

Regional District of Okanagan-Similkameen
Consolidated Financial Statements
For the year ended December 31, 2023

Regional District of Okanagan-Similkameen
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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the 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 of Okanagan-Similkameen'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.

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Chief Administrative Officer

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Board Chair

May 9, 2024



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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of the Regional District of Okanagan-Similkameen and its controlled entities (the "Regional District"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations and accumulated surplus, 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 Regional District as at December 31, 2023, and its consolidated results of operations and accumulated surplus, 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 Regional District 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the unaudited supplementary schedule on page 35 of the consolidated financial statements.

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 Regional 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 Regional District or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Regional District'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 Regional 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 Regional 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 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 Regional District 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 Regional District 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, 2024

Regional District of Okanagan-Similkameen Consolidated Statement of Financial Position


December 31	2023	(Restated) 2022
Financial assets		
Cash and cash equivalents (Note 3)	\$ 38,356,988	\$ 32,302,902
Portfolio investments (Note 3)	23,280,184	22,346,460
Accounts receivable (Note 4)	5,604,705	5,765,912
Debt reserve fund (Note 5)	2,120,240	2,214,624
Long-term investments	35,160	300,152
Debt recoverable from member municipalities (Note 10)	62,916,207	61,982,834
Due from Town of Osoyoos	30,581	-
Due from Town of Oliver	150,000	-
	132,494,065	124,912,884
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	6,131,609	5,212,022
Deferred revenue (Note 7)	2,050,362	4,533,762
Asset retirement obligation (Note 8)	14,827,922	14,295,647
Development cost charges (Note 9)	658,549	604,910
MFA equipment financing	85,191	110,181
Debt reserve fund (Note 5)	2,120,240	2,214,624
Long-term debt (Note 10)	80,684,489	81,042,444
Due to Town of Osoyoos	-	47,521
	106,558,362	108,061,111
Net financial assets	25,935,703	16,851,773
Non-financial assets		
Prepaid expenses	277,411	201,337
Tangible capital assets (Note 11)	99,365,691	93,160,433
	99,643,102	93,361,770
Accumulated surplus (Note 12)	\$125,578,805	\$110,213,543

Approved on behalf of the Board of Directors

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Chief Administrative Officer

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Board Chair

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

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

For the year ended December 31	(Note 17) Budget	2023	(Restated) 2022
Revenues			
Property taxes and grant in lieu (Note 15)	\$ 21,494,487	\$ 21,554,864	\$ 19,725,946
Sales of goods and services	13,695,920	15,277,068	14,056,036
Government transfers	8,381,002	9,524,198	6,260,807
Interest and investment income	133,250	2,806,832	1,623,016
Donations	225,401	877,813	103,867
Rental	217,367	265,053	213,945
Other contracts and miscellaneous	1,061,224	4,183,625	2,947,704
Total revenues for the year	45,208,651	54,489,453	44,931,321
Expenses (Note 21)			
General government	7,209,109	8,022,846	6,651,000
Protective services	7,353,015	7,544,176	5,968,118
Transportation services	760,479	868,608	817,593
Development services	2,588,076	2,199,088	2,195,171
Parks, recreation and culture	6,929,884	7,364,695	6,951,926
Environmental services	8,423,100	10,019,765	10,848,273
Bylaw enforcement	404,332	525,565	490,484
Water services	4,064,710	4,179,487	3,764,343
Sewer services	1,056,787	1,905,016	1,816,514
Economic development	297,251	297,291	216,926
Total expenses for the year	39,086,743	42,926,537	39,720,348
Excess of revenue over expenses for the year before other items	6,121,908	11,562,916	5,210,973
Other items			
Net income from business partnership	-	-	266,818
Net impact of restructuring transaction (Note 18)	-	3,802,346	-
Annual surplus (Note 12)	6,121,908	15,365,262	5,477,791
Accumulated surplus, beginning of year, as previously stated	118,463,507	118,463,507	112,773,965
Change in accounting policy (Note 2)	(8,249,964)	(8,249,964)	(8,038,213)
Accumulated surplus, beginning of year, restated	110,213,543	110,213,543	104,735,752
Accumulated surplus, end of year	\$116,335,451	\$125,578,805	\$110,213,543

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

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

For the year ended December 31	(Note 17) Budget	2023	(Restated) 2022
Annual surplus	\$ 6,121,908	\$ 15,365,262	\$ 5,477,791
Acquisition of tangible capital assets (Note 11)	(18,026,645)	(8,983,108)	(4,929,122)
Amortization of tangible capital assets (Note 11)	-	3,925,817	3,369,070
Impact of restructuring (Note 11)	-	(1,934,880)	-
Disposal of tangible capital assets (Note 11)	-	786,913	666,278
	(18,026,645)	(6,205,258)	(893,774)
Acquisition of prepaid expenses	-	(76,074)	(131,842)
Increase (decrease) in net financial assets	(11,904,737)	9,083,930	4,452,175
Net financial assets, beginning of year, as previously stated	26,255,107	26,255,107	21,614,093
Change in accounting policy (Note 2)	(9,403,334)	(9,403,334)	(9,214,495)
Net financial assets, beginning of year, restated	16,851,773	16,851,773	12,399,598
Net financial assets, end of year	\$ 4,947,036	\$ 25,935,703	\$ 16,851,773

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

Regional District of Okanagan-Similkameen Consolidated Statement of Cash Flows

For the year ended December 31	2023	2022
Cash flows from operating activities		
Cash received from grants, other governments, and own sources	\$ 49,414,066	\$ 43,376,992
Cash paid to employees and suppliers	(36,865,551)	(34,198,313)
Interest paid	(767,610)	(748,531)
Interest received	2,806,832	1,623,016
	<u>14,587,737</u>	<u>10,053,164</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(8,974,878)	(4,929,122)
Proceeds from sale of tangible capital assets	786,913	666,278
Impact of restructuring transaction	2,194,481	-
	<u>(5,993,484)</u>	<u>(4,262,844)</u>
Cash flows from financing activities		
Acquisition of long-term debt	-	110,000
Repayment of long-term debt	(1,316,318)	(1,260,567)
Decrease (increase) in due from related parties	(180,581)	12,054
Increase (decrease) in due to related parties	(47,521)	47,521
	<u>(1,544,420)</u>	<u>(1,090,992)</u>
Cash flows from investing activities		
Decrease (increase) in investments	(995,747)	257,363
Increase in cash for the year	6,054,086	4,956,691
Cash, beginning of year	32,302,902	27,346,211
Cash, end of year	\$ 38,356,988	\$ 32,302,902

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

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

December 31, 2023

1. Summary of Significant Accounting Policies

Nature of Business The Regional District of Okanagan-Similkameen ("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.

The Regional District provides 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 reporting entity includes the local government and all related entities that are controlled by the Regional District.

Basis of Presentation 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 ("PSAB").

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

Business partnerships that are accounted for on the modified equity basis of accounting includes the cost of the Regional District'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 entity is 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, 2023

1. Summary of Significant Accounting Policies (continued)

**Cash and Cash
Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.

Retirement Benefits

The Regional District's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

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 consolidated 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. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

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.

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.

In accordance with the Local Government Act of BC, development cost charges (DCC's) funds must be deposited into a separate fund. When the related costs are incurred, the DCC's are recognized as revenue.

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

**Trusts Under
Administration**

Trusts administered by the Regional District are not included in these consolidated financial statements.

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

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Financial Instruments	<p>Cash and equity instruments quoted in an active market are measured at fair value (hierarchy level one - quoted market prices). All other financial instruments, are measured at cost, or amortized cost. The carrying amount of each of these financial instruments is presented on the consolidated statement of financial position.</p> <p>All financial instruments are measured using amortized cost, and the effective interest rate method is used to determine interest revenue or expense.</p> <p>For investments measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.</p> <p>All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.</p> <p>Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.</p>
Government Transfers	<p>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.</p> <p>When the Regional District is deemed to be the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.</p>
Contaminated Sites	<p>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.</p>
Long-term Debt	<p>Long-term debt is recorded net of related sinking fund balances and actuarial earnings.</p>

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

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Tangible Capital Assets

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 |
| - Machinery and equipment | - 5-20 years straightline |
| - IT infrastructure | - 3-10 years straightline |
| - Land improvements | - 5-20 years straightline |
| - Utilities infrastructure | - 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 consolidated statement of operations and accumulated surplus.

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

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Tangible Capital Assets
(continued) 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.

Segmented Information The Regional District 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.

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

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Segmented Information **Parks, recreation and culture** includes the community halls, regional parks, community parks, and Okanagan Regional Library. The parks department is responsible for nine regional parks and various community and neighbourhood parks. The department is also responsible for future recreational opportunities through parkland acquisition and development.

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

Bylaw enforcement services is responsible for building inspection, dog control, mosquito control, starling control, and prohibited animal control.

Water services includes a total of eight 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 and 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.

Measurement Uncertainty The preparation of consolidated 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 consolidated financial statements include the determination of the useful lives of tangible capital assets, valuation of the asset retirement obligation, valuation of the contaminated sites obligation, and assessment of legal claims. For common consolidated financial statement items, such as accounts payable and accrued liabilities, 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.

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

December 31, 2023

2. Change in Accounting Policy

On January 1, 2023, the Regional District adopted the new Public Sector Accounting Handbook Standard PS 3450, Financial Instruments. Under PS 3450 Financial Instruments, all financial instruments are included on the consolidated statement of financial position and are measured at either fair value or amortized cost based on the characteristics of the instrument and the Regional District's account policy choices. As the all of the financial instruments are recorded at cost or amortized cost, the adoption of this standard had no impact on the previously reported amounts.

Effective January 1, 2023, the Regional District also adopted the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. The impact of adoption of this standard was as follows:

	2022 Restated	2022 Originally presented	Restatement
Tangible capital assets - cost	\$131,306,123	\$129,247,122	\$ 2,059,001
Tangible capital assets - accumulated amortization	38,145,690	37,240,059	905,631
Landfill closure and post-closure liabilities	-	4,892,313	(4,892,313)
Asset retirement obligation	14,295,647	-	14,295,647
Accumulated surplus	110,213,543	118,463,507	(8,249,964)
Annual surplus	5,477,791	5,689,542	(211,751)
Amortization of tangible capital assets	3,369,070	3,346,158	22,912
Accretion expense	573,935	-	573,935
General government expenses	6,651,000	6,586,791	64,209
Environmental services expenses	10,848,273	10,700,731	147,542

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

December 31, 2023

3. Cash and Portfolio Investments

	2023	2022
Consists of:		
Cash	\$ 38,356,988	\$ 32,302,902
Portfolio Investments		
Term deposits	213,468	-
Mutual funds	4,099	3,902
MFA short-term bond fund	23,062,617	22,342,558
	23,280,184	22,346,460
	\$ 61,637,172	\$ 54,649,362
Restricted Internally		
Capital Investment reserves	\$ 22,197,616	\$ 21,504,561
Oliver Parks & Recreation reserves	865,001	837,997
	23,062,617	22,342,558
Unrestricted	38,574,555	32,306,804
	\$ 61,637,172	\$ 54,649,362

4. Accounts Receivable

	2023	2022
Trade accounts receivable	\$ 4,622,904	\$ 4,882,416
GST receivable	376,578	263,254
Due from municipalities	605,223	620,242
	\$ 5,604,705	\$ 5,765,912

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

December 31, 2023

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:

Debt Reserve Fund - Cash Deposits	2023	2022
Regional District	\$ 329,550	\$ 323,681
Member Municipalities	1,790,690	1,890,943
	\$ 2,120,240	\$ 2,214,624

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, and are therefore not recorded in these financial statements. Details of demand notes are as follows:

Demand notes	2023	2022
Regional District	\$ 629,627	\$ 642,649
Member Municipalities	3,598,866	3,657,260
	\$ 4,228,493	\$ 4,299,909
Cash deposits and demand notes	2023	2022
Cash deposits	\$ 2,120,240	\$ 2,214,624
Demand notes	4,228,493	4,299,909
	\$ 6,348,733	\$ 6,514,533

6. Accounts Payable and Accrued Liabilities

	2023	2022
Trade payables	\$ 4,523,880	\$ 3,706,857
Holdbacks	430,424	475,472
Accrued salaries and employee benefits payable	1,177,305	1,029,693
	\$ 6,131,609	\$ 5,212,022

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

December 31, 2023

7. Deferred Revenue

	2023	2022
Deferred government transfers and other revenue	\$ 1,442,083	\$ 3,815,414
Deposits	106,339	244,474
Parkland dedication	501,940	473,874
	\$ 2,050,362	\$ 4,533,762

8. Asset Retirement Obligation

The Regional District's asset retirement obligation consists of the following obligations:

a) Asbestos abatement obligation

The Regional District owns buildings that are known to contain asbestos, which various regulations require specific considerations upon asset retirement. Following the adoption of PS 3280 - Asset Retirement Obligations, the Regional District recognized an obligation relating to the removal and disposal of the asbestos in these buildings as estimated at January 1, 2022. The buildings have estimated useful lives of between 15 and 50 years from the date of completion of construction, of which various numbers of years remain. Estimated costs of \$844,724 have been discounted to the present value using a discount rate of 4.17% per annum (2022 - 4.17%).

b) Landfill closure and post-closure costs

The Regional District operates landfills for which a liability had previously been recorded under PS 3270 Solid Waste Landfill Closure and Post-closure Costs. Adoption of PS 3280 Asset Retirement Obligations has resulted in an addition to the amount previously recorded in the amount of \$8,371,686. The amount now recorded is based on the presently known obligations that will exist over multiple closure dates and monitoring periods as various phases of the landfills are completed. The final closure of the landfills is currently expected to be in 2104. Monitoring of the landfills will be required for an additional 30 years after final closure. Estimated costs of \$20,528,624 have been discounted to the present value using a discount rate of 4.17% per annum (2022 - 4.17%).

c) Well decommissioning obligation

The Regional District has water wells which require decommissioning at the end of their useful lives under the Water Sustainability Act. Following the adoption of PS 3280 - Asset Retirement Obligations, the Regional District recognized an obligation relating to the decommissioning of well as estimated at January 1, 2022. The wells have an estimated useful life of 75 years, of which various numbers of years remain. Estimated costs of \$460,000 have been discounted to the present value using a discount rate of 4.17% per annum (2022 - 4.17%).

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

December 31, 2023

8. Asset Retirement Obligation (continued)

The Regional District's asset retirement obligation consists of the following obligations:

	Asbestos remediation	Landfill closure and monitoring	Well decommissioning	2023
Opening balance	\$ 711,836	\$ 13,264,000	\$ 319,811	\$ 14,295,647
Additions	-	-	8,230	8,230
Retirement expenses	-	(42,973)	-	(42,973)
Change in estimate	231	553,108	13,679	567,018
	<u>\$ 712,067</u>	<u>\$ 13,774,135</u>	<u>\$ 341,720</u>	<u>\$ 14,827,922</u>

	Asbestos remediation	Landfill closure and monitoring	Well decommissioning	2022
Adjustment on adoption of PS3280	\$ 683,341	\$ 12,773,084	\$ 307,009	\$ 13,763,434
Retirement expenses	-	(41,722)	-	(41,722)
Accretion expense	28,495	532,638	12,802	573,935
	<u>\$ 711,836</u>	<u>\$ 13,264,000</u>	<u>\$ 319,811</u>	<u>\$ 14,295,647</u>

The asset retirement liability has been estimated using a net present value technique using the assumptions as described above. The related asset retirement costs are being amortized on a straight-line basis over the remaining useful lives of the assets.

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience are obtained related to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows, and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

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

December 31, 2023

9. Development Cost Charges

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

	2023	2022
OK Falls Sewer DCC	\$ 341,933	\$ 317,079
Faulder Water DCC	12,933	12,209
Olalla Water DCC	6,189	5,843
Naramata Water DCC	297,494	269,779
	\$ 658,549	\$ 604,910
DCC Activity	2023	2022
Balance, beginning of the year	\$ 604,910	\$ 872,999
Return on investments	36,339	2,735
DCC's levied in the year	17,300	79,860
DCC's expenditures during the year	-	(350,684)
Balance, end of the year	\$ 658,549	\$ 604,910

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

December 31, 2023

10. 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 installments 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 installments, 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 2023 earnings in the sinking fund were calculated to be \$283,155 (2022 - \$243,988) and are included in interest and investment income on the consolidated statement of operations and accumulated surplus.

Debentures issued mature at various dates ranging from September 2024 to September 2052 with interest rates ranging from 1.75% to 4.09%. The weighted average interest rate on long-term debt was 2.86% (2022 - 2.86%) and interest expense was \$4,092,583 (2022 - \$3,136,328).

	2023	2022
Municipal Finance Authority	\$ 80,684,489	\$ 81,042,444
Less: Regional District portion	17,768,282	19,059,610
Total Municipal Portion	\$ 62,916,207	\$ 61,982,834

Principal payments and sinking fund installments due in the next five years and thereafter are as follows:

	Total Payment	Total Recoverable from member municipalities	Net Payment
2024	\$ 5,375,434	\$ 4,372,419	\$ 1,003,015
2025	5,296,488	4,281,486	1,015,002
2026	4,670,261	3,667,281	1,002,980
2027	4,010,286	3,007,305	1,002,981
2028	3,601,543	2,729,426	872,117
Thereafter	27,485,837	20,597,064	6,888,773
Total principal payments	50,439,849	38,654,981	11,784,868
Expected actuarial adjustment	30,244,640	24,261,226	5,983,414
Total	\$ 80,684,489	\$ 62,916,207	\$ 17,768,282

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

December 31, 2023

11. Tangible Capital Assets

								2023
	Automotive Equipment	Buildings and Improvements	Machinery and Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process	Total
Cost, beginning of year	\$ 7,711,805	\$ 11,822,923	\$ 10,664,235	\$ 1,485,701	\$ 36,197,816	\$ 59,352,334	\$ 4,071,309	131,306,123
Additions	1,513,644	479,485	1,892,022	399,766	434,022	156,992	4,107,177	8,983,108
Disposals	(23,700)	-	-	(41,468)	-	-	(786,913)	(852,081)
Transfers	-	-	-	-	-	-	-	-
Impact of restructuring		52,336	56		6,859	1,875,629		1,934,880
Cost, end of year	9,201,749	12,354,744	12,556,313	1,843,999	36,638,697	61,384,955	7,391,573	141,372,030
Accumulated amortization, beginning of year	5,624,353	4,120,091	6,392,938	1,163,419	3,126,603	17,718,286	-	38,145,690
Amortization	519,517	401,694	804,647	255,168	407,659	1,537,132	-	3,925,817
Disposals	(23,700)	-	-	(41,468)	-	-	-	(65,168)
Accumulated amortization, end of year	6,120,170	4,521,785	7,197,585	1,377,119	3,534,262	19,255,418	-	42,006,339
Net carrying amount, end of year	\$ 3,081,579	\$ 7,832,959	\$ 5,358,728	\$ 466,880	\$ 33,104,435	\$ 42,129,537	\$ 7,391,573	\$ 99,365,691

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

December 31, 2023

11. Tangible Capital Assets (continued)

								(Restated)
								2022
	Automotive Equipment	Buildings and Improvements	Machinery and Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process	Total
Cost, beginning of year	\$ 7,539,576	\$ 11,025,854	\$ 10,287,605	\$ 1,204,195	\$ 36,136,011	\$ 56,044,820	\$ 5,326,537	127,564,598
Additions	208,229	471,592	376,630	281,506	61,805	776,555	2,752,805	4,929,122
Disposals	(36,000)	(748,433)	-	-	-	-	(403,164)	(1,187,597)
Transfers	-	1,073,910	-	-	-	2,530,959	(3,604,869)	-
Cost, end of year	7,711,805	11,822,923	10,664,235	1,485,701	36,197,816	59,352,334	4,071,309	131,306,123
Accumulated amortization, beginning of year	5,314,776	4,231,706	5,769,618	997,800	2,745,761	16,238,278	-	35,297,939
Amortization	345,577	373,704	623,320	165,619	380,842	1,480,008	-	3,369,070
Disposals	(36,000)	(485,319)	-	-	-	-	-	(521,319)
Accumulated amortization, end of year	5,624,353	4,120,091	6,392,938	1,163,419	3,126,603	17,718,286	-	38,145,690
Net carrying amount, end of year	\$ 2,087,452	\$ 7,702,832	\$ 4,271,297	\$ 322,282	\$ 33,071,213	\$ 41,634,048	\$ 4,071,309	93,160,433

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

December 31, 2023

12. Accumulated Surplus

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

	(Restated) Opening balance	Transfers to (from)	Surplus (deficit)	Closing balance
Unrestricted surplus	\$ 66,092,411	\$(9,294,077)	\$15,365,262	\$ 72,163,596
Operating	9,509,767	8,231,350	-	17,741,117
	<u>75,602,178</u>	<u>(1,062,727)</u>	<u>15,365,262</u>	<u>89,904,713</u>
Community Works Gas Tax	6,904,006	(80,319)	-	6,823,687
Capital surplus	27,707,359	1,143,046	-	28,850,405
	<u>34,611,365</u>	<u>1,062,727</u>	<u>-</u>	<u>35,674,092</u>
	<u>\$ 110,213,543</u>	<u>\$ -</u>	<u>\$ 15,365,262</u>	<u>\$ 125,578,805</u>

13. 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 insured's losses. The Regional District pays an annual premium, which is anticipated to be adequate to cover any losses incurred.

14. 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 \$897,594 (2022 - \$897,594) 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 obligations arising from non-performance by the depositors.

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

December 31, 2023

15. Property Taxes and Grant in Lieu

	2023	2022
Property taxation revenue	\$ 22,982,097	\$ 21,082,833
Parcel tax	1,050,177	1,037,717
Grant in lieu	142,877	117,523
Collections on behalf of other agencies	<u>(2,620,287)</u>	<u>(2,512,127)</u>
Net property taxation revenue	<u>\$ 21,554,864</u>	<u>\$ 19,725,946</u>

16. Municipal Pension Plan

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of 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, 2023, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$613,749 (2022 - \$613,749) for employer contributions to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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.

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

December 31, 2023

17. Budget

The Regional District's Budget Bylaw adopted by the Board of Directors on March 2, 2023 was not prepared on a basis consistent with that used to report actual results (PSAB). The budget was prepared on a modified accrual basis while PSAB 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 consolidated statements of operations and change in net financial assets represent the Budget adopted by the Board of Directors on March 2, 2023 with adjustments as follows:

	2023
Budget Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	18,026,645
Debt principal	5,462,230
Municipal interest	3,031,227
Admin revenue	221,313
Less:	
Budgeted transfers from accumulated surplus	(9,167,100)
Bank loan proceeds	<u>(11,452,407)</u>
Budget surplus per consolidated statement of operations and accumulated surplus	<u>\$ 6,121,908</u>

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

December 31, 2023

18. Restructuring Transaction

On January 1, 2023, the Regional District entered into a restructuring transaction with an unrelated water district in the Okanagan-Similkameen community, under the direction of the Province of BC to take on all assets and liabilities along with related programs/operating responsibilities from the organizations. The restructuring transaction was undertaken to provide services more efficiently. The Regional District has recognized in the consolidated statement of financial position, the assets and liabilities received from the Okanagan Falls Irrigation District at its carrying amount on the date of the restructuring as illustrated below.

	2023
Financial assets	
Cash and cash equivalent	\$ 1,544,279
Investments	327,015
Accounts receivable	27,337
	1,898,631
Financial liabilities	
Accounts payable and accrued liabilities	27,437
Deferred revenue	3,728
	31,165
Net financial assets	1,867,466
Non-financial assets	
Tangible capital assets	1,934,880
	1,934,880
Accumulated surplus	\$ 3,802,346

In the current year, of \$3,802,346 has been recognized as a separate line item on the consolidated statement of operations, which represents the net effect of the assets and liabilities received and compensation. \$Nil compensation was exchanged. The Regional District of Okanagan-Similkameen incurred \$30,302 of legal costs in 2022 in relation to the restructuring of the Irrigation District to the Regional District in 2023. These costs consisted of engineering investigation and reports, collection of data relating to the connections of the Irrigation District and providing the estimated worth of the Irrigation District.

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

December 31, 2023

18. Restructuring Transaction (continued)

Included in the consolidated statement of operations and accumulated surplus for the year ended December 31, 2023 are the following revenues and expenses related to the responsibilities transferred from Okanagan Falls Irrigation District as part of the restructuring transaction.

	2023
Revenues	
District taxation	\$ 882,257
Services	24,173
Interest	95,024
Province of B.C.	18,281
	1,019,735
Administrative expenses	
Advertising	30
Bank charges	1,748
Contract services	2,418
Education and training	4,321
Insurance	16,229
Materials, supplies and service	7,202
Office	15,735
Professional fees	3,922
Repairs and maintenance	146,683
Salaries and benefits	310,324
Travel and meetings	20,085
Telephone	74,253
	602,950
Annual surplus	\$ 416,785

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

December 31, 2023

19. Financial Instruments

Financial Instrument Risk Management

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

There have not been any changes from the prior year in the Regional District's exposure to above risks or the policies, procedures and methods it uses to manage and measure the risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Regional District is exposed to credit risk through its cash and cash equivalents, accounts receivable, and portfolio investments.

The Regional District manages its credit risk through credit approval processes and highly diversified nature of the residents of the Regional District. The Regional District measures its exposure to credit risk based on how long the amounts have been outstanding, and historical experience regarding collections. Accounts receivable arise primarily as a result of utilities, and grants receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The Regional District manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by maintaining its investments in the Ministry of Finance Authority which meets the investment requirements of Section 183 of the Community Charter of the Province of BC. As a result, the Regional District has reduced exposure to market or value risk.

Liquidity risk

Liquidity risk is the risk that the Regional District will encounter difficulty in meeting obligations associated with financial liabilities. The is exposed to liquidity risk through its accounts payable, long-term debt, and investments.

The Regional District manages this risk by maintaining a balance of short-term or highly liquid investments, holding a credit facility with its primary banking institution, staggering maturity dates of investment portfolio for cash flow needs, increasing tax rates per bylaw to increase cash, and monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near term if unexpected cash flows arise. Also to help manage the risk, the Regional District has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Regional District's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The Regional District measures its exposure to liquidity risk based on the results of cash forecasting and expected outflows, and extensive budgeting.

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

December 31, 2023

19. Financial Instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Regional District is exposed to interest rate risk through its cash and cash equivalents, long-term debt and the value of portfolio investments.

The Regional District manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 10 for interest rates and maturity dates for long-term debt.

Investments that are subject to interest rate risk are MFA pooled investment funds (see Note 3). The risk is caused by changes in interest rates. As interest rates rise, the fair value of the MFA pooled investment funds notes decrease and, as interest rates fall, the fair value of these investments increase.

To mitigate interest rate risk and market risk on its portfolio investments, the Regional District holds its MFA long term pooled investment funds for 10 years or longer.

20. Subsequent Event

Subsequent to the year end, the Oliver Parks and Recreation Society (OPRS), was dissolved, effective January 1, 2024. The dissolution was due to a restructuring of the agreement between the Regional District and the Town of Oliver.

Although the OPRS was dissolved, these programs will continue to run under the management of the Town of Oliver, and the Regional District will retain ownership of the assets. This will result in minimal impacts to the ongoing operations of the Regional District, and the assets and liabilities of the OPRS will no longer be consolidated beginning with the year ended December 31, 2024.

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

December 31, 2023

21. Statement of Expenses by Object

	2023	(Restated) 2022
Accretion	\$ 567,019	\$ 573,935
Administration	78,958	16,625
Advertising and promotion	41,243	94,632
Agreements	651,906	400,286
Amortization	3,925,817	3,369,070
Bank charges	259,962	62,003
Bylaw	8,222	16,412
Community works expenses	27,922	101,609
Contract services	7,628,751	7,298,176
Development charges	1,067	1,696
Donations	2,290	5,396
Education and training	350,645	363,373
Environmental	178,921	124,407
Grants	1,153,086	885,467
Insurance	545,372	467,213
Interest on long-term debt	767,610	748,531
Information systems	9,771	10,303
Loan and lease payments	190,725	114,323
Materials, supplies and services	1,140,901	1,101,264
Office	359,879	268,329
Professional and legal fees	193,570	97,572
Program	185,807	158,863
Rental of facilities and equipment	146,012	116,866
Repairs and maintenance	9,073,785	9,313,373
Salaries and benefits	13,751,585	12,588,565
Telephone	1,080,403	927,873
Travel and meetings	505,973	397,801
Vehicle	99,335	96,385
Total expenses for the year	\$42,926,537	\$ 39,720,348

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

2023

	General Government	Protective Services	Transportation Services	Development Services	Parks Recreation and Culture	Environmental Services	Bylaw Enforcement	Water Services	Sewer Services	Economic Development	Total
Revenue											
Property taxes and grant in lieu	\$ 4,702,600	\$ 5,089,062	\$ 615,077	\$ 1,759,130	\$ 6,480,919	\$ 1,725,177	\$ 401,448	\$ 467,070	\$ 15,600	\$ 298,781	\$21,554,864
Sales of goods and services	16,409	1,837	133,915	1,067,712	771,132	8,574,390	35,488	3,408,202	1,267,983	-	15,277,068
Government transfers	6,115,551	777,365	50,209	-	465,713	1,619,320	-	191,544	268,427	36,069	9,524,198
Interest and investment income	521,235	505,878	5,823	112,522	133,638	1,008,824	17,570	398,235	91,174	11,933	2,806,832
Donations	-	92,895	-	-	784,818	100	-	-	-	-	877,813
Rental	-	-	-	-	257,803	-	-	7,250	-	-	265,053
Other contracts and miscellaneous	194,817	2,993,836	52,514	31,258	257,112	205,691	300	444,565	3,532	-	4,183,625
	11,550,612	9,460,873	857,538	2,970,622	9,151,135	13,133,502	454,806	4,916,866	1,646,716	346,783	54,489,453
Expenses											
Administrative	-	50	-	-	14,378	4,875	-	59,655	-	-	78,958
Amortization	490,428	696,672	-	3,793	826,241	284,021	-	951,038	673,624	-	3,925,817
Grants	221,627	588,691	-	-	54,142	240,431	-	-	-	48,195	1,153,086
Lease payments	-	-	-	-	9,725	181,000	-	-	-	-	190,725
Materials, supplies, utilities	1,709,525	846,091	87	227,540	1,039,853	1,016,130	33,266	758,119	371,887	101,058	6,103,556
Operations and maintenance	825,099	3,660,024	831,679	191,946	3,578,881	6,273,615	186,311	1,102,442	453,935	51,859	17,155,791
Accretion	13,910	-	-	-	-	553,109	-	-	-	-	567,019
Salaries and benefits	4,762,257	1,752,648	36,842	1,775,809	1,841,475	1,466,584	305,988	1,308,233	405,570	96,179	13,751,585
	8,022,846	7,544,176	868,608	2,199,088	7,364,695	10,019,765	525,565	4,179,487	1,905,016	297,291	42,926,537
Excess (deficiency) of revenue over expenses for the year	\$ 3,527,766	\$ 1,916,697	\$ (11,070)	\$ 771,534	\$ 1,786,440	\$ 3,113,737	\$ (70,759)	\$ 737,379	\$ (258,300)	\$ 49,492	\$11,562,916

Regional District of Okanagan-Similkameen
Notes to the Consolidated Financial Statements
Schedule of Segmented Operations
 (Restated)
 2022

	General Government	Protective Services	Transportation Services	Development Services	Parks Recreation and Culture	Environmental Services	Bylaw Enforcement	Water Services	Sewer Services	Economic Development	Total
Revenue											
Property taxes and grant in lieu	\$ 4,227,958	\$ 4,700,510	\$ 561,399	\$ 1,655,766	\$ 5,763,154	\$ 1,649,617	\$ 387,635	\$ 465,270	\$ 15,600	\$ 299,037	\$ 19,725,946
Sales of goods and services	115,274	-	112,795	1,353,849	665,958	8,103,960	59,201	2,429,754	1,215,245	-	14,056,036
Government transfers	1,683,498	761,892	64,594	-	225,521	2,895,532	-	200,185	429,585	-	6,260,807
Interest and investment income	1,293,625	47,294	299	4,266	21,885	104,551	436	90,573	59,684	403	1,623,016
Donations	-	46,950	-	-	56,917	-	-	-	-	-	103,867
Rental	-	-	-	-	213,945	-	-	-	-	-	213,945
Other contracts and miscellaneous	272,313	1,543,511	98,913	104,037	142,895	202,284	719	439,959	143,073	-	2,947,704
	7,592,668	7,100,157	838,000	3,117,918	7,090,275	12,955,944	447,991	3,625,741	1,863,187	299,440	44,931,321
Expenses											
Administrative	-	1,454	-	-	12,000	4,625	-	-	-	-	18,079
Amortization	359,763	523,712	-	3,793	725,248	208,064	-	878,401	670,089	-	3,369,070
Grants	156,472	330,765	-	-	28,846	270,233	50,698	-	-	47,000	884,014
Lease payments	-	-	-	-	9,114	105,209	-	-	-	-	114,323
Materials, supplies, utilities	1,187,379	826,250	1,879	244,888	904,160	877,224	25,063	594,853	375,521	82,630	5,119,847
Operations and maintenance	679,210	2,475,961	777,624	212,344	3,581,676	7,517,250	147,191	1,309,570	332,013	19,676	17,052,515
Accretion	41,297	-	-	-	-	532,638	-	-	-	-	573,935
Salaries and benefits	4,226,879	1,809,976	38,090	1,734,146	1,690,882	1,333,030	267,532	981,519	438,891	67,620	12,588,565
	6,651,000	5,968,118	817,593	2,195,171	6,951,926	10,848,273	490,484	3,764,343	1,816,514	216,926	39,720,348
Excess (deficiency) of revenue over expenses for the year	\$ 941,668	\$ 1,132,039	\$ 20,407	\$ 922,747	\$ 138,349	\$ 2,107,671	\$ (42,493)	\$ (138,602)	\$ 46,673	\$ 82,514	\$ 5,210,973

Regional District of Okanagan-Similkameen
Schedule - Growing Communities
(Unaudited)

December 31, 2023

	<u>2023</u>
Opening balance	\$ -
Received during the year	4,483,000
Interest allocation	146,276
Spent during the year	<u>-</u>
Ending balance	<u>\$ 4,629,276</u>