

**THE CORPORATION OF THE CITY OF PENTICTON
BRITISH COLUMBIA**

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

DECEMBER 31, 2009



THE CORPORATION OF THE CITY OF PENTICTON

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REEVES AND MAYORS

THE CORPORATION OF THE CITY OF PENTICTON FROM INCORPORATION

REEVES

1909	Alfred H. Wade
1910 – 1911	E. Foley-Bennett
1912	Capt. I.M. Stevens
1913	E. Foley-Bennett
1914 – 1916	Robert Scott Conklin
1917	William Alexander McKenzie
1918 – 1919	Frederick Maurice Smith
1920 – 1923	Edward John Chambers
1924 – 1925	James Kirkpatrick
1926 – 1927	Geo. A.M. Macdonald
1928	James Kirkpatrick
1929 – 1931	Geo. A.B. Macdonald
1931 – 1935	Charles E. Oliver
1936	H.B. Morley
1937 – 1940	W. Gordon Wilkins
1941 – 1942	R.J. McDougall
1943 – 1944	Robert Lyon
1945	R.J. McDougall
1946 – 1947	Robert Lyon

MAYORS

1948 – 1949	Robert Lyon
1950 – 1953	William A. Rathbun
1954 – 1957	C. Oscar Matson
1957 – 1961	Charles E. Oliver
1962 – 1967	Maurice P. Finnerty
1968 – 1971	F.D. Stuart
1972 – 1975	F.W. Laird
1976 – 1979	K.A. Kenyon
1979 – 1980	J.J. Winkelaar
1980 – 1986	I.C. Messmer
1986 – 1990	Dorothy Whittaker
1990 – 1996	G.J. Kimberley
1996 – 1999	Beth Campbell
1999 – 2002	M.L. (Mike) Pearce
2002 – 2005	C. David Perry
2005 – 2008	G.J. Kimberley
2008 -	Dan Ashton

**DIRECTORY OF COUNCIL AND CITY OFFICIALS
2009**

COUNCIL

MAYOR

Dan Ashton

COUNCILLORS

Daniel Albas

Andrew Jakubeit

Judy Sentes

Mike Pearce

Garry Litke

John Vassilaki

CITY OFFICIALS

Administrator

D. Back

Clerk

C. Ingram

Treasurer

D. Leahy

Revenue Supervisor

A. Campbell

Director of Development Services

M. Morozuk

Director of Parks, Recreation and Culture

J. Kirbyson

Fire Chief

W. Williams

R.C.M.P. Inspector

B. Haugli

CITY AUDITORS

BDO Canada LLP

CITY SOLICITORS

Gilchrist & Co.

BANKERS

HSBC Bank Canada

TREASURER'S REPORT

May 2010

Mayor and Council
The Corporation of the City of Penticton

Your Worship and Members of Council:

In accordance with Section 167(1) of the *Community Charter*, I am pleased to submit the 2009 Annual Financial Report of the City of Penticton for the fiscal year ended December 31, 2009. The report includes the Auditors' Report, the 2009 audited financial statements, and supplementary information for the City of Penticton.

The financial statements were prepared by City staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. These statements were audited by BDO Canada LLP and their responsibility was to express an opinion based on the results of their audit. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements were free of material error or misstatement.

The operations of the City of Penticton are segregated into various funds for accounting and financial reporting purposes. The funds are as follows:

<i>General Fund</i>	<i>Sanitary Sewer Utility Fund</i>
<i>Water Utility Fund</i>	<i>Electric Utility Fund</i>
<i>Reserve Funds</i>	

The Annual Report includes the financial statements for each entity as well as on a consolidated basis for all entities. The highlights from these reports are summarized below:

CAPITAL EXPENDITURES

	<u>2009</u>	<u>2008</u>
<i>General Fund</i>	\$7,960,686	\$53,779,229
<i>Sewer Fund</i>	8,859,237	4,996,599
<i>Water Fund</i>	9,752,537	2,385,170
<i>Electric Fund</i>	<u>1,379,105</u>	<u>1,222,122</u>
Total Capital Expenditures	<u>\$27,951,565</u>	<u>\$62,383,120</u>

Major capital projects included in the above summary are:

General Capital

<i>Facilities</i>	\$2,970,435
<i>City-wide Transportation Works</i>	1,844,210
<i>Parks – Landscape and Development</i>	777,646
<i>Cemetery</i>	949,726
<i>Information and Technology Works</i>	295,852
<i>City Fleet Equipment</i>	553,272
<i>Fire Department Equipment</i>	500,858

Utilities

<i>Sewer Mains</i>	\$5,101,105
<i>Sewer Treatment Plant Works</i>	3,572,256
<i>Water Mains</i>	244,168
<i>Water Reservoirs</i>	614,359
<i>Water Pump Stations & Building</i>	1,148,251
<i>Water Plant</i>	7,339,476
<i>Electric Utility Services</i>	368,216
<i>Electric Utility Line Reconstruction</i>	305,128
<i>Electric Utility Voltage Conversion Program</i>	406,271

Operating Expenditures and Debt Charges (excludes transfers to other funds and reserves)

		<u>2009</u>	<u>2008</u>
<i>General Fund</i>	Operating	\$38,810,383	\$38,498,158
	Debt	<u>7,100,203</u>	<u>3,401,494</u>
		<u>\$45,910,586</u>	<u>\$41,899,652</u>
<i>Sewer Fund</i>	Operating	\$2,288,772	\$2,223,394
	Debt	<u>870,073</u>	<u>197,285</u>
		<u>\$3,158,845</u>	<u>\$2,420,679</u>
<i>Water Fund</i>	Operating	\$2,950,781	\$2,846,501
	Debt	<u>1,111,562</u>	<u>759,800</u>
		<u>\$4,062,343</u>	<u>\$3,606,301</u>
<i>Electric Fund</i>	Operating	<u>\$22,555,977</u>	<u>\$21,080,896</u>
TOTAL NET OPERATING EXPENDITURES		<u>\$75,687,751</u>	<u>\$69,007,528</u>

Financial Statistics

	<u>2009</u>	<u>2008</u>
<i>Real Property Taxes</i>	\$23,834,195	\$22,768,284
<i>Collection of Taxes for Other Governments</i>	19,814,495	19,452,757
<i>Long Term Debt Outstanding</i>	78,745,836	72,610,571
<i>Per Capita Debt – General Purposes</i>	1,520	1,642
<i>Per Capita Debt – Utilities</i>	948	633

Investment Earnings

Investment of all excess Revenue and Reserve Funds generated \$802,341 in 2009 compared to \$2,046,615 in 2008. Our portfolio is comprised equally of money market and term deposits maturing within a year and long-term bonds.

General Fund

The general revenue fund generated a deficit of \$498,594. The 2009 budgeted transfer from surplus was \$667,367.

Utilities

In the Sewer Utility, the 2009 transfer to surplus was budgeted at \$1,572,244. The actual transfer to surplus for 2009 was \$1,083,290. This was mainly due to a restructuring of the financing of capital projects thus reducing the amount transferred to surplus.

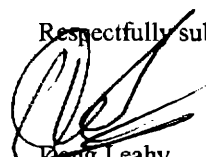
The Water Utility budgeted transfer to surplus \$1,645,593. The actual transfer from surplus was \$249,594. This was mainly due to a restructuring of the financing of capital projects within the fund thus reducing the amount transferred to surplus.

The Electric Utility transfer to surplus was budgeted at \$1,948,160. The actual transfer was \$2,456,629. This was due to the construction of the Carmi substation being discontinued during the 2009 fiscal year.

Library

The Statement of Revenue and Expenditure for the Penticton Public Library is presented in this report. Library revenue reflects a City grant of \$934,719 which includes an allowance of \$188,800 for building and administration costs, and \$17,383 for equipment depreciation.

Respectfully submitted,


Doug Leahy
Treasurer



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Fax: 250 492 8110
www.bdo.ca

BDO Canada LLP
102 - 100 Front Street
Penticton BC V2A 1H1 Canada

AUDITORS' REPORT

**To the Mayor and Council
Corporation of the City of Penticton**

We have audited the statement of financial position of the Corporation of the City of Penticton as at December 31, 2009 and the statements of operations, statement of change in net debt, and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2009 and the results of its operations for the year then ended in accordance with the Canadian accounting principles generally accepted for Municipalities.

BDO CANADA LLP

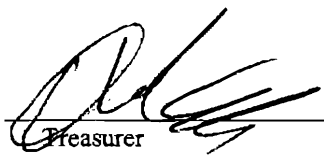
Chartered Accountants

**Penticton, British Columbia
April 6, 2010**

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009**

	2009	2008 (restated)
FINANCIAL ASSETS		
Cash	\$ 4,489,154	\$ 8,243,743
Term Deposits	49,424,043	57,876,662
Accounts Receivable (Note 2)	<u>15,004,051</u>	<u>7,818,088</u>
	<u>68,917,248</u>	<u>73,938,493</u>
FINANCIAL LIABILITIES		
Development Cost Charges Reserve Fund (Note 3)	4,729,022	4,075,266
Trade Accounts Payable and Accrued Liabilities	14,396,867	23,085,356
Deferred Revenues	3,978,353	3,485,904
Deposits	1,787,830	2,286,871
Penticton Public Library	63,623	78,998
Long Term Debt (Note 8)	<u>78,745,836</u>	<u>72,610,571</u>
	<u>103,701,531</u>	<u>105,622,966</u>
NET DEBT	\$ (34,784,283)	\$ (31,684,473)
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 9)	\$ 280,796,030	\$ 269,539,445
Inventories of Supplies	2,778,412	2,798,897
Prepaid Expenses	<u>128,078</u>	<u>286,208</u>
	283,702,520	272,624,550
ACCUMULATED SURPLUS	\$ <u>248,918,237</u>	\$ <u>240,940,077</u>



Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009**

	2009 Budget (Unaudited)	2009	2008 (restated)
REVENUE			
Taxation	\$ 25,807,064	\$ 25,836,251	\$ 24,241,724
Sales of Services	48,082,129	49,053,415	47,248,585
Government Grants and Transfers	15,869,896	9,210,273	1,895,434
Other Revenue from Own Sources	9,938,543	10,164,533	12,237,419
Revenue - MFA	-	3,811	156,484
Other Contributions	<u>1,206,751</u>	<u>1,190,173</u>	<u>1,550,997</u>
	<u>100,904,383</u>	<u>95,458,456</u>	<u>87,330,643</u>
EXPENDITURE (Note 10)			
General Government Services	8,744,374	15,091,126	16,752,567
Protective Services	13,057,167	13,128,325	12,130,813
Transportation Services	5,627,505	7,892,225	8,570,985
Environmental Health Services	1,321,389	1,158,359	1,116,434
Public Health and Safety	142,546	279,829	118,138
Environmental Health Services	2,592,006	2,153,892	2,629,045
Recreation and Culture	11,206,111	13,337,437	11,105,745
Electrical Supply	21,881,211	26,472,614	25,672,263
Sewer System Utility	3,028,318	3,315,810	2,899,975
Water Utility Services	<u>3,679,524</u>	<u>4,650,679</u>	<u>4,228,366</u>
	<u>71,280,151</u>	<u>87,480,296</u>	<u>85,224,331</u>
ANNUAL SURPLUS	29,624,232	7,978,160	2,106,312
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
Balance, Beginning of Year, as Previously Reported	332,848,247	332,848,247	238,833,765
Prior Period Adjustment (Note 1)	<u>-</u>	<u>(91,908,170)</u>	<u>-</u>
As Restated	<u>332,848,247</u>	<u>240,940,077</u>	<u>238,833,765</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 362,472,479</u>	<u>\$ 248,918,237</u>	<u>\$ 240,940,077</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**STATEMENT OF CHANGE IN NET DEBT
YEAR ENDED DECEMBER 31, 2009**

	2009	2008 (restated)
Annual Surplus	\$ 7,978,160	\$ 2,106,312
Acquisition of Tangible Capital Assets	(21,373,849)	(54,168,530)
Amortization of Tangible Capital Assets	10,044,921	10,162,667
Disposals of Tangible Capital Assets	<u>72,342</u>	<u>(81,957)</u>
	<u>(3,278,426)</u>	<u>(41,981,508)</u>
Acquisition of Prepaid Expense	158,130	(93,784)
Consumption of Supplies Inventories	<u>20,486</u>	<u>112,121</u>
	<u>178,616</u>	<u>18,337</u>
Decrease in Net Financial Assets	(3,099,810)	(41,963,171)
Net Financial Assets (Net Debt), Beginning of Year	(31,684,473)	10,278,698
Net Debt, End of Year	\$ <u>(34,784,283)</u>	\$ <u>(31,684,473)</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009**

	2009	2008 (restated)
Operating Transactions		
Annual Surplus	\$ 7,978,160	\$ 2,106,312
Change in Non-Cash Operating Items		
Decrease (Increase) in Accounts Receivable	(7,185,959)	471,842
(Decrease) Increase in Trade Accounts Payable and Accrued Liabilities	(8,056,703)	8,779,422
Increase (Decrease) in Prepaid Expenses	158,130	(93,784)
Decrease in Inventory	20,486	112,121
Increase (Decrease) in Assets Disposed Of	72,342	(81,957)
Amortization	<u>10,044,921</u>	<u>10,162,667</u>
	<u>(4,946,783)</u>	<u>19,350,311</u>
Cash Provided by Operating Activities	3,031,377	21,456,623
Capital Transactions		
Cash Used to Acquire Tangible Capital Assets	(21,373,849)	(54,168,530)
Financing Transactions		
Debt Proceeds	11,619,400	38,755,000
Debt Repayment	<u>(5,484,136)</u>	<u>(2,531,902)</u>
Cash Provided by Financing Transactions	<u>6,135,264</u>	<u>36,223,098</u>
Investing Transactions		
Decrease (Increase) in Term Deposits	8,452,619	(13,460,933)
Change in Cash	(3,754,589)	(9,949,742)
Cash, Beginning of Year	<u>8,243,743</u>	<u>18,193,485</u>
Cash, End of Year	<u>\$ 4,489,154</u>	<u>\$ 8,243,743</u>

See accompanying notes to financial statements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2009**

Management's Responsibility for the Financial Statements

The financial statements of the City are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The Corporation of the City of Penticton ("the City") is a municipality in the Province of British Columbia and operates under the provisions of the Community Charter. The City provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the City. All inter-entity transactions and balances have been eliminated.

Cash and Cash Equivalents

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

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.

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.

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 service and other revenue is recognized on an accrual basis.

Financial Instruments

The City's financial instruments consist of cash and term deposits, accounts receivable, accrued interest receivable, Municipal Finance Authority, trade accounts payable and accrued liabilities, deposits and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

Municipal Finance Authority

Cash Deposits and Demand Notes - The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2009**

Tangible Capital Assets

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and 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. 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:

Buildings	20 to 70 years
Roads and Sidewalks	25 to 75 years
Machinery and Equipment	5 to 20 years
Water Infrastructure	10 to 100 years
Sewer Infrastructure	10 to 100 years
Electrical Infrastructure	20 to 25 years
Parks and Recreation Infrastructure	10 to 50 years
Vehicles	5 to 20 years
Furniture and Equipment	10 to 15 years
Computer Hardware and Software	4 to 10 years

Reserve for Future Expenditure

Reserves for future expenditure are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditure include funds to finance incomplete projects and accumulations for specific purposes.

Interfund Balances and Transactions

All material interfund transactions and balances have been eliminated within the Financial Statements.

Statutory Reserve Funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

Use of Estimates

The preparation of financial statements in accordance with Canadian 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. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and prior years tangible capital asset historical costs and related amortization. Actual results could differ from management's best estimates as additional information becomes available in the future. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Collection of Taxes on Behalf of Other Taxation Authorities

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

Comparative Figures

Comparative figures have changed to reflect the current year financial statement presentation.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

1. Change in Accounting Policy

On January 1, 2009, the City adopted revised Public Sector Accounting Standards: Section 1000 - Financial Statement Concepts, Section 1100 - Financial Statement Objectives, Section 1200 - Financial Statement Presentation and Section 3150 - Tangible Capital Assets. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses and inventories of supplies as assets in the financial statements. In addition, revenue from contributed assets, and amortization on tangible capital assets was recorded in the statement of operations. This change in accounting policy has been applied retroactively with the restatement of the prior period. The impact of adopting the tangible capital asset standard was as follows:

	2008
<u>Statement of Financial Position</u>	
Decrease in Non-Financial Assets	\$ <u>(91,908,170)</u>
Decrease in Accumulated Surplus	\$ <u>(91,908,170)</u>
<u>Statement of Operations</u>	
Increase in Expenses	
General Government	(8,181,602)
Protection Services	(56,831)
Transportation Services	(2,876,937)
Recreation and Culture	(1,128,221)
Electrical Supply	(3,369,246)
Sewer System Utility	4,445,751
Water Utility	<u>1,449,017</u>
Total Increase in Expenses	\$ <u>(9,718,069)</u>
Decrease in Annual Surplus	<u>(82,190,101)</u>
Decrease in Opening Accumulated Surplus	\$ <u>(91,908,170)</u>

2. Accounts Receivable

	2009	2008
Property Taxes	\$ 1,397,702	\$ 1,114,762
Other Receivables	1,681,442	1,808,563
Federal Government	349,634	735,404
Provincial Government	8,621,333	1,564,733
Regional District of Okanagan Similkameen	35,980	13,920
Other Government Agencies	8,050	37,605
Utility Rates Receivable	2,442,780	2,311,942
Accrued Interest Receivable	<u>467,130</u>	<u>231,159</u>
	\$ <u>15,004,051</u>	\$ <u>7,818,088</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

3. Development Cost Charges Reserve Fund (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the *Local Government Act* of BC, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recognized as revenue.

	2009	2008
DCC by Type		
Roads	\$ 328,911	\$ 252,421
Parks	178,502	170,663
Drainage	701,882	610,818
Waste Water	2,654,755	2,116,524
Water	<u>864,972</u>	<u>924,840</u>
	<u>\$ 4,729,022</u>	<u>\$ 4,075,266</u>
DCC Activity		
Balance, Beginning of Year	\$ 4,075,266	\$ 3,150,471
Return on Investments	79,811	116,482
DCCs Levied in the Year	1,033,751	2,133,298
Transfers to General Capital	-	(769,410)
Transfers to General Operating	(226,576)	(403,575)
Transfers to Water Operating	<u>(233,230)</u>	<u>(152,000)</u>
	<u>\$ 4,729,022</u>	<u>\$ 4,075,266</u>

4. Letters of Credit

In addition to the performance deposits reflected in the Statement of Financial Position, the City is holding irrevocable Letters of Credit in the amount of \$3,066,102 which were received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the financial statements but are available to satisfy liabilities arising from non-performance by the depositors.

5. Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the plan) a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010.

The actuary does not attribute portions of the surplus to individual employers. The City of Penticton paid \$1,420,529 for employer contributions to the plan in 2009.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

6. Contingent Liabilities

(a) Regional District of Okanagan Similkameen

Under Section 836 of the *Local Government Act*, all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 2009, the long term debt of the Regional District aggregated \$115,297,391 (2008 - \$110,658,435).

(b) Legal Actions

As at December 31, 2009, certain legal actions are pending against the City, the outcome of which cannot be determined at this time. As it is not possible to determine the outcome of these proceedings, no provision for any potential liability has been recorded in the accounts.

7. Prior Period Adjustment

During the year, the City determined that the unexpended funds balance between the General Revenue Fund and the General Capital and Sewer Capital Funds were misstated. As a result the opening fund balance for the Sewer Capital Fund has been adjusted by \$6,521 and the opening balance for the General Capital balance has been adjusted by \$281,443. There is no effect on the consolidated surpluses.

8. Net Long Term Debt

Net long term debt reported on the statement of financial position is comprised of the following:

	2009	2008
Municipal Finance Authority (see Debt Issued and Outstanding Schedule)	\$ <u>78,745,836</u>	\$ <u>72,610,571</u>

Principal repayments relating to net long term debt of \$78,745,836 outstanding are due as follows (in thousands):

	2010	2011	2012	2013	2014
General Fund	\$ 4,453	\$ 4,716	\$ 4,716	\$ 4,716	\$ 4,716
Sewer Fund	575	725	957	957	957
Water Fund	<u>579</u>	<u>609</u>	<u>609</u>	<u>609</u>	<u>609</u>
	<u>\$ 5,607</u>	<u>\$ 6,050</u>	<u>\$ 6,282</u>	<u>\$ 6,282</u>	<u>\$ 6,282</u>

Long term debt is secured by the assets of the City.

9. Tangible Capital Assets

Contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks, and recorded on the financial statements is \$0 (2008 - \$0). Interest capitalized in the year is \$203,339 (2008 - \$621,775). Art and historic treasures are held by the City in its museum and arts centre. Due to the subjective nature of the assets they are not included in the values shown on the financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

9. Tangible Capital Assets - cont'd

	Land	Building	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2009 Total	2008 Total
COST										
Opening Balance	\$ 49,201,136	\$ 119,156,481	\$ 27,365,150	\$ 14,966,855	\$ 38,826,033	\$ 57,751,096	\$ 65,889,329	\$ 5,819,681	\$ 378,975,761	\$ 324,947,755
Add: Additions	82,058	2,172,260	2,052,538	1,279,288	638,155	11,809,215	1,545,517	1,794,818	21,373,849	54,168,530
Add: Transfer to/from Construction in Progress	-	1,775,659	91,408	-	284,383	-	-	(2,151,450)	-	-
Less: Disposals	<u>49,283,194</u>	<u>123,104,400</u>	<u>29,204,940</u>	<u>16,246,143</u>	<u>39,696,831</u>	<u>69,542,072</u>	<u>67,434,846</u>	<u>5,463,049</u>	<u>374,135</u>	<u>140,523</u>
ACCUMULATED AMORTIZATION										
Opening Balance	-	31,083,497	14,345,249	3,648,709	13,100,678	19,525,158	27,733,026	-	109,436,317	99,496,130
Add: Amortization	-	3,183,321	1,548,863	208,382	608,604	2,217,737	2,278,014	-	10,044,921	10,162,667
Less: Acc Amortization on Disposals	<u>-</u>	<u>34,266,818</u>	<u>284,856</u>	<u>3,857,091</u>	<u>5,411</u>	<u>11,526</u>	<u>30,011,040</u>	<u>-</u>	<u>301,793</u>	<u>222,480</u>
Net Book Value for Year Ended December 31, 2009	<u>\$ 49,283,194</u>	<u>\$ 88,837,582</u>	<u>\$ 13,595,684</u>	<u>\$ 12,389,052</u>	<u>\$ 25,992,960</u>	<u>\$ 47,810,703</u>	<u>\$ 37,423,806</u>	<u>\$ 5,463,049</u>	<u>\$ 280,796,030</u>	<u>\$ 269,539,445</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

10. Reporting by Object

	2009	2008
Salaries and Benefits	\$ 17,889,743	\$ 17,377,071
Goods and Services	42,947,163	42,074,310
Interest	3,903,414	2,333,553
Amortization	10,044,921	10,162,667
Other Expenses	3,814,767	4,395,904
Vehicle and Equipment Maintenance	3,602,308	3,588,846
Policing Agreement	<u>5,277,980</u>	<u>5,291,980</u>
	<u>\$ 87,480,296</u>	<u>\$ 85,224,331</u>

11. Line of Credit

The City holds two lines of credit with the HSBC bank. These lines of credit have a borrowing rate of prime and have limits of \$3,000,000 and \$2,485,000. There is currently no balance or amounts outstanding.

12. Budget

The Financial Plan (Budget) Bylaw adopted by Council on April 20, 2009 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council on April 20, 2009 with adjustments as follows:

	2009
Financial Plan (Budget) Bylaw surplus for the year	\$ 726,502
Add:	
Capital Expenditures	52,900,067
Less:	
Budgeted Transfers from Accumulated Surplus	13,957,416
Amortization	<u>10,044,921</u>
Budget Surplus per Statement of Operations	<u>\$ 29,624,232</u>

13. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire, water and electricity. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009**

General Government Services

This segment includes all of the revenues and expenses that relate to the operations of the City itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of police services and fire protection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education.

Transportation Services

Transportation is responsible for providing the City's transit services.

Environmental Health Services

Environmental services consists of providing waste disposal to citizens.

Public Health and Safety

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities.

Environmental Development Services

This segment includes city planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Recreation and Culture

This segment provides services meant to improve health and development of the City's citizens. Recreational programs and cultural programs like swimming and skating lessons are provided at the arenas, the aquatic centre and the community centre. Also, the City provides library services to assist with its citizens' informational needs and a museum that houses collections and artifacts.

Electrical Supply

This segment includes all of the operating activities related to the supply of the City's electricity.

Sewer System Utility

This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the City.

Water Utility Services

This segment includes all of the operating activities related to the treatment and distribution of water throughout the City.

General Capital Fund

The capital fund reflects the acquisition, construction and funding of capital assets for general purposes.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**SCHEDULE OF SEGMENT DISCLOSURE
YEAR ENDED DECEMBER 31, 2009**

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety
REVENUE					
Taxation	\$ 24,769,668	\$ -	\$ -	\$ -	\$ -
Sales of Services	5,378,551	1,212,411	1,271,677	1,307,347	372,502
Government Grants and Transfers	1,689,881	-	-	-	-
Other Revenue	9,970,005	-	-	-	-
Other Contributions	-	-	-	-	-
Interest Earned	-	-	-	-	-
	<u>41,808,105</u>	<u>1,212,411</u>	<u>1,271,677</u>	<u>1,307,347</u>	<u>372,502</u>
EXPENDITURE					
Salaries and Benefits	3,498,690	6,162,054	513,309	41,121	901
Goods and Services	4,209,081	997,969	3,208,670	1,117,238	150,178
Interest	3,418	215,400	179,208	-	128,750
Amortization	4,732,184	-	2,278,014	-	-
Other Expenses	2,078,697	147,816	-	-	-
Vehicle and Equipment Maintenance	569,056	327,106	1,713,024	-	-
Policing Agreement	-	5,277,980	-	-	-
	<u>15,091,126</u>	<u>13,128,325</u>	<u>7,892,225</u>	<u>1,158,359</u>	<u>279,829</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 26,716,979</u>	<u>\$ (11,915,914)</u>	<u>\$ (6,620,548)</u>	<u>\$ 148,988</u>	<u>\$ 92,673</u>

Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	General Capital Fund	2009 Total
\$ -	\$ -	\$ -	\$ 1,066,583	\$ -	\$ -	\$ 25,836,251
143,644	1,400,629	27,483,858	4,239,794	6,243,002	-	49,053,415
-	-	-	7,181,871	16,529	321,992	9,210,273
-	-	-	128,101	53,510	16,728	10,168,344
-	-	548,518	121,805	164,464	355,386	1,190,173
-	-	-	-	-	-	-
<u>143,644</u>	<u>1,400,629</u>	<u>28,032,376</u>	<u>12,738,154</u>	<u>6,477,505</u>	<u>694,106</u>	<u>95,458,456</u>
682,687	4,185,090	806,467	1,123,271	876,153	-	17,889,743
1,052,097	5,847,776	23,109,433	1,253,551	2,001,170	-	42,947,163
-	2,177,318	-	536,173	663,147	-	3,903,414
-	-	2,217,737	208,382	608,604	-	10,044,921
413,541	1,060,249	62,724	-	51,740	-	3,814,767
5,567	67,004	276,253	194,433	449,865	-	3,602,308
-	-	-	-	-	-	5,277,980
<u>2,153,892</u>	<u>13,337,437</u>	<u>26,472,614</u>	<u>3,315,810</u>	<u>4,650,679</u>	<u>-</u>	<u>87,480,296</u>
<u>\$ (2,010,248)</u>	<u>\$ (11,936,808)</u>	<u>\$ 1,559,762</u>	<u>\$ 9,422,344</u>	<u>\$ 1,826,826</u>	<u>\$ 694,106</u>	<u>\$ 7,978,160</u>

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**SCHEDULE OF SEGMENT DISCLOSURE
YEAR ENDED DECEMBER 31, 2008**

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services
REVENUE						
Taxation	\$ 23,666,211	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of Services	5,234,411	1,196,367	942,903	1,290,053	136,014	70,955
Government Grants and Transfers	1,491,737	-	-	-	-	-
Other Revenue	12,099,107	-	-	-	-	-
Other Contributions	-	-	-	-	-	-
	<u>42,491,466</u>	<u>1,196,367</u>	<u>942,903</u>	<u>1,290,053</u>	<u>136,014</u>	<u>70,955</u>
EXPENDITURE						
Salaries and Benefits	3,601,572	5,274,615	935,898	22,650	1,051	656,591
Goods and Services	4,951,748	905,800	3,363,350	1,093,784	117,087	1,439,838
Interest	174,715	256,650	104,225	-	-	-
Amortization	5,045,764	-	2,337,589	-	-	-
Other Expenses	2,601,377	59,491	-	-	-	525,027
Vehicle and Equipment Maintenance	377,391	342,277	1,829,923	-	-	7,589
Policing Agreement	-	5,291,980	-	-	-	-
	<u>16,752,567</u>	<u>12,130,813</u>	<u>8,570,985</u>	<u>1,116,434</u>	<u>118,138</u>	<u>2,629,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 25,738,899</u>	<u>\$ (10,934,446)</u>	<u>\$ (7,628,082)</u>	<u>\$ 173,619</u>	<u>\$ 17,876</u>	<u>\$ (2,558,090)</u>

Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	General Capital Fund	Other	2008 Total
\$ -	\$ -	\$ 575,513	\$ -	\$ -	\$ -	\$ 24,241,724
1,508,952	26,881,971	4,096,927	4,802,876	-	1,087,156	47,248,585
17,000	-	164,281	12,416	210,000	-	1,895,434
-	-	163,005	-	131,791	-	12,393,903
-	<u>474,854</u>	<u>139,411</u>	<u>369,871</u>	<u>566,861</u>	-	<u>1,550,997</u>
<u>1,525,952</u>	<u>27,356,825</u>	<u>5,139,137</u>	<u>5,185,163</u>	<u>908,652</u>	<u>1,087,156</u>	<u>87,330,643</u>
4,299,564	678,275	1,084,064	822,791	-	-	17,377,071
4,403,446	22,588,983	1,315,359	1,894,915	-	-	42,074,310
1,226,518	-	125,733	445,712	-	-	2,333,553
-	1,975,658	199,558	604,098	-	-	10,162,667
1,093,712	116,297	-	-	-	-	4,395,904
82,505	313,050	175,261	460,850	-	-	3,588,846
-	-	-	-	-	-	<u>5,291,980</u>
<u>11,105,745</u>	<u>25,672,263</u>	<u>2,899,975</u>	<u>4,228,366</u>	<u>-</u>	<u>-</u>	<u>85,224,331</u>
<u>\$ (9,579,793)</u>	<u>\$ 1,684,562</u>	<u>\$ 2,239,162</u>	<u>\$ 956,797</u>	<u>\$ 908,652</u>	<u>\$ 1,087,156</u>	<u>\$ 2,106,312</u>



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Auditors' Comments on Supplementary Financial Information

To the Mayor and Council
Corporation of the City of Penticton

The audited financial statements of the organization as at December 31, 2009 and our report thereon dated April 6, 2010 are presented in the preceding section of the annual report. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, they are fairly presented in all material respects in relation to the financial statements taken as a whole.

BDO CANADA LLP

Chartered Accountants

Penticton, British Columbia
April 6, 2010

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**GENERAL REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008 (restated)
FINANCIAL ASSETS		
Cash	\$ 4,489,154	\$ 8,243,743
Term Deposits	49,424,043	57,876,662
Accounts Receivable	5,344,640	5,493,587
Materials and Supplies	187,144	168,958
Prepaid Expenses	128,078	286,208
Municipal Finance Authority	3,671,385	3,623,291
Due From Other Funds	<u>532,823</u>	<u>532,823</u>
	<u>63,777,267</u>	<u>76,225,272</u>
FINANCIAL LIABILITIES		
Trade Accounts Payable and Accrued Liabilities	14,518,620	23,085,356
Federal Government	10,680	238,700
Provincial Government	582,435	19,906
Deferred Revenues	3,385,238	3,227,298
Deposits	1,607,970	1,884,369
MFA Cash Requirement	624,104	600,453
MFA Demand Note Requirement	3,047,282	3,022,838
Due to Penticton Public Library	63,623	78,998
Due to Statutory Reserves	14,258,483	13,308,461
Due to Operating and Capital Funds	<u>18,658,032</u>	<u>22,155,319</u>
	<u>56,756,467</u>	<u>67,621,698</u>
NET POSITION	<u>\$ 7,020,800</u>	<u>\$ 8,603,574</u>
MUNICIPAL POSITION		
Own Reserves	\$ 5,741,722	\$ 6,834,902
Asset Valuation Allowances	91,206	82,206
Surplus	<u>1,187,872</u>	<u>1,686,466</u>
	<u>\$ 7,020,800</u>	<u>\$ 8,603,574</u>


Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**GENERAL REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**


	2009 Budget	2009	2008 (restated)
REVENUE			
Taxation	\$ 24,773,029	\$ 24,769,668	\$ 23,666,211
Sales of Services	10,867,427	11,086,764	11,466,812
Government Grants and Transfers	1,847,721	1,689,881	1,508,738
Transfer from Other Funds	7,951,110	7,819,858	3,779,785
Other Revenue from Own Sources	9,938,543	10,164,533	12,481,033
Collections for Other Governments	<u>19,492,284</u>	<u>19,814,495</u>	<u>19,452,755</u>
	<u>74,870,114</u>	<u>75,345,199</u>	<u>72,355,334</u>
EXPENDITURE			
Salaries and Benefits	15,273,207	15,083,851	14,783,617
Goods and Services	11,986,868	12,602,153	11,469,876
Interest	68,800	10,747	80,133
Debenture Interest	3,186,871	2,693,348	1,681,975
Debt Principal	4,406,854	4,406,855	1,719,519
Other Expenses	3,977,306	3,262,017	4,232,867
Vehicle and Equipment Maintenance	2,653,702	2,573,635	2,639,685
Policing Agreement	5,544,343	5,277,980	5,291,980
Transfer to Other Funds	8,947,246	10,117,718	11,723,509
Transfer to Other Governments and Boards	<u>19,492,284</u>	<u>19,815,489</u>	<u>19,461,078</u>
	<u>75,537,481</u>	<u>75,843,793</u>	<u>73,084,239</u>
(DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>\$ (667,367)</u>	<u>(498,594)</u>	<u>(728,905)</u>
FUND BALANCES, AS PREVIOUSLY REPORTED			
Balance, Beginning of Year		1,686,466	2,335,746
Prior Period Adjustment		<u>-</u>	<u>79,625</u>
As Restated		<u>1,686,466</u>	<u>2,415,371</u>
FUND BALANCES, END OF YEAR		<u>\$ 1,187,872</u>	<u>\$ 1,686,466</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**GENERAL CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008 (restated)
FINANCIAL ASSETS		
Due from General Revenue Fund	\$ <u>481,276</u>	\$ <u>1,854,805</u>
FINANCIAL LIABILITIES		
Due to Local Improvement Reserve	667,717	778,223
Long Term Debt	<u>48,500,904</u>	<u>52,406,155</u>
	<u>49,168,621</u>	<u>53,184,378</u>
CAPITAL ASSETS		
Machinery & Equipment	30,049,936	28,900,995
Buildings	42,349,388	41,596,624
Engineering Structures	154,043,078	148,437,533
Land	<u>18,943,378</u>	<u>18,794,099</u>
	<u>245,385,780</u>	<u>237,729,251</u>
NET POSITION	\$ <u>196,698,435</u>	\$ <u>186,399,678</u>
MUNICIPAL POSITION		
Equity in Capital Assets	\$ <u>196,698,435</u>	\$ <u>186,399,678</u>



Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**GENERAL CAPITAL FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009 Budget	2009	2008 (restated)
REVENUE			
Unconditional Transfers - Provincial Government	\$ 1,149,880	\$ 321,992	\$ 210,000
Federal Government	47,250	-	-
Transfers from Own Reserves	3,196,251	1,213,870	15,860,540
Transfers from Statutory Reserves	1,541,815	1,029,025	2,186,499
Transfers from General Revenue Fund	-	(207,331)	(378,834)
Transfers from Other Funds	3,244,600	3,244,600	3,214,130
Other Contributions	528,079	355,386	566,861
Interest Earned	-	16,728	131,791
Debt Proceeds	2,694,613	646,344	26,395,000
	<u>12,402,488</u>	<u>6,620,614</u>	<u>48,185,987</u>
EXPENDITURE			
Expenditures for Capital Assets	<u>12,402,488</u>	<u>7,960,686</u>	<u>53,779,229</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ (1,340,072)</u>	<u>\$ (5,593,242)</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**GENERAL CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008 (restated)
Balance, Beginning of Year	\$ <u>186,399,678</u>	\$ <u>163,320,738</u>
Add		
Assets Acquired by:		
Other Contributions	5,043,561	18,892,685
Retirement of Long Term Debt	4,406,855	1,719,519
Actuarial Sinking Fund Requirements	144,739	72,482
Repayment of Loan from Local Improvement Reserve Fund	68,585	64,331
Reserve for Future Expenditures	<u>939,173</u>	<u>2,470,446</u>
	<u>10,602,913</u>	<u>23,219,463</u>
Deduct		
Assets Written Off	<u>304,156</u>	<u>140,523</u>
Balance, End of Year	<u>196,698,435</u>	<u>186,399,678</u>
FUND BALANCES, AS PREVIOUSLY REPORTED		
Balance, Beginning of Year	186,118,235	163,320,738
Prior Period Adjustment	<u>281,443</u>	<u>-</u>
As Restated	186,399,678	163,320,738
Change in Fund Balances	<u>10,298,757</u>	<u>23,078,940</u>
FUND BALANCES, END OF YEAR	<u>\$ 196,698,435</u>	<u>\$ 186,399,678</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
Balance, Beginning of Year	\$ 10,371,718	\$ 9,480,570
Add		
Transfers from:		
Revenue Funds	2,257,137	2,888,932
Interest Earned	169,421	294,403
Deduct		
Transfers to:		
Capital Funds	<u>2,292,740</u>	<u>2,292,187</u>
Balance, End of Year	<u>\$ 10,505,536</u>	<u>\$ 10,371,718</u>

FUND BALANCES, BEGINNING OF YEAR

Balance, As Previously Reported	9,729,072	9,480,570
Prior Period Adjustment	<u>642,646</u>	<u>-</u>
As Restated	10,371,718	9,480,570
Change in Fund Balances	<u>133,818</u>	<u>891,148</u>

FUND BALANCES, END OF YEAR

\$ 10,505,536 \$ 10,371,718

STATUTORY RESERVE FUND BALANCES

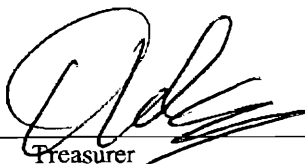
Equipment Replacement Reserve Fund	\$ 2,904,685	\$ 2,992,485
Tax Sale Lands Reserve Fund	6,690	6,569
Development Cost Charges Reserve Fund	4,729,022	4,075,266
Capital Reserve Fund	617,072	389,507
Local Improvement	1,341,233	1,270,481
Water Capital Reserve Fund	1,496,467	2,560,748
Sewer Capital Reserve Fund	480,559	471,875
Electric Capital Reserve Fund	898,284	882,054
Off-Site Parking Reserve Fund	82,749	81,254
Community Works Reserve Fund	2,417,860	1,461,504
Amenity Density Reserve	<u>259,937</u>	<u>255,241</u>

15,234,558 14,446,984

Less:

Development Cost Charges Reserve Fund	<u>4,729,022</u>	<u>4,075,266</u>
---------------------------------------	------------------	------------------

\$ 10,505,536 \$ 10,371,718



Treasurer

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

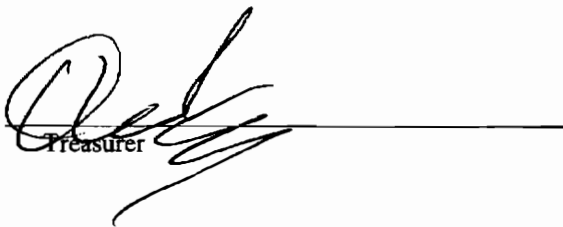
RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)

	Equipment Replacement	Tax Sale Lands	Capital	Development Cost Charges	Local Improvement	Sewer Capital	Water Capital	Electric Capital	Off-Street Parking	Amenity Density	Community Works	2009		2008	
												Total	Total	Total	Total
BALANCE, BEGINNING OF YEAR	2,992,484	6,569	389,507	4,075,266	1,270,481	471,876	2,560,748	882,054	81,254	255,241	1,461,504	\$ 14,446,984	\$ 12,631,041		
ADD															
Transfers from:															
General Revenue Fund	879,652		227,854	381,661	228,640						920,991	2,638,798	3,259,382		
General Capital Fund													468,410		
Sewer Revenue Fund				494,913								494,913	828,524		
Sewer Capital Fund													174,235		
Water Capital Fund															
Water Revenue Fund				157,177								157,177	291,679		
Interest Earned	52,110	121	9,176	79,811	4,559	8,683	36,986	16,230	1,495	4,696	35,365	249,232	410,885		
	3,924,246	6,690	626,537	5,188,828	1,503,680	480,559	2,597,734	898,284	82,749	259,937	2,417,860	17,987,104	18,064,156		
DEDUCT															
Transfers to:															
General Capital Fund	1,019,561		9,465		110,506							1,139,532	2,250,829		
General Capital Reserve					51,941							51,941	810,768		
Sewer Capital Fund												1,101,267	1,101,267		
Water Capital Fund				233,230								233,230	152,000		
Water Revenue Fund															
Sewer Revenue Fund				226,576								226,576	403,575		
General Revenue Fund															
	1,019,561	-	9,465	459,806	162,447	-	1,101,267	-	-	-	-	2,752,546	3,617,172		
BALANCE, END OF YEAR	2,904,685	6,690	617,072	4,729,022	1,341,233	480,559	1,496,467	898,284	82,749	259,937	2,417,860	\$ 15,234,558	\$ 14,446,984		

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**SEWER REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008 (restated)
FINANCIAL ASSETS		
Due from General Revenue Fund	\$ -	\$ 4,580,173
Materials and Supplies	31,143	30,396
Provincial Government	7,191,871	10,000
Municipal Finance Authority	<u>678,971</u>	<u>408,809</u>
	<u>7,901,985</u>	<u>5,029,378</u>
FINANCIAL LIABILITIES		
Due to General Revenue Fund	2,320,417	-
Deposits	12,875	86,346
MFA Cash Requirement	169,237	95,283
MFA Demand Note Requirement	509,734	313,525
Reserve for Future Expenditures	<u>77,246</u>	<u>805,038</u>
	<u>3,089,509</u>	<u>1,300,192</u>
NET POSITION	<u>\$ 4,812,476</u>	<u>\$ 3,729,186</u>
MUNICIPAL POSITION		
Surplus	<u>\$ 4,812,476</u>	<u>\$ 3,729,186</u>


Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**SEWER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009 Budget	2009	2008 (restated)
REVENUE			
Taxation	\$ 1,034,035	\$ 1,066,583	\$ 575,513
Sales of Services	4,000,427	4,239,794	4,096,927
Government Grants and Transfers	-	-	42,483
Other Revenue	-	3,811	156,484
	<u>5,034,462</u>	<u>5,310,188</u>	<u>4,871,407</u>
EXPENDITURE			
Salaries and Benefits	1,155,545	1,123,271	1,084,064
Goods and Services	996,578	971,068	964,069
Interest	686,195	536,173	125,733
Debt Principal	333,900	333,900	71,552
Vehicle and Equipment Maintenance	190,000	194,433	175,261
Transfer to Other Funds	100,000	1,068,053	2,136,182
	<u>3,462,218</u>	<u>4,226,898</u>	<u>4,556,861</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 1,572,244</u>	<u>1,083,290</u>	<u>314,546</u>
CHANGE IN FUND BALANCES		1,083,290	314,546
FUND BALANCES, BEGINNING OF YEAR		3,729,186	3,414,640
FUND BALANCES, END OF YEAR		<u>\$ 4,812,476</u>	<u>\$ 3,729,186</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**SEWER CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008 (restated)
FINANCIAL ASSETS		
Due from General Revenue Fund	\$ <u>13,970,805</u>	\$ <u>7,028,089</u>
FINANCIAL LIABILITIES		
Long Term Debt	16,112,485	9,374,739
Loan from Local Improvement Fund	<u>308,360</u>	<u>360,301</u>
	<u>16,420,845</u>	<u>9,735,040</u>
CAPITAL ASSETS		
Machinery & Equipment	459,005	440,243
Buildings	4,828,895	4,828,895
Engineering Structures	46,987,471	38,146,996
Land	<u>137,521</u>	<u>137,521</u>
	<u>52,412,892</u>	<u>43,553,655</u>
NET POSITION	\$ <u>49,962,852</u>	\$ <u>40,846,704</u>
MUNICIPAL POSITION		
Equity in Capital Assets	\$ <u>49,962,852</u>	\$ <u>40,846,704</u>



Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**SEWER CAPITAL FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009 Budget	2009	2008 (restated)
REVENUE			
Transfers from Utility Revenue	\$ -	\$ 495,894	\$ 496,099
Transfers from Own Reserves	805,038	805,038	1,157,165
Transfers from Statutory Reserves	-	-	776,642
Debt Proceeds	11,707,800	7,073,056	8,360,000
Conditional Transfers - Provincial Government	12,300,000	7,181,871	121,798
Other Contributions	198,672	121,805	139,411
Interest Earned	-	124,290	6,521
	<u>25,011,510</u>	<u>15,801,954</u>	<u>11,057,636</u>
EXPENDITURE			
Expenditures for Capital Assets	<u>25,011,510</u>	<u>8,859,237</u>	<u>4,996,599</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ 6,942,717</u>	<u>\$ 6,061,037</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**SEWER CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

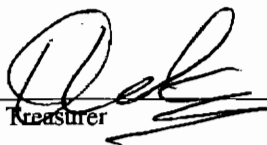
	2009	2008 (restated)
Balance, Beginning of Year	\$ 40,846,704	\$ 37,985,170
Add		
Assets Acquired by:		
Other Contributions	8,604,607	2,529,921
Retirement of Long Term Debt	333,900	71,552
Actuarial Sinking Fund Requirements	1,410	225,934
Repayment of Loan from Local Improvement Reserve Fund	176,231	34,127
	<u>9,116,148</u>	<u>2,861,534</u>
Balance, End of Year	\$ <u>49,962,852</u>	\$ <u>40,846,704</u>
FUND BALANCES, BEGINNING OF YEAR		
Balance, Beginning of Year	40,840,183	37,985,170
Prior Period Adjustment	<u>6,521</u>	<u>-</u>
As Restated	40,846,704	37,985,170
Change in Fund Balances	<u>9,116,148</u>	<u>2,861,534</u>
FUND BALANCES, END OF YEAR	\$ <u>49,962,852</u>	\$ <u>40,846,704</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**WATER REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
FINANCIAL ASSETS		
Utility Rates Receivable	\$ 241,972	\$ 128,127
Provincial Government	24,765	-
Other Receivables	-	84
Materials and Supplies	207,249	202,956
Due from General Revenue Fund	3,683,832	3,242,025
Municipal Finance Authority	<u>862,536</u>	<u>710,321</u>
	<u>5,020,354</u>	<u>4,283,513</u>
FINANCIAL LIABILITIES		
Deposits	130,663	194,111
MFA Cash Requirement	252,945	207,749
MFA Demand Note Requirement	609,591	502,572
Reserve for Future Expenditures	<u>1,155,411</u>	<u>257,743</u>
	<u>2,148,610</u>	<u>1,162,175</u>
NET POSITION	<u>\$ 2,871,744</u>	<u>\$ 3,121,338</u>
MUNICIPAL POSITION		
Surplus	<u>\$ 2,871,744</u>	<u>\$ 3,121,338</u>



Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**WATER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

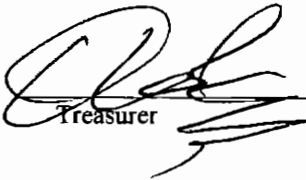
	2009 Budget	2009	2008
REVENUE			
Sales of Services	\$ 5,640,303	\$ 6,243,002	\$ 4,802,875
Government Grants and Transfers	-	11,264	4,416
Transfers from Other Funds	<u>233,230</u>	<u>233,230</u>	<u>152,000</u>
	<u>5,873,533</u>	<u>6,487,496</u>	<u>4,959,291</u>
EXPENDITURE			
Salaries and Benefits	895,016	876,153	822,791
Goods and Services	1,622,678	1,624,763	1,562,860
Interest	740,330	663,147	445,712
Debt Principal	448,416	448,415	314,088
Vehicle and Equipment Maintenance	421,500	449,865	460,850
Transfer to Other Funds	<u>100,000</u>	<u>2,674,747</u>	<u>213,385</u>
	<u>4,227,940</u>	<u>6,737,090</u>	<u>3,819,686</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	\$ <u>1,645,593</u>	<u>(249,594)</u>	<u>1,139,605</u>
CHANGE IN FUND BALANCES		(249,594)	1,139,605
FUND BALANCES, BEGINNING OF YEAR		3,121,338	1,981,733
FUND BALANCES, END OF YEAR		\$ <u>2,871,744</u>	\$ <u>3,121,338</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**WATER CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
FINANCIAL ASSETS		
Due from General Revenue Fund	\$ <u> -</u>	\$ <u>2,908,128</u>
FINANCIAL LIABILITIES		
Due to General Revenue Fund	532,823	532,823
Long Term Debt	<u>14,132,446</u>	<u>10,829,678</u>
	<u>14,665,269</u>	<u>11,362,501</u>
CAPITAL ASSETS		
Machinery & Equipment	272,710	263,072
Buildings	11,550,017	4,210,541
Engineering Structures	52,264,142	49,860,719
Land	<u>338,566</u>	<u>338,566</u>
	<u>64,425,435</u>	<u>54,672,898</u>
NET POSITION	\$ <u>49,760,166</u>	\$ <u>46,218,525</u>
MUNICIPAL POSITION		
Equity in Capital Assets	\$ 50,292,988	\$ 46,751,347
Deficit	<u>(532,822)</u>	<u>(532,822)</u>
	\$ <u>49,760,166</u>	\$ <u>46,218,525</u>



Treasurer

**WATER CAPITAL FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009 Budget	2009	2008
REVENUE			
Transfer from Statutory Reserves	\$ 1,709,500	\$ 1,101,267	\$ -
Government Grants and Transfers	525,045	5,265	8,000
Transfers from Own Reserves	257,743	257,743	1,265,160
Transfers from Utility Revenue Fund	-	1,362,159	(349,733)
Other Contributions	30,000	164,465	369,871
Debt Proceeds	<u>5,000,000</u>	<u>3,900,000</u>	<u>4,000,000</u>
	<u>7,522,288</u>	<u>6,790,899</u>	<u>5,293,298</u>
EXPENDITURE			
Expenditures for Capital Assets	<u>11,594,416</u>	<u>9,752,537</u>	<u>2,385,170</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>\$ (4,072,128)</u>	<u>\$ (2,961,638)</u>	<u>\$ 2,908,128</u>

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**WATER CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

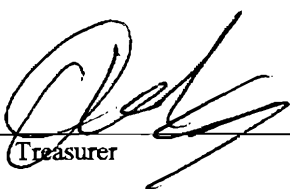
	2009	2008
Balance, Beginning of Year	\$ <u>46,751,347</u>	\$ <u>45,015,634</u>
Add		
Assets Acquired by:		
Interest Earned	53,510	-
Other Contributions	2,890,899	1,293,298
Actuarial Sinking Fund Requirements	148,817	128,327
Retirement of Long Term Debt	<u>448,415</u>	<u>314,088</u>
	<u>3,541,641</u>	<u>1,735,713</u>
Balance, End of Year	\$ <u>50,292,988</u>	\$ <u>46,751,347</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**ELECTRIC REVENUE FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
FINANCIAL ASSETS		
Utility Rates Receivable	\$ 2,200,809	\$ 2,183,816
Other Receivables	-	2,482
Materials and Supplies	2,352,874	2,396,588
Due from General Revenue Fund	<u>2,842,535</u>	<u>2,546,362</u>
	<u>7,396,218</u>	<u>7,129,248</u>
FINANCIAL LIABILITIES		
Deposits	36,322	122,046
Due to Reserve for Future Expenditures	<u>435,229</u>	<u>2,539,164</u>
	<u>471,551</u>	<u>2,661,210</u>
NET POSITION	<u>\$ 6,924,667</u>	<u>\$ 4,468,038</u>
MUNICIPAL POSITION		
Surplus	<u>\$ 6,924,667</u>	<u>\$ 4,468,038</u>



Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**ELECTRIC REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009 Budget	2009	2008
REVENUE			
Sales of Services	\$ 27,573,972	\$ 27,483,858	\$ 26,881,971
Transfers from Own Reserves	<u>-</u>	<u>30,340</u>	<u>-</u>
	<u>27,573,972</u>	<u>27,514,198</u>	<u>26,881,971</u>
EXPENDITURE			
Salaries and Benefits	928,907	806,467	678,275
Goods and Services	20,745,941	21,473,257	20,085,395
Other Expenses	-	-	4,176
Vehicle and Equipment Maintenance	206,364	276,253	313,050
Transfer to Other Funds	<u>3,744,600</u>	<u>2,501,592</u>	<u>5,918,516</u>
	<u>25,625,812</u>	<u>25,057,569</u>	<u>26,999,412</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	\$ <u>1,948,160</u>	<u>2,456,629</u>	<u>(117,441)</u>
CHANGE IN FUND BALANCES		2,456,629	(117,441)
FUND BALANCES, BEGINNING OF YEAR		4,468,038	4,585,479
FUND BALANCES, END OF YEAR		<u>\$ 6,924,667</u>	<u>\$ 4,468,038</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**ELECTRIC CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
CAPITAL ASSETS		
Machinery & Equipment	\$ 551,714	\$ 529,605
Buildings	1,998,149	1,863,871
Engineering Structures	24,259,156	23,036,438
Land	<u>61,896</u>	<u>61,896</u>
NET POSITION	\$ <u>26,870,915</u>	\$ <u>25,491,810</u>
 MUNICIPAL POSITION		
Equity in Capital Assets	\$ <u>26,870,915</u>	\$ <u>25,491,810</u>



Treasurer

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**ELECTRIC CAPITAL FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009 Budget	2009	2008
REVENUE			
Transfers from Other Funds	\$ 902,489	\$ -	\$ 178,918
Other Contributions	450,000	548,518	474,854
Transfer from Own Reserves	<u>2,539,164</u>	<u>2,508,824</u>	<u>568,350</u>
	<u>3,891,653</u>	<u>3,057,342</u>	<u>1,222,122</u>
EXPENDITURE			
Transfers from Other Funds	-	1,678,237	-
Expenditures for Capital Assets	<u>3,891,653</u>	<u>1,379,105</u>	<u>1,222,122</u>
	<u>3,891,653</u>	<u>3,057,342</u>	<u>1,222,122</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ELECTRIC CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
Balance, Beginning of Year	\$ <u>25,491,810</u>	\$ <u>24,269,688</u>
Add		
Assets Acquired by:		
Utility Revenue Fund	830,587	747,268
Other Contributions	<u>548,518</u>	<u>474,854</u>
	<u>1,379,105</u>	<u>1,222,122</u>
Balance, End of Year	\$ <u>26,870,915</u>	\$ <u>25,491,810</u>


THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2009

L/A Bylaw	S/I Bylaw	Issue	Issue Date	Purpose	Issue		Term (Years)	Maturity	Rate	Payee	2010 Payments	
					Amount	Outstanding Amount					Interest	Principal
92110	9504	60	12-Apr-95	Water Treatment Plant	1,000,000	407,286	20	2015	4.75	R.D.O.S.	47,500	30,243
92110	9542	61	01-Dec-95	Water Treatment Plant	3,000,000	1,221,860	20	2015	4	R.D.O.S.	120,000	90,728
92110	96-08	63	01-Jun-96	Water Treatment Plant	1,200,000	557,178	20	2016	4	R.D.O.S.	48,000	36,291
2006-07	7/17/06	99	07-Nov-06	Naramata Rd. Upgrade	4,670,000	4,180,449	20	2026	4.43	R.D.O.S.	206,881	156,827
2007-86	333/2008	104	20-Nov-08	Water Filtration Plant	4,900,000	3,865,673	20	2028	5.15	R.D.O.S.	206,000	134,327
2007-83	638/2009	106	13-Oct-09	Water Filtration Plant	3,900,000	3,900,000	20	2029	4.13	R.D.O.S.	161,070	130,969
					17,770,000	14,132,446					789,451	579,384
2006-61	273/2007	102	02-Nov-07	Sewer - Septage Handling Facility	1,050,000	978,068	20	2027	4.82	R.D.O.S.	50,610	35,261
2008-10	333-2008	104	02-Nov-07	Sewer System Upgrade	8,000,000	7,731,346	20	2028	5.15	R.D.O.S.	412,000	268,654
2007-60	333/2008	104	20-Nov-08	PIDA	360,000	330,015	10	2018	5.15	R.D.O.S.	18,540	29,985
2007-60	157/2009	105	21-Apr-09	PIDA	73,056	73,056	10	2018	4.9	R.D.O.S.	3,580	6,085
2008-10	638/2009	106	13-Oct-09	Sewer Plant Expansion	7,000,000	7,000,000	20	2029	4.13	R.D.O.S.	289,100	235,072
					16,483,056	16,112,485					773,830	575,057
9925	20005	72	12-Apr-00	RCMP Building	2,500,000	1,666,321	20	2020	6.45	R.D.O.S.	78,750	82,873
9925	20046	73	07-Nov-00	RCMP Building	1,500,000	999,792	20	2020	6.36	R.D.O.S.	47,250	49,724
2003-15	2268	81	22-Apr-04	Storm Sewer	337,500	281,100	20	2024	4.86	R.D.O.S.	16,403	10,207
2004-16	859/2004	85	25-Oct-04	Parks - Land Acquisition	1,680,000	1,399,256	20	2024	4.975	R.D.O.S.	83,580	50,808
2004-18	859/2004	85	25-Oct-04	Road Works - South Main St	195,000	162,414	20	2024	4.975	R.D.O.S.	9,701	5,897
2004-19	859/2004	85	25-Oct-04	Road Design - Main St	150,000	124,934	20	2024	4.975	R.D.O.S.	7,463	4,536
2004-20	859/2004	85	25-Oct-04	Parks - Integrated Waterfront	550,000	458,090	20	2024	4.975	R.D.O.S.	27,363	16,633
2004-21	859/2004	85	25-Oct-04	Parks - Youth Park	50,000	41,645	20	2024	4.975	R.D.O.S.	2,488	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	670,509	20	2025	5.1	R.D.O.S.	33,317	22,401
2004-20	1108-2004	93	06-Apr-05	Parks - Integrated Waterfront	520,000	435,831	20	2025	5.1	R.D.O.S.	21,656	14,462
2004-21	614/2005	95	13-Oct-05	Parks - Youth Park	150,000	128,609	20	2025	4.17	R.D.O.S.	6,255	5,037
2004-18	615/2005	95	13-Oct-05	Parks - Integrated Waterfront	825,000	707,352	20	2025	4.17	R.D.O.S.	34,403	27,705
2006-15	7/17/06	99	07-Nov-06	Road Works - Fairview & Ind	1,595,000	1,427,798	20	2026	4.43	R.D.O.S.	70,659	53,563
2006-17	7/17/06	99	07-Nov-06	Parks - Sportsfields	3,200,000	2,864,548	20	2026	4.43	R.D.O.S.	141,760	107,462
2006-18	273/2007	102	27-Mar-07	Queens Park Site Servicing	7,000,000	5,810,605	10	2027	4.82	R.D.O.S.	337,400	583,037
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront 2006	350,000	326,023	20	2027	4.82	R.D.O.S.	16,870	11,754
2006-36	273/2007	102	02-Nov-07	South Okanagan Event Centre	8,000,000	6,640,692	10	2017	4.82	R.D.O.S.	385,600	666,328
2006-79	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	2,899,255	20	2028	4.65	R.D.O.S.	139,500	100,745
2006-39	333/2008	104	20-Nov-08	South Okanagan Event Centre	10,000,000	9,167,091	10	2018	5.15	R.D.O.S.	515,000	832,909
2006-39	333/2008	104	20-Nov-08	South Okanagan Event Centre	8,000,000	6,522,983	5	2013	4.35	R.D.O.S.	348,000	1,477,017
2007-41	333/2008	104	20-Nov-08	Cemetery - Columbarium	2,500,000	2,416,046	20	2028	5.15	R.D.O.S.	128,750	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	966,418	20	2028	5.15	R.D.O.S.	51,500	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	512,202	20	2028	5.15	R.D.O.S.	27,295	17,798
2007-60	333/2008	104	20-Nov-08	PIDA	1,140,000	1,045,048	10	2018	5.15	R.D.O.S.	58,710	94,952
2008-39	157/2009	105	30-Sep-08	Short Term Borrowing - Elm Avenue	225,000	180,000	5	2013	4.015	MFA	5,400	45,000
2007-60	157/2009	105	21-Apr-09	PIDA	231,344	231,344	10	2018	4.9	R.D.O.S.	11,336	19,269
2007-52	638/2009	106	13-Oct-09	Indoor Soccer Facility	415,000	415,000	20	2029	4.13	R.D.O.S.	17,140	13,936
					56,443,844	48,500,906					2,623,549	4,453,101
					\$ 90,696,900	\$ 78,745,837					\$ 4,186,830	\$ 5,607,542

**CEMETERY PERPETUAL CARE TRUST FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
ASSETS		
Bank Term Deposits	\$ 714,262	\$ 752,345
Receivables		
Due From General Revenue Fund	121,753	13,882
Accrued Interest	<u>3,394</u>	<u>22,990</u>
	<u>\$ 839,409</u>	<u>\$ 789,217</u>
SURPLUS		
Balance, Beginning of the Year	789,217	741,241
Add:		
Care Fund Contributions	38,725	13,009
Interest Earned	<u>11,467</u>	<u>34,967</u>
	<u>\$ 839,409</u>	<u>\$ 789,217</u>



Treasurer

See accompanying notes to the financial statements

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**PENTICTON PUBLIC LIBRARY
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	2009	2008
REVENUE		
Grant City of Penticton		
Operating	\$ 725,496	\$ 707,506
Building and Administration	188,800	181,129
Equipment Depreciation	17,383	18,126
Capital	3,040	3,815
Grant Province of B.C. Operating	109,369	109,834
Grant - Outlook/ Legal Services Society	5,186	7,689
Grant - Tech/ Equity	14,890	14,000
Okanagan Regional Library Contract	58,410	52,800
Interest Earned	1,288	3,120
Fines and Fees	29,535	30,034
Miscellaneous Revenue	17,243	12,582
Photocopy Revenue	3,299	3,051
Donations	1,092	926
Legacy/Estate Funds	-	5,159
Equipment Replacement Fund	11,906	6,901
	<u>1,186,937</u>	<u>1,156,672</u>
 SURPLUS AT THE BEGINNING OF THE YEAR	 78,998	 105,838
EXPENDITURE		
Building and Administration	188,800	181,129
Equipment Allowance	17,383	18,126
Equipment Maintenance	21,105	16,506
Acquisitions		
- Books	155,995	158,344
- Periodicals	19,088	18,633
- Software	-	-
- Videos/ Audio/ Online Subscriptions	5,557	10,995
Book Binding	1,714	1,028
Office Supplies	30,143	30,864
Postage, Freight, Courier, Mileage	4,755	6,065
Salaries and Benefits	742,092	729,709
Staff/ Trustee Training and Development	1,663	2,762
Telephone/ Fax/ Internet	1,959	2,306
Program Support	152	144
Capital Equipment	11,906	6,901
	<u>1,202,312</u>	<u>1,183,512</u>
 SURPLUS AT THE END OF THE YEAR	 <u>\$ 63,623</u>	 <u>\$ 78,998</u>

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**FINANCIAL STATISTICS
(UNAUDITED)**

	<u>1999**</u>	<u>2000**</u>	<u>2001***</u>	<u>2002***</u>	<u>2003***</u>
Population	30,987	30,987	30,985	30,985	30,985
Assessed Values - General					
Land	1,033,714,732	995,628,640	999,082,549	1,000,376,974	1,022,385,901
Land Exempt	150,917,460	142,114,754	141,266,606	140,756,657	148,912,016
Taxable Land	882,797,272	853,513,886	857,815,943	859,620,317	873,473,885
Improvements	1,320,489,436	1,337,405,103	1,344,556,402	1,391,386,900	1,490,127,901
Improvements Exempt	183,869,582	192,252,631	192,570,333	197,516,990	202,748,963
Taxable Improvements	1,136,619,854	1,145,152,472	1,151,986,069	1,193,869,910	1,287,378,938
Total Taxable Assessment	2,019,417,126	1,998,666,358	2,009,802,012	2,053,490,227	2,160,852,823
Per Capita	65,170	64,500	64,864	66,274	69,739
Assessment Actually Taxed					
General Purposes	1,996,437,126	1,975,032,758	1,986,275,412	2,030,243,827	2,137,700,023
School Purposes	2,013,650,310	1,998,666,358	2,004,177,143	2,047,566,849	2,154,719,592
Tax Levy					
General and Debt	12,830,351	13,390,448	14,140,577	14,882,630	15,926,729
School	11,648,997	11,630,813	11,671,618	11,913,141	12,152,121
Regional Hospital	917,656	962,087	1,982,487	1,979,438	1,980,515
Other (Excluding Irrigation)	4,852,941	5,012,389	5,102,716	4,995,324	5,008,308
Total Tax Levy	30,249,945	30,995,737	32,897,398	33,770,533	35,067,673
Total Levy (Including Irrigation)	30,390,103	31,136,579	33,037,202	33,910,115	35,206,896
Per Capita	981	1,005	1,066	1,094	1,136
General Tax Rate	5.805/8.708	6.128/9.192	6.436/9.654	6.6295/9.9443	6.753/10.1295
Tax Collection					
Current Taxes and Irrigation	29,771,871	30,565,077	32,588,106	33,353,856	34,685,099
% Current Levy Collected	98.0%	98.2%	98.6%	98.4%	98.5%
Arrears and Delinquent	716,637	687,640	412,751	748,867	598,402
Total Taxes Collected	30,488,508	31,252,717	33,000,857	34,102,723	35,283,501
% of Current Levy	100.3%	100.4%	99.9%	100.6%	100.2%
Arrears of Taxes	263,097	250,136	505,580	205,809	178,225
Per Capita	8.49	8.07	16.32	6.64	5.75
Debt					
Gross Debt	9,994,490	13,926,419	13,035,934	11,841,379	10,348,553
Per Capita	323	449	421	382	334
Analysis of Debt (Gross)					
Water Supply System	5,183,443	4,836,783	4,472,790	4,130,719	3,891,909
Sewer System	3,545,947	3,007,196	2,441,022	1,857,736	1,575,393
General	1,265,100	6,082,440	6,122,122	5,852,924	4,881,251

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**FINANCIAL STATISTICS
(UNAUDITED)**

	<u>2004***</u>	<u>2005***</u>	<u>2006****</u>	<u>2007****</u>	<u>2008****</u>	<u>2009****</u>
Population	30,985	30,985	31,909	31,909	31,909	31,909
Assessed Values - General						
Land	1,141,538,471	1,430,440,541	1,721,511,628	2,448,850,103	3,188,142,034	3,258,759,854
Land Exempt	172,413,710	177,810,827	192,421,757	283,669,970	399,594,486	390,108,529
Taxable Land	969,124,761	1,252,629,714	1,529,089,871	2,165,180,133	2,788,547,548	2,868,651,325
Improvements	1,654,513,500	1,941,305,110	2,280,195,513	2,631,660,748	2,937,502,292	3,055,288,193
Improvements Exempt	207,550,130	227,310,600	261,187,083	307,810,148	316,120,461	392,918,915
Taxable Improvements	1,446,963,370	1,713,994,510	2,019,008,430	2,323,850,600	2,621,381,831	2,662,369,278
Total Taxable Assessment	2,416,088,131	2,966,624,224	3,548,098,301	4,489,030,733	5,409,929,379	5,531,020,603
Per Capita	77,976	95,744	111,194	140,682	169,542	173,337
Assessment Actually Taxed						
General Purposes	2,392,425,331	2,942,179,424	3,524,650,801	4,464,644,533	5,389,471,782	5,512,771,103
School Purposes	2,409,204,900	2,958,710,508	3,538,474,892	4,475,850,189	5,395,794,896	5,518,023,661
Tax Levy						
General and Debt	17,012,508	18,075,952	19,304,542	21,160,331	22,771,065	23,834,195
School	12,637,459	13,581,087	14,552,429	15,243,122	15,745,219	15,968,186
Regional Hospital	1,961,408	1,785,679	1,817,981	1,849,741	1,875,168	1,859,597
Other (Excluding Irrigation)	5,179,878	5,382,474	5,922,571	6,324,635	7,069,201	8,333,560
Total Tax Levy	36,791,253	38,825,192	41,597,523	44,577,829	47,460,653	49,995,538
Total Levy (Including Irrigation)	36,930,550	38,967,825	41,734,350	44,767,207	47,460,653	50,251,507
Per Capita	1,192	1,258	1,308	1,403	1,487	1,575
General Tax Rate	6.4781/9.7172	5.3623/9.931	4.74/9.187	4.098/7.9342	3.6293/7.2879	3.6951/7.6772
Tax Collection						
Current Taxes and Irrigation	36,625,786	38,475,389	41,494,579	44,454,337	46,990,212	49,416,300
% Current Levy Collected	99.2%	98.7%	99.4%	99.3%	99.0%	98.3%
Arrears and Delinquent	586,147	405,886	625,544	246,424	106,163	647,457
Total Taxes Collected	37,211,933	38,881,275	42,120,123	44,700,761	47,096,375	50,063,757
% of Current Levy	100.8%	99.8%	100.9%	99.9%	99.2%	99.6%
Arrears of Taxes	121,940	112,475	107,045	95,392	302,099	467,890
Per Capita	3.94	3.63	3.35	2.99	9.47	14.66
Debt						
Gross Debt	12,176,427	13,185,569	21,544,526	36,387,473	72,610,572	78,745,836
Per Capita	393	426	675	1,140	2,276	2,468
Analysis of Debt (Gross)						
Water Supply System	3,641,158	3,377,869	7,694,934	7,272,093	10,829,678	14,132,446
Sewer System	1,357,265	1,128,231	887,745	1,312,225	9,374,739	16,112,485
General	7,178,004	8,679,469	12,961,847	27,803,155	52,406,155	48,500,905

***2001 Census

****2006 Census

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

**FINANCIAL STATISTICS
(UNAUDITED)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Utilities											
Sewer											
Operating Profit/(Loss)	98,945	144,617	182,196	(47,480)	(38,384)	(187,045)	800,290	(325,262)	1,064,678	314,546	1,083,290
Domestic Water & Irrigation											
Operating Profit/(Loss)	631,749	(551,858)	408,648	407,987	250,173	(672,206)	87,436	244,131	14,141	1,139,605	(299,594)
Electric Light											
Operating Profit/(Loss)	2,048,282	2,340,634	2,663,070	2,897,239	2,474,864	1,949,675	2,690,601	4,415,564	(3,707,071)	(117,441)	2,456,630
General											
Building Permits Issued	22,619,600	18,796,519	31,093,176	35,928,297	46,681,982	52,227,735	74,663,879	143,297,262	117,632,217	81,735,252	32,559,762
Liability Servicing											
Capacity Available					11,529,751	12,914,033	13,418,514	15,683,410	20,138,466	20,138,466 *	20,138,466 *

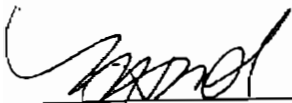
* Based on 2007 municipal statistics confirmed by Ministry of Community & Rural Development

**City of Penticton
Statement of Financial Information
For the year ended December 31, 2009**

City of Penticton
December 31, 2009

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

There were no guarantees or indemnities under the Guarantees and Indemnity Regulation for the year ending
December 31, 2009



Maureen Maywood, CGA
Deputy Treasurer, City of Penticton

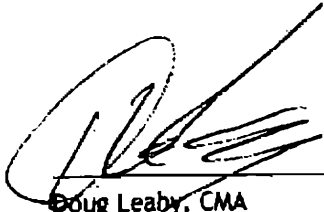
April 27, 2010

Date

City of Penticton
December 31, 2009

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in the Statement of Financial Information produced under the Financial Information Act.



Doug Leaby, CMA
Treasurer, City of Penticton

Apr 27/10
Date

THE CORPORATION OF THE CITY OF PENTICTON

MANAGEMENT REPORT


The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control.

The external auditors, BDO Canada Chartered Accountants, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required in the Act. Their examination includes a review and evaluation of the organization's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are free from material misstatement.

On behalf of the Corporation of the City of Pentiction



Doug Leahy, CMA
Treasurer
April 27, 2010

City of Pentlcton
Schedule of Remuneration and Expenses
December 31, 2009

1: Council Members Remuneration and Expenses

Name	Position	Remuneration	CPP AD & D Prem	Expenses	Total
Ashton D	Mayor	57,691.50	1,778.65	538.73	60,008.88
Albas D	Councillor	19,626.20	522.46	2,066.59	22,215.25
Jakubeit A	Councillor	19,626.20	522.46	3,720.72	23,869.38
Litke G	Councillor	19,626.20	522.46	2,526.49	22,675.15
Pearce M	Councillor	19,626.20	48.00	2,473.94	22,148.14
Sentes J	Councillor	19,626.20	522.46	-	20,148.66
Vassilaki J	Councillor	19,626.20	522.46	-	20,148.66
Total		\$ 175,448.70	\$ 4,438.95	\$ 11,326.47	\$ 191,214.12

2: Other Employees

Name	Remuneration	Expenses	Total
Abrey, Brian	92,149.55	5,136.86	97,286.41
Andreychuk, Terry	102,899.10	6,746.82	109,645.92
Barbour, Kenneth	89,353.62	956.03	90,309.65
Bazley, Ryan	80,174.33	15.00	80,189.33
Beierle, Glen	88,004.75		88,004.75
Burdeniuk, Dwayne	112,900.89	1,288.31	114,189.20
Byrnell, Steven	99,043.06	100.95	99,144.01
Chapman, Ian	112,717.98	87.07	112,805.05
Christensen, Roy	85,213.17	629.00	85,842.17
Craig, Randy	79,111.54	806.53	79,918.07
Deleeuw, Brent	76,036.85	298.43	76,335.28
den Boer, Leo	159,235.33	552.06	159,787.39
Dionne, Blaine	91,458.19	350.00	91,808.19
Edge, Brent	93,363.43	647.00	94,010.43
Fenske, John	82,576.57	195.00	82,771.57
Fotherby, Jody	84,822.67	612.30	85,434.97
Fotherby, Ken	103,779.49		103,779.49
Garrett, Steve	85,096.63		85,096.63
Gowe, Graham	104,312.60		104,312.60
Grantham, Howard	107,333.55		107,333.55
Haras, Ian	96,566.06	977.00	97,543.06
Henderson, Karen	83,235.07		83,235.07
Holmes, Jared	85,426.70		85,426.70
Idzes, Sandra	91,133.24	41.90	91,175.14
Ingram, Cathy	81,510.76	831.79	82,342.55
Jorgensen, Erik	84,735.64	216.58	84,952.22
Kirbyson, John	121,349.33	150.00	121,499.33
Kler, Jack	128,849.50	1,444.09	130,293.59
Kraiger, John	109,545.40		109,545.40
Leahy, Douglas	100,538.98	1,060.00	101,598.98
Leobold, Gary	76,770.34	19,102.04	95,872.38
Lieskovsky, Dave	98,597.65	2,179.89	100,777.54
Livolsi, Eric	80,854.29		80,854.29
Lowe, Terry	86,503.80		86,503.80
MacDonald, Kenneth	96,710.70		96,710.70
Manders, Keith	78,509.47	1,195.48	79,704.95
Maywood, Maureen	87,954.43	7,207.74	95,162.17
McEachern, Dean	92,182.35	4,073.95	96,256.30
McKenzie, Wayne	86,858.11	600.00	87,458.11
Meersman, Kristen	96,070.66	4,514.36	100,585.02
Miller, Gregory	119,313.19		119,313.19
Moroziuk, Mitchell	129,470.03	1,440.25	130,910.28
Murphy, Michael	79,720.45		79,720.45
Noble, Dennis	103,304.73	913.83	104,218.56
Patan, Doug	80,051.71	2,328.74	82,380.45
Peterson, Glenn	95,919.33	3,473.08	99,392.41
Richards, Michael	86,553.25	1,060.27	87,613.52
Roberts, Chris	84,180.94	6,640.20	90,821.14
Robson, Len	103,416.63	2,436.51	105,853.14
Simpson, William	84,277.86	454.12	84,731.98
Smith, Dennis	93,799.48	545.00	94,344.48
Smith, Tom	101,647.70	90.95	101,738.65
Spalding, David	98,429.41	2,586.24	101,015.65
Stark, Allan	86,266.46		86,266.46
Stevens, Jason	100,159.33	106.20	100,265.53
Swaren, Wesley	85,621.04	212.00	85,833.04
Taylor, Chad	84,752.33	620.00	85,372.33
Tougas, Marc	89,615.02	161.71	89,776.73
Trupp, Robert	90,822.34	653.71	91,476.05
Udala, Berne	94,908.74	17.24	94,925.98
Vujcich, Graham	85,801.41	434.95	86,236.36
Wade, Michael	86,027.54	142.00	86,169.54
Walliser, Amory	95,677.63	94.23	95,771.86

Wilkes, Randy	84,556.45		84,556.45
Williams, Wayne	108,306.82	2,625.38	110,932.20
Young, Dawne	80,538.16	149.80	80,687.96
Younghusband, Kenneth	108,969.93	350.00	109,319.93
Zaffino, Bruno	75,891.25		75,891.25
Consolidated total of other employees with remuneration and expenses of \$75,000 or less	12,195,016.52	123,100.50	12,318,117.02
	<u>\$ 18,606,501.46</u>	<u>\$ 212,653.09</u>	<u>\$ 18,819,154.55</u>
3: Reconciliation			
Total remuneration - Councillors	175,448.70		
Total remuneration - other employees	18,606,501.46		
	<u>\$ 18,781,950.16</u>		

**City of Penticton
Schedule of Suppliers of Goods and Services
December 31, 2009**

Description	Amount
Suppliers who received aggregate payments exceeding \$25,000 (see attached)	\$ 79,690,444.48
Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	3,085,245.76
Consolidated total of grants exceeding \$25,000	<u>265,341.76</u>
Total Payments	\$ 83,041,032.00

1: Suppliers Who Received Aggregate Payments exceeding \$25,000

ABB Inc.	177,083.20
Acklands-Grainger Inc.	56,828.86
Advances Utility Systems	89,080.20
Aecom Canada Ltd.	1,383,538.45
Albas Wahl LLP - In Trust	432,973.10
Andrew Sheret Ltd.	105,218.96
Ansell Construction Ltd.	3,464,497.27
Aqua-Aerobic Systems Inc.	657,905.41
Art Knapps Plantland	30,551.13
Atco Structures Inc.	85,489.95
Barry Beecroft Fuel Distributors Ltd.	29,101.09
Bayline Construction Ltd.	100,132.36
BC Assessment Authority	482,913.46
BC Transit	982,864.00
BDO Dunwoody LLP	69,191.33
Bell Canada	35,216.69
Bell Mobility Inc.	70,172.80
Bevanda Architecture Inc.	26,539.43
Black Press Group Ltd.	41,610.19
Boardwalk Communications Ltd.	38,652.06
Brenntag Canada Inc.	101,064.81
Bruce Carscadden Architect Inc.	26,904.92
Burnco Rock Products (BC) Ltd.	30,465.11
Cam Tran	101,234.56
Canada Post Corporation	101,706.25
Canadian Linen and Uniform Services	37,518.57
Cantex Okanagan Construction Ltd.	1,289,102.61
Capri Insurance	329,691.00
Capri Insurance Services	65,658.37
Central Interior Traffic Control	35,273.46
Century Vallen	76,893.81
CGL Contracting Ltd.	36,571.50
Chevron Canada	276,051.07
Cimco	63,037.71
City of Penticton	14,287,915.24
Cobra Electric	48,721.92
Commercial Equipment Corp.	89,704.41
Commercial Solutions Inc.	40,089.05
Concept Audio Works Inc.	69,702.23
Cookson Internation	29,427.94
Corporate Express	51,177.04
Crocker Equipment Company Ltd.	98,694.81
Dave Wilson	26,451.88
Daytech Limited	107,357.60
De Lage Landen Financial Services Canada Inc.	62,425.08
Denhart Management	129,323.45
Downtown Penticton City Centre Business Improvement Area	154,469.05
E B Horsman and Son	76,811.68
Eckert Electric Ltd.	30,857.16
Ecol Electric Corp.	41,322.67
Ethel Kruger	49,500.00
Fehlings Sheet Metal Ltd.	55,002.35
Focus Corporation	247,718.52
Fortis BC	19,998,694.54
Fraser Milner Casgrain LLP	30,813.61
Fraser Milner Casgrain LLP - In Trust	1,025,000.00
Fred Surrige Ltd.	180,855.64
G and D Linemarking	102,693.55
Geanel Restaurant Supplies Ltd.	152,990.77
Giffels Design-Build Inc.	1,058,194.96
Gilchrist and Company	142,793.55
Global Spectrum Facility Management LP	2,142,636.03
Golder Associates Ltd.	28,694.14

Great Masters Cleaning Contractors Inc.	301,849.22
Greyback Construction Ltd.	9,356,982.57
GroupHealth Global	1,430,476.75
Guillevin Internation Company	276,133.35
H M Excavating Ltd.	464,495.84
HD Supply Utilities	55,495.10
Helios Services Group	40,000.00
Heritage Office Furnishings Ltd.	53,365.77
Hoff Securities Ltd.	57,092.43
Hub Fire Engines and Equipment	377,696.58
Interior Instrument Tech Services Ltd.	37,433.39
Itron Canada Inc.	371,873.70
Klearwater Equipment and Technologies Corp.	150,221.93
Kon Kast Products Ltd.	26,661.79
L&J Diamond Maintenance	112,927.50
Lester Lezard	49,500.00
Lex Engineering Ltd.	96,453.15
Maple Reinders Inc.	1,192,076.52
McCap Leasing Limited Partnership	35,220.64
McTar Petroleum	53,903.70
Michael Dennis	25,500.00
Municipal Insurance Association of BC	325,462.62
Municipal Software Corporation	130,146.88
Murdy and McAllister - In Trust	77,000.00
Nedco Electrical Inc.	36,419.23
Neopost DPOC	28,350.00
Nexans Canada Inc.	78,389.88
Northern Computer	62,173.44
Nutech Industries Inc.	52,516.18
OK Builders Supply Ltd.	68,391.02
Okanagan Similkameen Regional Hospital	1,870,347.54
Okanagan Testing Services	45,806.25
Okanagan Waste Removal Systems Ltd.	61,319.87
Owen Bird Law Corporation	87,124.11
Pacific Alliance Technologies	29,023.32
Pacific Sport Okanagan	25,960.88
Pattison Sign Group	54,063.56
Payne Sparkman	33,524.02
Penticton and Wine Country Chamber of Commerce	1,007,618.21
Penticton Art Gallery Society	68,000.00
Penticton Herald	38,579.00
Penticton Minor Hockey Association	65,552.10
Penticton Stage Tech Inc.	33,653.00
Penticton Training Centre	45,183.73
Peters Bros Construction Ltd.	252,378.69
Pieralisi North America Inc.	39,985.00
R & N Maintenance	26,489.40
Ray Smith Services	35,843.99
Receiver General of Canada - RCMP	5,160,231.63
Regional District of the Okanagan - Similkameen	179,540.60
Ripley Stainless Ltd.	57,756.34
Rital Enterprises Ltd.	60,661.13
Rock Advertising Inc.	201,367.26
Rocky Mountain Phoenix	53,674.10
Rose Gingras	77,755.45
S Collier Enterprises	124,619.68
Sam and Audrey Lawrie	80,000.00
School District No. 67	66,061.07
Shaw Cablesystems GP	55,934.74
Skaha Ford Inc.	51,543.23
Stagefab Custom Manufacturing Inc.	233,504.15
Sun Valley Irrigation Ltd.	33,530.61
Telus Communications Company	108,301.74
Tempest Development Group	40,944.18
Terasen Gas Inc.	251,758.59
Texcan	40,911.17

The F B Leopold Company Inc.	430,854.21
Transform Compost Systems	52,158.75
Trydor Industries (Canada) Inc.	25,141.45
Urban Systems Ltd.	59,456.86
Vimar Equipment Ltd.	309,570.77
Warren Ave. Projects	35,712.85
Waste Services Canada Inc.	932,916.84
Westhills Aggregate Ltd.	29,274.57
Wolseley Canada Inc.	31,618.90
Workers Compensation Board	134,457.08
Young, Anderson Barristers and Solicitors	35,752.12

\$ 79,690,444.48

2: Consolidated Total of Grants Exceeding \$25,000

Ironman - All Services	94,103.28
Art Gallery	88,000.00
SS Sicamous - Operating	30,075.53
Habitat for Humanity	27,763.00
SS Sicamous - Utilities	25,399.95
	<u>\$ 265,341.76</u>