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INDEPENDENT AUDITORS' REPORT

To the Members of the Union of British Columbia Municipalities

Opinion

We have audited the financial statements of the Union of British Columbia Municipalities (the "Entity"), which comprise:

- the statement of financial position as at May 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at May 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

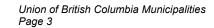
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Entity'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
 Entity'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
 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada July 16, 2021

UBCM GENERAL FUND

Revenue and Expenditures for the year ended May 31, 2021 And Budget for the Fiscal Year June 1, 2021 to May 31,2022

	Actuals Year Ending May 31,2021	Preliminary Draft Budget 2021/2022
REVENUE	<u> </u>	
Annual Dues Investment Income - General Group Benefits Plan Member Services GTMS & LGPS Admin Fees TOTAL REVENUE	1,267,260 5,591 553,608 54,451 <u>316,358</u> 2,197,268	1,270,000 5,500 575,000 60,500 335,100 2,246,100
EXPENSES		
Staff Salaries and Benefits Staff Salary Recovery	3,251,115	3,361,145
GTMS/LGPS/AVICC/LGLA	(1,257,307)	(1,539,858)
Convention	(301,934)	(301,934)
	1,691,874	1,519,353
Executive	113,264	265,000
Staff Travel	(6,657)	30,000
Office Administration - Richmond	294,420	250,500
Group Benefits	68,890	195,000
Member Services	25,060	35,500
Contingency	90,950	300,000
Office Administration – Victoria (LGH)	291,239	333,905
Operations Recovery	(228,450)	(257,640)
	648,716	1,152,265
TOTAL EVENNER	0.040.500	0.074.040
TOTAL EXPENSES	2,340,590	2,671,618
TOTAL REVENUE LESS EXPENSES	(143,322)	(425,518)
Transfer Reserves/Investments/Funds	219,874	425,518
FINAL SURPLUS/(DEFICIT)	\$76,552	(\$0)