

**REGIONAL DISTRICT
OF THE CENTRAL OKANAGAN**
Financial Statements
For the year ended December 31, 2006

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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, 2006 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, 2006 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 consolidated financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Kelowna, British Columbia
March 21, 2007

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

December 31	2006	2005
Financial Assets		
Cash and funds on deposit (Note 1)	\$ 22,520,257	\$ 19,536,767
Accounts receivable (Note 2)	3,206,496	2,097,580
Deposit - Municipal Finance Authority (Note 3)	7,551,569	7,441,051
Agreements due from members (Note 4)	90,195,981	95,970,716
	123,474,303	125,046,114
Liabilities		
Accounts payable and accrued liabilities	7,223,697	4,803,247
Development cost charges reserves (Exhibit 19)	2,901,111	4,053,382
Reserve - Municipal Finance Authority (Note 3)	7,551,569	7,441,051
Long term debt (Note 5)	113,604,237	117,517,231
	131,280,614	133,814,911
Net Financial Assets (Liabilities)	(7,806,311)	(8,768,797)
Physical Assets		
Capital assets (Note 7)	120,585,355	97,395,476
Net Position	\$112,779,044	\$ 88,626,679
Municipal Position		
Financial equity		
Current fund	\$ 3,880,831	\$ 2,503,778
Capital fund	(560,793)	863,234
Reserve fund	12,281,907	9,410,706
	15,601,945	12,777,718
Equity in physical assets	97,177,099	75,848,961
	\$112,779,044	\$ 88,626,679

Approved on behalf of the Board:

Treasurer

Regional District of the Central Okanagan Consolidated Statement of Financial Activities

For the year ended December 31	2006	2006	2005
	Actual	Budget	Actual
Revenues			
Electoral area tax requisitions	\$ 14,825,533	\$ 14,836,610	\$ 10,655,505
Electoral area parcel taxes	1,289,562	1,285,660	1,192,205
Members' requisitions			
General	8,456,676	8,461,465	7,709,316
Parcel taxes	532,752	532,752	454,718
Debt services	10,833,257	9,785,032	10,384,886
Federal government grants	1,915,715	2,123,500	335,986
Provincial government grants	808,258	185,717	2,007,041
Sale of services to other governments	2,344,118	2,397,994	1,711,704
Sale of services to others	4,034,403	3,640,985	3,859,753
Water and sewer fees	3,388,622	3,530,650	3,246,696
Gas tax revenue	690,042	-	-
Contribution from property owners and developers	4,820,036	1,719,732	2,519,547
Contribution from Westside fire department	3,485,961	-	-
Contributions from other	238,202	-	63,322
Contributions from sewer DCC reserve	5,744,477	5,000,000	1,287,054
Proceeds on sale of assets	13,440	-	37,000
Other revenue	4,934,981	3,259,148	4,232,926
	68,356,035	56,759,245	49,697,659
Expenditures (Note 12)			
General government services	1,638,134	1,736,129	1,149,752
Protective services	8,278,195	8,789,613	4,964,252
Transportation services	1,989,162	2,057,472	1,845,874
Environmental health services	6,235,427	6,659,345	5,878,397
Environmental development services	3,773,527	3,858,138	3,982,347
Recreation and cultural services	7,111,407	7,513,373	6,271,506
Water services	734,777	821,038	658,878
Sewer services	1,893,541	1,972,938	1,762,521
Fiscal services	12,153,144	11,388,497	11,237,580
Transfer to local governments	67,900	67,900	67,900
Feasibility studies	68,675	-	162,399
Capital expenditures	23,399,054	26,009,079	13,494,781
Debt issue expense	50,605	-	109,313
	67,393,548	70,873,522	51,585,500
Net revenues (expenditures)	962,487	(14,114,277)	(1,887,841)
Regional District - new debt issued	3,557,511	-	6,246,431
Regional District - actuarial adjustment	(193,896)	-	(426,485)
Regional District - debt principal repayments	(1,501,875)	(884,569)	(1,083,266)
Change in fund balances	2,824,227	(14,998,846)	2,848,839
Financial Equity, beginning of year	12,777,718	12,777,718	9,928,879
Financial Equity, end of year	\$ 15,601,945	\$ (2,221,128)	\$ 12,777,718

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	2006	2006	2005
	Actual	Budget	Actual
Revenues			
Electoral area tax requisitions	\$ 14,825,533	\$ 14,836,610	\$ 10,655,505
Electoral area parcel taxes	1,289,562	1,285,660	1,192,205
Members' requisitions			
General	8,456,676	8,461,465	7,709,316
Parcel taxes	532,752	532,752	454,718
Debt services	10,833,257	9,785,032	10,384,886
Federal government grants	115,715	8,500	12,364
Provincial government grants	635,052	185,717	557,405
Sale of services to local governments	2,344,118	2,397,994	1,711,704
Sale of services to others	4,034,403	3,640,985	3,859,753
Water and sewer user fees	3,388,622	3,530,650	3,246,696
Contribution from property owners and developers	1,417,430	1,500,732	156,630
Other revenue	4,675,551	3,259,148	4,082,394
	52,548,671	49,425,245	44,023,576
Expenditures			
General government services	1,638,134	1,736,129	1,149,752
Protective services	8,278,195	8,789,613	4,964,252
Transportation services	1,989,162	2,057,472	1,845,874
Environmental health services	6,235,427	6,659,345	5,878,397
Environmental development services	3,773,527	3,858,138	3,982,347
Recreational and cultural services	7,111,407	7,513,373	6,271,506
Water services	734,777	821,038	658,878
Sewer services	1,893,541	1,972,938	1,762,521
Fiscal services	12,347,040	11,388,497	11,664,065
Transfer to local governments	67,900	67,900	67,900
	44,069,110	44,864,443	38,245,492
Net revenues	8,479,561	4,560,802	5,778,084
Regional District - debt principal repayments	(1,501,875)	(884,569)	(1,083,266)
Net interfund transfers			
Capital	(2,584,137)	(3,333,030)	(1,984,730)
Reserve	(3,016,496)	(2,858,717)	(1,834,630)
Change in current fund	1,377,053	(2,515,514)	875,458
Balance, beginning of year	2,503,778	2,503,778	1,628,320
Balance, end of year	\$ 3,880,831	\$ (11,736)	\$ 2,503,778

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	2006	2006	2005
	Actual	Budget	Actual
Revenues			
Contributions from property owners and developers	\$ 2,532,334	\$ 219,000	\$ 2,066,538
Contribution from Westside fire department	3,485,961	-	-
Government grants	1,973,206	2,115,000	1,773,258
Proceeds on sale of assets	13,440	-	37,000
Issue of long-term debt	3,557,511	-	6,246,431
Actuarial adjustment on long term debt	193,896	-	426,485
	11,756,348	2,334,000	10,549,712
Expenditures			
Capital expenditures			
Land	1,816,803	1,718,750	2,641,093
Buildings	6,065,215	7,919,521	1,914,396
Machinery, equipment & other	4,463,521	1,860,750	1,386,287
Engineering structures	10,657,988	14,210,058	6,877,727
Other	395,527	300,000	675,278
Debt issue expense	50,605	-	109,313
Reduction in debt	1,695,771	884,569	1,556,769
	25,145,430	26,893,648	15,160,863
Net revenues (expenditures)	(13,389,082)	(24,559,648)	(4,611,151)
Net interfund transfers			
Current fund - acquisitions and debt reduction	2,584,137	3,333,030	1,984,730
Current fund - MFA debt reduction	1,501,875	884,569	1,083,266
Reserve funds	2,134,566	2,858,717	387,764
Contributions received from sewer DCC reserve	5,744,477	5,000,000	1,287,054
Change in capital fund	(1,424,027)	(12,483,332)	131,663
Balance, beginning of year	863,234	863,234	731,571
Balance, end of year	\$ (560,793)	\$ (11,620,098)	\$ 863,234

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

For the year ended December 31	2006	2006	2005
	Actual	Budget	Actual
Revenues			
Gas tax revenue	\$ 690,042	\$ -	\$ -
Contributions from developers, recoveries	870,272	-	296,379
Contributions from other	238,202	-	63,322
Interest income	259,430	-	197,550
	2,057,946	-	557,251
Expenditures			
Feasibility studies	68,675	-	162,399
Net revenues	1,989,271	-	394,852
Net interfund transfers			
Current fund	3,016,496	2,858,717	1,834,630
Capital fund	(2,134,566)	(2,858,717)	(387,764)
Change in reserve fund	2,871,201	-	1,841,718
Balance, beginning of year	9,410,706	9,410,706	7,568,988
Balance, end of year	\$ 12,281,907	\$ 9,410,706	\$ 9,410,706
Summary of Reserve Funds positions			
Feasibility Reserve Fund	\$ 212,617		\$ (44,613)
Equipment Replacement Reserve Fund	8,860,419		5,735,063
Park Reserve Fund	746,045		587,572
Capital Projects Reserve Fund	2,462,826		3,132,684
	\$ 12,281,907		\$ 9,410,706

Regional District of the Central Okanagan Consolidated Statement of Cash Flows

For the year ended December 31	2006	2005
Operating Activities		
Cash receipts from grants, other governments, and own sources	\$ 67,218,254	\$ 49,574,242
Cash paid to employees and suppliers	(30,573,172)	(26,123,529)
Interest paid	(8,025,377)	(7,582,790)
Interest received	28,865	178,679
	<u>28,648,570</u>	<u>16,046,602</u>
Investing Activities		
Purchase of capital assets	<u>(23,399,054)</u>	<u>(13,494,781)</u>
Financing Activities		
Long term debt reduction	(5,823,537)	(5,164,541)
Issuance of long term debt	3,557,511	6,246,431
	<u>(2,266,026)</u>	<u>1,081,890</u>
Increase in cash during year	2,983,490	3,633,711
Cash, beginning of year	<u>19,536,767</u>	<u>15,903,056</u>
Cash, end of year	<u>\$ 22,520,257</u>	<u>\$ 19,536,767</u>

Regional District of the Central Okanagan Summary of Significant Accounting Policies

December 31, 2006

Basis of Presentation	It is the Regional District's policy to follow accounting principles generally accepted for municipalities in the Province of British Columbia. 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.
Basis of Accounting	<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	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.
Vacation and Sick Pay	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 it is accumulated. Earned sick leave is paid to a maximum of seventeen and a half weeks upon termination of employment.
Development Cost Charges	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."
Reserve Fund Balances	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.
Debt Charges	The interest portion of debt charges is charged against current operating revenue in the year in which it is paid. Principal payments are recorded as a reduction of fund balances and net debt.

Regional District of the Central Okanagan Summary of Significant Accounting Policies

December 31, 2006

Financial Instruments	Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risks arising from its 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.
Use of Estimates	The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
Revenue Recognition	Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is provided by the Regional District. Grant revenues are recognized when the funding becomes receivable.

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2006

1. Cash and Funds on Deposit

Included in cash and funds on deposit is \$17,614,309 (2005 - \$18,249,154) which has been specifically set aside for internally and externally restricted reserves. As at the year-end, the actual reserve liabilities are \$15,183,018 (2005 - \$13,464,088).

2. Accounts Receivable

	2006	2005
Local government	\$ 412,587	\$ 414,126
Provincial government	448,776	445,533
Federal government	43,435	323,622
Due from Okanagan basin water board	11,692	158,247
Other	2,290,006	756,052
	\$ 3,206,496	\$ 2,097,580

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	2006	2005
Regional District	\$ 1,046,314	\$ 383,677	\$ 1,429,991	\$ 1,265,362
Member Municipalities				
Kelowna	3,707,275	1,489,892	5,197,167	5,264,003
Peachland	223,896	115,471	339,367	334,326
Lake Country	409,492	175,552	585,044	577,360
	\$ 5,386,977	\$ 2,164,592	\$ 7,551,569	\$ 7,441,051

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

December 31, 2006

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.

	2006	2005
City of Kelowna	\$ 73,164,360	\$ 78,272,743
District of Lake Country	10,108,263	10,549,595
District of Peachland	6,923,358	7,148,378
	\$ 90,195,981	\$ 95,970,716

5. Long Term Debt

Municipal Finance Authority Agreements

Security Issuing	Issue	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
By-law	Number				2006	2005
394	47	City of Kelowna	2009	6.500	11,906	15,503
397	48	City of Kelowna	2010	6.500	552,531	674,620
436	49	Regional District - Falconridge Water	2010	6.500	67,304	82,175
		Westside Sewage System	2010	6.500	194,054	236,932
453	50	City of Kelowna	2011	10.310	246,530	378,583
488	51	City of Kelowna	2011	7.420	26,056	71,561
478	53	Regional District - Joe Rich Fire	2012	9.630	139,903	159,492
478	53	District of Lake Country	2012	9.630	50,911	58,039
500	53	City of Kelowna	2007	9.630	75,789	147,969
526	54	City of Kelowna	2013	8.300	546,311	610,214
527	54	Regional District - Westside Sewage System	2013	8.300	10,099	11,280
Carried forward					\$ 1,921,394	\$ 2,446,368

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

December 31, 2006

5. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2006	2005
Brought forward					\$	1,921,394
\$ 2,446,368						
566	56	Regional District - Westside Sewage System	2013	8.040	82,276	91,900
566	56	District of Lake Country	2013	8.040	217,763	243,235
572	56	City of Kelowna	2013	8.040	188,713	253,903
602	59	Regional District - Westside Sewage System	2014	9.490	122,740	134,982
603	59	District of Peachland	2019	9.490	429,224	452,302
605	59	City of Kelowna	2019	9.490	1,283,173	1,611,358
624	60	City of Kelowna	2015	8.880	769,973	836,476
640	61	Regional District - Westside Sewage System	2015	8.000	248,216	269,655
646	61	City of Kelowna	2010	8.000	162,613	198,545
647	63	City of Kelowna	2016	7.750	2,155,712	2,503,756
667	64	Regional District - Regional Parks	2016	7.420	1,239,224	1,338,269
692	64	Regional District - Westside Sewage System	2016	7.420	88,295	94,980
694	64	City of Kelowna	2021	7.420	3,390,395	3,750,889
710	65	District of Lake Country	2017	6.900	312,602	333,558
739	66	Regional District - Westside Sewage System	2022	5.850	557,599	596,497
743	66	City of Kelowna	2017	5.850	267,595	302,414
740	66	District of Peachland	2022	5.850	145,335	151,185
764	68	District of Peachland	2023	5.550	3,255,685	3,375,678
768	69	City of Kelowna	2018	5.550	150,990	160,024
809	70	Regional District - Regional Parks	2014	5.490	133,876	147,229
		Westside Sewage System	2014	5.490	125,879	132,647
811	70	City of Kelowna	2019	5.490	147,947	160,315
Carried forward					\$ 17,397,219	\$ 19,586,165

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

December 31, 2006

5. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2006	2005
Brought forward						\$ 17,397,219
\$ 19,586,165						
818	70	District of Lake Country	2024	5.490	5,427,035	5,634,776
839	71	Regional District - Tamarack Fire	2009	5.990	74,061	96,436
		Westside Sewage System	2009	5.990	1,206,023	1,270,868
841	71	City of Kelowna	2019	5.990	5,466,795	5,989,715
886	73	Regional District - Shamrock/Ensign Street Lights	2020	6.350	9,524	11,629
		Westside Sewage System	2020	6.350	1,316,441	1,380,412
887	73	District of Lake Country	2020	6.350	828,447	868,705
912	74	Regional District - Ellison Fire Hall	2021	5.930	499,734	521,790
912	74	Regional District - Glenrosa, Lakeview, Gallatly & West Kelowna Sewer	2021	5.930	1,731,580	1,808,004
931	75	Regional District - Gellatly, Glenrosa and Mt. Boucherie Sewer	2021	5.690	1,131,065	1,180,986
931	75	Westbank Works & Services	2011	5.690	21,698	25,438
932	75	City of Kelowna	2021	5.690	416,445	434,825
933	75	District of Lake Country	2021	5.690	2,082,227	2,174,127
939	76	City of Kelowna	2018	4.550	23,973,908	25,286,054
957	77	City of Kelowna	2022	6.050	34,308	35,689
964	77	Regional District - Lakeview Sewer	2022	6.050	1,665,381	1,732,424
983	78	City of Kelowna	2022	5.380	3,540,771	3,683,095
984	78	District of Lake Country	2022	5.380	1,189,278	1,237,155
1007	79	Regional District - Lakeview Sewer	2023	5.491	1,772,812	1,838,151
1023	80	City of Kelowna	2023	4.775	35,450	36,757
1069	85	City of Kelowna	2024	4.975	6,823,217	7,123,874
Carried forward					\$ 76,643,419	\$ 81,957,075

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

December 31, 2006

5. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2006	2005
Brought forward					\$ 76,643,419	\$ 81,957,075
1070	85	Regional District - Jenny Creek/Brent Road Fire	2024	4.975	198,894	225,201
		Lakeview/Westbank Sewer	2024	4.975	949,376	981,516
939	89	City of Kelowna	2024	4.554	15,687,624	16,546,244
1123	95	District of Peachland	2030	4.170	3,093,114	3,169,214
1125	95	City of Kelowna	2025	4.170	7,209,818	7,460,350
1122	95	Regional District - Westside Land	2015	4.170	1,529,346	1,668,300
		Mount Boucherie Arena	2025	4.170	3,530,464	3,655,631
		Lakeview Sewer	2025	4.170	891,521	922,500
1147	99	Regional District - Lakeview Sewer	2026	4.430	1,293,350	-
		Westbank Sewer	2026	4.430	19,643	-
		Westside Town Centre Park	2016	4.430	1,578,750	-
Total Municipal Finance Authority Agreements					112,625,319	\$ 116,586,031
Loans payable to the Provincial Government, with annual principal and interest payments of approximately \$177,685 with rates of interest between 5.75% to 9.00% due between the periods of July 2007 to July 2011.					513,318	-
Loan payable to CIBC Bank, with monthly interest payments of approximately \$3,865 at 4.98%, an annual principal payment of \$465,600 due May 17, 2007.					465,600	931,200
Total long term debt					\$ 113,604,237	\$ 117,517,231

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

December 31, 2006

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 346,556 cubic meters which is expected to be reached by 2011. 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.

7. Capital Assets

	<u>2006</u>	<u>2005</u>
Land	\$ 14,587,808	\$ 12,771,005
Buildings	20,322,420	14,257,205
Machinery and equipment	13,210,625	8,956,279
Engineering structures	805,978	629,852
Sewer system	66,449,717	56,160,961
Water system	1,578,323	1,385,217
Other	3,630,484	3,234,957
	<u>\$120,585,355</u>	<u>\$ 97,395,476</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, 2006, the Regional District had drawn an amount of \$nil on this agreement.

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

December 31, 2006

9. Pension Liability

The Regional District of the Central Okanagan 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 overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 140,000 active members and approximately 51,000 retired members. Active members include approximately 31,000 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, 2003 indicated an unfunded liability of \$789 million for the basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The Regional District of the Central Okanagan paid \$655,835 for employer contributions to the plan in fiscal 2006.

10. Commitment

The Regional District has entered into an operating lease for equipment. The equipment is leased at \$3,353 per month at an interest rate of prime less 1%.

The minimum annual lease payments for the next two years are as follows:

2007	\$	40,232
2008		27,274

11. Contingent Liabilities

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

Regional District of the Central Okanagan
Notes to Financial Statements

December 31, 2006

12. Expenditures by Object

	<u>2006</u>	<u>2005</u>
Advertising and promotion	\$ 176,014	\$ 199,694
Capital acquisitions and materials	23,399,054	13,494,781
Contract services	4,539,368	4,305,393
Education and training	522,926	408,209
Emergency services	689,413	642,650
Grants and other programs	653,095	477,243
Insurance, licences and memberships	777,470	488,549
Fiscal services	12,153,144	11,237,580
Leases and rentals	105,403	60,799
Office and administration	737,180	554,656
Planning and development	570,933	677,782
Professional fees	155,518	150,116
Repairs and maintenance	2,504,044	2,149,761
Supplies	689,502	394,670
Telephone and utilities	1,473,274	1,215,183
Transit services	1,302,561	1,180,747
Travel	269,089	212,017
Transfers to other agencies and governments	4,550,025	4,408,821
Wages and benefits	12,125,535	9,326,849
	<u>\$ 67,393,548</u>	<u>\$ 51,585,500</u>

13. Comparative Figures

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

Exhibit 1
**Regional District of the Central Okanagan
 General Revenue Fund
 Balance Sheet**

December 31	2006	2005
Assets		
Cash	\$ 4,905,948	\$ 1,287,613
Funds on deposit	2,431,291	4,740,453
Accounts receivable		
Federal government	43,435	-
Provincial government	448,776	445,533
Local government	412,587	414,126
Due from own funds		
Sewer capital fund	1,828,734	1,276,839
Sewer revenue fund	58,309	151,073
Water capital fund	538,844	259,267
Feasibility study reserve fund	-	44,613
Other	2,290,006	756,052
Other assets		
Municipal Finance Authority debt reserve fund		
Member municipalities	6,121,577	6,175,688
Regional District	577,288	474,012
	\$ 19,656,795	\$ 16,025,269
Liabilities and Surplus		
Accounts payable		
Trade accounts payable and accrued liabilities	\$ 4,893,817	\$ 2,952,769
Due to general capital fund	1,814,125	2,083,058
Due to water revenue fund	97,564	101,506
Other liabilities		
Insurance and sick pay reserve	2,322,540	1,843,138
Municipal Finance Authority debt reserve fund		
Member municipalities		
- cash requirements	1,780,915	1,745,903
- demand note requirement	4,340,662	4,429,785
Regional District		
- cash requirements	137,792	116,551
- demand note requirement	439,496	357,461
Surplus	3,829,884	2,395,098
	\$ 19,656,795	\$ 16,025,269

Exhibit 2

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

For the year ended December 31	2006	2005
Revenue		
Electoral area tax requisitions	\$ 14,825,533	\$ 10,655,505
Electoral area parcel taxes	837,441	696,109
Members' requisitions		
General	8,456,676	7,709,316
Parcel taxes	532,752	454,718
Debt services	10,833,257	10,384,886
Federal government grant	115,715	12,364
Provincial government grant	623,360	466,425
Sale of services to local governments	2,344,118	1,711,704
Sale of services to others	4,034,403	3,859,753
Other revenue		
Licenses, fees and permits	2,299,449	2,112,270
Facility rentals	506,866	476,427
Other	925,539	636,191
Transfer from general capital fund	-	9,186
Surplus from previous year	2,395,098	1,203,505
	48,730,207	40,388,359
Expenditure		
General government services	1,638,134	1,149,752
Protective services	8,278,195	4,964,252
Transportation services	1,989,162	1,845,874
Environmental health services	6,235,427	5,878,397
Environmental development services	3,773,527	3,982,347
Recreational and cultural services	7,111,407	6,271,506
Fiscal services	12,494,214	11,383,895
Transfer to equipment replacement reserve fund	759,631	454,576
Transfer to park reserve fund	-	70,000
Transfer to general capital fund	2,018,315	1,298,443
Transfer to capital projects reserve fund	534,411	626,319
Transfer to District of Lake Country	55,000	55,000
Transfer to District of Peachland	12,900	12,900
	44,900,323	37,993,261
Surplus, end of year	\$ 3,829,884	\$ 2,395,098

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

For the year ended December 31	2006	2005
Legislative	\$ (9,432)	\$ 17,572
Administration	139,384	11,006
Finance	346,983	87,614
Engineering	66,875	110,669
Personnel	(5,997)	9,051
Information systems	83,713	120,107
General government services - electoral areas	24,020	14,683
Westside regional office	(7,067)	(5,831)
Ellison/Joe Rich area expenses	(398)	458
Regional grants-in-aid	18,853	3,324
Westside electoral grants	27,217	200
Ellison/Joe Rich area grants	4,542	4,500
Westside community policing office	40,322	29,585
Westside land and property management	7,159	34,320
Westside fire department	186,454	(10,732)
Electoral areas fire protection	22,077	3,099
Lakeshore Road fire protection	(650)	(1,133)
Ellison fire protection	35,503	4,442
Joe Rich hall / fire protection	(1,294)	11,114
North Westside Road fire protection	40,727	62,145
Wilson's Landing fire protection	17,918	23,912
Tamarack fire protection	(2,928)	(2,928)
Traders / Pine Point / Jenny Creek fire protection	31	(770)
June Springs fire protection	(613)	940
Brent Road fire protection	(2,774)	1,911
Regional rescue service	148,673	(12,768)
911 emergency telephone service	99,182	120,025
Alarm control	69	775
Crime stoppers	14,747	9,284
Victims assistance program	(2,155)	(1,232)
Crime prevention programs	13,472	5,992
Business Licenses	47,156	58,442
Building inspection	1,112,622	807,077
Dog control	8,694	31,067
Mosquito control	(5,301)	13,061
Prohibited animal control	2,405	2,747
Transportation demand management	38,123	20,000
Scotty Heights street lighting	747	962
Westside Road street lighting	33	(109)
Westside regional street lighting	984	(8,399)
Westside transit services	(44,657)	76,119
Handi-dart transit	(1,504)	(21)
Ellison transit services	304	-
Septic tank effluent disposal	107,660	(8,042)
Westside sanitary landfill	402,585	396,589
Balance to be carried forward	\$ 2,974,464	\$ 2,040,827

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

For the year ended December 31	2006	2005
Balance carried forward	\$ 2,974,464	\$ 2,040,827
Solid waste management	13,839	9,530
Solid waste collection	21,437	(7,608)
Recycling program	76,753	105,435
N.O.W.E.S.I. transfer station	1,291	352
Okanagan basin water board	(9,853)	9,901
Air quality monitoring	(583)	1
Noise abatement	(2,841)	(922)
Untidy premises	(2,696)	(2,456)
Regional planning	77,389	5,777
Electoral area planning	118,133	26,998
Noxious insect control	299	(281)
Weed control	(3,168)	(6,489)
Sterile insect release program	10,747	144
Economic development commission	(32,067)	1,967
Ellison heritage community centre	39,510	9,364
Mount Boucherie community centre	41,163	61,990
Joe Rich community hall	362	-
Johnson Bentley aquatic centre	130,715	40,015
Mount Boucherie arena	(1,258)	(16,145)
Regional parks	153,885	(30,224)
Westside community parks	148,857	85,935
Eastside community parks	16,546	911
Westside senior citizens activity centre	16,758	16,005
Westside youth programs	40,012	45,473
Okanagan regional library	190	-
Traders Cove gas line	-	(1,402)
Surplus, end of year	\$ 3,829,884	\$ 2,395,098

Exhibit 4
**Regional District of the Central Okanagan
 General Capital Fund
 Balance Sheet**

December 31	2006	2005
Assets		
Accounts receivable	\$ -	\$ 323,622
Due from general revenue fund	<u>1,814,125</u>	<u>2,083,058</u>
	<u>1,814,125</u>	<u>2,406,680</u>
Capital assets		
Land	14,453,919	12,637,116
Buildings	20,322,420	14,257,205
Machinery and equipment	13,134,371	8,880,026
Engineering structures	805,978	629,852
Other	<u>3,630,484</u>	<u>3,234,957</u>
	<u>52,347,172</u>	<u>39,639,156</u>
Debt recoverable from other authorities for debentures		
City of Kelowna	73,164,360	78,272,743
District of Lake Country	10,108,263	10,549,595
District of Peachland	<u>6,923,358</u>	<u>7,148,378</u>
	<u>90,195,981</u>	<u>95,970,716</u>
	<u>\$144,357,278</u>	<u>\$138,016,552</u>
Liabilities and Equity in Capital Assets		
Long term debt		
Loans payable	978,918	931,200
Municipal Finance Authority	<u>99,151,610</u>	<u>103,820,066</u>
	<u>100,130,528</u>	<u>104,751,266</u>
Equity in capital assets	<u>44,226,750</u>	<u>33,265,286</u>
	<u>\$144,357,278</u>	<u>\$138,016,552</u>

Exhibit 5

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

For the year ended December 31	2006	2005
Balance , beginning of year	\$ 33,265,286	\$ 29,518,435
Add:		
Assets acquired and debt retired by transfers from own funds		
General revenue fund	2,018,315	1,298,443
Park reserve fund	100,000	102,928
Equipment replacement reserve fund	349,292	337,018
Capital projects reserve fund	1,935,610	-
Government grants	1,973,206	373,622
Contribution from Westside fire department	3,485,961	-
Donations and other contributions	231,924	1,124,368
Retirement of long term debt	1,090,520	715,913
	44,450,114	33,470,727
Deduct:		
Transfer to equipment replacement reserve fund	-	49,300
Transfer to feasibility study reserve fund	-	2,882
Transfer to general revenue fund	-	9,186
Debentures issue expense	27,628	93,169
Assets sold or abandoned	195,736	50,904
Balance , end of year	\$ 44,226,750	\$ 33,265,286

Exhibit 6

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

For the year ended December 31	2006	2005
Finances Acquired		
Due from general revenue fund	\$ 2,083,058	\$ 586,680
Accounts received	323,622	-
Debentures incurred		
Member municipality's portion	-	10,629,564
Regional District portion	2,244,518	5,323,931
Government grants	1,973,206	373,622
Donations and other contributions	231,924	1,124,368
Contribution from Westside fire department	3,485,961	-
Proceeds on sale of assets	13,440	37,000
Transfer from equipment replacement reserve fund	349,292	337,018
Transfer from general revenue fund	2,018,315	1,298,443
Transfer from capital projects reserve fund	1,935,610	-
Transfer from park reserve fund	100,000	102,928
	\$ 14,758,946	\$ 19,813,554
Finances Applied		
Receivable from general revenue fund	\$ 1,814,125	\$ 2,083,058
Accounts receivable	-	323,622
Expenditures for capital assets	12,917,193	6,575,790
Transfers from sale of asset		
General revenue fund	-	46,983
Transfer to equipment replacement reserve fund	-	49,300
Transfer to feasibility study reserve fund	-	2,882
Transfer to general revenue fund	-	9,186
Payment to member municipalities for their portion of debentures:		
City of Kelowna	-	7,460,350
District of Peachland	-	3,169,214
Debenture issue expense		
Own portion	27,628	93,169
	\$ 14,758,946	\$ 19,813,554

Exhibit 7

**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	Engineering and Other Assets	Land	Total 2006	Total 2005
Administration	\$ 48,810	\$ -	\$ -	\$ -	\$ 48,810	\$ 32,404
Finance	-	91,416	-	-	91,416	32,960
Engineering	13,301	21,368	-	-	34,669	32,430
Information systems	-	-	-	-	-	20,000
Westside land & property mgmt.	-	-	-	-	-	1,668,300
911 emergency number	-	-	-	-	-	99,604
Ellison fire protection	-	-	-	-	-	212,965
Westside fire protection	694,660	3,449,498	-	66,493	4,210,651	-
Joe Rich Volunteer fire protection	-	8,552	-	-	8,552	62,968
North Westside Road fire protection	-	65,776	-	-	65,776	52,484
Wilson's Landing fire protection	-	225,932	-	-	225,932	-
Regional rescue service	-	73,076	-	-	73,076	-
Brent Road fire protection	-	-	-	-	-	45,276
Business licenses	-	18,892	-	-	18,892	-
Building inspection	-	284,640	-	-	284,640	348,972
Dog control	-	27,756	-	-	27,756	28,127
Mount Boucherie arena	5,123,444	-	-	-	5,123,444	1,783,771
Lakeshore road improvements	-	-	176,126	-	176,126	84,052
Regional parks	-	25,517	-	111,013	136,530	1,670,548
Westside community parks	185,000	25,136	-	1,639,297	1,849,433	179,367
Westside sanitary landfill	-	-	395,528	-	395,528	62,411
Insect control	-	-	-	-	-	4,450
Weed control	-	-	-	-	-	13,349
Mount Boucherie community centre	-	60,557	-	-	60,557	-
Ellison Heritage community centre	-	-	-	-	-	3,371
Johnson Bentley aquatic centre	-	36,722	-	-	36,722	45,607
Okanagan regional library	-	4,811	-	-	4,811	-
Solid Waste Management	-	43,872	-	-	43,872	92,374
	\$ 6,065,215	\$ 4,463,521	\$ 571,654	\$ 1,816,803	\$ 12,917,193	\$ 6,575,790

Exhibit 8

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

December 31	2006	2005
Assets		
Other assets		
Municipal Finance Authority debt reserve fund	\$ 28,827	\$ 28,367
Due from general revenue fund	97,564	101,506
	\$ 126,391	\$ 129,873
Liabilities and Surplus		
Other liabilities		
Municipal Finance Authority debt reserve fund		
- cash requirement	\$ 10,491	\$ 10,031
- demand note requirement	18,336	18,336
Surplus	97,564	101,506
	\$ 126,391	\$ 129,873

Exhibit 9

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

For the year ended December 31	2006	2005
Revenue		
Connection charges	\$ 81,640	\$ 67,720
Contribution from property owners and developers	1,417,430	156,630
Parcel tax	22,529	24,190
User fees	822,021	808,623
Surplus from previous year	101,506	66,240
	2,445,126	1,123,403
Expenditures		
Falcon Ridge water system	17,046	12,795
Green Bay water circulation	-	39
Killiney Beach water system	98,915	85,038
Pritchard Drive water system	23,709	21,571
Sunnyside water system	275,778	244,730
Sunset Ranch water system	34,767	15,322
Trepanier Bench water system	9,583	5,398
West Kelowna Estates water system	183,419	189,088
Westshore water system	91,560	84,898
Fiscal services	22,529	22,529
Transfer to equipment reserve fund	1,587,392	291,091
Transfer to water capital fund	2,864	41,263
Transfer to feasibility study reserve fund	-	6,627
Transfer to water capital fund for short term debt repayment	-	1,508
	2,347,562	1,021,897
Surplus	\$ 97,564	\$ 101,506

Exhibit 10

**Regional District of the Central Okanagan
Water Capital Fund
Statement of Financial Position**

December 31	2006	2005
Assets		
Capital assets		
Engineering structures	\$ 1,578,323	\$ 1,385,217
Machinery and equipment	<u>76,254</u>	<u>76,254</u>
	\$ 1,654,577	\$ 1,461,471
Liabilities and Equity in Capital Assets		
Due to general revenue fund	\$ 538,844	\$ 259,267
Long term debt		
Municipal Finance Authority	68,362	83,234
Equity in capital assets	<u>1,047,371</u>	<u>1,118,970</u>
	\$ 1,654,577	\$ 1,461,471

Exhibit 11

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

For the year ended December 31	2006	2005
Balance , beginning of year	\$ 1,118,970	\$ 1,062,036
Add:		
Contribution from property owners	161,000	-
Retirement of debenture debt	14,873	14,163
Transfer from water revenue fund for short term debt repayment	-	1,508
Transfer from equipment replacement reserve fund	125,374	-
Transfer from water revenue fund	<u>2,864</u>	<u>41,263</u>
	1,423,081	1,118,970
Deduct:		
Transfer to equipment replacement reserve fund	<u>375,710</u>	-
Balance , end of year	\$ 1,047,371	\$ 1,118,970

Exhibit 12

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

For the year ended December 31	2006	2005
Finances Acquired		
Payable to general revenue fund	\$ 538,844	\$ 259,267
Contribution from property owners	161,000	-
Transfer from water revenue fund for short term debt repayment	-	1,508
Transfer from water revenue fund	2,864	41,263
Transfer from equipment replacement reserve fund	125,374	-
	<u>\$ 828,082</u>	<u>\$ 302,038</u>
Finances Applied		
Payable to general revenue fund	\$ 259,267	\$ 1,508
Expenditures for engineering structures	193,105	300,530
Transfer from equipment replacement reserve fund	375,710	-
	<u>\$ 828,082</u>	<u>\$ 302,038</u>

Exhibit 13
**Regional District of the Central Okanagan
 Sewer Revenue Fund
 Balance Sheet**

December 31	2006	2005
Assets		
Accounts receivable		
Due from Okanagan Basin water board	\$ 11,692	\$ 158,247
Other assets		
Municipal Finance Authority debt reserve fund	<u>823,876</u>	<u>762,982</u>
	\$ 835,568	\$ 921,229
Liabilities and Deficit		
Accounts payable		
Due to general revenue fund	\$ 58,309	\$ 151,073
Other liabilities		
Municipal Finance Authority debt reserve fund		
- cash requirement	235,394	212,422
- demand note requirement	588,482	550,560
Surplus (deficit)	<u>(46,617)</u>	<u>7,174</u>
	\$ 835,568	\$ 921,229

Exhibit 14

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

For the year ended December 31	2006	2005
Revenue		
Debt service fee	\$ 943,697	\$ 776,140
Okanagan Basin water board	11,692	90,980
Parcel tax	429,592	471,906
User fees	2,484,961	2,370,355
Other revenue	-	81,366
Surplus from previous year	7,174	358,575
	<u>3,877,116</u>	<u>4,149,322</u>
Expenditure		
Westside sewer system	1,867,943	1,744,503
Ellison sewer system	25,427	16,307
Peters road sewer system	-	1,711
Mt. Boucherie sewer system	171	-
Fiscal services	1,332,172	1,340,907
Transfer to equipment replacement reserve fund	135,062	386,017
Transfer to sewer capital fund	562,958	652,703
	<u>3,923,733</u>	<u>4,142,148</u>
Surplus (deficit)	\$ (46,617)	\$ 7,174

Exhibit 15
**Regional District of the Central Okanagan
 Sewer Capital Fund
 Balance Sheet**

December 31	2006	2005
Assets		
Accounts receivable		
Capital assets		
Engineering structures	\$ 66,449,717	\$ 56,160,961
Land	133,889	133,889
	\$ 66,583,606	\$ 56,294,850
Liabilities and Equity in Capital Assets		
Accounts payable		
Trade accounts payable and accrued liabilities	\$ 7,341	\$ 7,341
Due to general revenue fund	1,828,734	1,276,839
	1,836,075	1,284,180
Long term debt - Municipal Finance Authority	13,405,346	12,682,731
Equity in capital assets	51,342,185	42,327,939
	\$ 66,583,606	\$ 56,294,850

Exhibit 16

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

For the year ended December 31	2006	2005
Balance, beginning of year	\$ 42,327,939	\$ 37,282,883
Add:		
Contribution from property owners	1,694,625	792,765
Contribution from developers and others	444,785	149,405
Conditional government grants	-	1,399,636
Retirement of debenture debt	590,378	779,637
Transfer from development cost charge reserve fund	5,744,477	1,287,054
Transfer from sewer revenue fund	562,958	652,703
	<u>51,365,162</u>	<u>42,344,083</u>
Deduct:		
Debenture issue expense	22,977	16,144
Balance, end of year	\$ 51,342,185	\$ 42,327,939

Exhibit 17

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

For the year ended December 31 **2006** **2005**

Finances Acquired

Trade accounts payable and accrued liabilities	\$	7,341	\$	7,341
Due to general revenue fund		1,828,734		1,430,541
Conditional government grants		-		1,399,636
Contributions from property owners		1,694,625		792,765
Contributions from developers		444,785		149,405
Long term debt incurred - debentures		1,312,993		922,500
Transfer from sewer development cost charge reserve		5,744,477		1,287,054
Transfer from sewer revenue fund		<u>562,958</u>		<u>652,703</u>
		\$ 11,595,913		\$ 6,641,945

Finances Applied

Trade accounts payable and accrued liabilities	\$	7,341	\$	7,341
Due to general revenue fund		1,276,839		-
Debenture issue expense		22,977		16,144
Expenditures for engineering structures		<u>10,288,756</u>		<u>6,618,460</u>
		\$ 11,595,913		\$ 6,641,945

Exhibit 18
**Regional District of the Central Okanagan
Development Cost Charge Reserve Fund
Balance Sheet**

December 31	2006	2005
Assets		
Term deposit	\$ 2,901,111	\$ 4,053,382
Fund Balance		
Fund balance	\$ 2,901,111	\$ 4,053,382

Exhibit 19

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

For the year ended December 31	2006	2005
Balance , beginning of year	\$ 4,053,382	\$ 3,724,626
Add:		
Interest earned	139,842	97,213
Development cost charge levies	<u>4,452,364</u>	<u>1,518,597</u>
	8,645,588	5,340,436
Deduct:		
Transfer to sewer capital fund	<u>5,744,477</u>	<u>1,287,054</u>
Balance , end of year	\$ 2,901,111	\$ 4,053,382

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

December 31	2006	2005
Assets		
Term deposit	\$ 212,617	\$ -
Liabilities and Fund Balance		
Due to general revenue fund	\$ -	\$ 44,613
Fund balance	<u>212,617</u>	<u>(44,613)</u>
	\$ 212,617	\$ -

Exhibit 21

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

For the year ended December 31	2006	2005
Balance, beginning of year	\$ (44,613)	\$ 104,061
Add:		
Interest income	-	2,716
Contributions from developers, recoveries	325,905	1,500
Transfer from general capital fund	-	2,882
Transfer from water revenue fund	-	6,627
	281,292	117,786
Deduct expenditures:		
Central okanagan east electoral area sewer	5,285	-
Lakeview Heights drainage	23,623	10,745
Montigny road sewer	-	80,148
Pineridge place sewer	6,805	-
Ranch road sewer	31,030	32,416
Sunnyside water system	-	1,453
Sussex road sewer	-	37,266
Waste water management plan	-	371
Westside road maintenance	1,932	-
	68,675	162,399
Balance, end of year	\$ 212,617	\$ (44,613)

Exhibit 22

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

December 31

2006

2005

Assets

Term deposits \$ 8,860,419 \$ 5,735,063

Statement of Fund Balance

Regional Board	\$ 12,012	\$ 11,611
Administration and finance	425,507	417,519
Information systems	114,490	33,339
Planning	43,463	42,014
Business licenses	10,345	10,000
Economic development commission	155	150
911 emergency number	2,689	2,600
Regional rescue service	514,832	519,970
Victims witness	24,178	18,538
Brent road fire protection	149	144
Ellison fire protection	233,926	192,292
Joe Rich hall / fire protection	66,585	43,632
North Westside Road fire protection	215,431	22,115
Westside fire protection	586,446	-
Wilson's Landing fire protection	132,052	115,015
Building inspection	102,526	50,774
Noise abatement	92	88
Unightly and untidy premises	420	406
Dog control	26,630	33,239
Engineering	29,798	28,804
Noxious insect control	284	(692)
Weed control	5,944	3,812
Okanagan Regional Library	55,943	48,278
Johnson Bentley aquatic centre	509,481	492,490
Westside Seniors activity centre	162,995	153,693
Westside recreation complex	189,365	177,789
Regional parks	189,434	183,117
Eastside community parks	36,342	33,197
Westside community parks	79,843	77,180
Westside sanitary landfill	642,361	620,939
Sunnyside water system	959,550	264,070
Falconridge water system	49,627	41,532
Killiney Beach water system	232,660	199,030
Pritchard Drive water system	149,143	143,387
Sunset Ranch water system	54,630	16,685
Trepanier Bench water system	1,130	8,019
West Kelowna Estates water system	2,080,195	944,036
Westshores water system	203,577	212,901
Septic tank effluent disposal	53,708	51,917
Solid waste management	20,415	31,337
Chieftain Road sewer	2,543	2,458
Ellison sewer	9,355	-
Westside sewage plant	606,692	464,945
Ellison heritage hall	23,476	22,693

Fund Balance \$ 8,860,419 5,735,063

Exhibit 23

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

For the year ended December 31	2006	2005
Balance, beginning of year	\$ 5,735,063	\$ 5,161,503
Add:		
Developers contributions and donations	544,367	294,879
Interest earned	197,860	134,715
Transfer from general revenue fund	759,631	454,576
Transfer from general capital fund	-	49,300
Transfer from water revenue fund	1,587,392	291,091
Transfer from water capital fund	375,710	-
Transfer from sewer revenue fund	135,062	386,017
	9,335,085	6,772,081
Deduct:		
Transfer to general capital fund	349,292	337,018
Transfer to capital projects reserve fund	-	700,000
Transfer to water capital fund	125,374	-
	474,666	1,037,018
Balance, end of year	\$ 8,860,419	\$ 5,735,063

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

December 31	2006	2005
Assets		
Term deposit	\$ 746,045	\$ 587,572
Fund Balance		
Fund balance	\$ 746,045	\$ 587,572

Exhibit 25

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

For the year ended December 31	2006	2005
Balance , beginning of year	\$ 587,572	\$ 543,006
Add:		
Contributions	238,202	63,322
Interest earned	20,271	14,172
Transfer from general revenue fund	-	70,000
	<u>846,045</u>	690,500
Deduct:		
Transfer to general capital fund	<u>100,000</u>	102,928
Balance , end of year	<u>\$ 746,045</u>	<u>\$ 587,572</u>

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

December 31	2006	2005
Assets		
Term deposit	\$ 2,462,826	\$ 3,132,684
Fund Balance		
Fund balance	\$ 2,462,826	\$ 3,132,684

Exhibit 27

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

For the year ended December 31	2006	2005
Balance , beginning of year	\$ 3,132,684	\$ 1,760,418
Add:		
Gas tax revenue	690,042	-
Interest earned	41,299	45,947
Transfer from general revenue fund	534,411	626,319
Transfer from equipment replacement reserve fund	-	700,000
	1,265,752	1,372,266
Deduct:		
Transfer to general capital fund	1,935,610	-
Balance , end of year	\$ 2,462,826	\$ 3,132,684