



LOCAL GOVERNMENT LEADERSHIP ACADEMY

2021/22 ANNUAL REPORT

October 27, 2022

2021/2022 LOCAL GOVERNMENT LEADERSHIP ACADEMY ANNUAL REPORT

Background:

The Local Government Leadership Academy (LGLA) promotes leadership development, enhancing governance at the local government level in British Columbia. Its collaborative formation in 2005 by various organizations: UBCM, MFA, LGMA, BCA, MIA, local governments of BC, and the Province of BC, demonstrates a commitment to improving local governance through comprehensive leadership training.

The provision of leadership development opportunities throughout each electoral term is crucial for ensuring that elected officials and local government leaders are equipped with the necessary skills and knowledge to effectively serve their communities. The Elected Officials Seminars held in the winter/spring following local government elections serves as a timely platform for incoming officials to receive essential training and guidance as they begin their terms.

The annual Leadership Forum, held in between election years, serves as a valuable opportunity for ongoing learning, networking, and collaboration among local government leaders from across the province. Additionally, convening events such as the Chief Executive Officer Forum for mayors, chairs, and chiefs, and hosting periodic webinars with educational partners, further enriches leadership development within BC's local government sector.

The ongoing support from founding organizations, as well as subsequent contributions, underscores the commitment to sustaining quality programming and ensuring the continued success of the LGLA in its mission to enhance governance and leadership at the local level.

2020/21 ACTIVITIES:

LGLA held its 11th province-wide forum at the Radisson Airport Hotel, April 6-7-8, 2022. LGLA's educational programming operates on a 4-year cycle to parallel the local government election cycle. The 2022 Leadership Forum fell in year 4 of the cycle, a summary, reflection, and in this special case, a reunion after 2 long years of hiatus for in person meetings.

Next year, in 2023, we will be leading the EOS series for newly elected officials and for returning elected officials who would like a refresher. That will be year one of a brand new election cycle...

Summary

Originally, the 2022 Forum was to be held in early February in keeping with tradition. Due to pandemic restrictions still in effect in December of 2021, the event was moved to a safer spring date. This strategy proved to be beneficial, considering final numbers were on par with previous years. It is interesting to compare the *2018, 2020, 2021, and 2022 registration numbers and income from registrations:

***Source: CivicInfo Reports**

| Forum Year | Format | # of Registrants | # of Paid Reg's | Cost per person | Total Revenue from Reg. |
|--|--------------------|------------------|------------------------|-----------------|-------------------------|
| 2018 Radisson | In Person – Year 4 | 140 | 132 | \$325.00 | \$45,307.00 |
| EOS Series – Year 1 in the 4-year elections cycle | | | | | |
| 2020 Radisson | In Person – Year 2 | 140 | 134 | \$350.00 | \$46,550.00 |
| 2021 Event Mobi | Virtual – Year 3 | 168 | 166 | \$200.00 | \$33,022.00 |
| 2022 Radisson | In Person – Year 4 | 136 | 127 | \$395.00 | \$52,673.00 |

The UBCM's EA Directors meeting is traditionally held immediately preceding the Leadership Forum and continues to be a strong component of the registration.

Venue and Catering

The Radisson Hotel Vancouver Airport in Richmond was once again selected as the venue for the Forum.

The hotel is conveniently located across from the Skytrain, close to the airport, with many amenities within walking distance.

The event is confined to a single floor, and there's ample unstructured space for networking. Usually LGLA uses breakout rooms, however the set up was altered this year to accommodate possible distancing and maximum number restrictions.

Guest rooms are clean and comfortable, parking is convenient, and the hotel employees are friendly and helpful. Despite the staffing challenges the industry is facing, the hotel did a good job in meeting the demands of such a large function.

Financial Results

Summary of Revenue/Expenses is attached as Appendix 1.

Although some amounts still need to be finalized, the summary shows that the event was kept on budget and has produced a small profit. The total expenses are just under \$70,000, and the total income is just over \$80,000.

Revenue

- The Municipal Finance Authority contributed \$30,000 to our **events and operations** for 2021/2022 and the Ministry of Municipal Affairs & Housing also contributed \$30,000. Prior to 2021 these amounts were listed in the Profit and Loss Statement under Forum Sponsorship Income. This is no longer the case. LGLA acknowledges the substantial financial assistance and lists both organizations as event sponsors. However, since their contribution far exceeds that of an event sponsor, the income from these organizations is set up by accounting now under **annual program assistance/revenue, not sponsorship**. This enables us to see the pure income from the event, comprised mainly of sponsorship revenue and revenue from registrations.
- We were successful in getting sponsor contributions from the following firms:
 - Lidstone \$4000
 - Young Anderson \$4000
 - CN \$2000 plus in kind promo items
 - Destination BC \$4000
 - BC Lottery Corporation \$1000 plus in kind promo items
 - Fortis \$4000

| | |
|-----------------------------------|----------|
| ➤ BC Assessment | \$4000 |
| ➤ Municipal Insurance Association | \$4000 |
| ➤ Telus | \$4000 |
| <hr/> | |
| Total Sponsorship Revenue | \$31,000 |

Sponsorship (not including MFA and MMA) evolved as follows since 2018:

| | |
|-------------|----------------------|
| 2018 | \$18,500 (In Person) |
| 2019 | EOS |
| 2020 | \$21,500 (In Person) |
| 2021 | \$28,000 (Virtual) |
| 2022 | \$31,000 (In Person) |

- An important invisible revenue source that does not show up in actual dollar amounts is revenue saved due to in kind services and assistance received from partner and founding organizations, and the creative design and desktop publishing done in house:
 - UBCM – On site registration services, and coordination with EA Forum
 - LGMA – Sponsorship of the Plenary
 - MFA, MIABC, BC Assessment – Session speaker, content...
 - CivicInfo – SurveyPal (plus considerable background logistics)
 - Creative Design/Desktop Publishing

Expenditures

The major expenditures are for Catering, Audio-Visual Services, Event Manager Fees, and Speakers

| Major Expense Categories | 2018 | 2020 | 2021 Virtual | 2022 |
|---|----------|----------|-----------------|----------|
| Catering | \$22,262 | \$25,475 | \$0.00 | \$29,165 |
| Instructor Fees and Expenditures | \$11,744 | \$ 7,047 | \$7000 | \$10,000 |
| Event Manager Fees – Future Focus/Infocus (included as “Instructor Fees” in 2018 totaling (20,480) | \$8,736 | \$11,143 | \$0.00 | \$3,052 |
| FMAV Audio Visual – Name is now ENCORE | \$11,643 | \$12,419 | \$0.00 | \$13,921 |
| EventMobi | | | \$20,000 | |
| Registration and Credit Card Fees - CivicInfo | \$2,667 | \$2,809 | \$2,067 | \$2,877 |
| Supplies and Printing | \$2,474 | \$ 803 | \$0.00 | \$2,000 |

Feedback for Board Consideration

Hotel

The Radisson Hotel has continued to work very well from many respects, and it is recommended that we keep the event at the Radisson. EOS dates have been booked for February 8-9-10, 2023.

Catering

In order to receive a significant discount on meeting rooms, LGLA is under contract with Radisson for a “minimum spend” in catering. Minimum spend is a standard practice in the hotel industry. LGLA currently has a negotiated minimum catering spend of \$21,000.00 before taxes. We came \$600 shy of meeting our minimum spend (not including bar), but the hotel still honored our discount this year, and did provide good standard value for our money. Since prices have risen considerably, and we added an extra Networking night, the cost for the catering was very fair.

Audio/Visual

It is recommended that LGLA retain the services of ENCORE (previously FMAV) for future LGLA Leadership Forums. **LGLA enjoys a significant discount by being under the UBCM negotiated umbrella with Encore.**

Major sponsors, partners, contributors for 2021-2022:

- Ministry of Municipal Affairs & Housing
- Municipal Finance Authority
- Municipal Insurance Association
- Local Government Management Association
- UBCM
- BC Assessment
- Destination BC
- Telus
- BC Lottery Corporation
- Fortis
- CN
- Young Anderson
- Lidstone & Company

BOARD/STAFF

Board

Councillor Laurey-Anne Roodenburg – President

Mayor Maja Tait – Director At Large

Renata Hale, Municipal Finance Authority

Councillor John Jack, Alberni Clayoquot RD/ Huu-ay-aht First Nation – Director at Large

Graham Held, BC Assessment

Michelle Dann, Ministry of Municipal Affairs

Marijke Edmondson, Ministry of Municipal Affairs

Curtis Helgesen, Local Government Management Association

Megan Chorlton, Municipal Insurance Association

Arjun Singh, Director at Large

Staff

Gabriella Vindisch – Executive Coordinator

LGLA FINANCE

LGLA's current assets include:

\$1,125,000 – restricted reserve funds (original endowment – in trust with UBCM)

\$ 425,768– unrestricted reserve funds (surplus funds earned since incorporation)

Please see *Appendix 1 – LGLA Financial Statements prepared by KPMG*

Financial Statements of

**LOCAL GOVERNMENT LEADERSHIP
ACADEMY SOCIETY**

And Independent Practitioners' Review Engagement Report thereon

Year ended June 30, 2022
(Unaudited)

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Board of Directors of Local Government Leadership Academy Society

We have reviewed the accompanying financial statements of Local Government Leadership Academy Society, which comprise the statement of financial position as at June 30, 2022, the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes and schedule, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Local Government Leadership Academy Society as at June 30, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants

Vancouver, Canada
_____, 2022

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Statement of Financial Position
(Unaudited)

June 30, 2022, with comparative information for 2021

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash (note 3) | \$ 600,753 | \$ 554,706 |
| Accounts receivable | 5,811 | 6,657 |
| Investments, at fair value (note 4) | 989,325 | 1,029,057 |
| Prepaid expenses | 3,000 | 5,641 |
| | <u>\$ 1,598,889</u> | <u>\$ 1,596,061</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 6,462 | \$ 2,500 |
| Due to Asset Management BC | 11,659 | - |
| Deferred revenue (note 5) | 30,000 | 30,000 |
| | <u>48,121</u> | <u>32,500</u> |
| Net assets: | | |
| Internally restricted endowment (note 6) | 1,125,000 | 1,125,000 |
| Unrestricted | 425,768 | 438,561 |
| | <u>1,550,768</u> | <u>1,563,561</u> |
| | <u>\$ 1,598,889</u> | <u>\$ 1,596,061</u> |

See accompanying notes and schedule to financial statements.

Approved on behalf of the Board:

_____ Director President, Local Government Leadership Academy

_____ Director Secretary Treasurer, Local Government Leadership
Academy

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Statement of Operations (Unaudited)

Year ended June 30, 2022, with comparative information for 2021

| | 2022 | 2021 |
|---|-------------|-----------|
| Revenue: | | |
| Leadership forum: | | |
| Registrations | 51,310 | 31,532 |
| Sponsorships | 31,000 | 28,000 |
| | 82,310 | 59,532 |
| Chief Executive Officer forum: | | |
| Registrations | - | 10,030 |
| | - | 10,030 |
| Other funding (note 7) | 60,527 | 60,000 |
| Interest income | 4,892 | 24,391 |
| Total revenue | 147,729 | 153,953 |
| Expenses: | | |
| Elected official seminars | 678 | 1,500 |
| Leadership forum | 64,272 | 29,634 |
| Chief Executive Officer forum | - | 7,660 |
| Awards and sponsorship | 500 | 500 |
| General administration (schedule 1) | 55,340 | 57,946 |
| Total expenses | 120,790 | 97,240 |
| Excess of revenue over expenses before the undernoted | 26,939 | 56,713 |
| Change in fair value of investments | (39,732) | (9,982) |
| Excess (deficiency) of revenue over expenses | \$ (12,793) | \$ 46,731 |

See accompanying notes and schedule to financial statements.

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Statement of Changes in Net Assets (Unaudited)

Year ended June 30, 2022, with comparative information for 2021

| | Unrestricted | Internally restricted endowment (Note 6) | Total net assets |
|-------------------------------------|--------------|---|---------------------|
| Balance, June 30, 2020 | \$ 391,830 | \$ 1,125,000 | \$ 1,516,830 |
| Excess of revenue over expenses | 46,731 | - | 46,731 |
| Balance, June 30, 2021 | 438,561 | 1,125,000 | 1,563,561 |
| Deficiency of revenue over expenses | (12,793) | - | (12,793) |
| Balance, June 30, 2022 | \$ 425,768 | \$ 1,125,000 | \$ 1,550,768 |

See accompanying notes and schedule to the financial statements.

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Statement of Cash Flows (Unaudited)

Year ended June 30, 2022, with comparative information for 2021

| | 2022 | 2021 |
|--|-------------|------------|
| Cash provided by: | | |
| Operations: | | |
| Excess (deficiency) of revenue over expenses | \$ (12,793) | \$ 46,731 |
| Items not involving cash: | | |
| Change in fair value of investments | 39,732 | 9,982 |
| Changes in non-cash operating working capital: | | |
| Accounts receivable | 846 | (202) |
| Prepaid expenses | 2,641 | (4,641) |
| Accounts payable and accrued liabilities | 3,962 | (4,540) |
| Due to Asset Management BC | 11,659 | - |
| | 46,047 | 47,330 |
| Investments: | | |
| Net purchase of investments | - | (119,716) |
| Increase (decrease) in cash | 46,047 | (72,386) |
| Cash, beginning of year | 554,706 | 627,092 |
| Cash, end of year | \$ 600,753 | \$ 554,706 |

See accompanying notes and schedule to financial statements.

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Notes to Financial Statements
(Unaudited)

Year ended June 30, 2022

1. Nature of operations:

The Local Government Leadership Academy Society (“LGLAS”) is incorporated under the Societies Act (British Columbia) and its principal activity is to improve competencies needed to effectively manage and lead British Columbia’s communities through dedicated leadership development. LGLAS is a not-for-profit organization and is exempt from income and capital taxes.

LGLAS has a contract with the Union of British Columbia Municipalities (“UBCM”) for UBCM to provide support for secretarial and office services. No fees are payable by LGLAS to UBCM for these services.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (“ASNPO”) under Part III of the CPA Canada Handbook - Accounting. LGLAS’s significant accounting policies are as follows:

(a) Revenue recognition:

LGLAS follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Annual seminars, sponsorships, registrations, and other revenues are recognized as revenue in the year when seminars and leadership training take place.

(b) Contributed materials and services:

Due to the difficulty in determining fair value, contributed materials and services are not recognized in the financial statements.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. LGLAS has elected to carry its investments at fair value.

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Notes to Financial Statements (continued)
(Unaudited)

Year ended June 30, 2022

2. Significant accounting policies (continued):

(c) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, LGLAS determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount LGLAS expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives. As at June 30, 2022, there is nil (2021 – nil) net book value of capital assets.

(e) Use of estimates:

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

3. Cash:

Cash includes \$471,005 (2021 – \$466,969) held in the Municipal Finance Authority pooled high interest savings account. UBCM holds this cash balance in trust for LGLAS, and all beneficial interest and control of the cash and income earned thereon is with LGLAS.

4. Investments, at fair value:

Investments are comprised of pooled investments held with the Municipal Finance Authority in bond funds. UBCM holds the investments in trust for LGLAS, with all beneficial interest and control of the investments and investment income earned thereon is with LGLAS.

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Notes to Financial Statements (continued)
(Unaudited)

Year ended June 30, 2022

5. Deferred revenue:

Deferred revenue balance of \$30,000 (2021 - \$30,000) consists of funding received in advance for the next fiscal period.

6. Internally restricted endowment:

Upon its establishment, LGLAS received a \$1,000,000 start-up grant from the Province of British Columbia. Together with other contributions it received from members of the LGLAS and other organizations, the Board of LGLAS had internally restricted a sum of \$1,125,000 as an internally restricted endowment. As such the principal is to be maintained and cannot be used to fund current operations. The investment income is not restricted and is used to fund current operations. As at June 30, 2022, the internally restricted funds were invested in cash and pooled funds (notes 3 and 4).

7. Other funding:

LGLAS received funding from the following sources:

| | 2022 | 2021 |
|---|------------------|------------------|
| Municipal Finance Authority of British Columbia | \$ 30,000 | \$ 30,000 |
| Ministry of Municipal Affairs | 30,000 | 30,000 |
| Others | 527 | - |
| | <u>\$ 60,527</u> | <u>\$ 60,000</u> |

8. Financial instrument risks:

(a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. LGLAS invests in investments traded on the open market, and derived revenue in part, from income earned on pooled funds. As a result, LGLAS is exposed to fluctuations in the market value of these investments. There is no change in risk exposure from 2021 other than management does not believe that LGLAS is subject to any significant market risk resulting from the potential impact of COVID-19 on investments.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. For cash and accounts receivable, LGLAS' credit risk is limited to the carrying value on the statement of financial position. Management does not believe that the LGLAS is subject to any significant concentration of credit risk.

(c) Other risks:

LGLAS believes that it is not exposed to significant currency, interest rate, or liquidity risk arising from financial instruments.

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

Notes to Financial Statements (continued)
(Unaudited)

Year ended June 30, 2022

9. Employee and contractor remuneration:

For the year ended June 30, 2022, no employee or contractor for services recorded total annual remuneration of \$75,000 or greater. No remuneration was paid to any directors of LGLAS during the year.

10. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. These reclassifications do not impact the excess of revenue over expenses reported in the prior year.

LOCAL GOVERNMENT LEADERSHIP ACADEMY SOCIETY

General Administration Expenses
(Unaudited)

Schedule 1

Year ended June 30, 2022, with comparative information for 2021

| | 2022 | 2021 |
|------------------------|------------------|------------------|
| Miscellaneous | \$ - | \$ 40 |
| Program manager fees | 49,075 | 50,084 |
| Supplies and printing | 788 | 2,271 |
| Telecommunications | 1,473 | 2,167 |
| Board meetings | - | 94 |
| Awards | 580 | - |
| Review engagement fees | 3,424 | 3,290 |
| | <u>\$ 55,340</u> | <u>\$ 57,946</u> |