

**REGIONAL DISTRICT
OF THE CENTRAL OKANAGAN**
Financial Statements
For the year ended December 31, 2002

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Auditors' Report

To the Chairman and Directors of the Board of Regional District of the Central Okanagan

We have audited the consolidated statement of financial position of Regional District of the Central Okanagan as at December 31, 2002 and the consolidated statements of financial activities, current fund operations, capital fund operations, reserve fund operations, and cash flows for the year then ended. In the process, we have audited the General fund, the Water funds, the Sewer funds, and the Reserve funds balance sheets of Regional District of the Central Okanagan as at December 31, 2002 and their statements of operating surplus and equity in physical assets, operating revenue and expenditure and transactions for the year then ended in relation to the consolidated financial statements taken as a whole. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2002 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Local Government Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

"BDO Dunwoody LLP"

Chartered Accountants

Kelowna, British Columbia
March 21, 2003

**Regional District of the Central Okanagan
Consolidated Statement of Financial Position**

December 31	2002	2001
Financial Assets		
Cash and funds on deposit (Note 1)	\$ 7,758,743	\$ 6,574,741
Accounts receivable (Note 2)	1,193,554	1,906,748
Deposit - Municipal Finance Authority (Note 3)	7,865,458	7,784,638
Agreements due from members (Note 4)	<u>95,137,334</u>	<u>95,345,662</u>
	<u>111,955,089</u>	<u>111,611,789</u>
Liabilities		
Accounts payable and accrued liabilities	4,650,133	4,396,331
Development cost charges reserves (Exhibit 19)	2,037,766	2,633,169
Reserve - Municipal Finance Authority (Note 3)	7,865,458	7,784,638
Long term debt (Note 5)	111,841,831	108,538,866
Landfill closure accrual (Note 6)	<u>-</u>	<u>1,230,500</u>
	<u>126,395,188</u>	<u>124,583,504</u>
Net Financial Assets (Liabilities)	(14,440,099)	(12,971,715)
Physical Assets		
Capital assets (Note 7)	<u>75,127,748</u>	<u>67,122,667</u>
Net Position	\$ 60,687,649	\$ 54,150,952
Municipal Position		
Financial equity		
Current fund	\$ 715,893	\$ 564,477
Capital fund	(3,615,101)	(4,939,612)
Reserve fund	<u>5,163,606</u>	<u>4,596,626</u>
	2,264,398	221,491
Equity in physical assets	<u>58,423,251</u>	<u>53,929,461</u>
	<u>\$ 60,687,649</u>	<u>\$ 54,150,952</u>

Approved on behalf of the Board:

_____ Treasurer

Regional District of the Central Okanagan Consolidated Statement of Financial Activities

For the year ended December 31	2002	2002	2001
	Actual	Budget	Actual
Revenue			
Electoral area tax requisitions	\$ 8,499,819	\$ 8,501,945	\$ 7,684,840
Electoral area parcel taxes	1,677,231	1,671,799	1,493,538
Members' requisitions			
General	6,151,129	6,149,002	6,043,335
Parcel taxes	475,493	475,493	483,943
Debt services	10,914,749	11,623,021	6,869,716
Federal government grants	30,467	137,992	839,896
Provincial government grants	222,512	79,346	202,114
Sale of services to other governments	1,878,031	1,857,562	1,906,653
Sale of services to others	2,884,264	2,965,932	3,188,048
Water and sewer fees	1,863,939	1,810,464	1,841,683
Contribution from property owners and developers	1,150,371	-	952,995
Other revenue	2,424,303	1,388,427	2,078,020
Contributions from other	27,400	-	180,000
Contributions from sewer DCC reserve	1,267,868	1,300,000	-
Proceeds on sale of assets	7,068	-	-
Transfer from landfill closure liability	1,230,500	-	-
	40,705,144	37,960,983	33,764,781
Expenditures (Note 12)			
General government services	963,274	957,329	947,224
Protective services	4,069,060	4,016,195	3,849,305
Transportation services	1,449,985	1,389,517	1,264,316
Environmental health services	5,241,986	5,275,048	5,801,434
Environmental development services	3,195,079	3,295,412	3,118,571
Recreation and cultural services	4,891,654	5,093,735	4,540,548
Water services	372,733	317,071	339,897
Sewer services	1,499,891	1,460,080	1,333,026
Interest and bank charges	8,205,908	8,930,360	5,797,127
Transfer to local governments	67,900	67,900	67,900
Feasibility studies	54,799	-	94,841
Capital expenditures	8,292,530	2,849,479	5,497,290
Debt issue expense	33,512	-	71,325
	38,338,311	33,652,126	32,722,804
Net revenues	2,366,833	4,308,857	1,041,977
New debt issued	4,243,000	455,900	4,075,700
Debt principal repayments	(4,566,926)	(4,452,447)	(2,712,026)
Change in fund balances	2,042,907	312,310	2,405,651
Financial Equity, beginning of year	221,491	221,491	(2,184,160)
Financial Equity, end of year	\$ 2,264,398	\$ 533,801	\$ 221,491

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

Regional District of the Central Okanagan Consolidated Statement of Current Fund Operations

For the year ended December 31	2002	2002	2001
	Actual	Budget	Actual
Revenues			
Electoral area tax requisitions	\$ 8,499,819	\$ 8,501,945	\$ 7,684,840
Electoral area parcel taxes	1,677,231	1,671,799	1,493,538
Members' requisitions			
General	6,151,129	6,149,002	6,043,335
Parcel taxes	475,493	475,493	483,943
Debt services	10,914,749	11,623,021	6,869,716
Federal government grants	30,467	137,992	16,896
Provincial government grants	222,512	79,346	202,114
Sale of services to local governments	1,878,031	1,857,562	1,906,653
Sale of services to others	2,884,264	2,965,932	3,188,048
Water and sewer user fees	1,863,939	1,810,464	1,841,683
Contribution from property owners and developers	183,000	-	-
Other revenue	2,199,124	1,388,427	1,908,169
Transfer from landfill closure liability	1,230,500	-	-
	38,210,258	36,660,983	31,638,935
Expenditures			
General government services	963,274	957,329	947,224
Protective services	4,069,060	4,016,195	3,849,305
Transportation services	1,449,985	1,389,517	1,264,316
Environmental health services	5,241,986	5,275,048	5,801,434
Environmental development services	3,195,079	3,295,412	3,118,571
Recreational and cultural services	4,891,654	5,093,735	4,540,548
Water services	372,733	317,071	339,897
Sewer services	1,499,891	1,460,080	1,333,026
Interest and bank charges	8,205,908	8,930,360	5,797,127
Transfer to local governments	67,900	67,900	67,900
	29,957,470	30,802,647	27,059,348
Net revenues	8,252,788	5,858,336	4,579,587
Debt principal repayments	(4,566,926)	(4,452,447)	(2,712,026)
Net interfund transfers			
Capital	(1,265,977)	(1,268,544)	(1,630,827)
Reserve	(2,268,469)	(693,980)	(487,096)
Change in current fund	151,416	(556,635)	(250,362)
Balance, beginning of year	564,477	564,477	814,839
Balance, end of year	\$ 715,893	\$ 7,842	\$ 564,477

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

Regional District of the Central Okanagan Consolidated Statement of Capital Fund Operations

For the year ended December 31	2002	2002	2001
	Actual	Budget	Actual
Revenues			
Contributions from property owners and developers	\$ 959,771	\$ -	\$ 790,082
Government grants	-	-	823,000
Proceeds on sale of assets	7,068	-	-
Issue of long-term debt	4,243,000	455,900	4,075,700
Actuarial adjustment on long term debt	1,195,361	-	2,177,205
	6,405,200	455,900	7,865,987
Expenditures			
Capital expenditures			
Land	3,551,506	563,579	60,000
Buildings	97,342	525,900	863,487
Machinery, equipment & other	521,016	366,000	361,939
Engineering structures	4,122,666	1,394,000	3,581,549
Other	-	-	630,315
Debt issue expense	33,512	-	71,325
Reduction in Municipal Finance Authority debt	5,762,287	4,452,447	4,889,229
	14,088,329	7,301,926	10,457,844
Net revenues	(7,683,129)	(6,846,026)	(2,591,857)
Net interfund transfers			
Current fund - acquisitions and debt reduction	1,265,977	1,268,544	1,630,827
Current fund - MFA debt reduction	4,566,926	4,452,447	2,712,026
Reserve funds	1,906,869	1,280,500	306,694
Contributions received from sewer DCC reserve	1,267,868	1,300,000	-
Change in capital fund	1,324,511	1,455,465	2,057,690
Balance, beginning of year	(4,939,612)	(4,939,612)	(6,997,302)
Balance, end of year	\$ (3,615,101)	\$ (3,484,147)	\$ (4,939,612)

Regional District of the Central Okanagan Consolidated Statement of Reserve Fund Operations

For the year ended December 31	2002	2002	2001
	Actual	Budget	Actual
Revenues			
Contributions from developers	\$ 7,600	\$ -	\$ 162,913
Contributions from other	27,400	-	180,000
Recoveries	122,177	-	2,700
Interest income	103,002	-	167,149
	260,179	-	512,762
Expenditures			
Feasibility studies	54,799	-	94,841
Net revenues (expenditures)	205,380	-	417,921
Net interfund transfers			
Current fund	2,268,469	693,980	487,096
Capital fund	(1,906,869)	(1,280,500)	(306,694)
Change in reserve fund	566,980	(586,520)	598,323
Balance, beginning of year	4,596,626	4,596,626	3,998,303
Balance, end of year	\$ 5,163,606	\$ 4,010,106	\$ 4,596,626
Summary of Reserve Funds positions			
Feasibility Reserve Fund	\$ 149,002		\$ 79,601
Equipment Replacement Reserve Fund	3,434,160		4,044,390
Park Reserve Fund	320,039		472,635
Capital Projects Reserve Fund	1,260,405		-
	\$ 5,163,606		\$ 4,596,626

Regional District of the Central Okanagan Consolidated Statement of Cash Flows

For the year ended December 31	2002	2001
Operating Activities		
Cash receipts from grants, other governments, and own sources	\$ 39,803,491	\$ 33,168,967
Cash paid to employees and suppliers	(22,181,474)	(19,990,962)
Interest paid	(8,205,908)	(5,797,127)
Interest received	384,347	538,966
	<u>9,800,456</u>	<u>7,919,844</u>
Investing Activities		
Purchase of capital assets	<u>(8,292,530)</u>	<u>(5,497,290)</u>
Financing Activities		
Long-term debt reduction	2,067,733	3,279,746
Issuance of long-term debt	(4,243,000)	(4,075,700)
Reduction of long-term debt from non-cash transactions	1,526,231	2,121,904
	<u>(649,036)</u>	<u>1,325,950</u>
Increase (decrease) in cash during year	858,890	3,748,504
Cash, beginning of year	<u>6,574,741</u>	<u>2,826,237</u>
Cash, end of year	\$ 7,433,631	\$ 6,574,741

Regional District of the Central Okanagan Summary of Significant Accounting Policies

December 31, 2002

Basis of Presentation	<p>It is the Regional District's policy to follow accounting principles generally accepted for municipalities in the Province of British Columbia and to apply such principles consistently. The consolidated financial statements include the account of all funds for the Regional District. All interfund transfers have been eliminated. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.</p>
Basis of Accounting	<p>It is the Regional District's policy to follow accounting principles generally accepted for Regional Districts in the Province of British Columbia and to apply such principles consistently.</p> <p>The resources and operations of the Regional District are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.</p> <p>The accrual method is used, with the exception of principal, interest, and foreign exchange on long-term liabilities which are charged against operations in the period they are paid. The accrual basis recognizes revenues and expenditures as they become reasonably certain and are measurable.</p>
Capital Assets	<p>Capital asset expenditures are charged directly to the appropriate fund and in the capital fund are recorded at cost along with the related source of financing and equity therein. There is no amortization recorded on capital assets.</p>
Vacation and Sick Pay	<p>Vacation pay, which may be accumulated up to two weeks, is charged to expense in the year paid. Sick leave, which has a maximum accumulation of thirty-five weeks is also charged to expense in the year paid. Earned sick leave is paid to a maximum of seventeen and a half weeks upon termination of employment.</p>
Development Cost Charges	<p>Development Cost Charge (DCC) levies are restricted by by-law in their use for water and sewer expansion and the revenue is deferred until the expenditures are incurred. When DCC expenditures are made, a corresponding amount is recorded as "Contribution from property owners and developers."</p>
Reserve Fund Balances	<p>The Regional District has appropriated certain funds for future capital expenditures for specific projects or studies. Expenditures from a reserve can only be made with approval from the Ministry or in accordance with by-law directives.</p>
Debt Charges	<p>The interest portion of debt charges is charged against current operating revenue in the year in which it is paid. Accrued interest is recorded as a payable and reduction of the ending net position. Principal payments are recorded as a reduction of fund balances and net debt.</p>

Regional District of the Central Okanagan Summary of Significant Accounting Policies

December 31, 2002

Financial Instruments

The Regional District's financial instruments consist of cash, accounts receivable, temporary and long-term investments, bank indebtedness, accounts payable, temporary and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Budget Figures

The budget figures are from the Annual Budget Bylaw to be adopted each year. They have been reallocated to conform to PSAB Financial Statement Presentation. Subsequent amendments have been made by the board to reflect changes in the budget as required by law.

Comparative Figures

Certain comparative figures have been restated to conform to the presentation adopted for the current year.

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2002

1. Cash and Funds on Deposit

Included in cash and funds on deposit is \$7,201,372 (2001 - \$1,888,004) which has been specifically set aside for internally and externally restricted reserves. As at the year-end, the actual reserve liabilities are \$7,201,372 (2001 - \$7,229,795).

2. Accounts Receivable

	2002	2001
Local government	\$ 492,627	\$ 665,970
Provincial government	216,362	796,839
Federal government	6,200	6,200
Due from Okanagan basin water board	64,197	44,826
Other	414,168	392,913
	\$ 1,193,554	\$ 1,906,748

3. Reserve - Municipal Finance Authority

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 withheld by the Municipal Finance Authority as a debt reserve fund. The Regional District also executes demand notes in connection with each debenture whereby the Regional District may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not reflected in the accounts. The details of the cash deposits and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	2002	2001
Regional District	\$ 816,976	\$ 355,691	\$ 1,172,667	\$ 1,088,499
Member Municipalities				
Kelowna	4,105,179	1,766,899	5,872,078	5,947,653
Peachland	174,781	83,949	258,730	253,847
Lake Country	412,930	149,053	561,983	494,639
	\$ 5,509,866	\$ 2,355,592	\$ 7,865,458	\$ 7,784,638

**Regional District of the Central Okanagan
Notes to Financial Statements**

December 31, 2002

4. Agreements Due From Members

Agreements due from members become receivable on the same terms as payable to the Municipal Finance Authority. 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.

	2002	2001
City of Kelowna	\$ 79,103,009	\$ 80,320,409
District of Lake Country	11,517,595	10,363,251
District of Peachland	4,516,730	4,662,002
	\$ 95,137,334	\$ 95,345,662

5. Long Term Debt

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2002	2001
225	31	Regional District - Ellison Fire	2002	6.900	\$ -	\$ 306
225	31	City of Kelowna	2002	6.900	6,155	15,554
238	32	City of Kelowna	2002	5.550	-	42,367
247	33	City of Kelowna	2003	12.350	161,366	304,994
253	34	Regional District - Killiney Beach Water	2003	7.250	26,748	52,222
256	34	City of Kelowna	2003	7.250	183,412	358,089
257 263	35	City of Kelowna	2004	5.370	513,893	750,802
273	36	District of Lake Country	2004	13.250	-	3,711
279 283	37	City of Kelowna	2005	6.500	-	654,433
293 294	38	City of Kelowna	2005	11.150	538,578	701,718
295	38	Regional District - Regional Parks	2005	11.150	49,167	64,021
307	40	City of Kelowna	2006	9.750	460,379	562,085
Carried forward					\$ 1,939,698	\$ 3,510,302

**Regional District of the Central Okanagan
Notes to Financial Statements**

December 31, 2002

5. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding		
					2002	2001	
Brought forward					\$	1,939,698	\$ 3,510,302
339	43	Regional District - North Westside Road Fire	2007	8.050	52,111	61,093	
		Johnson Bentley Pool	2007	8.050	538,454	631,253	
		Regional Parks	2007	8.050	114,645	133,780	
339	43	District of Lake Country	2007	8.050	9,420	11,396	
340	43	City of Kelowna	2007	8.050	460,542	539,920	
340	43	District of Peachland	2007	8.050	132,015	154,737	
357	44	Regional District - Westside Sewage System	2008	5.550	346,194	394,667	
373	45	Regional District - Dog Control	2008	5.550	74,269	58,039	
		Johnson Bentley Pool	2008	5.550	-	26,629	
373	45	District of Lake Country	2008	5.550	9,775	11,144	
394	47	City of Kelowna	2009	6.500	25,298	28,257	
379	48	City of Kelowna	2010	6.500	1,495,359	1,743,307	
397							
436	49	Regional District - Falconridge Water	2010	6.500	123,733	135,968	
		Westside Sewage System	2010	6.500	352,702	387,979	
453	50	City of Kelowna	2011	10.310	738,196	846,836	
488	51	City of Kelowna	2011	7.420	195,483	232,920	
478	53	Regional District - Joe Rich Fire	2012	9.630	212,837	14,664	
		Regional Parks	2012	9.630	-	214,288	
478	53	District of Lake Country	2012	9.630	77,452	83,316	
500	53	City of Kelowna	2007	9.630	344,534	403,917	
526	54	City of Kelowna	2013	8.300	1,180,155	1,259,269	
527	54	Regional District - Westside Sewage System	2013	8.300	14,497	15,469	
Carried forward					\$	8,437,369	\$ 10,899,150

**Regional District of the Central Okanagan
Notes to Financial Statements**

December 31, 2002

5. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding		
					2002	2001	
Brought forward					\$	8,437,369	\$ 10,899,150
566	56	Regional District - Ellison Fire	2003	8.040	16,651	32,508	
		Westside Sewage System	203	8.040	118,109	126,026	
566	56	District of Lake Country	2013	8.040	312,602	333,558	
572	56	City of Kelowna	2013	8.040	431,429	485,060	
602	59	Regional District - Sundance Street Lights	2004	9.490	1,445	2,116	
		Westside Sewage System	2004	9.490	192,459	204,724	
603	59	District of Peachland	2019	9.490	515,150	534,167	
603 605	59	City of Kelowna	2019	9.490	2,484,184	2,759,676	
624	60	City of Kelowna	2015	8.880	1,017,582	1,072,295	
640	61	Regional District - Westside Sewage Systems	2015	8.000	342,392	364,366	
646	61	City of Kelowna	2010	8.000	296,396	325,957	
647	63	City of Kelowna	2016	7.750	3,451,567	3,737,904	
667	64	Regional District - Regional Parks	2016	7.420	1,607,183	1,665,781	
		Traders Cove Gas Line	2016	7.420	-	22,708	
692	64	Regional District - Westside Sewage System	2016	7.420	113,187	118,686	
694	64	City of Kelowna	2021	7.420	4,732,642	5,029,230	
710	65	District of Lake Country	2017	6.900	390,626	407,866	
739	66	Regional District - Green Bay Water Recirculation	2002	5.850	-	1,386	
		Westside Sewage System	2002	5.850	702,424	734,426	
743	66	City of Kelowna	2017	5.850	397,235	425,880	
740	66	District of Peachland	2022	5.850	167,118	171,932	
Carried forward					\$	25,727,750	\$ 29,455,402

**Regional District of the Central Okanagan
Notes to Financial Statements**

December 31, 2002

5. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2002	2001
Brought forward					\$ 25,727,750	\$ 29,455,402
764	68	District of Peachland	2023	5.550	3,702,448	3,801,166
768	69	City of Kelowna	2018	5.550	184,627	192,059
809	70	Regional District - Regional Parks	2014	5.490	183,590	194,575
		Westside Sewage System	2014	5.490	151,078	156,646
811	70	City of Kelowna	2019	5.490	193,996	204,171
818	70	District of Lake Country	2024	5.490	5,947,456	6,000,804
839	71	Regional District - Tamarack Fire	2009	5.990	157,366	175,773
		Westside Sewage System	2009	5.990	1,447,456	1,500,804
841	71	City of Kelowna	2019	5.990	7,413,758	7,843,967
886	73	Regional District - Shamrock/Ensign Street Lights	2020	6.350	17,360	19,091
		Westside Sewage System	2020	6.350	1,554,622	1,607,251
887	73	District of Lake Country	2020	6.350	978,337	1,011,457
912	74	Ellison Fire Hall	2021	5.930	581,854	600,000
912	74	Regional District - Glenrosa Sewer	2021	5.930	618,705	638,000
		Lakeview Sewer	2021	5.930	996,620	1,027,700
		Gellatly Sewer	2021	5.930	327,584	337,800
		West Kelowna Sewer	2021	5.930	73,217	75,500
931	75	Regional District - Gellatly Sewer	2021	5.690	25,214	26,000
		Glenrosa Sewer	2021	5.690	921,270	950,000
		Mt. Boucherie Sewer	2021	5.690	370,447	382,000
931	75	Westbank Works & Services	2011	5.690	35,623	38,700
932	75	City of Kelowna	2021	5.690	484,879	500,000
933	75	District of Lake Country	2021	5.690	2,424,394	2,500,000
939	76	City of Kelowna	2018	4.550	47,600,948	49,300,000
Carried forward					\$ 102,120,599	\$ 108,538,866

**Regional District of the Central Okanagan
Notes to Financial Statements**

December 31, 2002

5. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2002	2001
Brought forward					\$ 102,120,599	\$ 108,538,866
957	77	City of Kelowna	2022	6.050	39,450	-
964	77	Regional District - Lakeview Sewer	2022	6.050	1,915,000	-
973	78	District of Lake Country	2022	5.860	567,535	-
983	78	City of Kelowna	2022	5.380	4,071,247	-
984	78	District of Lake Country	2022	5.380	800,000	-
Total Municipal Finance Authority Agreements					109,513,831	\$ 108,538,866
Loan payable to CIBC Bank, with monthly interest payments of approximately \$9,580 at 4.98%, due May 17, 2007.					2,328,000	-
Total long term debt					\$ 111,841,831	\$ 108,538,866

6. Landfill Closure and Post-Closure Care

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.

The remaining capacity of the Westside Sanitary Landfill is 490,926 cubic meters which is expected to be reached by 2015. Closure will involve covering the site with topsoil and vegetation, drainage control, and installing groundwater monitoring wells. Post-closure care activities for the landfill are expected to occur for 25 years and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and landfill cover maintenance. Based on the 1999 Westside Landfill Report, the total closure costs were estimated at \$1,230,500. Accordingly, in 2002 the District transferred an amount equal to the total estimated landfill closure costs to the Capital Projects Reserve Fund (see Exhibit 27).

**Regional District of the Central Okanagan
Notes to Financial Statements**

December 31, 2002

7. Capital Assets

	<u>2002</u>	<u>2001</u>
Land	\$ 9,750,137	\$ 6,198,630
Buildings	11,716,554	11,619,211
Equipment	7,109,323	6,875,758
Engineering structures	542,914	542,914
Sewer system	42,326,259	38,203,593
Water system	1,137,882	1,137,882
Other	2,544,679	2,544,679
	<u>\$ 75,127,748</u>	<u>\$ 67,122,667</u>

8. Credit Facility

The Regional District has a credit facility agreement with a financial institution which provides for a total commitment of \$14,591,842. At December 31, 2002, the Regional District had drawn an amount of \$nil on this agreement.

9. Pension Liability

The Regional District of the Central Okanagan and its employees contribute to the Municipal Pension Plan (the plan), a jointly-trusted pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the plan. The pension plan is a multi-employer contributory defined benefit pension plan with about 126,000 active contributors including approximately 28,000 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 most recent valuation as at December 31, 2000 indicated funding surplus of \$436 million. The Joint Trust Agreement specifies how surplus assets can be used. The actuary does not attribute portions of the surplus to individual employers. The Regional District of the Central Okanagan paid \$322,371 for employer contributions to the plan in fiscal 2002.

10. Commitment

On October 28, 2002, the Regional District of the Central Okanagan entered into an agreement to acquire three firetrucks in 2003 for a total cost of \$691,756. The District is proposing to lease the firetrucks through a five year lease agreement with On-Line Financing.

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2002

11. Changes in Accounting Policy

Certain programs previously accounted for as liabilities administered which were administered by the Regional District on the behalf of others have been restated as part of the District's self administered surplus funds. This change has been applied retroactively and the previously reported 2001 general revenue fund opening surplus has been restated by \$22,718.

12. Expenditures by Object

	2002	2001
Advertising and promotion	\$ 139,127	\$ 112,405
Capital acquisitions and materials	8,292,530	5,497,290
Contract services	3,739,964	3,886,007
Education and training	334,930	288,376
Emergency services	561,246	497,426
Grants and other programs	339,651	349,297
Insurance, licences and memberships	442,187	434,225
Interest and bank charges	8,205,908	5,797,127
Leases and rentals	79,011	317,851
Office and administration	283,681	294,759
Planning and development	459,850	265,926
Professional fees	129,840	130,110
Repairs and maintenance	1,574,256	1,571,122
Supplies	360,330	396,208
Telephone and utilities	904,788	936,068
Transit services	1,088,439	879,524
Travel	167,628	194,886
Transfers to other agencies and governments	3,897,890	3,806,912
Wages and benefits	7,337,055	7,067,285
	\$ 38,338,311	\$ 32,722,804

Exhibit 1

**Regional District of the Central Okanagan
General Revenue Fund
Balance Sheet**

For the year ended December 31 **2002** **2001**

Assets

Cash	\$ 557,371	\$ 4,686,737
Accounts receivable		
Federal government	6,200	6,200
Provincial government	198,125	170,061
Local government	492,627	665,970
Due from own funds		
General capital fund	856,726	2,407,277
Sewer capital fund	2,153,097	197,460
Sewer revenue fund	86,910	104,120
Water capital fund	4,830	6,491
Water revenue fund	20,642	-
Other	414,168	392,913
Other assets		
Municipal Finance Authority debt reserve fund		
Member municipalities	6,692,791	6,696,140
Regional District	440,872	455,441
	\$ 11,924,359	\$ 15,788,810

Liabilities and Surplus

Accounts payable	\$ 2,926,271	\$ 4,250,408
Trade accounts payable and accrued liabilities		
Due to equipment replacement reserve fund	-	2,708,622
Due to water revenue fund	-	39,989
Other liabilities		
Insurance and sick pay reserve	1,117,904	1,067,155
Municipal Finance Authority debt reserve fund		
Member municipalities		
- cash requirements	1,999,901	1,977,091
- demand note requirement	4,692,890	4,719,049
Regional District		
- cash requirements	144,286	144,836
- demand note requirement	296,586	310,605
Surplus	746,521	571,055
	\$ 11,924,359	\$ 15,788,810

Exhibit 2

**Regional District of the Central Okanagan
General Revenue Fund
Statement of Revenue and Expenditure**

For the year ended December 31	2002	2001
Revenue		
Electoral area tax requisitions	\$ 8,499,819	\$ 7,684,840
Electoral area parcel taxes	652,053	599,814
Members' requisitions		
General	6,151,129	6,043,335
Parcel taxes	475,493	483,943
Debt services	10,914,749	6,869,716
Federal government grant	30,467	16,896
Provincial government grant	130,843	148,376
Sale of services to local governments	1,878,031	1,906,653
Sale of services to others	2,884,264	3,188,048
Other revenue		
Licenses, fees and permits	1,130,124	899,850
Facility rentals	373,609	540,354
Other	564,542	450,415
Transfer from landfill closure liability	1,230,500	-
Surplus from previous year	571,055	991,138
	35,486,678	29,823,378
Expenditure		
General government services	963,274	947,224
Protective services	4,069,060	3,849,305
Transportation services	1,449,985	1,264,316
Environmental health services	5,241,986	5,801,434
Environmental development services	3,195,079	3,118,571
Recreational and cultural services	4,891,654	4,540,548
Fiscal services	11,668,451	7,709,498
Transfer to equipment replacement reserve fund	503,824	456,012
Transfer to parkland reserve fund	260,155	-
Transfer to general capital fund	1,198,289	1,497,515
Transfer to capital projects reserve fund	1,230,500	-
Transfer to District of Lake Country	55,000	55,000
Transfer to District of Peachland	12,900	12,900
	34,740,157	29,252,323
Surplus, end of year	\$ 746,521	\$ 571,055

Exhibit 3
Regional District of the Central Okanagan
General Revenue Fund
Surplus

For the year ended December 31	2002	2001
Legislative	\$ 11,525	\$ 6,756
Administration	11,788	-
Finance	19,046	58,008
Engineering	68,866	123,999
Personnel	11,578	-
Information Systems	25,229	(2,101)
General government services - electoral areas	14,551	4,662
Westbank office	(9,512)	18,073
Regional grants-in-aid	2,458	5,001
Area G grants-in-aid	7,254	1,967
Westbank electoral grants	4,001	5,464
Area I grants-in-aid	815	2,400
Ellison fire protection	(17,955)	(15,418)
Joe Rich hall / fire protection	(2,613)	(13,417)
North Westside Road fire protection	(8,656)	19,824
Wilson's Landing fire protection	844	(5,878)
Tamarack fire protection	(2,928)	(2,928)
Regional rescue service	(14,761)	20,662
911 emergency telephone service	13,852	74,681
Crime stoppers	(10,041)	5,792
Victims assistance program	13,582	6,075
Crime prevention programs	825	24,294
Business Licenses	(1,058)	(13,255)
Building inspection	323,189	73,400
Dog control	5,076	2,469
Mosquito control	(401)	2,516
Transportation Demand Management	18,741	31,496
Casa Loma street lighting	225	195
Pritchard Drive street lighting	123	152
Westbank street lighting	3,138	3,187
Shannon Lake street lighting	(280)	(1,225)
Scotty Heights street lighting	275	963
Green Bay street lighting	103	68
Shamrock/Ensign street lighting	(27)	(56)
Westside Road street lighting	16	23
Westside street lighting	(3,942)	(2,637)
Westbank hall parking lot	20,876	22,095
Westside transit services	(84,661)	12
Handi-dart transit	149	(9,942)
Ellison transit services	50	96
Septic tank effluent disposal	74,048	(4,489)
Westside sanitary landfill	(9,151)	(37,108)
Solid waste management	2,872	14,105
Solid waste collection	2,330	(1,765)
Recycling Depots	-	(27,302)
N.O.W.E.S.I. Transfer Station	(3,348)	(16,540)
Okanagan Basin water board	10,183	10,650
Balance to be carried forward	\$ 491,439	\$ 418,216

Exhibit 3

**Regional District of the Central Okanagan
General Revenue Fund
Surplus**

For the year ended December 31	2002	2001
Balance carried forward	\$ 491,439	\$ 418,216
Air Quality Monitoring	(18)	(18)
Noise abatement	2,438	2,993
Unsightly and untidy premises	(4,242)	(4,219)
Regional planning	(84)	111,946
Electoral area planning	146,673	42,749
Noxious insect control	1,151	492
Weed control	17,322	663
Sterile insect release	1,082	10,453
Economic development commission	(20,944)	(18,717)
Mount Boucherie Arena	33,168	(5,411)
Ellison heritage hall	1,471	-
Johnson Bentley Aquatic Centre	25,912	7,150
Mount Boucherie Community Centre	(13,974)	1,984
Regional parks	31,108	32,414
Westside community parks	(2,756)	3,475
Eastside community parks	2,769	1,933
Westside Senior Citizens Activity Centre	24,589	1,207
Westside Youth Programs	3,282	15,337
Okanagan Regional Library	-	(8,524)
Traders Cove Gas Line	(700)	-
Surplus, end of year as previously stated	746,521	580,931
Retroactive adjustment	-	(9,876)
Surplus, end of year as restated	\$ 746,521	\$ 571,055

Exhibit 4

**Regional District of the Central Okanagan
General Capital Fund
Balance Sheet**

For the year ended December 31 **2002** **2001**

Assets

Capital assets

Land	\$ 9,750,137	\$ 6,198,630
Buildings	11,716,554	11,619,211
Machinery and equipment	7,109,323	6,875,758
Engineering structures	542,914	542,914
Other	2,544,679	2,544,679
	31,663,607	27,781,192

Debt recoverable from other authorities for debentures

City of Kelowna	79,103,009	80,320,409
District of Lake Country	11,517,595	10,363,251
District of Peachland	4,516,730	4,662,002
	95,137,334	95,345,662

\$ 126,800,941 **\$ 123,126,854**

Liabilities and Equity in Capital Assets

Accounts payable

Due to general revenue fund	\$ 856,726	\$ 2,407,277
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Long term debt

CIBC loan payable	2,328,000	-
Municipal Finance Authority	98,780,175	99,301,245

Equity in capital assets

	24,836,040	21,418,332
	\$ 126,800,941	\$ 123,126,854

Exhibit 5

**Regional District of the Central Okanagan
General Capital Fund
Statement of Equity in Capital Assets**

For the year ended December 31	2002	2001
Balance, beginning of year	\$ 21,418,332	\$ 19,309,199
Add:		
Assets acquired and debt retired by transfers from own funds		
General revenue fund	1,198,289	745,248
Park reserve fund	444,591	-
Equipment replacement reserve fund	329,346	301,930
Early debt repayment reserve fund	1,140,000	-
Federal government grants	-	214,459
Donations and other contributions	280,189	59,807
Retirement of long term debt	313,288	1,038,181
	25,124,035	21,668,824
Deduct:		
Debentures issue expense	-	11,177
Debt adjustment	543	20,536
Assets sold or abandoned	287,452	218,779
Balance, end of year	\$ 24,836,040	\$ 21,418,332

Exhibit 6

**Regional District of the Central Okanagan
General Capital Fund
Statement of Capital Financing**

For the year ended December 31	2002	2001
Finances Acquired		
Due to general revenue fund	\$ 856,726	\$ 2,407,277
Debentures incurred		
Member municipality's portion	5,478,232	52,300,000
Own portion	-	638,700
Donations and other contributions	280,189	59,807
Long term debt issued	2,328,000	-
Proceeds on sale of assets	7,068	-
Federal government grant	-	214,459
Transfer from equipment replacement reserve fund	329,346	301,930
Transfer from general revenue fund	1,198,289	1,497,515
Transfer from parks reserve fund	444,591	-
Transfer from early debt repayment reserve fund	1,140,000	-
	\$ 12,062,441	\$ 57,419,688
Finances Applied		
Payable to general revenue fund	\$ 2,407,277	\$ 3,459,007
Expenditures for capital assets	4,169,864	1,649,505
Transfer to equipment replacement reserve fund	7,068	-
Payment to member municipalities for their portion of debentures:		
City of Kelowna	4,110,697	49,800,000
District of Lake Country	1,367,535	2,500,000
Debenture issue expense		
Own portion	-	11,176
	\$ 12,062,441	\$ 57,419,688

**Regional District of the Central Okanagan
General Capital Fund
Statement of Expenditures for Capital Assets**

For the year ended December 31	Buildings	Machinery and Equipment	Other Assets	Land	Total 2002	Total 2001
Administration	\$ 21,883	\$ -	\$ -	\$ -	\$ 21,883	\$ 16,350
Engineering	-	-	-	-	-	95,703
Information systems	-	28,023	-	-	28,023	-
Regional rescue	-	129,401	-	-	129,401	-
Ellison fire protection	-	-	-	-	-	74,958
Joe Rich Volunteer fire protection	-	18,642	-	-	18,642	-
North Westside Road fire protection	12,397	14,350	-	-	26,747	45,000
Wilson's Landing fire protection	40,189	-	-	-	40,189	4,609
Building inspection	-	14,671	-	-	14,671	15,495
Dog control	-	24,213	-	-	24,213	20,648
Ellison community hall	10,617	-	-	-	10,617	427,821
Johnson Bentley aquatic centre	-	26,938	-	-	26,938	10,392
Mount Boucherie arena	11,915	-	-	-	11,915	(31,636)
Mount Boucherie community hall	-	-	-	-	-	5,180
Westside Seniors' activity centre	341	-	-	-	341	6,770
Regional parks	-	51,398	-	1,460,000	1,511,398	177,823
Westside community parks	-	42,001	-	2,091,506	2,133,507	597,334
Westside sanitary landfill	-	171,379	-	-	171,379	55,761
Septic Tank Effluent Disposal	-	-	-	-	-	82,510
Electoral planning area	-	-	-	-	-	21,968
Mosquito control	-	-	-	-	-	14,294
Okanagan Regional Library	-	-	-	-	-	8,525
	\$ 97,342	\$ 521,016	\$ -	\$ 3,551,506	\$ 4,169,864	\$ 1,649,505

Exhibit 8

**Regional District of the Central Okanagan
Water Revenue Fund
Balance Sheet**

For the year ended December 31	2002	2001
Assets		
Accounts receivable		
Due from provincial government	\$ 12,726	\$ 12,726
Due from general revenue fund	-	39,989
Other assets		
Municipal Finance Authority debt reserve fund	69,887	68,879
	\$ 82,613	\$ 121,594
Liabilities and Deficit		
Accounts payable		
Due to general revenue fund	\$ 20,642	\$ -
Other liabilities		
Municipal Finance Authority debt reserve fund		
- cash requirement	30,070	28,382
- demand note requirement	39,816	40,497
Surplus (deficit)	(7,915)	52,715
	\$ 82,613	\$ 121,594

Exhibit 9

**Regional District of the Central Okanagan
Water Revenue Fund
Statement of Revenue and Expenditure**

For the year ended December 31	2002	2001
Revenue		
Conditional transfers from other governments		
Water facilities assistance grant	\$ 25,452	\$ 25,452
Connection charges	19,775	64,705
Contribution from property owners and developers	183,000	-
Parcel tax	69,076	69,075
User fees	350,425	336,290
Surplus (Deficit) from previous year	52,715	(7,564)
	<u>700,443</u>	<u>487,958</u>
Expenditures		
Falcon Ridge water system	10,078	12,044
Killiney Beach water system	67,698	71,684
Pritchard Drive water system	21,495	17,300
Trepanier Bench water system	13,439	5,080
West Kelowna Estates water system	193,794	156,198
Westshore water system	66,229	77,591
Fiscal services	59,974	59,975
Transfer to equipment reserve fund	273,990	31,084
Transfer to water capital fund	1,661	4,287
	<u>708,358</u>	<u>435,243</u>
Surplus (deficit)	\$ (7,915)	\$ 52,715

Exhibit 10

**Regional District of the Central Okanagan
Water Capital Fund
Balance Sheet**

For the year ended December 31 **2002** **2001**

Assets

Capital assets

Engineering structures	\$ 1,102,891	\$ 1,102,891
Machinery and equipment	34,991	34,991
	\$ 1,137,882	\$ 1,137,882

Liabilities and Equity in Capital Assets

Due to general revenue fund	\$ 4,830	\$ 6,491
Long term debt		
Municipal Finance Authority	150,480	189,575
Equity in capital assets	982,572	941,816
	\$ 1,137,882	\$ 1,137,882

Exhibit 11

**Regional District of the Central Okanagan
Water Capital Fund
Statement of Equity in Capital Assets**

For the year ended December 31	2002	2001
Balance, beginning of year	\$ 941,816	\$ 895,533
Add:		
Retirement of debenture debt	39,095	37,232
Transfer from water revenue fund for short term debt repayment	1,661	4,287
Transfer from equipment replacement reserve fund	-	4,764
Balance, end of year	\$ 982,572	\$ 941,816

Exhibit 12

**Regional District of the Central Okanagan
Water Capital Fund
Statement of Capital Financing**

For the year ended December 31	2002	2001
Finances Acquired		
Payable to general revenue fund	\$ 4,830	\$ 6,491
Transfer from water revenue fund for short term debt repayment	1,661	4,287
Transfer from equipment replacement reserve fund	-	4,764
	<u>\$ 6,491</u>	<u>\$ 15,542</u>
Finances Applied		
Payable to general revenue fund	\$ 6,491	\$ 10,778
Expenditures for capital assets	-	4,764
	<u>\$ 6,491</u>	<u>\$ 15,542</u>

Exhibit 13

**Regional District of the Central Okanagan
Sewer Revenue Fund
Balance Sheet**

For the year ended December 31	2002	2001
Assets		
Accounts receivable		
Due from Okanagan Basin water board	\$ 64,197	\$ 44,826
Other assets		
Municipal Finance Authority debt reserve fund	661,907	564,179
	\$ 726,104	\$ 609,005
Liabilities and Deficit		
Accounts payable		
Due to general revenue fund	\$ 86,910	\$ 104,120
Other liabilities		
Municipal Finance Authority debt reserve fund		
- cash requirement	181,334	151,859
- demand note requirement	480,573	412,320
Deficit	(22,713)	(59,294)
	\$ 726,104	\$ 609,005

Exhibit 14

**Regional District of the Central Okanagan
Sewer Revenue Fund
Statement of Revenue and Expenditure**

For the year ended December 31	2002	2001
Revenue		
Debt service fee	\$ 130,850	\$ 17,550
Okanagan Basin water board	66,217	28,286
Parcel tax	956,102	824,649
User fees	1,493,739	1,440,688
Deficit from previous year	(59,294)	(168,735)
	<u>2,587,614</u>	<u>2,142,438</u>
Expenditure		
Westside sewer system	1,499,891	1,333,026
Fiscal services	1,044,409	739,681
Transfer to sewer capital fund	66,027	129,025
	<u>2,610,327</u>	<u>2,201,732</u>
Deficit	\$ (22,713)	\$ (59,294)

Exhibit 15

**Regional District of the Central Okanagan
Sewer Capital Fund
Balance Sheet**

For the year ended December 31 **2002** **2001**

Assets

Accounts receivable

Due from Province of B.C. \$ 5,511 \$ 614,052

Capital assets

Engineering structures 42,192,370 38,069,704

Land 133,889 133,889

\$ 42,331,770 **\$ 38,817,645**

Liabilities and Equity in Capital Assets

Accounts payable

Trade accounts payable and accrued liabilities \$ 254,829 \$ 22,639

Due to general revenue fund 2,153,097 197,460

Due to sewer development cost charge reserve fund - 2,633,169

Trunk line reserves

351,130 286,630

Long term debt - Municipal Finance Authority

10,583,176 9,048,046

Equity in capital assets

28,989,538 26,629,701

\$ 42,331,770 **\$ 38,817,645**

Exhibit 16

**Regional District of the Central Okanagan
Sewer Capital Fund
Statement of Equity in Capital Assets**

For the year ended December 31	2002	2001
Balance, beginning of year	\$ 26,629,701	\$ 24,958,221
Add:		
Contribution from property owners	485,772	84,536
Contribution from developers and others	193,812	645,739
Conditional government grants	-	608,541
Retirement of debenture debt	379,870	263,787
Transfer from sewer development cost charge reserve fund	1,267,868	-
Transfer from sewer revenue fund	66,027	129,025
	<u>29,023,050</u>	<u>26,689,849</u>
Deduct:		
Debenture issue expense	33,512	60,148
Balance, end of year	\$ 28,989,538	\$ 26,629,701

**Regional District of the Central Okanagan
Sewer Capital Fund
Statement of Capital Financing**

For the year ended December 31	2002	2001
Finances Acquired		
Accounts receivable	\$ 614,052	\$ 307,761
Trade accounts payable and accrued liabilities	254,829	22,639
Due to general revenue fund	2,153,097	197,460
Due to sewer development cost charge reserve fund	-	2,633,169
Trunk line reserves	351,130	286,630
Conditional government grants	-	608,541
Contribution from property owners	485,772	84,536
Contribution from developers	193,812	645,739
Long term debt incurred - debentures	1,915,000	3,437,000
Transfer from sewer development cost charge reserve	1,267,868	-
Transfer from sewer revenue fund	66,027	129,025
	\$ 7,301,587	\$ 8,352,500
Finances Applied		
Accounts receivable	\$ 5,511	\$ 614,052
Trade accounts payable and accrued liabilities	22,639	98,889
Due to general revenue fund	197,460	1,889,929
Due to sewer development cost charge reserve fund	2,633,169	1,817,397
Trunk line reserves	286,630	29,064
Debenture issuing expenses	33,512	60,148
Expenditures for engineering structures	4,122,666	3,843,021
	\$ 7,301,587	\$ 8,352,500

Exhibit 18

**Regional District of the Central Okanagan
Sewer Development Cost Charge Reserve Fund
Balance Sheet**

For the year ended December 31	2002	2001
Assets		
Cash and term deposit	\$ 2,037,766	\$ -
Due from sewer capital fund	-	2,633,169
	\$ 2,037,766	\$ 2,633,169
Fund Balance		
Fund balance	\$ 2,037,766	\$ 2,633,169

Exhibit 19

**Regional District of the Central Okanagan
Sewer Development Cost Charge Reserve Fund
Statement of Changes in Fund Balance**

For the year ended December 31	2002	2001
Balance, beginning of year	\$ 2,633,169	\$ 1,817,397
Add:		
Interest earned	45,277	83,077
Development cost charge levies	627,188	732,695
	<u>3,305,634</u>	<u>2,633,169</u>
Deduct:		
Transfer to sewer capital fund	1,267,868	-
Balance, end of year	\$ 2,037,766	\$ 2,633,169

Exhibit 20
**Regional District of the Central Okanagan
Feasibility Study Reserve Fund
Balance Sheet**

For the year ended December 31 **2002** **2001**

Assets

Cash and term deposit **\$ 149,002** **\$ 79,601**

Fund Balance

Fund balance **\$ 149,002** **\$ 79,601**

Exhibit 21

**Regional District of the Central Okanagan
Feasibility Study Reserve Fund
Statement of Changes in Fund Balance**

For the year ended December 31	2002	2001
Balance, beginning of year	\$ 79,601	\$ 167,731
Add:		
Interest income	2,023	4,011
Contributions from developers, recoveries	122,177	2,700
	203,801	174,442
Deduct expenditures:		
Evelyn Road sewer	10,030	3,716
Gellately Nut Farm	1,580	3,706
Glenrosa / Westbank drainage	-	1,827
Green Bay water	6,015	-
Jennens / Hitchner sewer	313	10,628
Lakeview Heights drainage	20,124	21,201
Lakeview town centre plan	756	5,722
Liquid waste - Area I	-	313
Urban trails and servicing strategy	437	54
Westside drainage	-	584
Westside parks	(193)	8,297
D.C.C. review	15,737	38,793
	54,799	94,841
Balance, end of year	\$ 149,002	\$ 79,601

Exhibit 22

Regional District of the Central Okanagan Equipment Replacement Reserve Fund Balance Sheet

For the year ended December 31 2002 2001

Assets

Cash and term deposits	\$ 3,434,160	\$ 1,335,768
Due from general revenue fund	-	2,708,622
	\$ 3,434,160	\$ 4,044,390

Statement of Fund Balance

Regional Board	\$ 10,739	\$ 10,484
Administration and finance	177,955	120,038
Information systems	49,336	63,165
Planning	32,270	21,742
Economic development commission	138	135
911 emergency number	94,532	92,289
Regional rescue service	282,961	310,306
Victims witness	24,024	18,573
Ellison fire protection	9,759	8,746
Joe Rich hall / fire protection	31,659	47,750
North Westside Road fire protection	23,002	26,703
Wilson's Landing fire protection	54,367	46,243
Building inspection	16,068	20,595
Noise abatement	82	80
Unightly and untidy premises	375	366
Dog control	19,000	19,207
Noxious insect control	1,000	-
Weed control	10,181	7,987
Okanagan Regional Library	30,954	20,457
Johnson Bentley aquatic centre	238,298	185,207
Westside Seniors activity centre	107,004	100,561
Westside recreation complex	720,595	497,080
Regional parks	145,323	132,112
Eastside community parks	13,489	8,776
Westside community parks	62,941	56,566
Westside sanitary landfill	229,242	339,078
Falconridge water system	33,042	27,599
Killiney Beach water system	87,841	82,134
Pritchard Drive water system	119,397	115,400
Trepanier Bench water system	7,417	7,241
West Kelowna Estates water system	544,631	292,049
Westshores water system	85,714	65,297
Solid waste management	111,428	1,246,344
Chieftain Road sewer	2,274	2,220
Westside sewage plant	44,738	43,677
Ellison heritage hall	12,384	8,183
Fund Balance	\$ 3,434,160	4,044,390

**Regional District of the Central Okanagan
Equipment Replacement Reserve Fund
Statement of Changes in Fund Balance**

For the year ended December 31	2002	2001
Balance, beginning of year	\$ 4,044,390	\$ 3,550,729
Add:		
Developers contributions and donations	7,600	162,913
Interest earned	66,634	150,346
Transfer from general revenue fund	503,824	456,012
Transfer from general capital fund	7,068	-
Transfer from water revenue fund	273,990	31,084
	4,903,506	4,351,084
Deduct:		
Transfer to early debt repayment reserve fund	1,140,000	-
Transfer to general capital fund	329,346	301,930
Transfer to water capital fund	-	4,764
	1,469,346	306,694
Balance, end of year	\$ 3,434,160	\$ 4,044,390

Exhibit 24
**Regional District of the Central Okanagan
Park Reserve Fund
Balance Sheet**

For the year ended December 31 **2002** **2001**

Assets

Cash and term deposit **\$ 320,039** **\$ 472,635**

Fund Balance

Fund balance **\$ 320,039** **\$ 472,635**

Exhibit 25

**Regional District of the Central Okanagan
Park Reserve Fund
Statement of Changes in Fund Balance**

For the year ended December 31	2002	2001
Balance , beginning of year	\$ 472,635	\$ 279,843
Add:		
Contributions	27,400	180,000
Interest earned	4,440	12,792
Transfer from general revenue fund	<u>260,155</u>	-
	<u>764,630</u>	472,635
Deduct:		
Transfer to general capital fund for land purchase	<u>444,591</u>	-
Balance , end of year	\$ 320,039	\$ 472,635

Exhibit 26
**Regional District of the Central Okanagan
Capital Projects Reserve Fund
Balance Sheet**

For the year ended December 31 **2002** **2001**

Assets

Cash and term deposit **\$ 1,260,405** **\$ -**

Fund Balance

Fund balance **\$ 1,260,405** **\$ -**

Exhibit 27

**Regional District of the Central Okanagan
Capital Projects Reserve Fund
Statement of Changes in Fund Balance**

For the year ended December 31	2002	2001
Balance , beginning of year	\$ -	\$ -
Add:		
Interest earned	29,905	-
Transfer from general revenue fund	<u>1,230,500</u>	-
Balance , end of year	\$ 1,260,405	\$ -

Exhibit 28

**Regional District of the Central Okanagan
Early Debt Repayment Reserve Fund
Statement of Changes in Fund Balance**

For the year ended December 31	2002	2001
Balance , beginning of year	\$ -	\$ -
Add:		
Transfer from equipment replacement revenue fund	<u>1,140,000</u>	-
Deduct:		
Transfer to general capital fund for debt retirement	<u>1,140,000</u>	-
Balance , end of year	<u>\$ -</u>	<u>\$ -</u>