

**REGIONAL DISTRICT
OF THE CENTRAL OKANAGAN**
Financial Statements
For the year ended December 31, 2015

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Management's Responsibility for Financial Reporting

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


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

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

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

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

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



Chief Administrative Officer



Director of Financial Services



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Independent Auditor's Report

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Regional District of the Central Okanagan as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 30 through 58 of the Regional District of the Central Okanagan's Financial Statements.

BDO Canada LLP

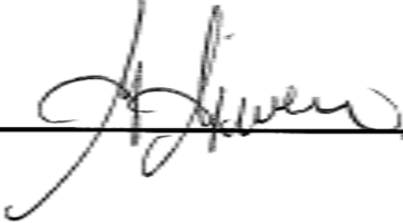
Chartered Professional Accountants

Kelowna, British Columbia
May 12, 2016

Regional District of the Central Okanagan Statement of Financial Position

December 31	2015	2014
Financial Assets		
Cash (Note 1)	\$ 20,809,389	\$ 18,209,476
Accounts receivable (Note 2)	2,680,174	4,268,501
Deposit - Municipal Finance Authority (Note 3)	15,227,470	13,666,506
Agreements due from members (Note 4)	<u>167,802,307</u>	<u>140,459,177</u>
	<u>206,519,340</u>	<u>176,603,660</u>
Financial Liabilities		
Accounts payable and accrued liabilities	3,711,923	4,479,604
Deferred revenue (Note 5)	56,561	56,616
Development cost charges (Note 6)	3,414,506	2,960,771
Reserve - Municipal Finance Authority (Note 3)	15,089,680	13,666,506
Interim financing (Note 7)	9,346,936	11,866,396
Long term debt (Note 8)	173,370,562	146,414,155
Landfill closure and post-closure (Note 9)	<u>662,918</u>	<u>560,100</u>
	<u>205,653,086</u>	<u>180,004,148</u>
Net Financial Assets (Debt)	866,254	(3,400,488)
Non-Financial Assets		
Prepaid expenses	346,396	320,623
Tangible capital assets (Note 10)	<u>105,495,656</u>	<u>106,997,153</u>
Accumulated Surplus (Note 11)	\$ 106,708,306	\$ 103,917,288

Approved on behalf of the Board:



Chair

Regional District of the Central Okanagan Statement of Operations

For the year ended December 31	2015		2014
	Actual	Budget (Note 17)	Actual
Revenues			
Electoral area tax requisitions	\$ 3,310,519	\$ 3,311,422	\$ 3,512,572
Electoral area parcel taxes	439,761	439,761	491,851
Members' requisitions			
General	15,621,829	15,622,480	14,948,302
Parcel taxes	537,148	537,149	540,305
Debt services	23,497,168	23,773,722	24,315,059
Federal government grants	240,894	151,000	274,080
Provincial government grants	207,499	415,128	589,039
Sale of services to other governments	3,300,670	3,507,529	4,062,548
Sale of services to others	1,617,924	1,459,380	1,871,672
Water and sewer fees	5,970,283	5,927,096	5,703,598
Gas tax revenue	703,638	123,755	1,887,892
Contributions from others	291,198	344,299	2,376,703
Contributions from sewer DCC reserve	-	320,650	-
Gain on disposal of tangible capital assets	-	-	125,133
Other revenue	2,330,856	1,677,856	2,235,942
	58,069,387	57,611,227	62,934,696
Expenses (Note 15)			
Amortization	3,640,818	-	3,584,412
General government services	1,335,838	1,798,574	1,048,561
Protective services	7,040,070	7,409,122	6,943,541
Transportation services	50,881	53,549	174,532
Environmental health services	5,541,492	5,676,021	5,679,901
Development services	3,358,365	3,625,969	3,514,402
Recreation and cultural services	4,332,794	4,753,472	4,316,162
Water services	497,352	534,808	525,419
Sewer services	3,868,192	3,994,951	3,829,706
Interest on long term debt and debt issue expense	503,723	616,979	440,280
Fiscal services	24,115,888	24,156,591	24,697,927
Transfer to local governments	115,713	115,713	907,081
Repairs and maintenance	246,959	-	54,161
Loss on disposal of tangible capital assets	44,865	-	-
Reallocation of insurance reserve	585,419	-	(516,899)
	55,278,369	52,735,749	55,199,186
Annual surplus	2,791,018	4,875,478	7,735,510
Accumulated surplus, beginning of year	103,917,288	103,917,288	96,181,778
Accumulated surplus, end of year	\$ 106,708,306	\$ 108,792,766	\$ 103,917,288

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

Regional District of the Central Okanagan Statement of Change in Net Financial Assets

For the year ended December 31	2015	2014
Annual surplus	\$ 2,791,018	\$ 7,735,510
Acquisition of tangible capital assets	(2,147,737)	(17,900,345)
Amortization of tangible capital assets	3,640,818	3,584,412
Gain on disposal of tangible capital assets	(21,573)	(125,133)
Proceeds from disposal of tangible capital assets	29,989	433,276
	<u>4,292,515</u>	<u>(6,272,280)</u>
Acquisition of prepaid expenses	(25,773)	(5,540)
	<u>(25,773)</u>	<u>(5,540)</u>
Change in net financial assets	4,266,742	(6,277,820)
Net financial assets, beginning of year	<u>(3,400,488)</u>	<u>2,877,332</u>
Net financial assets , end of year	<u>\$ 866,254</u>	<u>\$ (3,400,488)</u>

Regional District of the Central Okanagan Statement of Cash Flows

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating Activities		
Cash receipts from grants, other governments, and own sources	\$ 59,426,922	\$ 62,226,611
Cash paid to employees and suppliers	(27,126,047)	(23,673,441)
Interest paid	(12,024,986)	(12,494,378)
Interest received	209,164	178,466
	20,485,053	26,237,258
Capital Activities		
Purchase of tangible capital assets	(2,147,737)	(17,900,345)
Landfill closure cost payments from reserve	(128,794)	(143,420)
Proceeds from sale of tangible capital assets	29,989	433,276
	(2,246,542)	(17,610,489)
Investing Activities		
Net redemption of (acquisition of) temporary investments	-	11,578,020
Financing Activities		
Net long term debt reduction	(13,119,138)	(13,054,155)
Net issuance of interim financing	(2,519,460)	9,411,866
	(15,638,598)	(3,642,289)
Increase (decrease) in cash during year	2,599,913	16,562,500
Cash, beginning of year	18,209,476	1,646,976
Cash, end of year	\$ 20,809,389	\$ 18,209,476

Regional District of the Central Okanagan Summary of Significant Accounting Policies

December 31, 2015

Nature of Business	The Regional District of the Central Okanagan (the "Regional District") provides municipal services such as protective, transportation, environmental health and development, recreation, water, sewer, and other general government services.
Basis of Presentation	The financial statements of the Regional District are the representations of management and are prepared in accordance with Canadian generally accepted accounting policies for local government entities using guidelines issued by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Professional Accountants.
Temporary Investments	Temporary investments consist of units in the Province of British Columbia Pooled Investment Portfolio money market funds. Units are carried at the lower of cost of acquisition adjusted by income attributed to the units, or market value.
Solid Waste Landfills	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.
Development Cost Charges	Development Cost Charge ("DCC") levies are restricted by by-law in their use for sewer expansion and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Contribution from sewer DCC reserve."
Reserve Fund Balances	The Regional District has appropriated certain funds for future capital expenses for specific projects or studies. Expenses from a reserve can only be made with approval from the Ministry or in accordance with by-law directives.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Financial Instruments	The Regional District's financial instruments consist of cash, temporary investments, accounts receivable and other receivables, deposits, accounts payable and accrued liabilities, interim financing and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Regional District of the Central Okanagan Summary of Significant Accounting Policies

December 31, 2015

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Assets under construction are recorded at cost and are not amortized until the asset is complete and in use. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land Improvements	5 - 20 years
Buildings	10 - 75 years
Fleet	5 - 15 years
Machinery and equipment	3 - 20 years
Sewer System	10 - 80 years
Water System	10 - 80 years

Deferred Revenue

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

Use of Estimates

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

Revenue Recognition

Taxes are recognized as revenue in the year they are levied.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

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

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

Sales of services and other revenue is recognized on an accrual basis.

Contributions of capital assets are recognized when the transfer occurs.

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

1. Cash

Cash is held in a financial institution earning interest at an average rate of 1.13% (2014 -1.30%) per annum.

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

2. Accounts Receivable

	2015	2014
Local governments and Hospital District	\$ 1,700,886	\$ 1,801,355
Federal government	18,300	14,125
Provincial government	309,365	1,711,046
Other	651,623	741,975
	\$ 2,680,174	\$ 4,268,501

3. Deposit/ 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 debt reserve fund balances at year end are as follows:

	2015	2014
Regional District	\$ 216,607	\$ 459,611
Member Municipalities		
Kelowna	11,811,428	10,218,201
Pachland	381,031	377,108
Lake Country	961,528	871,935
West Kelowna	1,515,859	1,616,695
Okanagan Regional Library	203,227	122,956
	\$ 15,089,680	\$ 13,666,506

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

3. Deposit/ Reserve - Municipal Finance Authority (continued)

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

	Demand Notes	Cash Deposits	2015	2014
Regional District	\$ 216,608	\$ 137,788	\$ 354,396	\$ 380,756
Member Municipalities				
Kelowna	8,673,782	3,137,646	11,811,428	10,218,201
Peachland	223,896	157,136	381,032	377,109
Lake Country	645,430	316,098	961,528	871,935
West Kelowna	1,039,480	476,379	1,515,859	1,616,696
Okanagan Regional Library	146,434	56,793	203,227	201,809
	<u>\$ 10,945,630</u>	<u>\$ 4,281,840</u>	<u>\$ 15,227,470</u>	<u>\$ 13,666,506</u>

4. Agreements Due From Members

Agreements due from members become receivable on the same terms as payable to the Municipal Finance Authority (Note 8). 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.

	2015	2014
City of Kelowna	\$ 130,257,231	\$ 102,193,666
District of Lake Country	12,134,728	10,475,562
District of Peachland	4,361,606	4,700,945
City of West Kelowna	17,742,316	19,591,365
Okanagan Regional Library District	3,306,426	3,497,639
	<u>\$ 167,802,307</u>	<u>\$ 140,459,177</u>

5. Deferred Revenue

	2015	2014
Balance, beginning of year	\$ 56,616	\$ 254,089
Contributions		
Business licenses	29,505	-
Other	27,056	56,616
Recognized as revenue	<u>(56,616)</u>	<u>(254,089)</u>
Balance, end of year	<u>\$ 56,561</u>	<u>\$ 56,616</u>

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

6. Development Cost Charges

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

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 2,960,771	\$ 1,279,674
Interest	33,555	14,187
DCC's collected in the year	<u>420,180</u>	<u>1,666,910</u>
Balance, end of the year	<u>\$ 3,414,506</u>	<u>\$ 2,960,771</u>

Developmental cost charges are allocated as follows:

	<u>2015</u>	<u>2014</u>
Westside Sewer Plant	\$ 1,907,239	\$ 1,497,825
East Trunk Sewer	<u>1,507,267</u>	<u>1,462,946</u>
	<u>\$ 3,414,506</u>	<u>\$ 2,960,771</u>

7. Interim Financing

Interim financing is due to the Municipal Finance Authority of British Columbia and was borrowed under Section 819 of the Local Government Act, which allows the Regional District to borrow under Section 175 of the Community Charter - Liabilities under Agreement. Interim financing requires scheduled repayments with the last payment due to be repaid in fiscal 2019. Interest on interim financing is payable monthly at a rate of 1.38%. The outstanding balance is \$9,346,936 as at December 31, 2015 (2014 - \$11,866,396).

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

8. Long Term Debt

Municipal Finance Authority Agreements

Security Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2015	2014
603	59	District of Peachland	2019	5.000	162,027	197,829
640	61	City of West Kelowna Regional District - East Boundary Sewer	2015 2015	3.000 3.000	- -	1,788 31,470
660	63	City of Kelowna	2016	3.500	30,002	58,576
667	64	Regional District - Regional Parks	2016	4.430	152,843	298,408
692	64	City of West Kelowna	2016	4.430	10,890	21,261
694	64	City of Kelowna	2021	4.310	812,849	943,362
710	65	District of Lake Country	2017	4.550	69,977	102,486
739	66	City of West Kelowna	2017	4.150	102,431	150,018
744	66	City of West Kelowna	2017	4.820	5,371	7,867
743	66	City of Kelowna	2017	4.820	8,125	11,900
740	66	District of Peachland	2022	4.820	77,595	86,672
764	68	District of Peachland	2023	4.650	1,866,424	2,052,572
Carried forward					\$ 3,298,534	\$ 3,964,209

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

8. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding		
					2015	2014	
Brought forward					\$	3,298,534	\$ 3,964,209
768	69	City of Kelowna	2018	4.650	46,392	60,407	
809	70	City of West Kelowna	2019	3.150	46,945	57,439	
811	70	City of Kelowna	2019	3.150	19,373	23,703	
818	70	District of Lake Country	2024	5.490	2,538,439	2,762,993	
		District of Lake Country	2019	5.490	449,774	550,316	
839	71	City of West Kelowna	2019	3.150	449,774	550,316	
841	71	City of Kelowna	2019	3.150	181,006	221,468	
886	73	City of West Kelowna	2020	3.150	568,601	668,061	
887	73	District of Lake Country	2020	6.360	357,825	420,416	
912	74	Regional District - Ellison Fire Hall	2021	3.050	244,372	278,588	
		Regional District - Lakeview Sewer	2021	3.050	321,757	366,808	
		City of West Kelowna	2021	3.050	524,992	598,500	
931	75	City of West Kelowna	2021	5.690	553,095	630,538	
932	75	City of Kelowna	2021	5.690	203,643	232,157	
933	75	District of Lake Country	2021	5.690	1,018,217	1,160,784	
939	76	City of Kelowna	2018	4.550	7,731,503	10,008,679	
957	77	City of Kelowna	2022	3.050	18,317	20,460	
964	77	City of West Kelowna	2022	3.050	889,161	993,167	
983	78	City of Kelowna	2022	5.370	1,890,335	2,111,450	
973/984	78	District of Lake Country	2022	5.370	634,965	709,238	
1007	79	City of West Kelowna	2023	5.491	1,016,320	1,117,683	
Carried forward					\$	23,003,340	\$ 27,507,380

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

8. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2015	2014
Brought forward					\$ 23,003,340	\$ 27,507,380
1023	80	City of Kelowna	2023	4.775	20,323	22,350
1069	85	City of Kelowna	2024	4.975	3,342,234	3,808,653
1070	85	City of West Kelowna	2024	4.975	577,265	627,125
939	89	City of Kelowna	2018	4.450	5,059,205	6,549,304
1123	95	District of Peachland	2030	4.170	2,255,560	2,363,873
1125	95	City of Kelowna	2025	4.170	4,452,441	4,809,025
1122	95	Regional District - Ridgeview Fire Protection	2025	4.170	131,299	141,814
1122	95	Regional District - Upper Ellison Fire	2020	4.170	55,397	69,308
1122	95	City of West Kelowna	2015	4.170	-	197,775
		City of West Kelowna	2025	4.170	2,513,262	2,714,542
1147	99	City of West Kelowna	2026	4.430	846,370	906,714
		City of West Kelowna	2016	4.430	187,159	367,120
1175	101	Bella Vista Fire Protection	2027	4.520	3,721	5,474
		City of West Kelowna	2027	4.520	1,962,600	2,088,192
1196	101	Lakeshore Road Improvements	2027	4.520	55,246	58,781
		City of West Kelowna	2027	4.520	964,036	1,025,727
1212	102	City of Kelowna	2027	4.820	19,543,135	20,793,749
1227	103	City of Kelowna	2018	4.650	5,474,297	7,160,531
1219	103	City of West Kelowna	2028	4.650	103,266	109,237
1239	104	District of Lake Country	2028	5.150	1,317,389	1,414,889
		Regional District - Shelter Cove Fire Protection	2018	5.150	23,266	30,432
1241	104	Okanagan Regional Library	2028	5.150	3,306,426	3,497,639
1245	104	District Admin Building				
1212	104	City of Kelowna	2028	5.150	1,469,523	1,554,506
1246	104	City of Kelowna	2028	5.150	7,786,579	8,236,881
		City of Kelowna	2018	5.150	3,558,293	4,654,345
1246	105	City of Kelowna	2019	4.900	8,950,664	10,977,388
Carried forward					<u>\$ 96,962,296</u>	<u>\$ 111,692,754</u>

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

8. Long Term Debt (continued)

Municipal Finance Authority Agreements
Security

Issuing By-law	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
					2015	2014
Brought forward					\$ 96,962,296	\$ 111,692,754
1251	105	City of West Kelowna	2029	4.900	6,420,778	6,758,295
1252	105	District of Lake Country	2024	4.900	618,824	675,049
	105	District of Lake Country	2029	4.900	388,626	409,055
1246	106	City of Kelowna	2019	4.130	4,475,332	5,488,694
1260	106	City of Kelowna	2019	4.130	2,152,635	2,640,062
1252	109	District of Lake Country	2020	1.830	225,000	275,000
1246	112	City of Kelowna	2020	3.730	5,488,694	6,463,080
1285	114	District of Lake Country	2026	3.650	190,072	203,918
1286	114	District of Lake Country	2026	3.650	290,839	312,025
1292	117	City of Kelowna	2031	3.250	1,714,793	1,790,342
1293	117	City of Kelowna	2026	3.250	2,994,122	3,207,595
1310	121	Regional District - Upper Fintry Shalal Road & Valley of the Sun Water Distribution System	2042	2.900	4,580,354	4,673,893
1329	126	District of Lake Country	2033	3.850	996,698	1,034,068
1337	127	District of Lake Country	2029	3.300	423,085	445,325
1350	130	City of Kelowna	2034	3.000	333,414	345,000
1362	133	District of Lake Country	2035	2.750	2,615,000	-
1363	133	City of Kelowna	2035	2.750	20,000,000	-
1364	133	City of Kelowna	2035	2.750	15,000,000	-
1227	133	City of Kelowna	2025	2.750	7,500,000	-
Total long term debt					<u>\$173,370,562</u>	<u>\$ 146,414,155</u>

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

2016	\$ 14,367,108
2017	14,152,137
2018	14,114,496
2019	10,365,163
2020	7,540,029
Thereafter	<u>112,831,629</u>
	<u>\$ 173,370,562</u>

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

9. 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.

Capacity of the Westside Sanitary Landfill of 1,926,340 cubic meters was reached during the 2010 fiscal year. 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.

The table below sets out the liability based on the estimated capacities used in cubic meters, multiplied by the estimated total expenses, expressed as discounted present values, assuming a discount rate of 3.48% (2014 - 2.85%) based on the average long term borrowing rate. The amount remaining to be recognized in future years is \$nil because the landfill reached full capacity during the 2010 fiscal year. The annual provision is reported as an operating fund expense and the accumulated provision is recorded as a liability on the Statement of Financial Position. Reserve funds totaling \$734,052 (2014 - \$853,176) have been established to provide for this liability in the Capital Projects Reserve Fund.

Site	Estimated Remaining Life (yrs)	Est. Total Expenditure For Closure	Cumulative Capacity Used	Total Estimated Capacity	% Used	Liability for Closure to Dec. 31, 2015
West Kelowna	-	\$ 662,918	1,926,340	1,926,340	100 %	\$ 662,918
Less expenses previously recognized:						<u>(560,100)</u>
2015 net additional cost in connection with landfill closure:						<u>\$ 102,818</u>

Site	Estimated Remaining Life (yrs)	Est. Total Expenditure For Closure	Cumulative Capacity Used	Total Estimated Capacity	% Used	Liability for Closure to Dec. 31, 2014
West Kelowna	-	\$ 560,100	1,926,340	1,926,340	100 %	\$ 560,100

Regional District of the Central Okanagan

Notes to Financial Statements

December 31, 2015

10. Tangible Capital Assets

												2015
	Land	Land	Buildings	Fleet	Machinery	Sewer	Water	Assets Under			Total	
	Improvements	Improvements			and	System	System	Construction				
					Equipment							
Cost, beginning of year	\$ 38,019,146	\$ 3,866,448	\$ 11,715,732	\$ 6,466,003	\$ 4,773,989	\$ 57,304,650	\$ 16,931,472	\$ 508,126	\$	\$	\$ 139,585,566	
Additions	1,050,549	211,775	110,217	274,875	493,374	219,286	231,368				2,591,444	
Disposals	(100,000)	-	(294,928)	(398,481)	(74,546)	-	(443,707)				(1,311,662)	
Transfers												
Cost, end of year	\$ 38,019,146	\$ 4,816,997	\$ 11,927,507	\$ 6,281,292	\$ 4,650,383	\$ 57,723,478	\$ 17,150,758	\$ 295,787	\$	\$	\$ 140,865,348	
Accumulated amortization, beginning of year	\$ -	\$ 1,713,140	\$ 4,731,944	\$ 3,338,282	\$ 2,387,521	\$ 15,744,978	\$ 4,672,548	\$ -	\$	\$	\$ 32,588,413	
Amortization	-	263,005	433,333	386,490	550,001	1,655,312	352,676	-	-	-	3,640,817	
Disposals	-	(100,000)	-	(294,928)	(390,064)	(74,546)	-	-	-	-	(859,538)	
Accumulated amortization, end of year	\$ -	\$ 1,876,145	\$ 5,165,277	\$ 3,429,844	\$ 2,547,458	\$ 17,325,744	\$ 5,025,224	\$ -	\$	\$	\$ 35,369,692	
Net carrying amount, end of year	\$ 38,019,146	\$ 2,940,852	\$ 6,762,230	\$ 2,851,448	\$ 2,102,925	\$ 40,397,734	\$ 12,125,534	\$ 295,787	\$	\$	\$ 105,495,656	

Regional District of the Central Okanagan
Notes to Financial Statements

December 31, 2015

10. Tangible Capital Assets (continued)

	Land	Land Improvements	Buildings	Fleet	Machinery and Equipment	Sewer System	Water System	Assets Under Construction	Total
Cost, beginning of year	\$ 23,913,372	\$ 2,983,318	\$ 11,251,994	\$ 6,062,705	\$ 3,784,948	\$ 57,117,022	\$ 16,825,129	\$ 543,015	\$ 122,481,453
Additions	14,390,200	883,130	463,738	646,728	1,166,395	278,700	106,343	395,689	18,330,923
Disposals	(284,376)	-	-	(243,430)	(177,354)	(91,072)	-	(430,578)	(1,226,810)
Cost, end of year	\$ 38,019,146	\$ 3,866,448	\$ 11,715,732	\$ 6,466,003	\$ 4,773,989	\$ 57,304,650	\$ 16,931,472	\$ 508,126	\$ 139,585,566
Accumulated amortization, beginning of year	\$ -	\$ 1,438,411	\$ 4,314,985	\$ 3,176,032	\$ 1,998,182	\$ 14,212,817	\$ 4,351,662	\$ -	\$ 29,492,089
Amortization	274,729	416,959	416,959	381,912	566,693	1,623,233	320,886	-	3,584,412
Disposals	-	-	-	(219,662)	(177,354)	(91,072)	-	-	(488,088)
Accumulated amortization, end of year	\$ -	\$ 1,713,140	\$ 4,731,944	\$ 3,338,282	\$ 2,387,521	\$ 15,744,978	\$ 4,672,548	\$ -	\$ 32,588,413
Net carrying amount, end of year	\$ 38,019,146	\$ 2,153,308	\$ 6,983,788	\$ 3,127,721	\$ 2,386,468	\$ 41,559,672	\$ 12,258,924	\$ 508,126	\$ 106,997,153

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

11. Accumulated Surplus

The Regional District segregates its accumulated surplus in the following categories:

	2015	2014
Current Funds		
General revenue fund	\$ 2,184,518	\$ 3,375,326
Water revenue fund	70,696	21,493
Sewer revenue fund	251,045	122,132
	2,506,259	3,518,951
Capital Funds		
General capital fund	42,432,857	40,461,867
Water capital fund	7,908,285	8,006,128
Sewer capital fund	39,576,399	40,701,330
	89,917,541	89,169,325
Reserve Funds		
Feasibility reserve fund	110,256	99,133
Equipment replacement reserve fund	4,399,977	3,695,792
Park reserve fund	3,639,791	3,599,003
Capital projects reserve fund	5,101,622	3,753,078
Operating reserve fund	1,032,860	82,006
	14,284,506	11,229,012
Accumulated Surplus Total	\$106,708,306	\$103,917,288

Equity in capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

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

12. Credit Facility

The Regional District has a credit facility agreement with a financial institution which provides for a total commitment of \$19,884,283 (2014 - \$19,477,762). At December 31, 2015, the Regional District had drawn an amount of \$Nil on this agreement (2014 - \$Nil).

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

13. Employee Benefits

Retirement Benefits

The Regional District 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 based on a formula. The Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 113 contributors from the Regional District of the Central Okanagan.

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

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits.

The Regional District paid \$696,647 (2014 - \$610,927) for employer contributions to the plan in fiscal 2015, which represents 0.4% of the total plan contributions. The Regional District expects to pay \$780,000 for employer contributions in the next fiscal year.

The next valuation will be December 31, 2015, with results available in 2016. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, (resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan).

Compensated Absences

Sick leave, after ten years of employment, earned sick leave is paid out upon termination of employment as per agreements. The projected sick leave liability in 2015 is \$601,000 (2014 -\$587,000).

Vacation is accrued as it is earned by employees.

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

14. Contingent Liabilities

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

15. Expenses by Object

	<u>2015</u>	<u>2014</u>
Advertising and promotion	\$ 93,762	\$ 152,269
Amortization	3,640,818	3,584,412
Contract services	3,091,935	3,561,681
Education and training	538,423	514,537
Emergency services	1,451,506	1,380,780
Grants and other programs	428,853	607,809
Insurance, licences and memberships	1,007,980	(71,878)
Interest on long-term debt and debt issue expense	503,723	440,280
Fiscal services for members	24,115,888	24,697,927
Leases and rentals	26,656	33,274
Office and administration	999,680	951,291
Planning and development	416,493	288,353
Professional fees	387,890	231,774
Repairs and maintenance	2,657,720	1,904,955
Supplies	772,151	717,290
Telephone and utilities	924,950	959,013
Transit services	9,906	7,710
Travel	192,869	190,885
Transfers to other agencies and governments	4,017,648	4,777,132
Wages and benefits	9,999,518	10,269,692
	<u>\$55,278,369</u>	<u>\$ 55,199,186</u>

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

16. Gas Tax Agreement Funds

a) Community Works Funds

Community Works Funds are provided by the Government of Canada under the Gas Tax Agreement. The use of the funding is established by a funding agreement between the Regional District and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects. The Community Works Fund balance is included in the capital projects reserve fund.

	2015	2014
Opening balance of unspent funds	\$ 1,398,089	\$ 1,030,702
Add: Amount received during the year	651,803	651,803
Interest earned	15,845	11,426
Less: Amount spent on projects	(409,830)	(295,842)
Closing balance of unspent community works funds	\$ 1,655,907	\$ 1,398,089

b) Regionally Significant Project Funding

The Regional District and its members completed three projects pre-approved for Regional Significant Project Funding and submitted the claim and accrued the related revenue. Projects completed during the year included:

	2015	2014
Regional household and travel survey and analysis	\$ 11,740	\$ 138,120
Air quality management	38,000	-
	\$ 49,740	\$ 138,120

c) General Strategic Priorities Funding

	2015	2014
Regional growth strategy	\$ 2,095	\$ 2,122

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

17. Budget

The budget data presented in these financial statements is based upon the 2015 - 2019 Financial Plan Bylaw 1356 and Amending Bylaws 1365, 1366, 1379, 1380, 1381 and 1384 approved by the RDCO Board on March 27, July 16, September 28, October 26, November 12, December 7, 2015 and February 11, 2016 respectively.

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

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

	2015
Revenue Reconciliation	
Bylaw	\$ 59,428,753
Financial statement	57,611,227
Difference	1,817,526
Budget bylaw items not in financial statements:	
Budgeted surplus	(2,727,009)
Budgeted transfers from reserves and other funds	(274,166)
Budget financial statements not in operating budget bylaw:	
Reclassification of items in capital portion of budget to operating	907,702
Miscellaneous items	275,947
Reconciled difference	\$ -
 Expense Reconciliation	
Bylaw	\$ 59,428,753
Financial statement	52,735,749
Difference	6,693,004
Budget bylaw items not in financial statements:	
Budgeted transfers from reserves and other funds	(4,215,301)
Budgeted portion of Regional District principle debt repayment	(2,757,115)
Budgeted landfill site closure and maintenance	192,345
Miscellaneous items	87,067
Reconciled difference	\$ -

Regional District of the Central Okanagan Notes to Financial Statements

December 31, 2015

18. Segmented Information

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

General Government Services is comprised of a number of different services, including: Corporate Services; Administration; Finance; Engineering; Human Resources; Information Systems; Electoral Area Costs; and Grants. Corporate Services involves staff and management working closely with the Regional Board and community partners to coordinate the delivery of a wide range of functions and services. The Finance department is responsible for the requisition of tax revenues from the Province and from member municipalities and all treasury and accounting functions. Human Resources involves the administration of full-time and part-time employees, as well as the responsibility for labour relations, recruitment, training and career planning, employee health and safety and Workers Compensation regulations. Information Systems includes an all-encompassing computer database and mapping system for properties in the Regional District, which is used by Regional Services and Regional District departments and other government agencies, as well as members of the public and businesses.

Protective Services includes a number of different programs. These programs include Electoral Area Fire Protection; Regional Rescue; 911 Services; Crime Stoppers; Victims Services; Crime Prevention; Bylaw Enforcement (Business Licenses, Building Inspection, Dog Control, Mosquito Control, Starling Control, and Prohibited Animal Control). These services are designed to provide a safe environment to the community. They are responsible for providing these services to the unincorporated electoral areas of Central Okanagan East and Central Okanagan West, as well as to the member municipalities of Kelowna, West Kelowna, Peachland and Lake Country within the boundaries of the Regional District.

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

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

Environmental Development Services is responsible for delivering Insect & Weed Control, Sterile Insect Release, Economic Development and Planning. Economic Development provides assistance to businesses and entrepreneurs in the Regional District and to those interested in relocating to region. The Planning function is responsible for developing land use policies that provide guidance to elected officials, developers, the public and other decision makers. It puts land use plans and policies into action and ensures proper infrastructure and orderly development. The program also evaluates applications and provides recommendations to decision makers; assists the public with land use regulations, applications, and processes; and invites and responds to public comments.

Recreation/Cultural Service includes the Community Halls, Regional Parks, Community Parks, and Okanagan Regional Library. The Parks department is responsible for 31 Regional Parks and 20 community and neighbourhood parks making up over 2,057 hectares of parkland. The department is also responsible for future recreational opportunities through parkland acquisition and development.

Fiscal Services is responsible for MFA Financing for 2 electoral areas and 4 member municipalities.

Water Services includes a total of six water systems that provides water services to local service areas within the electoral areas.

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

Regional District of the Central Okanagan
Notes to Financial Statements

December 31, 2015

18. Segmented Information (continued)

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

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	Total 2015 Actual	Total 2015 Budget
Revenues												
General taxes	\$ 831,230	\$ 5,476,951	\$ 45,061	\$ 2,310,359	\$ 3,246,774	\$ 7,689,580	\$ 23,412,335	\$ 281,271	\$ 112,864	\$ -	\$13,406,425	\$13,684,534
Utility charges	-	-	-	-	-	-	-	1,150,132	4,820,151	-	5,970,283	5,927,096
Government grants - Federal	134,840	-	-	-	(3,346)	109,400	-	-	-	-	240,894	151,000
Government grants - Provincial	23,620	159,643	-	-	-	8,235	-	-	16,000	-	207,498	415,128
Sales of services	290,045	944,740	1,377	2,865,398	98,184	718,850	-	-	-	-	4,918,594	4,966,909
Other revenue	346,170	1,097,507	11,740	378,435	49,108	482,338	157,392	-	22,015	780,988	3,325,693	2,466,560
	<u>1,625,905</u>	<u>7,678,841</u>	<u>58,178</u>	<u>5,554,192</u>	<u>3,390,720</u>	<u>9,008,403</u>	<u>23,412,335</u>	<u>1,431,403</u>	<u>4,971,030</u>	<u>780,988</u>	<u>58,069,387</u>	<u>57,611,227</u>
Expenses												
Operating												
Goods and services (net)	(1,537,162)	4,890,791	49,959	4,938,107	2,477,972	2,103,777	24,619,611	286,267	2,815,755	992,956	41,638,033	12,300,309
Wages and benefits	2,873,000	2,149,279	922	603,385	880,393	2,229,017	-	211,085	1,052,437	-	9,999,518	10,435,440
	<u>1,335,838</u>	<u>7,040,070</u>	<u>50,881</u>	<u>5,541,492</u>	<u>3,358,365</u>	<u>4,332,794</u>	<u>24,619,611</u>	<u>497,352</u>	<u>3,868,192</u>	<u>992,956</u>	<u>51,637,551</u>	<u>52,735,749</u>
Capital												
Amortization	482,814	578,155	-	96,467	2,871	432,457	-	352,676	1,695,378	-	3,640,818	-
	<u>1,818,652</u>	<u>7,618,225</u>	<u>50,881</u>	<u>5,637,959</u>	<u>3,361,236</u>	<u>4,765,251</u>	<u>24,619,611</u>	<u>850,028</u>	<u>5,563,570</u>	<u>992,956</u>	<u>55,278,369</u>	<u>52,735,749</u>
Excess (deficiency) in revenues over expenses	\$ (192,747)	\$ 60,616	\$ 7,297	\$ (83,767)	\$ 29,484	\$ 4,243,152	\$ (1,207,276)	\$ 581,375	\$ (592,540)	\$ (211,968)	\$ 2,791,018	\$ 4,875,478

Regional District of the Central Okanagan
Notes to Financial Statements

December 31, 2015

18. Segmented Information (continued)

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

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	Total 2014 Actual	Total 2014 Budget
Revenues												
General taxes	\$ 758,140	\$ 5,340,668	\$ 44,820	\$ 2,412,187	\$ 3,196,533	\$ 7,440,746	\$ 24,315,059	\$ 227,141	\$ 72,795	\$ -	\$13,808,089	\$13,801,935
Utility charges	-	-	-	-	-	-	-	1,085,311	4,618,287	-	5,703,598	5,674,310
Government grants - Federal	79,415	7,200	-	-	17,125	164,600	-	-	5,740	-	274,080	261,340
Government grants - Provincial	-	104,633	-	-	20,078	464,328	-	-	-	-	589,039	740,727
Sales of services	298,668	1,316,212	2,384	3,477,542	111,011	728,403	-	-	-	-	5,934,220	5,898,820
Other revenue	381,482	1,066,206	138,120	1,305,926	213,410	2,591,691	157,895	-	5,000	765,940	6,625,670	3,309,486
	1,517,705	7,834,919	185,324	7,195,655	3,558,157	11,389,768	24,315,059	1,312,452	4,701,822	765,940	62,934,696	59,686,618
Expenses												
Operating												
Goods and services (net)	(1,706,191)	4,286,632	173,629	5,059,253	2,634,805	2,212,227	25,138,207	310,220	2,791,957	444,342	41,345,082	14,133,954
Wages and benefits	2,754,752	2,656,909	903	620,648	879,597	2,103,935	-	215,199	1,037,749	-	10,269,692	11,100,220
	1,048,561	6,943,541	174,532	5,679,901	3,514,402	4,316,162	25,138,207	525,419	3,829,706	444,342	51,614,774	55,234,174
Capital												
Amortization	495,783	568,914	-	110,320	2,871	422,340	-	320,886	1,663,299	-	3,584,412	-
	1,544,344	7,512,455	174,532	5,790,221	3,517,273	4,738,502	25,138,207	846,305	5,493,005	444,342	55,199,186	55,234,174
Excess (deficiency) in revenues over expenses	\$ (26,639)	\$ 322,464	\$ 10,792	\$ 1,405,434	\$ 40,884	\$ 6,651,266	\$ (823,148)	\$ 466,147	\$ (791,183)	\$ 321,598	\$ 7,735,510	\$ 4,452,444

Exhibit 1

**Regional District of the Central Okanagan
Consolidated Statement of Current Fund Operations
(Unaudited)**

For the year ended December 31	2015		2014
	Actual	Budget	Actual
Revenues			
Electoral area tax requisitions	\$ 3,310,519	\$ 3,311,422	\$ 3,512,572
Electoral area parcel taxes	439,761	439,761	491,851
Members' requisitions			
General	15,621,829	15,622,480	14,948,302
Parcel taxes	537,148	537,149	540,305
Debt services	23,497,168	23,773,722	24,315,059
Federal government grants	142,094	90,000	124,080
Provincial government grants	207,499	305,128	389,039
Sale of services to local governments	3,300,670	3,507,529	4,062,548
Sale of services to others	1,617,924	1,459,380	1,871,672
Water and sewer user fees	5,970,283	5,927,096	5,703,598
Gas tax revenue	51,835	52,002	918,120
Other revenue	2,046,204	1,677,856	1,978,909
	<u>56,742,934</u>	<u>56,703,525</u>	<u>58,856,055</u>
Expenses			
General government services	1,335,838	1,798,574	1,048,561
Protective services	7,040,070	7,409,122	6,943,541
Transportation services	50,881	53,549	174,532
Environmental health services	5,541,492	5,676,021	5,679,901
Development services	3,358,365	3,625,969	3,514,402
Recreational and cultural services	4,332,794	4,753,472	4,316,162
Water services	497,352	534,808	525,419
Sewer services	3,868,192	3,994,951	3,829,706
Fiscal services	24,298,928	24,773,570	25,138,207
Transfer to local governments	115,713	115,713	902,468
Repairs and maintenance	246,959	-	54,161
Reallocation of insurance reserve	585,419	-	(516,899)
	<u>51,272,003</u>	<u>52,735,749</u>	<u>51,610,161</u>
Net revenues	5,470,931	3,967,776	7,245,894
Regional District - debt principal repayments	(229,332)	(225,872)	(252,434)
short term debt repayments	(2,527,783)	(2,162,330)	(385,873)
Net interfund transfers			
Capital fund	(141,243)	(634,072)	(986,095)
Reserve fund	(3,585,267)	(2,629,326)	(4,651,369)
Change in current fund	(1,012,694)	(1,683,824)	970,123
Balance, beginning of year	3,518,950	3,518,950	2,548,827
Balance, end of year	\$ 2,506,256	\$ 1,835,126	\$ 3,518,950

Exhibit 2

Regional District of the Central Okanagan
Consolidated Statement of Capital Fund Operations
(Unaudited)

For the year ended December 31	2015		2014
	Actual	Budget	Actual
Revenues			
Federal government grants	\$ 98,800	\$ 61,000	\$ 150,000
Provincial government grants	-	110,000	200,000
Gain on disposals of tangible capital assets	-	-	125,133
Contributions from others	291,198	344,299	2,376,703
Retirement of long term debt	386,724	-	410,329
Gas tax revenue	-	71,753	317,969
	<u>776,722</u>	<u>587,052</u>	<u>3,580,134</u>
Expenses			
Land	-	50,000	-
Buildings	-	1,348,349	-
Machinery, equipment & other	-	1,189,266	-
Engineering structures	-	1,616,741	-
Amortization	3,640,818	-	3,584,412
Transfer to local governments	-	-	4,613
Fiscal services	320,685	-	-
Loss on disposal of tangible capital assets	44,865	-	-
	<u>4,006,368</u>	<u>4,204,356</u>	<u>3,589,025</u>
Net revenues (expenses)	(3,229,646)	(3,617,304)	(8,891)
Net interfund transfers			
Current fund	244,061	634,072	541,318
Current fund - Landfill	(102,818)	-	444,777
Current fund - Retirement of short term debt	2,527,783	2,162,330	385,873
Reserve funds	1,308,836	2,629,326	3,115,656
Contributions received from sewer DCC reserve	-	320,650	-
Change in capital fund	748,216	2,129,074	4,478,733
Balance, beginning of year	89,169,325	89,169,325	84,690,592
Balance, end of year	\$ 89,917,541	\$ 91,298,399	\$ 89,169,325

Exhibit 3

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

For the year ended December 31	2015		2014
	Actual	Budget	Actual
Revenues			
Gas tax revenue	\$ 651,803	\$ -	\$ 651,803
Interest income	127,260	-	99,138
	<u>779,063</u>	-	750,941
Net interfund transfers			
Current fund	3,585,267	2,629,326	4,651,369
Capital fund	<u>(1,308,836)</u>	<u>(2,629,326)</u>	<u>(3,115,656)</u>
Change in reserve fund	3,055,494	-	2,286,654
Balance, beginning of year	<u>11,229,012</u>	11,229,012	<u>8,942,358</u>
Balance, end of year	<u>\$ 14,284,506</u>	\$ 11,229,012	<u>\$ 11,229,012</u>
Summary of Reserve Funds positions			
Feasibility Reserve Fund	110,256		99,133
Equipment Replacement Reserve Fund	4,399,977		3,695,792
Park Reserve Fund	3,639,791		3,599,003
Capital Projects Reserve Fund	5,101,622		3,753,078
Operating Reserve Fund	<u>1,032,860</u>		<u>82,006</u>
	<u>\$ 14,284,506</u>		<u>\$ 11,229,012</u>

Exhibit 4
Regional District of the Central Okanagan
General Revenue Fund
Statement of Financial Position
(Unaudited)

December 31	2015	2014
Assets		
Cash	\$ 20,809,389	\$ 18,209,476
Term deposits	(17,699,013)	(14,189,783)
Accounts receivable		
Federal government	18,300	14,125
Provincial government	309,365	1,711,046
Local governments and Hospital District	1,700,886	1,801,355
Due from own funds		
Other	651,623	741,975
Prepaid expenses	346,396	320,623
Other assets		
Municipal Finance Authority debt reserve fund		
Member municipalities	14,669,846	13,083,940
Regional District	396,447	393,298
	<u>\$ 21,203,239</u>	<u>\$ 22,086,055</u>
Liabilities and Surplus		
Accounts payable		
Accounts payable and accrued liabilities	\$ 3,711,916	\$ 4,479,604
Due to general capital fund	-	312,362
Due to water revenue fund	16,566	21,493
Due to water capital fund	-	28,044
Due to sewer revenue fund	236,698	122,132
Due to sewer capital fund	-	213,241
Other liabilities		
Deferred revenue	56,564	56,616
Municipal Finance Authority debt reserve fund		
Member municipalities		
- cash requirements	4,087,259	3,566,609
- demand note requirement	10,582,587	9,517,331
Regional District		
- cash requirements	56,792	122,956
- demand note requirement	270,342	270,342
Surplus	<u>2,184,515</u>	<u>3,375,325</u>
	<u>\$ 21,203,239</u>	<u>\$ 22,086,055</u>

Exhibit 5

**Regional District of the Central Okanagan
General Revenue Fund
Statement of Operations
(Unaudited)**

For the year ended December 31	2015	2014
Revenue		
Electoral area tax requisitions	\$ 3,310,519	\$ 3,512,572
Electoral area parcel taxes	212,620	264,710
Members' requisitions		
General	15,621,829	14,948,302
Parcel taxes	454,987	467,510
Debt services	23,412,335	24,315,059
Federal government grant	142,094	118,340
Provincial government grant	191,499	389,039
Sale of services to local governments	3,300,670	4,062,548
Sale of services to others	1,617,924	1,871,672
Gas tax revenue	51,835	918,120
Other revenue		
Licenses, fees and permits	1,096,321	1,035,973
Facility rentals	170,362	173,796
Other	755,579	754,140
Other Programs	1,927	15,000
Transfer from general capital fund	139,072	-
Transfer from parks reserve fund	-	375,000
Transfer from capital projects reserve fund	138,501	146,060
Transfer from operating reserve fund	3,030	35,080
Surplus from previous year	3,375,325	2,414,881
	<u>53,996,429</u>	<u>55,817,802</u>
Expenses		
General government services	1,335,838	1,048,561
Protective services	7,040,070	6,943,541
Transportation services	50,881	174,532
Environmental health services	5,541,492	5,679,901
Development services	3,358,365	3,514,402
Recreational and cultural services	4,332,794	4,316,162
Fiscal services	24,213,442	25,063,463
Transfer to equipment replacement reserve fund	400,130	424,452
Transfer to park reserve fund	-	3,476,386
Transfer to general capital fund	-	473,904
Transfer to operating reserve fund	952,954	47,000
Transfer to capital projects reserve fund	1,568,345	366,346
Transfer to feasibility study reserve fund	10,000	12,122
Transfer to District of Lake Country	55,000	835,000
Transfer to District of Peachland	12,000	12,000
Transfer to City of West Kelowna	48,713	55,468
Landfill closure and post-closure	(102,818)	444,777
Repairs and maintenance	246,959	50,939
Reallocation of insurance reserve	585,419	(516,899)
Short term debt repayment	2,162,330	20,420
	<u>51,811,914</u>	<u>52,442,477</u>
Surplus, end of year	\$ 2,184,515	\$ 3,375,325

Exhibit 6
Regional District of the Central Okanagan
General Revenue Fund
Surplus
(Unaudited)

For the year ended December 31	2015	2014
Board	\$ 68,829	\$ (5,612)
Administration	209,422	182,037
Finance	162,359	247,205
Engineering	50,858	96,498
Human Resources	37,146	60,227
Information Systems	76,118	19,517
General Government Services - Electoral Areas	15,336	4,891
Electoral Area Central Okanagan West	2,374	2,268
Electoral Area Central Okanagan East	1,487	2,423
Regional Grants in Aid	901	11,370
EA West Grants in Aid	4,624	1,112
EA East Grants in Aid	-	4,476
Upper Ellison Fire Protection	(3,798)	(3,850)
Electoral Areas Fire Protection	10,840	7,401
Lakeshore Road Fire Protection	570	945
Ellison Fire Protection	41,264	72,876
Joe Rich Fire Protection	(246)	17,918
North Westside Road Fire Protection	10,947	3,649
Wilson's Landing Fire Protection	12,689	(317)
Ridgeview Fire Protection	79	-
Traders / Pine Point / Jenny Creek Fire Protection	-	4,717
June Springs Fire Protection	418	226
Brent Road Fire Protection	1,910	3,062
Regional Rescue Service	84,359	53,849
911 Emergency Telephone Service	57,943	538,552
Bella Vista Fire Protection	6	1,771
Shelter Cove Fire	(677)	(699)
Crime Stoppers	3,888	25,825
Victims Services	(1,134)	11,179
Crime Prevention Programs	19,360	27,626
Business Licenses	3,601	3,245
Building inspection	160,588	100,961
Dog Control	176,402	285,613
Mosquito Control	19,989	21,672
Prohibited Animal Control	873	971
Transportation Demand Management	3,487	2,779
Lakeshore Road Improvements	28	421
Scotty Heights Street Lighting	(524)	(207)
Ellison Transit Services	41	1,725
Septic tank Effluent Disposal	103,625	8,796
Balance to be carried forward	\$ 1,335,982	\$ 1,817,118

Exhibit 6
Regional District of the Central Okanagan
General Revenue Fund (continued)
Surplus
(Unaudited)

For the year ended December 31	2015	2014
Balance carried forward	\$ 1,335,982	\$ 1,817,118
Westside Transfer Station	(41,995)	(3,164)
Solid Waste Management	6,733	5,700
Solid Waste Collection	32,726	20,322
Okanagan Basin Water Board	1	140
Air Quality Monitoring	33	50
Noise Abatement	3,405	3,450
Untidy Premises	8,467	3,969
Regional Planning	61,522	82,031
Electoral Area Planning	19,527	60,663
Noxious Insect Control	4,981	3,877
Weed Control	26,948	28,924
Starling Control	1	(927)
Economic Development Commission	34,510	(2,657)
Ellison Heritage Community Centre	33,263	21,634
Joe Rich Community Hall	2,966	488
Westside Recreation	(107)	(27)
Johnson Bentley Aquatic Centre	(63)	(13)
Killiney Community Hall	(39)	(109)
Regional Parks	419,404	499,601
Westside Community Parks	17,314	30,289
Eastside Community Parks	7,878	7,489
Insurance	211,058	796,477
Surplus, end of year	\$ 2,184,515	\$ 3,375,325

Exhibit 7
Regional District of the Central Okanagan
General Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2015	2014
Assets		
Accounts receivable		
Due from general revenue fund	\$ -	\$ 312,362
Tangible capital assets (net of accumulated amortization)		
Land	37,726,870	37,726,870
Land improvements	2,940,849	2,153,306
Buildings	6,762,231	6,983,789
Fleet	2,758,456	2,994,663
Machinery and equipment	2,102,925	2,386,469
Assets under construction	86,617	117,349
	<u>52,377,948</u>	<u>52,362,446</u>
Debt recoverable from other authorities for debentures		
City of Kelowna	130,257,231	102,193,666
District of Lake Country	12,134,728	10,475,562
District of Peachland	4,361,606	4,700,945
City of West Kelowna	17,742,316	19,591,365
OK Regional Library	3,306,426	3,497,639
	<u>167,802,307</u>	<u>140,459,177</u>
	<u>\$ 220,180,255</u>	<u>\$ 193,133,985</u>
Liabilities and Equity in Capital Assets		
Temporary borrowings	\$ 8,616,028	\$ 10,770,035
Long term debt		
Landfill closure and post closure	662,918	560,100
Municipal Finance Authority	168,468,452	141,341,983
	<u>42,432,857</u>	<u>40,461,867</u>
Equity in capital assets	<u>\$ 220,180,255</u>	<u>\$ 193,133,985</u>

Exhibit 8
Regional District of the Central Okanagan
General Capital Fund
Statement of Equity in Capital Assets
(Unaudited)

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 40,461,867	\$ 35,237,425
Add:		
Assets acquired and debt retired by transfers from own funds		
Transfer from general revenue fund	-	473,904
Landfill closure cost transfer	-	444,777
Park reserve fund	-	1,331,451
Equipment replacement reserve fund	323,422	936,285
Capital projects reserve fund	1,023,141	589,129
Gain on disposal of tangible capital assets	21,573	125,133
Grant from Federal government	98,800	150,000
Grant from Provincial government	-	200,000
Other contributions	291,198	2,371,704
Retirement of long term debt	216,663	247,510
Retirement of short term debt	2,162,330	20,420
Gas tax revenue	-	317,969
	4,137,127	7,208,282
Deduct:		
Transfer to equipment replacement reserve fund	10,798	4,000
Transfer to parks reserve fund	-	375,000
Transfer to general revenue fund	139,072	-
Landfill closure cost transfer	102,818	-
Amortization	1,592,764	1,600,227
Transfer to local governments	-	4,613
Fiscal services	320,685	-
	2,166,137	1,983,840
Balance, end of year	\$ 42,432,857	\$ 40,461,867

Exhibit 9

**Regional District of the Central Okanagan
Water Revenue Fund
Statement of Financial Position
(Unaudited)**

December 31	2015	2014
Assets		
Due from general revenue fund	\$ 16,566	\$ 21,493
Other assets		
Municipal Finance Authority debt reserve fund	<u>119,197</u>	<u>117,846</u>
	\$ 135,763	\$ 139,339
Liabilities and Surplus		
Other liabilities		
Municipal Finance Authority debt reserve fund		
- cash requirement	\$ -	\$ 52,779
- demand note requirement	65,067	65,067
Surplus	<u>70,696</u>	<u>21,493</u>
	\$ 135,763	\$ 139,339

Exhibit 10

**Regional District of the Central Okanagan
Water Revenue Fund
Statement of Operations
(Unaudited)**

For the year ended December 31	2015	2014
Revenue		
Connection charges	\$ 27,117	\$ 17,543
Debt service fee	54,130	-
Parcel tax	227,141	227,141
User fees and maintenance fees	1,123,018	1,067,768
Transfer from water capital fund	-	3,223
Surplus (deficit) from previous year	21,493	(12,982)
	<u>1,452,899</u>	<u>1,302,693</u>
Expenses		
Falcon Ridge water system	37,474	33,465
Killiney Beach water system	149,051	147,812
Upper Fintry water system	56,109	58,077
Sunset Ranch water system	94,415	105,103
Trepanier Bench water system	16,770	14,451
Westshore water system	143,533	166,511
Transfer to water capital fund	4,184	1,605
Transfer to equipment replacement reserve fund	600,746	523,813
Transfer to capital projects reserve	52,779	-
Fiscal Services	227,142	227,141
Repairs and maintenance	-	3,222
	<u>1,382,203</u>	<u>1,281,200</u>
Surplus	<u>\$ 70,696</u>	<u>\$ 21,493</u>

Exhibit 11
Regional District of the Central Okanagan
Water Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2015	2014
Assets		
Accounts receivable		
Due from general revenue fund	\$ -	\$ 28,044
Tangible capital assets (net of accumulated amortization)		
Land	228,536	228,536
Water system	12,125,532	12,258,924
Asset under construction	134,571	164,517
	\$ 12,488,639	\$ 12,680,021
Liabilities and Equity in Capital Assets		
Long term debt		
Municipal Finance Authority	\$ 4,580,354	\$ 4,673,893
Equity in capital assets	7,908,285	8,006,128
	\$ 12,488,639	\$ 12,680,021

Exhibit 12

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

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 8,006,128	\$ 7,973,018
Add:		
Retirement of debenture debt	93,539	89,941
Transfer from water revenue fund	4,184	1,605
Transfer from equipment replacement reserve fund	35,146	101,737
Transfer from capital project reserve fund	120,907	163,936
Transfer from sewer capital fund	1,057	-
	<u>254,833</u>	<u>357,219</u>
Deduct:		
Amortization	352,676	320,886
Transfer to water revenue fund	-	3,223
	<u>352,676</u>	<u>324,109</u>
Balance, end of year	\$ 7,908,285	\$ 8,006,128

Exhibit 13
Regional District of the Central Okanagan
Sewer Revenue Fund
Statement of Financial Position
(Unaudited)

December 31	2015	2014
Assets		
Other assets		
Municipal Finance Authority debt reserve fund	\$ 41,980	\$ 71,422
Due from general revenue fund	236,698	122,132
	\$ 278,678	\$ 193,554
Liabilities and Surplus		
Accounts payable		
Other liabilities		
Municipal Finance Authority debt reserve fund		
- cash requirement	\$ -	\$ 25,208
- demand note requirement	27,633	46,214
Surplus	251,045	122,132
	\$ 278,678	\$ 193,554

Exhibit 14

**Regional District of the Central Okanagan
Sewer Revenue Fund
Statement of Operations
(Unaudited)**

For the year ended December 31	2015	2014
Revenue		
Debt service fee	\$ 30,703	\$ -
Okanagan basin water board grant	16,000	-
Federal government grant	-	5,740
Parcel tax	82,161	72,795
User fees and municipal services	4,820,148	4,618,287
Other revenue	22,015	-
Surplus from previous year	122,132	146,928
	<u>5,093,159</u>	<u>4,843,750</u>
Expenses		
Westside sewer system	3,784,775	3,720,050
Ellison sewer system	83,417	87,496
Okanagan basin water board grant	-	5,480
Fiscal services	87,676	100,037
Other expenses	-	16,680
Transfer to equipment replacement reserve fund	9,194	70,645
Transfer to sewer capital fund	378,949	69,032
Transfer to capital projects reserve fund	132,650	286,745
Temporary borrowings repayment	365,453	365,453
	<u>4,842,114</u>	<u>4,721,618</u>
Surplus	<u>\$ 251,045</u>	<u>\$ 122,132</u>

Exhibit 15
Regional District of the Central Okanagan
Sewer Capital Fund
Statement of Financial Position
(Unaudited)

December 31	2015	2014
Assets		
Accounts receivable		
Due from general revenue fund	\$ -	\$ 213,241
Tangible capital assets (net of accumulated amortization)		
Land	63,739	63,739
Fleet	92,992	133,058
Sewer System	40,397,733	41,559,671
Asset under construction	74,600	226,260
	<u>\$40,629,064</u>	<u>\$ 42,195,969</u>
Liabilities and Equity in Capital Assets		
Accounts payable		
Temporary borrowing	\$ 730,908	\$ 1,096,361
Long term debt		
Municipal Finance Authority	321,757	398,278
Equity in capital assets	<u>39,576,399</u>	<u>40,701,330</u>
	<u>\$40,629,064</u>	<u>\$ 42,195,969</u>

Exhibit 16

Regional District of the Central Okanagan
Sewer Capital Fund
Statement of Equity in Capital Assets
(Unaudited)

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 40,701,330	\$ 41,480,149
Add:		
Other grants	-	4,999
Retirement of debenture debt	76,522	72,878
Retirement of short term debt	365,453	365,453
Transfer from sewer revenue fund	378,949	69,032
Transfer from capital projects reserve fund	-	372,118
	<u>820,924</u>	<u>884,480</u>
Deduct:		
Transfer to capital facilities reserve fund	182,982	-
Transfer to water capital fund	1,057	-
Amortization	1,695,378	1,663,299
Loss on disposal of tangible capital assets	66,438	-
	<u>1,945,855</u>	<u>1,663,299</u>
Balance, end of year	\$ 39,576,399	\$ 40,701,330

Exhibit 17

**Regional District of the Central Okanagan
Development Cost Charge Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31	2015	2014
Assets		
Term deposit	\$ 3,414,506	\$ 2,960,771
Fund Balance		
Westside wastewater treatment plant	\$ 1,907,239	\$ 1,497,825
East trunk treatment plant	1,507,267	1,462,946
	\$ 3,414,506	\$ 2,960,771

Exhibit 18

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

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 2,960,771	\$ 1,279,674
Add:		
Interest earned	33,555	14,187
Development cost charge levies	420,180	1,666,910
	453,735	1,681,097
Balance, end of year	\$ 3,414,506	\$ 2,960,771

Note:

Development Cost Charge (DCC) levies are restricted by by-law in their use for sewer expansion and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Contribution from sewer DCC reserve" on the statement of operations.

Exhibit 19
**Regional District of the Central Okanagan
Feasibility Study Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31	2015	2014
Assets		
Term deposit	\$ 110,257	\$ 99,133
Liabilities and Fund Balance		
Fund balance	\$ 110,257	\$ 99,133

Exhibit 20

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

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 99,133	\$ 86,057
Add:		
Interest income	1,124	954
Transfer from general revenue fund	<u>10,000</u>	<u>12,122</u>
	11,124	13,076
Balance, end of year	<u>\$ 110,257</u>	<u>\$ 99,133</u>

Exhibit 21

**Regional District of the Central Okanagan
Equipment Replacement Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31 2015 2014

Assets

Term deposits \$ 4,399,977 \$ 3,695,792

Statement of Fund Balance

Regional board	\$ 540	\$ 533
Administration	16,873	16,684
Finance	196,885	188,719
Engineering	78,643	71,648
Information systems	46,961	6,117
Ellison fire protection	14,651	14,487
Joe rich fire protection	15,682	44,250
North westside road fire protection	197,782	253,166
Wilson's landing fire protection	150,905	161,975
Brent road fire protection	172	170
Regional rescue service	213,943	156,769
911 emergency number	3,109	3,074
Alarm control	2,000	-
Crime stoppers	43,371	42,885
Victims services	43,786	43,296
Crime prevention	26,108	20,871
Business licenses	25,784	25,495
Building inspection	190,083	192,782
Dog control	80,567	62,890
Mosquito control	36,404	35,996
Lakeshore road improvements	69,647	68,866
Septic tank effluent disposal	5,056	4,999
Westside sanitary landfill	3,504	3,465
Solid waste management	33,751	27,440
Solid waste collection	152,202	117,218
Noise abatement	106	105
Unightly and untidy premises	485	480
Planning - electoral	54,864	40,629
Noxious insect control	12,340	10,719
Weed control	28,932	24,158
Economic development commission	179	177
Ellison heritage hall	62,003	61,309
Regional parks	37,226	36,809
Westside community parks	44,324	43,827
Eastside community parks	48,467	47,924
Okanagan Regional Library	3,068	3,033
Equipment pool / fleet	52,207	50,792
Killiney Beach water	882,162	655,658
Falconridge water	89,203	70,220
Sunset Ranch water	188,019	148,529
Trepanier water	53	53
Westshores water	771,209	536,039
Upper Fintry water	135,204	72,940
Westside sewer	223,477	220,972
Ellison sewer	118,040	107,624
Fund Balance	\$ 4,399,977	\$ 3,695,792

Exhibit 22

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

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 3,695,792	\$ 3,670,213
Add:		
Interest earned	41,885	40,691
Transfer from general revenue fund	400,130	424,452
Transfer from general capital fund	10,798	4,000
Transfer from water revenue fund	600,746	523,813
Transfer from sewer revenue fund	9,194	70,645
	<u>1,062,753</u>	<u>1,063,601</u>
Deduct:		
Transfer to general capital fund	323,422	936,285
Transfer to water capital fund	35,146	101,737
	<u>358,568</u>	<u>1,038,022</u>
Balance, end of year	\$ 4,399,977	\$ 3,695,792

Exhibit 23
Regional District of the Central Okanagan
Park Reserve Fund
Statement of Financial Position
(Unaudited)

December 31 2015 2014

Assets

Term deposit \$ 3,639,791 \$ 3,599,003

Statement of Fund Balance

Regional Parks	\$ 2,311,261	\$ 2,285,361
Westside Parks	167,183	165,310
Eastside Parks	60,411	59,734
Regional Parks Legacy	1,100,936	1,088,598

Fund balance \$ 3,639,791 \$ 3,599,003

Exhibit 24

Regional District of the Central Okanagan
Park Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 3,599,003	\$ 1,438,125
Add:		
Interest earned	40,788	15,943
Transfer from general revenue fund	-	3,476,386
Transfer from general capital fund	-	375,000
	40,788	3,867,329
Deduct:		
Transfer to general capital fund	-	1,331,451
Transfer to general revenue fund	-	375,000
	\$ 3,639,791	\$ 3,599,003

Exhibit 25

**Regional District of the Central Okanagan
Capital Projects Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31 2015 2014

Assets

Term deposit \$ 5,101,622 \$ 3,753,078

Statement of Fund Balance

Community Works Fund	\$ 1,655,907	\$ 1,398,089
Administration	191,191	129,104
Electoral Areas	51,458	29,128
Ellison Fire Protection	94,745	-
Joe Rich Fire Protection	35,000	-
North Westside Road Fire Protection	88,094	-
Wilson's Landing Fire Protection	23,615	-
Brent Road Fire Protection	16,865	12,133
911 Emergency Number	129,665	340,912
Dog Control	70,735	67,395
Septic Tank Effluent Disposal	24,722	11,363
Westside Transfer Station	62,091	69,680
Westside Sanitary Landfill Closure	734,052	853,176
Ellison Heritage Hall	223,573	178,345
Joe Rich Community Hall	4,318	4,567
Regional Parks	776,837	157,364
Westside Community Parks	156,294	120,013
Eastside Community Parks	91,867	83,014
Upper Fintry	52,779	-
Westside Wastewater Treatment Plant	291,638	78,565
RDCO Lift Station/Collector System	247,273	157,488
Peachland Lift Station/Collector System	78,903	62,742
Fund balance	\$ 5,101,622	\$ 3,753,078

Exhibit 26

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

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 3,753,078	\$ 3,678,646
Add:		
Gas tax revenue (Note 16)	651,803	651,803
Interest earned	42,534	40,781
Transfer from general revenue fund	1,568,345	366,346
Transfer from general capital fund	-	2,640
Transfer from sewer revenue fund	132,650	286,745
Transfer from water revenue fund	52,779	-
Transfer to sewer capital fund	212,183	-
	<u>2,660,294</u>	<u>1,348,315</u>
Deduct:		
Transfer to general revenue fund	138,501	146,060
Transfer to general capital fund	1,023,141	591,769
Transfer to water capital fund	120,907	163,936
Transfer to sewer capital fund	29,201	372,118
	<u>1,311,750</u>	<u>1,273,883</u>
Balance, end of year	\$ 5,101,622	\$ 3,753,078

Exhibit 27

**Regional District of the Central Okanagan
Operating Reserve Fund
Statement of Financial Position
(Unaudited)**

December 31 2015 2014

Assets

Term deposit \$ 1,032,859 \$ 82,006

Statement of Fund Balance

Electoral Areas Only	\$ 4,891	\$ -
Electoral Area Westside	2,528	2,500
Electoral Area Ellison	2,528	2,500
Electoral Area Fire Prevention	9,822	9,711
Lakeshore Road Fire Protection	945	-
Ellison Fire Department	25,000	-
June Springs Fire Protection	673	666
Brent Road Fire Protection	3,308	2,500
911 Telephone	420,842	-
Bella Vista Fire	1,771	-
Crime Stoppers	15,000	-
Victim Services	4	3,000
Business Licenses	22,290	19,657
Dog Control	200,000	-
Mosquito Control	19,153	13,500
Lakeshore Road	1,472	-
Ellison Transit	1,725	-
Septic Tank Effluence	8,796	-
Solid Waste Collection	20,321	-
Noise Abatement	5,003	4,947
Untidy Premises	2,800	-
Regional Planning	20,000	-
Planning	23,261	23,000
Insect Control	726	25
Weed Control	20,000	-
Regional Parks	200,000	-
Fund balance	\$ 1,032,859	\$ 82,006

Exhibit 28

**Regional District of the Central Okanagan
Operating Reserve Fund
Statement of Changes in Fund Balance
(Unaudited)**

For the year ended December 31	2015	2014
Balance, beginning of year	\$ 82,006	\$ 69,317
Add:		
Interest earned	929	769
Transfer from general revenue fund	952,954	47,000
	1,035,889	117,086
Deduct:		
Transfer to general revenue fund	3,030	35,080
Balance, end of year	\$ 1,032,859	\$ 82,006