

**Town of Qualicum Beach
Report under the Financial Information Act
For the Year Ended December 31, 2020**

Index

Other Financial Information Section

Schedule of Council remuneration and expenses
Schedule of Employee remuneration and expenses, and reconciliation
Schedule of Supplier payments for goods and services, and reconciliation
Schedule of long term debt
Schedule of guarantee and indemnity agreements (nil in 2020)
Report of severance agreements

Financial Statement Section (Items Included in Audited Financial Statements)

Management Responsibilities
Independent Auditors' Report
Consolidated Statement of Financial Position
Consolidated Statement of Operations
Consolidated Statement of Change in Net Financial Assets
Consolidated Statement of Cash Flows
Notes to Financial Statements
Consolidate Revenues
Consolidated Expenses
Receipts and Disbursements of Gas Tax Agreement
Consolidated Segment Disclosure by Service
Consolidated Tangible Capital Assets

Town of Qualicum Beach
Schedule Showing Council Remuneration and Expenses Paid
For The Twelve Months Ending December 31, 2020

Name	Position	Remuneration (Stipend)	Reimbursed Expenses	Grand Total
Harrison, S	Councillor	\$35,225	\$445	\$35,670
Filmer, R	Councillor	\$35,225	\$31	\$35,256
Walker, A	Councillor	\$31,153	\$357	\$31,510
Westbroek, T	Councillor	\$35,225	\$837	\$36,062
Wiese, B	Mayor	\$46,966	\$1,185	\$48,151
		<u>\$183,794</u>	<u>\$2,855</u>	<u>\$186,649</u>

Town of Qualicum Beach
Schedule Showing Staff Remuneration and Expenses Paid
For The Twelve Months Ending December 31, 2020

Name	Position	Remuneration	Expenses	Total
Augustyn, R.	Planner	77,368	1,359	78,727
Botelho, A.	Working Foreman II	94,837	986	95,823
Conn, G	Manager of Finance	87,396	3,250	90,646
Cornell, P.G.	Deputy Fire Chief	120,877	350	121,227
Daman, R	Emergency Coordinator II	86,405	1,946	88,351
Eshpeter, M	Building Inspector III	77,647	828	78,475
Gould, H	Deputy Corporate Administrator	89,484	307	89,791
Hillsden, C	Trades III (Mechanic)	76,176	19	76,195
Kobe, T	Collector	91,866	0	91,866
Koch, A	Superintendent of Parks	95,674	995	96,669
Marsh, J.K.	Director of Finance	105,569	1,681	107,250
Marshall, D.R.	Bylaw Officer III	83,912	26	83,938
McKenzie, F	Local Assistant Fire Commissioner II	92,094	5,605	97,699
Rehor, C.I.	Human Resources Manager	110,741	1,801	112,542
Sailland, D	Chief Administrative Officer	187,249	2,612	189,861
Sales, L.B.	Director of Planning	120,543	1,025	121,568
Schwabe, A.	Manager of Operations	120,993	1,109	122,102
Svensen, H.B.	Corporate Administrator / Deputy C.A.O.	167,978	2,209	170,187
Trudeau, D	Chief Operating Officer	84,169	26	84,195
Twigge, L	Working Foreman	75,964	300	76,264
Watson, O	Superintendent of Public Works	105,483	567	106,050
Weir, R.K.	Director of Engineering, Capital Projects & Airport Executive	154,260	704	154,964
Total For Employees Over \$75,000		2,306,685	27,705	2,334,390
Total For Employees Under \$75,000		2,410,344	53,549	2,463,894
Total For All Employees		4,717,030	81,254	4,798,284

Town of Qualicum Beach
Schedule Showing Reconciliation of Staff and Council Remuneration
as compared to 2020 Financial Statements

	Amount
Employee remuneration schedule	4,717,030
Council remuneration schedule	<u>183,794</u>
sub total	4,900,824
Employee Benefits and Other Adjustments	<u>1,270,240</u>
Total Wages and Benefits in Financial Statements	<u><u>6,171,064</u></u>

**TOWN OF QUALICUM BEACH
SUPPLIER PAYMENTS - 2020**

SUPPLIER NAME	AMOUNT
ABBA FLOOR COVERINGS LTD	45,801
ACTION DOOR SERVICE INC	61,673
ADVANTAGE ASSET TRACKING	25,685
AMAIIS TECHNOLOGIES INC	26,110
ANU ENTERPRISES LTD	68,557
ARVAY FINLAY LLP	35,479
AURORA ROOFING LTD	37,988
BARBARA DAY SORT LAW CORP. IN TRUST	455,256
BC ASSESSMENT AUTHORITY	141,139
BC HYDRO	456,261
C&L SUPERIOR CLEANING SERVICES	98,522
CALGON CARBON CORP	32,693
CDW CANADA	97,988
CITY OF PARKSVILLE	156,074
CITY OF VICTORIA	41,744
COLLINS ELECTRIC INC	79,539
CONTAINER WEST MANUFACTURING	124,146
CUMMINS CANADA ULC	31,106
CUPE - LOCAL #401	60,333
CURRENT MILLWORK (2012) LTD	67,244
DAVID STALKER EXCAVATING LTD	119,667
DBL DISPOSAL SERVICES	55,616
DOLLY'S HOME HARDWARE	37,469
DON MAY CONSTRUCTION	35,239
ELLIOTT INDUSTRIES LTD	39,270
ENEX FUELS	312,695
FINNING CANADA	315,417
FOUR STAR WATERWORKS	70,625
GRANT FINANCIAL LTD	60,000
GREGG DISTRIBUTORS (BC) LTD	34,534
GRIFFIN PAINTING LTD	41,869
GUILLEVIN INTERNATIONAL INC.	53,894
HARRIS & COMPANY	33,116
HAYLOCK BROTHERS PAVING	166,418
ICBC	67,349
INGLETON CONSTRUCTION MANAGEMENT	74,152
JSK TRAFFIC CONTROL	39,391
KGC FIRE RESCUE INC.	57,400
KNAPPETT INDUSTRIES (2006) LTD	1,805,809
KOERS & ASSOCIATES ENGINEERING	1,226,341
LAFRENTZ ROAD MARKING	28,508
LOMBARD PRE-CAST INC	36,053
MACI SERVICE & REPAIR	28,013
MAINROAD MAINTENANCE PRODUCTS	33,215

**TOWN OF QUALICUM BEACH
SUPPLIER PAYMENTS - 2020**

SUPPLIER NAME	AMOUNT
MCGORMAN MACLEAN	26,775
MUNICIPAL INSURANCE ASSOC. OF BC	165,869
MUNICIPAL PENSION FUND	788,788
NANAIMO REGIONAL HOSPITAL DIST	520,246
P/Q NEWS	26,991
PACIFIC BLUE CROSS	184,814
PARKSVILLE CHRYSLER DODGE JEEP	61,999
PARKSVILLE HEAVY EQUIPMENT	278,176
PHEASANT GLEN GOLF RESORT	90,542
QB CHAMBER OF COMMERCE	54,075
QB HISTORICAL & MUSEUM SOCIETY	99,598
RAYLEC POWER LTD	31,665
RECEIVER GENERAL FOR CANADA (PAYROLL)	243,924
RECEIVER GENERAL FOR CANADA (RCMP)	1,217,423
REGIONAL DISTRICT OF NANAIMO	5,218,039
RICOH CANADA INC	87,898
ROC-STAR ENTERPRISES LTD	467,204
SEAL TEC INDUSTRIES LTD	30,216
SHADES TANKERS (1976) LTD	51,536
SMALL WORLD DEVELOPMENTS	42,698
SNC-LAVALIN INC	29,747
SNEDDON MASONRY LTD	27,048
SORG CONSTRUCTION	39,968
SOULES CONSULTING LTD	37,313
SOUTHERN RAILWAY VANCOUVER ISLAND	77,334
STEVE MARSHALL FORD LINCOLN LTD	26,711
TELUS COMMUNICATIONS-PRINCE GEORGE	30,248
TETRA TECH CANADA INC	61,103
TRI TEC SECURITY & SOUND	25,694
VAN-ROC INTERIORS JV	25,121
VANCOUVER ISLAND HAZMAT & DEMOLITION	39,900
VANCOUVER ISLAND REGIONAL LIBRARY	557,398
VANCOUVER ISLAND UNIVERSITY	26,250
VISA	89,710
WASTE CONNECTIONS OF CANADA	80,990
WAYWEST HVAC & REFRIGERATION INC	28,230
WESTWOOD METALS LTD	34,230
WEX CANADA LTD	43,829
WINDSOR PLYWOOD PARKSVILLE	34,103
WORKSAFEBC	96,211
YOUNG, ANDERSON BARRISTERS & SOLICITORS	<u>36,614</u>
TOTAL PAYMENTS (Vendors Over \$25,000)	18,051,629
MISCELLANEOUS PAYMENTS (\$25,000 and Under)	<u>2,009,674</u>
TOTAL PAYMENTS	<u>20,061,303</u>

**Town of Qualicum Beach
Reconciliation of Suppliers Payments for 2020
Compared to Financial Statements**

Supplier Name	Amount
Supplier payments	20,061,303
Employee remuneration	4,717,030
Council remuneration	183,794
Acquisition of capital assets	-5,325,562
Amortization of capital assets	3,441,220
Other amounts and adjustments	-1,094,602
Other government tax payments	<u>-6,436,823</u>
Total Adjusted Payments	<u>15,546,360</u>
2020 Financial Statement Expenditures	<u>15,546,360</u>

**Town of Qualicum Beach
Schedule of Debt (Long Term)
For the year ended December 31, 2020**

	2020	2019
<u>Capital Lease</u>		
Fire Hall Loan 2.25%, due November 30, 2025	\$2,314,682	\$2,777,618

Town of Qualicum Beach
Schedule of Guarantee & Indemnity Agreements
For the year ended December 31, 2020

There were no guarantee & indemnity agreements outstanding at December 31, 2020.

Town of Qualicum Beach
Report of Employee Severance Agreements
For the year ended December 31, 2020

There were no severance agreements made between the Town of Qualicum Beach and its non-unionized employees during 2020.

TOWN OF QUALICUM BEACH
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

TOWN OF QUALICUM BEACH
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

Management's Responsibility Report	S1
Independent Auditors' Report	S2
Statements	
1 Consolidated Statement of Financial Position	S3
2 Consolidated Statement of Operations	S4
3 Consolidated Statement of Changes in Net Financial Assets	S5
4 Consolidated Statement of Cash Flows	S6
Notes to Financial Statements	S7
Schedules	
A Revenues	S8
B Expenses	S9
C Receipts and Disbursements of Gas Tax Agreement	S10
D Segment Disclosure by Service	S11
E Tangible Capital Assets	S12
F COVID-19 Safe Restart Grant	S13

**TOWN OF QUALICUM BEACH
MANAGEMENT'S RESPONSIBILITY REPORT
2020 FINANCIAL STATEMENTS**

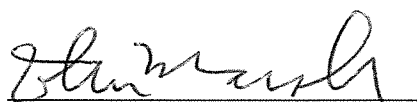
The preparation of these financial statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility.

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

INDEPENDENT AUDITORS' REPORT

S2

To the Mayor and Council of the
Town of Qualicum Beach

Opinion

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, 2020 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, 2020, 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
April 28, 2021

McGernan Maclean
CHARTERED PROFESSIONAL ACCOUNTANTS

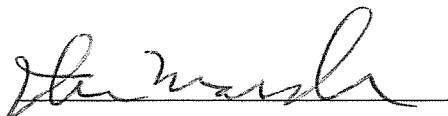
TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

S3
STATEMENT 1

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 16,964,928	\$ 10,959,690
Accounts receivable (note 3)	2,099,414	3,256,633
Capital lease receivable (note 4)	79,877	90,163
Municipal Finance Authority debt reserve fund deposit	51,885	50,839
Assets held for sale	<u>1,118,350</u>	<u>552,609</u>
	<u>20,314,454</u>	<u>14,909,934</u>
FINANCIAL LIABILITIES		
Accounts payable (note 5)	2,551,165	1,998,199
Accrued employee benefits	853,082	751,833
Deferred revenue	2,910,422	1,396,655
Performance bonds and deposits	966,099	1,068,489
Deferred revenue - capital (note 6)	2,676,105	2,535,036
Long term debt (note 7)	<u>2,314,682</u>	<u>2,777,618</u>
	<u>12,271,555</u>	<u>10,527,830</u>
NET FINANCIAL ASSETS	<u>8,042,899</u>	<u>4,382,104</u>
NON-FINANCIAL ASSETS		
Inventories	110,782	95,686
Prepaid expenses	28,462	28,458
Tangible capital assets (note 8)	<u>121,542,960</u>	<u>120,619,576</u>
	<u>121,682,204</u>	<u>120,743,720</u>
ACCUMULATED SURPLUS (notes 9 and 10)	<u><u>\$ 129,725,103</u></u>	<u><u>\$ 125,125,824</u></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, 2020

S4
STATEMENT 2

	<u>2020</u> <u>Budget</u> <u>(unaudited)</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
REVENUE			
Net taxation	\$ 10,681,000	\$ 10,756,690	\$ 10,273,010
Water and sewer rates	2,070,000	1,846,078	2,033,148
Sale of services	680,000	612,081	635,590
Other revenue from own sources	1,406,000	1,408,819	1,556,044
Government transfers	3,867,000	4,689,086	4,448,081
Gain on disposal of tangible capital assets	3,517,000	461,240	36,668
Gain on disposal of assets held for sale	-	230,900	141,866
Capital contributions	-	140,745	2,245,543
	<u>22,221,000</u>	<u>20,145,639</u>	<u>21,369,950</u>
EXPENSES			
General government services	2,307,000	2,316,883	2,216,304
Protective services	3,099,000	2,992,544	2,873,436
Transportation services	5,025,000	4,792,856	4,901,813
Environmental services	799,000	809,125	805,882
Water services	1,466,000	1,360,775	1,370,876
Sewer services	423,000	379,459	360,923
Planning and development services	1,208,000	887,062	1,038,270
Parks and recreation services	2,011,000	2,007,656	1,758,257
	<u>16,338,000</u>	<u>15,546,360</u>	<u>15,325,761</u>
ANNUAL SURPLUS	5,883,000	4,599,279	6,044,189
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>125,125,824</u>	<u>125,125,824</u>	<u>119,081,635</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 131,008,824</u>	<u>\$ 129,725,103</u>	<u>\$ 125,125,824</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, 2020

S5
STATEMENT 3

	2020 Budget (unaudited)	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ 5,883,000	\$ 4,599,279	\$ 6,044,189
Acquisition of tangible capital assets	(10,517,000)	(5,325,562)	(7,373,495)
Amortization of tangible capital assets	3,300,000	3,441,220	3,256,653
Proceeds on disposal of tangible capital assets	3,517,000	461,240	67,942
Gain on disposal of tangible capital assets	-	(461,240)	(36,668)
Tangible capital assets transferred to held for sale	-	960,958	-
	<u>(3,700,000)</u>	<u>(923,384)</u>	<u>(4,085,568)</u>
Purchase of supplies inventories	-	(15,096)	(6,899)
Increase in prepaid expenses	-	(4)	(13,544)
	<u>-</u>	<u>(15,100)</u>	<u>(20,443)</u>
CHANGE IN NET FINANCIAL ASSETS	2,183,000	3,660,795	1,938,178
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>4,382,104</u>	<u>4,382,104</u>	<u>2,443,926</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ 6,565,104</u>	<u>\$ 8,042,899</u>	<u>\$ 4,382,104</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, 2020

S6
STATEMENT 4

	<u>2020</u>	<u>2019</u>
CASH PROVIDED BY OPERATIONS		
Annual surplus	\$ 4,599,279	\$ 6,044,189
Items not involving cash:		
Amortization of tangible capital assets	3,441,220	3,256,653
Gain on disposal of tangible capital assets	(461,240)	(36,668)
Tangible capital assets transferred to held for sale	960,958	-
Change in non-cash operating assets and liabilities:		
Decrease (increase)		
Accounts receivable	1,157,219	(2,146,288)
Capital lease receivable	10,286	10,286
Municipal Finance Authority debt reserve fund deposit	(1,046)	(1,157)
Assets held for sale	(565,741)	30,305
Inventories	(15,096)	(6,899)
Prepaid expenses	(4)	(13,544)
Increase (decrease)		
Accounts payable	552,966	532,940
Accrued employee benefits	101,249	50,222
Deferred revenue	1,513,767	(209,921)
Performance bonds and deposits	(102,390)	82,437
Deferred revenue - capital	141,069	209,419
	<u>11,332,496</u>	<u>7,801,974</u>
FINANCING ACTIVITIES		
Decrease in long term debt	<u>(462,936)</u>	<u>(462,937)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,325,562)	(7,373,495)
Proceeds on disposal of tangible capital assets	<u>461,240</u>	<u>67,942</u>
	<u>(4,864,322)</u>	<u>(7,305,553)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	6,005,238	33,484
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,959,690</u>	<u>10,926,206</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 16,964,928</u>	<u>\$ 10,959,690</u>
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 78,725</u>	<u>\$ 90,119</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, 2020

S7

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, 2020

S7

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	10 - 50
Infrastructure - utilities	50 - 80
Infrastructure - land improvements	25 - 75
Infrastructure - transportation	20 - 75
Equipment	3 - 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, 2020

S7

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Non financial assets (continued)

Works of art and cultural and historic assets

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

(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. Government 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, 2020.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

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 \$241,484 (2019: \$230,318) 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

	2020	2019
Property taxes	\$ 245,117	\$ 324,689
Water rates	244,679	262,515
Sewer rates	166,033	159,361
Solid waste	181,373	170,384
Receivable from federal government	111,999	982,895
Receivable from provincial government	958,631	1,139,530
Trades receivable	191,582	217,259
	<u>\$ 2,099,414</u>	<u>\$ 3,256,633</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

S7

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:

2021	\$	10,757
2022		10,757
2023		10,757
2024		10,757
2025		10,757

5. ACCOUNTS PAYABLE

	2020	2019
Trades payable	\$ 722,499	\$ 1,350,801
Payable to federal government	540,547	422,117
Payable to provincial government	1,261,116	46,512
Holdbacks payable	27,003	178,769
	<u>\$ 2,551,165</u>	<u>\$ 1,998,199</u>

6. DEFERRED REVENUE - CAPITAL

	Off Street Parking	Development Cost Charges	Total
Balance at beginning of year	\$ 196,186	\$ 2,338,850	\$ 2,535,036
Additions	-	115,679	115,679
Interest	1,962	23,428	25,390
	<u>\$ 198,148</u>	<u>\$ 2,477,957</u>	<u>\$ 2,676,105</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, 2020

S7

7. LONG TERM DEBT

	<u>2020</u>	<u>2019</u>
2.25% Municipal Finance Authority Loan, principal payments of \$231,468 semi-annually plus interest, due November 30, 2025	\$ 2,314,682	\$ 2,777,618

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

2021	\$ 462,936
2022	462,936
2023	462,936
2024	462,936
2025	462,938

8. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
<u>2020</u>			
Land	\$ 38,782,434	\$ -	\$ 38,782,434
Buildings and structures	31,759,226	11,098,304	20,660,922
Infrastructure	120,401,611	60,495,589	59,906,022
Equipment	6,330,190	4,136,608	2,193,582
	<u>\$ 197,273,461</u>	<u>\$ 75,730,501</u>	<u>\$ 121,542,960</u>

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book 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>

The Town manages and controls various works of art located at Town sites and public display areas including paintings and a sculpture. These assets are not recorded as tangible capital assets and are not amortized.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

S7

9. ACCUMULATED SURPLUS

	2020	2019
<u>Reserves and Surpluses</u>		
Equipment reserve fund	\$ 55,502	\$ 54,953
Property reserve fund	217,663	215,508
Park land reserve fund	95,650	94,703
Emissions reduction reserve fund	23,481	23,224
Park improvements reserve fund	92,259	91,345
Cemetery reserve fund	250,069	241,443
Municipal Finance Authority debt reserve fund	51,885	50,839
Arrowsmith water reserve	60,898	56,788
Protective services reserve	-	18,732
Buildings reserve	56,000	56,000
Developer contribution reserve	78,432	-
COVID-19 Safe Restart Grant reserve	1,468,502	-
Assets held for sale	1,118,350	512,313
Unallocated surplus		
General	4,352,825	3,852,663
Water	1,974,013	1,661,520
Sewer	601,296	353,835
	10,496,825	7,283,866
Investment in tangible capital assets (note 10)	119,228,278	117,841,958
Total accumulated surplus	\$ 129,725,103	\$ 125,125,824

10. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2020	2019
Investment in tangible capital assets at beginning of year	\$ 117,841,958	\$ 113,293,453
Add: Acquisition of tangible capital assets	5,325,562	7,373,495
Reduction in long term debt	462,936	462,937
Less: Amortization	(3,441,220)	(3,256,653)
Net book value of tangible capital asset disposals	-	(31,274)
Tangible capital assets transferred to held for sale	(960,958)	-
Investment in tangible capital assets at end of year	\$ 119,228,278	\$ 117,841,958

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

S7

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 trusteed 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, 2020, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

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

The most recent actuarial valuation 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 \$405,974 for employer contributions to the plan in the fiscal year ended December 31, 2020.

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:

	2020	2019
Employer portion	\$ 405,974	\$ 372,289
Employee portion	354,555	324,742
	<u>\$ 760,529</u>	<u>\$ 697,031</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020

S7

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, 2020, there was a contingent demand note of \$212,517 (2019 - \$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, 2020

S7

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. FINANCIAL IMPACTS OF COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). It is not possible to reliably estimate the financial effects, if any, that the severity and length of the pandemic will have on the Town and its operations.

TOWN OF QUALICUM BEACH
SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2020

S8

SCHEDULE A

	2020 Budget (unaudited)	2020 Actual	2019 Actual
NET TAXATION			
Taxes collected for municipal purposes			
General	\$ 9,370,000	\$ 9,376,607	\$ 8,875,521
Parcel tax - water	732,000	742,880	802,930
Parcel tax - sewer	163,000	165,375	164,675
1% utility tax	147,000	145,854	148,621
	<u>10,412,000</u>	<u>10,430,716</u>	<u>9,991,747</u>
Taxes collected for other government services			
Education	4,812,000	4,813,381	5,024,379
Regional District of Nanaimo	4,060,000	4,062,378	3,972,430
Nanaimo Regional Hospital District	520,000	522,843	526,363
Vancouver Island Regional Library	560,000	557,792	527,424
B.C. Assessment Authority	141,000	141,207	130,232
Municipal Finance Authority	1,000	647	647
	<u>10,094,000</u>	<u>10,098,248</u>	<u>10,181,475</u>
Less taxes paid to other governments	<u>(10,094,000)</u>	<u>(10,094,009)</u>	<u>(10,180,724)</u>
	<u>-</u>	<u>4,239</u>	<u>751</u>
Grants-in-lieu of taxes			
Federal government	14,000	12,783	15,614
Taxes paid to other governments	(7,000)	(4,937)	(7,802)
Fortis BC	47,000	51,181	47,281
B.C. Hydro	65,000	112,708	75,419
Permissive tax exemptions	150,000	150,000	150,000
	<u>269,000</u>	<u>321,735</u>	<u>280,512</u>
	<u>\$ 10,681,000</u>	<u>\$ 10,756,690</u>	<u>\$ 10,273,010</u>
WATER AND SEWER RATES			
Water user rates	\$ 1,400,000	\$ 1,209,704	\$ 1,389,629
Water connection fees	10,000	19,955	32,986
Sewer user rates	650,000	604,419	597,491
Sewer connection fees	10,000	12,000	13,042
	<u>\$ 2,070,000</u>	<u>\$ 1,846,078</u>	<u>\$ 2,033,148</u>
SALE OF SERVICES			
Public Works	\$ 34,000	\$ 17,959	\$ 25,637
Solid waste pickup	600,000	544,227	552,146
Cemetery	46,000	49,895	57,807
	<u>\$ 680,000</u>	<u>\$ 612,081</u>	<u>\$ 635,590</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF REVENUES (continued)
YEAR ENDED DECEMBER 31, 2020

S8

SCHEDULE A

	2020 Budget (unaudited)	2020 Actual	2019 Actual
OTHER REVENUE FROM OWN SOURCES			
Licences and permits	\$ 226,000	\$ 205,330	\$ 240,392
Leases and rentals	500,000	571,372	578,359
Interest on investments	60,000	98,013	205,187
Interest on property taxes	52,000	38,083	62,988
Miscellaneous - operating	90,000	96,485	132,238
Contributions and other	137,000	248,820	37,650
Airport services	173,000	80,122	144,308
Community Hall	33,000	17,408	29,914
Civic Centre	135,000	53,186	125,008
	<u>\$ 1,406,000</u>	<u>\$ 1,408,819</u>	<u>\$ 1,556,044</u>
GOVERNMENT TRANSFERS			
Operating			
Revenue sharing grants	\$ 467,000	\$ 469,016	\$ 470,451
Fire protection	130,000	132,592	126,735
Community parks and other	150,000	153,357	151,778
Other grants	13,000	2,423,752	26,086
	<u>760,000</u>	<u>3,178,717</u>	<u>775,050</u>
Capital			
Infrastructure	2,675,000	1,078,637	2,802,500
Federal gas tax revenue	432,000	431,732	870,531
	<u>3,107,000</u>	<u>1,510,369</u>	<u>3,673,031</u>
	<u>\$ 3,867,000</u>	<u>\$ 4,689,086</u>	<u>\$ 4,448,081</u>
OTHER CAPITAL REVENUE			
Gain on disposal of tangible capital assets	\$ 3,517,000	\$ 461,240	\$ 36,668
Gain on disposal of assets held for sale	-	230,900	141,866
Developer contributions	-	83,700	2,000,589
Other contributions	-	57,045	244,954
	<u>\$ 3,517,000</u>	<u>\$ 832,885</u>	<u>\$ 2,424,077</u>
TOTAL REVENUE	<u>\$ 22,221,000</u>	<u>\$ 20,145,639</u>	<u>\$ 21,369,950</u>
SUMMARY OF REVENUE			
Operating revenue	\$ 15,597,000	\$ 17,802,385	\$ 15,272,842
Capital and other revenue	<u>6,624,000</u>	<u>2,343,254</u>	<u>6,097,108</u>
	<u>\$ 22,221,000</u>	<u>\$ 20,145,639</u>	<u>\$ 21,369,950</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2020

S9

SCHEDULE B
2019
Actual

	2020 Budget (unaudited)	2020 Actual	
GENERAL GOVERNMENT SERVICES			
Legislative	\$ 253,000	\$ 218,625	\$ 248,079
Grants-in-aid	246,000	207,600	245,000
Office and ground maintenance	165,000	171,773	189,460
Administrative	1,157,000	1,143,989	1,077,789
Other	<u>390,000</u>	<u>474,380</u>	<u>378,498</u>
	2,211,000	2,216,367	2,138,826
Fiscal services	26,000	18,833	19,811
Amortization of tangible capital assets	<u>70,000</u>	<u>81,683</u>	<u>57,667</u>
	<u>\$ 2,307,000</u>	<u>\$ 2,316,883</u>	<u>\$ 2,216,304</u>
PROTECTIVE SERVICES			
RCMP	\$ 1,421,000	\$ 1,347,496	\$ 1,098,971
Fire department	1,005,000	999,453	1,056,696
Other	<u>483,000</u>	<u>450,879</u>	<u>517,563</u>
	2,909,000	2,797,828	2,673,230
Fiscal services	60,000	59,892	70,308
Amortization of tangible capital assets	<u>130,000</u>	<u>134,824</u>	<u>129,898</u>
	<u>\$ 3,099,000</u>	<u>\$ 2,992,544</u>	<u>\$ 2,873,436</u>
TRANSPORTATION SERVICES			
Public Works administration and yard	\$ 715,000	\$ 718,852	\$ 736,273
Roads and drainage	888,000	697,152	820,551
Airport	549,000	484,021	548,794
Less fuel sales	(344,000)	(335,949)	(340,380)
Street lighting	192,000	192,400	187,324
Equipment operating costs	<u>613,000</u>	<u>493,445</u>	<u>553,268</u>
	2,613,000	2,249,921	2,505,830
Fiscal services	-	44,824	-
Amortization of tangible capital assets	<u>2,412,000</u>	<u>2,498,111</u>	<u>2,395,983</u>
	<u>\$ 5,025,000</u>	<u>\$ 4,792,856</u>	<u>\$ 4,901,813</u>
ENVIRONMENTAL SERVICES			
Waste removal	\$ 695,000	\$ 691,056	\$ 702,266
Solid waste landfill	20,000	19,167	26,377
Other solid waste	<u>84,000</u>	<u>98,902</u>	<u>77,239</u>
	<u>\$ 799,000</u>	<u>\$ 809,125</u>	<u>\$ 805,882</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF EXPENSES (continued)
YEAR ENDED DECEMBER 31, 2020

S9

SCHEDULE B

	<u>2020 Budget (unaudited)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
WATER SERVICES			
Water maintenance	\$ 1,108,000	\$ 1,000,889	\$ 1,012,150
Amortization of tangible capital assets	<u>358,000</u>	<u>359,886</u>	<u>358,726</u>
	<u>\$ 1,466,000</u>	<u>\$ 1,360,775</u>	<u>\$ 1,370,876</u>
SEWER SERVICES			
Sewer maintenance	\$ 273,000	\$ 224,713	\$ 210,262
Amortization of tangible capital assets	<u>150,000</u>	<u>154,746</u>	<u>150,661</u>
	<u>\$ 423,000</u>	<u>\$ 379,459</u>	<u>\$ 360,923</u>
PLANNING AND DEVELOPMENT SERVICES			
Planning and zoning	\$ 383,000	\$ 327,822	\$ 335,804
Community development	<u>825,000</u>	<u>559,240</u>	<u>702,466</u>
	<u>\$ 1,208,000</u>	<u>\$ 887,062</u>	<u>\$ 1,038,270</u>
PARKS AND RECREATION SERVICES			
Parks administration and yard	\$ 358,000	\$ 442,008	\$ 340,777
Civic Centre and Community Hall	384,000	326,004	353,138
Buildings and other	136,000	247,723	128,609
Trails	115,000	82,169	90,176
Community Park	167,000	132,409	144,353
Beach maintenance	130,000	106,580	122,373
Garden and park areas	486,000	414,888	379,777
Cemetery	<u>55,000</u>	<u>43,905</u>	<u>35,336</u>
	1,831,000	1,795,686	1,594,539
Amortization of tangible capital assets	<u>180,000</u>	<u>211,970</u>	<u>163,718</u>
	<u>\$ 2,011,000</u>	<u>\$ 2,007,656</u>	<u>\$ 1,758,257</u>
TOTAL EXPENSES	<u>\$ 16,338,000</u>	<u>\$ 15,546,360</u>	<u>\$ 15,325,761</u>
SUMMARY OF EXPENSES			
Operating costs	\$ 12,952,000	\$ 11,981,591	\$ 11,978,989
Fiscal services	86,000	123,549	90,119
Amortization of tangible capital assets	<u>3,300,000</u>	<u>3,441,220</u>	<u>3,256,653</u>
	<u>\$ 16,338,000</u>	<u>\$ 15,546,360</u>	<u>\$ 15,325,761</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF GAS TAX AGREEMENT
YEAR ENDED DECEMBER 31, 2020

S10
SCHEDULE C

	<u>2020</u>	<u>2019</u>
Gas Tax Agreement Funds		
Opening balance	\$ 823,942	\$ (46,589)
Add: Amount received during the year	431,733	870,531
Add: Interest earned	4,120	-
Less: Amount spent on projects	<u>(1,259,795)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 823,942</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, 2020

S11
SCHEDULE D

2020	Consolidated	General Government Services	Protective Services	Transportation Services	Environmental Services	Planning and Development Services	Parks and Recreation Services
Revenue							
Net taxation	\$ 10,756,690	\$ 9,848,435	\$ -	\$ -	\$ 908,255	\$ -	\$ -
Sale of services	2,458,159	-	-	16,341	2,440,200	-	1,618
Other operating revenue	1,408,819	752,793	209,061	103,372	70,117	170,483	102,993
Government transfers	4,689,086	2,773,152	299,293	418,754	443,825	-	754,062
Gain on disposal of assets	692,140	692,140	-	-	-	-	-
Other capital revenue	140,745	-	-	23,800	83,700	33,245	-
	<u>20,145,639</u>	<u>14,066,520</u>	<u>508,354</u>	<u>562,267</u>	<u>3,946,097</u>	<u>203,728</u>	<u>858,673</u>
Expenses							
Wages and salaries	6,171,064	1,191,071	1,058,414	1,313,622	952,929	327,173	1,327,855
Goods and services	5,810,527	1,025,296	1,739,414	936,299	1,081,798	559,889	467,831
Amortization	3,441,220	81,683	134,824	2,498,111	514,632	-	211,970
Fiscal services	123,549	18,833	59,892	44,824	-	-	-
	<u>15,546,360</u>	<u>2,316,883</u>	<u>2,992,544</u>	<u>4,792,856</u>	<u>2,549,359</u>	<u>887,062</u>	<u>2,007,656</u>
Annual surplus (deficit)	<u><u>\$ 4,599,279</u></u>	<u><u>\$ 11,749,637</u></u>	<u><u>\$ (2,484,190)</u></u>	<u><u>\$ (4,230,589)</u></u>	<u><u>\$ 1,396,738</u></u>	<u><u>\$ (683,334)</u></u>	<u><u>\$ (1,148,983)</u></u>

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
DECEMBER 31, 2020

S11
SCHEDULE D

2019	Consolidated	General Government Services	Protective Services	Transportation Services	Environmental Services	Planning and Development Services	Parks and Recreation Services
Revenue							
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>
Expenses							
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>
Annual surplus (deficit)	<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 TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2020

S12
SCHEDULE E

	Land	Buildings	Equipment	Water	Sewer	Drainage	Roads	Other	WIP	Parks	Total
COST											
Opening Balance (Jan 1, 2019)	\$ 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
2020 Additions	467,304	1,580,021	566,423	83,700	245,108	456,029	783,413	5,091,146	(3,947,582)	-	5,325,562
2020 Disposals	-	-	(104,750)	-	-	-	(72,047)	-	-	-	(176,797)
2020 Transfers	-	-	-	-	-	-	-	-	-	-	-
2020 Assets held for sale	(960,958)	-	-	-	-	-	-	-	-	-	(960,958)
Closing Balance (Dec 31, 2020)	38,782,434	31,759,226	6,330,190	16,191,037	10,100,843	20,999,173	44,799,919	25,432,681	1,205,944	1,672,014	197,273,461
ACCUMULATED AMORTIZATION											
Opening Balance (Jan 1, 2019)		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
2020 Amortization		713,985	324,319	231,187	168,347	362,843	1,102,263	496,390	-	41,886	3,441,220
2020 Disposals		-	(104,750)	-	-	-	(72,047)	-	-	-	(176,797)
2020 Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balance (Dec 31, 2020)		11,098,304	4,136,608	6,301,053	5,687,837	8,046,507	28,996,627	10,346,889	-	1,116,676	75,730,501
Net Book Value (Dec 31, 2019)	\$ 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
Net Book Value (Dec 31, 2020)	\$ 38,782,434	\$ 20,660,922	\$ 2,193,582	\$ 9,889,984	\$ 4,413,006	\$ 12,952,666	\$ 15,803,292	\$ 15,085,792	\$ 1,205,944	\$ 555,338	\$ 121,542,960

TOWN OF QUALICUM BEACH
SCHEDULE OF COVID-19 SAFE RESTART GRANT
YEAR ENDED DECEMBER 31, 2020

S13
SCHEDULE F

	<u>2020</u>
COVID-19 Safe Restart Grant received November 2020	\$ <u>2,359,000</u>
Eligible costs incurred	
Revenue shortfalls	(447,923)
Technology costs to improve remote work	(84,329)
General administration	(44,466)
Public Works	(9,339)
Protective Services	(121,553)
Parks and Buildings	<u>(182,888)</u>
Total eligible costs incurred	<u>(890,498)</u>
Balance December 31, 2020	\$ <u><u>1,468,502</u></u>

The above schedule is a requirement under the COVID-19 Safe Restart Grant for Local Governments which is funded jointly by the Government of Canada and the Government of British Columbia under the Safe Restart Agreement.