

**Regional District of Okanagan-Similkameen**  
**Consolidated Financial Statements**  
For the year ended December 31, 2018

**Regional District of Okanagan-Similkameen**  
**TABLE OF CONTENTS**  
**For the year ended December 31, 2018**

---

<b>Management's Responsibility for Financial Reporting</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3 - 5</b>
<b>Financial Statements</b>	
Consolidated Statement of Financial Position	<b>6</b>
Consolidated Statement of Operations and Accumulated Surplus	<b>7</b>
Consolidated Statement of Change in Net Financial Assets	<b>8</b>
Consolidated Statement of Cash Flows	<b>9</b>
Notes to Consolidated Financial Statements	<b>10 - 31</b>

---

## Management's Responsibility for Financial Reporting

---

The accompanying consolidated financial statements of Regional District of Okanagan-Similkameen are the responsibility of management and have been approved by the Chief Administrative Officer and the Board Chair on behalf of the Board of Directors.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Regional District of Okanagan-Similkameen maintains systems of internal accounting and administrative controls, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Regional District's assets are appropriately accounted for and adequately safeguarded.

Regional District of Okanagan-Similkameen is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Board of Directors reviews the Regional District's consolidated financial statements and recommends their approval to the Chief Administrative Officer and the Board Chair. The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, consolidated financial statements and external auditor's report.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards. BDO Canada LLP has full and free access to the Board of Directors.



Chief Administrative Officer



Board Chair



Tel: 250 492 6020  
Fax: 250 492 8110  
Toll-free: 800 279 3658  
www.bdo.ca

BDO Canada LLP  
100 Front Street, Suite 102  
Penticton, BC V2A 1H1 Canada

---

## Independent Auditor's Report

---

**To the Board of Directors  
Regional District of Okanagan-Similkameen**

### Opinion

We have audited the consolidated financial statements of Regional District of Okanagan-Similkameen and its controlled entities (the "Consolidated Entity"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of operations, the consolidated statement of change in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at December 31, 2018, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated Entity'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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

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





## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Consolidated Entity'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 Consolidated Entity'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 consolidated 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 Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

Penticton, British Columbia  
May 9, 2019

**Regional District of Okanagan-Similkameen  
Consolidated Statement of Financial Position**

	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 2,835,237	\$ 303,660
Short-term investments (Note 2)	25,467,243	30,013,104
Accounts receivable (Note 4)	10,171,103	7,399,424
Debt reserve fund (Note 5)	5,916,449	6,669,912
Long-term investments (Note 6)	882,001	130,539
Debt recoverable member municipalities (Note 12)	60,620,468	67,627,698
Due from Town of Osoyoos	-	7,139
	<b>105,892,501</b>	<b>112,151,476</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	3,439,929	5,605,637
Short-term debt (Note 8)	120,000	1,070,000
Deferred revenue (Note 9)	3,828,608	3,907,424
Landfill closure and post-closure liabilities (Note 10)	5,008,517	4,516,458
Development cost charges (Note 11)	762,967	723,628
MFA equipment financing	76,550	40,428
Debt reserve fund (Note 5)	5,916,449	6,669,912
Long-term debt (Note 12)	79,084,988	86,060,832
Due to Town of Osoyoos	111	-
	<b>98,238,119</b>	<b>108,594,319</b>
<b>Net financial assets</b>	<b>7,654,382</b>	<b>3,557,157</b>
<b>Non-financial assets</b>		
Prepaid expenses	21,260	33,672
Tangible capital assets (Note 13)	82,489,627	81,501,408
Deposit on land	-	60,283
	<b>82,510,887</b>	<b>81,595,363</b>
<b>Accumulated surplus (Note 14)</b>	<b>\$ 90,165,269</b>	<b>\$ 85,152,520</b>

**Contingencies (Note 16)**

Approved on behalf of Council

\_\_\_\_\_

Board Chair

\_\_\_\_\_

Chief Administrative Officer

**Regional District of Okanagan-Similkameen  
Consolidated Statement of Operations and Accumulated Surplus**

	(Note 21) Budget	2018	2017
<b>Revenues</b>			
Property taxes and grant in lieu (Note 19)	\$ 17,607,101	\$ 17,497,651	\$ 16,011,170
Sales of goods and services	10,780,879	11,708,105	11,252,534
Government transfers	4,310,046	2,908,953	6,048,499
Interest and investment income	60,000	713,500	778,422
Development cost charges	-	-	104,054
Donations	273,500	473,203	38,361
Rental	268,636	425,687	309,879
Other contracts and miscellaneous	510,061	1,583,197	1,020,974
<b>Total revenues for the year</b>	<b>33,810,223</b>	<b>35,310,296</b>	<b>35,563,893</b>
<b>Expenditures</b>			
General Government	5,310,481	5,005,852	4,394,817
Protective services	4,217,847	3,829,058	3,453,974
Transportation services	290,123	326,724	256,875
Development services	1,948,858	1,640,974	1,563,704
Parks, recreation and culture	6,961,373	6,380,139	5,900,530
Environmental services	10,861,334	8,243,528	8,009,073
Bylaw enforcement	132,987	248,627	231,068
Water services	3,173,802	3,356,590	3,166,104
Sewer services	912,176	1,853,811	1,408,120
Economic development	197,504	163,706	203,282
<b>Total expenditures for the year</b>	<b>34,006,485</b>	<b>31,049,009</b>	<b>28,587,547</b>
<b>Excess (deficiency) of revenue for the year</b>	<b>(196,262)</b>	<b>4,261,287</b>	<b>6,976,346</b>
<b>Net income (loss) from enterprises (Note 6)</b>	<b>-</b>	<b>751,462</b>	<b>(13,346)</b>
<b>Loss on disposal of long-term investments</b>	<b>-</b>	<b>-</b>	<b>(38,821)</b>
<b>Loss on disposal of assets</b>	<b>-</b>	<b>-</b>	<b>(73,206)</b>
<b>Annual surplus (deficiency)</b>	<b>(196,262)</b>	<b>5,012,749</b>	<b>6,850,973</b>
<b>Accumulated surplus, beginning of year</b>		<b>85,152,520</b>	<b>78,301,547</b>
<b>Accumulated surplus, end of year</b>		<b>\$ 90,165,269</b>	<b>\$ 85,152,520</b>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.



**Regional District of Okanagan-Similkameen  
Consolidated Statement of Change in Net Financial Assets**

	(Note 21) Budget	2018	2017
<b>Annual surplus</b>	(196,262)	\$ 5,012,749	\$ 6,850,973
Acquisition of tangible capital assets	(1,646,261)	(3,132,381)	(8,807,427)
Amortization of tangible capital assets	-	2,545,162	2,532,492
Contributed tangible capital assets	-	(401,000)	-
Disposal of tangible capital assets	-	-	73,926
	(1,646,261)	(988,219)	(6,201,009)
Use (acquisition) of prepaid expenses	-	12,412	(31,672)
(Acquisition) transfer of land in trust	-	60,283	(60,283)
	-	72,695	(91,955)
<b>Increase in net financial assets</b>	(1,842,523)	4,097,225	558,009
<b>Net financial assets, beginning of year</b>		\$ 3,557,157	\$ 2,999,148
<b>Net financial assets, end of year</b>		\$ 7,654,382	\$ 3,557,157

**Regional District of Okanagan-Similkameen  
Consolidated Statement of Cash Flows**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>		
Cash received during the year	\$ 31,384,641	\$ 33,337,105
Cash paid to suppliers and employees	(29,517,338)	(22,515,920)
Interest paid	(647,746)	(608,559)
Interest received	1,464,962	726,255
	<u>2,684,519</u>	<u>10,938,881</u>
<b>Cash flows from capital activities</b>		
Purchase of tangible capital assets	(3,132,381)	(8,807,427)
Disposal of tangible capital assets	-	73,926
	<u>(3,132,381)</u>	<u>(8,733,501)</u>
<b>Cash flows from financing activities</b>		
Decrease in long-term debt recoverable from municipalities	7,007,229	2,643,556
Proceeds from MFA leases	50,701	-
Repayment of long-term debt	(7,940,423)	(1,954,114)
Decrease in due from related parties	7,250	21,873
	<u>(875,243)</u>	<u>711,315</u>
<b>Cash flows from investing activities</b>		
Decrease (increase) in short-term investments	4,545,861	(3,551,615)
Decrease (increase) in long-term investments	(751,462)	265,670
Decrease (increase) in deposit on land	60,283	(60,283)
	<u>3,854,682</u>	<u>(3,346,228)</u>
<b>Increase (decrease) in cash for the year</b>	<b>2,531,577</b>	<b>(429,533)</b>
<b>Cash, beginning of year</b>	<u>303,660</u>	<u>733,193</u>
<b>Cash, end of year</b>	<u>\$ 2,835,237</u>	<u>\$ 303,660</u>

---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

**December 31, 2018**

---

### 1. Summary of Significant Accounting Policies

#### **Government Reporting Entity**

The Regional District of Okanagan-Similkameen ("the Regional District") was incorporated as a regional district in 1966 under the Municipal Act (replaced by the Local Government Act) of British Columbia. The Regional District is composed of the member municipalities of the City of Penticton, the District of Summerland, the Town of Oliver, the Town of Osoyoos, the Village of Keremeos, and the Town of Princeton, and Electoral Areas A through I.

Regional districts provide a political framework and administrative framework for region-wide services and sub-regional services as well as act as the local government for electoral areas. The Board of Directors is composed of appointees from each member municipality and a director elected from each electoral area. Municipal directors serve until council decides to change the appointment. Directors from electoral areas serve for a four year term. The number of directors and the number of votes each may cast is based upon the population of the municipality or electoral area.

The Regional District of Okanagan-Similkameen reporting entity includes the local government and all related entities that are controlled by the Regional District.

#### **Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board.

#### **Principles of Consolidation**

All governmental units are fully consolidated by the government reporting entity. Other business enterprises and partnerships which meet the definition of a government business enterprise or partnership are accounted for on the modified equity basis of accounting.

Entities that fall under the consolidated basis of accounting are fully consolidated on a line-by-line basis with inter-organizational balances and transactions eliminated. The following entities are accounted for on a consolidation basis:

*Sunbowl Arena  
Oliver Parks and Recreation Society*

Government business partnerships that are accounted for on the modified equity basis of accounting includes the cost of the Regional District of Okanagan-Similkameen's investment in the entities including the proportionate share of earnings. Under the modified equity basis of accounting inter-organizational balances are not eliminated. The following entities are accounted for on a modified equity basis:

*Vermilion Forks Community Forest Corporation*

---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

**December 31, 2018**

---

### 1. Summary of Significant Accounting Policies (continued)

<b>Asset Classification</b>	Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, deposits on land, and prepaid expenses.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less. Cash and cash equivalents on the Consolidated Statement of Cash Flows is represented by cash, short-term investments as disclosed on the Consolidated Statement of Financial Position.
<b>Short-Term Investments</b>	Short-term investments include guaranteed investment certificates, short-term bonds and mutual funds maturing at various times during the next fiscal year. These investments are recorded at cost.
<b>Measurement Uncertainty</b>	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the disclosure of contingent liabilities. Significant estimates in these financial statements include the determination of the useful lives of tangible capital assets, valuation of the landfill closure and post-closure obligation, valuation of the contaminated sites obligation, and assessment of legal claims. For common financial statement items, such as accounts payable and allowances for doubtful accounts, measurement uncertainty is inherent but not assessable. These estimates and assumptions are based on management's judgment and the best information available at the time of preparation and may differ significantly from actual results. Estimates are reviewed annually to reflect new information as it becomes available.
<b>Retirement Benefits</b>	The Regional District's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services based on management's best estimate of retirement ages, inflation rates, investment returns, wage and salary escalation, insurance and health care costs trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

**December 31, 2018**

---

### 1. Summary of Significant Accounting Policies (continued)

#### **Revenue Recognition**

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Summary Statement of Financial Position.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized.

Rental revenue is recognized when the services are provided to tenants, and collection is reasonably assured. When rental payments are received in advance of contracted services, the Regional District records this as deferred revenue.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Charges for sewer and water usage are recorded as user fees and are recognized on an accrual basis. Connection fee revenues are recognized when the connection has been established.

All other revenue is recognized in the period in which the good or service is provided and collection is reasonably assured.

#### **Contaminated Sites**

Liabilities for remediation of contaminated sites are recognized when an environmental standard exists, contamination exceeds the standard, the Regional District has responsibility for remediation of the site, future economic benefits will be given up, and a reasonable estimate of the amount can be made.

#### **Deferred Revenue**

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general government purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus in the year in which it is used for the specified purpose.

---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

December 31, 2018

---

### 1. Summary of Significant Accounting Policies (continued)

#### Landfill closure and post-closure

The estimated costs to close and maintain the closed solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are recognized and charged to expense as the landfill site's capacity is used.

#### Long-term debt

Long-term debt is recorded net of related sinking fund balances and actuarial earnings.

#### Tangible Capital Assets and Amortization

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

Tangible capital assets are valued at acquisition cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs.

Amortization is charged against tangible capital assets based on the estimated useful life of the asset as follows:

- |                                      |                            |
|--------------------------------------|----------------------------|
| - Automotive equipment               | - 5-20 years straightline  |
| - Buildings and improvements         | - 10-75 years straightline |
| - IT infrastructure equipment        | - 3-10 years straightline  |
| - Land improvements                  | - 5-20 years straightline  |
| - Machinery and equipment            | - 5-20 years straightline  |
| - Utilities infrastructure equipment | - 10-75 years straightline |

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Regional District's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed tangible capital assets are recorded at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.



---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

December 31, 2018

---

### 1. Summary of Significant Accounting Policies (continued)

**Segmented Information** The Regional District of Okanagan-Similkameen provides a wide range of services including general government, protective services, transportation services, development services, parks, recreation and culture, environmental services, bylaw enforcement, water services, sewer services, and economic development. For management reporting purposes, the Regional District's operations and activities are organized and reported by segment.

**General Government Services** is comprised of a number of different services, including: Corporate Services; Administration; Finance; Human Resources; Information Systems; and Electoral Area Costs. Corporate Services involves staff and management working closely with the Regional District Board and community partners to coordinate the delivery of a wide range of functions and services. The Finance department is responsible for the requisition of tax revenues from the Province and from member municipalities and all treasury and accounting functions. Human Resources involves the administration of full-time and part-time employees, as well as the responsibility for labour relations, recruitment, training and career planning, employee health and safety and Workers Compensation regulations. Information Systems includes an all-encompassing computer database and mapping system for properties in the Regional District, which is used by Regional Services and Regional District departments and other government agencies, as well as members of the public and businesses.

**Protective Services** includes a number of different programs. These programs include Electoral Area Fire Protection; 911 Services; Crime Stoppers; Victims Services; and Crime Prevention. These services are designed to provide a safe environment to the community. The Regional District is responsible for ensuring these services are provided to various jurisdictions within the unincorporated electoral areas A through I.

**Transportation Services** includes Road/Street Light Improvements and Transit Services.

**Development Services** includes regional planning, sustainability, and zoning. The department is responsible for land use planning for all unincorporated electoral areas.

**Parks, Recreation and Culture** includes the Community Halls, Regional Parks, Community Parks, and Okanagan Regional Library. The Parks department is responsible for 9 Regional Parks and various community and neighbourhood parks. The department is also responsible for future recreational opportunities through parkland acquisition and development.

---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

**December 31, 2018**

---

### 1. Summary of Significant Accounting Policies (continued)

**Segmented Information**      **Environmental Services** is responsible for refuse disposal and recycling services, including regional waste management and disposal, and various communication and educational programs.

**Bylaw Services** is responsible for building inspection, dog control, mosquito control, starling control, and prohibited animal control.

**Water Services** includes a total of six water systems that provides water services to local service areas within the electoral areas.

**Sewer Services** includes the OK Falls Sewer System and the Gallagher Lake Sewer System.

**Economic Development** is responsible for delivering Insect & Weed Control, Sterile Insect Release, Economic Development and Planning. Economic Development provides assistance to businesses and entrepreneurs in the Regional District and to those interested in relocating to the region. The Planning function is responsible for developing land use policies that provide guidance to elected officials, developers, the public and other decision makers. It puts land use plans and policies into action and ensures proper infrastructure and orderly development. The program also evaluates applications and provides recommendations to decision makers; assists the public with land use regulations, applications, and processes; and invites and responds to public comments.

---

**Regional District of Okanagan-Similkameen**  
**Notes to the Consolidated Financial Statements**

**December 31, 2018**

---

**2. Cash and Short-term Investments**

	2018	2017
Consists of:		
Cash	\$ 2,835,237	\$ 303,660
Short-term Investments		
Term deposits	5,030,740	10,057,000
Mutual funds	3,721	8,439
MFA short-term bond fund	20,432,782	19,947,665
(Market value-\$19,798,227 (2017-\$19,451,030))		
	<b>25,467,243</b>	<b>30,013,104</b>
	<b>\$ 28,302,480</b>	<b>\$ 30,316,764</b>
Restricted		
Internally		
Capital reserves	\$ 19,634,822	\$ 19,173,243
Oliver Parks & Recreation reserves	765,129	747,140
Kaleden Rec reserves	32,831	32,060
	<b>20,432,782</b>	<b>19,952,443</b>
Unrestricted	<b>7,869,698</b>	<b>10,364,321</b>
	<b>\$ 28,302,480</b>	<b>\$ 30,316,764</b>

Term deposits consist of a one-year cashable GIC at 2.55% per annum, maturing October 2019 (1.80-1.85% at December 31, 2017).

---

**3. Funds held in trust**

In 2017, the Regional District held \$40,382 in trust for Oliver and District Community Economic Development Society. This society has dissolved and as such, the Regional District distributed the funds held in trust during 2018 to another society with a similar mandate, in accordance with the Societies Act.

The Regional District also holds \$184,780 (2017 - \$130,281) in trust for South Okanagan Similkameen Conservation Program.

The Regional District also holds \$4,266 (2017 - \$4,205) in trust for Allison Lake Rate Payers Association.

---

**Regional District of Okanagan-Similkameen**  
**Notes to the Consolidated Financial Statements**

**December 31, 2018**

**4. Accounts Receivable**

	2018	2017
Trade accounts receivable	\$ 9,281,274	\$ 6,435,233
Allowance for doubtful accounts	(178,586)	(178,586)
GST receivable	483,255	370,894
Due from Municipalities	585,160	771,883
	<b>\$ 10,171,103</b>	<b>\$ 7,399,424</b>

**5. Debt Reserve Fund - Municipal Finance Authority**

The Regional District is required to issue its long-term debt through the Municipal Finance Authority ("MFA"). As a condition of borrowing, 1% of the gross debenture proceeds are withheld by the MFA as a debt reserve fund and 0.06% of the gross debenture proceeds are withheld as a debt issue expense. The debt reserve fund is invested by the MFA and interest earned and expenses incurred are reported annually to the Regional District. If at any time the MFA does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments will be made from the debt reserve fund. Details of cash deposits held in the debt reserve fund are as follows:

	2018	2017
Debt Reserve Fund - Cash Deposits		
Regional District	\$ 253,020	\$ 239,592
Member Municipalities	1,658,036	1,779,413
	<b>\$ 1,911,056</b>	<b>\$ 2,019,005</b>

The Regional District is also required to execute a demand note for each borrowing in the amount of one-half of the average annual principal and interest due, less the amount held back for the debt reserve fund. The demand notes payable to the MFA are only callable in the event that a local government defaults on its loan obligation. Details of demand notes are as follows:

	2018	2017
Demand Notes		
Regional District	\$ 556,711	\$ 533,571
Member Municipalities	3,448,682	4,117,336
	<b>\$ 4,005,393</b>	<b>\$ 4,650,907</b>

	2018	2017
Cash Deposits and Demand Notes		
Cash Deposits	\$ 1,911,056	\$ 2,019,005
Demand Notes	4,005,393	4,650,907
	<b>\$ 5,916,449</b>	<b>\$ 6,669,912</b>

---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

December 31, 2018

---

### 6. Long-term investments

#### Vermillion Community Forest Corporation

This is a Corporation that is established under the laws of British Columbia and is engaged in the business of silviculture, planting and harvesting of specified forests operated under license. The Regional District has a 33.33% interest in the Corporation.

	2018	2017
Assets		
Current	<u>\$ 2,906,025</u>	<u>\$ 347,383</u>
Liabilities		
Current	\$ 337,316	\$ 33,061
Equity	<u>2,568,709</u>	<u>314,322</u>
	<u>\$ 2,906,025</u>	<u>\$ 347,383</u>
Revenue	\$ 5,483,514	\$ 5,638
Expenditures	<u>3,229,127</u>	<u>45,677</u>
Total income	<u>\$ 2,254,387</u>	<u>\$ (40,039)</u>
Allocation	<u>\$ 751,462</u>	<u>\$ (13,346)</u>

---

**Regional District of Okanagan-Similkameen**  
**Notes to the Consolidated Financial Statements**

**December 31, 2018**

**7. Accounts Payable and Accrued Liabilities**

	2018	2017
Trade payables	\$ 2,745,016	\$ 3,839,821
Government remittances payable	53,294	48,020
Holdbacks	208,819	1,383,556
Accrued salaries and employee benefits payable	432,800	334,240
	\$ 3,439,929	\$ 5,605,637

**8. Short-term debt**

The MFA provides short-term financing under various pieces of legislation to help local governments with their cash flow needs. There are no fees to set up a short-term loan. Interest is calculated daily, compounded monthly and automatically collected the 2nd business day of the following month. As at December 31, 2018 the Regional District had been advanced \$120,000 (2017 - \$1,070,000) in short-term financing at a variable interest rate of 2.65% (2017 - 1.94%).

**9. Deferred Revenue**

	2018	2017
Deferred government transfers and other revenue	\$ 3,471,994	\$ 3,560,520
Deposits	91,988	86,109
Parkland dedication	264,626	260,795
	\$ 3,828,608	\$ 3,907,424

**10. Landfill Closure and Post-Closure Liabilities**

The Regional District has three active landfills and one closed landfill that is being used as a transfer station within its boundaries and is responsible for the costs of their closure and post-closure activities. The costs related to these activities are provided for over the estimated remaining life of active landfill sites based on usage.

Closure activities include covering, grading and surface water management. Post-closure activities include leachate and environmental monitoring, maintenance and reporting. Post-closure activities are expected to occur for approximately 30 years for all landfills.

Key variables used in estimating the value of the closure and post-closure obligation include the cost of capital, inflation rate, timing of closure and post-closure activities, and total capacity. In management's opinion, the assumptions used represent the most likely scenario. As the projections are made over a long period of time, the amount of the obligation is very sensitive to changes in the variables.

The Regional District has estimated the costs associated with these activities based on engineering studies required by the Ministry of Environment. Changes in the liability are a result from settling of waste or changes in fill rates, changes in regulatory requirements, inflation rates and/or interest rates.



**Regional District of Okanagan-Similkameen**  
**Notes to the Consolidated Financial Statements**

**December 31, 2018**

**10. Landfill Closure and Post-Closure Liabilities (continued)**

In 2017, the Regional District obtained new engineering reports for the OK Falls and Oliver Landfills, these reports included updated useful lives for these landfills. Changes in the liability for cumulative capacity used to date, and updated expected useful life of the landfill are recognized prospectively.

In 2018, estimated expenses were calculated as the present value of future cash flows associated with closure and post-closure costs, discounted using the Regional District's weighted average cost of capital of 2.88% and inflated using an average inflation rate of 2.40% (annual BC CPI for 2018). The liability recognized is the difference between total estimated expenses for the entire closure and post-closure period less any amounts spent at the end of December of the reporting year.

	Total estimated capacity (cubic meters)	Cumulative capacity used (cubic meters)	Estimated remaining life (years)	Time for post-closure care (years)	Estimated total expenses	2018 Remaining to recognize
Campbell Mountain	3,214,155	1,063,678	86	30	\$ 10,867,847	\$ 8,008,515
Keremeos	25,000	25,000	0	30	840,810	-
OK Falls	100,000	51,544	12	30	994,550	481,919
Oliver	496,842	209,052	37	30	1,891,200	1,095,456
					\$ 14,594,407	\$ 9,585,890
						<b>\$ 5,008,517</b>

In 2017, the Regional District calculated the present value of future cash flows associated with closure and post-closure costs, discounted using the Regional District's weighted average cost of capital of 2.86% and inflated using the 2017 BC CPI rate of 2.10%.

	Total estimated capacity (cubic meters)	Cumulative capacity used (cubic meters)	Estimated remaining life (years)	Time for post-closure care (years)	(Restated) Estimated total expenses	(Restated) 2017 Remaining to recognize
Campbell Mountain	3,214,155	1,035,256	87	30	\$ 9,015,662	\$ 6,647,029
Keremeos	25,000	25,000	0	30	1,028,137	-
OK Falls	100,000	50,130	13	30	912,064	454,846
Oliver	496,842	203,043	38	30	1,620,812	958,342
					\$ 12,576,675	\$ 8,060,217
						<b>\$ 4,516,458</b>

**Regional District of Okanagan-Similkameen**  
**Notes to the Consolidated Financial Statements**

**December 31, 2018**

**11. Development Cost Charges**

The Regional District collects development cost charges ("DCCs") to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act of BC, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recongized as revenue.

	<u>2018</u>	<u>2017</u>
OK Falls Sewer DCC	291,140	286,926
Faulder Water DCC	7,434	7,326
Olalla Water DCC	5,434	5,355
Naramata Water DCC	25,475	25,106
Naramata Water - Lower Zone	130,799	100,612
Naramata Water - Upper Zone	302,685	298,303
	<u>762,967</u>	<u>723,628</u>

<b>DCC Activity</b>	<u>2018</u>	<u>2017</u>
Balance, beginning of the year	723,628	791,379
Return on investments	10,839	2,691
DCCs Levied in the year	28,500	33,612
Transfers to general operating	-	(104,054)
	<u>762,967</u>	<u>723,628</u>

**Regional District of Okanagan-Similkameen  
Notes to the Consolidated Financial Statements**

**December 31, 2018**

**12. Long-term Debt**

The Regional District incurs long-term debt directly as well as on behalf of member municipalities. Loan agreements with the MFA provide that if at any time the payments from member municipalities are not sufficient to meet their obligations in respect of such borrowings, the resulting deficiency becomes a liability of the Regional District.

All long-term debt is reported net of sinking fund balances. Sinking fund instalments are invested by the MFA and earn income, which together with principal payments are expected to be sufficient to retire the debt issue at maturity. Where the MFA has determined that sufficient funds exist to retire a debt issue on its maturity date without further instalments, payments are suspended by the MFA and the Regional District's liability is reduced to nil. Should those funds prove to be insufficient at maturity, the resulting deficiency becomes a liability of the Regional District. The 2018 earnings in the sinking fund were calculated to be \$107,555 (2017 - \$80,958) and are included in interest and investment income on the Consolidated Statement of Operations.

Debentures issued mature at various dates ranging from November 2019 to April 2038 with interest rates ranging from 1.75% to 3.30%. The weighted average interest rate on long-term debt was 2.88% (2017 - 2.86%) and interest expense was \$4,765,720 (2017 - \$5,739,728).

	2018	2017
Municipal Finance Authority	79,084,988	86,060,832
Less: Regional District portion	18,464,520	18,433,134
<b>Total Municipal Portion</b>	<b>60,620,468</b>	<b>67,627,698</b>

Princial payments and sinking fund instalments due in the next five years and thereafter are as follows:

	Total Payment	Total Recoverable from member municipalities	Net Payment
2019	\$ 4,622,595	\$ 3,776,181	\$ 846,414
2020	4,538,474	3,692,060	846,414
2021	4,413,646	3,567,232	846,414
2022	4,374,760	3,540,631	834,129
2023	4,339,716	3,505,587	834,129
Thereafter	24,689,949	16,722,046	7,967,903
Total principal payments	46,979,140	34,803,737	12,175,403
Expected actuarial adjustment	32,105,848	25,816,731	6,289,117
<b>Total</b>	<b>\$ 79,084,988</b>	<b>\$ 60,620,468</b>	<b>\$ 18,464,520</b>

**Regional District of Okanagan-Similkameen  
Notes to the Consolidated Financial Statements**

**December 31, 2018**

**13. Tangible Capital Assets**

	<b>2018</b>							
	Automotive Equipment	Buildings	Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process	Total
Cost, beginning of year	\$ 6,256,729	\$ 8,311,894	\$ 7,185,276	\$ 994,353	\$ 29,723,831	\$ 51,332,651	\$ 1,503,893	<b>105,308,627</b>
Additions	77,796	42,600	574,133	118,164	170,029	-	2,149,659	<b>3,132,381</b>
Disposals	-	-	-	(41,468)	-	-	-	<b>(41,468)</b>
Transfers	-	-	-	-	304,652	-	(304,652)	<b>-</b>
Contributed assets	-	-	-	-	401,000	-	-	<b>401,000</b>
Cost, end of year	<b>6,334,525</b>	<b>8,354,494</b>	<b>7,759,409</b>	<b>1,071,049</b>	<b>30,198,512</b>	<b>51,332,651</b>	<b>3,348,900</b>	<b>108,800,540</b>
Accumulated amortization, beginning of year	4,303,076	2,934,266	4,096,111	793,939	1,510,247	10,169,580	-	<b>23,807,219</b>
Amortization	282,351	263,248	365,217	78,487	272,969	1,282,890	-	<b>2,545,162</b>
Disposals	-	-	-	(41,468)	-	-	-	<b>(41,468)</b>
Accumulated amortization, end of year	<b>4,585,427</b>	<b>3,197,514</b>	<b>4,461,328</b>	<b>830,958</b>	<b>1,783,216</b>	<b>11,452,470</b>	<b>-</b>	<b>26,310,913</b>
Net carrying amount, end of year	<b>1,749,098</b>	<b>5,156,980</b>	<b>3,298,081</b>	<b>240,091</b>	<b>28,415,296</b>	<b>39,880,181</b>	<b>3,348,900</b>	<b>82,489,627</b>

**Regional District of Okanagan-Similkameen  
Notes to the Consolidated Financial Statements**

**December 31, 2018**

**13. Tangible Capital Assets (continued)**

								2017
	Automotive Equipment	Buildings	Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process	Total
Cost, beginning of year	\$ 5,803,053	\$ 8,311,894	\$ 6,997,000	\$ 981,593	\$ 29,364,730	\$ 43,407,750	\$ 1,959,348	\$ 96,825,368
Additions	391,718	-	188,276	96,655	350,613	6,402,294	1,377,871	8,807,427
Disposals	(58,794)	-	-	(83,895)	-	(181,479)	-	(324,168)
Transfers	120,752	-	-	-	8,488	1,704,086	(1,833,326)	-
Cost, end of year	6,256,729	8,311,894	7,185,276	994,353	29,723,831	51,332,651	1,503,893	105,308,627
Accumulated amortization, beginning of year	4,061,829	2,667,513	3,728,242	753,258	1,241,681	9,072,446	-	21,524,969
Amortization	300,041	266,753	367,869	124,576	268,566	1,204,687	-	2,532,492
Disposals	(58,794)	-	-	(83,895)	-	(107,553)	-	(250,242)
Accumulated amortization, end of year	4,303,076	2,934,266	4,096,111	793,939	1,510,247	10,169,580	-	23,807,219
Net carrying amount, end of year	\$ 1,953,653	\$ 5,377,628	\$ 3,089,165	\$ 200,414	\$ 28,213,584	\$ 41,163,071	\$ 1,503,893	\$ 81,501,408

---

**Regional District of Okanagan-Similkameen  
Notes to the Consolidated Financial Statements**

**December 31, 2018**

---

**14. Accumulated Surplus**

Reserves are non-statutory reserves which represent an appropriation of surplus for specific purposes and are comprised of the following:

	Balance Dec. 31, 2017	Transfers to (from)	Surplus (Deficit)	Balance Dec. 31, 2018
Unrestricted Surplus	\$ 58,792,187	\$(2,460,331)	\$ 5,012,749	\$ 61,344,605
Operating	2,287,808	575,764	-	2,863,572
	61,079,995	(1,884,567)	5,012,749	64,208,177
Community Works Gas Tax	4,734,280	174,983	-	4,909,263
Capital	19,338,245	1,709,584	-	21,047,829
	24,072,525	1,884,567	-	25,957,092
	\$ 85,152,520	\$ -	\$ 5,012,749	\$ 90,165,269

---

**15. Municipal Insurance Association - Liability Insurance**

Commencing December 31, 1987, the Regional District entered into a self-insurance program with British Columbia municipalities and regional districts. The Regional District is obliged under the program to pay a percentage of its fellow insureds' losses. The Regional District pays an annual premium, which is anticipated to be adequate to cover any losses incurred.

---

**16. Comparative Figures**

Certain comparative figures presented in the financial statements have been restated to conform to the current year's presentation.

---

**17. Contingencies**

A lawsuit has been filed against the Regional District for an incident which arose in the ordinary course of business. In the opinion of management and legal counsel, the outcome of the lawsuit, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

---



---

**Regional District of Okanagan-Similkameen**  
**Notes to the Consolidated Financial Statements**

**December 31, 2018**

---

**18. Letters of Credit and Performance Bonds**

In addition to the performance deposits reflected in the Consolidated Statement of Financial Position, the Regional District is holding irrevocable Letters of Credit and Performance Bonds in the amount of \$1,184,004 (2017 - \$818,041) which were received from depositors to ensure their performance of works to be undertaken within the Regional District. These amounts are not reflected in the Consolidated Financial Statements but are available to satisfy liabilities arising from non-performance by the depositors.

---

**19. Line of Credit**

The Regional District has a revolving line of credit for up to \$2,000,000 with an interest rate of prime plus 0.00% per annum, that is due on demand and unsecured. At December 31, 2018 and December 31, 2017 the line of credit was unutilized.

---

**20. Tax Revenue**

	<u>2018</u>	<u>2017</u>
Property taxation revenue	<b>\$ 16,527,173</b>	\$ 14,878,961
Parcel tax	<b>862,690</b>	1,022,664
Grant in lieu	<b>107,788</b>	109,545
	<hr/>	<hr/>
Net property taxation revenue	<b><u>\$ 17,497,651</u></b>	<b><u>\$ 16,011,170</u></b>

---

---

## Regional District of Okanagan-Similkameen Notes to the Consolidated Financial Statements

**December 31, 2018**

---

### **21. Municipal Pension Plan**

The Regional District and its employees contribute to the Municipal Pension Plan ("the plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2.2 billion funding surplus for basic pension benefits on a going concern basis.

The next valuation will be at December 31, 2018 with results available in 2019.

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 with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the plan. The Regional District paid \$505,351 for employer contributions to the plan in fiscal 2018 (\$475,043 in 2017 ).

---

---

**Regional District of Okanagan-Similkameen  
Notes to the Consolidated Financial Statements**

**December 31, 2018**

---

**22. Budget**

The Regional District of Okanagan-Similkameen Budget Bylaw adopted by the Board of Directors on February 15, 2018 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 use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Budget adopted by the Board of Directors on February 15, 2018 with adjustments as follows:

	<u>2018</u>
Budget Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	1,646,261
Debt Principal	5,495,560
Municipal Interest	4,379,611
Less:	
Budgeted transfers from accumulated surplus	(1,823,600)
Admin revenue	20,340
Bank loan proceeds	<u>(9,914,434)</u>
Budget surplus per statement of operations	<u>\$ (196,262)</u>

**Regional District of Okanagan-Similkameen**  
**Notes to the Consolidated Financial Statements**

**December 31, 2018**

**23. Statement of Expenditures by Object**

	<u>2018</u>	<u>2017</u>
Administration	\$ 16,479	\$ 17,465
Advertising and promotion	131,872	95,232
Agreements	205,306	165,679
Amortization	2,545,162	2,532,492
Bank charges	42,115	37,876
Bylaw	3,815	1,976
Collections on behalf of other agencies	2,427,556	2,416,562
Contract services	6,501,566	5,707,318
Development charges	5,681	5,906
Donations	9,278	26,829
Education and training	246,314	192,895
Environmental	112,628	112,526
Gas tax expenses	219,260	77,089
Grants	609,365	806,982
Insurance	404,935	340,858
Interest on long-term debt	647,746	608,559
Loan and lease payments	64,115	54,946
Landfill closure	492,059	490,778
Materials, supplies and services	937,755	1,066,283
Office	262,419	319,075
Professional fees	133,347	83,302
Program	230,640	85,291
Rental of facilities and equipment	89,720	92,159
Repairs and maintenance	4,955,448	4,215,103
Salaries and benefits	8,667,762	8,010,375
Telephone	735,821	734,746
Travel and meetings	303,275	264,212
Vehicle	47,570	25,033
<b>Total expenditures for the year</b>	<b>\$ 31,049,009</b>	<b>\$ 28,587,547</b>

**Regional District of Okanagan-Similkameen  
Notes to the Consolidated Financial Statements  
Schedule of Segmented Operations**

**2018**

	General Government	Protective Services	Transportation Services	Development Services	Parks Recreation and Culture	Environmental Services	Bylaw Enforcement	Water Services	Sewer Services	Economic Development	Total
<b>Revenue</b>											
Government transfers	\$ 1,598,952	\$ 263,258	\$ 31,621	\$ -	\$ 81,583	\$ 12,500	\$ -	\$ 362,210	\$ 558,829	\$ -	\$ 2,908,953
Sales of services	15,455	8,375	53,677	764,607	623,327	6,998,555	83,559	2,039,082	1,121,468	-	11,708,105
Donations	-	438,123	-	-	35,080	-	-	-	-	-	473,203
Rental	-	-	-	-	425,687	-	-	-	-	-	425,687
Taxation	2,991,034	3,919,485	265,214	1,337,281	5,325,759	2,415,198	82,134	906,392	44,101	211,053	17,497,651
Investment	328,486	62,361	162	12,861	36,293	163,743	114	84,107	25,157	216	713,500
Miscellaneous	38,954	700,468	-	38,597	303,596	137,933	-	360,283	3,216	150	1,583,197
	<u>4,972,881</u>	<u>5,392,070</u>	<u>350,674</u>	<u>2,153,346</u>	<u>6,831,325</u>	<u>9,727,929</u>	<u>165,807</u>	<u>3,752,074</u>	<u>1,752,771</u>	<u>211,419</u>	<u>35,310,296</u>
<b>Expenditure</b>											
Administrative	-	-	-	-	12,426	4,053	-	-	-	-	16,479
Amortization	136,044	465,534	-	7,999	512,401	85,149	-	774,854	563,181	-	2,545,162
Grants	180,351	9,395	-	-	34,090	327,837	9,000	36,690	-	12,002	609,365
Lease payments	-	-	-	-	64,115	-	-	-	-	-	64,115
Materials, supplies, utilities	1,021,729	611,694	1,656	210,716	674,733	827,061	21,792	522,612	359,526	43,118	4,294,637
Operations and maintenance	909,992	1,677,401	324,133	80,034	3,189,097	4,561,486	58,730	508,881	608,861	13,259	11,931,874
Landfill closure	-	-	-	-	-	492,059	-	-	-	-	492,059
Transfers to other organizations	-	-	-	-	818,619	913,743	-	695,194	-	-	2,427,556
Salaries and benefits	2,757,736	1,065,034	935	1,342,225	1,074,658	1,032,140	159,105	818,359	322,243	95,327	8,667,762
	<u>5,005,852</u>	<u>3,829,058</u>	<u>326,724</u>	<u>1,640,974</u>	<u>6,380,139</u>	<u>8,243,528</u>	<u>248,627</u>	<u>3,356,590</u>	<u>1,853,811</u>	<u>163,706</u>	<u>31,049,009</u>
<b>Excess (deficiency) of revenue for the year</b>	<b>\$ (32,971)</b>	<b>\$ 1,563,012</b>	<b>\$ 23,950</b>	<b>\$ 512,372</b>	<b>\$ 451,186</b>	<b>\$ 1,484,401</b>	<b>\$ (82,820)</b>	<b>\$ 395,484</b>	<b>\$ (101,040)</b>	<b>\$ 47,713</b>	<b>\$ 4,261,287</b>

**Regional District of Okanagan-Similkameen  
Notes to the Consolidated Financial Statements  
Schedule of Segmented Operations**

2017

	General Government	Protective Services	Transportation Services	Development Services	Parks Recreation and Culture	Environmental Services	Bylaw Enforcement	Water Services	Sewer Services	Economic Development	Total
<b>Revenue</b>											
Government transfers	\$ 1,413,407	\$ 58,420	\$ 23,716	\$ -	\$ 193,049	\$ 13,145	\$ -	\$ 4,189,814	\$ 120,202	\$ 36,747	\$ 6,048,500
Sales of services	27,624	10,223	45,771	1,027,573	605,496	6,429,675	86,055	1,923,477	1,096,640	-	11,252,534
Donations	-	26,829	-	-	11,532	-	-	-	-	-	38,361
Rental	-	-	-	-	309,879	-	-	-	-	-	309,879
Taxation	2,661,035	3,128,332	210,326	1,382,705	4,894,682	2,284,223	87,587	1,109,004	44,167	209,108	16,011,169
Investment	371,166	75,420	53	7,011	65,002	102,204	24	115,707	41,694	140	778,421
Miscellaneous	88,000	349,905	-	39,960	165,045	134,982	75	242,786	-	222	1,020,975
DCC	-	-	-	-	-	-	-	-	104,054	-	104,054
	<u>4,561,232</u>	<u>3,649,129</u>	<u>279,866</u>	<u>2,457,249</u>	<u>6,244,685</u>	<u>8,964,229</u>	<u>173,741</u>	<u>7,580,788</u>	<u>1,406,757</u>	<u>246,217</u>	<u>35,563,893</u>
<b>Expenditure</b>											
Administrative	-	1,500	-	-	12,000	3,965	-	-	-	-	17,465
Amortization	188,387	472,755	-	7,999	526,951	93,352	-	686,821	556,227	-	2,532,492
Grants	263,906	11,225	-	-	37,045	468,672	9,000	5,133	-	12,000	806,981
Lease payments	-	-	-	-	54,946	-	-	-	-	-	54,946
Materials, supplies, utilities	836,759	561,330	-	162,330	676,256	815,355	14,741	460,215	450,238	45,588	4,022,812
Operations and maintenance	480,387	1,597,321	255,618	104,849	2,773,491	4,274,997	61,998	534,925	97,893	53,657	10,235,136
Landfill closure (recovery)	-	-	-	-	-	490,778	-	-	-	-	490,778
Transfer to organizations	-	-	-	-	808,070	901,673	-	706,819	-	-	2,416,562
Salaries and benefits	2,625,378	809,843	1,257	1,288,526	1,011,771	960,281	145,329	772,191	303,762	92,037	8,010,375
	<u>4,394,817</u>	<u>3,453,974</u>	<u>256,875</u>	<u>1,563,704</u>	<u>5,900,530</u>	<u>8,009,073</u>	<u>231,068</u>	<u>3,166,104</u>	<u>1,408,120</u>	<u>203,282</u>	<u>28,587,547</u>
Excess (deficiency) of revenue for the year	\$ 166,415	\$ 195,155	\$ 22,991	\$ 893,545	\$ 344,155	\$ 955,156	\$ (57,327)	\$ 4,414,684	\$ (1,363)	\$ 42,935	\$ 6,976,346