

Consolidated Financial Statements of

THE DISTRICT OF LOGAN LAKE

Year ended December 31, 2024

THE DISTRICT OF LOGAN LAKE

Consolidated Financial Statements

Year ended December 31, 2024

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 Auditor's 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



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INDEPENDENT AUDITOR'S 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, 2024
- the consolidated statement of earnings 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, 2024, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Vernon, Canada
May 30, 2025

THE DISTRICT OF LOGAN LAKE

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 9,626,757	\$ 11,340,447
Accounts receivable:		
Taxes receivable	201,818	112,169
Other receivables	969,244	820,925
Land held for resale (note 3)	2,577,124	2,864,741
Net financial assets of Logan Lake TV Society (note 4)	159,765	167,225
Investment in Logan Lake Community Forest Corp. (note 5)	1,020,393	29,557
	<hr/>	<hr/>
	14,555,101	15,335,064
Financial liabilities:		
Accounts payable and accrued liabilities	352,072	254,795
Deferred revenue (note 6)	2,099,053	3,227,855
Term debt (note 7)	237,670	530,288
	<hr/>	<hr/>
	2,688,795	4,012,938
Net financial assets	<hr/>	<hr/>
	11,866,306	11,322,126
Non-financial assets:		
Tangible capital assets (note 8)	22,659,170	19,574,475
Prepaid expenses	148,215	115,010
	<hr/>	<hr/>
	22,807,385	19,689,485
Trust funds (note 11)		
Commitments and contingencies (note 13)		
Accumulated surplus (note 9)	<hr/>	<hr/>
	\$ 34,673,691	\$ 31,011,611

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

THE DISTRICT OF LOGAN LAKE

Consolidated Statement of Earnings and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget (note 15)	2024	2023
Revenue:			
Taxation (note 10)	\$ 4,816,200	\$ 4,553,221	\$ 4,395,784
User charges	1,007,300	1,109,338	1,066,338
Government transfers (note 12)	4,768,700	2,698,578	3,212,981
Penalties and interest	-	32,269	21,029
Investment income	-	464,455	349,974
Other contributions	88,500	127,355	119,296
Sale of land held for resale (note 3)	-	423,290	814,994
Total revenue	10,680,700	9,408,506	9,980,396
Expenses:			
General government	2,130,000	1,596,897	1,520,013
Leisure, parks & culture	2,284,300	1,961,873	1,800,468
Planning, development & transportation	1,698,100	1,449,684	1,813,511
Protective services	914,500	816,174	885,775
Sewer utility	152,000	233,136	167,671
Solid waste	224,500	244,817	227,159
Water utility	289,200	434,681	401,747
Total expenses	7,692,600	6,737,262	6,816,344
Annual surplus before the undernoted	2,988,100	2,671,244	3,164,052
Income (loss) of Logan Lake Community Forest Corporation (note 4)	-	990,836	(732,023)
Annual surplus	2,988,100	3,662,080	2,432,029
Accumulated surplus, beginning of year (note 17)	31,011,611	31,011,611	28,579,582
Accumulated surplus, end of year	\$ 33,999,711	\$ 34,673,691	\$ 31,011,611

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, 2024, with comparative information for 2023

	Budget (note 15)	2024	2023
Annual surplus	\$ 2,988,100	\$ 3,662,080	\$ 2,432,029
Acquisition of tangible capital assets	(5,619,000)	(4,051,499)	(1,567,050)
Amortization of tangible capital assets	957,000	963,994	952,959
Loss on sale of tangible capital assets	-	2,810	-
	(4,662,000)	(3,084,695)	(614,091)
Acquisition of prepaid expenses	-	(148,598)	(135,319)
Use of prepaid expenses	-	115,393	138,616
	-	(33,205)	3,297
Change in net financial assets	(1,673,900)	544,180	1,821,235
Net financial assets, beginning of year	11,322,126	11,322,126	9,500,891
Net financial assets, end of year	\$ 9,648,226	\$ 11,866,306	\$ 11,322,126

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, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 3,662,080	\$ 2,432,029
Items not involving cash:		
Amortization of tangible capital assets	963,994	952,959
Loss on disposal of tangible capital assets	2,810	-
Logan Lake TV Society deficit	7,460	292
Actuarial adjustment	(76,050)	(55,894)
Gain on sale of land held for resale	(117,133)	(26,025)
Proceeds on land held for resale	423,290	814,994
(Income) loss of Logan Lake Community Forest Corporation	(990,836)	732,023
Change in non-cash assets and liabilities:		
Accounts receivable	(237,968)	(426,515)
Land held for resale	(18,540)	(47,233)
Accounts payable and accrued liabilities	97,277	(89,934)
Deferred revenue	(1,128,802)	1,370,756
Prepaid expenses	(33,205)	3,297
Net change in cash from operating activities	2,554,377	5,660,749
Capital activities:		
Acquisition of tangible capital assets	(4,051,499)	(1,567,050)
Financing activities:		
Repayments on debt	(216,568)	(226,559)
	(1,713,690)	3,867,140
Cash and cash equivalents, beginning of year	11,340,447	7,473,307
Cash and cash equivalents, end of year	\$ 9,626,757	\$ 11,340,447
Supplemental cash flow information:		
Cash paid for interest	\$ 55,894	\$ 55,894
Cash received from interest	496,724	371,003

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, 2024

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. The Society is accounted for on the modified equity basis of accounting.

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, 2024

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, 2024

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
TV 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, 2024

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, 2024

1. Significant accounting policies (continued):

(i) Asset retirement obligations:

Asset retirement obligations are recognized when, as at the financial reporting date, all of the following criteria are met:

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

The District has assessed its assets in consideration of these and noted that there are no obligations which meet the above criteria.

(j) Financial instruments:

Financial instruments include cash and cash equivalents, investments, accounts receivable, and accounts payable.

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

Unrealized changes in fair value are recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations and accumulated surplus when they are realized. There are no unrealized changes in fair value as at December 31, 2024 and December 31, 2023. As a result, the District does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred.

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

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Adoption of new accounting standards:

On January 1, 2024 the District adopted PS 3400 Revenue. The adoption of this standard did not have any impact on the amounts presented in these financial statements.

3. Land held for resale:

	2024	2023
Balance, beginning of year	\$ 2,864,741	\$ 3,606,477
Sales	(306,157)	(788,969)
Additions	18,540	47,233
Balance, end of year	\$ 2,577,124	\$ 2,864,741

During the year, the District sold four (2023 - seven) properties for total proceeds of \$423,290 (2023 - \$814,994).

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

4. 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:

	2024	2023
Statement of Financial Position:		
Cash and marketable securities	\$ 164,540	\$ 177,657
Accounts receivable	22,489	15,641
Lifetime membership in Canadian Cable System Alliance Inc.	1,000	1,000
Accounts payable and accrued liabilities	(28,264)	(27,073)
Net assets of the Society	\$ 159,765	\$ 167,225
Statement of Operations:		
Revenue:		
District of Logan Lake	324,024	280,320
Other	16,072	12,103
	340,096	292,423
Expenses:		
Administrative	37,240	34,521
Amortization of tangible capital assets	31,584	32,005
Maintenance	33,940	25,110
Subscription and fees	248,994	233,084
	351,758	324,720
Deficiency of revenue over expenses for the Society	\$ (11,662)	\$ (32,297)

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, 2024

5. 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:

	2024	2023
Financial position:		
Assets:		
Current	\$ 3,575,941	\$ 1,522,527
Total assets	\$ 3,575,941	\$ 1,522,527
Liabilities:		
Current	740,035	756,438
Long-term	1,815,513	736,532
Total liabilities	2,555,548	1,492,970
Equity:		
Share capital	120	120
Retained earnings	1,020,273	29,437
Total equity	1,020,393	29,557
Total liabilities and equity	\$ 3,575,941	\$ 1,522,527
Operations:		
Revenue	\$ 4,452,220	\$ 994,940
Expenses	3,542,249	1,726,963
Adjustment to prior year estimate	80,865	-
Change in equity	\$ 990,836	\$ (732,023)
Investment represented by:		
Investment in shares of LLCFC	\$ 120	\$ 120
Accumulated net earnings	1,020,273	29,437
Total investment	\$ 1,020,393	\$ 29,557

There were \$46,750 (2023 - \$27,042) in related party transactions between the District and LLCFC for the year comprised of contributions towards community events. 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, 2024

6. Deferred revenue:

Deferred revenue consists of the following:

	2024	2023
Development cost charges - Water Utility Fund	\$ 458,433	\$ 410,054
Development cost charges - Sewer Utility Fund	614,649	572,181
Federal Gas Tax funds	156,399	1,014,909
Other	869,572	1,230,711
Total deferred revenue	\$ 2,099,053	\$ 3,227,855

Continuity of deferred revenue is as follows:

	2024	2023
Balance, beginning of year:		
Development cost charges - Water Utility Fund	\$ 410,054	\$ 354,570
Development cost charges - Sewer Utility Fund	572,181	542,204
Federal Gas Tax funds	1,014,909	836,509
Other	1,230,711	123,816
	3,227,855	1,857,099
Other contributions received	632,858	1,212,924
Interest earned	96,749	111,038
Gas Tax Agreement funds received	-	139,641
Total contributions	729,607	1,463,603
Less amounts spent on projects and recorded as revenue	(1,858,409)	(92,847)
Balance, end of year	\$ 2,099,053	\$ 3,227,855

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Term debt:

- (a) In 2015, 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:

	2024	2023
Balance, beginning of the year	\$ 530,288	\$ 812,741
Principal payments	(216,568)	(226,559)
Actuarial adjustment of term debt	(76,050)	(55,894)
Debt, end of year	\$ 237,670	\$ 530,288

- (b) Total principal payments (which are exclusive of actuarial adjustments) required of the District for the next 2 years are as follows:

2025	216,568
2026	21,102
	\$ 237,670

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, 2024

8. Tangible capital assets:

2024	Land improvements	Land	Buildings and building improvements	Vehicles, machinery and equipment	Linear assets	Furniture and IT equipment	TV equipment	Total
Cost:								
Balance, beginning of year	\$ 3,245,485	\$ 3,633,992	\$ 9,982,100	\$ 8,443,092	\$ 13,454,345	\$ 410,161	\$ 1,375,140	\$ 40,544,315
Additions	-	1,400,251	65,187	447,112	2,042,094	69,473	27,382	4,051,499
Disposals	-	-	-	(34,249)	-	(19,273)	-	(53,522)
Balance, end of year	3,245,485	5,034,243	10,047,287	8,855,955	15,496,439	460,361	1,402,522	44,542,292
Accumulated amortization:								
Balance, beginning of year	-	2,165,282	3,672,248	3,988,996	9,550,933	353,378	1,239,003	20,969,840
Disposals	-	-	-	(31,439)	-	(19,273)	-	(50,712)
Amortization expense	-	157,025	235,282	290,989	218,755	30,359	31,584	963,994
Balance, end of year	-	2,322,307	3,907,530	4,248,546	9,769,688	364,464	1,270,587	21,883,122
Net book value, end of year	\$ 3,245,485	\$ 2,711,936	\$ 6,139,757	\$ 4,607,409	\$ 5,726,751	\$ 95,897	\$ 131,935	\$ 22,659,170

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Tangible capital assets (continued):

2023	Land improvements	Land	Building and building improvements	Machinery, vehicles and equipment	Linear assets	Furniture and IT equipment	TV equipment	Total
Cost:								
Balance, beginning of year	\$ 3,245,485	\$ 3,585,774	\$ 9,950,019	\$ 6,978,352	\$ 13,432,334	\$ 410,161	\$ 1,375,140	\$ 38,977,265
Additions	-	48,218	32,081	1,464,740	22,011	-	-	1,567,050
Balance, end of year	3,245,485	3,633,992	9,982,100	8,443,092	13,454,345	410,161	1,375,140	40,544,315
Accumulated amortization:								
Balance, beginning of year	-	2,044,981	3,426,754	3,708,055	9,323,135	306,961	1,206,995	20,016,881
Amortization expense	-	120,301	245,494	280,941	227,798	46,417	32,008	952,959
Balance, end of year	-	2,165,282	3,672,248	3,988,996	9,550,933	353,378	1,239,003	20,969,840
Net book value, end of year	\$ 3,245,485	\$ 1,468,710	\$ 6,309,852	\$ 4,454,096	\$ 3,903,412	\$ 56,783	\$ 136,137	\$ 19,574,475

Assets under construction which have not been amortized are included in machinery, vehicles and equipment totaling \$1,273,790 (2023 - \$1,130,913), linear assets \$2,064,105 (2023 - \$22,011), land improvements \$592,217 (2023 - \$79,702), and building and building improvements \$36,671 (2023 - \$nil). 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, 2024

9. Accumulated surplus:

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

	2024	2023
Surplus:		
Invested in tangible capital assets	\$ 22,421,500	\$ 19,044,187
Unrestricted	6,659,571	7,129,131
Total surplus	29,081,071	26,173,318
Reserves set aside by Council for operating purposes:		
Reserve for future expenditures - Sewer Utility Fund	314,069	296,769
Recreation centre	325,319	320,919
Parks	100,000	100,000
Office equipment	25,000	25,000
Fire Hall	30,750	42,785
Roads	100,000	500,000
Campground	286,763	305,197
Reserve for future expenditures - Water Utility Fund	136,842	76,442
Crushed gravel	100,000	100,000
Cemetery	369,972	382,500
COVID-19 Safe Restart	-	163,176
Total operating reserve funds	1,788,715	2,312,788
Reserves set aside by Council for capital purposes:		
Economic diversification reserve	1,365,207	339,672
Capital reserve - General Operating Fund	703,217	536,128
Capital reserve - Sewer Utility Fund	-	31,536
Growing Communities Fund reserve	1,735,481	1,618,169
Total capital reserve funds	3,803,905	2,525,505
Total accumulated surplus	\$ 34,673,691	\$ 31,011,611

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

10. Taxation:

Taxation revenue consists of the following:

	2024	2023
Municipal and Regional District and other government property taxes levied	\$ 6,460,916	\$ 6,163,053
Payments-in-lieu of property taxes	623,809	625,956
Balance, end of year	7,084,725	6,789,009
Less: payments to Regional District and other governments	(2,531,504)	(2,393,225)
Net taxes available for municipal purposes	\$ 4,553,221	\$ 4,395,784

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 \$18,866 (2023 - \$16,826) 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, 2024

12. 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:

	2024	2023
Revenue:		
Provincial grants:		
Destination Development Fund	527,101	-
Small Community Protection	425,700	382,000
Fuel Management Program	198,245	251,699
Fire Rehabilitation Grant	142,956	46,769
Climate Action Program	133,589	-
ICIP Rural Community Fund	76,183	808,329
Northern Development Initiative Trust	50,000	50,000
NDIT Recreation Program	27,707	33,887
BC Active Transportation Plan	18,236	-
CEPF Flood Risk Assessment	14,832	-
Fortis BC Rebate	12,910	-
Local Government Housing Initiative	9,000	-
Community Regreening Program	7,500	6,088
Indigenous Engagement Requirements Fund	4,441	-
CEPF Equipment & Training	-	27,038
Growing Communities Fund	-	1,538,000
Subtotal provincial grants	1,648,400	3,143,810
Federal grants:		
Canada Community Building Fund	1,035,400	27,114
Canada Summer Jobs Program	11,898	9,386
Canada Day Grant	2,880	2,500
Municipal Asset Management Program	-	30,171
Subtotal federal grants	1,050,178	69,171
Total revenue	\$ 2,698,578	\$ 3,212,981

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

13. 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 defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2023 the Plan has approximately 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary’s calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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 next valuation will be as at December 31, 2024.

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 the individual employers participating in the Plan.

The District paid \$171,742 (2023 - \$159,576) for employer contributions, while employees contributed \$155,691 (2023 - \$144,067) to the Plan in fiscal 2024.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

13. 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. The demand notes are contingent in nature and are not recorded in the financial statements.

At December 31, 2024, the District had \$32,129 (2023 - \$31,048) in cash deposits and \$110,825 (2023 - \$110,825) in contingent demand notes.

(f) The District has provided a letter of guarantee of \$10,000 (2023 - \$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, 2024 was \$nil (2023 - \$nil).

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

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.

(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.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Segmented information (continued):

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, 2024

14. Segmented information (continued):

2024	General Government	Protective Services	Development and Transportation Services	Leisure, Parks and Cultural Development	Solid Waste Services	Water Utility	Sewer Utility	Total
Revenues:								
Taxation	\$ 1,428,621	\$ 435,500	\$ 1,154,500	\$ 1,534,600	\$ -	-	-	\$ 4,553,221
User charges	34,189	10,680	18,750	282,441	244,440	345,211	173,627	1,109,338
Government transfers	443,936	202,686	296,132	1,755,824	-	-	-	2,698,578
Investment income	464,455	-	-	-	-	-	-	464,455
Penalties and interest	32,269	-	-	-	-	-	-	32,269
Sale of land for resale	-	-	423,290	-	-	-	-	423,290
Other	40,005	69,769	-	17,581	-	-	-	127,355
Total revenues	2,443,475	718,635	1,892,672	3,590,446	244,440	345,211	173,627	9,408,506
Expenses:								
Salaries, wages and employee benefits	1,170,632	229,361	360,345	641,068	95,288	114,344	40,234	2,651,272
Materials, supplies and services	363,073	429,938	595,733	1,040,680	120,709	147,037	115,859	2,813,029
Loss on disposal of tangible capital assets	-	-	2,810	-	-	-	-	2,810
Amortization	63,192	156,875	184,639	280,125	28,820	173,300	77,043	963,994
Property sales and writedowns	-	-	306,157	-	-	-	-	306,157
Total expenses	1,596,897	816,174	1,449,684	1,961,873	244,817	434,681	233,136	6,737,262
Annual surplus (deficit)	\$ 846,578	\$ (97,539)	\$ 442,988	\$ 1,628,573	\$ (377)	\$ (89,470)	\$ (59,509)	\$ 2,671,244

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Segmented information (continued):

2023	General Government	Protective Services	Development and Transportation Services	Leisure, Parks and Cultural Development	Solid Waste Services	Water Utility	Sewer Utility	Total
Revenues:								
Taxation	\$ 1,255,984	\$ 668,800	\$ 1,200,200	\$ 1,270,800	-	-	-	\$ 4,395,784
User charges	33,230	10,582	15,000	273,344	238,279	325,950	169,953	1,066,338
Government transfers	382,000	278,737	1,618,171	934,073	-	-	-	3,212,981
Investment income	349,974	-	-	-	-	-	-	349,974
Penalties and interest	21,029	-	-	-	-	-	-	21,029
Sale of land for resale	-	-	814,994	-	-	-	-	814,994
Other	30,433	57,958	-	30,905	-	-	-	119,296
Total revenues	2,072,650	1,016,077	3,648,365	2,509,122	238,279	325,950	169,953	9,980,396
Expenses:								
Salaries, wages and employee benefits	1,091,131	216,249	331,763	626,237	91,325	87,311	40,010	2,484,026
Materials, supplies and services	361,859	495,244	502,714	926,709	107,014	144,365	52,485	2,590,390
Amortization	67,023	174,282	190,065	247,522	28,820	170,071	75,176	952,959
Property sales and writedowns	-	-	788,969	-	-	-	-	788,969
Total expenses	1,520,013	885,775	1,813,511	1,800,468	227,159	401,747	167,671	6,816,344
Annual surplus (deficit)	\$ 552,637	\$ 130,302	\$ 1,834,854	\$ 708,654	\$ 11,120	\$ (75,797)	\$ 2,282	\$ 3,164,052

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2024 operating and capital budgets approved as the 2024 to 2028 Financial Plan by Council on May 7, 2024. 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	\$ 2,988,100
Adjust for budgeted items not included in Statement of Operations:	
Transfers from reserve funds	1,890,500
Acquisition of tangible capital assets	(5,619,000)
Principal repayments on borrowing	(216,600)
Non-cash items	957,000
Total Adjustments	(2,988,100)
Financial Plan Balance	\$ -

16. Financial instruments:

The District is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the District's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

16. Financial instruments (continued):

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 and accounts receivable.

The District manages its credit risk by limiting the amount of credit extended and obtaining security deposits where appropriate, and through the high diversified nature of the residents of the District. The District measures its exposure to credit risk based on how long amounts have been outstanding and the District's historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable. Accounts receivable arise primarily as a result of taxation and grants. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

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 and long-term debt.

The District manages this risk by monitoring cash activities and expected outflows through budgeting. The Municipality's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments.

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 District is exposed to interest rate risk through its long-term debt.

The District 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 7 for interest rates and repayment schedule for long term debt.

THE DISTRICT OF LOGAN LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

17. Restatement of comparative information:

The comparative information as at December 31, 2023 and for the year then ended has been restated from those previously reported on to correct an error related to the recognition of revenue for the Provincial Growing Communities Fund grant. The grant was previously recorded as deferred revenue. Adjustments to the December 31, 2023 financial statements and comparatives are as described below.

	December 31, 2023 as previously stated	Adjustment	December 31, 2023 as restated
Statement of financial position			
Deferred revenue	\$ 4,761,175	\$ (1,533,320)	\$ 3,223,175
Accumulated surplus	29,478,291	1,533,320	31,011,611
Statement of earnings and accumulated surplus			
Government transfers	1,679,661	1,533,320	3,212,981
Annual surplus	898,709	1,533,320	2,432,029
	\$ 36,817,836	\$ 3,066,640	\$ 39,879,796

In addition, within the breakdown of accumulated surplus in note 9, the December 31, 2023 comparative amounts for invested in tangible capital assets and unrestricted have been corrected from \$20,104,763 and \$4,535,235 to \$19,044,187 and \$7,129,131, respectively. The overall accumulated surplus increased by the amount noted in the table above.

THE DISTRICT OF LOGAN LAKE

Consolidated

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

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Balance, beginning of year	\$ 144,700	\$ 301,000
Municipal Hall	(66,900)	(73,500)
Recreation Centre	(59,600)	(59,600)
Public Works	(8,200)	(8,200)
Firehall	(8,500)	(13,500)
Campground	(1,500)	(1,500)
Balance, end of year	\$ -	\$ 144,700

THE DISTRICT OF LOGAN LAKE

Consolidated
 Schedule 2 - Growing Communities Fund Grant (unaudited)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Balance, beginning of year	\$ 1,618,169	\$ -
Housing development planning & engineering	(2,500)	(4,680)
Interest earned	119,812	84,849
Provincial Growing Communities Fund	-	1,538,000
Balance, end of year	\$ 1,735,481	\$ 1,618,169