
Regional District of
Central Okanagan
2023
Annual Report



We acknowledge our presence on the traditional, ancestral and unceded tm̓xʷúlaʔxʷ (land) of the syilx / Okanagan people who have resided here since time immemorial. We recognize, honour and respect the syilx / Okanagan lands upon which we live, work and play.

Regional District of Central Okanagan

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Message from the Chair

The past year was a testament to the resilience of the Regional District of Central Okanagan (RDCO). Reflecting on the 365 days of 2023, one word echoes: change. It was a year of significant positive transformations, a testament to our innovation and the unwavering spirit of the region in the face of adversity.

Our community is evolving rapidly, emerging as Canada's fastest-growing census metropolitan area. As the Board, we responded to this dynamic landscape by unveiling new strategic priorities for 2023-2026. These priorities encompass emergency preparedness, environment and climate, growth and development, health and wellness, transportation and truth and reconciliation. I take pride in the Board's direction, prioritizing safe, healthy and inclusive communities while taking decisive steps to safeguard our changing environment. Special sessions were convened for the Electoral Area Services Committee, allowing us to identify specific priorities and actions tailored to each electoral area, striking a balance that uplifts urban and rural communities.

Leadership underwent a significant transition with the unanimous approval of Ms. Sally Ginter as the new Chief Administrative Officer for the RDCO. Ms. Ginter's appointment was distinguished by her capacity to nurture robust relationships, foster collaboration, lead with integrity and establish a foundation of inclusivity and resilience within the region.

Ms. Ginter wasted no time demonstrating these qualities when the Grouse Complex wildfire erupted shortly after her appointment. The blazes were devastating, with close to 200 homes and 140 units on Lake Okanagan Resort property lost. When I reflect on that intense time, my thoughts immediately go to all the firefighters, especially the four RDCO paid-on-call fire departments and first responders



Chair Wooldridge at a press conference during the Grouse Complex wildfire.



from across the region, the country and the globe, who fought the blaze valiantly. I want to specifically mention Wilson's Landing Fire Department, which continued to fight the McDougall Creek wildfire while many of its members' homes burned. They showed immense bravery and dedication and represent the best of our community.

Amid the trials of the wildfires, our community stood united, a beacon of solidarity. Collaborative efforts spanned local, provincial and federal levels of government, advocating for and supporting residents while enhancing preparedness for future emergencies. Following the wildfires, close collaboration with partners in West Kelowna and Westbank First Nation (WFN) ensured comprehensive support for affected residents at the Resiliency Centre, addressing unmet needs and facilitating their recovery.

Our commitment to reconciliation with the syilx / Okanagan people was a guiding light throughout 2023. The RDCO and WFN continued to forge a meaningful government-to-government relationship. Positive strides toward reconciliation included the Community-to-Community Forum and selection by the province for exploration of changes empowering Indigenous decision-making within regional districts. Additionally, a new policy was enacted to redistribute Community Works grants, addressing financial disparities and supporting infrastructure on syilx lands based on population.

222,162

RDCO population

Census 2021

In 2023, initiatives were launched to protect our environment and mitigate climate impact. A notable achievement was the declaration of John's Family Nature Conservancy Regional Park as the third Nocturnal Preserve in Canada by the Royal Astronomical Society of Canada. Through collaboration with the Central Okanagan Land Trust, artificial light is minimized, allowing the natural beauty of the night sky to shine. Moreover, innovative approaches to waste reduction were initiated, including early engagement for a future curbside food waste collection program and the use of artificial intelligence to manage recycling contamination.

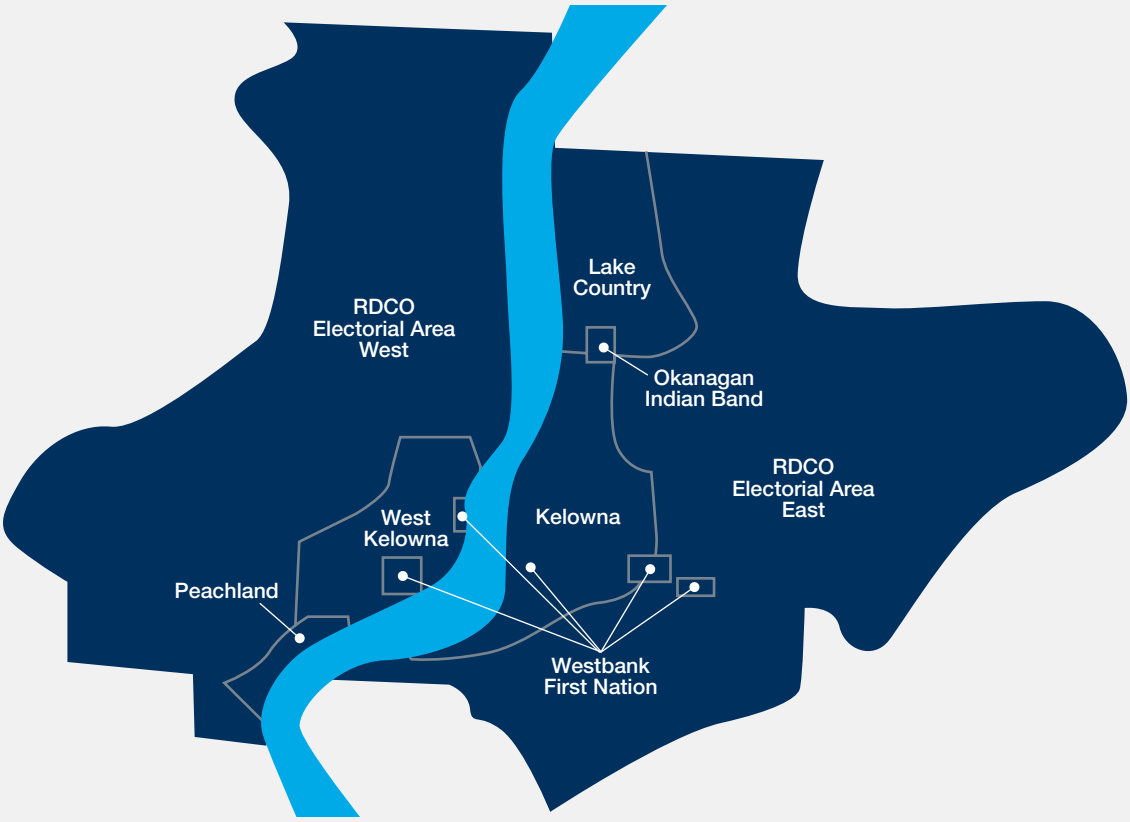
I am confident that the RDCO's strong spirit of innovation and progress will continue to drive forward positive impacts for all those who live, work and play in our region.

The region

Sitting in the beauty of the Okanagan Valley of British Columbia, the Central Okanagan is surrounded by mountains, orchards and vineyards. The RDCO encompasses over 314,000 hectares of diverse topography straddling the shoreline of Okanagan Lake. Ranked as the fastest-growing census metropolitan area in Canada, more than 222,162 (Census 2021) people call the Central Okanagan home.

The region is composed of eight thriving communities – Electoral Area East, Electoral Area West, City of Kelowna, District of Lake Country, Okanagan Indian Band (OKIB), District of Peachland, City of West Kelowna and Westbank First Nation (WFN).





POPULATION

RDCO: 222,162

*** Source: Census 2021**

144,576
City of Kelowna

36,078
City of West Kelowna

15,817
District of Lake Country

5,789
District of Peachland



3,145.4

RDCO area includes 3,145.4 square kilometers

RESIDENCES Source: Census 2021

* Source: Census 2021 includes 10,900 on Westbank First Nation lands

94,335 *
Households

102,097
Private dwellings

ELECTORIAL AREAS

**includes Westbank First Nation reserves #9 and #10 - 10,900

13,797 **
Central Okanagan West

4,258
Central Okanagan East

What we do

Created in 1967, the RDCO is one of 27 regional districts, a government structure unique to the Province of British Columbia.

The RDCO offers over 70 individual services to different combinations of residents. Services can be regional, sub-regional or local. Residents receive different levels of service depending on their location, and residents only pay for the services they receive. For more information about our services, visit rdco.com/services.

Regional services

All property owners within the Central Okanagan contribute to funding region-wide services such as regional parks, dog control and licensing, economic development, 9-1-1 and recycling.

Sub-regional services

Property owners within a participating area contribute to funding sub-regional services such as mosquito control, Westside Wastewater Treatment and crime prevention.

Local services

Acting as the local government for communities within the unincorporated electoral areas, the RDCO provides local services such as community parks, building inspection and bylaw enforcement, water systems and fire protection.



158

RDCO employees, full time, part-time, seasonal and casual

Corporate Services

The Corporate Services Department provides services and support to the Regional Board, policy and bylaw development and legal and legislative changes, including freedom of information and protection of privacy requests, records management and human resources.

Every four years, Corporate Services oversees and manages local government elections for Directors of Central Okanagan East and Central Okanagan West Electoral Areas and School District No. 23 Trustees for these areas. The next election is scheduled for October 17, 2026.

In 2023 Corporate Services also oversaw 21,194 dogs licenced across the region.





Communication and Information Services

Communications

Communications provides accurate, consistent and open information for residents about RDCO programs and services through the management of internal and external communications, including advertising, news releases, social media channels, rdco.com and yoursay.rdco.com.

Information Services

The Information Services team delivers online connections like Geographical Information Systems (GIS) and provides the technical staff to oversee the integration of corporate applications to improve the use of technology for all departments.

Economic Development

The RDCO of Central Okanagan Economic Development Commission (COEDC) provides economic development services to the region's citizens and businesses. The COEDC utilizes the expertise of a 45+ member advisory body representing local government, partner organizations and industry leaders from across the business sector to provide a valuable link between the business community and the organization. In 2023, the COEDC received two 2023 Excellence in Economic Development Awards from the International Economic Development Council (IEDC).

Development and Engineering Services

Development Services

Development Services supports and enhances the quality of life residents enjoy through various direct services such as planning and land use, building inspections and business licensing for Electoral Area East and Electoral Area West through zoning and the official community plans. Development Services also offers regional planning to support land use through the Regional Growth Strategy and regional planning labs. In 2023, Development Services issued 225 building permits, conducted 1,720 building inspections and issued 205 business licences.

Engineering Services

Engineering Services provides environmental services, including waste reduction, the Westside Residential Waste Disposal and Recycling Centre operation and transfer stations at Traders Cove and North Westside. Engineering Services also maintains the six RDCO water systems, manages assets, including RDCO facilities and fleet vehicles, maintains and operates the Westside Regional Wastewater Treatment Plant and provides mosquito control.

Financial Services

Financial Services provides financial and administrative services to the RDCO and CORHD. Services include working with the Board, the public and all departments on financial budgeting, tax requisitioning, reporting, cash management, purchasing and contracting for goods and services, planning and monitoring to ensure our financial projections and strategic performance-based budgeting targets are being met.



Protective Services

Protective Services

Protective Services helps effect change through bylaw compliance and progressive enforcement through bylaw enforcement, dog control and licensing, crime prevention, the Crime Stoppers program, false alarm reduction, victim services and the 9-1-1 answering service on behalf of the RDCO and eight other regional districts. Noxious weeds and insect service is provided seasonally along with other bylaw services for the electoral areas, including unsightly premises, noise, smoke control and zoning regulations.

21,194

dogs licenced in 2023

Fire Services

Fire Services oversees the four paid-on-call fire departments, including Ellison, Joe Rich, North Westside and Wilson's Landing. Fire Services also houses the RDCO's FireSmart program, which provides free assessments and direction to residents in Electoral East and Electoral Area West to enhance their property's resilience against wildfires. In 2023, the FireSmart program conducted 126 property assessments and distributed close to $9,000 in rebates.

Regional Emergency Program

The City of Kelowna Fire Department coordinates the Regional Emergency Program on behalf of the RDCO. It is a multi-jurisdictional collaboration between the City of Kelowna, District of Lake Country, District of Peachland, City of West Kelowna and Westbank First Nation. During an emergency, the program supports first responders in protecting lives and supports recovery operations after any emergency ends to return as quickly as possible to pre-emergency life.

Parks Services

Parks Services protects and manages over 2,100 hectares of parkland from Peachland to Lake Country. Their stewardship includes 30 regional parks and 20 community parks. In addition, Parks Services supports rural community recreation facilities, including the Ellison Heritage School Community Centre, Joe Rich Community Hall and the Killiney Community Hall.

Visitor services provides activities, events and programs designed to celebrate, learn about and connect with nature. In 2023, an estimated 1.5 million people visited parks across the region, and more than 44,000 participated in the 900 activities, events or interpretative programs.

2,100

hectors of parkland from Peachland to Lake Country



Regional Board 2023

The Regional Board is the governing body of the RDCO. The Board manages fiscal and policy issues of local governance. Appointed and elected members represent the four member municipalities, two electoral areas of the RDCO and a non-voting representative from WFN. The number of directors and voting strength of each is based on population.



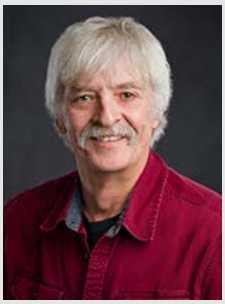
Loyal Wooldridge
Chair
Councillor, City of Kelowna



Gord Milsom
Vice-Chair
Mayor, City of West Kelowna



Ron Cannan
Councillor, City of Kelowna



Wayne Carson
Director, Central Okanagan West Electoral Area



Jordan Coble
Councillor, Westbank First Nation (non-voting)



Tom Dyas
Mayor, City of Kelowna



Charlie Hodge
Councillor, City of Kelowna



Blair Ireland
Mayor, District of Lake Country



Stephen Johnston
Councillor, City of West Kelowna



Kevin Kraft
Director, Central Okanagan East Electoral Area



Gord Lovegrove
Councillor, City of Kelowna



Mohini Singh
Councillor, City of Kelowna



Patrick Van Minsel
Mayor, District of Peachland

Vision

The RDCO is a vibrant and resilient region, characterized by interconnected urban centres, robust rural communities and a stunning natural environment.

Member municipalities and electoral areas work together in a spirit of respect and collaboration, to address shared needs and pursue joint opportunities. The syilx / Okanagan people are true partners, helping to interpret the past, shape the present and define a common future. Citizens across the region are engaged in governance and invested in efforts taken to strengthen the broader community.

Mission

The RDCO brings together member municipalities and Electoral Areas to plan for the future by identifying shared needs and opportunities and by delivering cost effective services.

We build strong relationships with our member municipalities, the syilx / Okanagan people and partners. We seek opportunities to partner with others in addressing shared needs and pursuing common interests. We develop practical and innovative solutions based on evidence and analysis. We anticipate, prepare for and adapt to challenges and changing circumstances.

We are open and transparent in our decision-making and actions. We recognize the broader regional community and the importance of a regional perspective in planning and service delivery.

Values

Relationships:
We build strong relationships with our member municipalities, the syilx / Okanagan people and partners.

Collaboration:
We seek opportunities to partner with others in addressing shared needs and pursuing common interests.

Regional perspective:
We recognize the broader regional community and the importance of a regional perspective in planning and service delivery.

Transparency:
We are open and transparent in our decision-making and actions.

Resiliency:
We anticipate, prepare for and adapt to challenges and changing circumstances.

Good governance:
We develop practical and innovative solutions based on evidence and analysis.



Strategic priorities

A set of strategic priorities form the backbone of decisions the Regional Board makes.

In August 2023, the Board released new strategic priorities for 2023-2026. The Regional Board's Strategic Priorities 2023-2026 document outlines success measures and actions identified for each priority.

The purpose of strategic priorities is to guide decision-making for the Regional Board while investing taxpayer resources responsibly. Each of the priorities includes regional and electoral area actions to advance the priorities, allocate resources and serve as key advocacy items that the RDCO will raise with the provincial and federal governments on behalf of residents.

The strategic priorities for 2023-2026 emphasize building safe, healthy and inclusive communities while taking crucial action to protect our changing environment. As Canada's fastest-growing census metropolitan area, the Board is focused on striking a balance that uplifts our urban and rural communities and honouring their unique needs.

The plan outlines five regional and five electoral area priorities:

Growth and development
(electoral area only)

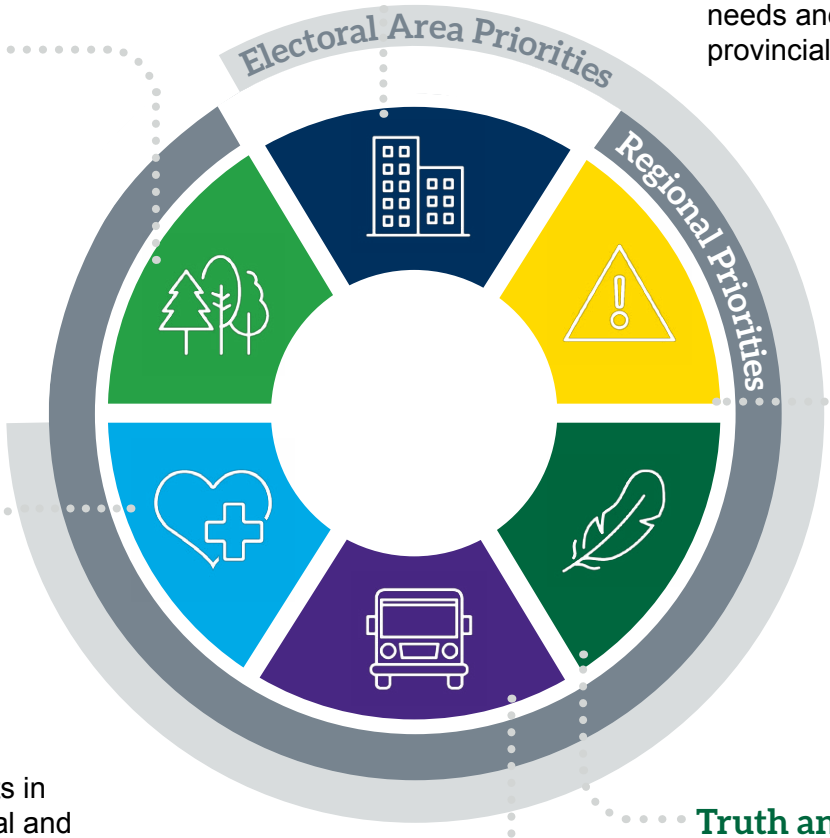
The Electoral Area Services Committee (EASC) identified responsible land use planning as a strategic priority to safeguard the environment and climate.

Emergency preparedness

The RDCO will build on emergency response strengths while positioning the organization to respond to growing community needs and changes in provincial legislation.

Environment and climate
(regional only)

The RDCO is committed to climate action and the environment by reducing our corporate impact, adapting to climate change and delivering innovative services that better manage greenhouse gas emissions.



Health and wellness

The RDCO will make purposeful investments in health care for physical and mental health benefits.

Transportation

The RDCO will encourage the efficient and safe movement of people and goods within the Central Okanagan.

Truth and reconciliation

The RDCO is actively committed to reconciliation with the syilx / Okanagan people within the Central Okanagan. The RDCO strives for collaboration through a meaningful and ethical government-to-government working relationship with the syilx / Okanagan people.

Emergency preparedness

The RDCO will build on emergency response strengths while positioning the organization to respond to growing community needs and changes in provincial legislation.

Grouse Complex wildfire highlights the importance of emergency preparedness

In Summer 2023, the Central Okanagan faced one of the most destructive events in its history with the Grouse Complex wildfire. The McDougall Creek wildfire started as a small fire outside of West Kelowna on August 15, 2023. It turned into a massive blaze that jumped the lake, sparking fires in Lake Country (Walroy Lake wildfire) and Kelowna (Clifton/McKinley wildfire). The fires left upwards of 25,000 people evacuated at its peak, resulting in 13,970 hectares burned. Close to 200 homes and 140 units on Lake Okanagan Resort property were lost to the wildfires, and the impacts will be felt for years to come as the community focuses on rebuilding.

All four RDCO paid-on-call fire departments joined under unified command with other fire departments to fight the wildfires. While the fires raged on in Electoral Area West, the Wilson's Landing fire department bravely fought the blaze, even as many of their members' homes were lost to the fire. The RDCO and residents in the area are forever grateful for their selfless service and dedication. While the impacts of the wildfire were devastating, the region rallied together, demonstrating the power of working together and the importance of being prepared for future emergencies.



4

paid-on-call fire departments



400

individuals and families supported through the Resiliency Centre



126

FireSmart property assessments completed in 2023



McDougall Creek wildfire Resiliency Centre opened its doors August 31

The Resiliency Centre opened its doors on August 31 to serve the people impacted by the Grouse Complex wildfire. The Centre, located on WFN lands, was an essential partnership between the RDCO, WFN and the City of West Kelowna. This one point of contact provided a spectrum of services to support recovery efforts for those impacted by the wildfires. At the peak of operations, there were 13 agencies located in the Resiliency Centre from across the Central Okanagan, providing support to affected residents. While in operation, 84 needs assessments were conducted, 400 individuals and families were supported and 700 referrals were given to other agencies.

Maintaining partnerships through mutual aid

The Grouse Complex wildfire further reinforced that emergencies do not respect borders and often cross into multiple jurisdictions. Mutual aid agreements are essential for allowing fire departments to share resources during significant incidents.

Emergency Mutual Aid Agreements are in place between local fire departments within the Central Okanagan to allow continued support and cooperation among the fire departments in our region, including the City of Kelowna, District of Lake Country, District of Peachland and City of West Kelowna. The Regional Mutual Aid agreement for firefighting is a critical document in wildfire interface preparation, as well as providing assurances of support for significant fire events like the Grouse Complex wildfire.



Securing funding for emergency preparedness

In 2023, the RDCO applied for several funding opportunities to support emergency preparedness. Funds secured in 2023 will go towards implementing the projects as outlined for 2024. These include:

- In May 2023, RDCO applied to the Union of British Columbia Municipalities (UBCM) Community Emergency and Preparedness Fund for a Public Notification and Evacuation Route Planning exercise involving multiple agencies and focusing on pre-planning evacuation routes during an emergency.
- In May 2023, the RDCO applied for $175,898.08 in FireSmart funding under the 2023 UBCM Community Resiliency Investment Fund for 2024 RDCO FireSmart programming. Funding will be used for projects associated with wildfire risk reduction for both the regional district's electoral areas.
- In April 2023, RDCO applied to the UBCM Community Emergency Preparedness Fund for a $30,000 grant to plan and conduct a large-scale Regional Emergency program training exercise involving local governments and emergency support partners.
- In addition to funding emergency preparedness initiatives, in 2023, the RDCO added $8.4 million to the five-year financial plan to fund a future building for Central Okanagan Search and Rescue. In November 2023, the RDCO allocated $4.18 million for the Growing Communities Fund, a one-time grant program for local governments, to the project.
- In October 2023, The RDCO applied for $115,000 from the Community Emergency Preparedness Fund (CEPF) Volunteer and Composite Fire Equipment Training Grant provided by UBCM for RDCO Fire Department training and equipment expenditures. The grant will offset more than 50 per cent of each fire department's 2024 training and equipment expenditures.

Implementing the RDCO Fire Services Review

In 2022, in preparation for the modernized Fire Safety Act, the RDCO retained Mitchell and Associates Ltd. to conduct a third-party review of its paid-on-call fire departments. The objective of the Fire Services Review was to review and analyze the management structure and operations of the RDCO's four paid-on-call fire and rescue departments: Ellison, Joe Rich Fire, Wilsons Landing and North Westside.

The analysis included an extensive review of background material such as operating guidelines, staffing levels, training, apparatus, response data and budgets. A series of meetings and consultations were also held to inform the report.

Findings from the analysis and consultation were used to inform the report, and in July 2023, the Fire Services Review report was completed and shared publicly.

The Fire Services Review included 45 recommendations, including but not limited to regulatory matters, service and aid agreements, fire underwriters, organizational structure and staffing, fire prevention, training and qualifications and operating guidelines. Implementing fiscally supported recommendations from the Fire Services Review is one of the key actions outlined in the strategic priorities. In 2024, staff will work to prioritize and action recommendations within the review.

It's smart to FireSmart

BC's FireSmart program plays a vital role in emergency preparedness by helping residents across the region take specific actions around their properties to reduce wildfire risk. In 2023, RDCO's FireSmart Coordinator completed 126 FireSmart property assessments in Electoral Area East and Electoral Area West, with nearly $9,000 distributed to residents in rebates. Four FireSmart community events were held, and one neighborhood in Electoral Area West received national FireSmart Neighbourhood Recognition.

In December 2023, residents in the Shelter Cove neighbourhood along Westside Road were recognized for their efforts in making their properties FireSmart by reducing fuel sources in the area. FireSmart Canada recognized them as part of the Neighbourhood Recognition Program for their exemplary work. Their diligent efforts have contributed to creating a safer community within Shelter Cove.



Environment and climate

The RDCO is committed to climate action and the environment by reducing our corporate impact, adapting to climate change and delivering innovative services that better manage greenhouse gas emissions.

Keeping recyclables and organics out of the landfill

In 2023, the RDCO diverted more than 9,000 tonnes of recyclables and 17,800 tonnes of yard waste from going to the landfill through curbside and drop-off programs. 8,039 tonnes of recyclables were picked up and emptied from blue-lid recycling carts left at the curbs, while over 15,300 tonnes of yard waste were collected from curbside yard waste carts. Another 1,053 tonnes of recyclables and 2,400 tonnes of yard waste were dropped off at depots and RDCO waste transfer facilities.

Meeting residents where they're at

Following positive feedback from residents last year, staff increased the number of pop-up recycle depots in Peachland from one to four and Lake Country from four to seven. The pop-up depots make recycling more accessible for residents, providing an opportunity in their community and allowing staff to connect with residents to increase recycling awareness. The pop-up events were well attended, with 530 households attending and 67 cubic meters of recycling collected in Peachland and 1,032 households and 135 cubic meters of recycling collected in Lake Country.

In addition to an annual household hazardous waste round-up, two bulky collection events were held for residents in North Westside in July and October 2023. North Westside residents had the opportunity to dispose of bulky items, including appliances, scrap metal, lawnmowers and furniture, resulting in over seven tonnes collected at these events.

8,039

tonnes of recyclables were picked up from blue lid curbside collection

17,800

tonnes of yard waste was diverted from the landfill

1,053

tonnes of recyclables were dropped off at depots



Innovative approaches to reducing recycling contamination

Contamination of recycling continues to be a challenge for residents across the Central Okanagan, with costly financial penalties imposed on some Central Okanagan local governments by Recycle BC in 2023.

Recycling is contaminated when material that is not accepted for collection under Recycle BC guidelines ends up in the curbside recycling system. Waste audits conducted regularly by Recycle BC show contamination in the region's curbside recycling carts averaging around eight per cent, well above allowable levels of three per cent. To reduce recycling contamination, the RDCO undertook two new innovative projects in 2023: a book recycling project and AI pilot program.

One of the top items revealed in contamination audits was books. To address this issue, the RDCO partnered with the Okanagan Regional Library and Planet Earth Recycling to launch a three-month pilot project to offer residents a more convenient option for recycling old books. During the first three months of the pilot, 14,000 kg of books were diverted from the landfill and improper recycling stream. The pilot was so successful that it was extended until December 2023 and was later included within the proposed 2024-2028 financial plan as a reoccurring program.

In November 2023, the RDCO partnered with Prairie Robotics, Recycle BC and Environmental 360 Solutions to launch a high-tech project to fight recycling contamination. The project saw innovative artificial intelligence technology installed on recycling trucks. Using a combination of truck-mounted cameras, AI-based visual recognition and GPS, unaccepted items in recycling carts were identified. The pilot program's results were presented to the Board in early 2024.

Making strides in managing food waste

One of the key actions identified within the Regional Board's 2023-2026 Strategic Priorities is to "implement a curbside organics collection program." Based on the recommendations in the 2022 Food Waste Feasibility Study, waste reduction staff began the process of designing and implementing an engagement strategy to support curbside food waste collection in the region.

In February, the Regional Board approved a public consultation and engagement framework for food waste collection, and in late October 2023, Phase 1 of engagement was launched. As part of Phase 1, a statistically valid survey was mailed to randomly selected residents to provide a comprehensive understanding of residents' opinions and preferences regarding food waste collection. The engagement also included a dedicated RDCO public engagement platform webpage where residents could ask questions and leave comments. The results of the engagement were compiled by an independent firm and presented back to the Regional Board in early 2024.

Addressing climate change and reducing greenhouse gas emissions

In 2023, the RDCO undertook several initiatives with the aim of addressing climate change and reducing greenhouse gas emissions. One of these initiatives was the approval of the Terms of Reference for the new Environment and Climate Advisory Committee (ECAC). ECAC advises the Regional Board on environmental and climate-related applications, projects, programs and policies to protect the environment and mitigate and adapt to climate change in the delivery of regional services for present and future generations.

The RDCO's Regional Air Quality program continued its work to improve air quality and reduce greenhouse gas emissions in 2023. Due to air quality programs, an estimated 59 tonnes of particulate matter (PM10 and PM2.5), 210 tonnes of carbon monoxide (CO) and 20 tonnes of volatile organic compounds (VOCs) were not released into the atmosphere in 2023. Through the Agricultural Wood Waste Program, 3,163 m^3 of wood waste was chipped instead of burned for 16 orchards and 57 acres were cleared without burning. Through the Mow/Chip/Rent it Rebate program, 111 acres were cleared without burning.





Planning labs to inform land use policies

Regional Planning Labs are a forum for partners around the region to work together on common land use planning issues and support the implementation of the Regional Growth Strategy (RGS). The Regional Board's Strategic Priorities 2023-2026 specifically identified the need to continue leveraging planning labs to inform land use policies that enhance the quality of life in the region.

In November 2023, RDCO hosted a Planning Lab that gathered planners, land-use managers, environmental specialists and technical professionals to share knowledge, discuss challenges and improve planning and implementation for environmental protection during development. Attendees included local, provincial and federal government staff, topical experts and specialists across the Okanagan.

Partners will consider key solutions from the Planning Lab through the upcoming RGS Priority Projects Plan in 2024.

Protecting the night sky

Another important step taken by the RDCO in 2023 was the proclamation of the 400 hectare John's Family Nature Conservancy Regional Park as a Nocturnal Preserve by the Royal Astronomical Society of Canada — one of only three in Canada.

A nocturnal preserve is an area in which artificial lighting is very limited and strictly controlled. Efforts to engage municipalities in reducing light pollution are ongoing. The primary focus is to protect the nocturnal environment and deliver public education programs about the night sky, the nocturnal environment and the reduction of light pollution.

With the help of the Central Okanagan Land Trust, the RDCO ensures that artificial light is minimized, allowing the natural rhythms of light and darkness to take centre stage.

Growth and development

Establish and enhance electoral area policies to manage growth, guide land use decisions and address community social needs.

Wildfire response and recovery

In 2023, Development Services staff continued supporting residents impacted by the White Rock Lake wildfire in 2021. By the end of 2023, staff had issued four demolition permits and 25 building permits for residents still in the rebuilding phase.

Following the McDougall Creek wildfire, much of the Development Services staff time was spent supporting residents impacted by the wildfire. Recognizing the strain the McDougall Creek wildfire placed on residents, the Regional Board waived several fees, including garbage, yard waste, mandatory residential recycle material fees, demolition permit fees and temporary building permit fees. The Board also approved extending the Temporary Building permit use of a recreational vehicle as a temporary dwelling to two years from one for single-family dwellings on a property actively under post-wildfire construction.

Residents have begun clearing sites and are actively planning their rebuilds. In 2023, Development Services staff received 61 demolition permit applications and one building permit application. As the community's needs transition, the RDCO will continue adapting its services to support them.



255

building permits issued in 2023



1,720

building inspections conducted in 2023



205

business licences issued in 2023



Central Okanagan Sensitive Ecosystem Inventory

The Central Okanagan Sensitive Ecosystem Inventory (SEI) identifies rare and fragile terrestrial ecosystems along low to mid-elevations in the valley. SEI mapping creates an inventory information base to support sound land management decisions and promote effective stewardship of remnant, rare and fragile ecosystems.

The RDCO initiated its first comprehensive update of the SEI in 2022 and completed the bulk of the work for this project in 2023. When completed in 2024, the update will provide a comprehensive snapshot of ecosystem change since the 2000 to 2012 amalgamated SEI, offering important insights for future land use planning, including the locations of remaining sensitive ecosystems, critical habitat corridors and land cover changes at both the municipal and regional scale.

Public input on planning

In February 2023, the Regional Board approved the Terms of Reference for the new Planning Advisory Committee. The Planning Advisory Committee provides expertise and community perspectives regarding planning policy, land uses, bylaws and Official Community Plan and permit applications for the electoral areas.

Funding for the Regional Employment Lands Inventory

In 2023, the RDCO applied for and received $150,000 from the UBCM Complete Communities grant for the Regional Employment Lands Inventory. The project will get underway in 2024 and staff will work with partners to assess the current supply of employment lands in Central Okanagan. The inventory will provide the basis for projected demand, future supply and impending shortages by sector.

Health and wellness

The RDCO will make purposeful investments in health care for physical and mental health benefits.

Working with Interior Health

One of the key actions in the 2023-2026 Strategic Priorities included establishing a memorandum of understanding (MOU) with Interior Health (IH) to outline community health needs and align capital funding.

In November 2023, IH and the seven Interior Regional Hospital Districts (RHDs), including the Central Okanagan Regional Hospital District (CORHD), signed a new MOU. The MOU strengthens information sharing, transparency and collaboration between Interior Health and the regional hospital districts and will be reviewed every two years.



L-R: Loyal Wooldridge, Chair — Central Okanagan Regional Hospital District; Susan Brown, IH President and CEO; Adrian Dix, Minister of Health; Tom Dyas, Mayor of Kelowna; Renee Merrifield, MLA for Kelowna-Mission; Norm Letnick, MLA for Kelowna-Lake Country at the event announcing the Urgent Primary Care Centre in Rutland.

86 km
of formal trails in 30 regional parks

1.5 million
people visit regional parks each year

44,000
people took part in activities, events and programs in regional parks in 2023



Nature as medicine

Health and well-being go beyond the services received from a doctor or in a health care facility. Nature is also medicine, and it's proven that time spent outside in our natural environment has physical and mental health benefits.

There are plenty of opportunities to get outdoors and explore the Central Okanagan. The RDCO manages more than 2,100 hectares of parkland, including 86 kms of formal trails in 30 regional parks and 19 community parks for visitors to explore. In 2023, an estimated 1.5 million people visited parks across the region, with Mission Creek, Mission Creek Greenway and Gellatly Nut Farm Regional Parks seeing the most visits.

The Parks Visitor Services team offers programs and activities throughout the year. During 2023, more than 44,000 people took part in over 900 activities, events or interpretative programs. The most popular programs included *Discover your parks*, a series of guided hikes highlighting unique features about each regional park, kickinee festival, volunteer events and *Spooktacular*, an evening trail walk lit only by jack-o-lanterns.

Parks staff continue to partner with the Community Recreation Initiative Society (CRIS). CRIS is a unique and powerful non-profit organization founded in 2001 that offers inclusive, accessible and adaptive outdoor recreation programs for people of all ages living with physical, cognitive, sensory and other disabilities. CRIS volunteers share a love of the outdoors with their clients and are committed to making parks and trails accessible for all.

Parks staff prioritize connecting with people of all ages and abilities. In 2023, parks staff continued their partnership with local care homes through the outdoor Great Canadian Trivia Challenge and in residence 'Nature Nuggets' programs. School-based field trips are an essential way to connect with younger generations, and in 2023, over 7,200 students participated in more than 260 programs. Parks staff also offered several new programs out of the Ellison Heritage Community Centre to promote physical literacy. Programs included yoga, fitness classes, dance classes and more.

Focus on recovery in wildfire-damaged parks

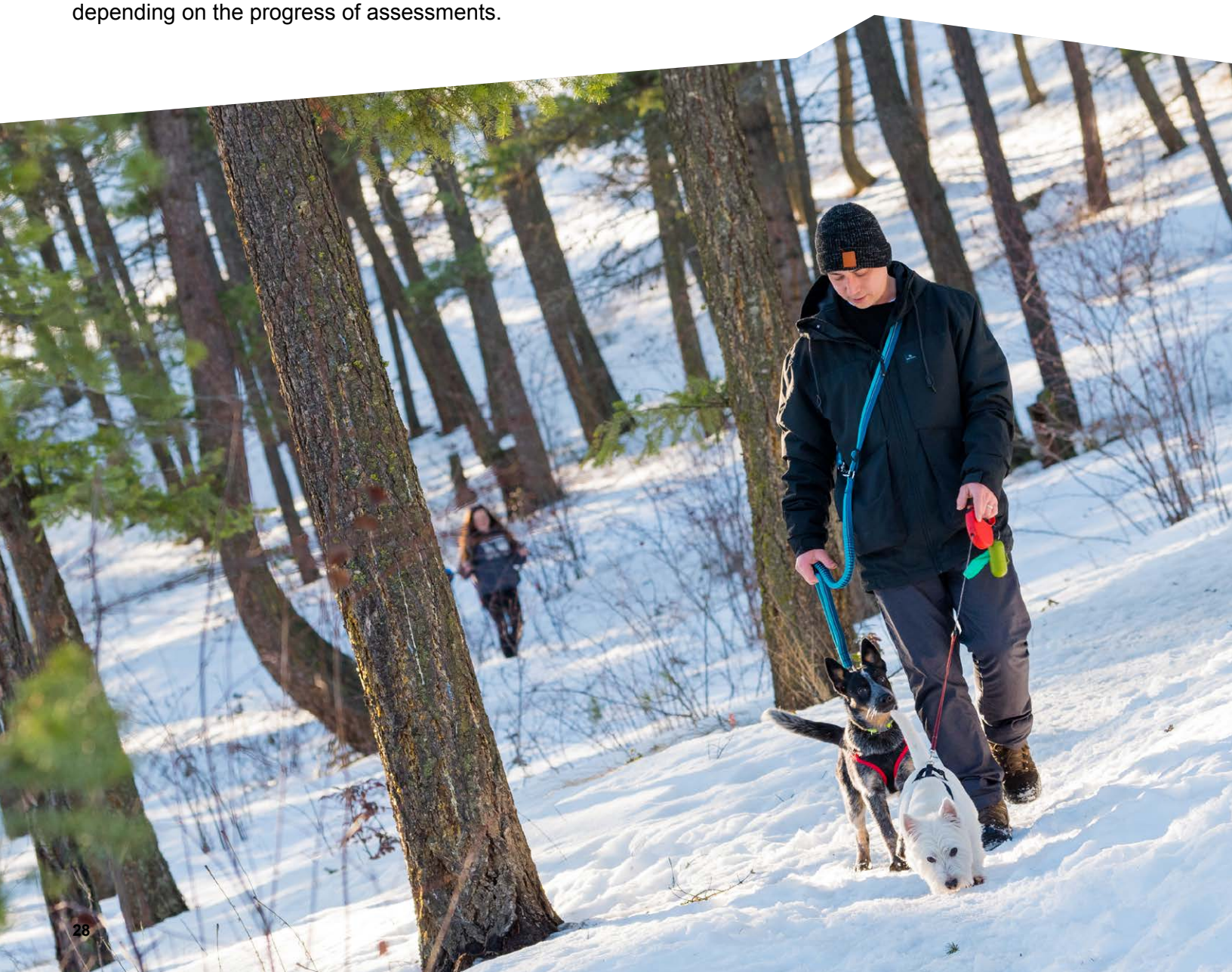
The Grouse Complex Wildfire burned 13,970 hectares, or 139 km^2 and forced the temporary closure of more than half of the Regional Parks in the Central Okanagan. The fires were responsible for severe burn damage to four regional parks: Raymer Bay Regional Park, Trader's Cove Regional Park, Rose Valley Regional Park and Stephens Coyote Ridge Regional Park.

The RDCO is working with provincial agencies to access funding and permits, specialized geotechnical consultants to assess damage and hazards and forestry contractors to plan recovery and restoration of the closed parks. Raymer Bay and Traders Cove Regional Park reopened in April 2024, with Rose Valley and Stephens Coyote Ridge Regional Park closed pending assessments. The parks may partially reopen in late 2024, depending on the progress of assessments.

Improving year-round access to parks

While nothing quite compares to a beautiful summer day in the Okanagan, regional parks have so much to offer residents year-round. The RDCO is working to identify priority regional parks and trails to implement year-round access for residents of all abilities.

In 2022, the RDCO trialled winter off-leash and on-leash dog parks in Kopje and Kaloya Regional Parks, respectively. In 2023, from January to March, the RDCO invited residents to participate in an online survey to share their experiences and comment about the pilot program. There were over 200 responses to the survey, and the feedback was overwhelmingly positive. In November 2023, the RDCO launched the program for a second year, increasing year-round access to the parks.





Regional Parks are “naturally yours”

Regional parks are an important fixture in our community, and the RDCO’s goal is to ensure that parks meet residents’ needs.

In spring 2023, the RDCO undertook the second round of public input, which included an online forum and in-person open house, to help inform the future management plan for the 27.6 hectare Kalamoir Regional Park. Design concepts were shared for the revamped parking areas and upgrades to two key trails. The new plan will guide the management of Kalamoir Regional Park for the next 20 years, focusing on trail and parking improvements, promoting wildlife habitat conservation, enhancing neighbourhood access and signage such as park boundaries and directional and cultural/ environmental information.

Improvements proposed in the plan will play an essential role in making the park more accessible for residents while also providing increased opportunities for physical activity. One such opportunity is a multi-use shared gravel trail for hikers, runners, dog walkers and cyclists. The multi-use path will also improve transportation options in the region, serving as a shared trail connection as part of the BC Active Transportation Corridor (ATC) in the Okanagan.

Feedback from the public engagement is being compiled and the final plan is expected to be completed and shared with the Regional Board in Fall 2024.

27.6

hectares make up
Kalamoir Regional Park

Transportation

The RDCO will encourage the safe movement of people and goods within the Central Okanagan.

Transportation is important to you

Transportation is a top concern for residents in the Central Okanagan. The RDCO's 2022 Citizen Survey found that more than nine in ten (92 per cent) citizens say it is important to have a regional transportation function responsible for coordinating transportation across the region. More than a third (37 per cent) of respondents freely indicated that transportation is a top concern for them.

As Canada's fastest-growing census metropolitan area, enhancing transportation and infrastructure is essential to manage and support growth in the region. The Regional Growth Strategy aims to engage the region's transportation system to ensure it is accessible, affordable and efficient. Aligning land use and transportation strategies is critical.



92%

of citizens say it is important to have regional transportation



5.5 M

passenger trips on the Kelowna Regional Transit system in 2023



31

bus routes made up the Kelowna Regional Transit system in 2023

A regional approach to transportation

Success in enhancing transportation requires consistent collaboration with the Province and region's local governments. Building and maintaining a healthy, thriving and connected future for the Central Okanagan is the goal of the Regional Transportation Plan and the plans that support it, such as the Regional Bicycling and Trails Master Plan and Regional Disruptive Mobility Strategy. Collectively, these plans identify transportation projects and priorities across the region and set the direction for local governments to work in unison to move people and goods efficiently, achieve fast and reliable transit, create a safe and convenient bicycling and trail network and adapt and incorporate new mobility options.

In 2023, the Ministry of Transportation and Infrastructure completed the Central Okanagan Integrated Transportation Strategy (CO-ITS), which includes an integrated, multi-modal transportation strategy for Highway 97 that will improve the movement of people and goods in the region. The study outlines several key initiatives, including future median transit lanes on Highway 97 to support fast and reliable transit that better connects our region.

In 2023, Central Okanagan local governments undertook the following initiatives to further support the Regional Transportation Plan and related plans.



PHOTO: CITY OF KELOWNA

City of Kelowna

In 2023, the City of Kelowna made progress in implementing several recommended projects in the Regional Transportation Plan and Regional Bicycling and Trails Master Plan, including the following:

- Regional Goods Movement Study: In 2023, the City of Kelowna and the Ministry of Transportation and Infrastructure completed the Central Okanagan Regional Goods Movement Study. The study identified strategies to ensure the sustainable and efficient movement of goods as our region grows.
- New Transit Operations and Maintenance Facility: Project development continued for a new Transit Operations and Maintenance Facility and an interim expansion plan at the existing Hardy Transit Centre.
- Rail Trail to Greenway Active Transportation Corridor (ATC): This project will fill a critical gap in the regional action transportation network between the Okanagan Rail Trail and Mission Creek Greenway along Leckie Road. In 2023, planning and design were completed and construction is underway in 2024.
- Casorso ATC: In 2023, the Casorso ATC was extended from KLO Road to Barrera Road, filling a gap in the network and connecting Okanagan College to Rotary Beach.
- Sutherland ATC: In 2023, construction began on the final phase of the Sutherland ATC between Ethel Street and Burtch Road.
- New Kelowna Bike Map: In 2023, Kelowna updated its bike map, which showcases both regional and local active transportation facilities in alignment with recommendations in the Regional Bicycling and Trails Master Plan.

City of West Kelowna

- Construction of a new multi-use pathway and road upgrades on Boucherie Road occurred in two phases, between Ogden and Gregory Roads, with funding provided under the BC Active Transportation Infrastructure Program, and between Gregory and Green Bay Roads, with funding provided under the BC Destination Development Fund, to enhance safety and create new active transportation, healthy living and tourism opportunities.
- Public engagement for the Transportation Master Plan occurred to guide how people will get around over the next 20 years; input from the community will be used to help finalize long-term plans as the City moves towards the community's vision of a vibrant, walkable and connected West Kelowna.
- Council endorsed an updated design for the Shannon Lake Road Active Transportation Corridor Project, which will include off-road, multi-use pathways on both sides between WFN and the Swite Road entrance to Shannon Lake Regional Park. Construction is expected in 2024. Council also directed staff to prepare a costed design for a roundabout at Shannon Lake and Asquith Roads.



PHOTO: CITY OF KELOWNA



District of Lake Country

- Lake Country plays an important regional role in providing an active transportation route that connects with the communities to the north and south and connects the region. A robust, contiguous local network benefits both Lake Country and the region by providing transportation routes and recreation and tourism connections and opportunities.
- Woodsdale Road Improvement Project: This project, which was completed in two phases, included the installation of a multi-use pathway to improve active transportation amenities from Highway 97 to Seymour Road. Bike lanes and sidewalk or path infrastructure were constructed from Bottom Wood Lake Road to the Rail Trail, ensuring safe and consistent mobility throughout the corridor. Road reconstruction and paving were completed in early November 2023.

District of Peachland

- In 2023, the District of Peachland established the framework to guide future improvements to Peachland's pedestrian and cycling infrastructure with the development of Peachland's Active Transportation Network Plan. Peachland also began developing an Accessibility Plan for the community. The District formed an Accessibility Advisory Committee and a community survey was conducted.
- The District partnered with the Ministry of Transportation and Infrastructure to improve the efficiency and safety of the intersection of Renfrew Road and Highway 97, with funding from the ministry and developer contributions.

BC Transit

BC Transit's primary focus during 2023 was restoring transit ridership to pre-pandemic levels. In September 2023, BC Transit reported a province-wide return to pre-pandemic ridership levels. The full return of ridership demonstrates the importance of public transportation in British Columbia and its role in providing essential connections for people and allowing them to travel safely, affordably and sustainably throughout their communities.

From the 2021/2022 to 2022/2023 fiscal year, system-wide passenger trips for the Kelowna Regional Transit System rose from 4.5 million to more than 5.5 million on 31 routes using a fleet of 75 conventional and 12 community buses, along with 23 custom handyDART vehicles.

In 2023, BC Transit also launched several initiatives to improve customer experience and reliability for residents in the Central Okanagan.

NextRide Real-Time Bus Tracking Replacement

In October 2023, BC Transit completed the replacement of the NextRide technology for the Kelowna Regional Transit System's transit customers. With this replacement, riders continue to have the convenience of using smart mobile devices and desktop services to see the real-time location of their bus.

New Light Duty Buses

In 2023, BC Transit welcomed the arrival of nine new Light Duty buses in the Kelowna Regional Transit System. The 26-foot light-duty ARBOC Spirit of Freedom buses can carry up to 16 seated passengers and provide flexibility for up to three mobility aids, such as wheelchairs.

Electrification Project

In December, BC Transit announced funding from the federal and provincial governments for projects in the Kelowna Regional Transit System that will see improvements to infrastructure integral to the maintenance and function of BC Transit's conventional and battery-electric fleets. Funding will support a design plan for a new operations and maintenance facility and complete upgrades to the existing Kelowna Transit Centre to support service expansion and a future battery electric bus fleet for the regional transit system.

Transit Exchanges

BC Transit announced improvements to the Mission Recreation, Rutland and Okanagan College bus exchanges in the Kelowna Regional Transit System.




Tim Hortons
INN
BAKERY

Truth and reconciliation

The RDCO is actively committed to reconciliation with the syilx / Okanagan people within the Central Okanagan. The RDCO strives for collaboration through a meaningful and ethical government-to-government working relationship with the syilx / Okanagan people.

The journey toward inclusive governance

The path to reconciliation demands that we confront the truth of what has been done to Indigenous people in the past and continues to this day. These injustices often manifest in policies and structures that perpetuate racism, adversity and oppression. True reconciliation means confronting colonial practices that often exist within local government systems that have a history of prioritizing some voices over others.

Currently, WFN is represented on the Regional Board by a WFN-appointed Councillor who holds a non-voting position and another WFN Councillor who serves as a voting member on the Electoral Area Services Committee. One of the key actions from the Board's 2023-2026 Strategic Priorities is to explore a more inclusive form of governance for WFN at the Regional Board.

$45,000

in provincial funding provided to explore inclusive governance

131

RDCO employees surveyed for the Reconciliation Framework

$6 M

redistributed to Indigenous communities through the new Community Works Fund Allocation Policy



In February 2023, the RDCO received a letter from the WFN Office of Council citing Article 5 of the Declaration on the Rights of Indigenous Peoples Act (DRIPA) requesting the exploration of inclusive governance. In March 2023, the RDCO was one of five regional districts provided $45,000 in provincial funding from the Ministry of Municipal Affairs to explore the advancement of First Nation participation on regional district boards.

The RDCO and WFN jointly engaged JWR Business Group to assist in this initiative, providing insight on both governments. JWR Business Group has significant expertise working on WFN's Self-Government Agreement and regional governance topics. The information gathered by JWR was used to draft the RDCO/WFN Inclusive Regional Governance Initiative discussion paper, which was presented back to the Board, WFN and the Ministry of Municipal Affairs in early 2024. The findings in the discussion paper will be used to guide a consultation process for both the RDCO and WFN to review and consider governance models for a shared path toward inclusive governance.

Reconciliation Framework as a guide

As part of RDCO's ongoing efforts to strengthen community engagement and advance reconciliation, the RDCO initiated a process to develop a Reconciliation Framework. This framework aims to promote Truth and Reconciliation, particularly in collaboration with syilx / Okanagan communities and other urban Indigenous populations living within the Central Okanagan. The framework will serve as a guide for the actions to be taken in pursuit of true reconciliation.

To develop this framework, the RDCO hired Alderhill Planning Inc. to conduct an initial engagement. During the Spring of 2023, Alderhill Planning Inc. facilitated meetings, presentations and surveys on behalf of the RDCO. This project aimed to gather insights from WFN, Okanagan Nation Alliance (ONA), RDCO staff, Okanagan College Indigenous Services students and Metis Community Services Society British Columbia.

The engagement results were presented to the Regional Board in early 2024 and will be used as the foundation to inform the Reconciliation Framework.

Fostering a strong government-to-government relationship

Positive government-to-government relations are integral to the reconciliation process. The RDCO is committed to reconciliation with the syilx / Okanagan people and is dedicated to forging a profound government-to-government relationship with WFN.

In September 2023, elected officials and senior staff from WFN and the RDCO convened for a half-day Community-to-Community Forum dedicated to advancing reconciliation and strengthening the collaborative relationship between the two governments. The forum provided a platform for collaborative learning, fostering a comprehensive grasp of DRIPA and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and their implications for WFN and the RDCO.

The meeting outcomes will inform the RDCO's Reconciliation Framework and play a foundational role in its pursuit of more inclusive governance.

Enhancing staff understanding of truth and reconciliation

In 2023, RDCO's Indigenous Relations Advisor launched a new onboarding program for new RDCO employees. As part of RDCO staff orientation, new staff now participate in an Indigenous Relations training session and attend a tour of the Sncəwips Heritage Museum to learn about the traditional, ancestral and unceded territory of the syilx / Okanagan people.





Equitable distribution of funding

Equitable fund distribution for provincial and federal grants ensures Indigenous communities can access resources for their development projects.

In November 2023, the RDCO approved the new Community Works Fund Allocation Policy. The Community Works Fund (CWF) is one of the funding streams of the Canada Community-Building Fund. The CWF allocates funding to all local governments in BC based on a per capita formula. The RDCO previously received funds based on a population count that included WFN and OKIB.

Under this policy, funds received through the Community Works Fund for 2023 and subsequent years are to be allocated based on eligibility criteria under the RDCO's CWF agreement with UBCM. Where eligible, funds will be held for projects based on the individual census population for Electoral Area East and Electoral Area West and each syilx / Okanagan Nation based on the population of their lands within the RDCO boundaries.



tm̓xʷúlaʔxʷ means the land and everything that lives and interacts on it. It is an all encompassing word that expresses the intersectionality of land and nature

Financial statements

For the year ended December 31, 2023

In accordance with Section 376 of the Local Government Act and Section 167 of the Community Charter, the Audited Financial Statements were presented and approved by the Regional Board on April 25, 2024. The format and presentation of these financial statements are in accordance with Generally Accepted Accounting Principles (GAAP) for local government as recommended by the Public Sector Accounting Board (PSAB) standards (PSAS) of the Chartered Professional Accountants of Canada and have been applied on a basis that is consistent with that of the preceding year.

The Financial Statements are prepared using the accounting standards and reporting model prescribed by PSAS which requires the elimination of Transfers to/from Reserves, and allocations between functions. The use of assets is recorded through amortization expense and capital expenditures are capitalized, not expensed in the year. The Financial Statements combine General, Water, Sewer, Capital, and Reserve Funds and eliminate internal transactions.

The Financial Statements are comprised of the following:

- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Changes in Net Financial Assets
- Statement of Cashflow
- Notes to the Financial Statements

The RDCO is in a Net Asset position. This means that the district has sufficient financial assets ($205.2M) to settle existing liabilities ($144.0M). As the RDCO's total assets exceed total liabilities, the RDCO is in an accumulated surplus position, having net positive resources that will be used to provide future services. The RDCO's annual surplus was $18.5M (2022 $7.0M). The RDCO generated approximately $36.5M in cash from operations and those funds were used to acquire $4.0M in tangible capital assets, repay $9.0M in financing. The remaining was added to available cash resources.

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Regional District of Central Okanagan are the responsibility of management and have been approved by the Chairperson on behalf of the Board.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgements. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

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, the financial statements and the external auditor's report.

The financial statements have been audited by external auditors BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the Board. The independent auditor's report expresses their opinion on these financial statements. The external auditors have full and free access to the accounting records and to the Board of the Regional District of Central Okanagan.

DocuSigned by:
Sally Ginter
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Chief Administrative Officer

DocuSigned by:
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Director of Financial Services
April 25, 2024

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Independent Auditor's Report

To the Directors of the Regional District of Central Okanagan

Opinion

We have audited the financial statements of the Regional District of Central Okanagan (the "Regional District"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net financial assets and remeasurement gains, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2023, and the results of its operations, changes in its net financial assets, and its 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information included in the annual report or the information included in exhibits 1 through 27 of the Regional District's financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Kelowna, British Columbia
April 25, 2024

Regional District of Central Okanagan
Statement of Financial Position

December 31	2023	Restated 2022
Financial Assets		
Cash (Note 2)	**$ 61,936,266**	$ 37,625,933
Portfolio Investments (Note 3)	**21,442,859**	22,118,857
Accounts receivable (Note 4)	**7,310,722**	6,100,150
Deposits - Municipal Finance Authority (Note 5)	**8,914,676**	9,077,555
Agreements due from members (Note 6)	**105,588,116**	115,755,943
	205,192,639	190,678,438
Financial Liabilities		
Accounts payable and accrued liabilities	**7,236,094**	6,140,284
Deferred revenue (Note 7)	**443,034**	460,447
Development cost charges (Note 8)	**16,937,529**	11,354,729
Reserve - Municipal Finance Authority (Note 5)	**8,844,686**	9,009,675
Long term debt (Note 9)	**109,316,379**	119,638,183
Asset retirement obligation (Note 10)	**1,245,567**	1,201,126
	144,023,289	147,804,444
Net Financial Assets	**61,169,350**	42,873,994
Non-Financial Assets		
Prepaid expenses	**547,974**	439,876
Tangible capital assets (Note 11)	**116,088,259**	116,352,740
	177,805,583	159,666,610
Accumulated remeasurement losses (Note 3)	**(342,335)**	-
Accumulated Surplus (Note 12)	**$ 178,147,918**	$ 159,666,610

Approved on behalf of the Board:

DocuSigned by:
1C2E8C34B6C14C4...

Chair

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

Regional District of Central Okanagan
Statement of Operations

For the year ended December 31	2023		Restated 2022
	Actual	Budget (Note 18)	Actual
Revenues			
Electoral area tax requisitions	**$ 5,247,519**	$ 5,253,357	$ 4,460,512
Electoral area parcel taxes	**528,734**	538,393	479,953
Members' requisitions			
General	**21,846,127**	21,886,765	19,294,003
Parcel taxes	**377,970**	377,970	377,008
Debt services	**14,065,492**	12,621,896	12,409,144
Federal government grants	**788,427**	364,000	847,271
Provincial government grants	**10,436,953**	975,510	931,362
Sale of services to other governments	**4,855,462**	5,299,190	4,328,152
Sale of services to others	**2,880,600**	3,030,906	2,716,710
Water and sewer fees	**8,562,740**	8,465,728	7,792,222
Community Works Funds revenue (Note 17)	**818,058**	-	783,945
Contributions from others	**24,000**	727,800	55,900
Contributions from sewer DCC reserve	**35,002**	1,257,260	-
Other revenue	**5,609,365**	1,382,010	3,850,097
	76,076,449	62,180,785	58,326,279
Expenses (Note 16)			
General government services	**836,975**	1,207,532	1,780,584
Protective services	**14,019,645**	11,675,406	10,701,105
Transportation services	**53,507**	71,336	27,401
Environmental health services	**8,049,790**	8,453,174	7,249,279
Development services	**4,621,086**	4,939,016	4,419,860
Recreation and cultural services	**7,355,901**	6,819,429	6,657,860
Fiscal services	**14,877,174**	12,621,896	12,963,355
Water services	**1,617,450**	1,257,449	1,487,049
Sewer services	**6,163,615**	5,377,118	6,029,255
	57,595,143	52,422,356	51,315,748
Annual Surplus	**18,481,306**	9,758,429	7,010,531
Accumulated surplus, beginning of the year, as previously stated	**159,666,611**	159,666,611	153,179,109
Adoption of asset retirement obligations standard (Note 1)	**-**	-	(523,029)
Accumulated surplus, beginning of the year, as restated	**159,666,611**	159,666,611	152,656,080
Accumulated surplus, end of year	**$ 178,147,917**	$ 169,425,040	$ 159,666,611

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

Regional District of Central Okanagan
Statement of Change in Net Financial Assets and Remeasurement Losses

For the year ended December 31	2023	Restated 2022
Annual Surplus	**$ 18,481,306**	$ 7,010,531
Acquisition of tangible capital assets	**(4,074,734)**	(2,984,277)
Amortization of tangible capital assets	**4,317,948**	4,244,280
(Gain) loss on disposal of tangible capital assets	**(66,218)**	130,212
Proceeds from disposal of tangible capital assets	**87,487**	31,194
Acquisition of prepaid expenses	**(108,098)**	(253,958)
Net change in landfill closure cost	**-**	476,974
Net change in asset retirement obligations	**-**	(1,158,264)
Net remeasurement losses	**(342,335)**	-
Increase in net financial assets	**18,295,356**	7,496,692
Net Financial Assets, beginning of year	**42,873,994**	35,377,302
Net Financial Assets, end of year	**$ 61,169,350**	$ 42,873,994
Accumulated Remeasurement Loss, Beginning of Year	**$ -**	$ -
Unrealized loss on investments	**(342,335)**	-
Accumulated Remeasurement Loss, End of Year (Note 3)	**$ (342,335)**	$ -

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

Regional District of Central Okanagan
Statement of Cash Flows

For the year ended December 31	2023	(Restated) 2022
Cash provided by (used in)		
Operating Activities		
Cash receipts from grants, other governments, and own sources	**$ 71,041,003**	$ 55,403,021
Cash paid to employees and suppliers	**(32,083,303)**	(30,354,707)
Interest paid	**(6,039,008)**	(5,241,708)
Interest received	**3,693,991**	1,440,466
Landfill closure cost payments from reserve	**(59,747)**	(28,162)
	36,552,936	21,218,910
Capital Activities		
Purchase of tangible capital assets	**(4,074,734)**	(2,984,277)
Proceeds from sale of tangible capital assets	**87,487**	31,194
	(3,987,247)	(2,953,083)
Investing Activities		
Net portfolio investments sold (purchased)	**738,896**	(16,118,857)
Financing Activities		
Net long term debt reduction	**(8,994,252)**	(7,880,891)
Increase (decrease) in cash during year	**24,310,333**	(5,733,921)
Cash, beginning of the year	**37,625,933**	43,359,854
Cash, end of year	**$ 61,936,266**	$ 37,625,933

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

Regional District of Central Okanagan
Summary of Significant Accounting Policies

Nature of Business

The Regional District of Central Okanagan (the "Regional District") provides local government services such as protective, transportation, environmental health, environmental development, parks, water, sewer, and other general government services.

Basis of Presentation

The financial statements of the Regional District are the representations of management and are prepared in accordance with Canadian Public Sector Accounting Standards

Development Cost Charges

Development Cost Charge ("DCC") levies are restricted by bylaw in their use and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Contribution from DCC reserve".

Reserve Fund Balances

The Regional District has appropriated certain funds for future capital expenses for specific projects or studies. Expenses from a reserve can only be made with approval from the Ministry or in accordance with bylaw directives.

Government Transfers

Government transfers, are recognized as revenue in the financial statements 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. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.

When the Regional District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

Financial Instruments

The Regional District has elected to measure other specific financial instruments at fair value, to correspond with how they are evaluated and managed. These financial instruments includes MFA bond portfolio and guaranteed investment certificates.

Cash and equity instruments quoted in an active market are measured at fair value. All other financial instruments, are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

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

For portfolio measurements measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.
Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Non-Financial Assets

Non-financial assets are held for use in the provision of services and are not normally available to discharge liabilities. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the net surplus (deficit) for the year, provides the change in net debt for the year.

Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made

Liabilities are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. The liability is initially recorded at fair value, which is an amount that is the best estimate of the expenditure required to retire a tangible capital asset determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. The changes in the liability for the passage of time are recorded as accretion expense in the Statement of Operations and Accumulated Surplus and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Tangible Capital Assets

Tangible capital assets are recorded at 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. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Assets under construction are recorded at cost and are not amortized until the asset is complete and in use. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	5 - 20 years
Buildings	10 - 75 years
Fleet	5 - 15 years
Machinery and equipment	3 - 20 years
Sewer system	10 - 80 years
Water system	10 - 100 years

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purposes.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied. Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of services and other revenue is recognized on an accrual basis. Contributions of capital assets are recognized when the transfer occurs.

December 31, 2023

1. Change in Accounting Policy - Asset Retirement Obligations

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

	2022 Restated	2022 as Originally presented	Restatement
Landfill liability	**$ -**	$ 388,899	$ (388,899)
Tangible capital assets - cost	**173,324,401**	173,057,938	266,463
Accumulated amortization - tangible capital assets	**56,971,661**	56,835,334	136,327
Asset retirement obligation	**1,201,126**	-	1,201,126
Beginning Accumulated surplus	**152,656,080**	153,179,109	(523,029)
Annual surplus	**7,010,531**	7,169,593	(159,062)
Amortization of tangible capital assets	**4,244,280**	4,216,152	28,128
Accretion expense	**42,856**	-	42,856

2. Cash

Cash is held in a financial institution earning interest at a rate of 5.34% (2022 - 2.53%) per annum.

Included in cash, a portion has been specifically set aside for internally and externally restricted reserves.

December 31, 2023

3. Portfolio Investments

	2023		2022	
	Fair Market Value	Amortized Cost	Fair Market Value	Amortized Cost
Guaranteed investment certificates	$ 15,355,247	$ 15,355,247	$ 16,000,000	$ 16,000,000
MFA pooled investments fund	6,087,612	6,429,948	5,779,010	6,118,857
	$ 21,442,859	$ 21,785,195	$ 21,779,010	$ 22,118,857

Portfolio investments are all carried at fair market value. The difference between fair market value and amortized cost of $342,335 reflects the accumulated remeasurement losses at the end of the year. The effective interest method is used to calculated the amortized cost of portfolio investments above.

Guaranteed investment certificates earn fixed rates of interest ranging from 5.98% to 6.10% (2.90% to 4.15% in 2022) with maturity dates ranging from July 23, 2024 to August 18, 2025 (July 27, 2023 to August 17, 2023 in 2022).

MFA pooled bond fund earn rates of return that are based on the market performance of the baskets of bonds, with no fixed rate of return.

4. Accounts Receivable

	2023	2022
Local governments and Hospital District	**$ 3,296,050**	$ 3,924,462
Provincial government	**2,686,555**	340,045
Other	**1,328,117**	1,835,643
	$ 7,310,722	$ 6,100,150

5. Deposit / Reserve - Municipal Finance Authority

Deposits:

The MFA provides financing for regional districts and member municipalities. The MFA is required to establish a Debt Reserve Fund for each debenture issue equal to one-half the average annual instalment of principal and interest. The debt reserve fund is comprised of cash deposits equal to 1% of the principal amount borrowed and a non-interest bearing demand note for the remaining requirement. Cash deposits held by the MFA are payable with interest to the ultimate borrower when the final obligations under the respective loan agreements have been made.

If, at any time, the Regional District has insufficient funds to meet payments due on its obligations to the MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund. At December 31, 2023, $6,011,117 (2022 - $6,143,123) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

	Demand Notes	Cash Deposits	**2023**	2022
Regional District	$ 73,324	$ 70,163	**$ 143,487**	$ 141,380
Member Municipalities				
Kelowna	4,013,452	1,853,940	**5,867,392**	5,813,359
Peachland	271,497	152,290	**423,787**	634,822
Lake Country	775,559	369,538	**1,145,097**	1,133,958
West Kelowna	573,274	306,372	**879,646**	971,334
Okanagan Regional Library	304,011	151,255	**455,267**	382,702
	$ 6,011,117	$ 2,903,558	**$ 8,914,676**	$ 9,077,555

Reserves and Demand Notes:

The Regional District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are held by the Municipal Finance Authority as a debt reserve fund and demand notes. The balances at year end are as follows:

	2023	2022
Regional District Reserves	**$ 73,497**	$ 73,500
Member Municipalities Reserves and Demand Notes		
Kelowna	**5,867,392**	5,813,359
Peachland	**423,787**	634,822
Lake Country	**1,145,097**	1,133,958
West Kelowna	**879,646**	971,334
Okanagan Regional Library Reserves and Demand Notes	**455,267**	382,702
	$ 8,844,686	$ 9,009,675

6. Agreements Due from Members

Agreements due from members become receivable on the same terms as payable to the Municipal Finance Authority (Note 9). The Regional District borrows funds upon its credit at large and shall, in the event of default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable.

	2023	2022
City of Kelowna	**$ 62,427,286**	$ 70,868,257
District of Lake Country	**18,345,449**	19,666,130
District of Peachland	**10,203,197**	10,900,789
City of West Kelowna	**5,274,772**	6,585,002
Okanagan Regional Library District	**9,337,412**	7,735,765
	$ 105,588,116	$ 115,755,943

7. Deferred Revenue

	2023	2022
Balance, beginning of the year	**$ 460,447**	$ 482,996
Receipts		
Business licenses	**43,963**	42,543
Conditional grants	**399,071**	417,904
Recognized as revenue	**(460,447)**	(482,996)
Balance, end of the year	**$ 443,034**	$ 460,447

8. Development Cost Charges

During the year, the Regional District collected and recognized as revenue, development cost charges ("DCC's") as follows:

	2023	2022
Balance, beginning of the year	**$ 11,354,729**	$ 7,788,954
Interest earned	**726,634**	242,509
DCC's collected in the year	**4,891,168**	3,323,266
DCC's recognized as revenue	**(35,002)**	-
Balance, end of the year	**16,937,529**	11,354,729

Developmental cost charges are allocated as follows:

	2023	2022
Westside Sewer Plant	**11,777,843**	7,679,840
East Trunk Sewer	**5,159,686**	3,674,889
	$ 16,937,529	$ 11,354,729

9. Long Term Debt

Municipal Finance Authority Agreements

Security Issuing By-law	Issue number	Purpose	Year of Maturity	Interest Rate	**2023**	2022
764	68	District of Peachland	2023	2.650	**-**	275,025
818	70	District of Lake Country	2024	5.745	**334,520**	654,549
1007	79	City of West Kelowna	2023	2.250	**-**	149,759
1023	80	City of Kelowna	2023	2.850	**-**	2,995
1069	85	City of Kelowna	2024	2.250	**270,877**	528,856
1070	85	City of West Kelowna	2024	2.250	**77,348**	151,013
1122	95	City of West Kelowna	2025	0.910	**570,083**	842,733
1122	95	Regional District - Ridgeview Fire Protection	2025	0.910	**29,783**	44,026
1123	95	District of Peachland	2030	0.910	**1,189,581**	1,340,307
1125	95	City of Kelowna	2025	0.910	**1,009,947**	1,492,968
1147	99	City of West Kelowna	2026	1.530	**268,108**	350,692
1175	101	City of West Kelowna	2027	3.390	**755,611**	930,962
1196	101	City of West Kelowna	2027	3.390	**371,159**	457,292
1196	101	Regional District - Lakeshore Road Improvements	2027	3.390	**21,270**	26,206
1212	102	City of Kelowna	2027	3.900	**7,541,572**	9,270,313
1212	104	City of Kelowna	2028	2.900	**655,146**	771,451
1219	103	City of West Kelowna	2028	3.220	**46,038**	54,211
1227	133	City of Kelowna	2025	2.750	**1,713,164**	2,526,545
1227	137	City of Kelowna	2026	2.600	**1,179,054**	1,545,796
1227	139	City of Kelowna	2026	2.100	**994,799**	1,307,272
1227	141	City of Kelowna	2028	2.800	**3,486,059**	4,295,051
1239	104	District of Lake Country	2028	2.900	**549,340**	646,862
1245	104	Okanagan Regional Library - District Admin Building	2028	2.900	**1,474,078**	1,735,765
1246	104	City of Kelowna	2028	2.900	**3,471,429**	4,087,698
1251	105	City of West Kelowna	2029	2.250	**3,186,425**	3,648,340
1252	105	District of Lake Country	2029	2.250	**192,863**	220,821
1252	105	District of Lake Country	2024	2.250	**80,026**	156,975
1285	114	District of Lake Country	2026	1.170	**59,473**	77,918
1286	114	District of Lake Country	2026	3.650	**91,003**	119,227
1292	117	City of Kelowna	2031	1.470	**986,574**	1,091,881
1293	117	City of Kelowna	2026	1.470	**944,123**	1,237,790
1310	121	Regional District - Upper Fintry Shalal Road & Valley of the Sun	2042	3.390	**3,677,211**	3,812,008
1329	126	District of Lake Country	2033	3.850	**638,591**	689,734
1337	127	District of Lake Country	2029	3.300	**209,963**	240,400
1350	130	City of Kelowna	2034	3.000	**222,391**	238,247
1362	133	District of Lake Country	2035	2.750	**1,777,998**	1,895,644
1363	133	City of Kelowna	2035	2.750	**13,598,452**	14,498,235
1363	137	City of Kelowna	2036	2.600	**12,323,500**	13,062,453
Carried forward					**$ 63,997,559**	$ 74,478,020

December 31, 2023

9. Long Term Debt (continued)

Municipal Finance Authority Agreements

Security Issuing By-law	Issue number	Purpose	Year of Maturity	Interest Rate	**2023**	2022
Brought forward					**$ 63,997,559**	$ 74,478,020
1363	142	City of Kelowna	2037	3.150	**2,277,821**	2,407,250
1363	145	City of Kelowna	2038	3.150	**1,091,287**	1,148,253
1364	133	City of Kelowna	2035	2.750	**10,198,839**	10,873,677
1420	146	City of Kelowna	2038	3.200	**38,516**	40,527
1497	157	City of Kelowna	2041	3.360	**423,736**	441,000
1498	157	District of Peachland	2047	3.360	**9,013,616**	9,285,456
1499	157	District of Lake Country	2041	3.360	**5,884,263**	6,124,000
1500	157	Okanagan Regional Library - Regional District	2051	3.360	**5,863,334**	6,000,000
1504	158	District of Lake Country	2042	4.090	**8,527,408**	8,840,000
1535	160	Okanagan Regional Library - Regional District	2053	4.970	**2,000,000**	-
Total long term debt					**$ 109,316,379**	$ 119,638,183

Future principal repayments on existing long-term debt for the next five years and thereafter:

2024	$ 12,346,230
2025	11,978,549
2026	10,644,170
2027	9,750,223
2028	6,786,228
Thereafter	57,810,979
	$ 109,316,379

10. Asset Retirement Obligations

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

a) Asbestos obligation

The Regional District owns and operates several buildings that are known or suspected to have asbestos which represents a health hazard upon remediation, that creates a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Regional District recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2022. The buildings all have an estimated useful life of 40 to 80 years from the date of completion of construction, of which various numbers of years remain. Estimated costs have been discounted to the present value using a discount rate of 3.7% (2022 – 3.7%) and inflation rate of 1.99% (2022 - 1.99%) per annum

b) Lease agreements

The Regional District entered into a lease agreement for the use of land as a regional park. The leases require that the Regional District perform retirement activities upon termination of the agreements. The lease term is 5 years. Estimated costs have been discounted to the present value using a discount rate of 3.7% per annum (2022 – 3.7%) and inflation rate of 1.99% (2022 - 1.99%) per annum

c) Septic tanks

The Regional District owns and operates septic tanks that it is legally required to remove or fill once the tanks are no longer being used. Septic tanks have estimated useful lives between 5 to 80 years from the date of completion of construction, of which various numbers of years remain. Estimated costs have been discounted to the present value using a discount rate of 3.7% per annum (2022 - 3.7%) and inflation rate of 1.99% (2022 - 1.99%) per annum

d) Wells

The Regional District owns and operates wells that it is legally required to be filled once the wells are no longer being used. Wells have estimated useful lives between 38 to 114 years from the date of completion of construction, of which various numbers of years remain. Estimated costs have been discounted to the present value using a discount rate of 3.7% per annum (2022 - 3.7%) and inflation rate of 1.99% (2022 - 1.99%) per annum

d) Landfill

The British Columbia Environmental and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Capacity of the Westside Sanitary Landfill of 1,926,340 cubic meters was reached during the 2010 fiscal year. Closure involved covering the site with topsoil and vegetation, drainage control, and installing groundwater monitoring wells. Post-closure cost activities for the landfill are expected to occur for 30 years and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and landfill cover maintenance. Estimated costs have been discounted to the present value using a discount rate of 3.7% per annum (2022 - 3.7%) and inflation rate of 1.99% (2022 - 1.99%) per annum

10. Asset Retirement Obligations (Continued)

Changes in asset retirement obligations in the year are as follows:

	Asbestos obligations	Lease agreements	Septic tanks	Wells	Landfill	**2023**
Opening balance	201,008	127,391	107,440	11,541	753,746	**1,201,126**
Accretion Expense	7,437	4,713	3,975	427	27,889	**44,441**
Closing balance	208,445	**132,104**	111,415	11,968	781,635	**1,245,567**

	Asbestos obligations	Lease agreements	Septic tanks	Wells	Landfill	**2022**
Adjustment on adoption of PS3280	193,836	122,846	103,607	11,129	726,851	**1,158,269**
Accretion Expense	7,172	4,545	3,833	412	26,895	**42,857**
Closing balance	201,008	127,391	107,440	11,541	753,746	**1,201,126**

December 31, 2023

11. Tangible Capital Assets

	2023								
	Land	Land Improvements	Buildings	Fleet	Machinery and Equipment	Sewer System	Water System	Assets Under Construction	Total
Cost, beginning of year	$ 43,673,941	$ 11,396,917	$ 14,166,498	$ 7,481,114	$ 5,361,618	$ 66,595,366	$ 24,192,522	$ 456,425	$ 173,324,401
Additions	-	363,829	262,102	901,181	915,255	145,587	330,632	1,156,148	4,074,734
Disposals	-	(94,820)	-	(328,627)	(351,584)	(197,520)	(26,361)	-	(998,912)
Reallocation of Assets Under Construction	-	116,044	2,100	-	-	31,973	120,838	(270,955)	-
Cost, end of year	43,673,941	11,781,970	14,430,700	8,053,668	5,925,289	66,575,406	24,617,631	1,341,618	176,400,223
Accumulated amortization, beginning of year	-	4,491,926	8,310,102	5,475,342	2,954,029	28,236,662	7,503,600	-	56,971,661
Amortization	-	726,234	498,589	414,399	551,718	1,630,461	496,546	-	4,317,947
Disposals	-	(94,820)	-	(307,358)	(351,584)	(197,520)	(26,361)	-	(977,643)
Accumulated amortization, end of year	-	5,123,340	8,808,691	5,582,383	3,154,163	29,669,603	7,973,785	-	60,311,965
Net carrying amount, end of year	$ 43,673,941	$ 6,658,630	$ 5,622,009	$ 2,471,285	$ 2,771,126	$ 36,905,803	$ 16,643,846	$ 1,341,618	$ 116,088,258

December 31, 2023

11. Tangible Capital Assets (continued)

(Restated)
2022

	Land	Land Improvements	Buildings	Machinery and Fleet	Machinery and Equipment	Sewer System	Water System	Assets Under Construction	Total
Cost, beginning of year	$ 43,670,473	$ 10,250,319	$ 13,561,357	$ 7,329,597	$ 5,109,310	$ 66,557,093	$ 23,753,555	$ 671,231	$ 170,902,935
Additions	3,468	1,034,695	601,717	280,444	442,078	69,824	175,841	376,210	2,984,277
Addition due to ARO recognition	-	120,614	139,866	-	-	-	5,985	-	266,465
Disposals	-	(64,694)	(231,473)	(128,927)	(189,770)	(114,797)	(99,615)	-	(829,276)
Reallocation of Assets Under Construction	-	55,983	95,031	-	-	83,246	356,756	(591,016)	-
Cost, end of year	43,673,941	11,396,917	14,166,498	7,481,114	5,361,618	66,595,366	24,192,522	456,425	173,324,401
Accumulated amortization, beginning of year	-	3,864,064	7,914,160	5,234,003	2,549,947	26,677,800	7,047,078	-	53,287,052
Addition due to ARO recognition	-	46,190	60,221	-	-	-	1,788	-	108,199
Amortization	-	646,366	463,293	354,284	594,583	1,661,616	524,138	-	4,244,280
Disposals	-	(64,694)	(127,572)	(112,945)	(190,501)	(102,754)	(69,404)	-	(667,870)
Accumulated amortization, end of year	-	4,491,926	8,310,102	5,475,342	2,954,029	28,236,662	7,503,600	-	56,971,661
Net carrying amount, end of year	$ 43,673,941	$ 6,904,991	$ 5,856,396	$ 2,005,772	$ 2,407,589	$ 38,358,704	$ 16,688,922	$ 456,425	$ 116,352,740

December 31, 2023

12. Accumulated Surplus

	2023	(Restated) 2022
Current Funds		
General revenue fund	**$ 2,435,308**	$ 2,028,609
Capital Funds		
General capital fund	**60,032,412**	59,279,781
Water capital fund	**13,235,998**	13,272,011
Sewer capital fund	**37,846,016**	38,717,581
	111,114,426	111,269,373
Reserve Funds		
Feasibility reserve fund	**193,708**	182,056
Equipment replacement reserve fund	**5,721,510**	4,933,356
Park reserve fund	**1,898,640**	809,436
Capital projects reserve fund	**36,796,993**	31,216,775
Operating reserve fund	**19,987,533**	9,227,004
	64,598,384	46,368,627
Accumulated surplus total	**$ 178,148,118**	$ 159,666,609

Capital funds represent amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by the Board for specific purposes.

13. Credit Facility

The Regional District has a credit facility agreement with a financial institution which provides for a total maximum borrowing of $3,000,000 (2022 - $22,700,000). At December 31, 2023, the Regional District had drawn an amount of $Nil on this agreement (2022 - $Nil).

14. Employee Benefits

Retirement Benefits

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2022, indicated a $3,761 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid $884,067 (2022 - $818,212) for employer contributions to the plan in fiscal 2023.

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

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

Compensated Absences

Sick Leave

After ten years of employment, 50% of earned sick leave is paid out upon termination of employment as per agreements. Sick leave obligations are attributed to the period beginning the employee's date of hire and ending on the date the employee ceases employment.

The Regional District determines its discount rates by reference to its cost of borrowing in accordance with Paragraph .044 of PS 3250. Actuarial gains and losses arise from the difference between the actual expense of the plan and that expected by the actuarial assumptions or from changes in actuarial assumptions. Actuarial gains and losses arising in a specific fiscal period will be amortized over the expected average remaining service life (EARSL) of the related employee group in accordance with Paragraph .061 of PS 3250.

The sick leave benefits are adequately funded by an account reserved for employee benefits and insurance. The projected sick leave liability in 2023 is $828,900 (2022 - $876,500).

Vacation

Vacation is accrued as it is earned by employees for all full-time union and exempt staff.

15. Contingent Liabilities

The Regional District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable at this time but is not expected to be material. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a charge to expenses in the period in which realization is known, to the extent not covered by insurance.

16. Expense by Object

	2023	(Restated) 2022
Accretion	**$ 44,442**	$ 42,855
Advertising and promotion	**191,847**	241,256
Amortization	**4,317,948**	4,244,280
Contract Services	**5,344,294**	4,670,456
Education and training	**1,408,215**	1,305,526
Emergency services	**3,636,510**	1,924,271
Grants and other programs	**333,303**	373,204
Insurance, licenses and memberships	**301,596**	56,818
Interest on long-term debt and debt issue expense	**191,798**	171,793
Fiscal services for members	**14,685,376**	12,791,562
Leases and rentals	**20,858**	15,367
Loss on disposal of tangible capital assets	**-**	130,212
Office and administration	**827,155**	828,983
Planning and development	**393,841**	407,292
Professional fees	**264,632**	298,873
Repairs and maintenance	**3,030,224**	3,091,684
Supplies	**1,231,571**	1,172,618
Telephone and utilities	**1,228,135**	1,121,000
Transit services	**24,054**	16,386
Travel	**118,513**	138,155
Transfers to other agencies and governments	**4,317,251**	4,177,389
Wages and benefits	**15,683,579**	14,095,768
	$ 57,595,142	$ 51,315,748

17. Community Funds

a) Community Works Funds

Community Works Funds are provided by the Government of Canada under the Community Works Funds Agreement. The use of the funding is established by a funding agreement between the Regional District and the Union of British Columbia Municipalities. Community Works Funds Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects. Funds are recognized as revenue when received and transferred to capital projects reserve funds (note 12) to be used in future years.

	2023	2022
Opening balance of unspent funds	**$ 5,845,246**	$ 4,941,734
Add: Amount received during the year	**818,058**	783,945
Interest earned	**374,060**	153,862
Less: Amount spent on projects	**(30,410)**	(34,294)
Closing balance of unspent community works funds	**$ 7,006,954**	$ 5,845,247

b) The Growing Communities Fund

The Growing Communities Fund was a one-time, conditional grant created by the Province of BC in March 2023 with the principal objective of increasing the local housing supply through investments in community infrastructure and amenities. The funding is for one-off costs to build required infrastructure and amenities and is intended to accelerate the delivery of capital projects. The funding may be used for public water supply; affordable housing;, childcare facilities; wastewater, stormwater, and solid waste management; active transportation; natural hazard mitigation; parks and recreation related amenities. Funds are accounted for as an unconditional grant and have been recognized as revenue and transferred to capital reserves to be used in future years.

	2023
Opening balance of unspent funds	**$ -**
Add: Amount received during the year	**7,170,164**
Closing balance of unspent growing communities fund	**$ 7,170,164**

18. Budget

The budget data presented in these financial statements is based upon the 2023 - 2027 Financial Plan Bylaw 1525 approved by the Regional District Board on March 30, 2023.

The legislative requirements of the Financial Plan are that the cash inflows for the period must at a minimum equal cash outflows.

Budgeted Cash inflows and outflows include transfers to and from reserves and other funds, and prior year surplus/deficits carried forward, and principal repayments on debt. These transactions are not recognized as revenues and expenses in the Statement of Operations as they do not meet the inclusion requirements under public sector accounting standards.

		2023
Financial Plan Bylaw surplus for the year		$ -
Add:		
	Capital expenditures	**18,406,128**
	Principal repayments	**98,456**
	Budgeted transfers to reserves	**8,272,691**
Less:		
	Budgeted transfers from reserves	**(16,517,596)**
	Proceeds from borrowing	**(501,250)**
		$ 9,758,429

December 31, 2023

19. Segmented Information

The segments and the services the Regional District provide are broken down as follows:

General Government Services is comprised of a number of different services, including Board and Communications Costs, Corporate Services; Administration; Finance; Engineering; Human Resources; Information Systems; Electoral Area Costs; and Grants. Corporate Services involves staff and management working closely with the Regional 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; Regional Rescue; 911 Services; Crime Stoppers; Victim Services; Crime Prevention; Bylaw Enforcement (Business Licenses, Building Inspections, Dog Control, Mosquito Control, Starling Control, and Prohibited Animal Control). These services are designed to provide a safe environment to the community. They are responsible for providing these services to the unincorporated electoral areas of Central Okanagan East and Central Okanagan West, as well as to the member municipalities of Kelowna, West Kelowna, Peachland, and Lake country with in the boundaries of the Regional District.

Transportation Services includes Transportation Demand Management, Road/Street Light Improvements and Transit Services.

Environmental Health Services includes a number of different services, including: Effluent Disposal; Solid Waste Management Services (Recycling, Collection, Transfer Stations, Management); Okanagan Basin Water Board; Air Quality Monitoring; Noise Abatement; Untidy Premises. The mandate of these programs is to coordinate delivery of the many day-to-day services required for community living.

Environmental Development Services includes the delivery of 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; assist the public with land use regulations, applications, and processes; and invites and responds to public comments.

Recreational/Cultural Service includes the Community Halls, Regional Parks, Community Parks, and Okanagan Regional Library. The Parks department is responsible for 30 Regional Parks and more than a dozen community and neighbourhood parks making up over 1,900 hectares or parkland. The department is also responsible for future recreational opportunities through parkland acquisition on development.

Fiscal Services includes MFA debt servicing costs for 2 electoral areas and 4 member municipalities.

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 Westside Wastewater Treatment Plant, the Ellison Sewer System and a number of Lift Stations/Collector Systems which service residents of West Kelowna, Peachland and Westbank First Nation.

19. Segmented Information (continued)

The segments and the services the Regional District provide are broken down as follows:

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	**Total 2023 Actual**
Revenues											
General taxes	$ 961,208	$ 8,933,378	$ 63,923	$ 2,840,830	$ 4,232,018	$10,741,851	$14,065,492	$ 227,141	$ -	$ -	**$ 42,065,841**
Utility Charges	-	-	-	-	-	-	-	1,951,938	6,610,802	-	**8,562,740**
Government grants - Federal	145,728	-	-	-	331,350	261,349	-	-	50,000	-	**788,427**
Government grants - Provincial	7,170,164	2,802,849	-	-	448,373	568	-	-	15,000	-	**10,436,954**
Sales of services	352,999	1,423,116	45,821	4,789,101	108,479	1,016,546	-	-	-	-	**7,736,062**
Other revenue	149,548	1,667,818	39	492,534	111,028	101,202	43,264	29,651	38,760	3,852,581	**6,486,425**
	8,779,647	14,827,161	109,783	8,122,465	5,231,248	12,121,516	14,108,756	2,208,730	6,714,562	3,852,581	**76,076,449**
Expenses											
Goods and services (net)	(4,501,382)	9,262,601	52,750	7,201,665	3,230,199	3,274,849	14,877,174	837,458	3,358,302	-	**37,593,616**
Wages and benefits	4,953,127	4,127,767	757	779,194	1,385,892	3,008,293	-	279,111	1,149,438	-	**15,683,579**
	451,745	13,390,368	53,507	7,980,859	4,616,091	6,283,142	14,877,174	1,116,569	4,507,740	-	**53,277,195**
Capital											
Amortization	385,230	629,277	-	68,931	4,995	1,072,759	-	500,881	1,655,875	-	**4,317,948**
	836,975	14,019,645	53,507	8,049,790	4,621,086	7,355,901	14,877,174	1,617,450	6,163,615	-	**57,595,143**
Excess (deficiency) in revenues over expenses	$ 7,942,672	$ 807,516	$ 56,276	$ 72,675	$ 610,162	$ 4,765,615	$ (768,418)	$ 591,280	$ 550,947	$ 3,852,581	**$ 18,481,306**

December 31, 2023

19. Segmented Information (continued)

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	**Total 2022 (Restated) Actual**
Revenues											
General taxes	$ 858,705	$ 7,427,681	$ 53,755	$ 2,691,429	$ 3,838,664	$ 9,514,100	$12,409,144	$ 228,517	$ -	$ -	**$37,021,995**
Utility Charges	-	-	-	-	-	-	-	1,866,321	5,923,501	-	**7,789,822**
Government grants - Federal	197,567	3,462	-	-	269,047	377,195	-	-	-	-	**847,271**
Government grants - Provincial	41,593	483,598	-	-	379,942	26,228	-	-	-	-	**931,361**
Sales of services	363,064	1,177,838	41,546	4,562,079	152,474	747,861	-	-	-	-	**7,044,862**
Other revenue	32,150	1,849,200	27	479,993	128,561	83,091	43,438	55,729	3,116	2,015,663	**4,690,968**
	1,493,079	10,941,779	95,328	7,733,501	4,768,688	10,748,475	12,452,582	2,150,567	5,926,617	2,015,663	**58,326,279**
Expenses											
Goods and services (net)	(3,096,379)	6,649,010	26,504	6,438,488	3,216,522	2,925,269	12,963,355	694,218	3,158,714	-	**32,975,701**
Wages and benefits	4,417,671	3,477,207	897	759,043	1,195,092	2,793,207	-	260,819	1,191,831	-	**14,095,767**
	1,321,292	10,126,217	27,401	7,197,531	4,411,614	5,718,476	12,963,355	955,037	4,350,545	-	**47,071,468**
Capital											
Amortization	459,292	574,888	-	51,748	8,246	939,384	-	532,012	1,678,710	-	**4,244,280**
	1,780,584	10,701,105	27,401	7,249,279	4,419,860	6,657,860	12,963,355	1,487,049	6,029,255	-	**51,315,748**
Excess (deficiency) in revenues over expenses	$ (287,505)	$ 240,674	$ 67,927	$ 484,222	$ 348,828	$ 4,090,615	$ (510,773)	$ 663,518	$ (102,638)	$2,015,663	**$ 7,010,531**

20. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

21. Financial Instruments

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

Credit risk

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

The Regional District manages its credit risk by holding cash at federally regulated chartered banks with cash accounts insured up to $100,000. The Regional District measures its exposure to credit risk based on how long amounts have been outstanding and historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined in Notes 2 and 4. Accounts receivable are with residents for services such as utilities, other local governments, and grants receivable from the provincial and federal government. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

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

Liquidity risk

Liquidity risk is the risk that the Regional District will not be able to meet its financial obligations as they become due. The Regional District is exposed to liquidity risk through its accounts payable and accrued liabilities, long-term debt, and portfolio investments.

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

21. Financial instruments (continued)

Interest rate risk

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

The Regional District manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 9 for interest rates and maturity dates for long-term debt.

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

As a result of diversification by security type, only a portion of the overall investment portfolio is exposed to interest rate risk. As at December 31, 2023, the amount of the investment portfolio exposed was $6,087,612 (2022 - $5,779,010) per Note 3.

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

Financial instrument classification

The carrying value of the Regional District's financial instruments is provided in the following table.

	Fair value	**Cost**	**2023**
Cash	$ -	$ 61,936,266	**$ 61,936,266**
Accounts receivable	-	7,310,722	**7,310,722**
Guaranteed investment certificates	15,355,247	15,355,247	**15,355,247**
MFA pooled investment funds	6,087,612	6,429,948	**6,087,612**
Accounts payable and accrued liabilities	-	7,236,094	**7,236,094**
Long-term debt	-	109,316,379	**109,316,379**

	Fair value	Cost	2022
Cash	$ -	$ 37,625,933	$ 37,625,933
Accounts receivable	-	6,100,150	6,100,150
Guaranteed investment certificates	16,000,000	16,000,000	16,000,000
MFA pooled investment funds	5,779,010	6,118,857	5,779,010
Accounts payable and accrued liabilities	-	6,140,284	6,140,284
Long-term debt	-	119,638,183	119,638,183

Central Okanagan Regional Hospital District (CORHD)

Health care touches all people in the Central Okanagan. As the fastest growing region in the country, it's vital to continue enhancing investments into health facilities as demand for services grow. The Central Okanagan Regional Hospital District (CORHD) is a major contributor to the quality of life in the region.

The CORHD funds up to a 40 per cent share of approved hospital and health facility construction and the purchases of critical health-related equipment. During the annual budget process, the CORHD Board receives funding requests for anticipated health facility projects and capital equipment purchases from Interior Health via Financial Services staff.

The 2023 budget included $38.4 million in capital project funding requested by Interior Health. The average household in 2023 contributed $19.09 for every $100,000 of assessed value toward the region's valuable capital and health equipment. New requests for CORHD funding in 2023 included endovascular treatment equipment, additional acute care beds at Kelowna General Hospital and a new Urgent and Primary Care Centre to serve the people of Rutland and surrounding communities.

The CORHD Board continues to effectively position the Hospital District to be responsive to future financial needs considering the region's aging and expanding population demographics and growing demand for central access to excellent health care equipment and facilities.





CORHD
Financial statements

For the year ended December 31, 2023



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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Central Okanagan Regional Hospital District have been approved by the Board. The preparation of these financial statements are the responsibility of management.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgements. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects. Management has reviewed these financial statements and has taken responsibility for them.

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

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

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, the consolidated financial statements and the external auditor's report.

The financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the Board. The independent auditors report expresses their opinion on these financial statements. The auditor's have full and free access to the accounting records and to the Board of the Central Okanagan Regional Hospital District.

DocuSigned by:
Sally Ginter
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Chief Administration Officer

DocuSigned by:
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Director of Financial Services

April 25, 2024

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Independent Auditor's Report

To the Directors of Central Okanagan Regional Hospital District

Opinion
We have audited the financial statements of the Central Okanagan Regional Hospital District (the "District"), which comprise the statement of financial position as at December 31, 2023, and the statements of financial operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Central Okanagan Regional Hospital District as at December 31, 2023, and its financial operations and 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 Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 District to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Kelowna, British Columbia
April 25, 2024

Central Okanagan Regional Hospital District
Statement of Financial Position

December 31		2023		2022
Financial Assets				
Cash (Note 1)	**$**	**36,652,330**	$	37,068,169
Portfolio Investments (Note 2)		**5,050,417**		-
Investment funds - Municipal Finance Authority (Note 3)		**4,731,527**		4,681,516
		46,434,274		41,749,685
Financial Liabilities				
Accounts payable and accrued liabilities		**2,315,876**		52,075
Long Term Debt (Note 4)		**61,176,915**		67,415,828
Reserve - Municipal Finance Authority (Note 3)		**3,072,458**		3,072,458
		66,565,249		70,540,361
Accumulated Deficit (Note 5)	**$**	**(20,130,975)**	$	(28,790,676)

Approved on behalf of the Board:

DocuSigned by:
Blair Ireland
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Chairperson

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

Central Okanagan Regional Hospital District
Statement of Financial Operations

For the year ended December 31	2023	2023	2022
	Actual	Budget (Note 5)	Actual
Revenues			
Requisition on Member Municipalities			
City of Kelowna	**$ 14,668,908**	$ 14,671,617	$ 13,870,275
City of West Kelowna	**3,301,064**	3,300,547	3,159,194
District of Lake Country	**1,453,550**	1,453,460	1,431,032
District of Peachland	**543,045**	542,875	538,523
Electoral Areas	**740,914**	738,981	722,387
	20,707,481	20,707,480	19,721,411
Actuarial earnings	**1,894,454**	1,894,454	1,678,358
Interest income	**2,104,879**	-	775,844
	24,706,814	22,601,934	22,175,613
Expenses			
Administration	**49,607**	49,000	41,000
Capital funding expenditure	**13,739,143**	36,704,448	4,470,213
Long term debt issue expense and interest	**2,247,075**	6,591,534	2,247,075
Professional fees	**11,288**	11,500	11,231
	16,047,113	43,356,482	6,769,519
Annual surplus (deficit)	**8,659,701**	(20,754,548)	15,406,094
Accumulated deficit, beginning of the year	**(28,790,676)**	(28,790,676)	(44,196,770)
Accumulated deficit, end of year	**$ (20,130,975)**	$ (49,545,224)	$ (28,790,676)

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

Central Okanagan Regional Hospital District
Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Cash from tax requisitions	**$ 20,707,481**	$ 19,721,411
Cash from MFA actuarial additions	**1,894,454**	1,678,358
Cash paid to supplies and for grants	**(13,783,312)**	(6,724,131)
Interest grants and other income received	**2,054,462**	775,844
	10,873,085	15,451,482
Investing activities		
Change in MFA cash reserves	**(50,011)**	(35,154)
Purchase of portfolio investment	**(5,000,000)**	-
	(5,050,011)	(35,154)
Financing activities		
Repayment of MFA long term debt	**(6,238,913)**	(6,022,817)
Change in cash during the year	**(415,839)**	9,393,511
Cash, beginning of the year	**37,068,169**	27,674,658
Cash, end of year	**$ 36,652,330**	$ 37,068,169

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

Central Okanagan Regional Hospital District
Summary of Significant Accounting Policies

Nature of Business

The Central Okanagan Regional Hospital District ("The District") is responsible for granting aid for the establishment, acquisition, reconstruction, enlargement, operation and maintenance of hospitals and hospital facilities in accordance with the Hospital District Act. The District typically funds 40% share of projects and major equipment purchases to the Interior Health Authority for projects with the Region.

Basis of Presentation

The financial statements of the District are the representations of management and are prepared in accordance with Canadian generally accepted accounting policies for local government entities using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Temporary Investments

Temporary investments consist of deposits held at financial institutions.

Revenue Recognition

Taxation revenues are recognized at the time of the property tax acquisitions for the fiscal year they become receivable. Interest income is recognized as it is earned.

Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. The District has elected to measure financial instruments at fair value, to correspond with how they are evaluated and managed. These financial instruments include guaranteed investment ceritificates. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

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

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

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Use of Estimates

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

1. Cash

Cash is held in a financial institution earning interest at a rate of 4.92% (2022 - 2.20%) per annum. Included in cash, a portion has been specifically set aside for internally and externally restricted reserves.

2. Portfolio Investments

Three-year Guaranteed investment certificate held in a financial institution earning interest at a rate of 6.10% per annum maturing October 2026. Portfolio investments are all carried at fair market value. There was no difference between fair market value and amortized cost in 2023.

3. Investment Funds/Reserve - Municipal Finance Authority

The District issues its debt instruments through 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 District also executes demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the Municipal Finance Authority. Demand notes are reflected as an asset and a corresponding liability.

The details of cash deposits and demand note at year end are as follows:

	Demand Notes	Cash Deposits	**2023**	2022
Investment funds - Municipal Finance Authority	3,072,458	1,659,069	**4,731,527**	4,681,516

	Demand Notes	Cash Deposits	**2022**	2021
Reserve - Municipal Finance Authority	3,072,458	-	**3,072,458**	3,072,458

4. Long Term Debt

Borrowing Bylaw	MFA Debt Issue	Maturity Date	Rate	Original Debt Amount	**2023** Net Debt	2022 Net Debt
112	110	2030	1.28%	$ 43,699,187	$ 19,174,775	$ 21,556,236
112	117	2031	1.47%	38,826,220	19,152,465	21,196,812
113	117	2031	1.47%	8,638,211	4,261,116	4,715,951
113	126	2033	3.85%	10,071,396	6,010,749	6,492,135
113	127	2034	3.30%	13,500,000	8,702,251	9,322,697
113	133	2035	2.75%	5,700,000	3,875,559	4,131,997
				120,435,014	61,176,915	67,415,828

Future principal repayments on existing long-term debt:

2024	6,462,784
2025	6,694,711
2026	6,934,984
2027	7,183,906
2028	7,441,787
Thereafter	26,458,743
	61,176,915

5. Accumulated Deficit

The accumulated deficit consists of individual funds as follows:

	2023	2022
Unrestricted surplus	**$ 39,386,871**	$ 37,016,094
Net long term debt to be recovered from future requisitions	**(59,517,846)**	(65,806,770)
	$ (20,130,975)	$ (28,790,676)

6. Budget information

The budget data presented in these financial statements is based upon the 2023 - 2027 Financial Plan Bylaw, approved by the District Board on March 30, 2023 and Amending Bylaw 305 on May 4, 2023. The legislative requirement of the Financial Plan are that the cash inflows for the period must at a minimum equal cash outflows.

Budgeted cash inflows include transfers from prior year surplus carried forward. These transactions are not recognized as revenues in the District's statement of operations as they do not meet the inclusion requirements under PSAB.

PSAB requires that budget amounts be presented in the financial statements on the same basis of accounting for actual amounts. The reconciliation below shows the difference between the operating budgets per the approved Financial Plan and the budget figures reported in these statements.

	2023
Surplus - statement of operations	$ (20,754,548)
Adjust for budgeted items not included in statement of operations:	
Prior year surplus cash financing	18,749,582
Principal debt reduction from actuarial earnings	(1,894,454)
Principal portion of debt payments	-
Transfer from accumulated surplus reserve	8,881,667
Transfer to accumulated surplus reserve	(4,982,247)
	-

7. Approved and Unexpended Capital Expenditures

The following table outlines the capital costs for bylaw approved projects from 2024-2028 and the projects that are planned for the same period:

Approved Capital Projects Bylaw		Approved Bylaw Amount: Typically 40% District Share	Funded in Prior Years	Unexpended Funding
200	KGH-Medstations,IH Wide RPLMT PH. 2	1,688,400	1,649,149	39,251
225	KGH-Surgical Expansion Strategy	1,812,000	1,575,599	236,401
228	KGH-2019 regional IH wide IMIT	991,600	751,050	240,550
239	Regional-IH wide IMIT	1,004,800	888,352	116,448
240	KGH - Unified communications telephony	582,400	545,552	36,848
241	KGH - IH wide IMIT	60,000	-	60,000
243	KGH - Meal delivery system	598,400	486,325	112,075
247	KGH - Remote patient observation system	123,600	101,298	22,302
249	Pre approval of KGH Parkade for 2021	4,600,000	3,485,059	1,114,941
255	IH - Wide IMIT	1,316,900	710,949	605,951
256	Operating rooms #15 & #16 equipment	2,760,000	1,527,321	1,232,679
258	Multi-dose packaging equipment	326,000	-	326,000
261	Automated chemistry/immuno chem analyzer system	448,800	236,757	212,043
262	Holmium laser	84,000	83,648	352
265	Regional warehouse - inventory carousel upgrade	227,200	-	227,200
266	Kelowna/Rutland Primary Care Network	800,000	-	800,000
267	KGH pharmacy upgrade	1,925,690	256,456	1,669,234
268	Boiler replacement & building automation system	1,736,550	-	1,736,550
269	Strathcona heating plant replacement	560,000	-	560,000
270	Brookhaven Care Center - chiller	257,600	163,346	94,254
271	West Parkade remediation	200,000	179,537	20,463
272	Downtown First Nations Health Centre - planning	60,000	-	60,000
273	Heat exchanger replacement	32,000	-	32,000
274	Autopsy entrance upgrade	24,000	-	24,000
275	IH-wide digital health	1,032,000	714,622	317,378
276	MRI replacement and addition	13,381,200	647,346	12,733,854
277	CT scanner	1,575,200	-	1,575,200
278	Equipment management system	940,000	847,906	92,094
279	General radiographic system	300,000	118,302	181,698
280	Laboratory middleware	248,400	96,927	151,473
281	Three Links Manor	378,000	11,267	366,733
282	Medstation - additional	161,700	112,154	49,546
284	Monitoring system, physiological	86,400	41,469	44,931
285	Five-ton truck	72,400	-	72,400
288	Air conditioning, Bernard Wing	140,000	-	140,000
290	Additional acute care beds	1,000,000	853,159	146,841
291	Pharmacy expansion	800,000	-	800,000
292	Acute care beds - planning	30,000	-	30,000
293	Passenger elevator upgrade	135,400	-	135,400
294	Air conditioning replacement	51,600	38,763	12,837
295	House and land	440,000	420,671	19,329
Carried Forward		$ 42,992,240	$ 16,542,984	$ 26,449,256

7. Approved and Planned Capital Expenditures (continued)

Approved Capital Projects Bylaw		Approved Bylaw Amount: Typically 40% District Share	Funded in Prior Years	Unexpended Funding
Brought forward		$ 42,992,240	$ 16,542,984	$ 26,449,256
296	Various	1,486,600	-	1,486,600
297	Wi-Fi expansion	48,000	-	48,000
298	Commercial dishwasher	264,400	-	264,400
299	Cart washer	114,400	-	114,400
300	Microbiology analyzer (2)	104,800	-	104,800
303	Digital pathology scanner	49,200	-	49,200
305	Rutland Urgent Primary Care Centre	1,681,506	1,329,745	351,761
Committed Costs		$ 46,741,146	$ 17,872,729	$ 28,868,417

8. Financial Instruments

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The District is exposed to credit risk through its cash, portfolio investments and investment fund with Municipal Finance Authority.

The District manages its credit risk by holding its cash and investments held at federally regulated chartered banks with cash accounts insured up to $100,000. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash as outlined in Note 1. Based on this knowledge, credit risk of cash accounts are assessed as low.

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

Liquidity risk

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

The District manages its liquidity risk by staggering maturity dates of investment portfolio for cash flow needs and monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash flows arise. Also to help manage the risk, the district has a planning, budgeting, and forecasting process in place to help determine the funds required to support the normal operating requirements. The District's five-year financial plan is approved by the Board of Directors, which includes operational activities and capital investments. The District measures its exposure to liquidity risk based on the results of cash forecasting and expected outflows and extensive budgeting.

Interest rate risk

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

The District manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 5 for interest rates and maturity dates for long-term debt.

Regional District of Central Okanagan

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