



City of Prince Rupert

AGENDA

For the **REGULAR MEETING** of Council to be held on May 10, 2021 at 7:00 pm in the Council Chambers of City Hall, 424 - 3rd Avenue West, Prince Rupert, B.C.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

Recommendation:

THAT the Agenda for the Regular Council Meeting of May 10, 2021 be adopted as presented.

3. MINUTES

a) Recommendation:

THAT the Minutes of the Special Council Meeting of April 26, 2021 be adopted.
(attached)

b) Recommendation:

THAT the Minutes of the Regular Council Meeting of April 26, 2021 be adopted.
(attached)

4. REPORTS & RESOLUTIONS

a) Report from the Chief Financial Officer – Re: 2020 Audited Financial Statements.

(attached)

Recommendation:

THAT Council, by resolution, accept the 2020 Audited Financial Statements.

b) Verbal Report from the Corporate Administrator – Re: Request for Letter of Support.

(attached)

Recommendation:

THAT Council authorize staff to provide a letter of support as requested.

5. BYLAWS

a) Zoning Bylaw No. 3462, 2021

Recommendation:

THAT Council give Fourth and Final Reading to Zoning Bylaw No. 3462, 2021.

b) Official Community Plan Bylaw No. 3460, 2021

Recommendation:

THAT Council give Fourth Reading to the Official Community Bylaw No. 3460, 2021.

6. REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL

7. ADJOURNMENT



City of Prince Rupert

MINUTES

For the **SPECIAL MEETING** of Council held on April 26, 2021 at 5:00 p.m. in the Council Chambers of City Hall, 424 - 3rd Avenue West, Prince Rupert, B.C.

PRESENT: Mayor L. Brain
Councillor B. Cunningham
Councillor W. Niesh
Councillor N. Adey
Councillor G. Randhawa
Councillor R. Skelton-Morven
Councillor B. Mirau

STAFF: R. Long, City Manager
C. Bomben, Chief Financial Officer
R. Miller, Corporate Administrator

1. CALL TO ORDER

The Mayor called the Special Meeting of Council to order at 5:03p.m.

2. RESOLUTION TO EXCLUDE THE PUBLIC

MOVED by Councillor Skelton-Morven and seconded by Councillor Niesh that the meeting be closed to the public under Section 90 of the Community Charter to consider items relating to one or more of the following:

- 90.1 (c) labour relations or other employee relations;

CARRIED

Confirmed:

MAYOR

Certified Correct:

CORPORATE ADMINISTRATOR



City of Prince Rupert

MINUTES

For the **REGULAR MEETING** of Council held on April 26, 2021 at 7:00 pm in the Council Chambers of City Hall, 424 - 3rd Avenue West, Prince Rupert, B.C.

PRESENT: Mayor L. Brain
Councillor W. Niesh
Councillor G. Randhawa
Councillor B. Cunningham
Councillor N. Adey
Councillor R. Skelton-Morven
Councillor B. Mirau

STAFF: R. Long, City Manager
C. Bomben, Chief Financial Officer
R. Miller, Corporate Administrator
R. Buchan, iPlan Ltd. (planning consultant)
C. Buchan, IPlan Ltd. (planning consultant)

1. CALL TO ORDER

The Mayor called the Regular Meeting of Council to order at 7:01 pm and it was then MOVED by Councillor Adey and seconded by Councillor Randhawa that the Regular Council Meeting of April 26, 2021 be suspended and the Committee of the Whole be convened.

2. ADOPTION OF AGENDA

MOVED by Councillor Skelton-Morven and seconded by Councillor Randhawa that the Regular Council Meeting of April 26, 2021 be adopted as presented.

CARRIED

3. MINUTES

a) MOVED by Councillor Adey and seconded by Councillor Niesh that the minutes of the Special Council meeting of April 12, 2021, be adopted.

CARRIED

b) MOVED by Councillor Niesh and seconded by Councillor Randhawa that the minutes of the Regular Council meeting of April 12, 2021, be adopted.

CARRIED

4. REPORTS & RESOLUTIONS

a) Report from the Chief Financial Officer – Re: Extension of Partnering

Agreement.

MOVED by Councillor Mirau and seconded by Councillor Niesh THAT Council authorize the City Manager, or designate, to sign the revised partnering agreement between the City of Prince Rupert and the Prince Rupert Airport Authority, subject to notice under section 24 of the *Community Charter*.

CARRIED

b) Verbal Report from IPlan Ltd. Re: DVP-21-01 for 658 – 8th Avenue East

MOVED by Councillor Niesh and seconded by Councillor Randhawa THAT Council approve DVP-21-01 as presented.

CARRIED

5. BYLAWS

a) Verbal Report from the Chief Financial Officer Re: 2021 Five Year Financial Plan Bylaw No. 3470, 2021

MOVED by Councillor Niesh and seconded by Councillor Randhawa THAT Council give First, Second and Third Reading to the 2021 Five Year Financial Plan Bylaw No. 3470, 2021.

CARRIED

b) Verbal Report from the Chief Financial Officer Re: 2021 Five Year Financial Plan Bylaw No. 3470, 2021

MOVED by Councillor Randhawa and seconded by Councillor Niesh THAT Council give Fourth and Final Reading to the 2021 Five Year Financial Plan Bylaw No. 3470, 2021.

CARRIED

c) Verbal Report from the Chief Financial Officer Re: 2021 Property Tax Bylaw No. 3471, 2021

MOVED by Councillor Randhawa and seconded by Councillor Mirau THAT Council give Fourth and Final Reading to the 2021 Property Tax Bylaw No. 3471, 2021.

CARRIED

d) Verbal Report from the Chief Financial Officer Re: 2021 Property Tax Bylaw No. 3471, 2021

MOVED by Councillor Mirau and seconded by Councillor Niesh THAT Council give Fourth and Final Reading to the 2021 Property Tax Bylaw No. 3471, 2021.

CARRIED

6. REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL

7. ADJOURNMENT

MOVED by Councillor Skelton-Morven and seconded by Councillor Adey that the meeting be adjourned at 7:52pm.

CARRIED

Confirmed:

MAYOR

Certified Correct:

CORPORATE ADMINISTRATOR

CITY OF PRINCE RUPERT

REPORT TO COUNCIL

DATE: May 10th, 2021

TO: Robert Long, City Manager

FROM: Corinne Bomben, Chief Financial Officer

SUBJECT: 2020 AUDITED FINANCIAL STATEMENTS (THE “STATEMENTS”)

RECOMMENDATION:

THAT Council, by resolution, accept the 2020 Audited Financial Statements.

BACKGROUND:

Pursuant to the *Community Charter*, the City of Prince Rupert must prepare Audited Annual Financial Statements and the Statements must be accepted by Council.

CURRENT STATUS:

The Statements have been prepared by staff and audited by the City’s auditor.

FINANCIAL HIGHLIGHTS:

Statement “A” Consolidated Statement of Financial Position

Financial Assets

Cash and Cash Equivalents – Increase of \$16 million primarily due to receiving \$6.5 million from the Provincial government for the Northern Capital and Planning Grant and \$8.5M for the 3rd Phase of the Water project.

General Receivables – Increase of \$4.2 million mainly due to recording Provincial grants for the Woodworth Dam project that are receivable at year end.

Land Inventory Held for Resale – Increase of \$0.57 million resulting from additional dismantlement costs on Watson Island.

Liabilities

Accounts Payable and Accrued Liabilities – Increase of \$2.77 million due to holdbacks on the Woodworth Dam construction contract, general payables for work on large projects invoiced at the beginning of 2021, and taxes due to other governments because the due date for School Tax remittances was extended until January 2021.

May 10, 2021

Deferred Revenue – Decrease of \$3.7 million primarily due to recognition of lease payments to fund development costs on city owned land and use of Woodworth Dam grant funding received in previous years.

Debenture Debt – Decreased by \$0.5 million due to normal repayments through the year. The bulk of the debentures outstanding are for the Cruise Ship Dock and the Airport upgrade.

Loans Payable – Increased by \$2.8 million due to new short term debt of \$2.5M being used to fund the new landfill cell until the debenture is issued in 2021.

Non – Financial Assets

Tangible Capital Assets – Increase of \$13.9 million largely due to the Woodworth Dam construction and the new Leachate Lagoon at the landfill. This was offset by amortization costs. Amortization is a way of recognizing the declining value and lessening lifespan of assets.

Investment in CityWest Cable & Telephone Corp – Increase recorded is the net income of City West during the year minus the payment to the City of Prince Rupert.

City Position

Accumulated Operating Surplus – Increase of \$6.9 million is mainly a result of the consolidated surplus from Prince Rupert Legacy Inc. (“Legacy”) and the surplus in the City’s Operating Fund caused by the COVID-19 Safe Restart Grant funds received. The City’s Sewer and Solid Waste funds both generated surpluses, primarily due to uncompleted Capital Works while the Water Fund was close to even.

Bylaw and Statutory Reserve Funds – Increase of \$15 million mainly as a result of receiving the Northern Capital & Planning Grant and an advance on grant funding for Phase 3 of the Water Project.

Investment in Tangible Capital Assets - Increase due to expenditures on capital assets and repayment of debenture and lease debt. Partially offsetting the increase was amortization of assets.

Statement “B” – Consolidated Statement of Operations

Revenues exceeded budget by nearly \$15 million mainly resulting from lease income from Legacy’s sublease on Watson Island and City West Cable & Tel. Corp net income. Both of those actual increases amounted to \$11.7 million. The remainder of the increase was mainly due to the unbudgeted Government Transfer of \$2.8 million for the COVID-19 Safe Restart Grant.

Expenses were \$2 million under budget due to the following:

- 1) \$0.75 million decrease in Airport Ferry because bussing expenses were reduced due to the COVID-19 travel restrictions;
 - 2) \$0.38 million decrease in Transit expenses due to special funding given by the Province to BC Transit and passed along in the form of lower expenses;
 - 3) \$0.64 million decrease in property tax sharing with the District of Port Edward;
- and

May 10, 2021

- 4) \$0.85 million decrease across all recreation departments due to shut downs mandated for COVID-19 response

These decreases in expenses were partially offset by increases in other areas.

The revenue over expenditure constitutes the accumulated increase in assets less the liabilities incurred over the course of the year.

Schedule 15

The City's financial statements are prepared according to accounting principles generally accepted for British Columbia Municipalities using the guidelines issued by the CPA Canada Public Sector Accounting Handbook.

Preparation of the statements based on the CPA Canada guidelines can make it difficult to evaluate the City's financial performance compared to budget. This occurs because the City's budget or Annual Five Year Financial Plan is prepared according to the regulations found in the *Community Charter*. To improve transparency and assist in enabling comparison between the various operating fund results and the budgets found in the Financial Plan, Schedule 15 is added to the financial statement package. The Schedule indicates that compared to budget, the City operated closely to what was expected, excepting the aforementioned unbudgeted items and the unbudgeted effects of the COVID-19 pandemic.

Prince Rupert Legacy Inc. Financial Statements

This is Legacy's seventh year of operations. The financial data has been consolidated into the parent organization (the City of Prince Rupert). Although the data has been consolidated, the statements of the corporation are attached for review by the shareholder. The directors have approved the statements earlier in the year so they could be included in the City's financial data. The company has an \$11.6 million surplus of which \$5.8 million is appropriated, mostly as a contribution to the City's Woodworth Dam construction in 2021.

CONCLUSION:

By Council passing a resolution to accept the Financial Statements it will complete the 2020 Financial Statement approval process and satisfy the City's legislative requirements.

Report Prepared By:

Report Reviewed By:

Corinne Bomben,
Chief Financial Officer

Robert Long,
City Manager

Attachments:

- Attachment #1 - Draft 2020 Audited Financial Statements – City of Prince Rupert; and
- Attachment #2 - Prince Rupert Legacy Inc. Audited Financial Statements.

ATTACHMENT #1

City of Prince Rupert

2020 Audited Financial Statements

City of Prince Rupert

Consolidated Statement of Financial Position December 31

	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash and Cash Equivalents	\$ 64,871,539	\$ 48,681,908
Taxes Receivable (Note 2a)	1,248,709	1,316,654
General Receivables (Note 2b)	5,912,996	1,705,265
Deposit-Municipal Finance Authority (Note 3)	208,721	204,513
Land Inventory Held for Resale (Note 4)	9,606,917	9,032,325
Loans to Prince Rupert Airport Authority (Note 5)	6,920,249	6,889,586
	<u>\$ 88,769,131</u>	<u>\$ 67,830,251</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6a)	\$ 14,097,197	\$ 11,327,688
Deferred Revenue (Note 6b)	4,104,752	7,798,206
Landfill Closure Cost (Note 9b)	5,059,000	4,734,000
Reserves - Municipal Finance Authority (Note 3)	82,045	204,513
Loans Payable (Schedule 11 and Note 7)	4,798,024	1,987,371
Debenture Debt (Schedule 12 and Note 7)	6,555,551	7,105,959
	<u>\$ 34,696,569</u>	<u>\$ 33,157,737</u>
Net Financial Assets (Statement C)	<u>\$ 54,072,562</u>	<u>\$ 34,672,514</u>
Non-financial Assets		
Tangible Capital Assets (Schedule 3 and Note 1c)	\$ 94,042,104	\$ 80,175,014
Investment in City West Cable & Tel. Corp. (Schedule 4 and Note 8)	43,270,763	39,072,763
Inventory (Note 1d)	618,055	608,647
	<u>\$ 137,930,922</u>	<u>\$ 119,856,424</u>
Surplus and Equity (Statement B)	<u>\$ 192,003,484</u>	<u>\$ 154,528,938</u>
City Position		
Accumulated Operating Surplus (Schedule 1)	\$ 32,228,787	\$ 25,296,158
Bylaw and Statutory Reserve Funds (Schedule 2)	30,699,115	15,667,540
Investment in City West Cable & Tel. Corp. (Schedule 4 and Note 8)	43,270,763	39,072,763
Investment in Tangible Capital Assets (Schedule 5)	85,804,819	74,492,477
Net Position (Statement B)	<u>\$ 192,003,484</u>	<u>\$ 154,528,938</u>

City of Prince Rupert

Consolidated Statement of Operations For The Year Ended December 31

	Unaudited 2020 Budget	2020 Actual	2019 Actual
Revenues			
Taxes (Net) (Schedule 6)	\$ 24,481,000	\$ 24,968,676	\$ 21,839,994
Sale of Services (Schedule 7)	11,953,000	10,622,431	11,710,025
Services Provided to Other Government	70,000	118,025	86,150
Government Transfers (Schedule 8)	24,473,000	27,257,344	11,638,765
Fees, Permits, Licenses and Fines (Schedule 9)	520,000	498,389	549,073
Investment Income	600,000	609,877	755,729
City West Cable & Tel. Corp.	-	4,898,000	2,781,000
Prince Rupert Legacy Inc.	-	6,775,066	7,360,762
Miscellaneous Revenues (Schedule 9)	1,163,000	2,576,849	1,075,332
Total Revenue	<u>\$ 63,260,000</u>	<u>\$ 78,324,657</u>	<u>\$ 57,796,830</u>
Expenses			
Protection to Persons and Property	\$ 10,910,000	\$ 10,973,040	\$ 9,819,449
Water, Sewage and Solid Waste	7,842,360	7,209,532	6,307,455
Roadways and Transportation	7,394,800	5,970,914	7,181,226
Recreation and Culture	6,577,650	5,311,455	6,067,015
General Government	4,840,350	6,185,496	5,623,590
Other	349,200	327,066	332,080
Total Expenses (Schedule 10)	<u>\$ 37,914,360</u>	<u>\$ 35,977,503</u>	<u>\$ 35,330,815</u>
Revenue Over Expenditure Before Amortization	\$ 25,345,640	\$ 42,347,154	\$ 22,466,015
Amortization of Tangible Capital Assets	\$ -	\$ (4,872,608)	\$ (4,726,605)
Gain (Loss) on disposition of Tangible Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,931)</u>
Revenue Over Expenditure	\$ 25,345,640	\$ 37,474,546	\$ 17,660,479
Opening City Position	<u>\$ 154,528,938</u>	<u>\$ 154,528,938</u>	<u>\$ 136,868,459</u>
Closing City Position (Statement A)	<u><u>\$ 179,874,578</u></u>	<u><u>\$ 192,003,484</u></u>	<u><u>\$ 154,528,938</u></u>

City of Prince Rupert

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

	2020 <u>Actual</u>	2019 <u>Actual</u>
Revenue Over Expenditure (Statement B)	\$ 37,474,546	\$ 17,660,479
Acquisition of Tangible Capital Assets (Schedule 1 & 3)	(18,739,698)	(7,462,208)
Amortization of Tangible Capital Assets	4,872,608	4,726,605
Gain on sale of Tangible Capital Assets	-	78,931
City West Cable and Tel. Corp. (Increase)/Decrease in Equity	(4,198,000)	(2,181,000)
Change in Inventory	(9,408)	(68,696)
Change in Net Financial Assets	<u>\$ 19,400,048</u>	<u>\$ 12,754,111</u>
Net Financial Assets at Beginning of Year	<u>\$ 34,672,514</u>	<u>\$ 21,918,403</u>
Net Financial Assets at End of Year	<u><u>\$ 54,072,562</u></u>	<u><u>\$ 34,672,514</u></u>

City of Prince Rupert

Consolidated Statement of Cash Flows For The Year Ended December 31

	<u>2020</u>	<u>2019</u>
Operating Activities		
Revenue Over Expenditure	\$ 37,474,546	\$ 17,660,479
Non-cash Items		
Amortization	4,872,608	4,726,605
Gain on disposition of Tangible Capital Assets	-	78,931
City West Cable & Tel. Corp	(4,898,000)	(2,781,000)
Taxes Receivable	67,945	892,922
General Receivables	(4,207,731)	868,978
Land inventory held for resale	(574,592)	(862,939)
Inventory	(9,408)	(68,696)
Accounts Payable and Accrued Liabilities	2,769,509	(174,045)
Deferred Revenue	(3,693,454)	636,295
Landfill Closure Costs	325,000	500,000
Cash Provided by Operating Activities	<u>\$ 32,126,423</u>	<u>\$ 21,477,530</u>
Financing Activities		
Equipment and Short Term Loans	\$ 3,350,000	\$ 1,600,000
MFA Deposits and Reserves	(126,676)	-
Repayment (Loans) from Prince Rupert Airport Authority	(30,663)	369,928
Principal Repayments	(1,089,755)	(948,576)
Cash provided by/(applied to) Financing Activities	<u>\$ 2,102,906</u>	<u>\$ 1,021,352</u>
Investing Activities		
Tangible Capital Assets Additions	\$ (18,739,698)	\$ (7,462,208)
City West Cable & Tel. Corp. Loan Repayment	700,000	600,000
Cash Provided by/(applied to) Investing Activities	<u>\$ (18,039,698)</u>	<u>\$ (6,862,208)</u>
 Increase/(Decrease) in Cash and Cash Equivalents	 \$ 16,189,631	 \$ 15,636,674
Cash and Cash Equivalents at Beginning of Year	48,681,908	33,045,234
Cash and Cash Equivalents at End of Year	<u>\$ 64,871,539</u>	<u>\$ 48,681,908</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2020

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, 2020

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>2020</u>	<u>2019</u>
Current	\$ 716,653	\$ 618,174
Arrears	259,829	444,625
Tax sale properties	272,227	253,855
Net taxes receivable	<u>\$ 1,248,709</u>	<u>\$ 1,316,654</u>

b) General receivables

	<u>2020</u>	<u>2019</u>
General receivables	\$ 5,917,279	\$ 1,709,548
Allowance for doubtful accounts	(4,283)	(4,283)
Net general receivables	<u>\$ 5,912,996</u>	<u>\$ 1,705,265</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2020

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 \$2 million owing to the Ministry of Education and BC Assessment Authority that is included in accounts payable.

5) Loans to Prince Rupert Airport Authority

	<u>2020</u>	<u>2019</u>
From Municipal Finance Authority (MFA)	\$ 5,394,979	\$ 5,689,482
Rescheduled payments	<u>350,572</u>	<u>-</u>
	\$ 5,745,551	\$ 5,689,482

(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 July 28, 2033. The next payment will be on July 28, 2022	\$ 461,057	\$ 479,185
\$16,054 due April 6 and October 6 each year with a final payment on April 6, 2033. The next payment will be on April 6, 2022	319,457	319,457
\$9,030 due June 20 and December 20 each year with a final payment on June 20, 2033. The next payment will be on June 20, 2022	179,694	179,694
\$10,033 due February 28 and August 28 each year with a final payment on February 28, 2034. The next payment will be on August 28, 2022	214,490	221,768
	<u>\$ 1,174,698</u>	<u>\$ 1,200,104</u>
Total loans to Prince Rupert Airport Authority	<u>\$ 6,920,249</u>	<u>\$ 6,889,586</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2020

6) Accounts payable, accrued liabilities and deferred revenue

	<u>2020</u>	<u>2019</u>
a) Accounts payable and accrued liabilities		
Trade payables	\$ 4,669,983	\$ 2,847,847
Accrued liabilities	47,000	1,408,219
Accrued interest payable - MFA	61,656	68,359
Taxes due to other governments	3,139,067	2,190,508
Salaries, wages, other payroll payables	4,925,557	4,731,369
Holdbacks and deposits	1,253,934	81,386
	<u>\$ 14,097,197</u>	<u>\$ 11,327,688</u>
b) Deferred revenue		
Prepaid taxes	\$ 1,248,928	\$ 1,185,054
Deferred revenue - PR Legacy	2,544,566	4,122,952
Other deferred revenue	311,258	2,490,200
	<u>\$ 4,104,752</u>	<u>\$ 7,798,206</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>2020</u>	<u>2019</u>
Assets	\$ 59,036,000	\$ 56,349,000
Liabilities to arms-length parties	\$ 15,766,000	\$ 17,277,000
Net income	\$ 4,898,000	\$ 2,781,000

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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2020

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 \$1,401,185 (2019- \$1,375,323) for employer contributions while employees contributed \$1,189,308 (2019 - \$1,167,658) to the plan in fiscal 2020.

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 in accordance with Ministry of Environment regulations. The current cell will be at capacity 2021 with a newly constructed cell expected to be opened early 2022. The 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.

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.	2020 Total	2019 Total
Operating Results							
Revenue	\$ 46,816,548	\$ 17,607,543	\$ 2,684,553	\$ 4,440,947	\$ 6,775,066	\$ 78,324,657	\$ 57,796,830
Expenditure (Exclude Tangible capital assets)	<u>28,767,971</u>	<u>2,313,695</u>	<u>2,117,221</u>	<u>2,778,616</u>	<u>-</u>	<u>35,977,503</u>	<u>35,330,815</u>
	\$ 18,048,577	\$ 15,293,848	\$ 567,332	\$ 1,662,331	\$ 6,775,066	\$ 42,347,154	\$ 22,466,015
Add /(Less)							
Additions to Tangible capital assets	\$ (5,496,045)	\$ (9,164,977)	\$ (537,350)	\$ (3,352,953)	\$ (188,373)	\$ (18,739,698)	\$ (7,462,208)
New Loans from MFA	850,000	-	-	2,500,000	-	3,350,000	450,000
Debt payment and Actuarial Adjustments	(774,778)	-	(20,474)	-	-	(795,252)	(665,602)
Bylaw and Statutory Reserve Interest Income	(190,852)	-	-	-	-	(190,852)	(305,700)
Prince Rupert Legacy Dividend	1,665,527	2,384,473	-	-	(4,050,000)	-	-
City West Cable & Tel. Corp Loan Repayment	700,000	-	-	-	-	700,000	600,000
City West Cable & Tel. Corp (Income)/Loss	(4,898,000)	-	-	-	-	(4,898,000)	(2,781,000)
Transfer (to)/ from Reserves (Schedule 2)	<u>(6,118,951)</u>	<u>(8,596,342)</u>	<u>(52,931)</u>	<u>(72,499)</u>	<u>-</u>	<u>(14,840,723)</u>	<u>(7,966,489)</u>
	\$ (14,263,099)	\$ (15,376,846)	\$ (610,755)	\$ (925,452)	\$ (4,238,373)	\$ (35,414,525)	\$ (18,130,999)
Total Operating Surplus/(Deficit)	\$ 3,785,478	\$ (82,998)	\$ (43,423)	\$ 736,879	\$ 2,536,693	\$ 6,932,629	\$ 4,335,016
Balance forward Surplus/(Deficit)	<u>8,663,531</u>	<u>2,184,449</u>	<u>4,916,837</u>	<u>472,065</u>	<u>9,059,276</u>	<u>25,296,158</u>	<u>20,961,142</u>
Accumulated Surplus/(Deficit)	<u>\$ 12,449,009</u>	<u>\$ 2,101,451</u>	<u>\$ 4,873,414</u>	<u>\$ 1,208,944</u>	<u>\$ 11,595,969</u>	<u>\$ 32,228,787</u>	<u>\$ 25,296,158</u>
Surplus Allocation							
Unappropriated Surplus	\$ 2,770,375	\$ 2,101,451	\$ 3,934,414	\$ 75,944	\$ 5,773,969	\$ 14,656,153	\$ 10,234,116
Restricted Land Surplus	7,983,634	-	-	-	-	7,983,634	7,409,042
2021 Appropriated Surplus	<u>1,695,000</u>	<u>-</u>	<u>939,000</u>	<u>1,133,000</u>	<u>5,822,000</u>	<u>9,589,000</u>	<u>7,653,000</u>
	<u>\$ 12,449,009</u>	<u>\$ 2,101,451</u>	<u>\$ 4,873,414</u>	<u>\$ 1,208,944</u>	<u>\$ 11,595,969</u>	<u>\$ 32,228,787</u>	<u>\$ 25,296,158</u>

City of Prince Rupert

Statement of Bylaw and Statutory Reserve Fund Balances December 31, 2020

	RESERVE ALLOCATION							
	<u>Opening Balance</u>	<u>Interest/Income</u>	<u>Transfer (to)/from Other Funds</u>	<u>Year End Balance</u>	<u>2021 Budget Appropriation</u>	<u>Unappropriated Reserve</u>	<u>Year End Balance</u>	
BYLAW & OTHER RESERVES								
General Reserves	\$ 4,621,022	\$ 56,839	\$ 1,647,987	\$ 6,325,848	\$ 1,296,000	\$ 5,029,848	\$ 6,325,848	
Public Work Equipment Reserves	891,198	10,962	104,000	1,006,160	-	1,006,160	1,006,160	
Ferry Maintenance Reserves	17,427	214	150,000	167,641	-	167,641	167,641	
NCPG Reserve (Schedule 13)	7,898,444	97,151	4,141,860	12,137,455	6,172,000	5,965,455	12,137,455	
Water Asset Management Reserve	128,364	1,579	8,596,342	8,726,285	2,150,000	6,576,285	8,726,285	
Sewer Asset Management Reserve	153,524	1,889	52,931	208,344	-	208,344	208,344	
Solid Waste Asset Management Res.	186,682	2,296	72,499	261,477	-	261,477	261,477	
Total Bylaw & Other Reserves	<u>\$ 13,896,661</u>	<u>\$ 170,930</u>	<u>\$ 14,765,619</u>	<u>\$ 28,833,210</u>	<u>\$ 9,618,000</u>	<u>\$ 19,215,210</u>	<u>\$ 28,833,210</u>	
STATUTORY RESERVES								
Capital Assets & Land Acquisition	\$ 1,398,062	\$ 17,196	\$ 68,288	\$ 1,483,546	\$ 25,000	\$ 1,458,546	\$ 1,483,546	
Parkland Reserves	6,911	85	-	6,996	-	6,996	6,996	
Parking Space Requirements	144,253	1,774	200	146,227	-	146,227	146,227	
Cemetery Care Trust	221,653	867	6,616	229,136	-	229,136	229,136	
Total Statutory Reserves	<u>\$ 1,770,879</u>	<u>\$ 19,922</u>	<u>\$ 75,104</u>	<u>\$ 1,865,905</u>	<u>\$ 25,000</u>	<u>\$ 1,840,905</u>	<u>\$ 1,865,905</u>	
TOTAL RESERVES	<u>\$ 15,667,540</u>	<u>\$ 190,852</u>	<u>\$ 14,840,723</u>	<u>\$ 30,699,115</u>	<u>\$ 9,643,000</u>	<u>\$ 21,056,115</u>	<u>\$ 30,699,115</u>	

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>2020</u>	<u>2019</u>
Land	\$ 9,030,959	\$ 2,164,208	\$ -	\$ 11,195,167	\$ -	\$ -	\$ -	\$ -	\$ 11,195,167	\$ 9,030,959
Buildings	12,035,642	197,049	-	12,232,691	7,776,844	499,958	-	8,276,802	3,955,889	4,258,798
Equipment	9,004,596	1,582,142	(232,529)	10,354,209	5,299,309	780,079	(232,529)	5,846,859	4,507,350	3,705,287
Infrastructure	112,157,156	14,796,299	(820,768)	126,132,687	48,977,186	3,592,571	(820,768)	51,748,989	74,383,698	63,179,970
	<u>\$ 142,228,353</u>	<u>\$ 18,739,698</u>	<u>\$ (1,053,297)</u>	<u>\$ 159,914,754</u>	<u>\$ 62,053,339</u>	<u>\$ 4,872,608</u>	<u>\$ (1,053,297)</u>	<u>\$ 65,872,650</u>	<u>\$ 94,042,104</u>	<u>\$ 80,175,014</u>

City of Prince Rupert

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

	<u>2020</u>	<u>2019</u>
ASSETS		
City West Cable & Telephone Corporation		
Investment	\$ 1	\$ 1
Loan	22,830,762	18,632,762
Equity	<u>20,440,000</u>	<u>20,440,000</u>
	<u>\$ 43,270,763</u>	<u>\$ 39,072,763</u>
LIABILITIES AND EQUITY		
Equity, Beginning of Year	\$ 39,072,763	\$ 36,891,763
Net Income of Corporation	4,898,000	2,781,000
Repayment of loan	<u>(700,000)</u>	<u>(600,000)</u>
Equity, End of Year	<u>\$ 43,270,763</u>	<u>\$ 39,072,763</u>

City of Prince Rupert

**Statement of Changes in Investment in Tangible Capital Assets
December 31**

	<u>2020</u>	<u>2019</u>
Opening Balance	\$ 74,492,477	\$ 71,620,203
Loan for prior year assets taken out in 2019	-	1,150,000
Tangible Capital Assets Purchased By Operations	15,389,698	5,862,208
Debenture Debt Repayment	149,102	149,102
Actuarial Additions	106,803	97,344
Loan Repayment	539,347	419,156
Disposition of Tangible Capital Assets	-	(78,931)
Amortization	<u>(4,872,608)</u>	<u>(4,726,605)</u>
Closing Balance	<u><u>\$ 85,804,819</u></u>	<u><u>\$ 74,492,477</u></u>

City of Prince Rupert

Schedule of Tax Revenues For The Year Ended December 31

	Unaudited 2020 Budget	2020 Actual	2019 Actual
Real Property Taxes			
Municipal Property Tax			
Residential	\$ 7,071,000	\$ 7,070,381	\$ 7,025,447
Utilities	204,000	204,250	187,126
Major Industry	8,728,000	8,732,782	6,060,917
Light Industry	558,000	558,319	569,269
Business	5,013,000	5,004,490	4,801,129
Recreational	20,000	19,577	22,055
	<u>\$ 21,594,000</u>	<u>\$ 21,589,799</u>	<u>\$ 18,665,943</u>
Less: Tax Sharing with District of Port Edward	<u>\$ (1,636,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ (1,253,182)</u>
	<u>\$ 19,958,000</u>	<u>\$ 20,589,799</u>	<u>\$ 17,412,761</u>
Special Payments			
Port Competitiveness Tax Grant	\$ 1,781,000	\$ 1,781,020	\$ 1,740,976
Revenue Tax	524,000	507,405	523,033
Specified Area Tax	61,000	63,170	60,951
Payments in Lieu of Tax			
Federal Government Properties	209,000	168,939	185,331
Prince Rupert Port Authority	1,580,000	1,472,584	1,554,865
	<u>\$ 1,789,000</u>	<u>\$ 1,641,523</u>	<u>\$ 1,740,196</u>
Grants in Lieu of Tax			
Provincial Government Properties	\$ 162,000	\$ 181,442	\$ 156,369
BC Buildings Corp.	46,000	44,497	45,767
BC Housing Commission	90,000	86,847	89,850
BC Hydro and Power Authority	60,000	63,692	60,003
Insurance Corporation of BC	10,000	9,281	10,088
	<u>\$ 368,000</u>	<u>\$ 385,759</u>	<u>\$ 362,077</u>
	<u>\$ 4,523,000</u>	<u>\$ 4,378,877</u>	<u>\$ 4,427,233</u>
Net Tax Revenue	<u><u>\$ 24,481,000</u></u>	<u><u>\$ 24,968,676</u></u>	<u><u>\$ 21,839,994</u></u>

City of Prince Rupert

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

	Unaudited 2020 Budget	2020 Actual	2019 Actual
GENERAL FUND			
Protective Services (RCMP)	\$ 21,000	\$ 12,788	\$ 19,934
Transportation Services			
Public Transit	\$ 344,000	\$ 192,078	\$ 302,149
Airport Ferry	1,287,000	557,976	1,461,637
	<u>\$ 1,631,000</u>	<u>\$ 750,054</u>	<u>\$ 1,763,786</u>
Environmental Development Services			
Rezoning / Subdivision Services	\$ 20,000	\$ 16,715	\$ 18,990
Parking	90,000	85,622	41,197
	<u>\$ 110,000</u>	<u>\$ 102,337</u>	<u>\$ 60,187</u>
Public Health (Cemetery)	<u>\$ 103,000</u>	<u>\$ 88,369</u>	<u>\$ 93,021</u>
Recreation and Cultural Services			
Civic Centre Rentals & Programs	\$ 269,000	\$ 111,286	\$ 289,281
Swimming Pool	451,000	129,591	489,364
Arena	204,000	117,698	194,684
	<u>\$ 924,000</u>	<u>\$ 358,575</u>	<u>\$ 973,329</u>
Cow Bay Marina	<u>\$ 219,000</u>	<u>\$ 200,434</u>	<u>\$ 256,429</u>
TOTAL GENERAL OPERATING FUND	\$ 3,008,000	\$ 1,512,557	\$ 3,166,686
SOLID WASTE FUND	\$ 3,323,000	\$ 3,624,947	\$ 3,165,040
WATER FUND	\$ 2,892,000	\$ 2,808,055	\$ 2,762,401
SEWER FUND	<u>\$ 2,730,000</u>	<u>\$ 2,676,872</u>	<u>\$ 2,615,898</u>
	<u>\$ 11,953,000</u>	<u>\$ 10,622,431</u>	<u>\$ 11,710,025</u>

City of Prince Rupert

Schedule of Government Transfers For The Year Ended December 31

	Unaudited 2020 Budget	2020 Actual	2019 Actual
Federal Grant- Conditional			
General Operating Fund			
PRPA- Digby Island Airport Road Paving	\$ -	\$ -	\$ 459,790
PRPA- Fire Department Heavy Rescue Gear	70,000	-	-
Canada Summer Jobs	-	19,325	-
Canada Parks and Recreation	-	-	34,272
Water Fund			
Woodworth Dam Design & Construction- Fed	3,089,000	3,066,530	182,241
Water Treatment Plant and Submarine Line - Fed	4,659,000	4,658,719	-
	<u>\$ 7,818,000</u>	<u>\$ 7,744,574</u>	<u>\$ 676,303</u>
Provincial Grants			
Unconditional			
General Operating - Small Community	\$ 390,000	\$ 393,693	\$ 389,535
- Traffic Fines	220,000	285,218	220,051
- Carbon Tax Rebate	-	67,835	206
Total Unconditional	<u>\$ 610,000</u>	<u>\$ 746,746</u>	<u>\$ 609,792</u>
Conditional			
General Operating Fund			
Victim Services	\$ 97,000	\$ 87,131	\$ 81,698
Tsunami Preparedness Grant	25,000	22,236	107,036
Provincial Emergency Grant	-	-	4,013
Casino Revenue	542,000	126,434	525,820
Two Percent (2%) Hotel Tax	280,000	196,660	280,264
Situation Tables	65,000	-	-
NDIT- Economic Development	50,000	67,200	59,200
NDIT- Business Façade	20,000	18,950	10,000
Waterfront Ferry Development	-	500,000	-
CleanBC Communities Fund (Charge North)	8,000	-	-
BC Hydro- Energy Savings incentive	17,000	24,042	31,274
COVID-19 Safe Restart Grant	-	2,799,000	-
Northern Capital and Planning Grant	6,524,000	6,524,000	8,121,000
Water Fund			
Water Treatment Plant and Submarine Line - Prov	3,882,000	3,881,878	-
Woodworth Dam Design & construction	3,089,000	3,066,530	182,241
Total Conditional	<u>\$ 14,599,000</u>	<u>\$ 17,314,061</u>	<u>\$ 9,402,546</u>
Regional and Other External Transfers - Conditional			
General Operating Fund			
UBCM- Community Work Fund (Gas Tax)	\$ 630,000	\$ 635,963	\$ 950,124
Solid Waste Fund			
UBCM- Community Work Fund (Gas Tax)	816,000	816,000	-
	<u>\$ 1,446,000</u>	<u>\$ 1,451,963</u>	<u>\$ 950,124</u>
Total Government Transfer	<u><u>\$ 24,473,000</u></u>	<u><u>\$ 27,257,344</u></u>	<u><u>\$ 11,638,765</u></u>

City of Prince Rupert

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

	Unaudited 2020 Budget	2020 Actual	2019 Actual
Licenses and Permits	\$ 381,000	\$ 367,878	\$ 412,122
Fines	33,000	32,429	31,300
911 Service Fee	106,000	98,082	105,651
	<u>\$ 520,000</u>	<u>\$ 498,389</u>	<u>\$ 549,073</u>
Miscellaneous revenues			
Actuarial Additions	\$ -	\$ 166,234	\$ 145,246
Cemetery Care Fund	-	6,616	5,230
Miscellaneous - General Fund	93,000	543,343	119,573
Miscellaneous Grants - General Fund	228,000	3,170	31,095
Penalties and Interest on Taxes	-	195,160	278,534
Property Rentals	494,000	1,309,058	92,780
Water Meter Rentals	123,000	125,831	121,674
Miscellaneous - Solid Waste Fund	-	-	100,000
Sale of Tangible Capital Assets	225,000	227,437	181,200
Total Miscellaneous Revenues	<u>\$ 1,163,000</u>	<u>\$ 2,576,849</u>	<u>\$ 1,075,332</u>

City of Prince Rupert

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

	Unaudited 2020 Budget	2020 Actual	2019 Actual
Wages	\$ 15,295,000	\$ 14,574,115	\$ 14,975,520
Benefits	3,915,000	3,730,435	3,673,906
Professional Fees	819,000	900,237	1,013,769
Supplies	2,253,000	2,363,352	2,237,367
Services	3,234,000	4,409,862	3,790,566
Energy	1,262,000	1,085,332	1,182,726
Fiscal Expenses	1,626,000	1,800,052	1,530,809
Grants in Aid to Community Partners	1,773,000	1,681,022	1,574,540
Contracts	5,867,000	4,625,887	5,103,904
	<u>\$ 36,044,000</u>	<u>\$ 35,170,294</u>	<u>\$ 35,083,107</u>
Capital Purchases & Capital Works (Per budget)	42,635,000	20,711,163	8,168,818
Wages & Vehicle cost allocated to Capital Works	(17,000)	(475,807)	(368,987)
Less:			
Investments in Tangible Capital Assets	(39,800,640)	(18,739,698)	(6,748,793)
Long Term Debt Repayment	(947,000)	(688,449)	(803,330)
Total Expenses (Statement B)	<u>\$ 37,914,360</u>	<u>\$ 35,977,503</u>	<u>\$ 35,330,815</u>

City of Prince Rupert

Schedule of Equipment / Short Term Financing Debt December 31

Loan No.	Purpose	New/ Renewal	Amount of Issue	2019 Balance	Additions	Principal Payments	2020 Balance
General Fund							
Equipment Financing							
0001-0	2015 Rescue Vehicle	2015	338,904	\$ 34,918	\$ -	\$ (34,918)	\$ -
0002-0	2017 Pumper Truck	2017	890,000	524,983	-	(184,230)	340,753
0003-0	2019 Vactor Truck	2019	450,000	450,000	-	(90,159)	359,841
0004-0	Garbage Truck	2020	850,000	-	850,000	-	850,000
				<u>\$ 1,009,901</u>	<u>\$ 850,000</u>	<u>\$ (309,307)</u>	<u>\$ 1,550,594</u>
Short Term / Temporary Financing							
695-6	2018 Cell Block Reno and PW Buildings	2019	1,150,000	\$ 977,470	\$ -	\$ (230,040)	\$ 747,430
695-1	ByLaw 3459 (New Landfill Cell)	2020	2,500,000	-	2,500,000	-	2,500,000
				<u>977,470</u>	<u>2,500,000</u>	<u>(230,040)</u>	<u>3,247,430</u>
				<u><u>\$ 1,987,371</u></u>	<u><u>\$ 3,350,000</u></u>	<u><u>\$ (539,347)</u></u>	<u><u>\$ 4,798,024</u></u>

City of Prince Rupert

Schedule of Debenture Debt December 31

Bylaw No.		No.	Maturity Date	Amount of Issue	2019 Balance	Principal Payment	2019 Accrued Actuarial	2020 Actuarial	2020 Accrued Actuarial	2020 Balance
General Fund										
3129	George Hills Way/Specified Area	75	2021	\$ 700,000	\$ 102,000	\$ (21,170)	\$ 2,441	\$ (29,778)	\$ (2,657)	\$ 50,836
3201	Cruise Ship Dock	94	2025	3,133,056	1,183,030	(115,139)	14,613	(67,703)	(16,038)	998,763
3333	Airport Upgrade	127	2034	7,000,000	5,689,482	(235,072)	37,292	(50,929)	(45,794)	5,394,979
					<u>\$ 6,974,512</u>	<u>\$ (371,381)</u>	<u>\$ 54,346</u>	<u>\$ (148,410)</u>	<u>\$ (64,489)</u>	<u>\$ 6,444,578</u>
Sewer Fund										
3201	Moresby Sewer Upgrade	94	2025	\$ 346,970	\$ 131,447	\$ (12,793)	\$ 1,624	\$ (7,523)	\$ (1,782)	\$ 110,973
					<u>\$ 7,105,959</u>	<u>\$ (384,174)</u>	<u>\$ 55,970</u>	<u>\$ (155,933)</u>	<u>\$ (66,271)</u>	<u>\$ 6,555,551</u>

City of Prince Rupert

Schedule of Northern Capital and Planning Grant For Year Ended December 31, 2020

Grant Balance as at Jan 1, 2020	\$ 7,898,444
Additional Grant Received Mar 31, 2020	6,524,000
Interest earned in 2020	97,151
Purchase of land for new RCMP Detachment	(1,679,835)
Removal of bunker fuel tanks in Moresby Park	(702,305)
Grant Balance as at Dec 31, 2020 (Schedule 2)	\$ 12,137,455

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, 2020

Grant Balance as at Jan 1, 2020	\$ -
Grant Received Nov 19, 2020	2,799,000
Use of funds in 2020:	
Revenue shortfall from PR Airport Authority loan payment	(350,000)
Grant Balance as at Dec 31, 2020	\$ 2,449,000

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.

City of Prince Rupert

Budget Variance Report General Operating Departments For The Year Ended December 31

REVENUES	2020 Budget	2020 Actual	Budget Variance	Variance (%)
Airport Ferry	\$ 1,287,000	\$ 557,976	\$ (729,024)	(56.65)
Cemetery	103,000	88,369	(14,631)	(14.20)
Corporate Administration	-	7,295	7,295	NA
Cow Bay Marina	219,000	200,434	(18,566)	(8.48)
Development Services	608,000	589,597	(18,403)	(3.03)
Economic Development	70,000	92,789	22,789	32.56
Fire 911 Services	106,000	98,082	(7,918)	(7.47)
Fire Protective Services	14,000	13,409	(591)	(4.22)
FD Emergency Measures	25,000	22,236	(2,764)	(11.06)
Finance	15,000	19,228	4,228	28.19
Fiscal Revenue	24,057,000	27,648,230	3,591,230	14.93
Information Technology	1,000	1,200	200	20.00
Parks	35,000	-	(35,000)	(100.00)
Engineering Services	5,000	5,112	112	2.24
PW Common Cost	35,000	55,772	20,772	59.35
RCMP	91,000	130,813	39,813	43.75
Rec - Arena	194,000	111,813	(82,187)	(42.36)
Rec - Civic Centre	256,000	125,047	(130,953)	(51.15)
Rec - Community Services	12,000	2,684	(9,316)	(77.63)
Rec - Pool	428,000	123,112	(304,888)	(71.24)
Transit	344,000	192,078	(151,922)	(44.16)
Victim Services	97,000	87,131	(9,869)	(10.17)
Watson Island	400,000	1,214,046	814,046	203.51
	28,402,000	31,386,453	2,984,453	10.51
Property Taxes	21,599,000	21,589,799	(9,201)	(0.04)
Capital Works- Funding from PR Legacy	145,000	-	(145,000)	(100.00)
Capital Works- Funding from Grant	118,000	30,811	(87,189)	(73.89)
Capital Works- Funding from Appr. Surplus	10,000	11,968	1,968	19.68
Capital Works- Funding from Reserves	270,000	137,549	(132,451)	(49.06)
Capital Works- Funding from Accrual	42,000	15,756	(26,244)	(62.49)
Capital Purchases-Funding from PR Legacy	360,000	136,597	(223,403)	(62.06)
Capital Purchases- Funding from Grant	783,000	555,322	(227,678)	(29.08)
Capital Purchases- Funding from Appr. Surplus	275,000	104,160	(170,840)	(62.12)
Capital Purchases- Funding from Reserves	3,871,000	2,894,957	(976,043)	(25.21)
Capital Purchases-Funding from Borrowing	1,550,000	850,000	(700,000)	(45.16)
Capital Purchases- Funding from Accruals	472,000	479,349	7,349	1.56
	\$ 57,897,000	\$ 58,192,721	\$ 295,721	0.51

City of Prince Rupert

Budget Variance Report General Operating Departments For The Year Ended December 31

EXPENDITURES	2020 Budget	2020 Actual	Budget Variance	Variance (%)
Airport Ferry	\$ 2,844,000	\$ 2,089,793	\$ 754,207	26.52
Cemetery	288,000	292,557	(4,557)	(1.58)
Civic Properties	325,000	296,608	28,392	8.74
Corporate Administration	983,000	912,475	70,525	7.17
Cow Bay Marina	189,000	184,138	4,862	2.57
Development Services	1,257,000	1,226,787	30,213	2.40
Economic Development	165,000	190,004	(25,004)	(15.15)
FD 911	572,000	603,490	(31,490)	(5.51)
FD Fire Protective Services	3,203,000	3,391,851	(188,851)	(5.90)
FD Emergency Measures	80,000	51,606	28,394	35.49
Finance	946,000	928,377	17,623	1.86
Finance Cost Allocation	(465,000)	(465,000)	-	-
Fiscal Expenditures	3,791,000	3,135,142	655,858	17.30
Governance	371,000	323,432	47,568	12.82
Grants	1,773,000	1,681,021	91,979	5.19
Information Technology	528,000	500,853	27,147	5.14
Parks	1,068,000	771,819	296,181	27.73
PW Engineering	539,000	460,336	78,664	14.59
PW Common Costs	4,083,000	4,137,727	(54,727)	(1.34)
Allocation of Common Cost	(4,083,000)	(4,123,085)	40,085	(0.98)
PW Vehicles	1,374,000	1,435,008	(61,008)	(4.44)
PW Net Vehicle Cost & Allocation	(1,374,000)	(1,435,765)	61,765	(4.50)
RCMP	5,911,000	5,843,607	67,393	1.14
Rec. Centre Arena	408,000	324,299	83,701	20.51
Rec. Centre Civic Centre	2,008,000	1,581,696	426,304	21.23
Rec. Centre Community Services	14,000	641	13,359	95.42
Rec. Centre Pool	1,502,000	1,176,067	325,933	21.70
Roads	2,089,000	2,133,602	(44,602)	(2.14)
Transit	883,000	504,475	378,525	42.87
Victim Services	166,000	135,306	30,694	18.49
Watson Island	400,000	2,036,307	(1,636,307)	(409.08)
Transfer to Reserves	16,415,000	17,074,470	(659,470)	(4.02)
Capital Purchases	7,759,000	5,526,961	2,232,039	28.77
Capital Works	1,885,000	1,364,510	520,490	27.61
	\$ 57,897,000	\$ 54,291,115	\$ 3,605,885	6.23
Surplus/(Deficit)	\$ -	\$ 3,901,606	\$ 3,901,606	-

City of Prince Rupert

Budget Variance Report of Utilities For The Year Ended December 31

UTILITIES	2020 Budget	2020 Actual	Budget Variance	Variance %
Sewer				
Revenues	\$ 2,675,000	\$ 2,623,941	\$ (51,059)	(1.91)
Capital Works- Appropriated Surplus	1,526,000	1,235,115	(290,885)	(19.06)
Capital Works	(2,426,000)	(1,568,696)	857,304	(35.34)
Net Revenue	\$ 1,775,000	\$ 2,290,360	\$ 515,360	29.03
Expenditures	1,775,000	1,098,668	676,332	38.10
Surplus /(Deficit)	\$ -	\$ 1,191,692	\$ 1,191,692	-
Water				
Revenues	\$ 2,957,000	\$ 2,878,142	\$ (78,858)	(2.67)
Capital works- Grants	7,328,000	6,133,061	(1,194,939)	(16.31)
Capital Works- PR Legacy	5,533,000	2,384,473	(3,148,527)	(56.90)
Capital Works- Borrowing	10,000,000	-	(10,000,000)	(100.00)
Capital works- Reserves	289,000	-	(289,000)	(100.00)
Capital Works	(23,900,000)	(9,164,977)	14,735,023	(61.65)
Net Revenue	\$ 2,207,000	\$ 2,230,699	\$ 23,699	1.07
Expenditures	2,207,000	2,313,697	(106,697)	(4.83)
Surplus/(Deficit)	\$ -	\$ (82,998)	\$ (82,998)	-
Solid Waste				
Revenues	\$ 3,257,000	\$ 3,552,448	\$ 295,448	9.07
Capital Works- Appropriated Surplus	120,000	-	(120,000)	(100.00)
Capital Works- Accruals	1,184,000	-	(1,184,000)	(100.00)
Capital Works- Borrowing	4,000,000	2,500,000	(1,500,000)	(37.50)
Capital works- Reserves	500,000	-	(500,000)	(100.00)
Capital works- CWF (Gas Tax)	816,000	816,000	-	-
Capital Works	(7,120,000)	(3,352,953)	3,767,047	(52.91)
Net Revenue	\$ 2,757,000	\$ 3,515,495	\$ 758,495	27.51
Expenditures	2,757,000	2,778,616	(21,616)	(0.78)
Surplus /(Deficit)	\$ -	\$ 736,879	\$ 736,879	-

ATTACHMENT #2

PRINCE RUPERT LEGACY INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020

PRINCE RUPERT LEGACY INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

BALANCE SHEET

STATEMENT OF INCOME

STATEMENT OF CASH FLOWS

NOTES

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Prince Rupert Legacy Inc.

Opinion

We have audited the financial statements of Prince Rupert Legacy Inc., which comprise the balance sheet as at December 31, 2020, the statements of income and cash flows for the year then ended, 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 Prince Rupert Legacy Inc. as at December 31, 2020 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the Company 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.

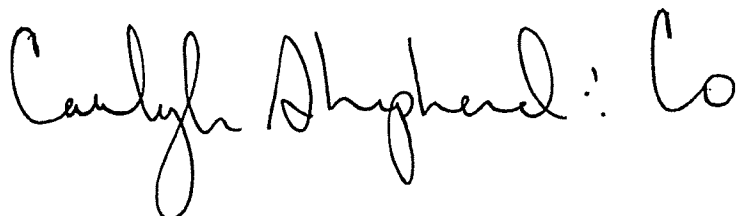
Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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 Company'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 the going concern basis to be used.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Prince Rupert, BC
April 29, 2021



PRINCE RUPERT LEGACY INC.

BALANCE SHEET

DECEMBER 31

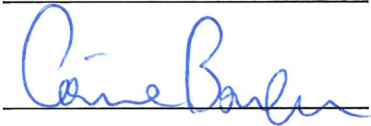
ASSETS

	2020	2019
	\$	\$
CURRENT		
Cash (note 1)	15,016,943	12,486,548
Accounts receivable	98,908	144,001
Loans, current portion	<u>-</u>	<u>89,128</u>
	<u>15,115,851</u>	<u>12,719,677</u>
 LAND AND IMPROVEMENTS (note 1)	 <u>4,269,291</u>	 <u>4,080,918</u>
 OTHER		
Loans (note 3)	<u>1,174,699</u>	<u>1,110,977</u>
	<u>20,559,841</u>	<u>17,911,572</u>

APPROVED BY THE DIRECTORS



Director



Director

PRINCE RUPERT LEGACY INC.

BALANCE SHEET

DECEMBER 31

LIABILITIES AND SHAREHOLDER EQUITY

	2020	2019
	\$	\$
CURRENT		
Accounts payable and accruals	160,443	184,607
Deferred income, current portion	265,875	683,375
Due to City of Prince Rupert	<u>4,268,262</u>	<u>2,742,509</u>
	<u>4,694,580</u>	<u>3,610,491</u>
 OTHER		
Deferred income (note 2)	<u>2,278,691</u>	<u>3,439,577</u>
 SHAREHOLDER EQUITY		
Share Capital (note 4)	<u>1</u>	<u>1</u>
Contributed Surplus (note 5)	<u>1,088,810</u>	<u>1,088,810</u>
Retained Income		
Opening balance	9,772,693	5,011,931
Net income	6,775,066	7,360,762
Dividend	<u>-4,050,000</u>	<u>-2,600,000</u>
Closing balance	<u>12,497,759</u>	<u>9,772,693</u>
	<u>20,559,841</u>	<u>17,911,572</u>

PRINCE RUPERT LEGACY INC.

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31

	2020	2019
	\$	\$
INCOME		
Rental	3,171,966	3,491,226
Interest	185,711	136,861
Expense recoveries	30,886	23,335
Grant of options to lease	<u>3,660,886</u>	<u>4,189,114</u>
	<u>7,049,449</u>	<u>7,840,536</u>
 EXPENSES		
Contract services	215,429	386,224
Lease costs	5,699	7,512
Office and sundry	168	-
Professional services	45,919	45,523
Travel	<u>7,168</u>	<u>40,515</u>
	<u>274,383</u>	<u>479,774</u>
 NET INCOME	<u>6,775,066</u>	<u>7,360,762</u>

PRINCE RUPERT LEGACY INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Net income	6,775,066	7,360,762
Accounts receivable	45,093	38,325
Accounts payable and accruals	-24,164	126,469
Deferred income	<u>-1,578,386</u>	<u>810,886</u>
	<u>5,217,609</u>	<u>8,336,442</u>
FINANCING ACTIVITIES		
Due to City of Prince Rupert	1,525,753	-2,554,087
Dividend	<u>-4,050,000</u>	<u>-2,600,000</u>
	<u>-2,524,247</u>	<u>-5,154,087</u>
INVESTING ACTIVITIES		
Land additions	-188,373	-693,227
Loans	<u>25,406</u>	<u>86,953</u>
	<u>-162,967</u>	<u>-606,274</u>
CHANGE IN CASH	2,530,395	2,576,081
OPENING CASH BALANCE	<u>12,486,548</u>	<u>9,910,467</u>
CLOSING CASH BALANCE	<u>15,016,943</u>	<u>12,486,548</u>

PRINCE RUPERT LEGACY INC.

NOTES

DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises.

Cash comprises demand accounts and term deposits with maturity dates of less than eighteen months.

Land and improvements are reported at market value at acquisition date.

Income and expenses are reported on an accrual basis. Income is recognized when the service is delivered and the value of the transaction can be measured. Income received in advance of a service being delivered is deferred until the conditions for recognition have been met.

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

The company measures financial assets and liabilities at market value at the date of acquisition. It is management's opinion that the company's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks.

The company is exempt from income taxes under section 149 of the Income Tax Act.

2. DEFERRED INCOME

Rental	\$ 2,544,566
Current portion	<u>265,875</u>
Non-current portion	<u>\$ 2,278,691</u>

PRINCE RUPERT LEGACY INC.

NOTES

DECEMBER 31, 2020

3. LOANS

Prince Rupert Airport Authority; payments include interest at 2.5% per annum, secured by mortgage on Airport Lands. Effective March 1, 2020, 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. The next payment will be on July 28, 2022. \$ 461,057

\$16,054 due April 6 and October 6 each year with a final payment on April 6, 2033. The next payment will be on April 6, 2022. 319,457

\$9,030 due June 20 and December 20 each year with a final payment on June 20, 2033. The next payment will be on June 20, 2022. 179,694

\$10,033 due February 28 and August 28 each year with a final payment on August 28, 2034. The next payment will be on August 28, 2022. 214,491

1,174,699

Current portion -

Non-current portion \$ 1,174,699

Scheduled principal repayments for the next five years are as follows:

2021	\$ -
2022	63,722
2023	90,443
2024	92,705
2025	<u>94,663</u>
	<u>\$ 341,533</u>

4. SHARE CAPITAL

Issued 100 Common shares without par value

PRINCE RUPERT LEGACY INC.

NOTES

DECEMBER 31, 2020

5. CONTRIBUTED SURPLUS

Contributed surplus is the market value of land transferred by the City of Prince Rupert to the company on June 14, 2014 less transfer costs.

6. COVID-19 PANDEMIC

The outbreak of COVID-19 has significantly disrupted the world economy. The continuing impact on the company is unknown at this time.

From: Museum of North BC

Sent: April 28, 2021 12:03 PM

To: Brianne Bunko

Subject: Museum Of Northern BC - A Letter of Support for a New Entranceway

Hi Brianne,

It was nice to talk to you.

As I mentioned, our grant application, the Community Investment Fund, got accepted (a monumental cedar door carved with Tsimshian art) - Many thanks for all your support - The matching grant application I'm applying for (for Canada Heritage) requires the following:

If you are a local non-profit incorporated organization:

A letter of support from the municipal administration or equivalent authority that includes:

- endorsement over all others in your community of the capital project to commemorate this anniversary
- the monetary value of the cash and/or in-kind support to this project, presented separately.

I wonder if this is something the City could help with? The scope of this application is similar to the Community Investment Fund's (which the City supported), except that it includes an event/exhibit along with the installation of the carved cedar door (to celebrate and commemorate Tsimshian art). I can include this in a new letter of support if approved.

To further clarify, the requested letter of support is for the same project but a separate grant application (Canada Heritage- Legacy Fund). As an in-kind contribution, we kindly ask for a small in-kind donation and for waiver of some fees such as the special event permit fee and waste pick up for the outdoor ceremony that will accompany the unveiling of the new entrance.

If the city is willing to provide this letter of support with an in-kind contribution, I drafted a letter of support (attached) on your behalf with all information included and examples of the in-kind contribution (in red).

Please let me know if you have any questions or concerns.

Sample Letter

Re: Museum of Northern BC – A Letter of Support for commemorating the long history of the Tsimshian Nation in the Prince Rupert Harbour through a monumental cedar door carved locally by a First Nations artist

To whom it may concern,

The City of Prince Rupert would like to extend its full support for the museum's initiative to commemorating the long history of the Tsimshian Nation in the Prince Rupert Harbour and celebrate the continuance of this important cultural and artistic tradition. Celebrating the historical anniversary of the Tsimshian Nation by publicly showcasing contemporary Tsimshian art in the city, strives towards reconciliation and decolonization which is in line with the city agendas and efforts to create a safe multicultural space for the communities.

The City has worked collaboratively with the Museum and supported their important role in the community for many years. The Museum's unique educational, cultural, and touristic contributions have an important place within the economic landscape of Prince Rupert, as well as in the cultural activities available to residents of our community. The impressive architecture of the museum longhouse is a distinctive landmark in the city. In addition to displaying significant material culture drawing in tourists from around the globe to support the economy in Prince Rupert, the museum has been playing a huge role in community engagements in cultural and educational activities.

The replacement of the existing aluminum frame glass door with a monumental cedar door carved locally by a First Nations artist will serve as a landmark to guide visitors to the museum and raise awareness about the rich history and art of this land. The day of the unveiling of the new entrance will be accompanied by a big ceremony and exhibit for the community to present the significant history of Tsimshian who comprises almost half of the community of Prince Rupert today.

We are looking to the future especially after a long and exhausting pandemic lockdown, and the Museum's proposed new monumental entrance will be a unique featured attraction for locals and visitors and an exciting new face for the already significant face of the city.

In terms of its potential to impact the growing tourist economy for the city of Prince Rupert and attract new business to the area, it's imperative that we have a world-class cultural institution such as the Museum to display the diverse and rich cultural and historical legacy of the region.

Prince Rupert is one of a few cities in Canada where First Nations people comprise almost half of the local population, and First Nations culture and art is prevalent in the city's social fabric. The City Council supports the museum's application above all others and hopes that you will consider it to help the city's continued efforts to preserve this unique multicultural space; a city flourishes when it supports and celebrates diversity and all aspects of the community's culture and art.

The city would like to contribute up to two (2) hours of waste pick-up for the event as a small in-kind contribution to this project.