



DISTRICT OF
UCLUELET



2023 Annual Report

2023 Annual Report



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2023 Annual Report
January 1 to December 31, 2023

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

Photography Mike Dandurand, Jen McLeod, and District of Ucluelet Staff

Overview

2023 Annual Report

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 regional issues. Ultimately, our role is to pursue the aspirations of our community and leave a legacy for future generations.

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 territory of the Yuułu?it?ath. Ucluelet has the benefit of a range of assets and amenities relative to its size and although remote, enjoys excellent physical and digital access to the rest of the world.

Ucluelet is a resort municipality with primary resource industry roots and a rich first nations history. This unique blend is valued by visitors, residents, and businesses that choose Ucluelet.

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, volunteerism, and entrepreneurship.

Despite changes in the economy and local industries, Ucluelet continues to adapt and thrive. We see a bright future for our community with quality, sustainable infrastructure and services to support a diverse population of residents and visitors.

As our community faces demands for growth, we strive to preserve our quality of life, historic character, and our natural assets while ensuring that future development is aligned with our community's values.



Message from the Mayor

In 2023, the Ucluelet Council and staff undertook an ambitious year of progress, launching several significant projects throughout the community. Many of these initiatives were made possible through partial or full grant funding, enabling the town to address critical infrastructure gaps and embark on a strategic path to tackle the pressing housing needs crisis.

Some of our more significant projects included:

- Construction of the Amphitrite House project was initiated
- Larch Road Multi-Use Path and Peninsula Road Safety & Revitalization projects were finalized with construction set to commence in 2024
- The Village Green Revitalization project was completed, with the new playground set to be installed in 2024

Our housing initiatives included:

- Ucluelet sought funding through the Housing Accelerator Fund to enhance operational efficiencies in the approval process for new housing projects
- Council focused on improving efficiencies in housing development approvals by adding a new planning position, anticipating substantial progress in 2024 with this added support for the planning department
- Council endorsed the proposal for a supportive housing development, and staff are actively working to secure funding for five supportive housing units on District-owned land
- Council continued to collaborate with developers to address critical housing challenges, ensuring that new developments create an optimal housing mix for Ucluelet residents
- Council persisted in addressing Ucluelet’s critical housing challenges, including responding to new B.C. legislation introduced in the fall to address the urgent housing demands

The District has recognized the challenges posed by aging infrastructure, particularly on the east side of the peninsula, and is committed to fully funding the replacement and renewal of this critical infrastructure over the next few years to support future development.

The Cameron Bluffs wildfire in June of last year led to a complete closure of Highway 4 for 17 days, followed by single-lane alternating traffic for the final week of June and throughout July and August. This event underscored the inherent vulnerability of having a single access route to the coast, exposing the community to a range of risks, including a significant loss of business. In response, regional committees have been working closely with the Province to explore viable

solutions for establishing a secondary access road to the coast, with the goal of accomplishing this in 2024.

Reflecting on 2023, our accomplishments are numerous, yet they represent only the beginning in addressing the pressing housing and infrastructure challenges we currently face. Council’s priorities will remain firmly focused on these critical areas, while also seizing opportunities to foster economic diversity, ensuring a vibrant and resilient community in the years ahead.

I encourage all residents to subscribe to the District’s Ukee Mail to stay informed and engaged with our community. Council meetings are available for in-person attendance, via Zoom, or for later viewing on YouTube, offering flexible opportunities for participation and keeping everyone connected.

Marilyn McEwen
Mayor



Top
Councillor Ian Kennington
Councillor Mark Maftai
Councillor Shawn Anderson

Bottom
Mayor Marilyn McEwen
Councillor Jennifer Hoar

Message from the CAO

2023 was a year dedicated to deepening our understanding of Ucluelet’s infrastructure investment needs. It was also a year marked by the commencement or completion of several key projects and objectives that were initiated both before and during the pandemic. Notable milestones included the start of construction on Phase One of the Amphitrite House project and the completion of the Village Green Revitalization & Expansion project. Additionally, plans were finalized for the Peninsula Road Safety & Revitalization, Larch Road Multi-Use Path, and the Peninsula Road Storm System Replacement projects. All of these initiatives are set for completion in the spring or early summer of 2024.

Since its incorporation in 1952, much of Ucluelet’s original infrastructure has reached or exceeded its expected lifespan, necessitating significant upgrades. With the completion of our updated master infrastructure plans, we now possess a comprehensive understanding of the community’s infrastructure needs and the investment required in the years ahead.

Looking ahead to 2024, our focus will shift toward developing a strategic infrastructure redevelopment plan that leverages grant funding, new development investments, and tax revenues to address long-term infrastructure demands. This plan will also facilitate the expansion of housing and commercial developments. Additionally, the District will continue to prioritize several key areas, including ongoing investment in critical infrastructure, advancing the development of affordable and attainable housing options, and implementing necessary changes as mandated by the provincial government to alleviate housing shortages.

Thank you for reviewing Ucluelet’s annual report and gaining an overview of the activities and initiatives that were completed or initiated over the past year.

Duane Lawrence
Chief Administrative Officer

Organizational Structure



Council's Strategic Priorities

During the Strategic Priorities Setting Session in March 2023, Council considered local conditions, issues, and opportunities to establish the following Strategic Topics for Council's term:

Affordable Housing & Affordability

Maintain the livability of the community, through the creation of diverse housing options and ensure we meet the future needs of our existing and future residents while managing the impacts of increased tourism and development.

Infrastructure & Asset Management

Adequately fund, service and maintain existing infrastructure while investing in high quality, resilient infrastructure that supports the future needs of the community.

Emergency Management Services

Ensure the community, residents and the District, are prepared for and able to support its residents and visitors during future climate related and general emergencies.

Service Delivery Capacity & Fiscal Responsibility

Provide the right level of service that balances the needs of residents and tourism while working towards balancing the costs of those services between residents and visitors.

Sustainable Economy

Create an environment that encourages and is open to the development of high-quality business opportunities.

Community to Community Collaboration

Ucluelet is committed to working with all West Coast communities proactively and collaboratively to ensure growth and development are undertaken purposefully and with understanding of future impacts.

Environmental Protections

Understanding and investing in the future of our Natural assets and protecting the lands and waters that surround Ucluelet are essential to the well being of the community.

Recreation Opportunities

Invest in the development and maintenance of our natural recreation amenities and indoor and outdoor venues, to provide quality and diverse recreation opportunities.

Action items were identified for each Strategic Topic and included in the annual work plan for all departments. The result is the Strategic Priorities Summary which outlines the current priorities District staff work towards in support of Council's Strategic Priorities. The Strategic Plan is a living document amended by Council as priorities shift and when actions are complete.

The Strategic Topics are the District's 2023 and 2024 objectives, and the District's ability to complete corresponding actions is the measure of its success. To view Council's Strategic Priorities Summary and Council's Strategic Plan visit Ucluelet.ca/Council

How are Projects Funded?

District projects are funded through internal and external funding sources. District taxpayers provide internal funding through fees and property taxes. External funding is derived from grants, provincial funding sources like the Resort Municipality Initiative, and dividends issued by Barkley Community Forest.

Externally funded projects have limited financial implications for District taxpayers. For example, funding for the Amphitrite House project is derived exclusively from the Resort Municipality Initiative, and grants through the Investing in Canada Infrastructure Program and Tourism Vancouver Island. As a result, the financial impact of this project on District taxpayers is limited to the staff time required to oversee the project.

In contrast, projects that are financed entirely internally, or through a mix of internal and external funding sources, have a greater proportional impact on taxpayers. For example, The District of Ucluelet's new self-contained breathing apparatus for the volunteer firefighters is entirely funded through tax dollars and the Water Treatment System Upgrade project will be funded through tax dollars, service fee increases, borrowing, and the Investing in Canada Infrastructure Program's Green Infrastructure Stream.

The District is committed to minimizing the impact on taxpayers by aligning major capital projects with available grant funding opportunities whenever possible. There are occasions when certain projects or essential systems, such as water and sewer infrastructure, require timely replacement and may not be eligible for grants. In these instances, the District seeks to utilize

the most efficient funding strategies to minimize impacts on taxpayers. Amidst high interest rates, the District is focused on minimizing debt to reduce borrowing costs. However, with interest rates expected to decrease in the future, long-term borrowing may become a more advantageous option.

Throughout this Annual Report project funding sources will be identified using the following symbols:

1. ! = project funded through grant
2. @ = project completed in house by Staff with no additional tax or service fees required
3. \$ = project funded through additional taxation or service fees
4. * = project funded through provincial funding sources like the Resort Municipality Initiative
5. BCF = project funded by Barkley Community Forest dividend
6. SCH = funding provided by revenues generated by the Small Craft Harbour



Key Responsibilities

Planning Duties

- Prepare long range land use plans and policies
- Process development permits, board of variance referrals, 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 within Ucluelet and insight into 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 policy such as the Official Community Plan (OCP) bylaw, keeping these all current to reflect community priorities guides 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 the community’s adopted bylaws. This division also receives and processes complaints and coordinates the bylaw enforcement activities for the District.

2023 Completed Projects

- Canada Mortgage and Housing Corporation (CMHC) - Rapid Housing Initiative grant - @*
- 1300 Peninsula Road - Supportive Housing design - @*
- BC Housing - Community Housing Fund grant - @*
- CMHC - Housing Accelerator Fund grant - @

2024 Planned Projects

- Zoning amendments to comply with Provincial housing legislation - @
- Development Application Procedures bylaw update - @
- Subdivision & Development Standards bylaw update - !
- Ucluelet Housing Needs Report update - @
- Revisit OCP growth analysis - @
- OCP amendments to reflect updated housing projections - @
- Small Scale Multi-Unit Housing bylaw amendments - @
- Terms of Reference for environmental studies - @!



Key Responsibilities

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

Department Overview

The Parks & Recreation Department provides the fundamental building blocks for a healthy and flourishing community. Our focus is to provide excellent, accessible programs through community involvement and outstanding facilities. The Ucluelet Parks & Recreation Department is committed to providing a high level of excellence in its service to the community, and continues to strive to promote an atmosphere of friendly, effective, and inclusive service. The Department also supports and plans various tourism infrastructure projects with its focus on the Resort Development Strategy.

2023 Completed Projects

- Winter Lights Beautification project - *
- Wild Pacific Trail bridge replacement - \$
- Alder Park kayak launch - *
- Ucluelet Community Centre exterior painting - \$

2024 Planned Projects

- Parks & Recreation Master Plan - (reserve fund funded)
- First Nation tourism projects & planning - *
- District of Ucluelet accessibility policy - @
- Brown’s Beach and He-Tin-Kis public washrooms - !
- Tourism metrics - *
- Hard sports study & facility design - BCF
- Inner harbour pathway - SCH *
- Village Green playground install - *
- Wayfinding signage installation - *
- Ucluelet heritage signage - *



Department Overview

Ucluelet Fire Rescue (UFR) has been providing fire services for the District of Ucluelet and contracted areas since 1949. 2023 was the fire department’s busiest year on record as the upward trend in call volume continues.

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

The Ucluelet Emergency Planning Committee is comprised of representatives from agencies in the Ucluelet area that may prepare, respond, recover, and mitigate emergency events. The committee’s purpose is to facilitate communication, provide coordination amongst partner agencies, and support emergency management training and exercises throughout the region.

Key Responsibilities

- Response for fire, rescue, motor vehicle incidents, and medical first responder calls in Ucluelet and contracted areas
- Fire prevention and public education
- Fire safety inspections
- Community emergency preparedness
- Emergency Support Services (ESS)
- Ucluelet Emergency Program (UEP) oversight
- Emergency Operations Centre (EOC) training and activations

2023 Completed Projects

- Hiring of a fulltime Deputy Fire Chief - \$
- Three new recruits were added to the team and immediately began the firefighter certification program - @
- Completion of the community assembly area/emergency kiosk at Tugwell Field - BCF
- Joint EOC training with Alberni Clayoquot Regional District and District of Tofino - !
- Proactive fire safety inspection program was initiated - @
- EOC Essentials training course for Ucluelet Emergency Program staff and volunteers - !
- Continued joint wildfire training with Parks Canada and the District of Tofino - @
- High Ground Hike community evacuation drill and emergency preparedness fair - @
- National Fire Protection Association (NFPA) 1001 certification for firefighters - \$
- Fire officer development training - @
- Recruit training for three new firefighters - @

2024 Planned Projects

- Replacement of the electronic components for the Cedar Rd. tsunami warning system - !
- Purchase of eight sets of firefighter turnout gear that will provide a backup set for each firefighter - !
- Replacement of the fire department’s self-contained breathing apparatus - \$
- Design of a new firehall - \$
- Safety repairs to the firehall - \$
- Heat pump installation for the firehall - \$
- Completion of the community assembly area/emergency kiosk at Tugwell Field - BCF
- Completion of fire safety inspections for all restaurants in Ucluelet - @
- Community Evacuations course for Ucluelet Emergency Program staff and volunteers. Funded through a UBCM grant - !
- Joint wildfire training with Parks Canada and the District of Tofino - @
- High Ground Hike community evacuation drill and emergency preparedness fair - @
- National Fire Protection Association (NFPA) 1001 certification for firefighters - \$
- Fire officer development training - \$
- Recruit training for three new firefighters - \$
- Updating of fire services and emergency support services agreements with ACRD - \$
- First Responder license scope of practice endorsements - \$



Key Responsibilities

- Management and maintenance of the municipal water, wastewater, and storm networks, as well as all District roads, sidewalks, street-lights, facilities, and fleet
- Infrastructure support and development for the District’s growing utilities needs
- 24-hour emergency services for the community’s public works

Department Overview

The Ucluelet Public Works Department is on call 365 days a year to ensure the community’s infrastructure is in a state of good repair, and provide necessary services to residents, visitors and businesses.

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

2023 Completed Projects

- Village Green Revitalization project - !*\$
- Lot 16 Matterson Drive Development off-site sanitary and water servicing upgrades
- Sanitary bypass project for Victoria Road lift station assessment - \$
- Tender process initiated for submarine water supply line replacement project - *\$
- Annual water supply line flushing - @
- New fleet storage structure at Public Works yard - \$
- Commencement of refurbishing old light keeper’s residence at Amphitrite Point Park into a new public facility - !*
- Begin refurbishing of Imperial Lane lift station - \$

2024 Planned Projects

- Water treatment facilities design tender - !\$
- Peninsula Road design and construction - !\$*
 - Safety and Revitalization Project
 - Storm system design and replacement
 - Highway resurfacing
- Larch Road multi-use path design and installation - !\$
- Final installation of new playground structure at the Village Green completing the revitalization project - !*\$
- Finish construction of the new public facility at Amphitrite House - !*
- Finalize Imperial Lane lift station rebuild - \$
- Installation of new sanitary line to reduce system capacity on Norah and Rainforest Drive - \$
- Ongoing implementation and advancement to the District’s long-term infrastructure master plans for sanitary, water and storm.

Key Responsibilities

Finance Services

- Financial planning and budgeting
- 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 and Committees
- Information technology services, legislative services and records management
- HR and communications
- Freedom of information, land acquisitions/disposition and legal/ risk management

Department Overview

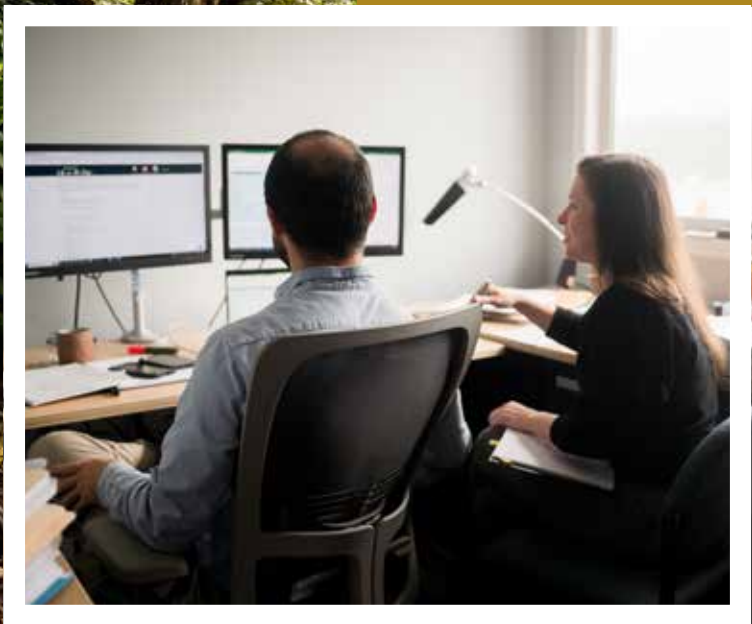
The Finance and Corporate Services Department’s primary responsibility is to maintain the business foundation of the District. Its objective is to provide accurate, timely information and support to the community, District departments, and Council. The department invests a considerable portion of time and resources to Council-decision support and managing the District’s financial, administrative, and legislative responsibilities. Additionally, the department provides IT-related support to improve internal and external effectiveness and holds the communications and human resources portfolios.

2024 Planned Projects

- 20-year Capital Plan
- Development Cost Charges (DCC) bylaw update
- Ongoing bylaw and policy updates - @
- Municipal website rebuild - \$
- Collective Bargaining - @, \$
- Alternative approval process for future Food Bank on the Edge site - @

2023 Completed Projects

- Privacy Management Program - @
- Council Code of Conduct - @
- George Fraser Room audio visual upgrades - !
- Accessibility Committee establishment - @



Department Overview

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 which are all within walking distance of the village center.

The Small Craft Harbour is overseen by the Ucluelet Harbour Authority and the Department of Fisheries and Oceans.

2023 Completed Projects

- Small Craft Harbour beautification work - @
- Cleaning station education signage - SCH
- New pilings at Whiskey Dock - SCH
- Inner Boat Basin Pathway application to the province - *

2024 Planned Projects

- 52 Steps upgrade - SCH
- Fish Cleaning Station upgrade - SCH
- Small Craft Harbour beautification & upgrade - @
- Boat launch design - SCH
- Whiskey Dock expansion - SCH

Key Responsibilities

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



Overview

As a signatory member to the BC Climate Action Charter, Ucluelet has been working towards local and provincial climate resiliency goals for over two decades. Local governments play a critical role in establishing and implementing place-based climate adaptation, environmental protection, and clean energy plans and programs.

In March of 2019, Ucluelet adopted its first Climate Action Clean Energy Plan. Funded by the Federation of Canadian Municipalities (FCM) Municipalities for Climate Innovation Program, the plan focuses on goals and strategies to achieve carbon neutrality. Ucluelet continues to work towards targets to reduce emissions by 40% by 2030, as well as reduce emissions by 80% and shift to 100% renewable energy by 2050.

In January of 2021, Ucluelet adopted its first Climate Change Adaptation Plan after conducting risk assessments to identify current and future climate impacts. This project was funded under the International Council for Local Environmental Initiatives Changemakers Project.

Shortly after, the 2022 Official Community Plan was adopted, which contains over 100 policies and eight maps aimed to inform decision making that effectively protects the environment and adapts to a changing climate through regional collaboration, land-use and infrastructure management, education and outreach, and community initiatives.

2023 Projects and Progress:

- Ucluelet continued to participate in regional discussions including the Clayoquot Biosphere Trust Regional forum on environmental stewardship and sustainable development, as well the Coastal Food Round Table on food security emergency planning.
- Throughout 2023, Ucluelet built momentum for the expansion of local and regional public and active transportation options, which ultimately led to the adoption of the Peninsula Revitalization Project and extension of the Multi-Use Path along Larch Road.
- Throughout 2023, Ucluelet processed six environmental development permits, safeguarding sensitive environmental areas and supporting sustainable development.
- Ucluelet completed annual reporting to the Province for the Local Government Climate Action Initiative Program, and in turn received monetary support for climate resiliency initiatives.
- Continued the electrification of municipal operations, including electric hand tools and an e-bike.

Please visit our Sustainability and Climate webpage at ucluelet.ca to view our Climate Change Adaption Plan and 100% Renewable Energy Plan – Clean Energy for the Safe Harbour.

Financial Statement

District of Ucluelet - December 31, 2023

Management's Responsibility

To the Mayor and Council of District of Ucluelet:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

Council is composed entirely of Members who are neither management nor employees of the District. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the District's external auditors.

MNP LLP is appointed by Mayor and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

October 29, 2024



Director Finance



Independent Auditor's Report

To the Mayor and Council of District of Ucluelet:

Qualified Opinion

We have audited the consolidated financial statements of District of Ucluelet (the "District"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2023, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As at December 31, 2023, the District has not recorded an asset retirement obligation for potential remediation costs. We were unable to obtain sufficient appropriate audit evidence that the asset retirement obligation should be nil. Consequently, we were not able to determined whether adjustments might be necessary to asset retirement obligation liabilities, tangible capital assets, amortization and accretion expenses, annual surplus, accumulated surplus or change in net financial assets for the year-ended December 31, 2023.

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 qualified opinion.

Other Information

Management is responsible for the other information, consisting of an 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 do 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 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

October 29, 2024

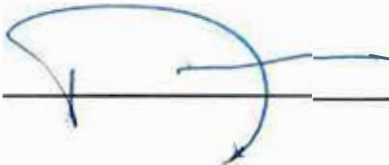


Chartered Professional Accountants

District of Ucluelet
Consolidated Statement of Financial Position
As at December 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents	5,469,398	2,252,236
Investments (Note 5)	12,035,392	11,462,768
Accounts receivable (Note 6)	1,533,103	1,915,706
Investment in Government Business Enterprise (Note 7)	1,630,730	2,516,852
	20,668,623	18,147,562
Liabilities		
Accounts payable and accrued liabilities (Note 8)	1,012,456	755,188
Refundable deposits (Note 9)	426,875	192,610
Deferred revenue (Note 10)	1,493,130	2,372,629
Prepaid property taxes and utilities	149,222	100,080
Development cost charges (Note 11)	1,027,598	770,715
Equipment financing (Note 12)	338,713	434,044
Debt (Note 13)	1,549,997	1,653,969
	5,997,991	6,279,235
Net financial assets	14,670,632	11,868,327
Commitments and contingencies (Note 22)		
Non-financial assets		
Tangible capital assets (Note 14) (Schedule 1)	42,488,529	41,156,770
Inventory of supplies	20,944	20,944
Prepaid expenses	153,491	114,645
Total non-financial assets	42,662,964	41,292,359
Accumulated surplus (Note 15)	57,333,596	53,160,686

Approved on behalf of the Council

 Chief
Administrative
Officer

District of Ucluelet
Consolidated Statement of Operations and Accumulated Surplus
For the year ended December 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Grant revenue	9,497,404	4,789,457	2,272,415
Taxation, net (Note 19)	4,363,077	4,383,550	3,952,968
Sale of services	2,051,920	2,097,209	2,171,429
Investment income	62,000	488,047	162,587
Other revenue from own sources	429,000	465,416	389,791
Earnings from Investment in Government Business Enterprise (Note 7)	-	113,878	1,160,481
Developer contribution revenue	-	-	379,769
	16,403,401	12,337,557	10,489,440
Expenses			
General Government	1,597,288	1,835,766	1,535,471
Protective Services	689,658	697,483	748,274
Transportation Services	1,461,952	1,616,971	1,562,875
Planning and Environmental Services	489,529	390,662	385,195
Recreation and Cultural Services	2,812,323	2,313,529	2,628,959
Water Utility	1,112,823	611,338	870,715
Sewer Utility	808,438	698,898	672,209
	8,972,011	8,164,647	8,403,698
Annual surplus	7,431,390	4,172,910	2,085,742
Accumulated surplus, beginning of year	53,160,686	53,160,686	51,074,944
Accumulated surplus, end of year	60,592,076	57,333,596	53,160,686

District of Ucluelet
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2023

	2023 Budget (Note 23)	2023	2022
Annual surplus	7,431,390	4,172,910	2,085,742
Acquisition of tangible capital assets	(10,391,120)	(2,693,048)	(1,465,001)
Amortization of tangible capital assets	1,168,995	1,361,289	1,287,391
Change in prepaid expenses	-	(38,846)	(30,655)
Increase (decrease) in net financial assets	(1,790,735)	2,802,305	1,877,477
Net financial assets, beginning of year	11,868,327	11,868,327	9,990,850
Net financial assets, end of year	10,077,592	14,670,632	11,868,327

District of Ucluelet
Consolidated Statement of Cash Flows
For the year ended December 31, 2023

	2023	2022
Operating activities		
Annual surplus	4,172,910	2,085,742
Non-cash items		
Amortization	1,361,289	1,287,391
Earnings from investment in Government Business Enterprise	(113,878)	(1,160,481)
Actuarial adjustment on debt	(26,238)	(22,861)
	5,394,083	2,189,791
Changes in working capital accounts		
Accounts receivable	382,603	(1,395,268)
Accounts payable and accrued liabilities	257,268	(57,157)
Refundable deposits	234,265	(28,454)
Deferred revenue	(879,499)	221,332
Prepaid expenses	(38,846)	(30,655)
Development cost charges	256,883	(267,754)
Prepaid property taxes and utilities	49,142	24,555
	5,655,899	656,390
Financing activities		
Proceeds from equipment financing	-	350,000
Debt repayments	(173,065)	(137,516)
	(173,065)	212,484
Capital activities		
Purchases of tangible capital assets	(2,693,048)	(1,465,001)
Investing activities		
Increase in investments	(572,624)	(3,219,802)
Dividend received from Government Business Enterprise	1,000,000	367,000
	427,376	(2,852,802)
Increase (decrease) in cash resources	3,217,162	(3,448,929)
Cash resources, beginning of year	2,252,236	5,701,165
Cash resources, end of year	5,469,398	2,252,236

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

1. General

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 Community Charter of British Columbia. The District's principal activities include the provision of government services to residents of the incorporated area.

2. Significant accounting policies

These 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 of Canada. Significant accounting policies adopted by the District are as follows:

Reporting entity consolidated

The consolidated financial statements reflect the financial activities of the reporting entity. This entity is comprised of the municipal operations plus all organizations that are owned or controlled by the District and are, therefore, accountable to Council for the administration of their financial affairs and resources. The consolidated financial statements exclude trust assets that are administered for the benefit of external parties.

All inter-entity balances have been eliminated on consolidation; however, transactions between segments have not been eliminated in order to present the results of operations for each specific segment.

Government business entities, owned or controlled by the District's Council but not dependent on the District for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the government 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)

Revenue recognition

Grant revenue

The District recognizes grants as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A grant with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Tax revenue

The District recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the District evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

2. Significant accounting policies (Continued from previous page)

Revenue recognition (Continued from previous page)

Other revenue

Sales of services and other revenue from own sources are recognized when the service is provided and collection is reasonably assured.

Investment income is recognized 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.

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 costs.

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 District employees. The cost 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.

Financial instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made such an election during the year.

The District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

A Statement of Remeasurement Gains and Losses has not been included in these consolidated financial statements as the District does not have any balances giving rise to unrealized gains or losses.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

2. Significant accounting policies (Continued from previous page)

Inventory of supplies

Inventory of supplies held for consumption are recorded at the lower or cost and replacement cost.

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 District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the District's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the District reduces the cost of the asset to reflect the decline in it's value. Write-downs of tangible capital assets are not reversed.

Amortization

The cost, less residual value, of the tangible capital assets, excluding land and work in progress, are amortized on a straight-line basis over their estimated useful lives as follows:

	Rate
Buildings	10 - 60 years
Vehicles and equipment	5 - 25 years
Other structures	15 - 50 years
Roads	20 - 60 years
Drainage structures	30 - 50 years
Water structures	10 - 50 years
Sewer structures	10 - 50 years

Natural resources and works of art and cultural historical assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

Liability for contaminated site

A liability for remediation of a 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 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, 2023.

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 they are made.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Contributed tangible capital assets are estimated based on the best available fair value information on the date of contribution. Provision for sick pay is based on the best information available at the time.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

2. Significant accounting policies (Continued from previous page)

Measurement uncertainty (Continued from previous page)

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the District reviews the carrying amount of the liability. The District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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 they are made.

3. Change in accounting policy

Asset retirement obligations

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

Financial instruments

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

4. Recent account pronouncements

PS 3400 *Revenue* issued November 2018, establishes standards on how to account for and report on revenue and is effective January 1, 2024. Specifically it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the District satisfies performance obligations by providing the promised goods or services to the payor.

Revenue from transactions with no performance obligations should be recognized when the District:

- i) had the authority to claim or retain an inflow of economic resources; and
- ii) identifies a past transaction or event that gives rise to an asset.

Management anticipates the new standard will not have a material impact on the 2024 financial statements.

5. 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.

6. Accounts receivable

	2023	2022
Property taxes	349,345	288,822
User fee and other	684,483	1,376,456
Due from other governments	499,275	250,428
	1,533,103	1,915,706

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

7. 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, 2023:

	2023	2022
Statement of Financial Position		
Assets	3,583,965	6,224,737
Liabilities		
Current	10,675	631,950
Silviculture accrual	311,831	559,082
	322,506	1,191,032
Equity		
Retained earnings	3,261,459	5,033,705
	3,583,965	6,224,737
Operations		
Revenue	726,163	2,700,927
Expenses	(498,409)	(379,965)
	227,754	2,320,962

The District's share of income from the government business enterprise was \$113,878 (2022 - \$1,160,481). During 2023, the District received \$1,000,000 (2022 - \$367,000) in dividends from the government business enterprise, which was recorded as a reduction in its investment. No other transactions occurred between the two entities.

8. Accounts payable and accruals

	2023	2022
Trade accounts payable	702,246	473,633
Salaries and wages payable	142,035	110,748
Employee future benefits	113,362	113,362
Due to other governments	45,439	40,472
Accrued interest	9,374	16,973
	1,012,456	755,188

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

9. Refundable deposits

	2023	2022
Damage deposits	214,100	127,850
Developer performance deposits	212,775	64,760
	426,875	192,610

10. Deferred revenue

	Opening balance	Interest	Receipts	Revenue recognized	Ending balance
Resort Municipality	1,286,584	57,142	518,326	1,028,210	833,842
Grants	1,062,842	-	570,675	1,004,851	628,666
Other	23,203	-	7,419	-	30,622
	2,372,629	57,142	1,096,420	2,033,061	1,493,130

11. 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	153,741	10,573	74,311	-	238,625
Storm water	68,381	4,413	22,570	-	95,364
Sewer	244,189	14,239	25,773	-	284,201
Water	238,070	14,937	63,198	-	316,205
Parks	66,334	4,299	22,570	-	93,203
	770,715	48,461	208,422	-	1,027,598

12. Equipment financing

The District is party to two equipment loans financed through the Municipal Finance Authority for the acquisition of vehicles. The loans have a term of five years and bear interest of 4.87%. The vehicles under this loan have a carrying value of \$138,603 (2022 - \$150,399) and are recorded as non-financial assets in the consolidated financial statements.

The equipment financing was paid in full in 2024.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

13. Debt

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

		2023	2022
	Interest rate	Original amount	Repayments and actuarial earnings
MFA issue 1074	2.90	1,948,000	74,365
MFA issue 1195	2.65	475,000	29,607
	-	2,423,000	103,972
		1,549,997	1,653,969

As a condition of borrowing through MFA, a portion of the debenture proceeds is retained by the MFA as a debt reserve fund. As at December 31, 2023, the cash balance of the District's debt reserve fund was \$32,443 (\$31,465).

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 the debt for the next five years are as follows:

2024	77,734
2025	77,734
2026	77,734
2027	77,734
2028	77,734

Interest paid during the year was \$41,936 (2022 - \$41,936).

14. Tangible capital assets

For detailed information see Schedule 1.

(a) Contributed tangible capital assets

Contributed tangible capital assets of nil (2022 - 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 transfers from work in progress of \$1,617,386 (2022 - \$219,997).

Amortization of work in progress commences in the year the asset is put into service.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

15. Accumulated surplus

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

	2023	2022
Investment in tangible capital assets	40,599,819	39,068,757
Reserves (Note 16, 17, and 18)	10,194,944	6,898,234
Unrestricted surplus	6,538,833	7,193,695
	57,333,596	53,160,686

16. Community Works Fund

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. This funding may be used toward designated public transit, community energy, water, wastewater, solid waste, and capacity building projects, as specified in the funding agreements.

	2023	2022
Opening balance	1,382,048	1,279,120
Add: funding received during the year	139,682	133,449
Add: interest	79,751	18,546
Less: amount spent on projects	(24,124)	(49,067)
	1,577,357	1,382,048

17. COVID-19 Safe Restart Fund

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 operations such as addressing revenue short-falls, facility reopening and operating costs, emergency planning and response costs, bylaw enforcement and protective services, computer and other technological costs, and services for vulnerable persons.

The District of Ucluelet received \$764,000 COVID-19 Safe Restart funding in 2020 and reports the balance in a reserve fund until it is used to fund eligible costs.

	2023	2022
Opening balance	123,656	324,706
Add: interest	6,849	3,160
Less: amount spent on lost recreation and other revenue	-	(204,210)
	130,505	123,656

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

18. Growing Communities Fund

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The District received \$1,489,000 if GCF funding in March 2023

	2023	2022
Funding received during the year	1,489,000	-
Add: interest	36,092	-
Less: amount spent on projects	(185,785)	-
	1,339,307	-

19. Taxation

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

	2023	2022
Municipal purposes		
General	4,021,466	3,603,249
Utility	46,114	46,114
Parcel taxes	245,520	244,860
Grants in lieu of taxes	70,450	58,745
	4,383,550	3,952,968
Taxes levied for other authorities		
School authorities	2,099,145	1,773,376
RCMP	268,063	199,724
Regional Hospital	213,319	183,149
Regional District	569,252	445,242
BC Assessment Authority	53,835	46,024
Vancouver Island Regional Library	153,321	133,373
Municipal Finance Authority	307	249
	3,357,242	2,781,137
Total taxes collected	7,740,792	6,734,105

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

20. Trust funds

Trust funds administered by the District have not been included in the consolidated 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 purpose of maintaining a public cemetery.

	2023	2022
Opening balance	3,641	26,327
Interest earned	69	-
Funds used	-	(22,686)
	3,710	3,641

21. Pension plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trusteeed 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 benefits pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan has approximately 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 the 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, 2021, indicated a \$3.761billion funding surplus for basic pension benefits on a going concern basis.

The District paid \$235,992 (2022 - \$219,697) for employer contributions to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of the employer contributions during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the plan.

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

22. Commitments and contingencies

Debt incurred by the District is 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 with the ACRD, including the District.

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 other participants, would be required to contribute toward the deficit.

The District has entered into contracts for tangible capital asset projects. Under the terms of these contracts, the District is committed to costs of \$2,698,533 for the Peninsula Road Safety and Revitalization Project and \$1,240,000 for the Lost Shoe Creek Aquifer Filtration Plant.

23. 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 9, 2023, with the adoption of the Five-Year Financial Plan (2023 - 2027) Bylaw No. 1329, 2023. The table below reconciles the approved budget to the budget figures reported in these financial statements.

Consolidated budgeted surplus, per District of Ucluelet Bylaw 1329, 2023	-
Add	
Acquisition of capital assets	10,391,120
Debt repayment	503,824
Transfers to reserves	1,182,542
Less	
Amortization	1,168,995
Transfers from reserves	3,477,101
Consolidated budgeted surplus, per Consolidated Statement of Operations	7,431,390

District of Ucluelet
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

24. Segments

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.

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.

25. Financial Instruments

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

26. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

District of Ucluelet
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended December 31, 2023

	Land	Buildings	Vehicles and equipment	Other structures	Subtotal
Cost					
Balance, beginning of year	14,718,568	11,068,744	3,751,455	3,871,054	33,409,821
Acquisition of tangible capital assets	-	-	203,097	-	203,097
Transfers	-	152,406	-	1,464,980	1,617,386
Disposal of tangible capital assets	-	-	(41,666)	-	(41,666)
Balance, end of year	14,718,568	11,221,150	3,912,886	5,336,034	35,188,638
Accumulated amortization					
Balance, beginning of year	-	3,533,460	2,412,772	2,512,425	8,458,657
Annual amortization	-	227,632	166,115	190,338	584,085
Accumulated amortization on disposals	-	-	(41,666)	-	(41,666)
Balance, end of year	-	3,761,092	2,537,221	2,702,763	9,001,076
Net book value of tangible capital assets	14,718,568	7,460,058	1,375,665	2,633,271	26,187,562
2022					
Net book value of tangible capital assets	14,718,568	7,535,284	1,338,683	1,358,629	24,951,164

District of Ucluelet
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended December 31, 2023

	Subtotal	Roads	Drainage structures	Water structures	Subtotal
Cost					
Balance, beginning of year	33,409,821	8,924,083	1,704,502	6,710,742	50,749,148
Acquisition of tangible capital assets	203,097	-	-	-	203,097
Transfers	1,617,386	-	-	-	1,617,386
Disposal of tangible capital assets	(41,666)	-	-	-	(41,666)
Balance, end of year	35,188,638	8,924,083	1,704,502	6,710,742	52,527,965
Accumulated amortization					
Balance, beginning of year	8,458,657	4,655,409	834,271	3,500,491	17,448,828
Annual amortization	584,085	214,452	37,395	218,341	1,054,273
Accumulated amortization on disposals	(41,666)	-	-	-	(41,666)
Balance, end of year	9,001,076	4,869,861	871,666	3,718,832	18,461,435
Net book value of tangible capital assets	26,187,562	4,054,222	832,836	2,991,910	34,066,530
2022					
Net book value of tangible capital assets	24,951,164	4,268,674	870,231	3,210,251	33,300,320

District of Ucluelet
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended December 31, 2023

	Subtotal	Sewer structures	Work in progress	2023	2022
Cost					
Balance, beginning of year	50,749,148	12,135,715	1,304,124	64,188,987	62,720,989
Acquisition of tangible capital assets	203,097	-	2,489,951	2,693,048	1,465,001
Transfers	1,617,386	-	(1,617,386)	-	-
Disposal of tangible capital assets	(41,666)	-	-	(41,666)	-
Balance, end of year	52,527,965	12,135,715	2,176,689	66,840,369	64,185,990
Accumulated amortization					
Balance, beginning of year	17,448,828	5,583,389	-	23,032,217	21,741,829
Annual amortization	1,054,273	307,016	-	1,361,289	1,287,391
Accumulated amortization on disposals	(41,666)	-	-	(41,666)	-
Balance, end of year	18,461,435	5,890,405	-	24,351,840	23,029,220
Net book value of tangible capital assets	34,066,530	6,245,310	2,176,689	42,488,529	41,156,770
2022					
Net book value of tangible capital assets	33,300,320	6,552,326	1,304,124	41,156,770	

District of Ucluelet
Consolidated Schedule of Segment Disclosure
Year ended December 31, 2023

	General Government Services	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2023 Actual
Revenue								
Taxation, net	\$ 4,138,030	\$ -	\$ -	\$ -	\$ -	\$ 119,040	\$ 126,480	\$ 4,383,550
Sale of services	23,622	-	474,877	(15,861)	439,925	692,932	481,714	2,097,209
Grants and contributions	3,401,712	31,468	7,000	-	1,349,277	-	-	4,789,457
Investment income	488,047	-	-	-	-	-	-	488,047
Earnings from Government Business Enterprise	113,878	-	-	-	-	-	-	113,878
Other revenue from own sources	88,077	39,993	-	332,805	-	1,491	3,050	465,416
	8,253,366	71,461	481,877	316,944	1,789,202	813,463	611,244	12,337,557
Expenses								
Salaries and wages	\$ 933,087	\$ 406,052	\$ 467,119	\$ 306,977	\$ 1,078,647	\$ 157,920	\$ 111,810	\$ 3,461,612
Contracted services	80,994	40,532	417,896	43,319	159,023	64,890	166,267	972,921
Materials and supplies	35,146	87,416	205,434	9,729	342,811	66,632	69,879	817,047
Interest and other	476,008	119,179	50,608	1,822	263,967	46,532	2,495	960,611
Audit and legal	251,795	-	-	28,815	-	-	-	280,610
Telephone and utilities	58,736	44,304	57,952	-	51,111	57,023	41,431	310,557
Amortization	-	-	417,962	-	417,970	218,341	307,016	1,361,289
	1,835,766	697,483	1,616,971	390,662	2,313,529	611,338	698,898	8,164,647
Annual surplus (deficit)	\$ 6,417,600	\$ (626,022)	\$ (1,135,094)	\$ (73,718)	\$ (524,327)	\$ 202,125	\$ (87,654)	\$ 4,172,910

	General Government Services	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2022 Actual
Revenue								
Taxation, net	\$ 3,708,108	\$ -	\$ -	\$ -	\$ -	\$ 118,720	\$ 126,140	\$ 3,952,968
Sale of services	16,881	-	470,365	108,365	406,095	703,093	466,630	2,171,429
Grants and contributions	880,575	29,990	7,000	-	1,268,925	85,925	-	2,272,415
Investment income	162,587	-	-	-	-	-	-	162,587
Recognition of DCC	144,469	-	-	-	-	-	235,300	379,769
Earnings from Government Business Enterprise	1,160,481	-	-	-	-	-	-	1,160,481
Other revenue from own sources	66,028	36,030	-	237,440	-	50,293	-	389,791
	6,139,129	66,020	477,365	345,805	1,675,020	958,031	828,070	10,489,440
Expenses								
Salaries and wages	\$ 889,636	\$ 381,636	\$ 363,321	\$ 284,559	\$ 989,893	\$ 255,314	\$ 191,308	\$ 3,355,667
Contracted services	77,852	36,958	440,713	45,383	164,289	176,476	84,781	1,026,452
Materials and supplies	70,373	169,979	231,217	9,035	281,128	113,394	65,321	940,447
Interest and other	341,515	120,178	46,752	12,632	744,182	42,546	2,687	1,310,492
Audit and legal	90,414	-	-	33,586	-	-	-	124,000
Telephone and utilities	65,681	39,523	85,795	-	51,766	63,620	52,857	359,242
Amortization	-	-	395,077	-	397,701	219,365	275,255	1,287,398
	1,535,471	748,274	1,562,875	385,195	2,628,959	870,715	672,209	8,403,698
Annual surplus (deficit)	\$ 4,603,658	\$ (682,254)	\$ (1,085,510)	\$ (39,390)	\$ (953,939)	\$ 87,316	\$ 155,861	\$ 2,085,742



Permissive Tax Exemptions

Organization Name	2023 Municipal Taxes
Christ Community Church of Ucluelet	\$8,065.59
Bishop of Victoria	\$8,859.18
Ucluelet Congregation of Jehovah’s Witnesses	\$6,355.40
Food Bank on the Edge	\$1,067.41
Westcoast Community Resources Centre	\$1,467.14
Westcoast Community Resources Centre	\$1,509.41
Nuu-Chah-Nulth First Nations	\$503.40
Ministry of Child and Family Development	\$503.40
Vancouver Island Regional Library	\$3,360.37
Ucluelet Daycare Society	\$1,371.70
Army & Navy Airforce Veterans - Ucluelet Unit #293	\$4,300.39
Ucluelet Aquarium Society	\$23,061.34
KUU-US Crisis Line Society	\$1,675.38

2023 Annual Report

Administration Office

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Visit [Ucluelet.ca](https://www.ucluelet.ca)



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