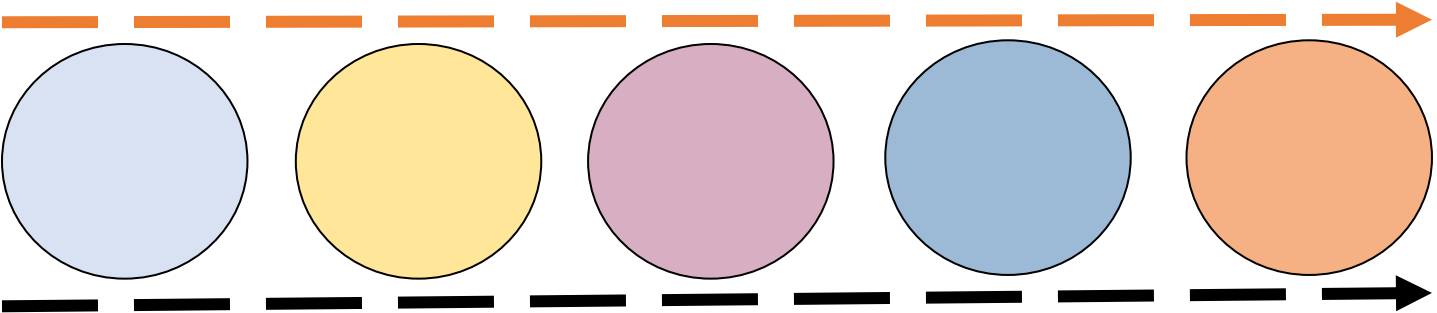

ANNUAL REPORT 2023



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Mayor's Message



The year 2023 saw considerable achievement and progress on many fronts to address Council strategic objectives. However, we are still dealing with the Province to address the lingering effects of the 2021 Atmospheric River regarding the Coquihalla River. Nonetheless, we are moving forward with the projects we can. From a strategic goal perspective, Council has directed improvements in public communication and information. In that regard, we have brought on board a new communications advisor who is overseeing and executing public communications directly. This is a major step and Council has received noticeable positive feedback from residents. We look to improve this as

Continuing with environmental and climate resilience, the District, thanks to a Provincial grant, is coordinating a Flood Table (the Lower Coquihalla Rivershed Flood Table). This table is charged with undertaking consultant-led studies that will result in new Flood Hazard Management Plans for the District, and also the sub-region including the Fraser Valley Regional District, Fraser Health, and Chawathil, Yale, and Union Bar First Nations. Data received from this study will also go a long way to inform other decisions regarding flood control measures, bylaws, and emergency response plans.

Our emergency service delivery and preparations continued to improve with the District actively engaged in the Fire Smart Program and bringing on board a Fire Smart Coordinator to assist the District and residents directly in assessing risks, developing plans, and linking in with other communities to harmonize overall wildfire preparations and response. Fire Department recruitment is also seeing growth and we are actively supporting the development of neighbouring First Nations' fire response capabilities.

Several key projects were completed this year. Notable among them were the completion of the Yale Street Rehabilitation Project, a downtown revitalization plan, and the completion of amalgamation borrowing bylaw for the former 753 Water System. We should also look forward to the planned Richmond Hill Active Transport Corridor project, in 2024, with funding fully in place. This will connect downtown Hope with the Silver Creek area by creating a safe and protected formal pathway for pedestrians, bicycles, and mobility scooters, etc.

Council continues its careful financial management with another clean annual audit and shifting the budget process to earlier in the year to allow for earlier letting of public works contracts so as to better compete and reduce prices overall. We should also acknowledge Fraser Health's continued work to improve the Fraser Canyon Hospital. This facility is key to our well-being and this year upgrades were completed to the elevator and air systems. More is planned for 2024.

In closing, we should all acknowledge the important and impactful work our community volunteers undertake. From Earth Day through to Brigade Days, Hope would not be as good a place to live and work, as it is due to our volunteers. If you can, please make an effort to volunteer for one of our fantastic service organizations.

Mayor & Council



**Front Row (L-R) Councillor Scott Medlock, Mayor Victor Smith,
Councillor Heather Stewin.**

**Back Row (L-R) Councillor Dusty Smith, Councillor Angela Skoglund,
Councillor Pauline Newbigging, Councillor Zachary Wells.**

Vision & Mission

VISION STATEMENT:

Creating an appealing and sustainable community that fosters diversity through economic, social and environmental inclusion.



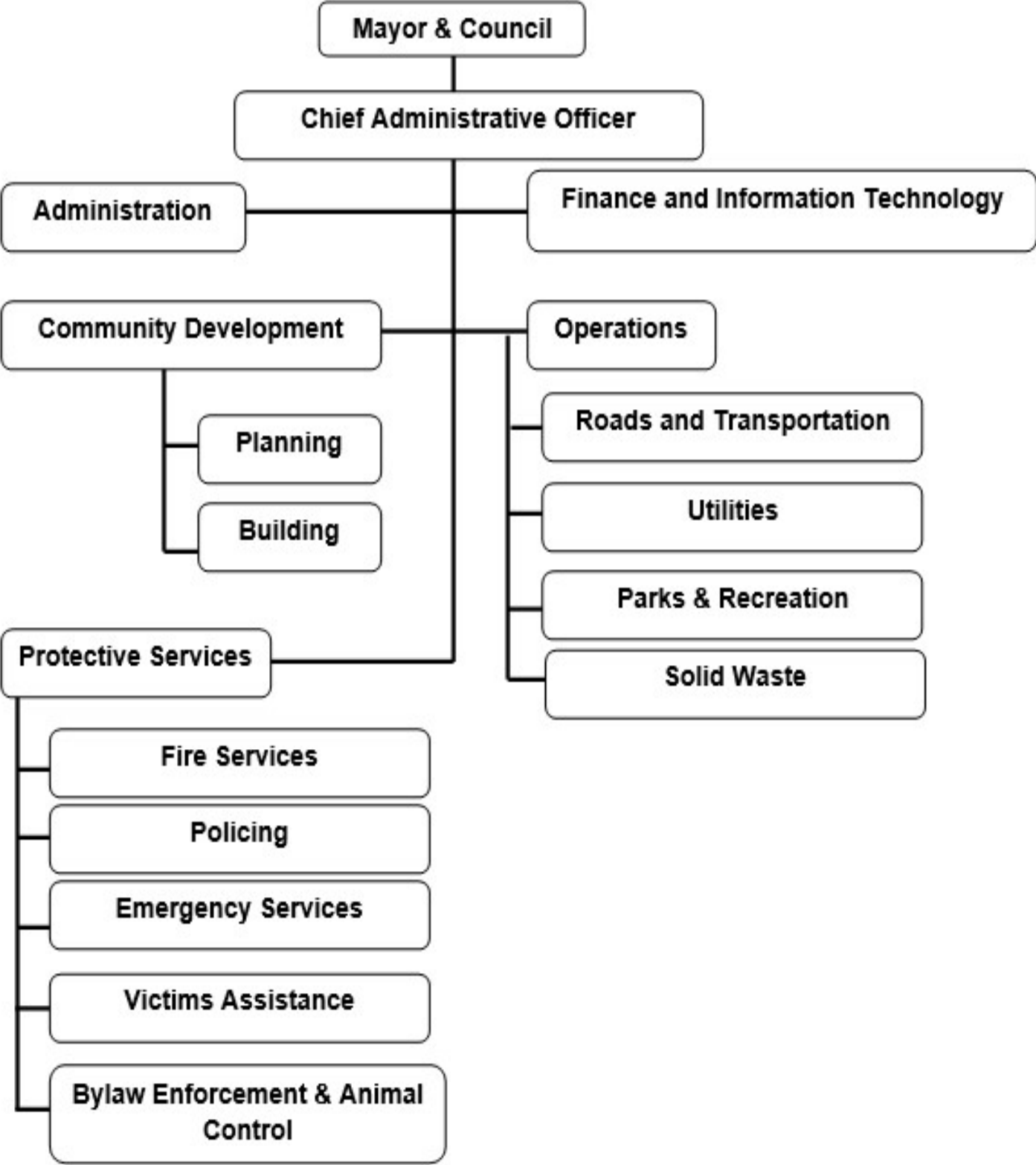
MISSION STATEMENT:

To provide customer service excellence in the delivery of local government services to enhance the quality of life for the community of Hope.

Objectives and Progress Measures

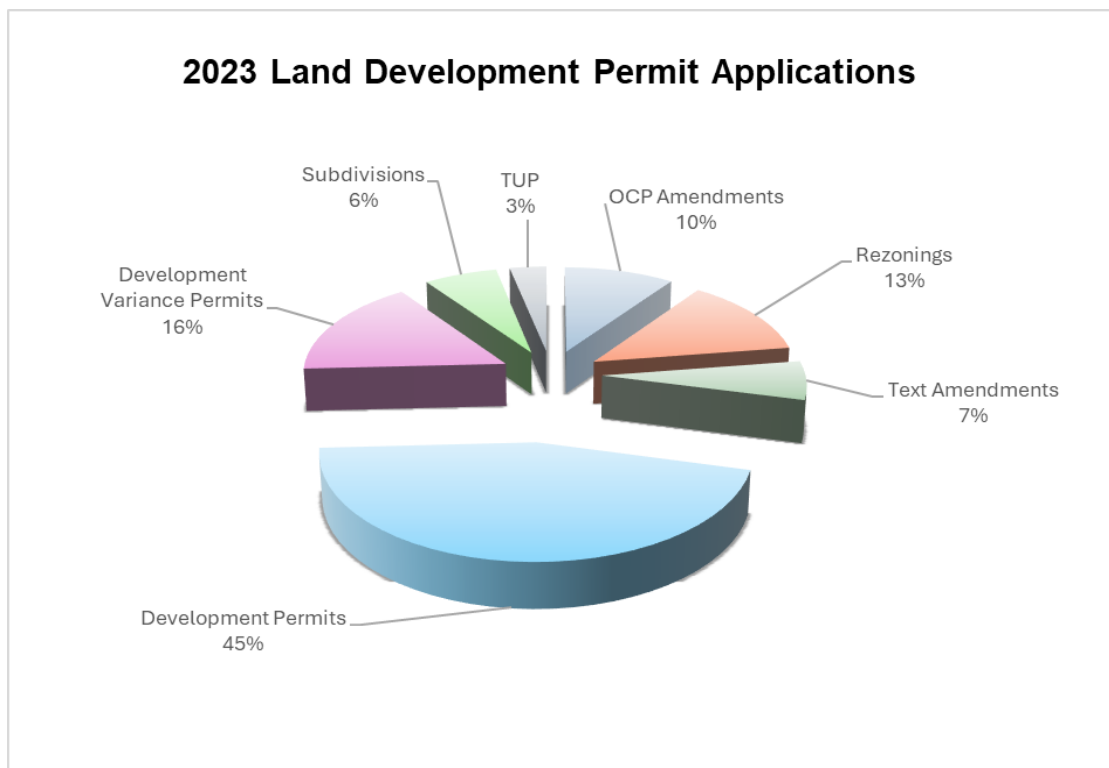
Objectives	Strategies	Measures
Othello Road Stabilization Project	Adopt phased approach. Grant received of \$1,669,736.	Project cost: \$1,850,000 carried forward to 2025
Station House Project	Find new home for Station House or demolish	Agreement with third party to move and operate Station House signed June 19, 2023
Paving program	Priorities as per the Paving Management Plan	Yale Street rehabilitation project complete. Paved a major portion of Flood Hope Road from Silver Skagit Road west to Estell Road.
Develop Transportation Master Plan, as part of ongoing Asset Management Strategy	Received a grant for \$50,000 and started project.	Complete 2024.
Richmond Hill pedestrian/cycle connector to downtown	Achieved in-house funding but later received grants totaling \$1,000,000. Project design and engineering started.	Project complete late 2024.
Water Utility Borrowing Bylaw	In order to asset manage recently acquired 753 Water System. \$1,558,332 grant also and applied to water system.	Borrowing process completed 2023.
Identify and confirm actions to reduce homelessness	BC Housing providing subsequent transition housing proposal.	BC Housing confirmed new housing location and moving to build. Project completion date 2024/25.
Facilities Master Plan	Contract consultant on long-term future facilities plan for the District.	Undertake engagement via Request for Proposal and then produce plan. Delayed
Flood Recovery	\$2,500,000 grant received from Province for flood recovery design work.	Ongoing.
Flood Recovery Planning	Leverage \$500,000 grant to develop regional and District Flood Hazard Management Plans.	Complete in 2025.

Organizational Chart



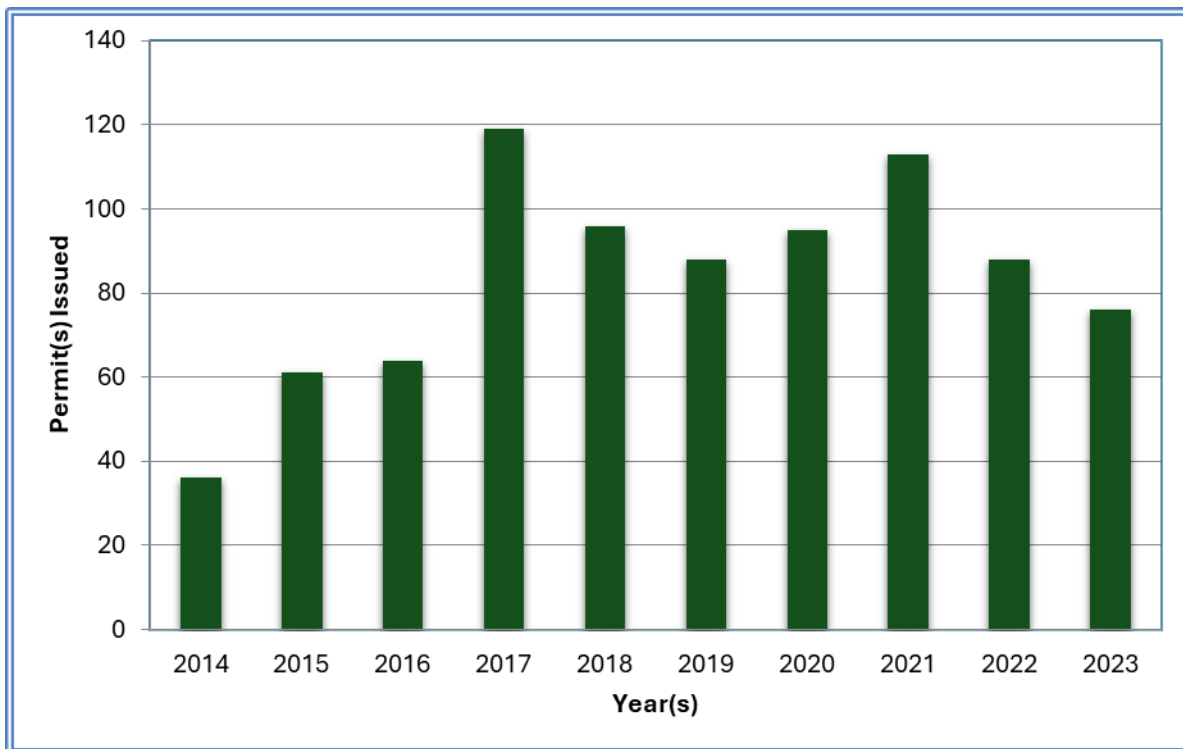
Community Development

The Community Development Department is responsible for the issuance of building permits, demolition permits, moving permits (buildings and mobile homes), sign permits, wood burning stoves and fireplaces. In addition to regular day-to-day community planning, the department also oversees or participates in programs such as: - Experience the Fraser - Upper Fraser Valley Film Co-op - Regional Growth Strategy - Species At Risk - Healthy Communities - Fraser Valley Adaptation Strategies - Emergency Operations Working Group A new Integrated Official Community Plan was adopted in October 2016, and promotes policies from the 2015 Age Friendly Plan that will help build an active complete community which includes accessibility, social inclusion, and healthy living for seniors. When applied holistically, the Age-Friendly Plan included components that promote healthy living policies for children, families and residents with mobility and/or health-related issues. The IOCP is an essential guide for landowners, businesses, community organizations, and governments that may be considering changes related to land, building, and resource use in Hope over the next 20-30 years. The OCP defines what the community wants to become and not only provides a statement of where and what land uses the community want to see in the future. It also speaks to our aspirations for the economy, our strategies for achieving growth in a responsible way, for meeting our social needs, and for building a more interesting and more vibrant community.



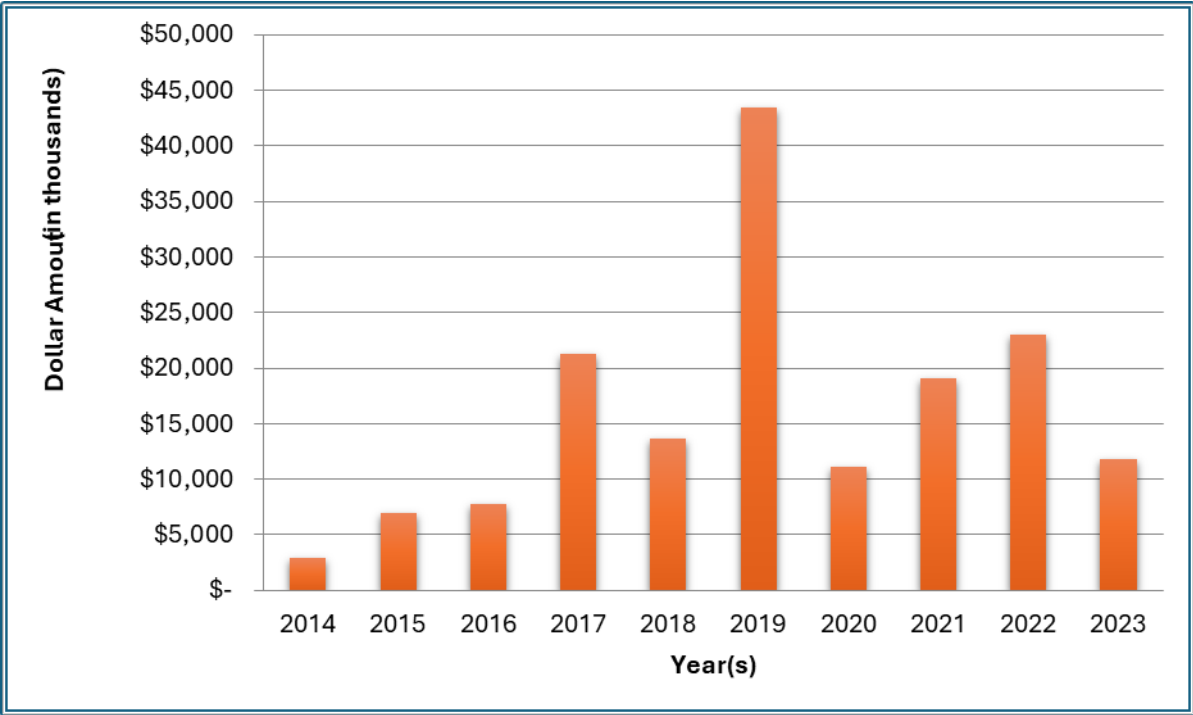
Community Development

The Planning and Building Section of the Community Development Department is responsible for land use planning, review and approval of applications, building inspections and land use related initiatives. The Department handles Zoning Amendments, Development Permits, Development Variance Permits, Subdivisions, Agricultural Land Reserve applications and secondary dwelling applications. Its' mandate is to provide quality "one stop" service to customers and to work actively with them to find solutions and solve problems. The principles of customer service, a proactive approach to application review, sound community planning and well constructed development guidelines form the foundation of this department. They tackle emerging planning issues, identifying and exploring trends, developing forecasts and proposing and assessing policy responses appropriate to a small community. The Community Development Department is also responsible for the Official Community Plan which is the blueprint for land development in the future. This Department is responsible for all forms of development activity in the District including regulating and controlling building while at the same time ensuring that health and safety regulations are maintained



Annual Building Permits Issued = 76

Community Development



Annual Building Permit Values \$11,834,707

Fire Department

2023 brought more change to the Hope Fire Department. January 19th marked the official date of Fire Chief Tom DeSorcy's retirement, and January 20th Deputy Fire Chief Thomas Cameron was appointed by Council as the second paid Fire Chief in Hope. On March 8th one of our own Fire Officers, Lieutenant Josh Westcott was appointed by Council to the position of Deputy Fire Chief, this appointment gave Hope Fire an opportunity to increase our focus on volunteer recruitment and training as well as fire prevention and fire and life safety education within the community. With this change, we were able to complete two recruitment drives for Volunteer/Paid on Call members. The Spring and Fall recruitment brought six new volunteer members into our organization. Training progression has improved with an additional Tuesday evening training session focusing on foundational skill development for new recruits. This session complements our regular Thursday evening training and facilitates a streamlined recruit training program where firefighters are trained at an expedited rate to reach the competency required for operational



2023 also established an updated fire inspection program. Deputy Fire Chief Westcott has deployed a digital tool to assist in tracking and conducting fire inspections which will take place at all commercial facilities within the District of Hope.

Our First Nation engagement has increased with an expanded Fire Protection Agreement with Chawathil now including IR #4 off Hwy 7. We are also supporting some of their community events with fire safety education. We look forward to building strong relationships with all First Nations around our community. Incident responses saw a 10% decrease in call volume over the previous year. We logged a total of 683 events. Of those, 100 were reportable fires through the Office of the Fire Commissioner (OFC) with a total accumulated loss of over 1.4 million dollars. Our largest contributing category of response has shifted to Burning Complaints at 17% which has increased by 44 events over last year. The next category of significant responses includes medical calls at 13%, a significant decrease of 42% from the prior year.

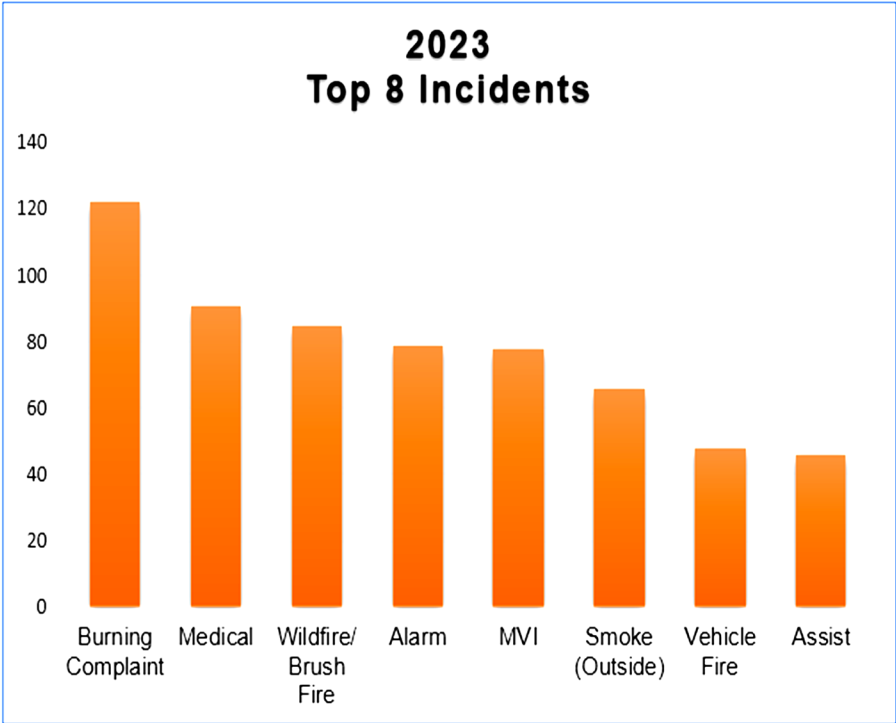
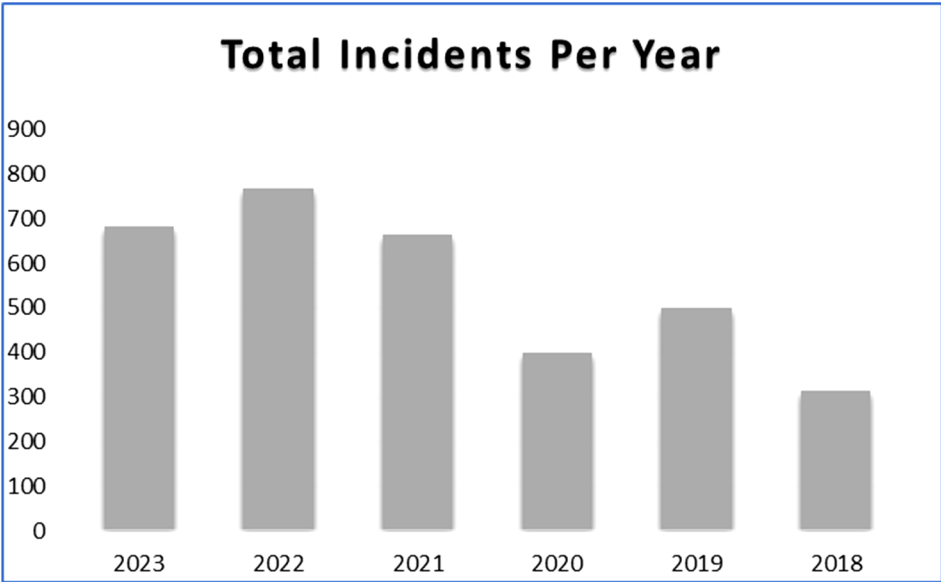
Followed closely by wildfire/brush fire incidents at 12%. 3.3% of calls were structure fires. July was our busiest month with 82 calls, an increase of 21% from the previous year. Our volunteers committed over 5700 hours to incident response and training over the year and our roster averaged 19 members over twelve months. Two fatalities were reported from two separate fires that were attended outside our jurisdictional boundaries.

Fire Department

With the intensity of wildfire activity throughout the Province over the last two years, there has been an increase in public concern reflected in our response to Burning Complaint incidents. Hope Fire has increased its focus on wildfire training and building our capacity to respond locally and support BC Wildfire Service by deploying resources when able, under the Inter-Agency Agreement. Hope Fire supported the BC wildfire responses to several fires including Gold Bridge, Bralorne and West Kelowna, for a total of 31 days, between August 2nd and September 7th. Four of our members committed nearly 800 hours combined to the fight against our Province's worst wildfire season ever recorded. Special thanks to all our Volunteer Firefighters for their steadfast and courageous work in 2023. Our members are response ready and serve their community with pride. We are so fortunate to have a dedicated team of professional volunteers who answer the call.



Fire Department



Fire Department



Operations

Operations (Public Works) Responsibilities :

- Roads, Sidewalks and Transportation
- Drainage and Flood Protection
- Parks and Cemeteries
- Water, Sewer and Stormwater
- Building Maintenance
- Solid Waste
- Mechanical and Fleet
- Asset Management
- Infrastructure Replacement
- Capital Projects
- Occupational Health and Safety

The Operations Department is led by the Director of Operations, with day-to-day supervision of staff by the Operations Manager. A regular work force of 16 comprises the crews who oversee the maintenance needs for the District of Hope. During the busy spring and summer seasons, the Operations Department is augmented with term employees

Asset Management - Fleet

The Operations Department continues to renew assets in accordance with a 10-year revolving fleet replacement program that is funded through annual contribution to reserve. New assets are added to the fleet as the need arises. The aim of the program is to purchase equipment that can be used for multiple maintenance activities, regardless of the season .

Operations

Replacement



The backhoe (Cat 420) is new, This year we replaced an older Case backhoe with a new Cat 420 backhoe. This machine is assigned to the Roads department.



Truck 136 was delivered in 2023 and replaced an aging 2006 model. This truck is configured for a tank and pump that will be used to water hanging baskets and planters throughout the growing season.

Operations

Equipment Additions



The IT Sweeper (HLA BR96) replaced an old truck-mounted sweeper that was difficult for the operators to use due to challenges with visibility. We use this attachment to sweep rural roads where there is opportunity to cast debris onto the shoulders rather than collect and dispose of the material which can be time consuming.



The barrier lifter is new (KENCO KL9000V4). This is a concrete barrier lifter that is needed in order to properly move concrete barriers.

Operations



The small flail (Braber 50" 3pt offset boom mower) attaches to our existing tractors and is new addition to our equipment fleet. This attachment will help our roadside mowing program by reducing the number of areas we traditionally trimmed manually.



Truck 137 is a recent addition to our fleet to further support the services provided by the Operations department.

Operations



A redundant power supply was added to District Hall. The District of Hope Emergency Response and Recovery Plan identifies the Emergency Operations Centre (EOC) as providing support to responding agencies by setting policies and managing all off-site activities. The EOC must be able to identify and allocate available resources, including human and financial, in an efficient manner. Having an auto-transferred emergency power supply will allow District of Hope staff to respond to an emergent event with greater efficiency during a power outage. This is accomplished by having the ability to use the established EOC, with the available resources and equipment that is staged and ready for an emergency. This new generator was purchased with the support of a grant from the Community Emergency Preparedness Fund.

Capital Upgrades

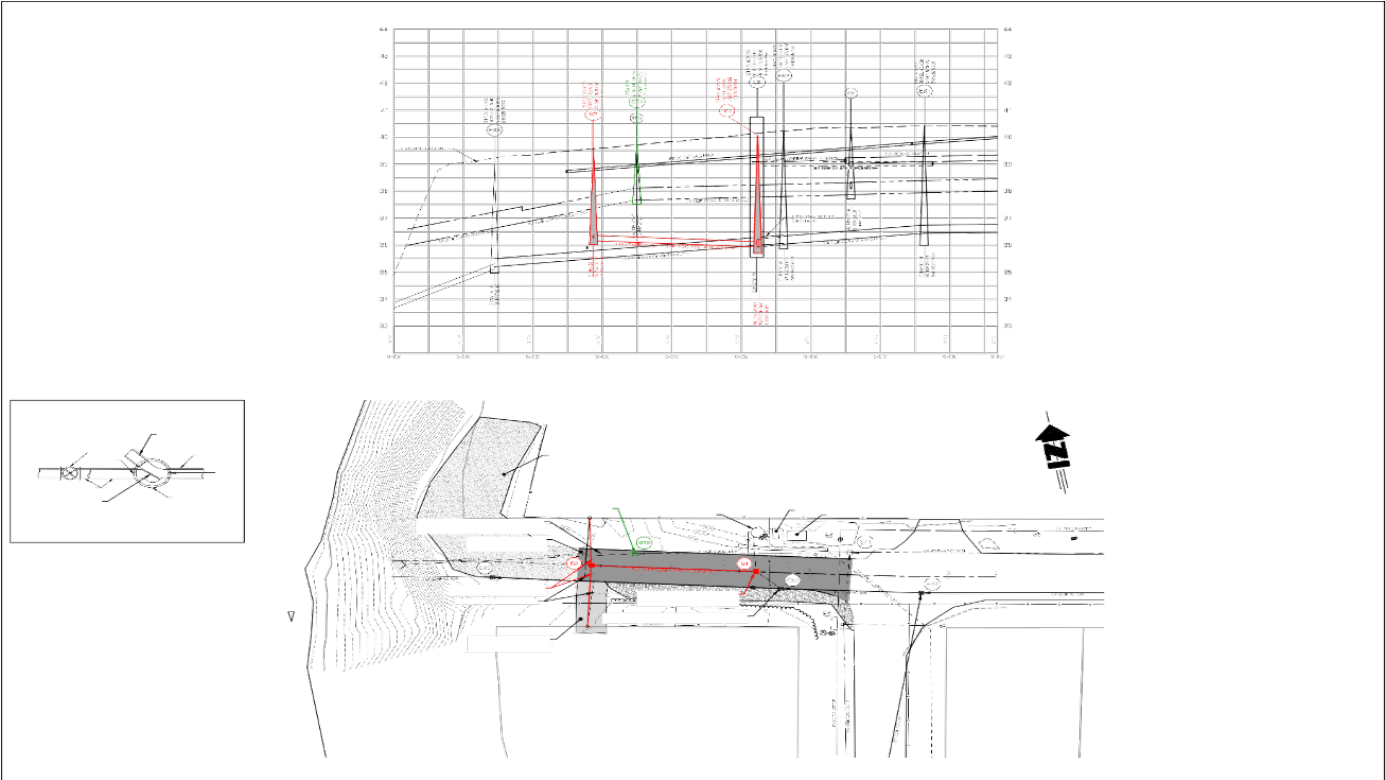
Rupert Street Sewer

The District undertook a project to connect two existing sewer services to a gravity main in order to direct the sewage to the municipal system immediately upstream of the Rupert Street lift station. The lift station then conveys sewage through the system and ultimately to the District's wastewater treatment system.

The project scope included:

- 24 meters of 200mm sanitary sewer gravity main at 1% grade;
- A new manhole at the service connections;
- A new overbuild manhole at the existing gravity system upstream of the Rupert Street lift station;
- Re-connection of the two subject services to the new main;
- Surface restoration following installation;
- Main flushing, camera inspection, and confirmation that the services are working as intended

Operations



Operations



Utility Operations

Flood Hope Road Paving

The District of Hope continues with rehabilitation of its road network through annual capital projects. The projects are selected by combining data from the existing Pavement Management Plan (2016) with utility network upgrades identified in associated master plan documents. Utility information, including physical condition of the assets, folds into the decision-making process to help the District determine which projects to implement and budget for in a 5-year horizon.



Flood Hope Road Project Duration

Operations



Silver Skagit Road and Flood Hope Road Intersection

Operations

Asset Maintenance – Utilities

Adequately maintaining assets not only improves physical quality, it is pivotal to extending the useful life of the asset. Below are some examples of maintenance performed in 2023 on our water system infrastructure.



Cleaning of a Reservoir Tank

Operations



Freshly painted hydrant and pumphouse



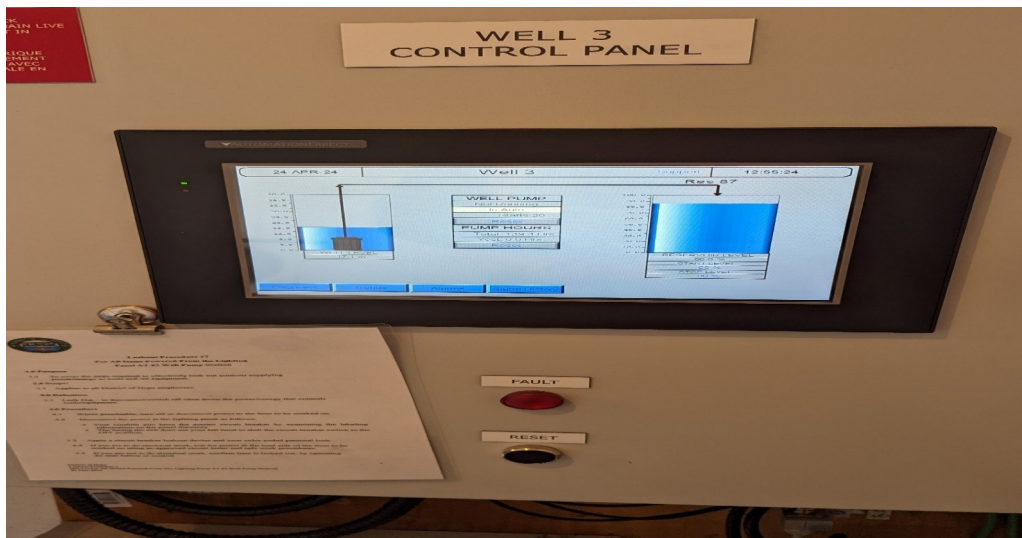
Leaking Water Valve Repair



Operations

SCADA Upgrades

SCADA is an acronym for the Supervisory Control and Data Acquisition system that operates and monitors our water and sewer infrastructure. Much like other computer and IT systems, technology is continually changing and the District has budgeted year on year to keep up with improvements. Pictured below are new Human Machine Interface (HMI) panels that allow utility operators to view a suite of real time information and data logging that provides for better management of our utility systems.



Operations

Infrastructure Repairs

To help reduce the risk of dike failure and impacts of flooding in British Columbia, the District as a Diking Authority is required to submit an annual dike inspection report to the Inspector of Dikes by October 31st. Maintenance is required to address any deficiencies noted in the inspection. The November 2021 Atmospheric River Event caused considerable damage to the banks of the Coquihalla River. A post event dike inspection was conducted by Operations staff to assess the damage and plan for repairs. Repairs were undertaken in the spring of 2023 to a section of the Glenhalla Dike, a dike that protects properties on Robertson Crescent and Glenaire Drive.



Operations



Finance & Corporate Services

The Finance & Information Technology Department is responsible for financial services and information technology services. Some of the primary functions include revenue collection, maintaining property tax assessment roll information, establishing annual municipal tax rates, preparing five-year capital and operating plans, accounting functions, processing approved grant applications, asset management, and treasury as well as meeting information technology requirements. The Department also completes the required financial activities as legislated in the *Local Government Act* and the *Community Charter*.

In preparing budgets and five-year financial plans, Finance staff strive to provide timely and accurate financial information to facilitate the decision-making needs of Council, senior management and external stakeholders.

Corporate Services is responsible for ensuring the legislative requirements of the Community Charter and Local Government Act, along with other relevant statutes for the Corporate Administration of the District of Hope.

Corporate Services provide full clerical support to Mayor & Council including agenda preparation, recording of official minutes, administration and certification of bylaws and execution of all legal documentation on behalf of the District.

Corporate Services is also responsible for:

- Freedom of Information Requests - receiving and processing these requests in compliance with the Freedom of Information and Protection of Privacy Act
- Records Management – maintain electronic and paper records management for the organization.
- Bylaw enforcement – ensures compliance with bylaws ie: animal control, parking, unsightly property and noise.
- Document Reviews composing, reviewing and advising on bylaws, policies and contracts.
- Human Resources – job postings, recruitment process, maintenance of personnel files, Collective Agreement, union negotiations and Labour/Management Meetings.
- Elections and Referendums – administration of Local Government General Elections and Referendums .

2023 Financial Summary

The District ended the year with an annual surplus of \$5.1 million (2022 – \$2.9 million). The District revenue was higher than budgeted as funding received from other governments was higher than budgeted by \$3.8 million. This difference is attributed to the District receiving the one time grant from the government for the Growing Communities Fund (\$2.9 million). Additionally, the District achieved higher investment returns than expected with the additional grant revenue received and higher interest rates that were maintained over the prior year. The result was that the District's investment income was higher than expected by \$1.5 million.

Overall, the District's expenses were \$17.4 million (2022 – \$16.0 million). This was higher than the expected budget. For the year, there were additional costs which related to landfill mitigation costs which were higher than budget which accounted for a \$1 million dollar increase, and utilities expenses were higher due to higher costs related to the repairs required for the Pollution Control Center that increased expenses over \$200,000 than expected.

For the year, the District's tangible capital assets increased by \$5.2 million. This increase shows the District's commitment to improving the infrastructure for the community. Some of the significant additions include the Yale Street Rehabilitation Project, vehicle and equipment additions and the Rupert Street Sanitation project.

The accumulated surplus for the current year for all reserve funds are \$31.2 million (2022 - \$27.8 million). The District holds \$23.0 million in investments (2022 - \$27.5 million) which are held in short term and long-term investments based on the District's needs. These funds generate interest which is reinvested into the respective funds and allocated to the respective reserves.

Under the direction of the District Council, the District of Hope continues to move forward with a disciplined financial approach. Finally, I would like to take the time to extend my appreciation of the hard work and commitment that the Finance team has undertaken to ensure the citizens of the District of Hope are well served.

Financial Statements

Consolidated Financial Statements of

DISTRICT OF HOPE

Year ended December 31, 2023

Financial Statements

DISTRICT OF HOPE

Consolidated Financial Statements

Year ended December 31, 2023

Financial Statements

Auditor's Report

Consolidated Statement of Financial Position

1

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Financial Statements



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the District of Hope

Opinion

We have audited the consolidated financial statements of the District of Hope (the "District") which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statements of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 District as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Financial Statements



District of Hope
Page 2

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the District's financial reporting process.

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 risk 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.

Financial Statements



District of Hope
Page 3

- 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

Chilliwack, Canada

May 13, 2024

Financial Statements

DISTRICT OF HOPE

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash and short term deposits (note 3)	\$ 16,046,766	\$ 6,839,084
Accounts receivable (note 4)	1,485,756	1,985,880
Portfolio investments (note 3)	23,027,933	27,545,549
Investment in government business partnership (note 5)	1,219,141	652,831
	41,779,596	37,023,344
Financial liabilities:		
Accounts payable and accrued liabilities (note 7)	3,473,312	3,522,511
Development cost charges (note 8)	2,548,705	2,417,271
Deferred revenue	3,229,977	3,257,277
Long-term debt (note 9)	3,102,524	1,490,990
Equipment financing	7,275	9,217
Asset retirement obligation (note 11)	779,059	453,143
	13,140,852	11,150,409
Net financial assets	28,638,744	25,872,935
Non-financial assets:		
Tangible capital assets (note 12)	42,829,737	40,875,591
Prepaid expenses and deposits	192,660	135,721
Inventories	503,970	187,928
Contingencies (note 15)		
Accumulated surplus (note 13)	\$ 72,165,111	\$ 67,072,175

Original Signed By Mike Olson Director of Finance

Original Signed By Victor Smith Mayor

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

Financial Statements

DISTRICT OF HOPE

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 18)	2023	2022
Revenues:			
Municipal taxation	\$ 10,021,000	\$ 10,014,386	\$ 9,215,147
Parcel taxes	233,100	229,300	229,300
Payments in lieu of taxes	281,200	303,715	261,213
Sales of services	4,407,400	4,422,200	4,681,822
Investment income	450,000	1,961,931	614,993
Government business partnership income	-	741,310	15,471
Rents and leases	30,000	31,970	34,956
Transfers from other governments	1,100,000	4,804,883	1,612,115
Gain on disposal of tangible capital assets	-	-	2,131,368
Actuarial adjustment on debenture debt	-	62,466	83,396
	16,522,700	22,572,161	18,879,781
Expenses:			
General government	2,226,100	2,158,641	2,135,312
Recreation	1,055,850	1,504,284	1,388,804
Protective services	3,771,850	3,405,577	3,751,394
Environment and public health	2,287,000	2,988,654	1,947,841
Transportation	3,039,200	2,764,577	2,626,522
Community development	1,291,000	974,884	711,314
Utilities	1,307,900	1,507,747	1,326,208
Interest	73,350	80,555	58,275
Accretion expense	-	17,717	-
Amortization	1,850,000	2,076,589	2,035,480
	16,902,250	17,479,225	15,981,150
Annual surplus (deficit)	(379,550)	5,092,936	2,898,631
Accumulated surplus, beginning of year	67,072,175	67,072,175	64,173,544
Accumulated surplus, end of year	\$ 66,692,625	\$ 72,165,111	\$ 67,072,175

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

Financial Statements

DISTRICT OF HOPE

Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2023, with comparative information for 2022

	2023	2022
Annual surplus	\$ 5,092,936	\$ 2,898,631
Acquisition of tangible capital assets	(3,660,240)	(4,375,158)
Amortization of tangible capital assets	2,076,589	2,035,480
Initial recognition of asset retirement obligation	(370,497)	-
	(1,954,148)	(2,339,678)
Change in inventories	(316,040)	340,119
Change in prepaid expenses	(56,939)	711,827
	(372,979)	1,051,946
Change in net financial assets	2,765,809	1,610,899
Net financial assets, beginning of year	25,872,935	24,262,036
Net financial assets, end of year	\$ 28,638,744	\$ 25,872,935

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

Financial Statements

DISTRICT OF HOPE

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 5,092,936	\$ 2,898,631
Items not involving cash:		
Government business partnership income	(741,310)	(15,471)
Amortization on tangible capital assets	2,076,589	2,035,480
Actuarial adjustment on debt	(62,466)	(83,396)
Change in non-cash operating assets and liabilities:		
Accounts receivable	500,124	645,286
Prepays	(56,939)	711,827
Inventories	(316,042)	340,119
Accounts payable and accrued liabilities	(49,199)	(978,998)
Asset retirement obligation	388,214	-
Asset retirement obligation - landfill	(432,794)	(40,908)
Deferred revenue	(27,300)	2,578,653
Development cost charges	131,435	36,071
	6,503,248	8,127,294
Capital activities:		
Acquisition of tangible capital assets	(3,660,240)	(4,375,158)
Investing activities:		
Change in portfolio investments	4,517,616	(5,043,720)
Partnership draws	175,000	-
	4,692,616	(5,043,720)
Financing activities:		
Repayment of equipment financing debt	(1,942)	\$ (2,168)
Proceeds of long-term debt	1,800,000	-
Repayment of long-term debt	(126,000)	(126,000)
	1,672,058	(128,168)
Increase (decrease) in cash	9,207,682	(1,419,752)
Cash and equivalents, beginning of year	6,839,084	8,258,836
Cash and cash equivalents, end of year	\$ 16,046,766	\$ 6,839,084
Supplemental cash flow information:		
Interest paid	\$ 80,555	\$ 58,275
Interest received	1,961,931	614,993
Non-cash transaction		
Capitalization of initial asset retirement obligation for buildings and wells	\$ 370,497	\$ -

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

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

General

The District of Hope (the "District") was incorporated in 1992 under Letters Patent and operates under the authority of British Columbia Community Charter. The District's principal activities include the provision of local government services to residents of the incorporated area including administrative, protective, transportation, recreational, water, sewer, environmental health and fiscal services.

1. Significant accounting policies:

These financial statements are prepared using standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

(a) Basis of presentation:

These consolidated financial statements include the operations of the operating, water, sewer, and reserve funds.

All material interfund accounts and transactions have been eliminated.

The consolidated financial statements do not include assets, liabilities or surplus of trust funds administered by the District.

(b) Cash and short-term deposits:

Cash and short-term deposits include term deposits whose maturities upon acquisition were 90 days or less.

(c) Portfolio investments:

Portfolio investments are recorded at amortized cost plus accrued interest. Discounts or premiums arising on the purchase of portfolio investments are amortized on a straight line basis over the term to maturity. If it is determined that there is a permanent impairment in the value of an investment, it is written down to net realizable value.

(d) Inventories:

Inventories consist of land held for resale and supplies and are valued at the lower of cost and net realizable value.

(e) Revenue recognition:

Revenue from municipal taxation payments, grants in lieu of taxes and utility charges are recognized when the levies are billed or billable to the property owner. Revenue from sales of services are recognized when the services are provided and collection is reasonably assured. Government grants are recognized when they are

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

1. Significant accounting policies: (continued)

(e) Revenue recognition: (continued)
approved by senior governments and the conditions required to earn the grants have been completed. Development cost charges are recognized as revenue in the period the funds are expended on a development project. Development cost charges not expended are recorded as unearned revenue.

(f) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists
- b) contamination exceeds the environmental standard
- c) the organization is directly responsible or accepts responsibility for the liability
- d) future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made.

(g) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses at the date of the financial statements. Areas that contain estimates include assumptions used in determining the landfill post-closure liability, contingent liabilities, and estimated useful lives of tangible capital assets.

(h) Government Business Partnership

The investment in government business partnership is accounted for using the modified equity basis.

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

1. Significant accounting policies: (continued)

(i) Non-financial capital 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.

(i) 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 asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Land	Indefinite
Engineering structures	10-100
Buildings	10-75
Machinery and equipment	5-20
Water systems	10-100
Sewer systems	10-100

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets:

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

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

1. Significant accounting policies: (continued)

(i) Non-financial capital assets: (continued)

(v) Interest capitalization:

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

(vi) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred

(j) Asset retirement obligation

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the District will be required to settle. The District recognizes asset retirement obligations when there is a legal obligation to incur retirements costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the estimated remediation of the tangible capital asset. The obligation is adjusted to reflect period to period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

(k) Financial instruments

The Districts financial instruments consist of cash, short-term investments, accounts and grants receivable, accounts payable, and long-term debt. It is management's opinion that the City is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

2. Change in accounting policy

(a) Change in accounting principles

(i) Asset Retirement Obligations

On January 1, 2023, the District adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations* (PS 3280). An asset retirement obligation is recognized when, as at financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and,
- (iv) A reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets if the tangible capital asset is in productive use. The asset retirement obligation is recorded as a liability and expense if the related tangible capital asset is unrecognized or no longer in productive use. The District determined that there were significant asset retirement obligations associated with its tangible capital assets as at December 31, 2023 and December 31, 2022 and has adopted of this standard on a prospective basis.

The impact of the adoption of this standard is as an increase in the Asset Retirement Obligation Asset of \$388,214 and the Asset Retirement Obligation increase of \$388,214.

(ii) Financial instruments

On January 1, 2023, the District adopted Canadian public sector accounting standard PS 3450 *Financial Instruments*, PS 2601 *Foreign Currency Translation*, PS 1201 *Financial Statement Presentation* and PS 3041 *Portfolio Investments*. Under PS 3450 *Financial Instruments*, all financial instruments are included on the statement of financial position and are measured at either fair value or cost or amortized cost based on the characteristics of the instrument and the District's accounting policy choices (see note 1(j)).

The adoption of these standards did not have an impact on the amounts presented in these financial statements.

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

3. Restricted assets:

Included in cash and short-term deposits and portfolio investments are the following restricted amounts:

	2023	2022
Cash and short term deposits	\$ 16,046,766	\$ 6,839,084
Portfolio investments	23,027,933	27,545,549
	39,074,699	34,384,633
Less restricted for:		
Statutory reserves	4,837,998	1,800,752
Deferred revenue	3,229,977	3,107,277
Development cost charges	2,548,705	2,417,271
	10,616,680	7,325,300
Funds available for operations	\$ 28,458,019	\$ 27,059,333

4. Accounts receivable:

	2023	2022
Taxes	\$ 689,459	\$ 834,030
Utilities	437,321	376,255
Trade accounts	131,909	126,924
Provincial government	127,623	506,493
Federal government	99,444	142,178
	\$ 1,485,756	\$ 1,985,880

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

5. Investment in Government Business Partnership

(a) Partnership

The District owns a 1/3 partnership share in the Cascade Lower Canyon Community Forest LP "CLCCF" or the "Partnership".

(b) Establishment

In 2006, the District along with Yale First Nation and the Fraser Valley Regional District established the CLCCF for the purpose of operating a community forest. The District initially invested \$10,000 for 10,000 units in the Partnership. In 2013, the Partnership acquired a license to forest up to 34,300 cubic meters of timber annually. At this time net revenues are anticipated to remain within the Partnership until such time that the CLCCF Board determines that sufficient reserves exist to fund capital needs related to forestry operations. Should the Partnership cease to exist, the District would be entitled to 1/3 of the accumulated equity.

The Partnership has a March 31 year-end. The condensed results for the year end March 31, 2023 are summarized below.

CLCCF Condensed Financial Statements:

Assets	2023	2022
Cash	\$ 3,514,036	\$ 1,060,154
Other Current Assets	1,181,243	1,131,856
Tangible Capital Assets	230,006	248,609
	\$ 4,925,285	\$ 2,440,619
Liabilities	2023	2022
Accounts Payable	\$ 747,950	\$ 479,354
Partnership Equity	4,185,416	1,961,265
	\$ 4,933,366	\$ 2,440,619
	2023	2022
Total Revenue	\$ 11,749,831	\$ 328,963
Total Expenses	9,525,680	282,547
Net Income	\$ 2,224,151	\$ 46,416

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

6. Municipal finance authority reserve deposits and demand notes:

The District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The District also executes demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the Municipal Finance Authority.

The details of the cash deposits and demand notes at the year-end are as follows:

	2023	2022
General fund	\$ 119,209	\$ 117,916
Sewer fund	-	39,735
Water fund	73,180	-
	\$ 192,389	\$ 157,651

7. Accounts payable:

	2023	2022
Security deposits and other items	\$ 1,477,652	\$ 981,097
Trade accounts	689,054	1,913,689
Accrued liabilities	1,067,960	425,134
Accrued payroll and benefits	210,044	188,207
Accrued interest	28,602	14,384
	\$ 3,473,312	\$ 3,522,511

8. Development cost charges:

Development cost charges represent funds received from developers for capital infrastructure expenditures required as a result of their development projects. As these funds are expended, the liability will be reduced and the amount expended will be recorded as revenue.

Assets are not always physically segregated to meet the requirements of the restricted revenues. The liability will be settled with cash and portfolio investments.

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

9. Long-term debt:

The balance of the long-term debt reported on the consolidated statement of financial position is made up the following:

Purpose	By-Law	Term (Years)	Year Due	Rate	Balance Outstanding	
					2023	2022
General Fund						
Other	1288	20	2030	4.00	\$ 1,302,524	\$ 1,467,324
Water fund						
Water	1477	15	2038	4.97	1,800,000	-
Sewer Fund						
Sewer	996	25	2023	5.50	-	23,666
					\$ 3,102,524	\$ 1,490,990

Future principal payments required over the next five years on issued debt are as follows:

2024	\$	261,811
2025		271,067
2026		280,650
2027		290,572
2028		300,845
Thereafter	\$	1,697,579

Interest on long-term debt totaled \$38,400 (2022 - \$38,400) in the General Fund, \$37,554 (2022 - nil) in the Water Fund, and nil (2022 - \$4,601) in the Sewer Fund.

10. Liability for Contaminated Sites

The District has determined that as of December 31, 2023, no contamination in excess of an environmental standard exists related to land not in productive use for which the District is responsible.

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

11. Asset retirement obligation

(a) Landfill

The District closed the Hope Landfill in September 2013. Costs related to post closure activities at the site include, gas monitoring and recovery, leachate management and treatment, closure assessment and planning and regulatory approvals.

The Hope landfill site is still expected to require care up to, and including the year 2038. A liability of \$390,845 at December 31, 2023 (2022 - \$453,143) is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities. The discount rate used in 2023 was 3.49% (2022 - 2.30%). Landfill restoration costs incurred by the District in 2023 were \$62,298 (2022 - \$40,908). The District had an agreement with a private contractor to contribute in-kind the remaining closure costs in exchange for the right to fill the remaining airspace in the landfill. This contribution and related operating expenditure was recognized in 2013 when the closure activities were significantly completed.

(b) Building and wells

The District owns and operates several assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of Public Accounting Standard PS 3280 Asset Retirement Obligations, the City recognized an obligation relating to the removal of the hazardous materials in these assets as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Water system capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

The District has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling \$370,497 have been discounted using a present value calculation with a discount rate of 4.76% for buildings and 4.84% for well infrastructure. The timing of these expenditures is estimated to occur between 2024 and 2079 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	<u>2023</u>	<u>2022</u>
Landfill liability, beginning of year	\$ 453,143	\$ 494,051
Initial recognition of expected discounted cash flows - buildings and wells	370,497	-
Increase due to accretion	17,717	-
Reduction to landfill liability for costs incurred	<u>(62,298)</u>	<u>(40,908)</u>
Total	\$ 779,059	\$ 453,143

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

12. Tangible capital assets:

Cost	Balance December 31, 2022	Transfers/ Additions	Additions due to ARO recognition	Transfers/ Disposals	Balance December 31, 2023
Engineering structures	\$ 37,752,456	\$ 3,187,330	\$ -	\$ (197,173)	\$ 40,742,613
Buildings	8,282,808	64,554	268,596	-	8,615,958
Machinery and equipment	9,371,385	700,288	-	(101,067)	9,970,606
Land	3,416,273	-	-	-	3,416,273
Sewer systems	16,227,970	422,952	-	-	16,650,922
Water systems	13,058,262	162,503	101,901	-	13,322,666
Work in progress	1,365,002	304,508	-	(1,181,898)	487,612
	\$ 89,474,156	\$ 4,842,135	\$ 370,497	\$ (1,480,138)	\$ 93,206,650

Accumulated amortization	Balance December 31, 2022	Amortization	Disposals	Balance December 31, 2023
Engineering structures	\$ 22,599,166	\$ 804,068	\$ (197,173)	\$ 23,206,061
Buildings	5,292,635	217,463	-	5,510,098
Machinery and equipment	5,709,427	422,798	(101,067)	6,031,158
Sewer systems	8,220,983	396,677	-	8,617,660
Water systems	6,776,354	235,582	-	7,011,936
	\$ 48,598,565	\$ 2,076,588	\$ (298,240)	\$ 50,376,913

	Net book value December 31, 2022	Net book value December 31, 2023
Engineering structures	\$ 15,153,290	\$ 17,536,552
Buildings	2,990,173	3,105,860
Machinery and equipment	3,661,958	3,939,448
Land	3,416,273	3,416,273
Sewer systems	8,006,987	8,033,262
Water systems	6,281,908	6,310,730
Work in progress	1,365,002	487,612
	\$ 40,875,591	\$ 42,829,737

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

13. Financial equity - current fund:

	2023	2022
Unappropriated:		
Operating	\$ 12,255,824	\$ 10,654,367
Non-Statutory reserves:		
Accessibility initiatives reserve	7,638	7,254
Community events reserve	13,861	13,164
Community development regulatory reserve	44,338	42,107
Fire department reserve	698,561	641,304
Future capital expenditures reserve	6,441,462	8,444,074
Infrastructure replacement reserve	4,939,065	4,353,174
Water reserve	1,482,197	1,407,641
Sewer reserve	468,837	445,254
Assessment appeals reserve	39,595	37,603
	14,135,554	15,391,575
Statutory reserves and restricted funds:		
Parkland acquisition reserve	488,960	466,574
Landfill reserve	805,838	768,944
Land for development reserve	196,643	187,640
Growing Communities reserve	2,950,846	-
Bridge unexpended funds reserve	395,711	377,594
	4,837,998	1,800,752
Total financial equity	31,229,376	27,846,694
Equity in tangible capital assets	41,335,735	39,225,481
Accumulated surplus	\$ 72,565,111	\$ 67,072,175

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

14. Collections for other governments:

The District collects and remits taxes on behalf of other government jurisdictions as follows:

	2023	2022
Tax Collected - School Tax	\$ 4,874,982	\$ 4,399,341
Tax Collected - FVRD	1,940,567	1,834,153
Tax Collected - Regional Hospital	272,015	259,914
Tax Collected - BC Assessment	129,771	116,889
Tax Collected - MFA	627	546
	\$ 7,217,962	\$ 6,610,843

15. Contingencies:

- (a) Debt held by the Fraser Valley Regional District is, pursuant to the Local Government Act, a direct joint and several liability of each member municipality within the regional district, including the District.
- (b) Monitoring of leachates in the landfill is required for 25 years subsequent to the closure. Any potential costs arising from future issues will be the responsibility of the District.
- (c) The District is currently engaged in certain legal actions. The District has accrued for claims for which the amounts are known or can be reasonably estimated. The outcome of other claims is indeterminable at this time. Accordingly, no provision has been made in the accounts for these actions.
- (d) The District and its employees contribute to the Municipal Pension Plan (Plan) a jointly trusted 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 are based on a formula. As at December 31, 2023, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for 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 valuation for the Municipal Pension Plan as of December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$309,337 (2022 - \$289,972) for employer contributions to the Plan in fiscal 2023.

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

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

15. Contingencies: (continued)

Employers participating in the Plan record their pension expense 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.

16. Fair value of financial assets and financial liabilities:

The fair value of the District's cash and short term deposits, accounts receivable and accounts payable approximate their carrying amounts due to the immediate or short term maturity of these financial instruments.

The fair value of portfolio investments at December 31, 2023 was \$23,027,933 (2022 - \$27,545,549).

The fair value of the long-term debt and obligations under capital lease approximate their book value as the interest rates represent borrowing rates for loans under similar terms and maturities.

17. Contractual Rights

The District has entered into contracts for various property rentals and service agreements, and is scheduled to receive the following amounts under those contracts.

2024	\$	259,167
2025		266,926
2026		274,979
2027		283,342
2028	\$	292,028

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

18. Budget figures:

The financial statements have included the Annual budget as approved by Council. The following is a reconciliation of the budget presentation required for the financial statements and the annual financial plan bylaw:

	2023
Annual deficit from statement of operations	\$ (379,550)
Amortization of capital assets	1,850,000
Capital expenditures	(14,620,732)
Transfers from surplus	1,337,400
Proceeds of debt financing	1,800,000
Proceeds from grant financing	7,465,322
Reserves used for capital financing	4,018,000
Contributions to reserves	(1,358,440)
Principal repayment of debt	(112,000)
Net annual budget	\$ -

19. Perpetual Cemetery Care Trust:

The District operates a cemetery in accordance with the Cemetery and Funeral Services Act. The District is required to maintain a trust fund which is not included in these financial statements.

The asset and equity of the Perpetual Cemetery Care Trust are as follows:

	2023	2022
Cash and Deposits	\$ 146,185	\$ 134,002

	2023	2022
Equity balance, beginning of the year	\$ 140,098	\$ 127,871
Transfer from operating	5,945	5,410
Interest	142	721
Equity, end of year	\$ 146,185	\$ 134,002

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

20. Financial risks

Market risk is the risk that changes in market prices, such as interest rates, will affect the District's income. The District's cash and portfolio investments include amounts on deposit with financial institutions that earn interest at market rates. The District manages its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest would not have a significant effect on the District's income.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Management does not believe that the District is exposed to significant credit risk.

There has been no change to the risk exposures outlined above from 2022.

21. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

22. Segmented information:

The District is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the local government's operations and activities are organized and reported by service areas. Service areas were created for the purpose of recording specific activities to attain certain objectives in accordance with Council policies and District's bylaws. The service areas are as follows:

General Government Services

General government services include activities associated with Mayor and Council administration, bylaw review and adoption, financial management, and information systems, economic development and corporate services, including human resources.

Protective Services

Protective services include activities associated with community safety. These services include local policing, fire protection, bylaw enforcement and emergency services.

Transportation Services

A component of Public Works department is transportation services. Transportation services include activities associated with roads and drainage networks. Services include traffic services, street lighting, public works administration, fleet operations, winter maintenance, and maintenance and improvements to roads, shoulders, sidewalks, drainage, storm sewers and dykes.

Environmental Health Services

Environmental development services include all activities associated with waste management, landfill operations, transfer stations and cemetery operations.

Financial Statements

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

22. Segmented information: (continued)

Community Development Services

Community Development services include development activities associated with planning and zoning and building inspections.

Recreation and Culture Services

Recreation and Cultural services include activities associated with operations of parks, recreation and cultural services. Activities also include grants-in-aid, library operations, tourism and minor building maintenance services.

Utilities: Water and Sewer Services

Water and sewer services include all activities associated with water and sanitary sewer operations. Items include maintenance and enhancements of the water supply system, water pump stations, water distribution systems, hydrants, sanitary sewer collection system, sewer lift stations and sewer treatment and disposal.

Segmented information has been identified based upon lines of service provided by the District. District services are provided by departments and their activities are reported by functional area in the body of the financial statements.

Financial Statements

DISTRICT OF HOPE

Segmented Reporting Note

For the Year Ended December 31, 2023

	Recreation and Culture	Protective Services	Transportation	Environmental Health	Community Development	Utilities - Water & Sewer	General Government	Total 2023	Total 2022
Revenues									
Municipal taxation	\$ -	\$ 2,545,817	\$ -	\$ -	\$ -	\$ -	\$ 7,468,569	\$10,014,386	\$ 9,215,147
Parcel taxes	-	-	-	-	-	229,300	-	229,300	229,300
Payments in lieu of taxes	-	-	-	-	-	-	303,715	303,715	261,213
Sales of services	128,849	141,138	9,491	2,123,051	193,079	1,526,206	300,386	4,422,200	4,681,822
Investment income	-	-	-	-	-	-	1,961,931	1,961,931	614,993
Government business partnership income	-	-	-	-	-	-	741,310	741,310	15,471
Rents and leases	-	-	-	-	-	-	31,970	31,970	34,956
Transfers from other governments	161,525	153,320	2,740	-	-	-	4,487,298	4,804,883	1,612,115
Actuarial adjustment on debenture debt	-	-	-	-	-	-	62,466	62,466	83,396
Total Revenues	290,374	2,840,275	12,231	2,123,051	193,079	1,755,506	15,357,645	22,572,161	16,748,413
Expenditures									
Salaries and benefits	299,384	821,750	1,124,123	84,270	397,497	503,739	1,362,046	4,592,809	4,519,763
Insurance and claims	31,454	11,403	81,498	291	-	42,216	96,377	263,239	226,980
Office and administration	674,387	2,436,477	107,944	2,865,161	577,387	29,156	625,000	7,315,512	6,213,221
Repair and maintenance	482,113	116,787	1,398,789	32,907	-	722,530	53,669	2,806,795	2,621,362
Utilities	16,945	19,160	52,223	6,025	-	210,106	21,549	326,008	306,069
Total Expense, before interest and amortization	1,504,283	3,405,577	2,764,577	2,988,654	974,884	1,507,747	2,158,641	15,304,363	13,887,395
(Gain) Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	(2,131,368)
Interest	-	-	-	-	-	42,155	38,400	80,555	58,275
Accretion expense	-	-	-	12,785	-	4,932	-	17,717	-
Amortization	-	-	-	1,444,331	-	632,258	-	2,076,589	2,035,480
Net operating revenues(expenses)	\$ (1,213,909)	\$ (565,302)	\$ (2,752,346)	\$ (2,322,719)	\$ (781,805)	\$ (431,589)	\$ 13,160,604	\$ 5,092,937	\$ 2,898,631

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

Financial Statements

DISTRICT OF HOPE

Schedule 1 - COVID-19 Safe Restart Grants for Local Governments

For the Year Ended December 31, 2023

In November 2020 the District of Hope was the recipient of a \$1,833,000 grant under the COVID-19 Safe Restart for Local Governments program from the Province of BC.

COVID Reserve, beginning of year	-	\$ 1,002,873
IT	\$ 12,933	-
Public works	80,328	-
Expenditures through the year	-	93,261
COVID reserve, end of year	-	\$ 909,612

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

Financial Statements

DISTRICT OF HOPE

Schedule 2 - Growing Communities Fund

For the Year Ended December 31, 2023

In 2023, the District of Hope was the recipient of a \$2,874,000 grant under the Growing Community Fund for Local Governments program from the Province of BC.

	2023
Contribution for the year	\$ 2,874,000
Interest received	76,846
Balance, December 31, 2023	\$ 2,950,846

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

Financial Statements

Development Cost Charges

New development typically triggers need for expansion of services like sewer, drainage and water systems. The level of investment needed to support new development is significant and one of the mechanisms available to municipalities to help finance this investment is Development Cost Charges (DCC's). DCC's are monies collected from developers to help offset the costs of the infrastructure investments needed to service new development. They are imposed by bylaw, pursuant to the Local Government Act, and provide the Municipality with a way to finance capital investment related specifically to sewers, drainage, water and parks. The following chart provides some more information about Development Cost Charge collections and deductions.

Development Cost Charges — 2023

	Water	Drainage	Sanitary	DCC Total
Opening balance	\$ 1,432,106	\$ 268,839	\$ 716,328	\$ 2,417,273
Deductions	-	-	-	-
Contributions	5,795	5,239	4,375	15,409
Sub-Total	\$ 1,437,901	\$ 274,078	\$ 720,703	\$ 2,432,682
Interest Revenue	68,671	12,930	34,416	116,017
TOTAL	\$ 1,506,572	\$ 287,008	\$ 755,119	\$ 2,548,699

Financial Statements

Permissive Tax Exemptions

Organization Name	Community Charter	2023 Municipal Taxes
Anglican Lord Bishop of New Westminster	Section 224(2)(f)	5,419.40
Anhart Homes CCC Ltd.	Section 224 (2)(a)(i)	5,094.47
BC Corporation of Seventh-Day Adventist	Section 224(2)(f)	4,618.48
Fraser Inclusive and Supportive Housing Society	Section 224(2)(a)(i)	1,535.43
Fraternal Order of Eagles	Section 224(2)(a)(i)	1,920.37
Grace Fellowship Baptist Church	Section 224(2)(f);224 (2)(a)(i)	6,664.68
Hope Branch 228 Canadian Legion	Section 224(2)(a)(i)	6,692.92
Hope Christian Fellowship/Northwest Harvest Church	Section 224(2)(g)	5,495.28
Hope Community Services	Section 224(2)(a)(i)	3,809.35
Hope Congregation of Jehovah's Witness	Section 224(2)(f)	1,757.51
Hope Curling Club	Section 224(2)(i)	5,441.00
Hope Golf & Country Club	Section 224(2)(b)	8,337.16
Hope Search & Rescue Group	Section 224(2)(b)	4,855.95
Hope United Church	Section 224(2)(f)	8,203.02
Kawkawa Camp & Retreat Society	Section 224(2)(a)(i)	17,482.08
Mamele'awt Qweesome Housing Society	Section 224 (2)(a)(i)	4,288.69
Mount Hope Senior Citizens Housing Society	Section 224(2)(h)	2,950.92
Mount Hope Temple Society	Section 224(2)(f)	1,227.32
Pentecostal Assemblies of Canada	Section 224(2)(f)	1,868.64
Roman Catholic Archbishop of Vancouver	Section 224(2)(f)	5,096.29
The Hope & Area Transition Society	Section 224(2)(a)(i)	10,644.82
The Nature Trust of BC	Section 224(2)(a)(i)	4,960.61
Vancouver Soaring Association	Section 224(2)(i)	4,430.71

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