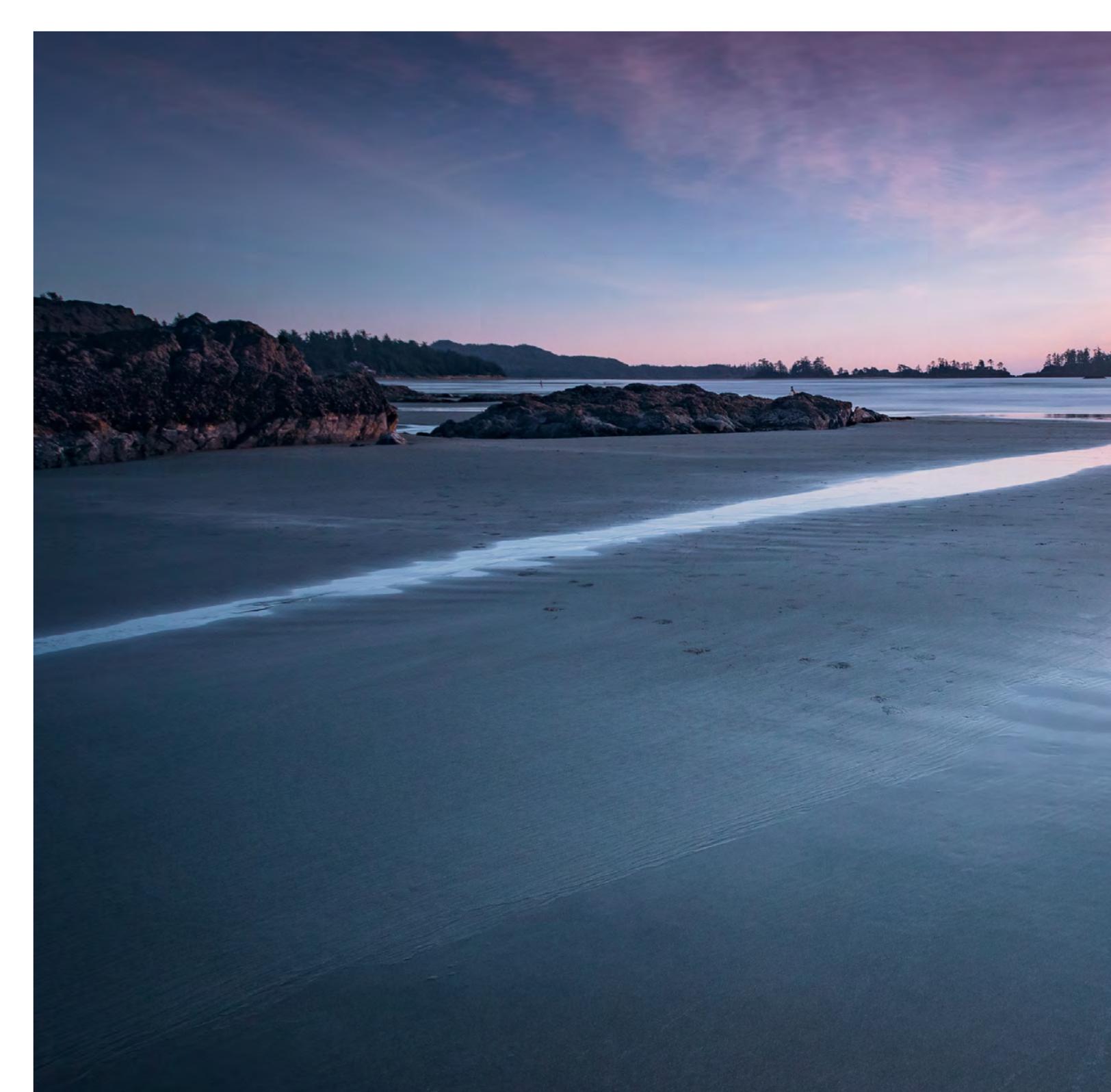


DISTRICT OF UCLUELET

2020 ANNUAL REPORT



DISTRICT OF
UCLUELET



2020 Annual Report
January 1 to December 31, 2020

This document was prepared by the Corporate Services Department, with departmental information provided by each Department Head.



2020 ANNUAL REPORT CONTENTS

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OVERVIEW

2020 ANNUAL REPORT

Our Community, Our Future

The District of Ucluelet is a self-contained community located on the rugged west coast of Vancouver Island within the traditional lands of the Yuułu?it?ath First Nation. Ucluelet has the benefit of a range of assets and amenities relative to its size and although considered to be remote, enjoys excellent physical and digital access to the rest of the world. The community is defined by a deep appreciation for the natural environment and a culture of creativity and resilience. With a strong sense of community, residents rely on one another and take pride in their spirit of partnership and volunteerism.

Despite fluctuations in the economy and local industries over time, Ucluelet has always adapted and thrived. We see a bright future for our community with quality, sustainable infrastructure and services to support a population of all ages, from young families to active retirees who choose to call Ucluelet home. As our community faces demands for growth, we strive to preserve our quality of life and our natural assets while ensuring that future development is aligned with our community's values.

Our Role

The District of Ucluelet provides leadership in the community with emphasis on inclusive and strategic planning for the future. We play a role in unifying the community towards a common vision and communicating with our residents on issues that are important to them and the District. We collaborate with our neighbors to enhance our collective provision of services and to ensure effective advocacy on issues that affect our region. Ultimately, our role is to pursue the aspirations of our community and leave a legacy for future generations.

Our Commitment

- **Lead by example**
- **Own our decisions and the outcomes**
- **Be prepared and informed as we make decisions**
- **Be collaborative with our partners**
- **Have an open mind**
- **Be consistent**

MESSAGE

FROM THE MAYOR



MAYOR MAYCO NOËL

COUNCILLORS

RACHELLE COLE

JENNIFER HOAR

LARA KEMPS

MARILYN MCEWEN



2020 was a difficult year for everyone. The COVID-19 Pandemic presented numerous unprecedented challenges to which residents, businesses, District staff and Council have had to adapt. It is clear to me that we have grown as a community in response, and I look forward to continuing to build on our successes during the final year of my term as Mayor.

Ucluelet grew over the last year. New homes were built, and new residents have joined our community. Our response to this growth and the pandemic shows the resiliency of our community and the exceptional quality of life Ucluelet offers. It also reminds me of the need to protect our quality of life by preserving our natural assets and ensuring that future development, aligns with community needs and values.

I believe the goals set out in the District of Ucluelet Strategic Plan reflect Ucluelet's values and lay a foundation to address the most pressing concerns of residents and businesses. I am proud to say, that despite challenges associated with COVID-19, we are well on our way to implementing our plan. I am most excited about three initiatives in particular:

1. Completing the Land Use Demand study not only identified regional synergies, but was also a critical step toward sustainable growth and addressing affordability issues.
2. Approving zoning for the LOT 13 Marine Drive Affordable Housing Development, which once complete will provide much needed affordable housing to members of our community.
3. Finishing the Health Centre Feasibility Study, which will inform next steps associated with developing a local health centre.

Born and raised in the area, I look to the future with an eye on the past, as our Council continues to help govern the growth, safety, and livability of Ucluelet.

Thank you.

Mayor Mayco Noël

MESSAGE

FROM THE ACTING CAO

As the Acting Chief Administrative Officer, I have had the privilege of experiencing “Life on the Edge” and come to recognize why so many citizens have “roots” here. It is truly a great place to call home. This is a factor in the resilience the community has demonstrated over the last difficult year.

This year has been frustrating for business and has disrupted the routine for citizens. Your staff at the District have worked diligently to maintain services throughout this difficult time and continue to do so. This has been challenging, as so much of our governance has been “virtual”. The adaptation to this new environment was a fast-learning experience for all local governments.

Ucluelet shares many of the issues of larger communities and provides a similar range of services. I invite you to read this report to better understand how your tax dollars are used to improve your community. In addition to the basic services of water, sewer, roads, there are many projects that have added to the amenities utilized by residents and visitors alike. This report also identifies what you can expect from the District in the years to come.

This community offers a fantastic environment, a pride of place and an optimism about the future. My tenure here is short, but in that time I have come to appreciate your great staff and committed Council, who are working together for you.

It’s been a privilege to experience Ucluelet, and I will not only be a future tourist but an enthusiastic advocate for those wishing to live, work or visit. On behalf of all staff thank you for your patience this year and working with me in this great place.

Andy Laidlaw

Acting Chief Administrative Officer

2020 ORGANIZATIONAL STRUCTURE

MAYOR AND COUNCIL

CHIEF ADMINISTRATIVE OFFICER

**DIRECTOR
FINANCE
(CFO)**

**SUPERVISOR
FINANCE**

2 FINANCE
STAFF

**DIRECTOR
COMMUNITY
PLANNING**

PLANNER 1

BYLAW
OFFICER
BUILDING
INSPECTOR

**DIRECTOR
ENGINEERING
SERVICES**

**MANAGER
OPERATIONS**

PW FOREMAN
PW ASSISTANT
FOREMAN
4 STAFF
PARKS FOREMAN
7 STAFF

**MANAGER
RECREATION
& TOURISM**

5 RECREATION
STAFF

**MANAGER
CORPORATE
SERVICES**

CORPORATE/
PLANNING
CLERK

**FIRE CHIEF
EMERGENCY
MANAGEMENT**

ADMINISTRATIVE
CLERK

23 FIRE
DEPARTMENT
MEMBERS

Community Planning

Department Overview

PLANNING DUTIES:

- Prepare long range land use plans and policies
- Process development permits, board of variance referrals, and rezoning and subdivision applications
- Serve the community by responding to a wide range of inquiries and applications related to the use and development of land
- Plan and design improvements for public pathways, roads, trails and open space
- Building Inspection services and permit administration

BYLAW DUTIES:

- Bylaw enforcement and business licensing
- Administer land use bylaws, standards and policies in light of legislation and other approving agency jurisdictions
- Provide public education and respond to inquiries



Department Overview

The Community Planning Department provides professional and technical advice to Council on current and future uses of land in the District and on issues concerning housing, the environment, culture and heritage preservation, transportation, tourism, harbour and managed water uses, and socioeconomic policies. The planning division of this Department is responsible for the administration of zoning, land use and development applications. Community planning, parks and trail network systems, streamside protection, and long-term visions such as the Official Community Plan (OCP) all help to guide the yearly work plans and objectives of this Department. The building, license and bylaw division of this Department maintains the quality of life for the District of Ucluelet's citizens, by ensuring safety through compliance with established building codes and community adopted bylaws. This division also receives and processes complaints and coordinates the bylaw enforcement activities for the District.



2020 COMPLETED PROJECTS

- ✓ Village Green revitalization concepts and costing
- ✓ Village Green grant application
- ✓ Peninsula Road concepts and costing
- ✓ Complete draft update to OCP Bylaw
- ✓ Lot 13 small-lot affordable housing rezoning
- ✓ Flood risk assessment & mapping project
- ✓ West Coast Land Use Demand study

2021 PLANNED PROJECTS

- OCP Bylaw adoption
- West Coast Housing Needs Assessment
- Village Green Phase I design
- Peninsula Road Phase I design
- Development Cost Charges (DCC) Bylaw update
- Secondary Suites/Cottage Dwelling zoning project
- TUP Pilot project - Seasonal Worker RV spaces

2020 COVID-19 RESPONSE

- Liquor Licence approvals - outdoor spaces
- Streamlined Development Permits - outdoor seating
- Pivot Bylaw Ambassador to "COVID Monitor" community awareness program

Parks, Recreation & Tourism

Department Overview

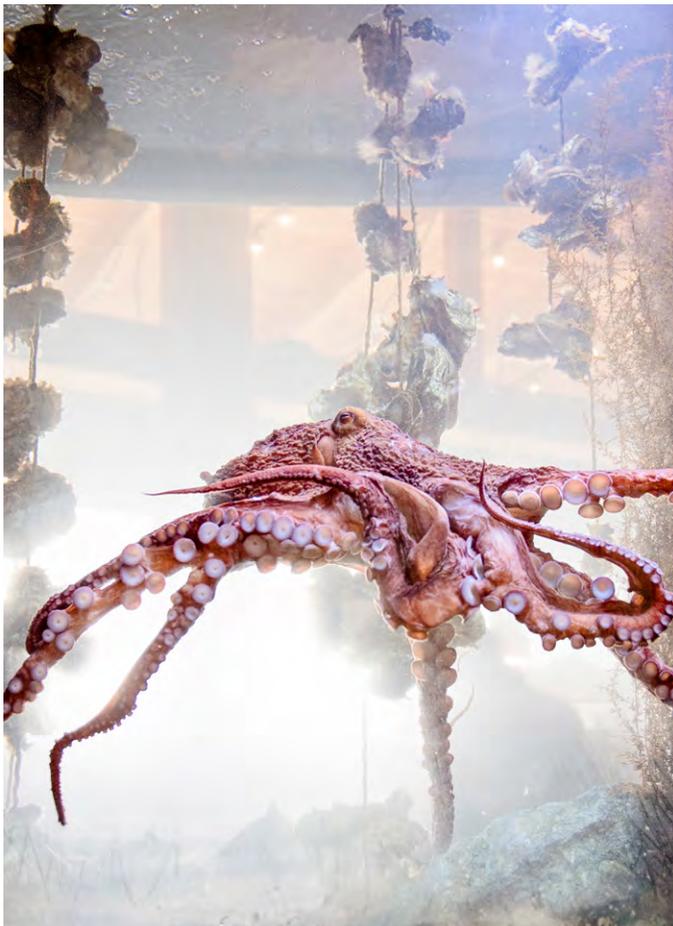
KEY RESPONSIBILITIES:

- Community health & safety
- Community & adaptable programming
- Community special events & partnerships
- Support for Community Services
- Tourism & Recreation facilities and amenities
- Tourism partnerships and planning
- Trails & green space maintenance and planning
- Beautification of green spaces and recreation facilities
- Playground maintenance and planning
- Public Realm Projects (parks, paths, facilities)



Department Overview

The Parks and Recreation Department provides the fundamental building blocks for a healthy and flourishing community. Our focus is to provide excellent and adaptable programs with community involvement and facilities. Ucluelet Parks and Recreation Department is committed to ensuring a high level of excellence in its service to the community and continues to strive to promote an atmosphere of friendly and efficient service. The Department also supports and plans various tourism infrastructure projects with its focus on the Resort Municipality development.



2020 COMPLETED PROJECTS

- ✓ New heritage sign highlighting Seaplane Base
- ✓ Electric vehicle charging station installations
- ✓ Edna Batchelor Park improvements
- ✓ Aquarium water fountain install
- ✓ Wild Pacific Trail maintenance e-bike

2021 PLANNED PROJECTS

- Amphitrite Lightkeeper's House Phase II
- Amphitrite Centre application to BC Front Counter
- Wayfinding program
- Tourism Master Plan
- Additional heritage signage
- Repair and refurbish community signs
- Lighting skatepark and basketball court
- Edna Batchelor Park pathway
- Cemetery expansion
- Wild Pacific Trail planning and design

2020 COVID-19 RESPONSE

- Online recreational programming
- Virtual special events
- Recreation Recreated online platform for community support and activity

Fire & Emergency Services

Department Overview

KEY RESPONSIBILITIES:

- Response to callouts for fire, rescue, motor vehicle incidents and medical first responder calls in Ucluelet and contracted areas
- Fire prevention and public education
- First safety inspections
- Community emergency preparedness
- Emergency Support Services (ESS)
- Ucluelet Emergency Network (UEN)
- Emergency Operations Centre (EOC)



Department Overview

The Fire and Emergency Services Department supports and maintains community emergency management through mitigation, preparedness, response, and recovery. Ucluelet Fire Rescue (UFR) has been providing fire services for the community of Ucluelet since 1949. Each year UFR responds to an average of 150 callouts for fire, rescue, motor vehicle incidents, and medical first responder calls.

The Emergency Support Services (ESS) team of volunteers is responsible for coordinating the provision of shelter, food, clothing, transportation, medical services, and reunification services to victims of emergencies and disasters for up to 72 hours.

The Ucluelet Emergency Network (UEN) is a multi-jurisdictional emergency planning committee that consists of representatives from the District of Ucluelet, Ucluelet Fire Rescue, BC Emergency Health Services, Canadian Rangers, Emergency Support Services, Pacific Rim National Park, RCMP, Royal Canadian Marine Search & Rescue, School District #70, Toquaht Nation, West Coast Inland Search & Rescue and **Yuułuʔiłʔatḥ** Government (Ucluelet First Nation).

2020 COMPLETED PROJECTS

- ✓ Fire Hall and EOC Upgrades
- ✓ Emergency Operations Centre training
- ✓ Installation of the first two Tsunami Warning System sirens
- ✓ Emergency Support Services disaster hub trailer project funded through UBCM grant money

- ✓ Addition to the District's emergency operations centre capacity through UBCM grant money
- ✓ Air brakes training course which is the first step in establishing 9 new apparatus operators for the fire department
- ✓ Upgrades to fire department rescue tools through the purchase of electric tools (ie: jaws of life)

2021 PLANNED PROJECTS

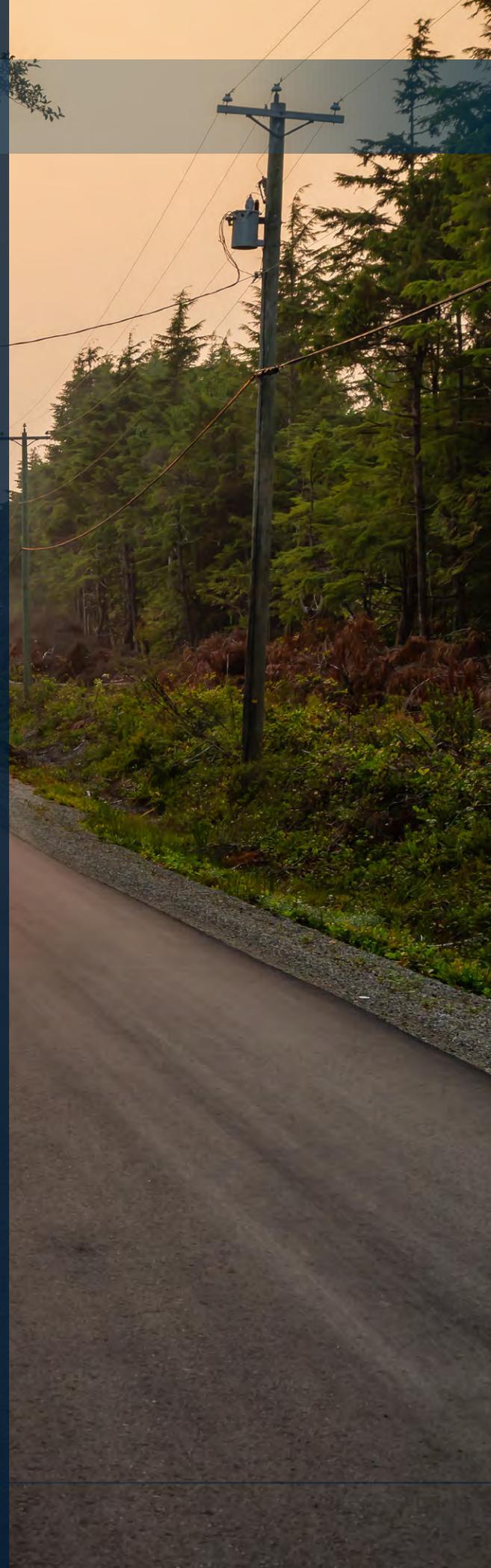
- Establishment of the District of Ucluelet evacuation route plan
- Tugwell Field Emergency Kiosk #2 completion
- Successful grant application through the Fire Chiefs Association of BC that will provide 30 hours of technical rope rescue training to the fire department
- Fire Hall feasibility study completion
- Fire Hall roof repairs
- Installation of an emergency generator at the high school
- Renewing the fire services agreement with the **Yuułuʔiłʔatḥ** Government. The updated agreement will provide more services to the **Yuułuʔiłʔatḥ** Government and will increase revenues to the District of Ucluelet
- Establishment of a fire service agreement with **Toquaht** Nation which will transfer the ownership of the District of Ucluelet's retired mini-pumper truck to **Toquaht** Nation. This agreement will also provide on-going training and support to **Toquaht** Nation
- Establishment of a partnership with the Canadian Red Cross to oversee the Ucluelet ESS Team
- Continuation of the fire safety inspection program
- EOC training through Emergency Management BC (EMBC)

Public Works (Water/Sewer/ Roads)

Department Overview

KEY RESPONSIBILITIES:

- Maintenance of municipal roads, sidewalks and public garbage containers
- Record keeping of municipal infrastructure and facilities
- Ongoing staff training on water and sewer systems and grounds maintenance
- 24-hour emergency services for the community
- Maintenance of sewer systems to meet Federal and Provincial standards
- Water distribution and treatment system
- Maintenance of water systems to meet Provincial standards



Department Overview

The Ucluelet Public Works department is on call 24/7, 365 days a year, to ensure the community infrastructure is in good working order, to enhance the community's health, safety, and overall quality of life.

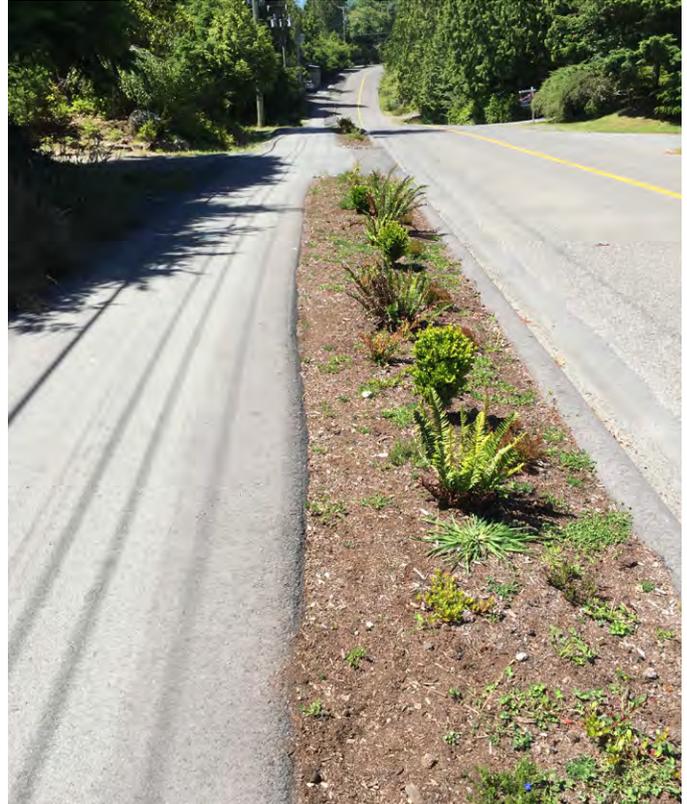
In addition to daily infrastructure, facility maintenance, and long-term infrastructure planning, the Public Works department takes on a number of key projects each year.

2020 COMPLETED PROJECTS

- ✓ Well #4 upgrade
- ✓ SCADA water
- ✓ Bay Street duplex elimination
- ✓ Installation of speed humps using Gas Tax Funding

2021 PLANNED PROJECTS

- Well #3 Upgrade
- SCADA water/sewer
- Bay Street duplex elimination (lighting)
- New Water Filtration/Reservoir
- Sewer Master Plan
- Storm Master Plan
- Lagoon Aeration
- Sea Plane Base sewer
- Installation of further speed hump and raised crosswalk using Gas Tax Funding



Finance/ Corporate Services

Department Overview

KEY RESPONSIBILITIES:

Finance Services:

- Financial planning and budgeting
- Financial reporting and fiscal management
- Procurement and purchasing
- Treasury and taxation
- Manage business licensing
- Accounting for transactions
- Support services to all departments

Corporate Services:

- Corporate leadership and administrative support to Council and Chief Administrative Officer
- Management, information and support services to Council, Committees, and Boards
- Information technology services, legislative services, communications, human resources and records management
- Freedom of information, land acquisitions, legal and risk management



Department Overview

The Finance and Corporate Services department's primary responsibility is to maintain the business foundation of the District. Its objective is to provide accurate, timely information and support to the community, District departments, and Council. The department invests a considerable portion of time and resources to Council-decision support and managing the financial, administrative, and legislative responsibilities of the District of Ucluelet. Additionally, the department provides Human Resources services and IT-related support to improve the effectiveness of internal and external communications, as well as exploring and incorporating technology-based information management and reporting tools to ensure accountability and transparency in all of the District's practices.



2020 COMPLETED PROJECTS

- ✓ Climate Adaptation Plan
- ✓ Ucluelet Health Centre Feasibility Study
- ✓ Indigenous awareness training
- ✓ SewerWorth implementation
- ✓ IP phone system integration
- ✓ Council Procedure Bylaw update

2021 PLANNED PROJECTS

- Complete Bylaw/Policy Gap Analysis
- District server update and migration
- Continued Indigenous awareness training
- CAO hiring
- AAP for Water Capacity and Filtration Improvements Project
- Asset Management and Facilities Master Plan
- Sewer Worth Implementation completion

2020 COVID-19 RESPONSE

- Regular COVID-19 related communications
- Enhanced virtual Council meeting and public hearing processes
- COVID-19 related HR policies and protocols



Hello Nature Adventure Tours
KAYAKING & HIKING TOURS
Half/Full/Multi-day

EMERSON - TORONTO & OCAVILLE & C.
730 725 9354
1844 708 2721
adventure@helnature.com
www.helnature.com

Small Craft Harbour

KEY RESPONSIBILITIES:

- Support of Commercial Fisheries
- Support of Recreational Fisheries & businesses
- Provision of safe, clean, and clear dock ways
- Support of navigable waterways
- Beautification of assets
- Environmental health & safety
- User education

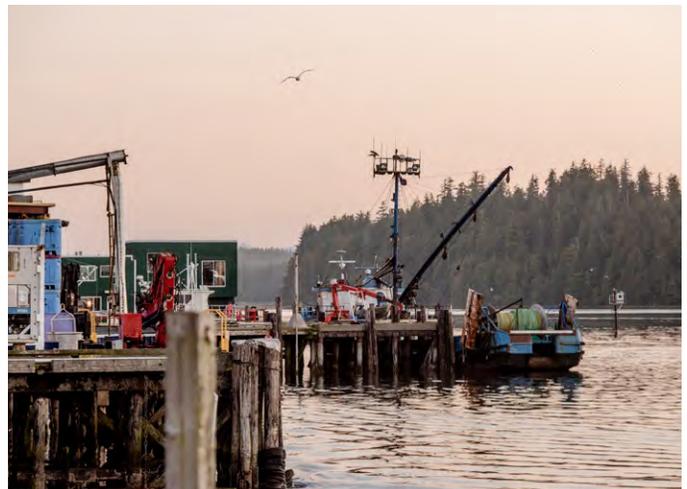
Ucluelet's Small Craft Harbour is the West Coast's most comprehensive marine facility. Our Small Craft Harbour is a classic example of a true working harbour, situated on the outskirts of Barkley Sound. The jurisdictional boundary for the District of Ucluelet extends approximately 200 metres into the Pacific Ocean surrounding the Ucluth Peninsula. The facilities include, the Boat Basin, Whiskey Dock and 52 Steps and are all within walking distance of the village center. Small Craft Harbour is overseen by the Ucluelet Harbour Authority and the Department of Fisheries and Oceans.

2020 COMPLETED PROJECTS

- ✓ Harbour Master Plan public input
- ✓ New pilings at Whiskey Dock
- ✓ Small Craft Harbour beautification work
- ✓ Weigh Station and signage
- ✓ Defibrillator for Small Craft Harbour

2021 PLANNED PROJECTS

- Harbour Master Plan
- Additional new pilings at Whiskey Dock
- Small Craft Harbour beautification work
- Washroom painting and upgrade
- Cleaning station education signage
- Whiskey Dock ramp
- Asphalt pathways
- Boat launch design
- EV charger install





Sustainability and Climate Action

In March of 2019, Ucluelet adopted its first Climate Action Plan, which set ambitious 2050 targets of 100% Renewable Energy and 80% reduction in Greenhouse Gas (GHG) emissions. Funded by the FCM Municipalities for Climate Innovation Program, the plan includes an inventory of community emissions, goals to achieve the targets, and strategies to achieve those goals. This effort led to the awarding of FCM Partners for Climate Protection (PCP) Milestone 4 and Milestone 2 for action community and corporate emissions, respectively.

Ucluelet has moved forward on other important climate action initiatives including:

- ✓ The District purchased four dual port Level 2 EV charging stations and supported community efforts that will result in a total of nine Level 2 charging locations and two DC fast-charging stations installed in 2020.
- ✓ Ucluelet completed its flood risk mapping study.

In January of 2021, Ucluelet adopted its first Climate Change Adaptation Plan. After conducting detailed risk assessments to identify current and future climate impacts to the coastal community, the completed plan will now be integrated into the District's workplans. This project was funded under the ICLEI Changemakers Project.

Please visit our Sustainability and Climate webpage at ucluelet.ca to view our Climate Action Adaptation Plan and 100% Renewable Energy Plan - Clean Energy for the Safe Harbour.



Barkley Community Forest

The District of Ucluelet is fortunate to partner with the Toquaht Nation as joint shareholders of the Barkley Community Forest Corporation (BCF). After many years of dedicated commitment to the development of the Barkley Community Forest, the first harvesting began in 2017. Led by a dedicated Board of Directors, the Corporation worked with the Ministry of Forests, Lands and Natural Resource Operations to identify suitable lands that could be managed sustainably for the long-term benefit of both communities.

In 2020, the benefits for this partnership have been realized with the District receiving an amazing \$458,000 in dividends, generated from the Barkley Community Forest. Council has looked to ensure this financial benefit be used to enhance the community for the benefit of its residents and in 2020 BCF dividends were used to fund the construction of two Tsunami Sirens and the completion of the Ucluelet Health Centre Feasibility Study.

For more information about the Barkley Community Forest, please visit barkleyforest.ca



Financial Statements

District of Ucluelet

December 31, 2020



Management's Responsibility

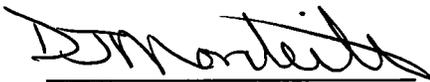
The accompanying consolidated financial statements of the District of Ucluelet (the "District") are the responsibility of management and have been prepared in compliance with applicable legislation, and in accordance with generally accepted accounting standards for local governments as established by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



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 |
| | \$ 14,700,657 | \$ 12,508,552 |
| 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 |
| | \$ 5,792,471 | \$ 4,356,530 |
| Net Financial Assets | \$ 8,908,186 | \$ 8,152,022 |
| 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 |
| | \$ 41,352,643 | \$ 40,941,528 |
| Accumulated Surplus (Note 12) | \$ 50,260,829 | \$ 49,093,550 |
| Commitments and contingencies (Note 17) | | |
| Significant event (Note 21) | | |



Chief Administrative Officer

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 |

District of Ucluelet
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2020

| | <i>2020 Budget (Note 18)</i> | 2020 | <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 |

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) |
| | \$ 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 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.

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 |

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.

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.

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 Initiative | \$ 569,345 | \$ 6,363 | \$ 481,274 | \$ 46,361 | \$ 1,010,621 |
| Other | 71,518 | - | 74,028 | 77,747 | 67,799 |
| | \$ 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 |
| Storm water | 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 |

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).

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 |
|----------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Barkley Community Reserve | \$ 3,035,969 | \$ 24,171 | \$ 458,000 | \$ 552,121 | \$ 2,966,019 |
| Community Works Fund | 1,441,540 | 10,843 | 127,431 | 328,885 | 1,250,929 |
| COVID-19 Safe Restart fund | - | - | 764,000 | 213,486 | 550,514 |
| Small Craft Harbours | 365,824 | 2,846 | 45,000 | 72,864 | 340,806 |
| Affordable Housing | 134,175 | 3,544 | 608,061 | - | 745,780 |
| Land sale | 62,154 | 359 | - | - | 62,513 |
| Social Recreation | 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 |

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 |
| | 3,335,494 | 3,177,951 |
| 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 | - | - |
| | 2,065,182 | 2,090,135 |
| Total taxes collected | \$ 5,400,676 | 5,268,086 |

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 | \$ 26,267 | \$ 25,656 |

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.

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

| 2020 | Land | Buildings | Vehicles and equipment | Other structures | Roads | Drainage structures | Water structures | Sewer Structures | Work in progress | Total 2020 |
|---------------------------------|---------------|---------------|------------------------|------------------|--------------|---------------------|------------------|------------------|------------------|---------------|
| Cost | | | | | | | | | | |
| 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 | 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 |

Schedule 2

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 | 1,762,570 |
| Grants and contributions | 1,423,624 | 22,352 | 7,000 | - | 53,336 | - | - | 1,506,312 |
| Investment income | 61,814 | - | - | - | - | - | - | 61,814 |
| Other revenue from own sources | 567,758 | 17,439 | - | 213,954 | 366,338 | 6,990 | 6,835 | 1,179,314 |
| | 5,145,935 | 39,791 | 349,643 | 318,646 | 625,652 | 759,037 | 606,800 | 7,845,504 |
| Expenses | | | | | | | | |
| Salaries and wages | \$ 746,459 | \$ 209,419 | \$ 292,678 | \$ 251,038 | \$ 838,826 | \$ 241,963 | \$ 142,519 | \$ 2,722,902 |
| Contracted services | 78,859 | 29,751 | 282,701 | 196,516 | 75,558 | 82,589 | 65,369 | 811,343 |
| Materials and supplies | 39,533 | 75,456 | 144,651 | 8,585 | 139,449 | 35,437 | 108,153 | 551,264 |
| Interest and other | 299,797 | 78,868 | 33,549 | 105,228 | 427,350 | 17,871 | 3,039 | 965,702 |
| 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 | 643,553 | 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 | 384,071 | 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 | 1,255,293 | 736,958 | 699,776 | 8,499,436 |
| Expenses | | | | | | | | |
| Salaries and wages | \$ 867,080 | \$ 169,124 | \$ 262,706 | \$ 224,960 | \$ 735,590 | \$ 163,356 | \$ 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 | 756,551 |
| 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 | - | - | 35,591 | - | - | - | 97,559 |
| Telephone and utilities | 62,129 | 23,134 | 77,439 | - | 59,838 | 61,420 | 56,902 | 340,862 |
| 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 | 549,357 | 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 |



Permissive Tax Exemption

| ORGANIZATION NAME | 2020 MUNICIPAL TAXES |
|--|-----------------------------|
| Christ Community Church of Ucluelet | \$5,666.88 |
| Bishop of Victoria | \$2,839.39 |
| Ucluelet Congregation of Jehovah's Witnesses | \$2,796.02 |
| Food Bank on the Edge | \$1,186.84 |
| Westcoast Community Resources Centre | \$1,648.44 |
| Westcoast Community Resources Centre | \$1,597.63 |
| Nuu-Chah-Nulth First Nations | \$551.22 |
| Ministry of Child and Family Development | \$551.22 |
| Vancouver Island Regional Library | \$3,848.11 |
| Ucluelet Daycare Society | \$1,909.26 |
| Army & Navy Airforce Veterans - Ucluelet Unit #293 | \$2,814.48 |
| Ucluelet Aquarium Society | \$23,621.10 |
| KUU-US Crisis Line Society | \$1,558.18 |
| Ucluelet Consumers Co-operative | \$3,803.30 |

ADMINISTRATION OFFICE

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