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Consolidated Statement of Financial Position

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
FINANCIAL ASSETS		
Cash	\$ 2,381,100	\$ 3,387,579
Term Deposits	27,963,312	23,584,854
Receivables		
Property Taxes	777,111	1,089,872
Province of B.C.	322,879	455,034
Okanagan Basin Water Board	105,610	136,373
Other Government Agencies	136,647	9,240
Utility Accounts	1,503,091	1,445,422
Accrued Interest	232,353	436,066
Other	1,020,158	845,581
Deposit - Municipal Finance Authority	1,320,189	2,198,119
Prepaid Expenses	180,088	126,307
	-----	-----
	35,942,538	33,714,447
LIABILITIES		
Payables		
Federal Government	785,765	732,008
Trade Accounts and Accrued Liabilities	5,586,182	5,322,875
Deferred Revenue	1,637,333	1,241,553
Sundry Deposits	1,077,626	1,187,437
Penticton Public Library	47,297	52,472
Reserve - Municipal Finance Authority	1,320,189	2,198,119
Long-term Debt	11,841,379	13,035,934
	-----	-----
	22,295,771	23,770,398
	-----	-----
Net Financial Assets (Liabilities)	13,646,767	9,944,049
Physical Assets		
Inventory of Supplies	1,965,204	1,943,663
Capital Assets	207,658,926	199,346,735
	-----	-----
Net Position	\$ 223,270,897	\$ 211,234,447
	=====	=====
Municipal Position		
Equity in Physical Assets	197,782,751	188,254,464
Capital and Operating Fund	14,154,936	12,112,137
Statutory Reserve Funds	11,333,210	10,867,846
	-----	-----
	\$ 223,270,897	\$ 211,234,447
	=====	=====

Consolidated Statement of Financial Activities

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2002</u> Budget (Unaudited)	<u>2001</u>
REVENUE			
Taxation - net	\$ 15,682,179	\$ 15,674,284	\$ 15,210,795
Grants in Lieu of Taxes	169,790	136,694	153,118
Sales of Services	31,628,075	30,927,598	29,445,052
Other Revenue from Own Sources	4,392,342	3,889,966	4,291,646
MFA Debt Reserve Refund	641,421	-	-
Transfer from Unexpended Debt Funds	52,355	53,000	1,768,321
Contributions from Developers and Others	962,600	415,946	621,594
Unconditional Transfers - Provincial Government	84,239	84,239	83,490
Conditional Transfers - Federal Government	7,277	5,750	12,160
Conditional Transfers - Provincial Government	304,313	189,407	367,096
Conditional Transfers - Regional and Local Governments	231,976	273,876	299,387
	-----	-----	-----
	54,156,567	51,650,760	52,252,659
EXPENDITURE			
General Government Services	4,711,910	4,957,499	4,483,478
Protective Services	8,201,434	8,353,899	8,102,019
Transportation Services	2,556,529	2,745,101	2,465,953
Environmental Health Services	5,203,796	5,577,418	5,281,617
Public Health Services	107,957	110,534	100,095
Environmental Development Services	2,011,306	2,090,120	1,927,947
Recreation and Cultural Services	5,703,177	5,687,422	5,550,210
Electric Supply	14,379,175	14,532,564	13,654,525
Bank Charges and Interest	27,921	46,800	40,437
Temporary Borrowings	127,987	-	17,249
Partial Debt Paydown	-	-	1,000,000
Capital Expenditures	8,427,414	10,527,132	10,983,443
	-----	-----	-----
	51,458,606	54,628,489	53,606,973
Net Revenue/(Expenditure)	2,697,961	(2,977,729)	(1,354,314)
Proceeds from Long Term Debt	340,000	-	1,380,000
Debt Principal Repayments	(973,621)	(973,621)	(775,905)
Inventory of Supplies	(21,541)	-	14,498
	-----	-----	-----
Increase/(Decrease) in Fund Balances	2,042,799	(3,951,350)	(735,721)
FUND BALANCE, BEGINNING OF YEAR	12,112,137	12,112,137	11,591,202
	-----	-----	-----
	\$ 14,154,936	\$ 8,160,787	\$ 10,855,481
	=====	=====	=====

Consolidated Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
CASH	\$ 2,381,100	\$ 3,387,579
TERM DEPOSITS	28,454,312	24,024,854
RECEIVABLES		
Property Taxes	777,111	1,089,872
Province of B.C.	322,879	455,034
Okanagan Basin Water Board	105,610	136,373
Regional District Okanagan Similkameen	105,061	-
Other Government Agencies	31,586	9,240
Utility Accounts	1,503,091	1,445,422
Other	1,020,158	845,581
	-----	-----
	3,865,496	3,981,522
MATERIALS AND SUPPLIES	1,965,204	1,943,663
FIXED ASSETS		
Engineering Structures	138,904,797	136,142,327
Buildings	37,783,355	35,099,014
Machinery and Equipment	20,007,024	18,383,940
Land	10,963,750	9,721,454
	-----	-----
	207,658,926	199,346,735
OTHER ASSETS		
Trusts and Other Deposits		
Municipal Finance Authority	1,320,189	2,198,119
Accrued Interest Receivable	244,334	450,628
Prepaid Expenses	180,088	126,307
	-----	-----
	1,744,611	2,775,054
	-----	-----
	\$ 246,069,649	\$ 235,459,407
	=====	=====

Consolidated Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
LIABILITIES AND SURPLUS		
PAYABLES		
Federal Government	\$ 785,765	\$ 732,008
Trade Accounts and Accrued Liabilities	5,586,182	5,525,152
	-----	-----
	6,371,947	6,257,160
OTHER LIABILITIES		
Deferred Revenue	1,637,333	1,241,553
Sundry Deposits	1,077,626	1,187,437
Penticton Public Library	47,297	52,472
Municipal Finance Authority Debt Reserve Fund		
Cash Requirement	501,008	927,813
Demand Note Requirement	819,181	1,270,306
	-----	-----
	4,082,445	4,679,581
LONG-TERM DEBT		
Debentures Authorized and Issued	11,841,379	13,035,934
EQUITY		
Financial Equity		
Statutory Reserve Funds	11,333,211	10,867,844
Cemetery Trust Fund	523,028	477,815
Surplus & Own Reserves	16,603,124	14,408,936
	-----	-----
	28,459,363	25,754,595
Equity in Capital Assets	195,314,515	185,732,137
	-----	-----
Total Equity	223,773,878	211,486,732
	-----	-----
	\$ 246,069,649	\$ 235,459,407
	=====	=====

Consolidated Statement of Revenues and Expenditures

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2002</u> Budget (Unaudited)	<u>2001</u>
REVENUES			
Taxation	\$ 15,682,384	\$ 15,674,284	\$ 15,213,016
Grants in Lieu of Taxes			
Federal Government	61,834	50,000	61,768
Provincial Government	107,956	86,694	91,350
Sales of Services			
General	7,297,543	7,313,755	6,514,425
Sewer Utility	2,101,648	2,054,351	1,980,701
Water Utility	3,686,252	3,436,889	3,443,861
Electric Utility	18,472,407	18,122,603	17,327,150
Transfer from Unexpended Debt Funds	52,355	53,000	1,970,599
Municipal Finance Authority Debt Reserve Fund	641,421		
Other Revenue from Own Sources	5,149,467	4,227,564	5,304,037
Other Revenue			
Interest earned	5,134	-	20,711
Contributions from Developers and Others	962,601	415,946	621,594
Unconditional Transfers - Provincial Government	84,239	84,239	83,490
Conditional Transfers - Federal Government	7,277	5,750	12,160
Conditional Transfers - Provincial Government	304,313	189,407	367,096
Conditional Transfers - Regional and Local Governments	231,976	273,876	299,387
Debt Proceeds	340,000	-	1,380,000
Collections for Other Governments	15,403,786	15,409,867	15,157,162
	-----	-----	-----
	\$ 70,592,593	\$ 67,398,225	\$ 69,848,507
	=====	=====	=====
EXPENDITURES			
General Government Services	\$ 4,671,819	\$ 4,887,499	\$ 4,471,287
Protective Services	7,944,784	8,097,249	7,803,332
Transportation Services	2,551,659	2,742,809	2,461,500
Environmental Health Services	4,490,372	4,788,698	4,229,631
Public Health Services	107,957	110,534	100,095
Environmental Development Services	2,011,306	2,090,120	1,927,947
Recreation and Cultural Services	5,550,989	5,534,087	5,395,665
Electric Supply	14,379,175	14,532,564	13,654,525
Fiscal Services			
Bank Charges and Interest	27,921	41,800	40,437
Long-term Debt Charges - Interest	1,167,223	1,275,997	1,521,864
- Principal	973,621	973,621	775,905
Temporary Borrowings	127,987		17,249
Transfer to Unexpended Debt Funds	-	-	202,278
Partial Debt Paydown	-	-	1,000,000
Capital Expenditures	8,427,414	10,527,132	10,983,443
Transfer to Other Governments and Boards	15,403,991	15,409,867	15,159,383
Transfer to/(from) Surplus & Reserves	2,756,375	(3,613,752)	103,966
	-----	-----	-----
	\$ 70,592,593	\$ 67,398,225	\$ 69,848,507
	=====	=====	=====

Consolidated Statement of Changes in Financial Position

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
Cash flows from (to)		
Operations		
Net increase(decrease) in financial equity	\$ 2,704,768	\$ 85,975
Net increase in equity in capital assets	9,582,378	9,936,443
Decrease(increase) in accounts receivable	(139,066)	13,221
Decrease(increase) in taxes and utilities receivable	255,092	115,889
Decrease(increase) in inventory	(21,541)	14,498
Decrease(increase) in prepaid expenses	(53,781)	(90,014)
Decrease(increase) in investments	206,294	(29,941)
Increase(decrease) in accounts payable	114,787	(132,714)
Increase(decrease) in refundable deposits	(109,811)	245,825
Increase(decrease) in deferred revenue	390,605	142,809
	-----	-----
Net cash from operations	12,929,725	10,301,991
Financing		
Increase in long term debt	-	1,380,000
Principal repayments on long-term debt	(1,194,555)	(2,270,485)
Decrease in deposits - MFA	(877,930)	(27,412)
Decrease in MFA cash and demand notes payable	877,930	27,412
	-----	-----
	(1,194,555)	(890,485)
Investments		
Expenditures on capital assets	(8,427,414)	(10,983,443)
Cost of assets disposed	115,223	186,413
	-----	-----
	(8,312,191)	(10,797,030)
	-----	-----
Change in cash and short-term investments	3,422,979	(1,385,524)
Cash and short-term investments, beginning of year	27,412,433	28,797,957
	-----	-----
Cash and short-term investments, end of year	\$ 30,835,412	\$ 27,412,433
	=====	=====
Consisting of:		
Restricted cash		
Statutory reserves and deferred revenue	12,583,507	11,665,237
Cemetery Care Trust Fund	523,028	477,815
Utilities	7,649,360	5,008,578
	-----	-----
	20,755,895	17,151,630
Current funds	10,079,517	10,260,803
	-----	-----
	\$ 30,835,412	\$ 27,412,433
	=====	=====

Consolidated Statement of Equity in Capital Assets

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
BALANCE, BEGINNING OF YEAR	\$ 185,732,137	\$ 175,795,694
ADD		
Assets Acquired by Transfer		
Federal Government	-	10,436
Provincial Government	223,861	146,418
Development Cost Charges Reserve Fund	115,908	417,336
Capital Reserve Fund	308,099	175,590
Equipment Replacement Reserve Fund	547,356	1,671,275
Electric Capital Reserve Fund	249,181	94,651
Revenue Funds	5,690,577	5,535,451
Interest Earned	5,134	20,711
Other Contributions	962,600	621,594
Retirement of Long-term Debt	943,379	806,147
Actuarial Sinking Fund Requirement	591,176	464,338
Repayment of Loan from		
Local Improvement Reserve Fund	60,330	158,909
	-----	-----
	9,697,601	10,122,856
	-----	-----
DEDUCT		
Assets Written Off	115,223	186,413
	-----	-----
BALANCE, END OF YEAR	\$ 195,314,515	\$ 185,732,137
	=====	=====

Consolidated Statement of Capital Financing

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
FINANCES ACQUIRED		
Unexpended Funds at Beginning of Year	\$ 202,278	\$ 1,970,599
Federal Government	-	10,436
Provincial Government	223,861	146,418
Debentures issued by MFA	340,000	1,380,000
Transfers from		
Development Cost Charges Reserve Fund	115,908	417,336
Capital Reserve Fund	308,099	175,590
Equipment Replacement Reserve Fund	547,356	1,671,275
Electric Capital Reserve Fund	249,181	94,651
Revenue Funds	5,690,577	5,535,451
Interest Earned	5,134	20,711
Other Contributions	962,600	621,594
Repayment of Loan from		
Local Improvement Reserve Fund	60,330	158,909
Temporary Borrowings and Payables		
At End of Year	652,955	780,942
	-----	-----
	\$ 9,358,279	\$ 12,983,912
	=====	=====
 FINANCES APPLIED		
Temporary Borrowings and Payables		
At Beginning of Year	\$ 780,942	\$ 798,191
Expenditures for General Fixed Assets	8,427,414	10,983,443
Unexpended Funds at End of Year	149,923	202,278
Other - Partial Debt Paydown	-	1,000,000
	-----	-----
	\$ 9,358,279	\$ 12,983,912
	=====	=====

Consolidated Statement of Statutory Reserve Fund Operations

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
BALANCE, BEGINNING OF YEAR	\$ 10,867,845	\$ 11,616,219
ADD		
Transfers from		
Revenue Funds	1,649,630	1,436,095
Interest Earned	344,266	488,942
	-----	-----
	12,861,741	13,541,256
DEDUCT		
Transfers to		
Revenue Funds	108,500	155,650
Capital Funds	1,420,030	2,517,761
	-----	-----
BALANCE, END OF YEAR	\$ 11,333,211	\$ 10,867,845
	=====	=====

Summary of Statutory Reserve Fund Balances

Equipment Replacement	\$ 3,058,134	\$ 2,730,286
Tax Sale Lands	5,392	5,220
Development Cost Charges		
- Roads	121,295	5,244
- Public Open Space	1,195,905	1,024,483
- Water Filtration Plant	62,229	14,738
- Sanitary Sewer	475,488	443,256
- Storm Sewer	28,375	7,560
- Gordon Ave Reservoir	1,585	491
Capital	955,137	1,148,055
Local Improvement	940,854	897,893
Sewer System Capital	1,234,695	1,195,252
Water System Capital	2,439,850	2,361,907
Electric Capital	758,497	979,467
Off-Site Parking	55,775	53,993
	-----	-----
	\$ 11,333,211	\$ 10,867,845
	=====	=====

GENERAL REVENUE FUND

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
CASH	\$ 2,381,100	\$ 3,387,579
TERM DEPOSITS	27,963,312	23,584,854
RECEIVABLES		
Property Taxes	777,111	1,089,872
Provincial Government	315,185	389,324
Regional District Okanagan Similkameen	105,061	-
Other Government Agencies	31,586	9,240
General Capital Fund	-	39,158
Water Capital Fund	245,871	274,371
Other	796,078	488,815
	-----	-----
	2,270,892	2,290,780
MATERIALS AND SUPPLIES	324,575	321,850
OTHER ASSETS		
Trusts and Other Deposits		
Municipal Finance Authority	571,947	556,693
Accrued Interest Receivable	232,353	436,066
Prepaid Expenses	180,088	126,307
	-----	-----
	984,388	1,119,066
	-----	-----
	\$ 33,924,267	\$ 30,704,129
	=====	=====

LIABILITIES AND SURPLUS

PAYABLES	<u>2002</u>	<u>2001</u>
Other Funds		
Equipment Replacement Reserve Fund	\$ 3,058,134	\$ 2,730,286
Tax Sale Lands Reserve Fund	5,392	5,220
Development Cost Charges Reserve Fund	1,884,877	1,495,771
Capital Reserve Fund	955,137	1,148,055
Local Improvement Reserve Fund	533,770	430,480
Water Capital Reserve Fund	2,439,850	2,361,907
Sewer Capital Reserve Fund	1,234,695	1,195,252
Electric Capital Reserve	758,497	979,467
Off-Site Parking Reserve Fund	55,775	53,993
Cemetery Perpetual Care Fund	20,047	23,253
	-----	-----
	10,946,174	10,423,684
Sewer Utility	2,298,797	1,378,453
Water Utility	2,059,140	1,521,115
Electric Utility	3,141,500	1,906,732
General Capital Fund	149,923	202,278
Federal Government	785,765	732,008
Trade Accounts and Accrued Liabilities	5,586,182	5,525,152
Deferred Revenues	1,637,333	1,241,553
Sundry Deposits	716,735	662,294
Penticton Public Library	47,297	52,472
Municipal Finance Authority Debt Reserve Fund		
Cash Requirement	259,611	244,357
Demand Note Requirement	312,336	312,336
	-----	-----
	571,947	556,693
RESERVES FOR FUTURE EXPENDITURES		
Marinas	150,295	121,224
Downtown Revitalization	159,632	46,988
Parking Lot Development	7,704	4,584
Cemetery Land	33,000	8,000
Park & Associated Areas Development	30,380	92,765
Facilities Improvements	13,150	86,721
Other - Capital	693,610	900,902
Other - Operating	159,098	198,574
	-----	-----
	1,246,869	1,459,758
ASSET VALUATION ALLOWANCES		
Allowance for Doubtful Accounts	38,206	31,206
OTHER RESERVES		
Gaming	475,403	1,013,344
RCMP Services Stabilization	100,000	100,000
Rate Stabilization	200,000	200,000
Investment Income Stabilization	402,724	338,113
Liability Insurance	405,001	355,001
Vehicle Insurance	147,914	142,914
Airport Capital	12,804	12,804
Tax Sale Surplus	4,501	81,726
SURPLUS	2,950,052	2,766,829
	-----	-----
	\$ 33,924,267	\$ 30,704,129
	=====	=====

GENERAL REVENUE FUND

Statement of Surplus

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
BALANCE, BEGINNING OF YEAR	\$ 2,766,829	\$ 2,785,060
Transfer from/(to) General Revenue Fund	183,223	(18,231)
BALANCE, END OF YEAR	----- \$ 2,950,052 =====	----- \$ 2,766,829 =====

GENERAL REVENUE FUND

Statement of Revenues and Expenditures

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
REVENUE			
Taxation			
Real Property	\$ 15,118,015	\$ 15,119,337	\$ 14,334,858
Special Assessments	214,794	197,709	207,024
	-----	-----	-----
	15,332,809	15,317,046	14,541,882
	-----	-----	-----
Grants in Lieu of Taxes			
Federal Government	61,834	50,000	61,768
Provincial Government	107,956	86,694	91,350
	-----	-----	-----
	169,790	136,694	153,118
	-----	-----	-----
Sales of Services	7,367,768	7,313,755	6,693,339
Other Revenue from Own Sources	4,778,855	3,936,564	4,792,142
Municipal Finance Authority Debt Reserve Fund	79,241	-	-
Unconditional Transfers - Provincial Government	84,239	84,239	83,490
Conditional Transfers - Federal Government	7,277	5,750	1,724
Conditional Transfers - Provincial Government	65,066	35,513	69,650
Conditional Transfers - Regional and Local Governments	31,670	31,840	31,640
Transfer from Own Reserves	3,721,552	3,445,934	3,299,628
Transfer from Other Funds			
Development Cost Charges Reserve Fund	139,158	100,000	-
Electric Utility Revenue Fund	1,081,070	59,706	250,000
	-----	-----	-----
	17,355,896	15,013,301	15,221,613
	-----	-----	-----
Collections for Other Governments			
School District	11,908,418	11,913,145	11,663,827
Regional Hospital District	1,978,621	1,979,460	1,981,057
Municipal Finance Authority	587	588	575
B.C. Assessment Authority	359,373	359,560	357,763
Regional District Okanagan Similkameen	866,764	867,091	866,132
Okanagan Basin Water Board	290,023	290,023	287,808
	-----	-----	-----
	15,403,786	15,409,867	15,157,162
	-----	-----	-----
	\$ 48,262,281	\$ 45,876,908	\$ 45,073,775
	=====	=====	=====

GENERAL REVENUE FUND

Statement of Revenues and Expenditures

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
EXPENDITURE			
General Government Services	\$ 4,671,819	\$ 4,887,499	\$ 4,471,286
Protective Services	7,944,784	8,097,249	7,803,332
Transportation Services	2,551,659	2,742,809	2,461,500
Environmental Health Services	976,354	1,036,172	859,638
Public Health Services	107,957	110,534	100,095
Environmental Development Services	2,011,306	2,090,120	1,927,947
Recreation and Cultural Services	5,550,989	5,534,087	5,395,665
	----- 23,814,868	----- 24,498,470	----- 23,019,463
Fiscal Services			
Bank Charges and Interest	27,921	41,800	40,437
Long-term Debt Charges - Interest	453,799	487,277	469,878
- Principal	633,392	633,392	310,076
	----- 1,115,112	----- 1,162,469	----- 820,391
Transfer to Own Reserves			
	3,141,941	2,020,317	3,222,328
Transfer to Other Funds			
Development Cost Charges Reserve Fund	525,998	213,591	199,468
Equipment Replacement Reserve Fund	781,164	772,846	690,386
General Capital Fund	3,108,071	1,566,879	1,505,491
Local Improvement Reserve Fund	87,639	57,782	186,219
Capital Reserve	81,407	62,482	44,832
Water Capital Reserve	-	-	230,211
Cemetery Perpetual Care Trust Fund	18,867	16,000	13,834
	----- 4,603,146	----- 2,689,580	----- 2,870,441
Transfer to Other Governments and Boards			
School District	11,908,418	11,913,145	11,663,828
Regional Hospital District	1,979,460	1,979,460	1,982,352
Municipal Finance Authority	587	588	575
B.C. Assessment Authority	359,281	359,560	357,897
Regional District Okanagan Similkameen	866,222	867,091	866,923
Okanagan Basin Water Board	290,023	290,023	287,808
	----- 15,403,991	----- 15,409,867	----- 15,159,383
Transfer to/(from) Surplus			
	183,223	96,205	(18,231)
	----- \$ 48,262,281	----- \$ 45,876,908	----- \$ 45,073,775
	=====	=====	=====

GENERAL CAPITAL FUND

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
RECEIVABLES		
Due from General Revenue	\$ 149,923	\$ 202,278
FIXED ASSETS		
Engineering Structures	51,754,667	50,217,484
Buildings	31,176,597	28,507,646
Machinery and Equipment	19,189,067	17,603,165
Land	10,763,858	9,521,562
	-----	-----
	\$ 113,034,112	\$ 106,052,135
	=====	=====
 LIABILITIES AND EQUITY IN CAPITAL ASSETS		
PAYABLES		
General Revenue Fund	\$ -	\$ 39,158
Loan from Local Improvement Fund	302,785	334,060
LONG-TERM DEBT		
Debentures Authorized and Issued	5,852,924	6,083,925
Provincial Government	-	38,197
EQUITY IN CAPITAL ASSETS	106,878,403	99,556,795
	-----	-----
	\$ 113,034,112	\$ 106,052,135
	=====	=====

GENERAL CAPITAL FUND

Statement of Equity in Capital Assets

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
BALANCE, BEGINNING OF YEAR	\$ 99,556,795	\$ 92,841,402
ADD		
Assets Acquired by Transfer		
Federal Government	-	10,436
Provincial Government	210,915	413
Development Cost Charges Reserve Fund	115,908	308,275
Capital Reserve Fund	308,099	175,590
Equipment Replacement Reserve Fund	547,356	1,671,275
Electric Capital Reserve Fund	249,181	94,651
Sewer Utility	205,020	-
Water Utility	205,020	-
Electric Utility	1,214,030	2,330,150
General Revenue Fund	3,108,071	1,505,491
Interest Earned	5,134	20,711
Other Contributions	627,624	299,897
Retirement of Long-term Debt	603,150	340,318
Actuarial Sinking Fund Requirement	6,048	-
Repayment of Loan from		
Local Improvement Reserve Fund	31,275	144,599
	-----	-----
	7,436,831	6,901,806
	-----	-----
DEDUCT		
Assets Written Off	115,223	186,413
	-----	-----
BALANCE, END OF YEAR	\$ 106,878,403	\$ 99,556,795
	=====	=====

GENERAL CAPITAL FUND

Statement of Capital Financing

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
FINANCES ACQUIRED		
Unexpended Funds at Beginning of Year	\$ 202,278	\$ 1,970,599
Federal Government	-	10,436
Provincial Government	210,915	413
Debentures issued by MFA	340,000	1,380,000
Transfers from		
Development Cost Charges Reserve Fund	115,908	308,275
Capital Reserve Fund	308,099	175,590
Equipment Replacement Reserve Fund	547,356	1,671,275
Electric Capital Reserve Fund	249,181	94,651
Sewer Utility	205,020	-
Water Utility	205,020	-
Electric Utility	1,214,030	2,330,150
General Revenue Fund	3,108,071	1,505,491
Interest Earned	5,134	20,711
Other Contributions	627,624	299,897
Repayment of Loan from		
Local Improvement Reserve Fund	31,275	144,599
Temporary Borrowings and Payables		
At End of Year	302,785	373,218
	-----	-----
	\$ 7,672,696	\$ 10,285,305
	=====	=====
 FINANCES APPLIED		
Temporary Borrowings and Payables		
At Beginning of Year	\$ 373,218	\$ 439,358
Expenditures for General Fixed Assets	7,149,555	8,643,669
Unexpended Funds at End of Year	149,923	202,278
Partial Debt Paydown	-	1,000,000
	-----	-----
	\$ 7,672,696	\$ 10,285,305
	=====	=====

RESERVE FUNDS

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
RECEIVABLES		
General Revenue Fund	\$ 10,926,127	\$ 10,400,432
General Capital Fund	302,785	334,060
Sewer Capital Fund	104,299	133,353
	-----	-----
	\$ 11,333,211	\$ 10,867,845
	=====	=====
LIABILITIES AND FUND BALANCES		
FUND BALANCES		
Equipment Replacement	\$ 3,058,134	\$ 2,730,286
Tax Sale Lands	5,392	5,220
Development Cost Charges - Roads	121,295	5,244
- Public Open Space	1,195,905	1,024,483
- Water Mains/Filtration Plant	62,229	14,738
- Sanitary Sewer	475,488	443,256
- Storm Sewer	28,375	7,560
- Gordon Ave Reservoir	1,585	491
Capital	955,137	1,148,055
Local Improvement	940,854	897,893
Sewer System Capital	1,234,695	1,195,252
Water System Capital	2,439,850	2,361,907
Electric Capital	758,497	979,467
Off-Site Parking	55,775	53,993
	-----	-----
	\$ 11,333,211	\$ 10,867,845
	=====	=====

RESERVE FUNDS

Statement of Changes in Fund Balances

December 31, 2002
(With comparative figures for 2001)

	Equipment Replacement	Tax Sale Lands	Capital	Development Cost Charges	Local Improvement	Sewer Capital	Water Capital	Electric Capital	Off-Street Parking	2002 Total	2001 Total
BALANCE, BEGINNING OF YEAR	\$ 2,730,286	\$ 5,220	\$ 1,148,055	\$ 1,495,772	\$ 897,893	\$ 1,195,252	\$ 2,361,907	\$ 979,467	\$ 53,993	\$ 10,867,845	\$ 11,616,219
ADD											
Transfers from											
General Revenue Fund	781,164	-	81,407	525,998	87,638	-	-	-	-	1,476,207	1,351,115
Sewer Utility Revenue Fund	-	-	-	17,374	-	-	-	-	-	17,374	6,333
Water Utility Revenue Fund	-	-	-	156,049	-	-	-	-	-	156,049	78,647
Interest Earned	94,040	172	33,774	53,249	15,652	39,443	77,943	28,211	1,782	344,266	488,942
	3,605,490	5,392	1,263,236	2,248,442	1,001,183	1,234,695	2,439,850	1,007,678	55,775	12,861,741	13,541,256
DEDUCT											
Transfers to											
General Capital Fund	547,356	-	308,099	115,908	31,275	-	-	249,181	-	1,251,819	2,394,390
Sewer Capital Fund	-	-	-	-	29,054	-	-	-	-	29,054	20,606
Electric Capital Fund	-	-	-	-	-	-	-	-	-	-	102,765
Water Utility Revenue Fund	-	-	-	108,500	-	-	-	-	-	108,500	155,650
General Revenue Fund	-	-	-	139,157	-	-	-	-	-	139,157	-
BALANCE, END OF YEAR	\$ 3,058,134	\$ 5,392	\$ 955,137	\$ 1,884,877	\$ 940,854	\$ 1,234,695	\$ 2,439,850	\$ 758,497	\$ 55,775	\$ 11,333,211	\$ 10,867,845

**SEWER SYSTEM UTILITY
Revenue Fund**

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
RECEIVABLES		
Provincial Government	\$ 7,694	\$ 65,710
Okanagan Basin Water Board	105,610	136,373
General Revenue Fund	2,298,797	1,378,453
Other	16,705	51,851
MATERIALS AND SUPPLIES	12,652	17,320
TRUSTS AND OTHER DEPOSITS		
Municipal Finance Authority	388,551	1,084,712
	----- \$ 2,830,009 =====	----- \$ 2,734,419 =====
 LIABILITIES AND SURPLUS		
DEPOSITS	\$ 16,040	\$ 62,140
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Cash Requirement	140,104	486,572
Demand Note Requirement	248,447	598,140
RESERVE FOR FUTURE EXPENDITURES	325,056	221,822
SURPLUS		
Balance at beginning of year	1,365,745	1,183,549
Transfer from/(to) Sewer Revenue	734,617	182,196
Balance at end of year	----- 2,100,362 -----	----- 1,365,745 -----
	----- \$ 2,830,009 =====	----- \$ 2,734,419 =====

**SEWER SYSTEM UTILITY
Revenue Fund**

Statement of Revenues and Expenditures

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
REVENUE			
Sewer Levy	\$ 349,575	\$ 357,238	\$ 671,134
Sewer Fixture Charges	1,999,463	1,977,851	1,885,205
Sewer Connections and Recoveries	84,812	68,500	89,163
Provincial Government Conditional Grant	15,386	33,894	141,028
Okanagan Basin Water Board Conditional Grant	200,306	242,036	267,747
Municipal Finance Authority Debt Reserve Refund	562,180	-	-
Development Cost Charges	17,374	8,000	6,333
Transfer from Own Reserve - Future Expenditures	212,526	212,526	142,087
	-----	-----	-----
TOTAL REVENUE	\$ 3,441,622	\$ 2,900,045	\$ 3,202,697
	=====	=====	=====
 EXPENDITURE			
Administration	\$ 310,592	\$ 309,288	\$ 290,165
Sewage Collection Systems	229,027	244,000	249,633
Lift Station, Operation & Maintenance	39,551	51,596	41,381
Sewage Treatment and Disposal	1,117,714	1,137,020	1,065,591
Other	39	4,000	-
Long-term Debt Charges			
Interest	211,056	264,000	527,266
Principal	127,019	127,018	252,619
Contributions to Capital Fund	133,853	506,026	365,691
Transfer to Development Cost Charges Reserve	17,374	8,000	6,333
Transfer to General Capital Fund	205,020	205,020	-
Transfer to Own Reserve - Future Expenditures	315,760	-	221,822
Transfer to/(from) Surplus	734,617	44,077	182,196
	-----	-----	-----
TOTAL EXPENDITURE	\$ 3,441,622	\$ 2,900,045	\$ 3,202,697
	=====	=====	=====

**SEWER SYSTEM UTILITY
Capital Fund**

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
FIXED ASSETS		
Engineering Structures	\$ 29,020,196	\$ 28,885,258
Buildings	4,828,895	4,828,895
Machinery and Equipment	264,057	247,718
Land	137,521	137,521
	-----	-----
	\$ 34,250,669	\$ 34,099,392
	=====	=====
 LIABILITIES AND EQUITY IN CAPITAL ASSETS		
PAYABLES		
Loan from Local Improvement Fund	\$ 104,299	\$ 133,353
 LONG-TERM DEBT		
Debentures Authorized and Issued	1,857,736	2,441,022
 EQUITY IN CAPITAL ASSETS		
	32,288,634	31,525,017
	-----	-----
	\$ 34,250,669	\$ 34,099,392
	=====	=====

**SEWER SYSTEM UTILITY
Capital Fund**

Statement of Equity in Capital Assets

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
BALANCE, BEGINNING OF YEAR	\$ 31,525,017	\$ 30,548,677
ADD		
Development Cost Charges Reserve Fund	-	6,296
Utility Revenue Fund	133,853	365,691
Other Contributions	17,423	23,869
Retirement of Long-term Debt	127,019	252,619
Actuarial Sinking Fund Requirement	456,267	313,555
Repayment of Loan from Local Improvement Reserve Fund	29,055	14,310
	----- 763,617 -----	----- 976,340 -----
 BALANCE, END OF YEAR	 ----- \$ 32,288,634 =====	 ----- \$ 31,525,017 =====

SEWER SYSTEM UTILITY

Statement of Capital Financing

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
FINANCES ACQUIRED		
Transfers from		
Development Cost Charges Reserve Fund	\$ -	\$ 6,296
Utility Revenue Fund	133,853	365,691
Other Contributions	17,423	23,869
Repayment of Loan from		
Local Improvement Reserve Fund	29,055	14,310
Temporary Borrowings and Payables at End of Year	104,299	133,353
	-----	-----
	\$ 284,630	\$ 543,519
	=====	=====
 FINANCES APPLIED		
Temporary Borrowings and Payables at Beginning of Year	\$ 133,353	\$ 106,818
Expenditure for Fixed Assets	151,277	436,701
	-----	-----
	\$ 284,630	\$ 543,519
	=====	=====

**WATER SYSTEM UTILITY
Revenue Fund**

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
RECEIVABLES		
General Revenue Fund	\$ 2,059,140	\$ 1,521,115
Utility Rates	227,267	218,547
Other	65,055	100,488
MATERIALS AND SUPPLIES	151,185	151,002
TRUSTS AND OTHER DEPOSITS		
Municipal Finance Authority	359,691	556,714
	-----	-----
	\$ 2,862,338	\$ 2,547,866
	=====	=====
 LIABILITIES AND SURPLUS		
PAYABLES		
Deposits	\$ 167,790	\$ 192,260
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Cash Requirement	101,293	196,884
Demand Note Requirement	258,398	359,830
RESERVE FOR FUTURE EXPENDITURES	276,800	301,211
SURPLUS		
Balance at beginning of year	1,497,681	1,089,033
Transfer from/(to) Water Revenue	560,376	408,648
	-----	-----
Balance at end of year	2,058,057	1,497,681
	-----	-----
	\$ 2,862,338	\$ 2,547,866
	=====	=====

**WATER SYSTEM UTILITY
Revenue Fund**

Statement of Revenues and Expenditures

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
REVENUE			
Water Rates	\$ 3,381,547	\$ 3,210,033	\$ 3,245,445
Recoveries - Connections, Service & Other	42,096	71,856	23,431
Municipal Finance Authority Debt Reserve Refund	106,559	-	96,338
Provincial Government	-	-	10,000
Development Cost Charges	156,049	155,000	78,647
Transfer from Own Reserve - Future Expenditures	301,211	301,211	650,588
Transfer from Development Cost Charges Reserve Fund	108,500	90,000	155,650
	-----	-----	-----
TOTAL REVENUE	\$ 4,095,962	\$ 3,828,100	\$ 4,260,099
	=====	=====	=====
EXPENDITURE			
Administration	\$ 375,048	\$ 379,934	\$ 370,781
Purification and Treatment	605,204	718,500	612,695
Transmission and Distribution	435,549	512,088	406,857
Pumping	268,448	257,500	222,257
Customer Billing and Collection	109,153	112,600	100,304
Other	23,694	26,000	10,329
Long-term Debt Charges			
Interest	502,368	524,720	524,720
Principal	213,210	213,211	213,210
Contributions to Capital Fund	365,043	785,211	1,010,440
Transfer to Development Cost Charges Reserve	156,049	155,000	78,647
Transfer to General Capital Fund	205,020	205,020	-
Transfer to Own Reserve - Future Expenditures	276,800	-	301,211
Transfer to/(from) Surplus	560,376	(61,684)	408,648
	-----	-----	-----
TOTAL EXPENDITURE	\$ 4,095,962	\$ 3,828,100	\$ 4,260,099
	=====	=====	=====

**WATER SYSTEM UTILITY
Capital Fund**

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
FIXED ASSETS		
Engineering Structures	\$ 41,456,900	\$ 41,037,710
Buildings	54,711	54,711
Machinery and Equipment	179,272	173,724
Land	475	475
	-----	-----
	\$ 41,691,358	\$ 41,266,620
	=====	=====
 LIABILITIES AND EQUITY IN CAPITAL ASSETS		
PAYABLES		
Due to General Revenue Fund	\$ 245,871	\$ 274,371
 LONG-TERM DEBT		
Debentures Authorized and Issued	4,130,719	4,472,790
 EQUITY IN CAPITAL ASSETS		
	37,314,768	36,519,459
	-----	-----
	\$ 41,691,358	\$ 41,266,620
	=====	=====

**WATER SYSTEM UTILITY
Capital Fund**

Statement of Equity in Capital Assets

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
BALANCE, BEGINNING OF YEAR	\$ 36,519,459	\$ 34,975,171
ADD		
Provincial Government	12,946	146,005
Utility Revenue Fund	365,043	1,010,440
Other Contributions	75,249	23,850
Retirement of Long-term Debt	213,210	213,210
Actuarial Sinking Fund Requirement	128,861	150,783
	-----	-----
	795,309	1,544,288
	-----	-----
BALANCE, END OF YEAR	\$ 37,314,768	\$ 36,519,459
	=====	=====

WATER SYSTEM UTILITY

Statement of Capital Financing

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
FINANCES ACQUIRED		
Transfers from		
Provincial Government	\$ 12,946	\$ 146,005
Utility Revenue Fund	365,043	1,010,440
Other Contributions	75,249	23,850
Temporary Borrowings and Payables at End of Year	245,871	274,371
	-----	-----
	\$ 699,109	\$ 1,454,666
	=====	=====
 FINANCES APPLIED		
Temporary Borrowings and Payables at Beginning of Year	\$ 274,371	\$ 252,015
Expenditure for Fixed Assets	424,738	1,202,651
	-----	-----
	\$ 699,109	\$ 1,454,666
	=====	=====

**ELECTRIC SYSTEM UTILITY
Revenue Fund**

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
RECEIVABLES		
General Revenue Fund	\$ 3,141,500	\$ 1,906,732
Utility Rates	1,275,824	1,226,875
Other	142,320	204,427
 MATERIALS AND SUPPLIES	 1,476,792	 1,453,491
	-----	-----
	\$ 6,036,436	\$ 4,791,525
	=====	=====
 LIABILITIES AND SURPLUS		
PAYABLES		
Deposits	\$ 177,062	\$ 270,743
 RESERVE FOR FUTURE EXPENDITURES	 34,610	 -
 SURPLUS		
Balance at beginning of year	4,520,782	3,737,439
Transfer from/(to) Electric Revenue	1,303,982	783,343
	-----	-----
Balance at end of year	5,824,764	4,520,782
	-----	-----
	\$ 6,036,436	\$ 4,791,525
	=====	=====

**ELECTRIC SYSTEM UTILITY
Revenue Fund**

Statement of Revenues and Expenditures

For the year ended December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
REVENUE			
Rates	\$ 18,059,807	\$ 17,933,782	\$ 16,931,143
Recoveries - Connections & Other	412,600	188,821	396,007
Transfer from Own Reserve - Future Expenditures	-	-	14,547
	-----	-----	-----
TOTAL REVENUE	\$ 18,472,407	\$ 18,122,603	\$ 17,341,697
	=====	=====	=====
 EXPENDITURE			
Administration	\$ 1,359,408	\$ 1,492,344	\$ 1,448,065
Electrical Energy Purchased for Resale	12,494,649	12,417,600	11,695,673
Transmission and Distribution	219,301	295,300	210,947
Customer Billing and Collection	261,127	266,320	236,696
Other	44,690	61,000	63,144
Transfer to Own Reserve - Future Expenditures	34,610	-	-
Contributions to Capital Fund	459,540	759,000	323,679
Transfer to General Revenue Fund	1,081,070	59,706	250,000
Transfer to General Capital Fund	1,214,030	2,900,805	2,330,150
Transfer to/(from) Surplus	1,303,982	(129,472)	783,343
	-----	-----	-----
TOTAL EXPENDITURE	\$ 18,472,407	\$ 18,122,603	\$ 17,341,697
	=====	=====	=====

ELECTRIC SYSTEM UTILITY
Capital Fund

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
FIXED ASSETS		
Engineering Structures	\$ 16,673,034	\$ 16,001,875
Buildings	1,723,152	1,707,762
Machinery and Equipment	374,628	359,333
Land	61,896	61,896
	-----	-----
	\$ 18,832,710	\$ 18,130,866
	=====	=====
 LIABILITIES AND EQUITY IN CAPITAL ASSETS		
EQUITY IN CAPITAL ASSETS	\$ 18,832,710	\$ 18,130,866
	-----	-----
	\$ 18,832,710	\$ 18,130,866
	=====	=====

**ELECTRIC SYSTEM UTILITY
Capital Fund**

Statement of Equity in Capital Assets

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
BALANCE, BEGINNING OF YEAR	\$ 18,130,866	\$ 17,430,444
ADD		
Development Cost Charges	-	102,765
Utility Revenue Fund	459,540	323,679
Other Contributions	242,304	273,978
	----- 701,844 -----	----- 700,422 -----
BALANCE, END OF YEAR	----- \$ 18,832,710 =====	----- \$ 18,130,866 =====

ELECTRIC SYSTEM UTILITY

Statement of Capital Financing

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
FINANCES ACQUIRED		
Transfers from		
Development Cost Charges	\$ -	\$ 102,765
Utility Revenue Fund	459,540	323,679
Other Contributions	242,304	273,978
	-----	-----
	\$ 701,844	\$ 700,422
	=====	=====
 FINANCES APPLIED		
Expenditure for Fixed Assets	\$ 701,844	\$ 700,422
	-----	-----
	\$ 701,844	\$ 700,422
	=====	=====

CEMETERY PERPETUAL CARE TRUST FUND

Balance Sheet

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
ASSETS		
BANK TERM DEPOSITS	\$ 491,000	\$ 440,000
RECEIVABLES		
General Revenue Fund	20,047	23,253
ACCRUED INTEREST	11,981	14,562
	-----	-----
	\$ 523,028	\$ 477,815
	=====	=====
 SURPLUS		
BALANCE, BEGINNING OF YEAR	\$ 477,815	\$ 441,028
Add:		
Care Fund Contributions	18,867	13,834
Interest Earned	26,346	22,953
	-----	-----
	\$ 523,028	\$ 477,815
	=====	=====

GENERAL REVENUE FUND

DETAILS OF REVENUE

Schedule 1-1

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
SALES OF SERVICE			
General Government Services			
Administration - General	\$ 225,475	\$ 368,035	\$ 226,612
Administration - Utilities	1,443,310	1,443,310	1,400,199
Equipment Usage/Labour Load Rates	772,846	772,846	669,847
	----- 2,441,631	----- 2,584,191	----- 2,296,658
	-----	-----	-----
Protective Services			
Fire Protection Fees	541,929	551,549	508,669
Fire Department Recoveries	63,183	66,200	66,683
Prisoner Expense Recoveries	225,362	195,506	193,898
R.C.M.P. Recoveries	54,775	55,000	68,044
	----- 885,249	----- 868,255	----- 837,294
	-----	-----	-----
Transportation Services			
Transit System	451,701	426,000	467,804
Parking Meter Fees	107,478	130,000	126,947
Engineering Recoveries	14,919	20,000	16,592
Public Works Recoveries	44,864	85,000	43,305
	----- 618,962	----- 661,000	----- 654,648
	-----	-----	-----
Environmental Health and Services			
Garbage Collection Rates	609,954	601,150	591,019
Recycling Recoveries	432,598	410,980	316,194
	----- 1,042,552	----- 1,012,130	----- 907,213
	-----	-----	-----
Public Health and Welfare Services			
Cemetery	147,428	182,670	128,544
Cemetery Care Fund Contributions	18,867	16,000	13,908
	----- 166,295	----- 198,670	----- 142,452
	-----	-----	-----
Environmental Development Services			
Convention Centre Rental & Services	502,731	516,500	395,138
	-----	-----	-----

GENERAL REVENUE FUND

DETAILS OF REVENUE

Schedule 1-2

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
Recreational and Cultural Services			
Community Centre	652,502	676,200	664,742
Okanagan Lake Marina	17,071	19,950	13,627
Skaha Lake Marina	12,000	12,000	12,000
Edmonton Ave/Arts Centre	22,757	23,000	22,460
Memorial Arena	233,333	220,000	223,151
McLaren Arena	200,662	190,500	189,990
Parks Leases & School Facilities	108,534	105,559	112,755
Parks Work Orders Recoveries	6,179	4,000	10,407
Museum Sales/Donations	13,484	9,800	16,143
	-----	-----	-----
	1,266,522	1,261,009	1,265,275
Other Revenue			
Development Cost Charges	443,826	212,000	194,661
	-----	-----	-----
	\$ 7,367,768	\$ 7,313,755	\$ 6,693,339
	=====	=====	=====
OTHER REVENUE FROM OWN SOURCES			
Licences and Permits			
Business Licence Fees	\$ 426,820	\$ 430,000	\$ 427,216
File Search / Covenant Registration	2,103	1,700	1,450
Commercial Vehicle Licence Fees	9,404	11,000	9,982
Building Permits	352,082	213,500	293,185
Plumbing Permits	32,816	15,000	18,454
Dog Licences and Violations	48,089	51,500	49,026
	-----	-----	-----
	871,314	722,700	799,313
Traffic & Municipal Fines	58,707	75,000	71,714
Building Rentals & Leases	291,320	291,477	281,643
Franchise	413,788	300,000	313,365
Gaming Proceeds	1,830,601	1,700,000	1,562,122
Investment Income	769,610	430,000	938,763
Penalties and Interest on Taxes	136,994	169,000	192,460
Land Sale Proceeds and Right of Way Contributions	106,726	-	247,561
Miscellaneous	299,795	248,387	385,201
	-----	-----	-----
	\$ 4,778,855	\$ 3,936,564	\$ 4,792,142
	=====	=====	=====
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS			
Provincial Government			
Revenue Sharing - Traffic Fines	\$ 84,239	\$ 84,239	\$ 83,490
	-----	-----	-----
	\$ 84,239	\$ 84,239	\$ 83,490
	=====	=====	=====

GENERAL REVENUE FUND

DETAILS OF REVENUE

Schedule 1-3

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS			
Federal Government			
Other - CAP, Crime Prevention	\$ 4,680	\$ 5,000	\$ -
Other - RRAP Agency Fees, etc.	2,597	750	1,724
Provincial Government			
Emergency Measures Program	1,696	2,000	751
Cultural Services - Museum Grant	6,150	6,150	6,050
Nights Alive Program	7,544	-	12,234
Fire Arms Program	-	-	2,191
Victim Services Program	37,308	27,363	39,778
Various Grants - Other	12,368	-	8,646
	----- \$ 72,343	----- \$ 41,263	----- \$ 71,374
	=====	=====	=====
CONDITIONAL TRANSFERS FROM REGIONAL AND LOCAL GOVERNMENTS AND BOARDS			
Regional District Okanagan Similkameen			
Community Centre Grant	\$ 20,000	\$ 20,000	\$ 20,000
Retirement Centre Grant	6,000	6,200	6,000
Victim Services Grant	5,670	5,640	5,640
	----- \$ 31,670	----- \$ 31,840	----- \$ 31,640
	=====	=====	=====
TRANSFER FROM OWN RESERVES			
Marinas	\$ -	\$ 5,700	\$ 4,371
Investment Income Stabilization	275,000	275,000	309,956
Special Events Site	3,346	10,000	-
Reserve for Future Expenditures	859,559	806,733	1,107,673
Facilities Improvements	95,272	95,400	-
Public Art	52,477	17,500	4,347
Downtown Revitalization	37,356	33,000	132,744
Downtown Parking	-	2,000	2,000
Other-Trail	30,000	30,000	40,000
Gaming	2,368,542	2,170,601	1,698,537
	----- \$ 3,721,552	----- \$ 3,445,934	----- \$ 3,299,628
	=====	=====	=====

GENERAL REVENUE FUND

DETAILS OF EXPENDITURE

Schedule 2-1

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
GENERAL GOVERNMENT SERVICES			
Legislative	\$ 198,445	\$ 208,490	\$ 182,573
General Administration	3,307,255	3,387,319	3,112,063
Civic Grants	460,055	507,338	451,691
Information Technology Services	706,064	784,352	724,959
	-----	-----	-----
	\$ 4,671,819	\$ 4,887,499	\$ 4,471,286
	=====	=====	=====
PROTECTIVE SERVICES			
Police Protection	\$ 4,578,985	\$ 4,679,756	\$ 4,486,461
Fire Protection	2,984,830	3,025,388	2,959,823
Emergency Measures	4,398	4,400	8,218
Animal Control	78,154	85,111	83,172
Building and Licence Inspections	298,417	302,594	265,658
	-----	-----	-----
	\$ 7,944,784	\$ 8,097,249	\$ 7,803,332
	=====	=====	=====
TRANSPORTATION SERVICES			
Common Services	\$ 187,090	\$ 227,160	\$ 158,564
Road Transport	1,739,703	1,855,849	1,651,971
Transit System	624,866	659,800	650,965
	-----	-----	-----
	\$ 2,551,659	\$ 2,742,809	\$ 2,461,500
	=====	=====	=====
ENVIRONMENTAL HEALTH SERVICES			
Garbage and Waste Collection/Disposal	\$ 976,354	\$ 1,036,172	\$ 859,638
	=====	=====	=====
PUBLIC HEALTH SERVICES			
Cemetery	\$ 107,957	\$ 110,534	\$ 100,095
	=====	=====	=====
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning & Zoning	\$ 533,898	\$ 525,759	\$ 520,354
Economic Development	148,723	148,723	148,000
Community Development	106,929	216,500	146,290
Convention Centre	915,549	897,951	835,574
Tourism	306,207	301,187	277,729
	-----	-----	-----
	\$ 2,011,306	\$ 2,090,120	\$ 1,927,947
	=====	=====	=====

GENERAL REVENUE FUND

DETAILS OF EXPENDITURE

Schedule 2-2

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u> Actual	<u>2002</u> Budget (Unaudited)	<u>2001</u>
RECREATION AND CULTURAL SERVICES			
Recreation Programs	\$ 1,611,849	\$ 1,619,582	\$ 1,576,070
Community Centre and Halls	627,322	644,980	637,371
Beaches and Marinas	190,424	164,362	168,006
Arenas	746,727	682,678	735,350
Parks, Playgrounds, Misc Facilities	1,339,481	1,359,908	1,266,044
Cultural Facilities			
Museum and Arts Centre	237,751	265,142	235,607
Penticton Public Library	797,435	797,435	777,217
	----- \$ 5,550,989	----- \$ 5,534,087	----- \$ 5,395,665
	=====	=====	=====
TRANSFER TO OWN RESERVES			
Gaming	\$ 1,830,601	\$ 1,700,000	\$ 1,562,122
Parking Lots	3,120	3,120	3,120
Public Art	23,438	33,437	-
Special Events Site	-	-	1,600
Marinas	29,071	31,950	25,627
Wine/Information Centre	25,000	25,000	-
Vehicle Insurance	5,000	5,000	5,000
Downtown Revitalization	150,000	150,000	150,000
Future Expenditures - Capital	505,302	-	729,362
Future Expenditures - Operating	159,098	-	302,186
Liability Insurance	50,000	50,000	50,000
Equipment/Benefits Rate Stabilization	-	-	33,725
Public Works Improvements	21,701	21,810	21,473
Investment Income Stabilization	339,610	-	338,113
	----- \$ 3,141,941	----- \$ 2,020,317	----- \$ 3,222,328
	=====	=====	=====

SCHEDULE OF FIXED ASSETS

Schedule 3-1

December 31, 2002

	Assets at Cost 12/31/01	Net Additions	Assets at Cost 12/31/02
GENERAL FIXED ASSETS			
General Government			
City Hall	\$ 1,364,772	\$ 5,122	\$ 1,369,894
Office Equipment	1,070,975	46,274	1,117,249
Data Processing Equipment	1,713,743	861,598	2,575,341
	-----	-----	-----
	4,149,490	912,994	5,062,484
	-----	-----	-----
Protection of Persons and Property			
Fire Hall - Building	1,242,379	2,127	1,244,506
- Equipment	3,415,862	59,689	3,475,551
R.C.M.P. - Building	4,613,395	19,364	4,632,759
- Equipment	206,917	2,234	209,151
Civil Defense	32,853		32,853
Dog Pound	10,245		10,245
	-----	-----	-----
	9,521,651	83,414	9,605,065
	-----	-----	-----
Transportation Services			
Equipment - Vehicles	3,785,815	52,630	3,838,445
- Machinery	2,261,923	202,080	2,464,003
- Warehouse	334,798	11,843	346,641
- Garage	204,445	2,724	207,169
Yards and Buildings	704,314	1,019,837	1,724,151
Bridges and Culverts	419,683		419,683
Sidewalks, Curbs/Gutters	5,597,424	60,848	5,658,272
Footpaths and Walkways	683,898		683,898
Boulevard and Cablestrips	624,134	5,882	630,016
Bus Shelters	11,269		11,269
Parking Meters	228,331	(15,000)	213,331
Parking Areas	1,010,489		1,010,489
Traffic Control Equipment	800,773	32,585	833,358
Street Lighting	1,905,372	17,555	1,922,927
Creek Improvements	382,319		382,319
Streets and Lanes	13,433,466	508,731	13,942,197
Secondary Hwys and Collectors	9,258,165	34,961	9,293,126
Street and Traffic Signs	110,517		110,517
Grading and Drainage	9,752,892	57,649	9,810,541
	-----	-----	-----
	\$ 51,510,027	\$ 1,992,325	\$ 53,502,352
	-----	-----	-----

SCHEDULE OF FIXED ASSETS

Schedule 3-2

December 31, 2002

	Assets at Cost 12/31/01	Net Additions	Assets at Cost 12/31/02
GENERAL FIXED ASSETS			
Sanitation and Waste Removal			
Landfill Sites	\$ 143,573		\$ 143,573
Garbage Containers	18,658		18,658
	-----		-----
	162,231	-	162,231
	-----		-----
Leisure Services			
Okanagan Lake Marina	673,698		673,698
Skaha Marina	384,270		384,270
Centennial Fountain	35,000		35,000
S.S. Sicamous	192,190		192,190
Buildings - Library/Museum	1,525,180	414	1,525,594
- Jubilee Pavilion	77,742		77,742
- Kings Park	219,499		219,499
- McLaren Arena	651,926	104,799	756,725
- Memorial Arena	3,065,534	1,885	3,067,419
- Convention Centre	5,856,231	1,242,977	7,099,208
- Nanaimo Hall	43,435		43,435
- Community Centre	6,484,130	54,549	6,538,679
- Edmonton Ave Centre	27,320		27,320
Parks and Playgrounds	1,342,762	5,000	1,347,762
Parks and Recreation Development	5,080,361	993,791	6,074,152
Parks Tools and Equipment	956,957	173,254	1,130,211
Park Lighting	11,685		11,685
Special Events Site	420,448		420,448
Wine & Information Centre	664,450		664,450
Curling Centre	98,865	3,421	102,286
Equipment - Memorial Arena	344,588		344,588
- McLaren Arena	184,516	4,192	188,708
- Museum	191,629	1,835	193,464
- Convention Centre	716,740	36,184	752,924
- Arts Centre	64,450	28,809	93,259
- Community Centre	58,937	6,723	65,660
- Recreation	439,956	20,769	460,725
- Library	647,600	42,478	690,078
	-----		-----
	30,460,099	2,721,080	33,181,179
	-----		-----
Miscellaneous			
Cemetery	524,797	82,223	607,020
	-----		-----
TOTAL FIXED ASSETS (Excluding Land)	\$ 96,328,295	\$ 5,792,036	\$ 102,120,331
	-----		-----

SCHEDULE OF FIXED ASSETS

Schedule 3-3

December 31, 2002

	Assets at Cost 12/31/01	Net Additions	Assets at Cost 12/31/02

LAND			
City Hall	\$ 482,878		\$ 482,878
Fire Halls	171,121		171,121
RCMP	723,791		723,791
City Yards	47,299		47,299
Streets and Lanes	1,633,984	135,278	1,769,262
Landfill Sites	50,000		50,000
Parks and Playgrounds	5,180,100	1,107,018	6,287,118
Memorial Arena	2,727		2,727
Cemetery	128,949		128,949
School Sites	21,832		21,832
Other Properties	1,078,881		1,078,881

	9,521,562	1,242,296	10,763,858

 TOTAL GENERAL FIXED ASSETS	 ##### \$ 7,034,332		 \$ 112,884,189
	=====		

SCHEDULE OF FIXED ASSETS

Schedule 3-4

December 31, 2002

	Assets at Cost 12/31/01	Assets Acquired	Assets at Cost 12/31/02
	-----	-----	-----
UTILITIES			
Water System - Irrigation			
Dams and Intakes	\$ 1,054,256	\$ 19,899	\$ 1,074,155
Pipelines	2,225,045		2,225,045
	-----	-----	-----
	3,279,301	19,899	3,299,200
Water System - Domestic			
Distribution System	15,633,087	270,985	15,904,072
Water Treatment System	20,255,274	42,470	20,297,744
Pumping Equipment and Buildings	2,098,483	91,384	2,189,867
	-----	-----	-----
Land - Dam Site	37,986,844	404,839	38,391,683
	475		475
	-----	-----	-----
	\$ 41,266,620	\$ 424,738	\$ 41,691,358
	=====	=====	=====
Electric System			
Distribution System	\$ 16,361,208	\$ 686,454	\$ 17,047,662
Substations	1,707,762	15,390	1,723,152
	-----	-----	-----
	18,068,970	701,844	18,770,814
Land - Substation Sites	61,896		61,896
	-----	-----	-----
	\$ 18,130,866	\$ 701,844	\$ 18,832,710
	=====	=====	=====
Sewer System			
Mains	\$ 8,318,915	\$ 57,645	\$ 8,376,560
Connections	1,373,344	17,283	1,390,627
Treatment Plant	24,021,894	60,010	24,081,904
Machinery and Equipment	247,718	16,339	264,057
	-----	-----	-----
Land - Treatment Plant Site	33,961,871	151,277	34,113,148
	137,521		137,521
	-----	-----	-----
	\$ 34,099,392	\$ 151,277	\$ 34,250,669
	=====	=====	=====
TOTAL UTILITIES	\$ 93,496,878	\$ 1,277,859	\$ 94,774,737
	=====	=====	=====

GOVERNMENT GRANTS

Schedule 5

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
FEDERAL GRANTS		
In Lieu of Taxes	\$ 61,834	\$ 61,768
Canada Assistance Grant	4,680	-
Government Programs	2,597	12,161
	-----	-----
	69,111	73,929
	-----	-----
PROVINCIAL GOVERNMENT		
Revenue Sharing - Traffic Fines	84,239	83,490
In Lieu of Taxes	107,956	91,350
Victim Services Program	37,308	39,778
Fire Arms Program	-	2,191
Nights Alive Youth Program	7,544	12,234
Cultural Services - Museum	6,150	6,050
Various Grants - General Operating	14,065	8,645
Various Grants - General Capital	210,915	413
Home-Owner Assistance Grant	4,946,641	4,887,708
Emergency Measures Program	1,696	751
Sewer Utility Grants	15,386	141,028
Water Utility Grants	12,946	156,005
Okanagan Basin Water Board Grant	200,306	267,747
	-----	-----
	5,645,152	5,697,390
	-----	-----
REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN		
Community Centre Grant	20,000	20,000
Penticton & District Retirement Centre	6,000	6,000
Victiim Services Grant	5,640	5,640
	-----	-----
	31,640	31,640
	-----	-----
	\$ 5,745,903	\$ 5,802,959
	=====	=====

(Established under the Provisions of the
Public Libraries Act of British Columbia)

STATEMENT OF REVENUE AND EXPENDITURE

December 31, 2002
(With comparative figures for 2001)

	<u>2002</u>	<u>2001</u>
REVENUE		
Grant City of Penticton		
- Operating	\$ 622,990	\$ 611,875
- Building and Administration	153,035	142,095
- Equipment Depreciation	17,088	17,089
- Capital	4,322	6,158
Grant Province of B.C. - Operating	78,062	87,879
Grant - Outlook/Legal Services Society	2,141	1,964
Grant - Youth @ BC	8,560	3,700
Okanagan Regional Library Contract	55,770	53,350
Interest Earned	2,321	2,244
Fines and Fees	26,125	28,474
Miscellaneous Revenue	16,324	14,412
Photocopy Revenue	3,341	3,160
Donations	1,055	1,914
Legacy/Estate Funds	1,571	26,072
Equipment Replacement Fund	38,156	-
	-----	-----
	1,030,861	1,000,386
Surplus at Beginning of Year	52,472	46,802
	-----	-----
Total Revenue	1,083,333	1,047,188
	-----	-----
EXPENDITURE		
Building and Administration	153,035	142,095
Equipment Allowance	17,088	17,089
Acquisitions - Books	143,615	142,469
- Periodicals	20,633	21,040
- Software	5,636	4,072
- Videos/Audio/Online Subscriptions	8,181	6,861
Book Binding	3,950	3,729
Equipment Maintenance	18,196	18,154
Office Supplies	32,182	28,982
Postage, Freight, Courier, Mileage	5,355	5,477
Salaries and Benefits	568,690	561,591
Staff/Trustee Training and Development	3,955	3,481
Telephone/Fax/Internet	6,792	6,922
Program Support	203	251
Legacy/Estate Projects	6,047	26,345
	-----	-----
Total Operating Expenditure	993,558	988,558
Capital Equipment	42,478	6,158
	-----	-----
Total Expenditure	1,036,036	994,716
	-----	-----
SURPLUS AT END OF YEAR	\$ 47,297	\$ 52,472
	=====	=====

Financial Statistics
(Unaudited)

	1993*	1994*	1995*	1996**	1997**	1998**	1999**	2000**	2001***	2002***
Population	27,258	27,258	27,258	30,987	30,987	30,987	30,987	30,987	30,985	30,985
Assessed Values - General										
Land	763,555,523	929,990,673	1,019,499,773	1,018,854,562	1,012,811,459	1,040,610,909	1,033,714,732	995,628,640	999,082,549	1,000,376,974
Land Exempt	90,371,297	115,573,104	136,200,788	133,761,705	123,682,126	149,736,660	150,917,460	142,114,754	141,266,606	140,756,657
Taxable Land	673,184,226	814,417,569	883,298,985	885,092,857	889,129,333	890,874,249	882,797,272	853,513,886	857,815,943	859,620,317
Improvements	990,446,544	1,175,059,656	1,271,255,056	1,292,112,550	1,316,138,957	1,323,537,812	1,320,489,436	1,337,405,103	1,344,556,402	1,391,386,900
Improvements Exempt	128,578,969	142,807,889	178,613,156	184,779,178	203,523,095	190,320,833	183,869,582	192,252,631	192,570,333	197,516,990
Taxable Improvements	861,867,575	1,032,251,767	1,092,641,900	1,107,333,372	1,112,615,862	1,133,216,979	1,136,619,854	1,145,152,472	1,151,986,069	1,193,869,910
Total Taxable Assessment	1,535,051,801	1,846,669,336	1,975,940,885	1,992,426,229	2,001,745,195	2,024,091,228	2,019,417,126	1,998,666,358	2,009,802,012	2,053,490,227
Per Capita	56,316	67,748	72,490	64,299	64,600	65,321	65,170	64,500	64,864	66,274
Assessment Actually Taxed										
General Purposes	1,519,778,801	1,826,369,336	1,955,028,885	1,990,775,229	1,978,674,195	2,001,292,228	1,996,437,126	1,975,032,758	1,986,275,412	2,030,243,827
School Purposes	1,535,051,801	1,841,856,386	1,971,049,885	1,987,042,829	1,996,464,495	2,018,139,812	2,013,650,310	1,998,666,358	2,004,177,143	2,047,566,849
% Improvement Taxes	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Tax Levy										
General and Debt	10,202,458	10,597,303	11,228,346	11,652,354	12,027,944	12,598,784	12,830,351	13,390,448	14,140,577	14,882,630
School	9,736,867	10,657,072	11,001,205	11,164,085	11,297,397	11,436,496	11,648,997	11,630,813	11,671,618	11,913,141
Regional Hospital	810,353	813,278	774,538	776,646	797,707	902,325	917,656	962,087	1,982,487	1,979,438
Other (Excluding Irrigation)	4,176,279	4,586,010	4,726,729	4,833,946	4,593,328	4,789,742	4,852,941	5,012,389	5,102,716	4,995,324
Total Tax Levy	24,925,957	26,653,663	27,730,818	28,427,031	28,716,376	29,727,347	30,249,945	30,995,737	32,897,398	33,770,533
Total Levy (Including Irrigation)	25,068,936	26,794,696	27,871,700	28,567,946	28,856,371	29,867,421	30,390,103	31,136,579	33,037,202	33,910,115
Per Capita	920	983	1,023	922	931	964	981	1,005	1,066	1,094
General Mill Rate	6.12/9.425	5.313/7.97	5.244/7.866	5.384/8.076	5.529/8.294	5.706/8.559	5.805/8.708	6.128/9.192	6.436/9.654	6.6295/9.9443
Tax Collection										
Current Taxes and Irrigation	24,743,142	26,259,995	27,140,558	27,960,965	28,255,700	29,329,134	29,771,871	30,565,077	32,588,106	33,353,856
% Current Levy Collected	98.7%	98.0%	97.4%	97.9%	97.9%	98.2%	98.0%	98.2%	98.6%	98.4%
Arrears and Delinquent	421,445	316,568	511,652	811,531	600,954	732,150	716,637	687,640	412,751	748,867
Total Taxes Collected	25,164,587	26,576,563	27,652,210	28,772,496	28,856,654	30,061,284	30,488,508	31,252,717	33,000,857	34,102,723
% of Current Levy	100.4%	99.2%	100.7%	100.0%	100.0%	100.4%	100.3%	100.4%	99.9%	100.6%
Arrears of Taxes	301,360	641,701	255,378	174,989	257,298	240,410	263,097	250,136	505,580	205,809
Per Capita	11.06	23.54	9.37	5.65	8.30	7.76	8.49	8.07	16.32	6.64
Debt										
Gross Debt	10,212,220	9,393,436	12,513,424	12,868,942	11,937,294	11,042,545	9,994,490	13,926,419	13,035,934	11,841,379
Per Capita	375	345	459	415	385	356	323	449	421	382
Analysis of Debt (Gross)										
Water Supply System	1,569,949	1,381,620	5,178,116	6,127,482	5,828,024	5,513,594	5,183,443	4,836,783	4,472,790	4,130,719
Sewer System	6,474,485	5,979,928	5,452,691	5,010,812	4,272,089	4,058,625	3,545,947	3,007,196	2,441,022	1,857,736
General	2,167,786	2,031,888	1,882,617	1,730,648	1,562,382	1,470,326	1,265,100	6,082,440	6,122,122	5,852,924

* 1991 Census

** 1996 Census

***2001 Census

THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA

Financial Statistics
(Unaudited)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Public Utilities										
Sewer										
Operating Profit/(Loss)	216,185	136,056	136,466	(340,837)	(60,064)	(52,404)	98,945	144,617	182,196	734,617
Domestic Water & Irrigation										
Operating Profit/(Loss)	-	-	-	-	(3,490)	570,491	631,749	(551,858)	408,648	560,376
Electric Light										
Operating Profit/(Loss)	2,419,968	2,496,832	1,955,092	1,955,013	2,175,190	2,769,318	3,016,523	3,067,867	3,363,493	3,599,082
General										
Building Permits Issued	50,670,059	40,146,357	38,725,960	41,530,318	23,157,321	33,196,718	22,619,600	18,796,519	31,093,176	35,928,297
Borrowing Power (net)	31,264,235	40,116,954	51,488,080	58,612,482	61,786,435	70,561,779	71,721,589	72,711,489	79,586,210	79,000,000*

*estimated