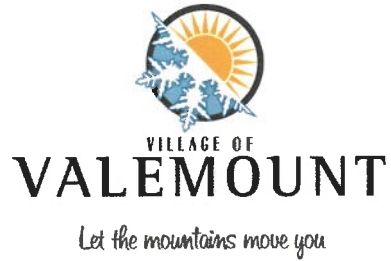
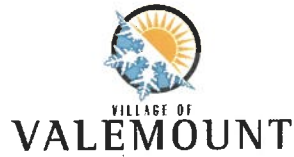


Consolidated Financial Statements of



**THE CORPORATION OF THE
VILLAGE OF VALEMOUNT**

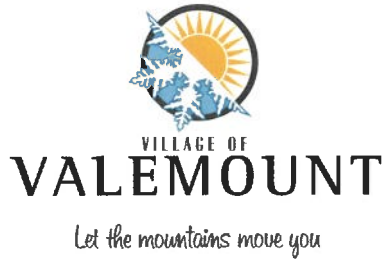
And Independent Auditor's Report thereon
Year ended December 31, 2022



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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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.



Mr. Owen Torgerson,
Mayor



Mrs. Lori McNee,
Director of Finance



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Tel 250-563-7151
Fax 250-563-5693

INDEPENDENT AUDITOR'S 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 Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operation 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, 2022 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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 auditor's 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 auditor's 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.

Auditor's 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 auditor's 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.



Page 3

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

We also:

- Identify and assess the 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 auditor's 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

May 25, 2023



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT


Consolidated Statement of Financial Position


December 31, 2022, with comparative information for 2021


	2022	2021
Financial assets:		
Cash and cash equivalents (note 2)	\$ 13,804,940	\$ 10,918,103
Accounts receivable (note 3)	1,177,755	2,095,342
Inventories	12,099	12,753
Investments in government business enterprise and partnerships (note 4)	10,716,083	9,507,438
	<u>25,710,877</u>	<u>22,533,636</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	877,126	565,560
Development cost charge reserve fund (note 6)	376,601	369,449
Deferred revenue (note 7)	1,380,273	1,774,673
Debt, net of sinking funds (note 8)	434,881	497,904
	<u>3,068,881</u>	<u>3,207,586</u>
Net financial assets	22,641,996	19,326,050
Non-financial assets:		
Prepaid expenses	18,696	22,453
Tangible capital assets (note 9)	17,825,145	16,404,402
	<u>17,843,841</u>	<u>16,426,855</u>
Accumulated surplus (note 10)	<u>\$ 40,485,837</u>	<u>\$ 35,752,905</u>

Commitments and contingencies (note 11)

See accompanying notes to consolidated financial statements.


 Owen Torgersen
 Mayor


 Eric Depenar
 CAO


 Lori McNamee
 Director of Finance



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Consolidated Statement of Operation and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 16)	2022 Actual	2021 Actual
Revenue (note 14):			
Net taxation revenue (note 12)	\$ 1,089,015	\$ 1,087,866	\$ 1,024,288
Sales and user fees	1,344,275	2,935,023	1,834,196
Licenses and permits	31,700	84,412	48,553
Hotel and resort tax	321,500	589,499	367,074
Rentals	57,000	65,220	67,324
Government transfers (note 13):			
Provincial	4,062,327	2,798,321	1,652,155
Federal	2,000	102,816	200,938
Other	3,393,850	685,334	2,518,399
Investments and penalties	47,500	136,744	62,341
Investments in government business enterprise and partnerships (note 4)	309,000	1,208,645	1,339,173
Visitor centre	-	26,346	22,747
Total revenues	10,658,167	9,720,226	9,137,188
Expenses (note 14):			
Legislature	60,000	59,629	52,902
General government	1,429,222	1,623,386	1,607,032
Protective services	116,500	101,558	82,589
Transportation services	586,500	606,029	491,682
Environmental and public health	170,500	126,092	125,649
Recreation and community development	1,317,450	1,368,191	983,102
Water utility	956,900	509,929	708,355
Sanitary sewer system	649,400	496,874	528,252
Visitor centre	106,500	95,606	68,960
Total expenditures	5,392,972	4,987,294	4,648,523
Annual surplus	5,265,195	4,732,932	4,488,665
Accumulated surplus, beginning of year	35,752,905	35,752,905	31,264,240
Accumulated surplus, end of year	\$ 41,018,100	\$ 40,485,837	\$ 35,752,905

See accompanying notes to consolidated financial statements.



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
Annual surplus	\$ 5,265,195	\$ 4,732,932	\$ 4,488,665
Acquisition of tangible capital assets	(6,755,852)	(2,122,349)	(2,818,144)
Amortization of tangible capital assets	265,522	701,606	613,610
	(6,490,330)	(1,420,743)	(2,204,534)
Use of prepaid expenses	-	22,453	36,168
Purchase of prepaid expenses	-	(18,696)	(22,453)
Change in net financial assets	(1,225,135)	3,315,946	2,297,846
Net financial assets, beginning of year	19,326,050	19,326,050	17,028,204
Net financial assets, end of year	\$ 18,100,915	\$ 22,641,996	\$ 19,326,050

See accompanying notes to consolidated financial statements.



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 4,732,932	\$ 4,488,665
Items not involving cash:		
Amortization of tangible capital assets	701,606	613,610
Equity in earnings in government business enterprise and partnerships	(1,208,645)	(1,339,173)
Changes in non-cash operating working capital:		
Accounts receivable	917,587	(595,156)
Inventories	654	(312)
Accounts payable and accrued liabilities	311,566	(221,018)
Deferred revenue	(394,400)	712,359
Development cost charge reserve fund	7,152	562
Prepaid expenses	3,757	13,715
Refundable deposits	-	(21,000)
Net change in cash from operating activities	5,072,209	3,652,252
Capital activities:		
Acquisition of tangible capital assets	(2,122,349)	(2,818,144)
Financing activities:		
Repayment of long-term debt	(63,023)	(60,598)
Increase in cash and cash equivalents	2,886,837	773,510
Cash and cash equivalents, beginning of year	10,918,103	10,144,593
Cash and cash equivalents, end of year	\$ 13,804,940	\$ 10,918,103

See accompanying notes to consolidated financial statements.



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT Notes to Consolidated Financial Statements

Year ended December 31, 2022

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.

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.

(iii) Trust funds:

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



VILLAGE OF
VALEMOUNT

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

Year ended December 31, 2022

1. Significant accounting policies (continued):

Basis of consolidation (continued):

(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

(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.



VILLAGE OF
VALEMOUNT

Let the mountains move you

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

Year ended December 31, 2022

1. Significant accounting policies (continued):

(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.



VILLAGE OF VALEMOUNT

Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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.



VILLAGE OF VALEMOUNT

Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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:

	2022	2021
Cash	\$ 4,585,558	\$ 1,872,144
Short-term investments	9,219,382	9,045,959
	\$ 13,804,940	\$ 10,918,103

3. Accounts receivable:

	2022	2021
Taxes and utilities	\$ 388,687	\$ 516,674
Grants	112,957	129,331
Sales tax	-	76,740
Miscellaneous	440,232	105,619
Trans Mountain	235,879	1,266,978
	\$ 1,177,755	\$ 2,095,342



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

Year ended December 31, 2022

4. Investment in government business enterprises and partnerships:

	2022	2021
Valemount Community Forest Company Ltd.	\$ 6,322,591	\$ 6,340,799
Valemount Community Forest Limited Partnership	4,607,025	2,795,302
Valemount Industrial Park Limited Partnership	(201,310)	378,416
Valemount Industrial Park Company Ltd.	(12,223)	(7,079)
Total investment	\$ 10,716,083	\$ 9,507,438

	2022	2021
Profit (loss) on investments in government business enterprises and partnerships:		
Valemount Community Forest Company Ltd.	\$ (18,208)	\$ (11,830)
Valemount Community Forest Limited Partnership	1,811,723	1,455,615
Valemount Industrial Park Limited Partnership	(579,726)	(101,533)
Valemount Industrial Park Company Ltd.	(5,144)	(3,079)
	\$ 1,208,645	\$ 1,339,173



VILLAGE OF VALEMOUNT

Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

4. Investment in government 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.

	2022	2021
Investments:		
Investment in shares of the company	\$ 1	\$ 1
Accumulated earnings	6,322,590	6,340,798
	<u>\$ 6,322,591</u>	<u>\$ 6,340,799</u>
(i) Financial position:		
Assets:		
Current	\$ 33,569	\$ 31,059
Long-term	6,694,547	6,798,380
Total assets	<u>6,728,116</u>	<u>6,829,439</u>
Liabilities:		
Current	56,520	44,782
Long-term	349,005	443,858
Total liabilities	<u>405,525</u>	<u>488,640</u>
Equity:		
Share capital	1	1
Retained earnings	6,322,590	6,340,798
Total equity	<u>6,322,591</u>	<u>6,340,799</u>
Total liabilities and equity	<u>6,728,116</u>	<u>6,829,439</u>
(ii) Operations:		
Revenue	-	5,412
Expenses	18,208	17,242
Net earnings	<u>\$ (18,208)</u>	<u>\$ (11,830)</u>



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

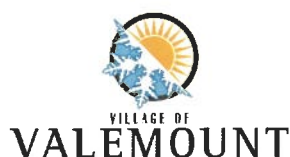
Year ended December 31, 2022

4. Investment in government 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.

	2022	2021
Investments:		
Initial investment	\$ 10,000	\$ 10,000
Partners' accumulated earnings	4,597,028	2,785,302
	\$ 4,607,028	\$ 2,795,302
(i) Financial position:		
Assets:		
Current	\$ 4,256,579	\$ 3,160,240
Property and equipment	167,579	56,025
Forest licenses	1,270,366	1,583,680
Undistributed patronage	3,070	3,070
Due from related party	2,400,000	1,900,000
Total assets	8,097,594	6,703,015
Liabilities:		
Current	3,203,277	3,706,859
Long-term	265,298	195,156
Provision for road decommissioning	21,530	5,418
Total liabilities	3,490,105	3,907,433
Partners' Equity	4,607,489	2,795,582
Total equity	4,607,489	2,795,582
Total liabilities and partners' equity	8,097,594	6,703,015
(ii) Operations:		
Revenue	13,240,631	9,168,476
Expenses	11,428,724	7,712,715
Net earnings	\$ 1,811,907	1,455,761
The Village's portion of net earnings - 99.99%	\$ 1,811,723	\$ 1,455,615



Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

4. Investment in government 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.

	2022	2021
Investments:		
Initial investment	\$ 10,000	\$ 10,000
Partners' accumulated earnings	(211,310)	368,416
	\$ (201,310)	\$ 378,416
(i) Financial position:		
Assets:		
Current	\$ 739,439	\$ 529,496
Property and equipment	6,004,341	6,032,123
Loan receivable	211,638	240,363
Total assets	6,955,418	6,801,982
Liabilities:		
Current	7,156,748	6,423,528
Total liabilities	7,156,748	6,423,528
Partners' equity	(201,330)	378,454
Total equity	(201,330)	378,454
Total liabilities and partners' equity	6,955,418	6,801,982
(ii) Operations:		
Revenue	1,039,985	749,546
Expenses	1,619,769	851,089
Net earnings	\$ (579,784)	(101,543)
The Village's portion of net earnings - 99.99%	\$ (579,726)	\$ (101,533)



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

Year ended December 31, 2022

4. Investment in government 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.

	2022	2021
Investments:		
Investment in shares of the company	\$ -	\$ -
Accumulated earnings	(12,223)	(7,079)
	\$ (12,223)	\$ (7,079)
(i) Financial position:		
Assets:		
Current	\$ 19,900	\$ 24,985
Investment in partnerships	(24)	36
Total assets	19,876	25,021
Liabilities:		
Current	32,099	32,100
Total liabilities	32,099	32,100
Retained earnings	(12,223)	(7,079)
Total equity	(12,223)	(7,079)
Total liabilities and equity	19,876	25,021
(ii) Operations:		
Revenue	(60)	(10)
Expenses	5,084	3,069
Net earnings	\$ (5,144)	\$ (3,079)



VILLAGE OF VALEMOUNT

Let the mountains move you

THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

5. Accounts payable and accrued liabilities:

	2022	2021
Trade	\$ 397,693	\$ 212,267
Wages and related costs	299,406	291,278
Government remittance	66,947	55,439
Other	113,080	6,576
	\$ 877,126	\$ 565,560

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.

	2022	2021
Balance, beginning of year	\$ 369,449	\$ 368,887
Contributions - interest earned	7,152	562
	\$ 376,601	\$ 369,449

7. Deferred revenue:

	2022	2021
Unexpended grants - Columbia Basin Trust	\$ 127,763	\$ 121,695
Unexpended grants - other	747,648	597,390
Ministry of Children and Family Development	291,322	888,580
Prepaid property taxes	50,234	44,171
Deferred revenue - other	163,306	122,837
	\$ 1,380,273	\$ 1,774,673



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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 2022	Net debt 2021
Water Fund:							
Water	587	4.65%	2026	178,906	82,618	96,288	118,091
Water	635	4.17%	2029	457,713	119,120	338,593	379,813
				\$ 636,619	\$ 201,738	\$ 434,881	\$ 497,904

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
2023	\$ 37,852
2024	37,852
2025	37,852
2026	37,852
2027	37,852
Onward	39,388
	228,648
Estimated sinking fund income	206,233
	\$ 434,881

- (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.



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

9. Tangible capital assets:

	2022							
	Land improvements	Buildings and site improvements	Machinery and equipment	Roads infrastructure	Water infrastructure	Waste water infrastructure	Construction in progress	Total
Cost:								
Balance, beginning of year	\$ 1,153,267	\$ 4,701,069	\$ 2,454,896	\$ 6,688,689	\$ 6,830,713	\$ 5,969,831	\$ -	\$ 27,798,465
Additions	-	97,366	302,284	-	-	131,441	1,591,258	2,122,349
Balance, end of year	1,153,267	4,798,435	2,757,180	6,688,689	6,830,713	6,101,272	1,591,258	29,920,814
Accumulated amortization:								
Balance, beginning of year	-	2,095,387	1,310,433	2,981,986	2,420,219	2,586,038	-	11,394,063
Amortization expense	-	99,041	94,997	211,975	150,190	145,403	-	701,606
Balance, end of year	-	2,194,428	1,405,430	3,193,961	2,570,409	2,731,441	-	12,095,669
Net book value, end of year	\$ 1,153,267	\$ 2,604,007	\$ 1,351,750	\$ 3,494,728	\$ 4,260,304	\$ 3,369,831	\$ 1,591,258	\$ 17,825,145



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

Year ended December 31, 2022

9. Tangible capital assets (continued):

	2021						
	Land improvements	Building and site improvements	Machinery and equipment	Roads infrastructure	Water infrastructure	Waste water infrastructure	Total
Cost:							
Balance, beginning of year	\$ 1,153,267	\$ 4,350,862	\$ 2,351,821	\$ 5,457,635	\$ 6,331,874	\$ 5,334,862	\$ 24,980,321
Additions	-	350,207	103,075	1,231,054	498,839	634,969	2,818,144
Balance, end of year	1,153,267	4,701,069	2,454,896	6,688,689	6,830,713	5,969,831	27,798,465
Accumulated amortization:							
Balance, beginning of year	-	1,984,755	1,169,522	2,801,688	2,345,856	2,478,632	10,780,453
Amortization expense	-	110,632	140,911	180,298	74,363	107,406	613,610
Balance, end of year	-	2,095,387	1,310,433	2,981,986	2,420,219	2,586,038	11,394,063
Net book value, end of year	\$ 1,153,267	\$ 2,605,682	\$ 1,144,463	\$ 3,706,703	\$ 4,410,494	\$ 3,383,793	\$ 16,404,402



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

10. Accumulated surplus:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 17,399,571	\$ 15,915,804
General fund:		
Unrestricted	6,160,909	4,050,104
Restricted	9,356,912	9,487,440
Water utility fund	1,503,984	895,094
Sanitary sewer fund	2,322,483	1,143,220
Total surplus	36,743,859	31,491,662
Reserves set aside by Council:		
Capital works machinery and equipment	399,822	392,229
Land sales	70,064	68,733
Northern Capital Planning Grant	2,978,433	3,512,199
MFA unexpended funds - water	16,007	15,703
MFA unexpended funds - sewer	277,652	272,379
Total reserves	3,741,978	4,261,243
	\$ 40,485,837	\$ 35,752,905

11. Commitments and contingencies:

- (f) 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.
- (g) 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, 2022 aggregated \$34,512 (2021 - \$34,512).



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

11. Commitments and contingencies (continued):

- (c) The Village and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis

The Village paid \$85,653 (2021 - \$110,273) for employer contributions to the Plan in fiscal 2022.

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

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



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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:

	2022	2021
Taxes collected:		
General purposes	\$ 932,010	\$ 879,097
Frontage tax	105,129	105,129
Grants in lieu of taxes	50,856	43,044
Collection of other governments	1,545,791	1,516,918
	<u>2,633,786</u>	<u>2,544,188</u>
Transfers to other governments:		
Ministry of Education, Province of British Columbia	552,614	558,564
Regional District of Fraser-Fort George	700,228	701,149
Fraser-Fort George Regional Hospital District	210,492	173,480
B.C. Assessment Authority	12,175	12,125
Municipal Finance Authority	62	54
Royal Canadian Mounted Police	70,349	74,528
	<u>1,545,920</u>	<u>1,519,900</u>
	<u>\$ 1,087,866</u>	<u>\$ 1,024,288</u>



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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:

	2022	2021
Provincial grants:		
BC Hydro	\$ 502,447	\$ 483,411
Miscellaneous Conditional	261,616	553,324
Ministry of Children and Family Development	1,591,258	263,420
Unconditional	443,000	352,000
Subtotal provincial grants	2,798,321	1,652,155
Federal grants:		
Gas tax	102,816	200,938
Subtotal federal grants	102,816	200,938
Other grants:		
Columbia Basin Trust	262,279	411,096
Trans Mountain	348,455	2,036,053
Northern Development Initiative Trust	74,600	71,250
Subtotal other grants	685,334	2,518,399
Total revenue	\$ 3,586,471	\$ 4,371,492



VILLAGE OF VALEMOUNT

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

Year ended December 31, 2022

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.



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

Year ended December 31, 2022

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.



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THE CORPORATION OF THE VILLAGE OF VALEMONT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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.

2022

	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	\$ 982,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,129	\$ -	\$ -	\$ 1,087,866
User charges	35,973	84,412	-	132,831	-	127,049	1,565,138	1,084,033	-	3,019,435
Grants	3,586,471	-	-	-	-	-	-	-	-	3,586,471
Investment income	136,744	-	-	-	-	-	-	-	-	136,744
Other	1,208,645	-	-	-	-	654,719	-	-	26,346	1,889,710
Total revenue	5,950,569	84,412	-	132,831	-	781,768	1,660,267	1,084,033	26,346	9,720,226
Expenses:										
Salaries and employee benefits	619,398	94,351	255,428	47,557	59,629	43,672	123,859	121,486	22,004	1,387,384
Operating	436,458	7,207	350,601	78,535	-	1,324,519	227,482	229,985	73,602	2,728,389
Interest	-	-	-	-	-	-	8,398	-	-	8,398
Insurance	57,828	-	-	-	-	-	-	-	-	57,828
Professional services	103,689	-	-	-	-	-	-	-	-	103,689
Amortization	406,013	-	-	-	-	-	150,190	145,403	-	701,606
Total expenses	1,623,386	101,558	606,029	126,092	59,629	1,368,191	509,929	496,874	95,606	4,987,294
Annual surplus (deficit)	\$ 4,327,183	\$ (17,146)	\$ (606,029)	\$ 6,739	\$ (59,629)	\$ (586,423)	\$ 1,150,338	\$ 587,159	\$ (69,260)	\$ 4,732,932



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

14. Segmented information: (continued):

	2021										Total	
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Legislature	Recreation and Community Development	Water Utility	Sanitary Sewer System	Visitor Centre			
Revenue:												
Taxation	\$ 919,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,129	\$ -	\$ -	\$ -	\$ 1,024,288	
User charges	17,406	48,552	-	129,071	-	86,424	633,968	967,328	-	-	1,882,749	
Grants	3,373,814	-	-	-	-	-	498,839	498,839	-	-	4,371,492	
Investment income	62,341	-	-	-	-	-	-	-	-	-	62,341	
Other	1,339,173	-	-	-	-	434,398	-	-	22,747	-	1,796,318	
Total revenue	5,711,893	48,552	-	129,071	-	520,822	1,237,936	1,466,167	22,747	-	9,137,188	
Expenses:												
Salaries and employee benefits	600,327	77,432	190,465	48,235	52,902	96,190	182,157	151,736	62,036	-	1,461,480	
Operating	569,719	5,157	301,217	77,414	-	886,912	348,753	243,022	6,924	-	2,439,118	
Interest	-	-	-	-	-	-	38,081	-	-	-	38,081	
Insurance	41,899	-	-	-	-	-	-	-	-	-	41,899	
Professional services	54,335	-	-	-	-	-	-	-	-	-	54,335	
Amortization	340,752	-	-	-	-	-	-	133,494	-	-	613,610	
Total expenses	1,607,032	82,589	491,682	125,649	52,902	983,102	708,355	528,252	68,960	-	4,648,523	
Annual surplus (deficit)	\$ 4,104,861	\$ (34,037)	\$ (491,682)	\$ 3,422	\$ (52,902)	\$ (462,280)	\$ 529,581	\$ 937,915	\$ (46,213)	\$	\$ 4,488,665	



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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, 2022 is as follows:

	2022	2021
MFA Investment pool	\$ 49,093	\$ 46,509
Cemetery trust liability	(49,093)	(46,509)

16. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2022 operating and capital budgets approved by Council on September 27, 2022. 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	\$ 11,921,302
Less:	
Transfer from other funds	(1,263,135)
Total revenue	10,658,167
Expenses:	
Operating budget	11,921,302
Less:	
Capital expenditures	(6,490,330)
Debt principal payments	(38,000)
	5,430,592
Annual surplus	\$ 5,265,195



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

Year ended December 31, 2022

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.



VILLAGE OF VALEMOUNT

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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Schedule 1 - Northern Capital Planning Grant

Year ended December 31, 2022

(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 and received a second allocation of \$785,000 in March 2020. Grant money was allocated by the Village of Valemount to uniquely identified capital. The table below outlines the outstanding NCPG funds in reserve at December 31, 2021, deducts the approved expenses from 2022 and adds interest earned on the reserve fund in 2022 to reach the remaining NCPG reserve fund balance at December 31, 2022 of \$3,201,000. The Village has included below the allocations approved in 2022 for specific upcoming projects in the amount of \$3,201,000.

	2022
Opening balance of reserve Northern Capital Planning Grant	\$ 3,512,199
Interest	72,298
2021 expenses incurred Dogwood lift station	(10,756)
2021 expenses incurred East Area lift station	(4,458)
	<u>3,569,283</u>
2022 expenses incurred	
Dogwood lift station	81,857
East area lift station	49,584
High lift station pump	22,653
Water calibration	13,795
Garbage truck	150,000
Swift Creek restoration	50,394
	<u>368,283</u>
Allocations by Council	
Dogwood lift station	2,207,723
17th Ave lift station	350,000
High lift station pump	40,737
East Area lift station	540,342
Public works building	7,198
DCC Bylaw	55,000
Total 2022 allocation	<u>3,201,000</u>
Remaining NCPG available for allocation in 2022	<u>\$ -</u>



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THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Schedule 2 - COVID-19 Safe Restart Grant

Year ended December 31, 2022
(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. Due to the conditions of use this grant funding allows local governments to use the funding where the greatest need arises, the initial \$501,000 amount received was considered revenue in 2020 and included in grant revenue on the consolidated statement of operations and accumulated surplus. The Village utilized \$69,080 within 2022 to maintenance and repair costs for main structures in addition to overall pandemic responses incurred since the beginning of the pandemic in the spring of 2020.

	<u>2022</u>
Balance of COVID-19 Safe Restart grant funds at December 31, 2021	\$ 418,654
Less amount utilized in 2022:	
CBT internet connectivity	62,500
Security upgrades	6,580
	<hr/> 69,080
Village generator	316,154
Community hall generator	32,500
CBT internet connectivity	(62,500)
SCADA	30,000
Security upgrades	33,420
Total 2022 allocation of COVID-19 Safe Restart grant	<hr/> 349,574
Remaining COVID-19 Safe Restart grant for allocation in 2022	<hr/> \$ -
