



District of Ucluelet

2019

Statement of
Financial
Information



2019 Statement of Financial Information

Index

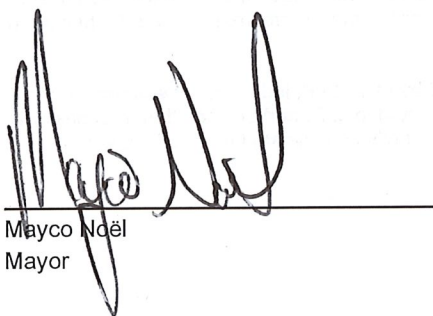
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STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced by the Financial Information Act.



Donna Monteith
Chief Financial Officer



Mayco Ndél
Mayor

Management's Responsibility

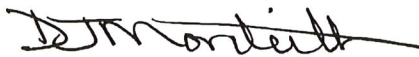
The accompanying consolidated financial statements of the District of Ucluelet (the "District") are the responsibility of management and have been prepared in compliance with applicable legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MNP LLP; independent external auditors appointed by the District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.

July 14, 2019



Donna Monteith
Chief Financial Officer

Independence Auditor's Report

To the Mayor and Council of the District of Ucluelet:

Opinion

We have audited the consolidated financial statements of the District of Ucluelet (the "District"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2019, and the results of its consolidated operations, changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The prior year comparative figures were audited by another firm of chartered professional accountants, who issued an unmodified opinion on June 7, 2019.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

July 14, 2020

MNP LLP
Chartered Professional Accountants

MNP

District of Ucluelet
Consolidated Statement of Financial Position

As at December 31, 2019

	2019	2018
Financial Assets		
Cash and cash equivalents	2,922,831	1,212,327
Investments (Note 2)	8,143,791	8,976,814
Accounts receivable (Note 3)	711,765	839,217
Investment in Government Business Enterprise (Note 4)	730,165	540,658
	12,508,552	11,569,016
Liabilities		
Accounts payable and accrued liabilities (Note 5)	814,762	1,118,931
Refundable deposits (Note 6)	149,335	119,084
Deferred revenue (Note 7)	640,863	497,366
Prepaid property taxes and utilities	41,675	41,149
Development cost charges (Note 8)	775,207	727,399
Debt (Note 9)	1,934,688	2,024,214
	4,356,530	4,528,143
Net Financial Assets	8,152,022	7,040,873
Non-Financial Assets		
Tangible capital assets (Note 10, Schedule 1)	40,845,824	40,700,278
Inventory of supplies	20,944	20,944
Prepaid expenses	74,760	68,198
	40,941,528	40,789,420
Accumulated Surplus (Note 11)	49,093,550	47,830,293
Commitments and contingencies (Note 16)		
Subsequent events (Note 20)		


Chief Administrative Officer

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

District of Ucluelet
Consolidated Statement of Operations
For the year ended December 31, 2019

	<i>2019 Budget</i> <i>(Note 17)</i>	2019	2018
Revenue			
Taxation, net (Note 13)	3,248,887	3,177,951	3,224,952
Sale of services	1,850,263	1,870,813	1,910,610
Other revenue from own sources	171,600	306,695	255,620
Investment income	85,360	157,802	100,656
Grants and contributions	1,708,045	1,252,869	874,058
DCC revenue	337,930	-	321,530
Ministry and Regional District Tax	-	543,799	374,062
Equity in investment of Government Business Enterprise (Note 4)	-	1,189,507	2,001,593
	7,402,085	8,499,436	9,063,081
Expenses			
General government services	1,453,939	1,653,920	1,280,695
Protective services	488,633	398,867	439,126
Transportation services	1,226,994	1,461,427	1,181,181
Planning and environmental services	438,110	375,333	423,794
Recreation and cultural services	1,735,021	2,146,667	1,853,456
Water utility	723,680	549,357	576,711
Sewer utility	917,217	650,608	561,733
	6,983,594	7,236,179	6,316,696
Annual surplus	418,491	1,263,257	2,746,385
Accumulated surplus, Beginning of the year	47,830,293	47,830,293	45,083,908
Accumulated surplus, End of the year	48,248,784	49,093,550	47,830,293

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

District of Ucluelet
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2019

	<i>2019 Budget (Note 17)</i>	2019	<i>2018</i>
Annual surplus	418,491	1,263,257	2,746,385
Acquisition of tangible capital assets	(2,592,261)	(1,614,672)	(1,051,336)
Disposals of tangible capital assets	-	140,000	-
Amortization of tangible capital assets	1,116,000	1,329,126	1,134,363
Contribution of tangible capital assets	-	-	(9,950)
Change in inventory of supplies	-	-	-
Change in prepaid expenses	-	(6,562)	(13,887)
Increase in Net Financial Assets	(1,057,770)	1,111,149	2,805,575
Net Financial Assets, Beginning of the year	7,040,873	7,040,873	4,235,298
Net Financial Assets, End of the year	5,983,103	8,152,022	7,040,873

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

District of Ucluelet
Consolidated Statement of Cash Flows
For the year ended December 31, 2019

	2019	2018
Operating Transactions		
Annual surplus	1,263,257	2,746,385
Non-cash items included in surplus:		
Amortization of tangible capital assets	1,329,126	1,134,363
Contributions of tangible capital assets	-	(9,950)
Loss on disposal of tangible capital assets	140,000	-
Investment in Government Business Enterprise	(1,189,507)	(2,001,593)
Actuarial adjustment on debt	(17,212)	(13,492)
	1,525,664	1,855,713
Change in non-cash working capital balances related to operations		
Accounts receivable	127,452	425,520
Accounts payable and accrued liabilities	(304,169)	745,924
Refundable deposits	30,251	111,615
Deferred revenue	143,497	89,886
Prepaid property taxes and utilities	526	-
Development cost charges	47,808	(112,328)
Inventory of supplies	-	-
Prepaid expenses	(6,562)	(13,887)
Cash provided by operating transactions	1,564,467	3,102,443
Capital Transactions		
Acquisition of tangible capital assets	(1,614,672)	(1,051,336)
Investment Transactions		
Decrease (increase) in investments	833,023	(4,139,875)
Dividends received from Government Business Enterprise	1,000,000	2,000,000
	1,833,023	(2,139,875)
Financing activities		
Debt repaid	(72,314)	(77,294)
Net change in cash and cash equivalents	1,710,504	(166,062)
Cash and cash equivalents, Beginning of the year	1,212,327	1,378,389
Cash and cash equivalents, End of the year	2,922,831	1,212,327

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

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

The District of Ucluelet (the "District") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The District's principal activities include the provision of local government services to residents of the incorporated area.

1. Significant accounting policies

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

(a) Reporting entity

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

The District's business partnerships, jointly owned and controlled by the District but not dependent on the District for their continuing operations, are included in the consolidated financial statements using the modified equity method.

The modified equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the District. Thus, the District's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post acquisition losses and distributions received.

Entities accounted for by the modified equity basis include:

- Barkley Community Forest Limited Partnership (50% ownership)
- Ucluelet Economic Development Corporation (wholly owned)

The District administers certain trust assets on behalf of external parties which are excluded from the financial statements.

(b) Bases of presentation

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

(c) Government transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

(d) Property tax revenue

Property tax revenue is recognized on an accrual basis using the approved tax rates and the anticipated assessment related to the current year.

(e) Deferred revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired, thereby extinguishing the related liability.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

1. Significant accounting policies (continued)

- (f) **Development cost charges**
 Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.
- (g) **Cash and cash equivalents**
 Cash and cash equivalents include short-term, highly liquid investments with a term to maturity of 90 days or less at acquisition.
- (h) **Deposits and repayments**
 Receipts restricted by third parties are deferred and recorded as deposits and are refundable under certain circumstances. Deposits and prepayments are recognized as revenue when qualifying expenditures are incurred.
- (i) **Employee future benefits**
 The District and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.
- Sick leave and other benefits are available to the District's employees. The costs of these benefits are estimated based on accumulated sick leave and best estimates of future usage and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.
- (j) **Investment income**
 Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue, development cost charges and deposits and prepayments is added to the investment and forms part of the liability balance.
- (k) **Debt**
 Debt is recorded net of related payments and actuarial earnings.
- (l) **Non-financial assets**
 Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.
- a. **Tangible capital assets**
 Tangible capital assets are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings	10 - 60
Vehicles and Equipment	5 - 25
Other structures	15 - 50
Roads	20 - 60
Drainage structures	30 - 50
Water structures	10 - 50
Sewer structures	10 - 50

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

1. Significant accounting policies *(continued)*

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services or when the value of the future economic benefits associated with the asset are less than the book value of the asset.

- b. Contributions of tangible capital assets
Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.
- c. Natural resources
Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.
- d. Works of art and cultural historic assets
Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.
- e. Interest capitalization
The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.
- f. Leased tangible capital assets
Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as operating leases and the related payments are charged to expenses as incurred.
- g. Inventory of supplies
Inventory of supplies held for consumption are recorded at lower of cost and replacement cost.

(m) Contaminated sites

A liability for remediation of contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District is either directly responsible or accepts the responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

At each financial reporting date, the District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when made. As at December 31, 2019, the District has not recorded any liability for contaminated sites as no such sites exist.

(n) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable, accrued liabilities, post-employment benefits, provisions for contingencies and amortization, useful lives and salvage values for determining tangible capital asset values. Actual results could differ from these estimates.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

2. Investments

Investments include funds invested in Guaranteed Investment Certificates and Money Market funds with CIBC Wood Gundy and the Municipal Finance Authority of B.C. The investments are carried at market value which is equal to the carrying value.

3. Accounts receivable

	2019	2018
Property taxes	\$ 154,276	\$ 194,084
Due from other governments	166,718	244,081
User fee and other	390,771	401,052
	\$ 711,765	\$ 839,217

4. Investment in Government Business Enterprise

The Barkley Community Forest Limited Partnership is a limited partnership owned by the District and Toquaht Nation as limited partners and Barkley Community Forest Corporation as the general partner. The objective and purpose of the partnership is to hold one or more Community Forest Agreements and to carry on such business and activities as may be desirable and permitted under the Community Forest Agreements.

The following table provides condensed supplementary financial information for the limited partnership at December 31, 2019.

	2019	2018
Financial position		
Assets		
Current	\$ 1,851,515	\$ 2,500,506
	\$ 1,851,515	\$ 2,500,506
Liabilities		
Current	\$ 176,250	\$ 259,976
Silviculture accrual	214,934	213,351
	391,184	473,327
Equity		
Retained earnings	1,460,331	2,027,179
	\$ 1,851,515	\$ 2,500,506
Operations		
Revenue	\$ 2,243,080	\$ 6,063,919
Expenses	809,928	1,114,871
	\$ 1,433,152	\$ 4,949,048

The District's share of income from the government business enterprise was a total of \$1,189,507 (2018 - \$2,001,593). During 2019, the District received \$1,000,000 (2018 - \$2,000,000) of dividends from the government business enterprise, which was recorded as a reduction in its investment. No other transactions occurred between the two entities.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

5. Accounts payable and accrued liabilities

	2019	2018
Trade accounts payable	\$ 468,416	\$ 843,326
Salaries and wages payable	238,097	189,702
Accrued employee benefits	69,349	57,998
Due to other governments	21,927	10,932
Accrued interest	16,973	16,973
	\$ 814,762	\$ 1,118,931

6. Refundable deposits

	2019	2018
Damage deposits	\$ 94,000	\$ 65,119
Developer performance deposits	55,335	53,965
	\$ 149,335	\$ 119,084

7. Deferred revenue

Deferred revenue consists of the following balances:

	Opening balance	Interest	Receipts	Revenue Recognized	Ending balance
Resort Municipality	\$ 486,015	\$ 10,943	\$ 384,368	\$ 311,981	\$ 569,345
Initiative					
Other	11,351	-	83,000	22,833	71,518
	\$ 497,366	\$ 10,943	\$ 467,368	\$ 334,814	\$ 640,863

8. Development cost charges

Development cost charges represent funds received from developers and deposited into a separate fund for capital expenditures. The District records these funds as a liability upon receipt which is then recognized as revenue when the related costs are incurred.

	Opening balance	Interest	Receipts	Revenue recognized	Ending balance
Roads	\$ 52,458	\$ 1,053	\$ 10,356	-	\$ 63,867
Storm water	203,482	3,893	-	-	207,375
Sewer	192,439	3,718	5,070	-	201,227
Water	100,395	1,972	10,680	-	113,047
Parks	178,625	3,440	7,626	-	189,691
	\$ 727,399	\$ 14,076	\$ 33,732	-	\$ 775,207

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

9. Debt

The District issues debt instruments through the Municipal Finance Authority (MFA), pursuant to security issuing bylaws under authority of the Local Government Act, to finance capital expenditures.

	Interest Rate	Original Amount	Repayments and actuarial earnings	Balance 2019	Balance 2018
MFA issue 1074	3.40%	\$ 1,948,000	\$ 434,766	\$ 1,513,234	\$ 1,575,316
MFA issue 1195	3.15%	475,000	53,546	421,454	448,898
		\$ 2,423,000	\$ 488,312	\$ 1,934,688	\$ 2,024,214

As a condition of the borrowing through MFA, a portion of the debenture proceeds is retained by the MFA as a debt reserve fund. As at December 31, 2019, the cash balance of the District's debt reserve funds was \$29,653 (2018 - \$28,978). Debt reserve funds are not recorded elsewhere in the financial statements.

The loan agreements with the Alberni-Clayoquot Regional District and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the District.

Principal payments on debt for the next five years are as follows:

2020	\$	72,314
2021		72,314
2022		72,314
2023		72,314
2024		72,314

Interest expense

Interest paid during the year was \$76,610 (2018 - \$76,708).

10. Tangible capital assets

(a) Contributed tangible capital assets

Contributed tangible capital assets of nil (2018 - 9,950) were recognized during the year.

(b) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset has been recognized at a nominal value.

(c) Write-down of tangible capital assets

No write-down of tangible capital assets occurred during the year.

(d) Work in progress

During the year there were net additions to work in progress of \$135,579 (2018 - \$964,791). Amortization of work in progress commences in the year the asset is transferred to tangible capital assets and is put into service.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

11. Accumulated surplus

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

	2019	2018
Investment in tangible capital assets	\$ 38,910,866	\$ 38,676,064
Reserves	5,543,115	4,321,638
Unrestricted surplus	4,639,569	4,832,591
	\$ 49,093,550	47,830,293

12. Reserves

	Opening balance	Interest allocated	Contributions	Funding	Ending balance
Barkley Community Reserve	\$ 2,000,000	\$ 52,219	\$ 1,000,000	\$ 16,250	\$ 3,035,969
Community Works Fund	1,376,788	49,905	254,414	239,567	1,441,540
Small Craft Harbours	320,256	7,114	45,000	6,546	365,824
Affordable Housing	8,566	1,480	124,129	-	134,175
Land sale	61,083	1,071	-	-	62,154
Social	119,035	2,104	-	-	121,139
Recreation	11,472	188	-	-	11,660
Park Dedication	282,196	4,994	-	2,478	284,712
Parking	18,679	612	-	-	19,291
Sewer debt	54,875	951	-	-	55,826
Equipment	68,688	825	-	58,688	10,825
	\$ 4,321,638	\$ 112,463	\$ 1,423,543	\$ 323,529	\$ 5,543,115

The Community Works Fund (Gas Tax) is provided by the Government of Canada. The use of the funding is established by a funding agreement between the District and the Union of British Columbia Municipalities. Gas Tax funding may be used toward designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

13. Taxation

Taxation revenue, reported on the statement of operations, is comprised of the following:

	2019	2018
Municipal purposes		
General	\$ 2,883,081	\$ 2,883,573
Utility	44,325	42,012
Parcel taxes	232,160	224,975
Grants in lieu of taxes	18,385	74,392
	<u>3,177,951</u>	<u>3,224,952</u>
Taxes levied for other authorities		
School authorities	1,325,634	1,214,477
RCMP	154,771	144,133
Regional Hospital	160,612	174,652
Regional District	309,001	276,046
BC Assessment Authority	29,826	16,740
Vancouver Island Regional Library	110,291	104,626
Municipal Finance Authority	-	202
	<u>2,090,135</u>	<u>1,930,876</u>
Total taxes collected	\$ 5,268,086	5,155,828

14. Trust funds

Trust funds administered by the District have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. The District holds trust funds under British Columbia law for the purposes of maintaining a public cemetery.

	2019	2018
Opening balance	\$ 25,516	\$ 25,516
Interest earned	140	-
Ending balance	<u>\$ 25,656</u>	<u>\$ 25,516</u>

15. Pension plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent 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 District paid \$187,695 (2018 - \$141,473) for employer contributions to the plan in fiscal 2019.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

16. Commitments and contingencies

- (a) Debt issued by the Alberni Clayoquot Regional District (ACRD), under provisions of the Local Government Act, is a direct, joint and several liability of the ACRD and each member municipality within the ACRD, including the District.
- (b) In the normal course of a year, claims for damages are made against the District. The District records an accrual in respect to legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The District is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$5,000. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit.

17. Budget

The budget presented in these consolidated financial statements includes both operating and capital budgets. The District of Ucluelet budget was approved by Council on April 23, 2019 with the adoption of the Five-Year Financial Plan (2019 – 2023) Bylaw No 1245, 2019. The chart below reconciles the approved budget to the budget figures reported in these financial statements. Cemetery expenses are included in the budget but excluded from the annual surplus because these funds are held in trust and not reported in the financial statements of the District (Note 14).

		2019 Budget
Consolidated Budgeted Surplus, per District of Ucluelet Financial Plan Bylaw 1245		\$ -
Add		
	Acquisition of tangible capital assets	2,592,261
	Debt repayment	72,314
	Transfers to reserves	65,000
	Net cemetery expenses	6,230
Less		
	Proceeds of borrowing	(30,000)
	Transfers from reserves	(1,137,414)
	Transfers from surplus	(33,900)
	Amortization	(1,116,000)
Consolidated Budgeted Surplus, per District of Ucluelet Statement of Operations		\$ 418,491

18. Segmented information

The District is a diversified municipal organization that provides a wide range of services to its citizens. District services are provided by departments and their activities reported separately. Certain functions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government services

The general government operations provide the functions of corporate administration and legislative services and any other functions categorized as non-departmental.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

18. **Segment information** *(continued)*

Protective services

Protective services are comprised of three different functions, including the District's emergency management agency, fire and regulatory services. The emergency management agency prepares the District to be more prepared and can respond to, recover from, and be aware of, the devastating effects of a disaster or major catastrophic event that will impact the community. The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The mandate of the regulatory services function is to promote, facilitate and enforce general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community and provide a full range of planning services related to zoning, development permits, variance permits, and current regulatory issues.

Transportation services

Transportation services is responsible for a wide variety of transportation functions such as roads and streets. As well, services are provided around infrastructure, transportation planning, pedestrian and cycling issues, harbour facilities, and on-street parking regulations, including street signs and painting.

Planning and environmental services

Planning works to achieve the District's community planning goals through the official community plan, and other policy initiatives. Environmental services were established to assist the Emergency, Planning, Public Works, and Recreation Departments with programs associated with the maintenance or improvement of the natural ecosystem.

Recreation and cultural services

Parks is responsible for the maintenance and development of all park facilities. Cultural services facilitate the provision of recreation and wellness programs and services.

Water and Sewer utilities

The water and sewer utilities operate and distribute the water and sewer networks. They are responsible for the construction and maintenance of the water and sewer distribution systems, including mains and pump stations.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. Taxation revenue is recognized as general government revenue and has not been allocated to other segments.

19. **Comparative figures**

Certain figures in the comparative information have been reclassified to conform with the current year presentation.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

20. Subsequent events

- (a) Subsequent to the year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on municipalities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, municipal operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have had on the District of Ucluelet as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographical spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, office closures and disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries fighting the virus.
 - (b) On February 3, 2020, the District awarded a contract to David Stalker Excavating Ltd in the amount of \$503,947 excluding taxes, for the Bay Street Sanitary Sewer Extension.
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Schedule 1

District of Ucluelet
Consolidated Schedule of Tangible Capital Assets
Year ended December 31, 2019

2019	Land	Buildings	Vehicles and equipment	Other structures	Roads	Drainage structures	Water structures	Sewer Structures	Work in progress	Total 2019
Cost										
Opening balance	\$ 14,858,568	\$ 10,971,381	\$ 2,837,008	\$ 3,468,499	\$ 7,813,511	\$ 1,559,012	\$ 5,642,154	\$ 8,675,985	\$ 2,820,309	\$ 58,646,427
Add: Additions	-	-	145,013	67,477	53,270	50,000	79,074	175,676	1,044,162	1,614,672
Less: Disposals	(140,000)	-	-	-	-	-	-	-	-	(140,000)
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Transfers	-	32,700	-	66,121	-	-	496,982	312,780	(908,583)	-
Closing balance	14,718,568	11,004,081	2,982,021	3,602,097	7,866,781	1,609,012	6,218,210	9,164,441	2,955,888	60,121,099
Accumulated Amortization										
Opening Balance	-	2,623,994	1,718,566	1,844,756	3,843,588	685,531	2,655,522	4,574,192	-	17,946,149
Add: Amortization	-	229,108	284,367	158,851	189,898	36,583	205,291	225,028	-	1,329,126
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	2,853,102	2,002,933	2,003,607	4,033,486	722,114	2,860,813	4,799,220	-	19,275,275
Net Book Value	\$ 14,718,568	\$ 8,150,979	\$ 979,088	\$ 1,598,490	\$ 3,833,295	\$ 886,898	\$ 3,357,397	\$ 4,365,221	\$ 2,955,888	\$ 40,845,824

2018	Land	Buildings	Vehicles and equipment	Other structures	Roads	Drainage structures	Water structures	Sewer Structures	Work in progress	Total 2018
Cost										
Opening balance	\$ 14,858,568	\$ 10,971,381	\$ 2,814,132	\$ 3,468,499	\$ 7,774,731	\$ 1,559,012	\$ 5,607,315	\$ 8,675,985	\$ 1,855,518	\$ 57,585,141
Add: Additions	-	-	22,876	-	38,780	-	7,481	-	992,149	1,061,286
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	27,358	-	(27,358)	-
Closing balance	14,858,568	10,971,381	2,837,008	3,468,499	7,813,511	1,559,012	5,642,154	8,675,985	2,820,309	58,646,427
Accumulated Amortization										
Opening Balance	-	2,394,886	1,586,078	1,691,239	3,655,598	650,198	2,467,487	4,366,300	-	16,811,786
Add: Amortization	-	229,108	132,488	153,517	187,990	35,333	188,035	207,892	-	1,134,363
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	2,623,994	1,718,566	1,844,756	3,843,588	685,531	2,655,522	4,574,192	-	17,946,149
Net Book Value	\$ 14,858,568	\$ 8,347,387	\$ 1,118,442	\$ 1,623,743	\$ 3,969,923	\$ 873,481	\$ 2,986,632	\$ 4,101,793	\$ 2,820,309	\$ 40,700,278

Schedule 2

District of Ucluelet
Consolidated Schedule of Segment Disclosure by Service
Year ended December 31, 2019

	General Government Services	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2019 Actual
Revenue								
Taxation, net	\$ 2,945,791	\$ -	\$ -	\$ -	\$ -	\$ 108,825	\$ 123,335	\$ 3,177,951
Sale of services	9,888	-	362,475	39,745	384,071	612,356	462,268	1,870,813
Grants and contributions	791,702	15,910	7,000	-	327,423	-	110,834	1,252,869
Investment income	157,802	-	-	-	-	-	-	157,802
Other revenue from own sources	1,255,814	27,558	-	193,724	543,799	15,767	3,339	2,040,001
	5,160,997	43,468	369,475	233,469	1,255,293	736,958	699,776	8,499,436
Expenses								
Salaries and wages	\$ 867,080	\$ 169,124	\$ 261,156	\$ 224,960	\$ 735,590	\$ 163,356	\$ 137,593	\$ 2,558,859
Contracted services	89,301	39,816	399,815	78,249	120,149	47,975	76,645	841,950
Materials and supplies	83,323	83,598	166,148	8,707	213,404	57,602	143,769	756,551
Interest and other	490,119	83,195	56,021	27,826	629,727	13,713	10,670	1,311,271
Audit and legal	61,968	-	-	35,591	-	-	-	97,559
Telephone and utilities	62,129	23,134	77,439	-	59,838	61,420	56,903	340,863
Amortization	-	-	510,848	-	387,959	205,291	225,028	1,329,126
	1,653,920	398,867	1,461,427	375,333	2,146,667	649,357	650,608	7,236,179
Annual surplus (deficit)	\$ 3,507,077	\$ (355,399)	\$ (1,091,952)	\$ (141,864)	\$ (891,374)	\$ 187,601	\$ 49,168	\$ 1,263,257

	General Government Services	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2018 Actual
Revenue								
Taxation, net	\$ 2,999,977	\$ -	\$ -	\$ -	\$ -	\$ 101,640	\$ 123,335	\$ 3,224,952
Sale of services	7,312	-	316,745	34,405	314,138	699,052	538,958	1,910,610
Grants and contributions	588,841	15,900	7,000	-	134,064	-	128,253	874,058
Investment income	100,656	-	-	-	-	-	-	100,656
Other revenue from own sources	2,042,717	-	33,480	205,561	399,412	4,480	267,155	2,952,805
	5,739,503	15,900	357,225	239,966	847,614	805,172	1,057,701	9,063,081
Expenses								
Salaries and wages	\$ 699,755	\$ 168,777	\$ 284,416	\$ 202,052	\$ 529,473	\$ 167,007	\$ 148,688	\$ 2,200,168
Contracted services	98,070	31,286	276,122	58,733	139,664	65,038	109,682	778,595
Materials and supplies	42,943	64,386	137,420	12,478	172,537	86,012	27,033	542,809
Interest and other	245,889	152,351	59,517	32,122	569,505	2,402	862	1,062,648
Audit and legal	66,401	-	963	118,409	-	-	-	185,773
Telephone and utilities	127,637	22,326	66,932	-	59,653	68,217	67,575	412,340
Amortization	-	-	355,811	-	382,624	188,035	207,893	1,134,363
	1,280,695	439,126	1,181,181	423,794	1,853,456	576,711	561,733	6,316,696
Annual surplus (deficit)	\$ 4,458,808	\$ (423,226)	\$ (823,956)	\$ (183,828)	\$ (1,005,842)	\$ 228,461	\$ 495,968	\$ 2,746,385

THE CORPORATION OF THE DISTRICT OF UCLUELET

2019 Statement of Financial Information

Schedule of Council Remuneration and Expenses (unaudited)

Name		Position	Remuneration (\$)	Expenses (\$)
Cole	Rachelle	Councillor	18,711.51	5,651.70
Hoar	Jennifer	Councillor	16,126.51	4,461.43
Kemps	Lara	Councillor	17,391.51	4,574.29
McEwen	Marilyn	Councillor	20,926.51	4,976.41
Noel	Mayco	Mayor	32,235.41	9,148.97
			<u>105,391.45</u>	<u>28,812.80</u>

The Schedule of Employee Remuneration has been prepared on a cash basis. The financial statements have been prepared on an accrual basis, and no reconciliation of this schedule with the financial statements has been prepared.

THE CORPORATION OF THE DISTRICT OF UCLUELET

2019 Statement of Financial Information

Schedule of Employee Remuneration and Expenses (unaudited)

Name		Position	Remuneration (\$)	Expenses (\$)
Boysen	Mark	Chief Administrative Officer	132,068.89	6,063.25
Cannon	Warren	Manager of Public Works	92,496.74	23.76
Fortune	Abigail	Manager of Parks and Recreation	91,266.50	4,828.40
Greig	Bruce	Manager of Community Planning	94,256.92	2,411.60
Lang	Steven	Public Works Foreman	81,223.13	2,915.26
Monteith	Donna	Chief Financial Officer	100,829.13	5,929.47
Ashton	Brent	Bylaw Officer	77,495.36	-
Towgood	John	Planner 1	77,041.32	3,983.56
Aggregate over 75,000			\$ 746,677.99	\$ 26,155.30
Aggregate under 75,000			\$ 1,213,476.35	\$ 63,457.16
Totals (44)			1,960,154.34	\$ 89,612.46

The Schedule of Employee Remuneration has been prepared on a cash basis. The financial statements have been prepared on an accrual basis, and no reconciliation of this schedule with the financial statements has been prepared.

THE CORPORATION OF THE DISTRICT OF UCLUELET

2019 Statement of Severance Agreements

There were no severance agreements in 2019.

THE CORPORATION OF THE DISTRICT OF UCLUELET

2019 Statement of Financial Information

Schedule of Payment to Supplier for the Provision of Goods and Services (unaudited)

Supplier Name	Amount (\$)
ACRD	\$ 543,769.14
ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DIST	\$ 162,841.24
AON REED STENHOUSE INC.	\$ 73,637.00
BC ASSESSMENT AUTHORITY	\$ 30,232.35
BC HYDRO	\$ 255,452.23
CANADA REVENUE AGENCY	\$ 539,955.90
CIBC - VISA CENTRE	\$ 124,439.37
COMMUNITY ENERGY ASSOCIATION	\$ 27,300.00
DOLAN'S CONCRETE LTD.	\$ 36,506.31
FYFE WELL & WATER SERVICES	\$ 75,375.30
GIBSON BROS. CONTRACTING LTD.	\$ 115,331.18
GREATPACIFIC CONSULTING LTD	\$ 36,715.45
HOLISTIC EMERGENCY PREPAREDNESS	\$ 31,029.13
ICBC	\$ 25,824.00
J. ROBBINS CONSTRUCTION LTD	\$ 27,032.05
KASSLYN CONTRACTING	\$ 162,958.10
KOERS & ASSOCIATES ENGINEERING LTD.	\$ 185,067.29
KPMG LLP	\$ 36,750.00
McELHANNEY ASSOCIATES LAND SURVEYING LTD	\$ 36,177.75
MEC PROJECTS LTD	\$ 138,853.91
MID-ISLAND FENCE PRODUCTS LTD.	\$ 35,601.72
MISCELLANEOUS CHEQUE	\$ 64,870.58
MUNICIPAL PENSION PLAN	\$ 338,947.20
PACIFIC CHEVROLET BUICK GMC LTD.	\$ 47,108.21
PBX ENGINEERING LTD	\$ 114,005.72
RAYLEC POWER LP	\$ 41,632.50
RIDGELINE MECHANICAL LTD	\$ 1,017,608.40
ROCKY MOUNTAIN PHOENIX	\$ 59,907.68
SONBIRD REFUSE & RECYCLING LTD.	\$ 67,614.23
SUN LIFE ASSURANCE COMPANY OF CANADA	\$ 107,617.71
TELUS COMMUNICATIONS INC.	\$ 62,215.10
TOFINO DISTRICT OF	\$ 49,573.53
TOURISM UCLUELET	\$ 413,049.06
TRANS CANADA TRAFFIC INC.	\$ 49,527.64
UCLUELET CHAMBER OF COMMERCE	\$ 45,000.00
UCLUELET CONSUMER'S CO-OPERATIVE ASSN	\$ 51,280.48
UCLUELET RENT-IT CENTER LTD	\$ 52,799.42
UKEE INFO TECH	\$ 70,268.77
URBAN SYSTEMS LTD.	\$ 58,162.86
VANCOUVER ISLAND REGIONAL LIBRARY	\$ 110,308.00
WILD PACIFIC TRAIL SOCIETY	\$ 60,679.13
WINDSOR PLYWOOD - UCLUELET DIV.	\$ 41,349.45
WORKSAFE BC	\$ 34,828.00
YOUNG ANDERSON	\$ 93,563.42
Aggregate over \$25,000 (44)	\$ 5,752,766.51
Aggregate UNDER \$25,000 (405)	\$ 1,407,921.06
TOTAL	\$ 7,160,687.57

The Schedule of Payment to Suppliers for the Provision of Goods and Services has been prepared on a cash basis, and due to the limitations imposed by the accounts payable system includes certain disbursements that are not purchases of goods and services. The financial statements have been prepared on an accrual basis, and no reconciliation of this schedule with the financial statement has been prepared.

THE CORPORATION OF THE DISTRICT OF UCLUELET

2019 Statement of Financial Information

<u>Payments for the Purposes of Grants Contributions</u>	
Supplier	Total (\$)
ARMY NAVY & AIR FORCE VETERANS	\$ 1,650.00
CLAYOQUOT BIOSPHERE TRUST	\$ 1,000.00
FOOD BANK ON THE EDGE	\$ 2,000.00
JUNIOR CANADIAN RANGERS	\$ 500.00
PACIFIC RIM ARTS SOCIETY	\$ 4,000.00
PACIFIC RIM HOSPICE SOCIETY	\$ 4,000.00
UKEE PUBLIC MARKET SOCIETY	\$ 2,500.00
WESTCOAST COMMUNITY RESOURCES SOCIETY	\$ 4,310.00
UCLUELET SECONDARY SCHOOL (SCHOLARSHIP)	\$ 500.00
TOTAL	\$ 20,460.00