

2022 Thompson-Nicola Regional District

Consolidated Financial Statements



Thompson-Nicola Regional District
Consolidated Financial Statements
For the year ended December 31, 2022

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	Contents
Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3-5
Consolidated Financial Statements	
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Change in Net Financial Assets	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10-33
Schedule 1: COVID-19 Safe Restart Grant (unaudited)	34

Management's Responsibility for Financial Reporting

This statement is provided to clarify and outline the roles and responsibilities of management, the elected Board of Directors and the independent auditors in relation to the preparation and review of the annual financial statements of the Thompson-Nicola Regional District (TNRD).


Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The TNRD's Board of Directors is composed entirely of Directors who are neither management nor employees of the TNRD. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for delegating authority for the approval of the financial statements. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for the appointment of the TNRD's external auditors. The external auditors have full and free access to the Board and management to discuss their audit findings.

BDO Canada LLP, an independent firm of Chartered Professional Accountants, has been appointed by the TNRD's Board of Directors to audit the financial statements. Their accompanying report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Thompson-Nicola Regional District:



Chief Financial Officer

Independent Auditor's Report

To the Members of the Board of Director of the Thompson-Nicola Regional District

Opinion

We have audited the financial statements of the Thompson-Nicola Regional District (the "Regional District"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of change in net financial assets, consolidated statement of operations, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2022, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 1 on page 34 of these consolidated financial statements.

The consolidated financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on May 11, 2022.

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.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Regional District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Regional District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Regional District to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performed of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Kamloops, British Columbia
May 18, 2023

Thompson-Nicola Regional District

Consolidated Statement of Financial Position

As at December 31	2022	2021
		(Restated) (Note 8)
Financial assets		
Cash and cash equivalents (Note 2)	\$40,327,884	\$ 49,035,884
Accounts receivable (Note 4)	15,276,543	7,981,263
	<u>55,604,427</u>	<u>57,017,147</u>
Liabilities		
Accounts payable and accrued liabilities	5,039,589	6,285,319
Landfill remediation liability (Note 5)	5,651,501	8,001,044
Deferred revenue (Note 9)	2,487,573	2,190,872
Facilities loan (Note 7)	-	56,683
Long-term debt (Note 6)	1,777,965	1,885,233
	<u>14,956,628</u>	<u>18,419,151</u>
Net financial assets	<u>40,647,799</u>	<u>38,597,996</u>
Non-financial assets		
Tangible capital assets (Note 10)	57,536,221	55,841,927
Prepaid expenses	103,851	207,506
	<u>57,640,072</u>	<u>56,049,433</u>
Accumulated surplus (Note 12)	<u>\$98,287,871</u>	<u>\$ 94,647,429</u>



Chief
Financial
Officer



Chair
of the
Board

Thompson-Nicola Regional District
Consolidated Statement of Operations

For the year ended December 31	Financial Plan	2022	2021
	(Note 15)		(Restated) (Note 8)
Revenue			
Tax requisition	\$23,979,029	\$23,976,563	\$ 23,208,589
Grants in lieu of taxes	115,000	177,584	154,188
Government transfers and other grants (Note 13)	4,074,343	3,969,050	10,793,116
User charges:			
Sale of services	4,320,050	5,366,711	4,643,249
Water and sewer tolls	938,106	1,022,122	994,671
Interest income	105,925	719,449	318,190
Actuarial adjustment of long-term debt (Note 6)	-	19,304	15,808
Gain (loss) on disposal of equipment	8,000	83,793	(238,399)
Other revenue	3,044,801	3,190,881	1,432,026
	<u>36,585,254</u>	<u>38,525,457</u>	<u>41,321,438</u>
Expenses			
General government services	6,170,593	6,171,502	6,056,506
Protective services	7,920,848	5,581,129	9,098,260
Transportation services	130,074	128,250	118,576
Environmental health services	10,925,289	8,943,518	10,965,160
Public health and welfare	143,578	96,153	224,435
Environmental development	2,674,853	1,985,017	1,799,592
Recreational and cultural services	10,643,952	10,439,626	8,704,077
Waterworks	1,695,359	1,196,353	854,823
Sewerage	312,203	343,467	251,395
	<u>40,616,749</u>	<u>34,885,015</u>	<u>38,072,824</u>
Annual surplus (deficit)	(4,031,495)	3,640,442	3,248,614
Accumulated surplus, beginning of year	<u>94,647,429</u>	<u>94,647,429</u>	<u>91,398,815</u>
Accumulated surplus, end of year	<u>\$90,615,934</u>	<u>\$98,287,871</u>	<u>\$ 94,647,429</u>

Thompson-Nicola Regional District
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Financial Plan	2022	2021
	(Note 15)		(Restated) (Note 8)
Annual surplus (deficit)	\$ (4,031,495)	\$ 3,640,442	\$ 3,248,614
Acquisition of tangible capital assets including works-in-progress	(21,303,817)	(5,375,010)	(5,601,620)
Amortization of tangible capital assets	-	3,628,009	3,664,448
Loss (gain) on sale of tangible capital assets	-	(83,793)	238,399
Proceeds on sale of tangible capital assets	-	136,500	31,820
	(25,335,312)	1,946,148	1,581,661
Acquisition of prepaid expenses	-	(103,851)	(207,506)
Use of prepaid expenses	-	207,506	217,412
Net change in net financial assets	(25,335,312)	2,049,803	1,591,567
Net financial assets, beginning of year	38,597,996	38,597,996	37,006,429
Net financial assets, end of year	\$13,262,684	\$40,647,799	\$ 38,597,996

Thompson-Nicola Regional District
Consolidated Statement of Cash Flows

For the year ended December 31	2022	2021
		(Restated) (Note 8)
Operating transactions		
Annual surplus	\$ 3,640,442	\$ 3,248,614
Items not involving cash		
Amortization	3,628,009	3,664,448
Loss (gain) on disposal of tangible capital assets	(83,793)	238,399
Actuarial adjustment on debt	(19,304)	(15,808)
Changes in non-cash operating balances		
Accounts receivable	(7,295,274)	(4,528,285)
Accounts payable and accrued liabilities	(1,245,733)	2,996,110
Landfill closure & post closure costs accruals	(2,349,543)	165,510
Deferred revenue	296,701	1,200,088
Prepaid expenses	103,655	9,906
	<u>(3,324,840)</u>	<u>6,978,982</u>
Capital transactions		
Acquisition of tangible capital assets	(5,375,010)	(5,601,620)
Proceeds on sale of tangible capital assets	136,500	31,820
	<u>(5,238,510)</u>	<u>(5,569,800)</u>
Financing transactions		
Repayment of principal debt on facilities loan	(56,683)	(12,641)
Repayment of long-term debt	(87,965)	(87,965)
	<u>(144,648)</u>	<u>(100,606)</u>
Net increase (decrease) in cash	(8,707,998)	1,308,576
Cash and cash equivalents, beginning of year	<u>49,035,882</u>	<u>47,727,306</u>
Cash and cash equivalents, end of year (Note 2)	<u>\$40,327,884</u>	<u>\$ 49,035,882</u>

Thompson-Nicola Regional District

Notes to the Consolidated Financial Statements

December 31, 2022

1. Significant accounting policies

Government Reporting Entity

The Thompson-Nicola Regional District (the "TNRD") was incorporated November 24, 1967 under provisions of the British Columbia Municipal Act and operates under provisions of the Local Government Act and the Community Charter of British Columbia. Its principal activities are the provision of regional and local government services to residents of the eleven municipalities and ten electoral areas within its boundaries. These include general government, protective (including Emergency Operations Centre program under the direction of Emergency Management BC), transportation, environmental health, public health and welfare, environmental development, recreational and cultural, water, sewer and wastewater utilities services.

Basis of Presentation

The consolidated financial statements of the TNRD are prepared by management in accordance with Canadian generally accepted accounting principles for the public sector established by the Public Sector Accounting Board ("PSAB").

Basis of Accounting

The TNRD follows the accrual method of accounting for revenue and expenses. Revenues are recognized in the year when they are earned, can be measured and there is a reasonable assurance that they will be collected. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Basis of Consolidation

The consolidated financial statements reflect assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the TNRD and which are owned or controlled by the TNRD. This includes several volunteer fire departments.

The consolidated entity includes, on a proportionate consolidation basis, the TNRD's share (75%) of the assets, liabilities, revenues, expenses and net equity of Strata Corporation KAS2093, a corporation controlled by the TNRD. Strata Corporation KAS2093 is owned by the TNRD and the City of Kamloops and manages the activities of the Civic Building located at 465 Victoria Street, Kamloops, British Columbia.

Inter-departmental and inter-organizational transactions and balances between these entities have been eliminated.

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Investments

Investment are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

1. Significant accounting policies (continued)

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

Charges for water usage are recorded as user fees in the year they are charged. Conditional grant revenue is recognized to the extent the imposed conditions are met. Unconditional grant revenue is recognized when monies are received. Grants for the acquisition of tangible capital assets are recognized in the period the expenditure is made. Sales of services and other revenue is recognized on an accrual basis. Building Permit revenue is recorded when cash is received.

Government Transfers Government transfers (other than grants in lieu of taxes) 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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Grants in lieu of taxes are recognized at the earlier of when received or when money is determined to be more likely than not to be collected.

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 purpose.

Contaminated Sites The TNRD recognizes a liability for remediation of a contaminated site when the site is no longer in productive use or an unexpected event resulting in contamination has occurred and the following criteria are satisfied: contamination exceeds an environmental standard, the TNRD is either directly responsible or has accepted responsibility for remediation, it is expected future economic benefits will be given up and a reasonable estimate of the amount can be made. Future economic benefits are expected to be given up if the TNRD has an external obligation to remediate a site or has commenced remediation on its own accord. The TNRD currently has no recognized contaminated site liabilities.

Thompson-Nicola Regional District

Notes to the Consolidated Financial Statements

December 31, 2022

1. Significant accounting policies (continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 expenditures during the reporting period. Significant areas requiring estimates include the useful life of tangible capital assets for amortization, landfill closure liabilities and the provision for any contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

Tangible Capital Assets

Tangible capital assets, comprised of capital assets and capital works in progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all costs directly attributed to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees, and site and preparation costs. Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets. Amortization is recorded on a straight line basis over the estimated useful life of the asset. Estimated useful lives are as follows:

Building and building improvements	20 to 70 years
Land improvements and roads	10 to 15 years
Furniture, fixtures and equipment	5 to 20 years
Vehicles, machinery and equipment	6 to 20 years
Water and sewer infrastructure	25 to 60 years

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

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

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred

Works of art and cultural and historical assets are not recorded as assets in these consolidated financial statements.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

1. Significant accounting policies (continued)

Landfill Post Closure
Liability

The TNRD is required to record a liability for the closure of its landfill sites to provide for the closure and post closure activities, including the final cover, landscaping, surface and groundwater monitoring, leachate control and visual inspection. The requirement is being provided over the estimated life of the landfill sites based on the respective usage of each facility. The estimated costs to close and maintain the closed solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are recognized and charged to expense as the landfill site's capacity is used.

Long-term Debt

Long-term debt is recorded net of any related sinking fund balances. Debt service charges, including principal and interest, are charged against current revenue in the period in which they occur.

Retirement Benefits
and Other Employee
Benefit Plans

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

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

1. Significant accounting policies (continued)

Collection of Taxes on
Behalf of Other
Taxation Authorities

The TNRD collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

Reserve Funds

Reserves represent amounts set aside for specific or future expenditures. Statutory reserves require the passing of a by-law to be established.

Future Accounting
Standards

PS 3280, Asset Retirement Obligations:
Effective for fiscal 2023, the new standard will expand upon and replace PS 3270, Solid Waste Landfill Closure and Post-Closure Liability, and is expected therefore to impact the calculation of the TNRD landfill liability (Note 5). PS 3280 introduces a different liability calculation methodology in which the asset retirement obligation liability will generally be recognized earlier and a corresponding tangible capital asset also recognized.

Under PS 3280 an asset retirement obligation liability is recognized when 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 obligation has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. All four criteria must be met.

The TNRD has not yet calculated the impact of this change in methodology on the carrying values of its landfill liability, tangible capital assets or accumulated surplus, or identified an inventory of other asset retirement obligations which would give rise to a new liability upon adoption of PS 3280.

Thompson-Nicola Regional District

Notes to the Consolidated Financial Statements

December 31, 2022

2. Cash and cash equivalents

	2022	2021
Cash	\$ 28,600,969	\$ 37,531,669
Short-term investments	11,726,915	11,504,215
	<u>\$ 40,327,884</u>	<u>\$ 49,035,884</u>

Cash and cash equivalents reported on the consolidated statement of financial position have a cost that approximates market value. Short-term investments are held in Municipal Finance Authority ("MFA") pooled money market funds with an annual rate of return of approximately 1.28% (2021 - 0.15%).

3. Comparative figures

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

4. Accounts receivable

Accounts receivable are reported net of a valuation allowance of \$80,922 (2021 - \$81,410).

	2022	2021
Province of British Columbia-Provincial Emergency grant	\$ 5,865,046	\$ 4,855,106
Province of British Columbia-other grants	447,090	138,535
Government of Canada-UBCM Water Meter grant	391,052	905,445
Government of Canada-other grants	228,972	419,355
Government of Canada-GST receivable	367,657	360,783
Due from Member Municipalities	145,302	145,693
Due from Thompson Nicola Regional Hospital District	7,000,000	-
Trade and other receivables, net of valuation allowance	831,424	1,156,346
	<u>\$ 15,276,543</u>	<u>\$ 7,981,263</u>

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

5. Landfill remediation liability

The TNRD is responsible for closure and post-closure care costs of five landfill sites: Clearwater, Barriere and Chase, which were closed and ceased operations in 2012, and Lower Nicola and Heffley Creek, which remain in operation. Closure and post-closure activities include a final cover and landscaping, surface and ground water monitoring, leachate control and visual inspection as defined by Ministry of Environment regulations.

A liability of \$5,651,501 (2021 - \$8,001,044) has been recorded for these costs. The liability is recognized as the landfill site's capacity is used and represents management's best estimate of the discounted future cash flows associated with meeting these responsibilities.

Closure and post-closure care requirements are established by Provincial regulation. Present value of future cash flows for 100% of expected landfill closure and post-closure care costs is now estimated to be \$14,917,879 (2021 - \$24,384,503).

The total liability recorded for the estimated landfill closure and post-closure costs are as follows:

	Clearwater, Barriere and Chase	Heffley Creek	Lower Nicola
Cumulative capacity used to date (m3)	225,549	240,509	451,500
Total capacity of the site	N/A	2,049,136	1,346,118
Future/post-closure costs	\$ 3,610,379	\$ 248,129,264	\$ 131,853,030
Post-closure care period in years	25	100	100
Projected year site closure	Closed	2111	2094
Projective present value of future costs	\$ 2,749,653	\$ 6,110,902	\$ 6,057,323
Discount rate used for present value calculations	3.02%	3.02%	3.02%
Inflation rate used for present value calculations	2.15%	2.15%	2.15%
		2022	2021
Landfill liability open sites		\$ 2,901,848	\$ 5,130,044
Landfill liability closed sites		2,749,653	2,871,000
Total landfill liability		\$ 5,651,501	\$ 8,001,044

Once landfills are closed, post closure care is expected to occur annually. For Clearwater, Barriere and Chase this began in 2014.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

5. Landfill remediation liability (continued)

The reported liability is based on estimates and assumptions with respect to anticipated events over the expected remaining service life and post-closure care periods for the landfills of up to 190 years, using the best information available to management. Changes in the liability could result from new technology, changes in regulatory requirements or accounting standards, settling of waste or changes in estimates relating to fill rates, inflation rates and/or interest rates. Changes to the Regional Solid Waste Management Plan and other future events may result in significant changes to the estimated timelines, total expenditures, capacity usage or total capacity and the resulting estimated landfill remediation liability. Any change in the liability for cumulative capacity used to date, which could be material, would be recognized prospectively as a change in estimate.

Management periodically performs an assessment of the underlying assumptions related to the reported liability and utilizes the expertise of a qualified firm of engineers external to the TNRD in forming the above estimates. For the Lower Nicola Landfill site this was most recently updated in 2021 and in 2019 for the Heffley Creek site.

The above landfill liability reflected in these financial statements follows the methodology set out in PS 3270, Solid Waste Landfill Closure and Post-Closure Liability. As referenced in note 2(a), effective for fiscal 2023, new accounting standard PS 3280, Asset Retirement Obligations, will expand upon and replace PS 3270, impacting the calculation of the liability. The impact of this change for the TNRD is yet to be determined.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

6. Long-term debt

The TNRD issues debt instruments through the MFA to finance certain capital expenditures. Under the terms of the debt, the TNRD is required to make principal payments once annually while interest is calculated and paid semi-annually. Associated with these principal payments, the MFA provides an actuarial adjustment, which is a non-cash reduction in the loan balance representing the investment earnings the MFA expects to realize on related sinking fund investments.

Debt interest charges are recorded as an expense in the period incurred. Principal payments and actuarial adjustments are applied to reduce recorded liabilities.

MFA issue no.	Bylaw no.	Term in years	Maturity date	Interest rate	Balance outstanding December 31, 2021	Principal repayment	Actuarial adjustment	Balance outstanding December 31, 2022
95	2054	20	2025	0.910%	10,519	1,630	884	8,005
95	2054	20	2025	0.910%	12,360	1,915	1,039	9,406
102	2180	20	2027	2.250%	8,357	728	532	7,097
103	2205	20	2028	2.650%	55,765	4,240	2,820	48,705
103	2205	20	2028	2.650%	24,953	1,897	1,262	21,795
103	2205	20	2028	2.650%	31,136	2,368	1,575	27,193
131	2498	20	2035	2.200%	199,778	9,194	2,108	188,476
137	2088	20	2036	2.600%	324,151	14,144	2,655	307,352
137	2227	20	2036	2.600%	198,624	8,667	1,627	188,330
137	2350	20	2036	2.600%	192,546	8,402	1,577	182,567
146	2084	20	2036	3.200%	827,044	34,780	3,225	789,039
Total MFA debenture debt					1,885,233	87,965	19,304	1,777,965

The weighted average interest rate for 2022 was 2.73% (2021 - 2.75%). Interest paid during the year was \$66,566 (2021 - \$67,566).

Total principal payments required of the TNRD for the next five years are as follows:

2023	\$	87,965
2024		87,965
2025		87,965
2026		84,420
2027		84,420
Thereafter and actuarial adjustment		<u>1,345,230</u>
Total	\$	<u>1,777,965</u>

Scheduled debt repayments may be suspended by the MFA if the MFA reasonably anticipates that it has sufficient investment assets to cover all remaining principal and interest requirements of the MFA funding debentures. The above scheduled payments are net of future actuarial adjustments.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

6. Long-term debt (continued)

The TNRD has authorized by unissued debentures with the MFA as follows:

Service	Loan authorization bylaw no.	Adoption date	Amount authorized	Amount unissued
Loon Lake Fire Protection	2652	April 2018	\$ 653,000	\$ 653,000
Tobiano Fire Protection	2657	July 2018	1,000,000	1,000,000
Black Pines Community Water	2726	March 2021	455,000	455,000
Total			\$ 2,108,000	\$ 2,108,000

7. Facilities loan

A facilities loan for the Lytton library was financed under the MFA equipment loan program. Borrowing was executed through a short-term loan agreement and a demand promissory note, with a 60 month term maturing April 30, 2023. The loan bore interest at a floating rate as determined by MFA from time to time, which was calculated daily, compounded monthly and paid on a monthly basis. Principal and interest payments of \$1,111 per month were scheduled over the term of the debt, but early repayment of principal could occur at any time without notice or penalty. The loan was repaid during the year.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

8. Community Works Fund

During the year, management determined that the funding received under the Community Works Fund (CWF) Agreement with the Union of British Columbia Municipalities (UBCM) did not contain stipulations that would create a liability that would allow for the funds to be recognized as a liability. This determination requires retroactive restatement of the previously deferred CWF revenues. The unspent CWF revenues have been recognized as revenue, as per the below and transferred to the Community Works Fund Reserve (Note 12). The impact of this restatement on the December 31, 2021 financial statements is as follows:

Statement of Financial Position:	As Previously Stated	Increase (Decrease)	Restated
Deferred revenue	9,403,811	(7,212,939)	2,190,872
Net financial assets, beginning of year	30,754,387	6,252,042	37,006,429
Change in net financial assets	630,672	960,897	1,591,569
Net financial assets, end of year	31,385,059	7,212,939	38,597,998
Statement of Operations:	As Previously Stated	Increase (Decrease)	Restated
Revenue	2,287,719	960,897	3,248,616
Accumulated surplus, beginning of year	85,146,773	6,252,042	91,398,815
Annual Surplus	2,287,719	960,897	3,248,616
Accumulated surplus, end of year	87,434,492	7,212,939	94,647,431

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

9. Deferred revenue

Included in deferred revenue are amounts relating to grant funding for the coming year:

	Balance at December 31, 2021 (Restated) (Note 8)	Contributed and interest	Recognized	Balance at December 31, 2022
Province of BC - Pritchard Water System Grant	\$ 1,309,567	\$ 227,277	\$ 157,340	\$1,379,504
Trans Mountain Pipeline- Community Benefits grant	611,922	-	305,675	306,247
Trans Mountain Pipeline- Merritt Fire Protection	109,342	-	109,342	-
Friends of the Library donations	54,482	104,541	12,917	146,106
Creative BC - Film Commission grant	33,750	56,250	45,000	45,000
Province of BC - Library One Card Grant	24,000	-	24,000	-
District of Clearwater - Vavenby taxation	10,969	5,165	-	16,134
Interior Savings - Flood victim Internet to go initiative	7,922	-	7,922	-
Province of BC - Flood Support	-	225,000	75,000	150,000
Province of BC - Local Government Climate	-	122,082	-	122,082
Province of BC - COVID 19 relief	-	138,142	-	138,142
MIA Risk Management grant	-	166,000	-	166,000
Library Digitalization grants	6,917	-	-	6,917
Telus Library grant	5,535	-	5,535	-
Province of British Columbia -Library Resource Sharing grant	1,707	-	1,707	-
Other	14,759	177	3,495	11,441
	<u>\$ 2,190,872</u>	<u>\$ 1,044,634</u>	<u>\$ 747,933</u>	<u>\$2,487,573</u>

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

10. Tangible capital assets

	Land	Land improvement and roads	Building and building improvements	Vehicles, machinery and equipment	Water infrastructure	Sewer infrastructure	Assets under construction	2022 Total	2021 Total
Cost, beginning of year	\$ 4,669,292	\$ 3,639,968	\$ 35,128,350	\$ 21,137,720	\$ 19,915,068	\$ 4,430,849	\$ 3,207,339	\$ 92,128,586	\$ 89,216,632
Additions	-	5,361	20,967	2,055,381	110,351	44,144	3,138,806	5,375,010	5,601,620
Disposals	-	-	-	(260,440)	-	-	-	(260,440)	(2,689,666)
Cost, end of year	4,669,292	3,645,329	35,149,317	22,932,661	20,025,419	4,474,993	6,346,145	97,243,156	92,128,586
Accumulated amortization, beginning of year	-	1,452,900	15,006,389	10,536,907	6,824,467	2,465,996	-	36,286,659	35,041,658
Amortization	-	180,161	992,768	1,880,610	442,699	131,771	-	3,628,009	3,664,448
Disposals	-	-	-	(207,733)	-	-	-	(207,733)	(2,419,447)
Accumulated amortization, end of year	-	1,633,061	15,999,157	12,209,784	7,267,166	2,597,767	-	39,706,935	36,286,659
Net carrying amount, end of year	\$ 4,669,292	\$ 2,012,268	\$ 19,150,160	\$ 10,722,877	\$ 12,758,253	\$ 1,877,226	\$ 6,346,145	\$ 57,536,221	\$ 55,841,927

Asset under construction having a value of \$6,346,145 (2021 - \$3,207,339) have not been amortized. Amortization of these assets will commence when the asset is put into service upon completion of the project.

Thompson-Nicola Regional District

Notes to the Consolidated Financial Statements

December 31, 2022

11. Municipal Pension Plan

The TNRD and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of 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 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The TNRD paid \$759,105 (2021 - \$775,680) for employer contributions to the plan in fiscal year 2022.

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 with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the plan.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

12. Accumulated surplus

Accumulated surplus is comprised of unrestricted surplus, operating reserves, and capital reserves. Unrestricted surplus includes amounts invested in tangible capital assets, net of related debt, amortization and other unrestricted surplus carried forward. Operating reserves are surpluses set aside to fund future operating requirements of the specific service areas listed. Capital reserves are set aside by the Board for future capital requirements and use of these reserves must be approved by bylaw. Parkland dedication reserves are statutory reserves that may only be used to acquire future parkland. Cemetery perpetual care reserves are also statutory which must be held into perpetuity for the future care and maintenance of the related cemeteries.

	2022	2021
		(Restated) (Note 8)
Unrestricted surplus	\$ 65,880,154	\$ 62,356,456
Operating reserves	26,379,679	26,727,355
Capital reserves	6,028,038	5,563,618
	<u>\$ 98,287,871</u>	<u>\$ 94,647,429</u>

Accumulated surplus consists of individual fund surpluses and reserves as follows:

	2022	2021
Unrestricted surplus:		
Investment in tangible capital assets	\$ 55,758,256	\$ 53,956,694
Investment in Strata Corporation KAS2093	217,634	278,856
Other	9,904,264	8,120,906
	<u>\$ 65,880,154</u>	<u>\$ 62,356,456</u>

	2022	2021
Operating reserves:		(Restated) (Note 8)
Community Works Fund reserve	\$ 7,143,495	\$ 7,212,939
Insurance deductible reserve	12,328	12,088
Proposed function reserve	175,155	171,756
General administration	1,257,913	1,802,018
COVID-19 restart funds	705,158	1,214,751
Solid waste management	11,310,160	11,090,692
E911	90,047	88,300
Building department	2,632,287	2,140,921
Community assistance funds	894,464	877,106
Library system	2,158,672	2,116,784
Total operating reserves	<u>\$ 26,379,679</u>	<u>\$ 26,727,355</u>

The TNRD received \$947,000 in government transfers for the COVID-19 restart program in 2020 and another \$429,000 in 2021 for a total grant of \$1,376,000. These funds have been 100% allocated to programs but not fully expended as at December 31, 2022. All unexpended funds remain in this reserve fund with plan for them to be fully expended in 2023.

Interest income and contributions to operation reserves for 2022 total \$2,032,802 (2021 - \$1,135,010) and transfers out of reserves total \$2,380,478 (2021 - \$410,895).

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

12. Accumulated surplus (continued)

	2022	2021
Capital reserves:		
General fund:		
E911	\$ 1,813,864	\$ 1,778,667
Ashcroft Fire Protection	60,378	59,206
Barriere Fire Protection	13,569	10,202
Blackpool Fire Protection	202,402	180,824
Little Fort Fire Protection	47,262	75,763
Loon Lake Fire Protection	30,713	30,117
McLure Fire Protection	71,228	50,234
Pritchard Fire Protection	159,586	127,072
South Green Lake Fire Protection	86,690	120,310
Tobiano Fire Protection	54,316	33,650
Vavenby Fire Protection	92,377	23,904
Noxious Weed Service	31,832	17,079
Alternate Waste Collection - Area B	122,285	110,106
Alternate Waste Collection - Area J	310,360	317,515
Alternate Waste Collection - Area N	16,128	14,344
Alternate Waste Collection - Area P	10,439	10,236
Cemetery - Area B	11,722	11,495
Community Halls - Area B	105,425	103,380
Vavenby Community Hall	29,122	17,371
Nicola Valley Aquatic Centre	336,809	296,894
Parks - Area A	159,762	156,662
Parks - Area B	54,968	53,902
Parkland Dedication - Area E	16,998	16,668
Parkland Dedication - Area M	96,325	94,455
Parkland Dedication - Area P	57,257	56,146
Recreation M&N	20,356	15,058
TNRD Library Service	635,651	623,317
TV - Area B	22,297	17,736
Total General Fund	4,670,121	4,422,313
Sewer Fund:		
Paul Lake	182,636	185,465
Pritchard	93,330	91,028
Total Sewer Fund	275,966	276,493
Water Fund:		
Black Pines	80,026	67,500
Blue River	120,335	88,284
Del Oro	78,600	63,005
Evergreen	13,855	7,703
Loon Lake	36,531	29,104
Maple Mission	107,385	95,873
Pritchard	196,732	149,841
Savona	277,743	232,668
Spences Bridge	91,086	64,803
Vavenby	50,395	39,611
Walhachin	25,791	23,013
Total Water Fund	\$ 1,078,479	\$ 861,405

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

12. Accumulated surplus (continued)

	2022	2021
Capital reserves (continued):		
Perpetual Care Fund:		
Blue River Cemetery	\$ 2,757	\$ 2,702
Avola Cemetery	412	403
Little Fort Cemetery	303	302
Total Perpetual Care Fund	<u>3,472</u>	<u>3,407</u>
 Total capital reserves	 <u>\$ 6,028,038</u>	 <u>\$ 5,563,618</u>

Interest income and contributions to capital reserves for 2022 total \$556,757 (2021 - \$511,780) and transfers out of reserves total \$92,337 (2021 - \$289,533).

In 2021 the Tobiano Fire Protection capital reserve borrowed funds from the E911 capital reserve, with a repayment term of 10 years, plus interest at the same rate that the reserve would have earned on these funds. At December 31, 2022 the amount owing is \$120,000 (2021 - \$120,000).

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

13. Government transfers and other grants

	2022	2021
Government transfers:		(Restated) (Note 8)
Province of British Columbia- Emergency management program	\$ 995,624	\$ 5,311,879
Canada Community-Building Fund- Community Works Fund	1,065,798	2,118,990
Government of Canada-UBCM Water Meter Grant	2,491	807,779
Province of British Columbia-COVID-19 Safe Restart Grant	-	429,000
Province of British Columbia-Funding Library Services	421,809	387,940
Province of British Columbia-Water System Grants	456,798	294,127
Province of British Columbia-Invasive Plant Treatment	-	155,000
Government of Canada-Firehall Infrastructure Grant	302,163	242,369
Province of British Columbia-Regional District Basic Grant	178,000	140,000
Provincial Ministry of Transportation	275,000	-
Province of British Columbia- Firefighter Equipment Funding	-	47,649
Provincial Road Rescue Grants	16,695	-
Other	163,674	306,323
	<u>3,878,052</u>	<u>10,241,056</u>
Grants from sources other than government	90,998	552,060
	<u>\$ 3,969,050</u>	<u>\$ 10,793,116</u>

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

14. Commitments

In the normal course of business, the TNRD enters into commitments for both capital and operational expenses, for periods ranging from one to five years. These commitments have been budgeted for within the appropriate annual budgets approved by the Board of Directors.

The total minimum future payments under operating leases and contract commitments are as follows:

	Land and buildings	Vehicles and equipment	Service agreements	Total
2023	\$ 74,700	\$ 127,066	\$ 9,239,151	\$ 9,440,917
2024	24,000	42,382	2,804,197	2,870,579
2025	18,000	8,239	2,058,008	2,084,247
2026	-	7,572	1,227,262	1,234,834
2027	-	7,439	251,292	258,731
	<u>\$ 116,700</u>	<u>\$ 23,250</u>	<u>\$ 3,536,562</u>	<u>\$ 3,577,812</u>

15. Financial plan

The budgeted figures are based on the adopted Five-Year Financial Plan for the year 2022 approved under bylaw 2772 on March 24, 2022.

The Financial Plan Bylaw anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. The Financial Plan was not budgeted in a manner consistent with PSAS, but has been adjusted in the financial statements to conform with PSAS requirements.

	2022
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	(21,303,817)
Principal payments on borrowing	(144,647)
Less:	
Transfers to/from reserves and own funds	<u>17,416,969</u>
Financial Plan Bylaw surplus per statement of operations	<u>\$ (4,031,495)</u>

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

16. Contingent liabilities

(a) Legal:

In the normal course of the year, the TNRD is faced with lawsuits for damages of diverse natures. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and is estimable. At December 31, 2022, the TNRD's estimated exposure to each such liability is either not determinable or is not considered to be significant.

(b) Municipal insurance:

The Regional District is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the Regional District, along with other participants, would be required to contribute towards the deficit.

(c) Landfill, transfer stations and eco-depots:

The TNRD has contracts for the operation and management of landfills, transfer stations and eco-depots for each calendar year through to June 30, 2023. The expected annual cost of executing these contracts is approximately \$7.95 million.

(d) Debt reserve funds:

The TNRD issues debt instruments through the MFA. Under borrowing arrangements with the MFA, the TNRD is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As the debt principal is retired, demand notes are released and the cash deposits are refunded and recorded as operating income in the period received. As a condition of these borrowings, a portion of the proceeds is withheld by the MFA as a debt reserve fund. These demand notes are contingent in nature and are not recorded in the financial statements. Details of the cash deposits and contingent demand notes as at December 31, 2022 are as follows:

		TNRD	Member Municipalities	Total 2022	Total 2021
Cash deposits	\$	29,157	\$ 2,308,031	\$ 2,337,188	\$ 2,336,681
Contingent demand notes		56,897	4,907,494	4,964,391	5,089,814
Debt reserve fund	\$	86,054	\$ 7,215,525	\$ 7,301,579	\$ 7,426,495

(e) Member municipality debt:

The TNRD is contingently liable for long term liabilities with respect to MFA debt for which the responsibility for payment of principal and interest has been assumed by member municipalities.

In the event that a member municipality defaults on scheduled repayments, the TNRD would be required to make payment. Until such default occurs, the TNRD has not recorded this debt as a liability.

Thompson-Nicola Regional District

Notes to the Consolidated Financial Statements

December 31, 2022

16. Contingent liabilities (continued)

The debt per member municipality, along with the principal and interest collected from member municipalities and forwarded to the MFA during the year, are as follows:

	MFA debt 2022	MFA debt 2021	Payments 2022	Payments 2021
Chase	\$ 1,726,304	\$ 1,814,374	\$ 116,011	\$ 131,029
Clearwater	205,502	236,346	38,420	38,420
Clinton	1,184,915	1,216,379	61,843	2,554
Kamloops	61,931,800	71,106,002	9,734,595	10,415,678
Logan Lake	855,876	1,122,093	272,463	272,463
Lytton	22,926	44,761	17,623	17,623
Merritt	6,802,830	7,367,272	707,341	592,133
Sun Peaks	14,502,612	11,722,286	682,573	682,573
Total	\$ 87,232,765	\$ 94,629,513	\$ 11,630,869	\$ 12,152,473

17. Segmented information

Segmented information has been identified based on the functional areas reported on in the body of the consolidated financial statements. The functional areas, along with the services that they provide or assist by way of grant in air or cost sharing, are as follows:

General government

General government includes corporate administration, finance, human resources and legislative functions.

Protective services

Protective services include building inspection services, fire protection, E911, emergency preparedness and emergency center operations, search and rescue, and dangerous dog control.

Transportation services

Transportation services include street lighting and transit services.

Environmental health services

Environment health services include solid waste management, mosquito control, and noxious weed control.

Public health and welfare

Public health and welfare consists of cemeteries and Thompson River watershed management.

Environmental development

Environmental development includes planning, film commission, and economic development.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

17. Segmented information (continued)

Recreational and cultural services

Recreational and cultural services include public libraries, community halls, regional and community parks, television and radio rebroadcasting, and recreational facilities.

Waterworks

Waterworks consist of community water systems in the following areas: Black Pines, Blue River, Del Oro, Evergreen, Loon Lake, Maple Mission, Pritchard, Savona, Spences Bridge, Vavenby, and Walhachin..

Sewerage

Sewerage includes Paul Lake and Pritchard sewer systems, and septage disposal in Areas A, B, and O.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budget net expenditure. The various user charges and other revenues have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer is made. Development charges earned and developer contributions received are allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Not all areas within the TNRD pay towards nor receive all listed services.

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

18. Segmented information (continued)

	2022									
	General government services	Protective services	Transportation Services	Environmental health services	Public health and welfare	Environmental development	Recreational and cultural services	Waterworks	Sewerage	Total
Revenue										
Taxation	\$ 3,405,095	\$ 2,747,002	\$ 125,433	\$ 7,560,529	\$ 106,048	\$ 1,523,850	\$ 7,998,721	\$ 383,021	\$ 126,864	\$ 23,976,563
User charges	-	1,167,893	-	4,127,425	-	71,393	-	883,043	139,079	6,388,833
Government transfers and other grants	363,601	1,429,089	161	309,920	-	71,254	968,046	782,831	44,148	3,969,050
Grant in lieu of taxes	53,691	399	126	-	5	18,957	103,664	742	-	177,584
Gain on disposal of tangible capital assets	21,500	14,000	-	48,293	-	-	-	-	-	83,793
Actuarial adjustment of long-term debt	-	-	-	-	-	-	-	19,304	-	19,304
Interest	430,670	49,272	-	173,934	227	-	42,771	17,104	5,471	719,449
Other revenue	774,812	698,318	-	112,857	4,093	47,339	1,457,927	93,035	2,500	3,190,881
	5,049,369	6,105,973	125,720	12,332,958	110,373	1,732,793	10,571,129	2,179,080	318,062	38,525,457
Wages, salaries, indemnities and benefits	4,071,196	1,291,926	-	1,313,486	2,991	1,381,394	6,090,291	-	-	14,151,284
Operating costs	1,742,277	3,157,181	125,114	6,828,258	64,244	438,179	2,157,230	691,717	211,696	15,415,896
External transfers to others	87,690	565,818	3,136	-	26,273	147,588	797,755	-	-	1,628,260
Debt services charges	-	-	-	-	-	-	-	61,566	-	61,566
Amortization	270,339	566,204	-	801,774	2,645	17,856	1,394,350	443,070	131,771	3,628,009
	6,171,502	5,581,129	128,250	8,943,518	96,153	1,985,017	10,439,626	1,196,353	343,467	34,885,015
Surplus (deficit)	\$ (1,122,133)	\$ 524,844	\$ (2,530)	\$ 3,389,440	\$ 14,220	\$ (252,224)	\$ 131,503	\$ 982,727	\$ (25,405)	\$ 3,640,442

Thompson-Nicola Regional District
Notes to the Consolidated Financial Statements

December 31, 2022

18. Segmented information (continued)

	2021									
	General government services	Protective services	Transportation Services	Environmental health services	Public health and welfare	Environmental development	Recreational and cultural services	Waterworks	Sewerage	Total
Revenue										(Restated)
Taxation	\$ 3,017,984	\$ 2,588,996	\$ 104,809	\$ 7,232,631	\$ 107,394	\$ 1,718,896	\$ 7,934,114	\$ 382,481	\$ 121,284	\$ 23,208,589
User Fee	-	1,102,516	-	3,444,714	-	96,019	-	859,248	135,423	5,637,920
Government transfers and other grants	2,865,969	5,894,070	121	611,828	150,000	96,270	519,223	416,219	239,416	10,793,116
Grant in lieu of taxes	44,087	1,178	281	-	8	18,168	88,983	1,483	-	154,188
Gain (loss) on disposal of tangible capital assets	4,025	(7,905)	-	3,174	-	-	(237,693)	-	-	(238,399)
Actuarial adjustment of long-term debt	-	-	-	-	-	-	-	15,808	-	15,808
Interest	289,580	6,338	-	16,516	17	240	3,535	1,553	411	318,190
Other revenue	533,312	208,680	-	158,248	21,666	61,505	254,936	176,400	17,279	1,432,026
	<u>6,754,957</u>	<u>9,793,873</u>	<u>105,211</u>	<u>11,467,111</u>	<u>279,085</u>	<u>1,991,098</u>	<u>8,563,098</u>	<u>1,853,192</u>	<u>513,813</u>	<u>41,321,438</u>
Wages, salaries, indemnities and benefits	3,725,900	1,246,904	-	1,354,690	3,366	1,174,358	4,714,989	-	-	12,220,207
Operating costs	1,938,746	6,727,867	115,672	8,777,536	190,910	435,001	1,822,194	354,780	123,059	20,485,765
External transfers to others	124,457	580,243	2,904	-	28,004	172,973	732,066	-	-	1,640,647
Debt services charges	-	191	-	-	-	-	-	61,566	-	61,757
Amortization	267,403	543,055	-	832,934	2,155	17,260	1,434,828	438,477	128,336	3,664,448
	<u>6,056,506</u>	<u>9,098,260</u>	<u>118,576</u>	<u>10,965,160</u>	<u>224,435</u>	<u>1,799,592</u>	<u>8,704,077</u>	<u>854,823</u>	<u>251,395</u>	<u>38,072,824</u>
Surplus (deficit)	\$ 698,451	\$ 695,613	\$ (13,365)	\$ 501,951	\$ 54,650	\$ 191,506	\$ (140,979)	\$ 998,369	\$ 262,418	\$ 3,248,614

Thompson-Nicola Regional District
Schedule 1: COVID-19 Safe Restart Grant
(Unaudited)

For the year ended December 31	2022
Balance, beginning of year	\$ 1,214,751
Interest earned on reserve	<u>22,435</u>
	<u>1,237,186</u>
Expenses	
Administration	<u>532,028</u>
Balance, end of year	<u>\$ 705,158</u>