

Regional District of Okanagan-Similkameen
Consolidated Financial Statements
For the year ended December 31, 2019

Regional District of Okanagan-Similkameen

TABLE OF CONTENTS

For the year ended December 31, 2019

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

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 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
June 18, 2020



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Vernon BC V1T 2B6 Canada

Independent Auditor's Report

To the Board of Directors
Regional District of Okanagan-Similkameen

Opinion

We have audited the consolidated financial statements of Regional District of Okanagan-Similkameen and its controlled entities (the "Regional District"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations and accumulated surplus, the consolidated statement of change in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Regional District as at December 31, 2019, and its consolidated results of operations and accumulated surplus, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Vernon, British Columbia
June 18, 2020

Regional District of Okanagan-Similkameen Consolidated Statement of Financial Position

December 31	2019	2018
Financial assets		
Cash and cash equivalents (Note 2)	\$ 18,189,951	\$ 2,835,237
Temporary investments (Note 2)	20,914,852	25,467,243
Accounts receivable (Note 4)	5,582,427	10,171,686
Debt reserve fund (Note 5)	5,931,084	5,916,449
Long-term investments (Note 6)	286,013	882,001
Debt recoverable member municipalities (Note 12)	58,271,566	60,620,468
	<u>109,175,893</u>	<u>105,893,084</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 7)	4,249,245	3,440,512
Short-term debt (Note 8)	120,000	120,000
Deferred revenue (Note 9)	4,114,404	3,828,608
Landfill closure and post-closure liabilities (Note 10)	5,108,276	5,008,517
Development cost charges (Note 11)	943,307	762,967
MFA equipment financing	50,984	76,550
Debt reserve fund (Note 5)	5,931,084	5,916,449
Long-term debt (Note 12)	75,748,289	79,084,988
Due to Town of Osoyoos	3,170	111
	<u>96,268,759</u>	<u>98,238,702</u>
Net financial assets	<u>12,907,134</u>	<u>7,654,382</u>
Non-financial assets		
Prepaid expenses	25,730	21,260
Tangible capital assets (Note 13)	83,289,646	82,489,627
	<u>83,315,376</u>	<u>82,510,887</u>
Accumulated surplus (Note 14)	<u>\$ 96,222,510</u>	<u>\$ 90,165,269</u>

Approved on behalf of Council

_____ Board Chair

_____ Chief Administrative Officer

Regional District of Okanagan-Similkameen

Consolidated Statement of Operations and Accumulated Surplus

December 31, 2019	Budget	2019	2018
Revenues			
Property taxes and grant in lieu (Note 19)	\$ 19,113,783	\$ 19,168,460	\$ 17,497,651
Sales of goods and services	10,901,184	12,312,006	11,690,751
Government transfers	5,078,741	3,609,164	2,908,953
Interest and investment income	126,382	1,369,450	713,500
Donations	23,500	232,748	473,203
Rental	336,282	624,071	443,041
Other contracts and miscellaneous	634,844	1,617,344	1,583,197
Total revenues for the year	36,214,716	38,933,243	35,310,296
Expenses			
General government	5,332,819	5,582,644	5,005,852
Protective services	4,791,242	4,427,284	3,829,058
Transportation services	344,785	359,867	326,724
Development services	2,356,578	1,865,266	1,640,974
Parks, recreation and culture	7,805,373	6,478,207	6,380,139
Environmental services	11,688,958	8,821,719	8,243,528
Bylaw enforcement	162,165	278,759	248,627
Water services	2,842,493	3,437,198	3,356,590
Sewer services	941,858	1,548,227	1,853,811
Economic development	198,755	189,294	163,706
Total expenses for the year	36,465,026	32,988,465	31,049,009
Excess of revenue over expenses for the year	(250,310)	5,944,778	4,261,287
Net income from enterprises (Note 6)	-	112,463	751,462
Annual surplus (deficiency) (Note 21)	(250,310)	6,057,241	5,012,749
Accumulated surplus, beginning of year	90,165,269	90,165,269	85,152,520
Accumulated surplus, end of year	\$ 89,914,959	\$ 96,222,510	\$ 90,165,269

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

<u>December 31, 2019</u>	<u>Budget</u>	<u>2019</u>	<u>2018</u>
Annual surplus	\$ (250,310)	\$ 6,057,241	\$ 5,012,749
Acquisition of tangible capital assets	(2,953,941)	(3,598,804)	(3,132,381)
Amortization of tangible capital assets	-	2,759,775	2,545,162
Contributed tangible capital assets	-	-	(401,000)
Disposal of tangible capital assets	-	39,010	-
	<u>(2,953,941)</u>	<u>(800,019)</u>	<u>(988,219)</u>
Use (acquisition) of prepaid expenses	-	(4,470)	12,412
(Acquisition) transfer of land in trust	-	-	60,283
	<u>-</u>	<u>(4,470)</u>	<u>72,695</u>
Increase in net financial assets	(3,204,251)	5,252,752	4,097,225
Net financial assets, beginning of year	7,654,382	7,654,382	3,557,157
Net financial assets, end of year	\$ 4,450,131	\$ 12,907,134	\$ 7,654,382

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

December 31, 2019	2019	2018
Cash flows from operating activities		
Cash received from grants, other governments, and own sources	\$ 39,567,957	\$ 31,384,641
Cash paid to employees and suppliers	(26,958,462)	(29,517,338)
Interest paid	(682,611)	(647,746)
Interest received	2,210,436	1,464,962
	<u>14,137,320</u>	<u>2,684,519</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(3,598,804)	(3,132,381)
Proceeds from sale of tangible capital assets	39,010	-
	<u>(3,559,794)</u>	<u>(3,132,381)</u>
Cash flows from financing activities		
Decrease in long-term debt recoverable from municipalities	2,348,903	7,007,229
Proceeds from MFA leases	-	50,701
Repayment of long-term debt	(3,362,266)	(7,940,423)
Decrease in due from related parties	3,170	7,250
	<u>(1,010,193)</u>	<u>(875,243)</u>
Cash flows from investing activities		
Decrease in temporary investments	4,552,391	4,545,861
Decrease (Increase) in long-term investments	1,295,273	(751,462)
(Increase) decrease in deposit on land	(60,283)	60,283
	<u>5,787,381</u>	<u>3,854,682</u>
Increase in cash for the year	15,354,714	2,531,577
Cash, beginning of year	<u>2,835,237</u>	<u>303,660</u>
Cash, end of year	<u>\$ 18,189,951</u>	<u>\$ 2,835,237</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, 2019

1. Summary of Significant Accounting Policies

Nature of business

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

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

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

Basis of Presentation

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

Principles of Consolidation

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

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

Sunbowl Arena
Oliver Parks and Recreation Society

Government 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 entities are accounted for on a modified equity basis:

Vermilion Forks Community Forest Corporation

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

Temporary 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.

Retirement Benefits

The Regional District's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services based on management's best estimate of retirement ages, inflation rates, investment returns, wage and salary escalation, insurance and health care costs trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition	<p>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.</p> <p>Taxes are recognized as revenue in the year they are levied.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenue are recognized when the connection has been established.</p> <p>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.</p> <p>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.</p> <p>All other revenue is recognized in the period in which the good or service is provided and collection is reasonably assured.</p>
Government Transfers	<p>Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>When the Regional District is deemed to be the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.</p>
Contaminated Sites	<p>Liabilities for remediation of contaminated sites are recognized when an environmental standard exists, contamination exceeds the standard, the Regional District has responsibility for remediation of the site, future economic benefits will be given up, and a reasonable estimate of the amount can be made.</p>
Deferred Revenue	<p>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.</p>

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

December 31, 2019

1. Summary of Significant Accounting Policies (continued)

Landfill closure and

post-closure

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

Long-term debt

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

Tangible Capital Assets

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 consolidated 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, 2019

1. Summary of Significant Accounting Policies (continued)

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

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

Protective services includes a number of different programs. These programs include electoral area fire protection; 911 services; crime stoppers; victims services; and crime prevention. These services are designed to provide a safe environment to the community. The Regional District is responsible for ensuring these services are provided to various jurisdictions within the unincorporated electoral areas A through I.

Transportation services includes road/street light improvements and transit services.

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

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.

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

December 31, 2019

1. Summary of Significant Accounting Policies (continued)

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

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

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

Sewer services includes the OK Falls Sewer System and the Gallagher Lake Sewer System.

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

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 consolidated 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 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, 2019

2. Cash and Temporary Investments

	2019	2018
Consists of:		
Cash	<u>\$ 18,189,951</u>	<u>\$ 2,835,237</u>
Temporary Investments		
Term deposits	-	5,030,740
Mutual funds	3,790	3,721
MFA short-term bond fund	20,911,062	20,432,782
(Market value - \$20,387,995 (2018 - \$19,798,227))		
	<u>20,914,852</u>	<u>25,467,243</u>
	<u>\$ 39,104,803</u>	<u>\$ 28,302,480</u>
Restricted		
Internally		
Capital reserves	\$ 20,126,762	\$ 19,634,822
Oliver Parks & Recreation reserves	784,300	765,129
Kaleden Recreation reserves	-	32,831
	<u>20,911,062</u>	<u>20,432,782</u>
Unrestricted	<u>18,193,741</u>	<u>7,869,698</u>
	<u>\$ 39,104,803</u>	<u>\$ 28,302,480</u>

3. Funds held in trust

The Regional District holds \$164,405 (2018 - \$184,780) in trust for South Okanagan Similkameen Conservation Program.

The Regional District also holds \$4,380 (2018 - \$4,266) in trust for Allison Lake Rate Payers Association.

The Regional District also holds \$11,500 (2018 - \$Nil) in trust for the Oliver Parks & Recreation Society Sport Court renovations.

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

December 31, 2019

4. Accounts Receivable

	2019	2018
Trade accounts receivable	\$ 3,931,262	\$ 9,281,274
Allowance for doubtful accounts	-	(178,586)
GST receivable	1,111,664	483,838
Due from Municipalities	539,501	585,160
Net accounts receivable	<u>\$ 5,582,427</u>	<u>\$ 10,171,686</u>

5. Debt Reserve Fund - Municipal Finance Authority

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

Debt Reserve Fund - Cash Deposits	2019	2018
Regional District	\$ 260,388	\$ 253,020
Member Municipalities	1,683,743	1,658,036
	<u>\$ 1,944,131</u>	<u>\$ 1,911,056</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	2019	2018
Regional District	\$ 556,711	\$ 556,711
Member Municipalities	3,430,242	3,448,682
	<u>\$ 3,986,953</u>	<u>\$ 4,005,393</u>

Cash deposits and demand notes	2019	2018
Cash deposits	\$ 1,944,131	\$ 1,911,056
Demand notes	3,986,953	4,005,393
	<u>\$ 5,931,084</u>	<u>\$ 5,916,449</u>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

6. Long-term investments

Vermillion Community Forest Corporation

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

	2019	2018
Assets		
Current	\$ 894,916	\$ 2,906,025
Liabilities		
Current	\$ 36,846	\$ 337,316
Equity	858,070	2,568,709
	\$ 894,916	\$ 2,906,025
Revenue	\$ 973,505	\$ 5,483,514
Expenditures	636,116	3,229,127
Total income	\$ 337,389	\$ 2,254,387
Allocation	\$ 112,463	\$ 751,462

7. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables	\$ 3,285,883	\$ 2,745,599
Government remittances payable	64,794	53,294
Holdbacks	288,789	208,819
Accrued salaries and employee benefits payable	609,779	432,800
	\$ 4,249,245	\$ 3,440,512

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

8. Short-term debt

The MFA provides short-term financing under various pieces of legislation to help local governments with their cash flow needs. There are no fees to set up a short-term loan. Interest is calculated daily, compounded monthly and automatically collected the 2nd business day of the following month. As at December 31, 2019 the Regional District had been advanced \$120,000 (2018 - \$120,000) in short-term financing at a variable interest rate of 2.43% (2018 - 2.65%).

9. Deferred Revenue

	2019	2018
Deferred government transfers and other revenue	\$ 3,744,507	\$ 3,471,994
Deposits	98,250	91,988
Parkland dedication	271,647	264,626
	<u>\$ 4,114,404</u>	<u>\$ 3,828,608</u>

10. Landfill Closure and Post-Closure Liabilities

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

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

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

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

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

December 31, 2019

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

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

In 2019, estimated expenses were calculated as the present value of future cash flows associated with closure and post-closure costs, discounted using the Regional District's weighted average cost of capital of 2.88% (2018 - 2.88%) and inflated using an average inflation rate of 2.30% (annual BC CPI for 2019) (2018 - 2.40%). 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	2019 Remaining to recognize
Campbell Mountain	3,214,155	1,092,569	85	30	\$ 10,554,492	\$ 7,679,193
Keremeos	25,000	25,000	0	30	891,458	-
OK Falls	100,000	53,330	11	30	1,001,567	467,432
Oliver	496,842	215,767	36	30	1,859,144	1,051,760
					\$ 14,306,661	\$ 9,198,385
						<u>\$ 5,108,276</u>

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

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

11. Development Cost Charges

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

	2019	2018
OK Falls Sewer DCC	\$ 298,865	\$ 291,140
Faulder Water DCC	7,631	7,434
Olalla Water DCC	5,578	5,434
Naramata Water DCC	26,151	25,475
Naramata Water - Lower Zone	294,366	130,799
Naramata Water - Upper Zone	310,716	302,685
	\$ 943,307	\$ 762,967

DCC Activity

	2019	2018
Balance, beginning of the year	\$ 762,967	\$ 723,628
Return on investments	22,340	10,839
DCCs levied in the year	158,000	28,500
	\$ 943,307	\$ 762,967

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

December 31, 2019

12. Long-term Debt

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

All long-term debt is reported net of sinking fund balances. Sinking fund instalments are invested by the MFA and earn income, which together with principal payments are expected to be sufficient to retire the debt issue at maturity. Where the MFA has determined that sufficient funds exist to retire a debt issue on its maturity date without further instalments, payments are suspended by the MFA and the Regional District's liability is reduced to nil. Should those funds prove to be insufficient at maturity, the resulting deficiency becomes a liability of the Regional District. The 2019 earnings in the sinking fund were calculated to be \$116,302 (2018 - \$107,555) and are included in interest and investment income on the consolidated statement of operations.

Debentures issued mature at various dates ranging from June 2020 to December 2047 with interest rates ranging from 1.75% to 3.30%. The weighted average interest rate on long-term debt was 2.88% (2018 - 2.88%) and interest expense was \$3,718,479 (2018 - \$4,765,720).

	<u>2019</u>	<u>2018</u>
Municipal Finance Authority	\$ 75,748,289	\$ 79,084,988
Less: Regional District portion	<u>17,476,723</u>	<u>18,464,520</u>
Total Municipal Portion	<u>\$ 58,271,566</u>	<u>\$ 60,620,468</u>

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
2020	\$ 4,668,729	\$ 3,822,315	\$ 846,414
2021	4,543,901	3,697,487	846,414
2022	4,505,014	3,670,886	834,128
2023	4,469,970	3,635,842	834,128
2024	4,240,935	3,430,032	810,903
Thereafter	<u>22,535,095</u>	<u>15,378,093</u>	<u>7,157,002</u>
Total principal payments	44,963,644	33,634,655	11,328,989
Expected actuarial adjustment	<u>30,784,645</u>	<u>24,636,911</u>	<u>6,147,734</u>
Total	<u>\$ 75,748,289</u>	<u>\$ 58,271,566</u>	<u>\$ 17,476,723</u>

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

December 31, 2019

13. Tangible Capital Assets

								2019
	Automotive Equipment	Buildings and Improvements	Machinery and Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process	Total
Cost, beginning of year	\$ 6,334,525	\$ 8,354,494	\$ 7,759,409	\$ 1,071,049	\$ 30,599,512	\$ 51,332,651	\$ 3,348,900	\$ 108,800,540
Additions	86,162	261,304	499,285	148,366	230,936	10,650	2,362,101	3,598,804
Disposals	(25,519)	-	(10,734)	(139,651)	-	-	-	(175,904)
Transfers	-	614,852	512,865	-	327,498	2,521,284	(3,976,499)	-
Cost, end of year	6,395,168	9,230,650	8,760,825	1,079,764	31,157,946	53,864,585	1,734,502	112,223,440
Accumulated amortization, beginning of year	4,585,427	3,197,514	4,461,328	830,958	1,783,216	11,452,470	-	26,310,913
Amortization	289,080	288,027	418,203	156,875	292,884	1,314,706	-	2,759,775
Disposals	(25,519)	-	(10,734)	(100,641)	-	-	-	(136,894)
Accumulated amortization, end of year	4,848,988	3,485,541	4,868,797	887,192	2,076,100	12,767,176	-	28,933,794
Net carrying amount, end of year	\$ 1,546,180	\$ 5,745,109	\$ 3,892,028	\$ 192,572	\$ 29,081,846	\$ 41,097,409	\$ 1,734,502	\$ 83,289,646

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

December 31, 2019

13. Tangible Capital Assets (continued)

								2018
	Automotive Equipment	Buildings and Improvements	Machinery and Equipment	IT Infrastructure	Land and Land Improvements	Utilities Infrastructure	Work in Process	Total
Cost, beginning of year	\$ 6,256,729	\$ 8,311,894	\$ 7,185,276	\$ 994,353	\$ 29,723,831	\$ 51,332,651	\$ 1,503,893	\$ 105,308,627
Additions	77,796	42,600	574,133	118,164	170,029	-	2,149,659	3,132,381
Disposals	-	-	-	(41,468)	-	-	-	(41,468)
Transfers	-	-	-	-	304,652	-	(304,652)	-
Contributed assets	-	-	-	-	401,000	-	-	401,000
Cost, end of year	6,334,525	8,354,494	7,759,409	1,071,049	30,599,512	51,332,651	3,348,900	108,800,540
Accumulated amortization, beginning of year	4,303,076	2,934,266	4,096,111	793,939	1,510,247	10,169,580	-	23,807,219
Amortization	282,351	263,248	365,217	78,487	272,969	1,282,890	-	2,545,162
Disposals	-	-	-	(41,468)	-	-	-	(41,468)
Accumulated amortization, end of year	4,585,427	3,197,514	4,461,328	830,958	1,783,216	11,452,470	-	26,310,913
Net carrying amount, end of year	\$ 1,749,098	\$ 5,156,980	\$ 3,298,081	\$ 240,091	\$ 28,816,296	\$ 39,880,181	\$ 3,348,900	\$ 82,489,627

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

14. Accumulated Surplus

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

	Balance Dec. 31, 2018	Transfers to (from)	Surplus (Deficit)	Balance Dec. 31, 2019
Unrestricted surplus	\$ 61,344,605	\$ (4,901,302)	\$ 6,057,241	\$ 62,500,544
Operating	2,863,572	693,907		3,557,479
	64,208,177	(4,207,395)	6,057,241	66,058,023
Community Works Gas Tax	4,909,263	773,828	-	5,683,091
Capital	21,047,829	3,433,567	-	24,481,396
	25,957,092	4,207,395	-	30,164,487
	\$ 90,165,269	\$ -	\$ 6,057,241	\$ 96,222,510

15. Municipal Insurance Association - Liability Insurance

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

16. Comparative Figures

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

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

17. Letters of Credit and Performance Bonds

In addition to the performance deposits reflected in the consolidated statement of financial position, the Regional District is holding irrevocable letters of credit and performance bonds in the amount of \$1,125,030 (2018 - \$1,184,004) 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.

18. Line of Credit

The Regional District has a revolving line of credit for up to \$2,000,000 with an interest rate of prime plus 0.00% per annum, that is due on demand and unsecured. At December 31, 2019 and December 31, 2018 the line of credit was unutilized.

19. Tax Revenue

	<u>2019</u>	<u>2018</u>
Property taxation revenue	\$ 18,019,212	\$ 16,527,173
Parcel tax	1,037,428	862,690
Grant in lieu	<u>111,820</u>	<u>107,788</u>
Net property taxation revenue	<u>\$ 19,168,460</u>	<u>\$ 17,497,651</u>

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

20. 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$544,068 (2018 - \$505,351) for employer contributions to the plan in fiscal December 31, 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

Regional District of Okanagan-Similkameen

Notes to the Consolidated Financial Statements

December 31, 2019

21. Budget

The Regional District's Budget Bylaw adopted by the Board of Directors on May 9, 2019 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 May 9, 2019 with adjustments as follows:

	<u>2019</u>
Budget Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	2,953,941
Debt principal	5,495,560
Municipal interest	3,770,783
Less:	
Budgeted transfers from accumulated surplus	(2,974,737)
Admin revenue	(170,844)
Bank loan proceeds	<u>(9,325,013)</u>
Budget surplus per consolidated statement of operations	<u>\$ (250,310)</u>

22. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Regional District, its residents, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Regional District's assets and future ability to deliver services and projects. At this time, the full impact of COVID-19 on the Regional District is not known.

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

December 31, 2019

23. Statement of Expenses by Object

	2019	2018
Administration	\$ 11,557	\$ 16,479
Advertising and promotion	100,733	131,872
Agreements	182,639	205,306
Amortization	2,759,776	2,545,162
Bank charges	55,211	42,115
Bylaw	10,378	3,815
Collections on behalf of other agencies	2,468,407	2,427,556
Contract services	6,768,831	6,501,566
Development charges	6,257	5,681
Donations	2,491	9,278
Education and training	235,335	246,314
Environmental	132,643	112,628
Gas tax expenses	237,689	219,260
Grants	907,414	609,365
Insurance	394,970	404,935
Interest on long-term debt	682,611	647,746
Landfill closure	99,759	492,059
Loan and lease payments	78,652	64,115
Materials, supplies and services	1,037,090	937,755
Office	313,558	262,419
Professional fees	261,283	133,347
Program	227,651	230,640
Rental of facilities and equipment	95,721	89,720
Repairs and maintenance	5,162,633	4,955,448
Salaries and benefits	9,621,971	8,667,762
Telephone	787,238	735,821
Travel and meetings	305,163	303,275
Vehicle	40,804	47,570
Total expenses for the year	\$ 32,988,465	\$ 31,049,009

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

2019

	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	\$ 2,543,443	\$ 216,826	\$ 31,621	\$ 342,305	\$ 128,919	\$ 12,500	\$ -	\$ 72,135	\$ 261,415	\$ -	\$ 3,609,164
Sales of goods and services	28,879	10,614	61,778	627,310	688,631	7,576,919	86,710	2,109,937	1,121,228	-	12,312,006
Donations	300	231,588	-	-	860	-	-	-	-	-	232,748
Rental	-	-	-	-	624,071	-	-	-	-	-	624,071
Property taxes and grant in lieu	3,481,149	4,172,967	367,534	1,409,447	5,757,943	2,504,829	88,053	1,110,843	44,075	231,620	19,168,460
Interest and Investment income	688,554	100,430	297	17,751	63,052	327,327	412	139,752	31,482	393	1,369,450
Other contracts and miscellaneous	150,618	869,980	-	55,360	110,907	194,608	-	232,957	2,914	-	1,617,344
	6,892,943	5,602,405	461,230	2,452,173	7,374,383	10,616,183	175,175	3,665,624	1,461,114	232,013	38,933,243
Expenses											
Administrative	-	2,212	-	-	5,251	4,093	-	-	-	-	11,556
Amortization	222,929	482,775	-	7,999	549,455	143,622	-	788,160	564,836	-	2,759,776
Grants	180,374	3,070	-	-	33,054	599,760	-	69,156	-	22,000	907,414
Lease payments	-	-	-	-	78,652	-	-	-	-	-	78,652
Materials, supplies, utilities	1,050,951	684,648	-	240,588	736,798	870,362	26,251	566,581	371,016	49,156	4,596,351
Operations and maintenance	852,678	2,237,602	355,602	133,590	2,965,678	4,976,100	90,204	502,085	248,493	82,547	12,444,579
Landfill closure	-	-	-	-	-	99,759	-	-	-	-	99,759
Transfers to other organizations	-	-	-	-	877,858	897,611	-	692,938	-	-	2,468,407
Salaries and benefits	3,275,712	1,016,977	4,265	1,483,089	1,231,461	1,230,412	162,304	818,278	363,882	35,591	9,621,971
	5,582,644	4,427,284	359,867	1,865,266	6,478,207	8,821,719	278,759	3,437,198	1,548,227	189,294	32,988,465
Excess (deficiency) of revenue for the year	\$ 1,310,299	\$ 1,175,121	\$ 101,363	\$ 586,907	\$ 896,176	\$ 1,794,464	\$ (103,584)	\$ 228,426	\$ (87,113)	\$ 42,719	\$ 5,944,778

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

2018

	General Government	Protective Services	Transportation Services	Development Services	Parks Recreation and Culture	Environmental Services	Bylaw Enforcement	Water Services	Sewer Services	Economic Development	Total
Revenue											
Government transfers	\$ 1,598,952	\$ 263,258	\$ 31,621	\$ -	\$ 81,583	\$ 12,500	\$ -	\$ 362,210	\$ 558,829	\$ -	\$ 2,908,953
Sales of goods and services	15,455	8,375	53,677	764,607	605,973	6,998,555	83,559	2,039,082	1,121,468	-	11,690,751
Donations	-	438,123	-	-	35,080	-	-	-	-	-	473,203
Rental	-	-	-	-	443,041	-	-	-	-	-	443,041
Property taxes and grant in lieu	2,991,034	3,919,485	265,214	1,337,281	5,325,759	2,415,198	82,134	906,392	44,101	211,053	17,497,651
Interest and Investment income	328,486	62,361	162	12,861	36,293	163,743	114	84,107	25,157	216	713,500
Other contracts and miscellaneous	38,954	700,468	-	38,597	303,596	137,933	-	360,283	3,216	150	1,583,197
	<u>4,972,881</u>	<u>5,392,070</u>	<u>350,674</u>	<u>2,153,346</u>	<u>6,831,325</u>	<u>9,727,929</u>	<u>165,807</u>	<u>3,752,074</u>	<u>1,752,771</u>	<u>211,419</u>	<u>35,310,296</u>
Expenses											
Administrative	-	-	-	-	12,426	4,053	-	-	-	-	16,479
Amortization	136,044	465,534	-	7,999	512,401	85,149	-	774,854	563,181	-	2,545,162
Grants	180,351	9,395	-	-	34,090	327,837	9,000	36,690	-	12,002	609,365
Lease payments	-	-	-	-	64,115	-	-	-	-	-	64,115
Materials, supplies, utilities	1,021,729	611,694	1,656	210,716	674,733	827,061	21,792	522,612	359,526	43,118	4,294,637
Operations and maintenance	909,992	1,677,401	324,133	80,034	3,189,097	4,561,486	58,730	508,881	608,861	13,259	11,931,874
Landfill closure	-	-	-	-	-	492,059	-	-	-	-	492,059
Transfer to organizations	-	-	-	-	818,619	913,743	-	695,194	-	-	2,427,556
Salaries and benefits	2,757,736	1,065,034	935	1,342,225	1,074,658	1,032,140	159,105	818,359	322,243	95,327	8,667,762
	<u>5,005,852</u>	<u>3,829,058</u>	<u>326,724</u>	<u>1,640,974</u>	<u>6,380,139</u>	<u>8,243,528</u>	<u>248,627</u>	<u>3,356,590</u>	<u>1,853,811</u>	<u>163,706</u>	<u>31,049,009</u>
Excess (deficiency) of revenue for the year	\$ (32,971)	\$ 1,563,012	\$ 23,950	\$ 512,372	\$ 451,186	\$ 1,484,401	\$ (82,820)	\$ 395,484	\$ (101,040)	\$ 47,713	\$ 4,261,287