

**Town of Qualicum Beach  
Report under the Financial Information Act  
For the Year Ended December 31, 2019**

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**Town of Qualicum Beach**  
**Schedule Showing Council Remuneration and Expenses Paid**  
**For The Twelve Months Ending December 31, 2019**

| <b>Council</b> | <b>Remuneration<br/>(Stipend)</b> | <b>Reimbursed<br/>Expenses</b> | <b>Grand<br/>Total</b>  |
|----------------|-----------------------------------|--------------------------------|-------------------------|
| Harrison, S    | \$34,500                          | \$14,315                       | \$48,815                |
| Filmer, R      | \$34,500                          | \$10,488                       | \$44,988                |
| Walker, A      | \$34,500                          | \$3,306                        | \$37,806                |
| Westbroek, T   | \$34,500                          | \$2,703                        | \$37,203                |
| Wiese, B       | \$46,000                          | \$13,525                       | \$59,525                |
|                | <b><u>\$184,000</u></b>           | <b><u>\$44,337</u></b>         | <b><u>\$228,337</u></b> |

**Town of Qualicum Beach**  
**Schedule Showing Staff Remuneration and Expenses Paid**  
**For The Twelve Months Ending December 31, 2019**

| <b>Staff</b>                              | <b>Remuneration</b> | <b>Expenses</b> | <b>Total</b>     |
|-------------------------------------------|---------------------|-----------------|------------------|
| Augustyn, R.                              | 77,523              | 577             | 78,100           |
| Botelho, A.                               | 89,230              | 368             | 89,598           |
| Conn, G                                   | 88,439              | 3,560           | 91,999           |
| Cornell, P.G.                             | 125,432             | 3,548           | 128,980          |
| Daman, R                                  | 86,041              | 5,657           | 91,698           |
| Gould, H                                  | 88,507              | 334             | 88,841           |
| Hillsden, C                               | 75,575              | 0               | 75,575           |
| Kobe, T                                   | 89,940              | 0               | 89,940           |
| Marsh, J.K.                               | 104,336             | 5,362           | 109,698          |
| Marshall, D.R.                            | 83,157              | 304             | 83,461           |
| McKenzie, F                               | 89,480              | 4,962           | 94,442           |
| Purdon, C.D.                              | 106,892             | 0               | 106,892          |
| Rehor, C.I.                               | 109,337             | 855             | 110,192          |
| Saby, D                                   | 84,394              | 1,851           | 86,245           |
| Sailland, D                               | 165,817             | 9,708           | 175,525          |
| Sales, L.B.                               | 118,935             | 899             | 119,834          |
| Schwabe, A.                               | 96,506              | 4,149           | 100,655          |
| Svensen, H.B.                             | 116,400             | 5,737           | 122,137          |
| Trudeau, D.M.                             | 147,609             | 6               | 147,615          |
| Watson, O                                 | 103,737             | 2,174           | 105,911          |
| Weir, R.K.                                | 144,265             | 3,944           | 148,209          |
| <b>Total For Employees Over \$75,000</b>  | <b>2,191,552</b>    | <b>53,995</b>   | <b>2,245,546</b> |
| <b>Total For Employees Under \$75,000</b> | <b>2,612,041</b>    | <b>79,705</b>   | <b>2,691,746</b> |
| <b>Total For All Employees</b>            | <b>4,803,593</b>    | <b>133,699</b>  | <b>4,937,292</b> |

**Town of Qualicum Beach**  
**Schedule Showing Reconciliation of Staff and Council Remuneration**  
**as compared to 2019 Financial Statements**

|                                                         | <b>Amount</b>                  |
|---------------------------------------------------------|--------------------------------|
| Employee remuneration schedule                          | 4,803,593                      |
| Council remuneration schedule                           | <u>184,000</u>                 |
| sub total                                               | 4,987,593                      |
| Employee Benefits and Other Adjustments                 | <u>1,331,981</u>               |
| <b>Total Wages and Benefits in Financial Statements</b> | <b><u><u>6,319,574</u></u></b> |

**TOWN OF QUALICUM BEACH  
SUPPLIER PAYMENTS - 2019**

| <b>SUPPLIER NAME</b>                  | <b>AMOUNT</b> |
|---------------------------------------|---------------|
| 616858 BC LTD                         | 44,944        |
| AFD PETROLEUM LTD                     | 29,301        |
| ARCHIE JOHNSTONE PLUMBING             | 38,850        |
| AURORA ROOFING LTD                    | 40,576        |
| AXIOM EQUIPMENT INC                   | 39,416        |
| BABCO SALES LTD                       | 25,692        |
| BAKER SUPPLY LTD                      | 30,901        |
| BC ASSESSMENT AUTHORITY               | 130,285       |
| BC HYDRO                              | 464,995       |
| BERWICK RETIREMENT QUALICUM BEACH LTD | 98,337        |
| C&L SUPERIOR CLEANING SERVICES        | 102,209       |
| CARSTEN JENSEN ARCHITECT              | 25,487        |
| CITY OF PARKSVILLE                    | 63,195        |
| CITY OF VICTORIA                      | 28,330        |
| COLLINS ELECTRIC INC                  | 51,161        |
| CUMMINS CANADA ULC                    | 25,390        |
| CUPE - LOCAL #401                     | 55,226        |
| DAVID STALKER EXCAVATING LTD          | 86,514        |
| DBL DISPOSAL SERVICES                 | 49,898        |
| DISTRICT 69 CONCRETE & CONSTRUCTION   | 66,817        |
| DOLLY'S HOME HARDWARE                 | 40,800        |
| DON MAY CONSTRUCTION                  | 77,834        |
| DRIVE PRODUCTS                        | 67,171        |
| ELLIOTT INDUSTRIES LTD                | 56,920        |
| ENEX FUELS                            | 381,247       |
| FAMILY FORD LTD                       | 30,282        |
| FOUR STAR WATERWORKS                  | 66,929        |
| GUILLEVIN INTERNATIONAL INC.          | 43,446        |
| HARRIS & COMPANY                      | 34,256        |
| HAYLOCK BROTHERS PAVING               | 122,092       |
| ICBC                                  | 62,858        |
| INGLETON CONSTRUCTION MANAGEMENT      | 150,005       |
| INSIGHT CANADA INC                    | 29,626        |
| KNAPPETT INDUSTRIES (2006) LTD        | 1,130,110     |
| KOERS & ASSOCIATES ENGINEERING        | 614,295       |
| KTI LIMITED                           | 27,954        |
| LAFRENTZ ROAD MARKING                 | 35,506        |
| LANARC 2015 CONSULTANTS LTD           | 38,435        |
| LEUCO CONSTRUCTION INC                | 367,310       |
| LEWKOWICH ENGINEERING ASSOCIATES      | 34,780        |
| MAINROAD MAINTENANCE PRODUCTS         | 34,532        |

**TOWN OF QUALICUM BEACH  
SUPPLIER PAYMENTS - 2019**

| <b>SUPPLIER NAME</b>                                 | <b>AMOUNT</b>     |
|------------------------------------------------------|-------------------|
| MCGORMAN MACLEAN                                     | 26,250            |
| METRO MOTORS LTD                                     | 57,740            |
| MINISTER OF FINANCE - EHT                            | 96,847            |
| MINISTER OF FINANCE - MSP                            | 39,338            |
| MINISTER OF FINANCE - School Tax                     | 1,365,179         |
| MUNICIPAL INSURANCE ASSOC. OF BC                     | 153,324           |
| MUNICIPAL PENSION FUND                               | 668,836           |
| NANAIMO REGIONAL HOSPITAL DIST                       | 527,977           |
| NORTH ISLAND TRACTOR LTD                             | 35,138            |
| PACIFIC BLUE CROSS                                   | 191,345           |
| PARKSVILLE HEAVY EQUIPMENT                           | 1,172,106         |
| PRAIRIE COAST EQUIPMENT-NANAIMO                      | 30,923            |
| QB CHAMBER OF COMMERCE                               | 50,453            |
| QB HISTORICAL & MUSEUM SOCIETY                       | 91,825            |
| RECEIVER GENERAL FOR CANADA                          | 245,745           |
| RECEIVER GENERAL FOR CANADA (RCMP)                   | 999,387           |
| RED WILLIAMS WELL DRILLING                           | 25,202            |
| REGIONAL DISTRICT OF NANAIMO                         | 5,254,219         |
| RODWAY & PERRY IN TRUST                              | 31,275            |
| SHELL CANADA PRODUCTS                                | 68,133            |
| SNC-LAVALIN INC                                      | 32,528            |
| SOUTHERN RAILWAY VANCOUVER ISLAND                    | 84,091            |
| SUN LIFE FINANCIAL                                   | 201,000           |
| TETRA TECH CANADA INC                                | 33,401            |
| TOWN OF QUALICUM BEACH                               | 1,098,000         |
| TRANE CANADA ULC                                     | 35,085            |
| VANCOUVER ISLAND REGIONAL LIBRARY                    | 528,420           |
| VANCOUVER ISLAND UNIVERSITY                          | 38,750            |
| VISA                                                 | 156,869           |
| WASTE CONNECTIONS OF CANADA                          | 74,761            |
| WAYWEST HVAC & REFRIGERATION INC                     | 55,038            |
| WINDSOR PLYWOOD PARKSVILLE                           | 71,444            |
| WORKSAFEBC                                           | 69,239            |
| YOUNG, ANDERSON BARRISTERS & SOLICITORS              | 25,825            |
| <b>TOTAL PAID TO SUPPLIERS GREATER THAN \$25,000</b> | <b>18,579,605</b> |
| <b>CONSOLIDATED TOTAL OF ALL OTHER PAYMENTS</b>      | <b>2,291,198</b>  |
| <b>GRAND TOTAL</b>                                   | <b>20,870,803</b> |

**Town of Qualicum Beach  
Reconciliation of Suppliers Payments for 2019  
Compared to Financial Statements**

| <b>Supplier Name</b>                         | <b>Amount</b>            |
|----------------------------------------------|--------------------------|
| Supplier payments                            | 20,873,803               |
| Employee remuneration                        | 4,803,593                |
| Council remuneration                         | 184,000                  |
| Acquisition of capital assets                | -7,373,495               |
| Amortization of capital assets               | 3,256,653                |
| Other amounts and adjustments                | 157,522                  |
| Other government tax payments                | <u>-6,576,315</u>        |
| <b>Total Adjusted Payments</b>               | <b><u>15,325,761</u></b> |
| <br>                                         |                          |
| <b>2019 Financial Statement Expenditures</b> | <b><u>15,325,761</u></b> |

**Town of Qualicum Beach  
Schedule of Debt (Long Term)  
For the year ended December 31, 2019**

|                                             | <b>2019</b> | <b>2018</b> |
|---------------------------------------------|-------------|-------------|
| <u>Capital Lease</u>                        |             |             |
| Fire Hall Loan 2.25%, due November 30, 2025 | \$2,777,618 | \$3,240,555 |

**Town of Qualicum Beach**  
**Schedule of Guarantee & Indemnity Agreements**  
**For the year ended December 31, 2019**

There were no guarantee & indemnity agreements outstanding at December 31, 2019.

**Town of Qualicum Beach**  
**Report of Employee Severance Agreements**  
**For the year ended December 31, 2019**

There was one severance agreement made between the Town of Qualicum Beach and its non-unionized employees during 2019. This agreement represents 18 months of compensation.

**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**TOWN OF QUALICUM BEACH  
MANAGEMENT'S RESPONSIBILITY REPORT  
2019 FINANCIAL STATEMENTS**

The preparation of these financial statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility. Council meets with the external auditors two times per year.

The external auditors, McGorman MacLean, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Town's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to Council.

On behalf of the Town of Qualicum Beach

  
John Marsh, CPA, CMA  
Director of Finance

  
Brian Wiese  
Mayor

**McGORMAN**

**MacLEAN**

Chartered Professional Accountants

Campbell B. MacLean, Ltd.

Stana Pazicka, Inc.

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of the  
Town of Qualicum Beach

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

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

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the 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.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Parksville, Canada  
June 17, 2020

*McGowan McLean*  
CHARTERED PROFESSIONAL ACCOUNTANTS

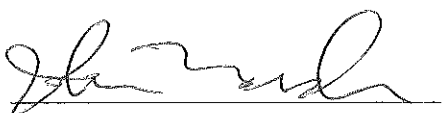
**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

S3  
**STATEMENT 1**

|                                                       | <u>2019</u>           | <u>2018</u>           |
|-------------------------------------------------------|-----------------------|-----------------------|
| <b>FINANCIAL ASSETS</b>                               |                       |                       |
| Cash and cash equivalents (note 2)                    | \$ 10,959,690         | \$ 10,926,206         |
| Accounts receivable (note 3)                          | 3,256,633             | 1,110,345             |
| Capital lease receivable (note 4)                     | 90,163                | 100,449               |
| Municipal Finance Authority debt reserve fund deposit | 50,839                | 49,682                |
| Assets held for sale                                  | 552,609               | 582,914               |
|                                                       | <u>14,909,934</u>     | <u>12,769,596</u>     |
| <b>FINANCIAL LIABILITIES</b>                          |                       |                       |
| Accounts payable (note 5)                             | 1,998,199             | 1,465,259             |
| Accrued employee benefits                             | 751,833               | 701,611               |
| Deferred revenue                                      | 1,396,655             | 1,606,576             |
| Performance bonds and deposits                        | 1,068,489             | 986,052               |
| Deferred revenue - capital (note 6)                   | 2,535,036             | 2,325,617             |
| Long term debt (note 7)                               | 2,777,618             | 3,240,555             |
|                                                       | <u>10,527,830</u>     | <u>10,325,670</u>     |
| <b>NET FINANCIAL ASSETS</b>                           | <u>4,382,104</u>      | <u>2,443,926</u>      |
| <b>NON-FINANCIAL ASSETS</b>                           |                       |                       |
| Inventories                                           | 95,686                | 88,787                |
| Prepaid expenses                                      | 28,458                | 14,914                |
| Tangible capital assets (note 8)                      | 120,619,576           | 116,534,008           |
|                                                       | <u>120,743,720</u>    | <u>116,637,709</u>    |
| <b>ACCUMULATED SURPLUS (notes 9 and 10)</b>           | <u>\$ 125,125,824</u> | <u>\$ 119,081,635</u> |

Contingent liabilities and commitments (note 11)

Approved:

 Director of Finance

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

**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**AS AT DECEMBER 31, 2019**

S4  
**STATEMENT 2**

|                                                     | <b>2019<br/>Budget<br/>(unaudited)</b> | <b>2019<br/>Actual</b>       | <b>2018<br/>Actual</b>       |
|-----------------------------------------------------|----------------------------------------|------------------------------|------------------------------|
| <b>REVENUE</b>                                      |                                        |                              |                              |
| Net taxation                                        | \$ 10,246,382                          | \$ 10,273,010                | \$ 9,865,146                 |
| Water and sewer rates                               | 1,935,000                              | 2,033,148                    | 1,933,838                    |
| Sale of services                                    | 646,000                                | 635,590                      | 688,403                      |
| Other revenue from own sources                      | 1,369,622                              | 1,556,044                    | 1,544,250                    |
| Government transfers                                | 4,162,000                              | 4,448,081                    | 1,319,355                    |
| Gain on disposal of tangible capital assets         | 2,685,000                              | 36,668                       | 196,860                      |
| Gain on disposal of assets held for sale            | 1,100,000                              | 141,866                      | -                            |
| Capital contributions                               | -                                      | 2,245,543                    | 961,988                      |
|                                                     | <u>22,144,004</u>                      | <u>21,369,950</u>            | <u>16,509,840</u>            |
| <b>EXPENSES</b>                                     |                                        |                              |                              |
| General government services                         | 2,229,000                              | 2,216,304                    | 2,037,272                    |
| Protective services                                 | 2,899,000                              | 2,873,436                    | 2,617,248                    |
| Transportation services                             | 4,938,000                              | 4,901,813                    | 5,005,764                    |
| Environmental services                              | 753,000                                | 805,882                      | 720,127                      |
| Water services                                      | 1,413,000                              | 1,370,876                    | 1,410,547                    |
| Sewer services                                      | 369,000                                | 360,923                      | 359,370                      |
| Planning and development services                   | 1,032,000                              | 1,038,270                    | 903,398                      |
| Parks and recreation services                       | 1,951,000                              | 1,758,257                    | 1,898,225                    |
|                                                     | <u>15,584,000</u>                      | <u>15,325,761</u>            | <u>14,951,951</u>            |
| <b>ANNUAL SURPLUS</b>                               | 6,560,004                              | 6,044,189                    | 1,557,889                    |
| <b>ACCUMULATED SURPLUS AT BEGINNING<br/>OF YEAR</b> | <u>119,081,635</u>                     | <u>119,081,635</u>           | <u>117,523,746</u>           |
| <b>ACCUMULATED SURPLUS AT END OF YEAR</b>           | <u><u>\$ 125,641,639</u></u>           | <u><u>\$ 125,125,824</u></u> | <u><u>\$ 119,081,635</u></u> |

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

**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**AS AT DECEMBER 31, 2019**

S5  
**STATEMENT 3**

|                                                      | <u>2019<br/>Budget<br/>(unaudited)</u> | <u>2019<br/>Actual</u> | <u>2018<br/>Actual</u> |
|------------------------------------------------------|----------------------------------------|------------------------|------------------------|
| <b>ANNUAL SURPLUS</b>                                | \$ 6,560,004                           | \$ 6,044,189           | \$ 1,557,889           |
| Acquisition of tangible capital assets               |                                        | (7,373,495)            | (7,814,944)            |
| Amortization of tangible capital assets              | 3,250,000                              | 3,256,653              | 3,197,854              |
| Proceeds on disposal of tangible capital assets      |                                        | 67,942                 | 214,760                |
| Gain on disposal of tangible capital assets          | -                                      | (36,668)               | (196,860)              |
| Tangible capital asset transferred to held for sale  | -                                      | -                      | 570,446                |
|                                                      | <u>3,250,000</u>                       | <u>(4,085,568)</u>     | <u>(4,028,744)</u>     |
| Purchase of supplies inventories                     | -                                      | (6,899)                | (27,407)               |
| Decrease (increase) in prepaid expenses              | -                                      | (13,544)               | 7,186                  |
|                                                      | <u>-</u>                               | <u>(20,443)</u>        | <u>(20,221)</u>        |
| <b>CHANGE IN NET FINANCIAL ASSETS</b>                | 9,810,004                              | 1,938,178              | (2,491,076)            |
| <b>NET FINANCIAL ASSETS AT BEGINNING<br/>OF YEAR</b> | <u>2,443,926</u>                       | <u>2,443,926</u>       | <u>4,935,002</u>       |
| <b>NET FINANCIAL ASSETS AT END OF YEAR</b>           | \$ <u>12,253,930</u>                   | \$ <u>4,382,104</u>    | \$ <u>2,443,926</u>    |

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

**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS AT DECEMBER 31, 2019**

S6  
**STATEMENT 4**

|                                                         | <u>2019</u>                 | <u>2018</u>                 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| <b>CASH PROVIDED BY OPERATIONS</b>                      |                             |                             |
| Annual surplus                                          | \$ 6,044,189                | \$ 1,557,889                |
| Items not involving cash:                               |                             |                             |
| Amortization of tangible capital assets                 | 3,256,653                   | 3,197,854                   |
| Gain on disposal of tangible capital assets             | (36,668)                    | (196,860)                   |
| Tangible capital assets transferred to held for sale    | -                           | 570,446                     |
| Change in non-cash operating assets and liabilities:    |                             |                             |
| Decrease (increase)                                     |                             |                             |
| Accounts receivable                                     | (2,146,288)                 | 640,719                     |
| Capital lease receivable                                | 10,286                      | 10,285                      |
| Municipal Finance Authority debt reserve fund deposit   | (1,157)                     | (1,058)                     |
| Assets held for sale                                    | 30,305                      | (582,914)                   |
| Inventories                                             | (6,899)                     | (27,407)                    |
| Prepaid expenses                                        | (13,544)                    | 7,186                       |
| Increase (decrease)                                     |                             |                             |
| Accounts payable                                        | 532,940                     | 455,831                     |
| Accrued employee benefits                               | 50,222                      | 65,351                      |
| Deferred revenue                                        | (209,921)                   | (289,195)                   |
| Performance bonds and deposits                          | 82,437                      | 88,363                      |
| Deferred revenue - capital                              | 209,419                     | 340,552                     |
|                                                         | <u>7,801,974</u>            | <u>5,837,042</u>            |
| <b>FINANCING ACTIVITIES</b>                             |                             |                             |
| Decrease in long term debt                              | <u>(462,937)</u>            | <u>(462,936)</u>            |
| <b>CAPITAL ACTIVITIES</b>                               |                             |                             |
| Acquisition of tangible capital assets                  | (7,373,495)                 | (7,814,944)                 |
| Proceeds on disposal of tangible capital assets         | <u>67,942</u>               | <u>214,760</u>              |
|                                                         | <u>(7,305,553)</u>          | <u>(7,600,184)</u>          |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | 33,484                      | (2,226,078)                 |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>   | <u>10,926,206</u>           | <u>13,152,284</u>           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>         | \$ <u><u>10,959,690</u></u> | \$ <u><u>10,926,206</u></u> |
| <b>SUPPLEMENTARY CASH FLOW INFORMATION:</b>             |                             |                             |
| Cash paid for interest                                  | \$ <u><u>90,119</u></u>     | \$ <u><u>143,731</u></u>    |

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

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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The Town of Qualicum Beach (the "Town") was incorporated on May 5, 1942 under the provisions of the Local Government Act of British Columbia. The Town's principal activities include the provision of services to residents of Qualicum Beach. These include general government services, protective services, transportation services, environmental services, planning and development services and parks and recreation services.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of presentation

Consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Board (PSAB) standards. The consolidated statement of financial position includes all assets and liabilities of the Town.

(b) Principles of consolidation

These financial statements include accounts of all funds of the Town and its proportionate interest in Arrowsmith Water Service Joint Venture. Inter-fund transactions and balances have been eliminated.

(c) Basis of accounting

Except as noted below, the basis of accounting followed in the financial statement presentation is the accrual basis and includes revenue in the period in which the transactions or events occurred that gave rise to the revenue, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Assets held for sale

Assets held for sale are those expected to be sold within one year. They are valued at the lower of cost or expected net realizable value. When a decline in net realizable value is determined to be other than temporary, the impairment is recognized in the consolidated statement of operations and accumulated surplus.

(f) Employee future benefits

The Town and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Employee future benefits (continued)**

In addition to the Municipal Pension Plan, sick leave and other retirement benefits are also available to the Town's employees. The costs of these benefits are determined based on years of service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits earned as the employees render services necessary to earn the future benefits.

**(g) Deferred revenue**

Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the Town discharges the obligations that led to the collection of funds.

**(h) Non financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Inventories

Inventories are recorded at the lower of cost and net realizable value.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the assets. Tangible capital assets transferred to the Town from developers are recorded at their fair market value at the date of transfer and are also recorded as revenue under capital contributions. The cost, less the residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

|                                    | <u>Years</u> |
|------------------------------------|--------------|
| Buildings and structures           | 50           |
| Infrastructure - utilities         | 50 - 80      |
| Infrastructure - land improvements | 25 - 75      |
| Infrastructure - transportation    | 20 - 75      |
| Equipment                          | 7 - 20       |

A full year of amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are initially recorded as work-in-progress and are not amortized until the asset is available for productive use.

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Taxation and related revenues**

Property tax revenues in the form of local government requisitions are recognized in the year they are levied. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. Parcel taxes are recognized in the year they are levied.

**(j) Government transfers**

Government transfers are recognized in the consolidated financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**(k) Contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The Town is:
  - o Directly responsible; or
  - o Accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no liabilities to be recorded as at December 31, 2019.

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

S7

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. As such, actual results could differ from these estimates. Significant estimates include assumptions used in estimating provisions for accounts receivable, accrued employee benefits, performing calculations of employee future benefits, estimating fair value of contributed tangible capital assets, estimating the useful lives of tangible capital assets and allocation of expenses. Developer contributions of tangible capital assets are recorded at the Town's best estimate of fair value on the date of contribution. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**2. RESTRICTED CASH AND CASH EQUIVALENTS**

Included in financial assets are cash and cash equivalents of \$230,318 (2018: \$220,749) that are invested on behalf of the cemetery trust fund. These funds may only be used for the upkeep and care of the cemetery and burial plots.

**3. ACCOUNTS RECEIVABLE**

|                                       | <b>2019</b>         |    | <b>2018</b>      |
|---------------------------------------|---------------------|----|------------------|
| Property taxes                        | \$ 324,689          | \$ | 239,932          |
| Water rates                           | 262,515             |    | 269,184          |
| Sewer rates                           | 159,361             |    | 177,435          |
| Solid waste                           | 170,384             |    | 174,929          |
| Receivable from federal government    | 982,895             |    | 84,850           |
| Receivable from provincial government | 1,139,530           |    | -                |
| Trades receivable                     | 217,259             |    | 164,015          |
|                                       | <u>\$ 3,256,633</u> | \$ | <u>1,110,345</u> |

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**4. CAPITAL LEASE RECEIVABLE**

On April 1, 2016, the Town entered into a long term lease agreement for a building owned by the Town. The lease requires annual payments of \$10,757, expiring March 31, 2028. Provided the tenant satisfies all the conditions of the lease, including payment in full of the rent due over the lease term, the tenant will have an exclusive option to purchase the building from the Town for a nominal amount.

Payments due over the next five years on the capital lease receivable are as follows:

|      |    |        |
|------|----|--------|
| 2020 | \$ | 10,757 |
| 2021 |    | 10,757 |
| 2022 |    | 10,757 |
| 2023 |    | 10,757 |
| 2024 |    | 10,757 |

**5. ACCOUNTS PAYABLE**

|                                  | 2019                | 2018                |
|----------------------------------|---------------------|---------------------|
| Trades payable                   | \$ 1,350,801        | \$ 1,109,822        |
| Payable to federal government    | 422,117             | 323,329             |
| Payable to provincial government | 46,512              | 3,578               |
| Holdbacks payable                | 178,769             | 28,530              |
|                                  | <u>\$ 1,998,199</u> | <u>\$ 1,465,259</u> |

**6. DEFERRED REVENUE - CAPITAL**

|                              | Off Street<br>Parking | Development<br>Cost Charges | Total               |
|------------------------------|-----------------------|-----------------------------|---------------------|
| Balance at beginning of year | \$ 193,286            | \$ 2,132,331                | \$ 2,325,617        |
| Additions                    | -                     | 173,327                     | 173,327             |
| Interest                     | 2,900                 | 33,192                      | 36,092              |
|                              | <u>\$ 196,186</u>     | <u>\$ 2,338,850</u>         | <u>\$ 2,535,036</u> |

Deferred revenue - capital includes statutory reserves that are required to be set-up under section 188(2) of the Community Charter.

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**7. LONG TERM DEBT**

|                                                                                                                            | <u>2019</u>  | <u>2018</u>  |
|----------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| 2.25% Municipal Finance Authority Loan, principal payments of \$231,468 semi-annually plus interest, due November 30, 2025 | \$ 2,777,618 | \$ 3,240,555 |

Principal due over the next five years on long term debt is as follows:

|      |            |
|------|------------|
| 2020 | \$ 462,936 |
| 2021 | 462,936    |
| 2022 | 462,936    |
| 2023 | 462,936    |
| 2024 | 462,936    |

**8. TANGIBLE CAPITAL ASSETS**

|                          | <u>Cost</u>           | <u>Accumulated<br/>Amortization</u> | <u>Net Book<br/>Value</u> |
|--------------------------|-----------------------|-------------------------------------|---------------------------|
| <u>2019</u>              |                       |                                     |                           |
| Land                     | \$ 39,276,088         | \$ -                                | \$ 39,276,088             |
| Buildings and structures | 30,179,205            | 10,384,319                          | 19,794,886                |
| Infrastructure           | 117,761,844           | 58,164,720                          | 59,597,124                |
| Equipment                | 5,868,517             | 3,917,039                           | 1,951,478                 |
|                          | <u>\$ 193,085,654</u> | <u>\$ 72,466,078</u>                | <u>\$ 120,619,576</u>     |

|                          | <u>Cost</u>           | <u>Accumulated<br/>Amortization</u> | <u>Net Book<br/>Value</u> |
|--------------------------|-----------------------|-------------------------------------|---------------------------|
| <u>2018</u>              |                       |                                     |                           |
| Land                     | \$ 37,769,788         | \$ -                                | \$ 37,769,788             |
| Buildings and structures | 30,112,962            | 9,728,865                           | 20,384,097                |
| Infrastructure           | 112,289,622           | 55,865,832                          | 56,423,790                |
| Equipment                | 5,614,611             | 3,658,277                           | 1,956,334                 |
|                          | <u>\$ 185,786,983</u> | <u>\$ 69,252,975</u>                | <u>\$ 116,534,008</u>     |

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

S7

**9. ACCUMULATED SURPLUS**

|                                                 | <b>2019</b>           | <b>2018</b>           |
|-------------------------------------------------|-----------------------|-----------------------|
| <u>Reserves and Surpluses</u>                   |                       |                       |
| Equipment reserve fund                          | \$ 54,953             | \$ 54,141             |
| Property reserve fund                           | 215,508               | 212,323               |
| Park land reserve fund                          | 94,703                | 93,304                |
| Emissions reduction reserve fund                | 23,224                | 17,997                |
| Park improvements reserve fund                  | 91,345                | 89,995                |
| Cemetery reserve fund                           | 241,443               | 230,229               |
| Municipal Finance Authority debt reserve fund   | 50,839                | 49,682                |
| Arrowsmith water reserve                        | 56,788                | 52,577                |
| Protective services reserve                     | 18,732                | 18,732                |
| Buildings reserve                               | 56,000                | 56,000                |
| Assets held for sale                            | 512,313               | 570,446               |
| Unallocated surplus                             |                       |                       |
| General                                         | 3,852,663             | 2,434,795             |
| Water                                           | 1,661,520             | 1,559,407             |
| Sewer                                           | 353,835               | 348,554               |
|                                                 | <u>7,283,866</u>      | <u>5,788,182</u>      |
| Investment in tangible capital assets (note 10) | <u>117,841,958</u>    | <u>113,293,453</u>    |
| Total accumulated surplus                       | <u>\$ 125,125,824</u> | <u>\$ 119,081,635</u> |

**10. INVESTMENT IN TANGIBLE CAPITAL ASSETS**

|                                                            | <b>2019</b>           | <b>2018</b>           |
|------------------------------------------------------------|-----------------------|-----------------------|
| Investment in tangible capital assets at beginning of year | \$ 113,293,453        | \$ 108,801,773        |
| Add: Acquisition of tangible capital assets                | 7,373,495             | 7,814,944             |
| Reduction in long term debt                                | 462,937               | 462,936               |
| Less: Amortization                                         | (3,256,653)           | (3,197,854)           |
| Net book value of tangible capital asset disposals         | (31,274)              | (17,900)              |
| Tangible capital assets transferred to held for sale       | -                     | (570,446)             |
| Investment in tangible capital assets at end of year       | <u>\$ 117,841,958</u> | <u>\$ 113,293,453</u> |

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**11. CONTINGENT LIABILITIES AND COMMITMENTS**

- (a) Regional District - The Town is responsible, as a member of the Regional District of Nanaimo and of the Nanaimo Regional Hospital District, for its proportion of any operating deficits or capital debt related to functions in which it participates.
- (b) Municipal Pension Plan - The Town and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

The most recent actuarial valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Town of Qualicum Beach paid \$372,289 for employer contributions to the plan in the fiscal year ended December 31, 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expenses as the amount of employer contributions made 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 individual employers participating in the plan. Contributions to the plan were as follows:

|                  | 2019              | 2018              |
|------------------|-------------------|-------------------|
| Employer portion | \$ 372,289        | \$ 378,638        |
| Employee portion | 324,742           | 334,085           |
|                  | <u>\$ 697,031</u> | <u>\$ 712,723</u> |

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**11. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**

- (c) Municipal Finance Authority contingent demand notes - Under borrowing arrangements with the Municipal Finance Authority (MFA), the Town is required to lodge security by means of a demand note and an interest-bearing cash deposit based on the amount of the borrowing. As a condition of the borrowing, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. This deposit is included in the Town's financial assets and is held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposit is refunded to the Town. At December 31, 2019, there was a contingent demand note of \$212,517 (2018 - \$212,517) which was not included in the financial statements of the Town.
- (d) Municipal Insurance Association of British Columbia - The Town is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Town, along with other participants, would be required to contribute towards the deficit.
- (e) Other contingent liabilities consisting of routine claims will be accounted for as an expense in the period in which the costs are incurred. It is not possible to determine the Town's liability, if any, with respect to these other matters.

**12. SEGMENT DISCLOSURE BY SERVICE**

The Town of Qualicum Beach is a diversified municipal government that provides a wide range of services to its residents. The following is a description of the types of services included in each of the main segments of the Town's financial statements:

General Government Services

Services related to general corporate and legislative governance and administration as well as human resources, information technology and financial management.

Protective Services

Services related to providing fire protection, bylaw enforcement and building inspection to the Town, as well as the Town's share of expenses related to providing policing.

Transportation Services

Services related to the delivery of municipal public works services including the development and maintenance of roadway systems, street lighting, airport operations and other public works and engineering related services.

**TOWN OF QUALICUM BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**12. SEGMENT DISCLOSURE BY SERVICE (continued)**

Environmental Services

Services related to the collection of garbage and chipping as well as environmental testing and monitoring. It also includes services related to the delivery of water, sanitary sewer removal and the planning and development and maintenance of the Town's water and sewer infrastructure.

Planning and Development Services

Services related to planning for development and for improving quality of life and sustainability initiatives.

Parks and Recreation Services

Services related to the development and maintenance of parks and trails, municipal landscaping, and providing and maintaining recreation and cultural buildings.

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. For additional information see the Consolidated Schedule of Segment Disclosure by Service (Schedule D).

**13. SUBSEQUENT EVENT**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The financial effects, if any, on the Town and its operations as a result of this pandemic are indeterminable at this time.

**14. COMPARATIVE FIGURES**

Certain 2018 comparative figures have been changed to reflect financial statement presentation adopted in the current year.

**TOWN OF QUALICUM BEACH**  
**SCHEDULE OF REVENUES**  
**YEAR ENDED DECEMBER 31, 2019**

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**SCHEDULE A**

|                                               | <b>2019<br/>Budget<br/>(unaudited)</b> | <b>2019<br/>Actual</b> | <b>2018<br/>Actual</b> |
|-----------------------------------------------|----------------------------------------|------------------------|------------------------|
| <b>NET TAXATION</b>                           |                                        |                        |                        |
| Taxes collected for municipal purposes        |                                        |                        |                        |
| General                                       | \$ 8,880,097                           | \$ 8,875,521           | \$ 8,493,786           |
| Parcel tax - water                            | 796,000                                | 802,930                | 796,050                |
| Parcel tax - sewer                            | 163,200                                | 164,675                | 163,135                |
| 1% utility tax                                | 143,439                                | 148,621                | 144,091                |
|                                               | <u>9,982,736</u>                       | <u>9,991,747</u>       | <u>9,597,062</u>       |
| Taxes collected for other government services |                                        |                        |                        |
| Education                                     | 5,031,001                              | 5,024,379              | 4,726,796              |
| Regional District of Nanaimo                  | 3,967,626                              | 3,972,430              | 3,749,490              |
| Nanaimo Regional Hospital District            | 527,977                                | 526,363                | 506,327                |
| Vancouver Island Regional Library             | 528,420                                | 527,424                | 509,742                |
| B.C. Assessment Authority                     | 129,976                                | 130,232                | 121,185                |
| Municipal Finance Authority                   | 1,000                                  | 647                    | 573                    |
|                                               | <u>10,186,000</u>                      | <u>10,181,475</u>      | <u>9,614,113</u>       |
| Less taxes paid to other governments          | <u>(10,186,000)</u>                    | <u>(10,180,724)</u>    | <u>(9,609,179)</u>     |
|                                               | <u>-</u>                               | <u>751</u>             | <u>4,934</u>           |
| Grants-in-lieu of taxes                       |                                        |                        |                        |
| Federal government                            | 14,200                                 | 15,614                 | 14,155                 |
| Taxes paid to other governments               | (7,000)                                | (7,802)                | (7,140)                |
| Fortis BC                                     | 54,000                                 | 47,281                 | 53,097                 |
| B.C. Hydro                                    | 69,000                                 | 75,419                 | 68,158                 |
| Permissive tax exemptions                     | 133,446                                | 150,000                | 134,880                |
|                                               | <u>263,646</u>                         | <u>280,512</u>         | <u>263,150</u>         |
|                                               | <u>\$ 10,246,382</u>                   | <u>\$ 10,273,010</u>   | <u>\$ 9,865,146</u>    |
| <b>WATER AND SEWER RATES</b>                  |                                        |                        |                        |
| Water user rates                              | \$ 1,300,000                           | \$ 1,389,629           | \$ 1,316,473           |
| Water connection fees                         | 10,000                                 | 32,986                 | 15,370                 |
| Sewer user rates                              | 615,000                                | 597,491                | 594,495                |
| Sewer connection fees                         | 10,000                                 | 13,042                 | 7,500                  |
|                                               | <u>\$ 1,935,000</u>                    | <u>\$ 2,033,148</u>    | <u>\$ 1,933,838</u>    |
| <b>SALE OF SERVICES</b>                       |                                        |                        |                        |
| Public Works                                  | \$ 34,000                              | \$ 25,637              | \$ 26,930              |
| Solid waste pickup                            | 567,000                                | 552,146                | 608,333                |
| Cemetery                                      | 45,000                                 | 57,807                 | 53,140                 |
|                                               | <u>\$ 646,000</u>                      | <u>\$ 635,590</u>      | <u>\$ 688,403</u>      |

**TOWN OF QUALICUM BEACH**  
**SCHEDULE OF REVENUES (continued)**  
**YEAR ENDED DECEMBER 31, 2019**

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**SCHEDULE A**  
**2018**  
**Actual**

|                                             | <b>2019</b><br><b>Budget</b><br><b>(unaudited)</b> | <b>2019</b><br><b>Actual</b> |                      |
|---------------------------------------------|----------------------------------------------------|------------------------------|----------------------|
| <b>OTHER REVENUE FROM OWN SOURCES</b>       |                                                    |                              |                      |
| Licences and permits                        | \$ 217,800                                         | \$ 240,392                   | \$ 226,758           |
| Leases and rentals                          | 500,000                                            | 578,359                      | 501,855              |
| Interest on investments                     | 79,000                                             | 205,187                      | 199,283              |
| Interest on property taxes                  | 52,000                                             | 62,988                       | 52,192               |
| Miscellaneous - operating                   | 61,000                                             | 132,238                      | 196,052              |
| Contributions and other                     | 125,000                                            | 37,650                       | 73,634               |
| Airport services                            | 170,908                                            | 144,308                      | 144,626              |
| Community Hall                              | 33,315                                             | 29,914                       | 30,061               |
| Civic Centre                                | 130,599                                            | 125,008                      | 119,789              |
|                                             | <u>\$ 1,369,622</u>                                | <u>\$ 1,556,044</u>          | <u>\$ 1,544,250</u>  |
| <b>GOVERNMENT TRANSFERS</b>                 |                                                    |                              |                      |
| Operating                                   |                                                    |                              |                      |
| Revenue sharing grants                      | \$ 467,000                                         | \$ 470,451                   | \$ 463,789           |
| Fire protection                             | 120,000                                            | 126,735                      | 118,565              |
| Community parks and other                   | 140,000                                            | 151,778                      | 161,165              |
| Other grants                                | -                                                  | 26,086                       | 11,868               |
|                                             | <u>727,000</u>                                     | <u>775,050</u>               | <u>755,387</u>       |
| Capital                                     |                                                    |                              |                      |
| Infrastructure                              | 2,995,000                                          | 2,802,500                    | 125,000              |
| Federal gas tax revenue                     | 440,000                                            | 870,531                      | 438,968              |
|                                             | <u>3,435,000</u>                                   | <u>3,673,031</u>             | <u>563,968</u>       |
|                                             | <u>\$ 4,162,000</u>                                | <u>\$ 4,448,081</u>          | <u>\$ 1,319,355</u>  |
| <b>OTHER CAPITAL REVENUE</b>                |                                                    |                              |                      |
| Gain on disposal of tangible capital assets | \$ 2,685,000                                       | \$ 36,668                    | \$ 196,860           |
| Gain on disposal of assets held for sale    | 1,100,000                                          | 141,866                      | -                    |
| Developer contributions                     | -                                                  | 2,000,589                    | 874,519              |
| Other contributions                         | -                                                  | 244,954                      | 87,469               |
|                                             | <u>\$ 3,785,000</u>                                | <u>\$ 2,424,077</u>          | <u>\$ 1,158,848</u>  |
| <b>TOTAL REVENUE</b>                        | <u>\$ 22,144,004</u>                               | <u>\$ 21,369,950</u>         | <u>\$ 16,509,840</u> |
| <b>SUMMARY OF REVENUE</b>                   |                                                    |                              |                      |
| Operating revenue                           | \$ 14,924,004                                      | \$ 15,272,842                | \$ 14,787,024        |
| Capital and other revenue                   | <u>7,220,000</u>                                   | <u>6,097,108</u>             | <u>1,722,816</u>     |
|                                             | <u>\$ 22,144,004</u>                               | <u>\$ 21,369,950</u>         | <u>\$ 16,509,840</u> |

**TOWN OF QUALICUM BEACH**  
**SCHEDULE OF EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

S9

**SCHEDULE B**  
**2018**  
**Actual**

|                                         | <b>2019</b><br><b>Budget</b><br><b>(unaudited)</b> | <b>2019</b><br><b>Actual</b> |                     |
|-----------------------------------------|----------------------------------------------------|------------------------------|---------------------|
| <b>GENERAL GOVERNMENT SERVICES</b>      |                                                    |                              |                     |
| Legislative                             | \$ 245,000                                         | \$ 248,079                   | \$ 132,000          |
| Grants-in-aid                           | 242,000                                            | 245,000                      | 224,975             |
| Office and ground maintenance           | 184,000                                            | 189,460                      | 131,877             |
| Administrative                          | 1,099,000                                          | 1,077,789                    | 1,312,173           |
| Other                                   | 371,000                                            | 378,498                      | 160,642             |
|                                         | <u>2,141,000</u>                                   | <u>2,138,826</u>             | <u>1,961,667</u>    |
| Fiscal services                         | 26,000                                             | 19,811                       | 17,938              |
| Amortization of tangible capital assets | 62,000                                             | 57,667                       | 57,667              |
|                                         | <u>\$ 2,229,000</u>                                | <u>\$ 2,216,304</u>          | <u>\$ 2,037,272</u> |
| <b>PROTECTIVE SERVICES</b>              |                                                    |                              |                     |
| RCMP                                    | \$ 1,360,000                                       | \$ 1,098,971                 | \$ 1,164,344        |
| Fire department                         | 868,000                                            | 1,056,696                    | 830,005             |
| Other                                   | 471,000                                            | 517,563                      | 412,276             |
|                                         | <u>2,699,000</u>                                   | <u>2,673,230</u>             | <u>2,406,625</u>    |
| Fiscal services                         | 70,000                                             | 70,308                       | 80,725              |
| Amortization of tangible capital assets | 130,000                                            | 129,898                      | 129,898             |
|                                         | <u>\$ 2,899,000</u>                                | <u>\$ 2,873,436</u>          | <u>\$ 2,617,248</u> |
| <b>TRANSPORTATION SERVICES</b>          |                                                    |                              |                     |
| Public Works administration and yard    | \$ 796,000                                         | \$ 736,273                   | \$ 868,177          |
| Roads and drainage                      | 806,000                                            | 820,551                      | 808,844             |
| Airport                                 | 516,000                                            | 548,794                      | 550,116             |
| Less fuel sales                         | (344,000)                                          | (340,380)                    | (372,546)           |
| Street lighting                         | 187,000                                            | 187,324                      | 194,342             |
| Equipment operating costs               | 590,000                                            | 553,268                      | 574,579             |
|                                         | <u>2,551,000</u>                                   | <u>2,505,830</u>             | <u>2,623,512</u>    |
| Fiscal services                         | -                                                  | -                            | 45,068              |
| Amortization of tangible capital assets | 2,387,000                                          | 2,395,983                    | 2,337,184           |
|                                         | <u>\$ 4,938,000</u>                                | <u>\$ 4,901,813</u>          | <u>\$ 5,005,764</u> |
| <b>ENVIRONMENTAL SERVICES</b>           |                                                    |                              |                     |
| Waste removal                           | \$ 661,000                                         | \$ 702,266                   | \$ 622,239          |
| Solid waste landfill                    | 7,000                                              | 26,377                       | 16,871              |
| Other solid waste                       | 85,000                                             | 77,239                       | 81,017              |
|                                         | <u>\$ 753,000</u>                                  | <u>\$ 805,882</u>            | <u>\$ 720,127</u>   |

**TOWN OF QUALICUM BEACH**  
**SCHEDULE OF EXPENSES (continued)**  
**YEAR ENDED DECEMBER 31, 2019**

S9

**SCHEDULE B**

|                                          | <b>2019<br/>Budget<br/>(unaudited)</b> | <b>2019<br/>Actual</b> | <b>2018<br/>Actual</b> |
|------------------------------------------|----------------------------------------|------------------------|------------------------|
| <b>WATER SERVICES</b>                    |                                        |                        |                        |
| Water maintenance                        | \$ 1,055,000                           | \$ 1,012,150           | \$ 1,051,821           |
| Amortization of tangible capital assets  | <u>358,000</u>                         | <u>358,726</u>         | <u>358,726</u>         |
|                                          | <u>\$ 1,413,000</u>                    | <u>\$ 1,370,876</u>    | <u>\$ 1,410,547</u>    |
| <b>SEWER SERVICES</b>                    |                                        |                        |                        |
| Sewer maintenance                        | \$ 219,000                             | \$ 210,262             | \$ 208,709             |
| Amortization of tangible capital assets  | <u>150,000</u>                         | <u>150,661</u>         | <u>150,661</u>         |
|                                          | <u>\$ 369,000</u>                      | <u>\$ 360,923</u>      | <u>\$ 359,370</u>      |
| <b>PLANNING AND DEVELOPMENT SERVICES</b> |                                        |                        |                        |
| Planning and zoning                      | \$ 345,000                             | \$ 335,804             | \$ 342,841             |
| Community development                    | <u>687,000</u>                         | <u>702,466</u>         | <u>560,557</u>         |
|                                          | <u>\$ 1,032,000</u>                    | <u>\$ 1,038,270</u>    | <u>\$ 903,398</u>      |
| <b>PARKS AND RECREATION SERVICES</b>     |                                        |                        |                        |
| Parks administration and yard            | \$ 356,000                             | \$ 340,777             | \$ 370,434             |
| Civic Centre and Community Hall          | 382,000                                | 353,138                | 360,059                |
| Buildings and other                      | 141,000                                | 128,609                | 138,446                |
| Trails                                   | 110,000                                | 90,176                 | 106,909                |
| Community Park                           | 167,000                                | 144,353                | 134,329                |
| Beach maintenance                        | 108,000                                | 122,373                | 135,254                |
| Garden and park areas                    | 469,000                                | 379,777                | 437,089                |
| Cemetery                                 | <u>55,000</u>                          | <u>35,336</u>          | <u>51,987</u>          |
|                                          | 1,788,000                              | 1,594,539              | 1,734,507              |
| Amortization of tangible capital assets  | <u>163,000</u>                         | <u>163,718</u>         | <u>163,718</u>         |
|                                          | <u>\$ 1,951,000</u>                    | <u>\$ 1,758,257</u>    | <u>\$ 1,898,225</u>    |
| <b>TOTAL EXPENSES</b>                    | <u>\$ 15,584,000</u>                   | <u>\$ 15,325,761</u>   | <u>\$ 14,951,951</u>   |
| <b>SUMMARY OF EXPENSES</b>               |                                        |                        |                        |
| Operating costs                          | \$ 12,238,000                          | \$ 11,978,989          | \$ 11,610,366          |
| Fiscal services                          | 96,000                                 | 90,119                 | 143,731                |
| Amortization of tangible capital assets  | <u>3,250,000</u>                       | <u>3,256,653</u>       | <u>3,197,854</u>       |
|                                          | <u>\$ 15,584,000</u>                   | <u>\$ 15,325,761</u>   | <u>\$ 14,951,951</u>   |

**TOWN OF QUALICUM BEACH**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF GAS TAX AGREEMENT**  
**YEAR ENDED DECEMBER 31, 2019**

S10  
**SCHEDULE C**

|                                      | <u>2019</u>       | <u>2018</u>        |
|--------------------------------------|-------------------|--------------------|
| Gas Tax Agreement Funds              |                   |                    |
| Opening balance                      | \$ (46,589)       | \$ (485,557)       |
| Add: Amount received during the year | <u>870,531</u>    | <u>438,968</u>     |
|                                      | <u>\$ 823,942</u> | <u>\$ (46,589)</u> |

Federal gas tax funding is provided by the Government of Canada. Use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE**  
**DECEMBER 31, 2019**

S11  
**SCHEDULE D**

| 2019                            | Consolidated        | General<br>Government<br>Services | Protective<br>Services | Transportation<br>Services | Environmental<br>Services | Planning and<br>Development<br>Services | Parks<br>and Recreation<br>Services |
|---------------------------------|---------------------|-----------------------------------|------------------------|----------------------------|---------------------------|-----------------------------------------|-------------------------------------|
| <b>Revenue</b>                  |                     |                                   |                        |                            |                           |                                         |                                     |
| Net taxation                    | \$ 10,273,010       | \$ 9,305,405                      | \$ -                   | \$ -                       | \$ 967,605                | \$ -                                    | \$ -                                |
| Sale of services                | 2,668,738           | -                                 | -                      | 23,400                     | 2,643,101                 | -                                       | 2,237                               |
| Other operating revenue         | 1,556,044           | 877,156                           | 245,428                | 152,108                    | -                         | 110,230                                 | 171,122                             |
| Government transfers            | 4,448,081           | 417,323                           | 226,535                | 2,407,322                  | 882,623                   | -                                       | 514,278                             |
| Gain on disposal of assets      | 178,534             | 178,534                           | -                      | -                          | -                         | -                                       | -                                   |
| Other capital revenue           | 2,245,543           | -                                 | -                      | 521,100                    | 335,690                   | 238,354                                 | 1,150,399                           |
|                                 | <u>21,369,950</u>   | <u>10,778,418</u>                 | <u>471,963</u>         | <u>3,103,930</u>           | <u>4,829,019</u>          | <u>348,584</u>                          | <u>1,838,036</u>                    |
| <b>Expenses</b>                 |                     |                                   |                        |                            |                           |                                         |                                     |
| Wages and salaries              | 6,319,574           | 1,169,322                         | 1,177,289              | 1,447,404                  | 957,729                   | 373,307                                 | 1,194,523                           |
| Goods and services              | 5,659,415           | 969,504                           | 1,495,941              | 1,058,426                  | 1,070,565                 | 664,963                                 | 400,016                             |
| Amortization                    | 3,256,653           | 57,667                            | 129,898                | 2,395,983                  | 509,387                   | -                                       | 163,718                             |
| Fiscal services                 | 90,119              | 19,811                            | 70,308                 | -                          | -                         | -                                       | -                                   |
|                                 | <u>15,325,761</u>   | <u>2,216,304</u>                  | <u>2,873,436</u>       | <u>4,901,813</u>           | <u>2,537,681</u>          | <u>1,038,270</u>                        | <u>1,758,257</u>                    |
| <b>Annual surplus (deficit)</b> | <u>\$ 6,044,189</u> | <u>\$ 8,562,114</u>               | <u>\$ (2,401,473)</u>  | <u>\$ (1,797,883)</u>      | <u>\$ 2,291,338</u>       | <u>\$ (689,686)</u>                     | <u>\$ 79,779</u>                    |

**TOWN OF QUALICUM BEACH**  
**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE (continued)**  
**DECEMBER 31, 2019**

S11  
**SCHEDULE D**

| 2018                            | Consolidated        | General<br>Government<br>Services | Protective<br>Services | Transportation<br>Services | Environmental<br>Services | Planning and<br>Development<br>Services | Parks<br>and Recreation<br>Services |
|---------------------------------|---------------------|-----------------------------------|------------------------|----------------------------|---------------------------|-----------------------------------------|-------------------------------------|
| <b>Revenue</b>                  |                     |                                   |                        |                            |                           |                                         |                                     |
| Net taxation                    | \$ 9,865,146        | \$ 8,905,961                      | \$ -                   | \$ -                       | \$ 959,185                | \$ -                                    | \$ -                                |
| Sale of services                | 2,622,241           | -                                 | -                      | 25,517                     | 2,595,310                 | -                                       | 1,414                               |
| Other operating revenue         | 1,544,250           | 783,143                           | 306,358                | 180,461                    | -                         | 86,639                                  | 187,649                             |
| Government transfers            | 1,319,355           | 419,533                           | 162,821                | 50,000                     | 450,836                   | -                                       | 236,165                             |
| Gain on disposal of assets      | 196,860             | 196,860                           | -                      | -                          | -                         | -                                       | -                                   |
| Other capital revenue           | 961,988             | -                                 | -                      | 961,988                    | -                         | -                                       | -                                   |
|                                 | <u>16,509,840</u>   | <u>10,305,497</u>                 | <u>469,179</u>         | <u>1,217,966</u>           | <u>4,005,331</u>          | <u>86,639</u>                           | <u>425,228</u>                      |
| <b>Expenses</b>                 |                     |                                   |                        |                            |                           |                                         |                                     |
| Wages and salaries              | 6,129,313           | 1,040,822                         | 871,525                | 1,496,967                  | 1,036,001                 | 368,524                                 | 1,315,474                           |
| Goods and services              | 5,481,053           | 920,845                           | 1,535,100              | 1,126,545                  | 944,656                   | 534,874                                 | 419,033                             |
| Amortization                    | 3,197,854           | 57,667                            | 129,898                | 2,337,184                  | 509,387                   | -                                       | 163,718                             |
| Fiscal services                 | 143,731             | 17,938                            | 80,725                 | 45,068                     | -                         | -                                       | -                                   |
|                                 | <u>14,951,951</u>   | <u>2,037,272</u>                  | <u>2,617,248</u>       | <u>5,005,764</u>           | <u>2,490,044</u>          | <u>903,398</u>                          | <u>1,898,225</u>                    |
| <b>Annual surplus (deficit)</b> | <u>\$ 1,557,889</u> | <u>\$ 8,268,225</u>               | <u>\$ (2,148,069)</u>  | <u>\$ (3,787,798)</u>      | <u>\$ 1,515,287</u>       | <u>\$ (816,759)</u>                     | <u>\$ (1,472,997)</u>               |

TOWN OF QUALICUM BEACH  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
DECEMBER 31, 2019

S12  
SCHEDULE E

|                                      | Land          | Buildings     | Equipment    | Water         | Sewer        | Drainage      | Roads         | Other         | WIP          | Parks        | Total          |
|--------------------------------------|---------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|----------------|
| <b>COST</b>                          |               |               |              |               |              |               |               |               |              |              |                |
| Opening Balance (Jan 1, 2018)        | \$ 34,025,924 | \$ 29,854,527 | \$ 5,464,466 | \$ 14,843,894 | \$ 9,606,370 | \$ 19,373,057 | \$ 43,590,674 | \$ 19,832,322 | \$ 590,563   | \$ 1,473,928 | \$ 178,655,725 |
| 2018 Additions                       | 4,134,142     | 488,747       | 213,241      | 538,100       | 61,600       | 795,371       | 222,768       | 308,542       | 872,152      | 180,281      | 7,814,944      |
| 2018 Disposals                       | (17,900)      | -             | (63,096)     | -             | -            | -             | -             | -             | -            | -            | (80,996)       |
| 2018 Transfers                       | 198,068       | (230,312)     | -            | -             | -            | -             | -             | -             | -            | -            | (32,244)       |
| 2018 Assets held for sale            | (570,446)     | -             | -            | -             | -            | -             | -             | -             | -            | -            | (570,446)      |
| Closing Balance (Dec 31, 2018)       | 37,769,788    | 30,112,962    | 5,614,611    | 15,381,994    | 9,667,970    | 20,168,428    | 43,813,442    | 20,140,864    | 1,462,715    | 1,654,209    | 185,786,983    |
| 2019 Additions                       | 1,537,574     | 66,243        | 297,456      | 725,343       | 187,765      | 374,716       | 275,111       | 200,671       | 3,690,811    | 17,805       | 7,373,495      |
| 2019 Disposals                       | (31,274)      | -             | (43,550)     | -             | -            | -             | -             | -             | -            | -            | (74,824)       |
| 2019 Transfers                       | -             | -             | -            | -             | -            | -             | -             | -             | -            | -            | -              |
| 2019 Assets held for sale            | -             | -             | -            | -             | -            | -             | -             | -             | -            | -            | -              |
| Closing Balance (Dec 31, 2019)       | 39,276,088    | 30,179,205    | 5,868,517    | 16,107,337    | 9,855,735    | 20,543,144    | 44,088,553    | 20,341,535    | 5,153,526    | 1,672,014    | 193,085,654    |
| <b>ACCUMULATED AMORTIZATION</b>      |               |               |              |               |              |               |               |               |              |              |                |
| Opening Balance (Jan 1, 2018)        |               | 9,133,417     | 3,420,680    | 5,620,174     | 5,194,094    | 6,979,424     | 25,768,022    | 9,043,901     | -            | 990,749      | 66,150,461     |
| 2018 Amortization                    |               | 627,692       | 300,693      | 219,665       | 161,133      | 348,997       | 1,096,322     | 401,197       | -            | 42,155       | 3,197,854      |
| 2018 Disposals                       |               | -             | (63,096)     | -             | -            | -             | -             | -             | -            | -            | (63,096)       |
| 2018 Transfers                       |               | (32,244)      | -            | -             | -            | -             | -             | -             | -            | -            | (32,244)       |
| Closing Balance (Dec 31, 2018)       |               | 9,728,865     | 3,658,277    | 5,839,839     | 5,355,227    | 7,328,421     | 26,864,344    | 9,445,098     | -            | 1,032,904    | 69,252,975     |
| 2019 Amortization                    |               | 655,454       | 302,312      | 230,027       | 164,263      | 355,243       | 1,102,067     | 405,401       | -            | 41,886       | 3,256,653      |
| 2019 Disposals                       |               | -             | (43,550)     | -             | -            | -             | -             | -             | -            | -            | (43,550)       |
| 2019 Transfers                       |               | -             | -            | -             | -            | -             | -             | -             | -            | -            | -              |
| Closing Balance (Dec 31, 2019)       |               | 10,384,319    | 3,917,039    | 6,069,866     | 5,519,490    | 7,683,664     | 27,966,411    | 9,850,499     | -            | 1,074,790    | 72,466,078     |
| <b>Net Book Value (Dec 31, 2018)</b> | \$ 37,769,788 | \$ 20,384,097 | \$ 1,956,334 | \$ 9,542,155  | \$ 4,312,743 | \$ 12,840,007 | \$ 16,949,098 | \$ 10,695,766 | \$ 1,462,715 | \$ 621,305   | \$ 116,534,008 |
| <b>Net Book Value (Dec 31, 2019)</b> | \$ 39,276,088 | \$ 19,794,886 | \$ 1,951,478 | \$ 10,037,471 | \$ 4,336,245 | \$ 12,859,480 | \$ 16,122,142 | \$ 10,491,036 | \$ 5,153,526 | \$ 597,224   | \$ 120,619,576 |