

2025 Annual Report





DISTRICT OF
UCLUELET

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2025 Annual Report
January 1 to December 31, 2025

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

Photography Geoff Johnson, Jordyn Giesbrecht and District of Ucluelet Staff.

Our Role

The District of Ucluelet works to support a vibrant, resilient, and well-connected community. Through responsible governance and long-term planning, the District helps guide growth while ensuring services and infrastructure meet the needs of residents, businesses, and visitors. We strive to foster open communication, encourage community participation, and ensure local voices help shape decisions that affect the future of Ucluelet.

Collaboration is an important part of our work. By partnering with neighbouring communities, regional organizations, and local groups, the District seeks to strengthen service delivery and advocate for the interests of our community. Our goal is to steward Ucluelet's resources responsibly and support a thriving community for current and future generations.

Our Community, Our Future

Ucluelet is a coastal community on the west coast of Vancouver Island, located within the traditional territory of the Yuułu?ił?atḥ. Surrounded by ocean and rainforest, the community is shaped by its natural environment and its connection to the land and sea.

Originally rooted in resource-based industries, Ucluelet has evolved into a vibrant resort community that attracts visitors from around the world. This evolution has created a unique blend of economic activity, culture, and history that contributes to the community's identity.

Residents share a strong appreciation for the outdoors, a creative spirit, and a willingness to support one another. Volunteerism, small business entrepreneurship, and community partnerships play an important role in local life.

Looking ahead, Ucluelet continues to adapt to changing opportunities and challenges. The District is focused on supporting sustainable growth, maintaining essential infrastructure and services, and protecting the natural and cultural qualities that make the community special. By planning carefully and working together, we aim to ensure Ucluelet remains a welcoming and thriving place for generations to come.

Overview



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

Message from the Mayor



From Left:

Councillor Mark Maftei,
Councillor Jennifer Hoar
Mayor Marilyn McEwen
Councillor Mayco Noël
Councillor Shawn Anderson

In 2025, Ucluelet Council and staff continued to build on the momentum of previous years, making meaningful progress on critical infrastructure, strengthening community spaces, improving public safety, and laying important groundwork to support responsible growth and housing solutions for our community.

One of the most significant milestones this year was advancing the new water treatment plant into the construction phase. This generational investment will ensure safe, reliable drinking water for residents while strengthening our community's long-term resilience. Alongside this project, the District continued important water, sewer, and road improvements to modernize aging infrastructure and support future development. Council also advanced Development Cost Charge (DCC) and Amenity Cost Charge (ACC) bylaws, ensuring that growth contributes fairly to the infrastructure and amenities required to support a thriving community.

This year also saw continued investments in the public spaces that bring residents and visitors together. We proudly celebrated the renovation and reopening of Amphitrite House at Amphitrite Point, revitalizing this iconic location along the Wild Pacific Trail as both an interpretive centre and an observation space. Council also initiated work on a new Parks Master Plan, which will guide future investments in parks, trails, recreation areas, and waterfront access. Improvements at the community centre, including new washroom facilities and additional storage, enhanced the functionality of this important gathering place for events and local programs.

Public safety remained a top priority for Council in 2025. The District strengthened emergency response capacity with the acquisition of a new fire truck, ensuring our firefighters have the modern equipment needed to serve the community effectively. At the same time, Council initiated a fire hall location study to evaluate long-term needs and help guide planning for a modern facility that will support emergency services for decades to come.

Housing and land use planning were also key areas of focus this year. The District launched a comprehensive Zoning Bylaw review aimed at modernizing regulations, streamlining development processes, and aligning local policies with provincial housing requirements. In addition, Ucluelet began advancing initiatives under the federal Housing Accelerator Fund, helping to remove barriers to housing development and support increased housing supply within the community.

These accomplishments reflect the collaborative efforts of Council, staff, community volunteers, regional partners, senior levels of government, and our First Nations partners. Their dedication and shared commitment continue to drive progress in Ucluelet.

As we look ahead, Council remains focused on completing major infrastructure projects, advancing housing solutions that support local families and workforce needs, strengthening emergency preparedness, and protecting the natural beauty and livability that make Ucluelet such a special place to call home.

Together, we are building a strong, sustainable, and welcoming future for our community. Thank you to everyone who contributed their time, ideas, and energy throughout 2025.

- Mayor Marilyn McEwen

Council's Strategic Priorities

In December 2024, Council reviewed and updated the Council Priorities Plan for the 2024-2027 term. Council considered local conditions, issues, and opportunities, and established these Strategic Topics:

Housing & Affordability

Enable the creation and retention of diverse housing options while maintaining overall sustainable growth for the long-term health and well-being of the community and environment.

Infrastructure

Invest in the long-term sustainability of municipal infrastructure through proactive financial investment and infrastructure planning.

Governance & Finance

Ensure the District is providing the right level of services in a responsive, transparent and fiscally sustainable manner.

Environmental Sustainability, Climate and Emergency Resilience

Ucluelet's natural assets are the foundation of our community. It is vital that we understand these sensitive ecosystems, manage them in a sustainable manner and prepare for impacts due to climate change.

Intergovernmental and First Nations Relations

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.

Health, Wellness and Recreation

Advocate for increased opportunities and support systems for comprehensive, local, health services while investing in the development of facilities and recreation opportunities that are accessible. Develop and maintain our natural recreation amenities and indoor and outdoor venues, to provide quality and diverse recreation opportunities.

Economic Development

Foster diversification of Ucluelet's economy by creating an environment that encourages, and is open to, development of high-quality business opportunities.

Action items were identified for each Strategic Topic and included in the annual work plan for all departments. The resultStrategic Priorities Summary which outlines the current priorities District staff work towards in support of Councils 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 2025 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.

Organizational Structure



Community Planning

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
- Develop policies based on Council and community direction

Building Duties

- Oversee the review and issuance of building and plumbing permits
- Ensure construction compliance with the BC Building Code and municipal bylaws

Bylaw Duties

- Enforce regulatory bylaws and work with property owners on regulatory compliance
- Provide public education and respond to regulatory inquiries
- Administer business license applications and renewals



Department Overview

Planning Services

The Planning Department provides professional and technical advice to Council on current and future uses of land in the District and on issues concerning development, housing, the environment and socioeconomic policies. It is responsible for the administration of zoning, land use and development applications, community planning, and long-term policy such as the Official Community Plan (OCP) bylaw. The division also works with the community on development proposals, planning policies, and responds to general inquiries.

Building Services

The Building Department ensures the safety of the built environment by overseeing the review and issuance of building and plumbing permits. Through professional inspection services and permit administration, this division ensures that all construction and development within the District complies with the BC Building Code.

Bylaw Enforcement

The Bylaw Enforcement and Licensing division maintains the quality of life for the District of Ucluelet's citizens by ensuring compliance with the community's adopted bylaws and standards. This division is responsible for the administration of business licensing, as well as receiving and processing complaints to coordinate enforcement activities.

2025 Completed Projects

- Housing Accelerator Fund – implementation of programs to increase housing supply within the District
- Comprehensive review of Development Cost Charges (DCC) and Amenity Cost Sharing policies
- DCC exemption bylaw for affordable housing
- Initiation of the Zoning Bylaw refresh
- Development of a tsunami warning system for new development

2026 Planned Projects

- Comprehensive Zoning Bylaw refresh and modernization
- Development of a new Subdivision Servicing Bylaw
- Strategic initiatives to increase affordable housing supply in the District
- Review and update of the Tsunami Risk Tolerance – Interim Policy
- Streamlining the development approval process

Parks



Key Responsibilities

- Routine maintenance of parks, trails, playgrounds, and green spaces
- Turf care, irrigation, horticulture, and vegetation control
- Inspection and repair of park infrastructure and amenities
- Seasonal maintenance (snow removal, storm cleanup, leaf collection)
- Equipment and fleet upkeep for parks operations
- Support for outdoor facility upgrades and public works coordination



Department Overview

The Parks Department is responsible for the care, maintenance, and enhancement of the community's parks, trails, green spaces, and public amenities. Our team is committed to providing safe, welcoming, and well-maintained outdoor spaces that support recreation, community events, and a healthy life-style. Through seasonal maintenance, landscape improvements, and ongoing stewardship, we work to ensure residents and visitors alike can enjoy the natural beauty and outdoor opportunities our town has to offer.

2025 Completed Projects

- Wild Pacific Trail upgrades re: signage, railings, re-surfacing, erosion control and danger tree removal. Ongoing in various areas of trail.
- Recreation Field (Seaplane Base Rd.) to be top dressed and hydroseeded to repair stressed turf sections and to remediate unlevel surface.
- Skatepark improvements with safety repairs prior to resurfacing

2026 Planned Projects

- Wild Pacific Trail upgrades re: signage, railings, re-surfacing, erosion control and danger tree removal. Ongoing in various areas of trail.
- Ucluelet Cemetery installation of in-ground plot markers at upper area expansion and resurfacing.
- Skatepark Expansion Project
- Bridge Removal
- Accessible Washrooms
- Connector Trail
- Pass of Melfort Trail
- UCC Landscaping Upgrade

Recreation



Key Responsibilities

- Community health & safety
- Community accessible & adaptable programming
- Community special events & partnerships
- Support for Community Services
- Tourism & Recreation facilities and amenities
- Tourism partnerships & planning
- Playground planning
- Public Realm Projects (parks, paths, facilities)



Department Overview

Recreation is the experience that results from freely chosen participation in physical, social, intellectual, creative and spiritual pursuits that enhance individual and community wellbeing.The 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. Ucluelet 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, effective, and inclusive service. The Department also supports and plans various tourism infrastructure projects with its focus on the Resort Development Strategy through Resort Municipality Initiative funding. Through resident focused investment in parks and recreation, the District will provide a diversity of active living opportunities that continue to make "Ukee" a healthy, connected, and appealing community for residents of all ages, backgrounds, and means.

2025 Completed Projects

- Amphitrite House
- Storage Facility
- Resort Development Strategy
- Wayfinding Signage
- Skatepark Upgrade
- WildSafe Bc Education

2026 Planned Projects

- Parks & Recreation Master Plan
- First Nations Tourism Projects
- Accessibility Policy
- Outdoor Accessible Washrooms
- Skatepark Expansion Project
- Tourism Metrics
- Hard Sports Study & Facility Design
- Storage Facility
- Wayfinding Signage

Public Works



Key Responsibilities

- Operation and maintenance of municipal water, wastewater, and stormwater systems
- Maintenance and repair of District roads, sidewalks, streetlights, signage, and traffic control devices
- Ongoing care of District owned facilities, public buildings, and fleet assets
- Emergency response for infrastructure failures, severe weather events, and utility disruptions
- Coordination and support for capital infrastructure initiatives and utility improvement
- Advancement of asset management practices and long range infrastructure planning



Department Overview

The Ucluelet Public Works Department oversees the operation, maintenance, and long-term renewal of the District's core infrastructure and essential services. Functioning year round, the department ensures that water, wastewater, stormwater systems, roads, and public facilities operate safely and reliably for residents, visitors, and local businesses.

Beyond routine maintenance, the Public Works team is responsible for delivering infrastructure upgrades, supporting capital projects, and responding to service disruptions or emergencies. This work is essential to maintaining consistent and dependable service levels throughout the community.

2025 Completed Projects

- 5 Large sanitary sewer system upgrades to increase capacity and replace aged infrastructure
- Water treatment plant building permit and construction permit-Construction of the new Water Treatment Plant
- Peninsula Road Storm Water
- Bay Street lift station decommission
- Hemlock Lift Station
- Installation of new sanitary line to reduce
- systemcapacity on Norah and Rainforest Drive
- Ongoing implementation and advancement the district's long-term infrastructure master plans for sanitary, water and storm.
- Water line replacement to Itatsoo
- Fire Hydrant maintenance
- Infrastructure replacement of Asbestos Concrete
- Victoria lift station rebuild

• 2026 Planned Projects

- 5 large sanitary sewer system upgrades to increase capacity and replace aged infrastructure
- Construction of the new Lost Shoe Creek Water Treatment Plant
- Water line replacement to Itatsoo
- Fire Hydrant maintenance
- Infrastructure replacement of Asbestos Concrete
- Victoria Lift Station rebuild

Fire & Emergency Services



Key Responsibilities

- Fire suppression, rescue, and first responder calls
- Firefighter recruitment, development and training
- Fire prevention, inspections, and public education
- Oversight of the Ucluelet Emergency Program
- Delivery of Emergency Suport Services
- EOC preparation, training, and activations

Department Overview

In 2025, Ucluelet Fire Rescue responded to 173 emergency calls providing fire suppression, rescue, and medical first responder services within Ucluelet and contracted areas. The department continued to advance firefighter training, fire prevention, public education, and community emergency preparedness. Emergency Support Services (ESS) volunteers remained ready to provide shelter, food, clothing, medical assistance, and reunification during emergencies. The Emergency Operations Centre (EOC) was activated once for a tsunami advisory.

2025 Highlights

- Three new firefighter recruits began in-house certification training
- More than 3,100 training hours completed
- Continued joint training with Tofino Fire Rescue and BC Emergency Health ServicesService
- New turnout gear, hose, and nozzles purchased through a $30,000 grant.
- Amphitrite Point tsunami warning system upgraded with $34,000 grant funding
- ESS acquired new emergency equipment and a storage container through a $25,000 joint grant with the ACRD.
- High Ground Hike evacuation drill held during Tsunami Preparedness Week.
- New fire department records and call management system implemented.
- Firefighters began receiving medical, dental, and memorial benefits.
- New fire engine designed and purchased.
- 151 fire safety inspections completed.
- Obsolete breathing apparatus donated to Firefighters Without Borders for use in Central America.
- Service awards: Lt. Mike Dandurand (5 years) and Captain Scott Reed (10 years).
- Firefighter of the year: Lt. Damien Kenyon.
- Ted Eeftink Memorial Attendance Award: Firefighter Ron Janco.

2026 Planned Initiatives

- Design of Ucluelet's new firehall (funded through the Federation of Canadian Municipalities).
- High Ground Hike evacuation drill with academic data collection.
- Updates to emergency service agreements with regional partners.
- Completion of the Fire and Emergency Services master plan.



Finance & Corporate Services

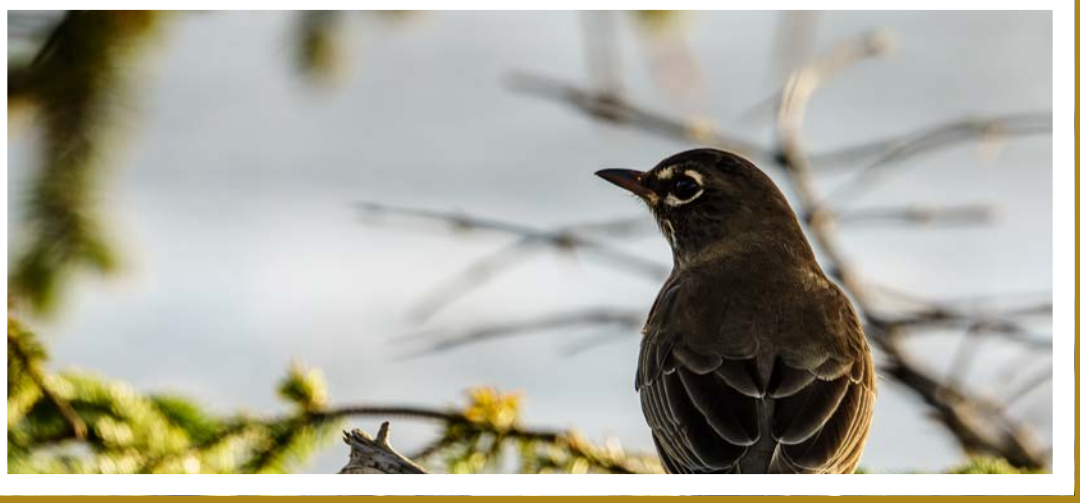
Key Responsibilities

Finance

- Financial planning and budgeting
- Financial reporting and fiscal management
- Procurement and purchasing
- Cash management, treasury and taxation
- Financial risk management
- Administration of District insurance programs
- Oversight of information technology services
- Manage business and animal licensing
- Daily financial operations, including accounts payable, accounts receivable, utility billing, payroll, and cemetery permits.
- Providing administrative support services to all departments and staffing of the District's administration building reception

Corporate Services

- Corporate leadership and administrative support to Council and Chief Administrative Officer
- Management, information and support services to Council and Committees
- Legislative services and records managementHR and communications
- HR and communications
- Freedom of information and protection of privacy, land acquisitions/disposition and legal/risk management



Departments Overview

Finance Department

The Finance Department is responsible for maintaining the financial foundation of the District. Its role is to ensure the delivery of accurate and timely financial information and to oversee the District's financial and fiscal risk management including budgeting, reporting, and financial accountability. The department supports Council and other District departments by providing reliable financial analysis and guidance to support informed decision-making.

Corporate Services Department

The Corporate Services Department supports the administrative and legislative functions of the District. It provides administrative services to Council and District departments, including Council decision-making support, records management, legislative services, and policy coordination. The department also oversees the District's communications, human resources, and information technology functions to improve both internal operations and service delivery to the community.

2025 Completed Projects

- Held 20 Regular Council Meetings
- Held 6 Special Council Meetings
- Held 2 Public Hearings
- Held 3 Committee of the Whole Meetings
- Held 1 Special Committee of the Whole Meetings
- Handled 28 Freedom of Information (FOI) requests
- Launched a redesigned municipal website
- Enhanced the Freedom of Information and Protection of Privacy Act (FOIPPA) process
- Completion of 2024 financial reporting, including the 2024 audited financial statements, 2024 Statement of Financial Information, and LGDE reporting

2026 Planned Projects

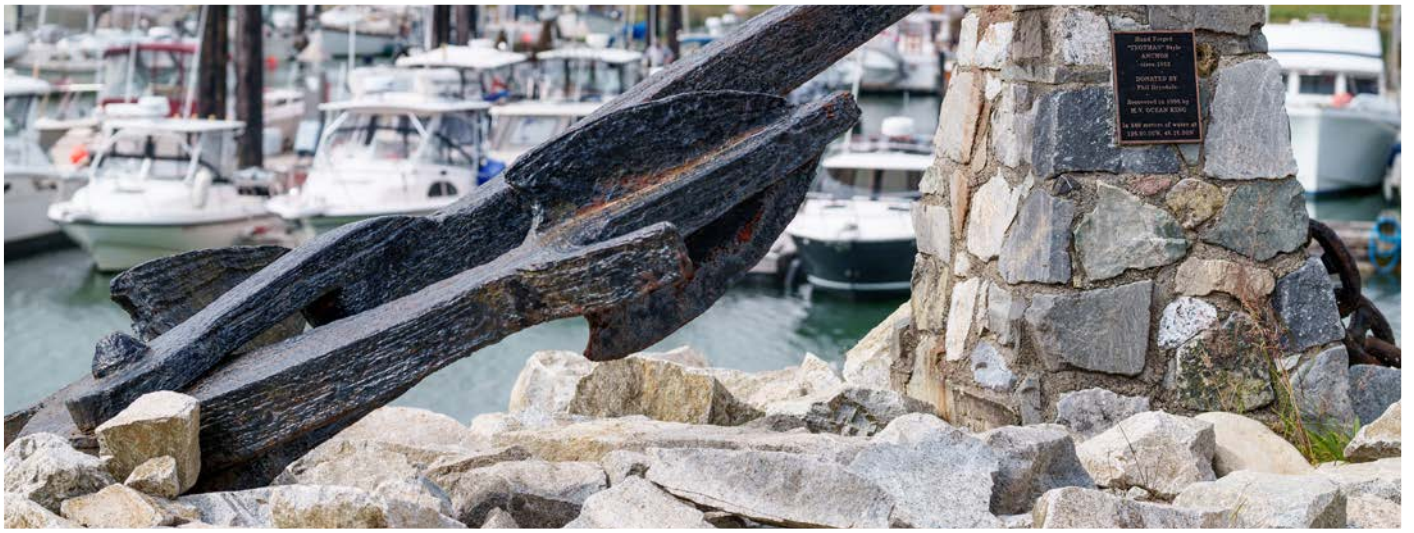
- Develop and adopt a Council Correspondence policy
- Develop and adopt a Delegation to Council Policy
- Amend the Elections Bylaw
- Conduct the 2026 local election
- Join the Bylaw Dispute Adjudication System (DARS)
- Developing a new, intuitive records management policy tailored to organizational needs
- Initiate a Council Compensation Review Process
- Update the Council Procedures Bylaw
- Launch Ukee Listens – Engagement Platform
- Adoption of 2026-2030 Financial Plan
- Completion of 2025 financial reporting, including the 2025 audited financial statements, 2025 Statement of Financial Information, and LGDE reporting

Small Craft Harbour



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



Department Overview

The District's harbours have historically been managed by the federal Department of Fisheries and Oceans (DFO), within their Small Craft Harbour division. Federally-controlled harbours were divested to District control in 2006 – ceding management and oversight to the Ucluelet Harbour Authority (UHA).

The federal Small Craft Harbours currently operated by the UHA include:

- Inner Boat Basin
- Outer Boat Basin
- 52 Steps Dock

Other harbours and waterfront amenities under District control (outside of the Small Craft Harbour program) include:

- Whiskey Dock (Main Street Wharf)
- Pat Leslie Public Boat Launch
- Alder Street Park

The District of Ucluelet is empowered to operate, maintain and manage the harbour facilities owned by and located within the District.

2025 Completed Projects

- Small Craft Harbour beautification work
- 52 Steps electrical upgrade
- Whiskey Dock expansion
- Fish Cleaning Station upgrade
- Garbage Compound

2026 Planned Projects

- Small Craft Harbour beautification & upgrade
- Boat launch design and install
- Harbour Air flight services for summer

Sustainability & Climate Action



Department 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.

2025 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 2024, Ucluelet built momentum for the expansion of local and regional public and active transportation options, including completion of the Peninsula Revitalization Project and extension of the Multi-Use Path along Larch Road.
- 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

Please visit our Sustainability and Climate Action webpage for more information.

Financial Statement

District of Ucluelet - December 31, 2025



Management's Responsibility

To the Mayor and Council of the 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 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.

September 8, 2026

Director of Finance

Independent 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, 2025, and the consolidated statements of operations and accumulated surplus, change 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2025, 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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the District as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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

September 8, 2026

MNP LLP

Chartered Professional Accountants

District of Ucluelet
Consolidated Statement of Financial Position
As at December 31, 2025

	2025	2024
Financial assets		
Cash and cash equivalents	**3,697,467**	2,623,493
Investments *(Note 3)*	**13,128,270**	12,545,280
Accounts receivable *(Note 4)*	**2,478,595**	3,544,804
Investment in Government Business Partnership *(Note 5)*	**1,528,646**	1,563,852
	20,832,978	20,277,429
Liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**1,582,295**	1,351,714
Refundable deposits *(Note 7)*	**485,091**	486,893
Deferred revenue *(Note 8)*	**2,176,774**	1,920,512
Prepaid property taxes and utilities	**98,520**	95,352
Asset retirement obligations *(Note 9)*	**160,620**	-
Development cost charges *(Note 10)*	**1,402,078**	1,328,983
Debt *(Note 11)*	**1,331,461**	1,442,533
	7,236,839	6,625,987
Net financial assets	**13,596,139**	13,651,442
Commitments and contingencies *(Note 22)*		
Non-financial assets		
Tangible capital assets *(Note 12) (Schedule 1)*	**53,877,426**	49,425,036
Inventory of supplies	**20,944**	20,944
Prepaid expenses	**110,652**	116,715
Total non-financial assets	**54,009,022**	49,562,695
Accumulated surplus *(Note 13)*	**67,605,161**	63,214,137

Approved on behalf of the Council

Director of Finance

District of Ucluelet
Consolidated Statement of Operations and Accumulated Surplus
For the year ended December 31, 2025

	2025 Budget (Note 23)	2025	2024
Revenue			
Taxation, net *(Note 19)*	6,530,040	6,427,618	5,876,836
Grant revenue	6,851,708	5,109,752	5,401,404
Sale of services	2,662,041	2,304,414	2,444,528
Investment income	468,944	625,742	641,930
Other revenue from own sources	448,230	389,178	473,000
Loss from Investment in Government Business Partnership *(Note 5)*	-	(35,206)	(16,878)
	16,960,963	14,821,498	14,820,820
Expenses			
General Government	2,025,812	2,057,149	1,829,789
Protective Services	912,361	938,590	865,821
Transportation Services	1,289,067	1,916,597	1,563,802
Planning and Environmental Services	120,002	738,114	595,807
Recreation and Cultural Services	3,670,562	3,194,421	2,495,242
Water Utility	1,130,993	883,080	876,665
Sewer Utility	941,604	702,523	713,155
	10,090,401	10,430,474	8,940,281
Annual surplus	6,870,562	4,391,024	5,880,539
Accumulated surplus, beginning of year	63,214,137	63,214,137	57,333,598
Accumulated surplus, end of year	70,084,699	67,605,161	63,214,137

District of Ucluelet
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2025

	2025 Budget (Note 23)	***2025***	*2024*
Annual surplus	6,870,562	**4,391,024**	5,880,539
Acquisition of tangible capital assets	(17,084,053)	**(6,004,981)**	(8,315,922)
Increase in asset retirement obligations	-	**(153,117)**	-
Amortization of tangible capital assets	1,491,750	**1,573,900**	1,379,250
Proceeds from disposal of tangible capital assets	-	**10,000**	9,000
Write-down of tangible capital assets	-	**121,408**	165
Loss (gain) on disposal of tangible capital assets	-	**400**	(9,000)
Change in prepaid expenses	-	**6,063**	36,778
Decrease in net financial assets	(8,721,741)	**(55,303)**	(1,019,190)
Net financial assets, beginning of year	13,651,442	**13,651,442**	14,670,632
Net financial assets, end of year	4,929,701	**13,596,139**	13,651,442

District of Ucluelet
Consolidated Statement of Cash Flows
For the year ended December 31, 2025

	2025	2024
Operating activities		
Annual surplus	**4,391,024**	5,880,539
Non-cash items		
Amortization	**1,573,900**	1,379,250
Accretion	**7,503**	-
Loss (gain) on disposal of tangible capital assets	**400**	(9,000)
Loss from Investment in Government Business Partnership	**35,206**	16,878
Actuarial adjustment on debt	**(33,338)**	(29,729)
Loss on write-down of tangible capital assets	**121,408**	165
	6,096,103	7,238,103
Changes in working capital accounts		
Accounts receivable	**1,066,209**	(2,011,702)
Accounts payable and accrued liabilities	**230,581**	339,255
Refundable deposits	**(1,802)**	60,018
Deferred revenue	**256,262**	427,382
Prepaid expenses	**6,063**	36,776
Development cost charges	**73,095**	301,385
Prepaid property taxes and utilities	**3,168**	(53,864)
	7,729,679	6,337,353
Financing activities		
Debt repayments	**(77,734)**	(416,448)
Capital activities		
Purchases of tangible capital assets	**(6,004,981)**	(8,315,922)
Proceeds from disposal of tangible capital assets	**10,000**	9,000
	(5,994,981)	(8,306,922)
Investing activities		
Increase in investments	**(582,990)**	(509,888)
Dividend received from Government Business Partnership	**-**	50,000
	(582,990)	(459,888)
Increase (decrease) in cash resources	**1,073,974**	(2,845,905)
Cash resources, beginning of year	**2,623,493**	5,469,398
Cash resources, end of year	**3,697,467**	2,623,493

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.

Business partnerships, 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 business partnership 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 - inactive)

Revenue recognition

Government transfers

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.

Other revenue

The District recognizes revenue from sources of revenue deemed to be non-exchange transactions such as some sales of service, investment income, and other revenue from own sources.

These non-exchange transactions have no performance obligations and are recognized at their realizable value when the District has the authority to claim or retain economic inflows based on a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized when the District satisfies the performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

2. Significant accounting policies *(Continued from previous page)*

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 a 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 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.

Inventory of supplies

Inventory of supplies held for consumption are recorded at the lower of 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 its value. Write-downs of tangible capital assets are not reversed.

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets *(Continued from previous page)*

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 and 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, 2025.

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.

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 annual surplus in the years in which they become known.

2. Significant accounting policies *(Continued from previous page)*

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, 2025. 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. 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.

4. Accounts receivable

	2025	*2024*
Property taxes	**459,752**	375,931
User fees and other	**485,399**	521,337
Due from other governments	**1,533,444**	2,647,536
	2,478,595	3,544,804

5. Investment in Government Business Partnership

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, 2025:

	2025	*2024*
Statement of Financial Position		
Assets	**3,424,418**	3,457,869
Liabilities	**367,125**	330,165
Partners' Equity	**3,057,293**	3,127,704
	3,424,418	3,457,869
Operations		
Revenue	**122,427**	149,103
Expenses	**(192,838)**	(182,858)
Net income (loss)	**(70,411)**	(33,755)

The District's share of loss from the government business partnership was $35,206 (2024 - $16,878). During 2025, the District received $nil (2024 - $50,000) in dividends from the government business partnership, which was recorded as a reduction in its investment. No other transactions occurred between the two entities.

6. Accounts payable and accrued liabilities

	2025	*2024*
Trade accounts payable	**1,185,490**	973,307
Salaries and wages payable	**262,290**	213,125
Employee future benefits	**113,362**	113,362
Due to other governments	**11,779**	42,546
Accrued interest	**9,374**	9,374
	1,582,295	1,351,714

7. Refundable deposits

	2025	*2024*
Damage deposits	**222,135**	228,819
Developer performance deposits	**224,531**	258,074
Cash in lieu	**38,425**	-
	485,091	486,893

8. Deferred revenue

	Opening balance	*Interest*	*Receipts*	*Revenue recognized*	*Ending balance*
Resort Municipality	1,075,541	50,900	518,744	248,534	1,396,651
Grants	802,499	-	827,289	909,473	720,315
Other	42,472	-	88,572	71,236	59,808
	1,920,512	50,900	1,434,605	1,229,243	2,176,774

9. Asset retirement obligations

The District has buildings containing asbestos and wells and is legally required to remove the asbestos when it becomes necessary to repair or replace the buildings and to remediate the wells when they are decommissioned. The District recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of buildings and water structures. The asset retirement cost is amortized on a straight-line basis over the useful life of the buildings and water structure assets.

Estimated costs totaling $322,515 have been discounted using a present value calculation with a discount rate of 4.90%. The timing of these expenditures is estimated to occur between 2027 and 2056 with regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	2025	*2024*
Liabilities incurred	153,117	-
Accretion	7,503	-
Balance, end of year	160,620	-

10. 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	352,103	14,907	5,178	-	372,188
Storm water	99,846	4,207	-	-	104,053
Sewer	328,238	13,865	2,535	-	344,638
Water	406,413	17,198	5,340	-	428,951
Parks	142,383	6,052	3,813	-	152,248
	1,328,983	56,229	16,866	-	1,402,078

11. 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.

	Interest rate	Original amount	Repayments and actuarial earnings	***2025***	*2024*
MFA issue 1074	2.90	1,948,000	79,663	**1,083,563**	1,163,226
MFA issue 1195	2.65	475,000	31,409	**247,898**	279,307
	-	2,423,000	111,072	**1,331,461**	1,442,533

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, 2025, the cash balance of the District's debt reserve fund was $33,338 (2024 - $33,573).

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:

2026	77,734
2027	77,734
2028	77,734
2029	77,734
2030	77,734

Interest paid during the year was $41,936 (2024 - $41,936).

12. Tangible capital assets

For detailed information see Schedule 1.

(a) Contributed tangible capital assets

Contributed tangible capital assets of nil (2024 - 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

Write-down of $121,408 of tangible capital assets during the year (2024 - $165)

(d) Work in progress

During the year there were net transfers from work in progress of $nil (2024 - $357,557).

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

13. Accumulated surplus

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

	2025	2024
Investment in tangible capital assets	52,385,345	47,982,503
Reserves (Note 14)	9,549,479	9,054,626
Unrestricted surplus	5,670,337	6,177,008
	67,605,161	63,214,137

14. Reserves

	2025	2024
Parkland Acquisition Reserve Fund	375,070	359,938
Parking Spaces and Alternative Transportation Infrastructure Reserve Fund	31,295	22,194
Land Sale Reserve Fund	72,697	69,764
Affordable Housing Reserve Fund	1,286,148	1,416,658
Barkley Community Forest Reserve Fund	2,223,314	3,573,089
Barkely Community Forest Legacy Reserve Fund	1,500,000	-
Recreation Infrastructure and Facilities Reserve Fund	1,201,916	1,153,422
Equipment Reserve Fund	14,997	14,391
Fire Facilities, Vehicle and Equipment Reserve Fund	40,490	38,856
Financial Stabilization Reserve Account	2	1
Financial Stabilization Reserve Account - COVID-19 Safe Restart Fund (Note 16)	36,317	34,852
Financial Stabilization Reserve Account - Growing Communities Fund (Note 17)	757,053	726,508
Financial Stabilization Reserve Account - Housing Capacity Fund (Note 18)	2,702	100,576
Canada Community-Building Fund Reserve Account (Note 15)	954,072	606,964
Small Craft Harbour Reserve Account	745,227	641,668
Sewer Capital Reserve Account	78,584	75,413
Water Capital Reserve Account	229,595	220,332
	9,549,479	9,054,626

15. Canada Community-Building Fund Reserve Account

The Canada Community-Building Fund Reserve Account (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 agreement.

	2025	2024
Opening balance	606,964	1,577,357
Add: funding received during the year	314,969	-
Add: interest	32,139	69,607
Less: amount spent on projects	-	(1,040,000)
	954,072	606,964

16. 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 shortfalls 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 shortfalls, 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.

	2025	*2024*
Opening balance	**34,852**	130,505
Add: interest	**1,465**	5,978
Less: amount spent on outdoor equipment and storage	**-**	(101,631)
	36,317	34,852

17. 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 of GCF funding in March 2023.

	2025	*2024*
Opening balance	**726,508**	1,339,307
Add: interest	**30,545**	31,501
Less: amount spent on projects	**-**	(644,300)
	757,053	726,508

18. Housing Capacity Fund

The Government of British Columbia has provided $51 million in grant-based funding to help facilitate implementation and support local governments to meet new legislative requirements of Bill 44 Housing Statutes (Residential Development) Amendment Act and Bill 47 Housing Statutes (Transit-Oriented Areas) Amendment Act, and to adopt new authorities under Bill 46 Housing Statutes (Development Financing) Amendment Act and Bill 16 Housing Statutes Amendment Act.

The District received $160,031 of housing capacity funding in 2024.

	2025	*2024*
Opening balance	**100,576**	-
Funding received during the year	**-**	160,031
Add: interest	**2,126**	-
Less: amount spent on projects	**(100,000)**	(59,455)
	2,702	100,576

19. Taxation

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

	2025	*2024*
Municipal purposes		
General	**6,044,950**	5,495,114
Utility	**47,155**	46,304
Parcel taxes	**244,365**	245,190
Grants in lieu of taxes	**91,148**	90,228
	6,427,618	5,876,836
Taxes levied for other authorities		
School authorities	**2,280,269**	2,266,192
RCMP	**287,482**	291,324
Regional Hospital	**197,081**	205,510
Regional District	**819,430**	772,923
BC Assessment Authority	**57,838**	57,477
Vancouver Island Regional Library	**206,670**	209,291
Municipal Finance Authority	**309**	319
	3,849,079	3,803,036
Total taxes collected	**10,276,697**	9,679,872

20. Trust funds

Trust funds administered by the District have not been included in the consolidated statement 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.

	2025	*2024*
Opening balance	**3,784**	3,710
Interest earned	**192**	74
Additions	**6,000**	-
	9,976	3,784

21. Pension plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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, 2024, the plan had approximately 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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, 2024, indicated a $2.675 billion funding surplus for basic pension benefits on a going concern basis.

The District paid $253,935 (2024 - $266,798) for employer contributions to the plan in fiscal 2025.

The next valuation will be as at December 31, 2027, with results available in 2028.

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.

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 $7,421,057 (2024 - $2,590,000) for the Water Treatment 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 March 10, 2025, with the adoption of the Five-Year Financial Plan (2025-2029) Bylaw No. 1370, 2025. The table below reconciles the approved budget to the budget figures reported in these financial statements.

Consolidated budgeted surplus, per District of Ucluelet Bylaw 1370, 2025	-
Add	
Acquisition of capital assets	17,084,053
Debt repayment	73,540
Less	
Transfers from reserves	6,273,002
Proceeds from debt	4,014,029
Consolidated budgeted surplus, per Consolidated Statement of Operations	6,870,562

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 are 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 are 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 2.

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.

Credit Risk

Credit risk is the risk of financial loss because a counterparty to a financial instrument fails to discharge its contractual obligations.

The District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

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, 2025

	Land	*Buildings*	*Vehicles and equipment*	*Other structures*	*Subtotal*
Cost					
Balance, beginning of year	14,718,568	11,353,267	4,414,331	5,767,870	36,254,036
Acquisition of tangible capital assets	-	123,838	787,901	-	911,739
Disposal of tangible capital assets	-	-	(260,000)	-	(260,000)
Write down of tangible capital assets	-	-	-	-	-
Balance, end of year	14,718,568	11,477,105	4,942,232	5,767,870	36,905,775
Accumulated amortization					
Balance, beginning of year	-	3,993,823	2,699,686	2,906,190	9,599,699
Annual amortization	-	268,562	196,096	211,124	675,782
Accumulated amortization on disposals	-	-	(249,600)	-	(249,600)
Balance, end of year	-	4,262,385	2,646,182	3,117,314	10,025,881
Net book value of tangible capital assets	14,718,568	7,214,720	2,296,050	2,650,556	26,879,894
Net book value of tangible capital assets	14,718,568	7,359,444	1,714,645	2,861,680	26,654,337

District of Ucluelet

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2025

	Land	*Buildings*	*Vehicles and equipment*	*Other structures*	*Subtotal*
Cost					
Balance, beginning of year	14,718,568	11,353,267	4,414,331	5,767,870	36,254,036
Acquisition of tangible capital assets	-	123,838	787,901	-	911,739
Disposal of tangible capital assets	-	-	(260,000)	-	(260,000)
Write down of tangible capital assets	-	-	-	-	-
Balance, end of year	14,718,568	11,477,105	4,942,232	5,767,870	36,905,775
Accumulated amortization					
Balance, beginning of year	-	3,993,823	2,699,686	2,906,190	9,599,699
Annual amortization	-	268,562	196,096	211,124	675,782
Accumulated amortization on disposals	-	-	(249,600)	-	(249,600)
Balance, end of year	-	4,262,385	2,646,182	3,117,314	10,025,881
Net book value of tangible capital assets	14,718,568	7,214,720	2,296,050	2,650,556	26,879,894
Net book value of tangible capital assets	14,718,568	7,359,444	1,714,645	2,861,680	26,654,337

District of Ucluelet

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2025

	Subtotal	*Roads*	*Drainage structures*	*Water structures*	*Subtotal*
Cost					
Balance, beginning of year	36,254,036	15,479,495	1,936,660	6,710,742	60,380,933
Acquisition of tangible capital assets	911,739	37,066	-	29,279	978,084
Disposal of tangible capital assets	(260,000)	-	-	-	(260,000)
Write down of tangible capital assets	-	-	-	-	-
Balance, end of year	36,905,775	15,516,561	1,936,660	6,740,021	61,099,017
Accumulated amortization					
Balance, beginning of year	9,599,699	5,087,361	914,678	3,937,117	19,538,855
Annual amortization	675,782	367,848	43,922	214,432	1,301,984
Accumulated amortization on disposals	(249,600)	-	-	-	(249,600)
Balance, end of year	10,025,881	5,455,209	958,600	4,151,549	20,591,239
Net book value of tangible capital assets	26,879,894	10,061,352	978,060	2,588,472	40,507,778
Net book value of tangible capital assets	26,654,337	10,392,134	1,021,982	2,773,625	40,842,078

District of Ucluelet

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2025

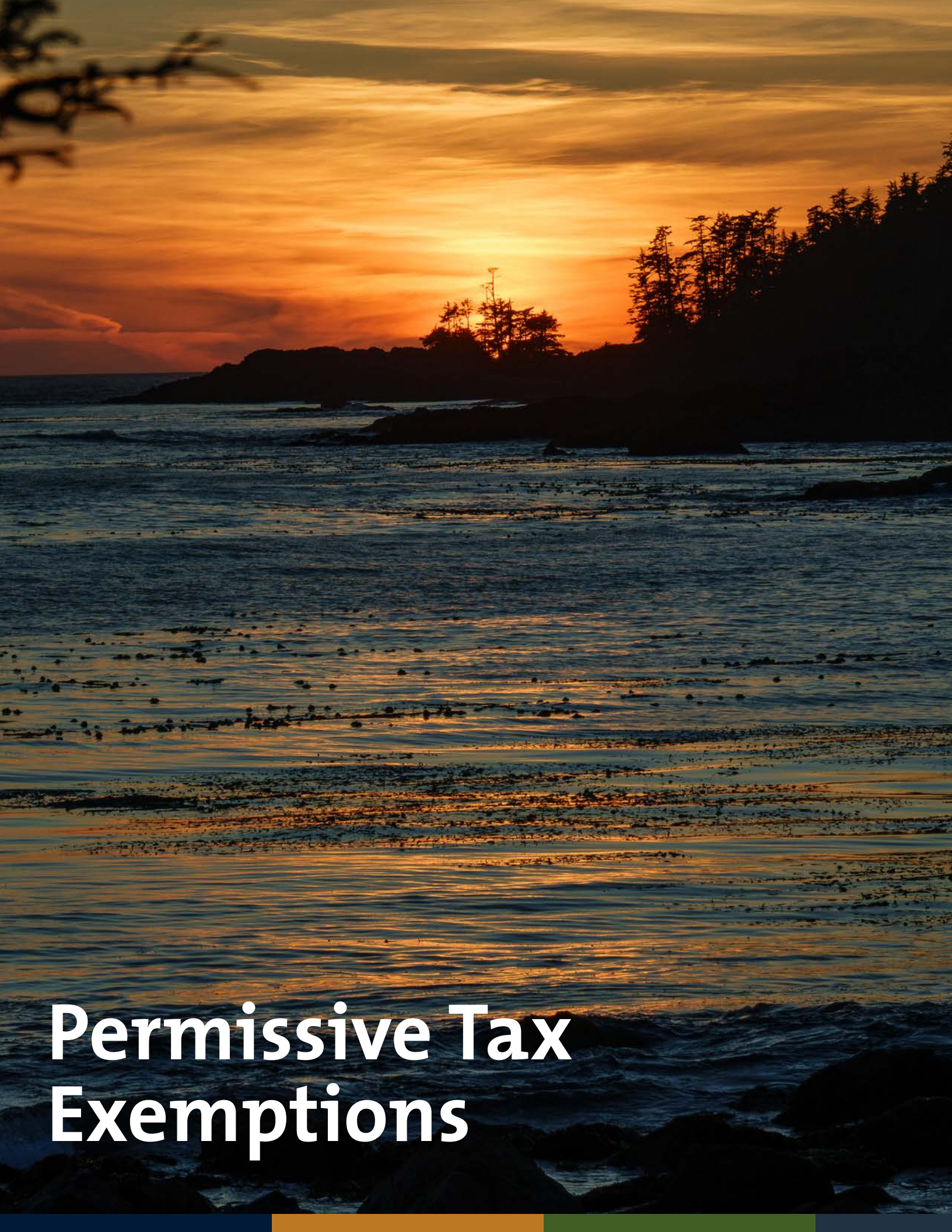
	Subtotal	*Sewer structures*	*Work in progress*	*2025*	*2024*
Cost					
Balance, beginning of year	60,380,933	12,229,735	2,534,082	75,144,750	66,840,369
Acquisition of tangible capital assets	978,084	-	5,180,014	6,158,098	8,315,922
Disposal of tangible capital assets	(260,000)	-	-	(260,000)	(11,376)
Write down of tangible capital assets	-	-	(121,408)	(121,408)	(165)
Balance, end of year	61,099,017	12,229,735	7,592,688	80,921,440	75,144,750
Accumulated amortization					
Balance, beginning of year	19,538,855	6,180,859	-	25,719,714	24,351,840
Annual amortization	1,301,984	271,916	-	1,573,900	1,379,250
Accumulated amortization on disposals	(249,600)	-	-	(249,600)	(11,376)
Balance, end of year	20,591,239	6,452,775	-	27,044,014	25,719,714
Net book value of tangible capital assets	40,507,778	5,776,960	7,592,688	53,877,426	49,425,036
Net book value of tangible capital assets	40,842,078	6,048,876	2,534,082	49,425,036	

Schedule 2

District of Ucluelet
Consolidated Schedule of Segment Disclosure
Year ended December 31, 2026

	General Government Services	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2026 Actual
Revenue								
Taxation, net	$ 6,183,253	$ -	$ -	$ -	$ -	$ 118,480	$ 125,885	$ 6,427,618
Sale of services	14,819	-	479,477	66,439	479,633	771,964	492,082	2,304,414
Grant revenue	1,652,608	85,861	7,000	325,000	248,534	2,790,749	-	5,109,752
Investment income	625,742	-	-	-	-	-	-	625,742
Loss from investment in Government Business Partnership	(35,206)	-	-	-	-	-	-	(35,206)
Other revenue from own sources	77,978	34,050	-	262,877	-	1,073	13,200	389,178
	8,519,194	119,911	486,477	654,316	728,167	3,682,266	631,167	14,821,488
Expenses								
Salaries and wages	$ 1,113,322	$ 500,240	$ 466,271	$ -	$ 1,720,420	$ 268,677	$ 180,864	$ 4,239,794
Contracted services	214,413	33,110	478,606	659,874	231,004	59,340	118,932	1,795,279
Materials and supplies	98,253	210,652	223,547	10,429	469,686	122,167	76,653	1,211,388
Interest and other	382,353	134,636	56,601	7,777	231,640	161,543	3,589	978,139
Audit and legal	188,367	-	-	60,034	-	-	-	248,401
Telephone and utilities	60,441	59,952	83,706	-	55,918	65,486	50,569	376,072
Amortization	-	-	607,866	-	479,686	214,432	271,916	1,573,900
Accretion	-	-	-	-	6,068	1,435	-	7,503
	2,057,149	938,590	1,916,597	738,114	3,194,421	893,080	702,523	10,430,474
Annual surplus (deficit)	$ 6,462,045	$ (818,679)	$ (1,430,120)	$ (83,798)	$ (2,466,254)	$ 2,789,186	$ (71,356)	$ 4,391,014

	General Government Services	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2024 Actual
Revenue								
Taxation, net	$ 5,631,646	$ -	$ -	$ -	$ -	$ 118,880	$ 126,310	$ 5,876,836
Sale of services	12,372	-	500,550	77,970	507,238	797,850	548,548	2,444,528
Grant revenue	4,863,229	58,813	103,223	-	313,708	62,431	-	5,401,404
Investment income	641,930	-	-	-	-	-	-	641,930
Loss from investment in Government Business Partnership	(16,878)	-	-	-	-	-	-	16,878
Other revenue from own sources	110,197	29,457	-	331,809	-	1,537	-	473,000
	11,242,496	88,270	603,773	409,779	820,946	980,698	674,858	14,820,820
Expenses								
Salaries and wages	$ 1,133,820	$ 480,404	$ 383,714	$ 432,072	$ 1,156,673	$ 211,989	$ 163,143	$ 3,961,815
Contracted services	71,001	53,105	385,034	95,786	230,227	214,557	149,292	1,199,002
Materials and supplies	41,381	137,367	224,899	10,131	371,800	56,427	45,679	887,884
Interest and other	357,949	158,793	47,524	38,575	244,722	115,228	9,843	972,634
Audit and legal	159,360	-	-	19,243	-	-	-	178,603
Telephone and utilities	66,278	36,152	88,278	-	55,662	60,179	54,744	361,293
Amortization	-	-	434,353	-	436,158	218,285	290,454	1,379,250
	1,829,788	865,821	1,663,802	596,807	2,486,242	876,665	713,156	8,940,281
Annual surplus (deficit)	$ 9,412,707	$ (777,551)	$ (960,029)	$ (186,028)	$ (1,674,296)	$ 104,033	$ (38,297)	$ 5,880,538



Permissive Tax Exemptions

Organization Name	2025 Municipal Taxes
Christ Community Church of Ucluelet	$9,923.68
Bishop of Victoria	$9,247.30
Ucluelet Congregation of Jehovah's Witnesses	$7,118.57
Food Bank on the Edge	$1,719.97
Food Bank on the Edge	$10,915.65
Westcoast Community Resources Centre	$2,214.43
Westcoast Community Resources Centre	$2,510.45
Nuu-Chah-Nulth First Nations	$778.62
Ministry of Child and Family Development	$778.62
Vancouver Island Regional Library	$4,973.38
Ucluelet Daycare Society	$2,215.51
Army & Navy Airforce Veterans-Ucluelet #293	$40,763.94
Ucluelet Aquarium Society	$2,229.23
KUU-US Crisis Line Society	$9,167.44
Redd Fish	$9,923.68
Total Municipal Property Tax Exemption	**$104,556.79**



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