

Consolidated Financial Statements of



THE CORPORATION OF THE VILLAGE OF VALEMOUNT

And Independent Auditors' Report thereon

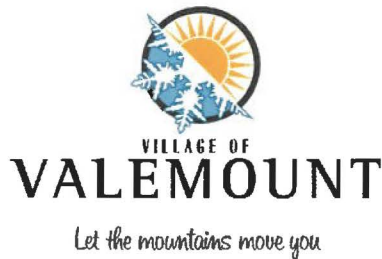
Year ended December 31, 2020



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The Corporation of the Village of Valemount (the "Village") are the responsibility of the Village's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Professional Accountants. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Village. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

A blue ink signature of Mr. Wayne Robinson, consisting of stylized cursive letters.

Mr. Wayne Robinson,
Chief Administrative Officer

A blue ink signature of Mrs. Lori McNee, consisting of stylized cursive letters.

Mrs. Lori McNee,
Director of Finance



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of The Corporation of the Village of Valemount

Opinion

We have audited the consolidated financial statements of The Corporation of the Village of Valemount (the "Village"), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2020 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- information, other than the financial statements and the auditors' report thereon, included in Schedule 1 - Northern Capital Planning Grant and Schedule 2 - COVID-19 Safe Restart Grant



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors' report thereon, included in Schedule 1- Northern Capital Planning Grant and Schedule 2- COVID-19 Safe Restart Grant as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Village's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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



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We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line extending from the end of the signature.

Chartered Professional Accountants

Prince George, Canada

April 27, 2021



VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash and cash equivalents (note 2)	\$ 10,144,593	\$ 7,999,101
Accounts receivable (note 3)	1,500,186	843,056
Inventories	12,441	11,585
Investments in government business enterprise and partnerships (note 4)	8,168,265	6,609,765
	<u>19,825,485</u>	<u>15,463,507</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	786,578	496,957
Development cost charge reserve fund (note 6)	368,887	365,785
Deferred revenue (note 7)	1,062,314	575,074
Refundable deposits	21,000	242,000
Debt, net of sinking funds (note 8)	558,502	616,770
	<u>2,797,281</u>	<u>2,296,586</u>
Net financial assets	17,028,204	13,166,921
Non-financial assets:		
Prepaid expenses	36,168	35,009
Tangible capital assets (note 9)	14,199,868	13,425,977
	<u>14,236,036</u>	<u>13,460,986</u>
Accumulated surplus (note 10)	\$ 31,264,240	\$ 26,627,907

Commitments and contingencies (note 11)

See accompanying notes to consolidated financial statements.




Mayor

Director of Finance



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
Consolidated Statement of Operations and Accumulated Surplus

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

	2020 Budget	2020 Actual	2019 Actual
Revenue:			
Net taxation revenue (note 12)	\$ 1,017,083	\$ 1,018,298	\$ 938,927
Sales and user fees	977,750	1,432,921	998,578
Licenses and permits	34,100	72,337	46,036
Hotel and resort tax	150,000	380,204	448,380
Rentals	54,000	59,314	61,073
Government transfers (note 13):			
Provincial	1,335,700	2,297,372	4,167,785
Federal	1,900	98,121	200,197
Other	2,445,850	1,463,182	224,520
Investments and penalties	70,000	117,155	117,249
Investments in government business enterprise and partnerships	-	1,558,499	121,187
Visitor centre	50,000	14,535	54,039
Total revenues	6,136,383	8,511,938	7,377,971
Expenses:			
Legislature	55,000	50,937	52,007
General government	1,321,698	1,370,343	1,284,141
Protective services	147,320	94,269	110,856
Transportation services	499,350	383,715	347,992
Environmental and public health	117,500	91,818	92,856
Recreation and community development	846,500	819,255	890,610
Water utility	538,100	497,094	444,469
Sanitary sewer system	468,400	490,464	471,776
Visitor centre	100,000	77,710	109,813
Total expenditures	4,093,868	3,875,605	3,804,520
Annual surplus	2,042,515	4,636,333	3,573,451
Accumulated surplus, beginning of year	26,627,907	26,627,907	23,054,456
Accumulated surplus, end of year	\$ 28,670,422	\$ 31,264,240	\$ 26,627,907

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
Consolidated Statement of Changes in Net Financial Assets

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

	2020 Budget	2020 Actual	2019 Actual
Annual surplus	\$ 2,042,515	\$ 4,636,333	\$ 3,573,451
Acquisition of tangible capital assets	(2,853,798)	(1,350,253)	(506,783)
Amortization of tangible capital assets	202,448	576,362	570,845
	(2,651,350)	(773,891)	64,062
Use of prepaid expenses	-	35,009	24,443
Purchase of prepaid expenses	-	(36,168)	(35,009)
Change in net financial assets	(608,835)	3,861,283	3,626,947
Net financial assets, beginning of year	13,166,921	13,166,921	9,539,974
Net financial assets, end of year	\$ 12,558,086	\$ 17,028,204	\$ 13,166,921

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
Consolidated Statement of Cash Flows

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

	2020	2019
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 4,636,333	\$ 3,573,451
Items not involving cash:		
Amortization of tangible capital assets	576,362	570,845
Equity in earnings in government business enterprise and partnerships	(1,558,499)	(121,187)
Changes in non-cash operating working capital:		
Accounts receivable	(657,130)	360,326
Inventories	(857)	(1,801)
Accounts payable and accrued liabilities	289,621	(22,970)
Deferred revenue	487,240	(266,228)
Development cost charge reserve fund	3,102	6,479
Prepaid expenses	(1,159)	(10,566)
Refundable deposits	(221,000)	(19,000)
Net change in cash from operating activities	3,554,013	4,069,349
Capital activities:		
Acquisition of tangible capital assets	(1,350,253)	(506,783)
Financing activities:		
Repayment of long-term debt	(58,268)	(56,027)
Increase in cash and cash equivalents	2,145,492	3,506,539
Cash and cash equivalents, beginning of year	7,999,101	4,492,562
Cash and cash equivalents, end of year	\$ 10,144,593	\$ 7,999,101

See accompanying notes to consolidated financial statements.



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements

Year ended December 31, 2020

Nature of operations:

The Corporation of the Village of Valemount (the "Village") is a municipality that was created in 1966 under the Community Charter, formerly the Municipal Act, a statute of the Province of British Columbia. The Village's principal activities include the provision of local government services to residents of the incorporated area. These services include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian Federal and Provincial governments, enacting emergency measures to combat the spread of the virus. The current economic climate may have a direct impact on the Village's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Village is not known at this time. There have been no significant adverse impacts on the Village's operations to date.

1. Significant accounting policies:

The consolidated financial statements of the Village are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Professional Accountants. Significant accounting policies adopted by the Village are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Village and which are owned or controlled by the Village.

(ii) Accounting for Region and School Board Transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operation of the Region and the School Board are not reflected in these consolidated financial statements.



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Trust funds:

Trust funds and their related operations administered by the Village are not included in these consolidated financial statements.

(iv) Investment in Government Business Enterprises and Partnerships:

The Village's records its investments in government business enterprises (GBEs) and government business partnerships (GBPs) on a modified equity basis. Under the modified equity basis, the GBEs and GBPs accounting policies are not adjusted to conform with those of the Village's and inter-organizational transactions and balances are not eliminated. The Village recognizes its equity interest in the annual earnings or loss of the GBEs and GBPs in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions are recorded as a reduction to the investment asset account. The GBEs and GBPs account for their transactions under accounting standards for private enterprises due to the fact that management believes that the differences between accounting standards for private enterprises and international financial reporting standards are not significant.

The Village's investments in government business enterprises consist of the following:

- Valemount Community Forest Company Ltd. - 100% interest
- Valemount Industrial Park Company Ltd. - 100% interest

The Village's investments in government business partnerships consist of the following:

- Valemount Community Forest LP - 99.99% interest
- Valemount Industrial Park LP - 99.99% interest



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(b) Basis of accounting:

The Village follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Taxation and user fee revenues are recognized in accordance with the provisions of the Community Charter. The Village is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the Village's taxation revenues.

Revenue unearned in the current period is reported on the consolidated statement of financial position as deferred revenue or deposits.

(d) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding agency or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(e) Cash and cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(f) Non-financial assets:

Non-financial assets 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 end and are not intended for sale in the ordinary course of operations.



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(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, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life
Building and site improvements	4 - 75 years
Machinery and equipment	5 - 20 years
Roads infrastructure	10 - 100 years
Water and wastewater infrastructure	10 - 100 years

(g) 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.



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

1. Significant accounting policies (continued):

(h) Inventory:

Inventory on hand at the financial statement date consists of items purchased for re-sale and is valued at the lower of cost and net realizable value. Cost is determined based on first-in-first-out.

2. Cash and cash equivalents:

Cash and cash equivalents is comprised of cash balances and short-term investments held with the Municipal Finance Authority in a money market investment fund as follows:

	2020	2019
Cash	\$ 2,091,571	\$ 791,462
Short-term investments	8,053,022	7,207,639
	\$ 10,144,593	\$ 7,999,101

3. Accounts receivable:

	2020	2019
Taxes	\$ 545,429	\$ 441,934
Grants	146,454	301,937
Sales tax	54,706	21,376
Miscellaneous	172,841	77,809
BC Hydro	580,756	-
	\$ 1,500,186	\$ 843,056



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Investment in business enterprises and partnerships:

	2020	2019
Valemount Community Forest Company Ltd.	\$ 6,352,629	\$ 6,385,595
Valemount Community Forest Limited Partnership	1,339,687	139,927
Valemount Industrial Park Limited Partnership	479,949	84,243
Valemount Industrial Park Company Ltd.	(4,000)	-
Total investment	\$ 8,168,265	\$ 6,609,765

	2020	2019
Profit (loss) on investments in business enterprises and partnerships:		
Valemount Community Forest Company Ltd.	\$ (31,527)	\$ (82,983)
Valemount Community Forest Limited Partnership	1,199,760	129,927
Valemount Industrial Park Limited Partnership	395,706	74,243
Valemount Industrial Park Company Ltd.	(4,000)	-
	\$ 1,559,939	\$ 121,187



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Investment in business enterprises and partnerships (continued):

a) Valemount Community Forest Company Ltd.:

Valemount Community Forest Company Ltd. (the "Company") was incorporated under the British Columbia Business Corporations Act on July 27, 2007. The Company has Community Forest Agreements in the Valemount, B.C. area.

	2020	2019
Investments:		
Investment in shares of the company	\$ 1	\$ 1
Accumulated earnings	6,352,628	6,385,594
	\$ 6,352,629	\$ 6,385,595
(i) Financial position:		
Assets:		
Current	\$ 56,054	\$ 3,269,622
Long-term	6,868,263	3,727,373
Total assets	6,924,317	6,996,995
Liabilities:		
Current	80,955	41,521
Long-term	490,733	571,318
Total liabilities	571,688	612,839
Equity:		
Share capital	1	1
Retained earnings	6,352,628	6,384,155
Total equity	6,352,629	6,384,156
Total liabilities and equity	6,924,317	6,996,995
(ii) Operations:		
Revenue	8,844	73,488
Expenses	40,371	156,471
Net earnings	\$ (31,527)	\$ (82,983)



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Investment in business enterprises and partnerships (continued):

b) Valemount Community Forest Limited Partnership:

Valemount Community Forest Limited Partnership (the "Partnership") was created under the British Columbia Partnership Act on January 14, 2019. The Partnership has Community Forest Agreements in the Valemount, B.C. area.

	2020	2019
Investments:		
Initial investment	\$ 10,000	\$ 10,000
Partners' accumulated earnings	1,329,687	129,927
	\$ 1,339,687	\$ 139,927
(i) Financial position:		
Assets:		
Current	\$ 3,776,475	\$ 1,600,581
Property and equipment	71,655	91,890
Forest licenses	1,666,343	1,749,007
Undistributed patronage	3,070	-
Total assets	5,517,543	3,441,478
Liabilities:		
Current	4,162,832	2,955,956
Long-term	14,890	345,581
Total liabilities	4,177,722	3,301,537
Partners' Equity	1,339,821	139,941
Total equity	1,339,821	139,941
Total liabilities and partners' equity	5,517,543	3,441,478
(ii) Operations:		
Revenue	10,297,193	7,058,247
Expenses	9,097,313	6,928,307
Net earnings	\$ 1,199,880	129,940
The Village's portion of net earnings - 99.99%	\$ 1,199,760	\$ 129,927



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Investment in business enterprises and partnerships (continued):

c) Valemount Industrial Park Limited Partnership:

Valemount Industrial Park Limited Partnership (the "Partnership") was created under the British Columbia Partnership Act on January 14, 2019 as part of reorganization of the Valemount Community Forest Company Ltd., which all of the commercial real estate was transferred. The Partnership's operation includes providing loan and rentals of property and equipment.

	2020	2019
Investments:		
Initial investment	10,000	10,000
Partners' accumulated earnings	\$ 469,949	\$ 74,243
	\$ 479,949	\$ 84,243
(i) Financial position:		
Assets:		
Current	\$ 569,527	\$ 668,284
Property and equipment	3,914,280	437,557
Loan receivable	283,134	323,169
Total assets	4,766,941	1,429,010
Liabilities:		
Current	4,286,944	1,344,759
Total liabilities	4,286,944	1,344,759
Partners' Equity	479,997	84,251
Total equity	479,997	84,251
Total liabilities and partners' equity	4,766,941	1,429,010
(ii) Operations:		
Revenue	603,487	286,287
Expenses	207,741	212,037
Net earnings	\$ 395,746	74,250
The Village's portion of net earnings - 99.99%	\$ 395,706	\$ 74,243



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

4. Investment in business enterprises and partnerships (continued):

d) Valemount Industrial Park Company Limited:

Valemount Industrial Park Company Limited (the "Company") was incorporated under the British Columbia Business Corporations Act on July 27, 2007. The Company has Community Forest Agreements in the Valemount, B.C. area.

	2020	2019
Investments:		
Investment in shares of the company	\$ -	\$ -
Accumulated earnings	(4,000)	(796)
	\$ (4,000)	\$ (796)
(i) Financial position:		
Assets:		
Current	\$ 27,155	\$ 29,697
Investment in Partnerships	47	7
Total assets	27,202	29,704
Liabilities:		
Current	31,202	30,500
Total liabilities	31,202	30,500
Retained earnings	(4,000)	(796)
Total equity	(4,000)	(796)
Total liabilities and equity	27,202	29,704
(ii) Operations:		
Revenue	40	7
Expenses	3,244	803
Net earnings	\$ (3,204)	\$ (796)



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

5. Accounts payable and accrued liabilities:

	2020	2019
Trade	\$ 470,998	\$ 212,531
Wages and related costs	282,399	262,991
Government remittance	30,485	18,850
Other	2,696	2,585
	\$ 786,578	\$ 496,957

6. Development cost charge reserve fund:

The development cost charge reserve fund represents amounts collected by the Village to be used to fund future capital costs related to subdivision infrastructure as required.

	2020	2019
Balance, beginning of year	\$ 365,785	\$ 359,306
Contributions - interest earned	3,102	6,479
	\$ 368,887	\$ 365,785

7. Deferred revenue:

	2020	2019
Unexpended grants - Columbia Basin Trust	\$ 283,939	\$ 22,927
Unexpended grants - other	592,199	359,236
Prepaid property taxes	59,642	62,107
Deferred revenue - other	126,534	130,804
	\$ 1,062,314	\$ 575,074

Year ended December 31, 2020

8. Debt, net of sinking funds:

The Village issues debt instruments through the Municipal Finance Authority of British Columbia ("MFA"), pursuant to security issuing bylaws under authority of the Community Charter, to finance certain capital expenditures. Sinking Fund balances, managed by MFA, are used to reduce debt.

	By-Law Number	Interest rate	Year of maturity	Gross debt	Sinking Fund Assets	Net debt 2020	Net debt 2019
Water Fund:							
Water	587	4.65%	2026	191,013	51,959	139,054	159,212
Water	635	4.17%	2029	483,462	64,014	419,448	457,558
				\$ 674,475	\$ 115,973	\$ 558,502	\$ 616,770

Debt is reported net of sinking fund balances on the consolidated statement of financial position.

- (a) Principal and sinking fund payments due within the next five years and onward are as follows:

	Total
2021	\$ 37,852
2022	37,852
2023	37,852
2024	37,852
2025	37,852
Onward	115,092
	304,352
Estimated sinking fund income	254,150
	\$ 558,502

- (b) Sinking fund instalments are invested by the MFA and earn income which, together with principal payments, are expected to be sufficient to retire the sinking debt at maturity. For sinking fund agreements, the MFA has established either a normal sinking fund or a capital repayment equalization fund.



Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

9. Tangible capital assets:

	2020						
	Land	Buildings and site improvements	Machinery and equipment	Roads infrastructure	Water infrastructure	Waste water infrastructure	Total
Cost:							
Balance, beginning of year	\$ 1,153,267	\$ 4,319,555	\$ 2,175,457	\$ 5,392,045	\$ 5,884,250	\$ 4,721,526	\$ 23,646,100
Additions	-	31,307	192,396	65,590	447,624	613,336	1,350,253
Disposals	-	-	(16,032)	-	-	-	(16,032)
Balance, end of year	1,153,267	4,350,862	2,351,821	5,457,635	6,331,874	5,334,862	24,980,321
Accumulated amortization:							
Balance, beginning of year	-	1,874,224	1,048,491	2,630,691	2,282,516	2,384,201	10,220,123
Amortization expense	-	110,531	137,063	170,997	63,340	94,431	576,362
Disposal	-	-	(16,032)	-	-	-	(16,032)
Balance, end of year	-	1,984,755	1,169,522	2,801,688	2,345,856	2,478,632	10,780,453
Net book value, end of year	\$ 1,153,267	\$ 2,366,107	\$ 1,182,299	\$ 2,655,947	\$ 3,986,018	\$ 2,856,230	\$ 14,199,868



Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

9. Tangible capital assets (continued):

	2019						
	Land	Building and site improvements	Machinery and equipment	Roads infrastructure	Water infrastructure	Waste water infrastructure	Total
Cost:							
Balance, beginning of year	\$ 1,153,267	\$ 4,243,521	\$ 2,122,873	\$ 5,013,880	\$ 5,884,250	\$ 4,721,526	\$ 23,139,317
Additions	-	76,034	52,584	378,165	-	-	506,783
Balance, end of year	1,153,267	4,319,555	2,175,457	5,392,045	5,884,250	4,721,526	23,646,100
Accumulated amortization:							
Balance, beginning of year	-	1,763,648	917,094	2,467,816	2,188,085	2,312,635	9,649,278
Amortization expense	-	110,576	131,397	162,875	94,431	71,566	570,845
Balance, end of year	-	1,874,224	1,048,491	2,630,691	2,282,516	2,384,201	10,220,123
Net book value, end of year	\$ 1,153,267	\$ 2,445,331	\$ 1,126,966	\$ 2,761,354	\$ 3,601,734	\$ 2,337,325	\$ 13,425,977

Year ended December 31, 2020

10. Accumulated surplus:

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 13,650,673	\$ 12,818,514
General fund:		
Unrestricted	3,544,336	2,677,189
Restricted	8,168,264	6,589,768
Water utility fund	881,932	671,430
Sanitary sewer fund	541,933	210,235
Total surplus	26,787,138	22,967,136
Reserves set aside by Council:		
Capital works machinery and equipment	391,633	388,340
Land sales	68,629	68,051
Northern Capital Planning Grant	3,729,089	2,919,164
MFA unexpended funds - water	15,795	15,547
MFA unexpended funds - sewer	271,956	269,669
Total reserves	4,477,102	3,660,771
	\$ 31,264,240	\$ 26,627,907

11. Commitments and contingencies:

- (a) The Village is responsible, as a member of the Regional District of Fraser-Fort George, for its portion of any operating deficits or capital debt related to functions in which it participates.
- (b) The Village issues debt instruments through the MFA. As a condition of these borrowings, 1% of gross proceeds are required by the MFA for the Village to deposit into a debt reserve fund. The Village is also required to execute demand notes in connection with each debenture whereby the Village may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the accounts. The demand notes issued at December 31, 2020 aggregated \$34,512 (2019 - \$34,512).

Year ended December 31, 2020

11. Commitments and contingencies (continued):

- (c) The Village and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly-trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from the 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 then 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 Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$105,211 (2019 - \$93,048) for employer contributions to the Plan in fiscal 2020.

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

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

- (d) The Village is obligated to collect and transmit property taxes levied on Valemount taxpayers in respect of the following bodies:

Ministry of Education, Province of British Columbia
Regional District of Fraser-Fort George
Fraser-Fort George Regional Hospital District
British Columbia Assessment Authority
Municipal Finance Authority
Royal Canadian Mounted Police

Year ended December 31, 2020

11. Commitments and contingencies (continued):

- (e) The Village is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out a claim in excess of premiums received, it is possible that the Village, along with other participants, would be required to contribute toward the deficit.

12. Net taxation revenue:

As indicated in note 1(c), the Village is required to collect taxes on behalf of and transfer the appropriate portion of these amounts to the government agencies below:

	2020	2019
Taxes collected:		
General purposes	\$ 868,514	\$ 790,677
Frontage tax	105,795	105,890
Grants in lieu of taxes	43,985	42,360
Collection of other governments	1,399,626	1,411,149
	2,417,920	2,350,076
Transfers to other governments:		
Ministry of Education, Province of British Columbia	440,989	519,257
Regional District of Fraser-Fort George	714,435	682,683
Fraser-Fort George Regional Hospital District	157,104	133,692
B.C. Assessment Authority	12,072	10,239
Municipal Finance Authority	55	50
Royal Canadian Mounted Police	74,967	65,228
	1,399,622	1,411,149
	\$ 1,018,298	\$ 938,927

Year ended December 31, 2020

13. Government transfers:

The Village recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the statement of operations and accumulated surplus are:

	2020	2019
Provincial grants:		
BC Hydro	\$ 460,424	\$ 439,822
COVID-19 Restart Grant	501,000	-
Miscellaneous Conditional	196,471	456,483
Northern Capital Planning Grant	785,000	2,919,164
Unconditional	354,477	352,316
Subtotal provincial grants	2,297,372	4,167,785
Federal grants:		
Gas tax	98,121	198,297
Miscellaneous	-	1,900
Subtotal federal grants	98,121	200,197
Other grants:		
Columbia Basin Trust	249,772	224,520
Trans Mountain	1,213,410	-
Subtotal other grants	1,463,182	224,520
Total revenue	\$ 3,858,675	\$ 4,592,502



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Segmented information:

The Village is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the Village's operations and activities are organized and reported by service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) Legislature:

Within legislature are Council operations. Council members set the overall direction of the municipality through their role as a policy maker by creating new policies, bylaws and programs.

b) General government:

The general government operations provides the functions of corporate administration and legislative services and any other functions categorized as non-departmental in the Village.

c) Protective services:

Protective services is comprised of emergency management and regulatory services.

d) Transportation services:

Transportation services is responsible for a wide variety of services including the development and maintenance of the Village's roadway systems through the Public Works department, snow removal and street lighting.

e) Environmental and public health:

Environmental and public health provides garbage collection and disposal services to residents and businesses in the Village as well as maintenance of the cemetery.

14. Segmented information: (continued):

f) Recreation and community development:

Recreation and community development is responsible for the construction and maintenance of the Village's parks and green spaces. It provides funding for the operation of the community hall, museum, library, courthouse, and visitor information centre. It also administers economic development projects and provides grants to various community groups that provide recreational opportunities in the Village.

g) Water utility:

The water utility is responsible for installing and maintaining water mains, pump stations and the water treatment plant. The treatment and distribution of water in the Village through Public Works is included in this segment.

h) Sanitary Sewer System:

The sanitary sewer system is responsible for installing and maintaining sewer mains, lift stations and the sewage treatment facility. The collection and treatment of sewage in the Village through Public Works is included in this segment.

i) Visitor Centre:

Visitor Centre is responsible for the operations of the Valemount Visitor Centre, which is owned and operated by the Village.



Let the mountains move you **THE CORPORATION OF THE VILLAGE OF VALEMOUNT**
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Segmented information: (continued):

The following statement provides additional information for the foregoing functions. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

	2020									
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Legislature	Recreation and Community Development	Water Utility	Sanitary Sewer System	Visitor Centre	Total
Revenue:										
Taxation	\$ 912,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,795	\$ -	\$ -	\$ 1,018,298
User charges	42,727	72,337	-	104,793	-	89,169	508,066	688,166	-	1,505,258
Grants	2,797,715	-	-	-	-	-	447,624	613,336	-	3,858,675
Investment income	117,155	-	-	-	-	-	-	-	-	117,155
Other	1,558,499	-	-	-	-	439,518	-	-	14,535	2,012,552
Total revenue	5,428,598	72,337	-	104,793	-	528,687	1,061,485	1,301,502	14,535	8,511,938
Expenses:										
Salaries and employee benefits	628,727	88,466	167,968	40,020	50,937	150,119	178,223	140,525	61,303	1,506,288
Operating	346,259	5,803	215,747	51,798	-	669,136	154,866	229,420	16,407	1,689,436
Interest	-	-	-	-	-	-	35,665	-	-	35,665
Insurance	38,043	-	-	-	-	-	-	-	-	38,043
Professional services	29,811	-	-	-	-	-	-	-	-	29,811
Amortization	327,503	-	-	-	-	-	128,340	120,519	-	576,362
Total expenses	1,370,343	94,269	383,715	91,818	50,937	819,255	497,094	490,464	77,710	3,875,605
Annual surplus (deficit)	\$ 4,058,255	\$ (21,932)	\$ (383,715)	\$ 12,975	\$ (50,937)	\$ (290,568)	\$ 564,391	\$ 811,038	\$ (63,175)	\$ 4,636,333



VILLAGE OF
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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Segmented information: (continued):

	2019									
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Legislature	Recreation and Community Development	Water Utility	Sanitary Sewer System	Visitor Centre	Total
Revenue:										
Taxation	\$ 832,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,985	\$ -	\$ -	\$ 938,927
User charges	30,667	46,036	-	116,249	-	77,238	396,533	377,891	-	1,044,614
Grants	4,592,502	-	-	-	-	-	-	-	-	4,592,502
Investment income	117,249	-	-	-	-	-	-	-	-	117,249
Other	121,187	-	-	-	-	509,453	-	-	54,039	684,679
Total revenue	5,694,547	46,036	-	116,249	-	586,691	502,518	377,891	54,039	7,377,971
Expenses:										
Salaries and employee benefits	656,674	103,472	152,505	37,546	52,007	111,809	128,106	149,145	82,418	1,473,682
Operating	229,286	7,384	195,487	55,310	-	778,801	148,600	201,943	27,395	1,644,206
Interest	-	-	-	-	-	-	33,717	-	-	33,717
Insurance	33,791	-	-	-	-	-	-	-	-	33,791
Professional services	48,279	-	-	-	-	-	-	-	-	48,279
Amortization	316,111	-	-	-	-	-	134,046	120,688	-	570,845
Total expenses	1,284,141	110,856	347,992	92,856	52,007	890,610	444,469	471,776	109,813	3,804,520
Annual surplus (deficit)	\$ 4,410,406	\$ (64,820)	\$ (347,992)	\$ 23,393	\$ (52,007)	\$ (303,919)	\$ 58,049	\$ (93,885)	\$ (55,774)	\$ 3,573,451



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
 Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

15. Trust funds:

The Village maintains a cemetery perpetual care fund in accordance with the Cemeteries and Funeral Services Act. The trust fund balance sheet at December 31, 2020 is as follows:

	2020	2019
MFA Investment pool	\$ 44,590	\$ 43,308
Cemetery trust liability	(44,590)	(43,308)

16. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2020 operating and capital budgets approved by Council on May 12, 2020. Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 6,861,588
Less:	
Transfer from other funds	(725,205)
Total revenue	6,136,383
Expenses:	
Operating budget	6,861,588
Less:	
Capital expenditures	(2,664,500)
Debt principal payments	(37,900)
Transfer from other funds	(65,320)
	4,093,868
Annual surplus	\$ 2,042,515



Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

17. Contractual rights:

The Village (the "Landlord") has entered into a contract with Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Citizens Services (the "Tenant") to rent approximately 1,679 square feet of the Village's Court House. The term of this lease is for 5 years commencing on February 1, 2020 with annual payments consisting of \$26,679 to be paid to the Village.

18. Comparative information:

Certain 2019 comparative information has been reclassified. The changes had no impact on prior year annual surplus.



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
 Schedule 1 - Northern Capital Planning Grant

Year ended December 31, 2020
 (Unaudited)

In March 2019 the Village of Valemount was the recipient of \$2,882,000 under the Northern Capital and Planning Grant (NCPG) program from the Province of British Columbia. Interest earned by the reserve in 2019 totaled \$37,164. In March 2020, a second allocation of \$785,000 was received from the Province of BC. Interest of \$24,926 was earned by the reserve during 2020, resulting in a total of \$3,729,090 in NCPG reserves at December 31, 2020 as outlined below.

	2020
Opening balance of reserve	\$ 2,919,164
Additional NCPG grant funding received with 2020	785,000
Interest	24,925
	<u>3,729,089</u>
2020 allocation by Council	
Dogwood Lift Station (20%)	513,080
Dogwood Lift Station (70%)	1,376,360
Senior's Life Station	660,000
	<u>2,549,440</u>
Total allocation available	1,179,649
Remaining NCPG available for allocation in 2021	<u>\$ 1,179,649</u>



THE CORPORATION OF THE VILLAGE OF VALEMOUNT
Schedule 2 - COVID-19 Safe Restart Grant

Year ended December 31, 2020
(Unaudited)

In November 2020, the Corporation of the Village of Valemount was the recipient of a \$501,000 grant under the COVID-19 Safe Restart for Local Governments program from the Province of British Columbia. As of December 31, 2020 no expense nor allocation of funds have occurred in relation to this grant funding.

	2020
Grant funding received	\$ 501,000
Remaining COVID-19 Safe Restart Grant for Allocation in 2021	\$ 501,000