
4807	General	30	3.00%	14-Oct-44	428,300	397,250	7,637	1,297	388,316	4,470	104	4,574
4846	General	20	2.20%	8-Apr-35	912,000	811,827	32,249	3,506	776,072	9,955	232	10,187
					4,715,364	3,366,420	120,928	53,512	3,191,980	65,282	1,521	66,803
4848	Water	30	2.20%	8-Apr-45	2,000,000	1,879,657	38,743	4,212	1,836,702	21,831	508	22,339
4807	Waste Water	30	3.00%	14-Oct-44	5,321,700	4,917,389	94,886	16,117	4,806,386	59,116	1,377	60,493
					12,037,064	10,163,466	254,557	73,841	9,835,068	146,229	3,406	149,635
<b>Short-term debt</b>												
4939	Waste Water	30	2.40%	09-Apr-50	4,450,000	-	-	-	4,450,000	-	-	-
					16,487,064	10,163,466	254,557	73,841	14,285,068	146,229	3,406	149,635

**CITY OF PORT ALBERNI**  
**SCHEDULE 4: TAX LEVIES AND GRANTS IN LIEU OF TAXES**  
*As at December 31, 2019*

	<b>Budget (Note 16)</b>	<b>2019</b>	<b>2018</b>
<b>TAX LEVIES</b>			
General purpose	\$ 22,316,005	\$ 22,383,144	\$ 21,597,956
Local improvement - sewer	-	-	3,198
Off-street parking	12,000	10,859	9,387
Utility	698,141	694,941	759,988
Parcel Tax	134,000	134,857	133,693
	<u>23,160,146</u>	<u>23,223,801</u>	<u>22,504,222</u>
Grants in lieu of taxes	219,500	215,669	219,701
Total Municipal Taxes	<u>23,379,646</u>	<u>23,439,470</u>	<u>22,723,923</u>
<b>COLLECTIONS FOR OTHER GOVERNMENTS</b>			
School Districts	5,100,000	5,503,746	5,319,033
Alberni Clayoquot Regional Hospital District	760,000	692,282	766,805
Alberni Clayoquot Regional District	1,170,000	1,464,497	1,311,810
B.C. Assessment	160,000	166,967	155,907
Vancouver Island Regional Library	703,211	703,212	726,996
Municipal Finance Authority	500	1,186	-
	<u>7,893,711</u>	<u>8,531,890</u>	<u>8,280,551</u>
Total Taxes Collected	<u>\$ 31,273,357</u>	<u>\$ 31,971,360</u>	<u>\$ 31,004,474</u>

**CITY OF PORT ALBERNI**  
**SCHEDULE 5: GENERAL GOVERNMENT EXPENSES**  
*As at December 31, 2019*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2019</b>	<b>2018</b>
Legislative	\$ 205,664	\$ <b>203,843</b>	\$ 173,285
City manager's office	206,362	<b>207,680</b>	205,912
Municipal clerk's office	418,995	<b>497,041</b>	391,415
Legal fees	40,000	<b>65,641</b>	36,266
Financial management	805,994	<b>809,990</b>	774,016
Administration vehicle	9,377	<b>15,789</b>	15,309
External audit	31,200	<b>66,988</b>	34,500
Purchasing	122,500	<b>242,709</b>	161,368
Buildings	169,119	<b>207,451</b>	230,691
Information services	674,591	<b>857,135</b>	811,669
Appraisals	-	<b>24,250</b>	-
Personnel	293,006	<b>277,125</b>	260,045
Election expenses	-	<b>3,110</b>	48,740
Training and development	198,870	<b>173,451</b>	147,468
Damage claims	21,224	<b>6,383</b>	5,570
Grants and grant funded programs	36,350	<b>27,890</b>	-
Office equipment supplies and printing	494,382	<b>394,776</b>	369,924
Public liability insurance	262,700	<b>268,751</b>	252,802
Other general services	58,200	<b>424,289</b>	161,469
Administration recoveries	(465,000)	<b>(489,000)</b>	(479,494)
Reconciliation Committee	-	<b>2,879</b>	2,042
Asset Management Plan	-	<b>93,659</b>	46,983
Debt servicing	8,000	<b>26,813</b>	16,931
<b>Total</b>	<b>\$ 3,591,534</b>	<b>\$ 4,408,643</b>	<b>\$ 3,666,911</b>

**CITY OF PORT ALBERNI**  
**SCHEDULE 6: PROTECTIVE SERVICES EXPENSES**  
*As at December 31, 2019*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2019</b>	<b>2018</b>
Police protection	\$ 7,325,994	\$ 6,864,236	\$ 6,519,055
Fire protection	3,589,253	4,022,747	3,504,701
Emergency measures	500	7,143	7,145
Building and plumbing inspections	108,664	118,942	119,715
Animal pound operations	151,250	164,238	148,954
Bylaw enforcement	350,660	338,304	160,906
Debt servicing	91,203	91,203	88,712
	<b>\$ 11,617,524</b>	<b>\$ 11,606,813</b>	<b>\$ 10,549,188</b>

**CITY OF PORT ALBERNI**  
**SCHEDULE 7: TRANSPORTATION SERVICES EXPENSES**  
*As at December 31, 2019*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2019</b>	<b>2018</b>
<b>COMMON SERVICES</b>			
Engineering administration	\$ 593,113	\$ 565,488	\$ 524,159
Engineering consulting services	141,824	169,062	157,432
Public works supervision	379,785	519,064	367,712
Equipment and supplies	46,643	120,916	104,486
Building and yard maintenance	162,720	199,866	161,160
Equipment maintenance	838,807	1,180,409	1,152,305
	<u>2,162,892</u>	<u>2,754,805</u>	<u>2,467,254</u>
<b>ROADS AND STREET MAINTENANCE</b>			
Roadway surfaces maintenance	1,157,740	1,811,291	1,946,670
Snow and ice removal	199,545	106,810	99,534
Parking	7,881	7,895	10,227
Gravel	202,648	236,842	241,949
Bridges and retaining walls	43,529	35,319	46,272
Street lighting	302,400	393,635	333,895
Traffic control	233,352	292,223	344,314
	<u>2,147,095</u>	<u>2,884,015</u>	<u>3,022,861</u>
<b>OTHER</b>			
Ditch and dyke maintenance	118,222	79,690	85,062
Storm sewers	189,020	620,396	593,586
Public transit	1,093,646	1,077,777	1,087,705
Other	114,333	73,274	73,902
Recoveries	(1,627,100)	(1,411,172)	(1,467,330)
	<u>- 111,879</u>	<u>439,965</u>	<u>372,925</u>
	<u>\$ 4,198,108</u>	<u>\$ 6,078,785</u>	<u>\$ 5,863,040</u>

**CITY OF PORT ALBERNI  
SCHEDULE 8: RECREATION AND CULTURAL SERVICES  
As at December 31, 2019  
(UNAUDITED)**

	2019				2018			
	Budget Revenue	Actual Revenue	Budget Expense	Actual Expense	Budget Operating Deficit	Actual Operating Deficit	Budget Operating Deficit	Actual Operating Deficit
<b>RECREATION SERVICES</b>								
Administration	\$ -	\$ -	\$ 555,459	\$ 509,663	\$ (555,459)	\$ (509,663)	\$ (509,054)	
Leisure Centre	276,777	275,087	524,949	629,387	(248,172)	(354,300)	(316,400)	
Swimming pool	297,861	300,419	540,087	500,392	(242,226)	(199,973)	(322,595)	
Arena	579,504	607,303	950,265	1,683,853	(370,761)	(1,076,550)	(1,038,821)	
Parks, Playgrounds, and other Programs	37,567	27,146	1,521,219	2,036,866	(1,483,652)	(2,009,720)	(1,638,465)	
	148,461	283,077	1,508,114	1,379,771	(1,359,653)	(1,096,694)	(1,144,558)	
	1,340,170	1,493,032	5,600,093	6,739,932	(4,259,923)	(5,246,900)	(4,969,893)	
<b>CULTURAL SERVICES</b>								
Museum services	115,950	149,386	473,290	517,278	(357,340)	(367,892)	(493,774)	
McLean Mill	-	28,240	126,300	247,809	(126,300)	(219,569)	(282,802)	
	115,950	177,626	599,590	765,087	(483,640)	(587,461)	(776,576)	
	\$ 1,456,120	\$ 1,670,658	\$ 6,199,683	\$ 7,505,019	\$ (4,743,563)	\$ (5,834,361)	\$ (5,746,469)	



**CITY OF PORT ALBERNI**  
**SCHEDULE 9: SALES OF SERVICES**  
*As at December 31, 2019*  
*(UNAUDITED)*

	Budget (Note 16)	2019	2018
<b>GENERAL REVENUE</b>			
General Services	\$ 1,831,732	\$ 1,812,998	\$ 1,655,978
Arena	579,504	607,303	447,158
Leisure Centre	276,777	275,087	262,202
Parks, playgrounds and other	37,567	27,146	20,531
Swimming Pool	297,861	300,419	247,590
Programs	148,461	272,077	255,310
Museum	32,550	43,793	33,257
McLean Mill	-	27,840	29,998
	<u>3,204,452</u>	<u>3,366,663</u>	<u>2,952,024</u>
<b>MISCELLANEOUS REVENUE</b>	-	<b>971,242</b>	911,494
<b>SERVICES PROVIDED TO OTHER GOVERNMENTS</b>	167,000	<b>57,371</b>	88,853
<b>WATER REVENUE</b>			
Sale of water	3,763,660	<b>3,223,319</b>	3,057,173
Connections and sundry charges	51,155	<b>3,247</b>	2,888
	<u>3,814,815</u>	<u>3,226,566</u>	<u>3,060,062</u>
<b>SEWER REVENUE</b>			
Sale of sewer service	2,997,544	<b>2,749,393</b>	2,799,965
Connections and sundry charges	72,379	<b>91,956</b>	58,376
	<u>3,069,923</u>	<u>2,841,349</u>	<u>2,858,341</u>
	<u>\$ 10,256,190</u>	<u>\$ 10,463,191</u>	<u>\$ 9,870,774</u>

**CITY OF PORT ALBERNI**  
**SCHEDULE 10: OTHER REVENUE FROM OWN SOURCES**  
*As at December 31, 2019*  
*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2019</b>	<b>2018</b>
Licences and permits	\$ 219,140	\$ <b>305,789</b>	\$ 245,701
Fines and costs	9,500	<b>46,473</b>	14,136
Land and building rentals	143,200	<b>145,112</b>	142,203
Penalties and interest	247,800	<b>273,567</b>	220,104
Miscellaneous revenue	118,300	<b>97,612</b>	282,449
Other revenue from own sources - Capital Fund	-	<b>73,840</b>	61,576
	<u>\$ 737,940</u>	<u>\$ <b>942,393</b></u>	<u>\$ 966,169</u>

**CITY OF PORT ALBERNI**  
**SCHEDULE 11: SEWER AND WATER UTILITIES**

*As at December 31, 2019*

*(UNAUDITED)*

	<b>Budget (Note 16)</b>	<b>2019</b>	<b>2018</b>
<b>WATER UTILITY</b>			
Administration	400,743	<b>526,695</b>	509,197
Service of supply	121,951	<b>224,014</b>	280,489
Pumping	272,513	<b>314,055</b>	345,251
Transmission and distribution	634,465	<b>1,260,333</b>	1,196,856
Debt servicing	44,000	<b>44,508</b>	44,466
	<u>\$ 1,473,672</u>	<u>\$ 2,369,605</u>	<u>\$ 2,376,259</u>
<b>SEWER UTILITY</b>			
Administration	\$ 462,230	\$ 415,006	\$ 396,758
Sewage treatment and disposal	299,787	<b>529,692</b>	519,158
Sewage collection system	315,225	<b>627,529</b>	700,851
Sewage pump stations	163,987	<b>235,406</b>	268,409
Other	2,000	<b>123</b>	861
Debt servicing	252,925	<b>161,796</b>	46,029
	<u>1,496,154</u>	<u>1,969,552</u>	<u>1,932,066</u>

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**STATISTICS SECTION**

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## Statistics

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### CITY OF PORT ALBERNI MISCELLANEOUS STATISTICS

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Date of Incorporation	1912
Form of Government	City/Council/Manager
Number of employees (excluding police and fire)	
Bargaining Unit (Full Time)	100
Exempt	19
Area in Hectares	2,151
City of Port Alberni Facilities and Services:	
Kilometers of streets	175
Number of street lights	782
Culture and Recreation:	
Community centers	6
Parks	59
Parks in hectares	271
Swimming pools	1
Tennis courts	5
Fire Protection:	
Number of stations	1
Number of fire personnel and officers	21
Number of calls received - Fire/Rescue/First Responder	1,572
Number of inspections conducted	622
Police Protection:	
Number of stations	1
Number of police personnel and officers	34
Number of law violations:	
Incarcerations	1,232
Total files	14,642
Sewerage System:	
Kilometers of sanitary sewers and storm sewer	268
Number of treatment plants	1
Number of service connections	6,735
Daily average treatment of cubic meters	17,670
Water System:	
Kilometers of water mains	175
Number of service connections	6,946
Number of fire hydrants	739
Daily average consumption in cubic meters	11,772
Maximum daily capacity of plant in cubic meters	48,000
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	8
Number of secondary schools	1
Number of community colleges	2
Hospitals:	
Number of hospitals	1
Number of patient beds	52

**CITY OF PORT ALBERNI  
ASSESSMENT/TAXATION COMPARATIVE STATISTICS  
AT DECEMBER 31, 2019**

	2019	2018	2017	2016	2015
Population (based on last census) <sup>(1)</sup>	17,678	17,678	17,678	17,743	17,743
<b>Assessed valuations for General Purposes<sup>(2)</sup></b>					
<b>Land</b>					
Residential	\$ 615,069,500	\$ 526,311,100	\$ 416,369,800	\$ 397,484,400	\$ 454,907,350
Commercial	\$ 63,866,000	\$ 86,448,744	\$ 44,852,420	\$ 47,879,885	\$ 50,749,463
Industrial	\$ 9,503,900	\$ 11,153,800	\$ 8,830,700	\$ 8,562,500	\$ 9,002,300
Other	\$ 1,989,384	\$ 11,116,284	\$ 1,569,911	\$ 1,680,911	\$ 1,641,111
	<u>\$ 690,428,784</u>	<u>\$ 635,029,928</u>	<u>\$ 471,622,831</u>	<u>\$ 455,607,696</u>	<u>\$ 516,300,224</u>
<b>Improvements</b>					
Residential	\$ 1,438,166,000	\$ 1,248,998,100	\$ 1,008,406,900	\$ 908,882,801	\$ 859,774,451
Commercial	\$ 221,044,946	\$ 413,573,500	\$ 199,337,828	\$ 179,816,613	\$ 174,994,182
Industrial	\$ 84,257,500	\$ 93,523,600	\$ 83,112,200	\$ 83,487,800	\$ 83,690,900
Other	\$ 2,608,000	\$ 32,244,000	\$ 2,525,400	\$ 2,083,500	\$ 2,565,200
	<u>\$ 1,746,076,446</u>	<u>\$ 1,788,339,200</u>	<u>\$ 1,293,382,328</u>	<u>\$ 1,174,270,714</u>	<u>\$ 1,121,024,733</u>
<b>Total</b>	<b>\$ 2,436,505,230</b>	<b>\$ 2,423,369,128</b>	<b>\$ 1,765,005,159</b>	<b>\$ 1,629,878,410</b>	<b>\$ 1,637,324,957</b>
<b>General &amp; Debt Tax Rates</b>					
Residential	\$ 6.7388	\$ 7.7707	\$ 9.1539	\$ 9.7708	\$ 9.4476
Utilities	\$ 27.2334	\$ 27.1722	\$ 37.1852	\$ 38.6932	\$ 38.4756
Major Industrial	\$ 55.9116	\$ 55.0127	\$ 53.7400	\$ 53.9084	\$ 53.7788
Light Industrial	\$ 56.0983	\$ 60.9652	\$ 54.5034	\$ 60.2253	\$ 48.5543
Business & Other	\$ 14.0456	\$ 14.6074	\$ 15.4501	\$ 16.2078	\$ 15.4371
Seasonal Recreational	\$ 6.7388	\$ 7.7707	\$ 9.1539	\$ 9.7708	\$ 9.4476
Farm	\$ 6.7388	\$ 7.7707	\$ 9.1539	\$ 9.7708	\$ 9.4476
<b>School Tax Rates</b>					
Residential	\$ 1.9404	\$ 2.0998	\$ 2.3202	\$ 2.5666	\$ 2.6405
Utilities	\$ 13.2000	\$ 13.4000	\$ 13.4000	\$ 13.5000	\$ 13.6000
Major Industrial	\$ 3.7000	\$ 4.2000	\$ 4.8000	\$ 5.4000	\$ 5.8000
Light Industrial	\$ 3.7000	\$ 4.2000	\$ 4.8000	\$ 5.4000	\$ 5.8000
Business & Other	\$ 3.7000	\$ 4.2000	\$ 4.8000	\$ 5.4000	\$ 5.8000
Seasonal Recreational	\$ 2.3000	\$ 2.5000	\$ 2.7000	\$ 3.1000	\$ 3.3000
Farm	\$ 7.1000	\$ 7.0000	\$ 6.9000	\$ 6.9000	\$ 6.9000
<b>Tax Rates for Residential Class</b>					
General	\$ 6.6772	\$ 7.6975	\$ 9.0652	\$ 9.6054	\$ 9.3015
Debt	\$ 0.0616	\$ 0.0732	\$ 0.0887	\$ 0.1654	\$ 0.1461
School District-Residential	\$ 1.9404	\$ 2.0998	\$ 2.3202	\$ 2.5666	\$ 2.6405
Regional Hospital District	\$ 0.2210	\$ 0.2785	\$ 0.2956	\$ 0.2900	\$ 0.2946
Municipal Finance Authority	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002
Regional District	\$ 0.4245	\$ 0.4279	\$ 0.4465	\$ 0.4838	\$ 0.3722
B.C. Assessment	\$ 0.0389	\$ 0.0403	\$ 0.0432	\$ 0.0543	\$ 0.0596
<b>Total Residential Rate</b>	<b>\$ 9.3638</b>	<b>\$ 10.6174</b>	<b>\$ 12.2596</b>	<b>\$ 13.1657</b>	<b>\$ 12.8147</b>

Statistics

**CITY OF PORT ALBERNI  
GENERAL COMPARATIVE STATISTICS  
AT DECEMBER 31, 2019**

	2019	2018	2016	2016	2015
<b>Current Tax Levy</b>					
General	\$ 22,940,182	\$ 22,271,803	\$ 21,622,725	\$ 21,139,152	\$ 20,489,626
Debt	\$ 211,644	\$ 211,672	\$ 211,672	\$ 364,027	\$ 323,969
School District-Residential	\$ 3,989,250	\$ 3,636,265	\$ 3,311,820	\$ 3,062,061	\$ 3,154,967
School District-Non-Residential	\$ 1,792,267	\$ 1,888,538	\$ 1,987,652	\$ 2,101,664	\$ 2,224,589
Other Levies-Special Assessments	\$ 918,370	\$ 1,125,967	\$ 1,029,877	\$ 379,661	\$ 408,763
Regional Hospital District	\$ 692,174	\$ 766,805	\$ 707,654	\$ 646,935	\$ 658,282
Municipal Finance Authority	\$ 632	\$ 554	\$ 484	\$ 450	\$ 451
Regional District	\$ 1,329,467	\$ 1,178,118	\$ 1,068,699	\$ 1,079,217	\$ 831,678
BC Assessment	\$ 162,718	\$ 155,907	\$ 147,863	\$ 159,266	\$ 169,037
<b>Total Levy</b>	<b>\$ 32,036,704</b>	<b>\$ 31,235,629</b>	<b>\$ 30,088,446</b>	<b>\$ 28,932,433</b>	<b>\$ 28,261,362</b>
Per Capita Levy	\$ 1,812.24	\$ 1,766.92	\$ 1,702.03	\$ 1,630.64	\$ 1,592.82
<b>Tax Collection</b>					
Current Taxes Payments	\$ 23,316,596	\$ 25,057,879	\$ 23,604,148	\$ 23,377,476	\$ 22,790,422
Provincial Home Owner Grants	\$ 4,957,410	\$ 4,863,539	\$ 4,796,269	\$ 4,697,525	\$ 4,674,586
<b>Total Current Taxes Collected</b>	<b>\$ 28,274,007</b>	<b>\$ 29,921,418</b>	<b>\$ 28,400,417</b>	<b>\$ 28,075,001</b>	<b>\$ 27,465,008</b>
Percentage of Current Levy	88.26%	95.79%	94.39%	97.04%	97.18%
Arrears and Delinquent Collected	\$ 552,200	\$ 529,386	\$ 685,505	\$ 733,156	\$ 1,146,300
Percentage of Current Levy	1.72%	1.69%	2.28%	2.53%	4.06%
<b>Total Taxes Collected</b>	<b>\$ 28,826,207</b>	<b>\$ 30,450,804</b>	<b>\$ 29,085,922</b>	<b>\$ 28,808,157</b>	<b>\$ 28,611,308</b>
Percentage of Current Levy Levied	89.98%	97.49%	96.67%	99.57%	101.24%
<b>Unpaid Taxes</b>					
Current	\$ 523,282	\$ 528,616	\$ 519,673	\$ 633,531	\$ 681,999
Arrears	\$ 287,928	\$ 220,652	\$ 212,109	\$ 281,377	\$ 342,818
<b>Total Unpaid Taxes</b>	<b>\$ 811,211</b>	<b>\$ 749,268</b>	<b>\$ 731,782</b>	<b>\$ 914,908</b>	<b>\$ 1,024,817</b>
Per Capita	\$ 45.89	\$ 42.38	\$ 41.40	\$ 51.56	\$ 57.76
<b>Summary of Surplus and Reserves</b>					
Funded Reserves	\$ 25,295,532	\$ 24,022,407	\$ 22,754,459	\$ 20,931,899	\$ 16,306,945
Capital Fund	\$ 27,686,707	\$ 27,692,838	\$ 27,320,299	\$ 20,425,883	\$ 15,806,292
Equity in Capital Assets	\$ 108,192,557	\$ 97,827,913	\$ 95,137,128	\$ 95,781,289	\$ 93,473,778
Operating Surplus (Deficit)	\$ (19,218,423)	\$ (19,553,344)	\$ (17,660,543)	\$ (13,969,578)	\$ (5,550,934)

**CITY OF PORT ALBERNI  
GENERAL COMPARATIVE STATISTICS  
AT DECEMBER 31, 2019**

	2019	2018	2017	2016	2015
<b>Debenture Debt</b>					
Water	\$ 1,836,702	\$ 1,879,657	\$ 1,921,159	\$ 1,961,257	\$ 2,000,000
Sewer	\$ 9,256,386	\$ 4,917,388	\$ 5,024,583	\$ 5,127,672	\$ 5,289,547
General	\$ 3,191,980	\$ 3,366,421	\$ 3,533,858	\$ 3,694,998	\$ 3,858,035
Gross Debenture Debt	\$ 14,285,068	\$ 10,163,466	\$ 10,479,600	\$ 10,783,927	\$ 11,147,582
Per Capita	\$ 808.07	\$ 574.92	\$ 592.80	\$ 607.78	\$ 628.28
Less: Sewer and Water Utilities Debt	\$ 11,093,088	\$ 6,797,045	\$ 6,945,742	\$ 7,088,929	\$ 7,289,547
Net Debt Excluding Utilities	\$ 3,191,980	\$ 3,366,421	\$ 3,533,858	\$ 3,694,998	\$ 3,858,035
Per Capita (funded by property tax)	\$ 180.56	\$ 190.43	\$ 199.90	\$ 208.25	\$ 217.44
<b>Liability Servicing Limit</b>					
Liability Servicing Limit	\$ 4,433,910	\$ 8,527,043	\$ 8,170,176	\$ 7,820,069	\$ 8,022,893
Less Actual Debt Servicing Cost	\$ 424,178	\$ 424,178	\$ 550,593	\$ 664,282	\$ 2,930,157
Less Estimated Cost - Unissued Debt	\$ -	\$ 400,500	\$ 400,500	\$ -	\$ -
Liability Servicing Capacity Available	\$ 4,009,732	\$ 7,702,365	\$ 7,219,083	\$ 7,155,787	\$ 5,092,736
<b>Debt Payment as a percentage of non-capital expenditures</b>					
Debt payments - gross	0.7%	0.8%	0.7%	0.7%	0.9%
<b>General Revenue Fund Statistics</b>					
Budget	\$ 36,443,033	\$ 36,453,612	\$ 35,991,290	\$ 34,907,995	\$ 34,728,119
Actual Revenues (consolidated)	\$ 48,253,754	\$ 36,759,248	\$ 39,479,687	\$ 40,167,688	\$ 37,348,943
Actual Expenditures (consolidated)	\$ 36,287,195	\$ 33,623,066	\$ 35,097,838	\$ 37,034,276	\$ 33,336,032
Surplus (consolidated)	\$ 11,966,559	\$ 3,136,182	\$ 4,381,849	\$ 3,133,412	\$ 4,012,911
Expenditure per Capita	\$ 2,052.68	\$ 1,901.97	\$ 1,985.40	\$ 2,087.26	\$ 1,878.83
<b>Capital Expenditures</b>					
Financed from General Revenue	\$ 695,975	\$ 695,975	\$ 695,975	\$ 915,440	\$ 1,076,457
<b>Other Sources of Revenue</b>					
Provincial Unconditional Grants	\$ 1,038,684	\$ 1,037,492	\$ 998,756	\$ 1,141,460	\$ 944,164
Grants in Lieu of Taxes	\$ 215,669	\$ 219,701	\$ 222,541	\$ 638,138	\$ 631,753
<b>Building Permits</b>					
Number Issued	143	161	161	155	119
Construction Values	\$ 26,516,645	\$ 31,152,726	\$ 16,296,274	\$ 14,554,563	\$ 13,501,167

**SOURCES:**

<sup>1</sup> Statistics Canada. 2017. Census Profile. 2016 Census.

Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

<sup>2</sup> BC Assessment



**CITY OF PORT ALBERNI  
DEMOGRAPHIC STATISTICS<sup>1</sup>**

**Population Composition**

<u>Age</u>	<u>2016</u>			<u>2011</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
0 - 4 years	405	430	835	465	475	940
5 - 9 years	450	480	930	465	435	900
10 - 14 years	475	435	910	515	495	1,010
15 - 19 years	500	510	1,010	570	535	1,105
20 - 29 years	905	820	1,725	795	845	1,640
30 - 39 years	900	900	1,800	915	980	1,895
40 - 49 years	915	980	1,895	1,105	1,180	2,285
50 - 59 years	1,355	1,445	2,800	1,450	1,508	2,958
60 - 64 years	715	775	1,490	685	670	1,355
65 - 69 years	690	680	1,370	580	545	1,125
70 - 74 years	530	525	1,055	410	445	855
75 + years	803	1,055	1,858	750	925	1,675
<b>Total</b>	<b>8,643</b>	<b>9,035</b>	<b>17,678</b>	<b>8,705</b>	<b>9,038</b>	<b>17,743</b>

**Legal Married Status**

	<u>2016</u>			<u>2011</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Population 15 years and over	7,310	7,685	14,995	7,270	7,625	14,895
Married or living with a common law partner	4,090	4,070	8,160	4,145	4,165	8,310
Married	3,220	3,200	6,420	3,395	3,415	6,810
Living common law	865	865	1,730	755	750	1,505
Not married and not living with a common law partner	3,230	3,620	6,850	3,120	3,460	6,580
Never married	2,145	1,605	3,750	2,010	1,565	3,575
Separated	210	280	490	225	275	500
Divorced	600	735	1,335	605	715	1,320
Widowed	275	1,005	1,280	275	905	1,180

<sup>1</sup> Statistics Canada. 2017. Census Profile. 2016 Census.

Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

**CITY OF PORT ALBERNI  
DEMOGRAPHIC STATISTICS<sup>1</sup>**

**Top Occupations and Industries for the Employed Labour Force**

	<b>2016 Port Alberni</b>		<b>2016 British Columbia</b>	
	<b>Number</b>	<b>Rank</b>	<b>Number</b>	<b>Rank</b>
<b><u>Top Occupations</u></b>				
Sales and service occupations	1,885	1	595,225	1
Trades; transport/equipment operators/related	1,395	2	360,970	3
Education; law and social; community and government services	925	3	269,255	5
<b><u>Top Industries</u></b>				
Health care and social assistance	1,165	1	270,855	2
Retail trade	1,100	2	283,135	1
Manufacturing	740	3	157,560	7

**Labour Force Indicators**

	<b>2016 Port Alberni</b>	<b>2016 British Columbia</b>
Participation rate	52.2%	63.9%
Employment rate	46.8%	59.6%
Unemployment rate	10.3%	6.7%

<sup>1</sup> Statistics Canada. 2017. Census Profile. 2016 Census.

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## CITY OF PORT ALBERNI

### MAJOR PROPERTY TAXPAYERS IN PORT ALBERNI

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#### 2019 TAXATION YEAR

	<b>Registered Owner</b>	<b>Primary Property</b>	<b>Taxes Levied</b>
1	Catalyst Paper Corporation Inc	Paper Mill	\$ 4,219,172
2	Western Forsest Products Inc	Sawmills	\$ 1,360,678
3	Wal-Mart Canada Corp	Building	\$ 475,621
4	Port Alberni Retail Development	Alberni Mall	\$ 464,310
5	SRF3 Pacific Rim Shopping Centre	Pacific Rim Shopping Centre	\$ 384,661
6	Loblaw Properties West Inc	No Frills	\$ 228,182
7	Jim Pattison Developments	Buildings	\$ 203,339
8	BC Hydro & Power Authority	Buildings	\$ 178,768
9	Kelland Foods Holdings Ltd	Building	\$ 135,313
10	Telus	Poles, Lines, Buildings	\$ 128,652
11	Marlowe-Yeoman Limited	10th avenue Plaza	\$ 116,820
12	Fortis	Gas Utility	\$ 116,798
13	San Forest Products	Mill	\$ 115,612
14	Alberni Valley Gaming Association	Chances Rim Rock	\$ 97,202
15	GDP Investments	Building	\$ 91,056
16	Marco Investments	Building	\$ 77,319
17	Northport Plaza Limited	Johnston Road Plaza	\$ 77,161
18	PCBG Land Corporation	Automobile Dealership	\$ 57,900
19	SNJ Holdings	Hospitality Inn	\$ 56,189
20	JBNS Hldins +	Building	\$ 53,409

**CITY OF PORT ALBERNI  
FIVE YEAR PLAN  
2019-2023**

<b>REVENUES</b>	2019	2020	2021	2022	2023
Taxes					
Property Taxes	23,153,216	23,839,827	24,548,671	25,278,781	26,030,795
Other Taxes	710,141	710,200	710,200	710,200	710,200
Grants in Lieu of Taxes	219,500	219,500	219,500	219,500	219,500
Fees and Charges					
Sales of Service	3,446,969	3,414,656	3,477,495	3,524,196	3,564,452
Sales of Service/Utilities	6,884,738	7,133,173	7,392,302	7,536,449	7,690,879
Service to other Government	167,000	167,000	167,000	167,000	167,000
User Fees/Fines	228,640	229,640	230,640	232,640	234,640
Other Revenue					
Rentals	143,200	144,300	145,500	146,700	147,900
Interest/Penalties	629,100	634,100	732,300	732,300	732,300
Grants/Other Governments	1,107,340	1,107,340	1,107,340	1,107,340	1,107,340
Other	687,630	392,500	29,900	29,900	29,900
	<b>\$ 37,377,474</b>	<b>\$ 37,992,236</b>	<b>\$ 38,760,848</b>	<b>\$ 39,685,006</b>	<b>\$ 40,634,906</b>

**EXPENSES**

Debt Interest	396,128	396,128	396,128	396,128	396,128
Capital Expenses	8,799,040	7,313,318	6,129,411	3,295,571	11,658,645
Other Municipal Purposes					
General Municipal	3,958,444	3,853,303	3,896,777	4,037,584	4,014,756
Police Services	7,325,995	7,561,366	7,734,870	7,913,454	8,098,188
Fire Services	3,589,253	3,649,489	3,742,013	3,864,276	3,956,444
Other Protective Services	260,413	262,698	265,127	267,323	269,598
Transportation Services	4,198,108	4,205,871	4,389,845	4,528,146	4,560,358
Environmental Health and Development	2,178,658	1,801,671	1,818,137	1,841,690	1,796,182
Parks and Recreation	5,600,090	5,698,007	5,762,996	5,852,379	5,949,164
Cultural	1,302,804	1,375,469	1,352,802	1,388,579	1,416,263
Water	1,429,672	1,526,345	1,508,357	1,560,713	1,543,424
Sewer	1,243,229	1,259,550	1,276,255	1,292,491	1,310,403
Contingency	264,700	200,000	200,000	200,000	200,000
	<b>\$ 40,546,534</b>	<b>\$ 39,103,215</b>	<b>\$ 38,472,718</b>	<b>\$ 36,438,334</b>	<b>\$ 45,169,553</b>

**OTHER**

Borrowing Proceeds	-	-	-	-	3,000,000
Debt Principal	(347,143)	(347,143)	(347,143)	(347,143)	(347,143)
Transfer from Equipment Replacement Reserve	522,500	2,229,900	2,756,800	590,400	37,600
Transfer from Land Sale Reserve	683,000	-	-	-	-
Transfer from (to) Cemetery Trust	2,000	2,000	2,000	2,000	2,000
Transfer from (to) other reserves	2,234,384	(773,778)	(2,699,787)	(3,516,929)	1,842,190
Transfer from (to) surplus	74,319	-	-	25,000	-
	<b>3,169,060</b>	<b>1,110,979</b>	<b>(288,130)</b>	<b>(3,246,672)</b>	<b>4,534,647</b>

**BALANCED BUDGET**

<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
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Statistics

**CITY OF PORT ALBERNI  
CONSOLIDATED REVENUE  
LAST FIVE YEARS COMPARISON**

	2019	2018	2017	2016	2015
Taxes					
Property Taxes	\$ 22,383,144	\$ 21,597,956	\$ 21,742,686	\$ 21,370,945	\$ 20,813,595
Parcel Taxes	134,857	133,693	134,193	133,855	131,550
Other Taxes	705,800	772,573	673,143	655,941	161,745
Grants in Lieu of Taxes	215,669	219,701	222,541	228,004	747,221
Fees and Charges					
Sales of Service	3,366,663	2,952,024	3,130,293	3,070,369	3,329,996
Sales of Service/Utilities	6,067,915	5,918,403	5,626,374	4,877,647	4,596,061
Service to other Government	57,371	88,853	144,127	156,165	142,722
User Fees/Fines	352,262	259,837	251,783	228,909	178,395
Other Revenue					
Rentals	145,112	142,203	140,056	139,903	136,364
Investment Earnings	716,073	571,705	415,873	415,078	309,796
Government Business Enterprise	1,565,052	(371,888)	-	-	-
Grants/Other Governments	11,172,799	2,905,256	5,562,709	6,901,625	3,395,538
Developer Contributions	-	-	55,938	43,100	1,226,328
Gain/loss on Disposal of Assets	(49,853)	(23,830)	274,563	532,766	(84,592)
Parkland dedication deposits	-	-	-	-	-
Sale of property and equipment	4,629	117,139	386,325	747,746	344,945
Other	1,416,261	1,475,623	719,083	665,635	1,919,279
	<u>\$ 48,253,754</u>	<u>\$ 36,759,248</u>	<u>\$ 39,479,687</u>	<u>\$ 40,167,688</u>	<u>\$ 37,348,943</u>

Statistics

**CITY OF PORT ALBERNI  
CONSOLIDATED EXPENSES  
LAST FIVE YEARS COMPARISON**

	2019	2018	2017	2016	2015
<b><u>Analysis by function</u></b>					
General government	\$ 4,408,643	\$ 3,666,911	\$ 3,786,648	\$ 4,270,894	\$ 3,897,542
Protective services	11,606,813	10,549,188	11,129,460	11,307,009	9,775,488
Transportation services	6,078,785	5,863,040	6,257,913	6,259,270	5,607,707
Environmental health services	1,000,776	1,010,444	938,581	889,430	1,014,982
Environmental development	1,321,252	1,052,644	1,259,562	950,866	908,791
Recreation and cultural services	7,505,019	7,042,514	7,613,040	7,564,711	7,300,586
Water utility	2,369,605	2,376,259	2,108,088	2,170,523	2,099,625
Sewer utility	1,969,552	1,932,066	1,798,156	3,009,105	1,524,911
Other	26,750	130,000	17,368	362,066	844,810
	<u>\$ 36,287,195</u>	<u>\$ 33,623,066</u>	<u>\$ 34,908,816</u>	<u>\$ 36,783,874</u>	<u>\$ 32,974,442</u>

**Analysis by object**

Salaries and benefits	\$ 17,248,682	\$ 15,870,745	\$ 15,716,645	\$ 16,420,314	\$ 14,099,861
Debt Servicing	345,855	214,561	200,920	250,400	372,593
RCMP contract	4,863,405	4,593,360	5,488,750	5,160,770	4,677,793
Grants	502,024	211,738	288,939	122,485	124,900
Other contracts	1,177,254	1,198,756	1,328,666	1,305,558	1,296,074
Goods and services	7,491,819	6,888,701	7,491,384	7,957,634	7,976,677
Amortization	4,658,156	4,645,205	4,582,533	5,817,113	4,788,134
	<u>\$ 36,287,195</u>	<u>\$ 33,623,066</u>	<u>\$ 35,097,837</u>	<u>\$ 37,034,274</u>	<u>\$ 33,336,032</u>

Statistics

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**CITY OF PORT ALBERNI**  
**CAPITAL ASSETS ACQUIRED**  
**LAST FIVE YEARS COMPARISON**

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<b>CAPITAL ACQUISITIONS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
General government	\$ -	\$ 131,276	\$ 311,050	\$ -	\$ 21,872
Protective services	-	48,835	23,253	50,497	164,308
Transportation services	1,459,734	2,075,702	1,396,866	4,326,235	1,445,613
Recreation and cultural	1,294,295	1,191,463	214,658	256,650	1,592,925
Water	1,402,512	247,594	958,026	606,581	392,331
Sewer	453,029	906,638	130,452	3,679,584	136,539
	<u>\$ 4,609,569</u>	<u>\$ 4,601,508</u>	<u>\$ 3,034,305</u>	<u>\$ 8,919,547</u>	<u>\$ 3,753,588</u>

<b>SOURCE OF FUNDING</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Revenue Funds	\$ 2,153,141	\$ 1,581,535	\$ 1,864,051	\$ 1,960,163	\$ 1,614,329
Reserve Funds	1,147,976	1,208,900	390,011	402,709	609,361
Long Term Borrowing	-	-	-	1,992,480	-
Grants	1,258,452	1,463,904	711,743	4,501,269	1,030,245
Other	50,000	347,169	68,500	62,926	499,653
	<u>\$ 4,609,569</u>	<u>\$ 4,601,508</u>	<u>\$ 3,034,305</u>	<u>\$ 8,919,547</u>	<u>\$ 3,753,588</u>

Statistics

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**CITY OF PORT ALBERNI**  
**SURPLUS AND NET FINANCIAL ASSETS**  
**LAST FIVE YEARS COMPARISON**

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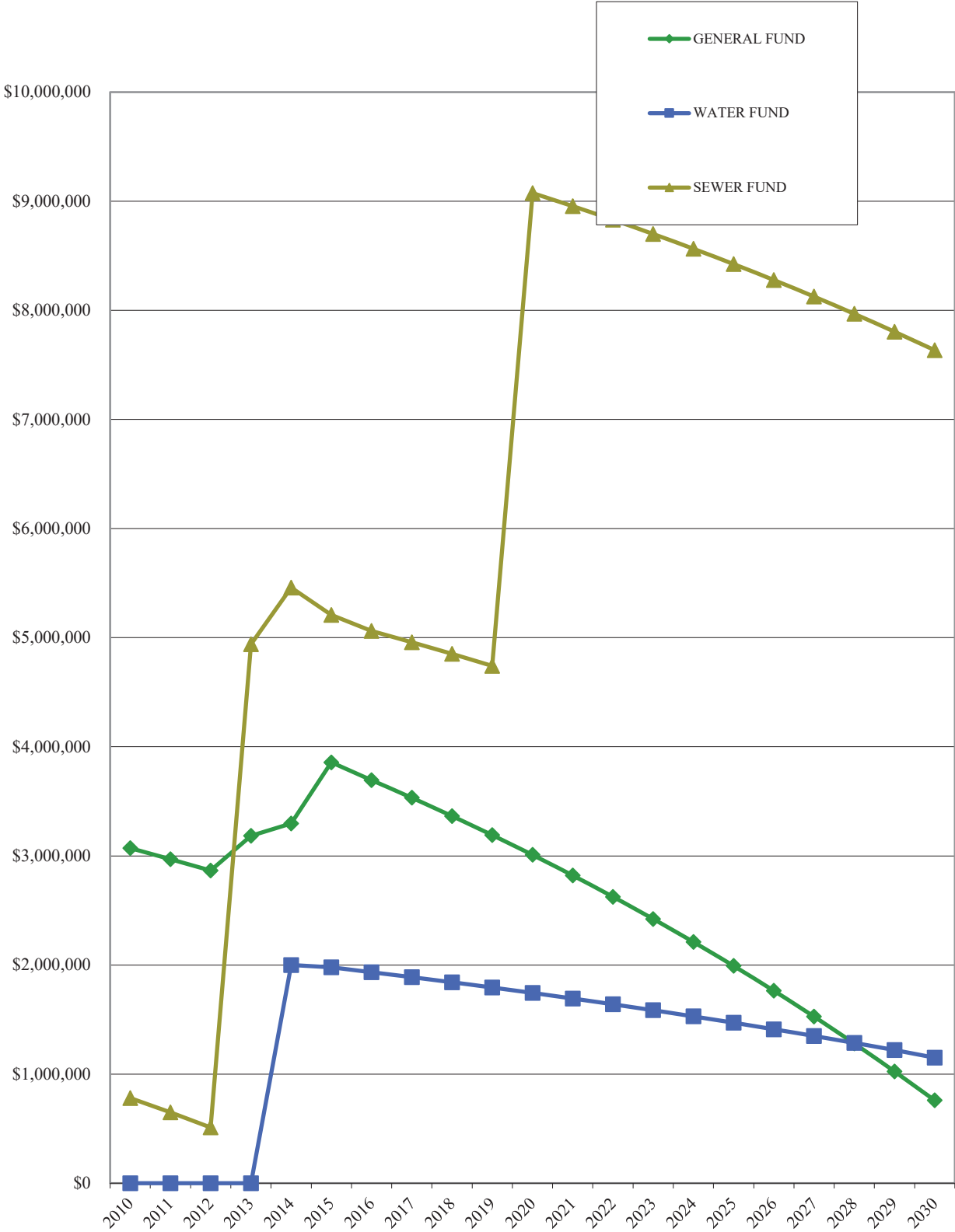
<b>SURPLUS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
Annual surplus	\$ 11,966,559	\$ 3,136,182	\$ 4,381,849	\$ 3,133,414	\$ 4,012,911
Accumulated surplus, beginning of year	<u>129,989,814</u>	<u>126,853,632</u>	<u>123,169,494</u>	<u>120,036,080</u>	<u>116,023,170</u>
Accumulated surplus, end of year	<u><u>\$ 141,956,373</u></u>	<u><u>\$ 129,989,814</u></u>	<u><u>\$ 127,551,343</u></u>	<u><u>\$ 123,169,494</u></u>	<u><u>\$ 120,036,081</u></u>

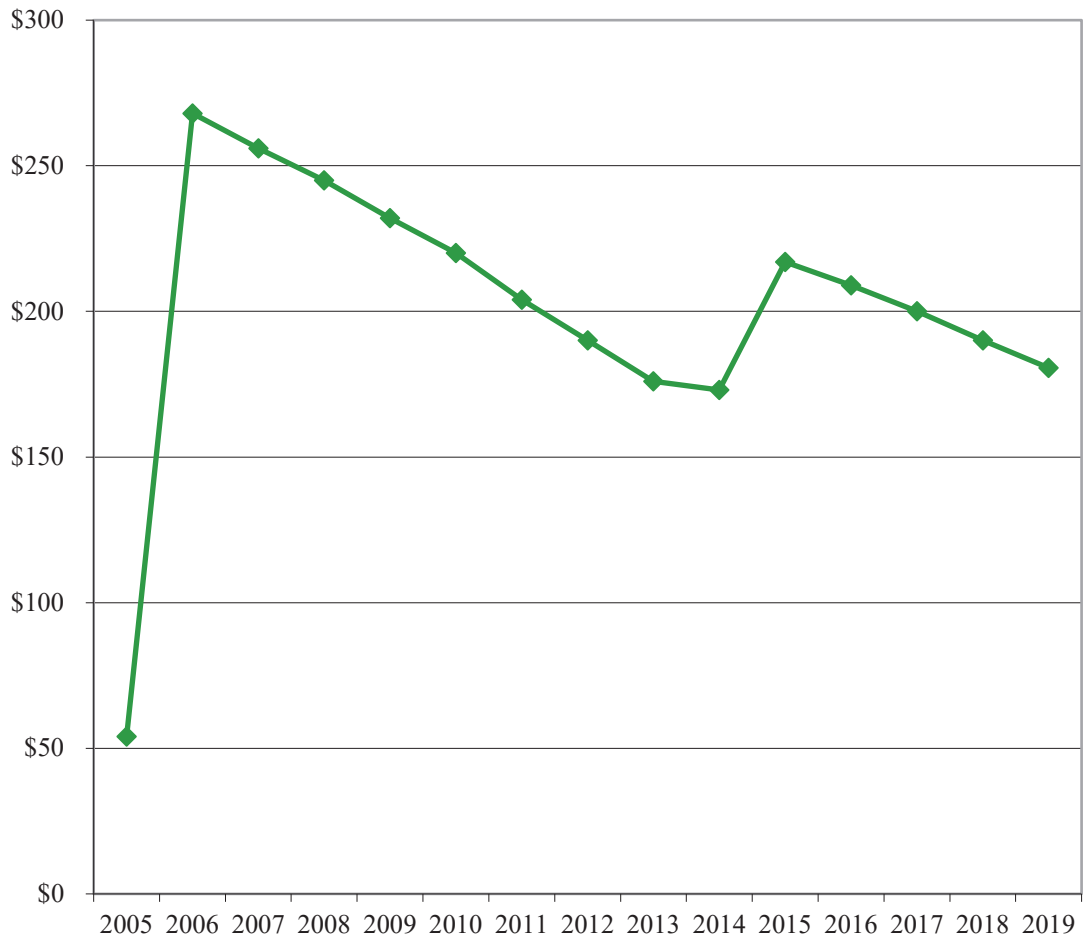
<b>NET FINANCIAL ASSETS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
Increase (decrease) in financial assets	\$ (2,562,826)	\$ 669,054	\$ 5,334,784	\$ 2,527,641	\$ (341,251)
Net financial assets, beginning of year	<u>21,308,369</u>	<u>20,639,315</u>	<u>16,002,241</u>	<u>13,474,600</u>	<u>13,815,851</u>
Net financial assets, end of year	<u><u>\$ 18,745,543</u></u>	<u><u>\$ 21,308,369</u></u>	<u><u>\$ 21,337,025</u></u>	<u><u>\$ 16,002,241</u></u>	<u><u>\$ 13,474,600</u></u>



# CITY OF PORT ALBERNI - DEBT RETIREMENT



**CITY OF PORT ALBERNI - DEBT PER CAPITA  
(Funded By Property Taxes)**





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