



**STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022**

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

DISTRICT OF HOPE
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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,



Mike Olson, CPA, CA
Director of Finance

2022 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements of

DISTRICT OF HOPE

Year ended December 31, 2022

DISTRICT OF HOPE

Consolidated Financial Statements

Year ended December 31, 2022

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, 2022
- 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, 2022, 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 8, 2023

DISTRICT OF HOPE

Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash and short term deposits (note 2)	\$ 6,839,084	\$ 8,258,836
Accounts receivable (note 3)	1,985,880	2,631,166
Portfolio investments (note 2)	27,545,549	22,501,829
Investment in government business partnership (note 4)	652,831	637,360
	37,023,344	34,029,191
Financial liabilities:		
Accounts payable and accrued liabilities (note 6)	3,522,511	4,501,509
Development cost charges (note 7)	2,417,271	2,381,200
Deferred revenue	3,257,277	678,624
Long-term debt (note 8)	1,490,990	1,700,386
Equipment financing	9,217	11,385
Landfill liability (note 9)	453,143	494,051
	11,150,409	9,767,155
Net financial assets	25,872,935	24,262,036
Non-financial assets:		
Tangible capital assets (note 11)	40,875,591	38,535,913
Prepaid expenses and deposits	135,721	847,548
Inventories	187,928	528,047
Contingencies (note 14)		
Accumulated surplus (note 12)	\$ 67,072,175	\$ 64,173,544

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, 2022, with comparative information for 2021

	2022 Budget (note 17)	2022	2021
Revenues:			
Municipal taxation	\$ 9,213,830	\$ 9,215,147	\$ 8,708,117
Parcel taxes	228,920	229,300	224,755
Payments in lieu of taxes	265,270	261,213	253,687
Sales of services	3,633,650	4,681,822	3,999,114
Investment income	160,000	614,993	165,782
Government business partnership income	-	15,471	186,767
Rents and leases	26,500	34,956	26,648
Transfers from other governments	1,054,090	1,612,115	2,808,614
Contributions from developers	-	-	238,286
Gain on disposal of tangible capital assets	-	-	9,270
Gain on land held for resale	-	2,131,368	-
Actuarial adjustment on debenture debt	-	83,396	75,623
	14,582,260	18,879,781	16,696,663
Expenses:			
General government	2,230,590	2,135,312	1,848,072
Recreation	1,862,690	1,388,804	1,472,253
Protective services	3,568,050	3,751,394	4,282,377
Environment and public health	2,056,500	1,947,841	1,853,329
Transportation	2,936,790	2,626,522	2,130,832
Community development	873,450	711,314	684,541
Utilities	1,340,100	1,326,208	1,134,298
Interest	58,380	58,275	58,275
Amortization	1,861,500	2,035,480	1,885,029
	16,788,050	15,981,150	15,349,006
Annual Surplus (Deficit)	(2,205,790)	2,898,631	1,347,656
	64,173,544	64,173,544	62,825,888
Accumulated surplus, end of year	\$ 61,967,754	\$ 67,072,175	\$ 64,173,544

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, 2022, with comparative information for 2021

	2022	2021
Annual surplus	\$ 2,898,631	\$ 1,347,656
Acquisition of tangible capital assets	(4,375,158)	(354,856)
Amortization of tangible capital assets	2,035,480	1,885,029
Gain on disposal of tangible capital assets	-	(9,270)
Proceeds on disposal of tangible capital assets	-	13,770
	(2,339,678)	1,534,673
Change in inventories	340,119	(4,409)
Change in prepaid expenses	711,827	(728,975)
	1,051,946	(733,384)
Change in net financial assets	1,610,899	2,148,945
Net financial assets, beginning of year	24,262,036	22,113,091
Net financial assets, end of year	\$ 25,872,935	\$ 24,262,036

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, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,898,631	\$ 1,347,656
Items not involving cash:		
Government business partnership income	(15,471)	(186,767)
Amortization on tangible capital assets	2,035,480	1,885,029
Gain on disposal of tangible capital assets	-	(9,270)
Actuarial adjustment on debt	(83,396)	(75,623)
Change in non-cash operating assets and liabilities:		
Accounts receivable	645,286	(1,320,964)
Prepays	711,827	(728,975)
Inventories	340,119	(4,409)
Accounts payable and accrued liabilities	(978,998)	2,075,417
Landfill liability	(40,908)	(26,978)
Deferred revenue	2,578,653	59,576
Development cost charges	36,071	241,694
	8,127,294	3,256,386
Capital activities:		
Acquisition of tangible capital assets	(4,375,158)	(354,856)
Proceeds on disposal of tangible capital assets	-	13,770
	(4,375,158)	(341,086)
Investing activities:		
Change in portfolio investments	(5,043,720)	1,315
Partnership draws	-	150,000
	(5,043,720)	151,315
Financing activities:		
Proceeds of equipment financing debt	-	11,385
Repayment of equipment financing	(2,168)	-
Repayment of long-term debt	(126,000)	(126,000)
	(128,168)	(114,615)
Increase (decrease) in cash	(1,419,752)	2,952,000
Cash and equivalents, beginning of year	8,258,836	5,306,836
Cash and cash equivalents, end of year	\$ 6,839,084	\$ 8,258,836
Supplemental cash flow information:		
Interest paid	\$ 58,275	\$ 58,275
Interest received	\$ 614,993	\$ 165,782

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, 2022

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, 2022

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, 2022

1. Significant accounting policies: (continued)

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

(i) Tangible capital assets: (continued)
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.

(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, 2022

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:

	2022	2021
Cash and short term deposits	\$ 6,839,084	\$ 8,258,836
Portfolio investments	27,545,549	22,501,829
	<hr/> 34,384,633	<hr/> 30,760,665
Less restricted for:		
Statutory reserves	1,800,752	1,790,425
Deferred revenue	3,257,277	678,624
Development cost charges	2,417,271	2,381,201
	<hr/> 7,475,300	<hr/> 4,850,250
Funds available for operations	<hr/> \$ 26,909,333	<hr/> \$ 25,910,415

3. Accounts receivable:

	2022	2021
Taxes	\$ 834,030	\$ 619,317
Utilities	376,255	357,460
Federal government	142,178	137,788
Trade accounts	126,924	242,611
Provincial government	506,493	1,273,990
	<hr/> \$ 1,985,880	<hr/> \$ 2,631,166

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

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, 2022 are summarized below.

CLCCF Condensed Financial Statements:

Assets	2022	2021
Cash	\$ 1,060,154	\$ 2,147,104
Other Current Assets	1,131,856	405,729
Tangible Capital Assets	248,609	256,250
	\$ 2,440,619	\$ 2,809,083
Liabilities	2022	2021
Accounts Payable	\$ 479,354	\$ 444,234
Partnership Equity	1,961,265	2,364,849
	\$ 2,440,619	\$ 2,809,083
	2022	2021
Total Revenue	\$ 328,963	\$ 5,127,464
Total Expenses	282,547	4,567,105
Net Income	\$ 46,416	\$ 560,359

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

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:

	2022	2021
General fund	\$ 117,916	\$ 117,008
Sewer fund	39,735	39,329
	\$ 157,651	\$ 156,337

6. Accounts payable:

	2022	2021
Trade accounts	\$ 1,913,689	\$ 3,067,308
Other	981,097	1,202,555
Accrued payroll and benefits	188,207	189,621
Accrued interest	14,384	14,384
Accrued liabilities	425,134	27,641
	\$ 3,522,511	\$ 4,501,509

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, 2022

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	
					2022	2021
General Fund						
Other	1288	20	2030	4.00	\$ 1,467,324	\$ 1,626,589
Sewer Fund						
Sewer	996	25	2023	5.50	23,666	73,797
					\$ 1,490,990	\$ 1,700,386

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

2023	\$	214,171
2024		169,212
2025		175,135
2026		181,264
2027		187,609
Thereafter	\$	603,151

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

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 \$453,143 at December 31, 2022 (2021 - \$494,051) is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities. The discount rate used in 2022 was 2.30% (2021 - 2.05%). Landfill restoration costs incurred by the District in 2022 were \$40,908 (2021 - \$31,780). 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, 2022, 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, 2022

11. Tangible capital assets:

Cost	Balance December 31, 2021	Transfers/ Additions	Transfers/ Disposals	Balance December 31, 2022
Engineering structures	\$ 37,360,642	\$ 391,814	\$ -	\$ 37,752,456
Buildings	7,250,383	1,032,425	-	8,282,808
Machinery and equipment	8,460,770	921,610	(10,995)	9,371,385
Land	2,533,595	882,678	-	3,416,273
Sewer systems	16,227,970	-	-	16,227,970
Water systems	12,961,555	96,707	-	13,058,262
Work in progress	315,078	1,104,718	(54,794)	1,365,002
	\$ 85,109,993	\$ 4,429,952	\$ (65,789)	\$ 89,474,156

Accumulated amortization	Balance December 31, 2021	Disposals	Amortization	Balance December 31, 2022
Engineering structures	\$ 21,805,596	\$ 793,570	\$ -	\$ 22,599,166
Buildings	5,040,109	252,526	-	5,292,635
Machinery and equipment	5,352,857	367,565	(10,995)	5,709,427
Sewer systems	7,826,302	394,681	-	8,220,983
Water systems	6,549,216	227,138	-	6,776,354
	\$ 46,574,080	\$ 2,035,480	\$ (10,995)	\$ 48,598,565

	Net book value December 31, 2021	Net book value December 31, 2022
Engineering structures	\$ 15,555,046	\$ 15,153,290
Buildings	2,210,274	2,990,173
Machinery and equipment	3,107,913	3,661,958
Land	2,533,595	3,416,273
Sewer systems	8,401,668	8,006,987
Water systems	6,412,339	6,281,908
Work in progress	315,078	1,365,002
	\$ 38,535,913	\$ 40,875,591

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

12. Financial equity - current fund:

	2022	2021
Unappropriated:		
Operating fund	\$ 10,654,367	\$ 11,641,233
Non-Statutory reserves:		
Accessibility initiatives reserve	7,254	7,083
Community events reserve	13,164	12,855
Community development regulatory reserve	42,107	41,119
Fire department reserve	641,304	470,801
Future capital expenditures reserve	8,444,074	7,668,503
Infrastructure replacement reserve	4,353,174	3,871,178
Water reserve	1,407,641	1,374,663
Sewer reserve	445,254	434,823
Assessment appeals reserve	37,603	36,721
	15,391,575	13,917,746
Statutory reserves and restricted funds:		
Parkland acquisition reserve	466,574	463,935
Landfill reserve	768,944	764,512
Land for development reserve	187,640	186,559
Bridge unexpended funds reserve	377,594	375,418
	1,800,752	1,790,424
Total financial equity	27,846,694	27,349,403
Equity in tangible capital assets	39,225,481	36,824,141
Accumulated surplus	\$ 67,072,175	\$ 64,173,544

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

13. Collections for other governments:

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

	2022	2021
Tax Collected - School Tax	\$ 4,399,341	\$ 3,905,554
Tax Collected - FVRD	1,834,153	1,688,696
Tax Collected - Regional Hospital	259,914	242,856
Tax Collected - BC Assessment	116,889	98,988
Tax Collected - MFA	546	396
	<u>\$ 6,610,843</u>	<u>\$ 5,936,490</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 (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of 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, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments. .

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

The District paid \$289,972 (2021 - \$267,048) for employer contributions to the plan in fiscal 2022.

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

14. 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.

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, 2022 was \$27,545,549 (2021 - \$22,501,829).

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.

2023	\$	223,727
2024		229,925
2025		236,344
2026		242,992
2027	\$	249,884

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

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:

	2022
Annual deficit from statement of operations	\$ (2,205,790)
Amortization of capital assets	1,861,500
Capital expenditures	(12,826,960)
Transfers from surplus	2,722,330
Reserves used for capital financing	4,551,300
Proceeds of debt financing	1,800,000
Proceeds from grant financing	3,753,330
Transfers from reserves	2,048,070
Transfers to reserves	(1,575,490)
Principal repayment of debt	(128,290)
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:

	2022	2021
Cash and Deposits	\$ 134,002	\$ 127,871

	2022	2021
Equity balance, beginning of the year	\$ 127,871	\$ 121,379
Transfer from operating	5,410	6,175
Interest	721	317
Equity, end of year	\$ 134,002	\$ 127,871

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

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 2021.

20. Comparative figures

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

21. 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, 2022

21. 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, 2022

	Recreation and Culture	Protective Services	Transportation	Environmental Health	Community Development	Utilities - Water & Sewer	General Government	Total 2022	Total 2021
Revenues									
Municipal taxation	\$ -	\$ 2,356,508	\$ -	\$ -	\$ -	\$ -	\$ 6,858,639	\$ 9,215,147	\$ 8,708,117
Parcel taxes	-	-	-	-	-	229,300	-	229,300	224,755
Payments in lieu of taxes	-	-	-	-	-	-	261,213	261,213	253,687
Sales of services	218,695	89,571	21,069	2,435,621	4,401	984,725	927,740	4,681,822	3,999,114
Investment income	-	-	-	-	-	-	614,993	614,993	165,782
Government business partnership income	-	-	-	-	-	-	15,471	15,471	186,767
Rents and leases	-	-	-	-	-	-	34,956	34,956	26,648
Transfers from other governments	25,000	427,389	2,740	-	-	-	1,156,986	1,612,115	2,808,614
Actuarial adjustment on debenture debt	-	-	-	-	-	-	83,396	83,396	75,623
Contributions from developers	-	-	-	-	-	-	-	-	238,286
Total Revenues	243,695	2,873,468	23,809	2,435,621	4,401	1,214,025	9,953,394	16,748,413	16,687,393
Expenditures									
Salaries and benefits	269,973	697,348	1,229,567	70,130	464,282	443,333	1,345,132	4,519,765	4,077,492
Insurance and claims	26,036	12,072	72,942	259	-	38,961	76,710	226,980	226,473
Office and administration	626,739	2,741,904	105,639	1,844,658	247,032	30,159	577,420	6,173,551	5,476,104
Repair and maintenance	447,895	276,095	1,031,798	25,774	-	621,234	114,589	2,517,385	3,176,188
Utilities	18,161	23,975	186,576	7,020	-	192,521	21,461	449,714	449,446
Total Expense, before interest and amortization	1,388,804	3,751,394	2,626,522	1,947,841	711,314	1,326,208	2,135,312	13,887,395	13,405,703
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-	(9,270)
Gain on sale of land held for resale	-	(2,131,368)	-	-	-	-	-	(2,131,368)	-
Interest	-	-	-	-	-	19,875	38,400	58,275	58,275
Amortization	-	-	-	1,413,661	-	621,819	-	2,035,480	1,885,029
Net operating revenues(expenses)	\$ (1,145,109)	\$ (3,009,294)	\$ (2,602,713)	\$ (925,881)	\$ (706,913)	\$ (753,877)	\$ 7,779,682	\$ 2,898,631	\$ 1,347,656

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, 2022

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		\$ 1,551,146
Office	\$	7,168
IT		33,223
Public works		507,882
Expenditures through the year		548,273
COVID Reserve, end of year		\$ 1,002,873

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

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 16 to the Financial Statements.

Schedule of Remuneration and Expenses

For the Year Ending December 31, 2022

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 S.	Mayor	27,957.60	1,006.30
Stewin, Heather	Councillor	18,307.12	3,671.08
Smith, Dustin	Councillor	15,842.70	2,493.36
Smith, Victor A	Councillor/Mayor	20,191.66	4,947.35
Traun, Craig	Councillor	15,842.70	4,037.18
Newbigging, Pauline	Councillor	2,464.39	-
Sedore, Crystal	Councillor	2,464.39	-
Medlock, Scott N.	Councillor	18,307.12	3,553.20
Skoglund, Angela	Councillor	2,464.39	-
Wells, Zachary	Councillor	2,464.39	-
Total Elected Officials		\$ 126,306.46	\$ 19,708.47

2. Other Employees

Name	Remuneration	Expenses
Ariyaratne, Chandra G	\$ 90,258.83	426.49
Bellingham, Donna	117,952.28	1,993.46
Blackwell, Ross E.	98,083.40	4,610.45
Blake, Scott	83,817.53	1,516.54
Cameron, Thomas K	90,560.63	13,289.04
Clarke, Bobby	104,793.98	2,149.82
Cline, Duncan H.	83,392.72	304.99
Del Degan, Kevin	87,621.35	-
DeSorcy, Tom	100,024.12	8,260.93
Dicken, Kevin	124,237.85	1,694.93
Fortoloczky, John	173,408.08	3,252.14
Gill, Jaswinder	112,583.62	238.33
Glasson, Stephen	101,724.46	2,562.68
Goglin, Linda	75,072.84	1,923.37
Lepitre, Donald R	103,965.69	691.53
McMillan, Dan J	83,537.28	1,557.84
Morgan, Branden R	79,502.89	712.70
Olson, Michael	95,579.71	8,031.99
Total over \$75,000 remuneration	\$ 1,806,117.26	\$ 50,797.28

Consolidated total under \$75,000 remuneration \$ 1,756,670.40 \$ 89,618.76

Consolidated total of all Employees \$ 3,562,787.66 \$ 140,416.04

District of Hope
Section 6

3. Reconciliation

Total Remuneration - elected officials	\$	126,306.46
Total Remuneration - other employees		3,562,787.66
Subtotal (Per T4 Summaries RP0001 & RP0002)	\$	3,689,094.12
<hr/>		
Other: fringe benefits, accruals	\$	830,670.88
Total per Statement of Revenue and Expenditure	\$	4,519,765.00

Schedule of Remuneration and Expenses - con't
For the Year Ending December 31, 2022

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 \$ 156,147.60

EI \$ 54,164.73

Statement of Severance Agreements

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

There was one severance agreement under which payment commenced
between District of Hope and its non-unionized employees during fiscal
year 2023.

This agreement represented three months of compensation.

Schedule of Suppliers of Goods and Services

For the Year Ending December 31, 2022

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 & G FENCING	42,279.01
AARDVARK PAVEMENT MARKING SERVICES	\$ 69,033.55
ALUMICHEM CANADA INC	116,022.35
A-MAIS TECHNOLOGIES INC.	32,726.48
BC ASSESSMENT, FINANCIAL SERVICES	116,920.04
BC HYDRO	362,620.53
BLACK PRESS GROUP LTD.	28,859.85
CANADIAN WESTERN BANK	2,482,506.00
CANYON CABLE 1988 LTD.	53,453.16
COASTAL MOUNTAIN FUELS	151,209.63
COBRA ELECTRIC REGIONAL SERVICES LTD	26,199.60
CUPE LOCAL #458	42,096.28
DECKER, Diana	25,288.37
ECOWISE TREE CARE	49,675.50
EMCO CORPORATION	68,139.39
EMPLOYER HEALTH TAX	73,455.38
EMPYRION TECHNOLOGIES INC.	89,083.69
EXCEED ELECTRICAL ENGINEERING LTD	60,394.86
FAR AND AWAY HOLDINGS LTD	72,311.04
FIRST TRUCK CENTRE INC.	530,067.89
FORT MODULAR INC	488,290.95
FORTIS BC-NATURAL GAS	32,611.43
FRASER VALLEY REGIONAL DISTRICT	2,037,552.47
FRASER VALLEY REGIONAL HOSPITAL DISTRICT	259,913.72
FRASER VALLEY REGIONAL LIBRARY	388,842.00
HOPE AND AREA TRANSITION SOCIETY	89,233.99
HOPE BUSINESS AND DEVELOPMENT SOCIETY	336,000.00

District of Hope
Section 7

HOPE GOLF & COUNTRY CLUB	119,000.00
	39,750.00
HOPE MOUNTAIN CENTRE FOR OUTDOOR	
HOPE READY MIX LIMITED	40,636.29
INSURANCE CORPORATION OF BC	47,970.00
JAKES CONSTRUCTION LTD.	1,281,302.40
JIM DENT CONSTRUCTION LTD	1,181,516.06
KELLTON CONTRACTING LTD.	114,625.19
KHRONOS SECURITY SERVICES	54,332.50
KPMG LLP, T4348	40,670.70
LACAS CONSULTANTS INC.	149,077.07
LAFARGE CANADA INC	78,570.21
LANDTEC CONSULTANTS LTD.	28,371.32
LIDSTONE & COMPANY	767,345.77
LOEWEN PAVING	148,766.63
MAMELE'AWT QWEESOME HOUSING SOCIETY	116,250.00
MASTERCARD - COLLABRIA	110,647.67
MINISTER OF FINANCE	117,007.02
MINISTRY OF FINANCE-PROPERTY TAX BRANCH	2,735,849.60
MT. HOPE ELECTRIC	69,647.82
MUNICIPAL INSURANCE ASSOCIATION OF BC	188,306.75
MUNICIPAL PENSION PLAN	553,543.37
NUTECH FACILITY SERVICES LTD	42,471.91
OSACHOFF, Harry	45,332.46
PHOENIX ENTERPRISES LTD.	26,696.25
PURPOSE DEVELOPMENTS CORP.	145,462.85
RECEIVER GENERAL FOR CANADA	82,261.53
RECEIVER GENERAL FOR CANADA	941,488.93
RECEIVER GENERAL, R.C.M.P.	2,052,627.82
ROCKY MOUNTAIN PHOENIX	39,957.68
ROLLINS MACHINERY LTD.	265,126.40
SPERLING HANSEN ASSOCIATES	35,800.52
SWING TIME DISTRIBUTORS	54,080.88
SYNDICATE WELDING SERVICES	29,420.13
TRIPLEPOINT ENVIRONMENTAL LLC	36,814.34
TRI-WEST GROUP ENTERPRISES LTD	269,743.79
TRUE CONSULTING LTD	371,605.39
ULINE CANADA CORPORATION	26,890.48
VALLEY WASTE & RECYCLING INC	1,979,603.47
WORKSAFE BC	144,282.59
XYLEM CANADA COMPANY	31,385.90
<hr/> Payments Made (Vendors Over \$25000)	<hr/> 22,729,026.85
Miscellaneous Payments (\$25000 and Under)	1,490,791.11
<hr/> TOTAL Payments	<hr/> 24,219,817.96

District of Hope
Section 7

Reconciliation

TOTAL Payments 24,219,817.96

Reconciling Items:

PREPAID EXPENDITURES		(123,440.92)
LANDFILL POST CLOSURE ADJUSTMENT		40,908.00
MASTERCARD - COLLABRIA		(110,647.67)
MINISTRY OF FINANCE-PROPERTY TAX BRANCH	SCHOOL TAX	(2,735,849.60)
RECEIVER GENERAL (Payroll) - RP 1		(941,488.93)
RECEIVER GENERAL (Payroll) - RP 2		(82,261.53)
BC ASSESSMENT, FINANCIAL SERVICES		(116,920.04)
CANADIAN WESTERN BANK	Investment	(2,482,506.00)
KELLTON CONTRACTING LTD.	SECURITY DEPOSIT REFUND	(99,863.68)
MAMELE'AWT QWEESOME HOUSING SOCIETY	SECURITY DEPOSIT REFUND	(116,250.00)
FAR AND AWAY HOLDINGS	SECURITY DEPOSIT REFUND	(72,311.04)
PURPOSE DEVELOPMENT CORP	SECURITY DEPOSIT REFUND	(145,462.85)
MUNICIPAL PENSION PLAN	Payroll	(553,543.37)
WORKSAFE BC	Payroll	(144,282.59)
FRASER VALLEY REGIONAL DISTRICT (Deduct tax requisitions-netted out in F/S)		(1,834,150.38)
FRASER VALLEY REGIONAL DISTRICT (Principal repayments on debt)		(125,999.51)
FRASER VALLEY REGIONAL HOSPITAL DISTRICT (Deduct tax requisitions-netted out in F/S)		(259,913.72)
CUPE LOCAL #458	Payroll	(42,096.28)
COASTAL MOUNTAIN FUELS	FUEL INVENTORY	(151,209.63)
EMPLOYER HEALTH TAX		(73,455.38)
MISC PROPERTY TAX REFUNDS		(37,791.02)
MISC. BUILDING PERMIT SECURITY DEPOSITS		(37,100.00)
OTHER MISC. ADJUSTMENTS (1.25%)		(173,118.82)
TOTAL		<u>\$ 13,801,063.00</u>

Total per Statement of Revenue and Expenditure and acquisition of Capital Assets

Insurance	\$	226,980.00
Interest		58,275.00
Office and administration		6,173,551.00
Repairs and maintenance		2,517,385.00
Utilities		449,714.00
Capital assets		4,375,158.00
TOTAL		<u>\$ 13,801,063.00</u>

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

FRASER VALLEY REGIONAL DISTRICT	1,834,150.38
FRASER VALLEY REGIONAL HOSPITAL DISTRICT	259,913.72
BC ASSESSMENT	116,920.04
HOPE SCHOOL TAX	2,735,849.60
MUNICIPAL FINANCE AUTHORITY OF BC	371.06

Schedule of Approved District Grants

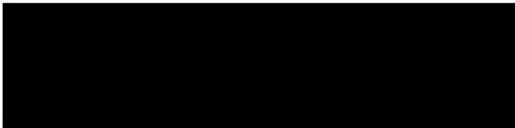
Prepared under the Financial Information Regulation, Schedule 1, subsection 7(2)(b) regulations require the District of Hope to report a statement of payments for the purposes of grants or contributions.

Non-profit Organization	Approved (\$)
Fraternal Order of Eagles Erie #269	2,000.00
Hope & District Arts Council	5,000.00
Hope Curling Club	3,250.00
Hope Care Transit Society	5,000.00
Hope Community Choir	500.00
Hope Crime Prevention Society	5,000.00
Hope Mountain Centre for Outdoor Living	2,250.00
Mount Hope Senior Citizens' Housing Society	2,000.00
	<hr/>
	\$ 25,000.00

Hope and Area Transition Society \$ 89,233.99

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