

Regional District of Okanagan-Similkameen
Consolidated Financial Statements
For the year ended December 31, 2024

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.

The 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.

The 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.



Chief Administrative Officer



Board Chair

May 8, 2025



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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, 2024, and the consolidated statements 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 the 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, 2024, 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 Regional District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the unaudited supplementary schedules 1 and 2 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

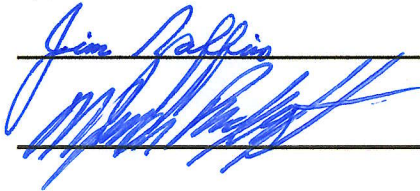
Chartered Professional Accountants

Penticton, British Columbia
May 8, 2025

Regional District of Okanagan-Similkameen Consolidated Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash (Note 2)	\$ 46,819,629	\$ 38,356,988
Portfolio investments (Note 2)	24,027,886	23,315,344
Accounts receivable (Note 3)	7,792,851	5,604,705
Debt reserve fund (Note 4)	2,174,959	2,120,240
Debt recoverable from member municipalities (Note 10)	59,954,377	62,916,207
Due from Town of Osoyoos	-	30,581
Due from Town of Oliver	564,139	150,000
	<u>141,333,841</u>	<u>132,494,065</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 5)	7,782,329	6,131,609
Deferred revenue (Note 6)	12,151,365	2,050,362
Asset retirement obligation (Note 7)	11,081,058	14,827,922
Development cost charges (Note 8)	655,354	658,549
MFA equipment financing (Note 9)	65,815	85,191
Debt reserve fund (Note 4)	2,174,959	2,120,240
Long-term debt - Regional District (Note 10)	17,266,860	17,768,282
Long-term debt - Member Municipalities (Note 10)	59,954,377	62,916,207
Due to Town of Osoyoos	48,944	-
	<u>111,181,061</u>	<u>106,558,362</u>
Net financial assets	<u>30,152,780</u>	<u>25,935,703</u>
Non-financial assets		
Prepaid expenses	458,304	277,411
Tangible capital assets (Note 11)	106,752,705	99,365,691
	<u>107,211,009</u>	<u>99,643,102</u>
Accumulated surplus (Note 12)	<u>\$137,363,789</u>	<u>\$125,578,805</u>

Approved on behalf of the Board of Directors



Chief Administrative Officer

Board Chair

Regional District of Okanagan-Similkameen

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31	(Note 18) Budget	2024	2023
Revenues			
Property taxes and grant in lieu (Note 15)	\$ 23,336,306	\$ 23,421,530	\$ 21,554,864
Sales of goods and services	14,234,433	15,646,696	15,277,068
Government transfers	8,286,420	7,867,580	9,524,198
Interest and investment income	-	3,155,403	2,806,832
Donations	373,441	389,935	877,813
Rental	219,826	245,462	265,053
Other contracts and miscellaneous (Note 16)	1,073,693	6,634,059	4,183,625
Total revenues for the year	47,524,119	57,360,665	54,489,453
Expenses (Note 22)			
General government	8,026,253	8,532,016	8,022,846
Protective services	7,823,881	7,904,404	7,544,176
Transportation services	761,379	893,522	868,608
Development services	2,908,735	2,419,168	2,199,088
Parks, recreation and culture	8,135,804	8,677,179	7,364,695
Environmental services	8,679,620	9,802,567	10,019,765
Bylaw enforcement	339,328	529,658	525,565
Water services	4,294,989	5,267,615	4,179,487
Sewer services	1,185,717	1,271,644	1,905,016
Economic development	319,672	277,908	297,291
Total expenses for the year	42,475,378	45,575,681	42,926,537
Excess of revenue over expenses for the year before other items	5,048,741	11,784,984	11,562,916
Other items			
Net impact of restructuring transaction	-	-	3,802,346
Annual surplus (Note 12)	5,048,741	11,784,984	15,365,262
Accumulated surplus, beginning of year	125,578,805	125,578,805	110,213,543
Accumulated surplus, end of year	\$130,627,546	\$137,363,789	\$125,578,805

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 18) Budget	2024	2023
Annual surplus	\$ 5,048,741	\$ 11,784,984	\$ 15,365,262
Acquisition of tangible capital assets (Note 11)	(26,782,444)	(13,015,544)	(8,305,665)
Amortization of tangible capital assets (Note 11)	-	4,299,145	3,925,817
Net disposal of tangible capital assets (Note 11)	-	265,558	109,470
Net change in ARO estimate (Note 11)	-	1,063,827	-
Impact of restructuring (Note 11)	-	-	(1,934,880)
	(26,782,444)	(7,387,014)	(6,205,258)
Acquisition of prepaid expenses	-	(180,893)	(76,074)
Increase (decrease) in net financial assets	(21,733,703)	4,217,077	9,083,930
Net financial assets, beginning of year	25,935,703	25,935,703	16,851,773
Net financial assets, end of year	\$ 4,202,000	\$ 30,152,780	\$ 25,935,703

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	2024	2023
Cash flows from operating activities		
Cash received from grants, other governments, and own sources	\$ 58,823,177	\$ 49,414,066
Cash paid to employees and suppliers	(38,358,725)	(36,865,551)
Interest paid	(839,275)	(767,610)
Interest received	3,155,403	2,806,832
	<u>22,780,580</u>	<u>14,587,737</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(13,015,544)	(8,974,878)
Proceeds from sale of tangible capital assets	265,558	786,913
Impact of restructuring transaction	-	2,194,481
	<u>(12,749,986)</u>	<u>(5,993,484)</u>
Cash flows from financing activities		
Repayment of long-term debt	(520,797)	(1,316,318)
Increase in due from related parties	(383,558)	(180,581)
Increase (decrease) in due to related parties	48,944	(47,521)
	<u>(855,411)</u>	<u>(1,544,420)</u>
Cash flows from investing activities		
Increase in investments	(712,542)	(995,747)
Increase in cash for the year	8,462,641	6,054,086
Cash, beginning of year	38,356,988	32,302,902
Cash, end of year	\$ 46,819,629	\$ 38,356,988

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, 2024

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 acts 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 entity is accounted for on a consolidation basis:

Sunbowl Arena

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, 2024

1. Summary of Significant Accounting Policies (continued)

Cash	Cash consists of cash on hand and bank balances.
Retirement Benefits	The Regional District's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.
Revenue Recognition	<p>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.</p> <p>Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the Regional District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.</p> <p>The Regional District recognizes revenue from users fees of water, sewer, and solid waste disposal on a straightline basis over the period of time that the relevant performance obligations are satisfied by the Regional District.</p> <p>The Regional District recognizes revenue from administrative services, building permits, development permits, sales of goods and other licenses and permits at the point in time that the Regional District has performed the related performance obligations and control of the related benefits has passed to the payors.</p> <p>Revenue from transactions without performance obligation is recognized at realizable value when the Regional District has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources. The Regional District recognizes revenue from tax penalties and interest, bylaw enforcement, and other revenue without associated performance obligations at the realizable value at the point in time when the Regional District is authorized to collect these revenues.</p> <p>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.</p>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

Trusts Under Administration

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

Financial Instruments

All 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.

All financial instruments are measured using amortized cost, and the effective interest rate method is used to determine interest revenue or expense.

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.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

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.

Government Transfers

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.

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.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

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.
Long-term Debt	Long-term debt is recorded net of related sinking fund balances and actuarial earnings.
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	<p>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.</p> <p>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.</p>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

Tangible Capital Assets
(continued) Amortization is charged against tangible capital assets based on the estimated useful life of the asset as follows:

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

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.

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.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

Segmented Information
(continued)

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 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.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

Segmented Information (continued)

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, 2024

2. Cash and Portfolio Investments

	2024	2023
Consists of:		
Cash	\$ 46,819,629	\$ 38,356,988
Portfolio Investments		
Term deposits	220,104	213,468
Mutual funds	4,297	4,099
MFA short-term bond fund	23,768,325	23,062,617
Vermilion Forks Community Forest Corporation	35,160	35,160
	<u>24,027,886</u>	<u>23,315,344</u>
	<u>\$ 70,847,515</u>	<u>\$ 61,672,332</u>
Restricted		
Internally		
Capital Investment reserves	\$ 22,876,859	\$ 22,197,616
Oliver Parks & Recreation reserves	891,466	865,001
Vermilion Forks Community Forest Corporation	35,160	35,160
	<u>23,803,485</u>	<u>23,097,777</u>
Unrestricted	<u>47,044,030</u>	<u>38,574,555</u>
	<u>\$ 70,847,515</u>	<u>\$ 61,672,332</u>

3. Accounts Receivable

	2024	2023
Trade accounts receivable	\$ 1,666,992	\$ 2,211,623
Grants	4,148,848	1,782,135
Utilities	781,002	629,146
GST receivable	516,414	376,578
Due from municipalities	679,595	605,223
	<u>\$ 7,792,851</u>	<u>\$ 5,604,705</u>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

4. 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	2024	2023
	<u>2024</u>	<u>2023</u>
Regional District	\$ 349,113	\$ 329,550
Member Municipalities	1,825,846	1,790,690
	<u>\$ 2,174,959</u>	<u>\$ 2,120,240</u>

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	2024	2023
	<u>2024</u>	<u>2023</u>
Regional District	\$ 651,091	\$ 629,627
Member Municipalities	3,594,491	3,598,866
	<u>\$ 4,245,582</u>	<u>\$ 4,228,493</u>
Cash deposits and demand notes	<u>2024</u>	<u>2023</u>
	<u>2024</u>	<u>2023</u>
Cash deposits	\$ 2,174,959	\$ 2,120,240
Demand notes	4,245,582	4,228,493
	<u>\$ 6,420,541</u>	<u>\$ 6,348,733</u>

5. Accounts Payable and Accrued Liabilities

	2024	2023
	<u>2024</u>	<u>2023</u>
Trade payables	\$ 6,380,559	\$ 4,523,880
Holdbacks	374,790	430,424
Accrued salaries and employee benefits payable	1,026,980	1,177,305
	<u>\$ 7,782,329</u>	<u>\$ 6,131,609</u>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

6. Deferred Revenue

	2024	2023
Deferred government transfers and other revenue	\$ 11,535,724	\$ 1,442,083
Deposits	85,696	106,339
Parkland dedication	529,945	501,940
	<u>\$ 12,151,365</u>	<u>\$ 2,050,362</u>

Included in deferred government transfers and other revenue are:

	2023	Collected	Recognized	2024
Compost Facility Project	\$ -	\$ 10,389,456	\$ -	\$ 10,389,456
Loose Bay Grant	181,105	-	(126,291)	54,814
Area D Incorporation Study	87,048	-	(87,048)	-
Indigenous Engagement	-	40,000	(4,057)	35,943
Makeway Foundation	40,159	-	-	40,159
Naramata Fire Hall Donations	150,487	-	-	150,487
UBCM Flood Mapping	125,061	36,180	(100,000)	61,241
UBCM FireSmart	210,023	210,663	(210,023)	210,663
Hazard, Risk, Vulnerability Assessment	-	75,000	-	75,000
Strategic Priorities	-	73,914	-	73,914
Other	648,200	71,860	(276,013)	444,047
	<u>\$ 1,442,083</u>	<u>\$ 10,897,073</u>	<u>\$ (803,432)</u>	<u>\$ 11,535,724</u>

7. 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. The Regional District recognized an obligation relating to the removal and disposal of the asbestos in these buildings. 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 4.57% per annum (2023 - 4.17%).

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

7. Asset Retirement Obligation (continued)

b) Landfill closure and post-closure costs

The Regional District records a liability for landfill closure and post closure costs 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 \$23,538,940 have been discounted to the present value using a discount rate of 4.57% per annum (2023 - 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. The Regional District recognized an obligation relating to the decommissioning of well. The wells have an estimated useful life of 75 years, of which various numbers of years remain. Estimated costs of \$560,000 have been discounted to the present value using a discount rate of 4.57% per annum (2023 - 4.17%).

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

	Asbestos remediation	Landfill closure and monitoring	Well decommissioning	2024
Opening balance	\$ 712,067	\$ 13,774,135	\$ 341,720	\$ 14,827,922
Retirement expenses	-	(43,263)	-	(43,263)
Accretion expense	63,340	574,381	14,250	651,971
Change in estimate	(86,926)	(4,151,398)	(117,248)	(4,355,572)
	<u>\$ 688,481</u>	<u>\$ 10,153,855</u>	<u>\$ 238,722</u>	<u>\$ 11,081,058</u>

	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)
Accretion expense	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>

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.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

7. Asset Retirement Obligation (continued)

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.

8. 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.

	2024	2023
OK Falls Sewer DCC	\$ 276,974	\$ 341,933
Faulder Water DCC	13,654	12,933
Olalla Water DCC	7,357	6,189
Naramata Water DCC	357,369	297,494
	<u>\$ 655,354</u>	<u>\$ 658,549</u>
 DCC Activity	 2024	 2023
Balance, beginning of the year	\$ 658,549	\$ 604,910
Return on investments	35,659	36,339
DCC's levied in the year	54,923	17,300
DCC's expenditures during the year	<u>(93,777)</u>	<u>-</u>
Balance, end of the year	<u>\$ 655,354</u>	<u>\$ 658,549</u>

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

December 31, 2024

9. MFA Equipment Financing

Equipment financing is repayable to the Municipal Finance Authority and the loan agreements have a maximum length of five years.

Currently the Regional District has one loan agreement under the equipment financing program which bears interest at 5.22% per annum (2023 - 5.22%) and matures in 2027.

Principal payments due in the next three years are as follows:

2025	\$ 21,434
2026	22,238
2027	<u>22,143</u>
Total	<u>\$ 65,815</u>

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 2024 earnings in the sinking fund were calculated to be \$313,670 (2023 - \$283,155) 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 0.91% to 4.52%. The weighted average interest rate on long-term debt was 3.28% (2023 - 2.86%) and interest expense was \$4,302,320 (2023 - \$4,092,583).

	<u>2024</u>	<u>2023</u>
Municipal Finance Authority	\$ 77,221,237	\$ 80,684,489
Less: Regional District portion	<u>17,266,860</u>	<u>17,768,282</u>
Total Municipal Portion	<u>\$ 59,954,377</u>	<u>\$ 62,916,207</u>

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

December 31, 2024

10. Long-term Debt (continued)

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
2025	\$ 5,457,852	\$ 4,413,454	\$ 1,044,398
2026	4,831,624	3,799,249	1,032,375
2027	4,171,649	3,139,273	1,032,376
2028	3,762,906	2,861,394	901,512
2029	3,052,744	2,151,232	901,512
Thereafter	27,003,735	20,551,793	6,451,942
Total principal payments	48,280,510	36,916,395	11,364,115
Expected actuarial adjustment	28,940,727	23,037,982	5,902,745
Total	\$ 77,221,237	\$ 59,954,377	\$ 17,266,860

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

December 31, 2024

11. Tangible Capital Assets

	2024						
	Automotive Equipment	Buildings and Improvements	Machinery and Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process
Cost, beginning of year	\$ 9,201,749	\$ 12,354,744	\$ 12,556,313	\$ 1,843,999	\$ 36,638,697	\$ 61,384,955	\$ 7,391,573
Additions	1,371,656	4,878,592	689,166	150,563	351,210	268,616	5,305,741
Disposals	(152,010)	-	(439,497)	-	-	-	(240,433)
Change in ARO estimate	-	(86,926)	-	-	-	(1,078,598)	-
Transfer from Work in Progress	204,132	1,906,575	-	-	737,240	-	(2,847,947)
Cost, end of year	10,625,527	19,052,985	12,805,982	1,994,562	37,727,147	60,574,973	9,608,934
Accumulated amortization, beginning of year	6,120,170	4,521,785	7,197,585	1,377,119	3,534,262	19,255,418	-
Amortization	642,533	619,867	828,102	203,359	462,767	1,542,517	-
Disposals	(152,010)	-	(414,372)	-	-	-	-
Change in ARO estimate	-	(60,140)	-	-	-	(41,557)	-
Accumulated amortization, end of year	6,610,693	5,081,512	7,611,315	1,580,478	3,997,029	20,756,378	-
Net carrying amount, end of year	\$ 4,014,834	\$ 13,971,473	\$ 5,194,667	\$ 414,084	\$ 33,730,118	\$ 39,818,595	\$ 9,608,934
							\$ 106,752,705

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

December 31, 2024

11. Tangible Capital Assets (continued)

	2023						
	Automotive Equipment	Buildings and Improvements	Machinery and Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process
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
Additions	1,305,856	283,277	1,841,918	399,766	210,679	156,992	4,107,177
Disposals	(23,700)	-	-	(41,468)	-	-	(109,470)
Impact of restructuring	-	52,336	56	-	6,859	1,875,629	-
Transf from Work in Progress	207,788	196,208	50,104	-	223,343	-	(677,443)
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
Accumulated amortization, beginning of year	5,624,353	4,120,091	6,392,938	1,163,419	3,126,603	17,718,286	-
Amortization	519,517	401,694	804,647	255,168	407,659	1,537,132	-
Disposals	(23,700)	-	-	(41,468)	-	-	-
Accumulated amortization, end of year	6,120,170	4,521,785	7,197,585	1,377,119	3,534,262	19,255,418	-
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, 2024

12. Accumulated Surplus

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

	Opening balance	Transfers to (from)	Surplus (deficit)	Closing balance
Unrestricted surplus	\$ 72,163,596	\$ (4,640,906)	\$11,784,984	\$79,307,674
Operating	17,741,117	3,146,939	-	20,888,056
	89,904,713	(1,493,967)	11,784,984	100,195,730
Community Works Gas Tax	6,823,687	(355,471)	-	6,468,216
Capital surplus	28,850,405	1,849,438	-	30,699,843
	35,674,092	1,493,967	-	37,168,059
	\$125,578,805	\$ -	\$11,784,984	\$137,363,789

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 \$9,259,064 (2023 - \$897,594) which were received from depositors to ensure their performance of works to be undertaken within the boundaries of 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, 2024

15. Property Taxes and Grant in Lieu

	2024	2023
Property taxation revenue	\$ 24,936,904	\$ 22,982,097
Parcel tax	1,128,792	1,050,177
Grant in lieu	99,294	142,877
Collections on behalf of other agencies	(2,743,460)	(2,620,287)
Net property taxation revenue	<u>\$ 23,421,530</u>	<u>\$ 21,554,864</u>

16. Other Contracts and Miscellaneous

	2024	2023
Emergency/Wildfire recoveries	\$ 1,326,430	\$ 2,993,836
Contract fees - Sage Mesa	146,557	-
Parkland Acquisition	372,500	-
Gain on change in ARO estimate	3,190,048	-
Development cost charges	93,777	-
Other	1,504,747	1,189,789
Total	<u>\$ 6,634,059</u>	<u>\$ 4,183,625</u>

17. 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, 2024, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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.

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

December 31, 2024

17. Municipal Pension Plan (continued)

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 \$780,440 (2023 - \$613,749) for employer contributions to the plan in fiscal 2024.

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.

18. Budget

The Regional District's Budget Bylaw adopted by the Board of Directors on March 7, 2024 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 7, 2024 with adjustments as follows:

	<u>2024</u>
Budget Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	26,782,444
Debt principal	5,605,232
Municipal interest	3,233,044
Admin revenue	510,018
Less:	
Budgeted transfers from accumulated surplus	(18,095,876)
Bank loan proceeds	(12,986,121)
Budget surplus per consolidated statement of operations and accumulated surplus	<u>\$ 5,048,741</u>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2024

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, see Note 3. 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 Regional District is exposed to liquidity risk through its accounts payable and accrued liabilities, long-term debt, and portfolio 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 Board of Directors, 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, 2024

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 2). 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. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.

21. Subsequent Events

Subsequent to the year end, several referendums were held with the outcomes having a significant impact on the Regional District.

In March 2025, assent voting determined that Okanagan Falls will be incorporated as a municipality. The Letters Patent will be prepared by the Ministry of Housing and Municipal Affairs in the upcoming months and must be approved by Cabinet. Once the Letters Patent are issued by the province, arrangements can be made for a new council and municipal administration. The financial impact of this event cannot be reasonably estimated at this time.

In April 2025, the Regional District held assent voting to take over the Lakeshore Waterworks System and the Vintage Views Wastewater System. The majority of voters voted in favour of the Regional District assuming control over both systems. An estimated \$13.53M and \$6.92M will have to be borrowed in order to bring both systems into compliance with regulations. This will be accounted for as a restructuring transaction and the Regional District will record the assets of the Water and Wastewater systems at their fair market value upon transfer.

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

December 31, 2024

22. Statement of Expenses by Object

	2024	2023
Accretion	\$ 651,971	\$ 567,019
Administration	73,489	78,958
Advertising and promotion	36,769	41,243
Agreements	735,018	651,906
Amortization	4,299,145	3,925,817
Bank charges	59,395	259,962
Bylaw	5,320	8,222
Community works expenses	99,517	27,922
Contract services	7,565,848	7,628,751
Development charges	13,948	1,067
Donations	-	2,290
Education and training	447,402	350,645
Environmental	191,013	178,921
Grants	1,780,668	1,153,086
Insurance	556,291	545,372
Interest on long-term debt	839,275	767,610
Information systems	5,750	9,771
Lease payments	198,060	190,725
Materials, supplies and services	1,195,195	1,140,901
Office	526,661	359,879
Professional and legal fees	214,758	193,570
Program	270,267	185,807
Rental of facilities and equipment	123,647	146,012
Repairs and maintenance	8,409,041	9,073,785
Salaries and benefits	15,576,549	13,751,585
Telephone	1,068,883	1,080,403
Travel and meetings	513,915	505,973
Vehicle	117,886	99,335
Total expenses for the year	\$45,575,681	\$ 42,926,537

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

23. Segmented Operations

2024

	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	\$ 4,976,683	\$ 5,930,662	\$ 635,216	\$ 1,922,233	\$ 7,053,458	\$ 1,698,302	\$ 398,327	\$ 478,042	\$ 15,600	\$ 313,007	\$23,421,530
Sales of goods and services	19,449	7,732	128,628	721,278	731,697	8,883,389	45,135	3,730,447	1,378,941	-	15,646,696
Government transfers	2,805,969	1,021,284	26,562	232,650	2,478,975	985,229	-	178,496	119,665	18,750	7,867,580
Interest and investment income	708,549	431,590	6,994	130,487	230,774	1,096,981	23,256	399,465	112,799	14,508	3,155,403
Donations	-	23,989	-	-	365,946	-	-	-	-	-	389,935
Rental	-	-	-	-	242,362	-	-	3,100	-	-	245,462
Other contracts and miscellaneous	3,759,485	1,326,430	49,185	167,305	567,185	185,186	-	316,253	258,357	4,673	6,634,059
	12,270,135	8,741,687	846,585	3,173,953	11,670,397	12,849,087	466,718	5,105,803	1,885,362	350,938	57,360,665
Expenses											
Administrative	-	-	-	-	62,000	-	-	11,489	-	-	73,489
Amortization	477,028	762,630	-	3,793	1,074,888	328,063	-	1,652,743	-	-	4,299,145
Grants	427,334	1,091,714	-	-	18,400	186,891	-	-	-	56,329	1,780,668
Lease payments	-	-	-	-	10,001	188,059	-	-	-	-	198,060
Materials, supplies, utilities	1,862,804	960,440	92	247,438	1,029,036	1,092,672	13,375	750,839	405,750	112,459	6,474,905
Operations and maintenance	798,261	2,909,588	864,889	140,945	4,360,799	5,584,508	169,365	1,250,393	431,352	10,794	16,520,894
Accretion	77,590	-	-	-	-	574,381	-	-	-	-	651,971
Salaries and benefits	4,888,999	2,180,032	28,541	2,026,992	2,122,055	1,847,993	346,918	1,602,151	434,542	98,326	15,576,549
	8,532,016	7,904,404	893,522	2,419,168	8,677,179	9,802,567	529,658	5,267,615	1,271,644	277,908	45,575,681
Excess (deficiency) of revenue over expenses for the year	\$ 3,738,119	\$ 837,283	\$ (46,937)	\$ 754,785	\$ 2,993,218	\$ 3,046,520	\$ (62,940)	\$ (161,812)	\$ 613,718	\$ 73,030	\$11,784,984

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

23. Segmented Operations (continued) 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
Schedule 1 - Growing Communities Grant
(Unaudited)

December 31, 2024

	<u>2024</u>
Opening balance	\$ 4,522,186
Received during the year	-
Interest allocation	236,453
Spent during the year	<u>(620,610)</u>
Ending balance	<u>\$ 4,138,029</u>

Regional District of Okanagan-Similkameen
Schedule 2 - Local Government Housing Initiatives Grant
(Unaudited)

December 31, 2024

	<u>2024</u>
Opening balance	\$ -
Received during the year	232,650
Interest allocation	-
Spent during the year	<u>(6,583)</u>
Ending balance	<u>\$ 226,067</u>