

Draft - For discussion purposes only

District of Lake Country

December 31, 2023

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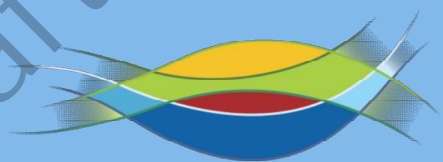
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LAKE COUNTRY

Life. The Okanagan Way.

DISTRICT OF LAKE COUNTRY
2023
FINANCIAL
STATEMENTS

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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, 2023, 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, 2023, 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 Schedules 4 and 5 on pages 31 to 32 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 7, 2024

District of Lake Country

Statement of Financial Position

As at December 31	2023	2022
Financial assets		
Cash and cash equivalents (Note 5)	\$ 47,733,177	\$ 39,367,788
Accounts receivable (Note 6)	6,057,501	5,588,116
	<u>53,790,678</u>	<u>44,955,904</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	8,368,736	6,541,346
Security deposits	2,866,961	3,430,764
Deferred revenue (Note 8)	2,945,627	2,979,358
Restricted revenue (Note 9)	3,293,155	3,621,728
Long-term debt (Note 10)	18,345,447	19,666,130
Asset Retirement Obligation Liability (Note 11)	558,799	-
	<u>36,378,725</u>	<u>36,239,326</u>
Net financial assets	17,411,953	8,716,578
Non-financial assets		
Tangible Capital Assets (Schedule 1)	221,928,322	215,940,354
Prepaid expenses	545,247	99,894
Accumulated surplus (Schedule 2)	<u>\$ 239,885,522</u>	<u>\$ 224,756,826</u>
Contingent liabilities and commitments (Note 12)		

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	2023 Budget *	2023 Actual	2022 Actual
Revenue			
Taxation (Note 13)	\$ 23,130,705	\$ 23,211,440	\$ 19,940,042
Utility revenues	5,650,407	5,924,244	5,664,959
Services provided to other governments	289,400	813,571	328,370
Sale of services	3,070,930	4,228,904	3,072,712
Permits and licences	1,567,500	1,315,749	1,292,926
Interest on Investments	712,322	2,383,888	1,126,020
Government transfers (Note 14)	18,769,541	8,682,479	1,795,768
Developer contributions	6,771,588	4,021,652	2,954,756
Other revenue	769,644	1,202,509	736,549
	<u>60,732,037</u>	<u>51,784,436</u>	<u>36,912,102</u>
Expenses			
General Government Services	4,321,519	4,826,944	4,390,421
Protective Services	7,112,165	7,708,494	5,263,175
Transportation Services	6,685,367	6,708,689	5,761,547
Environmental Services	1,990,047	1,921,618	1,645,406
Planning and Development Services	1,681,430	1,722,257	1,596,355
Parks and Recreation Services	5,116,365	5,700,551	5,044,842
Water Services	4,859,150	4,546,650	4,261,642
Sewer Services	2,381,344	2,409,419	2,296,878
Interest expense	1,053,150	1,111,118	781,376
	<u>35,200,537</u>	<u>36,655,740</u>	<u>31,041,642</u>
Annual surplus	25,531,500	15,128,696	5,870,460
Accumulated surplus, beginning of year	224,756,826	224,756,826	218,886,366
Accumulated surplus, end of year	<u>\$ 250,288,326</u>	<u>\$ 239,885,522</u>	<u>\$ 224,756,826</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	2023 Budget	2023 Actual	2022 Actual
Unrestricted annual surplus	\$ 25,531,500	\$ 15,128,696	\$ 5,870,460
Acquisition of tangible capital assets	(45,079,683)	(10,429,981)	(15,973,412)
Developer contribution of tangible capital assets	(1,415,000)	(1,030,095)	(1,076,748)
Amortization of tangible capital assets	4,655,424	5,991,423	5,389,600
Increase in tangible capital assets due to asset retirement obligations	-	(532,291)	-
Net (gain)/loss on disposal of tangible capital assets	-	(389,661)	20,565
Proceeds from disposal of tangible capital assets	7,600	402,637	23,024
Acquisition of prepaid expenses	-	(445,353)	(56,029)
(Decrease)/increase in net financial assets	(16,300,159)	8,695,375	(5,802,540)
Net financial assets, beginning of year	-	8,716,578	14,519,118
Net financial assets, end of year	\$ (16,300,159)	\$ 17,411,953	\$ 8,716,578

See accompanying notes to the financial statements.

District of Lake Country

Statement of Cash Flows

For the year ended December 31	2023	2022
Net inflow (outflow) of cash and cash equivalents related to the following activities		
Operating activities		
Annual surplus for the year	\$ 15,128,696	\$ 5,870,460
Adjustment for non-cash items		
Amortization of tangible capital assets	5,991,423	5,389,600
Accretion of asset retirement obligations	26,508	-
Developer contribution of tangible capital assets	(1,030,095)	(1,076,748)
Net (gain)/loss on disposal of tangible capital assets	(389,661)	20,565
Actuarial adjustment on long-term debt	(305,824)	(340,207)
Acquisition of prepaid expenses	(445,353)	(56,029)
Increase/(decrease) in		
Accounts receivable	(469,385)	(1,009,380)
Accounts payable	1,827,390	901,833
Security deposits	(563,803)	499,711
Deferred revenue	(33,731)	(347,123)
	<u>19,736,165</u>	<u>9,852,682</u>
Financing activities		
Restricted revenue development cost charges, net	(410,623)	(220,482)
Restricted revenue parkland acquisition funds	82,050	-
Proceeds from issuance of long-term debt	-	14,964,000
Repayment of long-term debt	(1,014,859)	(502,246)
	<u>(1,343,432)</u>	<u>14,241,272</u>
Capital activities		
Acquisition of tangible capital assets	(10,429,981)	(15,973,412)
Proceeds from disposal of tangible capital assets	402,637	23,024
	<u>(10,027,344)</u>	<u>(15,950,388)</u>
Increase in cash and cash equivalents	8,365,389	8,143,566
Cash and cash equivalents, beginning of year	39,367,788	31,224,222
Cash and cash equivalents, end of year	<u><u>\$ 47,733,177</u></u>	<u><u>\$ 39,367,788</u></u>
Supplementary cash flow information		
Interest paid	\$ 1,111,118	\$ 781,376

See accompanying notes to the financial statements.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

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.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value (hierarchy level one - quoted market prices). All other financial instruments, are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

For portfolio measurements measured at cost, the cost method records the initial investment at cost and

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

2. Significant accounting policies (continued)

Financial Instruments (continued)

Earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

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.

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.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

2. Significant accounting policies (continued)

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.

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.

Asset retirement obligation

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

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

2. Significant accounting policies (continued)

Asset retirement obligation (continued)

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

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 2023	Total 2022
General Fund	\$ 287,841	\$ 128,676	\$ 416,517	\$ 412,638
Water Fund	71,511	28,017	99,528	98,683
Sewer Fund	416,207	212,845	629,052	622,636
	<u>\$ 775,559</u>	<u>\$ 369,538</u>	<u>\$ 1,145,097</u>	<u>\$ 1,133,957</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, 2023

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 7, 2023 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 \$25,531,500. 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, 2023

3. Budget figures (continued)

	<u>2023</u>
Add:	
Acquisition of tangible capital assets	\$ 45,079,683
Long-term debt principal payments and actuarial adjustments	1,320,681
Less:	
Transfers from surpluses and reserves	(11,071,865)
Proceeds from long term debt	(5,133,974)
Proceeds from disposal of tangible capital assets	(7,600)
Transfer from equity in tangible capital assets for amortization	(4,655,425)
	<hr/>
Financial plan (Budget) surplus per statement of operations	\$ <u>25,531,500</u>

4. Financial Instruments

The District is potentially exposed to credit risk, market and interest rate risk, and liquidity risk from the District's financial instruments. Qualitative and quantitative analysis of the significant risks from the District's financial instruments is provided below by type of risk.

There have not been any changes from the prior year in the District's exposure to above risks or the policies, procedures and methods it uses to manage and measure the risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The District is exposed to credit risk through its cash, accounts receivable, and short-term investments.

The District manages its credit risk by manages it credit risk by:

- Ensuring receivables are primarily government organizations.
- Having legislated collateral over taxes receivable from highly diversified nature of residents of the District.
- Holding cash and guaranteed investment certificates at federally regulated chartered banks with cash accounts insured.
- The District measures its exposure to credit risk based on:
- By how long amounts have been outstanding from government organizations regarding capital projects and other.
- Based on historical experience regarding collections

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and cash equivalents and accounts receivable as outlined in Notes 5 and 6. Accounts receivable arise primarily as a result of utilities, and grants receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The District manages exposure to credit risk for cash equivalents by ensuring adequate diversification and by maintaining its investments which meets the investment requirements of Section 183 of the Community Charter of the Province of BC. As a result, the District has reduced exposure to market or value risk. The maximum exposure to credit risk on short-term investments is outlined in Note 5.

Liquidity risk

Liquidity risk is the risk that the District will encounter difficulty in meeting obligations associated with financial liabilities. The District is exposed to liquidity risk through its accounts payable, long-term debt, and investments.

The District manages this risk by staggering maturity dates of investments based on cash flow needs. Also to help manage the risk, the District has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The District's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The District measures its exposure to liquidity risk based on cash flow needs versus available cash.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk through its long-term debt and the value of portfolio investments.

The Municipality manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 9 for interest rates and maturity dates for long term debt.

Investments that are subject to interest rate risk are GICs, Chartered Bank Accruals and Debentures (see Note 5). The risk is caused by changes in interest rates. As interest rates rise, the fair value of the investments decrease and, as interest rates fall, the fair value of these investments increase.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

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>2023</u>	<u>2022</u>
Cash	\$ 11,054,796	\$ 4,952,375
Term Deposits	30,678,016	27,122,725
Chartered Bank Accrual Notes and Debentures	<u>6,000,365</u>	<u>7,292,688</u>
Total Cash and Cash Equivalents	<u>\$ 47,733,177</u>	<u>\$ 39,367,788</u>

Included in 2023 cash and cash equivalents is \$2,561,873 (2022 - \$3,224,923) relating to performance deposits, the use of which is subject to certain restrictions.

Details of term deposits and debentures are as follows:

	<u>2023</u>
Maturing within 6 months, interest 4.60% - 5.75%	\$ 13,991,372
Maturing 6 months to 1 year, interest 4.00% - 5.61%	4,954,934
Maturing 1 year to 5 years, interest 0.80% - 5.15%	16,396,193
Maturing beyond 5 years, interest 2.25% - 2.89%	<u>1,335,882</u>
	<u>36,678,381</u>

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 (2022 - \$nil).

6. Accounts receivable

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

	<u>2023</u>	<u>2022</u>
Property tax receivables	\$ 999,728	\$ 835,663
Trade receivables	2,047,970	1,935,496
Due from other governments	1,106,979	864,374
Water utility fees	<u>1,902,824</u>	<u>1,952,583</u>
	<u>\$ 6,057,501</u>	<u>\$ 5,588,116</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of the following:

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 5,723,030	\$ 1,790,728
Due to other governments	1,826,401	3,174,227
Trade contract holdbacks	299,890	1,032,120
Wages and benefits	<u>519,415</u>	<u>544,271</u>
	<u>\$ 8,368,736</u>	<u>\$ 6,541,346</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>2022</u>	<u>Deferred revenue received</u>	<u>Deferred revenue recognized</u>	<u>2023</u>
Prepaid taxes	\$ 1,665,119	\$ 1,816,873	\$ (1,665,119)	\$ 1,816,873
Prepaid water utility fees	17,666	78,185	(17,666)	78,185
Prepaid leisure service fees	29,940	37,834	(29,940)	37,834
Deferred parcel tax	26,166	-	-	26,166
Other	<u>1,240,467</u>	<u>102,178</u>	<u>(356,076)</u>	<u>986,569</u>
	<u>\$ 2,979,358</u>	<u>\$ 2,035,070</u>	<u>\$ (2,068,801)</u>	<u>\$ 2,945,627</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, 2023

9. Restricted revenue (continued)

	Development cost charge restricted revenue 2023	Parkland acquisition restricted revenue 2023	Total 2023	Total 2022
Financial assets:				
Cash	\$ 3,211,105	\$ 82,050	\$ 3,293,155	\$ 2,902,252
Accounts receivable	-	-	-	719,476
	<u>3,211,105</u>	<u>82,050</u>	<u>3,293,155</u>	<u>3,621,728</u>
Balance, beginning of year	3,621,728	-	3,621,728	3,842,210
Contributions from developers	2,480,168	82,050	2,562,218	1,483,173
Permit adjustments	-	-	-	(4,150)
Interest on investments	108,599	-	108,599	81,943
Capital financing	<u>(2,999,390)</u>	<u>-</u>	<u>(2,999,390)</u>	<u>(1,781,448)</u>
Balance, end of year	<u>\$ 3,211,105</u>	<u>\$ 82,050</u>	<u>\$ 3,293,155</u>	<u>\$ 3,621,728</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.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

9. Restricted revenue (continued)

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

	<u>2023</u>	<u>2022</u>
Roads DCC	\$ 411,792	\$ 1,061,363
Drainage DCC	911,962	873,702
Park DCC	1,193,970	1,498,396
Water DCC	1,950,192	1,305,035
Sewer DCC	(1,256,811)	(1,116,768)
Parkland acquisition	<u>82,050</u>	<u>-</u>
	<u>\$ 3,293,155</u>	<u>\$ 3,621,728</u>

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District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

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 104	5.150%	2028	\$ 646,862	\$ -	\$ 56,317	\$ 41,205	\$ 549,340
MFA Issue 105	4.900%	2029	220,821	-	16,791	11,167	192,863
MFA Issue 133	2.750%	2035	1,895,644	-	92,469	25,178	1,777,997
MFA Issue 157	3.360%	2042	6,124,000	-	239,737	-	5,884,263
			<u>8,887,327</u>	<u>-</u>	<u>405,314</u>	<u>77,550</u>	<u>8,404,463</u>
Water Fund							
MFA Issue 105	4.900%	2024	156,975	-	46,213	30,736	80,026
MFA Issue 114	3.650%	2026	119,227	-	28,224	-	91,003
MFA Issue 114	3.650%	2026	77,918	-	18,445	-	59,473
MFA Issue 127	3.300%	2029	240,400	-	22,240	8,197	209,963
			<u>594,520</u>	<u>-</u>	<u>115,122</u>	<u>38,933</u>	<u>440,465</u>
Sewer Fund							
MFA Issue 70	5.745%	2024	654,549	-	145,899	174,130	334,520
MFA Issue 126	3.850%	2033	689,734	-	35,932	15,211	638,591
MFA Issue 158	4.090%	2042	8,840,000	-	312,592	-	8,527,408
			<u>10,184,283</u>	<u>-</u>	<u>494,423</u>	<u>189,341</u>	<u>9,500,519</u>
Total long-term debt			<u>\$ 19,666,130</u>	<u>\$ -</u>	<u>\$ 1,014,859</u>	<u>\$ 305,824</u>	<u>\$ 18,345,447</u>

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

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Thereafter</u>	<u>Total</u>
General Fund	\$ 405,314	\$ 405,314	\$ 405,314	\$ 405,314	\$ 405,314	\$ 4,076,711	\$ 6,103,281
Water Fund	116,825	118,590	74,207	22,240	22,240	44,480	398,582
Sewer Fund	494,423	348,524	348,524	348,524	348,524	4,591,882	6,480,400
Actuarial Adjustment	-	-	-	-	-	-	5,363,184
	<u>\$ 1,016,562</u>	<u>\$ 872,428</u>	<u>\$ 828,045</u>	<u>\$ 776,078</u>	<u>\$ 776,078</u>	<u>\$ 8,713,073</u>	<u>\$ 18,345,447</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

11. Asset Retirement Obligations

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

The District has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling \$2,001,140 have been discounted using a present value calculation with a discount rate of 4.98%. The timing of these expenditures is estimated to occur between 2023 and 2067 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

December 31	2023	2022
Opening asset retirement obligation	\$ -	\$ -
Initial recognition of expected discounted cash flows	532,291	-
Increase attributable to accretion	26,508	-
Closing asset retirement obligation	<u>\$ 558,799</u>	<u>\$ -</u>

12. 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.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

12. Contingent liabilities and commitments (continued)

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, 2022 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 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, 2023

12. Contingent liabilities and commitments (continued)

Pension liability (continued)

The most recent 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 District paid \$770,089 (2022 - \$706,234) for employer contributions, while employees contributed \$697,634 (2022 - \$641,780) 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.

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, 2023

13. Taxation

In 2023 the District collected \$14,020,974 (2022 - \$13,042,798) on behalf of other taxing jurisdictions and transferred this amount to those other authorities. The collections and transfers are itemized as follows:

	<u>2023</u>	<u>2022</u>
Collections for and transfers to other governments		
Taxes collected		
Property taxes	\$ 34,256,180	\$ 29,565,734
Special assessments	2,334,144	2,849,202
1% utility tax	261,311	235,704
Penalties and interest on taxes	320,873	286,218
Grant in lieu of taxes	59,906	45,982
	<u>37,232,414</u>	<u>32,982,840</u>
Less transfer to other governments		
Province of BC (school taxes)	9,673,147	8,948,420
BC Assessment Authority	265,415	247,219
Municipal Finance Authority	1,524	1,362
Regional Hospital District	1,453,550	1,431,032
Okanagan Regional Library	770,753	723,274
Regional District of Central Okanagan	1,856,585	1,691,491
	<u>14,020,974</u>	<u>13,042,798</u>
Net taxes available for municipal purposes	<u>\$ 23,211,440</u>	<u>\$ 19,940,042</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

14. Government transfers

In 2023 the District received and recorded as revenue the following transfers:

	<u>2023</u>	<u>2022</u>
Federal Conditional Transfers		
Federal Gas Tax Strategic Priorities Fund	\$ 41,046	\$ -
Provincial Unconditional Transfers		
Traffic Fine Revenue Sharing Grant	80,000	83,488
Small Community Grant	233,000	327,000
Local Government Climate Action Program (formerly Climate Action Revenue Incentive Program)	136,082	136,082
Growing Communities Fund	6,778,000	-
BC Housing Needs Assessment Grant	23,543	-
	<u>7,250,625</u>	<u>546,570</u>
Provincial Conditional Transfers		
COVID-19 Resilience Infrastructure Grant	162,025	-
Community Economic Recovery Infrastructure Grant	-	117,708
Investing in Canada Infrastructure Program	98,543	94,084
Other Conditional Transfers	257,980	175,024
	<u>518,548</u>	<u>386,816</u>
Regional and Other External Conditional Transfers		
Gas Tax Community Works Fund	653,972	626,603
Student Grants	6,795	19,693
Gas Tax General Strategic Priorities Fund	-	35,037
Okanagan Basin Water Board	137,690	181,049
UBCM FireSmart Grant	73,803	-
	<u>872,260</u>	<u>862,382</u>
Total government transfers	<u>\$ 8,682,479</u>	<u>\$ 1,795,768</u>

15. Letters of credit

As of December 31, the District is holding letters of credit in the amount of \$5,643,695 (2022 - \$7,109,966), which are received as security related to performance deposits.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2023

16. 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, 2023

16. 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.

17. Expenses by object

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

18. 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	\$ 38,770,930	\$ 10,409,614	\$ 43,736,530	\$ 3,126,313	\$ 7,759,234	\$ 2,012,268
Add: additions	899,366	648,652	548,661	795,992	438,462	588,163
Add: contributed capital	-	-	-	-	-	-
Add: ARO recognition (Note 10)	-	-	462,997	-	-	-
Less: disposals/transfers	(7,719)	-	-	-	(18,711)	(32,224)
Closing balance	<u>39,662,577</u>	<u>11,058,266</u>	<u>44,748,188</u>	<u>3,922,305</u>	<u>8,178,985</u>	<u>2,568,207</u>
ACCUMULATED AMORTIZATION						
Opening Balance	-	2,449,384	9,223,278	1,802,585	3,834,148	635,411
Add: amortization	-	551,760	956,267	178,573	486,826	307,411
Less: accumulated amortization on disposals	-	-	-	-	(13,711)	(32,224)
Closing balance	<u>-</u>	<u>3,001,144</u>	<u>10,179,545</u>	<u>1,981,158</u>	<u>4,307,263</u>	<u>910,598</u>
Net book value, December 31, 2023	<u>39,662,577</u>	<u>8,057,122</u>	<u>34,568,643</u>	<u>1,941,147</u>	<u>3,871,722</u>	<u>1,657,609</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>

District of Lake Country

Schedule 1 - Schedule of Tangible Capital Assets

For the Year Ended December 31	Engineering Structures					2023 Total	2022 Total
	Water	Sewer	Roads	Environmental & Other	Work-in- Progress		
COST							
Opening Balance	\$ 55,778,775	\$ 22,804,600	\$ 67,085,275	\$ 4,118,791	\$ 18,349,599	\$273,951,929	\$ 257,154,902
Add: additions	3,233,471	12,596,245	6,421,565	-	5,638,716	31,809,293	29,709,782
Add: contributed capital	294,374	110,163	625,558	-	-	1,030,095	1,076,748
Add: ARO recognition (Note 10)	69,294	-	-	-	-	532,291	-
Less: disposals/transfers	-	-	-	-	(21,379,569)	(21,438,223)	(13,989,503)
Closing balance	59,375,914	35,511,008	74,132,398	4,118,791	2,608,746	285,885,385	273,951,929
ACCUMULATED AMORTIZATION							
Opening Balance	12,943,153	5,642,505	20,091,015	1,390,096	-	58,011,575	52,831,519
Add: amortization	1,163,060	546,408	1,698,148	102,970	-	5,991,423	5,389,602
Less: accumulated amortization on disposals	-	-	-	-	-	(45,935)	(209,546)
Closing balance	14,106,213	6,188,913	21,789,163	1,493,066	-	63,957,063	58,011,575
Net book value, December 31, 2023	45,269,701	29,322,095	52,343,235	2,625,725	2,608,746	221,928,322	
Net book value, December 31, 2022	\$ 42,835,622	\$ 17,162,095	\$ 46,994,260	\$ 2,728,695	\$ 18,349,599		\$ 215,940,354

District of Lake Country

Schedule 2 - Consolidated Schedule of Accumulated Surplus

For the year ended December 31, 2023	Balances, Beginning of Year	Withdrawals	Contributions	Transfer to Capital	Interest & Actuarial Adjustments	Balances, End of Year
Surplus and Non-Statutory Reserves						
General fund surplus	\$ 2,578,529	\$ (4,738)	\$ 639,919	\$ -	\$ 423	\$ 3,214,133
Water fund surplus	1,227,333	-	-	-	39,644	1,266,977
Sewer fund surplus	470,603	-	-	-	15,201	485,804
General capital reserve	3,009,708	-	1,015,223	(750,592)	101,488	3,375,827
Water capital reserve	5,105,673	-	1,394,201	(2,565,923)	145,991	4,079,942
Sewer capital reserve	475,952	-	401,768	(213,115)	18,420	683,025
Climate action reserve	2,294,316	-	315,544	(106,039)	77,490	2,581,311
Community works gas tax reserve	1,508,203	-	653,972	(1,168,082)	40,412	1,034,505
Equipment acquisition and replacement reserve	692,783	-	262,633	(351,779)	20,938	624,575
Facilities reserve	884,494	(14,757)	819,148	(256,175)	36,010	1,468,720
Financial stabilization reserve	1,452,396	(167,250)	5,000	(666,489)	33,529	657,186
Fire facilities and equipment reserve	869,480	-	587,843	(800,104)	24,657	681,876
Future servicing works reserve	1,420,526	(36,692)	28,858	-	-	1,412,692
Future capital expenditures reserve	157,766	-	-	-	-	157,766
Information technology reserve	601,422	-	270,000	(185,374)	20,793	706,841
Road maintenance services reserve	50,000	-	50,000	-	2,423	102,423
Policing reserve	1,641,579	(300,000)	160,052	(42,501)	50,077	1,509,207
Solid waste reserve	787,609	-	189,858	(40,907)	27,845	964,405
Transportation infrastructure reserve	2,020,174	-	1,541,809	(221,590)	86,574	3,426,967
Transit Reserve	182,037	-	-	-	5,880	187,917
Septic facilities reserves	-	-	485,425	-	7,841	493,266
Growing communities fund reserve	-	-	6,778,000	-	169,746	6,947,746
	<u>27,430,583</u>	<u>(523,437)</u>	<u>15,599,253</u>	<u>(7,368,670)</u>	<u>925,382</u>	<u>36,063,111</u>

District of Lake Country

Schedule 2 - Consolidated Schedule of Accumulated Surplus

For the year ended December 31, 2023	Balances, Beginning of Year	Withdrawals	Contributions	Transfer to Capital	Interest & Actuarial Adjustments	Balances, End of Year
Statutory Reserves						
Access to body of water reserve	2,089	-	-	-	68	2,157
Land sale reserve	11,084	-	628,324	(57,268)	9,581	591,721
Parkland acquisition reserve	198,059	-	-	-	6,398	204,457
	<u>211,232</u>	<u>-</u>	<u>628,324</u>	<u>(57,268)</u>	<u>16,047</u>	<u>798,335</u>
Investment in Non Financial Assets						
Equity in tangible capital assets	197,115,011	(6,871,437)	12,474,680	-	305,822	203,024,076
Accumulated surplus	<u>\$ 224,756,826</u>	<u>\$ (7,394,874)</u>	<u>\$ 28,702,257</u>	<u>\$ (7,425,938)</u>	<u>\$ 1,247,251</u>	<u>\$ 239,885,522</u>

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

	General Government Services		Protective Services		Transportation Services	
	2023 Budget	2023 Actual	2023 Budget	2023 Actual	2023 Budget	2023 Actual
For the year ended December 31						
Revenue						
Taxation	\$ 18,544,306	\$ 18,655,776	\$ 3,050,988	\$ 3,048,885	\$ -	\$ -
Utility revenues	-	10,323	-	-	-	-
Services provided to other governments	-	-	-	-	-	-
Sale of services	50,240	91,176	13,000	878,444	287,211	246,155
Permits and licences	151,000	147,868	22,000	27,547	84,500	66,383
Interest on Investments	452,550	2,100,771	-	-	-	-
Government transfers	1,052,979	8,030,275	129,000	153,803	479,516	217,712
Developer contributions	1,964,685	1,653,421	-	-	2,400,876	193,923
Other revenue	215,498	572,669	25,000	72,868	115,802	40,348
Total revenue	22,431,258	31,262,279	3,239,988	4,181,547	3,367,905	764,521
Expenses						
Salaries, wages and benefits	2,944,614	3,051,707	2,094,392	2,610,916	833,400	855,286
Contract services	989,515	1,177,938	4,359,738	4,191,832	3,741,292	3,478,987
Grants to community organizations	47,325	36,575	7,000	9,250	-	-
Materials and supplies	177,187	168,377	220,473	317,924	265,232	282,992
Utilities	-	-	39,350	56,106	108,120	130,091
Amortization	162,878	369,291	391,212	522,466	1,737,323	1,961,332
Accretion	-	23,057	-	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-
Interest expense	11,600	69,568	205,766	205,766	-	-
Total expenses	4,333,119	4,896,513	7,317,931	7,914,260	6,685,367	6,708,688
Annual surplus (deficit)	\$ 18,098,139	\$ 26,365,766	\$ (4,077,943)	\$ (3,732,713)	\$ (3,317,462)	\$ (5,944,167)

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

	Environmental Services		Planning and Development		Parks and Recreation	
	2023 Budget	2023 Actual	2023 Budget	2023 Actual	2023 Budget	2023 Actual
For the year ended December 31						
Revenue						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility revenues	-	-	-	-	-	-
Services provided to other governments	-	-	-	-	55,000	55,000
Sale of services	1,765,672	1,915,718	122,500	60,347	603,900	936,994
Permits and licences	-	-	1,310,000	1,073,951	-	-
Interest on Investments	-	-	-	-	-	-
Government transfers	-	-	-	-	2,844,331	44,456
Developer contributions	-	-	-	-	1,059,000	899,366
Other revenue	-	-	-	-	409,244	425,549
Total revenue	1,765,672	1,915,718	1,432,500	1,134,298	4,971,475	2,361,365
Expenses						
Salaries, wages and benefits	802,565	729,581	1,476,925	1,334,053	2,081,771	2,042,171
Contract services	1,017,685	1,022,999	159,590	344,768	1,316,684	1,436,787
Grants to community organizations	-	-	23,000	23,000	173,100	172,500
Materials and supplies	9,423	9,955	21,915	20,437	569,464	534,039
Utilities	4,682	6,073	-	-	378,200	450,431
Amortization	155,692	153,010	-	-	597,146	1,064,622
Accretion	-	-	-	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-
Interest expense	11,250	11,250	-	-	120,546	120,546
Total expenses	2,001,297	1,932,868	1,681,430	1,722,258	5,236,911	5,821,096
Annual surplus (deficit)	\$ (235,625)	\$ (17,150)	\$ (248,930)	\$ (587,960)	\$ (265,436)	\$ (3,459,731)

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

	Water Systems		Sewer System		Totals		
	2023 Budget	2023 Actual	2023 Budget	2023 Actual	2023 Budget	2023 Actual	2022 Actual
For the year ended December 31							
Revenue							
Taxation	\$ 100,904	\$ 100,904	\$ 1,434,507	\$ 1,405,875	\$ 23,130,705	\$ 23,211,440	\$ 19,940,042
Utility revenues	4,653,880	4,908,639	996,527	1,005,282	5,650,407	5,924,244	5,664,959
Services provided to other governments	-	-	234,400	758,571	289,400	813,571	328,370
Sale of services	187,407	83,070	41,000	17,000	3,070,930	4,228,904	3,072,712
Permits and licences	-	-	-	-	1,567,500	1,315,749	1,292,926
Interest on Investments	60,432	76,893	199,340	206,224	712,322	2,383,888	1,126,020
Government transfers	10,000	98,543	14,253,715	137,690	18,769,541	8,682,479	1,795,768
Developer contributions	633,929	504,679	713,098	770,263	6,771,588	4,021,652	2,954,756
Other revenue	4,000	36,061	100	55,014	769,644	1,202,509	736,549
Total revenue	<u>5,650,552</u>	<u>5,808,789</u>	<u>17,872,687</u>	<u>4,355,919</u>	<u>60,732,037</u>	<u>51,784,436</u>	<u>36,912,102</u>
Expenses							
Salaries, wages and benefits	1,493,805	1,350,214	804,370	652,050	12,531,842	12,625,978	10,804,974
Contract services	1,201,338	838,613	574,863	560,744	13,360,705	13,052,668	10,464,517
Grants to community organizations	-	-	-	-	250,425	241,325	259,483
Materials and supplies	800,647	818,741	236,297	263,387	2,300,638	2,415,852	2,281,732
Utilities	308,800	341,638	209,200	206,529	1,048,352	1,190,868	1,034,747
Amortization	1,054,560	1,193,993	556,614	726,709	4,655,425	5,991,423	5,389,599
Accretion	-	3,451	-	-	-	26,508	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	25,214
Interest expense	42,712	42,712	661,276	661,276	1,053,150	1,111,118	781,376
Total expenses	<u>4,901,862</u>	<u>4,589,362</u>	<u>3,042,620</u>	<u>3,070,695</u>	<u>35,200,537</u>	<u>36,655,740</u>	<u>31,041,642</u>
Annual surplus (deficit)	<u>\$ 748,690</u>	<u>\$ 1,219,427</u>	<u>\$ 14,830,067</u>	<u>\$ 1,285,224</u>	<u>\$ 25,531,500</u>	<u>\$ 15,128,696</u>	<u>\$ 5,870,460</u>

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

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		840,838
2022 eligible costs incurred		<u>817,976</u>
Balance, December 31, 2022		\$ 863,334
2023 eligible costs incurred:		
Computer and technology costs to improve connectivity and virtual communications	\$189,530	
General government services	271,375	
Protective services	103,593	
Total 2023 eligible costs incurred		<u>564,498</u>
Balance, December 31, 2023		<u>\$298,836</u>

District of Lake Country

Schedule 5 - Growing Communities Fund Grant (Unaudited)

Growing Communities Grant received March 2023

\$6,778,000

2023 eligible costs/ incurred

Investment income

\$169,746

\$169,746

Balance, December 31, 2023

\$6,947,746

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