



2021 Annual Report



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Message From the Mayor

2021 was a year of many challenges felt throughout our entire region by so many. We continued to navigate the difficulties of the pandemic through the heartbreaking discovery of hundreds of unmarked graves at the sites of Residential Schools across our Province and through the sadness and grief and record setting temperatures we fought fires that further disrupted and, in many cases, destroyed the lives of so many of our friends and neighbours all around us and then we went on to wade through floods and high waters and as a region and Province we were again devastated by more sadness and loss.

Through all the suffering and the devastation that 2021 brought with it, we saw glimmers of light in the actions of others. Communities came together to support one another mentally, physically, and financially.



Local Governments called for help and other Local Governments answered their call. The private sector stepped up and provided all they could in their different capacities. We have all grown to have an elevated level of appreciation for Emergency personnel, Health Care Professionals and the many others that have been a bright light shining through the turmoil of 2021. There were many contributions that were both incredible and inspiring but also a testament to what humanity can accomplish during times of extreme need.

Locally, the challenges that we had previously faced that seemed big at the time were dwarfed by new and greater challenges that were much bigger and with more potential for higher levels of devastation than we have ever faced.

We became the town where “Anything is Possible” (in the words of Krista Dick) when the Tremont Creek Wildfire skirted us completely with no loss of structure. The rest of the province watched intently as we evacuated Logan Lake and the beast approached our community, knowing that we have been the leaders in Fire Smart. Then, overnight we became known through widespread media coverage for our wildfire preparedness and leadership practice, not only country wide, but worldwide in some areas.

In 2021 the District of Logan Lake experienced a turnover of our entire management team with only one exception, so it became a year for rebuilding our organization back to a fully staffed and functioning team that reflects the values and culture of the people we serve.

More major infrastructure projects that we accomplished in 2021 included construction of well #5, further construction of phase 3B of Ironstone Ridge and the long-awaited replacement of our Rec. Centre roof.

We completed a housing needs assessment to help us determine future housing needs for the community and we were pleased to see the progression of the Laugh and Learn Daycare through 2021.

This is a year we will not soon forget. It was a year of change and exploration of our own resiliency.



We felt so much pride for Logan Lake as we emerged on the other side of the most enormous wildfire event in our community's history with a few minor scars and a positive story to share.

While the spotlight was on Logan Lake in 2021 along with the entire BC Interior, others Discovered our Nature as we all relearned the importance of perseverance in Fire Smart and the continued need to strive for preparedness in our plight for adaptation to major weather events that we are experiencing more frequently in our region, our Province and our Country.

Message From the CAO

What do you say about a year packed with so many events that no body will soon forget? With my first message as Chief Administrative Officer (CAO) for the District I find it a very difficult task to summarize all that unfolded and thank all those involved in getting us to where we are. I assumed the role as CAO in November having previously been the Director of Public Works and Recreation for the District since 2020. 2021 brought the news about findings of the unmarked graves at the residential schools, a heat dome which set new record highs for temperatures throughout British Columbia, a near record setting fire season which resulted in record setting number of days with smoky skies and poor air quality and finally flooding throughout the province to end the year.



The District was not immune to these events and in August came face to face with the Tremont Creek Wildfire, which at the end of it's run had consumed over 63,000 hectares. Much of Logan Lakes story on this wildfire did not begin in 2021, but was started during the work done through FireSmart in the many years leading up. The work done by the Fire Department within town and the treatment work

done by the Community Forest around the Community began what would eventually be a success story. At the time of the event in 2021 many people stepped up and shone when the need was great. The District Fire Department had a large number of its volunteers remain in town to join the fight. The District Public Works Department all remained in the community to ensure water was running, participate in building fire breaks and lend a



hand wherever was needed. Some of the office staff made themselves available at all hours to send out important messages to keep the community informed. The Mayor took a front seat at the lead up to the evacuation and was a critical figure contributing to the process that saved the community. A number of Councillors returned to the community to volunteer their time helping to feed the firefighters stationed in town and lend a hand wherever was needed. Logan Lake was extremely fortunate to have so many outside people come to help the community and to have so many dedicated staff and volunteers within.

When the community wasn't being threatened with devastation there were a number of projects undertaken within the community. This included the development of a new drinking water well, roof structural updates and replacement at the Recreation Centre, upgrading of the dock at the



campground, the completion of Ironstone Subdivision Phase 3B, the delivery of a new garbage truck to the fleet and some upgrades to Mimi Fall trail to name only a few. All of this was accomplished during a time where there was changeover in administration and staffing changes.

The Recreation Centre kept open at all times due to the willingness of staff to go above and beyond for shift coverage. Public Works staff kept the fleet operational and managed many improvements while working short handed for much of the year. During the flooding experienced by our neighbors, two utility staff spent time off on weekends and evenings helping with the rebuild efforts in Merritt. Times are difficult for many, and the stresses of extreme weather events are enough to get anyone down. But I feel nothing but hope for the future of Logan Lake with the pride that staff take in doing their job and the pride the citizens of Logan Lake have for the community. I look forward to celebrating 50 years of Logan Lake and welcoming the next 50 more.



Council

2018-2022 Council Members



Back row, left to right:

Councillor Peter Martell, Councillor Marion Bell, Councillor Garry Youd, Councillor Allan Smith

Front row, left to right:

Councillor Claire Newman, Mayor Robin Smith, Councillor Amber Chong

Committees

In 2021, the District of Logan Lake made use of the following Standing Committees of Council with the members noted.

1. Executive, Policy and Relationship Building Committee, chaired by Mayor Smith.
 - a. Mayor Smith
 - b. Councillor Martell
 - c. Councillor Smith

2. Public Works, Parks and Recreation Committee, chaired by Councillor Martell.
 - a. Councillor Martell
 - b. Councillor Bell
 - c. Councillor Smith

3. Economic Development and Community Services Committee, chaired by Councillor Chong.
 - a. Councillor Chong
 - b. Councillor Youd
 - c. Councillor Bell

In addition, the District struck two Select Committees.

1. 50th Anniversary Committee, for the planning and implementation of 50th Anniversary events, activities and projects, chaired by Mayor Smith.
 - a. Mayor Smith
 - b. Councillor Smith
 - c. Councillor Martell
 - d. Doug Wilson
 - e. Evelyn Forbes
 - f. Karley Millhouse
 - g. Jacqui Schneider
 - h. Joan Saunders
 - i. Lawrence Hart
 - j. Michelle Hawkins
 - k. Sandy Soul
 - l. Sherri Perreault

2. Lake Enhancement Working Group, chaired by Councillor Chong.
 - a. Councillor Chong (alternate Councillor Bell)
 - b. Marge Sidney
 - c. Heather Larratt
 - d. Ray Town
 - e. Les McDonnell
 - f. Bert Parke
 - g. Jacqui Schneider (alternate Genevieve Pelletier)

Liaison Appointments

In addition to serving on committees, elected officials also serve on a number of boards and committees for other organizations important to the District.

Gold Country Communities Society

Councillor Bell
(alternate Councillor Youd)

Thompson Nicola Regional District

Mayor Smith
(alternate Councillor Smith)

Northern Development Initiative Trust Thompson Nicola Regional Hospital District

Councillor Youd
(alternate Councillor Bell)

Mayor Smith
(alternate Councillor Smith)

Wellness Action Group

Mayor Smith
Councillor Bell

Logan Lake Community Forest Corporation

Councillor Newman, chair
Councillor Bell
Councillor Youd

Vision, Mission and Values

The Logan Lake 2018-2022 Council has defined and committed to the vision, mission and values statements. These statements are meant to guide them in the consideration of issues and decision-making on behalf of the community.

Vision

A smart growth community with a high quality of life and a commitment to its financial, environmental, and social health.

Mission

Providing progressive leadership to the citizens of Logan Lake.

Values

- Accountable & Transparent
- Fair & Compassionate
- Respectful & Truthful
- Progressive & Thoughtful



2019-2022 Strategic Plan

Council met early in their term to define the goals for their term through a Strategic Plan. These goals together with progress updates are shown here.

1. Pursue Organizational Effectiveness		
Actions	Sponsor	Date Completed
Review and Update Strategic Plan	CAO/Mayor	Ongoing
Enhance relationships with SSN, Lower Nicola Band	Executive Cmtee/CAO	Ongoing
Establish relationship with Cooks Ferry Band	Executive Cmtee/CAO	Delayed
Council Leadership Training Plan	Council	Ongoing
Review Community Engagement Options <ul style="list-style-type: none"> Form working group 	COTW	Delayed
Update Fire Bylaws and Policies	Fire Chief/DCA	Ongoing
Review Fire Services Mutual Agreement with Adjacent Areas	Fire Chief/CAO	Complete 2019
Electronic Council Minutes and Reports	CAO/DCA/AS/AA/Council	Ongoing
Finalize 2020 CUPE Agreement	CAO	Complete 2020
Records Digitization	CAO	Underway
Policy Review	Council/DCA	Ongoing

2. Optimize Financial Management		
Actions	Sponsor	Date Completed
Review Parks Master Plan Recreation Centre and Campground Improvement Plan	DPWR	Ongoing
Council Review Costing Impacts of Capital Asset Replacement Plan 5-10 Year (AMP)	DPWR	Ongoing
Review Development Cost Charge Bylaw	DOF/DPWR	Underway
Finalize Benefit Agreement with HVC to include Long Term Sustainability Plan	CAO/Mayor	Underway
Review Cemetery Expansion and Upgrade Plan	DPWR	Ongoing

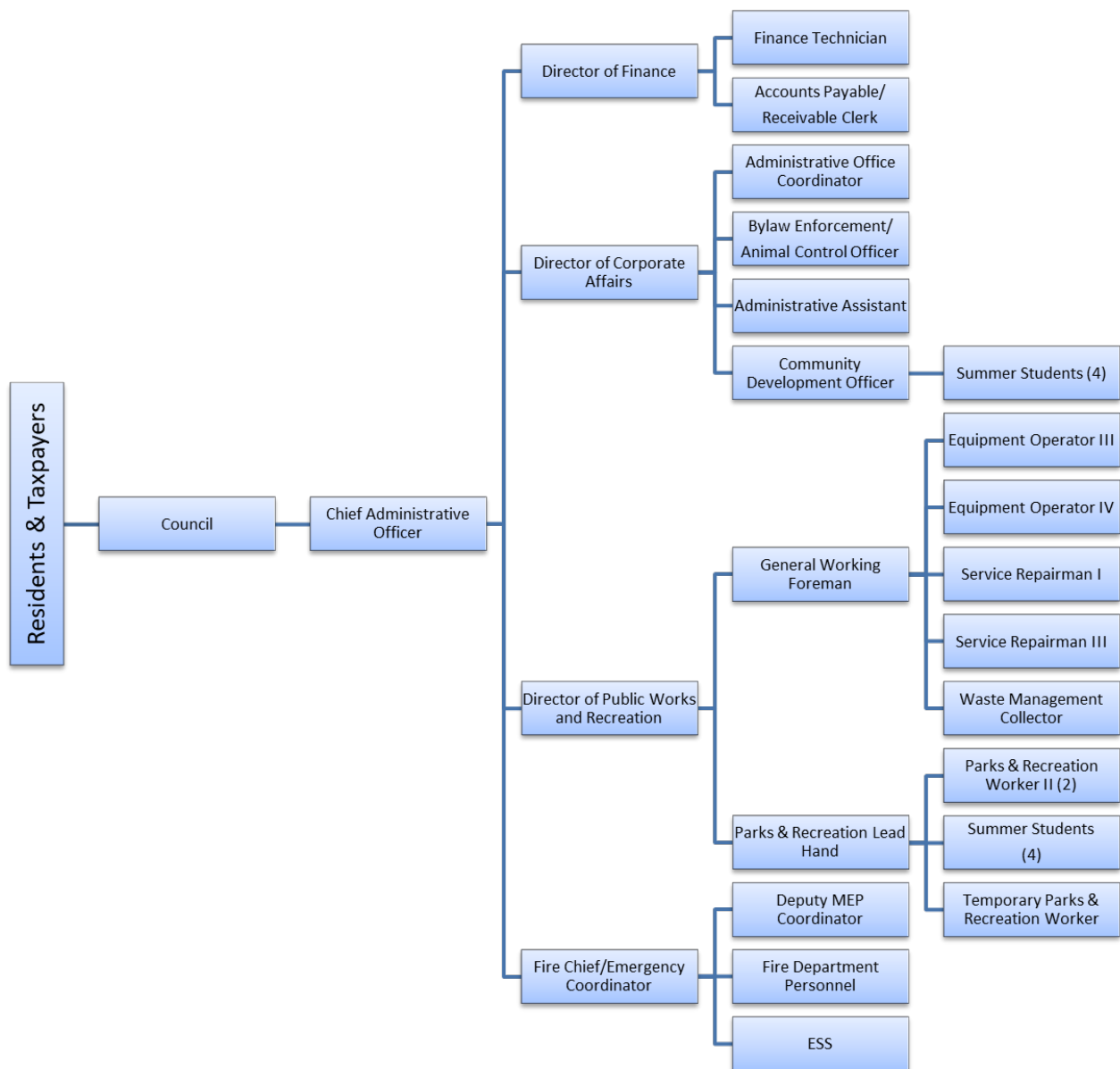
Review On-Line Bookings and Payments	DOF	Delayed
Expand On-Line Bookings		
Review Water Delivery strategy (loss/usage/monitoring)	DOF/DPWR	Delayed

Promote Innovative Economic Development		
Actions	Sponsor	Date Completed
Review Economic Development Strategy	CAO	Completed 2022
Initiate Crown Land Acquisition for Development <ul style="list-style-type: none"> Lakeview 	CAO	Delayed
Develop Light Industrial Taxation Strategy	DOF	Completed 2019
Review Land Development Strategy for affordable housing, including; subsidized housing, multifamily and small lot development.	CAO/ Consultant	
Review Hockey Academy Proposal	CAO/DCA/DPWR	Ongoing
Consider RFP for Review Community-wide TV and Internet upgrade <ul style="list-style-type: none"> Broad Band / wifi 	Council/CAO	Ongoing
Undertake visioning exercise to provide strategic direction on Tourism	Council/CAO	Delayed
Pipsuel Boundary Expansion Strategy	CAO/Council	Delayed
Refine “Discover Our Nature” Brand	DCA, CDO	Delayed
Implement Way-Finding/Trail Signage	DPWR	Ongoing
Enhance DT/Community Beautification	DPWR	Ongoing

3. Enhance Quality of Life

Actions	Sponsor	Date Completed
Advocate for Stable Medical and Mental Health Services	Council	Ongoing
Review/Implement Energy & Emissions Plan	CAO	Ongoing
Coordinate External Trails Plan	CAO/DPWR	Underway
Facility Needs <ul style="list-style-type: none"> • Develop Archive Policy • Explore storage options for community groups • Review empty WHY Space Potential • Upgrade Shovel <ul style="list-style-type: none"> - Exterior Appearance - Interior Use 	CAO/Mayor CAO/Mayor CAO/DPWR CAO/DPWR	Ongoing
Complete Municipal Hall Retrofit <ul style="list-style-type: none"> • Municipal Hall finishing touches 	CAO CAO/DPWR	Complete 2019 Underway
Develop Community Event Plan	DCA/CDO	Delayed
Review Street Golf Cart Licensing	CAO	Delayed
2020 Milestone Birthday <ul style="list-style-type: none"> • Review Legacy Project Option 	Mayor/CAO	Postponed 2022
Review Feasibility of Pool & Community Hall	Council/CAO/Consultant	Delayed
Review Transit Opportunities	CAO	Ongoing
Develop Volunteer Data Base	DCA/CDO	
Lobby Change for Taxi Laws	Council	Ongoing
Support Community WHY Programs	Council	Ongoing
Advocate School District for Improved Services	Council	Ongoing
Support additional youth opportunities	Council	Ongoing
300 Opal Sr's Housing	CAO/Council	Ongoing
Partner with Enbridge to redevelop recreation opportunities	CAO/Council	Complete 2021

Organizational Structure



In addition to the structure above, the District has also created a municipal corporation, the Logan Lake Community Forest Corporation (LLCFC). As an independent entity, it operates at arm’s length from the Council and is governed by a Board of Directors. The Council is charged with approving policy changes to the LLCFC, and with the annual appointment of Directors to the Board. The Board is responsible for oversight of the corporation. Management of the LLCFC is contracted to Forsite Consultants Ltd.



**Logan Lake
Community Forest
CORPORATION**

District Services

The District provides the following services on behalf of residents.

- Building Permit review
- Business Licensing
- Dog licensing
- Bylaws
- Parks, Trails, and Recreation
- Campground Management
- Cemetery Management
- Cultural Services and Events
- Economic Development
- Emergency Support
- Emergency Preparedness/Planning
- Storm Water Management
- Facilities Management
- Gravel Pit Operation
- Water Distribution and Management
- Logan Lake Community Forest Corporation
- Logan Lake Enhancement Committee
- Recycling
- Residential and Commercial development
- Sanitary Sewer Management
- Snow Removal
- Street Lighting
- Transportation Network Planning
- Visitor Centre/Tourist Information
- Land Use Planning
- Wildfire Management
- Fire Protection/Inspection
- Garbage Collection
- Finance/Taxation
- Elections



2021 Goals and Highlights

Public Works, Parks and Recreation

Public Works delivers many critical services that communities rely upon including the delivery of clean drinking water, collection and treatment of wastewater, road maintenance, snow removal, solid waste and recycling services and many other essential services. The Parks and Recreation Staff operate and maintain the Recreation Centre, maintain parks, irrigation systems and green the community through annual flower planting.

Some additional projects and highlights included:

- A new drinking water supply, Well #5, was developed and the pump house was built. Final commissioning to wrap up in 2022
- The roof structure over the Ice Plant at the Recreation Centre was upgraded and the roof over the Ice Plant and Lobby was redone
- The District purchased it's first hybrid pickup truck, with delivery set for early 2022
- The new Garbage truck arrived in 2021 providing the District redundancy in solid waste collection
- Cattle crossings were upgraded and directional signage was added to the Mimi Falls Trail
- The District began the process of hiring a new Director of Public Works, Parks and Recreation



Planning and Development

This District continued to provide Planning and Development services in conjunction with the Thompson Nicola Regional District (TNRD). Building permits and inspections are run through the TNRD while the zoning confirmation and approving officer duties are run through the District of Logan Lake.

The Ironstone Development continued for the District in 2021 including the completion of 12 lots in what is called Phase 3B. The Laugh and Learn Daycare, developed under the TNRD Library, began construction in 2021 and is scheduled for the grand opening in 2022. The District also undertook a 5-year Paving Plan which came up with priority spending in regards to paving.

Economic Development

Once again in 2021 Economic Development activities were limited with COVID-19 restrictions still in place for much of the year, a record number of smoke-filled days and the evacuation of the community due to wildfire. The following details the events that did happen and details around the Community Campground and Visitor Information Centre (VIC).

Visitor Information Centre (VIC)

The VIC was open for 1475 hours in 2021 and was visited by 3909 people. The following provides a summary of what the guests asked about and some of the services provided.

Visitor Information Requests	
Campground Info	2087
Fishing	206
Mine Information	39
Golf	418
Trails	256
Adventure Recreation	135
Shopping	387
Attractions/ Tours	93

The VIC handed out 2145 maps

The VIC loaned out 37 fishing rods in 2021

The VIC received 2905 phone calls in 2021

The Logan Lake Campground

The Campground had another successful season despite all the challenges experienced throughout the year. The Campground was open for 150 nights and produced a total revenue of \$165,175.37 and a profit of \$54,822.44. This was in spite of travel restrictions from May 14th to June 15th, a historic heat dome at the end of June and early July, poor air quality due to wildfire smoke, the community being put on evacuation alert on July 1st and finally the community being evacuated from August 12th to 19th. The following are some of the highlights despite all the challenges faced:

- a total of 5136 nights booked
- 25 nights sold out
- 28 nights over 90% capacity
- Campground supported the golf course through the stay and play program which handed out over 1000 golf rounds to campers



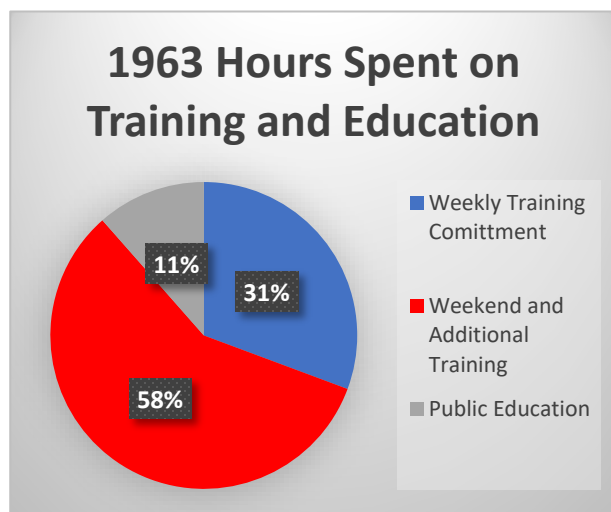
Other Community Projects and Events

On top of the Visitor Information Centre and Campground there were a number of other initiatives and events in 2021. The following is a list of a few of the highlights for the year.

- 50th anniversary was postponed to June 30-July 3, 2022
- The following events that did occur include Polar Carnival, Remembrance Day, Skate with Santa, and Light up the Lake
- The District, through the use of a consultant, undertook a connectivity plan and internet speed testing
- A new municipal website was created and went live in 2021
- District staff reviewed all Economic Development Strategy reports produced and condensed and updated the findings

Protective Services

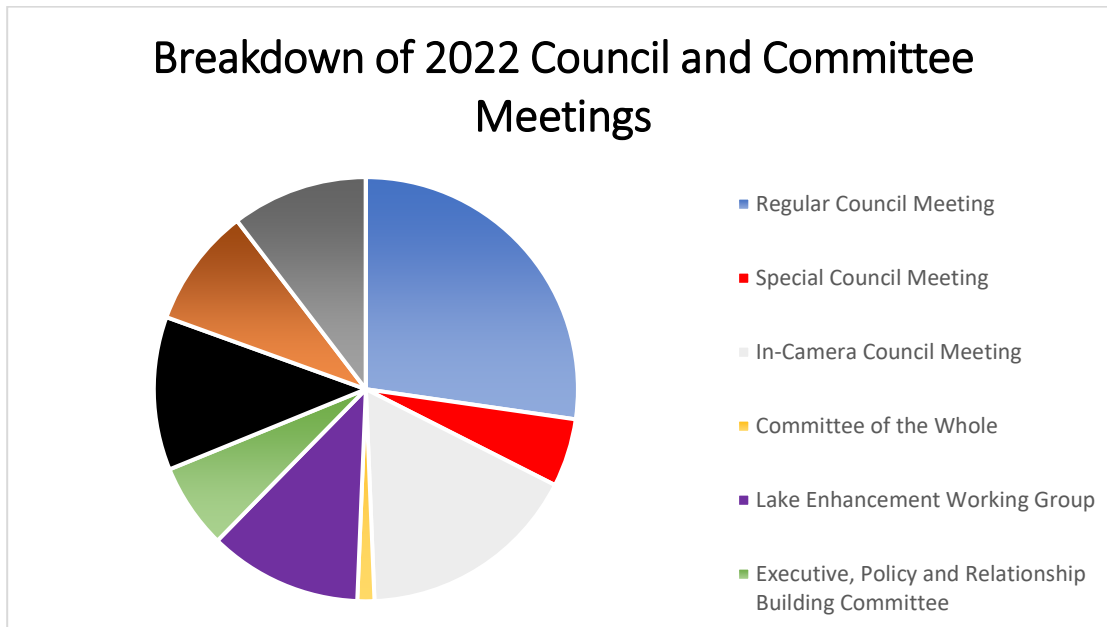
The District Protective Services is a volunteer-based Fire Department with a paid Fire Chief, Doug Wilson, who was appointed in 2021. On top of responding to emergency calls the Department spends nearly two thousand hours in training, conducts a FireSmart Program, oversees emergency support services and conducts fire inspections of public buildings. The programs and training of the Department was thrust to the forefront during the Tremont Creek Wildfire in August of 2021. In the summer of 2021, many COVID restrictions were temporarily lifted which allowed for resumption of fire inspections to resume. This was short lived with a total of 2 inspections being completed by the District Fire Department.



Administration

This department saw turnover in the Chief Administrative Officer (CAO) and the Director of Corporate Affairs (DCA), with a successful recruitment of a new CAO and DCA at the end of the year.

Meetings were restricted due to COVID-19 for much of the year but with easing restrictions in-person meetings began near the end of the year. There was some obvious disruptions to the regular council and committee meetings in August due to the evacuation of the community.



Some additional accomplishments, despite the impacts of COVID-19, include:

Administrative Actions	
News Releases	4
Public Notices	7
Bylaws Adopted	12
Council Resolutions made	328

Finance

The District limited its tax rate increase to match the consumer price index growth for 2021 due to the continued effects of the COVID-19 Pandemic. The taxes and utility fees approved for 2021 were as follows:

- Tax increase: 1.8%
- Water Rate increase: 3.0%
- Sewer Rate increase: 1.3%
- Garbage/Recycling increase: 1.8%

Among the finance highlights included the Inter Community Business License Bylaw moving out of pilot status. After deferring tax sales due to the pandemic this process began again in 2021.

2022 Goals

Public Works and Recreation

- Well #5 commissioning
- Upgrade the Ice Plant at the Recreation Centre
- Redesign of change rooms within the Recreation Centre
- Completion of the new District greenhouse
- Updated fencing of reservoirs
- Upgrade golf course parking lot and entrance road
- Recruitment of a new Director of Public Works
- Begin paving projects within the community



Planning and Development

- Phase 3C of Ironstone developed
- Welcome the opening of the Laugh and Learn Daycare

Economic Development

- Logan Lake 50th Anniversary Celebration
- Campground Master Plan
- Hiring of Campground Host
- Connectivity Speed Test Report



Protective Services

- Canada Day Fireworks show, with upgraded firing system
- Continuation of FireSmart program
- Evacuation Route Planning
- Renewed fire inspections of public facilities

Administration

- Live broadcasting of Council Meetings
- Begin electronic records digitization
- Run a successful election and welcome a new Council

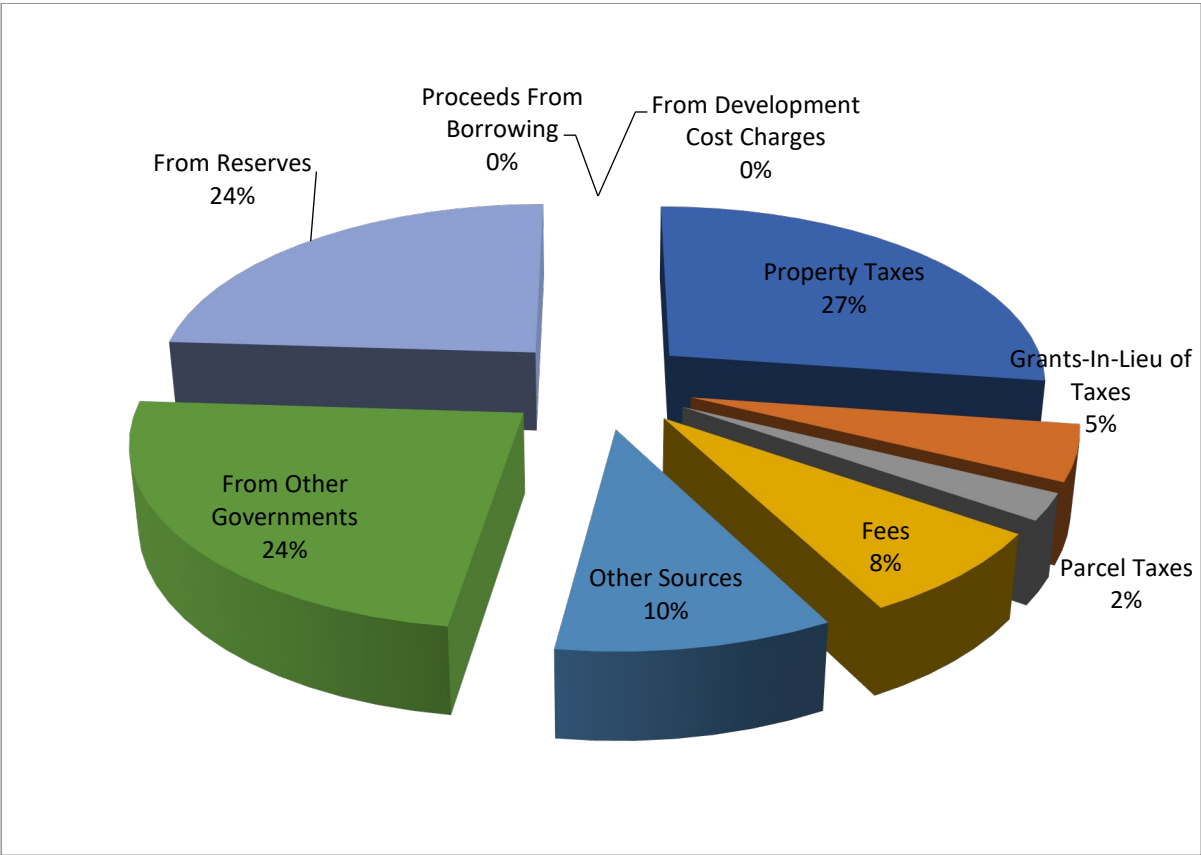


Finance

- Update new admin and staff on financial policies
- Centralized Home Owner Grant process

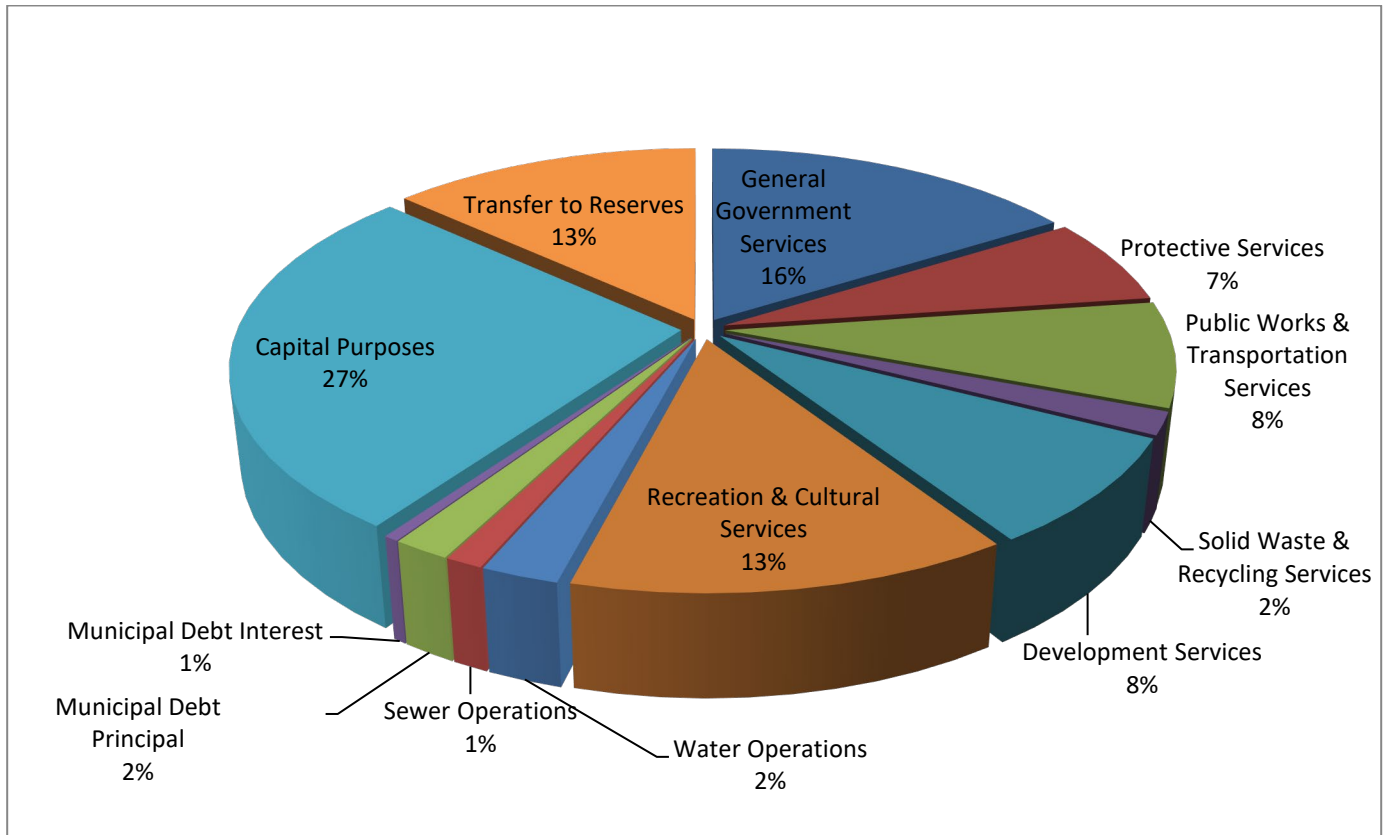


Revenue Summary



Municipal Property Taxes	\$3,362,100
Grants-In-Lieu of Taxes	\$609,200
Parcel Taxes	\$293,800
Fees	\$945,400
Other Sources	\$1,222,300
Transfers From Other Governments	\$2,926,500
Proceeds From Borrowing	\$0
Transfer From Reserves	\$2,954,900
Transfer From Development Cost Charges	\$0
Total	\$12,314,200

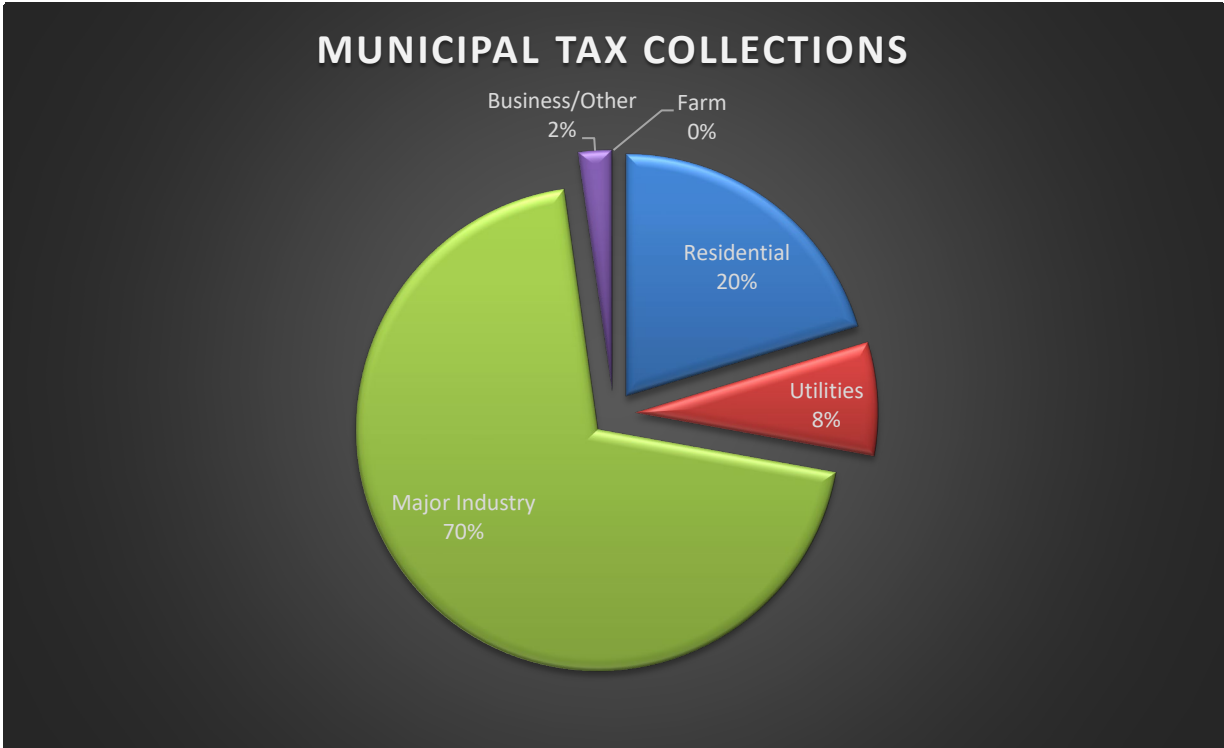
Expense Summary



General Government Services	\$1,985,800
Protective Services	\$821,300
Public Works & Transportation Services	\$985,900
Solid Waste & Recycling Services	\$211,500
Development Services	\$1,012,600
Recreation & Cultural Services	\$1,642,600
Water Operations	\$291,600
Sewer Operations	\$141,800
Municipal Debt Principal	\$216,600
Municipal Debt Interest	\$55,900
Capital Purposes	\$3,315,400
Transfer to Reserves	\$1,633,200
Total	\$12,314,200

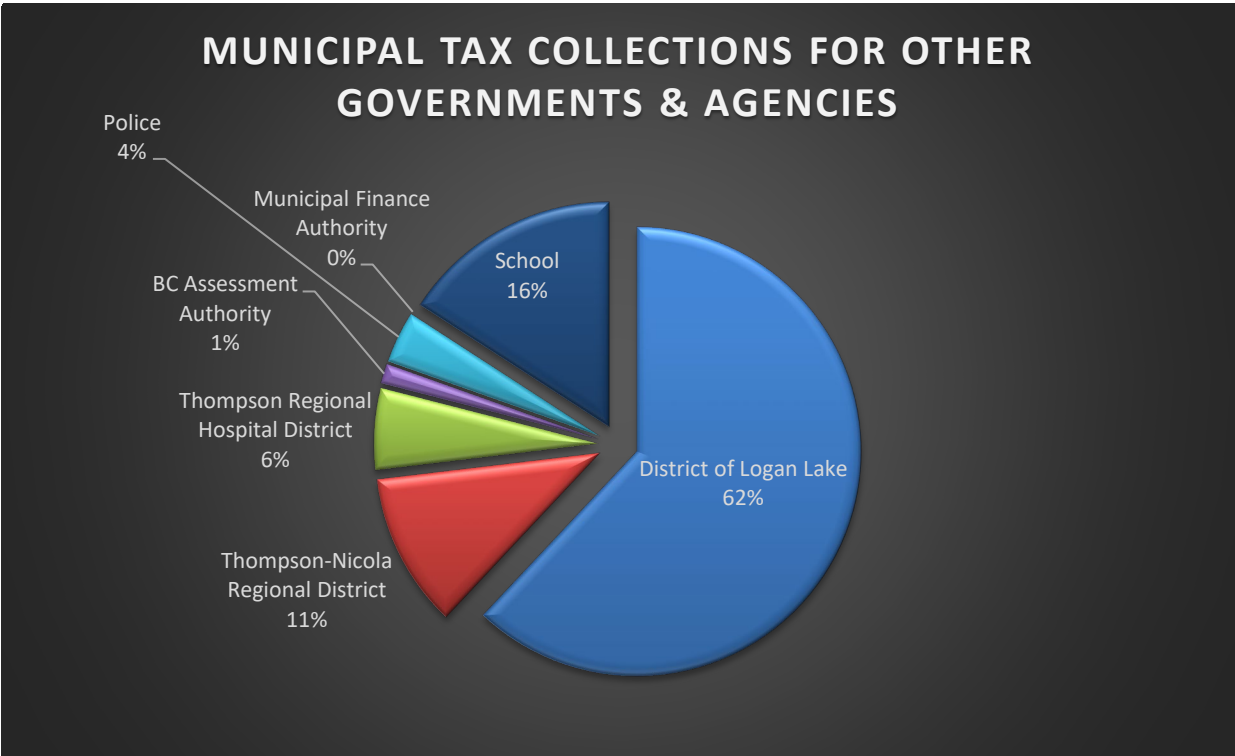
Tax Collection

Municipal Tax Collections



<u>Property Class</u>	<u>Tax Collections</u>
Residential	\$683,670
Utilities	\$252,125
Supportive Housing	\$0
Major Industry	\$2,350,661
Light Industry	\$0
Business/Other	\$74,483
Managed Forest Land	\$0
Recreational Property	\$0
Farm	\$403
Total	\$3,361,342

Municipal Tax Collections for Other Governments and Agencies



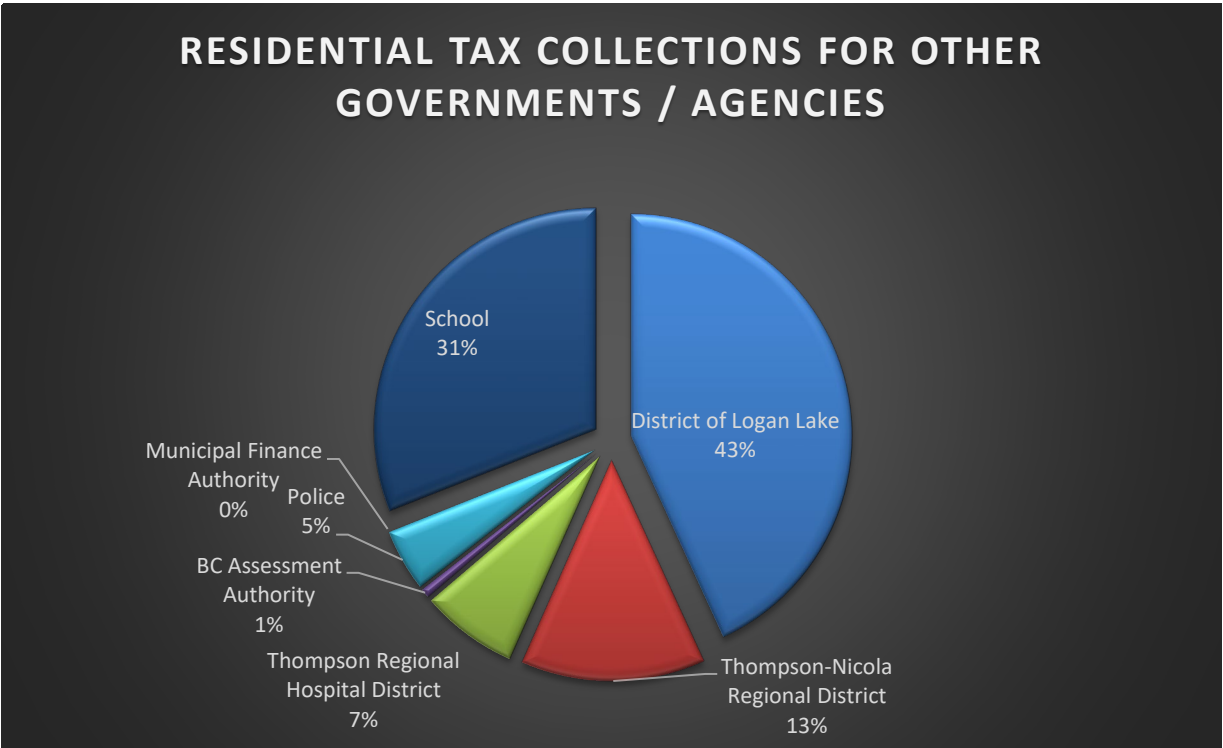
Government / Agency

Municipal Tax Collections

District of Logan Lake	\$3,361,342
Thompson-Nicola Regional District	\$601,951
School	\$860,710
Thompson Regional Hospital District	\$316,124
Police	\$202,864
BC Assessment Authority	\$76,979
Municipal Finance Authority	\$155

Total	\$5,420,125
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Residential Tax Collections for Other Governments and Agencies



<u>Government / Agency</u>	<u>Residential Tax Collections</u>
District of Logan Lake	\$683,670
Thompson-Nicola Regional District	\$213,940
School	\$491,412
Thompson Regional Hospital District	\$112,390
Police	\$72,128
BC Assessment Authority	\$11,166
Municipal Finance Authority	\$54
Total	\$1,584,760

Statement of Development Cost Charges

Year Ended December 31, 2021

	<u>Balance at January 1</u>	<u>DCC's Received</u>	<u>DCC Expenditures</u>	<u>Waivers and Reductions</u>	<u>Interest Earned</u>	<u>Balance at December 31</u>
Water DCC	\$ 281,253	\$ 34,006	\$ -	\$ -	\$ 1,162	\$ 316,421
Sewer DCC	\$ 526,513	\$ -	\$ -	\$ -	\$ 1,941	\$ 528,454
Total	\$ 807,766	\$ 34,006	\$ -	\$ -	\$ 3,103	\$ 844,875

Permissive Tax Exemptions

In accordance with Section 98 (2)(b) of the *Community Charter*, the following properties in the District of Logan Lake were provided permissive property tax exemptions by Council in 2021.

Legal Description	Civic Address	Organization	Value of Permissive Exemption
Land District 25, District Lot 26, Plan 40458	Meadow Creek Road	Meadow Creek Golf Club Society	\$3,584
Lot 1, Land District 25, District Lot 780, Plan KAP60331, Plan KAP58996, and Sec. 33 TP17 RG21, Except MHR #1735	6201 Hwy 97C	Logan Lake Ranch & Country Club	\$643
Lot 2, Land District 25, District Lot 1666, Plan KAS1787	90 Opal Drive	Logan Lake Seniors Society	\$633
Lot 22, Land District 25, District Lot 1666, Plan 21739	311 Opal Drive	Roman Catholic Bishop of Kamloops, Logan Lake Christian Fellowship	\$121
Lot A, Land District 25, District Lot 2217, Plan KAP 474664	237 Jasper Drive of Canada	Pentecostal Assemblies	\$277

[Attachment]

Consolidated Financial Statements of

THE DISTRICT OF LOGAN LAKE

Year ended December 31, 2021

THE DISTRICT OF LOGAN LAKE

Consolidated Financial Statements

Year ended December 31, 2021

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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



Chief Administrative Officer

Director of Finance



KPMG LLP
560 Victoria Street
Kamloops BC V2C 2B2
Canada
Tel 250-372-5581
Fax 250-828-2928

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the District of Logan Lake

Opinion

We have audited the consolidated financial statements of The District of Logan Lake (the "District"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

In preparing the financial statements, management is responsible for assessing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity, to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Kamloops, Canada
May 12, 2022

THE DISTRICT OF LOGAN LAKE

Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 7,051,178	\$ 6,431,070
Accounts receivable:		
Taxes receivable	140,197	201,052
Other receivables	679,899	489,556
Land held for resale (note 2)	3,021,468	2,864,667
Net financial assets of Logan Lake TV Society (note 3)	161,462	140,760
Investment in Logan Lake Community Forest Corp. (note 4)	564,808	1,620,325
	11,619,012	11,747,430
Financial liabilities:		
Accounts payable and accrued liabilities	244,912	301,150
Deferred revenue (note 5)	1,904,379	1,576,847
Term debt (note 6)	1,085,775	1,349,575
	3,235,066	3,227,572
Net financial assets	8,383,946	8,519,858
Non-financial assets:		
Tangible capital assets (note 7)	19,093,615	18,479,614
Prepaid expenses	127,424	124,307
	19,221,039	18,603,921
Trust funds (note 11)		
Commitments and contingencies (note 12)		
Accumulated surplus (note 8)	\$ 27,604,985	\$ 27,123,779

The accompanying notes are an integral part of these consolidated financial statements.

THE DISTRICT OF LOGAN LAKE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 15)	2021	2020
Revenue:			
Taxation (note 9)	\$ 4,030,000	\$ 4,029,396	\$ 3,943,149
User charges	896,200	923,152	959,447
Government transfers (note 10)	2,921,500	1,156,007	1,742,887
Penalties and interest	14,000	26,917	23,901
Investment income	12,000	14,916	31,522
Other contributions	57,900	79,763	218,458
Sale of land held for resale (note 2)	-	796,561	567,136
Total revenue	7,931,600	7,026,712	7,486,500
Expenses:			
General government	1,480,300	1,152,690	1,283,258
Leisure, parks & culture	1,830,600	1,469,306	1,412,668
Planning, development & transportation	2,098,300	1,587,174	1,524,854
Protective services	1,012,100	618,693	618,363
Sewer utility	223,800	135,168	190,010
Solid waste	230,500	214,303	204,882
Water utility	417,600	312,655	394,191
Total expenses	7,293,200	5,489,989	5,628,226
Annual surplus before the undernoted	638,400	1,536,723	1,858,274
Loss of Logan Lake Community Forest Corporation (note 4)	-	(1,055,517)	(727,144)
Annual surplus	1,528,300	481,206	1,131,130
Accumulated surplus, beginning of year	27,123,779	27,123,779	25,992,649
Accumulated surplus, end of year	\$ 28,652,079	\$ 27,604,985	\$ 27,123,779

The accompanying notes are an integral part of these consolidated financial statements.

THE DISTRICT OF LOGAN LAKE

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 15)	2021	2020
Annual surplus	\$ 638,400	\$ 481,206	\$ 1,131,130
Acquisition of tangible capital assets	(3,265,400)	(1,515,837)	(487,015)
Amortization of tangible capital assets	829,000	895,331	857,801
Loss on sale of tangible capital assets	-	3,005	-
Proceeds on sale of tangible capital assets	-	3,500	-
	(2,436,400)	(614,001)	370,786
Acquisition of prepaid expenses	-	(127,424)	(124,307)
Use of prepaid expenses	-	124,307	130,989
	-	(3,117)	6,682
Change in net financial assets	(1,798,000)	(135,912)	1,508,598
Net financial assets, beginning of year	8,519,858	8,519,858	7,011,260
Net financial assets, end of year	\$ 6,721,858	\$ 8,383,946	\$ 8,519,858

The accompanying notes are an integral part of these consolidated financial statements.

THE DISTRICT OF LOGAN LAKE

Consolidated Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 481,206	\$ 1,131,130
Items not involving cash:		
Amortization of tangible capital assets	895,331	857,801
Loss on disposal of tangible capital assets	3,005	-
Logan Lake TV Society deficit	(20,702)	(11,365)
Actuarial adjustment	(47,232)	(38,375)
Loss of Logan Lake Community Forest Corporation	1,055,517	727,144
Change in non-cash assets and liabilities:		
Accounts receivable	(129,488)	(131,691)
Land held for resale	(156,801)	(859,739)
Accounts payable and accrued liabilities	(56,238)	84,265
Deferred revenue	327,532	209,013
Prepaid expenses	(3,117)	6,682
Net change in cash from operating activities	2,349,013	1,974,865
Capital activities:		
Acquisition of tangible capital assets	(1,515,837)	(487,015)
Proceeds on sale of tangible capital assets	3,500	-
Net change in cash from capital activities	(1,512,337)	(487,015)
Financing activities:		
Repayments on debt	(216,568)	(216,568)
Increase in cash and cash equivalents	620,108	1,271,282
Cash and cash equivalents, beginning of year	6,431,070	5,159,788
Cash and cash equivalents, end of year	\$ 7,051,178	\$ 6,431,070
Supplemental cash flow information:		
Cash paid for interest	\$ 55,894	\$ 55,894
Cash received from interest	41,833	55,423

The accompanying notes are an integral part of these consolidated financial statements.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements

Year ended December 31, 2021

The District of Logan Lake (the "District") was incorporated on November 10, 1970 under statute of the Province of British Columbia. The District provides municipal services such as general government, fire protection, solid waste, planning, development and transportation, leisure, parks and culture, water utility, sewer utility and fiscal services.

1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the District and which are owned or controlled by the District except for the District's government business enterprise, Logan Lake Community Forest Corporation ("LLCFC") which is accounted for on the modified equity basis of accounting.

The consolidated entity includes the Logan Lake T.V. Society (the "Society"), which receives the majority of its funding by way of an annual grant from the District. In addition, the District owns the tangible capital assets used by the Society for its operations.

Interdepartmental and inter-organizational transactions and balances between these entities have been eliminated.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(ii) Investment in Government Business Enterprise:

The District's investment in LLCFC is accounted for on a modified equity basis, consistent with Canadian generally accepted accounting principles as recommended by PSAB for investments in Government Business Enterprises. Under the modified equity basis, LLCFC's accounting policies are not adjusted to conform with those of the municipality and inter-organizational transactions and balances are not eliminated. The District recognizes its equity interest in the annual income or loss of LLCFC in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the District may receive from LLCFC will be reflected as reductions in the investment asset account.

(iii) Accounting for Thompson-Nicola Regional District and School Board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Thompson-Nicola Regional District and the school board are not reflected in these consolidated financial statements.

(iv) Trust funds:

Trust funds and their related operations administered by the District are not included in these consolidated financial statements (note 11).

(b) Basis of accounting:

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

(c) Government transfers:

Government transfers (other than grants in lieu of taxes) are recognized in the consolidated financial statements as revenues in the periods in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made unless the transfer contains stipulations that create a liability in which case the transfers are recognized as revenue in the periods that the liability is extinguished. Grants in lieu of taxes are recognized at the earlier of when received or when money is determined to be more likely than not to be collected.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(d) Deferred revenue:

Deferred revenue includes conditional government transfers, development cost charges, and other fees which have been collected, but for which the related expenditures or services have yet to be incurred or performed and recognition criteria not yet met. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed or expenditures incurred.

(e) Cash equivalents:

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

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

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

Asset	Useful life - years
Land improvements	20-40
Buildings and building improvements	20-60
Vehicles, machinery and equipment	5-50
Linear assets	15-60
Furniture and IT equipment	3-10
T.V. equipment	7-50

Assets under construction are not amortized until the asset is available for productive use.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

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

(iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(v) Interest capitalization:

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(g) Use of estimates:

The preparation of financial statements in conformity with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Management reviews these estimates on a periodic basis and, where necessary, makes adjustments prospectively.

(h) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(i) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists
- b) contamination exceeds the environmental standard
- c) the organization is directly responsible or accepts responsibility for the liability
- d) future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made.

2. Land held for resale:

	2021	2020
Balance, beginning of year	\$ 2,864,667	\$ 2,004,928
Additions	801,538	1,375,938
Sales	(644,737)	(516,199)
Balance, end of year	\$ 3,021,468	\$ 2,864,667

During the year, the District sold eight (2020 - eight) properties for total proceeds of \$796,561 (2020 - \$567,136).

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

3. Net financial assets of Logan Lake TV Society:

The District has made certain tangible capital assets available for use to the Society. The District collects and transmits a levy for the Society for operating purposes. The Society's year end is June 30 and there have been no events relating to or transactions of the Society that occurred during the intervening period that would significantly affect the financial position or results of operations of the District.

The following is a summarized financial statement of the Society, which has been included in the consolidated financial statements of the District:

	2021	2020
Statement of Financial Position:		
Cash and marketable securities	\$ 163,525	\$ 149,386
Accounts receivable	20,183	15,841
Lifetime membership in Canadian Cable System Alliance Inc.	1,000	1,000
Accounts payable and accrued liabilities	(23,246)	(25,467)
Net assets of the Society	\$ 161,462	\$ 140,760
Statement of Operations:		
Revenue:		
District of Logan Lake	275,760	272,640
Other	9,179	11,531
	284,939	284,171
Expenses:		
Administrative	33,608	35,544
Amortization of tangible capital assets	33,083	34,172
Maintenance	32,429	28,160
Subscription and fees	198,200	184,294
	297,320	282,170
Excess (deficiency) of revenue over expenses for the Society	\$ (12,381)	\$ 2,001

The Society's revenue provided by the District is netted and eliminated against the cost to the District in these consolidated financial statements and the Society's expenses are classified as leisure, parks and cultural development expenses (note 14).

The District has recorded consolidation adjustments to capitalize tangible capital assets expensed in the Society's financial statements and to record amortization expense on tangible capital assets.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

4. Investment in Logan Lake Community Forest Corporation:

LLCFC is owned and controlled by the District and is considered a Government Business Enterprise. As such, LLCFC is accounted for on the modified equity basis in these consolidated financial statements. LLCFC is to use the timber license obtained from the provincial government, acquired at a nominal cost, to sustainably manage the forests of Logan Lake to diversify the economic base, to enhance recreational opportunities and to secure a fire safe community.

The following table provides condensed supplementary financial information for LLCFC for the year ended December 31:

	2021	2020
Financial position:		
Assets:		
Current	\$ 1,935,488	\$ 2,584,390
Total assets	\$ 1,935,488	\$ 2,584,390
Liabilities:		
Current	657,558	333,445
Long-term	713,122	630,620
Total liabilities	1,370,680	964,065
Equity:		
Share capital	120	120
Retained earnings	564,688	1,620,205
Total equity	564,808	1,620,325
Total liabilities and equity	\$ 1,935,488	\$ 2,584,390
Operations:		
Revenue	\$ 423,886	\$ 88,653
Expenses	1,479,403	815,797
Change in equity	\$ (1,055,517)	\$ (727,144)
Investment represented by:		
Investment in shares of LLCFC	\$ 120	\$ 120
Accumulated net earnings	564,688	1,620,205
Total investment	\$ 564,808	\$ 1,620,325

There were \$9,707 (2020 - \$162,847) in related party transactions between the District and LLCFC for the year comprised of donations made by LLCFC for contributions towards community events and various capital projects. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

5. Deferred revenue:

Deferred revenue consists of the following:

	2021	2020
Development cost charges - Water Utility Fund	\$ 316,421	\$ 281,253
Development cost charges - Sewer Utility Fund	528,454	526,513
Federal Gas Tax funds	1,002,679	714,344
Other	56,825	54,737
Total deferred revenue	\$ 1,904,379	\$ 1,576,847

Continuity of deferred revenue is as follows:

	2021	2020
Balance, beginning of year:		
Development cost charges - Water Utility Fund	\$ 281,253	\$ 228,226
Development cost charges - Sewer Utility Fund	526,513	521,625
Federal Gas Tax funds	714,344	568,659
Other	54,737	49,324
	1,576,847	1,367,834
Gas Tax Agreement funds received	284,650	139,054
Other contributions received	80,831	97,938
Interest earned	6,788	14,132
Total contributions	372,269	251,124
Less amounts spent on projects and recorded as revenue	(44,737)	(42,111)
Balance, end of year	\$ 1,904,379	\$ 1,576,847

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

6. Term debt:

- (a) The District issued debt instruments through the MFA to finance the cost of constructing a new firehall. Under the terms of the debt, the District is required to make principal payments once annually while interest is calculated semi-annually at 3.5% per annum and is based on the original debt principal borrowed. Associated with these principal payments, the MFA provides an actuarial adjustment, which is a non-cash reduction in the loan balance representing the investment earnings the MFA expects to realize on each principal payment.

Debt interest charges are recorded as an expense in the period incurred. Principal payments and actuarial adjustments are applied to reduce recorded liabilities.

Changes in term debt are shown below:

	2021	2020
Balance, beginning of the year	\$ 1,349,575	\$ 1,604,519
Principal payments	(216,568)	(216,568)
Actuarial adjustment of term debt	(47,232)	(38,376)
Debt, end of year	\$ 1,085,775	\$ 1,349,575

- (b) Total principal payments required of the District for the next 4 years are as follows:

2022	\$ 216,568
2023	216,568
2024	216,568
2025	216,568

Scheduled debt repayments may be suspended by the MFA if the MFA anticipates that it has sufficient investment assets to cover the remaining principal and interest repayments of the MFA funding debentures.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

7. Tangible capital assets:

	Land improvements	Buildings and building improvements	Vehicles, machinery and equipment	Linear assets	Furniture and IT equipment	T.V. equipment	Total
2021							
Cost:							
Balance, beginning of year	\$ 3,245,485	\$ 3,485,771	\$ 9,653,926	\$ 5,510,038	\$ 13,092,540	\$ 391,791	\$ 1,375,140
Additions	-	38,213	197,290	1,261,511	6,805	12,018	-
Disposals	-	-	-	(65,050)	-	-	-
Balance, end of year	3,245,485	3,523,984	9,851,216	6,706,499	13,099,345	403,809	1,375,140
Accumulated amortization:							
Balance, beginning of year	-	1,802,004	2,943,702	3,297,857	8,862,161	227,434	1,141,919
Disposals	-	-	-	(58,545)	-	-	-
Amortization expense	-	120,979	239,409	229,129	224,952	47,779	33,083
Balance, end of year	-	1,922,983	3,183,111	3,468,441	9,087,113	275,213	1,175,002
Net book value, end of year	\$ 3,245,485	\$ 1,601,001	\$ 6,668,105	\$ 3,238,058	\$ 4,012,232	\$ 128,596	\$ 200,138
							\$ 19,093,615

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

7. Tangible capital assets (continued):

2020	Land improvements	Land	Building and building improvements	Machinery, vehicles and equipment	Linear assets	Furniture and IT equipment	T.V. equipment	Total
Cost:								
Balance, beginning of year	\$ 3,245,485	\$ 3,337,203	\$ 9,644,539	\$ 5,212,946	\$ 13,092,540	\$ 379,254	\$ 1,355,709	\$ 36,267,676
Additions	-	148,568	9,387	297,092	-	12,537	19,431	487,015
Balance, end of year	3,245,485	3,485,771	9,653,926	5,510,038	13,092,540	391,791	1,375,140	36,754,691
Accumulated amortization:								
Balance, beginning of year	-	1,680,280	2,711,696	3,081,380	8,645,772	190,401	1,107,747	17,417,276
Amortization expense	-	121,724	232,006	216,477	216,389	37,033	34,172	857,801
Balance, end of year	-	1,802,004	2,943,702	3,297,857	8,862,161	227,434	1,141,919	18,275,077
Net book value, end of year	\$ 3,245,485	\$ 1,683,767	\$ 6,710,224	\$ 2,212,181	\$ 4,230,379	\$ 164,357	\$ 233,221	\$ 18,479,614

Assets under construction which have not been amortized are included in building and building improvements totaling \$nil (2020 - \$9,387), furniture and IT equipment \$nil (2020 - \$34,243), machinery, vehicles and equipment totaling \$925,732 (2020 - \$179,038) and land improvements \$16,238 (2020 - \$149,159). Amortization of these assets will commence when the asset is put into service upon completion of the project.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

8. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 18,007,840	\$ 17,130,039
Unrestricted	6,182,389	6,634,767
Total surplus	24,190,229	23,764,806
Reserves set aside by Council for operating purposes:		
Reserve for future expenditures - Sewer Utility Fund	202,769	69,969
Recreation centre	145,619	190,000
Parks	50,047	25,047
Lights	20,000	20,000
Office equipment	42,488	17,488
Fire Hall	93,188	73,694
Roads	215,537	166,097
Banner replacement	-	5,000
Campground	244,135	204,815
Reserve for future expenditures - Water Utility Fund	133,796	133,310
Crushed gravel	48,060	50,000
Cemetery	285,000	85,000
50th anniversary	19,815	37,086
COVID-19 Safe Restart	459,243	816,356
Total operating reserve funds	1,959,697	1,893,862
Reserves set aside by Council for capital purposes:		
Economic diversification reserve	856,125	723,049
Capital reserve - General Operating Fund	484,298	627,426
Economic development reserve	83,100	83,100
Capital reserve - Sewer Utility Fund	31,536	31,536
Total capital reserve funds	1,455,059	1,465,111
Total accumulated surplus	\$ 27,604,985	\$ 27,123,779

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

9. Taxation:

Taxation revenue consists of the following:

	2021	2020
Municipal and Regional District and other government property taxes levied	\$ 5,714,004	\$ 5,376,037
Payments-in-lieu of property taxes	609,242	598,632
Balance, end of year	6,323,246	5,974,669
Less: payments to Regional District and other governments	(2,293,850)	(2,031,520)
Net taxes available for municipal purposes	\$ 4,029,396	\$ 3,943,149

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

10. Government transfers:

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

	2021	2020
Revenue:		
Provincial grants:		
Climate Action Revenue Incentive	\$ 13,670	\$ 11,237
Community Emergency Preparedness Fund	2,569	38,830
COVID-19 Safe Restart Grant	-	816,000
Evacuation Route Planning	3,688	-
Fuel Management Program	22,009	82,860
Habitat Conservation Trust Foundation	-	-
ICIP-Rural Community Fund	664,032	179,038
Innovate B.C.	-	5,650
MIABC Risk Management Grant	-	7,853
Northern Development Initiative Trust	50,937	101,246
Operational Fuel Treatment	-	-
Other	-	-
Rural Dividend Program	-	100,000
Small Community Protection	374,000	367,469
Subtotal provincial grants	1,130,905	1,710,183
Federal grants		
Canada Summer Jobs Program	25,102	32,704
Community Works Fund Agreement	-	-
FCM Municipal Asset Management	-	-
Subtotal federal grants	25,102	32,704
Total revenue	\$ 1,156,007	\$ 1,742,887

11. Trust funds:

The District operates the Whispering Pines Cemetery and maintains a Cemetery Perpetual Care Fund in trust, in accordance with the Cremation, Internment and Funeral Services Act of British Columbia. The funds held in trust amount to \$12,403 (2020 - \$12,387) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

12. Commitments and contingencies:

- (a) The District, as a member of the Thompson Nicola Regional District, is liable for its proportion of any operating deficits or long-term debt related to functions in which it participates.
- (b) The District and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee 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 contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2020, the Plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

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

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

The District paid \$130,598 (2020 - \$137,469) for employer contributions, while employees contributed \$111,319 (2020 - \$118,385) to the Plan in fiscal 2021.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

12. Commitments and contingencies (continued):

- (c) From time to time the District is brought forth as a defendant in various lawsuits. The District reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim against the District would materially affect the consolidated financial statements of the District. The District is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the consolidated financial statements of the District.
- (d) The District is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the District, along with the other participants, would be required to contribute towards the deficit.
- (e) Debt Reserve Funds:

The District issues debt instruments through the MFA. Under borrowing arrangements with the MFA, the District is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As the debt principal is retired, demand notes are released and the cash deposits are refunded and recorded as operating income in the period received. As a condition of these borrowings, a portion of the proceeds is withheld by the MFA as a debt reserve fund. These demand notes are contingent in nature and are not recorded in the financial statements.

At December 31, 2021, the District had \$29,454 (2020 - \$28,962) in cash deposits and \$10,825 (2020 - \$110,825) in contingent demand notes.

- (f) The District has provided a letter of guarantee of \$10,000 (2020 - \$10,000) to Canadian Imperial Bank of Commerce (the "CIBC") on behalf of Meadow Creek Golf Club (the "Club"), representing a continuing guarantee covering both the present and future liabilities of the Club for a revolving line of credit at the current prime rate + 1%.

The guarantee would require the District to make payment in the event that the Club does not meet its payment obligations to the CIBC. The outstanding loan balance at December 31, 2021 was \$nil (2020 - \$nil).

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

13. Logan Lake Recreation Centre:

The District operates the Logan Lake Recreation Centre out of the General Fund. Revenues and expenses of the Recreation Centre, which have been included in those presented in these financial statements, are as follows:

	2021	2020
Revenue:		
Taxation	\$ 431,700	\$ 430,600
Fees, rates, and sales of service	108,395	60,067
	540,095	490,667
Expenses:		
Wages, salaries and benefits	191,722	190,825
Utilities	90,204	93,672
Supplies and equipment	83,935	95,647
Recreational services amortization	74,694	67,655
Administration	65,000	66,400
	505,555	514,199
Excess (deficiency) for the year	\$ 34,540	\$ (23,532)

14. Segmented information:

Segmented information has been identified based upon lines of service provided by the District. District services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government:

General government operations provide the functions of Building Services and Maintenance, Corporate Administration, Finance, Human Resources, Legislative Services and any other functions not categorized to a specific department.

(b) Protective Services:

Protective Services is comprised of the Fire Department. The Fire Department is responsible for providing fire suppression services, fire prevention programs, training and education related to prevention, detection or extinguishments of fires.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

(c) Planning, Development, and Transportation Services:

Planning, development and transportation includes the Public Works Department, which is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and street lighting. This function also includes certain tourism and economic development activities.

(d) Leisure, Parks and Cultural Development:

Leisure, parks and cultural development includes the Logan Lake Recreation Centre operations, the Society operations, various community events, and maintenance of parks, cemetery and other open spaces.

(e) Solid Waste Services:

The District is responsible for environmental programs including solid waste collection, disposal and recycling.

(f) Water Utility:

The District is responsible for environmental programs including the engineering and operation of the potable water system.

(g) Sewer Utility:

The District is responsible for environmental programs including the engineering and operation of the wastewater systems.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

	General Government	Protective Services	Planning, Development and Transportation Services	Leisure, Parks and Cultural Development	Solid Waste Services	Water Utility	Sewer Utility	Total
2021								
Revenues:								
Taxation	\$ 1,369,096	\$ 666,500	\$ 987,700	\$ 1,006,100	\$ -	\$ -	\$ -	\$ 4,029,396
User charges	35,259	6,056	10,000	188,172	225,958	291,474	166,233	923,152
Government transfers	390,672	25,265	50,000	26,039	-	664,031	-	1,156,007
Investment income	14,916	-	-	-	-	-	-	14,916
Penalties and interest	26,917	-	-	-	-	-	-	26,917
Sale of land for resale	-	-	796,561	-	-	-	-	796,561
Other	30,054	20,259	-	29,450	-	-	-	79,763
Total revenues	1,866,914	718,080	1,844,261	1,249,761	225,958	955,505	166,233	7,026,712
Expenses:								
Salaries, wages and employee benefits	759,236	225,740	364,327	520,415	76,611	89,154	29,103	2,064,586
Materials, supplies and services	326,440	216,604	393,882	707,117	108,831	99,741	29,715	1,882,330
Loss on disposal of tangible capital assets	-	-	3,005	-	-	-	-	3,005
Amortization	67,014	176,349	181,223	241,774	28,861	123,760	76,350	895,331
Property sales and write-downs	-	-	644,737	-	-	-	-	644,737
Total expenses	1,152,690	618,693	1,587,174	1,469,306	214,303	312,655	135,168	5,489,989
Annual surplus (deficit)	\$ 714,224	\$ 99,387	\$ 257,087	\$ (219,545)	\$ 11,655	\$ 642,850	\$ 31,065	\$ 1,536,723

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

2020	General Government	Protective Services	Planning, Development and Transportation Services	Leisure, Parks and Cultural Development	Solid Waste Services	Water Utility	Sewer Utility	Total
Revenues:								
Taxation	\$ 1,068,349	\$ 622,400	\$ 969,200	\$ 1,283,200	\$ -	\$ -	\$ -	\$ 3,943,149
User charges	36,013	7,228	10,000	244,038	218,312	279,265	164,591	959,447
Government transfers	1,194,708	127,339	80,000	161,802	-	179,038	-	1,742,887
Investment income	31,522	-	-	-	-	-	-	31,522
Penalties and interest	23,901	-	-	-	-	-	-	23,901
Sale of land for resale	-	-	567,136	-	-	-	-	567,136
Other	23,436	16,357	-	78,665	-	100,000	-	218,458
Total revenues	2,377,929	773,324	1,626,336	1,767,705	218,312	558,303	164,591	7,486,500
Expenses:								
Salaries, wages and employee benefits	949,260	162,339	343,092	521,317	77,161	106,021	43,063	2,202,253
Materials, supplies and services	268,360	291,557	490,281	670,282	108,973	162,935	65,708	2,058,096
Amortization	65,638	164,467	181,405	221,069	18,748	125,235	81,239	857,801
Property sales and writedowns	-	-	510,076	-	-	-	-	510,076
Total expenses	1,283,258	618,363	1,524,854	1,412,668	204,882	394,191	190,010	5,628,226
Annual surplus (deficit)	\$ 1,094,671	\$ 154,961	\$ 101,482	\$ 355,037	\$ 13,430	\$ 164,112	\$ (25,419)	\$ 1,858,274

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2021 operating and capital budgets approved as the 2021 to 2025 Financial Plan by Council on May 20, 2021. The legislative requirements for the Financial Plan are that the cash inflows for the period must equal planned cash outflows.

Cash inflows and outflows budgeted for include such items as transfers to and from reserves, transfers to and from operating surpluses and proceeds on sale of assets. These items are not recognized as revenues and expenses in the Statement of Operations as they do not meet the definition of such under public sector accounting standards. PSAB requires that budget figures be presented on the same basis of accounting as actual figures.

The chart below reconciles the budget figures reported in these consolidated financial statements to the approved Financial Plan.

	Budget amount
Surplus - Statement of Operations	\$ 638,400
Adjust for budgeted items not included in Statement of Operations:	
Transfers from reserve funds	2,014,600
Acquisition of tangible capital assets	(3,265,400)
Principal repayments on borrowing	(216,600)
Non-cash items	829,000
Total Adjustments	(638,400)
Financial Plan Balance	\$ -

16. Covid-19 pandemic:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations are not known at this time; however they could be material. The Municipality continues to manage liquidity risk by forecasting and assessing cash requirements on an ongoing basis. As at May 10, 2022, the Municipality continues to meet its contractual obligations within normal payment terms.

THE DISTRICT OF LOGAN LAKE

Consolidated

Schedule 1 - Covid-19 Safe Restart Grant (unaudited)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 816,000	\$ -
Provincial COVID-19 Safe Restart Grant	-	816,000
Municipal Hall	(252,300)	-
Recreation Centre	(64,200)	-
Public Works	(22,600)	-
Firehall	(16,900)	-
Campground	(2,800)	-
Balance, end of year	\$ 457,200	\$ 816,000