



STATEMENT OF FINANCIAL INFORMATION  
YEAR ENDED DECEMBER 31, 2020

(In compliance with the Public Bodies Financial Information  
Act Statutes of British Columbia, Chapter 140)

**DISTRICT OF HOPE**  
**TABLE OF CONTENTS**

	<b><u>FIR</u></b> <b><u>Schedule</u></b> <b><u>Section</u></b>
Financial Statements	1 - 3
Schedule of Debts	4
Schedule of Guarantee and Indemnity Agreements	5
Schedule of Remuneration and Expenses	6
Schedule of Suppliers of Goods and Services	7
Approval of Financial Information	9

**2020 CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Financial Statements of

# **DISTRICT OF HOPE**

Year ended December 31, 2020

# DISTRICT OF HOPE

## Consolidated Financial Statements

Year ended December 31, 2020

### Financial Statements

Auditor's Report

Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Changes in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5
Schedule 1 - COVID-19 Safe Restart Grants for Local Governments	21



KPMG LLP  
Suite 200 - 9123 Mary Street  
Chilliwack BC V2P 4H7  
Canada  
Telephone (604) 793-4700  
Fax (604) 793-4747

## 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, 2020
- 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, 2020, 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.

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.
- 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 10, 2021



# DISTRICT OF HOPE

## Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial assets:</b>		
Cash and short term deposits (note 2)	\$ 5,306,836	\$ 5,988,758
Accounts receivable (note 3)	1,310,202	1,094,848
Portfolio investments (note 2)	22,503,144	18,672,008
Investment in government business partnership (note 4)	600,593	537,427
	29,720,775	26,293,041
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 6)	2,426,092	1,893,158
Development cost charges (note 7)	2,139,506	2,002,886
Deferred revenue	619,048	619,314
Long-term debt (note 8)	1,902,009	2,146,026
Landfill liability (note 9)	521,029	498,876
	7,607,684	7,160,260
Net financial assets	22,113,091	19,132,781
<b>Non-financial assets:</b>		
Tangible capital assets (note 11)	40,070,586	39,961,132
Prepaid expenses and deposits	118,573	119,412
Inventories	523,638	523,689
Contingencies (note 14)		
<b>Accumulated surplus (note 12)</b>	<b>\$ 62,825,888</b>	<b>\$ 59,737,014</b>

Director of Finance

Mayor

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

# DISTRICT OF HOPE

## Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31, 2020, with comparative information for 2019

	2020 Budget (note 17)	2020	2019
<b>Revenues:</b>			
Municipal taxation	\$ 8,490,400	\$ 8,504,087	\$ 8,162,895
Parcel taxes	236,100	238,377	236,959
Payments in lieu of taxes	243,100	247,156	233,266
Sales of services	3,235,400	3,532,847	3,390,868
Investment income	228,500	434,921	519,892
Government business partnership income	-	63,166	110,303
Rents and leases	22,300	22,241	19,772
Transfers from other governments	2,188,500	2,977,813	1,387,254
Contributions from developers	-	44,726	153,944
Contributed assets	-	278,438	-
Development cost charges	177,500	-	-
Gain on disposal of tangible capital assets	-	-	2,631
Actuarial adjustment on debenture debt	-	89,981	113,950
	14,821,800	16,433,753	14,331,734
<b>Expenses:</b>			
General government	1,851,200	1,815,384	1,616,727
Recreation	1,246,600	958,703	949,567
Protective services	3,107,800	3,084,057	2,942,130
Environment and public health	1,689,300	1,732,381	1,443,365
Transportation	2,143,500	2,057,944	1,526,290
Community development	746,400	664,704	617,189
Utilities	1,035,200	1,008,736	927,389
Loss on disposal of tangible capital assets	-	38,418	-
Interest	144,400	124,330	182,497
Amortization	1,780,000	1,860,222	1,767,001
	13,744,400	13,344,879	11,972,155
Annual Surplus	1,077,400	3,088,874	2,359,579
Accumulated surplus, beginning of year	59,737,014	59,737,014	57,377,435
Accumulated surplus, end of year	\$ 60,814,414	\$ 62,825,888	\$ 59,737,014

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

# DISTRICT OF HOPE

## Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2020, with comparative information for 2019

	2020	2019
Annual surplus	\$ 3,088,874	\$ 2,359,579
Acquisition of tangible capital assets	(2,008,094)	(1,024,496)
Amortization of tangible capital assets	1,860,222	1,767,001
(Gain) loss on disposal of tangible capital assets	38,418	(2,631)
Proceeds on disposal of tangible capital assets	-	650,000
	(109,454)	1,389,874
Change in inventories	51	1,290
Change in prepaid expenses	839	27,111
	890	28,401
Change in net financial assets	2,980,310	3,777,854
Net financial assets, beginning of year	19,132,781	15,354,927
Net financial assets, end of year	\$ 22,113,091	\$ 19,132,781

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

# DISTRICT OF HOPE

## Consolidated Statement of Cash Flows

For the Year Ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 3,088,874	\$ 2,359,579
Items not involving cash:		
Government business partnership income	(63,166)	(110,303)
Amortization on tangible capital assets	1,860,222	1,767,001
(Gain) loss on disposal of tangible capital assets	38,418	(2,631)
Actuarial adjustment on debt	(89,981)	(113,950)
Contributed assets	(278,438)	-
Change in non-cash operating assets and liabilities:		
Accounts receivable	(215,354)	608,932
Prepays	839	27,111
Inventories	51	1,290
Accounts payable and accrued liabilities	532,934	(474,538)
Landfill liability	22,153	(40,436)
Deferred revenue	(266)	(44,143)
Development cost charges	136,621	386,201
	5,032,907	4,364,113
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(1,729,656)	(1,024,496)
Proceeds on disposal of tangible capital assets	-	650,000
	(1,729,656)	(374,496)
<b>Investing activities:</b>		
Change in portfolio investments	(3,831,136)	(2,803,443)
Partnership draws	-	100,000
	(3,831,136)	(2,703,443)
<b>Financing activities:</b>		
Repayment of equipment financing debt	-	(23,092)
Repayment of long-term debt	(154,037)	(306,424)
	(154,037)	(329,516)
Increase (decrease) in cash	(681,922)	956,658
Cash and equivalents, beginning of year	5,988,758	5,032,100
Cash and cash equivalents, end of year	\$ 5,306,836	\$ 5,988,758
Supplemental cash flow information:		
Interest paid	\$ 124,330	\$ 182,497
Interest received	\$ 434,921	\$ 519,892

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

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 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.

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 1. Significant accounting policies: (continued)

### (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 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.

### (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

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 1. Significant accounting policies: (continued)

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

#### (i) Tangible capital assets: (continued) over their estimated useful lives as follows:

---

<b>Asset</b>	<b>Useful life - years</b>
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.

#### (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

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

## 1. Significant accounting policies: (continued)

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

(vi) Leased tangible capital assets: (continued)  
leases and the related payments are charged to expenses as incurred.

## 2. Restricted assets:

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

	2020	2019
Cash and short term deposits	\$ 5,306,836	\$ 5,988,758
Portfolio investments	22,503,144	18,672,008
	27,809,980	24,660,766
Less restricted for:		
Statutory reserves	1,702,653	1,651,932
Deferred revenue	619,048	619,314
Development cost charges	2,139,506	2,002,886
	4,461,207	4,274,132
Funds available for operations	\$ 23,348,773	\$ 20,386,634

## 3. Accounts receivable:

	2020	2019
Taxes	\$ 823,296	\$ 703,804
Utilities	328,827	282,138
Federal government	83,222	58,142
Trade accounts	74,857	50,764
	\$ 1,310,202	\$ 1,094,848



# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

## 4. 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, 2020 are summarized below.

CLCCF Condensed Financial Statements:

<b>Assets</b>	2020		2019	
Cash	\$	1,084,503	\$	1,025,506
Other Current Assets		851,861		760,507
Tangible Capital Assets		95,552		-
	\$	2,031,916	\$	1,786,013
<b>Liabilities</b>	2020		2019	
Accounts Payable	\$	227,426	\$	171,327
Partnership Equity		1,804,490		1,614,986
	\$	2,031,916	\$	1,786,313
		2020		2019
Total Revenue	\$	4,609,437	\$	1,546,650
Total Expenses		4,419,933		1,215,730
Net Income	\$	189,504	\$	330,920

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 5. 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:

---

	2020	2019
General fund	\$ 116,328	\$ 151,656
Sewer fund	39,025	38,665
	\$ 155,353	\$ 190,321

---

## 6. Accounts payable:

---

	2020	2019
Trade accounts	\$ 1,079,940	\$ 996,398
Other	1,126,471	580,229
Accrued payroll and benefits	188,297	252,695
Accrued interest	14,384	34,429
Accrued liabilities	17,000	29,407
	\$ 2,426,092	\$ 1,893,158

---

## 7. 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.

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

## 8. 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	
					2020	2019
General Fund						
Other	1080/1081	15	2020	4.17	\$ -	\$ 55,141
Other	1288	20	2030	4.00	1,780,467	1,923,813
Sewer Fund						
Sewer	996	25	2023	5.50	121,542	167,072
					\$ 1,902,009	\$ 2,146,026

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

2021	\$ 165,239
2022	206,228
2023	214,171
2024	169,212
2025	175,135
Thereafter	\$ 972,024

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 9. Landfill liability:

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 \$521,029 at December 31, 2020 (2019 - \$498,876) is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities. The discount rate used in 2020 was 2.05% (2019 - 2.87%). Landfill restoration costs incurred by the District in 2020 were \$31,780 (2019 - \$37,602). 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.

## 10. Liability for Contaminated Sites

The District has determined that as of December 31, 2020, no contamination in excess of an environmental standard exists related to land not in productive use for which the District is responsible.

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

## 11. Tangible capital assets:

Cost	Balance December 31, 2019	Transfers/ Additions	Transfers/ Disposals	Balance December 31, 2020
Engineering structures	\$ 36,540,178	\$ 1,114,616	\$ (304,230)	\$ 37,350,564
Buildings	7,223,135	27,248	-	7,250,383
Machinery and equipment	7,747,464	748,806	(99,062)	8,397,208
Land	2,484,794	48,801	-	2,533,595
Sewer systems	16,212,425	-	-	16,212,425
Water systems	12,658,100	184,397	(4,920)	12,837,577
Work in progress	304,157	8,415	(124,187)	188,385
	\$ 83,170,253	\$ 2,132,283	\$ (532,399)	\$ 84,770,137

Accumulated amortization	Balance December 31, 2019	Disposals	Amortization	Balance December 31, 2020
Engineering structures	\$ 20,491,784	\$ (266,136)	\$ 790,097	\$ 21,015,745
Buildings	4,795,930	-	121,781	4,917,711
Machinery and equipment	4,761,632	(99,063)	340,286	5,002,855
Sewer systems	7,038,107	-	393,903	7,432,010
Water systems	6,121,668	(4,593)	214,155	6,331,230
	\$ 43,209,121	\$ (369,792)	\$ 1,860,222	\$ 44,699,551

	Net book value December 31, 2019	Net book value December 31, 2020
Engineering structures	\$ 16,048,394	\$ 16,334,819
Buildings	2,427,205	2,332,672
Machinery and equipment	2,985,832	3,394,353
Land	2,484,794	2,533,595
Sewer systems	9,174,318	8,780,415
Water systems	6,536,432	6,506,347
Work in progress	304,157	188,385
	\$ 39,961,132	\$ 40,070,586

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

## 12. Financial equity - current fund:

	2020	2019
Unappropriated:		
Operating	\$ 10,190,477	\$ 10,165,269
Sewer fund	308,630	308,630
Water fund	13,084	13,084
	<u>10,512,191</u>	<u>10,486,983</u>
Non-Statutory reserves:		
Accessibility initiatives reserve	7,055	6,956
Community events reserve	12,804	12,624
Community development regulatory reserve	40,955	40,379
Fire department reserve	212,505	504,176
Future capital expenditures reserve	7,420,817	4,901,664
Infrastructure replacement reserve	3,318,763	2,907,631
Water reserve	985,902	972,037
Sewer reserve	407,194	401,467
Assessment appeals reserve	36,574	36,060
	<u>12,442,569</u>	<u>9,782,994</u>
Statutory reserves and restricted funds:		
Parkland aquisition reserve	384,387	352,349
Landfill reserve	759,772	749,005
Land for development reserve	185,402	182,775
Bridge unexpended funds reserve	373,090	367,803
	<u>1,702,651</u>	<u>1,651,932</u>
Total financial equity	24,657,411	21,921,909
Equity in tangible capital assets	38,168,477	37,815,105
Accumulated surplus	\$ 62,825,888	\$ 59,737,014

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

## 13. Collections for other governments:

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

	2020	2019
Tax Collected - School Tax	\$ 3,322,059	\$ 3,540,374
Tax Collected - FVRD	1,669,162	1,596,319
Tax Collected - Regional Hospital	240,160	234,767
Tax Collected - BC Assessment	94,948	87,174
Tax Collected - MFA	371	360
	<u>\$ 5,326,700</u>	<u>\$ 5,458,994</u>

## 14. 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, 2019, 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 valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$267,022 (2019 - \$242,060) for employer contributions to the Plan in fiscal 2020.

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 14. Contingencies: (continued)

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

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.

## 15. 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, 2020 was \$22,503,144 (2019 - \$18,672,008).

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.

## 16. 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.

---

2021	\$	44,924
2022		51,434
2023		19,200
2024		19,200
2025		10,200
Thereafter		30,600

---



# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

## 17. 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:

	2020
Annual surplus from statement of operations	\$ 1,077,400
Amortization of capital assets	1,780,000
Capital expenditures	(3,810,500)
Transfers from surplus	638,600
Reserves used for capital financing	1,535,000
Contributions to reserves	(1,066,300)
Principal repayment of debt	(154,200)
Net annual budget	\$ -

## 18. 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:

	2020	2019
Cash and Deposits	\$ 121,379	\$ 113,661

	2020	2019
Equity balance, beginning of the year	\$ 113,661	\$ 105,477
Transfer from operating	5,495	5,650
Interest	2,223	2,534
Equity, end of year	\$ 121,379	\$ 113,661

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 19. 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 2019 other than the pervasive impact of the ongoing COVID-19 pandemic, of which, may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the District's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude is unknown.

## 20. 753 Waterworks Utility

On January 10, 2020 the District of Hope acquired the assets of 753 Waterworks Limited and 753 Developments Ltd., a drinking water supply system located within the boundaries of the District of Hope. The amount of the transfer of the contributed assets upon completion of the agreement was \$278,438 which is included in revenue

## 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.

# DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2020

---

## 22. Segmented information: (continued)

### 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.

### 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.

# DISTRICT OF HOPE

## Segmented Reporting Note

For the Year Ended December 31, 2020

	Recreation and Culture	Protective Services	Transportation	Environmental Health	Community Development	Utilities - Water & Sewer	General Government	Total 2020	Total 2019
<b>Revenues</b>									
Municipal taxation	\$ -	\$ 2,145,982	\$ -	\$ -	\$ -	\$ -	\$ 6,358,105	\$ 8,504,087	\$ 8,162,895
Parcel taxes	-	-	-	-	-	213,095	25,282	238,377	236,959
Payments in lieu of taxes	-	-	-	-	-	-	247,156	247,156	233,266
Sales of services	13,010	91,623	7,350	1,672,279	236,538	1,182,427	329,620	3,532,847	3,390,868
Investment income	-	-	-	-	-	-	434,921	434,921	519,892
Government business partnership income	-	-	-	-	-	-	63,166	63,166	110,303
Rents and leases	-	-	-	-	-	-	22,241	22,241	19,772
Transfers from other governments	25,000	161,811	2,740	-	-	-	2,788,262	2,977,813	1,387,254
Actuarial adjustment on debenture debt	-	-	-	-	-	-	89,981	89,981	113,950
Contributed assets	-	-	-	-	-	278,438	-	278,438	-
Contributions from developers	-	-	-	-	-	-	44,726	44,726	153,944
<b>Total Revenues</b>	<b>38,010</b>	<b>2,399,416</b>	<b>10,090</b>	<b>1,672,279</b>	<b>236,538</b>	<b>1,673,960</b>	<b>10,403,460</b>	<b>16,433,753</b>	<b>14,329,103</b>
<b>Expenditures</b>									
Salaries and benefits	178,675	583,878	887,839	59,950	431,876	411,703	1,293,682	3,847,603	3,506,316
Insurance and claims	26,589	16,081	72,848	245	-	36,264	60,649	212,676	203,302
Office and administration	409,860	2,388,344	62,916	1,586,171	232,828	26,000	356,070	5,062,189	4,678,059
Repair and maintenance	327,803	78,985	868,468	78,294	-	354,502	87,695	1,795,747	1,251,086
Utilities	15,776	16,769	165,873	7,721	-	180,267	17,288	403,694	383,894
<b>Total Expense, before interest and amortization</b>	<b>958,703</b>	<b>3,084,057</b>	<b>2,057,944</b>	<b>1,732,381</b>	<b>664,704</b>	<b>1,008,736</b>	<b>1,815,384</b>	<b>11,321,909</b>	<b>10,022,657</b>
(Gain) Loss on disposal of tangible capital assets	-	-	38,418	-	-	-	-	38,418	(2,631)
Interest	-	-	-	-	-	19,875	104,455	124,330	182,497
Amortization	-	-	1,252,164	-	-	608,058	-	1,860,222	1,767,001
<b>Net operating revenues/(expenses)</b>	<b>\$ (920,693)</b>	<b>\$ (684,641)</b>	<b>\$ (3,338,436)</b>	<b>\$ (60,102)</b>	<b>\$ (428,166)</b>	<b>\$ 37,291</b>	<b>\$ 8,483,621</b>	<b>\$ 3,088,874</b>	<b>\$ 2,359,579</b>

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

# DISTRICT OF HOPE

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

For the Year Ended December 31, 2020

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. No funds were allocated to COVID-19 restart programs in 2020.

---

<b>Grant Funding Received - November 2020</b>	<b>\$ 1,833,000</b>
---	---------------------

---

## **SCHEDULE OF DEBTS - December 31, 2020**

Prepared under the Financial Information Regulation, Schedule 1, Section 4

### **Schedule of Debenture Debt - December 31, 2020**

<b>Bylaw</b>	<b>Purpose</b>	<b>Term (Years)</b>	<b>Year Due</b>	<b>Rate</b>	<b>Balance Outstanding</b>
1288	Other	20	2030	4.00	1,780,467
996	Sewer	25	2023	5.50	<u>121,542</u>
					<u>\$ 1,902,009</u>

## **SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

Prepared under the Financial Information Regulation, Schedule 1, Section 5

Information on all guarantees and indemnities for the District of Hope is included in Note 15 to the Financial Statements.

## Schedule of Remuneration and Expenses

For the Year Ending December 31, 2020

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(2)

Regulations require the District of Hope to report the total amount of remuneration for each employee that exceeds \$75,000 in the year reported. However, certain exceptions have been noted below:

### 1. Elected Officials, Employees appointed by Cabinet and Members of the Board of Directors

Name	Position	Remuneration	Expenses
Robb, Peter	Mayor	32,792.67	699.40
Medlock, Scott	Councillor	18,582.50	377.36
Erickson, Bob	Councillor	18,582.50	377.36
Smith, Dustin	Councillor	18,582.50	232.17
Stewin, Heather	Councillor	18,582.50	1,246.93
Smith, Victor	Councillor	18,582.50	2,033.81
Traun, Craig	Councillor	18,582.50	95.24
<b>Total Elected Officials</b>		<b>\$ 144,287.67</b>	<b>\$ 5,062.27</b>

### 2. Other Employees

Name	Remuneration	Expenses
Ariyaratne, Chandra	\$ 80,355.57	\$ -
Blackwell, Ross	93,968.26	2,207.02
Blake, Scott	78,873.89	2,681.39
Bellingham, Donna	117,500.96	1,124.25
Clarke, Bobby	107,170.01	2,008.80
Cline, Duncan	80,309.83	-
Courtice, Dale	123,007.53	2,009.00
Desorcy, Tom	98,767.96	
Dicken, Kevin	120,754.08	1,288.60
Fortoloczy, John	170,373.59	2,223.42
Gill, Jas	109,027.19	779.00
Lepitre, Don	98,722.03	793.91
Trevitt, Jeff	88,434.18	90.00
<b>Total over \$75,000 remuneration</b>	<b>\$ 1,367,265.08</b>	<b>\$ 15,205.39</b>

<b>Consolidated total under \$75,000 remuneration</b>	<b>\$ 1,694,705.38</b>	<b>\$ -</b>
---	------------------------	-------------

<b>Consolidated total of all Employees</b>	<b>\$ 3,061,970.46</b>	<b>\$ 15,205.39</b>
--	------------------------	---------------------

### 3. Reconciliation

Total Remuneration - elected officials	\$ 144,287.67
Total Remuneration - other employees	3,061,970.46
<b>Subtotal (Per T4 Summaries RP0001 &amp; RP0002)</b>	<b>\$ 3,206,258.13</b>
Other: fringe benefits, accruals	\$ 641,344.87
<b>Total per Statement of Revenue and Expenditure</b>	<b>\$ 3,847,603.00</b>



**Schedule of Remuneration and Expenses - con't**

For the Year Ending December 31, 2020

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(6)

Regulations require the District of Hope to report the total employer portion of CPP & EI paid to the Receiver General for Canada

CPP \$ 112,276.00

EI \$ 41,377.98

## **Statement of Severance Agreements**

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7)

There were two (2) severance agreements made between the District of Hope and its non-unionized employees during the fiscal year 2020

These agreements represent from 5 to 9 months' compensation.

## Schedule of Suppliers of Goods and Services

For the Year Ending December 31, 2020

Prepared under the Financial Information Regulation, Schedule 1, subsection 7(1)

Regulations require the District of Hope to report the total amount paid to each supplier for goods and services that exceeds \$25,000 in the year reported.

### 1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

Supplier Name	Aggregate amount paid to supplier
A-MAIS TECHNOLOGIES INC.	\$ 28,745.09
AARDVARK PAVEMENT MARKING SERVICES	58,666.72
BC ASSESSMENT, FINANCIAL SERVICES	94,994.25
BC HYDRO	353,571.45
BERVIN CONSTRUCTION LTD	34,687.50
BROCL WHITE CANADA ULC	39,056.45
CANYON CABLE 1988 LTD.	53,826.66
CIBC/RRSP CENTER	40,950.00
COASTAL MOUNTAIN FUELS	56,714.76
CUPE LOCAL #458	36,495.44
EMPLOYER HEALTH TAX	50,057.99
EMPYRION TECHNOLOGIES INC.	42,580.41
FORT GARRY FIRE TRUCKS LTD	399,774.76
FRASER VALLEY REGIONAL DISTRICT	1,997,292.51
FRASER VALLEY REGIONAL HOSPITAL DISTRICT	240,159.50
FRASER VALLEY REGIONAL LIBRARY	364,346.00
GARDENER CHEVROLET PONTIAC BUICK GMC LTD	82,272.67
HOPE BUSINESS AND DEVELOPMENT SOCIETY	336,995.55
HOPE MOUNTAIN CENTRE FOR OUTDOOR	30,966.00
HOPE READY MIX LIMITED	27,400.55
INSURANCE CORPORATION OF BC	55,789.00
KEIL HOLDINGS BC LTD	166,550.66
LACAS CONSULTANTS INC.	127,291.51
LAFARGE CANADA INC	42,889.97
LIDSTONE & COMPANY	77,406.17
LORDCO AUTO PARTS	25,900.49
MACDONALD POWER SERVICES LTD	75,647.43
MASTERCARD - COLLABRIA	64,183.15
MINISTER OF FINANCE	117,272.29
MINISTRY OF FINANCE-PROPERTY TAX BRANCH	1,868,712.10
MT. HOPE ELECTRIC	34,480.18
MUNICIPAL INSURANCE ASSOCIATION OF BC	161,036.10
MUNICIPAL PENSION PLAN	501,189.27
MWL DEMOLITION LTD	50,437.80
PRAIRIE COAST EQUIPMENT	110,729.22
PURPOSE DEVELOPMENTS LTD	204,243.34
R.J.'S CARPET CLEAN	59,401.25
RECEIVER GENERAL FOR CANADA	78,696.80
RECEIVER GENERAL FOR CANADA	780,222.99
RECEIVER GENERAL, R.C.M.P.	2,034,369.56
ROCKY MOUNTAIN PHOENIX	34,647.20
SMART KITCHEN SOLUTIONS INC	27,653.92
SPATIAL TECHNOLOGIES (2017) INC.	39,826.87
SPERLING HANSEN ASSOCIATES	42,518.96
TELUS	31,355.89
TIMBRO CONTRACTING	1,333,359.82
TRI-WEST GROUP ENTERPRISES LTD	77,284.63
TRUE CONSULTING	139,922.80
VALLEY WASTE & RECYCLING INC	1,680,630.53
VISSER SALES CORP	25,382.56
WATERHOUSE ENVIRONMENTAL SERVICES CORP.	40,737.72
WORKSAFE BC	84,629.47
Payments Made (Vendors Over \$25000)	14,563,953.91
Miscellaneous Payments (\$25000 and Under)	1,195,121.19
<b>TOTAL Payments</b>	<b>15,759,075.10</b>

District of Hope  
Section 7

Reconciliation  
TOTAL Payments 15,759,075.10

**Reconciling Items:**

PREPAID EXPENDITURES	(114,403.63)
ACCRUED INTEREST	(14,383.97)
LANDFILL POST CLOSURE ADJUSTMENT	22,153.00
MASTERCARD - COLLABRIA (CLEARING ACCOUNT)	(64,183.15)
SCHOOL TAX	(1,868,712.10)
RECEIVER GENERAL (Payroll) - RP 1	(780,222.99)
RECEIVER GENERAL (Payroll) - RP 2	(78,696.80)
BC ASSESSMENT	(94,994.25)
BERVIN CONSTRUCTION LTD - SECURITY DEPOSIT REFUND	(34,687.50)
KEIL HOLDINGS (CIBC) - SECURITY DEPOSIT REFUND	(166,550.66)
PURPOSE DEVELOPMENTS KELLTON CONST> MISC SECURITY DEPOSIT REFUNDS	(204,243.34)
MUNICIPAL PENSION PLAN (Payroll)	(501,189.27)
WORKSAFE BC (Payroll)	(84,629.47)
FRASER VALLEY REGIONAL DISTRICT (Deduct tax requisitions-netted out in F/S)	(1,669,161.77)
FRASER VALLEY REGIONAL DISTRICT (Principal repayments on debt)	(154,036.91)
FRASER VALLEY REGIONAL HOSPITAL DISTRICT (Deduct tax requisitions-netted out in F/S)	(240,159.50)
CUPE LOCAL #45 (Payroll)	(36,495.44)
COASTAL MOUNTAIN FUELS (FUEL INVENTORY)	(56,714.76)
EMPLOYEE HEALTH TAX	(50,057.99)
MISC PROPERTY TAX REFUNDS	(22,944.46)
MISC. BUILDING PERMIT SECURITY DEPOSITS	(26,000.00)
MISC. SECURITY DEPOSIT REFUNDS	(7,499.81)
TIMBRO CONTRACTING - HOLDBACK RELEASE	(110,975.94)
OTHER MISC. ADJUSTMENTS (1.68%)	(71,992.39)
<b>TOTAL</b>	<b><u>\$ 9,328,292.00</u></b>

Total per Statement of Revenue and Expenditure and acquisition of Capital Assets	
Insurance	\$ 212,676.00
Interest	124,330.00
Office and administration	5,062,189.00
Repairs and maintenance	1,795,747.00
Utilities	403,694.00
Capital assets	1,729,656.00
<b>TOTAL</b>	<b><u>\$ 9,328,292.00</u></b>

\$ -

**\* Taxes collected and remitted on behalf of agencies listed below**

FRASER VALLEY REGIONAL DISTRICT	1,669,161.77
FRASER VALLEY REGIONAL HOSPITAL DISTRICT	240,159.50
BC ASSESSMENT	94,994.25
HOPE SCHOOL TAX	1,868,712.10
MUNICIPAL FINANCE AUTHORITY OF BC	371.06

## Schedule of Approved District Grants

Prepared under the Financial Information Regulation, Schedule 1, subsection 7(2)(b) Regulations require the District of Hope to report a statement of payments for the purposes of grants or contributions.

---

<b>Non-profit Organization</b>	<b>Approved (\$)</b>
Hope Community Choir	\$ 500.00
Hope Association for Community Living	\$ 1,500.00
Fraser Canyon Hospice Society	4,000.00
Mount Hope Senior Citizens' Housing Society	2,000.00
Hope Care Transit Society	5,000.00
Hope & District Arts Council	5,000.00
Hope Crime Prevention Society	5,000.00
Hope Mountain Centre for Outdoor Living	<u>1,800.00</u>
	<u>\$ 24,800.00</u>

**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Mayor, District of Hope



Director of Finance

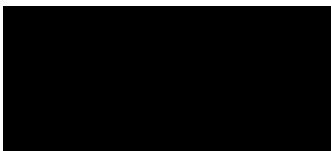
## **MANAGEMENT REPORT**

The Financial Statements contained in this Statement of Financial Information have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The integrity and objectivity of these statements are management's responsibility. Management is responsible for all statements and schedules and for ensuring that this information is consistent with the information contained in the financial statements.

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

The external auditors, KPMG LLP Chartered Professional Accountants, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Financial Information Act. Their examination includes a review of the District's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and fair access to the District's records.

On behalf of the District of Hope,



Daré Courtice, CPA, CGA  
Director of Finance