

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Prince Rupert

Opinion

We have audited the financial statements of the City of Prince Rupert, which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of operations, changes in net financial assets, cash flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Prince Rupert as at December 31, 2021 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the 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.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.


Responsibilities of Management and Council for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the 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 conditions exist that do not allow for the going concern basis to be used.

Mayor and Council are responsible for overseeing the City's financial reporting process.

Prince Rupert, BC
May 9, 2022



City of Prince Rupert

2021 Audited Financial Statements

City of Prince Rupert

Consolidated Statement of Financial Position December 31

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and Cash Equivalents	\$ 78,097,653	\$ 64,871,539
Taxes Receivable (Note 2a)	908,357	1,248,709
General Receivables (Note 2b)	2,852,019	5,912,996
Deposit-Municipal Finance Authority (Note 3)	413,271	208,721
Land Inventory Held for Resale (Note 4)	9,618,106	9,606,917
Loans to Prince Rupert Airport Authority (Note 5)	6,829,163	6,920,249
	<u>\$ 98,718,569</u>	<u>\$ 88,769,131</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6a)	\$ 19,783,807	\$ 14,097,197
Deferred Revenue (Note 6b)	9,960,797	4,104,752
Landfill Closure Cost (Note 9b)	3,724,251	5,059,000
Reserves - Municipal Finance Authority (Note 3)	83,441	82,045
Loans Payable (Schedule 11 and Note 7)	1,611,220	4,798,024
Debenture Debt (Schedule 12 and Note 7)	25,986,676	6,555,551
	<u>\$ 61,150,192</u>	<u>\$ 34,696,569</u>
Net Financial Assets (Statement C)	<u>\$ 37,568,377</u>	<u>\$ 54,072,562</u>
Non-financial Assets		
Tangible Capital Assets (Schedule 3 and Note 1c)	\$ 114,478,588	\$ 94,042,104
Investment in City West Cable & Tel. Corp. (Schedule 4 and Note 8)	46,459,763	43,270,763
Inventory (Note 1d)	771,874	618,055
	<u>\$ 161,710,225</u>	<u>\$ 137,930,922</u>
Surplus and Equity (Statement B)	<u>\$ 199,278,602</u>	<u>\$ 192,003,484</u>
City Position		
Accumulated Operating Surplus (Schedule 1)	\$ 31,305,265	\$ 32,228,787
Bylaw and Statutory Reserve Funds (Schedule 2)	31,822,769	30,699,115
Investment in City West Cable & Tel. Corp. (Schedule 4 and Note 8)	46,459,763	43,270,763
Investment in Tangible Capital Assets (Schedule 5)	89,690,805	85,804,819
Net Position (Statement B)	<u>\$ 199,278,602</u>	<u>\$ 192,003,484</u>



Corinne Bomben, CPA, CA
Chief Financial Officer

City of Prince Rupert

Consolidated Statement of Operations For The Year Ended December 31

	Unaudited <u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Revenues			
Taxes (Net) (Schedule 6)	\$ 26,170,000	\$ 25,978,970	\$ 24,776,924
Sale of Services (Schedule 7)	11,123,000	10,922,138	10,814,183
Services Provided to Other Governments	79,000	127,467	118,025
Government Transfers (Schedule 8)	7,967,000	2,323,513	27,257,344
Fees, Permits, Licenses and Fines (Schedule 9)	496,000	498,266	498,389
Investment	420,000	437,776	609,877
City West Cable & Tel. Corp.	-	3,989,000	4,898,000
Prince Rupert Legacy Inc.	-	3,043,935	6,775,066
Miscellaneous (Schedule 9)	925,000	1,378,788	2,576,849
Total Revenue	<u>\$ 47,180,000</u>	<u>\$ 48,699,853</u>	<u>\$ 78,324,657</u>
Expenses			
Protection to Persons and Property	\$ 11,827,400	\$ 12,958,842	\$ 10,973,040
Water, Sewage and Solid Waste	8,356,000	7,258,158	7,209,532
Roadways and Transportation	6,277,400	6,348,324	5,970,914
Recreation and Culture	5,533,680	5,623,653	5,311,455
General Government	4,661,920	4,595,556	6,185,496
Other	332,600	329,370	327,066
Total Expenses (Schedule 10)	<u>\$ 36,989,000</u>	<u>\$ 37,113,903</u>	<u>\$ 35,977,503</u>
Revenue Over Expenditure Before Amortization	\$ 10,191,000	\$ 11,585,950	\$ 42,347,154
Amortization of Tangible Capital Assets	\$ -	\$ (4,310,832)	\$ (4,872,608)
Gain (Loss) on disposition of Tangible Capital Asset	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue Over Expenditure	\$ 10,191,000	\$ 7,275,118	\$ 37,474,546
Opening City Position	<u>\$ 192,003,484</u>	<u>\$ 192,003,484</u>	<u>\$ 154,528,938</u>
Closing City Position (Statement A)	<u>\$ 202,194,484</u>	<u>\$ 199,278,602</u>	<u>\$ 192,003,484</u>

City of Prince Rupert

Consolidated Statement of Changes in Net Financial Assets For The Year Ended December 31

	2021	2020
	<u>Actual</u>	<u>Actual</u>
Revenue Over Expenditure (Statement B)	\$ 7,275,118	\$ 37,474,546
Acquisition of Tangible Capital Assets (Schedule 1 & 3)	(24,747,316)	(18,739,698)
Amortization of Tangible Capital Assets	4,310,832	4,872,608
City West Cable and Tel. Corp. (Increase)/Decrease in Equity	(3,189,000)	(4,198,000)
Change in Inventory	<u>(153,819)</u>	<u>(9,408)</u>
Change in Net Financial Assets	<u>\$ (16,504,185)</u>	<u>\$ 19,400,048</u>
Net Financial Assets at Beginning of Year	<u>\$ 54,072,562</u>	<u>\$ 34,672,514</u>
Net Financial Assets at End of Year	<u><u>\$ 37,568,377</u></u>	<u><u>\$ 54,072,562</u></u>

City of Prince Rupert

Consolidated Statement of Cash Flows For The Year Ended December 31

	<u>2021</u>	<u>2020</u>
Operating Activities		
Revenue Over Expenditure	\$ 7,275,118	\$ 37,474,546
Non-cash Items		
Amortization	4,310,832	4,872,608
City West Cable & Tel. Corp	(3,989,000)	(4,898,000)
Taxes Receivable	340,352	67,945
General Receivables	3,060,977	(4,207,731)
Land inventory held for resale	(11,189)	(574,592)
Inventory	(153,819)	(9,408)
Accounts Payable and Accrued Liabilities	5,686,610	2,769,509
Deferred Revenue	5,856,045	(3,693,454)
Landfill Closure Costs	(1,334,749)	325,000
Cash Provided by Operating Activities	<u>\$ 21,041,177</u>	<u>\$ 32,126,423</u>
Financing Activities		
Equipment and Short Term Loans	\$ -	\$ 3,350,000
Debenture Debt	20,000,000	-
MFA Deposits and Reserves	(203,154)	(126,676)
Repayment (Loans) from Prince Rupert Airport Authority	91,086	(30,663)
Principal Repayments	(3,755,679)	(1,089,755)
Cash provided by/(applied to) Financing Activities	<u>\$ 16,132,253</u>	<u>\$ 2,102,906</u>
Investing Activities		
Tangible Capital Assets Additions	\$ (24,747,316)	\$ (18,739,698)
City West Cable & Tel. Corp. Loan Repayment	800,000	700,000
Cash Provided by/(applied to) Investing Activities	<u>\$ (23,947,316)</u>	<u>\$ (18,039,698)</u>
Increase/(Decrease) in Cash and Cash Equivalents	\$ 13,226,114	\$ 16,189,631
Cash and Cash Equivalents at Beginning of Year	64,871,539	48,681,908
Cash and Cash Equivalents at End of Year	<u>\$ 78,097,653</u>	<u>\$ 64,871,539</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2021

1) Significant accounting policies

a) *Basis of presentation*

It is the Municipality's policy to follow accounting principles generally accepted for British Columbia Municipalities and to apply such principles consistently. These consolidated statements include the operations of the General, Water, Sewer, Solid Waste, Capital and Reserve Funds, Prince Rupert Legacy Inc. and City West Cable & Telephone Corp. They have been prepared using guidelines issued in the CPA Canada Public Sector Accounting Handbook.

b) *Revenue and expenses recognition*

The accrual method for reporting revenues and expenditures has been used.

Revenues are normally recognized in the year in which they are earned and measurable.

Government transfers are recognized in the financial statements as revenue in the period in which the eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers received for which the expenditures have not yet been incurred are reported as deferred revenue.

Deferred revenue includes grants, contributions and other amounts received from third parties which are specifically designated and the expenditures have not yet been incurred.

c) *Tangible capital assets*

Tangible capital assets are reported at cost. Donated assets are reported at fair market value at the time of donation. Tangible capital assets are amortized using the straight-line method as follows:

	<u>Years</u>	
Buildings and Improvements	5	to 50
Equipment	5	to 20
Infrastructure	25	to 100

d) *Inventory*

Inventory is reported at average cost.

e) *Estimates*

The preparation of financial statements in accordance with CPA Canada Public Sector Accounting Standards requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2021

f) Reporting entity

The City's reporting entity includes the municipal government and entities that are either controlled or owned by it. All controlled entities are fully consolidated on a line-by-line basis except for government business enterprises.

Government business enterprises are consolidated on a modified equity basis. Under the modified equity basis, accounting policies are not adjusted to conform to the City's, inter-organizational transactions and balances are not eliminated and the City recognises annual earnings or losses in its statement of operations with a corresponding increase or decrease in the investment. Any distributions reduce the carrying value of the investment.

The City's reporting entities include:

Prince Rupert Legacy Inc.	Controlled Entity	100%
City West Cable & Telephone Corp.	Government Business Enterprise	100%

g) Financial instruments

The City's financial instruments consist of cash, taxes and accounts receivable, accounts payable, accruals and deferred revenue, capital leases and debenture debt. It is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

2) Receivables

a) Taxes receivable

	<u>2021</u>	<u>2020</u>
Current	\$ 311,549	\$ 716,653
Arrears	296,515	259,829
Tax sale properties	300,293	272,227
Net taxes receivable	<u>\$ 908,357</u>	<u>\$ 1,248,709</u>

b) General receivables

	<u>2021</u>	<u>2020</u>
General receivables	\$ 2,867,823	\$ 5,917,279
Allowance for doubtful accounts	(15,804)	(4,283)
Net general receivables	<u>\$ 2,852,019</u>	<u>\$ 5,912,996</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2021

3) Municipal Finance Authority reserve and deposit

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the Municipality may be required to loan certain amounts to the Municipal Finance Authority.

4) Land inventory held for resale

The Watson Island land property value is reported at the gross value of the property taxes owing when it was acquired through tax sale in 2008 plus \$3.7 million of remediation costs incurred to prepare the island for resale, less \$1.2 million for 35 acres leased out. Management believes current market value exceeds net book value. There is approximately \$1.6 million owing to the Ministry of Education that is included in accounts payable.

5) Loans to Prince Rupert Airport Authority

	<u>2021</u>	<u>2020</u>
From Municipal Finance Authority (MFA)	\$ 5,088,802	\$ 5,394,979
Rescheduled payments	<u>701,145</u>	<u>350,572</u>
	\$ 5,789,947	\$ 5,745,551

(Details per Schedule 12. Due to COVID 19 disruption, the annual combination principal and interest repayment for 2020, 2021, and 2022 from Prince Rupert Airport are rescheduled to the end of the term. Normal payments will resume in 2023.)

From Prince Rupert Legacy

Payments include interest at 2.5% per annum, secured by mortgage on Airport Lands. Effective March 1, 2020, Prince Rupert Legacy suspended the requirement for loan repayments and interest accruals until the 2022 financial year.

\$24,080 due January 28 and July 28 each year with a final payment on January 28, 2033.	\$ 405,312	\$ 461,057
\$16,054 due April 6 and October 6 each year with a final payment on October 6, 2033.	282,750	319,457
\$9,030 due June 20 and December 20 each year with a final payment on December 20, 2033.	159,046	179,694
\$10,033 due February 28 and August 28 each year with a final payment on February 28, 2034.	192,108	214,490
	<u>\$ 1,039,216</u>	<u>\$ 1,174,698</u>
Total loans to Prince Rupert Airport Authority	<u>\$ 6,829,163</u>	<u>\$ 6,920,249</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2021

6) Accounts payable, accrued liabilities and deferred revenue

	<u>2021</u>	<u>2020</u>
a) Accounts payable and accrued liabilities		
Trade payables	\$ 9,148,526	\$ 4,669,983
Accrued liabilities	33,000	47,000
Accrued interest payable - MFA	142,269	61,656
Taxes due to other governments	2,673,251	3,139,067
Salaries, wages, other payroll payables	5,372,844	4,925,557
Holdbacks and deposits	2,413,917	1,253,934
	<u>\$ 19,783,807</u>	<u>\$ 14,097,197</u>
b) Deferred revenue		
Prepaid taxes	\$ 1,331,613	\$ 1,248,928
Deferred revenue - PR Legacy	2,573,071	2,544,566
Other deferred revenue	6,056,113	311,258
	<u>\$ 9,960,797</u>	<u>\$ 4,104,752</u>

7) Debenture debt and loans payable

Debenture debt and loans are with the Municipal Finance Authority and are being repaid in accordance with approved bylaws and agreements.

8) Investment in City West Cable & Telephone Corp.

Financial information for the Company as at December 31 is as follows

	<u>2021</u>	<u>2020</u>
Assets	\$ 66,394,000	\$ 59,036,000
Liabilities to arms-length parties	\$ 19,935,000	\$ 15,766,000
Net income	\$ 3,989,000	\$ 4,898,000

9) Commitments and contingencies:

a) Pension information

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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2021

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 actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City of Prince Rupert paid \$1,465,654 (2020- \$1,401,185) for employer contributions while employees contributed \$1,227,278 (2020 - \$1,189,308) to the plan in fiscal 2021.

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.

b) Landfill closure costs

The City is responsible for closing the landfill (and each cell located there) in accordance with Ministry of Environment regulations. The active cell at Ridley Island landfill site is expected to reach full capacity in 2022 and a newly constructed cell is ready to accept waste once this occurs. Closure costs have been fully accrued based on the latest landfill closure plan.

c) Third party claims

The City has various lawsuits and claims pending by and against it. It is the opinion of management that the determination of these claims will not materially affect the financial position or the operating results of the City.

d) Payments in lieu of taxes

Payments in lieu of taxes are recorded as revenue based on managements' best estimates of taxes due. Property assessment values are subject to dispute and the Dispute Advisory Panel is being asked to provide advice in a matter spanning multiple years. The impact of any future settlement agreement is as yet unknown.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2021

10) COVID-19

The impact of COVID-19 has resulted in decreased fees for services and may result in taxpayers' inability to remit taxes as they become due. The City has mitigated these risks by applying funding received from the Province of British Columbia against expected shortfalls through the budgeting process.

City of Prince Rupert

Operating Funds and Surplus Allocation For The Year Ended December 31

Fund	General	Water	Sewer	Solid Waste	Prince Rupert Legacy Inc.	2021	Total	2020	Total
Operating Results									
Revenue	\$ 35,859,743	\$ 3,008,310	\$ 2,790,851	\$ 3,997,014	\$ 3,043,935	\$ 48,699,853		\$ 78,324,657	
Expenditure (Exclude Tangible capital assets)	29,252,665	2,557,651	1,743,116	3,560,471	-	37,113,903		35,977,503	
	<u>\$ 6,607,078</u>	<u>\$ 450,659</u>	<u>\$ 1,047,735</u>	<u>\$ 436,543</u>	<u>\$ 3,043,935</u>	<u>\$ 11,585,950</u>		<u>\$ 42,347,154</u>	
Add /(Less)									
Additions to Tangible capital assets	\$ (3,365,915)	\$ (10,386,241)	\$ (1,208,129)	\$ (8,926,901)	\$ (860,130)	\$ (24,747,316)		\$ (18,739,698)	
New Debenture Loans from MFA	-	10,000,000	-	10,000,000	-	20,000,000		3,350,000	
Debt payment and Actuarial Adjustments	(928,316)	-	(21,186)	(2,500,000)	-	(3,449,502)		(795,252)	
Bylaw and Statutory Reserve Interest Income	(241,398)	-	-	-	-	(241,398)		(190,852)	
Prince Rupert Legacy Dividend	1,400,000	-	-	-	(1,400,000)	-		-	
City West Cable & Tel. Corp Loan Repayment	800,000	-	-	-	-	800,000		700,000	
City West Cable & Tel. Corp (Income)/Loss	(3,989,000)	-	-	-	-	(3,989,000)		(4,898,000)	
Transfer (to)/ from Reserves (Schedule 2)	(778,733)	19,239	(53,909)	(68,853)	-	(882,256)		(14,840,723)	
	<u>\$ (7,103,362)</u>	<u>\$ (367,002)</u>	<u>\$ (1,283,224)</u>	<u>\$ (1,495,754)</u>	<u>\$ (2,260,130)</u>	<u>\$ (12,509,472)</u>		<u>\$ (35,414,525)</u>	
Total Operating Surplus/(Deficit)	\$ (496,284)	\$ 83,657	\$ (235,489)	\$ (1,059,211)	\$ 783,805	\$ (923,522)		\$ 6,932,629	
Balance forward Surplus/(Deficit)	12,449,009	2,101,451	4,873,414	1,208,944	11,595,969	32,228,787		25,296,158	
Accumulated Surplus/(Deficit)	<u>\$ 11,952,725</u>	<u>\$ 2,185,108</u>	<u>\$ 4,637,925</u>	<u>\$ 149,733</u>	<u>\$ 12,379,774</u>	<u>\$ 31,305,265</u>		<u>\$ 32,228,787</u>	
Surplus Allocation									
Unappropriated Surplus	\$ 2,256,902	\$ 1,380,108	\$ 3,526,925	\$ 149,733	\$ 3,495,774	\$ 10,809,442		\$ 14,656,153	
Restricted Land Surplus	7,994,823	-	-	-	-	7,994,823		7,983,634	
2022 Appropriated Surplus	1,701,000	805,000	1,111,000	-	8,884,000	12,501,000		9,589,000	
	<u>\$ 11,952,725</u>	<u>\$ 2,185,108</u>	<u>\$ 4,637,925</u>	<u>\$ 149,733</u>	<u>\$ 12,379,774</u>	<u>\$ 31,305,265</u>		<u>\$ 32,228,787</u>	

City of Prince Rupert

**Statement of Bylaw and Statutory Reserve Fund Balances
December 31, 2021**

	<u>Opening Balance</u>	<u>Interest/Income</u>	<u>Transfer (to)/from Other Funds</u>	<u>Year End Balance</u>	RESERVE ALLOCATION		
					<u>2022 Budget Appropriation</u>	<u>Unappropriated Reserve</u>	<u>Year End Balance</u>
BYLAW & OTHER RESERVES							
General Reserves	\$ 6,325,848	\$ 49,973	\$ 1,026,152	\$ 7,401,973	\$ 2,480,000	\$ 4,921,973	\$ 7,401,973
Public Work Equipment Reserves	1,006,160	7,949	296,000	1,310,109	1,400,000	(89,891)	1,310,109
Ferry Maintenance Reserves	167,641	1,324	150,000	318,965	-	318,965	318,965
NCPG Reserve (Schedule 13)	12,137,455	95,886	(708,160)	11,525,181	9,926,000	1,599,181	11,525,181
Water Asset Management Reserve	8,726,285	68,937	(19,239)	8,775,983	5,150,000	3,625,983	8,775,983
Sewer Asset Management Reserve	208,344	1,646	53,909	263,899	-	263,899	263,899
Solid Waste Asset Management Res.	261,477	2,066	68,853	332,396	-	332,396	332,396
Total Bylaw & Other Reserves	\$ 28,833,210	\$ 227,781	\$ 867,515	\$ 29,928,506	\$ 18,956,000	\$ 10,972,506	\$ 29,928,506
STATUTORY RESERVES							
Capital Assets & Land Acquisition	\$ 1,483,546	\$ 11,720	\$ -	\$ 1,495,266	\$ 25,000	\$ 1,470,266	\$ 1,495,266
Parkland Reserves	6,996	55	-	7,051	-	7,051	7,051
Parking Space Requirements	146,227	1,155	-	147,382	-	147,382	147,382
Cemetery Care Trust	229,136	687	14,741	244,564	-	244,564	244,564
Total Statutory Reserves	\$ 1,865,905	\$ 13,617	\$ 14,741	\$ 1,894,263	\$ 25,000	\$ 1,869,263	\$ 1,894,263
TOTAL RESERVES	\$ 30,699,115	\$ 241,398	\$ 882,256	\$ 31,822,769	\$ 18,981,000	\$ 12,841,769	\$ 31,822,769

City of Prince Rupert

Consolidated Statement of Tangible Capital Assets December 31

	<u>CAPITAL ASSETS</u>				<u>ACCUMULATED AMORTIZATION</u>				<u>NET BOOK VALUE</u>	
	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals/ Write-Downs</u>	<u>Closing Balance</u>	<u>Opening Balance</u>	<u>Amortization</u>	<u>Disposals/ Write-Downs</u>	<u>Closing Balance</u>	<u>2021</u>	<u>2020</u>
Land	\$ 11,195,167	\$ 240,024	\$ -	\$ 11,435,191	\$ -	\$ -	\$ -	\$ -	\$ 11,435,191	\$ 11,195,167
Buildings	\$ 12,232,691	\$ 1,504,921	\$ -	\$ 13,737,612	\$ 8,276,802	\$ 464,566	\$ -	\$ 8,741,368	\$ 4,996,244	\$ 3,955,889
Equipment	\$ 10,354,209	\$ 723,932	\$ (73,346)	\$ 11,004,795	\$ 5,846,859	\$ 869,435	\$ (73,346)	\$ 6,642,948	\$ 4,361,847	\$ 4,507,350
Infrastructure	\$ 126,132,687	\$ 22,278,439	\$ (545,071)	\$ 147,866,055	\$ 51,748,989	\$ 2,976,831	\$ (545,071)	\$ 54,180,749	\$ 93,685,306	\$ 74,383,698
	<u>\$ 159,914,754</u>	<u>\$ 24,747,316</u>	<u>\$ (618,417)</u>	<u>\$ 184,043,653</u>	<u>\$ 65,872,650</u>	<u>\$ 4,310,832</u>	<u>\$ (618,417)</u>	<u>\$ 69,565,065</u>	<u>\$ 114,478,588</u>	<u>\$ 94,042,104</u>

City of Prince Rupert

City West Cable & Telephone Corporation Statement of Financial Position December 31

	<u>2021</u>	<u>2020</u>
ASSETS		
City West Cable & Telephone Corporation		
Investment	\$ 1	\$ 1
Loan	17,132,762	17,932,762
Equity	<u>29,327,000</u>	<u>25,338,000</u>
	<u>\$ 46,459,763</u>	<u>\$ 43,270,763</u>
LIABILITIES AND EQUITY		
Equity, Beginning of Year	\$ 43,270,763	\$ 39,072,763
Net Income of Corporation	3,989,000	4,898,000
Repayment of loan	<u>(800,000)</u>	<u>(700,000)</u>
Equity, End of Year	<u>\$ 46,459,763</u>	<u>\$ 43,270,763</u>

City of Prince Rupert

Statement of Changes in Investment in Tangible Capital Assets December 31

	<u>2021</u>	<u>2020</u>
Opening Balance	\$ 85,804,819	\$ 74,492,477
Tangible Capital Assets Purchased By Operations	\$ 4,747,316	\$ 15,389,698
Debenture Debt Repayment	149,100	149,102
Actuarial Additions	113,598	106,803
Loan Repayment	3,186,804	539,347
Amortization	<u>(4,310,832)</u>	<u>(4,872,608)</u>
Closing Balance	<u>\$ 89,690,805</u>	<u>\$ 85,804,819</u>

City of Prince Rupert

Schedule of Tax Revenues For The Year Ended December 31

	Unaudited 2021 Budget	2021 Actual	2020 Actual
Real Property Taxes			
Municipal Property Tax			
Residential	\$ 7,096,000	\$ 7,097,282	\$ 7,070,381
Utilities	286,000	285,999	204,250
Major Industry	9,887,000	9,886,978	8,732,782
Light Industry	629,000	649,652	558,319
Business	4,928,000	4,649,712	5,004,490
Recreational	19,000	19,577	19,577
	<u>\$ 22,845,000</u>	<u>\$ 22,589,200</u>	<u>\$ 21,589,799</u>
Less: Tax Sharing with District of Port Edward	<u>\$ (1,015,000)</u>	<u>\$ (1,014,753)</u>	<u>\$ (1,000,000)</u>
	<u>\$ 21,830,000</u>	<u>\$ 21,574,447</u>	<u>\$ 20,589,799</u>
Special Payments			
Port Competitiveness Tax Grant	\$ 1,794,000	\$ 1,795,267	\$ 1,781,020
Revenue Tax	\$ 323,000	\$ 330,496	\$ 315,653
Specified Area Tax	\$ 63,000	\$ 63,170	\$ 63,170
Payments in Lieu of Tax			
Federal Government Properties	\$ 169,000	\$ 160,704	\$ 168,939
Prince Rupert Port Authority	1,604,000	1,606,246	1,472,584
	<u>\$ 1,773,000</u>	<u>\$ 1,766,950</u>	<u>\$ 1,641,523</u>
Grants in Lieu of Tax			
Provincial Government Properties	\$ 181,000	\$ 248,043	\$ 181,442
BC Buildings Corp.	45,000	40,220	44,497
BC Housing Commission	87,000	90,284	86,847
BC Hydro and Power Authority	64,000	61,344	63,692
Insurance Corporation of BC	10,000	8,749	9,281
	<u>\$ 387,000</u>	<u>\$ 448,640</u>	<u>\$ 385,759</u>
	<u>\$ 4,340,000</u>	<u>\$ 4,404,523</u>	<u>\$ 4,187,125</u>
Net Tax Revenue	<u><u>\$ 26,170,000</u></u>	<u><u>\$ 25,978,970</u></u>	<u><u>\$ 24,776,924</u></u>

City of Prince Rupert

Schedule of Sale of Service Revenues For The Year Ended December 31

	Unaudited 2021 Budget	2021 Actual	2020 Actual
GENERAL FUND			
Protective Services (RCMP)	\$ 12,000	\$ 23,820	\$ 12,788
Transportation Services			
Public Transit	\$ 212,000	\$ 174,806	\$ 192,078
Airport Ferry	550,000	\$ 464,545	557,976
	<u>\$ 762,000</u>	<u>\$ 639,351</u>	<u>\$ 750,054</u>
Other			
Rezoning / Subdivision Services	\$ 20,000	\$ 20,243	\$ 16,715
Parking	90,000	\$ 96,304	85,622
Franchise Fees	232,000	\$ 218,269	191,752
	<u>\$ 342,000</u>	<u>\$ 334,816</u>	<u>\$ 294,089</u>
Public Health (Cemetery)	<u>\$ 100,000</u>	<u>\$ 147,793</u>	<u>\$ 88,369</u>
Recreation and Cultural Services			
Civic Centre Rentals & Programs	\$ 117,000	\$ 158,438	\$ 111,286
Swimming Pool	136,000	\$ 249,704	129,591
Arena	123,000	\$ 139,461	117,698
	<u>\$ 376,000</u>	<u>\$ 547,603</u>	<u>\$ 358,575</u>
Cow Bay Marina	<u>\$ 200,000</u>	<u>\$ 212,741</u>	<u>\$ 200,434</u>
TOTAL GENERAL OPERATING FUND	\$ 1,792,000	\$ 1,906,124	\$ 1,704,309
SOLID WASTE FUND	\$ 3,787,000	\$ 3,442,672	\$ 3,624,947
WATER FUND	\$ 2,929,000	\$ 2,877,884	\$ 2,808,055
SEWER FUND	<u>\$ 2,615,000</u>	<u>\$ 2,695,458</u>	<u>\$ 2,676,872</u>
	<u>\$ 11,123,000</u>	<u>\$ 10,922,138</u>	<u>\$ 10,814,183</u>

City of Prince Rupert

Schedule of Government Transfers For The Year Ended December 31

	Unaudited 2021 Budget	2021 Actual	2020 Actual
Federal Grant- Conditional			
General Operating Fund			
Canada Summer Jobs	\$ -	\$ 22,173	\$ 19,325
Water Fund			
Woodworth Dam Design & Construction- Fed	-	-	3,066,530
Water Treatment Plant and Submarine Line - Fed	-	-	4,658,719
	<u>\$ -</u>	<u>\$ 22,173</u>	<u>\$ 7,744,574</u>
Provincial Grants			
Unconditional			
General Operating - Small Community	\$ 394,000	\$ 366,000	\$ 393,693
- Traffic Fines	285,000	246,330	285,218
- Carbon Tax Rebate	-	75,260	67,835
Total Unconditional	<u>\$ 679,000</u>	<u>\$ 687,590</u>	<u>\$ 746,746</u>
Conditional			
General Operating Fund			
Victim Services	\$ 77,000	\$ 69,669	\$ 87,131
Tsunami Preparedness Grant	-	-	22,236
Casino Revenue	126,000	302,373	126,434
Two Percent (2%) Hotel Tax	280,000	237,913	196,660
Situation Tables	65,000	15,000	-
NDIT- Economic Development	50,000	68,864	67,200
NDIT- Business Façade	20,000	-	18,950
Waterfront Rupert's Landing & Ferry Development	4,986,000	53,639	500,000
CleanBC Communities Fund (Charge North)	10,000	-	-
BC Hydro- Energy Savings incentive	-	-	24,042
COVID-19 Safe Restart Grant	-	-	2,799,000
Northern Capital and Planning Grant	-	-	6,524,000
Water Fund			
Water Treatment Plant and Submarine Line - Prov	-	-	3,881,878
Woodworth Dam Design & construction	-	-	3,066,530
Total Conditional	<u>\$ 5,614,000</u>	<u>\$ 747,458</u>	<u>\$ 17,314,061</u>
Regional and Other External Transfers - Conditional			
General Operating Fund			
UBCM- Community Work Fund (Gas Tax)	\$ 596,000	\$ -	\$ 635,963
PRACSS- Downtown Public Washroom	220,000	220,000	-
PRPA- New Fire Hall Building	175,000	-	-
FCM- Asset Management Strategy Development	-	4,950	-
Sewer Fund			
FCM- Liquid Waste Management Plan	87,000	87,000	-
Solid Waste Fund			
UBCM- Community Work Fund (Gas Tax)	596,000	542,918	816,000
Canada Parks and Recreation	-	11,424	-
	<u>\$ 1,674,000</u>	<u>\$ 866,292</u>	<u>\$ 1,451,963</u>
Total Government Transfer	<u><u>\$ 7,967,000</u></u>	<u><u>\$ 2,323,513</u></u>	<u><u>\$ 27,257,344</u></u>

City of Prince Rupert

Schedule of Revenue from Own Sources For The Year Ended December 31

	Unaudited 2021 Budget	2021 Actual	2020 Actual
Licenses and Permits	\$ 372,000	\$ 382,509	\$ 367,878
Fines	34,000	23,172	32,429
911 Service Fee	90,000	92,585	98,082
	<u>\$ 496,000</u>	<u>\$ 498,266</u>	<u>\$ 498,389</u>
 Miscellaneous revenues			
Actuarial Additions	\$ -	\$ 184,703	\$ 166,234
Cemetery Care Fund	-	12,763	6,616
Miscellaneous - General Fund	190,000	655,126	543,343
Miscellaneous Grants - General Fund	90,000	30,000	3,170
Penalties and Interest on Taxes	-	246,260	195,160
Property Rentals	241,000	119,510	104,536
Disposal of scrap materials	277,000	-	1,204,522
Water Meter Rentals	127,000	130,426	125,831
Sale of Tangible Capital Assets	-	-	227,437
Total Miscellaneous Revenues	<u>\$ 925,000</u>	<u>\$ 1,378,788</u>	<u>\$ 2,576,849</u>

City of Prince Rupert

Schedule of Expenditure by Objects of Expense For The Year Ended December 31

	Unaudited 2021 Budget	2021 Actual	2020 Actual
Wages	\$ 15,220,000	\$ 15,533,415	\$ 14,574,115
Benefits	4,002,000	3,784,590	3,730,435
Professional Fees	1,117,700	1,572,677	900,237
Supplies	2,268,900	2,656,093	2,363,352
Services	3,342,400	3,544,963	4,409,862
Energy	1,185,000	1,212,584	1,085,332
Fiscal Expenses	2,250,000	2,162,581	1,800,052
Grants in Aid to Community Partners	1,592,000	1,528,168	1,681,022
Contracts	<u>5,323,000</u>	<u>5,901,767</u>	<u>4,625,887</u>
	\$ 36,301,000	\$ 37,896,838	\$ 35,170,294
Capital Purchases & Capital Works (Per budget)	43,305,000	25,012,591	20,711,163
Wages & Vehicle cost allocated to Capital Works	-	(212,306)	(475,807)
Less:			
Investments in Tangible Capital Assets	(41,559,000)	(24,747,316)	(18,739,698)
Debt Repayment	<u>(1,058,000)</u>	<u>(835,904)</u>	<u>(688,449)</u>
Total Expenses (Statement B)	<u>\$ 36,989,000</u>	<u>\$ 37,113,903</u>	<u>\$ 35,977,503</u>

City of Prince Rupert

Schedule of Equipment / Short Term Financing Debt December 31

Loan No.	Purpose	New/ Renewal	Amount of Issue	2020 Balance	Additions	Principal Payments	2021 Balance
Equipment Financing							
0002-0	2017 Pumper Truck	2017	890,000	\$ 340,753	\$ -	\$ (189,638)	\$ 151,115
0003-0	2019 Vactor Truck	2019	450,000	359,841	-	(94,314)	265,527
0004-0	Garbage Truck	2020	850,000	850,000	-	(172,812)	677,188
				<u>\$ 1,550,594</u>	<u>\$ -</u>	<u>\$ (456,764)</u>	<u>\$ 1,093,830</u>
Short Term / Temporary Financing							
695-6	2018 Cell Block Reno and PW Buildings	2019	1,150,000	\$ 747,430	\$ -	\$ (230,040)	\$ 517,390
695-1	ByLaw 3459 (New Landfill Cell)	2020	2,500,000	2,500,000	-	(2,500,000)	-
				<u>3,247,430</u>	<u>-</u>	<u>(2,730,040)</u>	<u>517,390</u>
				<u>\$ 4,798,024</u>	<u>\$ -</u>	<u>\$ (3,186,804)</u>	<u>\$ 1,611,220</u>

City of Prince Rupert

Schedule of Debenture Debt December 31

Bylaw No.		No.	Maturity Date	Amount of Issue	2020 Balance	Additions	Principal Payment	2020 Accrued Actuarial	2021 Actuarial	2021 Accrued Actuarial	2021 Balance
General Fund											
3129	George Hills Way/Specified Area	75	2021	\$ 700,000	\$ 50,836	\$ -	\$ (21,168)	\$ 2,657	\$ (32,325)	\$ -	\$ -
3201	Cruise Ship Dock	94	2025	3,133,056	998,763	-	(115,139)	16,038	(74,103)	(17,472)	808,087
3333	Airport Upgrade	127	2034	7,000,000	5,394,979	-	(235,072)	45,794	(62,369)	(54,530)	5,088,802
					<u>\$ 6,444,578</u>	<u>\$ -</u>	<u>\$ (371,379)</u>	<u>\$ 64,489</u>	<u>\$ (168,797)</u>	<u>\$ (72,002)</u>	<u>\$ 5,896,889</u>
Water Fund											
3433	Woodworth Dam	156	2046	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
Sewer Fund											
3201	Moresby Sewer Upgrade	94	2025	\$ 346,970	\$ 110,973	\$ -	\$ (12,793)	\$ 1,782	\$ (8,234)	\$ (1,941)	\$ 89,787
Solid Waste Fund											
3454	New Landfill Cell	156	2046	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
					<u>\$ 6,555,551</u>	<u>\$ 20,000,000</u>	<u>\$ (384,172)</u>	<u>\$ 66,271</u>	<u>\$ (177,031)</u>	<u>\$ (73,943)</u>	<u>\$ 25,986,676</u>

City of Prince Rupert

Schedule of Northern Capital and Planning Grant For Year Ended December 31, 2021

Grant Balance as at Jan 1, 2021	\$	12,137,455
Interest earned in 2021		95,886
CN Heritage Building Revitalization Project		(594,160)
Removal of bunker fuel tanks in Moresby Park		(114,000)
Grant Balance as at Dec 31, 2021 (Schedule 2)	\$	11,525,181

This money is used at the discretion of the municipality for capital and long term planning purposes in accordance with S.32 of the Local Government Grants Regulation (BC Reg. 221/95) which cross-references with S.4(1)(a) & (c) of the Local Government Grants Act.

City of Prince Rupert

Schedule of COVID-19 Safe Restart Grant for Local Governments For Year Ended December 31, 2021

Grant Balance as at Jan 1, 2021	\$	2,449,000
Use of funds in 2021:		
Revenue shortfall from PR Airport Authority loan payment		(350,000)
Reduction in City of Prince Rupert airport ferry revenue		(500,000)
Reduction in gaming revenue		(240,000)
Downtown washroom capital project		(160,000)
Grant Balance as at Dec 31, 2021	\$	1,199,000

This money is used at the discretion of the municipality to address increased operating costs and lower revenue due to COVID-19 accordance with section 36 of the Local Government Grants Regulation and this schedule is attached to the Financial Statements as per section 167 of the Community Charter.