



LAKE COUNTRY, BRITISH COLUMBIA



LAKE COUNTRY
Life. The Okanagan Way.

2021 ANNUAL REPORT

FOR THE YEAR ENDING DECEMBER 31, 2021



District of Lake Country ANNUAL REPORT

For the fiscal year ending December 31, 2021

Prepared by Finance and Administration
with contributions from across the organization.

District of Lake Country
10150 Bottom Wood Lake Road
Lake Country, BC
V4V 2M1



LAKE COUNTRY
Life. The Okanagan Way.

www.lakecountry.bc.ca

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STATISTICS

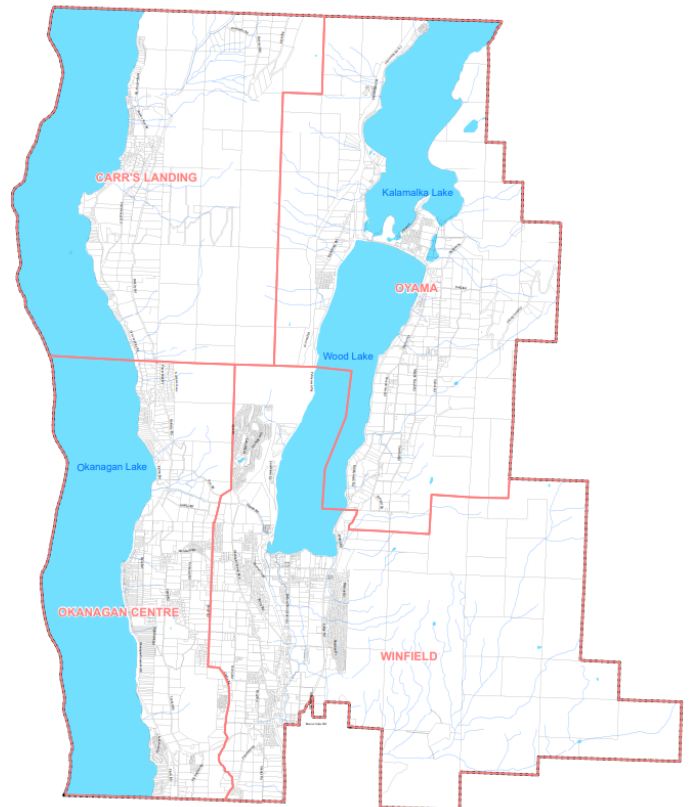
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Community Profile

Nestled in the scenic Okanagan Valley, Lake Country is uniquely located on the shores of three magnificent lakes, no doubt a key reason the community of 15,817 continues to outpace the provincial growth rate as people flock here to experience *Life. The Okanagan Way.*

Lake Country is part of the Central Okanagan, the largest population centre between Vancouver and Calgary. Lake Country sits between Vernon and Kelowna along Highway 97 and boasts easy air access via the Kelowna International Airport. The community is a hub of growth and innovation for tourism, agriculture, technology, business and the arts.

Lake Country includes four distinct wards; Carr’s Landing, Okanagan Centre, Oyama and Winfield. Okanagan Lake is Lake Country’s western boundary and Wood Lake sits in the middle of the community with an isthmus separating Wood Lake and Kalamalka Lake, the southern portion of which is within Lake Country’s boundaries. Comprising a geographic area of 122.16 square kilometres, Lake Country offers a balance of rural and urban experiences with its major industries being agriculture and tourism. Forty per cent of the land in the community is within the Agricultural Land Reserve and major crops include apples, peaches, pears and cherries. Serene lakes, exquisite orchards and vineyards, miles of sun-drenched landscapes and exciting outdoor adventures; this is what makes Lake Country the perfect setting for work and play.



	2016 Population	2021 Population	Growth Rate %
Lake Country	12,922	15,817	22.4
Central Okanagan	194, 892	222,162	14.0
Province of BC	4,648,055	5,000,879	7.6

2021 Census of Population, Statistics Canada

Message From Mayor Baker

It's time to give up the gavel. I think 30 years is long enough in my second career, as beloved as it has been. I've announced I will not be running for elected office again after this term ends in October and I can't help but reflect on the past three decades.

After moving to Lake Country in 1976 with my wife, Anita, and our four boys, we quickly became involved in volunteering, doing what we could for our children's school and sports teams and helping local church and community groups meet their goals. This eventually led me to opportunities to represent my fellow citizens in elected roles, beginning first in 1981 with the Regional District of Central Okanagan representing Lake Country as Director. There, I was happy to spend twelve years working on improvements in this great community. We established the Carr's Landing Fire Department, created the Coral Beach recreation area, acquired the Okanagan Centre School and founded the Lake Country Heritage and Cultural Society, among many other achievements.

And, of course, it was during this time Lake Country incorporated. I was a strong supporter of incorporation and an advocate of the ward system which assures neighbourhood representation on council. I knew this was the right course to take that would provide the people of all four communities in Lake Country a chance to guide their own destinies and to embrace change but maintain the atmosphere and vitality of the individual communities.

I was elected to the first council of Lake Country in 1995. I am honoured to have watched the municipality develop so impressively since then. I am proud of the policies and procedures we have developed because, above all, our goal is to provide efficient, effective and timely services to the community while using resources economically. I have watched the changes brought about by new provincial legislation which provided more flexibility for local governments than the old *Municipal Act*.

My work as an elected official

complemented my career as a professor of anthropology and archaeology at Okanagan College and Okanagan University College. Anthropologists are interested in studying people and their communities. I could apply principles of my studies to the practicality of council choices, and I have actively watched my community grow and develop directly from the decisions Lake Country Council and its citizens have made over the years.

Nearest to my heart is our active engagement with our First Nations friends and neighbours. Lake Country is dedicated to reconciliation, and we have never shied away from difficult truths or conversations. I know this is part of Lake Country's essence and will continue on as it always has.

What began as an interest in my community, with volunteering a few hours a week, became a 30 year career as an elected official. I have never regretted a moment of it. I believe every member of a community has a

voice and should use it and I believe governments should listen. We need to be transparent and open. Everyone should be treated, and treat others, with respect and courtesy and I tried to bring these convictions to the boards I joined.

My last months as Mayor of Lake Country will be spent encouraging others to take up the mantle and consider volunteering to help your community. Every voice matters and every person can help. You may have the skills, know-how or enthusiasm that is needed.

I feel privileged to have served alongside many tremendous people over the years. I have been inspired, supported and encouraged by fellow elected officials and dedicated staff. I look back at these past 30 years with pride knowing I helped some excellent teams do great things.

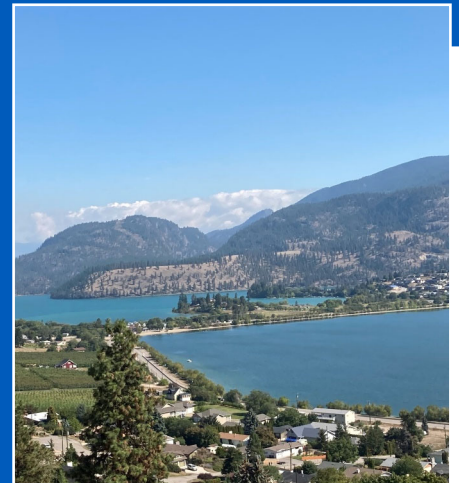
I look forward to watching the next Council of Lake Country as it works with its citizens and continues to guide the future of this great community.

James Baker, MAYOR



The District of Lake Country acknowledges that it is conducting business on the unceded territory of s̓q̓ilx̓"/syilx̓ (Okanagan) peoples.

Lake Country Council and staff recognize the importance of building respectful relationships that contribute to stewarding the land and waters in the community with integrity and consideration for future generations.





Mayor James Baker



Access & Age-Friendly Committee
 Joint Advisory Committee (OKIB)
 Nominating Committee
 Director, RDCO Board
 Airport Advisory Committee
 UBC External Community Advisory Committee

Councillor Todd McKenzie (Oyama)



Agricultural Advisory Committee
 Parks & Recreation Advisory Committee
 Water Services Advisory Committee
 Parcel Tax Roll Review Panel (Alternate)
 Joint Advisory Committee (OKIB)
 Lake Country Senior Housing Society Board
 Lake Country Health Planning Society (Alternate)
 Winfield Senior Citizens' Society (Alternate)

Councillor Penny Gambell (Councillor-at-Large)



Agricultural Advisory Committee
 Economic Development & Tourism Committee
 Joint Advisory Committee (OKIB)
 Parcel Tax Roll Review Panel (Alternate)
 Water Services Advisory Committee
 Alternate Director, RDCO Board
 Safe Schools Committee
 Tourism Kelowna

Councillor Cara Reed (Carr's Landing)



Economic Development & Tourism Committee
 Parcel Tax Roll Review Panel
 Lake Country Chamber of Commerce
 Joint Advisory Committee (OKIB)
 Economic Development Commission (RDCO)
 Okanagan Regional Library Board (Alternate)
 Lake Country Health Planning Society

Councillor Blair Ireland (Okanagan Centre)



Parks & Recreation Committee
 Public Art Advisory Commission
 Water Services Advisory Committee
 Parcel Tax Review Panel
 Joint Advisory Committee (OKIB)
 Nominating Committee
 Airport Advisory Committee (Alternate)
 Tourism Kelowna (Alternate)

Councillor Bill Scarrow (Councillor-at-Large)



Access & Age-Friendly Committee
 Joint Advisory Committee (OKIB)
 Parcel Tax Roll Review Panel (Alternate)
 Nominating Committee
 Economic Development Commission (RDCO)
 Lake Country Senior Housing Society Board (Alternate)
 Winfield Senior Citizens' Society

Councillor Jeremy Kozub (Winfield)



Parks & Recreation Advisory Committee
 Public Art Advisory Commission
 Parcel Tax Roll Review Panel
 Joint Advisory Committee (OKIB)
 Municipal Insurance Association
 Safe Schools Committee (Alternate)

OUR VISION

**Lake Country, Living
 the Okanagan Way.
 Embracing our
 Histories and
 Nurturing our Future.**

OUR MISSION

**To nurture a healthy natural
 environment, strong rural
 character and urban core,
 sustainable infrastructure,
 economic opportunities,
 an inclusive community with
 involved citizens, through
 respectful, transparent
 government, focused on
 balanced strategic
 decision making.**

2021 FAST FACTS

- 268** Resolutions
- 28** Council Meetings & Public Hearings
- 181** Letters from the Public
- 8** Council Committees

Council's Strategic Priorities

Our Commitment: Addressing Climate Change in All Decisions
Support quality development that respects public safety, environment and community needs
Finish what we started

OVERARCHING PRIORITIES:



INFRASTRUCTURE

Well maintained infrastructure and facilities that meet community needs and allow growth and development for prosperity.

2021 ACHIEVEMENTS

- Successful Alternative Approval Process for borrowing \$8.84 million for Wastewater Treatment Plant Phase 4 Upgrade.
- Council presentation in May on update to Water Master Plan.
- Council review of Highways and Traffic Regulation Bylaw



ONGOING OBJECTIVES

- Secure long term wastewater service delivery for the community
- Ensure sustainable water service delivery for the community
- Create infrastructure that meets community needs

ECONOMY

Building a strong and vibrant community by attracting, supporting and retaining businesses and residents.

2021 ACHIEVEMENTS

- Economic Development Strategy under development by Council's Economic Development Committee
- Related budget considerations forwarded to 2022 financial plan deliberations.



ONGOING OBJECTIVES

- Support opportunities to diversify lake country's tax base.
- Implement the Agricultural Plan
- Encourage growth of the downtown core

GOVERNANCE

Fiscally sustainable government focused on strategic decision-making, transparency and inclusiveness.

2021 ACHIEVEMENTS

- Council took part in several strategic sessions to inform the ongoing Zoning Bylaw review.
- Bylaw Enforcement and Building Compliance Policy adopted.



ONGOING OBJECTIVES

- Honour reconciliation by strengthening relationships and inclusiveness with our indigenous partners
- Identify and support improvements to the development process
- Explore opportunities to engage with regional local governments for the betterment of the community

ENVIRONMENT

Maintaining a healthy and natural environment through responsible use, protection and sustainable practices.

2021 ACHIEVEMENTS

- Council reviewed a draft of the Forest and Vegetation Strategy
- Council began consideration of changes to development related bylaws to ensure protection of the natural environment



ONGOING OBJECTIVES

- Preserve, protect and enhance our natural environment.

SOCIAL

Building Social Capital and engaging citizens and partners to improve the well-being and diversity of the community

2021 ACHIEVEMENTS

- Council directed that a recreational needs assessment be undertaken in 2022
- Funding request for submitted for 2022 budget deliberations



ONGOING OBJECTIVES

- Review existing demand and capacity, future trends and projected needs
- Create and support opportunities for a healthy, active and inclusive community.



The District of Lake Country strives to deliver established and sustainable services that:

- Comply with legislated requirements
- Protect and uphold public safety, community well-being and the environment
- Reliably provide services to meet the needs of the community according to Council's Vision

What does Levels of Service Mean?

A Local Government provides services within its boundaries, some mandatory, some optional. Mandatory services such as potable drinking water, safety and administration of the municipality's finances are regulated and must meet legislative requirements. Local Governments cannot adjust standards of mandatory services. Optional services are provided at the discretion of Council and include policing, fire protection, garbage collection, transit, roads maintenance, sanitary sewer, parks maintenance and recreational programs. Council decides what service to provide to the community and what resources to direct to it. Council may wish to provide more or less resources, or a higher or lower level of service, in a particular area depending on availability of resources and community goals.

Considerations for Establishing Levels of Service

- Meaningful discussion/debate on desired levels of service and priorities on appropriate levels of service for the community.
- Is this a new service or altering an existing level of service?
- Review current level of service.
- Establish the capital and operational requirements to deliver the level of service.
- The annual budget process considers cost of maintaining existing services and the benefits/risks and costs of increasing or decreasing services to meet community needs based on growth, updated legislated requirements and public safety, environmental protection, sustainability and lifestyle expectations.
- Council decision on budget approval/tax increase to meet acceptable levels of service in all areas. Decisions made in the annual budget cycle are based on defined levels of service – not a wish list.

When considering an increased or decreased level of service, Council evaluates how multiple departments collaborate in the service delivery. If funding is diverted from one service to another, or levels decreased to increase another, the ramifications of the change must be carefully reviewed. New services or assets should not negatively impact the renewal and maintenance of existing services, facilities or infrastructure.



Understanding the Financial Aspects

A new service or an increase in the level of service of an existing one will cost more and therefore requires additional funding. Council's goal is to maintain a balance between levels of service so there is enough funding and resourcing for the provision of all services.

Financial considerations when setting a Level of Service include the following:

- The cost of delivering services goes up every year due to inflation and other factors, depending on the circumstances. A tax increase is required just to keep pace and maintain the same levels of service as the previous year. Any new services or increase to existing levels of service would require a further tax increase above and beyond the amount to address rising costs.
- Money is set aside in reserves for anticipated service level increases in future years. If the cost of delivering the service goes up more than the projection in the multi-year plan, decisions must be made to either lower the scope or standard, increase the duration of the program or fund the increased cost.
- Cost, especially as it relates to taxation, is a key consideration when defining levels of service but it is not the sole determining factor. It may be appropriate to define the level of service first and then determine the cost and the best way to fund it afterwards.



Get Involved

Visit our online engagement platform
<https://letstalk.lakecountry.bc.ca>
 to view current public consultation initiatives.

Indigenous Relations

Council continues to be dedicated to fostering its connection with its indigenous partners and neighbours. This year, Council added an Indigenous acknowledgement to the beginning of each Council meeting to remember the importance of reconciliation and continuous work to build respectful relationships. With the news in May of the discovery of unmarked graves on former residential school sites, the District lowered its staff to half-mast in solidarity with indigenous groups throughout the country. On September 30, all non-essential services were closed and the Municipal Hall flag lowered in recognition of the country's first National Day of Reconciliation. Mayor Baker said, "We are taking these steps to show our respect for our indigenous friends and neighbours who deserve our understanding and compassion on this day, and truly, every day. The District is also working with the Okanagan Indian Band on an Indigenous Cultural Centre to be built in 2023 at a trailhead for the Okanagan Rail Trail.



New Community Grant

Council launched a new grant in 2021 to help local organizations meet goals that also support the community as a whole. The Community Engagement Grant Program provides funding towards community projects. In 2021, Council supported funding accessibility projects like the Maki Road Trail handrail, pictured here, as well as Coral Beach north trail improvements and tennis and pickleball facility improvements. The



new grant is in addition to Council's Community Hall Grant which, in 2021, helped fund repairs to the Okanagan Centre Community Hall roof in the amount of \$15,000 and provided \$5,000 for the first phase of the Oyama Community Club Community Garden project.

Winning Efforts

Pandemic restrictions cancelled the annual Easter Egg Hunt again, so instead, the District launched an Easter Egg Hunt challenge! Families were encouraged to visit parks and businesses in the community, find letters to spell out EASTER EGG and enter to win a prize. The submitted photo collages were wonderful!

The winner of the prize draw was Lucas Wilkes who received a basket of goodies.



Lake Country's Safety Excellence

The District of Lake Country received the BC Municipal Safety Association's Organizational Safety Excellence Award for 2021. The BC Municipal Safety Association recognizes local governments for activities that improve their experience rating and ultimately reduce injuries, illness, disease and fatalities with the Organizational Safety Excellence Award.

"Our workers are the core of the services we provide to the community; and having an occupational health and safety program for our workers is crucial," said Mayor James Baker. "The District believes employees' families have the right to see their family members come home safe and healthy every day."

"Lake Country's goal is to continue to develop a safe work environment that promotes a zero-injury safety culture and sustainable wellbeing for all employees, contractors and visitors at District workplaces," said Chief Administrative Officer Tanya Garost. "Our workers are our friends and extended families; and I am personally committed to their health and safety at work."

In order to receive this award, a municipality must demonstrate an outstanding safety record compared to peer organizations and continuous improvement.

Awards and Achievements



Backyard Concerts During COVID-19 Kept the Music Playing

The Lake Country Arts Council (LCAC) in conjunction with the District of Lake Country offered local homeowners micro-grants to support local performers who have been hit hard this past year due to COVID-19 restrictions and create a safe, positive neighbourhood experience for residents of Lake Country. The micro-grant offered up to \$500 to cover the cost of hiring a local performer. Concerts adhered to Provincial Health Orders.



Message from Chief Administrative Officer

Staff of the District of Lake Country entered 2021 in the “new normal” of pandemic restrictions. After adapting in 2020 to BC’s Public Health Orders to address the COVID-19 pandemic, the policies and procedures we put in place were working well and it was business as usual, albeit with masks and online meetings. We brainstormed ways to keep bringing the same services to our citizens despite restrictions, and where we couldn’t, like our Creekside Theatre and Recreation programming, staff thought up new initiatives like our Easter Egg Challenge and backyard concerts.

We completed two important community infrastructure projects, the new Lake Country Fire Hall and the Multi-Generational Activity Centre, and completed the extensive upgrade of a portion of Bottom Wood Lake Road during a complex time as the pandemic put pressure on the construction industry.

Our Development Services and Building staff were again kept very busy as Lake Country experienced another record-breaking year for development and building applications. We found out officially in early 2022 what we already knew; Lake Country was the fastest growing municipality

within one of the fastest growing metropolitan areas of Canada, the Central Okanagan. Our growth since 2016, 22%, outpaced growth in Kelowna (13.5%), West Kelowna (10.5%) and Peachland (6.7%).

Each year we estimate growth and work to provide services and improvements at pace. In 2021, we invested \$16.8 million in capital works and equipment for the community. We added staff to support Information Technology, Parks and Recreation and Bylaw. We were pleased to receive some funding from the Provincial Government in 2020 for COVID-19 relief, and applied it to assist with revenue shortfalls and implement technology to help serve our community virtually.

This is just a brief overview of what was a very busy year for staff. I encourage you to flip through the pages of this report to get a better idea of the breadth of work the staff of the District of Lake Country undertook for this community in 2021.

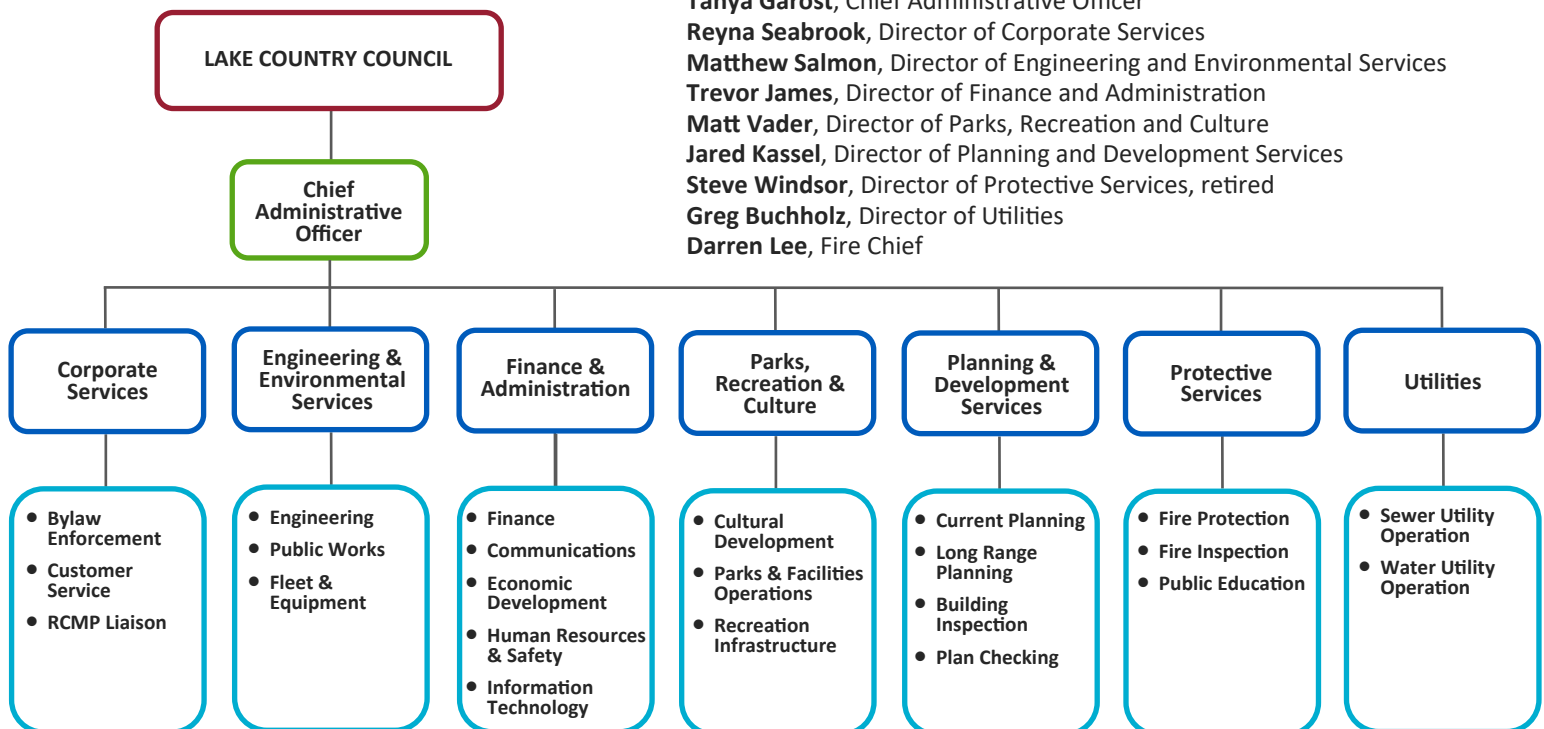


Tanya Garost
CAO

Emergency Hours

District staff responded to several emergency and public safety issues during 2021. It began in April with an algae bloom in Wood Lake which prompted public health warnings. This was followed by a heat dome in June which damaged infrastructure and put vulnerable citizens at risk of extreme heat exposure. The summer brought wildfires within the Central Okanagan. As part of the Regional Emergency Program, District staff logged almost 300 hours in the Emergency Operations Centre supporting emergency responders.

Organization Chart



Senior Management Team

- Tanya Garost**, Chief Administrative Officer
- Reyna Seabrook**, Director of Corporate Services
- Matthew Salmon**, Director of Engineering and Environmental Services
- Trevor James**, Director of Finance and Administration
- Matt Vader**, Director of Parks, Recreation and Culture
- Jared Kassel**, Director of Planning and Development Services
- Steve Windsor**, Director of Protective Services, retired
- Greg Buchholz**, Director of Utilities
- Darren Lee**, Fire Chief



2021

**Departmental
Achievements**

Corporate Services

Proactive Bylaw Enforcement

In 2021, the District increased its Bylaw Enforcement service level by adding one full time Bylaw Officer and one part time administrative support position. Council also adopted Bylaw Enforcement and a Building Compliance Policy which established a model of enforcement which is fair and consistent. The policy states that investigations are primarily initiated on a complaint basis except where an enforcement program is authorized by Council or the CAO. Council enacted bylaw amendments to incorporate nuisance lighting and increased fines for unauthorized short-term rentals and directed that bylaw enforcement priorities be:



- illegal vacation rentals,
- nuisance lighting and odour,
- illegal parking in areas that are of high public use, and
- encroachments into public right of way that affect public access or the environment.

Alternative Approval Process

Corporate Services oversaw a successful Alternative Approval Process to gain electorate approval to borrow funding for the Wastewater Treatment Plant Phase 4 Upgrade. The District received 26 response forms; 1,267 forms would have been required to defeat the proposed borrowing. With electoral approval secured, Council approved borrowing \$8.84 million for the required upgrade to the Wastewater Treatment Plant. For more on this project, see Utilities on Page 25.

2021 Youth Councillors

Council welcomed its 2021-2022 Youth Councillors, Diana Schneider and Harry Gill. The two George Elliot Secondary School students join Mayor and Council at their regular meetings during the school year, providing a youth perspective to the discussions. “We truly value the input we receive from our youth councillors,” said Mayor Baker to Diana and Harry at the meeting. “You provide an important perspective and add to the diversity of thought at this table. Thank you both for this commitment and we hope you will find the experience enjoyable.”



Electronic Agendas

The Department launched a new meeting management system for Council Meetings. The new system creates a digital agenda complete with links to supporting documents. All Council meetings are webcast live and minutes of the meeting provide links to video of item discussions and decisions. The department will now roll out the meeting management system to all Council committees.

Corporate Services is responsible for the administration of Council agendas and minutes, bylaws, land negotiations, Freedom of Information requests, electoral processes and customer service as well as bylaw services and enforcement for the community. In addition, Corporate Services oversees three clerical positions at the Lake Country RCMP Detachment.

2021 FAST FACTS

- 11** FOI Requests
- 28** Council Meetings
- 8** Council Committees
- 268** Regular Council Resolutions
- 119** In-Camera Council Resolutions

2021 BYLAW ENFORCEMENT

Topic of Complaint	# of Complaints
ALR	0
Animals	17
Building	20
Burning	28
COVID-19	44
Dogs-RDCO	34
Graffiti/Vandalism	4
Nuisance	222
Overwatering	9
Parks	10
Signage	65
Snow Removal	102
Soil	2
Traffic	284
Zoning	136

Engineering and Environmental Services is responsible for technical support in civil engineering matters including subdivision and land use technical reviews (Developmental Engineering), road maintenance and renewal, transportation and public transit and solid waste and recycling.

2021 FAST FACTS

- 202** Kilometres of Roadway
- 59** Kilometres of Bike Paths
- 156** Kilometres of Recreational Trails

Road Condition Assessment and Renewal Program Review

After the adoption of the Mobility Master Plan, the department reviewed the former road renewal program using the new policies and strategies.

Once adopted, the Mobility Improvement Program provides a timeline for improvements to Lake Country's mobility network.

The new plan supersedes the former Transportation for Tomorrow Plan and takes into account operations and maintenance, renewals and improvements of the entire mobility network.

Vernon Creek Culvert Relocation

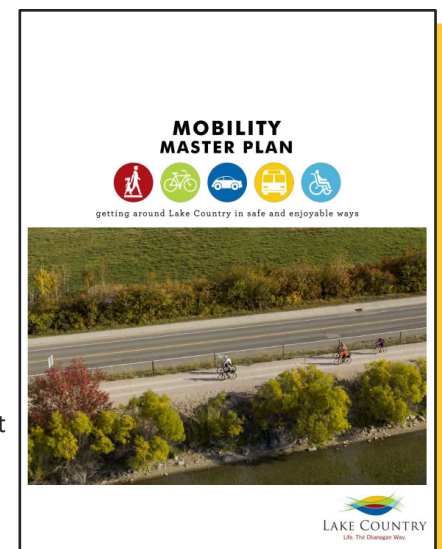
The Bottom Wood Lake Road Improvement project continued in 2021 with a key focus on the replacement of the existing culvert at Middle Vernon Creek. Construction on the project, between the roundabout at Bottom Wood Lake Road, Berry Road and Main Street to the intersection of Bottom Wood Lake Road and McCarthy Road, began in early 2020 and provided frontage improvements to the new H.S. Grenda Middle School as well as sidewalks, streetlights, bike lanes, road renewal and utility upgrades. A major component of this project was the replacement of the existing culvert at Middle Vernon Creek with an open bottom multiplate structure. It involved the isolation and bypass of creek working closely with an environmental monitor. The culvert was removed and the natural channel re-established. All work was done during the allowable timeline for instream works for Middle Vernon Creek from August 7 to September 10. A qualified environmental professional was retained to conduct a fish salvage during the project with all fish safely relocated downstream. During the fish salvage, approximately 250 aquatic creatures were gathered. The \$5.7 million project was supported by a provincial Active Transportation Grant of \$401,880, an ICBC Grant of \$38,000 and developers' contribution of \$924,330.



Mobility Master Plan

Council adopted the Mobility Master Plan which provides policy direction for the prioritization of infrastructure projects and funding to enhance mobility in Lake Country. Mobility is the defining term to provide transportation infrastructure and services to users. It has evolved from a desire to create more sustainable travel options and provide a higher quality of life in communities. This Plan builds upon past District initiatives that focus on improving how people travel in Lake Country, such as the Transportation for Tomorrow plan and the Official Community Plan (OCP). It incorporates past planning, programming, and public engagement initiatives related to the plans and is to be used to guide and identify the policies, actions, and priorities to improve upon mobility in the District of Lake Country with a consistent approach.

The Mobility Master Plan focuses on the strategic level mobility aims of the community and incorporates an Implementation Plan that focuses on the immediate recommendations and partnerships that will move the Mobility Master Plan forward for the next 5-year period. It is a living document and will be revisited every five years to reflect on progress and changes to the environment.



Engineering and Environmental Services

Extreme Heat Impacts

Extreme heat in June 2021, called a Heat Dome, caused some sidewalks and curbs in the community to buckle and warp. The extreme heat, as high as 45C in the Central Okanagan, caused a sudden expansion of concrete in a few areas and kept the Roads Crew busy with repairs.



Subdivision and Development Servicing Bylaw

Council adopted amendments to its Subdivision and Development Servicing Bylaw intended to streamline District practices and better align them with industry standards. In particular, the District has instituted a pre-design stage in the process and embedded a process flowchart to ensure clarity and consistency for all process stakeholders.

2021 Capital Projects

Okanagan Centre Road East Jardines Road to Williams Road

This \$660,000 project involved the construction of road improvements including active transportation and the realignment of Jardine Road intersection. The project was prompted by the construction of the District's new fire hall. This is the first phase of proposed road improvements along Okanagan Centre Road East to improve safety and provide frontage and access improvements to new fire hall site.



Woodsdale Road – Pre-Design

Engineering staff oversaw pre-design of improvements to Woodsdale Road. The project was driven by repeated concerns by the travelling public regarding vulnerable user conflicts in the area between Highway 97 and the Lodge Road/Oyama Road intersection. The volume of pedestrians and cyclists using the Rail Trail and Pelme wash Parkway is increasing rapidly and has led to an increase of users on Woodsdale Road, particularly generated by those completing the "Wood Lake Loop" bike trail. The Woodsdale neighborhood is also rapidly developing as envisioned in the Official Community Plan which recognizes that, due to the proximity to Wood Lake, Woodsdale is an attractive location for tourist-oriented development. The plan will inform future road improvements for Woodsdale Road.

Bottom Wood Lake Road Improvements Nexus to Beaver Lake Road

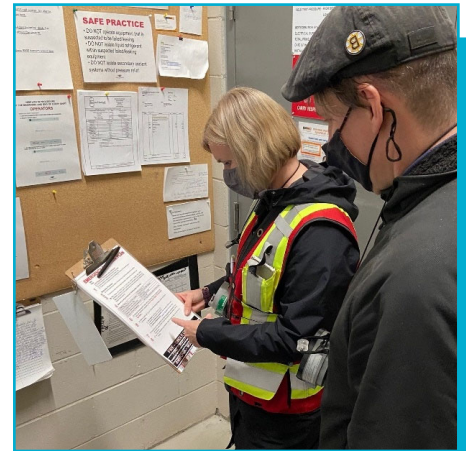
Construction of road improvements including active transportation, undergrounding of power and communications and sanitary sewer extension were completed on Bottom Wood Lake Road from Nexus to Beaver Lake Road. The \$2.4 million project was prompted by recent development in the area including the new HS Grenda Middle School and nearby Multi-Generational Activity Centre. The District received a \$661,559 Federal and Provincial Covid-19 Resilience Infrastructure Grant and developers' contribution of \$150,000 towards the project. This is the second phase of the proposed improvements along this section of Bottom Wood Lake Road and provided mobility and connectivity to the surrounding facilities and amenities comprising of infrastructure enhancements such as sidewalks, streetlights, bike lanes, road renewal and utility upgrades including the extension of sanitary sewer to properties on the west side of Bottom Wood Lake Road. In addition to the active transportation upgrades on Bottom Wood Lake Road, a sidewalk extends from Bottom Wood Lake Road west up Beaver Lake Road and connects to Jensen Road to provide pedestrian connectivity to Main Street and Hwy 97.



Finance and Administration is responsible for all financial services of the organization including taxation and budgeting as well as payroll and accounts receivable and payable. The Department also oversees communications, human resources and occupational safety and information technology.

Safety Program

The District received the Organizational Safety Excellence Award from the BC Municipal Safety Association in 2021. The District's Occupational Health and Safety Program is administered by the Human Resources & Safety Department. The Department is dedicated to ensuring a culture of safety excellence and fosters the diligent, collective efforts of all departments in the organization that work hard to achieve the highest safety standards in practice, not just on paper. The safety program is designed to prevent injuries and illnesses and promote wellness and resiliency through the actions staff take each day.



Economic Development Strategy

Council was given an overview of the components that are being put into place to develop the Economic Strategy. BC Marketplace was introduced as the new platform for local Lake Country businesses to showcase their products and services. A "Sip, Eat, Shop, Be Local" campaign began in the fall and assisted local businesses throughout the shoulder season, reminding residents of the importance of supporting local businesses. The contract with Tourism Kelowna was reviewed and a mobile tourism kiosk proposed for 2022.

2021 FAST FACTS

7,224

Property Tax Notices Issued

\$18.6 million

Property Tax Collected

16,520

Utility Bills Issued

\$5.4 million

Utility Revenues

35

News Releases Issued

Assessments Increase

The District fielded inquiries from the public when annual home assessments were released and Lake Country's property values increased an average of 30 per cent. Many homeowners were concerned their property taxes would increase similarly.

Actually, the most important factor is not how much your property's assessed value has changed, but how much your property's assessed value has changed in relation to the average change for the same property class in the community. For instance if a property assessment increased lower than average, property taxes will likely decrease.

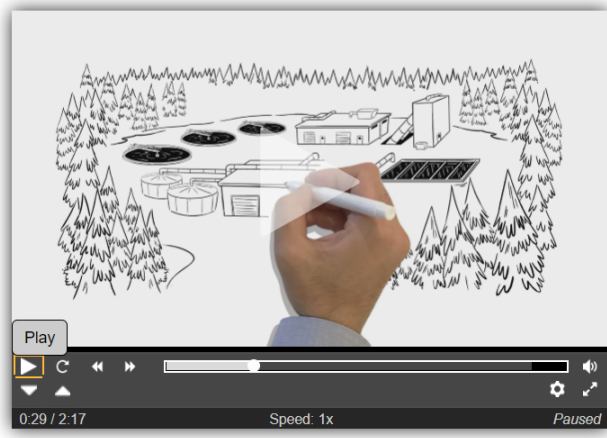
	Your Property's Value Change	Property Tax Impact
1.	LOWER than Average Change for Property Class	Taxes Likely* DECREASE
2.	SIMILAR to the Average Change for Property Class	Taxes Likely* DO NOT CHANGE
3.	HIGHER than Average Change for Property Class	Taxes Likely INCREASE

BC Assessment

Talking to Lake Country

Community members were more involved than ever in 2021 and provided their input through the Budget process during a Facebook Live broadcast, phone calls and direct message interactions. People also got involved in the Liquid Waste Management Plan where 30 questions were submitted and answered through the Let's Talk - Lake Country online platform, not to mention the 1,000 views of the "Poop 101" video after people saw the poop emoji walking around town bringing the topic to the community's attention. The District will be ramping up public engagement in 2022. Watch for public engagement opportunities by subscribing to review news and information directly to your email. Visit www.lakecountry.bc.ca/subscribe.

What Happens After You Flush - Poop 101



Financial Services Software Improvements

Information Services and Finance Services staff worked closely throughout the year on the first phase of the District's Enterprise System Plan. This multi-phase plan will integrate the District's financial, document management and property service systems and include GIS integration. During the first phase, the groundwork was done to upload financial information into the new system to launch in 2022 with Utility Billing and Tax Notices. Property service systems will be part of the next phase of the roll out of the new system. The intent is to introduce new and more efficient financial and property administrative services for the public.



Parks, Recreation and Culture is responsible for building and maintaining the District's parks, public green spaces and indoor and outdoor recreational spaces as well as coordinating recreation opportunities, the community theatre, Live! In Lake Country performances and other public art and cultural events. The department is responsible for facility maintenance and operations.

Multi-Generational Activity Centre

Lake Country is now home to the Multi-Generational Activity Centre, providing a place for activities and group gatherings, building on the offerings of the Winfield recreation complex, and ensuring families in Lake Country



have the supports they need. The District of Lake Country received \$6.155 million through the Canada Community-Building Fund for this project in addition to \$500,000 from the Province of BC through the Childcare BC New Spaces Fund. The three-storey, 19,000 sq. ft. building provides a central location for the Lake Country branch of the BGC Okanagan, seniors' activities and other collaborative and sustainable community activity programming. Additionally, renovations were made to the Winfield Arena and Curling Club as well as the Seniors' Activity Centre to address accessibility issues and create dynamic places for people to gather. The total cost of the project was \$8.175 million, with the District of Lake Country contributing \$1.52 million.

Woodsdale Indigenous Cultural Centre and Park

A Project Advisory Committee with representatives from the Okanagan Indian Band and the District of Lake Country has been established to guide the design of an Indigenous Cultural Centre and Nature Park. The Centre will be located along the Okanagan Rail Trail at the corner of Woodsdale Road and Oyama Road on the south shore of Wood Lake (the former Woodsdale Packinghouse site). The project will celebrate the history of the Okanagan People in this region. It will also provide a unique and memorable entrance to the Okanagan Rail Trail.



The project was awarded grant funding through the Investing in Canada Infrastructure Program - Community, Culture and Recreation Stream.

2021 FAST FACTS

- 10** Community Parks
- 9** Neighbourhood Parks
- 4** Regional Parks
- 11** Theatre Events
- 4,160** Live! In Lake Country attendees
- 227** Recreation Programs
- 2,051** Program Participants



Shoreline Park Playground Upgraded

A new play structure was added to the children's playground at Shoreline Park, a move prompted by public input in 2019. The Lakes Community Association contributed \$5,000 towards the \$30,000 project.

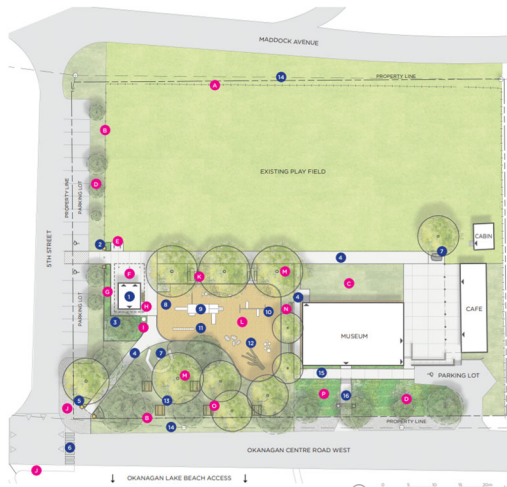
The improved playground was the top priority for neighbourhood residents. The playground plays an important role for families in this centrally located community park.

The new addition to the play structure included slides, climbing apparatuses and other features.

Parks, Recreation and Culture

Okanagan Centre Park

Over 130 people completed a survey about how to improve Okanagan Centre Park. The responses and stakeholder interviews informed a design concept for the popular park's improvements. The public consultation was prompted by the need to address functional issues including replacement of the washroom building and septic field, replacement of site furniture and picnic areas, additions to the play environment, planting of shade trees and other vegetation, and improvements that address accessibility issues. Okanagan Centre Park is a significant community gathering place enjoyed by residents and visitors. The amenities within the park, such as the washroom building, also serve to benefit beach and trail users along the shoreline. Construction will begin in 2022.



I'm A Wake!

A walking wake advocated for Kalamalka and Wood Lake in 2021 reminding people that careful boating will keep the water fun and beautiful for everyone and local wildlife too. Power boats were encouraged to stick to water deeper than 30 ft. The Okanagan Collaborative Conservation Program, Regional District of North Okanagan, District of Lake Country and District of Coldstream cooperated to create a campaign to educate the public about the importance of boating away from the shoreline. Check out www.imawake.ca.

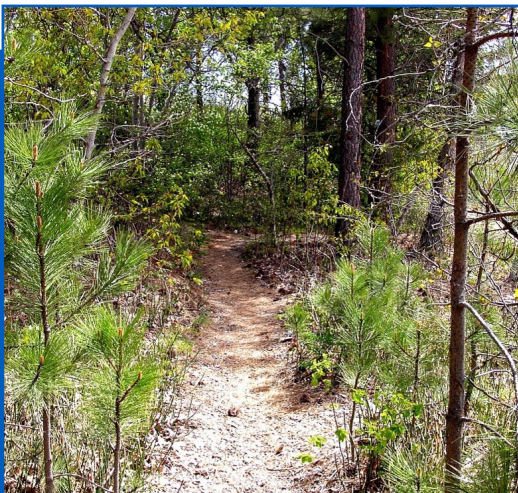


Parkland Purchase

Council responded quickly in early 2021 to use Development Cost Charge (DCC) funds to acquire property adjacent to Beasley Park on Woodsdale Road in Lake Country. The Parks and Recreation Master Planning process set out the vision, objectives and direction for managing parks, trails and community facilities over a 20-year period and to ensure decisions on acquiring public land are strategic. Acquiring new adjacent or contiguous property to add to the public land inventory aligns with Council's vision.

Parks Development Cost Charge Amendment

Council adopted an amended Park DCC charges bylaw, which is applicable to any new development applications. The Parks DCC rates needed to be increased because construction and land costs have increased significantly, outpacing inflation, since the DCC was first introduced and because the former Parks DCC policies proved to be insufficient in attaining fair cost recovery and meeting community needs, instead placing a burden on the general tax base to provide for capital costs of park infrastructure and acquisition required from growth.



CREEKSIDE THEATRE



Mental Health With Comedy

Lake Country Health partnered with Creekside Theatre to bring in speakers and a film series that addressed a variety of mental health issues with the aim of helping reduce stigma and building the coping skills people need to live better lives. To launch the series, the organizations brought in Big Daddy Tazz, the nationally syndicated comedian who shares about his journey dealing with bi-polar, anxiety, and OCD in a way people can relate to, while also having a few laughs.



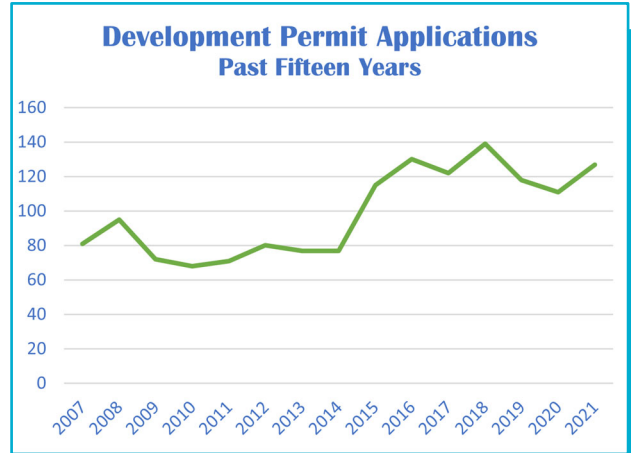
Chantal Returns, With Raine

After wowing audiences at two intimate shows in 2020, Chantal Kreviazuk returned for another sold-out concert in November 2021, this one also featuring her husband, Raine Maida, another renowned Canadian singer-songwriter. Kreviazuk, a two-time JUNO Award winner and Maida, a four-time winner with Our Lady Peace, are one of Canada's most influential cultural couples.

Planning and Development is responsible for land use planning as well as building and development applications and all related functions. The department is divided into two divisions; Land Use/Policy Planning and Building Inspections.

Trending Growth

The Planning and Development Department administered 127 development permit applications in 2021, ranging from simple single family homes to complex neighbourhood proposals. Trending growth over the past ten years has made Lake Country one of the fastest growing communities in Canada. The latest Census indicated that Lake Country grew 22.4% between 2016 and 2021, outpacing the Central Okanagan average of 14% and the Provincial average of 7.6%.

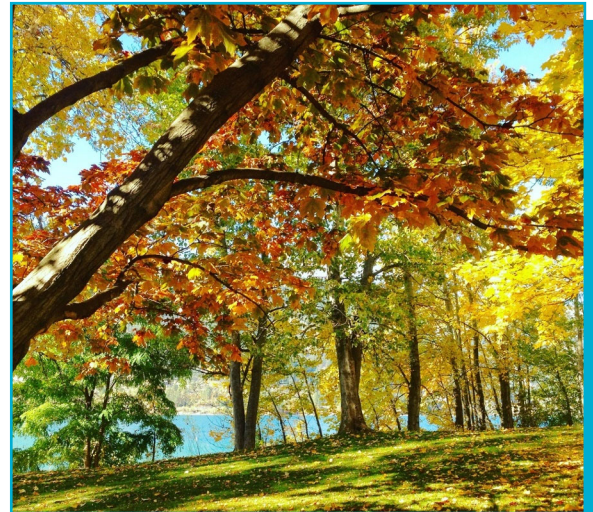


Development Approval Procedures Updated

Council updated the Development Approval Procedures Bylaw to support pursuing higher quality development. The update will improve relationships with key stakeholders, establish a comprehensive awareness of the standards for development proposal submission, clearly define roles and responsibilities for various aspects of the process and lays the foundation for ongoing development process improvements.

Forest and Vegetation Strategy

Council reviewed a draft of a Forest and Vegetation Strategy. Which will develop policy to support forest conservation, tree retention, and management of other vegetation resources in Lake Country. Council is interested in protecting forest resources and preventing unanticipated or uncontrolled losses of forest ecosystems or individual trees during land development or maintenance activities. The strategy will be completed in 2022.



2021 FAST FACTS

- 1,920** Building Inspections
- 363** New Building Permits
- 47** Development Permits
- 29** Development Variance Permits
- 23** Subdivision Applications
- 9** Zoning Applications
- 11** Agricultural Land Reserve Applications



Subdivision and Development Servicing

Council updated the Subdivision and Development Servicing Bylaw which outlines the minimum standards for infrastructure required to be constructed when a subdivision or development occurs within the District. To ensure compliance and create a fair and consistent process the Bylaw specifies the application and approval process for design submissions. Council agreed that the bylaw required clarification and modification to ensure the procedures are well defined and understood by all users.

Zoning Bylaw Update

Council initiated a review of the District's Zoning Bylaw, beginning with proposed revisions to definitions, general and specific use regulations for two categories of uses: residential and care facilities. The purpose is to start the conversation, discover refinements through discussion and create amendments that serve the ongoing evolution of our community. The proposed changes will lay the foundation for the second step – a full review of the individual zones to ensure that they are in turn amended to respect their stated purpose and appropriate density provisions using the new language.



Agricultural Plan Implementation

After creation of the District's first Agricultural Plan in 2020, Council requested implementation priorities be brought forward for consideration.

Since the completion of the Agricultural Plan, significant changes have been made by the Agricultural Land Commission (ALC) in policy and regulation with respect to secondary housing on agricultural land.

A comparison of the District's polices and bylaws to the ALC policies and regulations needs to be completed.

Council will need to consider if changes are necessary to align the District policies to ALC policies and regulations. Input from the agricultural community as well as the ALC will need to be considered.



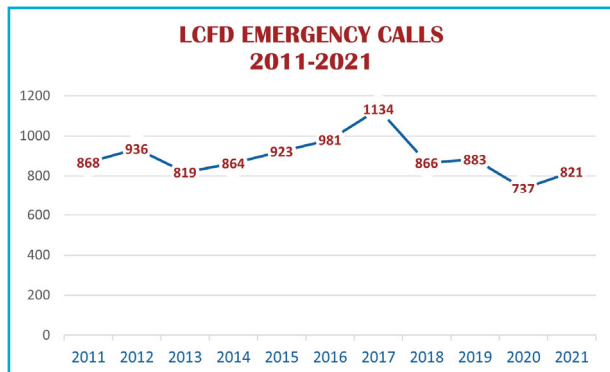
Protective Services provides emergency services, participates in the regional emergency and rescue programs and is responsible for fire inspections on commercial and industrial buildings, businesses, daycares and schools.

New Fire Hall Construction Complete

Construction of a new fire hall at 11063 Okanagan Centre Road East (at the corner of Jardines Road) was completed. The new hall features four double apparatus bays, a training and maintenance yard area and office space. The parking area features 52 stalls plus two barrier-free stalls. The new \$9 million fire hall will ensure the Lake Country Fire Department serves the first response needs of the community for the next 20 years. The facility can be expanded to meet future needs and community growth.



2021 FAST FACTS



2021 Fire Loss
\$1,669,700



Call Outs in 2021

First Medical Response	329
Alarms	105
Public Assist	65
Burning Complaints	84
Vehicle Fire	11
Fires	32
Smoke	15
Wildland Fire	8
Electrical / Gas	53
Marine Rescue	3
Motor Vehicle Accident	75
Other	41
TOTAL	821

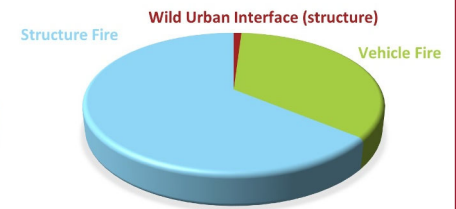
Call Outs by Month

January	76
February	56
March	65
April	79
May	75
June	61
July	84
August	102
September	57
October	51
November	66
December	49
TOTAL	821

2020 Fire Loss
\$1,150,500



2019 Fire Loss
\$887,650

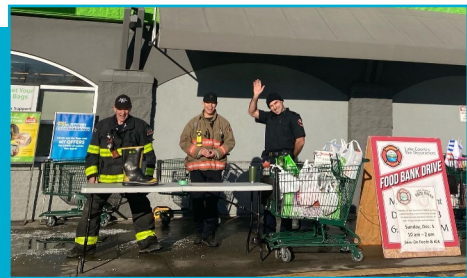


Protective Services



New Water Tender

The Lake Country Fire Department received a new tactical tender truck for the community. This piece of equipment is designed to target a major threat to our area – Wildland Urban Interface Structure Protection. The new tender apparatus carries 2000 imperial gallons (9092 L) of water. It is not just a big tanker, but an agile water transport vehicle able to fill tanks in areas lacking water supply, with two portable pumps to draft out of a static water source if the truck cannot get close.



Food Bank Support

Firefighters were at Save-On Foods and IGA in early December with some fire apparatus to show the kids and to accept any donations of cash, cheques or gift certificates to support the Lake Country Food Bank in providing for families in the community.

Lending Helping Hands

In addition to staff providing support during Emergency Operation Centre activations, Fire fighters and apparatus were sent to aid others throughout the province, spending 3,524.50 hours supporting other jurisdictions.

Lytton Complex

- 1854 hours, Engine, 4 fire fighters

Brenda Mines

- 29 hours, task force leader

White Rock Lake

- 731 hours, Tender, 2 fire fighters, task force leader

Mount Law

- 78 hours, Engine, 4 fire fighters, Tender, 2 fire fighters

Lillooet Complex

- 833 hours, Bush Truck, 3 fire fighters

Vernon (Hwy 97)

- 28 hours, Engine, 4 firefighters, Tender, 2 fire fighters, task force leader



Samantha Day Photography

The Lake Country RCMP Detachment is located at 3231 Berry Road and is currently 16 members strong. The detachment aims to reduce property-related offences through enhanced enforcement and prosecution, reduce serious motor vehicle accidents and increase monitoring and enforcement on identified prolific and chronic repeat offenders. The detachment is also involved with other crime reduction activities including Regional Crime Prevention and Community Policing.

Additional Officers

Council approved a .81% tax increase in 2021 to complete the addition of five RCMP officers to the Lake Country Detachment. In 2020 Council approved the cost of acquiring five additional RCMP officers. Half the cost of the new officers was incorporated into the 2020 budget, the remainder in 2021. Once the new officers are onboarded, the Lake Country detachment will eventually be able to provide 24-hour a day policing.



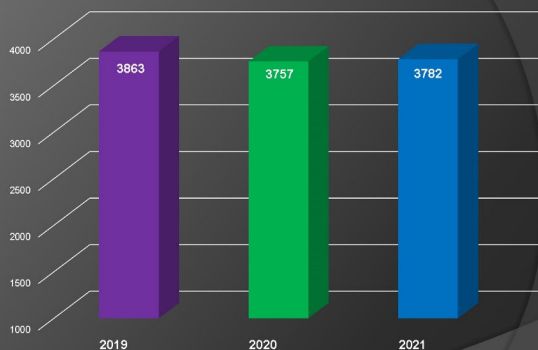
Volunteer Recognition

This year, one of the familiar faces on the Community Policing team was recognized for 24 years of Community Service. Richard Brown, a well-known resident and

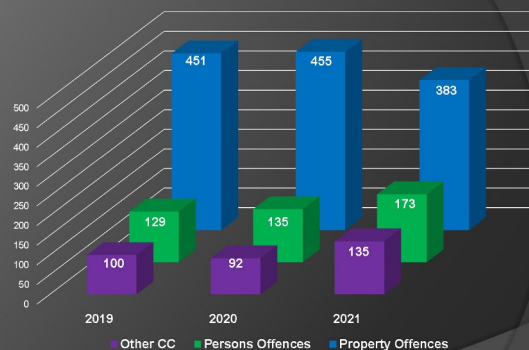


active volunteer, recently retired from Lake Country Community Policing and was presented with a plaque recognizing his 24 years of volunteer service. From left: Roy Morgan, RDCO Crime Prevention Coordinator, Richard Brown, Sergeant Jon Collins, Detachment Commander, Lake Country RCMP.

Lake Country Detachment Calls For Service
3 YEAR COMPARISON
TOTAL CALLS FOR SERVICE



Lake Country Yearly Comparison Charts
3 YEAR COMPARISON OF TOTAL
CRIMINAL CODE OFFENCES

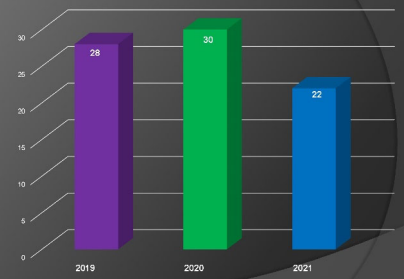




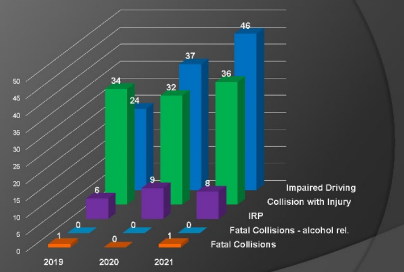
Training the Speedwatchers

Training took place in 2021 for volunteer members of the Community Policing team who help keep an eye on speeding motorists. The group has been active in the community since 1986. It is a volunteer based non-profit society that works closely with the RCMP, ICBC, the District of Lake Country and other enforcement groups. They implement safety programs such as Citizens on Patrol, Speed Watch and Auto Crime. Interested in volunteering? They are always looking for community minded men and women who are over 19 years of age with a clean driving record and able to pass a security check.

Lake Country Yearly Comparison Charts
AUTO THEFT
3 YEAR COMPARISON



Lake Country Yearly Comparison Charts
ROAD SAFETY
3 YEAR COMPARISON



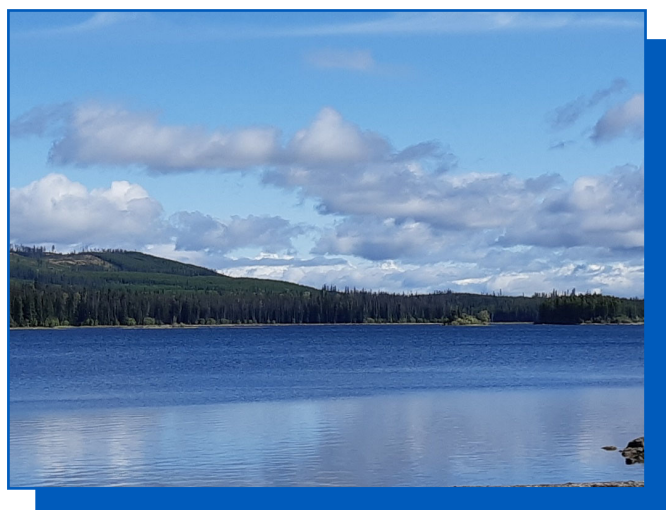
Utilities is responsible for the maintenance and construction of critical infrastructure in the community. The areas of responsibility include water distribution and quality, liquid waste and the liquid waste treatment plant, the sewage system and the hydrogeneration plant.

2021 FAST FACTS

- 54** Kilometres of Sanitary Sewer
- 12** Lift Stations
- 6** Storage Dams
- 10** Reservoirs
- 200** Kilometres of Watermain
- 500** Hydrants

Water Master Plan Update

Several events in the summer of 2021 impacted the update to the District’s Water Master Plan, first adopted in 2012. The update will provide a strategy for the sustainable and affordable provision of water for the community and environment. Extensive public consultation was slated for 2021, but several factors meant a delay was needed. A late spring algae bloom was noted on Wood Lake, prompting beach water quality advisories for several weeks. Following this was one of the driest summers on record for the community. Most recently, the Department of Fisheries and Oceans ordered the District to release 20 per cent of water reserves from the Beaver Lake Watershed to raise stream flows in Middle Vernon Creek for spawning Kokanee. Beaver Lake is the District’s largest water source, with the majority of the water supplying agricultural farms in Winfield, Okanagan Centre, and Carr’s Landing. Approximately 1,400 properties in Lake Country rely on this source. The District supports the protection of Kokanee habitat, however the impact of releasing the large volume of water will require a further analysis of water availability and needs. The Water Master Plan calls for the construction of a water treatment facility at the Beaver Lake water source and the evaluation of a Carr’s Landing Local Service Area. To ensure water security, The District will engage with the Province of BC to investigate developing a Water Sustainability Plan. This proposed plan would identify and allocate water for potable, irrigation, and environmental flows. Once complete, the plan would assist and guide the update to the District’s Water Master Plan.



Wastewater Treatment Plant Upgrades

The District's wastewater treatment plant is rapidly approaching capacity. In 2021, construction began to upgrade the facility. Some of the upgrades included in the project include a tertiary filter and building, a bio-nutrient reactor, a secondary clarifier, upgrades at Lodge Road lift station



and expansion of the subsurface disposal system. Work continues and is expected to be complete in January 2023. The cost of the project is \$12 million.

Phase 4 Funding Approved

A successful Alternative Approval Process was undertaken to gain electorate approval to borrow funding for the Wastewater Treatment Plant upgrades. With electoral approval secured, Council approved borrowing \$8.84 million for the required work to the plant.

Liquid Waste Management Plan

Liquid waste in the District of Lake Country is managed through a Liquid Waste Management Plan (LWMP) that received Provincial approval in 1998. Storm water, septic systems, sewer collection and treatment are all addressed in a LWMP. As Lake Country grows, we need to continue to implement good solutions to serve an expanding population, care for the environment and protect public health. The District invited citizens to get involved in the development of an updated LWMP. Engineering and environmental studies have been completed. A steering committee has been created to manage the development of the new LWMP. The options will be examined in 2022 with the goal of securing a long-term plan that meets social, environmental, technical and financial needs and reflects public input. Once developed, the draft plan will be submitted to the Ministry of Environment for sign off.

Middle Vernon Creek Flood Hazard Study

Grant funding of \$150,000 was secured to complete a Flood Hazard Study on Middle Vernon Creek within the District's boundary. The study will address specific problems along the Middle Vernon Creek corridor. The scope of work includes assessing the probability of occurrence, the potential costs, and the community's vulnerabilities to flood hazards. It will establish risk thresholds/tolerances for identified hazards. Community and stakeholder engagement will be incorporated at critical stages throughout the project. The work being completed will provide the necessary information and proactive planning measures to reduce the public danger, damage and associated costs that come with flooding. A preliminary survey started in fall of 2021 with project to be complete by end of 2022.



2021 Capital Projects

OK Lake Pumphouse Upgraded

The Okanagan Lake pumphouse was upgraded with approximately 2,800 properties temporarily switched over to the Beaver Lake water source during the work. The project increased pumping capacity and added new ultraviolet treatment system and chlorine disinfection system in addition to electrical upgrades. Upgrades to the Okanagan Lake pumphouse were successfully completed during the first week of March with all customers successfully switched back to Okanagan Lake water.



Irvine Booster Pump Station Replacement

The Irvine Booster Pump Station needed to be replaced to address safety issues. The booster station was located in a confined space with high voltage power. This project involved replacement of the subsurface water booster station with an above ground facility.

Swalwell Intake Tower Upgrades

Preliminary design was undertaken for improvements to the existing water release tower at the Swalwell (Beaver Lake) intake. The project is needed to replace the aging infrastructure. The cost of the preliminary design is estimated at \$130,000.



Nuyens Sanitary System Improved

Construction was completed in 2021 on the Nuyens Sanitary System upgrades. The lift station was deteriorating and needed to be replaced.

Beaver Lake Water Treatment Plant

The department began working on a feasibility study for the construction of a Water Treatment Facility on the District's Beaver Lake Water Source. Phase 1 of the Water Treatment Plant is estimated to cost between \$25-30 Million. To date, Council has approved \$75,000 to the study for the construction of the facility. Ultimately this project will improve water quality on this source and remove the need for a permanent water quality advisory.



2021

**Chief Financial
Officer Report**

Report from Chief Financial Officer



Trevor James

Our auditors, BDO Canada LLP, have audited the financial statements and provided a clean audit opinion. These financial statements have been prepared in accordance with generally accepted accounting principles for local governments following recommendations and guidance provided by Public Sector Accounting Standards (PSAS). The 2021 audited financial statements were presented to Council on May 10, 2022.

Treatment Plant to be grant funded. This grant was not received, and the project was determined to be high priority and as such Council elected to proceed and pay for the project using debt to be repaid using future Developer Cost Charges. \$293,200 was budgeted to be grant funded for the Woodsdale Waterfront Park Site & Cultural Centre and while \$1,064,895 was received however the bulk of the project will occur in 2022 and later and as such the full amount received was recorded as deferred revenue therefore the \$293,200 budgeted to be recognize did not occur in 2021.

2021 revenues were relatively consistent with 2020, \$41,378,386 in 2021 compared to \$42,934,424 in 2020. The decrease of \$1,556,038 can largely be explained by a \$922,068 building permit recognized and recorded as a receivable in 2020 that had to be written off as a bad debt expense in 2021 when the permit was never picked up and the property was sold. However, the purchased property is in the process of receiving a new building permit which should result in additional revenue in the 2022 fiscal year.

2021 total expenses of \$28,992,115 were \$244,714 higher than budget of \$28,747,401. This was largely due to amortization of tangible capital assets of \$4,659,568 being \$478,003 higher than \$4,181,565 due to timing of capital assets being put into use offset partially by some other expense accounts coming in under budget. Total 2021 expenses came in \$2,760,902 higher than the \$26,231,213 in 2020 primarily due to the previously mentioned bad debt expense in addition to increased costs due to supply chain issues and high inflation (4% in BC, 4.8% in Canada overall) as well as a \$240,134 increase in amortization of tangible capital assets.

Continued on page 29

Relevant Observations:

A net financial asset position indicates the extent that net financial resources are available to fund future operations and expenditures. In 2021 the District had moved to a net financial position of \$14,519,118. This is a decrease from the prior year net financial position of \$21,153,296.

2021 revenues were below budget by \$7,829,881 with the 2021 actual amount being \$41,378,386 and the 2021 budgeted amount being \$49,208,267. The majority of this difference is due to Government Transfers revenue coming in at \$4,390,096 compared to budget of \$12,021,986 for a difference of \$7,631,890. \$6,600,000 was budgeted for Phase 4 of the Wastewater



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**District of Lake Country
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2020

Christopher P. Morill
Executive Director/CEO



Finance staff celebrating their award during a virtual meeting

The District of Lake Country was presented with the Canadian Award for Financial Reporting from the Government Finance Officers Association of United States and Canada for its 2020 Annual Report. This is the sixth consecutive year the District has received the award which was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

Statement of Financial Position

Some items that are unique to PSAS financial reporting are as follows:

- **Separation of financial assets and non-financial assets** – in typical financial statements of a business, a balance sheet is separated into three main categories – assets, liabilities, and shareholders’ equity. In public sector financial statements, total assets are not specifically presented. Assets are separated between “financial” assets and “non-financial” assets:
 - Financial Assets are assets that generate cash flow and can be used to repay liabilities. Financial Assets include cash and cash equivalents and accounts receivables.
 - Non-Financial Assets generally do not provide cash flow and include tangible capital assets and other assets that are utilized on a continuing basis for public purposes having a useful life beyond one year. These assets are reflected at net book value (initial cost less amortization to date) and not intended to be sold in the normal course of operations.
- **Net Debt or Net Financial Assets** – With this separation of financial assets and non-financial assets, a performance measure unique to public sector financial statements results. The difference between financial assets and liabilities either reflects a “net debt” or “net financial asset” position.
 - Net Debt – A net debt position indicates the extent that debt and other liabilities have been taken on by the municipality to fund the delivery of services, investments in tangible capital assets and other transactions. Future revenue streams need to contemplate the requirement to repay debt obligations as they come due based on established repayment terms.
 - Net Financial Assets – A net financial asset position indicates the extent that net financial resources are

available to fund future operations and spending. In 2021 the District had moved to a net financial asset position of \$14,519,118. This is a decrease over the prior year net financial assets of \$21,153,296. This decrease is primarily due to significantly higher spending on acquisition of tangible capital assets, there were \$22,954,802 of acquired assets in 2021 compared to \$16,429,655 in 2020.

- The net debt and net financial assets will fluctuate from year to year depending on how much is spent on capital and how much surplus is recognized. However, the District should continue to see a net financial asset position as the reserves are held in line with the Reserve Policy adopted by Council.
- **Accumulated Surplus or Deficit** – the accumulated sum of non-financial assets and net financial assets. The District is in a “surplus” position. The surplus position reflects that net financial and physical resources are available to provide future services. If an entity was in a net deficit position, this would reflect that future revenues are required to finance historical operations.

Statement of Operations and Accumulated Surplus

This statement provides the budgeted and actual revenues and expenses of the District for the fiscal year. Revenues are presented by their sources of funds (i.e. taxation, user fees, government transfers, etc.) Expenses are presented by function or major program (i.e. Protective services, Water, Sewer, etc.) The accumulated surplus represents the accumulated results experienced by the City over the years.

Please see Page 28 for summary of most significant changes in budget versus actual and actual versus prior year as well as the charts on Pages 30 and 31.

Continued on Page 30



Report from Chief Financial Officer

2021 Expenses Budget to Actual

Expenses	2021 Budget	2021 Actual	\$ Difference	% Difference	Comments
General Government Services	4,198,097	4,314,531	116,434	3%	Comparable to budget, slight increase over budget due to timing and slight overlap of incoming and outgoing directors
Protective Services	4,941,414	4,436,403	(505,011)	-10%	RCMP contract came in significantly under budget, we budgeted for 18 requested officers however only get billed based on actuals which fluctuate between 10-12 officers
Transportation Services	5,579,567	5,339,919	(239,648)	-4%	Transit costs came in \$246,000 under budget due to decreased ridership as well as repayment of transit reserve in the form of reduced bills.
Environmental Services	1,564,503	1,598,836	34,333	2%	Landfill fees were \$33,000 over budget due to increased usage, however please note that garbage collection fees were also \$39,000 over budget on the revenue side.
Planning and Development Services	1,481,963	2,344,731	862,768	58%	Negative variance due to a \$922,068 building permit recognized in 2020 that had to be written off as a bad debt expense in 2021 when the permit was never picked up and the property was sold. However, the purchased property is in the process of receiving a new building permit which should result in additional revenue in the 2022 fiscal year.
Parks and Recreation Services	4,287,087	4,244,329	(42,758)	-1%	Comparable to budget.
Water Services	3,746,654	3,779,554	32,900	1%	Comparable to budget, slight negative variance due to higher material/supply costs due to supply chain/inflationary pressures.
Sewer Services	2,323,428	2,364,663	41,235	2%	Comparable to budget, slight negative variance due to higher material/supply costs due to supply chain/inflationary pressures.
Interest Expense	624,688	569,149	(55,539)	-9%	Interest expense was lower than budget due to some debt maturing (\$6.5m of long-term debt in 2020 vs. \$5.5m in 2021).
Total	28,747,401	28,992,115	244,714	1%	

Expenses - 2021 Actual to 2020 Actual

Expenses	2021 Actual	2020 Actual	\$ Difference	% Difference	Comments
General Government Services	4,314,531	3,723,317	591,214	16%	Increase in salaries & benefits due to overlap of CAO & Deputy CAO as well as cost of living/increases due to collective agreement.
Protective Services	4,436,403	3,964,540	471,863	12%	\$245,000 increase in fire operations expenditures primarily due to several significant redeployments in 2021, however please note that Fire Services Revenue was \$457,000 higher than in 2020 due to the reimbursements from the Province for these redeployments. \$44,000 increase due to hiring of additional bylaw officers using COVID grant funding. \$57,000 increase in RCMP costs due to RCMP contract increases.
Transportation Services	5,339,919	5,757,721	(417,802)	-7%	Decrease primarily due to decrease in road resurfacing costs in 2021 due to decision to spend \$600,000 every two years instead of \$300,000 every year.
Environmental Services	1,598,836	1,545,811	53,025	3%	Increase primarily due to increase in solid waste management costs, however please note that there was a corresponding increase in collection fees.
Planning and Development Services	2,344,731	1,214,213	1,130,518	93%	See comment on budget vs. actual relating to \$922,068 of this variance. Remainder of variance due to planned increased salaries costs in planning & development.
Parks and Recreation Services	4,244,329	3,747,202	497,127	13%	Increased activity in parks, recreation and culture activities due to more activities opening up in the second year of the pandemic. Also increased offsetting revenues due to these activities.
Water Services	3,779,554	3,675,273	104,281	3%	Comparable to prior year, slight negative variance due to higher material/supply costs due to supply chain/inflationary pressures.
Sewer Services	2,364,663	1,960,261	404,402	21%	Increases to several expense accounts in line with budget however increased offsetting user fees as well. Also higher material/supply costs due to supply chain/inflationary pressures.
Interest Expense	569,149	642,875	(73,726)	-11%	Interest expense was lower than prior year due to some debt maturing (\$6.5m of long-term debt in 2020 vs. \$5.5m in 2021).
Total	28,992,115	26,231,213	2,760,902	11%	

Statement of Changes in Net Debt

Explains the changes in net debt, reconciling the opening to the closing balance of net debt reported in the Statement of Financial Position.

Statement of Cash Flows

Explains the changes to cash and cash equivalents, reconciling the opening to the closing balance of cash and cash equivalents reported in the Statement of Financial Position.

Notes to Financial Statements and Schedules

Provides further details on information provided in the financial statements noted above. The full listing of debt including what it is for has been provided.

Schedule 1 – Schedule of Tangible Capital Assets

Summary of changes to the net book value of all District tangible capital assets and work in progress held by category.

Schedule 2 – Schedule of Accumulated Surplus

Summary of changes to reserves as well as the net investment in tangible capital assets.

Schedule 3 – Schedule of Segment Disclosure

Further details of the use of financial resources (revenue and expenses) by the District by function or segment.

Schedule 4 – Schedule of COVID-19 Restart Grant

This is a schedule required for the acceptance of the COVID-19 Safe Restart Grant received in November 2020 from the Provincial Government. This grant was recorded as revenue for 2020 with the amount not spent in 2020 moved into the stabilization reserve with the amount being drawn down as it gets spent.

Legislation and Applicable Policies

Section 167 of the Community Charter describes the financial reporting requirements for local governments. Municipal financial statements for a fiscal year must be prepared by the Financial Officer and presented to Council for its acceptance. The financial statements are to be submitted to the Inspector of Municipalities by May 15th of the year following the end of the fiscal year.

Technical Considerations

- **Impact on Infrastructure or Municipal Services**
N/A
- **Impact on Staff Capacity and Financial Resources (Cost/Benefit Analysis)**
N/A

Comments from Other Government Agencies, Council Committees and Relevant Stakeholders

N/A

Consultation and Communication

The financial statements are available publicly on the District's website and at Municipal Hall as well as are included in the annual report that is released in June.

Respectfully Submitted,

Trevor James
Chief Financial Officer





2021

**Financial
Statements**



Municipal Hall

10150 Bottom Wood Lake Road
Lake Country, BC V4V 2M1
Tel: 250-766-5650
Fax: 250-766-0116

May 10, 2022

The Mayor and Council
District of Lake Country

Mayor Baker and Council,

In accordance with Section 167 of the Community Charter, I am pleased to present the 2021 Annual Financial Statements of the District of Lake Country for the fiscal year ended December 31, 2021. These statements include the Independent Auditors' Report, the financial statements and the notes and schedules to the financial statements for the District of Lake Country.

The financial statements for the year ended December 31, 2021 were prepared by the District in accordance with Canadian Public Sector Accounting Standards. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for implementing and maintaining a system of good internal controls to safeguard the District's assets and to provide reasonable assurance that reliable and consistent financial information is provided.

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

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

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

Respectively submitted,

Trevor James, CPA, CA
Chief Financial Officer

Independent Auditors' Report

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

Opinion

We have audited the financial statements of the District of Lake Country (the "District"), which comprise the statement of financial position as at December 31, 2021, and the statement of changes in net financial assets, statement of operations and accumulated surplus, and statement of cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

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

Other Matter

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
May 10, 2022

District of Lake Country

December 31, 2021

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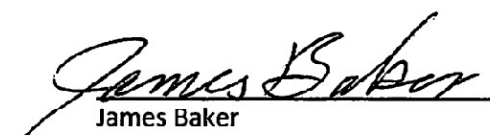
District of Lake Country

Statement of Financial Position

As at December 31	2021	2020
Financial assets		
Cash and cash equivalents (Note 5)	\$ 31,255,116	\$ 44,423,360
Accounts receivable (Note 6)	4,547,842	6,936,975
	<u>35,802,958</u>	<u>51,360,335</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	5,639,513	10,389,641
Security deposits	2,931,053	2,180,495
Deferred revenue (Note 8)	3,326,481	2,928,937
Restricted revenue (Note 9)	3,842,210	8,164,050
Long-term debt (Note 10)	5,544,583	6,543,916
	<u>21,283,840</u>	<u>30,207,039</u>
Net financial assets	14,519,118	21,153,296
Non-financial assets		
Tangible Capital Assets (Schedule 1)	204,323,383	185,285,974
Acquisition of prepaid expenses	43,865	60,825
	<u>204,367,248</u>	<u>185,346,799</u>
Accumulated surplus (Schedule 2)	<u>\$ 218,886,366</u>	<u>\$ 206,500,095</u>

Contingent liabilities and commitments (Note 11)


Trevor James, CPA, CA
Chief Financial Officer


James Baker
Mayor

See accompanying notes to the financial statements.

District of Lake Country

Statement of Operations and Accumulated Surplus

For the year ended December 31	<u>2021 Budget *</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Revenue			
Taxation (Note 12)	\$ 18,438,805	\$ 18,600,618	\$ 17,520,565
Utility revenues	5,057,580	5,359,032	5,085,933
Services provided to other governments	435,000	469,072	809,323
Sale of services	2,924,329	3,203,456	2,734,712
Permits and licences	886,700	1,329,359	2,117,655
Interest on Investments	764,869	797,372	730,877
Government transfers (Note 13)	12,021,986	4,390,096	7,627,988
Developer contributions	6,794,228	6,792,040	3,927,306
Other revenue	1,884,770	437,341	2,380,070
	<u>49,208,267</u>	<u>41,378,386</u>	<u>42,934,429</u>
Expenses			
General Government Services	4,198,097	4,314,531	3,723,317
Protective Services	4,941,414	4,436,403	3,964,540
Transportation Services	5,579,567	5,339,919	5,757,721
Environmental Services	1,564,503	1,598,836	1,545,811
Planning and Development Services	1,481,963	2,344,731	1,214,213
Parks and Recreation Services	4,287,087	4,244,329	3,747,202
Water Services	3,746,654	3,779,554	3,675,273
Sewer Services	2,323,428	2,364,663	1,960,261
Interest expense	624,688	569,149	642,875
	<u>28,747,401</u>	<u>28,992,115</u>	<u>26,231,213</u>
Annual surplus	20,460,866	12,386,271	16,703,216
Accumulated surplus, beginning of year	206,500,095	206,500,095	189,796,879
Accumulated surplus, end of year	<u>\$ 226,960,961</u>	<u>\$ 218,886,366</u>	<u>\$ 206,500,095</u>

* Note 3

See accompanying notes to the financial statements.

District of Lake Country

Statement of Changes in Net Financial Assets

For the Year Ended December 31	2021 Budget	2021 Actual	2020 Actual
Unrestricted annual surplus	\$ 20,460,866	\$ 12,386,271	\$ 16,703,216
Acquisition of tangible capital assets	(35,167,323)	(22,954,802)	(16,429,655)
Developer contribution of tangible capital assets	-	(747,175)	(318,040)
Amortization of tangible capital assets	4,181,565	4,659,568	4,419,434
Net (gain) on disposal of tangible capital assets	-	(2,395)	(889,200)
Proceeds from disposal of tangible capital assets	5,200	7,395	1,026,587
Acquisition of prepaid expenses	-	16,960	5,117
(Decrease)/increase in net financial assets	(10,519,692)	(6,634,178)	4,517,459
Net financial assets, beginning of year	-	21,153,296	16,635,837
Net financial assets, end of year	\$ (10,519,692)	\$ 14,519,118	\$ 21,153,296

See accompanying notes to the financial statements.

District of Lake Country

Statement of Cash Flows

For the year ended December 31	2021	2020
Net inflow (outflow) of cash and cash equivalents related to the following activities		
Operating activities		
Annual surplus for the year	\$ 12,386,271	\$ 16,703,216
Adjustment for non-cash items		
Amortization of tangible capital assets	4,659,568	4,419,434
Developer contribution of tangible capital assets	(747,175)	(318,040)
Net gain on disposal of tangible capital assets	(2,395)	(889,200)
Actuarial adjustment on long-term debt	(423,067)	(426,154)
Acquisition of prepaid expenses	16,960	5,117
Increase/(decrease) in		
Accounts receivable	2,389,133	65,512
Accounts payable	(4,750,128)	7,170,765
Security deposits	750,558	639,375
Deferred revenue	397,544	527,970
	<u>14,677,269</u>	<u>27,897,995</u>
Financing activities		
Restricted revenue development cost charges, net	(4,321,840)	(4,238,029)
Repayment of long-term debt	(576,266)	(634,310)
	<u>(4,898,106)</u>	<u>(4,872,339)</u>
Capital activities		
Acquisition of tangible capital assets	(22,954,802)	(16,429,655)
Proceeds from disposal of tangible capital assets	7,395	1,026,587
	<u>(22,947,407)</u>	<u>(15,403,068)</u>
Increase (decrease) in cash and cash equivalents	(13,168,244)	7,622,588
Cash and cash equivalents, beginning of year	44,423,360	36,800,772
Cash and cash equivalents, end of year	<u>\$ 31,255,116</u>	<u>\$ 44,423,360</u>
Supplementary cash flow information		
Interest paid	<u>\$ 569,149</u>	<u>\$ 642,875</u>

See accompanying notes to the financial statements.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

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

1. Nature of entity

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

2. Significant accounting policies

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

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

Basis of presentation

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

Accrual accounting

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

Cash and cash equivalents

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

Tangible capital assets

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

2. Significant accounting policies (continued)

Tangible capital assets (continued)

The estimated useful lives are as follows:

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

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

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

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

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

Supplies on hand

Supplies are charged to operations when purchased.

Capitalization of interest

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

Debenture debt

Outstanding debenture debt is reported net of sinking fund balances.

Debt charges

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

2. Significant accounting policies (continued)

Liability for contaminated sites

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

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

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

Municipal Finance Authority debt reserve deposits

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

	<u>Demand Notes</u>	<u>Cash Deposits</u>	<u>Total 2021</u>	<u>Total 2020</u>
General Fund	\$ 145,975	\$ 71,844	\$ 217,819	\$ 216,617
Water Fund	71,511	26,578	98,089	97,645
Sewer Fund	193,290	129,753	323,043	454,501
	<u>\$ 410,776</u>	<u>\$ 228,175</u>	<u>\$ 638,951</u>	<u>\$ 768,763</u>

Reserve funds

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

2. Significant accounting policies (continued)

Revenue recognition

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

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

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

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

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

Expenses

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

Use of estimates

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

3. Budget figures

The budget adopted by Mayor and Council on March 16, 2021 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$20,460,866. In addition, the budget expensed all tangible capital asset expenditures. As a result, the budget figures presented in the statement of operations and the statement of changes in net financial assets (net debt) represent the budget adopted by Mayor and Council with adjustments as follows:

District of Lake Country

Notes to the Financial Statements
 For the year ended December 31, 2021

3. Budget figures (continued)

Financial Plan (Budget) Bylaw surplus for the year

	<u>2021 Budget</u>
Add:	
Acquisition of tangible capital assets	\$ 35,167,323
Long-term debt principal payments and actuarial adjustments	<u>999,335</u>
Less:	
Transfers from surpluses and reserves	(5,949,606)
Proceeds from long term debt	(5,569,421)
Proceeds from disposal of tangible capital assets	(5,200)
Transfer from equity in tangible capital assets for amortization	<u>(4,181,565)</u>
Financial plan (Budget) surplus per statement of operations	<u>\$ 20,460,866</u>

4. Global Pandemic

As the impacts of COVID-19 continue, there could be further impact on the District, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the District's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the District is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The District's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The District will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

5. Cash and cash equivalents

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

	<u>2021</u>	<u>2020</u>
Cash	\$ 7,278,680	\$ 30,803,084
Term Deposits	15,271,427	4,096,977
Chartered Bank Accrual Notes and Debentures	8,674,115	9,523,299
Property Held for Resale	<u>30,894</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 31,255,116</u>	<u>\$ 44,423,360</u>

Included in 2021 cash and cash equivalents is \$2,669,051 (2020 - \$1,974,297) relating to performance deposits, the use of which is subject to certain restrictions.

Operating line of credit

The District has an operating line of credit with the Toronto Dominion Commercial Bank for an authorized amount of \$1,500,000, bearing interest at bank prime rate. At December 31 the balance outstanding on the operating line of credit was \$nil (2020 - \$nil).

6. Accounts receivable

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

	<u>2021</u>	<u>2020</u>
Property tax receivables	\$ 969,327	\$ 1,081,587
Trade receivables	699,411	1,981,794
Due from other governments	1,605,574	2,301,122
Water utility fees	<u>1,273,530</u>	<u>1,572,472</u>
	<u>\$ 4,547,842</u>	<u>\$ 6,936,975</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of the following:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 2,274,299	\$ 2,962,339
Due to other governments	1,504,081	6,018,900
Trade contract holdbacks	1,307,651	901,130
Wages and benefits	553,482	507,272
	<u>\$ 5,639,513</u>	<u>\$ 10,389,641</u>

8. Deferred revenue

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

	<u>2020</u>	<u>Deferred revenue received</u>	<u>Deferred revenue recognized</u>	<u>2021</u>
Prepaid taxes	\$ 1,559,739	\$ 1,751,864	\$ (1,559,739)	\$ 1,751,864
Prepaid water utility fees	18,105	17,397	(18,105)	17,397
Prepaid leisure service fees	25,390	34,099	(25,390)	34,099
Deferred parcel tax	26,166	-	-	26,166
Other	1,299,537	1,242,753	(1,045,335)	1,496,955
	<u>\$ 2,928,937</u>	<u>\$ 3,046,113</u>	<u>\$ (2,648,569)</u>	<u>\$ 3,326,481</u>

9. Restricted revenue

Development cost charges and parkland acquisition funds

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

9. Restricted revenue (continued)

	Development cost charge restricted revenue 2021	Parkland acquisition restricted revenue 2021	Total 2021	Total 2020
Financial assets:				
Cash	\$ 3,842,210	\$ -	\$ 3,842,210	\$ 8,164,050
	<u>3,842,210</u>	<u>-</u>	<u>3,842,210</u>	<u>8,164,050</u>
Balance, beginning of year	8,164,050	-	8,164,050	12,402,079
Contributions from developers	1,321,592	-	1,321,592	1,812,990
Permit adjustments	(70,572)	-	(70,572)	(2,730,255)
Interest on investments	117,696	-	117,696	237,808
Capital financing	<u>(5,690,556)</u>	<u>-</u>	<u>(5,690,556)</u>	<u>(3,558,572)</u>
Balance, end of year	<u>\$ 3,842,210</u>	<u>\$ -</u>	<u>\$ 3,842,210</u>	<u>\$ 8,164,050</u>

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

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

	2021	2020
Roads DCC	\$ 1,329,991	\$ 1,894,722
Drainage DCC	908,186	902,339
Park DCC	1,392,168	2,537,526
Water DCC	931,481	1,279,828
Sewer DCC	<u>(719,616)</u>	<u>1,549,635</u>
	<u>\$ 3,842,210</u>	<u>\$ 8,164,050</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

10. Long-term debt

	<u>Interest rate</u>	<u>Year of maturity</u>	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Principal payment</u>	<u>Actuarial adjustment</u>	<u>Balance, end of year</u>
General Fund							
MFA Issue 78	5.850%	2022	\$ 84,678	\$ -	\$ 17,163	\$ 24,143	\$ 43,372
MFA Issue 104	5.150%	2028	830,798	-	56,317	33,848	740,633
MFA Issue 105	4.900%	2029	273,552	-	16,791	9,058	247,703
MFA Issue 133	2.750%	2035	2,119,137	-	92,469	17,355	2,009,313
			<u>3,308,165</u>	<u>-</u>	<u>182,740</u>	<u>84,404</u>	<u>3,041,021</u>
Water Fund							
MFA Issue 105	4.900%	2024	302,107	-	46,213	24,930	230,964
MFA Issue 114	3.650%	2026	172,727	-	26,271	-	146,456
MFA Issue 114	3.650%	2026	112,882	-	17,168	-	95,714
MFA Issue 127	3.300%	2029	297,807	-	22,240	5,900	269,667
			<u>885,523</u>	<u>-</u>	<u>111,892</u>	<u>30,830</u>	<u>742,801</u>
Sewer Fund							
MFA Issue 70	5.745%	2024	1,253,616	-	145,900	147,002	960,714
MFA Issue 75	3.050%	2021	191,054	-	75,607	115,447	-
MFA Issue 78	2.100%	2022	119,363	-	24,194	34,032	61,137
MFA Issue 126	3.850%	2033	786,195	-	35,933	11,352	738,910
			<u>2,350,228</u>	<u>-</u>	<u>281,634</u>	<u>307,833</u>	<u>1,760,761</u>
Total long-term debt			<u>\$ 6,543,916</u>	<u>\$ -</u>	<u>\$ 576,266</u>	<u>\$ 423,067</u>	<u>\$ 5,544,583</u>

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

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
General Fund	\$ 182,741	\$ 165,577	\$ 165,577	\$ 165,577	\$ 165,577	\$ 995,229	\$ 1,840,278
Water Fund	113,478	115,122	116,825	72,377	74,207	66,720	558,729
Sewer Fund	206,025	181,831	181,831	35,932	35,932	251,527	893,078
	<u>\$ 502,244</u>	<u>\$ 462,530</u>	<u>\$ 464,233</u>	<u>\$ 273,886</u>	<u>\$ 275,716</u>	<u>\$ 1,313,476</u>	<u>\$ 3,292,085</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

11. Contingent liabilities and commitments

Regional District of Central Okanagan

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

Legal actions

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

Pension liability

The District and its employees contribute to the Municipal Pension Plan (a jointly trusted pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021 the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local government.

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

11. Contingent liabilities and commitments (continued)

Pension liability (continued)

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 District paid \$682,711 (2020 - \$637,586) for employer contributions, while employees contributed \$593,963 (2020 - \$557,400) to the plan in fiscal 2021.

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

Letter of Credit

The District has obtained an irrevocable letter of credit initially expiring on July 31, 2022 in the amount of \$97,540. The letter of credit is being held as a deposit on a capital project being administered by the Department of Fisheries and Oceans.

Commitments

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

12. Taxation

In 2021 the District collected \$11,978,991 (2020 - \$10,727,894) on behalf of other taxing jurisdictions and transferred this amount to those other authorities. The collections and transfers are itemized as follows:

	<u>2021</u>	<u>2020</u>
Collections for and transfers to other governments		
Taxes collected		
Property taxes	\$ 27,170,350	\$ 25,047,039
Special assessments	2,827,246	2,762,454
1% utility tax	236,957	232,065
Penalties and interest on taxes	299,576	162,115
Grant in lieu of taxes	45,480	44,786
	<u>30,579,609</u>	<u>28,248,459</u>
Less transfer to other governments		
Province of BC (school taxes)	8,092,864	7,111,207
BC Assessment Authority	221,835	212,722
Municipal Finance Authority	1,042	970
Regional Hospital District	1,363,143	1,245,240
Okanagan Regional Library	690,842	667,661
Regional District of Central Okanagan	1,609,265	1,490,094
	<u>11,978,991</u>	<u>10,727,894</u>
Net taxes available for municipal purposes	<u>\$ 18,600,618</u>	<u>\$ 17,520,565</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

13. Government transfers

In 2021 the District received and recorded as revenue the following transfers:

	<u>2021</u>	<u>2020</u>
Federal Conditional Transfers		
Federal Gas Tax Strategic Priorities Fund	\$ 1,662,562	\$ 2,661,280
Provincial Unconditional Transfers		
Traffic Fine Revenue Sharing Grant	99,795	81,364
Small Community Grant	272,000	302,695
Climate Action Revenue Incentive Program	24,609	20,773
BC Active Transportation Grant	-	278,628
	<u>396,404</u>	<u>683,460</u>
Provincial Conditional Transfers		
COVID-19 Resilience Infrastructure Grant	622,786	-
Community Economic Recovery Infrastructure Grant	131,763	-
Other Conditional Transfers	71,426	59,254
New Spaces Grant	50,000	450,000
COVID-19 Safe Restart Grant	-	2,947,000
	<u>875,975</u>	<u>3,456,254</u>
Regional and Other External Conditional Transfers		
Gas Tax Community Works Fund	1,225,899	599,296
Student Grants	-	12,264
Gas Tax General Strategic Priorities Fund	34,730	10,104
Okanagan Basin Water Board	194,526	205,330
	<u>1,455,155</u>	<u>826,994</u>
Total government transfers	<u>\$ 4,390,096</u>	<u>\$ 7,627,988</u>

14. Letters of credit

As of December 31, the District is holding letters of credit in the amount of \$9,113,641 (2020 - \$11,163,898), which are received as security related to performance deposits.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

15. Segmented information

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

General Government services

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

Protective services

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

Transportation services

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

Environmental services

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

Planning and Development

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

Parks and Recreation

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

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2021

15. Segmented information (continued)

Water systems

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

Sewer system

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

16. Expenses by object

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

District of Lake Country

Schedule 1 - Schedule of Tangible Capital Assets

For the Year Ended December 31	Land	Land Improvements	Buildings	Furniture & Equipment	Vehicle & Machinery	IT Infrastructure
COST						
Opening Balance	\$ 36,608,519	\$ 10,322,355	\$ 26,155,815	\$ 2,699,998	\$ 6,869,002	\$ 825,104
Add: additions	1,359,411	84,321	17,181,416	208,277	663,545	134,788
Add: contributed capital	628,000	-	-	-	-	-
Less: disposals/transfers	-	-	-	-	(7,542)	-
Closing balance	38,595,930	10,406,676	43,337,231	2,908,275	7,525,005	959,892
ACCUMULATED AMORTIZATION						
Opening Balance	-	1,641,156	7,571,404	1,515,541	3,018,413	391,356
Add: amortization	-	266,334	736,322	140,927	442,576	147,077
Less: accumulated amortization on disposals	-	-	-	-	(2,542)	-
Closing balance	-	1,907,490	8,307,726	1,656,468	3,458,447	538,433
Net book value, December 31, 2021	38,595,930	8,499,186	35,029,505	1,251,807	4,066,558	421,459
Net book value, December 31, 2020	\$ 36,608,519	\$ 8,681,199	\$ 18,584,411	\$ 1,184,457	\$ 3,850,589	\$ 433,748

District of Lake Country

Schedule 1 - Schedule of Tangible Capital Assets

For the Year Ended December 31	Engineering Structures					2021 Total	2020 Total
	Water	Sewer	Roads	Environmental & Other	Work-in- Progress		
COST							
Opening Balance	\$ 50,328,453	\$ 21,130,491	\$ 58,801,847	\$ 4,118,791	\$ 15,600,092	\$ 233,460,467	\$ 217,106,040
Add: additions	-	437,663	216,393	-	21,040,466	41,326,280	21,815,588
Add: contributed capital	113,226	-	5,949	-	-	747,175	318,040
Less: disposals/transfers	-	-	-	-	(18,371,478)	(18,379,020)	(5,779,201)
Closing balance	50,441,679	21,568,154	59,024,189	4,118,791	18,269,080	257,154,902	233,460,467
ACCUMULATED AMORTIZATION							
Opening Balance	10,873,694	4,836,953	17,141,823	1,184,153	-	48,174,493	44,010,940
Add: amortization	1,004,165	384,316	1,434,880	102,971	-	4,659,568	4,419,434
Less: accumulated amortization on disposals	-	-	-	-	-	(2,542)	(255,881)
Closing balance	11,877,859	5,221,269	18,576,703	1,287,124	-	52,831,519	48,174,493
Net book value, December 31, 2021	38,563,820	16,346,885	40,447,486	2,831,667	18,269,080	204,323,383	
Net book value, December 31, 2020	\$ 39,454,759	\$ 16,293,538	\$ 41,660,024	\$ 2,934,638	\$ 15,600,092		\$ 185,285,974

District of Lake Country

Schedule 2 - Schedule of Accumulated Surplus

	Balances, Beginning of Year	Withdrawals	Contributions	Transfer to Capital	Interest & Actuarial Adjustments	Balances, End of Year
For the year ended December 31, 2021						
Surplus and Non-Statutory Reserves						
General fund surplus	\$ 3,614,439	\$ (415,537)	\$ 19,141	\$ (64,803)	\$ 248	\$ 3,153,488
Water fund surplus	1,177,366	-	-	-	23,311	1,200,677
Sewer fund surplus	451,443	-	-	-	8,939	460,382
General capital reserve	3,056,838	-	1,055,237	(1,695,514)	54,187	2,470,748
Water capital reserve	4,922,432	-	1,550,035	(1,719,003)	95,792	4,849,256
Sewer capital reserve	654,548	-	302,788	(481,940)	11,187	486,583
Climate action reserve	1,623,674	-	252,144	-	34,645	1,910,463
Community works gas tax reserve	1,606,995	-	1,225,899	(1,602,453)	28,090	1,258,531
Equipment acquisition and replacement reserve	386,688	-	276,303	(186,822)	8,542	484,711
Facilities reserve	385,322	(7,572)	370,079	(187,966)	8,682	568,545
Financial stabilization reserve	3,107,673	(331,925)	5,000	(571,506)	52,638	2,261,880
Fire facilities and equipment reserve	1,472,758	-	996,528	(1,586,679)	23,318	905,925
Future servicing works reserve	974,657	-	-	-	-	974,657
Future capital expenditures reserve	1,961,222	-	-	(1,464,327)	-	496,895
Information technology reserve	424,046	-	300,000	(126,559)	10,113	607,600
Policing reserve	1,194,986	(300,000)	742,347	(11,827)	27,923	1,653,429
Solid waste reserve	541,388	-	158,034	(45,038)	11,838	666,222
Transportation infrastructure reserve	1,029,512	(168,333)	1,215,350	(576,812)	25,039	1,524,756
Transit Reserve	-	-	90,176	-	-	90,176
	<u>28,585,987</u>	<u>(1,223,367)</u>	<u>8,559,061</u>	<u>(10,321,249)</u>	<u>424,492</u>	<u>26,024,924</u>
Statutory Reserves						
Access to body of water reserve	2,003	-	-	-	40	2,043
Land sale reserve	10,632	-	-	-	211	10,843
Parkland acquisition reserve	189,995	-	-	-	3,762	193,757
	<u>202,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,013</u>	<u>206,643</u>
Investment in Non Financial Assets						
Equity in tangible capital assets	177,711,478	(9,757,989)	24,278,242	-	423,068	192,654,799
Accumulated surplus	\$ 206,500,095	\$ (10,981,356)	\$ 32,837,303	\$ (10,321,249)	\$ 851,573	\$ 218,886,366

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

For the year ended December 31	General Government Services		Protective Services		Transportation Services	
	2021 Budget	2021 Actual	2021 Budget	2021 Actual	2021 Budget	2021 Actual
Revenue						
Taxation	\$ 14,578,353	\$ 14,692,707	\$ 2,433,548	\$ 2,430,581	\$ -	\$ -
Utility revenues	-	-	-	-	-	-
Services provided to other governments	-	-	150,000	150,000	-	-
Sale of services	41,799	51,085	12,500	516,648	287,030	203,853
Permits and licences	125,100	123,580	17,000	17,723	84,500	69,831
Interest on investments	409,404	426,457	-	-	-	-
Government transfers	1,412,460	1,689,001	80,000	99,795	401,880	652,547
Developer contributions	-	349,309	-	-	1,778,380	1,674,126
Other revenue	145,100	131,178	25,100	12,087	1,465,831	99,630
Total revenue	16,712,216	17,463,317	2,718,148	3,226,834	4,017,621	2,699,987
Expenses						
Salaries, wages and benefits	2,921,477	3,216,202	1,637,409	1,694,098	787,507	773,570
Contract services	909,756	681,773	2,844,257	2,109,551	2,870,660	2,437,922
Grants to community organizations	41,575	37,662	8,500	7,000	-	-
Materials and supplies	174,700	175,416	208,960	232,652	226,900	346,055
Utilities	-	-	27,300	26,408	88,000	111,841
Amortization	150,589	203,478	214,988	366,694	1,606,500	1,670,531
Loss on disposal of tangible capital assets	-	-	-	-	-	-
Interest expense	13,000	1,540	-	-	33,201	33,201
Other Expenses	-	-	-	-	-	-
Total expenses	4,211,097	4,316,071	4,941,414	4,436,403	5,612,768	5,373,120
Annual surplus (deficit)	\$ 12,501,119	\$ 13,147,246	\$ (2,223,266)	\$ (1,209,569)	\$ (1,595,147)	\$ (2,673,133)

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

	Environmental Services		Planning and Development		Parks and Recreation	
	2021 Budget	2021 Actual	2021 Budget	2021 Actual	2021 Budget	2021 Actual
Revenue						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility revenues	-	-	-	-	-	-
Services provided to other governments	-	-	-	-	55,000	55,000
Sale of services	1,662,500	1,535,730	90,500	175,751	595,700	502,974
Permits and licences	-	-	660,100	1,118,225	-	-
Interest on investments	-	-	-	-	-	-
Government transfers	-	-	-	40,000	3,318,146	1,714,227
Developer contributions	-	-	-	-	866,500	1,401,853
Other revenue	-	602	-	16,717	168,438	171,478
Total revenue	1,662,500	1,536,332	750,600	1,350,693	5,003,784	3,845,532
Expenses						
Salaries, wages and benefits	464,915	447,313	1,131,426	1,090,396	1,679,804	1,671,718
Contract services	940,500	992,986	272,897	260,871	1,084,574	969,540
Grants to community organizations	-	-	56,840	56,840	151,100	150,500
Materials and supplies	9,100	7,325	20,800	14,556	462,809	429,572
Utilities	4,500	3,371	-	-	354,800	352,266
Amortization	145,488	147,841	-	-	554,000	670,733
Loss on disposal of tangible capital assets	-	-	-	-	-	-
Interest expense	11,250	11,250	-	-	158,279	120,546
Other Expenses	-	-	-	922,068	-	-
Total expenses	1,575,753	1,610,086	1,481,963	2,344,731	4,445,366	4,364,875
Annual surplus (deficit)	\$ 86,747	\$ (73,754)	\$ (731,363)	\$ 850,098	\$ 558,418	\$ (519,343)

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

	Water Systems			Sewer System			Totals		
	2021	2021	2021	2021	2021	2021	2021	2021	2020
	Budget	Actual	Budget	Budget	Actual	Budget	Actual	Actual	Actual
For the year ended December 31									
Revenue									
Taxation	\$ 100,904	\$ 100,905	\$ 1,326,000	\$ 1,376,425	\$ 18,438,805	\$ 18,600,618	\$ 17,520,565		
Utility revenues	4,217,580	4,493,637	840,000	865,395	5,057,580	5,359,032	5,085,933		
Services provided to other governments	-	-	230,000	264,072	435,000	469,072	809,323		
Sale of services	179,300	179,215	55,000	38,200	2,924,329	3,203,456	2,734,712		
Permits and licences	-	-	-	-	886,700	1,329,359	2,117,655		
Interest on Investments	46,631	54,142	308,834	316,773	764,869	797,372	730,877		
Government transfers	15,000	-	6,794,500	194,526	12,021,986	4,390,096	7,627,988		
Developer contributions	534,138	573,479	3,615,210	2,793,273	6,794,228	6,792,040	3,927,306		
Other revenue	5,200	5,649	75,101	-	1,884,770	437,341	2,380,070		
Total revenue	5,098,753	5,407,027	13,244,645	5,848,664	49,208,267	41,378,386	42,934,429		
Expenses									
Salaries, wages and benefits	1,209,164	1,116,152	744,728	762,896	10,576,430	10,772,345	9,424,777		
Contract services	783,730	582,862	718,380	653,099	10,424,754	8,688,604	8,784,536		
Grants to community organizations	-	-	-	-	258,015	252,002	215,075		
Materials and supplies	508,860	736,401	151,120	202,835	1,763,249	2,144,812	1,796,198		
Utilities	269,900	309,195	174,200	179,992	918,700	983,073	885,863		
Amortization	975,000	1,034,449	535,000	565,841	4,181,565	4,659,568	4,419,434		
Loss on disposal of tangible capital assets	-	495	-	-	-	495	62,455		
Interest expense	47,488	44,738	361,470	357,874	624,688	569,149	642,875		
Other Expenses	-	-	-	-	-	922,068	-		
Total expenses	3,794,142	3,824,292	2,684,898	2,722,537	28,747,401	28,992,115	26,231,213		
Annual surplus (deficit)	\$ 1,304,611	\$ 1,582,735	\$ 10,559,747	\$ 3,126,127	\$ 20,460,866	\$ 12,386,271	\$ 16,703,216		

District of Lake Country

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

COVID-19 Safe Restart Grant received November 2020	\$2,947,000
2020 eligible costs incurred	<u>424,752</u>
Balance, December 31, 2020	\$2,522,248
2021 eligible costs incurred:	
Computer and technology costs to improve connectivity and virtual communications	\$486,100
Revenue shortfalls	200,910
General government services	28,012
Protective services	39,798
Parks and Recreation Services	86,118
Total 2021 eligible costs incurred	<u>\$840,938</u>
Balance, December 31, 2021	\$1,681,310



2021

Statistics

2021 Tax Exemptions Provided by Council

Year ended December 31, 2021

	Municipal Taxes	Other Taxes	Total Taxes
Church Buildings			
BC Association of 7th Day Adventists	3,842	1,826	5,668
Christian and Missionary Alliance	3,181	1,512	4,693
Kelowna Christian Centre Society	3,466	1,648	5,113
Roman Catholic Bishop of Nelson	6,634	3,141	9,774
St. Francis Anglican Church	1,131	538	1,668
The Missionary Church	2,586	1,230	3,816
Winfield Jehovah's Witness Trustees	6,520	3,099	9,619
Winfield United Church	3,092	1,470	4,563
Camps			
BC Lions Society for Children with Disabilities	7,896	5,582	13,478
Camp Hatikvah Foundation	36,018	23,482	59,500
Girl Guides Association Central Okanagan Division	25,774	15,842	41,616
Community Halls			
Community Hall Association of OK Centre	6,415	3,586	10,001
Oyama Community Club	10,592	5,017	15,609
Oyama Community Club (Royal Canadian Legion Branch 189)	2,485	1,778	4,263
Winfield Memorial Hall	-	-	-
Not for Profit Service Organizations			
Central Okanagan Rebroadcast Society	260	187	447
Central Okanagan SD#23, Boys & Girls Club	17,948	12,960	30,908
Lake Country Seniors Housing Society	9,639	7,143	16,782
Lake Country/LC Heritage & Cultural Society	16,603	11,600	28,203
Oceola Fish & Game Club	7,867	3,964	11,831
Ducks Unlimited	353	264	617
BC Teen Challenge	3,022	2,248	5,269
Winfield Curling Club & Horseshoe Club & Seniors Society	13,794	9,709	23,502
Little Owl Academy	4,161	2,987	7,147

Church buildings and the land beneath the buildings are statutorily exempt and are not included in total.

Statistics

	2021	2020	2019	2018	2017
# of Taxable Properties	6,887	6,760	6,525	6,469	6,264

Assessments by Class					
Residential	4,691,560,590	4,343,167,604	4,164,786,181	3,844,959,194	3,275,359,485
Utilities	4,337,901	4,255,098	4,012,992	3,732,686	3,733,782
Light Industry	24,512,800	22,814,000	19,612,400	17,652,100	16,100,000
Business	171,930,358	170,587,857	165,083,057	145,415,057	130,593,106
Recreational	12,794,400	12,735,100	10,304,900	10,617,900	10,517,900
Farm	8,498,313	8,138,861	8,232,899	8,138,861	8,097,264
TOTAL	4,913,634,362	4,561,698,520	4,372,032,429	4,030,515,798	3,444,401,537

Average Residential Single Family Dwelling					
	759,171	710,703	695,000	656,000	571,000

Municipal Mill Rates by Class (including fire)					
Residential	2.46	2.5	2.8496	2.7642	2.9929
Utilities	38.0288	37.95	45.7491	43.9792	43.5394
Light Industry	13.2988	12.6809	14.6955	14.3453	15.1029
Business	6.6784	5.9584	7.1009	7.0509	7.4435
Recreational	5.7507	5.46	6.7478	7.1959	6.9902
Farm	0.55	0.55	1.031	0.9184	0.9338

Revenues by Class (including fire)					
Residential	13,660,653	10,857,919	11,859,043	10,622,612	9,794,433
Utilities	193,436	161,481	181,715	163,167	161,618
Light Industry	385,599	289,302	287,829	252,969	242,909
Business	1,359,987	1,016,431	1,172,238	1,025,307	972,070
Recreational	87,147	69,534	69,536	76,406	73,522
Farm	5,479	4,629	8,240	7,280	7,355
Total	15,692,301	12,399,296	13,578,601	12,147,741	11,251,907

% of Overall Tax Revenue by Class					
Residential	87.05%	87.57%	87.34%	87.45%	87.04%
Utilities	1.24%	1.3%	1.34%	1.34%	1.44%
Light Industry	2.46%	2.33%	2.12%	2.08%	2.16%
Business	8.66%	8.2%	8.63%	8.44%	8.64%
Recreational	.55%	.56%	0.51%	0.63%	0.65%
Farm	0.04%	0.04%	0.06%	0.06%	0.07%

	2021	2020	2019	2018	2017
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Total Property Tax Collections

Total Taxes Collected	27,170,350	25,047,039	23,438,783	21,655,788	20,544,297
Transferred to Other Govt's	11,978,991	10,727,994	10,369,254	9,813,550	9,444,212

Tax Per Capita

	992	946	897	866	846
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Debt Per Capita

	351	418	502	625	746
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Reserves Per Capita

	1,901	2,360	2,424	1,780	1,843
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Consolidated Revenues (see notes)

	41,378,386	42,934,429	46,449,317	42,153,272	41,667,747
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Consolidated Expenses (see notes)

	28,992,115	26,231,213	25,429,534	22,936,402	21,626,919
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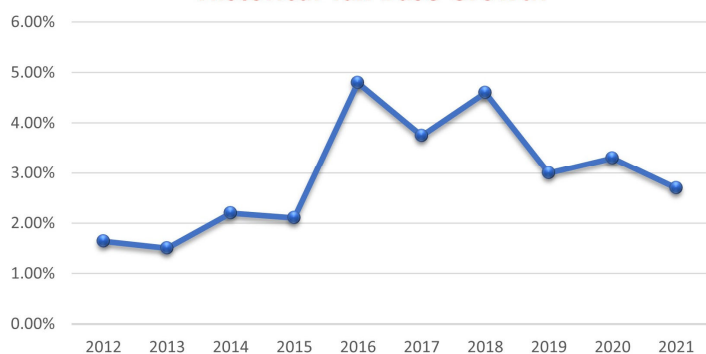
Annual Surplus

	12,386,271	16,703,216	21,019,783	19,216,870	20,040,828
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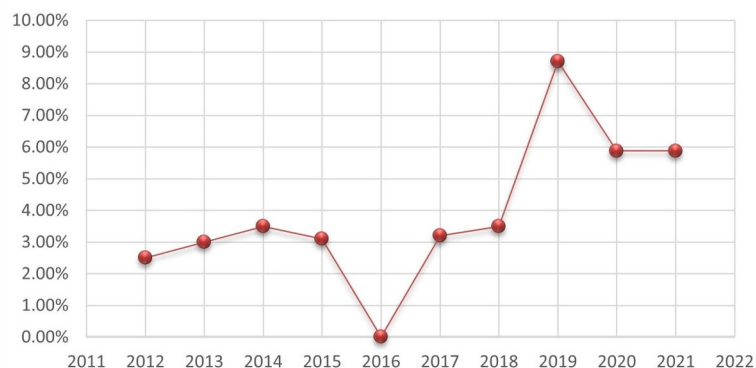
2021 Principle Taxpayers (Top 10)

	Sector	Property
TERASEN GAS INC	Utility	Gas Utility
O'ROURKE FAMILY VINEYARDS LTD	Hospitality	Peak Cellars
MACDONALD LAKESHORE PROPERTIES LTD	Development	Multiple Properties
MARKUI CONTRACTING LTD	Retail	Winfield Shopping Centre
TURTLE BAY CROSSING DEVELOPMENT LTD	Retail	Turtle Bay Crossing
0713065 BC LTD	Retail	Coopers Village
BC TREE FRUITS COOPERATIVE	Agricultural	Grower Coop
OK BUILDERS SUPPLIES LTD	Industrial	Gravel Pit
WOOD LAKE ACQUISITION INC	Hospitality/recreation	Wood Lake Resort & Marina
KON KAST (OYAMA) HOLDINGS LTD	Industrial	Gravel Pit

Historical Tax Base Growth

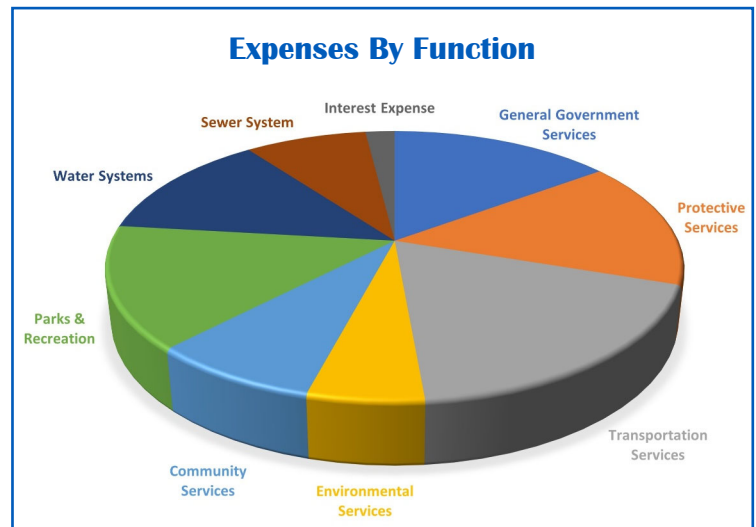
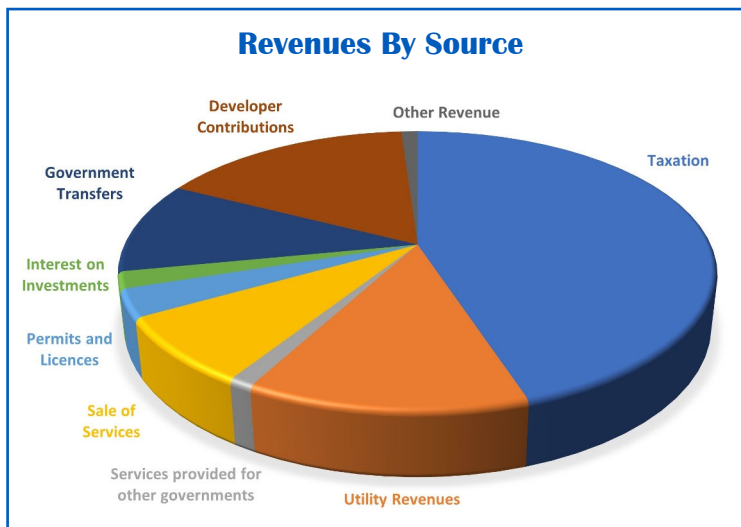


Historical Tax Increases



Statistics

	2021	2020	2019	2018	2017
Revenues by Source					
Taxation	18,600,618	\$17,520,565	\$16,213,474	\$14,718,857	\$13,693,420
Utility Revenues	5,359,032	5,085,933	4,877,436	4,464,269	4,452,530
Services by Other Governments	469,072	809,323	772,301	777,740	715,408
Sale of Services	3,203,456	2,734,712	3,871,830	3,474,319	3,298,240
Permits and Licenses	1,329,359	2,117,655	1,582,555	1,500,584	1,277,358
Interest on Investments	797,372	1,464,457	1,019,849	812,154	690,195
Government Transfers	4,390,096	7,020,182	2,319,008	4,645,319	6,186,210
Developer Contributions	6,792,040	3,927,306	14,555,239	10,033,209	10,181,692
Other Revenue	437,341	1,548,233	1,237,625	1,726,821	1,172,694
Total Revenue	41,378,386	42,228,366	\$46,449,317	\$42,153,272	\$41,667,747

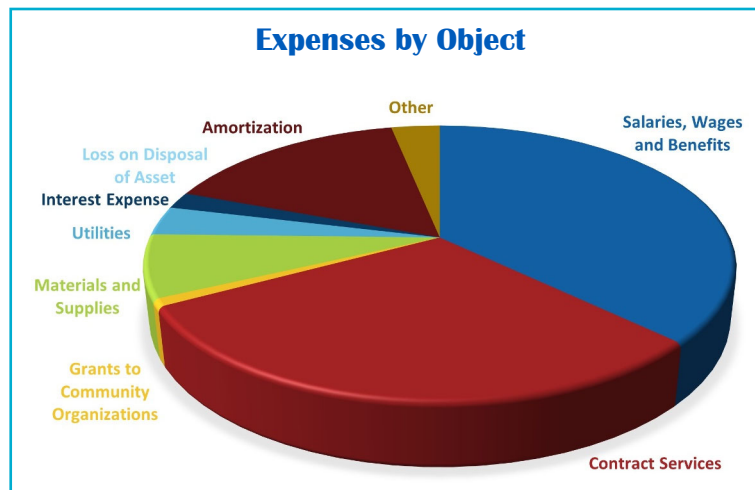
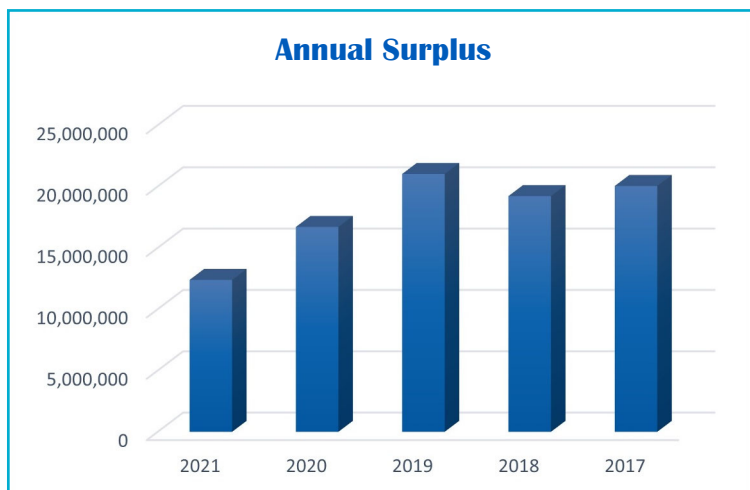


	2021	2020	2019	2018	2017
Expenses by Function					
General Government Services	4,314,531	3,723,317	3,205,678	3,136,742	3,297,654
Protective Services	4,436,403	3,964,540	3,967,747	3,423,043	3,331,648
Transportation Services	5,339,919	5,757,721	5,474,204	4,883,351	4,342,584
Environmental Services	1,598,836	1,545,811	1,869,964	1,565,092	1,352,179
Community Services	2,344,731	1,214,213	1,214,545	1,174,326	1,168,022
Parks and Recreation	4,244,326	3,747,202	3,674,924	3,367,980	3,051,463
Water Systems	3,779,554	3,675,273	3,299,236	2,851,136	2,574,544
Sewer System	2,364,663	1,960,261	2,015,830	1,710,803	1,676,954
Interest Expense	569,149	642,875	707,406	823,929	831,871
Total Revenue	28,992,115	26,231,213	25,429,534	22,936,402	21,626,919

	2021	2020	2019	2018	2017
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Annual Surplus

	\$12,386,271	\$15,997,153	\$21,019,783	\$19,216,870	\$20,040,828
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	2021	2020	2019	2018	2017
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Expenses by Object

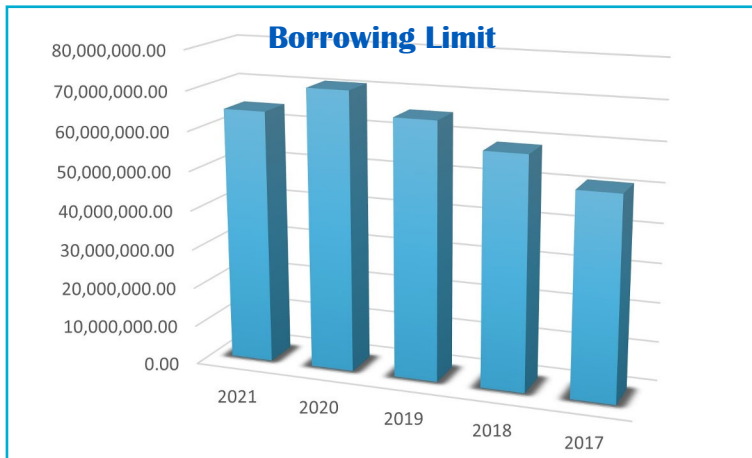
Salaries, Wages and Benefits	10,772,345	9,424,777	8,484,973	7,630,857	6,687,520
Contract Services	8,688,604	8,784,536	9,336,787	8,381,311	8,458,497
Grants to Community Organizations	252,002	215,075	177,283	169,224	155,668
Materials and Supplies	2,144,812	1,796,198	1,703,629	1,326,119	1,161,698
Utilities	983,073	885,863	939,054	912,111	917,051
Loss on Disposal of Asset	495	62,455	5,036	500	2,940
Interest Expense	569,149	642,875	707,406	823,929	831,871
Amortization	4,659,568	4,419,434	4,075,366	3,692,351	3,411,674
Other	922,068	-	-	-	-
Total	28,992,115	26,231,213	25,429,534	22,936,402	21,626,919

	2021	2020	2019	2018	2017	2016
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Acquisition of Tangible Assets

Acquisition of Tangible Capital Assets	22,954,802	16,429,655	6,484,504	13,598,643	10,636,855	5,379,953
Developer Contribution of Tangible Capital Assets	747,175	318,040	13,215,918	6,863,247	7,944,018	4,478,491
Total	23,701,977	16,747,695	19,700,422	20,461,890	18,580,873	9,858,444

	2021	2020	2019	2018	2017
Debt Capacity Last 5 Years					
Total Revenue for Purposes of Limit	30,289,950	30,307,898	29,199,194	27,437,946	25,304,236
Liability Servicing Limit	7,572,488	7,576,975	7,299,799	6,859,487	6,326,059
Actual Debt Servicing Cost	1,769,934	1,270,930	1,418,279	1,554,118	1,696,758
Additional Debt Servicing Cost	624,519	573,080	7,889	9,556	9,556
Liability Servicing Capacity Available	5,802,554	6,394,012	5,873,631	5,295,813	4,619,745
Borrowing Limit (20 years @ 6%)	64,472,822	71,044,578	65,262,567	58,842,367	51,330,500
Accumulated Surplus/(Deficit)	218,886,366	205,794,032	189,796,879	168,777,096	149,560,226
Net Assets (Debt)	14,519,118	20,447,233	16,635,837	11,170,539	8,717,709



Hydroelectric Generation	2021
Total Revenue	\$321,100
Total Expenses	\$93,500
Net Revenue	227,600

The hydroelectric generating system was completed in 2009 and has now been operating for 14 years.



2021 Census Statistics

Population Centre	2021 Population	2016 Population	Population Change % 2016-2018	2021 Private Dwellings	2016 Private Dwellings	Land Area in sq/km	Population Density per sq/km
Central Okanagan	222,162	194,892	14.0	102,097	88,379	2,902.45	76.5
Lake Country	15,817	12,922	22.4	6,852	5,897	122.16	129.5
Kelowna	144,576	127,390	13.5	67,115	57,436	211.85	682.4
Peachland	5,789	5,428	6.7	2,749	2,458	16.10	359.6
West Kelowna	36,078	32,655	10.5	14,746	13,190	122.09	295.5

2021 Census of Population, Statistics Canada

Yearly Building Statistics

Category	2021		2020		2019	
	Permit	Value	Permit	Value	Permit	Value
Single Family Dwelling	94	71,847,368	93	58,486,100	89	47,965,775
Commercial	18	1,037,000	13	7,518,800	15	7,638,237
Agriculture	6	1,095,418	19	11,686,930	55	2,462,994
Industrial	0	0	1	650,000	0	0
Institutional	0	0	1	9,000,000	1	24,300,000
Multi-Family Dwelling*	6	5,600,000	23	20,302,510	23	20,514,104
Other	239	12,495,956	181	7,905,300	201	9,625,395
Total Permits/Values	363	92,075,742	331	115,549,640	384	112,506,505

* Multi-family dwelling permits represent the number of permits issued rather than the number of units constructed. One multi-family dwelling permit may consist of two or more units.

Business License Revenue

Year	Change of Name/Location		Partial year License		Full Year License		Inter-Municipal License		Total Revenue
	\$/Unit	Units	\$/Unit	Units	\$/Unit	Units	\$/Unit	Units	
2021	\$66.00	8	-	-	\$0	144	-	-	\$106,610.00
	-	-	-	-	\$79.50	452	\$150.00	254	
	-	-	-	-	\$106.00	242	-	-	
	-	-	-	-	\$530.75	4	-	-	
2020	\$64.75	13	\$0	0	\$0	138	-	-	\$95,835.25
	-	-	-	-	\$79.50	408	\$150.00	233	
	-	-	-	-	\$106.00	248	-	-	
	-	-	-	-	\$530.75	2	-	-	
2019	\$62.30	13	\$0	0	\$0.00	130	-	-	\$75,962.90
	-	-	-	-	\$76.50	254	\$150.00	177	
	-	-	-	-	\$102.00	276	-	-	
	-	-	-	-	\$510.00	2	-	-	
2018	\$60.00	4	\$0	0	\$75.00	203	\$150.00	198	\$94,275.00
	-	-	-	-	\$90.00	239	-	-	
	-	-	-	-	\$100.00	276	-	-	
2017	\$25.00	10	\$45.00	0	\$75.00	107	\$150.00	168	\$83,415.00
	-	-	-	-	\$90.00	281	-	-	
	-	-	-	-	\$100.00	243	-	-	



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