



DISTRICT OF UCLUELET

2020
STATEMENT
OF FINANCIAL
INFORMATION



2020 Statement of Financial Information

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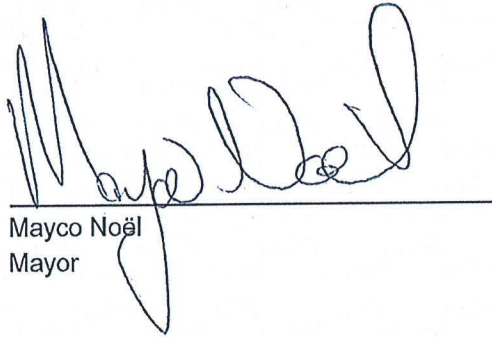
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STATEMENT OF FINANCIAL INFORMATION APPROVAL

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 Noël
Mayor

Management's Responsibility

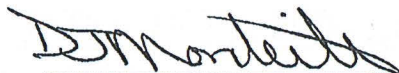
The accompanying consolidated financial statements of the District of Ucluelet (the "District") are the responsibility of management and have been prepared in compliance with applicable legislation, and in accordance with generally accepted accounting standards for local governments as established by 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.

April 27, 2021



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, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows and related schedules 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, 2020, 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the District to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Nanaimo, British Columbia

April 27, 2021

MNP **LLP**

Chartered Professional Accountants

District of Ucluelet
Consolidated Statement of Financial Position
As at December 31, 2020

	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 5,036,975	\$ 2,922,831
Investments (Note 2)	8,208,742	8,143,791
Accounts receivable (Note 3)	716,635	711,765
Investment in Government Business Enterprise (Note 4)	738,305	730,165
	<u>\$ 14,700,657</u>	<u>\$ 12,508,552</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 1,689,659	\$ 814,762
Refundable deposits (Note 6)	97,500	149,335
Deferred revenue (Note 7)	1,078,420	640,863
Prepaid property taxes and utilities	69,090	41,675
Development cost charges (Note 8)	824,943	775,207
Equipment financing (Note 9)	183,811	
Debt (Note 10)	1,849,048	1,934,688
	<u>\$ 5,792,471</u>	<u>\$ 4,356,530</u>
Net Financial Assets	<u>\$ 8,908,186</u>	<u>\$ 8,152,022</u>
Non-Financial Assets		
Tangible capital assets (Note 11, Schedule 1)	\$ 41,265,691	\$ 40,845,824
Inventory of supplies	20,944	20,944
Prepaid expenses	66,008	74,760
	<u>\$ 41,352,643</u>	<u>\$ 40,941,528</u>
Accumulated Surplus (Note 12)	<u>\$ 50,260,829</u>	<u>\$ 49,093,550</u>

Commitments and contingencies (Note 17)
Significant event (Note 21)



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, 2020

	2020 Budget (Note 18)	2020	2019
Revenue			
Taxation, net (Note 14)	\$ 3,350,266	\$ 3,335,494	\$ 3,177,951
Sale of services	1,731,849	1,762,570	1,870,813
Other revenue from own sources	45,650	346,836	306,695
Investment income	85,360	61,814	157,802
Grants and contributions	1,789,654	1,506,312	1,252,869
Ministry and Regional District Tax	-	366,338	543,799
Earnings from investment in Government Business Enterprise (Note 4)	-	466,140	1,189,507
	\$ 7,002,779	\$ 7,845,504	\$ 8,499,436
Expenses			
General government services	\$ 1,356,092	\$ 1,286,761	\$ 1,653,920
Protective services	362,527	418,048	398,867
Transportation services	1,269,952	1,199,419	1,461,427
Planning and environmental services	685,632	606,475	375,333
Recreation and cultural services	1,843,509	1,926,767	2,146,667
Water utility	1,116,483	643,553	549,357
Sewer utility	817,151	597,202	650,608
	\$ 7,451,346	\$ 6,678,225	\$ 7,236,179
Annual surplus (deficit)	(448,567)	1,167,279	1,263,257
Accumulated surplus, Beginning of the year	49,093,550	49,093,550	47,830,293
Accumulated surplus, End of the year	\$ 48,644,983	\$ 50,260,829	\$ 49,093,550

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, 2020

	<i>2020 Budget (Note 18)</i>	<i>2020</i>	<i>2019</i>
Annual surplus (deficit)	\$ (448,567)	\$ 1,167,279	\$ 1,263,257
Acquisition of tangible capital assets	(3,086,801)	(1,619,534)	(1,614,672)
Disposals of tangible capital assets	-	15,652	140,000
Amortization of tangible capital assets	1,157,665	1,184,015	1,329,126
Change in prepaid expenses	-	8,752	(6,562)
Increase (decrease) in Net Financial Assets	(2,377,703)	756,164	1,111,149
Net Financial Assets, Beginning of the year	8,152,022	8,152,022	7,040,873
Net Financial Assets, End of the year	\$ 5,774,319	\$ 8,908,186	\$ 8,152,022

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, 2020

	2020	2019
Operating Transactions		
Annual surplus	\$ 1,167,279	\$ 1,263,257
Non-cash items included in surplus:		
Amortization of tangible capital assets	1,184,015	1,329,126
Loss on disposal of tangible capital assets	15,651	140,000
Earnings from investment in Government Business Enterprise	(466,140)	(1,189,507)
Actuarial adjustment on debt	(13,326)	(17,212)
	\$ 1,887,479	\$ 1,525,664
Change in non-cash working capital balances related to operations		
Accounts receivable	\$ (4,870)	\$ 127,452
Accounts payable and accrued liabilities	874,897	(304,169)
Refundable deposits	(51,835)	30,251
Deferred revenue	437,557	143,497
Prepaid property taxes and utilities	27,415	526
Development cost charges	49,736	47,808
Prepaid expenses	8,753	(6,562)
Cash provided by operating transactions	\$ 3,229,132	\$ 1,564,467
Capital Transactions		
Acquisition of tangible capital assets	\$ (1,619,534)	\$ (1,614,672)
Investment Transactions		
Decrease (increase) in investments	\$ (64,951)	\$ 833,023
Dividends received from Government Business Enterprise	458,000	1,000,000
	393,049	1,833,023
Financing activities		
Proceeds from equipment financing	\$ 200,000	\$ -
Debt repaid	(88,503)	(72,314)
	\$ 111,497	\$ (72,314)
Net change in cash and cash equivalents	2,114,144	1,710,504
Cash and cash equivalents, Beginning of the year	2,922,831	1,212,327
Cash and cash equivalents, End of the year	\$ 5,036,975	\$ 2,922,831

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, 2020

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

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, 2020.

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, 2020, 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, employee future benefits, provisions for contingencies and amortization, useful lives, and salvage values for determining tangible capital asset values. Actual results could differ from these estimates.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

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

		2020		2019
Property taxes	\$	149,908	\$	154,276
Due from other governments		54,380		166,718
User fee and other		512,347		390,771
	\$	716,635	\$	711,765

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, 2020.

		2020		2019
Financial position				
Assets				
Current	\$	1,660,883	\$	1,851,515
		\$ 1,660,883	\$	1,851,515
Liabilities				
Current	\$	25,000	\$	176,250
Silviculture accrual		159,272		214,934
		184,272		391,184
Equity				
Retained earnings		1,476,611		1,460,331
	\$	1,660,883	\$	1,851,515
Operations				
Revenue	\$	1,698,161	\$	2,243,080
Expenses		765,881		908,928
	\$	932,280	\$	1,433,152

The District's share of income from the government business enterprise was a total of \$466,140 (2019 - \$1,189,507). During 2020, the District received \$458,000 (2019 - \$1,000,000) of dividends from the government business enterprise, which was recorded as a reduction in its investment. No other transactions occurred between the two entities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

5. Accounts payable and accrued liabilities

	2020		2019	
Trade accounts payable	\$	515,216	\$	468,416
Salaries and wages payable		137,529		238,097
Employee future benefits		70,326		69,349
Due to other governments		949,615		21,927
Accrued interest		16,973		16,973
	\$	1,689,659	\$	814,762

6. Refundable deposits

	2020		2019	
Damage deposits	\$	97,500	\$	94,000
Developer performance deposits		-		55,335
	\$	97,500	\$	149,335

7. Deferred revenue

Deferred revenue consists of the following balances:

	Opening balance	Interest	Receipts	Revenue Recognized	Ending balance
Resort Municipality	\$ 569,345	\$ 6,363	\$ 481,274	\$ 46,361	\$ 1,010,621
Initiative	71,518	-	74,028	77,747	67,799
Other					
	\$ 640,863	\$ 6,363	\$ 555,302	\$ 124,108	\$ 1,078,420

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	\$ 63,867	\$ 782	\$ 14,386	\$ -	\$ 79,035
Stormwater	207,374	2,766	-	-	210,140
Sewer	203,782	2,673	13,478	-	219,933
Water	113,049	1,428	11,774	-	126,251
Parks	187,135	2,449	-	-	189,584
	\$ 775,207	\$ 10,098	\$ 39,638	\$ -	\$ 824,943

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

9. Equipment financing

The District is party to an equipment loan financed through the Municipal Finance Authority for the acquisition of vehicles. The loan has a term of five years and bears interest at a rate of 1.22%. The vehicles under this loan have a carrying value of \$196,201 and are recorded as non-financial assets in the statements.

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

2021	\$	40,021
2022		40,442
2023		40,808
2024		41,175
2025		21,365

10. Debt

The District obtains debenture debt 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 2020	Balance 2019
MFA issue 1074	2.90%	\$ 1,948,000	\$ 495,013	\$ 1,452,987	\$ 1,513,234
MFA issue 1195	2.65%	475,000	78,939	396,061	421,454
		\$ 2,423,000	\$ 573,952	\$ 1,849,048	\$ 1,934,688

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, 2020, the cash balance of the District's debt reserve funds was \$30,263 (2019 - \$29,653). 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:

2021	\$	72,314
2022		72,314
2023		72,314
2024		72,314
2025		72,314

Interest paid during the year was \$76,610 (2019 - \$76,610).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

11. Tangible capital assets

(a) Contributed tangible capital assets

Contributed tangible capital assets of nil (2019 – nil) 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 \$865,53 (2019 - \$135,579). Amortization of work in progress commences in the year the asset is transferred to tangible capital assets and is put into service.

12. Accumulated surplus

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

	2020	2019
Investment in tangible capital assets	\$ 39,232,562	\$ 38,910,866
Reserves	6,460,368	5,543,115
Unrestricted surplus	4,567,899	4,639,569
	\$ 50,260,829	49,093,550

13. Reserves

	Opening balance	Interest allocated	Contributions	Funding	Ending balance
BarkleyCommunity Reserve	\$ 3,035,969	\$ 24,171	\$ 458,000	\$ 552,121	\$ 2,966,019
CommunityWorks Fund	1,441,540	10,843	127,431	328,885	1,250,929
COVID-19Safe Restartfund	-	-	764,000	213,486	550,514
Small Craft Harbours	365,824	2,846	45,000	72,864	340,806
AffordableHousing	134,175	3,544	608,061	-	745,780
Land sale	62,154	359	-	-	62,513
Social	121,139	704	-	-	121,843
Recreation	11,660	63	-	-	11,723
Park Dedication	284,712	2,132	36,130	-	322,974
Parking	19,291	205	-	-	19,496
Sewer debt	55,826	318	-	-	56,144
Equipment	10,825	802	-	-	11,627
	\$ 5,543,115	\$ 45,987	\$ 2,038,622	\$ 1,167,356	\$ 6,460,368

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

13. Reserves (continued)

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.

The COVID-19 Safe Restart Grant for Local Governments was provided to local governments to assist with the increased operating costs and revenue short-falls as a result of the COVID-19 pandemic. The COVID-19 Safe Restart Grant may be used towards specific eligible costs for funding such as addressing revenue short-falls, facility reopening and operating costs, emergency planning and response costs, bylaw enforcement and protective services, computer and other technology costs, and services for vulnerable persons.

The District of Ucluelet received \$764,000 in COVID-19 Safe Restart Grant and reports the balance in a reserve fund – COVID-19 Safe Restart fund until it is used to fund eligible costs. During the year, the funds were used to replace lost business licence revenue (\$106,000), lost recreation revenue (\$100,627) and to fund information technology expenses (\$6,859).

14. Taxation

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

	2020	2019
Municipal purposes		
General	\$ 3,003,600	\$ 2,883,081
Utility	44,810	44,325
Parcel taxes	248,160	232,160
Grants in lieu of taxes	38,924	18,385
	<u>3,335,494</u>	<u>3,177,951</u>
Taxes levied for other authorities		
School authorities	1,195,862	1,325,634
RCMP	178,710	154,771
Regional Hospital	168,947	160,612
Regional District	365,384	309,001
BC Assessment Authority	36,164	29,826
Vancouver Island Regional Library	120,115	110,291
Municipal Finance Authority	-	-
	<u>2,065,182</u>	<u>2,090,135</u>
Total taxes collected	<u>\$ 5,400,676</u>	<u>5,268,086</u>

15. 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.

	2020	2019
Opening balance	\$ 25,656	\$ 25,516
Interest earned	611	140
Ending balance	<u>\$ 26,267</u>	<u>\$ 25,656</u>

Notes to the Consolidated Financial Statements

*For the year ended December 31, 2020***16. 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, 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.

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 \$205,108 (2019 - \$187,695) for employer contributions to the plan in fiscal 2020.

17. 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

18. 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 May 12, 2020 with the adoption of the Five-Year Financial Plan (2020 – 2024) Bylaw No 1274, 2020. 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 15).

		2020 Budget
Consolidated Budgeted Surplus, per District of Ucluelet Financial Plan Bylaw 1274		\$ -
Add		
	Acquisition of tangible capital assets	3,086,801
	Debt repayment	94,756
	Transfers to reserves	549,206
	Net cemetery expenses	6,725
Less		
	Proceeds of borrowing	-
	Transfers from reserves	(1,482,489)
	Transfers from surplus	(1,545,901)
	Amortization	(1,157,665)
Consolidated Budgeted Deficit, per District of Ucluelet Statement of Operations		\$ (448,567)

19. 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.

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.

19. **Segment information** *(continued)*

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.

20. **Comparative figures**

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

21. **Significant event**

During the year, there was an outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, municipality operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the District 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 or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Schedule 1

District of Ucluellet
 Consolidated Schedule of Tangible Capital Assets
 Year ended December 31, 2020

2020 Cost	Land	Buildings	Vehicles and equipment	Other structures	Roads	Drainage structures	Water structures	Sewer Structures	Work in progress	Total 2020
Opening 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
Add: Additions	-	10,471	455,705	72,865	8,827	-	273	-	1,071,393	1,619,534
Less: Disposals	-	-	-	-	-	-	-	-	(15,652)	(15,652)
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	599	-	165,776	-	-	23,829	(190,204)	-
Closing balance	14,718,568	11,014,552	3,438,325	3,674,962	8,041,384	1,609,012	6,218,483	9,188,270	3,821,425	61,724,981
Accumulated Amortization										
Opening Balance	-	2,853,102	2,002,933	2,003,607	4,033,486	722,114	2,860,813	4,799,220	-	19,275,275
Add: Amortization	-	229,597	134,427	162,494	193,585	36,583	205,476	221,853	-	1,184,015
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Ending Balance	-	3,082,699	2,137,360	2,166,101	4,227,071	758,697	3,066,289	5,021,073	-	20,459,290
Net Book Value	\$ 14,718,568	\$ 7,931,853	\$ 1,300,965	\$ 1,508,861	\$ 3,814,313	\$ 850,315	\$ 3,152,194	\$ 4,167,197	\$ 3,821,425	\$ 41,265,691

2019 Cost	Land	Buildings	Vehicles and equipment	Other structures	Roads	Drainage structures	Water structures	Sewer Structures	Work in progress	Total 2019
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

District of Ucluelet
Consolidated Schedule of Segment Disclosure by Service
Year ended December 31, 2020

	General Government Services	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2020 Actual
Revenue								
Taxation, net	\$ 3,087,334	\$ -	\$ -	\$ -	\$ -	\$ 120,320	\$ 127,840	\$ 3,335,494
Sale of services	5,405	-	342,643	104,692	205,978	631,727	472,125	1,762,670
Grants and contributions	1,423,624	22,352	7,000	-	53,336	-	-	1,606,312
Investment income	61,814	-	-	-	-	-	-	61,814
Other revenue from own sources	567,758	17,439	-	213,954	365,338	6,990	6,935	1,179,314
	5,145,935	39,791	349,643	318,646	625,652	769,037	606,800	7,845,504
Expenses								
Salaries and wages	\$ 746,459	\$ 209,419	\$ 292,678	\$ 251,038	\$ 898,626	\$ 241,963	\$ 142,519	\$ 2,722,902
Contracted services	78,859	29,751	282,701	196,516	75,558	82,569	65,369	811,343
Materials and supplies	39,533	75,466	144,651	8,585	139,449	35,437	108,153	561,264
Interest and other	299,797	78,968	33,549	105,228	427,350	17,871	3,039	966,702
Audit and legal	67,219	-	384	45,108	-	-	-	112,711
Telephone and utilities	54,894	24,554	80,861	-	53,493	60,217	56,269	330,288
Amortization	-	-	364,595	-	392,091	205,476	221,853	1,184,015
	1,286,761	418,048	1,199,419	606,475	1,926,767	643,653	597,202	6,678,225
Annual surplus (deficit)	\$ 3,859,174	\$ (378,257)	\$ (849,776)	\$ (287,829)	\$ (1,301,115)	\$ 115,484	\$ 9,598	\$ 1,167,279

	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	394,071	612,366	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	1,265,293	798,988	699,776	8,499,436
Expenses								
Salaries and wages	\$ 867,080	\$ 169,124	\$ 262,706	\$ 224,960	\$ 795,590	\$ 163,366	\$ 137,593	\$ 2,560,409
Contracted services	89,301	39,816	389,815	78,249	120,149	47,975	76,646	841,951
Materials and supplies	83,323	83,598	166,148	8,707	213,404	57,602	143,769	766,561
Interest and other	490,119	83,195	54,471	27,826	629,727	13,713	10,670	1,309,721
Audit and legal	61,968	-	77,439	35,591	-	-	-	97,659
Telephone and utilities	62,129	23,134	510,848	-	59,838	61,420	56,902	340,862
Amortization	-	-	510,848	-	387,959	205,291	225,028	1,328,126
	1,653,920	398,867	1,461,427	376,333	2,146,667	549,367	660,608	7,236,179
Annual surplus (deficit)	\$ 3,607,077	\$ (355,399)	\$ (1,091,952)	\$ (141,864)	\$ (881,374)	\$ 187,601	\$ 49,168	\$ 1,263,257

THE CORPORATION OF THE DISTRICT OF UCLUELET

2020 Statement of Financial Information

Schedule of Council Remuneration and Expenses (unaudited)

Name		Position	Remuneration (\$)	Expenses (\$)
Cole	Rachelle	Councillor	16,033.05	1,414.49
Hoar	Jennifer	Councillor	16,758.05	1,377.30
Kemps	Lara	Councillor	15,878.05	882.76
McEwen	Marilyn	Councillor	19,118.59	1,931.86
Noel	Mayco	Mayor	<u>29,336.65</u>	<u>1,064.93</u>
			<u>97,124.39</u>	<u>6,671.34</u>

The Schedule of Council 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

2020 Statement of Financial Information

Schedule of Employee Remuneration and Expenses (unaudited)

Name		Position	Remuneration (\$)	Expenses (\$)
Boysen	Mark	Chief Administrative Officer	146,466.44	1,361.82
Monteith	Donna	Chief Financial Officer	112,693.31	461.00
Greig	Bruce	Manager of Community Planning	106,552.05	1,452.00
Fortune	Abigail	Manager of Parks and Recreation	103,166.22	2,566.71
Cannon	Warren	Manager of Public Works	97,919.96	264.83
Geddes	Richard	Fire Chief	87,929.01	2,369.53
Taron	Brent	Public Works Foreman	84,561.14	134.00
Rotenberg	Joseph	Manager of Corporate Services	83,622.92	130.00
Ashton	Brent	Bylaw Officer	81,202.04	2,653.07
Towgood	John	Planner 1	81,575.35	1,354.21
Nelson	Tamara	Finance Supervisor	76,979.37	-
McDiarmid	John	Utility Operator	75,585.32	99.00
Gudbranson	Barbara	Recreation Programmer	75,385.99	78.75
Aggregate over 75,000			\$ 1,213,639.12	\$ 12,924.92
Aggregate under 75,000			\$ 957,454.25	\$ 9,647.57
Totals (37)			2,171,093.37	\$ 22,572.48

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.

2020: Due to payroll cut-offs and CRA requirements, there was an extra bi-weekly pay period in the above remuneration.

THE CORPORATION OF THE DISTRICT OF UCLUELET
2020 Statement of Severance Agreements

There were no severance agreements in
2020.

THE CORPORATION OF THE DISTRICT OF UCLUELET
2020 Statement of Financial Information

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

Supplier Name	Amount (\$)
A-MAIS TECHNOLOGIES INC.	29,747.93
ACRD	537,911.92
ALBERNI-CLAYOQUOT REGIONAL HOSPITAL DIST	170,919.18
AON REED STENHOUSE INC.	75,694.00
ASSOCIATED ENGINEERING (B.C.) (LTD)	32,007.10
BC ASSESSMENT AUTHORITY	36,588.39
BC HYDRO	277,951.96
BEAVER ELECTRICAL MACHINERY	28,907.20
BUREAU VERITAS CANADA (2019) INC.	25,896.69
CANADA REVENUE AGENCY	610,955.07
CHERNOFF THOMPSON ARCHITECTS	41,918.47
CIBC - VISA CENTRE	103,723.34
DAMS FORD LINCOLN SALES LTD.	104,582.24
DAVID STALKER EXCAVATING LTD.	624,491.40
EBBWATER CONSULTING INC.	151,557.07
FLO	30,759.25
FOUR STAR WATERWORKS	29,152.64
GREATPACIFIC CONSULTING LTD	40,650.31
HOLISTIC EMERGENCY PREPAREDNESS	43,362.32
ICBC	31,137.44
KASSLYN CONTRACTING	164,174.12
KOERS & ASSOCIATES ENGINEERING LTD.	145,597.25
MEC PROJECTS LTD	34,936.61
MID-ISLAND FENCE PRODUCTS LTD.	53,402.58
MISCELLANEOUS CHEQUE	56,533.25
MISCELLANEOUS EFT	51,135.89
MNP LLP	29,905.31
MUNICIPAL PENSION PLAN	388,131.16
OUT OF OUR TREE CUSTOM WOODWORK	32,282.50
PACIFIC CHEVROLET BUICK GMC LTD.	166,083.70
PACIFIC INDUSTRIAL & MARINE LTD	31,091.55
PBX ENGINEERING LTD	28,250.72
SONBIRD REFUSE & RECYCLING LTD.	53,370.36
SUN LIFE ASSURANCE COMPANY OF CANADA	169,015.95
TELUS COMMUNICATIONS INC.	66,860.38
TOFINO DISTRICT OF	39,763.94
TOURISM UCLUELET	262,715.72
UCLUELET CHAMBER OF COMMERCE	34,934.47
UCLUELET CONSUMER'S CO-OPERATIVE ASSN	39,905.25
UCLUELET RENT-IT CENTER LTD	41,043.80
UKEE INFO TECH	84,764.99
URBAN SYSTEMS LTD.	287,305.05
VANCOUVER ISLAND REGIONAL LIBRARY	123,031.76
VFA CANADA CORPORATION	28,905.66
WILD PACIFIC TRAIL SOCIETY	26,647.08
WINDSOR PLYWOOD - UCLUELET DIV.	29,239.67
WORKSAFE BC	45,980.33
YOUNG ANDERSON	68,541.37
Payments Made (Vendors Over \$25000)	5,611,464.34
Miscellaneous Payments (\$25000 and Under)	1,037,198.74
TOTAL Payments	6,648,663.08

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 systems 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

2020 Statement of Financial Information

<u>Payments for the Purposes of Grants Contributions</u>	
Recipient	Amount (\$)
CLAYOQUOT BIOSPHERE TRUST	\$ 1,000.00
FOOD BANK ON THE EDGE	\$ 2,000.00
PACIFIC RIM ARTS SOCIETY	\$ 2,500.00
PACIFIC RIM HOSPICE SOCIETY	\$ 3,000.00
RAINCOAST EDUCATION SOCIETY	\$ 2,000.00
SEA VIEW SENIORS HOUSING SOCIETY	\$ 3,000.00
UKEE PUBLIC MARKET SOCIETY	\$ 2,000.00
WESTCOAST COMMUNITY RESOURCES SOCIETY	\$ 2,000.00
WILD PACIFIC TRAIL SOCIETY	\$ 2,000.00
UCLUELET SECONDARY SCHOOL (SCHOLARSHIP)	\$ 500.00
TOTAL	\$ 20,000.00