




LAKE COUNTRY
Life. The Okanagan Way.

DISTRICT OF LAKE COUNTRY
2022
FINANCIAL
STATEMENTS

Draft - For discussion purposes only

This page intentionally left blank

District of Lake Country

December 31, 2022

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Statement of Financial Position | 1 |
| Statement of Operations and Accumulated Surplus | 2 |
| Statement of Changes in Net Financial Assets | 3 |
| Statement of Cash Flows | 4 |
| Notes to the Financial Statements | 5 |
| Schedule of Tangible Capital Assets | 20 |
| Schedule of Accumulated Surplus | 22 |
| Schedule of Segment Disclosure | 23 |
| Schedule of COVID-19 Safe Restart Grant | 26 |

Draft - For discussion purposes only

Draft - For discussion purposes only

This page intentionally left blank



Municipal Hall

10150 Bottom Wood Lake Road

Lake Country, BC V4V 2M1

Tel: 250-766-5650

Fax: 250-766-0116

May 9, 2023

The Mayor and Council
District of Lake Country

Mayor Ireland and Council,

In accordance with Section 167 of the Community Charter, I am pleased to present the 2022 Annual Financial Statements of the District of Lake Country for the fiscal year ended December 31, 2022. These statements include the Independent Auditors' Report, the financial statements and the notes and schedules to the financial statements for the District of Lake Country.

The financial statements for the year ended December 31, 2022 were prepared by the District in accordance with Canadian Public Sector Accounting Standards. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for implementing and maintaining a system of good internal controls to safeguard the District's assets and to provide reasonable assurance that reliable and consistent financial information is provided.

Council is responsible for ensuring management fulfills its responsibility for financial reporting and internal control.

The auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion regarding the Annual Financial Statements. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements are free from material error or misstatement.

The District strives to ensure that services are effectively and efficiently delivered to meet Council's and the community's goals and vision. The District is committed to providing sound financial management and long-term strategic planning to achieve these objectives.

Respectfully submitted,

Trevor James, CPA, CA
Chief Financial Officer

Draft - For discussion purposes only

This page intentionally left blank



Independent Auditors' Report

To the Members of Council, Inhabitants and Taxpayers of the District of Lake Country

Opinion

We have audited the financial statements of the District of Lake Country (the "District"), which comprise the statement of financial position as at December 31, 2022, and the statement of changes in net financial assets, statement of operations and accumulated surplus, and statement of cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 4 on page 26 of these financial statements.

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

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

Management is responsible for the preparation and fair presentation of these 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 District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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



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 these financial statements.

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

- Identify and assess the 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 District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Chartered Professional Accountants

Kelowna, British Columbia
May 4, 2023

District of Lake Country

Statement of Financial Position

| As at December 31 | 2022 | 2021 |
|---|-----------------------|-----------------------|
| Financial assets | | |
| Cash and cash equivalents (Note 5) | \$ 39,367,788 | \$ 31,224,222 |
| Accounts receivable (Note 6) | 5,588,116 | 4,578,736 |
| | <u>44,955,904</u> | <u>35,802,958</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 7) | 6,541,346 | 5,639,513 |
| Security deposits | 3,430,764 | 2,931,053 |
| Deferred revenue (Note 8) | 2,979,358 | 3,326,481 |
| Restricted revenue (Note 9) | 3,621,728 | 3,842,210 |
| Long-term debt (Note 10) | 19,666,130 | 5,544,583 |
| | <u>36,239,326</u> | <u>21,283,840</u> |
| Net financial assets | 8,716,578 | 14,519,118 |
| Non-financial assets | | |
| Tangible Capital Assets (Schedule 1) | 215,940,354 | 204,323,383 |
| Acquisition (use) of prepaid expenses | 99,894 | 43,865 |
| Accumulated surplus (Schedule 2) | <u>\$ 224,756,826</u> | <u>\$ 218,886,366</u> |
| Contingent liabilities and commitments (Note 11) | | |

Trevor James, CPA, CA
Chief Financial Officer

Blair Ireland
Mayor

See accompanying notes to the financial statements.

District of Lake Country

Statement of Operations and Accumulated Surplus

| For the year ended December 31 | <u>2022 Budget *</u> | <u>2022 Actual</u> | <u>2021 Actual</u> |
|---|-----------------------|-----------------------|-----------------------|
| Revenue | | | |
| Taxation (Note 12) | \$ 19,797,497 | \$ 19,940,042 | \$ 18,600,618 |
| Utility revenues | 5,366,999 | 5,664,959 | 5,359,032 |
| Services provided to other governments | 289,400 | 328,370 | 469,072 |
| Sale of services | 3,033,890 | 3,072,712 | 3,203,456 |
| Permits and licences | 1,269,800 | 1,292,926 | 1,329,359 |
| Interest on Investments | 775,419 | 1,126,020 | 797,372 |
| Government transfers (Note 13) | 17,528,923 | 1,795,768 | 4,390,096 |
| Developer contributions | 3,857,176 | 2,954,756 | 6,792,040 |
| Other revenue | 712,620 | 736,549 | 437,341 |
| | <u>52,631,724</u> | <u>36,912,102</u> | <u>41,378,386</u> |
| Expenses | | | |
| General Government Services | 4,215,133 | 4,390,421 | 4,314,531 |
| Protective Services | 5,397,917 | 5,263,175 | 4,436,403 |
| Transportation Services | 6,425,683 | 5,761,547 | 5,339,919 |
| Environmental Services | 1,784,165 | 1,645,406 | 1,598,836 |
| Planning and Development Services | 1,710,647 | 1,596,355 | 2,344,731 |
| Parks and Recreation Services | 4,642,032 | 5,044,842 | 4,244,329 |
| Water Services | 4,474,813 | 4,261,642 | 3,779,554 |
| Sewer Services | 2,192,350 | 2,296,878 | 2,364,663 |
| Interest expense | 632,309 | 781,376 | 569,149 |
| | <u>31,475,049</u> | <u>31,041,642</u> | <u>28,992,115</u> |
| Annual surplus | 21,156,675 | 5,870,460 | 12,386,271 |
| Accumulated surplus, beginning of year | 218,886,366 | 218,886,366 | 206,500,095 |
| Accumulated surplus, end of year | <u>\$ 240,043,041</u> | <u>\$ 224,756,826</u> | <u>\$ 218,886,366</u> |

* Note 3

See accompanying notes to the financial statements.

District of Lake Country

Statement of Changes in Net Financial Assets

| For the Year Ended December 31 | 2022 Budget | 2022 Actual | 2021 Actual |
|--|------------------------|---------------------|----------------------|
| Unrestricted annual surplus | \$ 21,156,675 | \$ 5,870,460 | \$ 12,386,271 |
| Acquisition of tangible capital assets | (46,049,722) | (15,973,412) | (22,954,802) |
| Developer contribution of tangible capital assets | - | (1,076,748) | (747,175) |
| Amortization of tangible capital assets | 4,336,190 | 5,389,600 | 4,659,568 |
| Net (gain)/loss on disposal of tangible capital assets | - | 20,565 | (2,395) |
| Proceeds from disposal of tangible capital assets | 5,200 | 23,024 | 7,395 |
| Acquisition (use) of prepaid expenses | - | (56,029) | 16,960 |
| (Decrease)/increase in net financial assets | (20,551,657) | (5,802,540) | (6,634,178) |
| Net financial assets, beginning of year | - | 14,519,118 | 21,153,296 |
| Net financial assets, end of year | \$ (20,551,657) | \$ 8,716,578 | \$ 14,519,118 |

See accompanying notes to the financial statements.

District of Lake Country

Statement of Cash Flows

| For the year ended December 31 | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Net inflow (outflow) of cash and cash equivalents related to the following activities | | |
| Operating activities | | |
| Annual surplus for the year | \$ 5,870,460 | \$ 12,386,271 |
| Adjustment for non-cash items | | |
| Amortization of tangible capital assets | 5,389,600 | 4,659,568 |
| Developer contribution of tangible capital assets | (1,076,748) | (747,175) |
| Net gain on disposal of tangible capital assets | 20,565 | (2,395) |
| Actuarial adjustment on long-term debt | (340,207) | (423,067) |
| Acquisition of prepaid expenses | (56,029) | 16,960 |
| Increase/(decrease) in | | |
| Accounts receivable | (1,009,380) | 2,358,239 |
| Accounts payable | 901,833 | (4,750,128) |
| Security deposits | 499,711 | 750,558 |
| Deferred revenue | (347,123) | 397,544 |
| | <u>9,852,682</u> | <u>14,646,375</u> |
| Financing activities | | |
| Restricted revenue development cost charges, net | (220,482) | (4,321,840) |
| Proceeds from issuance of long-term debt | 14,964,000 | - |
| Repayment of long-term debt | (502,246) | (576,266) |
| | <u>14,241,272</u> | <u>(4,898,106)</u> |
| Capital activities | | |
| Acquisition of tangible capital assets | (15,973,412) | (22,954,802) |
| Proceeds from disposal of tangible capital assets | 23,024 | 7,395 |
| | <u>(15,950,388)</u> | <u>(22,947,407)</u> |
| Increase in cash and cash equivalents | 8,143,566 | (13,199,138) |
| Cash and cash equivalents, beginning of year | 31,224,222 | 44,423,360 |
| Cash and cash equivalents, end of year | <u>\$ 39,367,788</u> | <u>\$ 31,224,222</u> |
| Supplementary cash flow information | | |
| Interest paid | \$ 781,376 | \$ 569,149 |

See accompanying notes to the financial statements.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

The notes to the financial statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the financial statements.

1. Nature of entity

The District of Lake Country (“the District”) was incorporated under the laws of British Columbia in 1995 and is engaged in the operation of a municipality.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

The following is a summary of the District’s significant accounting policies:

Basis of presentation

The District’s resources and operations are segregated into General, Water, Sewer and Statutory Reserve Funds for accounting and financial reporting purposes. Each of these funds is further segregated into operating and capital funds, where applicable. The financial statements include all of the accounts of these funds.

Accrual accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measured.

Cash and cash equivalents

Management classifies all term deposits and highly liquid investments that are cashable on demand as cash equivalents.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

2. Significant accounting policies (continued)

Tangible capital assets (continued)

The estimated useful lives are as follows:

| <u>Tangible capital assets</u> | <u>Estimated useful life</u> |
|------------------------------------|------------------------------|
| Land improvements | 10 - 50 years |
| Buildings | 50 years |
| Furniture and equipment | 5 - 20 years |
| Vehicles and machinery | 8 - 20 years |
| IT Infrastructure | 5 years |
| Road surface | 20 years |
| Road base | 80 - 99 years |
| Other road structures | 20 - 50 years |
| Water, sewer, and other structures | 25 - 80 years |

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Work in Progress is valued at cost and represents capital projects under construction but not yet ready for use. Amortization commences once the individual projects are capitalized.

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

The District has numerous works of art located throughout the District which are not reflected in these financial statements due to the subjectivity as to their value.

Supplies on hand

Supplies are charged to operations when purchased.

Capitalization of interest

The District capitalizes interest on temporary borrowing until the completion of the project that is to be financed by debenture debt at the current rate of the District's short-term borrowing.

Debenture debt

Outstanding debenture debt is reported net of sinking fund balances.

Debt charges

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

2. Significant accounting policies (continued)

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the District is directly responsible and accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

Municipal Finance Authority debt reserve deposits

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

| | Demand Notes | Cash Deposits | Total 2022 | Total 2021 |
|--------------|-------------------------|--------------------------|-----------------------|-----------------------|
| General Fund | \$ 287,841 | \$ 124,797 | \$ 412,638 | \$ 217,819 |
| Water Fund | 71,511 | 27,172 | 98,683 | 98,089 |
| Sewer Fund | 416,207 | 206,429 | 622,636 | 323,043 |
| | <u>\$ 775,559</u> | <u>\$ 358,398</u> | <u>\$ 1,133,957</u> | <u>\$ 638,951</u> |

Reserve funds

Non-statutory reserves represent an appropriation of surplus for specific purposes. Reserves for future capital expenditures represent funds to finance incomplete capital projects. Statutory reserves are restricted by the Community Charter and the associated municipal bylaws that established the reserves.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

2. Significant accounting policies (continued)

Revenue recognition

Taxes are recognized as revenue in the year they are levied. Through the BC Assessment appeal process property assessment values may be adjusted through a supplementary roll. Decreases or increases of taxation as a result of these re-assessments are recognized at the time they are awarded.

Fees and charges for protective, transportation, environmental, development, community and customer services, water and sewer fees are recorded on the accrual basis and recognized as earned, which is usually when services are provided.

Investment income is recorded on the accrual basis and recognized when earned.

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the District, and a reasonable estimate of the amount to be received can be made.

Developer contributions are recognized as revenue during the period in which the related costs are incurred or when infrastructure is turned over to the District.

Expenses

Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and tangible capital assets estimated useful life and related amortization. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

3. Budget figures

The budget adopted by Mayor and Council on March 15, 2022 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$21,156,675. In addition, the budget expensed all tangible capital asset expenditures. As a result, the budget figures presented in the statement of operations and the statement of changes in net financial assets (net debt) represent the budget adopted by Mayor and Council with adjustments as follows:

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

5. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with maturities of 90 days or less from the date of acquisition. Cash and cash equivalents are recorded at cost and are comprised of the following:

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Cash | \$ 4,952,375 | \$ 7,278,680 |
| Term Deposits | 27,122,725 | 15,271,427 |
| Chartered Bank Accrual Notes and Debentures | <u>7,292,688</u> | <u>8,674,115</u> |
| Total Cash and Cash Equivalents | <u>\$ 39,367,788</u> | <u>\$ 31,224,222</u> |

Included in 2022 cash and cash equivalents is \$3,224,923 (2021 - \$2,669,051) relating to performance deposits, the use of which is subject to certain restrictions.

Operating line of credit

The District has an operating line of credit with the Toronto Dominion Commercial Bank for an authorized amount of \$1,500,000, bearing interest at bank prime rate. At December 31 the balance outstanding on the operating line of credit was \$nil (2021 - \$nil).

6. Accounts receivable

Accounts receivable are recorded net of allowance and is comprised of the following:

| | <u>2022</u> | <u>2021</u> |
|----------------------------|---------------------|---------------------|
| Property tax receivables | \$ 835,663 | \$ 969,327 |
| Trade receivables | 1,935,496 | 730,305 |
| Due from other governments | 864,374 | 1,605,574 |
| Water utility fees | <u>1,952,583</u> | <u>1,273,530</u> |
| | <u>\$ 5,588,116</u> | <u>\$ 4,578,736</u> |

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of the following:

| | <u>2022</u> | <u>2021</u> |
|--------------------------|---------------------|---------------------|
| Accounts payable | \$ 1,790,728 | \$ 2,274,299 |
| Due to other governments | 3,174,227 | 1,504,081 |
| Trade contract holdbacks | 1,032,120 | 1,307,651 |
| Wages and benefits | <u>544,271</u> | <u>553,482</u> |
| | <u>\$ 6,541,346</u> | <u>\$ 5,639,513</u> |

8. Deferred revenue

The District records deferred revenue for funds received in advance on services not yet rendered and is recognized as revenue during the period in which the services are provided. Because these funds are restricted in nature, they are shown as a liability.

| | <u>2021</u> | <u>Deferred revenue received</u> | <u>Deferred revenue recognized</u> | <u>2022</u> |
|------------------------------|---------------------|--|--|---------------------|
| Prepaid taxes | \$ 1,751,864 | \$ 1,665,119 | \$ (1,751,864) | \$ 1,665,119 |
| Prepaid water utility fees | 17,397 | 17,666 | (17,397) | 17,666 |
| Prepaid leisure service fees | 34,099 | 29,940 | (34,099) | 29,940 |
| Deferred parcel tax | 26,166 | - | - | 26,166 |
| Other | <u>1,496,955</u> | <u>10,653</u> | <u>(267,141)</u> | <u>1,240,467</u> |
| | <u>\$ 3,326,481</u> | <u>\$ 1,723,378</u> | <u>\$ (2,070,501)</u> | <u>\$ 2,979,358</u> |

9. Restricted revenue

Development cost charges and parkland acquisition funds

Pursuant to the provisions of the Local Government Act, development cost charges (“DCC’s”) and parkland acquisition funds are held in statutory reserve funds for the purposes for which the charges have been imposed. When the related costs are incurred, the DCC’s and parkland acquisition funds are recognized as revenue. Because these funds are restricted in nature, they are shown as a liability.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

9. Restricted revenue (continued)

| | Development cost charge restricted revenue 2022 | Parkland acquisition restricted revenue 2022 | Total 2022 | Total 2021 |
|-------------------------------|---|--|---------------------|---------------------|
| Financial assets: | | | | |
| Cash | \$ 2,902,252 | \$ - | \$ 2,902,252 | \$ 3,842,210 |
| Accounts receivable | 719,476 | - | 719,476 | - |
| | <u>3,621,728</u> | <u>-</u> | <u>3,621,728</u> | <u>3,842,210</u> |
| Balance, beginning of year | 3,842,210 | - | 3,842,210 | 8,164,050 |
| Contributions from developers | 1,483,173 | - | 1,483,173 | 1,321,592 |
| Permit adjustments | (4,150) | - | (4,150) | (70,572) |
| Interest on investments | 81,943 | - | 81,943 | 117,696 |
| Capital financing | <u>(1,781,448)</u> | <u>-</u> | <u>(1,781,448)</u> | <u>(5,690,556)</u> |
| Balance, end of year | <u>\$ 3,621,728</u> | <u>\$ -</u> | <u>\$ 3,621,728</u> | <u>\$ 3,842,210</u> |

In accordance with Section 562 of the Local Government Act, no DCC's were waived or reduced for eligible development as defined under Section 563 of the Act.

The balances of the DCC reserves can be itemized as follows:

| | <u>2022</u> | <u>2021</u> |
|--------------|---------------------|---------------------|
| Roads DCC | \$ 1,061,363 | \$ 1,329,991 |
| Drainage DCC | 873,702 | 908,186 |
| Park DCC | 1,498,396 | 1,392,168 |
| Water DCC | 1,305,035 | 931,481 |
| Sewer DCC | <u>(1,116,768)</u> | <u>(719,616)</u> |
| | <u>\$ 3,621,728</u> | <u>\$ 3,842,210</u> |

District of Lake Country
Notes to the Financial Statements
For the year ended December 31, 2022

10. Long-term debt

| | <u>Interest rate</u> | <u>Year of maturity</u> | <u>Balance, beginning of year</u> | <u>Additions</u> | <u>Principal payment</u> | <u>Actuarial adjustment</u> | <u>Balance, end of year</u> |
|----------------------|----------------------|-------------------------|-----------------------------------|----------------------|--------------------------|-----------------------------|-----------------------------|
| General Fund | | | | | | | |
| MFA Issue 78 | 5.850% | 2022 | \$ 43,372 | \$ - | \$ 17,164 | \$ 26,208 | \$ - |
| MFA Issue 104 | 5.150% | 2028 | 740,633 | - | 56,316 | 37,455 | 646,862 |
| MFA Issue 105 | 4.900% | 2029 | 247,703 | - | 16,790 | 10,092 | 220,821 |
| MFA Issue 133 | 2.750% | 2035 | 2,009,313 | - | 92,470 | 21,199 | 1,895,644 |
| MFA Issue 157 | 3.360% | 2042 | - | 6,124,000 | - | - | 6,124,000 |
| | | | <u>3,041,021</u> | <u>6,124,000</u> | <u>182,740</u> | <u>94,954</u> | <u>8,887,327</u> |
| Water Fund | | | | | | | |
| MFA Issue 105 | 4.900% | 2024 | 230,964 | - | 46,213 | 27,776 | 156,975 |
| MFA Issue 114 | 3.650% | 2026 | 146,456 | - | 27,229 | - | 119,227 |
| MFA Issue 114 | 3.650% | 2026 | 95,714 | - | 17,796 | - | 77,918 |
| MFA Issue 127 | 3.300% | 2029 | 269,667 | - | 22,241 | 7,026 | 240,400 |
| | | | <u>742,801</u> | <u>-</u> | <u>113,479</u> | <u>34,802</u> | <u>594,520</u> |
| Sewer Fund | | | | | | | |
| MFA Issue 70 | 5.745% | 2024 | 960,714 | - | 145,900 | 160,265 | 654,549 |
| MFA Issue 78 | 2.100% | 2022 | 61,137 | - | 24,194 | 36,943 | - |
| MFA Issue 126 | 3.850% | 2033 | 738,910 | - | 35,933 | 13,243 | 689,734 |
| MFA Issue 158 | 4.090% | 2042 | - | 8,840,000 | - | - | 8,840,000 |
| | | | <u>1,760,761</u> | <u>8,840,000</u> | <u>206,027</u> | <u>210,451</u> | <u>10,184,283</u> |
| Total long-term debt | | | <u>\$ 5,544,583</u> | <u>\$ 14,964,000</u> | <u>\$ 502,246</u> | <u>\$ 340,207</u> | <u>\$ 19,666,130</u> |

The principal repayments on long-term debt required in each of the five years and thereafter are as follows:

| | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>Thereafter</u> | <u>Total</u> |
|----------------------|---------------------|---------------------|-------------------|-------------------|-------------------|---------------------|----------------------|
| General Fund | \$ 405,314 | \$ 405,314 | \$ 405,314 | \$ 405,314 | \$ 405,314 | \$ 4,425,708 | \$ 6,452,278 |
| Water Fund | 115,122 | 116,825 | 72,377 | 74,207 | 22,240 | 44,480 | 445,251 |
| Sewer Fund | 494,423 | 494,423 | 348,524 | 348,524 | 348,524 | 4,904,474 | 6,938,892 |
| Actuarial Adjustment | - | - | - | - | - | - | 5,829,709 |
| | <u>\$ 1,014,859</u> | <u>\$ 1,016,562</u> | <u>\$ 826,215</u> | <u>\$ 828,045</u> | <u>\$ 776,078</u> | <u>\$ 9,374,662</u> | <u>\$ 19,666,130</u> |

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

11. Contingent liabilities and commitments

Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each electoral area and member municipality within the Regional District, including the District of Lake Country. The loan agreements with the Regional District of Central Okanagan and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

Legal actions

The District is currently engaged in certain legal actions, the outcome of which is not determinable at this time. Accordingly, no provision has been made in the accounts for these actions. The amount of loss, if any, arising from these actions will be recorded in the accounts in the period in which the loss becomes estimable and likely.

Pension liability

The District and its employees contribute to the Municipal Pension Plan (a jointly trusted pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021 the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local government.

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 maybe adjusted for the amortization of any unfunded actuarial liability.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

11. Contingent liabilities and commitments (continued)

Pension liability (continued)

The most recent valuation for the Municipal Pension Plan as at December 31, 2022 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$706,234 (2021 - \$682,711) for employer contributions, while employees contributed \$641,780 (2021 - \$593,963) 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.

Letter of Credit

The District holds an irrevocable letter of credit in the amount of \$97,540. The letter of credit is being held as a deposit on a capital project being administered by the Department of Fisheries and Oceans.

Commitments

The District has entered into various agreements and contracts for services with periods ranging from one to twenty years.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

12. Taxation

In 2022 the District collected \$13,042,798 (2021 - \$11,978,991) on behalf of other taxing jurisdictions and transferred this amount to those other authorities. The collections and transfers are itemized as follows:

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Collections for and transfers to other governments | | |
| Taxes collected | | |
| Property taxes | \$ 29,565,734 | \$ 27,170,350 |
| Special assessments | 2,849,202 | 2,827,246 |
| 1% utility tax | 235,704 | 236,957 |
| Penalties and interest on taxes | 286,218 | 299,576 |
| Grant in lieu of taxes | 45,982 | 45,480 |
| | <u>32,982,840</u> | <u>30,579,609</u> |
| Less transfer to other governments | | |
| Province of BC (school taxes) | 8,948,420 | 8,092,864 |
| BC Assessment Authority | 247,219 | 221,835 |
| Municipal Finance Authority | 1,362 | 1,042 |
| Regional Hospital District | 1,431,032 | 1,363,143 |
| Okanagan Regional Library | 723,274 | 690,842 |
| Regional District of Central Okanagan | 1,691,491 | 1,609,265 |
| | <u>13,042,798</u> | <u>11,978,991</u> |
| Net taxes available for municipal purposes | <u>\$ 19,940,042</u> | <u>\$ 18,600,618</u> |

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

13. Government transfers

In 2022 the District received and recorded as revenue the following transfers:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Federal Conditional Transfers | | |
| Federal Gas Tax Strategic Priorities Fund | \$ - | \$ 1,662,562 |
| Provincial Unconditional Transfers | | |
| Traffic Fine Revenue Sharing Grant | 83,488 | 99,795 |
| Small Community Grant | 327,000 | 272,000 |
| Climate Action Revenue Incentive Program | 136,082 | 24,609 |
| | <u>546,570</u> | <u>396,404</u> |
| Provincial Conditional Transfers | | |
| COVID-19 Resilience Infrastructure Grant | - | 622,786 |
| Community Economic Recovery Infrastructure Grant | 117,708 | 131,763 |
| Investing in Canada Infrastructure Program | 94,084 | - |
| New Spaces Grant | - | 50,000 |
| Other Conditional Transfers | 175,024 | 71,426 |
| | <u>386,816</u> | <u>875,975</u> |
| Regional and Other External Conditional Transfers | | |
| Gas Tax Community Works Fund | 626,603 | 1,225,899 |
| Student Grants | 19,693 | - |
| Gas Tax General Strategic Priorities Fund | 35,037 | 34,730 |
| Okanagan Basin Water Board | 181,049 | 194,526 |
| | <u>862,382</u> | <u>1,455,155</u> |
| Total government transfers | <u>\$ 1,795,768</u> | <u>\$ 4,390,096</u> |

14. Letters of credit

As of December 31, the District is holding letters of credit in the amount of \$7,109,966 (2021 - \$6,444,590), which are received as security related to performance deposits.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

15. Segmented information

The District of Lake Country is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes the District's operations and activities are organized and reported by funds and departments. The General Fund reports on property tax supported operations, which include services provided by the District to citizens such as general government, protective, transportation, environmental, planning and development and community and customer services. The utility operations are comprised of the water and sewer systems, each accounting for its own operations and programs within their own funds. Operating results reported by the following segments is included in Schedule 3.

General Government services

General Government operations are primarily funded by property taxation and business tax revenues. The expenses within the department are for legislative, general administration, human resources and finance functions within the municipality. The general revenue reported under the department includes revenues associated with taxation, business licence revenues and payments in-lieu of taxes. These revenues have not been apportioned to other departments supported by the General Fund.

Protective services

Protective services are comprised of police services provided by the Royal Canadian Mounted Police and fire services. The mandate of the police is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders, and enforce the law. The fire department is responsible for effective fire protection and public safety services to the District. This includes fire prevention, fire safety inspections, fire control and/or suppression. Bylaw enforcement is also reported under this department.

Transportation services

Transportation services are responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway and drainage systems and street lighting.

Environmental services

Environmental services are comprised of transit, garbage and recycling services, as well as the Lake Country hydroelectric generating station.

Planning and Development

Planning and Development services monitor compliance with Council policies governing subdivision, land use and building inspection. This department also provides economic development services within the municipality.

Parks and Recreation

Parks and Recreation services provide services related to recreation, leisure and culture. The facilities managed within this department include parks, arena, seniors centre, community theatre and the community complex.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2022

15. Segmented information (continued)

Water systems

The Water department provides safe drinking water to citizens of Lake Country. Revenue and expenses represent the amounts that are directly attributable to the function of the water department. Water is accounted for in its own fund.

Sewer system

The Sewer department manages the wastewater treatment plants and sewer collection system. Sewer is accounted for in its own fund.

16. Expenses by object

Total expenses by object are itemized in Schedule 3 – Segment Disclosure.

17. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation format adopted for the current year.

District of Lake Country

Schedule 1 - Schedule of Tangible Capital Assets

| For the Year Ended December 31 | Land | Land Improvements | Buildings | Furniture & Equipment | Vehicle & Machinery | IT Infrastructure |
|---|----------------------|----------------------|----------------------|--------------------------|------------------------|----------------------|
| COST | | | | | | |
| Opening Balance | \$ 38,595,930 | \$ 10,406,676 | \$ 43,337,231 | \$ 2,908,275 | \$ 7,525,005 | \$ 959,892 |
| Add: additions | 175,000 | 2,938 | 399,299 | 218,038 | 367,999 | 1,171,740 |
| Add: contributed capital | - | - | - | - | - | - |
| Less: disposals/transfers | - | - | - | - | (133,770) | (119,364) |
| Closing balance | <u>38,770,930</u> | <u>10,409,614</u> | <u>43,736,530</u> | <u>3,126,313</u> | <u>7,759,234</u> | <u>2,012,268</u> |
| ACCUMULATED AMORTIZATION | | | | | | |
| Opening Balance | - | 1,907,490 | 8,307,726 | 1,656,468 | 3,458,447 | 538,433 |
| Add: amortization | - | 541,894 | 915,552 | 146,117 | 465,883 | 216,342 |
| Less: accumulated amortization on disposals | - | - | - | - | (90,182) | (119,364) |
| Closing balance | <u>-</u> | <u>2,449,384</u> | <u>9,223,278</u> | <u>1,802,585</u> | <u>3,834,148</u> | <u>635,411</u> |
| Net book value, December 31, 2022 | <u>38,770,930</u> | <u>7,960,230</u> | <u>34,513,252</u> | <u>1,323,728</u> | <u>3,925,086</u> | <u>1,376,857</u> |
| Net book value, December 31, 2021 | <u>\$ 38,595,930</u> | <u>\$ 8,499,186</u> | <u>\$ 35,029,505</u> | <u>\$ 1,251,807</u> | <u>\$ 4,066,558</u> | <u>\$ 421,459</u> |

District of Lake Country

Schedule 1 - Schedule of Tangible Capital Assets

| For the Year Ended December 31 | Engineering Structures | | | | | 2022 Total | 2021 Total |
|---|------------------------|----------------------|----------------------|--------------------------|----------------------|--------------------|-----------------------|
| | Water | Sewer | Roads | Environmental & Other | Work-in- Progress | | |
| COST | | | | | | | |
| Opening Balance | \$ 50,441,679 | \$ 21,568,154 | \$ 59,024,189 | \$ 4,118,791 | \$ 18,269,080 | \$257,154,902 | \$ 233,460,467 |
| Add: additions | 5,214,252 | 1,179,546 | 7,164,082 | - | 13,816,888 | 29,709,782 | 41,326,280 |
| Add: contributed capital | 122,844 | 56,900 | 897,004 | - | - | 1,076,748 | 747,175 |
| Less: disposals/transfers | - | - | - | - | (13,736,369) | (13,989,503) | (18,379,020) |
| Closing balance | <u>55,778,775</u> | <u>22,804,600</u> | <u>67,085,275</u> | <u>4,118,791</u> | <u>18,349,599</u> | <u>273,951,929</u> | <u>257,154,902</u> |
| ACCUMULATED AMORTIZATION | | | | | | | |
| Opening Balance | 11,877,859 | 5,221,269 | 18,576,703 | 1,287,124 | - | 52,831,519 | 48,174,493 |
| Add: amortization | 1,065,294 | 421,236 | 1,514,312 | 102,972 | - | 5,389,602 | 4,659,568 |
| Less: accumulated amortization on disposals | - | - | - | - | - | (209,546) | (2,542) |
| Closing balance | <u>12,943,153</u> | <u>5,642,505</u> | <u>20,091,015</u> | <u>1,390,096</u> | <u>-</u> | <u>58,011,575</u> | <u>52,831,519</u> |
| Net book value, December 31, 2022 | <u>42,835,622</u> | <u>17,162,095</u> | <u>46,994,260</u> | <u>2,728,695</u> | <u>18,349,599</u> | <u>215,940,354</u> | |
| Net book value, December 31, 2021 | <u>\$ 38,563,820</u> | <u>\$ 16,346,885</u> | <u>\$ 40,447,486</u> | <u>\$ 2,831,667</u> | <u>\$ 18,269,080</u> | | <u>\$ 204,323,383</u> |

District of Lake Country

Schedule 2 - Schedule of Accumulated Surplus

| For the year ended December 31, 2022 | Balances, Beginning of Year | Withdrawals | Contributions | Transfer to Capital | Interest & Actuarial Adjustments | Balances, End of Year |
|---|-----------------------------------|------------------------|----------------------|------------------------|--|--------------------------|
| Surplus and Non-Statutory Reserves | | | | | | |
| General fund surplus | \$ 3,153,488 | \$ (411,626) | \$ 319,768 | \$ (483,395) | \$ 294 | \$ 2,578,529 |
| Water fund surplus | 1,200,677 | - | - | - | 26,656 | 1,227,333 |
| Sewer fund surplus | 460,382 | - | - | - | 10,221 | 470,603 |
| General capital reserve | 2,470,748 | - | 1,095,737 | (616,942) | 60,165 | 3,009,708 |
| Water capital reserve | 4,849,256 | - | 1,794,544 | (1,647,414) | 109,287 | 5,105,673 |
| Sewer capital reserve | 486,583 | - | 304,260 | (325,459) | 10,568 | 475,952 |
| Climate action reserve | 1,910,463 | - | 353,223 | (15,531) | 46,161 | 2,294,316 |
| Community works gas tax reserve | 1,258,531 | - | 626,603 | (407,305) | 30,374 | 1,508,203 |
| Equipment acquisition and replacement reserve | 484,711 | - | 360,148 | (165,003) | 12,927 | 692,783 |
| Facilities reserve | 568,545 | - | 633,392 | (332,597) | 15,154 | 884,494 |
| Financial stabilization reserve | 2,261,880 | (480,215) | - | (370,046) | 40,777 | 1,452,396 |
| Fire facilities and equipment reserve | 905,925 | - | 391,500 | (447,436) | 19,491 | 869,480 |
| Future servicing works reserve | 974,657 | - | 445,869 | - | - | 1,420,526 |
| Future capital expenditures reserve | 496,895 | (339,129) | - | - | - | 157,766 |
| Information technology reserve | 607,600 | - | 300,000 | (319,451) | 13,273 | 601,422 |
| Road maintenance services reserve | - | - | 50,000 | - | - | 50,000 |
| Policing reserve | 1,653,429 | (300,000) | 382,826 | (130,850) | 36,174 | 1,641,579 |
| Solid waste reserve | 666,222 | - | 165,836 | (60,410) | 15,961 | 787,609 |
| Transportation infrastructure reserve | 1,524,756 | - | 1,400,532 | (944,031) | 38,917 | 2,020,174 |
| Transit Reserve | 90,176 | - | 88,872 | - | 2,989 | 182,037 |
| | <u>26,024,924</u> | <u>(1,530,970)</u> | <u>8,713,110</u> | <u>(6,265,870)</u> | <u>489,389</u> | <u>27,430,583</u> |
| Statutory Reserves | | | | | | |
| Access to body of water reserve | 2,043 | - | - | - | 46 | 2,089 |
| Land sale reserve | 10,843 | - | - | - | 241 | 11,084 |
| Parkland acquisition reserve | 193,757 | - | - | - | 4,302 | 198,059 |
| | <u>206,643</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,589</u> | <u>211,232</u> |
| Investment in Non Financial Assets | | | | | | |
| Equity in tangible capital assets | 192,654,799 | (13,432,401) | 17,552,405 | - | 340,208 | 197,115,011 |
| Accumulated surplus | <u>\$ 218,886,366</u> | <u>\$ (14,963,371)</u> | <u>\$ 26,265,515</u> | <u>\$ (6,265,870)</u> | <u>\$ 834,186</u> | <u>\$ 224,756,826</u> |

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

| | General Government Services | | Protective Services | | Transportation Services | |
|---|-----------------------------|----------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| | 2022 Budget | 2022 Actual | 2022 Budget | 2022 Actual | 2022 Budget | 2022 Actual |
| For the year ended December 31 | | | | | | |
| Revenue | | | | | | |
| Taxation | \$ 15,813,740 | \$ 15,925,064 | \$ 2,521,633 | \$ 2,521,349 | \$ - | \$ - |
| Utility revenues | - | 6,471 | - | - | - | - |
| Services provided to other governments | - | - | - | - | - | - |
| Sale of services | 44,900 | 43,089 | 12,000 | 18,374 | 286,680 | 202,062 |
| Permits and licences | 128,200 | 142,726 | 17,000 | 32,024 | 84,500 | 77,489 |
| Interest on Investments | 419,954 | 843,889 | - | - | - | - |
| Government transfers | 1,198,225 | 1,262,920 | 81,600 | 83,488 | 547,579 | 71,513 |
| Developer contributions | 16,500 | 96,560 | - | - | 1,506,829 | 672,034 |
| Other revenue | 133,720 | 164,055 | 25,100 | 33,720 | 115,802 | 183,235 |
| Total revenue | 17,755,239 | 18,484,774 | 2,657,333 | 2,688,955 | 2,541,390 | 1,206,333 |
| Expenses | | | | | | |
| Salaries, wages and benefits | 2,713,774 | 3,099,615 | 1,786,769 | 1,716,277 | 916,549 | 783,357 |
| Contract services | 1,097,017 | 780,574 | 3,132,842 | 2,763,390 | 3,477,116 | 2,807,067 |
| Grants to community organizations | 41,575 | 32,124 | 7,000 | 7,000 | - | - |
| Materials and supplies | 206,154 | 212,097 | 220,368 | 229,091 | 253,388 | 297,063 |
| Utilities | - | - | 27,350 | 41,422 | 108,000 | 111,136 |
| Amortization | 156,613 | 266,011 | 223,588 | 483,805 | 1,670,630 | 1,762,924 |
| Loss on disposal of tangible capital assets | - | - | - | 22,190 | - | - |
| Interest expense | 13,000 | 10,332 | 89,104 | 150,238 | 33,201 | 30,654 |
| Other Expenses | - | - | - | - | - | - |
| Total expenses | 4,228,133 | 4,400,753 | 5,487,021 | 5,413,413 | 6,458,884 | 5,792,201 |
| Annual surplus (deficit) | \$ 13,527,106 | \$ 14,084,021 | \$ (2,829,688) | \$ (2,724,458) | \$ (3,917,494) | \$ (4,585,868) |

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

| | Environmental Services | | Planning and Development | | Parks and Recreation | |
|---|------------------------|---------------------|--------------------------|---------------------|-----------------------|-----------------------|
| | 2022 Budget | 2022 Actual | 2022 Budget | 2022 Actual | 2022 Budget | 2022 Actual |
| For the year ended December 31 | | | | | | |
| Revenue | | | | | | |
| Taxation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Utility revenues | - | - | - | - | - | - |
| Services provided to other governments | - | - | - | - | 55,000 | 55,000 |
| Sale of services | 1,736,850 | 1,544,775 | 117,500 | 119,084 | 597,700 | 951,108 |
| Permits and licences | - | - | 1,040,100 | 1,040,687 | - | - |
| Interest on Investments | - | - | - | - | - | - |
| Government transfers | - | - | - | 10,000 | 1,298,523 | 186,798 |
| Developer contributions | - | - | - | - | 986,000 | 1,048,606 |
| Other revenue | - | 233 | - | - | 432,698 | 235,563 |
| Total revenue | 1,736,850 | 1,545,008 | 1,157,600 | 1,169,771 | 3,369,921 | 2,477,075 |
| Expenses | | | | | | |
| Salaries, wages and benefits | 628,656 | 509,147 | 1,302,891 | 1,085,842 | 1,836,081 | 1,656,857 |
| Contract services | 991,161 | 973,175 | 362,875 | 428,571 | 1,242,285 | 1,408,343 |
| Grants to community organizations | - | - | 23,370 | 65,746 | 153,100 | 154,613 |
| Materials and supplies | 9,260 | 9,185 | 21,511 | 16,196 | 478,906 | 428,157 |
| Utilities | 4,590 | 3,422 | - | - | 356,500 | 367,685 |
| Amortization | 150,498 | 150,477 | - | - | 575,160 | 1,029,187 |
| Loss on disposal of tangible capital assets | - | - | - | - | - | - |
| Interest expense | 11,250 | 11,250 | - | - | 120,546 | 120,576 |
| Other Expenses | - | - | - | - | - | - |
| Total expenses | 1,795,415 | 1,656,656 | 1,710,647 | 1,596,355 | 4,762,578 | 5,165,418 |
| Annual surplus (deficit) | \$ (58,565) | \$ (111,648) | \$ (553,047) | \$ (426,584) | \$ (1,392,657) | \$ (2,688,343) |

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

| | Water Systems | | Sewer System | | Totals | | |
|---|-------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | 2022 Budget | 2022 Actual | 2022 Budget | 2022 Actual | 2022 Budget | 2022 Actual | 2021 Actual |
| For the year ended December 31 | | | | | | | |
| Revenue | | | | | | | |
| Taxation | \$ 100,904 | \$ 100,904 | \$ 1,361,220 | \$ 1,392,725 | \$ 19,797,497 | \$ 19,940,042 | \$ 18,600,618 |
| Utility revenues | 4,510,199 | 4,686,274 | 856,800 | 972,214 | 5,366,999 | 5,664,959 | 5,359,032 |
| Services provided to other governments | - | - | 234,400 | 273,370 | 289,400 | 328,370 | 469,072 |
| Sale of services | 182,860 | 176,420 | 55,400 | 17,800 | 3,033,890 | 3,072,712 | 3,203,456 |
| Permits and licences | - | - | - | - | 1,269,800 | 1,292,926 | 1,329,359 |
| Interest on Investments | 46,631 | 61,458 | 308,834 | 220,673 | 775,419 | 1,126,020 | 797,372 |
| Government transfers | 92,471 | 5,000 | 14,310,525 | 176,049 | 17,528,923 | 1,795,768 | 4,390,096 |
| Developer contributions | 424,033 | 321,578 | 923,814 | 815,978 | 3,857,176 | 2,954,756 | 6,792,040 |
| Other revenue | 5,200 | 3,500 | 100 | 116,243 | 712,620 | 736,549 | 437,341 |
| Total revenue | 5,362,298 | 5,355,134 | 18,051,093 | 3,985,052 | 52,631,724 | 36,912,102 | 41,378,386 |
| Expenses | | | | | | | |
| Salaries, wages and benefits | 1,404,078 | 1,213,765 | 770,569 | 740,114 | 11,359,367 | 10,804,974 | 10,772,345 |
| Contract services | 1,158,363 | 770,736 | 526,754 | 532,661 | 11,988,413 | 10,464,517 | 8,688,604 |
| Grants to community organizations | - | - | - | - | 225,045 | 259,483 | 252,002 |
| Materials and supplies | 628,472 | 863,532 | 175,127 | 226,411 | 1,993,186 | 2,281,732 | 2,144,812 |
| Utilities | 269,900 | 315,538 | 174,200 | 195,544 | 940,540 | 1,034,747 | 983,073 |
| Amortization | 1,014,000 | 1,095,047 | 545,700 | 602,148 | 4,336,189 | 5,389,599 | 4,659,567 |
| Loss on disposal of tangible capital assets | - | 3,024 | - | - | - | 25,214 | 495 |
| Interest expense | 47,488 | 43,108 | 317,720 | 415,218 | 632,309 | 781,376 | 569,149 |
| Other Expenses | - | - | - | - | - | - | 922,068 |
| Total expenses | 4,522,301 | 4,304,750 | 2,510,070 | 2,712,096 | 31,475,049 | 31,041,642 | 28,992,115 |
| Annual surplus (deficit) | \$ 839,997 | \$ 1,050,384 | \$ 15,541,023 | \$ 1,272,956 | \$ 21,156,675 | \$ 5,870,461 | \$ 12,386,271 |

District of Lake Country

Schedule 4 - COVID-19 Safe Restart Grant (Unaudited)

| | |
|--|-------------------------|
| COVID-19 Safe Restart Grant received November 2020 | \$2,947,000 |
| 2020 eligible costs incurred | 424,752 |
| 2021 eligible costs incurred | <u>840,938</u> |
| Balance, December 31, 2021 | \$1,681,310 |
| 2022 eligible costs incurred: | |
| Computer and technology costs to improve connectivity and virtual communications | \$337,761 |
| Revenue shortfalls | 58,088 |
| General government services | 33,060 |
| Protective services | 389,067 |
| Total 2022 eligible costs incurred | <u>817,976</u> |
| Balance, December 31, 2022 | <u>\$863,334</u> |