

Regional District of Okanagan-Similkameen
Consolidated Financial Statements
For the year ended Decmber 31, 2017

Regional District of Okanagan-Similkameen
TABLE OF CONTENTS
For the year ended December 31, 2017

Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3 - 4
Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations and Accumulated Surplus	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 32

Management's Responsibility for Financial Reporting

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

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

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

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

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

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



Chief Administrative Officer



Board Chair



Tel: 250-492-6020
Fax: 250-492-8110
www.bdo.ca

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

Independent Auditor's Report

To the Board of Directors
Regional District of Okanagan-Similkameen

We have audited the accompanying consolidated financial statements of Regional District of Okanagan-Similkameen, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Regional District of Okanagan-Similkameen as at December 31, 2017, and the results of its operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Restated comparative information

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which explains that certain comparative information for the year ended December 31, 2016 has been restated. The financial statements of Regional District of Okanagan-Similkameen for the year ended December 31, 2016 (prior to the restatement of the comparative information) were audited by another auditor who expressed an unmodified opinion on those financial statements May 4, 2017.

A handwritten signature in black ink that reads 'BDO Canada LLP'.

Chartered Professional Accountants

Penticton, British Columbia
May 3, 2018

Regional District of Okanagan-Similkameen

Consolidated Statement of Financial Position

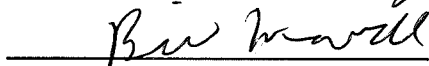
	2017	(Restated) 2016
Financial assets		
Cash and cash equivalents (Note 3)	\$ 303,660	\$ 733,193
Portfolio investments (Note 3)	30,013,104	26,461,489
Accounts receivable (Note 5)	7,399,424	2,882,146
Debt reserve fund (Note 6)	6,669,912	7,378,322
Long-term investments (Note 7)	130,539	396,209
Debt recoverable member municipalities (Note 13)	67,627,698	70,271,254
Due from Town of Osoyoos	7,139	29,012
	<u>112,151,476</u>	<u>108,151,625</u>
Liabilities		
Accounts payable and accrued liabilities (Note 8)	5,605,637	3,060,959
Short-term debt (Note 9)	1,070,000	2,940,000
Deferred revenue (Note 10)	3,907,424	770,763
Landfill closure and post-closure liabilities (Note 11)	4,516,458	4,025,680
Development cost charges (Note 12)	723,628	791,379
MFA equipment financing	40,428	55,241
Debt reserve fund (Note 6)	6,669,912	7,378,322
Long-term debt (Note 13)	86,060,832	86,130,133
	<u>108,594,319</u>	<u>105,152,477</u>
Net financial assets	<u>3,557,157</u>	<u>2,999,148</u>
Non-financial assets		
Prepaid expenses	33,672	2,000
Tangible capital assets (Note 14)	81,501,408	75,300,399
Deposit on land	60,283	-
	<u>81,595,363</u>	<u>75,302,399</u>
Accumulated surplus (Note 15)	<u>\$ 85,152,520</u>	<u>\$ 78,301,547</u>

Contingencies (Note 17)

Approved on behalf of Council



Board Chair



Chief Administrative Officer

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

	(Note 23) Budget	2017	(Restated) 2016
Revenues			
Property taxes and grant in lieu	\$ 15,938,447	\$ 16,011,170	\$ 14,869,419
Sales of goods and services	9,838,015	11,252,534	10,018,627
Government transfers	5,987,982	6,048,499	2,575,645
Interest and investment income	40,000	778,422	416,483
Development cost charges	-	104,054	800
Donations	3,500	38,361	52,576
Rental	238,252	309,879	277,306
Other contracts and miscellaneous	592,425	1,020,974	1,792,421
Total revenues for the year	32,638,621	35,563,893	30,003,277
Expenditures			
General Government	9,503,708	4,394,817	4,358,732
Protective services	4,182,150	3,453,974	2,510,939
Transportation services	242,326	256,875	186,137
Development services	2,141,912	1,563,704	1,547,185
Parks, recreation and culture	6,057,597	5,900,530	5,407,620
Environmental services	10,849,332	8,009,073	5,500,608
Bylaw enforcement	158,484	231,068	212,446
Water services	3,847,910	3,166,104	3,086,363
Sewer services	1,103,572	1,408,120	1,416,595
Economic development	212,581	203,282	192,425
Total expenditures for the year	38,299,572	28,587,547	24,419,050
Excess (deficiency) of revenue for the year	(5,660,951)	6,976,346	5,584,227
Net income (loss) from enterprises (Note 7)	-	(13,346)	515,782
Loss on disposal of long-term investments		(38,821)	-
Loss on disposal of assets	-	(73,206)	(5,428)
Annual surplus (deficiency)	(5,660,951)	6,850,973	6,094,581
Accumulated surplus, beginning of year as previously stated		68,078,159	65,226,355
Prior period adjustments (Note 2)		10,223,388	6,980,611
Accumulated surplus, beginning of year restated		78,301,547	72,206,966
Accumulated surplus, end of year		\$ 85,152,520	\$ 78,301,547

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

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

	(Note 23) Budget	2017	(Restated) 2016
Annual surplus	(5,660,951)	\$ 6,850,973	\$ 6,094,581
Acquisition of tangible capital assets	(6,574,053)	(8,807,427)	(7,646,984)
Amortization of tangible capital assets	-	2,532,492	2,308,578
Disposal of tangible capital assets	-	73,926	10,155
	(6,574,053)	(6,201,009)	(5,328,251)
Use (acquisition) of prepaid expenses	-	(31,672)	173,769
Acquisition of land in trust	-	(60,283)	-
	-	(91,955)	173,769
Increase in net financial assets	(12,235,004)	558,009	940,099
Net financial assets (debt), beginning of year as previously stated		(7,224,240)	(4,921,562)
Prior period adjustments (Note 2)		10,223,388	6,980,611
Net financial assets, beginning of year restated		\$ 2,999,148	\$ 2,059,049
Net financial assets, end of year		\$ 3,557,157	\$ 2,999,148

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

Regional District of Okanagan-Similkameen Consolidated Statement of Cash Flows

	2017	(Restated) 2016
Cash flows from operating activities		
Cash received during the year	\$ 33,337,105	\$ 29,804,664
Cash paid to suppliers and employees	(22,515,920)	(22,846,638)
Interest paid	(608,559)	(585,343)
Interest received	726,255	932,264
	<u>10,938,881</u>	<u>7,304,947</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(8,807,427)	(7,646,984)
Disposal of tangible capital assets	73,926	10,155
	<u>(8,733,501)</u>	<u>(7,636,829)</u>
Cash flows from financing activities		
Decrease in long-term debt recoverable from municipalities	2,643,556	6,939,994
Repayment of long-term debt	(1,954,114)	(5,567,915)
Decrease (increase) in due from related parties	21,873	(29,012)
	<u>711,315</u>	<u>1,343,067</u>
Cash flows from investing activities		
Increase in short-term investments	(3,551,615)	(1,325,827)
Decrease (increase) in long-term investments	265,670	(285,188)
Increase in deposit on land	(60,283)	-
	<u>(3,346,228)</u>	<u>(1,611,015)</u>
Decrease in cash for the year	<u>(429,533)</u>	<u>(599,830)</u>
Cash, beginning of year	<u>733,193</u>	<u>1,333,023</u>
Cash, end of year	<u>\$ 303,660</u>	<u>\$ 733,193</u>

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

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies

Nature of Business	<p>The Regional District of Okanagan-Similkameen ("the Regional District") was incorporated as a regional district in 1966 under the Municipal Act (replaced by the Local Government Act) of British Columbia. The Regional District is composed of the member municipalities of the City of Penticton, the District of Summerland, the Town of Oliver, the Town of Osoyoos, the Village of Keremeos, and the Town of Princeton, and Electoral Areas A through H.</p> <p>Regional districts provide a political framework and administrative framework for region-wide services and sub-regional services as well as act as the local government for electoral areas. The Board of Directors is composed of appointees from each member municipality and a director elected from each electoral area. Municipal directors serve until council decides to change the appointment. Directors from electoral areas serve for a four year term. The number of directors and the number of votes each may cast is based upon the population of the municipality or electoral area.</p>
Basis of Accounting	<p>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.</p>
Reporting Entity	<p>The Regional District of Okanagan-Similkameen reporting entity includes the local government and all related entities that are controlled by the Regional District.</p>
Principles of Consolidation	<p>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.</p> <p>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:</p> <p><i>Sunbowl Arena</i> <i>Oliver Parks and Recreation Society</i></p> <p>Government business partnerships that are accounted for on the modified equity basis of accounting includes the cost of the Regional District of Okanagan-Similkameen's investment in the entities including the proportionate share of earnings. Under the modified equity basis of accounting inter-organizational balances are not eliminated. The following entities are accounted for on a modified equity basis:</p> <p><i>Vermilion Forks Community Forest Corporation</i></p>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Asset Classification	Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, deposits on land, and prepaid expenses.
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. Cash and cash equivalents on the Consolidated Statement of Cash Flows is represented by cash, short-term investments as disclosed on the Consolidated Statement of Financial Position.
Portfolio Investments	Portfolio investments include guaranteed investment certificates, short-term bonds and mutual funds maturing at various times during the next fiscal year. These investments are recorded at cost.
Financial Instruments	<p>The Regional District carries a number of financial instruments. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risks arising from these financial instruments.</p> <p>The fair values of these financial instruments approximate their carrying values, unless otherwise noted.</p>
Measurement Uncertainty	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the disclosure of contingent liabilities. Significant estimates in these financial statements include the determination of the useful lives of tangible capital assets, valuation of the landfill closure and post-closure obligation, valuation of the contaminated sites obligation, and assessment of legal claims. For common financial statement items, such as accounts payable and allowances for doubtful accounts, measurement uncertainty is inherent but not assessable. These estimates and assumptions are based on management's judgment and the best information available at the time of preparation and may differ significantly from actual results. Estimates are reviewed annually to reflect new information as it becomes available.
Retirement Benefits	The Regional District's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

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

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

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

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

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

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

Contaminated Sites

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

Deferred Revenue

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

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

Landfill closure and

post-closure

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

Long-term debt

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

Tangible Capital Assets and Amortization

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

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

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

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

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

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

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

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Segmented Information

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

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

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

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

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

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

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

December 31, 2017

1. Summary of Significant Accounting Policies (continued)

Segmented Information	<p>Environmental Services is responsible for refuse disposal and recycling services, including regional waste management and disposal, and various communication and educational programs.</p> <p>Bylaw Services is responsible for building inspection, dog control, mosquito control, starling control, and prohibited animal control.</p> <p>Water Services includes a total of six water systems that provides water services to local service areas within the electoral areas.</p> <p>Sewer Services includes the OK Falls Sewer System and the Gallagher Lake Sewer System.</p> <p>Economic Development is responsible for delivering Insect & Weed Control, Sterile Insect Release, Economic Development and Planning. Economic Development provides assistance to businesses and entrepreneurs in the Regional District and to those interested in relocating to the region. The Planning function is responsible for developing land use policies that provide guidance to elected officials, developers, the public and other decision makers. It puts land use plans and policies into action and ensures proper infrastructure and orderly development. The program also evaluates applications and provides recommendations to decision makers; assists the public with land use regulations, applications, and processes; and invites and responds to public comments.</p>
------------------------------	--

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

2. Prior Period Adjustments

During the year, a number of errors were identified in the comparative information that have been corrected as noted below:

The Community Works Gas Tax Funding was being deferred in error, as a result liabilities were overstated by \$4,396,623. The comparative figures have been corrected to increase opening accumulated surplus by \$4,200,171, and increase revenue by \$196,452. As a result, net income for the year ended December 31, 2016 increased by \$196,452 and accumulated surplus as at December 31, 2016 also increased by \$4,396,623.

There were errors in the rates used in the calculation of the landfill closure and post-closure liability estimate, as a result liabilities were overstated by \$5,198,582. The comparative figures have been corrected to increase opening accumulated surplus by \$2,202,698 and decrease expenses by \$2,995,883. As a result, net income for the year ended December 31, 2016 increased by \$2,995,883 and accumulated surplus at December 31, 2016 also increased by \$5,198,581.

Two entities that meet the criteria for line by line consolidation had previously been accounted for using the modified equity method, as a result assets and liabilities were overstated and understated by an offsetting amount. The comparative figures have been corrected to include the assets and liabilities of Sun Bowl Arena and Oliver Parks and Recreation Society.

A vehicle replacement reserve was previously recorded as deferred revenue, as a result liabilities were overstated by \$628,183. The comparative figures have been corrected to increase opening accumulated surplus by \$577,743, decrease revenue by \$30,946 and decrease expenditures by \$81,385. As a result, net income for the year ended December 31, 2016 increased by \$50,440 and accumulated surplus at December 31, 2016 also increased by \$628,183.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

2. Prior Period Adjustments (continued)

The results of these corrections to the prior year are as follows:

	December 31, 2016 Before restatement	Adjustment	December 31, 2016 After restatement
Statement of Financial Position			
Increase in cash	\$451,637	\$455,916	\$907,553
Decrease in accounts receivable	3,206,781	(324,635)	2,882,146
Increase in due from Town of Osoyoos	-	29,012	29,012
Increase in accounts payable	2,834,479	400,840	3,235,319
Increase in deferred revenue	6,827,496	(5,265,354)	1,562,142
Decrease in landfill closure and post-closure liability	9,224,261	(5,198,582)	4,025,679
Statement of Operations and Accumulated Surplus			
Decrease in expenditures	27,515,794	(3,096,744)	24,419,050
Increase in revenue	30,373,026	(369,749)	30,003,277
Increase in income from enterprises	-	515,782	515,782
Increase in annual surplus	2,851,804	3,242,777	6,094,581
Increase in accumulated surplus	68,078,159	10,223,388	78,301,547
Statement of Changes in Net Financial Assets			
Increase in net financial assets (debt)	(7,224,240)	10,223,388	2,999,148

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

3. Cash and Short-term Investments

	2017	(Restated) 2016
Consists of:		
Cash	\$ 303,660	\$ 733,193
Short-term Investments		
Term deposits	10,057,000	7,044,468
Mutual funds	8,439	8,361
Short-term bonds (Market value \$19,451,030 (2016-\$19,408,660))	19,947,665	19,408,660
	<u>30,013,104</u>	<u>26,461,489</u>
	<u>\$ 30,316,764</u>	<u>\$ 27,194,682</u>
Restricted		
Internally		
Capital reserves	\$ 19,173,243	\$ 18,649,484
Oliver Parks & Recreation reserves	747,140	732,337
Kaleden Rec reserves	32,060	31,184
	<u>19,952,443</u>	<u>19,413,005</u>
Unrestricted	<u>10,364,321</u>	<u>7,781,677</u>
	<u>\$ 30,316,764</u>	<u>\$ 27,194,682</u>

Term deposits consist of two one-year cashable GICs at rates varying from 1.80-1.85% per annum, maturing September 2018 (1.60-1.65% at December 31, 2016).

4. Funds held in trust

The Regional District holds \$40,382 (2016 - \$40,382) in trust for Oliver and District Community Economic Development Society, this society has dissolved and funds are held in trust to be distributed to another society with a similar mandate, in accordance with the Societies Act .

The Regional District also holds \$130,281 (2016 - \$129,788) in trust for South Okanagan Similkameen Conservation Program.

The Regional District also holds \$4,205 (2016 - \$4,188) in trust for Allison Lake Rate Payers Association.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

5. Accounts Receivable

	2017	2016
Trade accounts receivable	\$ 6,435,233	\$ 2,064,076
Allowance for doubtful accounts	(178,586)	(178,586)
GST receivable	370,894	197,678
Due from Municipalities	771,883	798,978
Net accounts receivable	<u>\$ 7,399,424</u>	<u>\$ 2,882,146</u>

6. 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	2017	2016
Regional District	\$ 239,592	\$ 202,872
Member Municipalities	1,779,413	1,890,738
	<u>\$ 2,019,005</u>	<u>\$ 2,093,610</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. Details of demand notes are as follows:

Demand Notes	2017	2016
Regional District	\$ 533,571	\$ 411,608
Member Municipalities	4,117,336	4,873,104
	<u>\$ 4,650,907</u>	<u>\$ 5,284,712</u>

Cash Deposits and Demand Notes

	2017	2016
Cash Deposits	\$ 2,019,005	\$ 2,093,610
Demand Notes	4,650,907	5,284,712
	<u>\$ 6,669,912</u>	<u>\$ 7,378,322</u>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

8. Accounts Payable and Accrued Liabilities

	2017	(Restated) 2016
Trade payables	\$ 3,839,821	\$ 2,503,359
Government remittances payable	48,020	16,612
Holdbacks	1,383,556	145,793
Accrued salaries and employee benefits payable	334,240	395,195
	<u>\$ 5,605,637</u>	<u>\$ 3,060,959</u>

9. Short-term debt

The MFA provides short-term financing under various pieces of legislation to help local governments with their cash flow needs. There are no fees to set up a short-term loan. Interest is calculated daily, compounded monthly and automatically collected the 2nd business day of the following month. As at December 31, 2017 the Regional District had been advanced \$1,070,000 (2016 - \$2,940,000) in short-term financing at a variable interest rate of 1.94% (2016 - 1.44%).

10. Deferred Revenue

	2017	(Restated) 2016
Deferred government transfers and other revenue	\$ 3,560,520	\$ 418,757
Deposits	86,109	92,136
Parkland dedication	260,795	259,870
	<u>\$ 3,907,424</u>	<u>\$ 770,763</u>

11. Landfill Closure and Post-Closure Liabilities

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

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

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

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

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

11. Landfill Closure and Post-Closure Liabilities (continued)

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

In 2017, estimated expenses were calculated as the present value of future cash flows associated with closure and post-closure costs, discounted using the Regional District's weighted average cost of capital of 2.86% and inflated using an average inflation rate of 2.10% (annual BC CPI for 2017). The liability recognized is the difference between total estimated expenses for the entire closure and post-closure period less any amounts spent at the end of December of the reporting year.

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

In 2016, the Regional District calculated the present value of future cash flows associated with closure and post-closure costs, discounted using the Regional District's weighted average cost of capital of 3.19% and inflated using the 2016 BC CPI rate of 1.80%.

	Total estimated capacity (cubic meters)	Cumulative capacity used (cubic meters)	Estimated remaining life (years)	Time for post-closure care (years)	(Restated) Estimated total expenses	(Restated) 2016 Remaining to recognize
Campbell						
Mountain	3,214,155	1,009,304	88	30	\$ 6,306,743	\$ 4,591,523
Keremeos	25,000	25,000	0	30	889,809	-
OK Falls	100,000	48,949	10	30	2,529,993	1,510,817
Oliver	496,842	197,404	35	30	820,192	418,717
					\$ 10,546,737	\$ 6,521,057
						\$ 4,025,680

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

12. Development Cost Charges

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

	2017	2016
OK Falls Sewer DCC	286,926	367,605
Faulder Water DCC	7,326	7,300
Olalla Water DCC	5,355	5,336
Naramata Water DCC	25,106	13,637
Naramata Water - Lower Zone	100,612	100,255
Naramata Water - Upper Zone	298,303	297,246
	723,628	791,379

DCC Activity	2017	2016
Balance, beginning of the year	791,379	591,174
Return on investments	2,691	7,725
DCCs Levied in the year	33,612	192,480
Transfers to general operating	(104,054)	-
	723,628	791,379

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

13. Long-term Debt

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

All long-term debt is reported net of sinking fund balances. Sinking fund instalments are invested by the MFA and earn income, which together with principal payments are expected to be sufficient to retire the debt issue at maturity. Where the MFA has determined that sufficient funds exist to retire a debt issue on its maturity date without further instalments, payments are suspended by the MFA and the Regional District's liability is reduced to nil. Should those funds prove to be insufficient at maturity, the resulting deficiency becomes a liability of the Regional District.

Debentures issued mature at various dates ranging from November 2019 to October 2036 with interest rates ranging from 1.75% to 3.30%. The weighted average interest rate on long-term debt was 2.86% (3.19% - 2016) and interest expense was \$5,739,728 (\$6,009,128 - 2016).

	2017	2016
Municipal Finance Authority	86,060,832	86,130,133
Less: Regional District portion	18,433,134	15,858,879
Total Municipal Portion	<u>67,627,698</u>	<u>70,271,254</u>

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

	Total Payment	Total Recoverable from member municipalities	Net Payment
2018	\$ 5,541,535	\$ 4,730,476	\$ 811,059
2019	4,590,990	3,779,931	811,059
2020	4,503,119	3,692,060	811,059
2021	4,378,291	3,567,232	811,059
2022	4,339,405	3,540,631	798,774
Thereafter	28,463,989	20,227,635	8,236,354
Total principal payments	51,817,329	39,537,965	12,279,364
Expected actuarial adjustment	34,243,503	28,089,733	6,153,770
Total	<u>\$ 86,060,832</u>	<u>\$ 67,627,698</u>	<u>\$ 18,433,134</u>

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

December 31, 2017

14. Tangible Capital Assets

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

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

December 31, 2017

								2016
	Automotive Equipment	Buildings	Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process	Total
Cost, beginning of year	\$ 5,321,899	\$ 6,881,090	\$ 5,452,439	\$ 897,724	\$ 25,713,960	\$ 42,413,115	\$ 2,574,328	\$ 89,254,555
Additions	487,154	863,246	690,836	115,776	3,636,748	792,537	1,060,687	7,646,984
Disposals	(6,000)	-	(14,739)	(31,907)	-	(23,525)	-	(76,171)
Transfers	-	567,558	868,464	-	14,022	225,623	(1,675,667)	-
Cost, end of year	5,803,053	8,311,894	6,997,000	981,593	29,364,730	43,407,750	1,959,348	96,825,368
Accumulated amortization, beginning of year	3,797,354	2,426,426	3,400,452	660,844	1,022,191	7,975,140	-	19,282,407
Amortization	270,475	241,087	339,587	124,321	219,490	1,113,618	-	2,308,578
Disposals	(6,000)	-	(11,797)	(31,907)	-	(16,312)	-	(66,016)
Accumulated amortization, end of year	4,061,829	2,667,513	3,728,242	753,258	1,241,681	9,072,446	-	21,524,969
Net carrying amount, end of year	\$ 1,741,224	\$ 5,644,381	\$ 3,268,758	\$ 228,335	\$ 28,123,049	\$ 34,335,304	\$ 1,959,348	\$ 75,300,399

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

December 31, 2017

15. Accumulated Surplus

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

	Balance Dec. 31, 2016	Transfers to (from)	Surplus (Deficit)	Balance Dec. 31, 2017
Unrestricted Surplus	\$ 53,643,877	\$ (1,702,663)	\$ 6,850,973	\$ 58,792,187
Operating	1,688,074	599,734	-	2,287,808
	55,331,951	(1,102,929)	6,850,973	61,079,995
Community Works Gas Tax	4,396,623	337,657	-	4,734,280
Capital	18,572,973	765,272	-	19,338,245
	22,969,596	1,102,929	-	24,072,525
	\$ 78,301,547	\$ -	\$ 6,850,973	\$ 85,152,520

16. Municipal Insurance Association - Liability Insurance

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

17. Contingencies

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

18. Comparative Figures

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

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

19. 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 \$818,041 which were received from depositors to ensure their performance of works to be undertaken within the Regional District. These amounts are not reflected in the Consolidated Financial Statements but are available to satisfy liabilities arising from non-performance by the depositors.

20. Line of Credit

The Regional District has a revolving line of credit for up to \$2,000,000 with an interest rate of prime per annum, that is due on demand and unsecured. At December 31, 2017 and December 31, 2016 the line of credit was unutilized.

21. Tax Revenue

	<u>2017</u>	<u>(Restated) 2016</u>
Property taxation revenue	\$ 14,878,961	\$ 13,763,273
Parcel tax	1,022,664	1,013,276
Grant in lieu	109,545	92,870
Net property taxation revenue	<u>\$ 16,011,170</u>	<u>\$ 14,869,419</u>

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

December 31, 2017

22. Municipal Pension Plan

The Regional District and its employees contribute to the Municipal Pension Plan ("the plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

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

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

The next valuation will be at December 31, 2018 with results available in 2019. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the plan. The Regional District paid \$475,043 for employer contributions to the plan in fiscal 2017 (\$422,089 in 2016).

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2017

23. Budget

The Regional District of Okanagan-Similkameen Budget Bylaw adopted by the Board of Directors on March 2, 2017 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Budget adopted by the Board of Directors on March 2, 2017 with adjustments as follows:

	<u>2017</u>
Budget Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	6,574,053
Municipal Interest	5,070,523
Less:	
Budgeted transfers from accumulated surplus	(4,752,894)
Bank loan proceeds	<u>(12,552,633)</u>
Budget surplus per statement of operations	<u>\$ (5,660,951)</u>

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

December 31, 2017

24. Statement of Expenditures by Object

	2017	(Restated) 2016
Administration	\$ 17,465	\$ 16,291
Advertising and promotion	95,232	86,317
Agreements	165,679	172,357
Amortization	2,532,492	2,308,579
Collections on behalf of other agencies	2,416,562	2,403,326
Bank charges	37,876	35,220
Bylaw	1,976	3,551
Contract services	5,707,318	5,569,535
Development charges	5,906	6,755
Donations	26,829	14,557
Education and training	192,895	149,329
Environmental	112,526	126,526
Gas tax expenses	77,089	50,599
Grants	892,245	572,758
Insurance	340,858	361,715
Interest on long-term debt	608,559	584,650
Loan and lease payments	54,946	8,258
Landfill closure (recovery)	490,778	(1,521,975)
Materials, supplies and services	1,066,283	1,032,264
Office	319,075	326,086
Professional fees	83,302	140,453
Program	85,291	236,024
Rental of facilities and equipment	92,159	80,012
Repairs and maintenance	4,129,840	3,035,326
Salaries and benefits	8,010,375	7,715,153
Telephone	734,746	661,484
Travel and meetings	264,212	223,297
Vehicle	25,033	20,603
Total expenditures for the year	\$ 28,587,547	\$ 24,419,050

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

2017

	General Government	Protective Services	Transportation Services	Development Services	Parks Recreation and Culture	Environmental Services	Bylaw Enforcement	Water Services	Sewer Services	Economic Development	Total
Revenue											
Government transfers	\$ 1,413,407	\$ 58,420	\$ 23,716	\$ -	\$ 193,049	\$ 13,145	\$ -	\$ 4,189,814	\$ 120,202	\$ 36,747	\$ 6,048,500
Sales of services	27,624	10,223	45,771	1,027,573	605,496	6,429,675	86,055	1,923,477	1,096,640	-	11,252,534
Donations	-	26,829	-	-	11,532	-	-	-	-	-	38,361
Rental	-	-	-	-	309,879	-	-	-	-	-	309,879
Taxation	2,661,035	3,128,332	210,326	1,382,705	4,894,682	2,284,223	87,587	1,109,004	44,167	209,108	16,011,169
Investment	371,166	75,420	53	7,011	65,002	102,204	24	116,707	41,694	140	778,421
Miscellaneous	88,000	349,905	-	39,980	165,045	134,982	75	242,786	-	222	1,020,975
DCC	-	-	-	-	-	-	-	-	104,054	-	104,054
	<u>4,561,232</u>	<u>3,649,129</u>	<u>279,866</u>	<u>2,467,249</u>	<u>6,244,685</u>	<u>8,964,229</u>	<u>173,741</u>	<u>7,580,788</u>	<u>1,406,757</u>	<u>246,217</u>	<u>35,563,893</u>
Expenditure											
Administrative	-	1,500	-	-	12,000	3,965	-	-	-	-	17,465
Amortization	188,387	472,755	-	7,999	526,951	93,352	-	686,821	556,227	-	2,532,492
Grants	274,523	169,934	-	1,417	274,626	145,812	9,000	5,133	-	12,000	892,245
Lease payments	-	-	-	-	54,946	-	-	-	-	-	54,946
Materials, supplies, utilities	836,759	561,330	-	162,330	676,256	815,355	14,741	460,215	450,238	45,588	4,022,812
Operations and maintenance	469,770	1,438,612	255,618	103,432	2,535,910	4,598,057	61,998	534,925	97,893	53,657	10,149,872
Landfill closure	-	-	-	-	-	490,778	-	-	-	-	490,778
Transfers to other organizations	-	-	-	-	808,070	901,673	-	706,819	-	-	2,416,562
Salaries and benefits	2,625,378	809,843	1,267	1,288,526	1,011,771	960,281	145,329	772,191	303,762	92,037	8,010,375
	<u>4,394,817</u>	<u>3,453,974</u>	<u>256,875</u>	<u>1,563,704</u>	<u>5,900,530</u>	<u>8,009,073</u>	<u>231,068</u>	<u>3,166,104</u>	<u>1,408,120</u>	<u>203,282</u>	<u>28,587,547</u>
Excess (deficiency) of revenue for the year	\$ 166,415	\$ 195,155	\$ 22,991	\$ 893,545	\$ 344,155	\$ 955,156	\$ (57,327)	\$ 4,414,684	\$ (1,363)	\$ 42,935	\$ 6,976,346

Regional District of Okanagan-Similkameen
Notes to the Consolidated Financial Statements
Schedule of Segmented Operations
(Restated)
2016

	General Government	Protective Services	Transportation Services	Development Services	Parks Recreation and Culture	Environmental Services	Bylaw Enforcement	Water Services	Sewer Services	Economic Development	Total	
Revenue												
Government transfers	\$ 1,682,327	\$ 7,048	\$ -	\$ -	\$ 61,452	\$ 77,641	\$ -	\$ 606,699	\$ 139,009	\$ 1,470	\$ 2,575,646	
Sales of services	25,717	8,183	25,302	807,157	547,621	5,895,795	80,945	1,753,829	874,079	-	10,018,628	
Donations	-	14,557	-	-	38,019	-	-	-	-	-	52,576	
Rental	-	-	-	-	277,306	-	-	-	-	-	277,306	
Taxation	2,648,338	2,751,369	155,953	1,390,830	4,800,833	1,737,534	66,062	1,106,789	28,345	183,366	14,869,419	
Investment	154,461	34,066	-	4,556	40,774	114,836	-	59,437	8,136	217	416,483	
Miscellaneous	183,219	64,858	-	46,625	949,214	235,492	-	278,864	33,821	326	1,792,419	
DCC	-	-	-	-	-	-	-	800	-	-	800	
	4,694,062	2,880,081	181,255	2,249,168	6,715,219	8,061,298	147,007	3,806,418	1,083,390	185,379	30,003,277	
Expenditure												
Administrative	(7,550)	357	-	-	19,550	3,934	-	-	-	-	16,291	
Amortization	173,030	395,275	-	9,594	500,192	86,264	-	594,433	549,791	-	2,308,579	
Grants	293,051	87,975	-	1,540	138,123	22,195	9,000	8,139	-	12,735	572,758	
Lease payments	-	-	-	-	8,258	-	-	-	-	-	8,258	
Materials, supplies, utilities	876,154	410,132	3,463	195,904	631,943	857,123	14,015	535,565	437,860	65,142	4,027,301	
Operations and maintenance	330,163	999,808	180,432	79,509	2,324,114	4,251,342	64,773	518,275	118,441	22,502	8,889,359	
Landfill closure (recovery)	-	-	-	-	-	(1,521,975)	-	-	-	-	(1,521,975)	
Transfer to organizations	-	-	-	-	801,840	883,626	-	717,860	-	-	2,403,326	
Salaries and benefits	2,693,884	617,392	2,242	1,260,638	983,600	918,099	124,658	712,091	310,503	92,046	7,715,153	
	4,358,732	2,510,939	186,137	1,547,185	5,407,620	5,500,608	212,446	3,086,363	1,416,595	192,425	24,419,050	
Excess (deficiency) of revenue for the year	\$ -	\$ 335,330	\$ 369,142	\$ (4,882)	\$ 701,983	\$ 1,307,599	\$ 2,560,690	\$ (65,439)	\$ 720,055	\$ (333,205)	\$ (7,046)	\$ 5,584,227