



**THE CORPORATION OF  
THE CITY OF VERNON**

**Financial Statements  
For the year ended December 31, 2004**

---

	<b>Contents</b>
<b>Auditors' Report</b>	<b>2</b>
<b>Financial Statements</b>	
Consolidated Statement of Financial Position – Statement A	<b>3</b>
Consolidated Statement of Financial Activity – Statement B	<b>4</b>
Consolidated Statement of Cash Flow – Statement C	<b>5</b>
Consolidated Statement of Current Fund Operations – Statement D	<b>6</b>
Consolidated Statement of Capital Fund Operations – Statement E	<b>7</b>
Consolidated Statement of Reserve Fund Operations – Statement F	<b>8</b>
Summary of Significant Accounting Policies	<b>9 - 10</b>
Notes to Financial Statements	<b>11 - 14</b>
Debenture and other Debt – Schedule 1	<b>15</b>
Capital Assets – Schedule 2	<b>16 - 17</b>
Transmission of Taxes Levied for Other Governments – Schedule 3	<b>18</b>



Driving growth

**BDO Dunwoody LLP**  
Chartered Accountants  
and Advisors

2<sup>nd</sup> Floor, CIBC Building  
3201 - 30<sup>th</sup> Avenue  
Vernon BC Canada V1T 2C6  
Telephone: (250) 545-2136  
Telefax: (250) 545-3364  
www.bdo.ca

---

## Auditors' Report

---

To the Mayor and Councillors of  
**THE CORPORATION OF THE CITY OF VERNON**

We have audited the consolidated statement of financial position of The Corporation of the City of Vernon as at December 31, 2004 and the consolidated statements of financial activity, cash flow, current fund operations, capital fund operations and reserve fund operations for the year then ended. These financial statements are the responsibility of the Corporation'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 corporation as at December 31, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Dunwoody LLP*

Chartered Accountants

Vernon, British Columbia  
March 4, 2005

**THE CORPORATION OF THE CITY OF VERNON**  
**Consolidated Statement of Financial Position**  
**Statement A**

**December 31** 2004 2003

**Financial Assets**

Cash, term deposits and investments (Note 1)	\$ 18,302,386	\$ 29,624,419
Receivables (Note 2)	9,838,271	5,005,929
Non-capital assets	-	86,799
Deposits with Municipal Finance Authority	<u>2,688,215</u>	<u>2,940,591</u>
	<u>30,828,872</u>	<u>37,657,738</u>

**Financial Liabilities**

Bank advances	3,800,963	4,016,261
Payables	12,980,382	11,964,048
Municipal Finance Authority debt reserve fund	2,688,215	2,940,591
Long term debt (Schedule 1)	37,251,321	39,803,021
Deferred development cost charges (Note 3)	<u>8,577,804</u>	<u>10,145,000</u>
	<u>65,298,685</u>	<u>68,868,921</u>

**Net Financial Assets**

(34,469,813) (31,211,183)

**Physical Assets**

Property, plant and equipment (Schedule 2)	<u>177,370,730</u>	<u>160,002,983</u>
--------------------------------------------	--------------------	--------------------

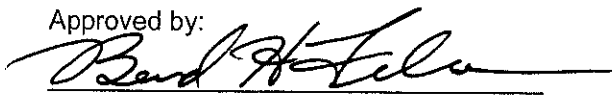
**Net Position**

\$ 142,900,917 \$ 128,791,800

**Municipal Position**

Equity in Physical Assets	<u>\$ 140,119,409</u>	<u>\$ 120,199,962</u>
Operating Fund (Statement D)	15,374,971	12,698,542
Capital Fund (Statement E)	(13,605,442)	(4,917,950)
Statutory Reserves (Statement F)	<u>1,011,979</u>	<u>811,246</u>
	<u>2,781,508</u>	<u>8,591,838</u>
	<u>\$ 142,900,917</u>	<u>\$ 128,791,800</u>

Approved by:



Treasurer

**THE CORPORATION OF THE CITY OF VERNON**  
**Consolidated Statement of Financial Activity**  
**Statement B**

<b>For the year ended December 31</b>	<b>2004 Budget</b>	<b>2004</b>	<b>2003</b>
<b>Revenue</b>			
Taxation	\$ 17,055,668	\$ 17,048,699	\$ 15,774,139
Grants – in lieu of taxes	282,000	301,242	260,570
Services provided to regional & local govts	1,470,109	1,003,871	911,635
Sales of services			
Transportation	1,228,112	1,313,580	1,189,647
Environment Health	7,638,323	8,016,340	7,327,707
Public Health	159,000	185,656	150,529
Development services	55,900	185,595	109,135
Licences and permits	966,013	1,458,296	1,120,564
Penalties and interest on taxes	340,000	287,327	269,995
Gas system lease revenue	2,759,000	2,676,543	2,794,613
Franchise agreement	425,000	487,013	472,388
Fines and rentals	500,000	476,002	522,910
Other (includes actuarial adjustment)	1,030,000	1,396,811	1,702,776
Refund of excess sinking funds	300,000	167,565	545,212
Contributions from developers	3,300,000	3,619,927	-
Proceeds from sales	-	1,089,449	95,914
Conditional transfers from other governments	5,874,526	6,245,726	807,047
Unconditional transfers from provincial govt	1,455,000	2,044,488	1,780,584
Change in inventory	-	-	316,433
Transfer from Cemetery Care Fund	23,000	23,000	22,000
	<b>44,861,651</b>	<b>48,027,130</b>	<b>36,173,798</b>
<b>Expenditures</b>			
General government services	3,917,452	4,672,918	3,392,988
Protective services			
Police protection	5,866,914	4,804,310	4,732,333
Fire protection	2,677,667	2,586,640	2,453,966
Inspections and licencing	396,331	386,433	352,228
Transportation services	6,812,117	6,524,620	6,688,988
Environmental health services	2,778,538	2,919,731	3,490,842
Public health services	154,877	151,150	143,604
Environmental development services	528,274	436,795	459,260
Debt and bank charges	5,428,243	3,576,787	3,128,710
Financing charges	-	-	35,663
Amortization of assets	-	-	1,123,171
Purchase of property, plant and equipment	35,552,129	25,226,376	12,928,812
	<b>64,112,542</b>	<b>51,285,760</b>	<b>38,930,565</b>
<b>Net Revenues for the Year</b>	<b>(19,250,891)</b>	<b>(3,258,630)</b>	<b>(2,756,767)</b>
Debt issued	21,000,000	-	2,037,900
Debt principal repayments (includes actuarial)	(3,455,449)	(2,551,700)	(2,854,627)
<b>Change in fund balances</b>	<b>\$ (1,706,340)</b>	<b>\$ (5,810,330)</b>	<b>\$ (3,573,494)</b>

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

**THE CORPORATION OF THE CITY OF VERNON**  
**Consolidated Statement of Cash Flow**  
**Statement C**

<b>For the year ended December 31</b>	<b>2004</b>	<b>2003</b>
<b>Cash flows from operating activities</b>		
Net revenues for the year	\$ (3,258,630)	\$ (2,756,767)
Changes in non-cash working capital items		
Receivables	(4,832,342)	1,970,525
Non-capital assets	86,799	267,237
Payables	1,016,334	4,509,983
Deferred development cost charges	(1,567,196)	(1,271,439)
	<u>(8,555,035)</u>	<u>2,719,539</u>
<b>Cash flows from financing activities</b>		
Issuance of long term debt	-	2,037,900
Repayment of long term debt	(2,551,700)	(2,854,627)
	<u>(2,551,700)</u>	<u>(816,727)</u>
<b>Increase in cash</b>	<b>(11,106,735)</b>	<b>1,902,812</b>
<b>Cash, beginning of year</b>	<b><u>25,608,158</u></b>	<b><u>23,705,346</u></b>
<b>Cash, end of year</b>	<b>\$ 14,501,423</b>	<b>\$ 25,608,158</b>
<b>Cash is represented by:</b>		
Cash, term deposits and investments	\$ 18,302,386	\$ 29,624,419
Bank advances	(3,800,963)	(4,016,261)
	<u>\$ 14,501,423</u>	<u>\$ 25,608,158</u>

**THE CORPORATION OF THE CITY OF VERNON**  
**Consolidated Statement of Current Fund Operations**  
**Statement D**

<b>For the year ended December 31</b>	<b>2004 Budget</b>	<b>2004</b>	<b>2003</b>
<b>Revenue</b>			
Taxation	\$ 17,055,668	\$ 17,048,699	\$ 15,774,139
Grants – in lieu of taxes	282,000	301,242	260,570
Services to regional & local governments	1,470,109	1,003,871	911,635
Sales of services			
Transportation	1,079,112	1,313,580	1,189,647
Environment health	7,787,323	8,016,340	7,327,707
Public health	159,000	185,656	150,529
Development services	55,900	185,595	109,135
Licences and permits	966,013	1,458,296	1,120,564
Penalties and interest on taxes	340,000	287,327	269,995
Gas system lease revenue	2,759,000	2,676,543	2,794,613
Franchise agreement	425,000	487,013	472,388
Fines and rentals	500,000	476,002	522,910
Other	565,000	858,692	949,483
Conditional transfers – government	874,526	977,398	807,047
Unconditional transfers – provincial govt	1,455,000	2,044,488	1,780,584
Received from Cemetery Care Fund	23,000	23,000	22,000
Change in inventory	-	-	316,433
	<u>35,796,651</u>	<u>37,343,742</u>	<u>34,779,379</u>
<b>Expenditures</b>			
General government services	3,917,452	4,672,918	2,990,400
Protective services			
Police protection	5,866,914	4,804,310	4,732,333
Fire protection	2,677,667	2,586,640	2,453,966
Inspections and licencing	396,331	386,433	352,228
Transportation services	6,812,117	6,524,620	6,268,126
Environmental health services	2,778,538	2,919,731	4,314,291
Public health services	154,877	151,150	143,604
Environmental development services	528,274	436,795	459,260
Interest and bank charges	5,428,243	3,576,788	3,128,710
Transfer of Water Fund to RDNO	-	-	137,834
	<u>28,560,413</u>	<u>26,059,385</u>	<u>24,980,752</u>
	<u>7,236,238</u>	<u>11,284,357</u>	<u>9,798,627</u>
Debt principal repayments	2,990,449	2,085,965	2,158,099
Net inter-fund transfer			
Transfer to capital fund	6,242,129	6,521,963	2,849,305
	<u>9,232,578</u>	<u>8,607,928</u>	<u>5,007,404</u>
<b>Change in current fund</b>	<b>(1,996,340)</b>	<b>2,676,429</b>	<b>4,791,223</b>
<b>Balance, beginning of year</b>	<b>12,698,542</b>	<b>12,698,542</b>	<b>7,907,319</b>
<b>Balance, end of year</b>	<b>\$ 10,702,202</b>	<b>\$ 15,374,971</b>	<b>\$ 12,698,542</b>

**THE CORPORATION OF THE CITY OF VERNON**  
**Consolidated Statement of Capital Fund Operations**  
**Statement E**

<b>For the year ended December 31</b>	<b>2004</b>	<b>2003</b>
<b>Sources of financing</b>		
Contributions from current operations	\$ 6,521,963	\$ 2,849,305
Contribution from developers	3,619,927	-
Interest earned on investments	41,836	35,846
Refund of excess sinking funds	167,565	545,212
Contributions from statutory reserves	919,266	-
Proceeds of debenture debt	-	2,002,237
Senior government grants	5,268,328	-
	<u>16,538,885</u>	<u>5,432,600</u>
<b>Expenditures</b>		
General government services	8,531,292	5,184,174
Sewer services	16,695,085	7,744,639
Water services	-	985,337
	<u>25,226,377</u>	<u>13,914,150</u>
<b>Change in capital fund</b>	<b>(8,687,492)</b>	<b>(8,481,550)</b>
<b>Balance, beginning of year</b>	<b>(4,917,950)</b>	<b>3,563,600</b>
<b>Balance, end of year</b>	<b>\$(13,605,442)</b>	<b>\$ (4,917,950)</b>

**THE CORPORATION OF THE CITY OF VERNON**  
**Consolidated Statement of Reserve Fund Operations**  
**Statement F**

<b>For the year ended December 31</b>	<b>2004</b>	<b>2003</b>
<b>Balance, beginning of year</b>	<b>\$ 811,246</b>	<b>\$ 694,413</b>
<b>Additions</b>		
Return on investment	30,550	20,919
Proceeds from sales	1,089,449	95,914
<b>Deductions</b>		
Transfer to capital fund	<u>(919,266)</u>	-
<b>Net addition</b>	<u>200,733</u>	<u>116,833</u>
<b>Balance, end of year</b>	<b>\$ 1,011,979</b>	<b>\$ 811,246</b>

---

## **THE CORPORATION OF THE CITY OF VERNON**

### **Summary of Significant Accounting Policies**

**December 31, 2004**

---

<b>Basis of accounting</b>	The consolidated financial statements of the City of Vernon are prepared by management in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. In line with the standards, the resources and operations of the Corporation are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.
<b>Accrual accounting</b>	The accrual method for reporting revenues and expenditures has been used.
<b>Basis of consolidation</b>	The consolidated statements include all funds of the Corporation and the wholly owned subsidiary, Vernon Regional Airport Corp. interfund revenues, expenditures, assets and liabilities have been eliminated.
<b>Measurement uncertainty</b>	The preparation of financial statements in conformity 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 revenue and expenditure during the reporting period. Actual results could differ from those estimates.
<b>Property, plant and equipment</b>	Property, plant and equipment are stated at cost and are not subject to amortization.
<b>Debt charges</b>	Payments on principal are charged against current operating revenue in the periods in which they are paid. Interest is recorded on an accrual basis.

---

## THE CORPORATION OF THE CITY OF VERNON

### Summary of Significant Accounting Policies, continued

December 31, 2004

---

<b>Investments</b>	Investments are stated at cost, which approximate market value.
<b>Statutory reserves</b>	These funds are used for future capital expenditures as designated by City Council.
<b>Reserves for future expenditures and replacements</b>	The reserves for future expenditures and replacements represent amounts set aside from past and current operations for future operating expenditures and are classified as equity.
<b>Government transfers</b>	Government transfers are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.
<b>Financial instruments</b>	The Corporation's financial instruments consist of cash, short-term investments, accounts receivable, bank advances, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.
<b>Budget figures</b>	The budget figures are from the Annual Budget Bylaw to be adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statement presentation requirements. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.
<b>Revenue recognition</b>	Revenues are recorded using the accrual method of accounting. The City is required to act as the agent for the collection of taxes and fees imposed by other authorities. These collections for other authorities are included in the City's total taxation revenues. The City then deducts the amounts paid to these authorities to arrive at taxation revenue for City purposes.

---

**THE CORPORATION OF THE CITY OF VERNON**  
**Notes to Financial Statements**

**December 31, 2004**

---

**1. Restricted Cash**

Included in cash, term deposits and investments are the following restricted amounts:

	2004	2003
Reserves for future expenditures and replacements	\$ 9,260,162	\$ 19,065,495
Statutory reserves	9,042,224	10,558,924
	\$ 18,302,386	\$ 29,624,419

---

**2. Receivables**

	2004	2003
Property taxes	\$ 913,500	\$ 1,173,545
Governments	5,910,743	1,120,752
Trade accounts	565,671	352,861
Utility billings	2,448,357	2,358,771
	\$ 9,838,271	\$ 5,005,929

---

**3. Deferred Development Cost Charges**

Development Cost Charges (DCC's) are collected to pay for general capital costs and utility costs for new developments. In accordance with PSAB recommendations, the City records DCC's levied as deferred DCC's. When the related costs are incurred, the DCC's are recognized as revenue.

	2004	2003
Deferred DCC's, beginning of year	\$ 10,145,000	\$ 10,129,423
Transfers to General Capital Fund	(3,547,564)	-
Transfers to Greater Vernon Water Utility	-	(2,375,281)
DCC's levied during the year	1,590,670	1,996,720
Investment income	389,698	394,138
Deferred DCC's, end of year	\$ 8,577,804	\$ 10,145,000

---

---

## THE CORPORATION OF THE CITY OF VERNON Notes to Financial Statements

December 31, 2004

---

#### 4. Contingent Liabilities

- a) The Corporation is responsible as a member of the Regional District of North Okanagan ("RDNO") for its proportion of any operating deficits related to functions in which it participates. The Regional District of North Okanagan debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each member Municipality within the district, including The Corporation of the City of Vernon.

The Municipal Finance Authority debentures are covered by a loan agreement with the Municipal Finance Authority which provides that, if at any time the payments provided for in the agreement are not sufficient to meet the authority's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the Corporation.

- b) The Corporation has been named defendant in several uninsured legal actions. No reserve or liability has been recorded regarding any of the legal actions and any possible claims because the amount of loss, if any, is not determinable. Settlement, if any, made with respect to these actions, would be expected to be accounted for as a charge to expenditures in the period in which realization is known.
- c) The City of Vernon and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 45,000 retired members. Active members include approximately 29,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Vernon paid \$645,306 for employer contributions to the plan in fiscal 2004.

- d) Commencing December 31, 1987, the Corporation entered into a self insurance plan with other British Columbia municipalities. The Corporation is obliged under the plan to pay a percentage of its fellow insured's losses. The Corporation pays an annual premium, which is anticipated to be adequate to cover any losses incurred.
-

---

**THE CORPORATION OF THE CITY OF VERNON**  
**Notes to Financial Statements**

**December 31, 2004**

---

**5. Future Principal Requirements, Including Sinking Fund Additions, on Existing Debt:**

Year	General Fund	Sewer Fund	Total
2005	\$ 1,432,869	\$ 653,612	\$ 2,086,481
2006	1,346,437	653,612	2,000,049
2007	1,060,061	653,612	1,713,673
2008	1,060,745	545,428	1,606,173
2009	1,061,497	263,621	1,325,118
2010 & thereafter	<u>10,941,477</u>	<u>2,992,218</u>	<u>13,933,695</u>
	16,903,086	5,762,103	22,665,189
Actuarial additions	<u>9,147,444</u>	<u>5,438,688</u>	<u>14,586,132</u>
	<u>\$ 26,050,530</u>	<u>\$ 11,200,791</u>	<u>\$ 37,251,321</u>

---

**6. Trust Funds**

The City operates and maintains Pleasant Valley Cemetery. A Cemetery Care Trust Fund was established to ensure continuity of maintenance. 25% of all plot sales is deposited into the trust fund.

Continuity of Trust Funds:	<u>2004</u>	<u>2003</u>
Balance, beginning of year	\$ 469,458	\$ 435,233
Interest earned	34,469	33,507
Proceeds from plot sales	27,118	22,718
Transfer to General Revenue for maintenance	<u>(23,000)</u>	<u>(22,000)</u>
Balance, end of year	<u>\$ 508,045</u>	<u>\$ 469,458</u>

---

**7. Expenditures by Object**

	<u>2004</u>	<u>2003</u>
Debt and bank charges	\$ 3,576,787	\$ 3,128,170
Wages, salaries and benefits	11,685,962	9,734,246
Contracted services	8,251,712	8,630,747
Supplies and equipment	20,074,674	13,324,785
Capital lease	127,884	127,884
Other	<u>7,568,741</u>	<u>4,084,733</u>
	<u>\$ 51,285,760</u>	<u>\$ 39,030,565</u>

---

---

# THE CORPORATION OF THE CITY OF VERNON

## Notes to Financial Statements

December 31, 2004

---

### 8. Comparative Figures

Certain comparative figures have been reclassified to conform to financial statement presentation adopted for the current year.

---

### 9. Capital Lease Payable

The City has entered into an agreement with BC Gas Utility Ltd. That has resulted in the creation of the Natural Gas Legacy Fund.

#### Capital Lease

Under the terms of the agreement the City has entered into a 35 year capital lease with BC Gas Utility Ltd., commencing December 1, 2002, for the natural gas distribution system within the municipal boundary. The City has prepaid \$23,750,000 of the capital lease obligation and has financed the prepayment through debenture debt. The remaining obligation of \$1,250,000, which is included in long-term debt, will be paid with annual lease payments of \$128,000 including interest based on BC Gas approved pre-tax weighted average cost of capital of 9.25%.

#### Operating Lease

The City has also entered into a 17 year operating lease with BC Gas Utility Ltd., commencing December 1, 2002, whereby the City leases back to BC Gas Utility Ltd. the operation of the gas distribution system. Under the operating lease BC Gas Utility Ltd. is required to make annual lease payments to the City calculated by a formula specified in the agreement which is based on the total annual revenue generated by the transaction. At the end of the 17 year term BC Gas Utility Ltd has the option of making a termination payment equal to the unamortized portion of the City's \$23,750,000 prepayment under the capital lease, which is estimated to be \$12,214,000 or negotiate a new 18 year operating lease with a continuation of the annual lease payments which existed under the previous 17 year annual operating lease.

---

### 10. Long Term Agreement with the Regional District of North Okanagan

The City of Vernon has entered into a 10 year agreement with the Regional District of the North Okanagan for the operation of the entire water system owned by the Region. This agreement was entered into following a successful alternate approval process. Subsequently, the City has entered a 10 year agreement with the District of Coldstream whereby the district operates that portion of the water system that is located within and east of the District borders. This agreement was also subject to a successful alternate approval process. Under these agreements the City and the District are responsible for the day-to-day operation of the water system, and are wholly re-imbursed for the operating expenditures made to undertake these duties.

---

**THE CORPORATION OF THE CITY OF VERNON**  
**Debenture and other Debt**  
**Schedule 1**

**For the year ended December 31** **2004** **2003**

By-Law Number	Purpose of By-Law	Interest Rate %	Year Maturing	Balance	Balance
General Capital Fund:					
3314/3558	Storm drains	6.50	2009	\$ 98,317	115,262
3602	Civic buildings	10.07	2011	1,160,784	1,296,563
4482/4172	Specified Area: 48 Ave	5.99	2014	334,114	359,413
4641	29 <sup>th</sup> Street Parking Lot	Prime-.25	2006	390,000	585,000
4592	43 <sup>rd</sup> Avenue	Prime-.25	2006	87,000	174,000
4679	43 <sup>rd</sup> Avenue	Prime-.25	2007	184,000	276,000
4717/4726	BC Gas lease prepayment	5.37	2019	22,556,336	23,551,871
4718	BC Gas lease payable	9.25	2037	1,239,979	1,245,225

**\$ 26,050,530** **\$ 27,603,334**

**Sewer Utility Capital Fund:**

3066/3409	Sanitary sewers	6.9	2007	\$ 143,131	186,371
3558/3453	Sanitary sewers	6.5	2009	694,817	814,573
3066/3686	Sanitary sewers	9.625	2012	581,234	740,454
3832/3874	Sanitary sewers	8.75	2008	2,077,422	2,536,456
4158/3875	Sanitary sewers	7.75	2011	165,168	184,488
1214BJ	Sanitary sewers	5.99	2017	75,376	79,429
4526BJ	Sanitary sewers	5.99	2019	321,644	335,840
4482/4172	Sanitary sewers	5.99	2014	361,561	388,938
4680/4694	Sanitary sewers	6.06	2027	4,785,237	4,895,238
4680	Sanitary sewers	4.775	2028	1,995,201	2,037,900

**\$ 11,200,791** **\$ 12,199,687**

**\$ 37,251,321** **\$ 39,803,021**

**THE CORPORATION OF THE CITY OF VERNON**  
**Plant, Property and Equipment**  
**Schedule 2**

<b>For the year ended December 31, 2004</b>	<b>Engineering Structures</b>	<b>Buildings</b>
<b>General Capital Fund</b>		
General government	\$ 319,053	\$ 1,265,533
Protective services	-	3,702,144
Transportation services	50,351,599	3,206,049
Environmental health services	-	-
Public health services	292,459	53,124
Recreation and cultural services	361,370	2,497,104
School sites	-	-
Other	-	-
Capital lease	-	-
	<u>51,324,481</u>	<u>10,723,954</u>
<b>Sewer Utility Capital Fund</b>		
Sanitary sewer system	51,570,937	-
Spray irrigation system	9,023,698	43,312
Outfall	3,395,161	-
	<u>63,989,796</u>	<u>43,312</u>
<b>Vernon Regional Airport Corporation</b>	<u>1,389,503</u>	<u>299,650</u>
	<b>\$ 116,703,780</b>	<b>\$ 11,066,916</b>

**THE CORPORATION OF THE CITY OF VERNON**  
**Property, Plant and Equipment**  
**Schedule 2, continued**

Machinery and Equipment	Capital Lease	Land	2004 Total	2003 Total
\$ 2,142,666	-	\$ 155,537	\$ 3,882,789	\$ 3,400,567
3,307,652	-	255,535	7,265,331	7,082,831
6,138,412	-	3,960,735	63,656,795	58,439,419
151,034	-	74,949	225,983	374,846
8,161	-	18,866	372,610	372,610
354,465	-	941,958	4,154,897	4,143,364
-	-	513,500	513,500	513,500
-	-	2,842,916	2,842,916	1,923,650
-	23,849,163	-	23,849,163	24,580,281
<b>12,102,390</b>	<b>23,849,163</b>	<b>8,763,996</b>	<b>106,763,984</b>	<b>100,831,068</b>
369,141	-	232,011	52,172,089	42,604,513
-	-	4,105,231	13,172,241	13,172,241
-	-	-	3,395,161	3,395,161
<b>369,141</b>	-	<b>4,337,242</b>	<b>68,739,491</b>	<b>59,171,915</b>
4,359	-	173,743	1,867,255	-
<b>\$ 12,475,890</b>	<b>\$ 23,849,163</b>	<b>\$ 13,274,981</b>	<b>\$ 177,370,730</b>	<b>\$ 160,002,983</b>

---

**THE CORPORATION OF THE CITY OF VERNON**  
**Transmission of Taxes Levied for Other Governments**  
**Schedule 3**

<b>For the year ended December 31</b>	<b>2004</b>	<b>2003</b>
<b>Transmission of taxes levied for other governments:</b>		
Regional Library Board	\$ 1,028,261	\$ 979,961
Regional District of North Okanagan	7,408,663	7,196,041
Provincial government (education)	13,954,970	13,492,367
North Okanagan Regional Hospital District	901,752	669,477
B.C. Assessment Authority	374,543	377,950
Municipal Finance Authority	702	679
	<hr/>	<hr/>
	\$ 23,668,891	\$ 22,716,475

---