



REGULAR MEETING OF COUNCIL AGENDA

Monday, May 13, 2024 at 7:00 p.m.

Council Chambers

325 Wallace Street, Hope, British Columbia

For those in attendance at District of Hope Open Council Meetings and Public Hearings, please be advised that the Hope Ratepayers Association is recording these meetings and hearings. The District, in no way, has custody or control of the recordings. Therefore, all persons who do not want their presentation or themselves recorded, please approach the Clerk to declare same and the District will relay this to the Association so that you can freely speak.

1. CALL TO ORDER

Mayor to acknowledge that the meeting is being held on the traditional, ancestral and unceded territories of the Stó:lō people, particularly the Chawathil, Union Bar and Yale First Nations.

2. APPROVAL OF AGENDA

Recommended Resolution:

THAT the May 13, 2024, Regular Council Meeting Agenda be adopted, as presented.

3. ADOPTION OF MINUTES

(a) Regular Council Meeting

(1)

Recommended Resolution:

THAT the Minutes of the Regular Council Meeting held April 22, 2024, be adopted, as presented.

4. DELEGATIONS

(a) KPMG

(8)

Representatives from KPMG will be in attendance to present to Council regarding the Audit Findings Report for the year ended December 31, 2023.

5. STAFF REPORTS

- (a) **Report from the Director of Finance** (52)
Re: 2023 Audited Consolidated Financial Statements

Recommended Resolution:

THAT the 2023 consolidated financial statements of the District of Hope be approved; and
 FURTHER THAT the Independent Auditor's Report be received; and

FURTHER THAT the Independent Auditor's Report be attached to the consolidated financial statements of the District of Hope.

- (b) **Report dated May 3, 2024 from the Deputy Corporate Officer** (79)
Re: E-Mail Poll of Council for the Hope Mountain Centre Trail Restoration Project

Recommended Resolution:

THAT Council ratify the e-mail poll of April 29, 2024:

THAT Council of the District of Hope issue a letter of support to the Hope Mountain Centre for their proposed Trail Restoration Project.

6. COMMITTEE REPORTS

There are no Committee Reports.

7. MAYOR AND COUNCIL REPORTS

8. PERMITS AND BYLAWS

- (a) **Report dated April 30, 2024 from the Director of Community Development** (81)
Re: Geotechnical Hazard and Flood & Erosion Hazard Development Permit for 66631 Kereluk Road

Recommended Resolution:

THAT a District of Hope Geotechnical Hazard and Flood & Erosion Hazard Development Permit be approved for the property legally described as Lot 20 District Lot 56 Yale Division Yale District Plan 30760; PID 003-852-431 for the construction of a single-family dwelling and detached shop subject to the District of Hope receiving satisfactory certified reports from the qualified professionals confirming a site-specific safe building envelope for the property at 66631 Kereluk Road; and

FURTHER THAT the Director of Community Development be authorized to endorse the Geotechnical Hazard and Flood & Erosion Hazard Development Permit and required covenant document; and

FURTHER THAT for purposes of the Geotechnical Hazard Development Permit validity period, the conditions of the Development Permit shall expire on May 13, 2026; and

FURTHER THAT for the purposes of Section 504 of the *Local Government Act*, "substantially start any construction" shall mean the placement of the foundation for single family dwelling as certified safe by a qualified professional.

(b) District of Hope 2024 Annual Tax Rate Bylaw No. 1579, 2024 (88)Recommended Resolution:

THAT *District of Hope 2024 Annual Tax Rate Bylaw No. 1579, 2024*, be adopted this 13th day of May, 2024.

9. FOR INFORMATION CORRESPONDENCE**(a) For Information Correspondence (90)**Recommended Resolution:

THAT the For Information Correspondence List dated May 13, 2024, be received.

10. OTHER PERTINENT BUSINESS**(a) Letter of Support****Re: New Pathways to Gold – 1926 Alexandra Bridge Rehabilitation Project (99)**Recommended Resolution:

THAT Council of the District of Hope issue a letter of support to the New Pathways to Gold Society for their application to the Outdoor Recreation Council of British Columbia's Outdoor Recreation Fund of BC April 2024 Intake for the Alexandra Bridge Rehabilitation Project.

11. QUESTION PERIOD

Call for questions from the public for items relevant to the agenda.

12. NOTICE OF NEXT REGULAR MEETING

Monday, May 27, 2024 at 7:00 p.m.

13. ADJOURN REGULAR COUNCIL MEETING

MINUTES OF THE REGULAR COUNCIL MEETING

Monday, April 22, 2024
Council Chambers, District of Hope Municipal Office
325 Wallace Street, Hope, British Columbia

Council Members Present: Mayor Victor Smith
Councillor Pauline Newbigging
Councillor Heather Stewin
Councillor Zachary Wells
Councillor Scott Medlock
Councillor Angela Skoglund
Councillor Dusty Smith

Staff Present: John Fortoloczky, Chief Administrative Officer
Kevin Dicken, Director of Operations/Deputy CAO
Robin Beukens, Director of Community Development
Mike Olson, Director of Finance
Branden Morgan, Deputy Corporate Officer

Others Present: 4 members of the Public and 1 Media

1. CALL TO ORDER

Mayor Smith called the meeting to order at 6:33 p.m.

2. RESOLUTION TO PROCEED TO CLOSED MEETING AT 6:33 P.M.

Moved / Seconded

THAT the meeting be closed to the public to consider matters pursuant to Sections 90(1)(g) [litigation or potential litigation affecting the municipality], 90(1)(k) [negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public] and 90(2)(c) [a matter that is being investigated under the *Ombudsperson Act* of which the municipality has been notified under section 14 [*Ombudsperson to notify authority*] of that Act], of the *Community Charter* re: Gardner Drive, and adopting closed meeting minutes.

CARRIED.

3. RETURN TO OPEN MEETING

The Mayor reconvened the Regular Council Meeting at 7:00 p.m.

The Mayor acknowledged that the meeting is being held on the traditional, ancestral and unceded territories of the Stó:lō people, particularly the Chawathil, Union Bar and Yale First Nations.

4. APPROVAL OF AGENDA

Moved / Seconded

THAT the April 22, 2024 Regular Council Meeting Agenda be adopted, as amended to include item 12(a), regarding a Letter of Support for the New Pathways to Gold Society.

CARRIED.

5. ADOPTION OF MINUTES

(a) Regular Council Meeting

Moved / Seconded

THAT the Minutes of the Regular Council Meeting held April 8, 2024, be adopted, as presented. **CARRIED.**

6. DELEGATIONS

(a) Retirement Gift

Mayor Smith presented Ellen Forsey, RCMP Detachment Clerk, with a retirement gift and thanked her for her service to the community over the last 33 years.

(b) TRUE Consulting

Representatives from TRUE Consulting were in attendance to present to Council regarding the Silver Creek pedestrian crossing. In their presentation, the following items were discussed:

- Background
 - As part of the future Intensive Transportation Master Plan, the Flood Hope Road corridor is proposed to be upgraded to an arterial classification.
 - The Silver Creek pedestrian bridge was struck by an industrial vehicle in October 2023 and the crossing span was removed due to structural concerns.
 - No delineated crossing had been provided at this location, with the nearest being at-grade crossings located at Owl Street and Silverhope Road.
 - The existing crossing was grade separated when Flood Hope Road was under the jurisdiction of the Ministry of Transportation and traffic volumes were significantly higher.
- Functional Requirements
 - Pedestrian desire lines are crucial when selecting a crossing as they reflect the actual behaviour and preferences of pedestrians.
 - By aligning with desire lines, the risk of jaywalking is reduced and safer pedestrian behaviour is promoted.
- Design Criteria
 - The Transportation Association of Canada Pedestrian Crossing Control Guide 3rd Edition was used to evaluate the appropriate crossing design.
 - Pedestrian crossing control is required, with painted pavement markings, back-to-back mounted signage, and advanced warning signage due to intersections and visibility.
 - Due to the proximity to Silver Creek Elementary School, reclassification of Flood Hope Road from Collector to Arterial, and increased volumes of industrial and commercial traffic, the installation of white 'Briteside' panels and Rectangular Rapid Flashing Beacons in both directions is recommended.
 - Traffic calming features and an offset crossing are recommended due to the characteristics of the corridor.

- Conceptual Locations
 - Marv Cope Way
 - Street lighting nearby
 - Wider crossing distance (3 lanes wide)
 - Close proximity to existing Beacon Road crossing location (95m away)
 - No suitable landing area on the South side
 - Does not align with pedestrian desire lines
 - Peter Street
 - Better aligned with pedestrian desire lines
 - Suitable landing area along Peter Street
 - Ability for center median island refuge inclusion
 - Street lighting present nearby
 - Wider crossing distance (>2 lanes wide)
 - Not comparable to grade separated overpass
 - Marie Street
 - Better aligned with pedestrian desire lines
 - Suitable landing area along Marie Street
 - Ability for center median island refuge inclusion
 - Wider crossing distance (>2 lanes wide)
 - Not comparable to grade separated overpass
 - No street lighting present nearby
- Recommended Crossing Option
 - Between Marie Street and Peter Street
 - Aligned with pedestrian desire lines
 - Suitable landing area with connectivity to both Marie Street and Peter Street through separated pathways
 - Center median refuge allowing for reduced crossing distances, pedestrian refuge, better visibility and traffic calming
 - Located mid-block
 - Not comparable to grade separated overpass
 - No street lighting present nearby

Council inquired as to whether there will be accessibility features integrated into the pedestrian crossing. The consultant advised that the crossing will be timed to accommodate those who may take longer to cross, such as seniors or individuals in wheelchairs and will feature tactile strips and audible crossing signals to aid the visually impaired. He added that the entire crossing will be at grade and will have suitable room to have many people, wheelchairs, bicycles, and strollers.

Council inquired as to whether parking signage will be installed to deal with the commercial vehicles that currently park on the side of the Flood Hope Road, as sight lines from the crossing may be blocked. The Director of Operations advised that a concrete roadside barrier will be installed along the multi-use pathway on the north side of the road as well as the south side that will prevent parking mid-block between Marie Street and Peter Street. He added that the challenges with commercial vehicles have been happening further to the east, and noted that this issue is currently being handled

by Bylaw Enforcement.

Council inquired as to whether any cost estimates have been completed for the project. The consultant advised that they are currently working on the functional design to include with the Richmond Hill Multi-Use Pathway project and will complete a cost estimate for the most updated drawing package.

7. STAFF REPORTS

(a) Report dated April 16, 2024 from the Director of Corporate Services Re: Gardner Drive Construction Completion

Moved / Seconded

THAT Council rise and report the April 8, 2024 Committee of the Whole resolution:

THAT Council directs Staff to proceed with Option #1, completing the Gardner Drive Road construction that fronts 65751 and 65771 Gardner Drive, to match the standard of the adjacent developer works. **CARRIED.**

(b) Report dated April 16, 2024 from the Director of Community Development Re: Small-Scale Multi-Unit Housing Extension Request for Silver Creek and Kawkawa Lake

Council inquired as to whether the December 2030 deadline will be enough time for the District to upgrade water system infrastructure in order to comply with the implementation of Small-Scale Multi-Unit Housing. The Director of Operations advised that he is hopeful that these connections will be completed as outlined in the Water Master Plan before the deadline and noted that the District is often dependent on senior level grant funding which takes time. He added that the District has a healthy water reserve that can be utilized as well.

Moved / Seconded

THAT Council approve the submission of an extension application for the implementation of Small-Scale Multi-Unit Housing under the *Housing Statutes (Residential Development Amendment Act, 2023)* in the Silver Creek and East Kawkawa Lake areas until such time as the water system infrastructure in these areas is upgraded to ensure that the addition of new housing units will not constitute a risk to public safety. **CARRIED.**

8. COMMITTEE REPORTS

There were no Committee Reports.

9. MAYOR AND COUNCIL REPORTS

Mayor Smith Reported:

- He advised that there will be a temporary road closure on Fraser Avenue and King Street on April 24th for work on the Gateway Sign Construction Project.
- He attended a meeting for the Hope Area Flood Management Plan Project with regional partners and Ebbwater Consulting.
- He attended a Hope RCMP ceremony with CAO John Fortoloczky, noting that he met with a new member who lives in Hope. He added that Council glad to see more members residing in the Hope area.

- He toured the community with representatives from Blue Triton on April 9th, thanking them for their \$20,000 contribution towards a splash pad as part of the Hope & District Chamber of Commerce Downtown Revitalization Project.
- He announced that Fraser Health has completed a new roof for the Fraser Hope Lodge, noting that a new air system and elevator upgrades were also completed last year.
- He announced that Earth Day on April 20th was a success, noting that paint, batteries, scrap metal and tires among other materials were collected. He added that Assistant Fire Chief Josh Wescott spoke about the Fire Smart Program and 100 pairs of glasses were collected for the Lions Club.
- He noted that 11 fires were started over the weekend in the Cariboo Region with 10 of them were started by humans. He advised people to be cautious and respectful of their surroundings and added that the Hope Fire Department is working with the Haig Fire Base to exchange information and be better prepared.

Councillor Wells Reported:

- He thanked Blue Triton for their generous donation towards the Splash Park, something that will improve our town.

Councillor Skoglund Reported:

- She attended the Accessibility Committee meeting on April 22nd.
- She noted that Kal Tire collected tires on Earth Day, with truck loads coming in from community members who collected from their neighbors who could not bring them in.
- She noted that she will be attending her first Hope and District Arts Council meeting on April 23rd.

Councillor Medlock Reported:

- He attended an AdvantageHOPE meeting on April 18th where they had a presentation from Carlyle and Company regarding marketing and visitor tracking through anonymous cell phone data. He noted that this information could be utilized for more effective targeted marketing to increase tourism.
- He noted that the Municipal & Regional District TaxProgram application is due on May 1st, with 19 or 20 signatures received so far along with letters of support.
- He noted that AdvantageHOPE attended the Franchise Show at the beginning of April to hand out brochures to prospective business owners who may consider Hope.

Councillor Smith Reported:

- He helped host a car show fundraiser for the family of an individual who was recently involved in a motorcycle accident at Lake of the Woods. He noted that they had 121 cars registered and over 800 people in attendance, with donations totaling over \$23,000 being received from the community and around the province to help the family cover the costs of bills and time off of work.
- He reminded the community to practice motorcycle awareness as summer weather approaches.

Councillor Stewin Reported:

- She attended a Hope Inclusion Project meeting on April 9th, where they discussed curriculum project, anti-oppression, and the Pride Event that will take place on June 22nd. She added that she has received questions regarding the installation of a house post at District Hall.
- She attended the Scholastic Book Fair at Coquihalla Elementary.
- She attended the launch of the curriculum at Coquihalla Elementary on April 22nd, where books and successes were shared.
- She had an opportunity to be a co-presenter with Cathy van der Mark at the School Trustee Association on the BC Accessibility Act and noted that she had great discussions on how the Act is affecting our schools. She added that there were 33 motions at the meeting regarding accessibility, emergency management, and the publishing of personal information during elections.

Councillor Newbigging Reported:

- She attended a Fraser Valley Regional Library meeting, noting that the Hope Library is getting ready for the summer reading program.
- She attended the Accessibility Committee meeting on April 22nd, advising that a suggestion box has been installed at District Hall for the community to provide feedback and suggestions. She added that another box will be installed at the Rec Centre.
- She thanked Emil Anderson and Ogilvie Mountain Holdings for providing equipment to clear the billboard at the Highway 3 and 5 junction, noting that the funding from the billboard will be used to pay for a website for the Hope & District Chamber of Commerce.

10. PERMITS AND BYLAWS

(a) District of Hope 2024 Annual Tax Rate Bylaw No. 1579, 2024

Moved / Seconded

THAT *District of Hope 2024 Annual Tax Rate Bylaw No. 1579, 2024*, be read a first, second, and third time this 22nd day of April, 2024. **CARRIED.**

11. FOR INFORMATION CORRESPONDENCE

(a) For Information Correspondence

Moved / Seconded

THAT the For Information Correspondence List dated April 22, 2024, be received. **CARRIED.**

(b) Accounts Payable Cheque Listing – March 2024

Moved / Seconded

THAT the Accounts Payable Cheque Listing for the period of March 1-31, 2024, be received. **CARRIED.**

12. OTHER PERTINENT BUSINESS

(a) Letter of Support for the New Pathways to Gold Society

Moved / Seconded

THAT Council of the District of Hope issue a letter of support to the New Pathways to Gold Society for their application to Heritage BC's Heritage Legacy Fund for work on the 1926 Alexandra Bridge Rehabilitation Project. **CARRIED.**

13. QUESTION PERIOD

Jeremy Feltren, resident of Gardner Drive, requested clarification on the Gardner Drive Construction Completion project. Mr. Feltren inquired as to the timeline of the project. The Director of Operations advised that TRUE Consulting is working on the road design, and that it will likely take place in the Fall as the Richmond Hill project is the current priority. He added that Staff will maintain communications with Mr. Feltren regarding the survey process. Mayor Smith confirmed that Staff and Council are in agreement regarding the completion of Gardner Drive to the end of the road.

Mr. Feltren noted that he does not want the cul-de-sac to interfere with the existing gate and fence on his property and added that he has measured other cul-de-sacs in town and does not believe it will be an issue. He asked that a copy of the survey be provided when it has been completed. The Chief Administrative Officer advised that he will send Mr. Feltren a copy of the survey.

14. NOTICE OF NEXT REGULAR MEETING

Monday, May 13, 2024 at 7:00 p.m.

15. ADJOURN REGULAR COUNCIL MEETING

Moved / Seconded

THAT the Regular Council Meeting adjourn at 7:57 p.m.

CARRIED.

Certified a true and correct copy of the Minutes of the Regular Meeting of Council held April 22, 2024 in Council Chambers, District of Hope, British Columbia.

Mayor

Director of Corporate Services



District of Hope

**Audit Findings Report
for the year ended December 31, 2023**

KPMG LLP

Prepared on May 7, 2023, for presentation on May
13, 2023



KPMG contacts

Key contacts in connection with this engagement:

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Highlights

Purpose of this report

The purpose of this report is to assist you, as a member of the Council, in your review of the results of our audit of the consolidated financial statements (hereinafter referred to as the "financial statements") of the District of Hope (the "District") as at and for the year ended December 31, 2023.

Status of the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Completing our discussions with Council;
- Obtaining the signed management representation letter;
- Obtaining evidence of the Council's approval of the financial statements; and,
- Completing subsequent event review procedures up to the date of the Council's approval of the financial statements.

We will update the Council on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Areas of audit focus



Our audit is risk-focused. We have not identified any significant risks. However, as part of our audit, we identified areas of audit focus which include:

- Tangible capital asset additions;
- Asset retirement obligation
- Transfers from other governments

See slides 9 to 11 for the audit findings related to these areas of audit focus.

Significant risks



We have not identified significant risks of material misstatement for the audit, except for the presumed risk of fraud resulting from management override of controls, which is required by professional standards

In accordance with professional standards, the newly revised risk assessment auditing standard (CAS 315) was implemented in the audit.



Highlights (continued)

Audit misstatements

Professional standards require that we request of management and Council that all identified audit misstatements be corrected. We have already made this request of management.

Uncorrected misstatements

There were uncorrected misstatements identified in the audit.

Corrected misstatements

There were corrected misstatements identified in the audit.

The management representation letter includes all misstatements identified as a result of the audit, communicated to management and subsequently corrected in the financial statements.

Refer to page 10 and Appendix 2.

Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

Control observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

Independence

We confirm that we are independent with respect to the District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from January 1, 2022, up to the date of this report.

Current developments

Refer to Appendix 3.



Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Evaluate the effect of misstatements

We also use materiality to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



Highlights (continued)

Materiality



**Total expenses for the year ending
December 31, 2022**

\$17,075,250

(2021: \$15,981,150)

Percentage of benchmark

2.69%

(2022: 2.63%)

The prescribed range is between 0.5% and 3.0% of the benchmark



Audit findings – Significant risk



Management override of controls

RISK OF



FRAUD

Presumption
of the risk of
fraud resulting
from
management
override of
controls

Why is it significant?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

Audit approach

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments
- Performing a retrospective review of estimates
- Evaluating the District's rationale of significant unusual transactions

Significant findings

KPMG has rebutted the presumed risk of fraud from revenue recognition as part of the audit planning process. This is due to the primary sources of revenue including tax revenue and government grants having a low risk of fraud.

There were no significant issues noted in our testing



Audit findings – Areas of audit focus (continued)

Area of audit focus	Estimate?
Tangible capital asset (TCA) additions	No

Our response

- The District continues to expand and invest in property, buildings, road, water and sewer related infrastructure.
- The District acquired and constructed \$3.66 million in capital assets in 2023 (2022 – \$4.38 million) which is significant.
- Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:
 - Testing TCA additions by obtaining and inspecting support to confirm cost, classification, and presentation in the financial statements.
 - Performing substantive analytical procedures over amortization.

Significant findings

There were no issues noted in our testing.



Audit findings – Areas of audit focus (continued)

Area of audit focus	Estimate?
Asset retirement obligation – buildings and wells	Yes

Our response

- PS 3280 Asset Retirement Obligations (“PS 3280”) is a new accounting standard effective for the District’s 2023 fiscal year. The new standard addresses the recognition, measurement, presentation, and disclosure of legal obligations with the retirement of tangible capital assets. As at December 31, 2023, the District has recognized a liability for asset retirement obligations (“ARO”) of \$388,214 relating to buildings and wells.
 - We obtained an understanding of management’s process for implementing PS 3280, including how in-scope TCA were identified, sources of information used, and significant measurement data, assumptions and decisions.
 - We ensured the retirement obligations accounting policy set by management is in accordance with PS 3280.
 - We obtained a list of TCA that reconciles to the general ledger and reviewed the listing to ensure management’s identification of TCA with potential in-scope retirement obligations is accurate and complete.
 - We inquired with Management and confirmed that there were no additional legal agreements entered into by the District that contractually obligates the District to an asset retirement obligation.
 - We obtained Management’s calculation of the ARO liability, including accretion expense, and the incremental amortization expense. We verified the mathematical accuracy of the calculations and agreed a sample of inputs to supporting documentation and agreed the reasonableness of significant assumptions and judgments made to measure the liability.
 - We reviewed the financial statement presentation and note disclosures to ensure it is consistent with the guidance in PS 3280.
 - We discussed with management that the ARO liability will need to be monitored on an annual basis to keep track of any retirement of AROs or changes in rates used in the determination of the liability and make adjustments as necessary.

Significant findings

KPMG agrees with management’s application of the standard and the inputs used in the estimate. We did note a discrepancy in the calculations used to estimate the obligation, which resulted in a difference of \$110,029. We proposed an adjustment which has been corrected.



Audit findings – Areas of audit focus (continued)

Area of audit focus	Estimate?
Asset retirement obligation – landfills	Yes
Our response	
<ul style="list-style-type: none"> • PS 3270 Solid Waste Landfill Closure and Post-Closure Liability has been withdrawn and replaced with PS 3280 Asset Retirement Obligations. As at December 31, 2023, the District has recognized a liability of \$390,845 relating to the landfill, which is a decrease of \$62,298 from 2022. <ul style="list-style-type: none"> • We obtained an understanding of management’s process for transitioning to PS 3280, including sources of information used, and significant measurement data, assumptions and decisions. • We inspected the closure and post-closure monitoring costs for any changes. • We obtained Management’s calculation, including accretion expense and verified the mathematical accuracy of the calculations. • We confirmed the landfill is still inactive and undergoing post-closure monitoring. • We reviewed the financial statement presentation and note disclosures to ensure it is consistent with the guidance in PS 3280. 	
Significant findings	
KPMG agrees with management’s estimate of the obligation.	



Audit findings - Areas of audit focus (continued)

Area of audit focus	Estimate?
Transfers from other governments	No

Our response

- The District recognized into revenue a total of \$4.8 million (2022 – \$1.6 million) into government transfers from Federal, Provincial and Local Governments.
- Included in the above amount is the Growing Communities government grant of \$2,874,000 received from the Province in 2023. As the extent of eligible expenditures is extensive, the funding was recognized as revenue within the year. No funds have been spent and the balance, including interest earned of \$76,846, is included in statutory reserves.
- In 2022, the District received a government grant of \$2.5 million related to interim flood support to assist the District in flood recovery and adapting infrastructure to climate change. The remaining unspent portion of \$2.48 million remains in deferred revenue as at December 31, 2023.
- Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:
 - Confirming the amount of funding through inspection of the agreements and agreeing to the deposit received.
 - Inspecting the funding agreements to confirm the appropriateness of revenues recognized

Significant findings

There were no issues noted in our testing.



Significant accounting policies and practices



Significant accounting policies

- There have been no initial selections of, or changes to, the new significant accounting policies and practices other than the adoption of the asset retirement obligations and financial instruments accounting standards as discussed above.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the District's transactions in relation to the period in which they were recorded.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



Significant accounting estimates

- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.
- There were no significant factors affecting the District's asset and liability carrying values.



Significant disclosures and financial statement presentation

- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures, and uncertainties.



Control observations

Consideration of internal control over financial reporting (“ICFR”)

In planning and performing our audit, we considered ICFR relevant to the District’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.



Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting



A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting



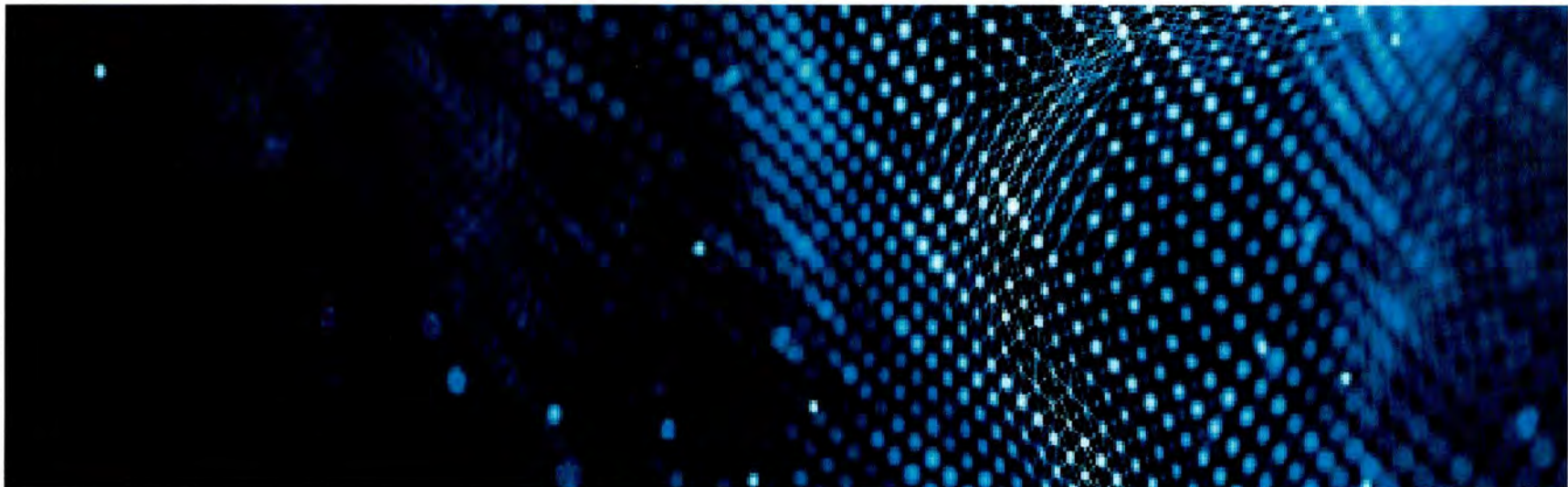
A significant deficiency in internal control over financial reporting is a deficiency, or combination of deficiencies, in internal control that, in the auditor’s professional judgment, is of sufficient importance to merit the attention of those charged with governance.



Control observations (continued)

Significant deficiencies in ICFR

We did not note any significant deficiencies in ICFR or other control observations



Appendices

1

Required communications

2

Management representation letter

3

Audit quality

4

Changes in accounting standards

5

Thought leadership and insights

6

KPMG's truth & Reconciliation Action Plan

7

Other information



Appendix 1: Required communications

Draft auditor's report

The conclusion of our audit is set out in our draft auditor's report attached to the draft financial statements.

Management representation letter

In accordance with professional standards, a copy of the management representation letter is included in Appendix 2.

Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter and any subsequent amendment letters.

Independence

In accordance with professional standards, we have confirmed our independence on page 5.

Required inquiries

Professional standards require that we obtain your views on risk of fraud and other matters. We made similar inquiries to management as part of audit process. Accordingly, we would like you to consider the following questions:

- Are you aware of or have you identified any instances of actual, suspected or alleged non-compliance with laws and regulations or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- What are your views about fraud risks in the District?
- How do you exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the District and internal controls that management has established to mitigate these fraud risks?
- Has the District entered into any significant unusual transactions?

If you have any matters that you would like to bring to our attention on the above questions, please contact Sean Reid, Engagement Partner. We will consider the absence of a response as confirmation that Council is not aware of any issues noted above.



Appendix 2: Management representation letter

DISTRICT OF HOPE
325 WALLACE STREET
PO BOX 609
HOPE, BC V0X 1L0

KPMG LLP
200-9123 Mary Street
Chilliwack, BC V2P 4H7
Canada

May 13, 2024

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audits were for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as "financial statements") of the District of Hope ("the Entity") as at and for the period ended December 31, 2023.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated March 28, 2022, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.
 - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
 - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Non-SEC Registrant or non-reporting issuers:

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 12) We also confirm that the financial statement of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Misstatements:

- 13) The effects of the uncorrected misstatements described in **Attachment II** are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 14) We approve the corrected misstatements identified by you during the audit described in **Attachment II**.

Other:

- 15) Expenditures are appropriately authorized and actual expenditures have not exceeded budgeted expenditures detailed in the budget bylaw.
- 16) All reserve transactions have been appropriately approved, in accordance with applicable legislation and are appropriately credited to or charged against fund balances. Reserve amounts represent only those amounts that are available for use at the District's discretion and do not include restrictions on use by third parties.
- 17) All transfers out of statutory reserved have been approved by bylaw except those transfers which are allowed by Council resolution.

Yours very truly,

By: Mr. John Fortoloczky, Chief Administrative Officer

By: Mr. Mike Olson, Director of Finance

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II - Summary of Audit Misstatements Schedules

Summary of corrected misstatements

ID	Description of misstatement	Type of misstatement	Accounts	Debit	(Credit)	Income Statement	Financial Position		
						Income Effect	Equity at period end	Assets	Liabilities
1	To adjust the ARO	Factual	PPE - Buildings and Wells	105,029				105,029	
			Amortization	6,195		6,195	6,195		
			Accretion Expense	4,999		4,999	4,999		
			Accumulated Amortization		(6,195)			(6,195)	
			ARO Liability		(110,029)				(110,029)
2	To record accrued liability	Factual	Landfill - Legal	400,000		400,000	400,000		
			Accrued Liabilities		(400,000)				(400,000)
3	To adjust the MFA balance to the correct amount	Factual	MFA Cash Deposit - Bylaw 1477	18,000				18,000	
			MFA Debt - Bylaw 1477		(18,000)				(18,000)
4	To record the actual principal debt payments made in the fiscal year	Factual	System Generated Surplus/Deficit	220,570			220,570		
			Principal - Bylaw 1288		(220,570)				(220,570)
			System Generated Surplus/Deficit	31,429			31,429		
			Debt Principal - Bylaw 996		(31,429)				(31,429)
Total effect of corrected audit misstatements						411,194	411,194	98,834	(510,029)

Summary of uncorrected misstatements

ID	Description of misstatement	Type of misstatement	Accounts	Debit	(Credit)	Income Statement	Financial Position		
						Income Effect	Equity at period end	Assets	Liabilities
1	To record the accrual for sick time during F2023.	Factual	Accumulated Surplus - Opening	162,457			162,457		
			Trades payables and accrued expwnses		(155,239)				(155,239)
			General Government		(7,217)	(7,217)	(7,217)		
2	To record the unrealized gain on investments during F2023.	Factual	Gain/Loss on investments	30,817		30,817	30,817		
			MFA - Pooled Investments	41,772				41,772	
			Operating Fund - Surplus		(72,589)			(72,589)	
3	To record the NBV of the TCAs assumed as part of the 753 Waterworks acquisition in FY20.	Factual	Tangible capital assets	110,253				110,253	
			Accumulated Surplus - Opening		(110,253)			(110,253)	
4	To capitalize the legal expenses incurred as part of the 753 Waterworks acquisition acquired in FY20.	Factual	Tangible capital assets	33,050				33,050	
			Accumulated Surplus - Opening		(33,050)			(33,050)	
Total effect of uncorrected audit misstatements						23,600	(29,836)	185,075	(155,239)
Total effect of all corrected and uncorrected audit mistatements on Net income - Final						434,794	381,358	283,909	(665,268)



Appendix 3: Audit quality: How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. Our **Global Quality Framework** outlines how we deliver quality and how every partner and staff member contributes to its delivery.

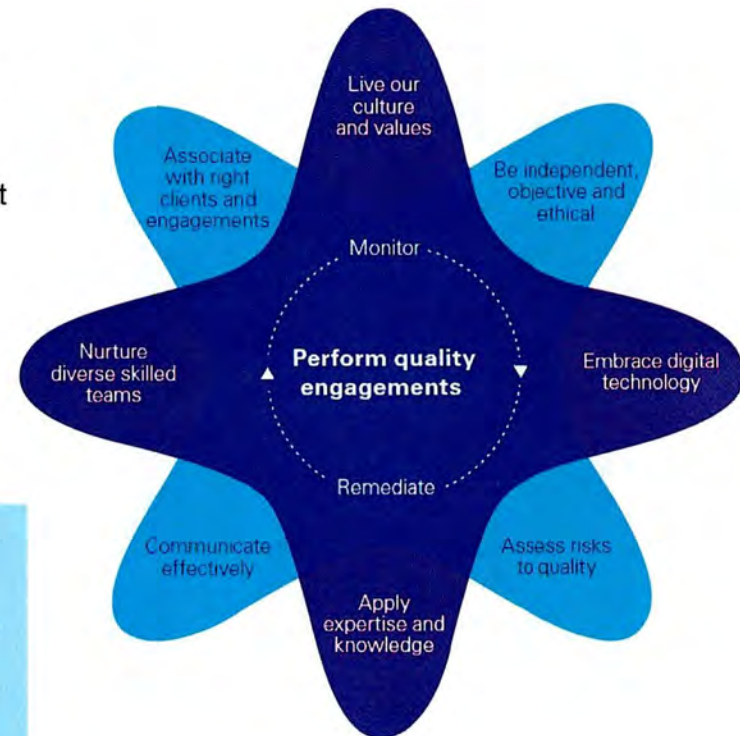
Perform quality engagement sits at the core along with our commitment to continually monitor and remediate to fulfil on our quality drivers.

Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.

 [KPMG 2022 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.





Appendix 4: Changes in accounting standards

Standard	Summary and implications
Asset retirement obligations	<ul style="list-style-type: none"> • The new standard PS 3280 <i>Asset retirement obligations</i> is effective for fiscal years beginning on or after April 1, 2022. • The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. • The asset retirement obligations ("ARO") standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life if the asset is in productive use. • As a result of the new standard, the public sector entity will: <ul style="list-style-type: none"> • Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; • Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; • Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify ARO and obtain information to estimate the value of potential ARO to avoid unexpected issues.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Financial instruments and foreign currency translation	<ul style="list-style-type: none"> The new standards PS 3450 <i>Financial instruments</i>, PS 2601 <i>Foreign currency translation</i>, PS 1201 <i>Financial statement presentation</i> and PS 3041 <i>Portfolio investments</i> are effective for fiscal years beginning on or after April 1, 2022. Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. Hedge accounting is not permitted. A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations. PS 3450 <i>Financial instruments</i> was amended subsequent to its initial release to include various federal government narrow-scope amendments.
Revenue	<ul style="list-style-type: none"> The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after April 1, 2023. The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Purchased Intangibles	<ul style="list-style-type: none"> The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after April 1, 2023 with earlier adoption permitted. The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized. The guideline can be applied retroactively or prospectively.
Public Private Partnerships	<ul style="list-style-type: none"> The new standard PS 3160 <i>Public private partnerships</i> is effective for fiscal years beginning on or after April 1, 2023. The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the public private partnership ends. The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project. The standard can be applied retroactively or prospectively.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called "accumulated other". A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position. The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Employee benefits	<ul style="list-style-type: none"> The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.
Government not-for-profit strategy	<ul style="list-style-type: none"> The Public Sector Accounting Board has approved its government not-for-profit ("GNFP") strategy implementation plan. The approved strategy option is to incorporate the PS 4200 series of standards with potential customizations into public sector accounting standards. This means reviewing the existing PS 4200 series of standards to determine if they should be retained and added to public sector accounting standards. Incorporating the updated or amended PS 4200 series standards in public sector accounting standards would make the guidance available to any public sector entity. Accounting and/or reporting customizations may be permitted if there are substantive and distinct accountabilities that warrant modification from public sector accounting standards.



Appendix 5: Thought leadership and insights

Thought leadership – Environmental, social and governance (“ESG”)

Note: Click on images to visit document link.



Unleashing the positive in net zero

Real solutions for a sustainable and responsible future

CoP26 made progress towards tackling climate change, but there is much more to do.

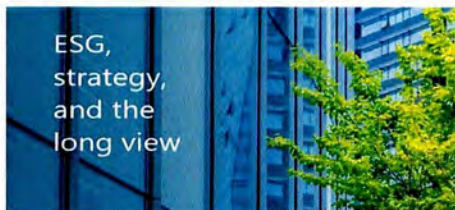
At KPMG, we're committed to accelerating the changes required to fight climate change.



You can't go green without blue

The blue economy is critical to all companies' ESG ambitions

In this report, KPMG considers how leading corporations and investors can take action to capture the value that can be found in a healthy, sustainable ocean economy.



ESG,
strategy,
and the
long view

This highlights a five-part framework to help organizations shape the total impact of strategy and operations on performance both externally, and internally.



KPMG
Advisors

Voices of Place

The Green City

What is the role of place in the transition to net zero?

The Green District outlines the need of the cities and the buildings in them to reflect climate consciousness.

The link provides guidance on what that looks like and the first steps to meeting those objectives.



KPMG

Comparing
sustainability
reporting
proposals

ISSB, EFRAG and SEC

Comparing
sustainability
reporting
proposals

This report outlines the updates in regulatory sustainability reporting.

Its focus is comparing and contrasting proposals from the ISSB, EFRAG, and the SEC.



Gender Lens Investing

Better outcomes for investors, business and society

This article outlines the importance of Gender-lens investing and how it aims on promoting equity and sustainability.



Appendix 5: Thought leadership and insights (continued)

Thought leadership – Environmental, social and governance (“ESG”) (continued)

Note: Click on images to visit document link.

Getting started on the inclusion and diversity journey

In the age of transparency, businesses must implement inclusion and diversity practices

In this age of transparency, businesses must act proactively to implement strategic inclusion and diversity (“I&D”) practices.

This link is a guide for organizations on their own transformation journey.

Climate change, human rights and institutional investors

The adverse impacts to people from a changing climate will create risks for institutional investors throughout the value chain

As the severity of climate impacts increase, so do the socio-economic disruptions due to the risk and fall of climate impacted sectors and projects.

This article breaks down the impact on institutional investors.

How the 'S' in ESG is changing the way we do business

The social component of ESG calls for more heart, empathy and interconnectedness

The “S” in ESG is becoming critical as people and organizations become more conscious about how the social aspect of business will impact their future.

This article touches on the social movements driving business change.

The numbers that are changing the world

Revealing the growing potential for responsible investing

This article outlines how ESG is impacting valuation and performance of the underlying companies institutional investors have a stake in.

Market statistics highlight the issues surrounding responsible investment.

KPMG’s Climate Change Financial Reporting Resource Centre

KPMG’s climate change resource centre provides FAQs to help you identify the potential financial statement impacts for your business.

[Click here](#) to access KPMG’s portal.

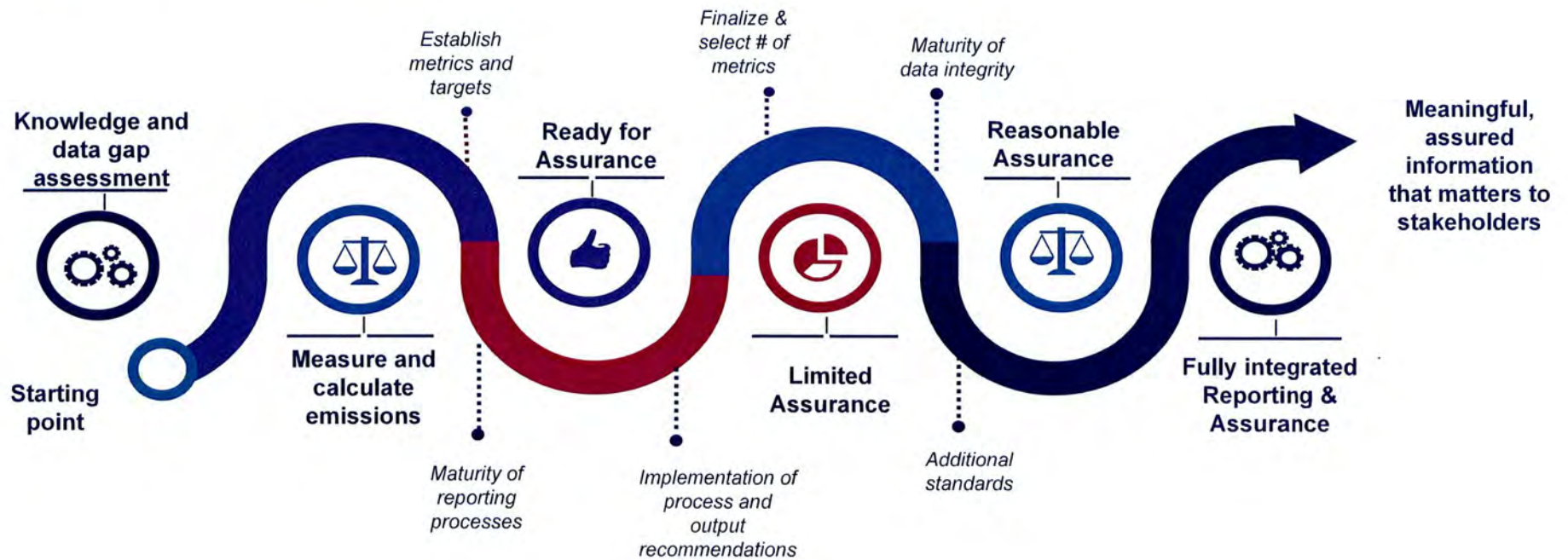
A closer look at the GHG Protocol

Chartered Professional Accountants of Canada (CPA Canada) and the Institute for Sustainable Finance (ISF) produced a 23-page report ([click here](#)) on the GHG Protocol. The report looks to inform potential preparers and users of emissions disclosure; policy makers; standard setters; regulators; and others, and to spur important additional research into key aspects of emissions disclosure and standards that require closer attention.



Appendix 5: Thought leadership and insights (continued)

Where are you in the GHG reporting and assurance journey?

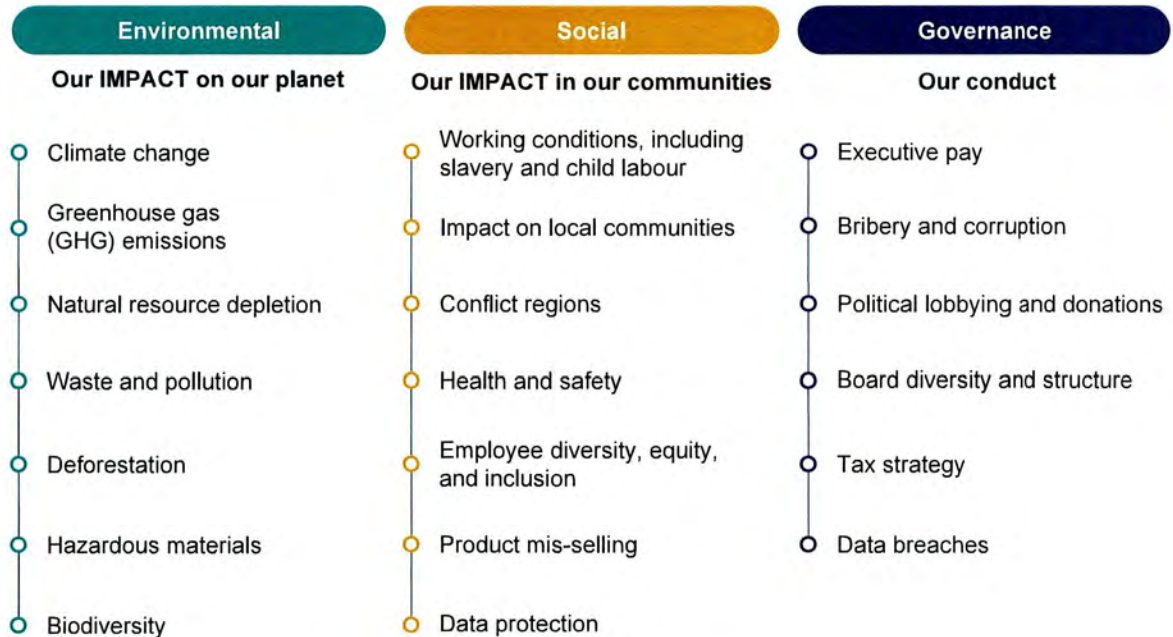




Appendix 5: Thought leadership and insights (continued)

What is ESG?

ESG is a framework to integrate environmental, social and governance risks and opportunities into an organization's strategy to build long term financial sustainability and create value. ESG includes a wide range of non-financial scoring categories, used by investors and other stakeholders to assess the impact of a company's products and business practices on sustainability and social causes.



ESG strategies can help entities deliver long-term value through effective engagement with all stakeholders – generating trust and a competitive advantage.



Appendix 5: Thought leadership and insights (continued)

Why is ESG important? A changing regulatory environment compounded by heightened expectations from stakeholder groups from investors to employees to customers has made ESG a business imperative that cannot be ignored.



Rising C-suite, Board, and market attention on ESG.

Increased emphasis

on management of ESG-related policies and practices from **investors, employees, customers, and community at large.**



of CEOs surveyed said their response to the pandemic has caused their focus to shift to the **social** component of their ESG program.¹



of CEOs want to lock-in the sustainability and climate change gains they made during the pandemic.²



Increased focus

by investors on ESG disclosures when making investment decisions.



Investors want companies to be **transparent about their ESG policies** and managements and Board to be held accountable.



We are prepared to use our proxy voting power to ensure companies are identifying material ESG issues and incorporating the implications into their long-term strategy.”

Cyrus Taraporevala, State Street Advisors in letter to SSgA board



By 2030 Microsoft will be carbon negative, and by 2050 Microsoft will remove from the environment all the carbon the company has emitted either directly or by electrical consumption since it was founded in 1975.”

Satya Nadella, Microsoft CEO



Appendix 5: Thought leadership and insights (continued)

ESG needs to be on the board agenda

01

ESG and climate risk* are linked to access to funding

An entity's climate resiliency and ESG management is impacting access to funding. Government grants, for example, will be increasingly tied to ESG initiatives and performance.

*Climate risk is an element of ESG

02

E&S and climate risk factors are impacting business models

Business models are being impacted by ESG and climate transition requirements in the face of higher operating risks and costs, e.g. capex planning for low carbon technologies and solutions.

03

ESG is linked to the cost of capital

Developments such as BlackRock's communication to CEOs, S&P's credit downgrade of several oil & gas companies, and rapid growth in ESG investment or divestment, has highlighted that climate is a near term financial and strategic risk for many companies. Cost of capital can be further impacted by ESG risk ratings from leading ratings agencies (S&P, Sustainalytics, MSCI).

04

Talent expectations and attraction

Stakeholder expectations of Boards now include diversity in gender and ethnicity as well as expertise in ESG or climate areas, e.g. human rights and emissions. Employees are increasingly seeking purpose from their work and looking to leadership and company values to reflect this. This compliments a high student demand for sustainability, diversity and inclusion.

05

Regulatory requirements on ESG and climate risk disclosure

Failing to manage and disclose ESG and climate risks is beginning to carry litigation risk and link to executives' fiduciary duty. Both SEC and ISSB have proposed disclosure rules for climate risk and emissions. Now is the time for entities to address management and reporting gaps.

Sources: 10 Business Myths on Climate Change (2021) – KPMG UK
ESG: The board's perspective (2021) – KPMG India



Appendix 5: Thought leadership and insights (continued)

ESG Discovery | Client journey



What is ESG Discovery?

ESG Discovery through KPMG Ignition is a 3-hour session held virtually or in-person, bringing you relevant insights to inspire thinking and inspire change.



Why book an ESG Discovery session?

The consideration of ESG (Environmental, Social and Governance) factors has become critical to the success of organizations across all sectors including yours.



Time commitment for you and selected individuals

- Sponsor attends 30-min kick-off call
- Provided ESG 101 material and a 15-minute ESG self-assessment questionnaire.
- All participate in a 3-hour ESG Discovery session.
- Sponsor attends a 30-minute debrief following session with KPMG



Exceptional experience

Explore and better understand your organization's ESG challenges and opportunities through a highly interactive ideation session that will help you prioritize next steps on your ESG journey.



What we'll cover

- Overview of ESG and how it applies to your organization and industry
- Results and analysis of self-assessment
- Identification of ESG stakeholders and their interests
- Scenario planning exercises
- Prioritization of key actions



What you'll get

- An understanding of current and future state impacts of ESG to your organization
- Clarity of the ESG priority areas for your organization going forward – and how KPMG can help



Next steps

Connect with your KPMG Partner to explore booking an ESG Discovery session for your organization



Appendix 5: Thought leadership and insights (continued)

Thought leadership – Public sector

Voices on 2030: Digitalizing Government

What will the world look like in 2030? How will citizen and customer expectations evolve? And what can public sector organizations be doing today to help ensure they can meet these expectations? We spoke with leaders and disruptors from around the world, across the public and private sector to explore answers to these questions.

[Click here](#) to access KPMG's portal.

Global Economic Outlook

2022 has arguably been one of the most challenging years the world has experienced in modern times. KPMG's Global Economic Outlook is an invaluable asset, helping to map out some of the challenges and opportunities ahead and enables corporate leaders to plan for the future and prepare for an eventual return to sustainable, long-term growth.

[Click here](#) to access KPMG's portal.

Why Audit Committees Should Know About Asset Retirement Obligations

Many public sector entities are currently working through the various aspects of the implementation of the Asset Retirement Obligation standard. In this publication we have provided some key insights to make this complex topic easy to understand by senior level management and those charged with governance at these organizations.

[Click here](#) to access KPMG's portal.

Perspectives on PS 3280 Asset Retirement Obligations

This guide provides KPMG's perspective on key implementation issues and technical interpretations of the guidance in PS 3280.

[Click here](#) to access KPMG's portal.



Appendix 5: Thought leadership and insights (continued)

Thought leadership – Local government

The Future of Cities

The Future of Cities report unpacks our KPMG Global research and insights on the future of local government, providing an international viewpoint. The report traces the unprecedented journey ahead. Cities worldwide are now poised at a significant inflection point, as their leaders realize that long-held 'one-size-fits-all' approaches to planning and policies will likely no longer work to shape cities for a future that is truly healthy, sustainable, efficient and prosperous for all.

[Click here](#) to access KPMG's portal.

The Future of Local Government

The Future of Local Government report provides a Canadian perspective for how local governments can meet the rapidly changing needs and expectations of their stakeholders – the citizens, partners and leaders across diverse cities and communities they serve.

[Click here](#) to access KPMG's portal.

The Future of Government

The Future of Government report considers all levels of government and provides additional perspective from the content in the Future of Local Government report. It discusses the opportunity for governments to consider a different vision of Canadian social systems and how they can adapt their operations to reflect the needs of a modern Canada.

[Click here](#) to access KPMG's portal.

Cities Portal

KPMG in Canada provides insights and resources for municipalities on a variety of topics including achieving sustainable infrastructure, the new reality for government in Canada, drinking water supply and park access.

[Click here](#) to access KPMG's portal.



Appendix 5: Thought leadership and insights (continued)

Thought leadership – Local government (continued)

CX Coffee Chats: Modernizing Government

As a result of the pandemic, government organizations have been faced with unprecedented demand for digital transformation in the delivery of services to Canadians. In the latest installment of the CX Coffee Chat series, industry specialists discuss the evolving needs of Canadians and the opportunities for government organizations to deliver online services citizens can count on.

[Click here](#) to access KPMG's portal.

20 Predictions for the Next 20 Years

This series looks at how new technologies could evolve and how these advances will change every facet of our lives, including the industries and sectors that drive them. We asked KPMG in Canada subject matter specialists, across industries and sectors, to tell us how they think the world will change in the next two decades. Specifically for local governments, the political and regulatory predictions may be especially relevant.

[Click here](#) to access KPMG's portal.

Gov take 5

Gov take 5 is an always-on platform for KPMG practitioners from around the world to share insights and ideas on a timely basis and trends facing the government and public sector. The ongoing video series will cover a variety of topics including digital transformation, ESG, economic growth and more.

[Click here](#) to access KPMG's portal.

Principles for Digital Transformation in Cities

This report was authored by KPMG and published as part of the World Government Summit. The report highlights the realization of 'smart digitalization' and how it differs across cities.

[Click here](#) to access the World Government Summit portal.



Appendix 5: Thought leadership and insights (continued)

Thought leadership – Audit quality

Audit Quality and Transparency Report

Learn about KPMG's ongoing commitment to continuous audit quality improvement. We are investing in new innovative technologies and building strategic alliances with leading technology companies that will have a transformative impact on the auditing process and profession. How do we seek to make an impact on society through the work that we do?

[Click here](#) to access KPMG's portal.

Audit and Assurance Insights

KPMG provides curated research and insights on audit and assurance matters for audit committees and boards.

[Click here](#) to access KPMG's portal.

Thought leadership – Digital and technology

Going Digital, Faster in Canada

Pre-COVID-19, private and public organizations were moving towards a digital business model, travelling at varying speeds. But the pandemic forced a dramatic acceleration, both in the speed of change and the required investment to digitally transform. According to Canadian insights from KPMG's recent global survey, organizations are investing heavily in technology to address immediate concerns, ranging from falling revenue and interrupted supply chains to building longer-term competitiveness and operational resilience.

[Click here](#) to access KPMG's portal.

Five Questions Boards Should Ask About Digital Transformation Projects

Boards and management committees alike have increasingly expressed interest in technology investments that improve operations, enable customer relationships, and support virtual workforces. Based on our experience working with organizations across many industries, five questions have been identified to help a Board understand and 'sponsor' a project successfully.

[Click here](#) to access KPMG's portal.



Appendix 5: Thought leadership and insights (continued)

Thought leadership – Boards, Audit Committees and C-Suite

2022 CEO Outlook – Canadian Insights

With a potential recession on the horizon, Canadian CEOs are preparing for some rocky roads ahead. However, they remain optimistic about the growth of their businesses and believe any turbulence will be mild and short lived.

These are among the core themes in the latest KPMG CEO Outlook survey and small and medium-sized business poll.

[Click here](#) to access KPMG's portal.

Audit Committee Guide – Canadian Edition

The Audit Committee Guide – Canadian Edition from our Board Leadership Centre provides timely, relevant and trusted guidance to help both new and seasoned audit committee members stay informed.

[Click here](#) to access KPMG's portal.

Board Leadership Centre

KPMG in Canada Board Leadership Centre engages with directors, board members and business leaders to discuss timely and relevant boardroom challenges and deliver practical thought leadership on risk and strategy, talent and technology, globalization and regulatory issues, financial reporting and more.

[Click here](#) to access KPMG's portal.

Momentum

Offering curated insights for management, boards and audit committees, our quarterly newsletter provides the latest thought leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

[Click here](#) to access KPMG's portal.

Accelerate Series

The role of the audit committee is expanding, and their expertise has never been more in need. In today's environment it's hard to stay fully informed of the issues, never mind manage for them. In this year's Accelerate insights series, KPMG examines some of the pressing issues organization will face in 2023 and spotlight questions audit committees should be asking.

[Click here](#) to access KPMG's portal.



Appendix 6: KPMG's Truth & Reconciliation Action Plan

KPMG's comprehensive multi-year strategy involves all areas of our firm and commits to creating positive and sustainable economic and social benefits for Indigenous Peoples to advance reconciliation. The plan is closely aligned with the Truth and Reconciliation Commission of Canada's Call to Action No. 92 ("Business and Reconciliation") and will help us foster strong relationships with Indigenous communities and businesses.

In developing the plan, KPMG sought out a variety of voices and perspectives from internal and external groups – including KPMG's National Indigenous Peoples Network, Indigenous clients and communities, and Acosys, an Indigenous-owned, Indigenous-led consulting firm – and incorporated their feedback.

The plan dedicates significant resources and investments to create long-term, sustainable socioeconomic benefits for Indigenous Peoples, setting out measurable goals, objectives and actions under three pillars




**Pillar 1 –
Advancing an equitable
and inclusive culture**

Addressing bias and barriers to help advance an equitable and inclusive culture where Indigenous Peoples are supported and can thrive and achieve their professional goals.

.....

Aligned to TRC Call to Action No. 92:
Ensure equitable access to jobs, training and education opportunities, and that Indigenous communities gain long-term sustainable benefits from economic development projects.



**Pillar 2 –
Building allyship**

Building allyship with Indigenous Peoples by raising awareness about the truth of our shared history internally, with clients and in corporate Canada to inspire their action toward reconciliation.

.....

Aligned to TRC Call to Action No. 92:
Provide education on Indigenous history and training in intercultural competency, conflict resolution, human rights and anti-racism.



**Pillar 3 –
Being a trusted and active
contributor to Indigenous
development and
empowerment**

Continuously engage and collaborate with Indigenous communities and organizations to positively contribute to sustainable socio-economic benefits for Indigenous Peoples.

.....

Aligned to TRC Call to Action No. 92:
Ensure equitable access to jobs, training and education opportunities, and that Indigenous communities gain long-term sustainable benefits from economic development projects.

.....

Commit to meaningful consultation and respectful relationships, and to obtaining the free, prior and informed consent of Indigenous Peoples before proceeding with those economic development projects.

[Click here](#) to learn more about KPMG's Truth & Reconciliation Action Plan





Appendix 7: Other information

Documents containing or referring to the audited financial statements

We are required by our professional standards to read only documents containing or referring to audited financial statements and our related auditors' report that are available through to the date of our auditors' report. The objective of reading these documents through to the date of our auditors' report is to identify material inconsistencies, if any, between the audited financial statements and the other information. We also have certain responsibilities, if on reading the other information for the purpose of identifying material inconsistencies, we become aware of an apparent material misstatement of fact.

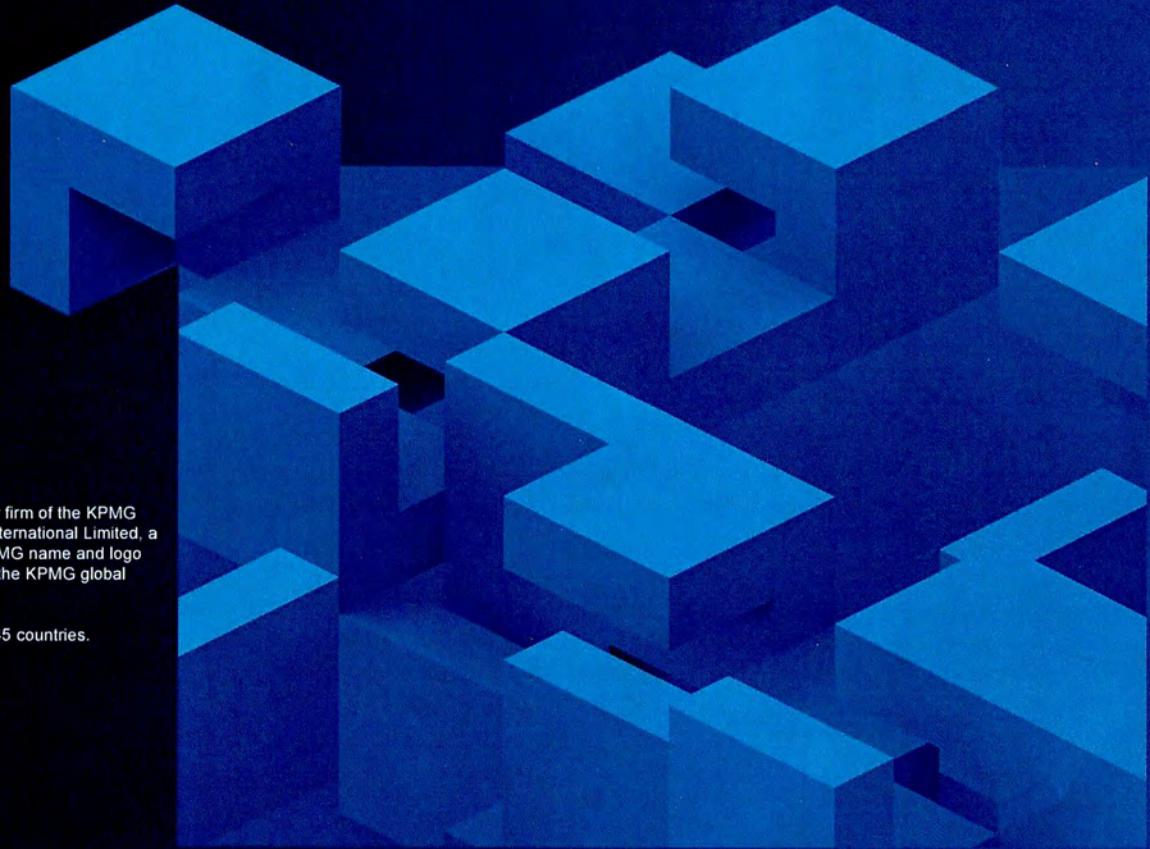
We are also required by our professional standards when the financial statements are translated into another language to consider whether each version, available through to the date of our auditors' report, contains the same information and carries the same meaning.



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KPMG member firms around the world have 227,000 professionals, in 145 countries.





REPORT/RECOMMENDATION TO COUNCIL

REPORT DATE: May 13, 2023

FILE: 1680-20

SUBMITTED BY: Michael Olson, Director of Finance

MEETING DATE: May 13, 2023

SUBJECT: 2023 audited consolidated financial statements

PURPOSE:

To approve the 2023 audited consolidated financial statements.

RECOMMENDATION:

Recommended Resolution:

THAT the 2023 consolidated financial statements of the District of Hope be approved and

THAT the Independent Auditor's Report be received; and

THAT the Independent Auditor's Report be attached to the consolidated financial statements of the District of Hope.

Prepared by: Michael Olson, CPA, CA

Approved for submission to Council:

Original Signed by Mike Olson

Director of Finance

Original Signed by John Fortoloczky

Chief Administrative Officer

Consolidated Financial Statements of

DISTRICT OF HOPE

Year ended December 31, 2023

DISTRICT OF HOPE

Consolidated Financial Statements

Year ended December 31, 2023

Financial Statements

Auditor's Report

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DISTRICT OF HOPE

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

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

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, 2023, with comparative information for 2022

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

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

DISTRICT OF HOPE

Consolidated Statement of Changes in Net Financial Assets

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

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

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

DISTRICT OF HOPE

Consolidated Statement of Cash Flows

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

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

General

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

1. Significant accounting policies:

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

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

(a) Basis of presentation:

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

All material interfund accounts and transactions have been eliminated.

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

(b) Cash and short-term deposits:

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

(c) Portfolio investments:

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

(d) Inventories:

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

(e) Revenue recognition:

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

1. Significant accounting policies: (continued)

(e) Revenue recognition: (continued)

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

(f) Contaminated sites:

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

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

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

(g) Use of estimates:

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

(h) Government Business Partnership

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

1. Significant accounting policies: (continued)

(i) Non-financial capital assets:

Non financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

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

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

(ii) Contributions of tangible capital assets:

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

(iii) Natural resources:

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

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

1. Significant accounting policies: (continued)

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

(v) Interest capitalization:

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

(vi) Leased tangible capital assets:

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

(j) Asset retirement obligation

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

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

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

(k) Financial instruments

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

2. Change in accounting policy

(a) Change in accounting principles

(i) Asset Retirement Obligations

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

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

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

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

(ii) Financial instruments

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

3. Restricted assets:

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

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

4. Accounts receivable:

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

5. Investment in Government Business Partnership

(a) Partnership

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

(b) Establishment

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

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

CLCCF Condensed Financial Statements:

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

6. Municipal finance authority reserve deposits and demand notes:

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

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

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

7. Accounts payable:

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

8. Development cost charges:

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

9. Long-term debt:

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

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

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

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

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

10. Liability for Contaminated Sites

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

11. Asset retirement obligation

(a) Landfill

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

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

(b) Building and wells

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

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

12. Tangible capital assets:

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

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

13. Financial equity - current fund:

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

14. Collections for other governments:

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

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

15. Contingencies:

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

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

The most recent valuation for the Municipal Pension Plan as of December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

15. Contingencies: (continued)

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

16. Fair value of financial assets and financial liabilities:

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

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

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

17. Contractual Rights

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

18. Budget figures:

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

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

19. Perpetual Cemetery Care Trust:

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

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

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

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

20. Financial risks

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

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

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

21. Comparative figures

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

22. Segmented information:

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

General Government Services

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

Protective Services

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

Transportation Services

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

Environmental Health Services

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

DISTRICT OF HOPE

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

22. Segmented information: (continued)

Community Development Services

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

Recreation and Culture Services

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

Utilities: Water and Sewer Services

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

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

DISTRICT OF HOPE

Segmented Reporting Note

For the Year Ended December 31, 2023

	Recreation and Culture	Protective Services	Transportation	Environmental Health	Community Development	Utilities - Water & Sewer	General Government	Total 2023	Total 2022
Revenues									
Municipal taxation	\$ -	\$ 2,545,817	\$ -	\$ -	\$ -	\$ -	\$ 7,468,569	\$10,014,386	\$ 9,215,147
Parcel taxes	-	-	-	-	-	229,300	-	229,300	229,300
Payments in lieu of taxes	-	-	-	-	-	-	303,715	303,715	261,213
Sales of services	128,849	141,138	9,491	2,123,051	193,079	1,526,206	300,386	4,422,200	4,681,822
Investment income	-	-	-	-	-	-	1,961,931	1,961,931	614,993
Government business partnership income	-	-	-	-	-	-	741,310	741,310	15,471
Rents and leases	-	-	-	-	-	-	31,970	31,970	34,956
Transfers from other governments	161,525	153,320	2,740	-	-	-	4,487,298	4,804,883	1,612,115
Actuarial adjustment on debenture debt	-	-	-	-	-	-	62,466	62,466	83,396
Total Revenues	290,374	2,840,275	12,231	2,123,051	193,079	1,755,506	15,357,645	22,572,161	16,748,413
Expenditures									
Salaries and benefits	299,384	821,750	1,124,123	84,270	397,497	503,739	1,362,046	4,592,809	4,519,763
Insurance and claims	31,454	11,403	81,498	291	-	42,216	96,377	263,239	226,980
Office and administration	674,387	2,436,477	107,944	2,865,161	577,387	29,156	625,000	7,315,512	6,213,221
Repair and maintenance	482,113	116,787	1,398,789	32,907	-	722,530	53,669	2,806,795	2,621,362
Utilities	16,945	19,160	52,223	6,025	-	210,106	21,549	326,008	306,069
Total Expense, before interest and amortization	1,504,283	3,405,577	2,764,577	2,988,654	974,884	1,507,747	2,158,641	15,304,363	13,887,395
(Gain) Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	(2,131,368)
Interest	-	-	-	-	-	42,155	38,400	80,555	58,275
Accretion expense	-	-	-	12,785	-	4,932	-	17,717	-
Amortization	-	-	-	1,444,331	-	632,258	-	2,076,589	2,035,480
Net operating revenues(expenses)	\$ (1,213,909)	\$ (565,302)	\$ (2,752,346)	\$ (2,322,719)	\$ (781,805)	\$ (431,586)	\$ 13,160,604	\$ 5,092,937	\$ 2,898,631

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, 2023

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

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

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

DISTRICT OF HOPE

Schedule 2 - Growing Communities Fund

For the Year Ended December 31, 2023

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

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

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



REPORT/RECOMMENDATION TO COUNCIL

REPORT DATE: May 3, 2024

FILE: 550-01

SUBMITTED BY: Deputy Corporate Officer

MEETING DATE: May 13, 2024

SUBJECT: E-Mail Poll of Council for the Hope Mountain Centre Trail Restoration Project

PURPOSE:

The purpose of this report is to ratify the April 29, 2024, e-mail poll of Council regarding the Hope Mountain Centre application to the Outdoor Recreation Fund of BC for their proposed Trail Restoration Project for the HBC Trail.

RECOMMENDATION:

Recommended Resolution:

THAT Council ratify the e-mail poll of April 29, 2024:

THAT Council of the District of Hope issue a letter of support to the Hope Mountain Centre for their proposed Trail Restoration Project.

BACKGROUND:

The Hope Mountain Centre is applying to the Outdoor Recreation Fund of BC for their proposed Trail Restoration Project for the HBC Trail. The HBC Trail played an important role in the early development of Fort Hope, the Province of BC, and Canada, and has a deep history that includes First Nations presence going back thousands of years.

The District of Hope has committed \$40,000 in funding for the Hope Mountain Centre in 2024 that will support ongoing maintenance to several trails in the Hope region, including the HBC Trail.

ATTACHMENTS:

- The District of Hope’s issued Letter of Support

Prepared by:

Approved for submission to Council:

Original Signed by Branden Morgan

Branden Morgan
Deputy Corporate Officer

Original Signed by John Fortoloczky

John Fortoloczky
Chief Administrative Officer

Office of the Mayor

April 29, 2024

To: Outdoor Recreation Council of British Columbia (ORC)
Outdoor Recreation Fund of BC

Dear ORC Adjudicators:

Re: Letter of Support for HBC Trail

On behalf of the District of Hope, please accept this letter of support for the Trail Restoration Project proposed by Hope Mountain Centre.

The District of Hope has committed \$40,000 in funding for the Hope Mountain Centre in 2024. The funds will support ongoing maintenance to several trails in the Hope region, including the HBC Trail.

The District of Hope appreciates the important historic role that the HBC Trail played in the early development of Fort Hope, the Province of BC, and Canada. The trail has a deep history that also includes First Nations presence going back thousands of years.

We have observed with enthusiasm the exciting progress made in reopening this historic trail and the passionate community involvement it has inspired. Dozens of Hope residents have volunteered their time to build the trail and the 10 overnight campsites located along its 74-km length. The HBC Trail has become a real source of community pride.

Sincerely,

Victor Smith
Mayor



DISTRICT OF HOPE
REPORT/RECOMMENDATION TO COUNCIL

DATE: May 7, 2024

FILE: LDP 8/24

SUBMITTED BY: Robin Beukens, Director of Community Development

MEETING DATE: May 13, 2024

SUBJECT:

**GEOTECHNICAL HAZARD AND FLOOD & EROSION
HAZARD DEVELOPMENT PERMIT
66631 KERELUK ROAD
TONY RAHNBORN, KELLTON CONTRACTING (AGENT)**

PURPOSE:

To obtain Council's approval to issue the required Development Permits (DPs) in order to build a single-family dwelling and detached shop on the property at 66631 Kereluk Road.

RECOMMENDATION:

THAT a District of Hope Geotechnical Hazard and Flood & Erosion Hazard Development Permit be approved for the property legally described as Lot 20 District Lot 56 Yale Division Yale District Plan 30760; PID 003-852-431 for the construction of a single-family dwelling and detached shop subject to the District of Hope receiving satisfactory certified reports from the qualified professionals confirming a site-specific safe building envelope for the property at 66631 Kereluk Road; and

FURTHER THAT the Director of Community Development be authorized to endorse the Geotechnical Hazard and Flood & Erosion Hazard Development Permit and required covenant document; and

FURTHER THAT for purposes of the Geotechnical Hazard Development Permit validity period, the conditions of the Development Permit shall expire on May 13, 2026; and

FURTHER THAT for the purposes of Section 504 of the *Local Government Act*, "*substantially start any construction*" shall mean the placement of the foundation for single family dwelling as certified safe by a qualified professional.

ANALYSIS:

A. Rationale:

Flood and Erosion Development Permit (DP) – As identified in the District of Hope Official Community Plan (OCP) Bylaw 1378, the subject property is in the Moderate-High Floodplain Hazard. As per the OCP, no new development shall be permitted unless certified safe for the intended use by a Qualified Professional. The owners are required to retain the services of a professional to review the site and determine safe building locations. Once a report satisfactory to the District of Hope has been

obtained the property owner will be required to place a covenant on the property title saving the District of Hope harmless.

Geotechnical Hazard DP - The property at 66631 Kereluk Road also falls within the High Geotechnical Hazard Development Permit area. In order to safely construct a single-family dwelling and permitted accessory structures on the property, the owners at their expense are required to obtain a site-specific hazard assessment certified by a geotechnical engineer or geo scientist. As part of the assessment the qualified professional will determine a safe building site and any other requirements in order to ensure that this property is safe for the intended use. Once a report satisfactory to the District of Hope has been obtained, the property owner will be required to place a covenant on the property title.

Streamside Protection Development Permit Area – As required by the provincial Riparian Areas Protection Regulation under the provincial Fish Protection Act, local governments must protect fish and fish habitats on private lands or privately-used crown lands from impacts of new residential, commercial, and industrial development. Any development intended for an area within 30 metres of a watercourse that provides fish habitat is subject to an assessment conducted by a Qualified Environmental Professional (QEP) who will indicate how the land may be developed to ensure that there is no Harmful Alteration, Disruption, or Destruction of Fish Habitat. The assessment must be registered with the province.

B. Official Community Plan (OCP) Bylaw 1378

As per the Official Community Plan, the three questions to be consistently asked in all levels and types of decision are:

1. Does the development move Hope toward our vision and goals for success and sustainability? Is it aligned with our OCP objectives and policies?

This development on a very micro-level moves Hope towards our vision and goals for success and sustainability as it is a goal to manage to protect people and property from natural hazard. The objective is to regulate development in areas with natural hazards in order to mitigate risk and this is achieved through the prescribed Flood & Erosion and Geotechnical Hazard Development Permit Guidelines.

2. Is it a flexible platform for future steps towards our vision, goals and objectives?
This platform is rigid but a must do as it mitigates risk and liability.

3. Will it provide a good return on investment?

From a residential tax base perspective, it will provide a return on investment once the improvements are placed on the property.

- Flood & Erosion Hazard Map Excerpt
- Geotechnical Hazard Map Excerpt
- OCP Land Use Map Excerpt

D. Property Information:

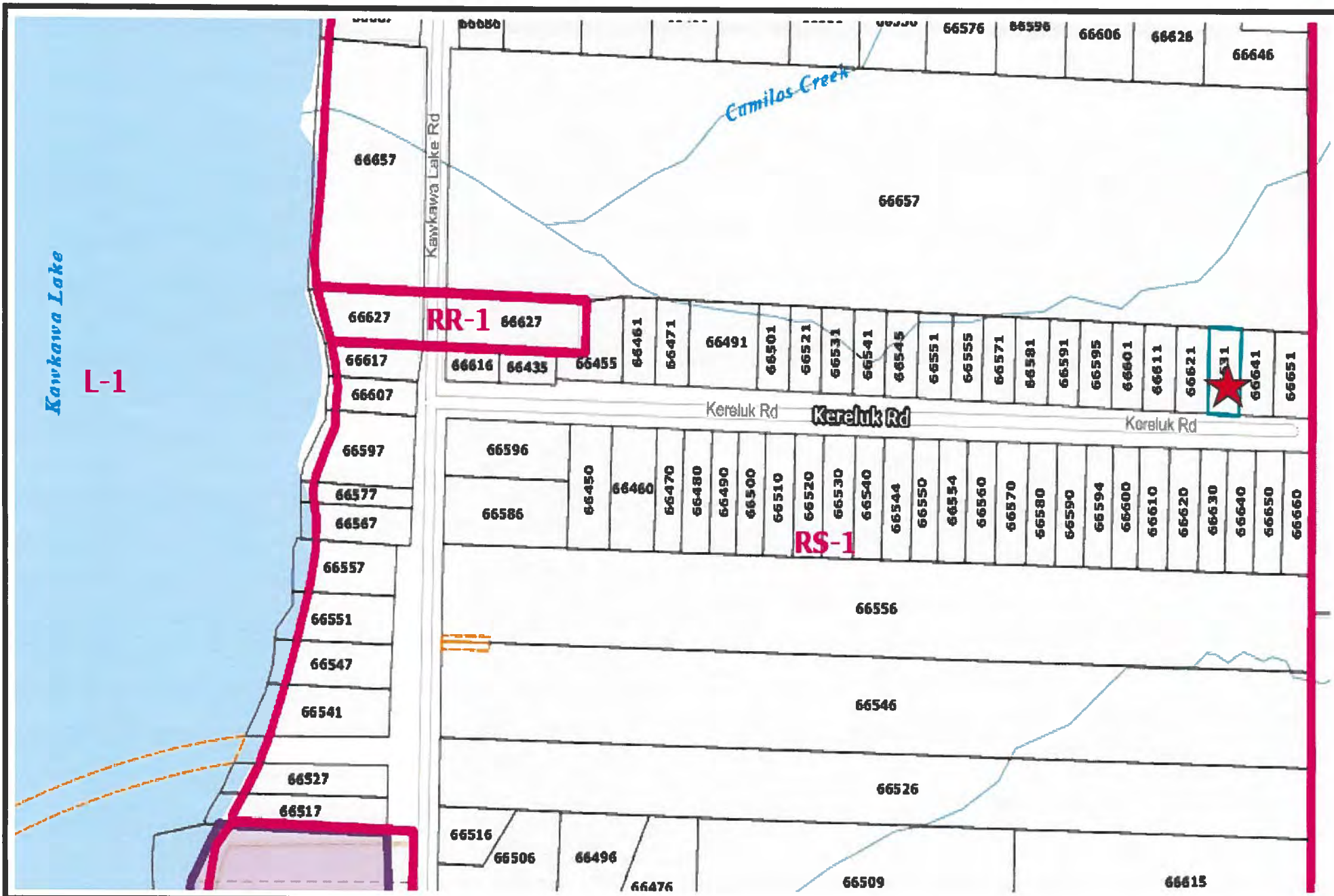
- 1) Civic Address: 66631 Kereluk Road
- 2) Legal Description: Lot 20 District Lot 56 YDYD Plan 30760
- 3) PID Number: 003-852-431
- 4) Current Zoning: Single Family Residential (RS-1)
- 5) Current OCP Designation: Urban/Suburban Residential

Prepared by:

Approved for submission to Council:

Original Signed by Robin Beukens
Director of Community Development








Original Signed by John Fortoloczky
Chief Administrative Officer

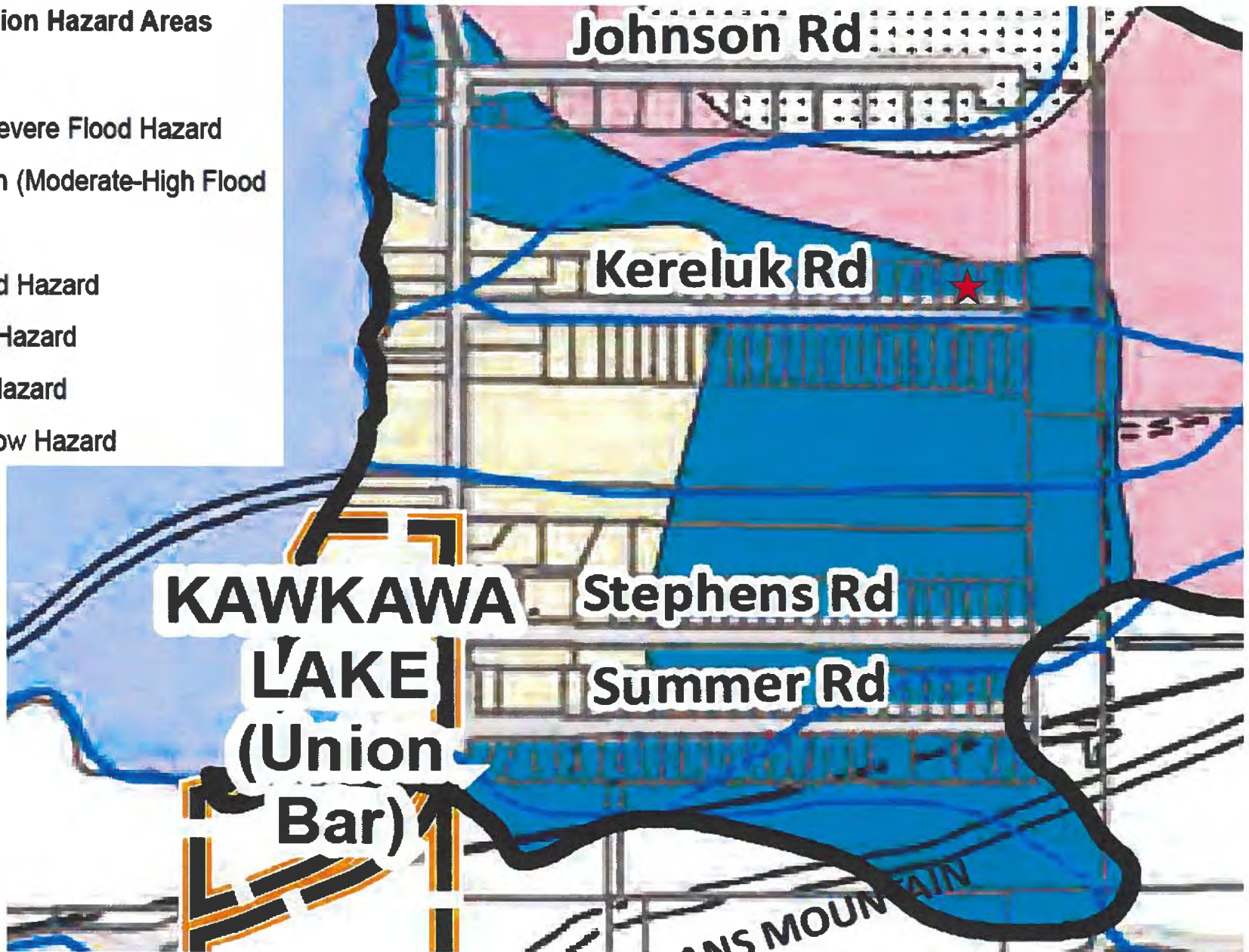


66631 Kereluk Road
 Agent: Tony Rahnborn (Kellton Contracting)

Location & Zoning Map Excerpt

Flood and Erosion Hazard Areas

-  Floodway
-  High to Severe Flood Hazard
-  Floodplain (Moderate-High Flood Hazard)
-  Low Flood Hazard
-  Avulsion Hazard
-  Erosion Hazard
-  Debris Flow Hazard



**KAWKAWA
LAKE
(Union
Bar)**

**Stephens Rd
Summer Rd**

Johnson Rd

Kereluk Rd





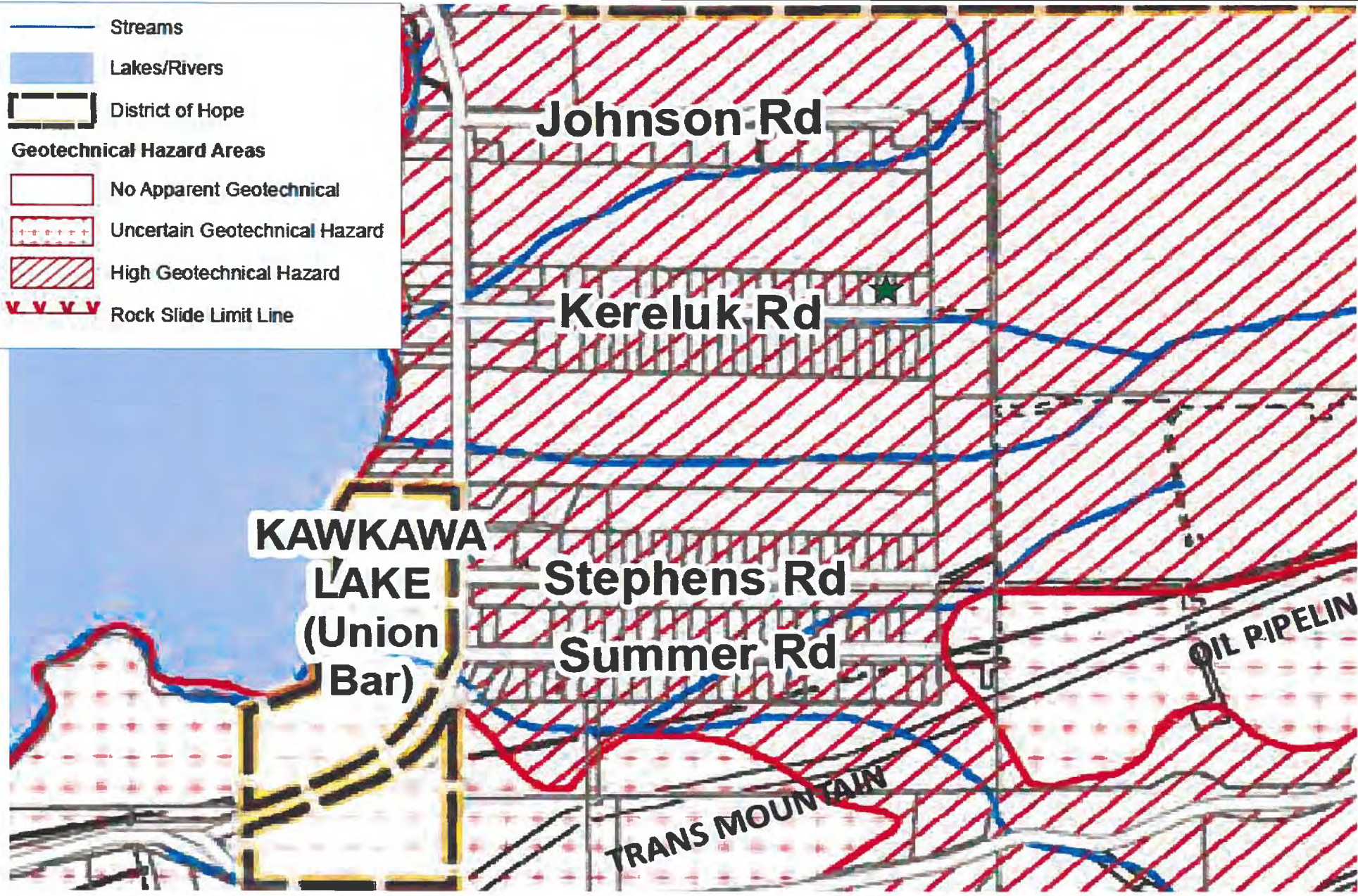
...S MOUNTAIN

66631 Kereluk Road

Agent: Tony Rahnborn (Kellton Contracting)

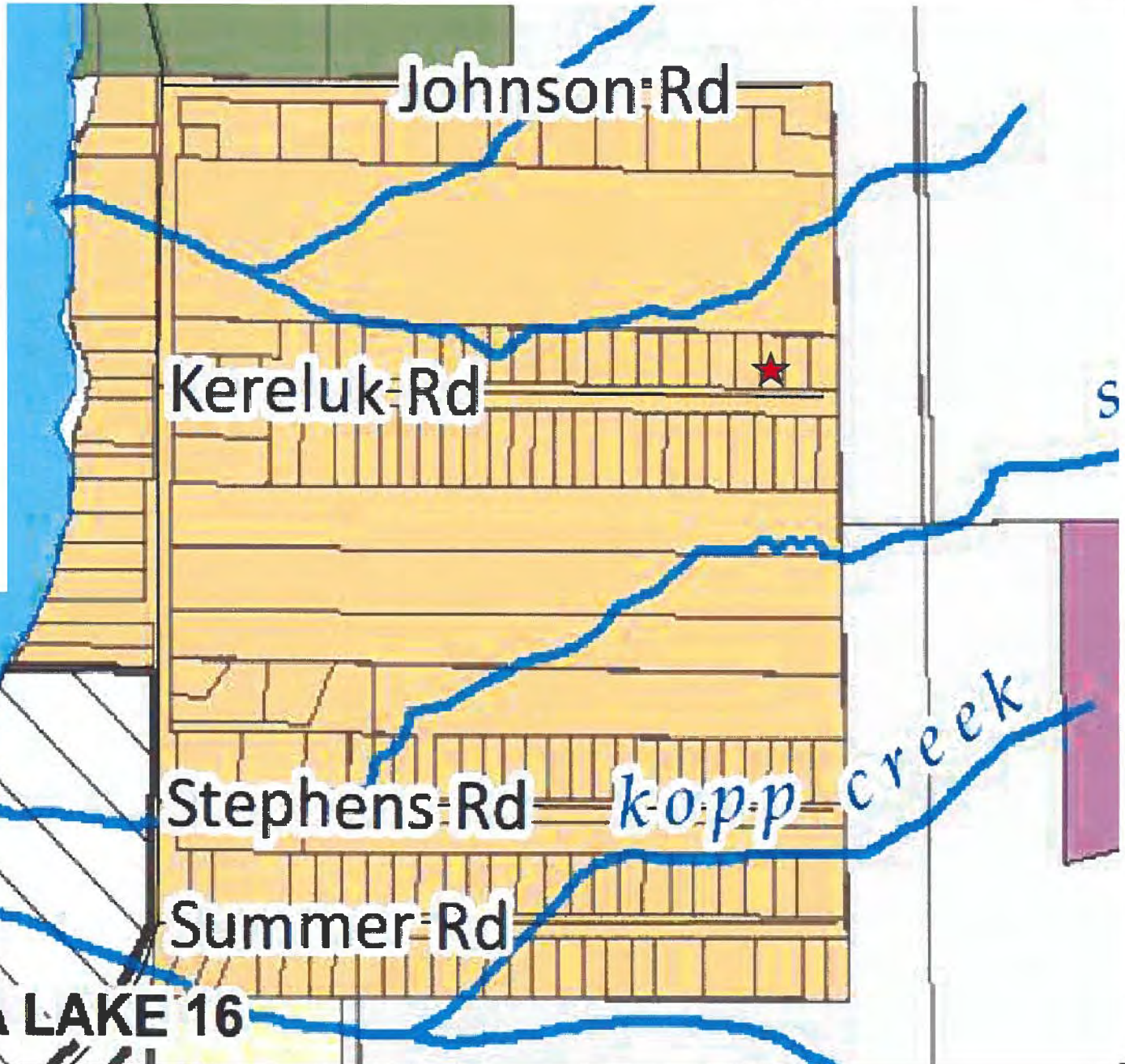
Flood & Erosion Hazard

-  Streams
-  Lakes/Rivers
-  District of Hope
- Geotechnical Hazard Areas**
-  No Apparent Geotechnical
-  Uncertain Geotechnical Hazard
-  High Geotechnical Hazard
-  Rock Slide Limit Line



66631 Kereluk Road
 Agent: Tony Rahnborn (Kellton Contracting)

-  Creek/Stream
-  Major Waterbody
-  Road
-  Railway
-  Land Parcel
-  First Nation Reserves
-  Limited Use
-  Country Residential
-  Urban/Suburban Residential
-  Downtown Hope
-  Comprehensive Development
-  Highway Commercial
-  Light Service Industry
-  Heavy Industry
-  Parks, Recreation and Open Space
-  Rural/Agricultural
-  Airport



KAWKAWA LAKE 16

66631 Kereluk Road

Agent: Tony Rahnborn (Kellton Contracting)



DISTRICT OF HOPE BYLAW NO. 1579, 2024

A bylaw to impose rates on all taxable land and improvements for the year 2024

Whereas Section 197 of the *Community Charter* requires that Council must adopt a bylaw to impose rates on all taxable land and improvements for the current year;

Now therefore, the Municipal Council of the District of Hope, in open meeting assembled, enacts as follows:

Title:

1. This bylaw may be cited for all purposes as the “**District of Hope 2024 Annual Tax Rate Bylaw No. 1579, 2024**”

Enactment:

2. The following rates are hereby imposed and levied for the year 2024:
 - (a) For all lawful GENERAL PURPOSES of the municipality on the value of land and improvements taxable for general municipal purposes, rates appearing in line A – General Municipal of Schedule “A”, attached hereto and forming part of this bylaw.
 - (b) For all lawful RCMP Policing of the municipality on the value of land and improvements taxable for general municipal purposes, rates appearing in line B – RCMP Policing of Schedule “A”, attached hereto and forming part of this bylaw.
 - (c) For purposes of FRASER VALLEY REGIONAL DISTRICT services on the value of land and improvements taxable for Regional Hospital District purposes, rates appearing in line C – Regional District Services of Schedule “A”, attached hereto and forming part of this bylaw.
 - (d) For HOSPITAL PURPOSES on the value of land and improvements taxable for Regional Hospital District purposes, rates appearing in line D – Regional Hospital of Schedule “A”, attached hereto and forming part of this bylaw.
3. The minimum amount of taxation upon a parcel of real property shall be one dollar (\$1.00).
4. Penalties on unpaid current taxes shall be in accordance with the “District of Hope Tax Penalty Bylaw No. 1486, 2020”.

Read a first, second and third time this 22nd day of April, 2024

Adopted this XXth day of May, 2024

Mayor

Director of Corporate Services

Schedule "A"
District of Hope "Annual Tax Rate Bylaw No. 1579, 2024"

	Class 01	Class 02	Class 03	Class 04	Class 05	Class 06	Class 7	Class 08	Class 09
	Residential	Utilities	Supportive Housing	Major Industry	Light Industry	Business	Managed Forest Land	Recreation/ Non-profit	Farm
A - General Municipal	2.15111	29.56251	2.15111	4.80604	4.80604	3.66637	6.45334	3.53509	10.72021
B - RCMP Policing	0.75948	10.43749	0.75948	1.69685	1.69685	1.29447	2.27844	1.24812	3.78493
C - Regional District Services	0.73076	2.55766	0.73076	2.48458	2.48458	1.79036	2.19228	0.73076	0.73076
D - Regional Hospital	0.08957	0.3135	0.08957	0.30456	0.30456	0.21946	0.26871	0.08957	0.08957

1. News Release dated April 22, 2024 from the Ministry of Forests re: B.C. works with communities to boost wildfire prevention, preparedness.
2. Information Bulletin dated April 22, 2024 from the Ministry of Labour re: 2024 minimum wage increases confirmed.
3. News Release dated April 22, 2024 from the Office of the Premier, the Ministry of Indigenous Relations and Reconciliation and the Council of the Haida Nation re: Historic B.C. legislation introduced recognizing Haida Aboriginal Title.
4. News Release dated April 23, 2024 from the Office of the Premier and the Ministry of Jobs, Economic Development and Innovation re: New agritech plant anchors B.C.'s industrial blueprint.
5. News Release dated April 23, 2024 from the Ministry of Housing re: More priority communities selected to deliver more homes.
6. News Release dated April 23, 2024 from the Ministry of Public Safety and Solicitor General re: Province reaches major milestone in Surrey police transition plan.
7. Information Bulletin dated April 24, 2024 from the Ministry of Tourism, Arts, Culture and Sport re: Province moves ahead on a safer amateur sport system.
8. News Release dated April 26, 2024 from the Ministry of Housing and the City of Abbotsford re: Shelter, supported housing coming for more than 220 people in Abbotsford.
9. News Release dated April 26, 2024 from the Office of the Premier, the Ministry of Public Safety and Solicitor General, the Ministry of Health and the Ministry of Mental Health and Addictions re: B.C. moves to ban drug use in public spaces, taking more steps to keep people safe.
10. News Release dated April 29, 2024 from the Office of the Premier and the Ministry of Housing re: BC Builds adds more sites to fast-track housing for people with middle incomes.
11. News Release dated April 30, 2024 from the Ministry of Housing re: Protections coming for residents of manufactured home parks.
12. News Release dated April 30, 2024 from the Environmental Assessment Office re: New tools empowers citizens during environmental assessments.
13. News Release dated May 1, 2024 from the Ministry of Health re: New supports for allied health, clinical support workers will boost workforce.
14. News Release dated May 2, 2024 from the Office of the Premier and the Ministry of Housing re: Secondary suite program launches, creating thousands of more affordable homes for people.
15. Information Bulletin dated May 3, 2024 from the Ministry of Environment and Climate Change Strategy re: Stronger enforcement options will stop illegal activities in B.C. parks.
16. Information Bulletin dated May 7, 2024 from the Ministry of Forests re: New Forest Operations Map portal supports transparency, engagement.

17. Information Bulletin dated May 7, 2024 from the Ministry of Public Safety and Solicitor General and the BC Coroners Service re: 192 British Columbians lost to toxic drugs in March 2024: BC Coroners Service.
18. Letter dated April 23, 2024 from the National Police Federation re: Ongoing Impact of Surrey Police Transition on B.C. Municipalities.
19. Letter dated May 3, 2024 from the Ministry of Public Safety and Solicitor General re: Surrey Policing Transition.
20. Letter dated May 6, 2024 from the District of Logan Lake re: Support for Bill-34.



NATIONAL
POLICE
FEDERATION

FÉDÉRATION
DE LA POLICE
NATIONALE

FOR INFORMATION CORRESPONDENCE

220 LAURIER AVENUE WEST, 8TH FLOOR

OTTAWA ON K2P 1P1

www.npf-fpn.com

April 23, 2024

Mayor Victor Smith and Council
District of Hope
Email: vsmith@hope.ca

Dear Mayor Smith and Council,

Re: Ongoing Impact of Surrey Police Transition on B.C. Municipalities

On behalf of the National Police Federation (NPF), and our ~6,700 dedicated RCMP Members serving across our province, I write to bring your attention to the continuing adverse effects of the Surrey police transition on municipalities throughout British Columbia (B.C.). Since the outset of the proposed police transition, the NPF has consistently raised concerns regarding the substantial costs and implications for public safety, underscored by the absence of a clear and comprehensive transition plan. Despite the passage of over five years, the lack of transparency persists, leaving uncertainty and impeding fairness and respect of our Members, the residents of Surrey and all taxpayers in B.C.

Over the past year, the NPF has actively engaged in numerous events, including the UBCM's Annual Convention, and participated in meetings with various municipalities. These engagements provided us with an opportunity to share how the proposed Surrey police transition will impact your community. It allowed us to shed light on the political pressures from the provincial government, which, driven by its own agenda, is pressing forward with the police transition. I want to highlight how the Surrey police transition is and will impact your community.

Staffing, Recruiting & Training:

Surrey Police Service (SPS)

Recruitment challenges persist within the SPS as they face a substantial gap between their current officer count of 354 and expected staffing level of 860 by 2027. Between April 2023 and April 2024, the SPS grew from only 332 sworn officers to 354 despite ongoing hirings. This issue is further exacerbated by attrition resulting in a 25% vacancy rate as disillusionment with the transition process prompts officers to seek opportunities elsewhere, including returning to the RCMP.

The former Surrey Mayor had projected a large number of Surrey RCMP Members patching over to the SPS, despite an internal survey of Surrey RCMP Members indicating that less than 14% would even consider joining the SPS. Due to the lack of interest from Surrey RCMP Members, the SPS has had to recruit the majority of its police officers from across B.C., leaving policing gaps in communities across the province.

In addition, the SPS has had to recruit many new police officers and the training requirements necessary to do so have imposed significant costs to the Justice Institute of British Columbia (JIBC), leading to a projected 30% increase in capacity and additional funding needs. This escalation, amounting to a 207% surge in funding

(\$1.225 million in 2019/20 to \$3.770 million in 2022/23) from the Ministry of Public Safety and Solicitor General-Police Services, directly impacting all taxpayers in the province.

Royal Canadian Mounted Police (RCMP)

The province has been misinforming B.C. municipalities by suggesting Surrey RCMP will be redeployed across the province to address vacancies or needs in other communities. This is unfortunately not true. Any Surrey RCMP Member who chooses to leave Surrey will have the opportunity to select their next posting. Some may opt for transfer to locations such as Newfoundland, Manitoba, Specialized Teams, Federal Policing, or may elect to remain in B.C. Others might choose retirement, pursue a different career trajectory, or join another municipal police service. However, the timeline for these transitions spans years, and as a result, the number of Surrey RCMP Members remaining in B.C. will dwindle, offering little solution to addressing human resource shortages in other B.C. municipalities.

While the B.C. government did provide \$230M at the end of 2022 to hire 277 RCMP officers to fill vacancies, those vacancies were positions that were previous unfunded by successive provincial governments in an attempt to save money. RCMP recruitment numbers are on the rise. Last year, the RCMP received 14,455 applicants, and Depot has been operating at full troop capacity since last August. We have also enhanced the Experienced Police Officer program, and as a result, last year, saw over 600 officers from other police services, the military, and other public safety agencies join the RCMP.

The province bears full responsibility to ensure policing needs are adequately met across B.C. Regrettably, the government has failed to increase the RCMP's authorized strength since 2012 and has unfunded positions in recent budgets, thereby exacerbating the issue of underfunded RCMP positions in B.C. This deliberate action has resulted in a significant vacancy in B.C., which the government is now attempting to attribute to RCMP recruitment challenges, politicizing the issue instead of acknowledging their own shortcomings.

Costs:

The absence of a transition plan has left municipalities unprepared for the financial ramifications of the proposed Surrey police transition. Forecasts suggest substantial costs for municipalities, especially those in the Lower Mainland.

This is exemplified by the Township of Langley's anticipated costs, as a direct result of the Surrey policing transition, of approximately \$2.5 million per year (and potentially even upwards of \$4 million per year).

Under the former Surrey Mayor, it was said that there would be no disruption to other municipalities. Now more than five years later the province has stepped in to force the transition and is unable to provide B.C. municipalities with a transition plan, impact analysis, or end date. Early on in the Surrey transition, the province approved the police transition even though a feasibility study was never completed. The proposed transition will continue to trigger many direct and indirect costs to municipalities across B.C.

Annual Leave Payouts

Police services are under resourced, leading to officers repeatedly foregoing their annual leave; resulting in hundreds of hours of unused annual leave accruing as a debt for municipalities. Any police service who loses

an officer to the SPS will be required to pay out those annual leave hours, resulting in accelerated, unanticipated costs and cashflow challenges.

RCMP Division Administrative Costs

These costs support RCMP administrative functions one would expect to occur with the provision of policing services (HR, IM/IT, maternity/parental leave, health services, payroll services, etc). These costs are shared amongst all business lines in the RCMP's E Division (B.C.) for their portion of the costs.

Payment for division administration is based on a per capita rate and FTE usage for each business line. The SPS will result in a loss of 850 RCMP officers, which will impact the per capita rate, and therefore division administration costs for other units will rise and impact RCMP policed municipalities, respectively.

In 2023, Surrey's actual prorated share of the divisional administrative fee was \$20.8 million.

RCMP Pacific Region Training Centre (PRTC)

The Surrey police transition will impact the PRTC. Ongoing training for RCMP Members in B.C. is provided primarily by PRTC. Costs for training are recovered by way of user fees charged to the detachments of home units of the members utilizing this facility. Put simply, increased training for new recruits to replace those lost to SPS will cost municipalities.

Provincial Tax Dollars for Surrey:

The Province of B.C. is allocating \$150 million to Surrey to assist in the financial burden of the mandated transition to a municipal police service. This is not including the additional \$100 million that the province put on the table to cover the ongoing additional expenses. This is money that is coming from all B.C. taxpayers that is being directed towards policing in one community. In times like this with B.C. residents across the province facing an affordability crisis, saddling taxpayers with such expenses without enhancing public safety damages the hard work and reputation of public safety organizations across the province. If funds are available for public safety investments, the NPF has numerous recommendations for the Premier and Minister of Public Safety including Integrated Crisis Response Teams, increased clinical counselors in E-Comm call centers, and addressing the ongoing opioid crisis. This funding should be distributed across all police services in B.C. to ensure comprehensive public safety measures across the province.

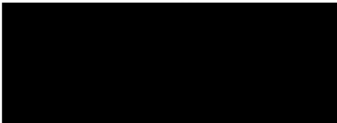
Political interference:

It is clear that the provincial government holds little respect for municipal independence especially with regards to policing and public safety. This was most evidently seen through Bill 36, Police Amendment Act, 2023 which sought to define the relationship between communities and their law enforcement and enshrine the provinces oversight of it. Through finding a way to legitimize their overriding of Surrey City Council, the Minister of Public Safety has stripped away municipal independence and local accountability. It is this centralized authority that leads to politicization of law enforcement, where policing priorities can be perceived to be dictated by provincial agendas rather than the needs and priorities of each municipality. It is crucial for policymakers to prioritize the preservation of local autonomy and the integrity of police services in B.C. municipalities.

I urge you to join us in voicing our concerns to the provincial government. With the impending provincial election likely to divert attention and delay meaningful action, we are asking the province to be transparent with British Columbians in all matters of public safety and work with municipalities and public safety organizations to address the real priorities in the province. Municipalities are and will continue to be impacted both directly and indirectly by the SPS and deserve to have been included in all consultation phases, including current and future planning of risk impacts of the SPS.

Please feel free to reach out should you require further clarification or additional information.

Sincerely,



Brian Sauvé
President & CEO



BRITISH
COLUMBIA

VIA EMAIL

Ref. 665534

May 3, 2024

All Mayors of RCMP Contract Policing Municipalities

Dear Mayors:

I am writing to you today following concerns raised about the impact that Surrey's policing transition may have on other RCMP-policed municipalities. More specifically, I understand concerns have once again been raised about the potential for increased Divisional Administration costs with the transition from the Surrey RCMP to the Surrey Police Service (SPS). It is important for me to respond to these concerns directly and to address any misunderstanding that may exist.

You will recall that I wrote to you on July 19, 2023, advising of my decision that the City of Surrey must continue its police model transition to the SPS in accordance with s. 2 of the *Police Act* to ensure adequate and effective policing in the City of Surrey, and the province as a whole. In my letter, I made it clear that I was aware of concerns that some municipal RCMP contract partners have raised about divisional administration costs. I maintained and still maintain that mitigating potential impacts would continue to be a fundamental part of transition planning. I also advised that I had written to both the RCMP Commissioner and RCMP Deputy Commissioner of "E" Division expressing my expectation that the RCMP work collaboratively to ensure that any impacts related to the police model transition are mitigated to the fullest extent possible. This included an expectation that the RCMP would expedite and prioritize staffing of existing vacancies across all BC business lines.

Divisional Administration costs are based on the overall number of Members within a Division. As the Province works with the RCMP to staff existing vacancies in BC, it is my expectation that RCMP Members released from the Surrey Detachment would remain in "E" Division to fill existing vacancies and growth. In this way, there would no reduction in Members in the Division as a result of the transition and therefore, no attributable increase in Division Administration costs.

It is important to clarify that Divisional Administration costs are susceptible to change for a variety of reasons, including for example, the number of Members in the Division, vacancies, Special Leave, or increases to establishment resulting from emerging municipalities. I do not expect that Divisional Administration costs for RCMP policed municipalities would increase from this police model transition.

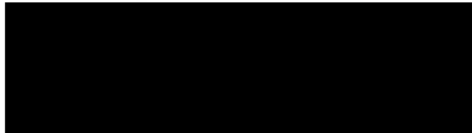
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All Mayors of RCMP Contract Policing Municipalities
Page 2

In closing, ministry staff continue to engage the Union of BC Municipalities (UBCM), through the Local Government Contract Management Committee (LGCMC), to provide additional information to RCMP-policed municipalities. The Province remains committed to engaging with UBCM, LGCMC, and RCMP-policed municipalities to provide information related to the City of Surrey's police model transition. I encourage you to engage LGCMC to receive the most current information on Divisional Administration and associated costs.

Thank you for your ongoing commitment to public safety in the province.

Sincerely,



Mike Farnworth
Minister of Public Safety and Solicitor General
and Deputy Premier

pc: All Chief Administrative Officers/City Managers
Dwayne McDonald, Deputy Commissioner, RCMP
Douglas Scott, Deputy Solicitor General
Glen Lewis, Assistant Deputy Minister and Director of Police Services

May 6, 2024

File: 4900.03

The Honourable David Eby, MLA
Premier of the Province of British Columbia
premier@gov.bc.ca

Delivered Via Email

Dear Premier Eby:

Re: Support for Bill-34

District of Logan Lake Council at the April 2, 2024 Regular Meeting, passed the following resolution:

"THAT Council send a letter in Support for Bill-34 and the Restricting of Consumption of Illegal Substances Act."

The District of Logan Lake supports Bill-34 and believes this is a necessary step in addressing the ongoing crisis of drug addiction and overdose in our community. By restricting public consumption of illegal substances, we can create a safer and more welcoming environment for all residents, including children and families.

We feel that public spaces should be freely enjoyed by all community members and used for their intended purpose. While Council acknowledges that no person should feel compelled to engage in substance abuse alone and privately, but this should not come at the expense of degrading our public spaces.

Yours truly,



Laurel Grimm
Director of Corporate Affairs

LG/sv

B.C. Municipalities and Regional Districts
Dan Albas, MP Central Okanagan-Similkameen-Nicola
Jackie Tegart, MLA Fraser-Nicola
District of Hudson's Hope

Office of the Mayor

May 13, 2024

Louise Pedersen
Executive Director
Outdoor Recreation Council of British Columbia
PO Box 763
Revelstoke, B.C. V0E 2S0

Dear Louise Pedersen:

I am writing you today to support the New Pathways to Gold Society's (NPTGS) application to the Outdoor Recreation Council of British Columbia's Outdoor Recreation Fund of BC April 2024 intake. As you know, the Outdoor Recreation Fund of BC will consider requests of up to \$25,000 for projects that are unique and outstanding. The 1926 Alexandra Bridge Rehabilitation is all that and more. This initiative to restore an icon of B.C. transportation history and marquee recreational asset is a partnership between NPTGS, the Spuzzum First Nation and a coalition of outdoor recreation groups, community organizations, local businesses and all levels of government.

- The funding will allow for an expansion in the scope of the current work on stabilizing the bridge's two support towers, essential to extending the life of the structure.
- A restored bridge will provide a unique outdoor recreational experience for hikers and mountain bikers to explore the Fraser Canyon landscape and the spectacular views of the Fraser Canyon as they travel down the old Cariboo Highway (now the trail down to the bridge) and the river itself they cross to the west bank.
- The bridge is the hub of a series of trails, some restored and in use (like the Tikwalus Trail above Alexandra Lodge) and others that need restoration (like several intact sections of the Cariboo Waggon Road and Fur Trade brigade routes – all build on top of ancient Indigenous trails).
- The project supports the fund's goals of supporting community groups who enhance and maintain trails, signage and outdoor recreation infrastructure.
- The project will celebrate Indigenous culture as well as the contributions of under-represented groups who worked to help build both the 1926 structure and the original 1863 Cariboo Waggon Road bridge on whose foundations the "new" bridge was built. This supports the fund's goal of cultivating accessible, inclusive

and diverse outdoor recreation opportunities by encouraging participation in outdoor recreation for under-represented groups.

- The project is an example of the government's UNDRIP legislation in action and will create a focal point for conversations about Indigenous Reconciliation.
- A restored 1926 Alexandra Bridge is a key goal of the Ministry of Tourism's current tourism strategy and has the support of the provincial government as well as civic governments and First nations.
- NPTGS has been working in partnership with the Spuzzum First Nation (SFN) and others since 2009 to restore the bridge. A restored bridge is the centerpiece of SFN's economic development plan, the Tikwalus Project, recently approved by the BC government.
- NPTGS is a non-profit society dedicated to building local economies via Indigenous Reconciliation, heritage tourism development (including restoring heritage trails and maintaining outdoor recreation infrastructure) and Multiculturalism. Its board is composed of a 50-50 balance between Indigenous and non-Indigenous directors and one designated Multicultural Director. NPTGS is proud to be a member of the ORC BC.
- Since 2007, NPTGS has worked with its Indigenous and non-Indigenous partners have restored or built 360 km of trails, installing amenities such as picnic tables, outhouses, directional signage and interpretive materials that tell a more inclusive narrative of our shared history.

Our organization is fully convinced that the 1926 Alexandra Bridge Rehabilitation Project meets ORC BC's standard of an outstanding project that deserves the maximum amount of financial support from the Outdoor Recreation Fund. We hope you will agree with us an award NPTGS and their partners the \$25,000 as requested. Should you require any further information, please don't hesitate to contact us.

Sincerely,

Victor Smith
Mayor