

Consolidated Financial Statements of



**THE CORPORATION OF THE  
VILLAGE OF VALEMOUNT**

And Independent Auditor's Report thereon

Year ended December 31, 2023



VILLAGE OF  
**VALEMOUNT**

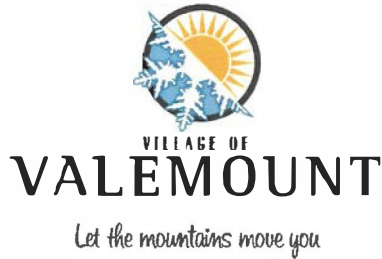
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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

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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**  
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Prince George, BC V2L 5R8  
Canada  
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## **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, 2023
- 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, 2023 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 accounting standards for private enterprises.

### ***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 auditor's report thereon, included in Schedule 1 - Northern Capital Planning Grant, Schedule 2 -COVID-19 Safe Restart Grant and Schedule 3 -Growing Communities Fund Reserve.



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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 accounting standards for private enterprises, 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.

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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Prince George, Canada

May 15, 2024



VILLAGE OF  
**VALEMOUNT**

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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

**Consolidated Statement of Financial Position**

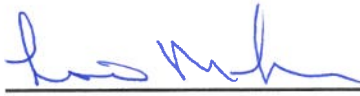
December 31, 2023, with comparative information for 2022

|  | 2023                 | 2022<br>(restated -<br>note 15) |
|--|----------------------|---------------------------------|
| <b>Financial assets:</b>   |                      |                                 |
| Cash and cash equivalents (note 2)   | \$ 15,391,397        | \$ 13,804,940                   |
| Accounts receivable (note 3)   | 488,835              | 1,177,755                       |
| Inventories  | 12,751               | 12,099                          |
| Investments in government business enterprise and<br>partnerships (note 4) | 9,390,838            | 10,716,083                      |
|  | <u>25,283,821</u>    | <u>25,710,877</u>               |
| <b>Financial liabilities:</b>  |                      |                                 |
| Accounts payable and accrued liabilities (note 5)                          | 918,539              | 877,130                         |
| Development cost charge reserve fund (note 6)                              | 435,428              | 376,601                         |
| Deferred revenue (note 7)  | 877,551              | 1,380,273                       |
| Debt, net of sinking funds (note 8)  | 369,336              | 434,881                         |
| Asset retirement obligation (note 9)                                       | 676,945              | 676,945                         |
|  | <u>3,277,799</u>     | <u>3,745,830</u>                |
| <b>Net financial assets</b>  | <u>22,006,022</u>    | <u>21,965,047</u>               |
| <b>Non-financial assets:</b>   |                      |                                 |
| Prepaid expenses   | 45,239               | 18,696                          |
| Tangible capital assets (note 10)  | 21,913,795           | 17,834,987                      |
|  | <u>21,959,034</u>    | <u>17,853,683</u>               |
| <b>Accumulated surplus (note 11)</b>                                       | <u>\$ 43,965,056</u> | <u>\$ 39,818,730</u>            |

Commitments and contingencies (note 11)

See accompanying notes to consolidated financial statements.

  
 \_\_\_\_\_  
 Mr. Owen Torgerson,  
 Mayor

  
 \_\_\_\_\_  
 Mrs. Lori McNee,  
 Director of Finance



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Consolidated Statement of Operation and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

|  | 2023<br>Budget<br>(note 18) | 2023<br>Actual<br>(note 16) | 2022<br>Actual<br>(restated -<br>note 15) |
|--|-----------------------------|-----------------------------|---|
| <b>Revenue (note 14):</b>  |                             |                             |   |
| Net taxation revenue (note 13)   | \$ 2,727,751                | \$ 1,163,341                | \$ 1,087,866                              |
| Sales and user fees  | 1,745,328                   | 2,757,799                   | 2,935,023                                 |
| Licenses and permits   | 52,200                      | 98,998                      | 84,412                                    |
| Hotel and resort tax   | 321,500                     | 597,691                     | 589,499                                   |
| Rentals  | 60,000                      | 61,759                      | 65,220                                    |
| <b>Government transfers (note 13):</b>                                     |                             |                             |   |
| Provincial   | 8,120,850                   | 4,899,350                   | 2,798,321                                 |
| Federal  | 3,060                       | 107,737                     | 102,816                                   |
| Other  | 4,351,880                   | 673,266                     | 685,334                                   |
| Investments and penalties  | 47,500                      | 618,094                     | 136,744                                   |
| Investments in government business<br>enterprise and partnerships (note 4) | -                           | (1,325,245)                 | 1,208,645                                 |
| Visitor centre   | -                           | 28,994                      | 26,346                                    |
| Museum   | -                           | 4,100                       | -   |
| <b>Total revenues</b>  | <b>17,430,069</b>           | <b>9,685,884</b>            | <b>9,720,226</b>                          |
| <b>Expenses (note 14):</b>   |                             |                             |   |
| Legislature  | 62,020                      | 62,853                      | 59,629                                    |
| General government   | 3,324,454                   | 1,658,755                   | 1,626,180                                 |
| Protective services  | 338,311                     | 143,327                     | 101,558                                   |
| Transportation services  | 509,569                     | 578,244                     | 606,029                                   |
| Environmental and public health  | 312,187                     | 139,252                     | 126,092                                   |
| Recreation and community development                                       | 1,063,673                   | 1,089,029                   | 1,368,116                                 |
| Water utility  | 1,011,414                   | 573,981                     | 509,929                                   |
| Sanitary sewer system  | 874,570                     | 1,149,668                   | 496,874                                   |
| Visitor centre   | 166,000                     | 144,449                     | 95,610                                    |
| <b>Total expenditures</b>  | <b>7,662,198</b>            | <b>5,539,558</b>            | <b>4,990,017</b>                          |
| Annual surplus   | 9,767,871                   | 4,146,326                   | 4,730,209                                 |
| Accumulated surplus, beginning of year                                     | 35,752,905                  | 39,818,730                  | 35,752,905                                |
| Adjustment on adoption of the asset retirement<br>obligation standard      | -                           | -                           | (664,384)                                 |
| <b>Accumulated surplus, end of year</b>                                    | <b>\$ 45,520,776</b>        | <b>\$ 43,965,056</b>        | <b>\$ 39,818,730</b>                      |

See accompanying notes to consolidated financial statements.





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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

|  | 2023<br>Budget (note<br>18) | 2023<br>Actual | 2022<br>(restated -<br>note 15) |
|--|-----------------------------|----------------|---------------------------------|
| Annual surplus   | \$ 5,265,972                | \$ 4,146,326   | \$ 4,730,209                    |
| Acquisition of tangible capital assets                 | (12,876,915)                | (4,769,256)    | (2,122,349)                     |
| Amortization of tangible capital assets                | -                           | 690,448        | 701,606                         |
| Implementation of asset retirement obligation standard | -                           | -              | (674,226)                       |
|  | (12,876,915)                | (4,078,808)    | (2,094,969)                     |
| Use of prepaid expenses                                | -                           | 18,696         | 22,453                          |
| Purchase of prepaid expenses                           | -                           | (45,239)       | (18,696)                        |
| Change in net financial assets                         | (7,610,943)                 | 40,975         | 2,638,997                       |
| Net financial assets, beginning of year                | 21,965,047                  | 21,965,047     | 19,326,050                      |
| Net financial assets, end of year                      | \$ 14,354,104               | \$ 22,006,022  | \$ 21,965,047                   |

See accompanying notes to consolidated financial statements.



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

|  | 2023                 | 2022<br>(restated -<br>note 15) |
|--|----------------------|---------------------------------|
| Cash provided by (used in):  |                      |                                 |
| <b>Operations:</b>   |                      |                                 |
| Annual surplus   | \$ 4,146,326         | \$ 4,730,209                    |
| Items not involving cash:  |                      |                                 |
| Amortization of tangible capital assets                                  | 693,178              | 704,329                         |
| Equity in earnings in government business enterprise<br>and partnerships | 1,325,244            | (1,208,645)                     |
| Changes in non-cash operating working capital:                           |                      |                                 |
| Accounts receivable  | 688,920              | 917,587                         |
| Inventories  | (652)                | 654                             |
| Accounts payable and accrued liabilities                                 | 38,680               | 311,566                         |
| Deferred revenue   | (502,722)            | (394,400)                       |
| Development cost charge reserve fund                                     | 58,827               | 7,152                           |
| Prepaid expenses   | (26,543)             | 3,757                           |
| Net change in cash from operating activities                             | 6,421,258            | 5,072,209                       |
| <b>Capital activities:</b>   |                      |                                 |
| Acquisition of tangible capital assets                                   | (4,769,256)          | (2,122,349)                     |
| <b>Financing activities:</b>   |                      |                                 |
| Repayment of long-term debt  | (65,545)             | (63,023)                        |
| Increase in cash and cash equivalents                                    | 1,586,457            | 2,886,837                       |
| Cash and cash equivalents, beginning of year                             | 13,804,940           | 10,918,103                      |
| <b>Cash and cash equivalents, end of year</b>                            | <b>\$ 15,391,397</b> | <b>\$ 13,804,940</b>            |

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, 2023

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#### **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.



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## THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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### 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.



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## **THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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### **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.



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**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) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently measured at cost or amortized cost, unless the Village has elected to carry the instruments at fair value. The Village has not elected to carry any such financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the Village does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost.



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## THE CORPORATION OF THE VILLAGE OF VALEMOUNT

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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### 1. Significant accounting policies (continued):

#### (g) Financial instruments (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

#### (h) 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.

#### (i) Asset retirement obligations:

An assets retirement obligation if recognized when, as at the financial reporting date, all of the following criteria are met:

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

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization policies outlined in (j).



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**1. Significant accounting policies (continued):**

(j) 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:

|                        | 2023                 | 2022                 |
|------------------------|----------------------|----------------------|
| Cash                   | \$ 4,718,196         | \$ 4,585,558         |
| Short-term investments | 10,673,201           | 9,219,382            |
|                        | <b>\$ 15,391,397</b> | <b>\$ 13,804,940</b> |

**3. Accounts receivable:**

|                     | 2023              | 2022                |
|---------------------|-------------------|---------------------|
|                     | \$ 10,085         | \$ -                |
| Taxes and utilities | 390,561           | 388,687             |
| Grants              | 25,000            | 112,957             |
| Miscellaneous       | 63,189            | 440,232             |
| Trans Mountain      | -                 | 235,879             |
|                     | <b>\$ 488,835</b> | <b>\$ 1,177,755</b> |





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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**4. Investment in government business enterprises and partnerships:**

|  | 2023                | 2022                 |
|--|---------------------|----------------------|
| Valemount Community Forest Company Ltd.        | \$ 6,316,879        | \$ 6,322,591         |
| Valemount Community Forest Limited Partnership | 4,491,956           | 4,607,025            |
| Valemount Industrial Park Limited Partnership  | (1,401,366)         | (201,310)            |
| Valemount Industrial Park Company Ltd.         | (16,631)            | (12,223)             |
| <b>Total investment</b>                        | <b>\$ 9,390,838</b> | <b>\$ 10,716,083</b> |

|  | 2023 | 2022 |
|--|------|------|
|--|------|------|

**Profit (loss) on investments in government business enterprises and partnerships:**

|  |                       |                     |
|--|-----------------------|---------------------|
| Valemount Community Forest Company Ltd.        | \$ (5,712)            | \$ (18,208)         |
| Valemount Community Forest Limited Partnership | (115,069)             | 1,811,723           |
| Valemount Industrial Park Limited Partnership  | (1,200,056)           | (579,726)           |
| Valemount Industrial Park Company Ltd.         | (4,408)               | (5,144)             |
|  | <b>\$ (1,325,245)</b> | <b>\$ 1,208,645</b> |



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**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.

|                                     | 2023                | 2022                |
|-------------------------------------|---------------------|---------------------|
| <b>Investments:</b>                 |                     |                     |
| Investment in shares of the company | \$ 1                | \$ 1                |
| Accumulated earnings                | 6,316,878           | 6,322,590           |
|                                     | <b>\$ 6,316,879</b> | <b>\$ 6,322,591</b> |
| <b>(i) Financial position:</b>      |                     |                     |
| Assets:                             |                     |                     |
| Current                             | \$ 28,256           | \$ 33,569           |
| Long-term                           | 6,694,547           | 6,694,547           |
| <b>Total assets</b>                 | <b>6,722,803</b>    | <b>6,728,116</b>    |
| Liabilities:                        |                     |                     |
| Current                             | 25,558              | 56,520              |
| Long-term                           | 380,366             | 349,005             |
| <b>Total liabilities</b>            | <b>405,525</b>      | <b>488,640</b>      |
| Equity:                             |                     |                     |
| Share capital                       | 1                   | 1                   |
| Retained earnings                   | 6,316,878           | 6,322,590           |
| <b>Total equity</b>                 | <b>6,316,879</b>    | <b>6,322,591</b>    |
| <b>Total liabilities and equity</b> | <b>6,722,803</b>    | <b>6,728,116</b>    |
| Expenses                            | 5,712               | 18,208              |
| <b>Net earnings</b>                 | <b>\$ (5,712)</b>   | <b>\$ (18,208)</b>  |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**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.

|  | 2023                | 2022                |
|--|---------------------|---------------------|
| <b>Investments:</b>                            |                     |                     |
| Initial investment                             | \$ 10,000           | \$ 10,000           |
| Partners' accumulated earnings                 | 4,491,956           | 4,597,025           |
|  | <b>\$ 4,491,956</b> | <b>\$ 4,607,025</b> |
| <b>(i) Financial position:</b>                 |                     |                     |
| Assets:  |                     |                     |
| Current  | \$ 4,041,738        | \$ 4,256,579        |
| Property and equipment                         | 146,257             | 167,579             |
| Forest licenses                                | 1,200,516           | 1,270,366           |
| Undistributed patronage                        | 3,070               | 3,070               |
| Due from related party                         | 2,900,000           | 2,400,000           |
| Total assets                                   | <b>8,291,581</b>    | <b>8,097,594</b>    |
| Liabilities:                                   |                     |                     |
| Current  | 3,481,799           | 3,203,277           |
| Long-term                                      | 295,843             | 265,298             |
| Provision for road decommissioning             | 21,530              | 21,530              |
| Total liabilities                              | <b>3,799,172</b>    | <b>3,490,105</b>    |
| Partners' Equity                               | <b>4,492,409</b>    | <b>4,607,489</b>    |
| Total equity                                   | <b>4,492,409</b>    | <b>4,607,489</b>    |
| Total liabilities and partners' equity         | <b>8,291,581</b>    | <b>8,097,594</b>    |
| <b>(ii) Operations:</b>                        |                     |                     |
| Revenue  | 12,595,948          | 13,240,631          |
| Expenses                                       | 12,711,028          | 11,428,724          |
| Net earnings                                   | <b>\$ (115,080)</b> | <b>1,811,907</b>    |
| The Village's portion of net earnings - 99.99% | <b>\$ (115,069)</b> | <b>\$ 1,811,723</b> |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**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.

|  | 2023                  | 2022                |
|--|-----------------------|---------------------|
| <b>Investments:</b>                            |                       |                     |
| Initial investment                             | \$ 10,000             | \$ 10,000           |
| Partners' accumulated earnings                 | (1,411,366)           | (211,310)           |
|  | <b>\$ (1,401,366)</b> | <b>\$ (201,310)</b> |
| <b>(i) Financial position:</b>                 |                       |                     |
| Assets:  |                       |                     |
| Current  | \$ 1,094,098          | \$ 739,439          |
| Property and equipment                         | 5,313,482             | 6,004,341           |
| Loan receivable                                | 193,446               | 211,638             |
| Total assets                                   | <b>6,601,026</b>      | <b>6,955,418</b>    |
| Liabilities:                                   |                       |                     |
| Current  | 7,992,844             | 7,156,748           |
| Total liabilities                              | <b>7,992,844</b>      | <b>7,156,748</b>    |
| Partners' equity                               | (1,391,818)           | (201,330)           |
| Total equity                                   | <b>(1,391,818)</b>    | <b>(201,330)</b>    |
| Total liabilities and partners' equity         | <b>6,601,026</b>      | <b>6,955,418</b>    |
| <b>(ii) Operations:</b>                        |                       |                     |
| Revenue  | 1,550,960             | 1,039,985           |
| Expenses                                       | 2,751,136             | 1,619,769           |
| Net earnings                                   | <b>\$ (1,200,176)</b> | <b>(579,784)</b>    |
| The Village's portion of net earnings - 99.99% | <b>\$ (1,200,056)</b> | <b>\$ (579,726)</b> |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**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.

|                                     | 2023               | 2022               |
|-------------------------------------|--------------------|--------------------|
| <b>Investments:</b>                 |                    |                    |
| Investment in shares of the company | \$ -               | \$ -               |
| Accumulated earnings                | (16,631)           | (12,223)           |
|                                     | <b>\$ (16,631)</b> | <b>\$ (12,223)</b> |
| <b>(i) Financial position:</b>      |                    |                    |
| Assets:                             |                    |                    |
| Current                             | \$ 15,957          | \$ 19,900          |
| Investment in partnerships          | (144)              | (24)               |
| <b>Total assets</b>                 | <b>15,813</b>      | <b>19,876</b>      |
| Liabilities:                        |                    |                    |
| Current                             | 32,444             | 32,099             |
| <b>Total liabilities</b>            | <b>32,444</b>      | <b>32,099</b>      |
| Retained earnings                   | (16,631)           | (12,223)           |
| <b>Total equity</b>                 | <b>(16,631)</b>    | <b>(12,223)</b>    |
| <b>Total liabilities and equity</b> | <b>15,813</b>      | <b>19,876</b>      |
| <b>(ii) Operations:</b>             |                    |                    |
| Revenue                             | (120)              | (60)               |
| Expenses                            | 4,288              | 5,084              |
| <b>Net earnings</b>                 | <b>\$ (4,408)</b>  | <b>\$ (5,144)</b>  |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**5. Accounts payable and accrued liabilities:**

|                         | 2023              | 2022              |
|-------------------------|-------------------|-------------------|
| Trade                   | \$ 459,471        | \$ 397,695        |
| Wages and related costs | 291,972           | 305,965           |
| Government remittance   | 13,537            | 66,947            |
| Other                   | 3,665             | 16,671            |
| Taxes payable           | 149,894           | 89,852            |
|                         | <b>\$ 918,539</b> | <b>\$ 877,130</b> |

**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.

|                                 | 2023              | 2022              |
|---------------------------------|-------------------|-------------------|
| Balance, beginning of year      | \$ 376,601        | \$ 369,449        |
| Contributions - interest earned | 18,587            | 7,152             |
| Contributions - water and sewer | 40,240            | -                 |
|                                 | <b>\$ 435,428</b> | <b>\$ 376,601</b> |

**7. Deferred revenue:**

|   | 2023              | 2022                |
|---|-------------------|---------------------|
| Unexpended grants - Columbia Basin Trust    | \$ 145,167        | \$ 127,763          |
| Unexpended grants - other                   | 528,507           | 747,648             |
| Ministry of Children and Family Development | -                 | 291,322             |
| Prepaid property taxes                      | 49,546            | 50,234              |
| Deferred revenue - other                    | 154,331           | 163,306             |
|   | <b>\$ 877,551</b> | <b>\$ 1,380,273</b> |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**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<br>Number | Interest<br>rate | Year of<br>maturity | Gross<br>debt | Sinking<br>Fund<br>Assets | Net debt<br>2023 | Net debt<br>2022 |
|-------------|------------------|------------------|---------------------|---------------|---------------------------|------------------|------------------|
| Water Fund: |                  |                  |                     |               |                           |                  |                  |
| Water       | 587              | 4.65%            | 2026                | 178,906       | 105,293                   | 73,613           | 96,288           |
| Water       | 635              | 4.17%            | 2029                | 457,713       | 161,990                   | 295,723          | 338,593          |
|             |                  |                  |                     | \$ 636,619    | \$ 267,283                | \$ 369,336       | \$ 434,881       |

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      |
|-------------------------------|------------|
| 2024                          | \$ 37,852  |
| 2025                          | 37,852     |
| 2026                          | 37,852     |
| 2027                          | 25,746     |
| 2028                          | 25,746     |
| 2029                          | 25,746     |
|                               | 190,794    |
| Estimated sinking fund income | 178,542    |
|                               | \$ 369,336 |



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## **THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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### **8. Debt, net of sinking funds (continued):**

- (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.

### **9. Asset retirement obligation:**

The Village owns and operated several buildings, as well as water and sewer infrastructure that are known to have hazardous material, which represents a health hazard upon demolition or removal of the assets and there is a legal obligation to remove or encapsulate it. Following the adoption of PS 3280 - Asset Retirement Obligations, the Village recognized an obligation relating to the removal and post-removal of the hazardous materials in these assets as estimated at January 1, 2022 in the amount of \$676,945.

The transition and recognition of the asset retirement obligations involved an accompanying increase to tangible capital assets and restatement of prior year numbers (note 12).





# 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, 2023

### 10. Tangible capital assets:

|                                  | 2023         |                                 |                         |                      |                      |                            |                          |               |
|----------------------------------|--------------|---------------------------------|-------------------------|----------------------|----------------------|----------------------------|--------------------------|---------------|
|                                  | Land         | Buildings and site improvements | Machinery and equipment | Roads infrastructure | Water infrastructure | Waste water infrastructure | Construction in progress | Total         |
| <b>Cost:</b>                     |              |                                 |                         |                      |                      |                            |                          |               |
| Balance, beginning of year       | \$ 1,153,267 | \$ 5,475,380                    | \$ 2,757,180            | \$ 6,688,689         | \$ 6,830,713         | \$ 6,101,272               | \$ 1,591,258             | \$ 30,597,759 |
| Additions                        | -            | 2,474,537                       | 184,579                 | 73,035               | -                    | -                          | 2,454,080                | 5,186,231     |
| Disposals                        | -            | (282,972)                       | (1,195)                 | -                    | -                    | -                          | (132,808)                | (416,975)     |
| Balance, end of year             | 1,153,267    | 7,666,945                       | 2,940,564               | 6,761,724            | 6,830,713            | 6,101,272                  | 3,912,530                | 35,367,015    |
| <b>Accumulated amortization:</b> |              |                                 |                         |                      |                      |                            |                          |               |
| Balance, beginning of year       | -            | 2,861,531                       | 1,405,430               | 3,193,961            | 2,570,409            | 2,731,441                  | -                        | 12,762,772    |
| Amortization expense             | -            | 110,539                         | 99,584                  | 199,849              | 150,323              | 130,153                    | -                        | 690,448       |
| Balance, end of year             | -            | 2,972,070                       | 1,505,014               | 3,393,810            | 2,720,732            | 2,861,594                  | -                        | 13,453,220    |
| Net book value, end of year      | \$ 1,153,267 | \$ 4,694,875                    | \$ 1,435,550            | \$ 3,367,914         | \$ 4,109,981         | \$ 3,239,678               | \$ 3,912,530             | \$ 21,913,795 |



# 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, 2023

### 10. Tangible capital assets (continued):

|  | 2022 (restated - note 15) |                                |                         |                      |                      |                            |                          |               |
|--|---------------------------|--------------------------------|-------------------------|----------------------|----------------------|----------------------------|--------------------------|---------------|
|  | Land                      | Building and site improvements | Machinery and equipment | Roads infrastructure | Water infrastructure | Waste water infrastructure | Construction in progress | Total         |
| <b>Cost:</b>                                       |                           |                                |                         |                      |                      |                            |                          |               |
| Balance, beginning of year                         | \$ 1,153,267              | \$ 4,701,069                   | \$ 2,454,896            | \$ 6,688,689         | \$ 6,830,713         | \$ 5,969,831               | \$ 1,591,258             | \$ 29,389,723 |
| Additions  | -                         | 97,366                         | 302,284                 | -                    | -                    | 131,441                    | -                        | 531,091       |
| Adjustment relating to asset retirement obligation | -                         | 676,945                        | -                       | -                    | -                    | -                          | -                        | 676,945       |
| Balance, end of year                               | 1,153,267                 | 5,475,380                      | 2,757,180               | 6,688,689            | 6,830,713            | 6,101,272                  | 1,591,258                | 30,597,759    |
| <b>Accumulated amortization:</b>                   |                           |                                |                         |                      |                      |                            |                          |               |
| 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       |
| Adjustment relating to asset retirement obligation | -                         | 667,103                        | -                       | -                    | -                    | -                          | -                        | 667,103       |
| Balance, end of year                               | -                         | 2,861,531                      | 1,405,430               | 3,193,961            | 2,570,409            | 2,731,441                  | -                        | 12,762,772    |
| Net book value, end of year                        | \$ 1,153,267              | \$ 2,636,568                   | \$ 1,351,750            | \$ 3,494,728         | \$ 4,260,304         | \$ 3,369,831               | \$ 1,591,258             | \$ 17,834,987 |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**11. Accumulated surplus:**

|                                       | 2023                 | 2022                 |
|---------------------------------------|----------------------|----------------------|
| <b>Surplus:</b>                       |                      |                      |
| Invested in tangible capital assets   | \$ 20,867,503        | \$ 16,732,464        |
| General fund:                         |                      |                      |
| Unrestricted                          | 4,739,191            | 6,160,909            |
| Restricted                            | 8,031,667            | 9,356,912            |
| Water utility fund                    | 2,066,690            | 1,503,984            |
| Sanitary sewer fund                   | 4,844,430            | 2,322,483            |
| <b>Total surplus</b>                  | <b>40,549,481</b>    | <b>36,076,752</b>    |
| <b>Reserves set aside by Council:</b> |                      |                      |
| Capital works machinery and equipment | 419,590              | 399,822              |
| Land sales                            | 73,528               | 70,064               |
| Northern Capital Planning Grant       | 2,218,998            | 2,978,433            |
| MFA unexpended funds - water          | 16,798               | 16,007               |
| MFA unexpended funds - sewer          | 291,379              | 277,652              |
| Growing communities funds             | 395,282              | -                    |
| <b>Total reserves</b>                 | <b>3,415,575</b>     | <b>3,741,978</b>     |
|                                       | <b>\$ 43,965,056</b> | <b>\$ 39,818,730</b> |

**12. 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, 2023 aggregated \$34,512 (2022 - \$34,512).

Year ended December 31, 2023

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**12. Commitments and contingencies (continued):**

- (c) The Village and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be 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 \$98,958 (2022 - \$85,653) for employer contributions to the Plan in fiscal 2023.

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



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**12. 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.

**13. 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:

|   | 2023                | 2022                |
|---|---------------------|---------------------|
| Taxes collected:                                    |                     |                     |
| General purposes                                    | \$ 1,009,962        | \$ 932,010          |
| Frontage tax  | 104,749             | 105,129             |
| Grants in lieu of taxes                             | 48,326              | 50,856              |
| Collection of other governments                     | 1,725,801           | 1,545,791           |
|   | <u>2,888,838</u>    | <u>2,633,786</u>    |
| Transfers to other governments:                     |                     |                     |
| Ministry of Education, Province of British Columbia | 645,200             | 552,614             |
| Regional District of Fraser-Fort George             | 705,025             | 700,228             |
| Fraser-Fort George Regional Hospital District       | 274,184             | 210,492             |
| B.C. Assessment Authority                           | 13,778              | 12,175              |
| Municipal Finance Authority                         | 76                  | 62                  |
| Royal Canadian Mounted Police                       | 87,234              | 70,349              |
|   | <u>1,725,497</u>    | <u>1,545,920</u>    |
|   | <u>\$ 1,163,341</u> | <u>\$ 1,087,866</u> |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**14. 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:

|   | 2023                | 2022                |
|---|---------------------|---------------------|
| Provincial grants:                          |                     |                     |
| BC Hydro                                    | \$ 528,085          | \$ 502,447          |
| Miscellaneous Conditional                   | 268,762             | 261,616             |
| Ministry of Children and Family Development | 1,154,089           | 1,591,258           |
| Union of BC Municipalities                  | 1,654,414           | -                   |
| Unconditional                               | 340,000             | 443,000             |
| Growing Communities Fund                    | 954,000             | -                   |
| Subtotal provincial grants                  | 4,899,350           | 2,798,321           |
| Federal grants:                             |                     |                     |
| Gas tax                                     | 107,737             | 102,816             |
| Subtotal federal grants                     | 107,737             | 102,816             |
| Other grants:                               |                     |                     |
| Columbia Basin Trust                        | 425,051             | 262,279             |
| Trans Mountain                              | 123,215             | 348,455             |
| Northern Development Initiative Trust       | 25,000              | 74,600              |
| Northern Health                             | 100,000             | -                   |
| Subtotal other grants                       | 673,266             | 685,334             |
| <b>Total revenue</b>                        | <b>\$ 5,680,353</b> | <b>\$ 3,586,471</b> |



Let the mountains move you

**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**15. Change in accounting policy:**

On January 1, 2022 the Village adopted Public Sector Accounting Standards PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associate with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities, The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method the assumptions used on initial recognition are those as of the date of adoption of the standard.

The Village recognizes an asset retirement obligation related to several buildings, sewer and water infrastructure owned by the Village that contained hazardous material. The liability was measured as of the date of when the Hazardous Material Act was enacted in Canada in 1989 and asbestos was banned. In accordance with the provisions of this new standard , the Village reflected the following adjustments at January 1, 2022:

|                             | As previously reported | Increase (decrease) | As restated   |
|-----------------------------|------------------------|---------------------|---------------|
| Tangible capital assets     | \$ 17,822,480          | \$ 12,507           | \$ 17,834,987 |
| Opening accumulated Surplus | 40,483,114             | (664,348)           | 39,818,730    |
| Asset retirement obligation | -                      | 676,945             | 676,945       |



*Let the mountains move you*

## **THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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### **16. 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.





*Let the mountains move you*

## **THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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### **16. 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 VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**16. 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.

|                                 | 2023                |                     |                         |                                 |                    |                                      |                   |                       |                     |                     |
|---------------------------------|---------------------|---------------------|-------------------------|---------------------------------|--------------------|--------------------------------------|-------------------|-----------------------|---------------------|---------------------|
|                                 | General Government  | Protective Services | Transportation Services | Environmental and Public Health | Legislature        | Recreation and Community Development | Water Utility     | Sanitary Sewer System | Visitor Centre      | Total               |
| <b>Revenue:</b>                 |                     |                     |                         |                                 |                    |                                      |                   |                       |                     |                     |
| Taxation                        | \$ 1,058,591        | \$ -                | \$ -                    | \$ -                            | \$ -               | \$ -                                 | \$ 104,749        | \$ -                  | \$ -                | \$ 1,163,340        |
| User charges                    | 64,266              | 98,998              | -                       | 143,154                         | -                  | 121,108                              | 1,016,043         | 1,413,227             | -                   | 2,856,796           |
| Grants                          | 3,913,404           | -                   | -                       | -                               | -                  | -                                    | -                 | 1,766,949             | -                   | 5,680,353           |
| Investment income               | 618,096             | -                   | -                       | -                               | -                  | -                                    | -                 | -                     | -                   | 618,096             |
| Other                           | (1,321,143)         | -                   | -                       | -                               | -                  | 659,449                              | -                 | -                     | 28,994              | (632,701)           |
| <b>Total revenue</b>            | <b>4,333,214</b>    | <b>98,998</b>       | <b>-</b>                | <b>143,154</b>                  | <b>-</b>           | <b>780,557</b>                       | <b>1,120,792</b>  | <b>3,180,176</b>      | <b>28,994</b>       | <b>9,685,884</b>    |
| <b>Expenses:</b>                |                     |                     |                         |                                 |                    |                                      |                   |                       |                     |                     |
| Salaries and employee benefits  | 707,601             | 124,720             | 222,132                 | 49,778                          | 62,853             | 38,872                               | 113,595           | 128,589               | 111,447             | 1,559,587           |
| Operating                       | 393,641             | 18,607              | 356,112                 | 89,474                          | -                  | 1,050,157                            | 310,052           | 890,926               | 33,002              | 3,141,971           |
| Insurance                       | 47,796              | -                   | -                       | -                               | -                  | -                                    | -                 | -                     | -                   | 47,796              |
| Professional services           | 97,026              | -                   | -                       | -                               | -                  | -                                    | -                 | -                     | -                   | 97,026              |
| Amortization                    | 412,691             | -                   | -                       | -                               | -                  | -                                    | 150,334           | 130,153               | -                   | 693,178             |
| <b>Total expenses</b>           | <b>1,658,755</b>    | <b>143,327</b>      | <b>578,244</b>          | <b>139,252</b>                  | <b>62,853</b>      | <b>1,089,029</b>                     | <b>573,981</b>    | <b>1,149,668</b>      | <b>144,449</b>      | <b>5,539,558</b>    |
| <b>Annual surplus (deficit)</b> | <b>\$ 2,674,459</b> | <b>\$ (44,329)</b>  | <b>\$ (578,244)</b>     | <b>\$ 3,902</b>                 | <b>\$ (62,853)</b> | <b>\$ (308,472)</b>                  | <b>\$ 546,811</b> | <b>\$ 2,030,508</b>   | <b>\$ (115,455)</b> | <b>\$ 4,146,326</b> |



**VALEMOUNT**

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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**16. Segmented information: (continued):**

|                                 | 2022                |                     |                         |                                 |                    |                                      |                   |                       |                    |                     |
|---------------------------------|---------------------|---------------------|-------------------------|---------------------------------|--------------------|--------------------------------------|-------------------|-----------------------|--------------------|---------------------|
|                                 | General Government  | Protective Services | Transportation Services | Environmental and Public Health | Legislature        | Recreation and Community Development | Water Utility     | Sanitary Sewer System | Visitor Centre     | Total               |
| <b>Revenue:</b>                 |                     |                     |                         |                                 |                    |                                      |                   |                       |                    |                     |
| Taxation                        | \$ 982,736          | \$ -                | \$ -                    | \$ -                            | \$ -               | \$ -                                 | \$ 105,129        | \$ -                  | \$ -               | \$ 1,087,866        |
| User charges                    | 35,973              | 84,412              | -                       | 132,831                         | -                  | 127,049                              | 1,084,033         | 1,555,138             | -                  | 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           |
| <b>Total revenue</b>            | <b>5,950,569</b>    | <b>84,412</b>       | <b>-</b>                | <b>132,831</b>                  | <b>-</b>           | <b>781,768</b>                       | <b>1,189,162</b>  | <b>1,555,138</b>      | <b>26,346</b>      | <b>9,720,226</b>    |
| <b>Expenses:</b>                |                     |                     |                         |                                 |                    |                                      |                   |                       |                    |                     |
| 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                       | 439,252             | 7,207               | 350,601                 | 78,535                          | -                  | 1,324,444                            | 227,482           | 229,985               | 73,606             | 2,731,112           |
| 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             |
| <b>Total expenses</b>           | <b>1,626,180</b>    | <b>101,558</b>      | <b>606,029</b>          | <b>126,092</b>                  | <b>59,629</b>      | <b>1,368,116</b>                     | <b>509,929</b>    | <b>496,874</b>        | <b>95,610</b>      | <b>4,990,017</b>    |
| <b>Annual surplus (deficit)</b> | <b>\$ 4,324,389</b> | <b>\$ (17,146)</b>  | <b>\$ (606,029)</b>     | <b>\$ 6,739</b>                 | <b>\$ (59,629)</b> | <b>\$ (586,348)</b>                  | <b>\$ 679,233</b> | <b>\$ 1,058,264</b>   | <b>\$ (69,264)</b> | <b>\$ 4,730,209</b> |



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

**17. 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, 2023 is as follows:

|                          | 2023      | 2022      |
|--------------------------|-----------|-----------|
| MFA Investment pool      | \$ 54,427 | \$ 49,093 |
| Cemetery trust liability | (54,427)  | (49,093)  |

**18. Budget data:**

The budget data presented in these consolidated financial statements is based upon the 2023 operating and capital budgets approved by Council on May 9, 2023 . 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          | \$ 30,926,775 |
| Less:                     |               |
| Transfer from other funds | (13,496,706)  |
| Total revenue             | 17,430,069    |
| Expenses:                 |               |
| Operating budget          | 30,926,774    |
| Less:                     |               |
| Capital expenditures      | (12,876,915)  |
| Debt principal payments   | (38,000)      |
| Transfer from other funds | (10,349,661)  |
|                           | 7,662,198     |
| Annual surplus            | \$ 9,767,871  |



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

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**19. 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.

**20. Comparative information:**

Certain 2022 comparative information has been reclassified. The changes had no impact on prior year annual surplus.



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Schedule 1 - Northern Capital Planning Grant

Year ended December 31, 2023  
(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, 2022, deducts the approved expenses from 2023 and adds interest earned on the reserve fund in 2023 to reach the remaining NCPG reserve fund balance at December 31, 2023 of \$2,220,658.

|  | 2023         |
|--|--------------|
| Opening balance of reserve Northern Capital Planning Grant | \$ 3,201,000 |
| Interest   | 104,538      |
|  | 3,305,538    |
| 2023 expenses incurred                                     |              |
| Dogwood lift station                                       | 93,002       |
| East area lift station                                     | 648,698      |
| High lift station pump                                     | 252,896      |
| 17th Ave Lift Station                                      | 91,944       |
|  | 1,086,540    |
| Allocations by Council                                     |              |
| Remaining NCPG available for allocation in 2024            | \$ 2,218,998 |



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**THE CORPORATION OF THE VILLAGE OF VALEMOUNT**

Schedule 2 - COVID-19 Safe Restart Grant

Year ended December 31, 2023  
(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 \$69,870 within 2023 for the installation of video and audio in the Council Chambers.

|   | 2023       |
|---|------------|
| Balance of COVID-19 Safe Restart grant funds at December 31, 2022 | \$ 349,574 |
| Less amount utilized in 2022:                                     |            |
| Council Chamber video and audio install                           | 69,870     |
|   | 69,870     |
| Village generator   | 259,704    |
| Council Chamber video and audio install                           | 20,000     |
| Total 2023 allocation of COVID-19 Safe Restart grant              | 279,704    |
| Remaining COVID-19 Safe Restart grant for allocation in 2023      | \$ -       |



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Schedule 3 - Growing Communities Fund

Year ended December 31, 2023  
(Unaudited)

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The District received \$954,000 of GCF funding in March 2023.

|                               | 2023       |
|-------------------------------|------------|
| Growing Communities Fund      | \$ 954,000 |
| Interest                      | 12,394     |
|                               | 966,394    |
| Less amount utilized in 2023: |            |
| Staff housing                 | 577,340    |
|                               | \$ 389,054 |