

# **REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN**

## **Index to Consolidated Financial Statements**

**December 31, 2015**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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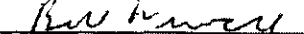
The accompanying consolidated financial statements of the Regional District of Okanagan Similkameen (the Regional District) are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

A summary of the significant accounting policies are described in Note 1 of the consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

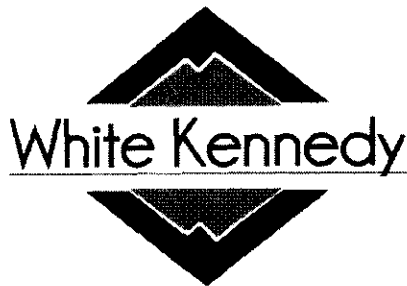
The Regional District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board of Directors meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the consolidated financial statements.

The consolidated financial statements have been audited by White Kennedy LLP, independent external auditors appointed by the Regional District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Regional District's consolidated financial statements.

Chief Administrative Officer 

Manager of Finance 



Your Partners in Prosperity™

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## INDEPENDENT AUDITOR'S REPORT

To the Chairman and Directors of the Regional District of Okanagan Similkameen

We have audited the accompanying consolidated financial statements of the Regional District of Okanagan Similkameen, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations, net financial liabilities, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated 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 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 of 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, 2015, and the results of its operations, its net financial liabilities and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

*White Kennedy LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Penticton, British Columbia  
May 5, 2016

(2)  
Operating as Incorporated Professionals through White Kennedy LLP

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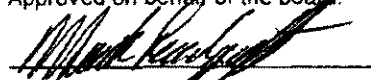
# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Consolidated Statement of Financial Position

December 31, 2015, With Comparative Figures for 2014

	2015	2014 restated
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	1,333,023	298,302
Short term investments (Note 3)	25,135,662	26,127,528
Accounts receivable (Note 4)	3,750,833	3,393,790
Municipal Finance Authority deposits (Note 5)	7,434,470	7,685,266
Municipal financing (Note 6)	77,211,248	85,277,264
Long term investments (Note 7)	111,021	226,316
	<u>114,976,257</u>	<u>123,008,466</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	3,028,836	4,195,582
Deferred revenue (Note 9)	173,977	490,979
Deposits	1,405,183	1,254,599
Gas Tax deferred revenue (Note 10)	4,207,585	3,710,301
Restricted deferred revenue (Note 11)	1,204,125	1,337,138
Municipal Finance Authority debt reserve (Note 5)	7,434,470	7,685,266
Municipal Finance Authority leases (Note 12)	8,067	68,969
Long term debt (Note 13) (Schedule 3)	94,685,223	102,463,791
Landfill closure and post-closure liability (Note 14)	7,750,353	6,386,654
	<u>119,897,819</u>	<u>127,593,279</u>
<b>NET FINANCIAL ASSETS</b>	<u>(4,921,562)</u>	<u>(4,584,813)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid items	175,769	16,784
Tangible capital assets (Note 15)	69,972,148	69,186,450
	<u>70,147,917</u>	<u>69,203,234</u>
<b>ACCUMULATED SURPLUS</b>	<u>65,226,355</u>	<u>64,618,421</u>
<b>REPRESENTED BY:</b>		
Unrestricted deficit	(8,840,337)	(8,017,362)
Restricted surplus (Schedule 1)	17,151,184	15,924,416
Equity in tangible capital assets (Note 16)	56,915,508	56,711,367
	<u>65,226,355</u>	<u>64,618,421</u>
PENSION LIABILITY (Note 17)		
CONTINGENT LIABILITY (Note 18)		
SUBSEQUENT EVENTS (Note 19)		
PRIOR PERIOD ADJUSTMENT (Note 20)		

Approved on behalf of the board:

  
**Mark Pendergraft, CHAIR**

See the accompanying notes to consolidated financial statements

**REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN****Consolidated Statement of Operations****Year Ended December 31, 2015, With Comparative Figures for 2014**

	2015 Budget	2015	2014 restated
	\$	\$	\$
<b>REVENUES</b>			
Tax requisition	14,435,209	14,372,972	14,106,923
Sales of goods and services	10,833,488	11,141,723	10,380,706
Grant revenue	4,557,859	2,269,890	4,005,924
Investment income	32,500	351,993	618,332
Administrative and recoveries	594,306	186,186	540,016
Development cost charges	-	169,000	320,000
Grants in lieu of taxes	37,995	102,516	93,871
Income from enterprises	-	5,241	129,187
	30,491,357	28,599,521	30,194,959
<b>EXPENSES</b>			
Solid Waste & Recycling	6,166,418	6,444,507	5,502,126
Rural Services	8,315,316	5,350,412	4,992,868
Recreation Services	4,777,311	4,291,761	3,997,284
Regional Services	6,516,668	4,277,588	4,105,010
Engineering Services	7,878,949	3,011,219	2,959,638
Amortization	-	2,189,126	1,997,308
Emergency Services	2,200,496	1,768,800	1,801,794
	35,855,158	27,333,413	25,356,028
<b>EXCESS (DEFICIENCY)</b>	(5,363,801)	1,266,108	4,838,931
Gain (loss) on disposal of assets	-	(658,174)	8,600
<b>EXCESS (DEFICIENCY) FOR THE YEAR</b>	(5,363,801)	607,934	4,847,531
<b>ACCUMULATED SURPLUS, beginning of year</b> (Note 20)	-	64,618,421	59,770,890
<b>ACCUMULATED SURPLUS, end of year</b>	(5,363,801)	65,226,355	64,618,421

See the accompanying notes to consolidated financial statements

**REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN****Consolidated Statement of Net Financial Liabilities****Year Ended December 31, 2015, With Comparative Figures for 2014**

	2015 Budget	2015	2014 restated
	\$	\$	\$
<b>EXCESS (DEFICIENCY) FOR THE YEAR</b>	<b>(5,363,801)</b>	<b>607,934</b>	<b>4,847,531</b>
Acquisition of tangible capital assets	-	(3,636,723)	(6,415,503)
Amortization of tangible capital assets	-	2,189,126	1,997,308
Proceeds on disposal of tangible capital assets	-	3,726	186,738
Loss (gain) on disposal of tangible capital assets	-	658,174	(8,600)
	-	(785,697)	(4,240,057)
Use (acquisition) of prepaid items	-	(158,986)	153,694
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS (LIABILITIES)</b>	<b>(5,363,801)</b>	<b>(336,749)</b>	<b>761,168</b>
<b>NET FINANCIAL LIABILITIES, BEGINNING OF YEAR</b>	<b>-</b>	<b>(4,584,813)</b>	<b>(5,345,981)</b>
<b>NET FINANCIAL LIABILITIES, END OF YEAR</b>	<b>(5,363,801)</b>	<b>(4,921,562)</b>	<b>(4,584,813)</b>

See the accompanying notes to consolidated financial statements

**REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN****Consolidated Statement of Cash Flows****Year Ended December 31, 2015, With Comparative Figures for 2014**

	2015	2014 restated
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess for the year	607,934	4,847,531
Non-cash items within excess for the year:		
Amortization of tangible capital assets	2,189,126	1,997,308
Loss (gain) on disposal of tangible capital assets	658,174	(8,600)
	3,455,234	6,836,239
Non-cash changes to operations:		
Accounts receivable	(357,042)	2,822,049
Accounts payable and accrued liabilities	(1,166,746)	849,619
Deferred revenue	(317,002)	149,287
Deposits	150,584	(254,706)
Gas Tax deferred revenue	497,284	224,518
Restricted deferred revenue	(133,013)	(469,448)
Landfill closure & post-closure liability	1,363,699	729,338
Prepaid items	(158,986)	153,694
	3,334,012	11,040,590
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(3,636,723)	(6,415,503)
Proceeds on disposal of tangible capital assets	3,726	186,738
	(3,632,997)	(6,228,765)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Municipal Finance Authority leases	(60,903)	(65,409)
Municipal Finance Authority debt reserve	(250,796)	305,007
Proceeds of borrowing from Municipal Finance Authority	3,896,000	10,566,500
Repayment of long term debt	(9,373,121)	(15,865,696)
Reduction of debt by actuary	(2,301,448)	(2,008,808)
	(8,090,268)	(7,068,406)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Short term investments	991,866	(6,520,270)
Municipal Finance Authority deposits	250,796	(305,007)
Municipal financing	8,066,017	7,836,585
Long term investments	115,295	273,190
	9,423,974	1,284,498
<b>NET INCREASE IN CASH</b>	1,034,721	(972,083)
CASH, beginning of year	298,302	1,270,385
CASH, end of year	1,333,023	298,302

See the accompanying notes to consolidated financial statements

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

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### General

The Regional District of Okanagan Similkameen (Regional District) was incorporated in 1966 under the Local Government Act (formerly Municipal Act), a statute of the Province of British Columbia. The principal activities of the Regional District are the provision of local government services to the residents of the Regional District, which include administrative, emergency, solid waste management, water, sewer, electrical, and recreational services.

### 1. Summary of Significant Accounting Policies

#### BASIS OF ACCOUNTING

The consolidated financial statements of the Regional District are prepared by management in accordance accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Accrual basis accounting is used.

#### BASIS OF CONSOLIDATION

The Regional District is comprised of all organizations, committees, and boards accountable to the Regional District for their financial affairs, and which are owned or controlled by the Regional District. The consolidated financial statements include all funds of the Regional District, its wholly-owned subsidiaries, and the Regional District portion of business enterprises earnings. Subsidiaries include Oliver Parks and Recreation and the Sun Bowl Arena. All inter-fund balances have been eliminated on consolidation.

#### BUDGET FIGURES

The budget figures are from the Bylaw 2686, 2015, that was adopted March 5, 2015. Subsequent amendments have been approved by the Board through bylaw to reflect changes to the budget.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash and highly liquid investments that are redeemable on demand, and have initial maturities of less than three months. Cash and cash equivalents are recorded at cost, which approximates market value.

#### CHANGES IN AND NEWLY ADOPTED ACCOUNTING POLICIES

The Regional District adopted Public Sector Accounting Standard PS 3260 Liability for Contaminated Sites beginning this fiscal year. The adoption of the policy has no financial impact on the consolidated financial statements.

The Regional District adopted Public Sector Accounting Standard PS 3270 Solid Waste Landfill Closure and Post-Closure Liability beginning this fiscal year. The policy is applied retrospectively and the comparative figures have been restated with a prior period adjustment to reflect the change in accounting policy.

#### DEBT CHARGES

Debt principal repayments are not included in the consolidated statement of operations pursuant to PSAB accounting disclosure requirements. Interest expense is recorded on an accrual basis and is expensed in the current year consolidated statement of operations.

#### DEFERRED REVENUE

Funding and grants received for specific projects are initially recorded as deferred revenue. The funding and grants are recorded as revenue when the related project costs are incurred.

(continued...)



# **REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN**

## **Notes to Consolidated Financial Statements**

**Year Ended December 31, 2015**

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### **1. Summary of Significant Accounting Policies (Continued)**

#### **DEPOSITS**

Deposits are comprised of funds received from customers as performance securities, holdbacks held for construction contracts, amounts from third parties being held in trust, restricted donations, and allocations of funds for special purposes not established through bylaw. Deposits bear interest that is distributed annually on a proportional basis.

#### **EMPLOYEE FUTURE BENEFITS**

The Regional District and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer defined benefit pension plan, the Regional District's contributions are expensed as incurred.

#### **FINANCIAL INSTRUMENTS**

The Regional District's financial instruments consist of cash, short term investments, accounts receivable, long term investments, accounts payable and accrued liabilities, deposits, deferred revenue, long term debt, and MFA leases. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, liquidity, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

#### **LEASES**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are expensed in the consolidated statement of operations as incurred.

#### **LONG TERM INVESTMENTS**

Long term investments are comprised of Government Business Partnerships and Government Business Enterprises. Long term investments are accounted for using the modified equity basis, under which the accounting policies are not adjusted to conform to those of the Regional District. A proportionate amount of the earnings are reported as income from enterprises, with a corresponding increase to the investment.

#### **MANAGEMENT ESTIMATES**

The preparation of financial consolidated statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **NON-FINANCIAL ASSETS**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

(continued...)

# **REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN**

## **Notes to Consolidated Financial Statements**

**Year Ended December 31, 2015**

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### **1. Summary of Significant Accounting Policies (Continued)**

#### **PREPAID ITEMS**

The Regional District has various prepaid expenses. Included within prepaids are inventory items purchased for resale to the public. The inventory items are valued at the lower of cost or market value, with cost being determined on an average basis. The inventory items are not significant to disclose separately.

#### **RESTRICTED DEFERRED REVENUE**

Restricted deferred revenue is comprised of Federal Gas Tax funding, and levied and unused Development Cost Charges. These funds are recorded as restricted deferred revenue and recognized as revenue in the year when they are used for eligible expenditures, as approved through bylaw.

#### **RESTRICTED SURPLUS**

Restricted surplus represents funds set aside for future expenditures in operations and property and equipment purchases. Schedule 1 of these consolidated financial statements provides details of the various funds.

#### **REVENUE RECOGNITION**

All revenue is recognized on an accrual basis.

Revenue from tax requisitions are recognized when received from the Province and member municipalities. Revenue from grants in lieu of taxes are recognized when received.

Revenue derived from the sale of goods or services is recognized when the good or service is rendered. Revenue derived from the provision of utility services is recognized when earned and billed, either quarterly, bi-annually, or annually depending on the service area and the service provided.

Grant revenue is recognized when funding is received, or becomes receivable.

Revenues from investment income are recognized as earned, on an accrual basis.

Revenues from development cost charges are recognized when the related expenditure is recognized.

#### **SHORT TERM INVESTMENTS**

Short term investments consist of short term deposits with initial maturity of less than one year, and a Municipal Finance Authority of British Columbia portfolio of short term bonds and money market instruments. Because of the short term maturity of these investments, the carrying amount approximates the fair value. Investment income is allocated to the segment from which it was earned.

#### **SICK LEAVE**

The Regional District accrues 1.5% of budgeted exempt staff salaries per annum in a fund for short term illness that extends beyond five days, and is less than six months. Exempt staff are eligible for long term disability after six months of illness. Sick leave for union staff is accrued as per the collective agreement and expensed as paid.

(continued...)

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

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

#### TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost less accumulated amortization. Cost includes all amounts directly attributable to the acquisition, construction, development, or betterment of the asset. Assets purchased or constructed, and work in progress, are reported as additions and are classified according to their functional use. Work in progress additions are not amortized until the addition is complete and the asset ready for use.

Contributed tangible capital assets are recorded as additions at the fair market value at the time of their contribution.

The cost of an asset less any residual value is amortized over the estimated economic useful life on a straight-line basis at the following rates:

ASSET TYPE	DEPRECIABLE LIFE IN YEARS
Land improvements	5 - 20
Building structures	40 - 75
Building improvements	
Exterior envelope	30 - 40
HVAC systems	10 - 12
Roof	10 - 20
Electrical/plumbing/fire suppression	15 - 20
Site works - asphalt, water and sewer lines	10 - 50
Machinery and equipment	
Furniture and equipment	5 - 20
Emergency	5 - 10
Emergency operations centre	5 - 10
Other	5 - 20
Vehicles	
Fleet	5 - 10
Fire trucks	10 - 20
Other	5 - 10
IT infrastructure	
Hardware	3 - 5
Software	5 - 10
Telephone	7 - 10
Utilities infrastructure	
Water	10 - 75
Sewer	10 - 75
Drainage	10 - 75

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

### 2. Cash

The Regional District has a line of credit with First West Credit Union in the amount of \$2,000,000, bearing interest at prime rate, currently 2.70%, which is due on demand, and secured by a general security agreement. At year end, the line of credit was unutilized.

### 3. Short term investments

The Regional District invests in short term bonds and money market funds through the Municipal Finance Authority of British Columbia. The income from these investments is received in the form of interest, dividends, and realized capital gains. Investments are disclosed at fair market value. The details of the short term investments at the year end are as follows:

	2015	2014
	\$	\$
Operations	24,388,505	25,368,395
Oliver Parks and Recreation	716,416	720,294
Kaleden Recreation	30,741	38,839
	<b>25,135,662</b>	<b>26,127,528</b>

### 4. Accounts receivable

	2015	2014
	\$	\$
Regional and local government	1,489,389	1,476,609
Combined Federal/Provincial	1,038,624	575,565
Trade receivables	948,909	1,132,561
Government of Canada	179,030	174,887
Province of British Columbia	94,881	34,168
	<b>3,750,833</b>	<b>3,393,790</b>

### 5. Municipal Finance Authority deposits

The Regional District issues its debt instruments to local municipalities with financing obtained from the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund.

The Regional District also executes demand notes in connection with each debenture, whereby the Regional District may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature. The details of the cash deposits and demand notes at the year end are as follows:

	Demand Notes	Cash Deposits	2015	2014
	\$	\$	\$	\$
Municipal general	2,582,846	830,128	3,412,974	3,392,250
Municipal water	1,290,142	533,205	1,823,347	1,882,244
Municipal sewer	1,055,277	522,606	1,577,883	1,727,814
Regional District general	187,996	88,275	276,271	274,067
Regional District water	104,786	54,717	159,503	225,836
Regional District sewer	126,985	57,507	184,492	183,055
<b>Totals</b>	<b>5,348,032</b>	<b>2,086,438</b>	<b>7,434,470</b>	<b>7,685,266</b>

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

### 6. Municipal financing

The Regional District issues debt instruments to various local municipalities in the form of demand notes with financing obtained from the Municipal Finance Authority. See Schedule 3 accompanying the consolidated financial statements for details of the various debt issues of the member municipalities.

	2015	2014
	\$	\$
City of Penticton	48,914,776	54,718,867
District of Summerland	23,002,833	24,832,579
Town of Oliver	4,130,633	4,450,027
Town of Osoyoos	974,252	1,054,276
Village of Keremeos	188,754	221,515
	<u>77,211,248</u>	<u>85,277,264</u>

### 7. Long term investments

Long term investments consist of Government Business Enterprises and Government Business Partnerships as follows:

	Interest	Net assets		Share of income	
		2015	2014	2015	2014
	%	\$	\$	\$	\$
Vermillion Forks Community Forest Corporation	33.333	72,197	192,726	-	140,721
Lower Similkameen Community Forest LP	49.996	38,824	33,583	5,241	(11,533)
		<u>111,021</u>	<u>226,309</u>	<u>5,241</u>	<u>129,188</u>

#### Vermillion Forks Community Forest Corporation Balance Sheet as at December 31

	2014	2013
	\$	\$
Total assets	626,790	1,397,134
Total liabilities	48,583	33,958
Share capital	30	30
Retained earnings	578,177	1,363,146
Total liabilities and shareholder equity	<u>626,790</u>	<u>1,397,134</u>

#### Statement of Earnings for the year ended December 31

	2014	2013
	\$	\$
Total sales	1,716,048	5,666,227
Total cost of sales	<u>1,244,138</u>	<u>4,311,237</u>
Gross profit	471,910	1,354,990
Expenses	<u>73,898</u>	<u>65,625</u>
Net earnings before other income	398,012	1,289,365
Other income	<u>24,150</u>	<u>-</u>
Net earnings	422,162	1,289,365
Retained earnings, beginning of year	1,363,146	778,781
Dividends on common shares	<u>(1,207,131)</u>	<u>(705,000)</u>
Retained earnings, end of year	<u>578,177</u>	<u>1,363,146</u>

## REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

### Notes to Consolidated Financial Statements

Year Ended December 31, 2015

#### 7. Long term investments (Continued)

The Regional District is a shareholder of Vermillion Forks Community Forest Corporation (Corporation) along with the Upper Similkameen Indian Band, and the Town of Princeton that manages a community forest project in the Princeton area. The project includes silviculture, planting, and harvesting of specified forest areas operated under license. The financial statements of the Corporation are audited by another firm of Chartered Professional Accountants, the results of which were not available at the financial statement report date of the Regional District.

#### Lower Similkameen Community Forest Limited Partnership Balance Sheet as at December 31

	2015	2014
	\$	\$
Current assets	253,081	338,063
Capital assets	42,104	45,111
Total assets	295,185	383,174
Current liabilities	36,987	63,336
Other liabilities	191,295	259,419
Total liabilities	228,282	322,755
Partners' capital	66,903	60,419
Total liabilities and partners' capital	295,185	383,174

#### Statement of Loss for the year ended December 31

	2015	2014
	\$	\$
Total revenue	119,338	175,428
Total cost of sales	73,812	155,160
Gross profit	45,526	20,268
Expenses	35,037	43,334
Net earnings (loss)	10,489	(23,066)

#### Partners' Capital for the year ended December 31

	2015	2014
	\$	\$
RDOS Area B & G balance, beginning of year	33,583	45,116
Share of earnings (loss)	5,241	(11,533)
RDOS Area B & G balance, end of year	38,824	33,583

The Regional District is a partner in the Lower Similkameen Community Forests Limited Partnership (Partnership) along with The Corporation of the Village of Keremeos, the Lower Similkameen Indian Band Business Trust, and Lower Similkameen Community Forests Ltd. The partnership manages a community forest project in the Ashnola watershed. The project includes silviculture, planting, and harvesting of specified forest areas operated under license. The financial statements of the partnership are compiled by another firm of Chartered Professional Accountants.

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

### 8. Accounts payable and accrued liabilities

	2015	2014
	\$	\$
Trade payables	2,637,214	3,582,237
Wages payable	370,719	576,845
Remittances payable	20,903	36,500
	<u>3,028,836</u>	<u>4,195,582</u>

### 9. Deferred revenue

Deferred revenue is comprised of grants and funding received by the Regional District for designated projects to be completed in the subsequent period.

### 10. Gas Tax deferred revenue

#### Federal Gas Tax Agreement

Federal Gas Tax funds are received from the Government of Canada. The use of the funds is established by an agreement between the Regional District and the Union of British Columbia Municipalities.

Federal Gas Tax funds may be used towards eligible projects as specified in the funding agreement, and are otherwise restricted in their use.

	Opening Balance	Funding Receipts	Interest Allocation	Expenses	Closing Balance
	\$	\$	\$	\$	\$
Area A	248,764	91,927	5,649	(53,147)	293,193
Area B	318,078	55,389	6,056	(116,532)	262,991
Area C	869,538	168,744	19,540	(52,571)	1,005,251
Area D	883,193	277,773	18,907	(294,278)	885,595
Area E	335,958	89,595	8,020	-	433,573
Area F	286,117	102,033	6,997	(10,000)	385,147
Area G	508,171	112,431	11,436	(42,979)	589,059
Area H	260,482	85,902	6,392	-	352,776
<b>Total 2015</b>	<b>3,710,301</b>	<b>983,794</b>	<b>82,997</b>	<b>(569,507)</b>	<b>4,207,585</b>
<b>Total 2014</b>	<b>3,485,783</b>	<b>983,794</b>	<b>88,841</b>	<b>(848,117)</b>	<b>3,710,301</b>

## REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

### Notes to Consolidated Financial Statements

Year Ended December 31, 2015

#### 11. Restricted deferred revenue

Restricted deferred revenues are funds established and collected through bylaws, and are designated for improvements to the parks, water, and sewer systems of the Regional District, and are otherwise restricted in their use.

	Opening	Receipts	Interest	Transfers	Closing
	\$	\$	\$	\$	\$
Area A Parkland Acquisition	5,771	-	121	-	5,892
Area C Parkland Acquisition	38,349	-	808	-	39,157
Area E Parkland Acquisition	430,050	-	9,059	-	439,109
Area F Parkland Acquisition	16,868	-	355	-	17,223
Area H Parkland Acquisition	109,268	-	2,302	-	111,570
Faulder Water System DCC	7,070	-	149	-	7,219
OK Falls Sewer DCC	326,413	9,500	5,196	(169,000)	172,109
Olalla Water CEC	5,168	-	109	-	5,277
Naramata Water:					
Naramata Water DCC	13,207	-	279	-	13,486
Lower Zone Capital	97,096	-	2,045	-	99,141
Upper Zone Capital	287,878	-	6,064	-	293,942
	1,337,138	9,500	26,487	(169,000)	1,204,125

#### 12. Municipal Finance Authority leases

The Regional District has a capital lease with the Municipal Finance Authority to finance an equipment purchase. The remaining lease payable of \$8,067 will be repaid in 2016.



## REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

### Notes to Consolidated Financial Statements

Year Ended December 31, 2015

#### 13. Long Term Debt

The Regional District obtains and issues debt instruments through financing from the Municipal Finance Authority and the Minister of Finance. The financing is obtained on behalf of the various local municipalities, as well as the Regional District, for general, water, and sewer operations and capital projects.

Financing is secured by deposits and claims against specific property. The maturity dates and interest rates of the long term debt vary and depend on the date of issue of the debt instrument. Long term debt is comprised of numerous issues that generally mature in 20 years. See Debenture Debt Schedule 3 for details of the maturity dates and interest rates of the individual issues.

	2015	2014
	\$	\$
Municipal Finance Authority - long term	92,685,223	99,632,944
Municipal Finance Authority - short term	2,000,000	2,800,000
Minister of Finance	-	30,847
Total long term debt	94,685,223	102,463,791
Less Regional District portion	17,473,975	17,186,527
Total Municipal portion	77,211,248	85,277,264

The following principal amounts are payable over the next 5 years:

2016	6,437,457
2017	6,353,900
2018	5,111,614
2019	4,161,069
2020	4,073,198
Thereafter	68,547,985
Total long term debt	94,685,223

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

### 14. Landfill Closure and Post-Closure Liability

The Environmental Management Act of B.C. and the Ministry of Environment of B.C. set out the landfill criteria to properly close and maintain all active and inactive landfill sites. Under the guidelines, there is a requirement for closure and post-closure care of solid waste landfill sites. Provisions are therefore made over the estimated remaining life of the landfill sites based on usage. The Regional District operates four landfills within its boundaries, Campbell Mountain, Keremeos, OK Falls, and Oliver, and is responsible for the costs of their closure and post-closure activities. Closure and post-closure costs are funded from tipping fees.

Closure activities include covering, grading and surface water management. Post-closure activities include leachate and environmental monitoring, maintenance, and reporting. Post-closure activities begin once the entire landfill site no longer accepts waste, and continues on for a period of twenty-five years. As the date of the site closures are unknown, management estimates the liability to begin after the closure of the current active phase, assuming another phase will not be opened. In the event another phase is opened, the start date for the liability will be adjusted to begin upon closure of the newly opened phase.

The Regional District has estimated the costs associated with these closure activities based on engineering studies required by the Ministry of Environment. Annual assessments are done for the landfills, with full landfill life cycle cost assessments done every 5 years. The next full landfill cycle cost assessment report is due in 2016.

In 2015, estimated expenses were calculated as the present value of future cash flows associated with landfill closure and post-closure costs, discounted using Municipal Finance Authority borrowing rate (2.75%) and the current Consumer Price Index (1.10%). The annual provision is reported as an Operating Fund expense and the accumulated provision is reported as a liability in the consolidated statement of financial position. Reserve funds totalling \$6,572,683 (2014 - \$6,437,561) have been established to provide for these liabilities.

	CMLF	OK Falls	Oliver	Keremeos	Total
Estimated remaining life (Years)	17	10	35	-	
Cumulative capacity used (MT)	983,800	48,152	190,000	25,000	
Total estimated capacity (MT)	1,861,000	100,000	490,034	25,000	
Usage (%)	53 %	48 %	39 %	100 %	
Estimated total closure expenditure	9,788,359	859,654	3,323,299	873,352	14,844,664
<b>Current year accrued liability for landfill closure &amp; post-closure</b>	<b>5,174,524</b>	<b>413,940</b>	<b>1,288,537</b>	<b>873,352</b>	<b>7,750,353</b>
Less prior year accrued liability for landfill closure & post-closure	4,346,797	336,723	927,065	776,069	6,386,654
<b>Current year landfill closure and post-closure expense</b>	<b>827,727</b>	<b>77,217</b>	<b>361,472</b>	<b>97,283</b>	<b>1,363,699</b>
 Prior year landfill closure and post-closure expense	 489,459	 43,862	 155,661	 40,356	 729,338
 <b>Reserve balance to December 31, 2015</b>	 <b>5,732,967</b>	 <b>19,185</b>	 <b>820,118</b>	 <b>413</b>	 <b>6,572,683</b>

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

### 15. Tangible capital assets

	Land	Buildings	Utilities infrastructure	Machinery & equipment	IT infra- structure	Vehicles	2015 \$	2014 \$
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	24,321,205	7,267,728	42,153,457	5,369,144	852,978	5,234,834	85,199,346	75,599,287
Work in progress, opening	-	-	1,459,994	-	-	-	1,459,994	4,948,519
Work in progress, additions	-	-	2,018,442	-	-	-	2,018,442	1,206,183
Work in progress, disposals	-	-	(904,108)	-	-	-	(904,108)	(4,694,708)
Acquisition of tangible capital assets	1,392,755	145,000	710,617	83,295	87,657	103,065	2,522,389	9,904,028
Disposals	-	(531,638)	(450,959)	-	(42,911)	(16,000)	(1,041,508)	(303,969)
BALANCE, END OF YEAR	25,713,960	6,881,090	44,987,443	5,452,439	897,724	5,321,899	89,254,555	86,659,340
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	840,489	2,340,049	7,088,625	3,113,578	584,900	3,505,249	17,472,890	15,601,413
Annual amortization	181,702	215,526	1,092,740	286,874	114,223	298,061	2,189,126	1,997,308
Amortization adjustments	-	(129,149)	(206,225)	-	(38,279)	(5,956)	(379,609)	(125,831)
BALANCE, END OF YEAR	1,022,191	2,426,426	7,975,140	3,400,452	660,844	3,797,354	19,282,407	17,472,890
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	24,691,769	4,454,664	37,012,303	2,051,987	236,880	1,524,545	69,972,148	69,186,450

## REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

### Notes to Consolidated Financial Statements

Year Ended December 31, 2015

#### 16. Equity in tangible capital assets

Equity in tangible capital assets represents the net book value of the total tangible capital assets less any long term debt assumed to acquire those assets along with any actuarial adjustments.

	2015	2014
	\$	\$
Net book value of tangible capital assets, end of year	69,972,148	69,186,450
Less Regional District debenture debt:		
Sewer capital	(4,638,808)	(4,800,000)
Water capital	(3,897,053)	(2,120,705)
General capital	(2,512,713)	(2,685,409)
Less Regional District short-term borrowing	(2,000,000)	(2,800,000)
Less MFA leases payable	(8,066)	(68,969)
Equity in tangible capital assets, end of year	56,915,508	56,711,367

#### 17. Pension liability

The Regional District of Okanagan Similkameen 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 administering the Plan, including investment of the 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, 2014, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as of December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2015, with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution 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.

The Regional District of Okanagan-Similkameen paid \$419,658 (2014 - \$357,215) for employer contributions to the Plan in fiscal 2015.

#### 18. Contingent liability

During the year, a property was identified on the Westbench of Penticton, Area F, as being a former landfill site. The landfill site operated from 1962 to 1983, and was acquired when the Regional District amalgamated the Westbench Irrigation District in 2011. The closure and post closure care period of 25 years is complete. An environmental assessment is being done to determine if any potential liability exists. The likelihood and estimate of liability, if any, are not determinable or measurable at this time.

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Notes to Consolidated Financial Statements

Year Ended December 31, 2015

### 19. Subsequent events

Subsequent to the year end the Regional District finalized a settlement for the encroachment of the Oliver landfill on private property. The settlement resulted in the transfer of the private property to the Regional District and payment of compensation to the landowner.

### 20. Prior period adjustment

The Regional District has restated its prior year consolidated statement of financial position, consolidated statement of operations, consolidated statement of changes in net financial liabilities, and the consolidated statement of cash flows to include adjustments that record the estimated liability for the Landfill Closure and Post-Closure costs, and the investment in Government Enterprises.

Disclosure for Landfill Closure and Post-Closure liability are required as per PS 3270 of the Public Sector Accounting Board standards. Disclosure for the investments in Government Partnerships and Government Business Enterprises are required as per PS 3060 and PS 3070 of the Public Sector Accounting Board standards. The effect of the changes are disclosed below.

	2014
	\$
<b>Consolidated Statement of Financial Position</b>	
Accumulated surplus, as previously reported	70,778,759
Add: long term investments	226,316
Deduct: landfill closure and post closure liability	(6,386,654)
Accumulated surplus, restated	<u>64,618,421</u>
Adjustments to accumulated surplus represented by:	
Unrestricted deficit, as previously reported	(1,857,024)
Increase: in unrestricted deficit	(6,160,338)
Unrestricted deficit, restated	<u>(8,017,362)</u>
<b>Consolidated Statement of Operations</b>	
Excess for the year, as previously reported	5,850,059
Decrease: investment income	(402,377)
Increase: income from enterprises	129,187
Increase: solid waste & recycling expense	(729,338)
Excess for the year, restated	<u>4,847,531</u>
Accumulated surplus, beginning of year as previously reported	64,928,700
Decrease: accumulated surplus	(5,157,810)
Accumulated surplus, beginning of year restated	<u>59,770,890</u>
<b>Consolidated Statement of Change in Net Financial Liabilities</b>	
Net financial assets, end of year as previously reported	1,575,525
Decrease: excess (deficiency) for the year	(1,002,528)
Decrease: net financial assets (liabilities), beginning of year	(5,157,810)
Net financial assets (liabilities), end of year restated	<u>(4,584,813)</u>
<b>Consolidated Statement of Cash Flows</b>	
Cash, end of year as previously reported	298,302
Decrease: excess (deficiency) for the year	(1,002,528)
Increase: landfill closure and post closure liability	729,338
Increase: long term investments	273,190
Cash, end of year restated	<u>298,302</u>

## REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

### Notes to Consolidated Financial Statements

Year Ended December 31, 2015

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#### 21. Oliver Parks & Recreation Society

The Regional District has a management agreement with the Oliver Parks & Recreation Society. The Regional District Okanagan-Similkameen exercises significant influence over the Oliver Parks & Recreation Society via an agreement to provide funding for operations. The management agreement stipulates that written approval be provided prior to any facility improvements, and that any such improvements become the property of the Regional District. The recreational facilities managed by the Society are recorded as assets of the Regional District. The operations of Oliver Parks and Recreation are wholly consolidated by the Regional District.

A new management agreement was signed December 1, 2015, and the existing parties will continue to operate under the new agreement for a 5 year term.

The Oliver Parks and Recreation Society financial statements are audited by another firm of Chartered Professional Accountants.

#### 22. Sun Bowl Arena

The Regional District, along with the Corporation of the Town of Osoyoos (the Town), jointly appoints members to a recreation commission having responsibility for the management of the Sun Bowl Arena. The Town provides management services under a contract that allows for the supervision and operation of the Sun Bowl Arena. The operations of Sun Bowl Arena are wholly consolidated by the Regional District.

#### 23. Budget reconciliation

	<u>Budget</u>
	\$
Deficiency for the year	(5,363,801)
Budget items not included for PSAB disclosure:	
Prior year surpluses	1,436,165
Transfers to reserves	2,926,348
Transfers from reserves	(1,235,712)
Debenture proceeds	<u>2,237,000</u>
Balanced budget under PSAB disclosure	<u>-</u>

#### 24. Comparative figures

Comparative figures for the consolidated statement of operations have been changed to conform to the current year presentation.

## REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

### Notes to Consolidated Financial Statements

Year Ended December 31, 2015

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#### 25. Segmented Information

The Regional District provides a wide range of services to eight services areas (Areas A - H) located in the South Okanagan and Similkameen Valleys. The various services provided are organized and reported by departments. The segment information in Schedule 2 groups the various services provided by the Regional District which are broken down as follows:

*Regional Services* are comprised of a number of different services including general government services providing administrative and finance functions, municipal fiscal services which provide MFA financing, the 911 emergency system, solid waste management, regional growth strategy, air quality, regional trails, noxious weed control, the Sterile Insect Release program, and the Okanagan Basin Water Board.

*Rural Services* are comprised of electoral area services including administration, planning, projects and grants, and economic development. Rural services include the development services of Geographic Information Services, building inspection, sub-division services, bylaw enforcement, and animal and pest control.

*Emergency Services* are comprised of emergency planning and fire protection services. Fire protection is provided by seven volunteer departments located in Keremeos, Okanagan Falls, Coalmont and Tulameen, Willowbrook, Kaleden, Naramata, and Anarchist Mountain. The Regional District also provides fire protection for West Bench and rural Princeton areas.

*Solid Waste and Recycling Services* are comprised of the garbage collection, recycling, and landfill operations for the various areas. Landfills within the Regional District are located in Oliver, Keremeos, Okanagan Falls, and Penticton.

*Engineering Services* are comprised of sewer systems, water systems, and electrical systems operations. Sewer systems are located in Okanagan Falls, Osoyoos, and Gallagher Lake. Water systems are located at Apex, Faulder, Naramata, Olalla, West Bench, and Gallagher Lake. Electrical systems are located at Missezula Lake, Anarchist Mountain, West Bench and Husula, Heritage Hills, and Naramata (street lights). Engineering services also include wastewater management planning, transit, and cemetery operations.

*Recreation Services* are comprised of arena facilities, swimming pools, halls and centres, parks, and museum operations. Recreation services also include the recreation and heritage commissions. Arenas are located in Princeton, Keremeos, Osoyoos, and Oliver. Pools are maintained in Keremeos and Oliver. Halls, centres, and parks are located throughout the Regional District area.

**REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN****Restricted surplus - Reserves for Future Expenditures****Year Ended December 31, 2015, With Comparative Figures for 2014****Schedule 1**

The restricted surplus is an appropriation of surplus for specific future expenditures.

	Opening balance	Contributions	Return on investment	Transfers	Closing balance
	\$	\$	\$	\$	\$
Arena - Osoyoos & Area A	37,961	25,000	1,127	(8,990)	55,098
Building Inspection	191,715	21,000	4,260	-	216,975
Building Inspection Equipment	1,017	-	21	-	1,038
Emergency System 911	156,978	10,000	3,412	-	170,390
Fire Protection:					
Anarchist Mtn. Building	2,945	10,000	167	-	13,112
Anarchist Mtn. Equipment	21,994	4,000	506	-	26,500
Area B, G & Keremeos	34,748	52,366	1,061	(21,141)	67,034
Kaleden	351,255	73,000	8,168	-	432,423
Keremeos Building	37,582	10,000	897	-	48,479
Naramata	59,468	-	1,253	-	60,721
OK Falls Building	162,069	5,000	3,466	-	170,535
OK Falls Equipment	435,979	60,000	9,816	-	505,795
Tulameen	85,193	14,000	1,942	-	101,135
Willowbrook	3,947	-	83	-	4,030
General Gov't Capital	208,294	24,000	4,640	-	236,934
General Gov't Carbon Neutral	19,518	10,000	517	-	30,035
General Gov't Economic Dev't	13,989	-	294	-	14,283
GIS Fund	75,611	-	1,593	-	77,204
Info Systems Renewal	80,896	-	1,704	-	82,600
Keremeos:					
Pool	109,896	15,000	2,315	-	127,211
Recreation Facility	283,384	11,941	5,969	-	301,294
Mosquito Control	4,578	-	97	-	4,675
Naramata:					
Library	146,396	16,757	3,120	(13,347)	152,926
Recreation - Capital	174,668	5,000	3,732	-	183,400
Recreation - Tractor	20,183	-	425	-	20,608
Naramata Cemetery	7,974	-	168	-	8,142
Naramata Street Lights	23,047	-	486	-	23,533
Naramata Water:					
Emergency Works	294,771	100,150	7,264	-	402,185
Dualling Reserve	1,397,951	100,000	30,501	-	1,528,452
Vehicle Replacement	158,678	11,941	3,468	-	174,087
<b>Sub-total (to next page)</b>	<b>4,602,685</b>	<b>579,155</b>	<b>102,472</b>	<b>(43,478)</b>	<b>5,240,834</b>



# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Restricted surplus - Reserves for Future Expenditures

Year Ended December 31, 2015, With Comparative Figures for 2014

Schedule 1

The restricted surplus is an appropriation of surplus for specific future expenditures.

	Opening balance	Contributions	Return on investment	Transfers	Closing balance
	\$	\$	\$	\$	\$
<b>Sub-total (from last page)</b>	4,602,685	579,155	102,472	(43,478)	5,240,834
OK Falls Parks Acquisition	76,679	-	1,616	-	78,295
OK Falls Sewage Disposal	16,552	-	349	-	16,901
OK Falls Sewer Capital	153,279	-	3,229	-	156,508
Olalla Water System	167,424	-	3,527	-	170,951
Oliver & Area C:					
Arena	3,814	-	-	-	3,814
Recreation Hall	117,730	-	-	-	117,730
Park	275,601	-	-	(158,999)	116,602
Pool	253,525	-	-	(35,000)	218,525
Programs	48,005	-	-	(30,000)	18,005
Oliver P&R Services	-	150,586	17,740	-	168,326
Osoyoos Museum	94,747	48,846	2,510	-	146,103
Parks - Area D	69,917	-	1,472	-	71,389
Parks - Area F	941	-	20	-	961
Recreation Commissions:					
OK Falls	84,064	-	1,771	-	85,835
Cawston	12,365	-	261	-	12,626
Kaleden	14,204	-	940	(498)	14,646
Refuse Disposal:					
Area H	20,531	-	432	-	20,963
Keremeos	405	-	8	-	413
Campbell Mtn - Closure	5,614,536	-	118,431	-	5,732,967
Campbell Mtn - Capital	577,689	530,000	17,751	-	1,125,440
Campbell Mtn - E. I.	1,012,086	330,000	24,796	-	1,366,882
Liquid Waste Handling	34,067	-	718	-	34,785
Okanagan Falls	18,789	-	396	-	19,185
Oliver	803,832	25,000	16,926	(25,640)	820,118
Regional Parks Capital	150,378	52,804	3,492	(22,072)	184,602
Rural Area Feasibility	71,510	-	1,506	-	73,016
Shinish Creek Diversion	50,235	-	1,058	-	51,293
VFCFC Area H Capital	513,714	120,536	11,641	(93,918)	551,973
West Bench Irrigation District	1,065,112	140,000	16,641	(690,257)	531,496
<b>Totals</b>	<b>15,924,416</b>	<b>1,976,927</b>	<b>349,703</b>	<b>(1,099,862)</b>	<b>17,151,184</b>

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Consolidated Revenues and Expenditures by Object

Year Ended December 31, 2015, With Comparative Figures for 2014

Schedule 2

	Regional Services	Rural Services	Emergency Services	Solid Waste & Recycling	Engineering Services	Recreation Services	2015 Budget	2015	2014 restated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>									
Tax requisition	4,021,459	3,633,938	1,970,976	523,495	876,630	3,346,474	14,435,209	14,372,972	14,106,923
Sale of goods and services	220,929	884,525	40,532	5,785,993	3,309,951	899,793	10,833,488	11,141,723	10,380,706
Grants	160,723	1,153,458	44,382	-	852,355	58,972	4,557,859	2,269,890	4,005,924
Investment income	32,479	25,691	(12,529)	196,365	71,504	38,483	32,500	351,993	618,332
Administrative & recoveries	5,746	78,170	16,383	-	10,388	75,499	594,306	186,186	540,016
Development cost charges	-	-	-	-	169,000	-	-	169,000	320,000
Grant in lieu of taxes	51,031	26,967	5,808	3,036	33	15,641	37,995	102,516	93,871
Income from enterprises	-	5,241	-	-	-	-	-	5,241	129,187
	4,492,367	5,807,990	2,065,552	6,508,889	5,289,861	4,434,862	30,491,357	28,599,521	30,194,959
<b>EXPENSES</b>									
Wages and benefits	1,211,417	2,946,548	573,434	727,229	1,031,799	857,153	7,291,557	7,347,580	6,991,128
Contracted services	516,511	411,109	585,185	3,422,370	93,084	472,466	5,952,364	5,500,725	4,824,899
Maintenance and equipment	304,023	59,280	292,310	2,024,326	951,957	1,985,799	11,146,431	5,617,695	4,683,751
Requisitions to other boards	1,609,666	803,119	-	-	-	-	2,414,701	2,412,785	2,405,456
Amortization expense	159,840	10,876	342,310	81,417	1,194,483	400,200	-	2,189,126	1,997,308
Materials and supplies	299,296	348,178	126,800	84,714	132,741	131,377	1,460,293	1,123,106	1,231,636
Grants	102,853	578,079	8,960	1,500	10,533	205,624	3,097,496	907,549	747,970
Interest expense	43,608	-	23,105	-	366,066	215,831	2,074,062	648,610	698,009
Utilities and telephone	72,636	29,113	60,789	35,945	305,863	151,235	692,514	655,581	695,849
Purchased services	101,584	125,538	13,601	99,982	58,325	144,597	681,781	543,627	689,431
Insurance	15,994	49,448	84,616	44,543	60,851	109,208	350,421	364,660	367,343
Administration charges	-	-	-	3,898	-	18,471	693,538	22,369	23,248
	4,437,428	5,361,288	2,111,110	6,525,924	4,205,702	4,691,961	35,855,158	27,333,413	25,356,028
<b>EXCESS (DEFICIENCY)</b>	54,939	446,702	(45,558)	(17,035)	1,084,159	(257,099)	(5,363,801)	1,266,108	4,838,931
Gain (loss) on disposal of assets	(4,174)	(219,702)	(6,778)	-	(25,031)	(402,489)	-	(658,174)	8,600
<b>EXCESS (DEFICIENCY) FOR THE YEAR</b>	50,765	227,000	(52,336)	(17,035)	1,059,128	(659,588)	(5,363,801)	607,934	4,847,531

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Debenture Debt Schedule

Year Ended December 31, 2015, With Comparative Figures for 2014

Schedule 3

	Issue #	Matures	Rate	2015	2014
				\$	\$
<b>Municipal financing</b>					
Oliver	85	2024	4.98 %	293,398	318,739
	95	2025	4.17 %	97,150	104,930
	104	2028	5.15 %	1,555,685	1,645,652
	111	2025	3.73 %	1,799,601	1,949,061
	121	2022	3.90 %	384,799	431,645
				<b>4,130,633</b>	<b>4,450,027</b>
Penticton	61	2015	8.00 %	-	229,264
	63	2016	7.75 %	91,706	179,045
	72	2020	6.45 %	857,683	1,007,709
	73	2020	6.36 %	514,610	604,625
	81	2024	4.86 %	192,493	209,119
	85	2024	4.98 %	1,497,169	1,626,481
	93	2025	5.10 %	742,659	807,151
	95	2025	4.17 %	581,894	628,496
	99	2026	4.43 %	6,101,245	6,536,247
	102	2017	4.82 %	3,488,076	5,132,154
	102	2027	4.82 %	966,798	1,028,666
	103	2028	4.65 %	2,204,284	2,331,759
	104	2018	5.15 %	3,934,651	5,146,632
	104	2028	5.15 %	11,778,226	12,459,367
	105	2019	4.90 %	136,229	167,076
	106	2029	4.13 %	8,794,618	9,256,919
	110	2030	4.50 %	6,533,430	6,847,167
	116	2031	4.20 %	499,005	520,990
				<b>48,914,776</b>	<b>54,718,867</b>
Summerland	64	2016	7.42 %	76,421	149,204
	69	2023	5.55 %	4,127,227	4,538,856
	71	2019	5.99 %	562,217	687,895
	75	2021	5.69 %	407,287	464,313
	95	2025	4.17 %	4,058,335	4,383,356
	97	2026	4.66 %	5,156,890	5,524,561
	102	2027	4.82 %	4,143,421	4,408,569
	106	2029	4.13 %	155,451	163,622
	110	2030	4.50 %	1,636,221	1,714,793
	116	2031	4.20 %	2,679,363	2,797,410
				<b>23,002,833</b>	<b>24,832,579</b>
Keremeos	61	2015	8.00 %	-	19,105
	63	2016	7.75 %	7,734	15,099
	106	2034	4.13 %	181,020	187,311
				<b>188,754</b>	<b>221,515</b>
Sub-total carried forward				<b>76,236,996</b>	<b>84,222,988</b>

# REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN

## Debenture Debt Schedule

Year Ended December 31, 2015, With Comparative Figures for 2014

Schedule 3

	Issue #	Matures	Rate	2015	2014
				\$	\$
<b>Municipal financing</b>					
Sub-total carried forward				<b>76,236,996</b>	84,222,988
Osoyoos	59	2019	9.52 %	<b>45,035</b>	54,986
	74	2021	5.93 %	<b>58,882</b>	67,126
	80	2023	4.78 %	<b>441,868</b>	485,938
	112	2030	3.73 %	<b>160,895</b>	168,622
	126	2033	3.85 %	<b>267,572</b>	277,604
				<b>974,252</b>	1,054,276
<b>Total Municipal financing</b>				<b>77,211,248</b>	<b>85,277,264</b>
<b>Regional District financing</b>					
<b>General capital</b>					
Naramata Fire Department	MoF	2015	-	-	30,847
Misesezula Lake Electrification	64	2021	7.42 %	<b>43,052</b>	49,080
Okanagan Falls Recreation	97	2016	4.66 %	<b>29,637</b>	58,135
Keremeos Fire Department	99	2021	4.43 %	<b>115,985</b>	132,799
Osoyoos Museum	121	2032	2.90 %	<b>1,094,468</b>	1,138,876
Okanagan Falls Parkland	124	2033	3.15 %	<b>1,229,571</b>	1,275,672
Total				<b>2,512,713</b>	2,685,409
<b>General operating</b>					
Anarchist Mountain Fire Department	95	2025	4.17 %	<b>176,060</b>	190,160
Venables Auditorium	127	2034	3.30 %	<b>3,575,747</b>	3,700,000
Northwest Sewer	130	2034	3.00 %	<b>673,594</b>	697,000
Total				<b>4,425,401</b>	4,587,160
<b>Sewer capital</b>					
OK Falls WWTP	127	2034	8.00 %	<b>4,638,808</b>	4,800,000
<b>Water capital</b>					
Olalla	72	2015	6.45 %	-	17,601
Naramata	99	2031	4.43 %	<b>1,693,162</b>	1,767,759
West Bench Irrigation District	121	2023	2.90 %	<b>240,725</b>	265,845
Apex Circle	127	2034	3.30 %	<b>67,166</b>	69,500
West Bench Water System	131	2035	2.20 %	<b>1,896,000</b>	-
Total				<b>3,897,053</b>	2,120,705
<b>Water operating</b>					
Naramata	85	2015	4.98 %	-	193,253
<b>Short term borrowing</b>					
West Bench Water Supply	BL 2609	2015	1.70 %	<b>2,000,000</b>	2,800,000
<b>Total Consolidated Debenture Debt</b>				<b>94,685,223</b>	<b>102,463,791</b>