

THE CORPORATION OF THE CITY OF VERNON

2006 ANNUAL REPORTS



YEAR ENDED DECEMBER 31, 2006



2006 Annual Reports

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Attached are the detailed financial reports for the year ended December 31, 2006.

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August 10, 2007

**THE CORPORATION OF
THE CITY OF VERNON**

**Consolidated Financial Statements
For the year ended December 31, 2006**

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Auditor's 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, 2006 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, 2006 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
April 12, 2007

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

December 31	2006	2005
Financial Assets		
Cash, term deposits and investments (Note 1)	\$ 48,900,470	\$ 42,099,120
Receivables (Note 2)	9,133,636	5,991,913
Deposits with Municipal Finance Authority	3,250,400	3,432,876
	61,284,506	51,523,909
Financial Liabilities		
Bank advances	2,426,369	1,299,124
Payables	16,916,284	15,059,635
Municipal Finance Authority debt reserve fund	3,250,400	3,432,876
Long term debt (Schedule 1)	49,797,838	53,322,436
Deferred development cost charges (Note 3)	12,660,771	10,467,222
	85,051,662	83,581,293
Net Financial Assets	(23,767,156)	(32,057,384)
Physical Assets		
Property, plant and equipment (Schedule 2)	200,251,232	188,400,124
Net Position	\$ 176,484,076	\$ 156,342,740
Municipal Position		
Equity in Physical Assets	\$ 150,453,394	\$ 135,077,688
Operating Fund (Statement D)	20,770,789	18,621,903
Capital Fund (Statement E)	1,675,896	1,875,370
Statutory Reserves (Statement F)	3,583,997	767,779
	26,030,682	21,265,052
	\$ 176,484,076	\$ 156,342,740

Approved by:

Treasurer

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 Financial Activity
Statement B

For the year ended December 31	2006 Budget	2006	2005
Revenue			
Taxation	\$ 19,198,757	\$ 19,187,508	\$ 17,851,007
Grants – in lieu of taxes	276,000	336,270	271,101
Services provided to regional & local govts	1,616,872	1,361,690	1,465,200
Sales of services			
Transportation	1,516,637	1,585,507	1,440,299
Environment Health	9,417,975	9,308,608	8,652,692
Public Health	165,000	157,179	154,770
Development services	80,500	74,607	343,983
Licences and permits	1,699,000	2,479,441	2,205,588
Penalties and interest on taxes	291,000	257,653	259,956
Gas system lease revenue	2,482,000	2,554,248	2,613,377
Franchise agreement	550,000	550,471	492,625
Fines and rentals	587,300	604,199	512,798
Other (includes actuarial adjustment)	738,000	3,156,318	1,652,404
Refund of excess sinking funds	125,000	88,521	57,799
Contributions from developers	4,926,700	3,548,161	1,350,922
Proceeds from sales	3,000,000	3,911,654	1,362,411
Conditional transfers from other governments	1,951,200	3,810,977	3,058,766
Unconditional transfers from provincial govt	2,764,931	431,308	435,204
Transfer from Cemetery Care Fund	23,000	23,000	23,000
	51,409,872	53,427,320	44,203,902
Expenditures			
General government services	5,175,117	4,755,005	4,919,557
Protective services			
Police protection	7,356,672	7,191,306	5,971,747
Fire protection	2,955,449	2,794,150	2,722,491
Inspections and licencing	532,865	521,865	425,420
Transportation services	8,114,652	6,999,737	6,989,858
Environmental health services	4,439,168	4,717,383	4,393,733
Public health services	158,554	158,688	152,132
Environmental development services	503,103	540,580	461,303
Debt and bank charges	5,025,197	4,040,699	3,670,306
Financing charges	6,000	-	332,832
Purchase of property, plant and equipment	19,761,353	13,417,679	11,752,094
	54,028,130	45,137,092	41,791,473
Net revenues for the year	(2,618,258)	8,290,228	2,412,429
Debt issued	310,000	-	19,018,954
Debt principal repayments (includes actuarial)	(3,606,226)	(3,524,598)	(2,947,839)
Change in fund balances	\$ (5,914,484)	\$ 4,765,630	\$ 18,483,544

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

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

For the year ended December 31	2006	2005
Cash flows from operating activities		
Net revenues for the year	\$ 8,290,228	\$ 2,412,429
Changes in non-cash working capital items		
Receivables	(3,141,723)	3,846,358
Payables	1,856,649	1,161,002
Deferred development cost charges	2,193,549	2,807,669
	<u>9,198,703</u>	<u>10,227,458</u>
Cash flows from financing activities		
Issuance of long term debt	-	19,018,954
Repayment of long term debt	(3,524,598)	(2,947,839)
	<u>(3,524,598)</u>	<u>16,071,115</u>
Increase in cash	5,674,105	26,298,573
Cash, beginning of year	40,799,996	14,501,423
	<u>\$ 46,474,101</u>	<u>\$ 40,799,996</u>
Cash is represented by:		
Cash, term deposits and investments	\$ 48,900,470	\$ 42,099,120
Bank advances	(2,426,369)	(1,299,124)
	<u>\$ 46,474,101</u>	<u>\$ 40,799,996</u>

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 Current Fund Operations
Statement D

For the year ended December 31	2006 Budget	2006	2005
Revenue			
Taxation	\$ 19,198,757	\$ 19,187,508	\$ 17,851,007
Grants – in lieu of taxes	276,000	336,270	271,101
Services to regional & local governments	1,616,872	1,361,690	1,465,200
Sales of services			
Transportation	1,516,637	1,585,507	1,440,299
Environment health	9,417,975	9,308,608	8,652,692
Public health	165,000	157,179	154,770
Development services	80,500	74,607	343,983
Licences and permits	1,699,000	2,479,441	2,205,588
Penalties and interest on taxes	291,000	257,653	259,956
Gas system lease revenue	2,482,000	2,554,248	2,613,377
Franchise agreement	550,000	550,471	492,625
Fines and rentals	587,300	604,199	512,798
Other	738,000	1,861,372	1,033,443
Conditional transfers – government	1,311,018	3,810,977	3,058,766
Unconditional transfers – provincial govt	2,574,000	431,308	435,204
Received from Cemetery Care Fund	23,000	23,000	23,000
	<u>42,527,059</u>	<u>44,584,038</u>	<u>40,813,809</u>
Expenditures			
General government services	5,175,117	4,755,005	4,919,557
Protective services			
Police protection	7,356,672	7,191,306	5,971,747
Fire protection	2,955,449	2,794,150	2,722,491
Inspections and licencing	532,865	521,865	425,420
Transportation services	8,114,652	6,999,737	6,989,858
Environmental health services	4,439,168	4,717,383	4,393,733
Public health services	158,554	158,688	152,132
Environmental development services	503,103	540,580	461,303
Interest and bank charges	5,025,197	4,040,699	3,670,306
	<u>34,260,777</u>	<u>31,719,413</u>	<u>29,706,547</u>
	<u>8,266,282</u>	<u>12,864,625</u>	<u>11,107,262</u>
Debt principal repayments	2,399,122	2,317,495	2,353,672
Net inter-fund transfer			
Transfer to capital fund	10,048,904	8,398,244	5,506,658
	<u>12,448,026</u>	<u>10,715,739</u>	<u>7,860,330</u>
Change in current fund	(4,181,744)	2,148,886	3,246,932
Balance, beginning of year	18,919,212	18,621,903	15,374,971
Balance, end of year	\$ 14,737,468	\$ 20,770,789	\$ 18,621,903

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

For the year ended December 31	2006	2005
Sources of financing		
Contributions from current operations	\$ 8,398,244	\$ 5,506,658
Contribution from developers	3,548,161	1,350,922
Interest earned on investments	9,847	1,822
Refund of excess sinking funds	88,521	57,799
Contributions from statutory reserves	1,173,432	1,629,583
Proceeds of debenture debt	-	19,018,954
	<u>13,218,205</u>	<u>27,565,738</u>
Expenditures		
General government services	6,205,328	6,852,099
Sewer services	7,212,351	4,899,995
Financing costs	-	332,832
	<u>13,417,679</u>	<u>12,084,926</u>
Change in capital fund	(199,474)	15,480,821
Balance, beginning of year	<u>1,875,370</u>	<u>(13,605,442)</u>
Balance, end of year	<u>\$ 1,675,896</u>	<u>\$ 1,875,370</u>

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 Reserve Fund Operations
Statement F

For the year ended December 31	2006	2005
Balance, beginning of year	\$ 767,779	\$ 1,011,979
Additions		
Return on investment	77,996	22,972
Proceeds from sales	3,911,654	1,362,411
Deductions		
Transfer to capital fund	<u>(1,173,432)</u>	<u>(1,629,583)</u>
Net addition	<u>2,816,218</u>	<u>(244,200)</u>
Balance, end of year	\$ 3,583,997	\$ 767,779

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

THE CORPORATION OF THE CITY OF VERNON

Summary of Significant Accounting Policies

December 31, 2006

Basis of accounting	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.
Accrual accounting	The accrual method for reporting revenues and expenditures has been used.
Basis of consolidation	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.
Measurement uncertainty	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.
Property, plant and equipment	Property, plant and equipment are stated at cost and are not subject to amortization.
Debt charges	Payments on principal are charged against current operating revenue in the periods in which they are paid. Interest is recorded on an accrual basis.
Investments	Investments are stated at cost, which approximate market value.
Statutory reserves	These funds are used for future capital expenditures as designated by City Council.
Reserves for future expenditures	The reserves for future expenditures and replacements amounts set aside from past and current operations for future operating expenditures.

THE CORPORATION OF THE CITY OF VERNON
Summary of Significant Accounting Policies, continued

December 31, 2006

Government transfers

Government transfers are recognized in the consolidated financial statements as revenue in the period in which the event giving rise to the transfer occurs, provided the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Financial instruments

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.

Budget figures

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.

Revenue recognition

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 Consolidated Financial Statements

December 31, 2006

1. Restricted Cash

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

	2006	2005
Reserves for future expenditures and replacements	\$ 20,535,925	\$ 18,523,212
Statutory reserves	17,680,809	11,689,990
	\$ 38,216,734	\$ 30,213,202

2. Receivables

	2006	2005
Property taxes	\$ 896,905	\$ 826,947
Governments	2,139,564	1,338,636
Trade accounts	1,788,324	1,105,829
Utility billings	4,308,843	2,720,501
	\$ 9,133,636	\$ 5,991,913

3. Deferred Development Cost Charges

Development Cost Charges (DCC's) are collected to pay for general capital costs and utility costs of 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.

	2006	2005
Deferred DCC's, beginning of year	\$ 10,467,222	\$ 7,659,553
Transfers to General Capital Fund	(1,743,103)	(591,794)
DCC's levied during the year	3,474,279	3,188,039
Investment income	462,373	211,424
Deferred DCC's, end of year	\$ 12,660,771	\$ 10,467,222

THE CORPORATION OF THE CITY OF VERNON

Notes to Consolidated Financial Statements

December 31, 2006

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 140,000 active members and approximately 51,000 retired members. Active members include approximately 31,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003 indicated an unfunded liability of \$789 million for 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 \$910,312 for employer contributions to the plan in fiscal 2006.

- 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.
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THE CORPORATION OF THE CITY OF VERNON Notes to Consolidated Financial Statements

December 31, 2006

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

Year	General Fund	Sewer Fund	Total
2007	\$ 1,321,290	\$ 927,784	\$ 2,249,074
2008	1,321,976	839,409	2,161,385
2009	1,322,727	557,602	1,880,329
2010	1,323,554	557,602	1,881,156
2011	1,324,461	557,602	1,882,063
2012 & thereafter	<u>11,261,135</u>	<u>8,791,143</u>	<u>20,052,278</u>
	17,875,143	12,231,142	30,106,285
Actuarial additions	<u>10,046,716</u>	<u>9,644,837</u>	<u>19,691,553</u>
	<u>\$ 27,921,859</u>	<u>\$ 21,875,979</u>	<u>\$ 49,797,838</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>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 531,875	\$ 508,045
Interest earned	15,129	25,370
Proceeds from plot sales	24,223	21,460
Transfer to General Revenue for maintenance	<u>(23,000)</u>	<u>(23,000)</u>
Balance, end of year	<u>\$ 548,227</u>	<u>\$ 531,875</u>

7. Expenditures by Object

	<u>2006</u>	<u>2005</u>
Debt and bank charges	\$ 4,040,699	\$ 4,003,138
Wages, salaries and benefits	12,949,315	12,682,187
Contracted services	10,552,730	9,617,139
Supplies and equipment	14,613,400	13,077,821
Capital lease	127,884	127,884
Other	<u>2,853,064</u>	<u>2,133,304</u>
	<u>\$ 45,137,092</u>	<u>\$ 41,641,473</u>

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

December 31, 2006

8. 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 \$127,884 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., that commenced 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 that are 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 agreement expires January 31, 2013.

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

For the year ended December 31, 2006	Engineering Structures	Buildings
General Capital Fund		
General government	\$ 343,837	\$ 1,513,687
Protective services	-	3,817,534
Transportation services	57,768,488	3,392,205
Environmental health services	-	-
Public health services	292,459	53,124
Recreation and cultural services	367,392	2,512,833
School sites	-	-
Other	-	-
Capital lease	-	-
	<u>58,772,176</u>	<u>11,289,383</u>
Sewer Utility Capital Fund		
Sanitary sewer system	58,769,603	-
Spray irrigation system	10,960,548	43,312
Compost facility	2,553,627	-
Outfall	3,395,161	-
	<u>75,678,939</u>	<u>43,312</u>
Vernon Regional Airport Corporation	<u>1,738,462</u>	<u>499,979</u>
	<u>\$ 136,189,577</u>	<u>\$ 11,832,674</u>

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

Machinery and Equipment	Capital Lease	Land	2006 Total	2005 Total
\$ 2,790,678	-	\$ 155,537	\$ 4,803,739	\$ 4,366,725
3,356,912	-	256,428	7,430,874	7,328,528
6,937,003	-	3,962,821	72,060,517	67,368,341
151,034	-	74,949	225,983	225,983
8,160	-	18,867	372,610	372,610
365,896	-	1,764,877	5,010,998	4,999,567
-	-	513,500	513,500	513,500
-	-	3,972,169	3,972,169	4,401,431
-	22,403,759	-	22,403,759	23,126,461
13,609,683	22,403,759	10,719,148	116,794,149	112,703,146
792,344	-	232,011	59,793,958	56,260,117
-	-	4,105,231	15,109,091	13,949,872
-	-	-	2,553,627	34,335
-	-	-	3,395,161	3,395,161
792,344	-	4,337,242	80,851,837	73,639,485
193,062	-	173,743	2,605,246	2,057,493
\$ 14,595,089	\$ 22,403,759	\$ 15,230,133	\$ 200,251,232	\$ 188,400,124

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

For the year ended December 31	2006	2005
Transmission of taxes levied for other governments:		
Regional Library Board	\$ 1,100,900	\$ 1,051,712
Regional District of North Okanagan	8,098,628	7,831,796
Provincial government (education)	16,177,816	14,964,502
North Okanagan Regional Hospital District	1,034,170	840,513
B.C. Assessment Authority	440,022	407,425
Municipal Finance Authority	1,066	877
	<hr/>	<hr/>
	\$ 26,852,602	\$ 25,096,825



**2006 Permissive Tax Exemptions
-using 2006 mill rates; 2006 assessments**

100% on categories a) b) and c)			Land	Improvements	2006
Roll Number	CL		Assessed Value		City Exemption
a) Churches and Houses of Worship					
3906 35A Street	5560.000	8	589,300	730,000 \$	5,521.74
3606 27 Street	1774.000	8	82,400	115,400 \$	836.21
4312 25th Street	2264.006	8	-	- \$	-
3605 12th Street	5480.000	8	91,300	329,000 \$	1,894.40
4300 Bella Vista Rd.	6464.000	8	43,000	165,900 \$	944.90
1506 - 35th Street	3709.001	8	236,500	1,444,000 \$	7,754.78
3412 15th Ave	5287.003	8	135,200	1,655,000 \$	8,424.77
3910 27 Street	1975.000	8	222,500	886,000 \$	5,021.96
1406 32nd Avenue	2997.000	8	168,900	391,000 \$	2,457.29
2001 - 45th Avenue	2651.000	8	68,000	108,800 \$	755.36
3701 32nd Ave	866.000	8	135,000	970,000 \$	5,127.87
6525 Okanagan Landing Road	7357.550	8	128,900	301,000 \$	1,887.84
4203 Pleasant Valley Road	2565.020	8	57,200	49,000 \$	430.79
3800 Commonage Crescent	3714.025	8	63,700	600,200 \$	3,105.32
1424 Mission Road	5287.002	8	315,600	2,298,000 \$	12,133.89
1204 30th Avenue	6029.001	8	148,600	551,000 \$	3,158.00
3016 - 37th Street	4092.000	8	70,700	120,500 \$	820.87
2607 27th Street	517.000	8	245,300	541,000 \$	3,439.54
3303 32nd Ave	844.005	6	401,000	648,000 \$	10,721.69
2306 - 40th Avenue	1913.110	8	78,200	334,000 \$	1,873.80
2210 40th Avenue	2546.000	8	82,700	436,000 \$	2,379.96
3205 27th Street	93.000	6	48,700	138,000 \$	1,984.24
3205 27th Street	93.000	8	255,600	2,030,000 \$	10,639.73
3300 Alexis Park Drive	4158.100	8	1,399,000	2,784,000 \$	18,165.94
4105 - 27th Street	1920.010	8	132,300	175,100 \$	1,293.61
2601 43rd Ave	2253.000	8	225,800	1,684,000 \$	8,873.18
19 - 2200 - 40th Street	6099.020	8	34,100	85,400 \$	527.20
4107 Pleasant Valley Road	2534.007	8	49,700	103,100 \$	665.55
4506 29 Street	4451.002	8	226,800	318,000 \$	2,303.40
3508 25th Avenue	3820.005	8	261,300	282,400 \$	2,249.71
5871 Okanagan Landing Road	7401.340	8	146,300	1,087,000 \$	5,729.40
4106 Pleasant Valley Road	2563.015	8	98,800	270,000 \$	1,636.06
4895 Bella Vista Road	7433.200	8	92,100	267,300 \$	1,600.23
b) EDUCATIONAL INSTITUTION					
1802 - 45 th Avenue	2590.001	6	25,600	2,268,000 \$	26,296.30
1802 - 45 th Avenue	2590.001	8	328,900	367,000 \$	2,887.26
2700 - 25 th Avenue	502.000	6	446,000	4,030,000 \$	49,989.89
c) SOCIAL SERVICES					
3511 - 27 th Avenue	3907.001	1	134,000	503,000 \$	2,438.31
3100 - 28 th Avenue	1445.000	6	248,000	930,000 \$	12,718.48
3605 - 24 th Avenue	3821.006	1	79,900	254,000 \$	1,266.62
2902 - 29 th Avenue	1353.000	6	110,000	75,000 \$	1,759.17
4505 - 25 th Street	2357.000	6	211,000	315,000 \$	5,342.90
4000 - 25 th Avenue	3830.009	1	70,200	151,000 \$	818.57
3000 Gateby Place	4048.015	1	985,000	5,191,300 \$	24,015.27
1400 Mission Road	6441.000	1	970,000	2,661,000 \$	13,653.62
1316 Mission Road	3714.010	1	158,000	- \$	456.46
1340 Polson Drive	6133.020	6	207,000	166,000 \$	3,596.42
1507 - 35 th Avenue	2439.000	1	186,000	1,211,000 \$	5,475.69
4608 - 20 th Street	2672.001	1	99,400	253,000 \$	1,318.88
2400 - 46 th Avenue	2357.005	6	127,000	452,000 \$	6,234.15
2802 - 34 th Street	1205.000	6	379,000	176,000 \$	5,113.21
3401 - 28 th Avenue	1207.001	6	90,000	56,100 \$	1,378.77
2900 - 32 nd Avenue	1002.000	6	220,000	166,000 \$	3,702.37
4107 - 27 th Street	1921.000	1	63,500	143,000 \$	766.59
4109 - 27 th Street	1922.000	1	63,500	143,000 \$	766.59
3003 Gateby Place	4048.018	1	480,000	1,126,000 \$	5,978.44
3402 - 27 th Avenue	1552.105	6	365,000	1,057,000 \$	15,132.82
3400 - 27 th Avenue	1552.110	6	316,000	20,100 \$	2,806.54
3102 - 29 th Avenue	1382.000	6	115,000	186,000 \$	3,076.69
3403 - 27 th Avenue	1539.000	6	297,000	114,000 \$	3,731.78
3506 - 27 th Avenue	3858.002	1	168,000	664,000 \$	3,193.08
2711 - 38 th Street	3933.000	6	958,000	3,574,000 \$	48,917.44
4240 Alexis Park Drive	4230.100	6	8,400	289,000 \$	3,392.88
3201 - 27th Street	93.000	6	48,700	138,000 \$	1,984.24



3201 - 27th Street	93.000	8	255,600	2,030,000	\$	10,639.73
2808 - 35 th Street	3917.000	1	601,000	736,000	\$	4,737.62
3502 - 27 th Avenue	3859.000	1	450,000	1,988,000	\$	9,406.92
2603 - 26 th Street	570.001	1	182,000	550,000	\$	2,768.64
3502 - 19 th Street	2464.000	1	48,000	304,000	\$	1,378.35
d) CULTURAL						
2901 - 35 th Avenue	1826.010	6	140,100	388,100	\$	4,204.43
1705 - 32 nd Avenue	2869.000	6	118,000	300,100	\$	3,310.18
e) EDUCATIONAL						
250 Allan Brooks Way	5289.004	6	349,500	106,800	\$	3,057.62
3505 - 30 th Avenue	4048.040	1	620,000	453,000	\$	2,728.85
2704 Highway 6	631.001	6		434,000	\$	3,744.06
2704 Highway 6	631.001	8	6,816,000		\$	17,427.32
f) RECREATIONAL						
7813 Okanagan Landing Road	7815.000	6		408,000	\$	2,346.51
7813 Okanagan Landing Road	7815.000	8	1,635,000	-	\$	2,786.94
9657 Eastside Road	7801.200	1	1,263,000	124,400	\$	2,078.05
e) MIXED AND UNIQUE						
3700 - 33 rd Street	4135.007	6	2,778,000	-	\$	22,640.14
SE ¼ of Section 27	6167.000	8	288,000	-	\$	981.82
1905 - 47 th Avenue	2676.002	6	138,800	162,200	\$	2,247.67
1901 - 47 th Avenue	2676.002	8	57,800	56,600	\$	234.70
4304 - 25 th Street	2255.015	1	206,300	1,011,000	\$	1,557.19
3700 - 33 rd Street	4135.007	6	2,778,000	-	\$	22,640.14
3400 Coldstream Avenue	1196.001	1	1,102,000	3,742,000	\$	6,086.25
3400 Coldstream Avenue	1196.001	6	27,100	92,000	\$	422.10
3700 - 33 rd Street	4135.007	6	2,778,000	-	\$	22,640.14
f) Phase in 2004						
2309 - 40 th Avenue - S/SERVICE	1913.075	1	102,000	206,000	\$	1,134.73
3801 - 27 th Avenue - S/SERVICE	3937.004	1	85,200	157,000	\$	886.37
3104 - 37 th Avenue - S/SERVICE	1850.002	6	103,000	69,000	\$	1,633.10
6225 Okanagan Landing Rd - RECREATNL	7340.092	6	35,500	320,000	\$	1,985.06
2904 - 29 th Avenue - S/SERVICE	1355.000	6	110,000	135,000	\$	2,449.32
g) Phase in 2005						
4007 - 24th Avenue - S/SERVICE	3834.025	1	58,000	308,000	\$	953.78
3506 - 27th Avenue - S/SERVICE	3858.002	1	183,100	678,300	\$	2,207.66
3900 - 24th Avenue - MIXED	3829.002	1	237,400	783,000	\$	2,598.83
107 - 2200 - 53rd Avenue - MIXED	4487.047	1	69,000	-	\$	199.34
108 - 2200 - 53rd Avenue - MIXED	4487.048	1	69,000	-	\$	199.34
109 - 2200 - 53rd Avenue - MIXED	4487.049	1	69,000	-	\$	199.34
4611 - 23rd Street - WORSHIP	2674.002	8	145,000	435,000	\$	1,733.65
					\$	570,624.71
h) Reinstated in 2006 - SOCIAL SERVICE						
3307 26th Street	60.000	1	86,600	244,000	\$	1,245.20
2803 - 39th Street	3959.000	1	73,500	219,000	\$	1,105.40
100 Kalamalka Lake Road	6164.024	6	25,000	117,000	\$	1,038.19
2801 - 45th Avenue	2355.005	6	261,000	400,000	\$	6,728.10
2101 - 32nd Street	3213.000	6	2,876,000	33,548,000	\$	409,324.69
1909 - 32nd Street	3224.000	6	90,200	25,900	\$	1,033.03
1911 - 32nd Street	3222.000	6	70,200	13,400	\$	726.25
2001 - 32nd Street	3221.000	6	68,400		\$	557.45
i) NEW PHASE IN 2006						
3102 - 31st Avenue MIXED	1067.000	6	54,900	85,200	\$	471.05
Commonage Road - RECREATIONAL	7159.220	8	13,900	-	\$	47.39
Commonage Road - RECREATIONAL	7159.211	6	-	149,000	\$	1,713.87
Commonage Road - RECREATIONAL	7159.211	8	45,000	-	\$	153.41
4507 - 29th Street - WORSHIP	2402.000	1	103,000	58,600	\$	177.06
4507 - 29th Street - WORSHIP	2402.000	6	50,800	-	\$	136.62
4310 - 25th Street - WORSHIP	2255.011	1	206,300	1,011,000	\$	1,557.19
					\$	996,765.03



Report on Municipal Services and Operations

The City's Mission Statement is "To preserve and enhance our unique environment and lifestyle on behalf of the people of Vernon through the provision of dynamic and accountable leadership and effective municipal services".

The services provided by the City include:

- Legislative (adoption of bylaws; approval of development permits; adoption of corporate policies and procedures);
- Policing, including community policing;
- Fire protection;
- Emergency preparedness planning and co-ordination;
- Building approval and inspection;
- Bylaw enforcement;
- Planning and engineering services;
- Environmental protection services;
- Street, sidewalk and lane maintenance, construction and reconstruction;
- Boulevard and other landscape maintenance;
- Drainage system maintenance;
- Parking control and parkade operation;
- Street lighting;
- Traffic control;
- Cemetery operation;
- Public transit, including HandiDart, operation;
- Garbage and recycling services;
- Airport operation;
- Acting as collection authority for other taxing jurisdictions;
- Sanitary sewer collection system operation, maintenance and construction;
- Sanitary sewer treatment and disposal facility operation, maintenance and construction;
- Water system operation on behalf of Greater Vernon Services;
- Parks maintenance and operation on behalf of Greater Vernon Services;
- Recreation programs and facilities operation and maintenance on behalf of Greater Vernon Services



Summary of 2006 Year End Financial Results

General Revenue Fund

For the General Fund the 2006 financial results were much better than budgeted as revenues exceeded expectations and costs were less than anticipated. These results allowed us to bolster our reserves without resorting to a general tax increase.

Operating revenues surpassed budgeted amounts by \$ 1 million primarily as a result of increased development activity and investment returns. Increases in investment activities were a result of higher rates of return from our investment and banking activities as well as higher general reserve balances.

Operating expenditures of \$ 23.5 million were less than budget by almost \$ 1.6 million. This is partially due to reduced policing costs and fire protection costs, partially to lower than planned payroll overhead costs and generally positive results for general expenditure control.

Operating and capital budget carry over funds were established in the amount of \$3,862,065 for uncompleted works and projects. Additionally, because of the operational surpluses, an additional \$ 1,503,704 was set aside for future expenditures for infrastructure, insurance contingency, snow removal, fringe load variances, excess development revenue, and additional funds for transit expansion.

Sanitary Sewer Fund

The Sanitary Sewer Fund operating expenses remained near their 2005 level reflecting ongoing costs of operations for the new facility. Revenues were raised with planned transfers from reserves. Overall operations benefited from significantly lower debt costs relating to the long term borrowing at lower than predicted rates. A provision to carry over unfinished capital projects to 2007 was made for \$ 652,000.

Looking forward, our application to the Okanagan Basin Water Board for a debt assistance grant for the new Water Reclamation Plant was accepted and will commence in 2007

Summary

Overall the City is in a strong financial position to meet the identified needs for the next several years.



Statement of Management Responsibility

The financial statements of the Corporation of the City of Vernon for the year ended December 31, 2006 have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized in the notes to the financial statements. The firm of BDO Dunwoody LLP has performed an independent audit of the financial statements in accordance with generally accepted auditing standards. The auditor's report outlines the scope of this independent audit and their opinion on the financial statements of the City of Vernon.

Management depends upon a system of internal accounting controls that provide reasonable assurance, on a cost-effective basis, that the financial information is reliable and accurate.

The Finance Committee of Council has been given the added responsibility of acting as the Audit Committee of Council and meets with the external auditors as required. The Audited Financial Statements have been approved by both the Audit Committee and Council.

The Finance Committee and the full Council meet with management to set the financial plan for the City and to review the financial results of operation.

A handwritten signature in black ink, appearing to read 'Kevin Bertles', is written over a horizontal line.

Kevin Bertles
Manager Finance



2006 Final Report Goals and Objectives

2007 Goals and Objectives

2007 Strategic Objective

Review of Official Community Plan

2007 Goal

Carry out context studies in Economic, Environmental and Social Sustainability leading to a Transportation Model and draft policies including; Social Housing Policy; Environmental Policy; and Agricultural Policy
Provide significant public input opportunities
Adopt revised plan in 2008

Address Community Public Safety concerns

Undertake Fire Protection Review study
Finalize Regional Amonia/Chlorine Response Agreement
Initiate pilot program of using private security personnel in public areas
Increase bylaw enforcement officers to provide weekend/evening coverage

Improve Roads Infrastructure

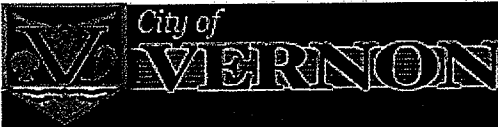
25 Avenue improvements between 34th & 41st Street
Complete intersection – 30th Avenue/Bella Vista Road
Construct Middleton Way – dependent on ROW acquisition funded, in part, from gas tax refund

Improve NORD/Coldstream relations

Continue work on Growth Management Study for completion in 2008

Improve Transit Service

Add one bus to the fleet and re-organize routing



Schedule of Council Remuneration and Expenses

In accordance with section 168 of the Community Charter, below is a listing of remunerations and expenses paid to or on behalf of each member of Council for the year 2006.

<u>MEMBER</u>	<u>ANNUAL REMUNERATION</u>	<u>EXPENSE PAYMENTS</u>
BAUMBROUGH, BETH	\$ 19,094.17	\$ 2,147.24
BEARDSSELL, B	\$ 19,094.27	
COCHRANE, PAT	\$ 19,094.27	
CUNNINGHAM, JULIETTE	\$ 19,094.17	\$ 2,341.58
GILROY, JACK	\$ 19,094.17	\$ 3,727.84
LIPPERT, K. WAYNE	\$ 59,189.82	\$ 6,512.01
NICHOL, PATRICK D	\$ 19,094.27	
	<u>\$ 173,755.14</u>	<u>\$ 14,728.67</u>

Approved by: _____

Treasurer

Approved by Council: _____

Mayor

Dated: _____



Schedule of Severance Agreements

In accordance with the requirements of the Financial Information Act below is schedule of Severance Agreements and equivalent's month range of compensation for the year 2006.

Number of Severance Agreements: 0

Range of equivalent's months pay: N/A

Approved by: _____ Dated: _____
Treasurer

Approved by Council: _____ Dated: _____
Mayor

SCHEDULE OF GUARANTEES

There are NO guarantees in effect during the year 2006

Approved by: _____ Dated: _____
Treasurer

Approved by Council: _____ Dated: _____
Mayor



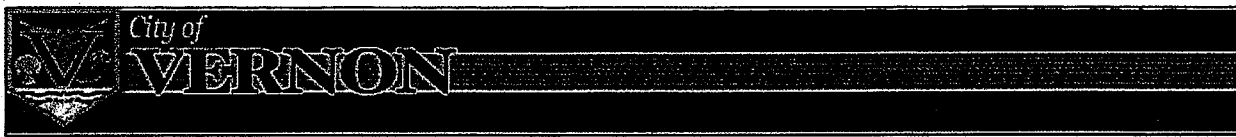
2006 Schedule of Employee Remuneration Over \$75,000 and Expenses

Employee Name			Earnings	Allowances	Expenses
1	BAILEY	M. J.	\$ 102,643.63		\$ 2,574.92
2	BIEBER	J.	\$ 82,414.31		\$ -
3	DROPE	J.	\$ 77,703.25	\$ 4,800.00	\$ 1,909.95
4	ELLIOTT	G.L.	\$ 83,867.30		\$ -
5	EXNER	R.	\$ 83,980.18		\$ -
6	FEHRMANN	B. H.	\$ 127,343.60	\$ 2,275.00	\$ 1,273.25
7	FORSLUND	E.	\$ 85,140.16		
8	GOUS	L.	\$ 122,658.47	\$ 4,800.00	\$ 6,603.78
9	HLOWACHUK	L.	\$ 90,368.31		\$ 4,760.52
10	IKESAKA	W.	\$ 81,395.03		\$ 1,886.44
11	KOENIG	S.A.	\$ 85,202.42	\$ 3,200.00	\$ 3,694.85
12	KUHN	D.	\$ 77,567.12		
13	LYSHOLM	J.	\$ 87,235.67	\$ 2,843.53	\$ 3,000.00
14	MANN	R.	\$ 78,766.92		
15	OWENS	R.	\$ 79,704.06		\$ 1,906.90
16	PSHYK	P.	\$ 82,310.48		\$ 30.00
17	RINTOUL	D.M.	\$ 78,116.18		\$ -
18	TISHENKO	A.	\$ 74,586.33		\$ 2,289.87
			\$ 1,581,003.42	\$ 17,918.53	\$ 29,930.48
ALL OTHER EMPLOYEES			\$10,692,971.96	\$9,719.30	\$114,023.38
OVERALL TOTAL			12,273,975.38	27,637.83	\$ 143,953.86

Approved by: _____
Treasurer

Approved by Council: _____
Mayor

Dated: _____



**Vendors Paid in Excess of \$25,000
For Fiscal Year Ending December 31, 2006**

SUPPLIER NAME	TOTAL
REGIONAL DISTRICT OF NORTH OKANAGAN	23,365,713.87
MINISTER OF FINANCE	9,631,690.51
RECEIVER GENERAL FOR CANADA	8,623,533.74
PETERS BROS. CONSTRUCTION LTD	2,115,503.44
CITY OF KELOWNA	2,071,649.35
MUNICIPAL PENSION PLAN	1,656,160.52
ACRES ENTERPRISES LTD	1,132,903.03
OKANAGAN REGIONAL LIBRARY	1,113,131.33
BC HYDRO & POWER AUTHORITY	1,079,420.51
O.K. ENVIRONMENTAL WASTE SYSTEMS	867,066.42
NORTH OKANAGAN COLUMBIA-SHUSWAP REGIONAL DISTRICT OF COLDSTREAM	813,808.00
OKANAGAN AGGREGATES LTD	731,524.92
OKANAGAN AGGREGATES LTD	705,960.53
BC TRANSIT	561,584.00
LAWRENCE ENTERPRISES LTD	524,433.94
PETRO-CANADA	471,855.84
S.J. PASECHNIK & SON (1997) LTD	444,549.15
BC ASSESSMENT AUTHORITY	440,021.96
FORMULA PILE & BRIDGE CONTRACTORS LTD	428,120.07
STANTEC CONSULTING LTD	414,440.95
VIMAR EQUIPMENT LTD	359,915.51
VERNON REGIONAL AIRPORT	352,849.00
CORIX WATER PRODUCTS	352,719.47
TERASEN GAS INC	320,512.13
DOWNTOWN VERNON ASSOC.	301,294.20
WESLOWSKI KEVIN	295,417.31
BRENNTAG CANADA INC	291,768.53
PREDATOR RIDGE DEVELOPMENTS LTD	290,800.00
MUNICIPAL INSURANCE ASSOC. OF BC	285,220.87
SURESPAN CONSTRUCTION LTD	281,346.94
R.E.POSTILL & SONS LTD	252,129.60
CHAPMAN MECHANICAL LTD	237,979.21
EAGLE ROCK AGGREGATES	230,890.67
THORPE DAVID	221,523.81
REGIONAL HOSPITAL DISTRICT - N. OKANAGAN	220,547.00
LRM CONTRACTING LTD	202,163.59
MICROSERVE V8205	198,050.34
CAPRI INSURANCE	194,385.00
MEDICAL SERVICES PLAN OF BC	190,250.00
GREAT-WEST LIFE INSURANCE COMPANY	180,995.30
BANK OF MONTREAL	176,440.54
OKANAGAN LANDING FIREFIGHTERS ASSOC.	153,742.50
KERR WOOD LEIDAL ASSOCIATES LIMITED	150,757.46
APPLIED GEO-ENVIRONMENTAL SOLUTIONS INC	150,645.30
BLUERIDGE LANDSCAPING & MAINTENANCE LTD	150,003.56
B & B CONCRETE	149,386.71
VERNON CIVIC EMPLOYEES UNION	145,247.71
681447 BC LTD	145,170.32
KLEARWATER EQUIPMENT TECHNOLOGIES CORP	144,851.24
IKON OFFICE SOLUTIONS	143,547.59

SUPPLIER NAME	TOTAL
FLETCHER & COMPANY MUNICIPAL CONSULTING INC	138,980.41
GOOD SAMARITAN CANADA	129,953.99
FRED SURRIDGE LTD	127,839.44
E.B. HORSMAN & SON LTD	126,234.24
FREIGHTLINER OF KELOWNA LTD	125,090.11
WORKERS' COMPENSATION BOARD	124,115.61
ANSELL CONSTRUCTION LTD	123,514.38
SUMMERWIND ESTATES LTD	121,662.00
CHELSEA MANAGEMENT LTD	116,359.55
TROTTER & MORTON CONSTRUCTORS LTD	106,354.71
PRECISION CLEANERS	106,033.70
BLACK PRESS GROUP LTD	105,736.20
VERNON LINE PAINTING LTD	100,446.91
WEST WIN HOLDINGS LTD	98,525.58
NATIONAL PROCESS EQUIPMENT	93,973.39
ECP HOLDINGS	93,041.99
ELKAY DEVELOPMENTS LTD	90,735.28
691640 BC LTD	87,302.22
LIDSTONE YOUNG ANDERSON	85,630.47
TELUS SERVICES INC	81,137.59
VIKING FARMS	77,581.20
KNIGHT'S VACUUM SERVICES LTD	75,125.25
SPECIAL T CLEANING	75,124.53
SHATZKO ENGINEERING LTD	74,989.58
EBA ENGINEERING CONSULTANTS LTD	74,570.58
ECONOWISE OFFICE FURNISHINGS LTD	73,872.92
SOFTCHOICE CORPORATION	70,069.28
HORIZON TREE SERVICE LTD	69,907.82
JOHN S. MAGUIRE BARRISTER & SOLICITOR	69,327.36
GREEN VELVET LAWN & TREE CARE	69,216.45
INTERIOR HEALTH AUTHORITY	69,208.35
MONASHEE SURVEYING AND GEOMATICS	67,180.90
CUMMINS WESTERN CANADA	67,158.44
AVENUE MACHINERY CORP	66,684.21
PETERS TIRECRAFT LTD	65,477.12
TRAFCO (CANADA)	64,975.99
0724480 BC LTD	63,319.68
705534 BC LTD	62,897.77
MURDY & McALLISTER BARRISTERS & SOLICITORS	61,257.09
RUDNISKY KENNETH M	61,050.39
VERNON LAND CORPORATION	59,284.20
TELUS COMMUNICATIONS (BC) INC	58,952.46
DALZIEL CONTRACTING	58,806.15
CORIX UTILITIES INC	57,866.09
EDDIE'S BLACKTOP MAINTENANCE	55,502.95
PREMIUM CANADA	55,351.19
MARJAK SERVICES LTD	54,010.66
HEENAN BLAIKIE LLP	52,803.24
OKANAGAN TRAFFIC CONTROL PROFESSIONALS	52,344.39
LANDINFO TECHNOLOGIES INC	52,148.41
SOL-AIR SYSTEMS INC	51,269.52
KAL TIRE LTD	51,152.07
CENTURY VALLEN	50,696.64
NORTH OKANAGAN YOUTH & FAMILY SERVICES SOCIETY	50,000.00
BRIKEN DEVELOPMENTS LTD	49,753.27
FINNING INTERNATIONAL INC	48,527.46
CISCO SYSTEMS CAPITAL CANADA CO	47,686.89
BELL MOBILITY INC	46,649.04
CORPORATE EXPRESS	45,742.74

SUPPLIER NAME	TOTAL
CANADA POST CORPORATION	43,841.55
WOLSELEY WATERWORKS GROUP	43,628.28
CEI ARCHITECTURE PLANNING INTERIORS	43,471.33
TOWN & COUNTRY TREE SERVICE	43,103.35
T.R.'S ENTERPRISES LTD	42,314.47
JUST INDUSTRIES LTD	41,837.00
FLETCHER PAINE ASSOCIATES ENGINEERING LTD	41,494.84
ICBC	40,567.07
SCOTIA MCLEOD INC	39,760.00
MICROSERVE FINANCIAL SOLUTIONS	39,357.84
LEKO PRE CAST LTD	39,309.92
LONDON DRUGS	38,895.33
VERNON PAVING LTD	38,800.81
BANNISTER CHEV-GEO-OLDS INC	37,740.58
SCOTIABANK	37,553.35
AUTODESK INC	37,202.91
POWER CONCEPTS LTD	36,430.93
WILLIAMS MACHINERY LTD	36,076.55
TELUS MOBILITY CELLULAR INC	34,821.53
PJS SYSTEMS INC	34,456.49
VERNON FIREFIGHTERS ASSOCIATION LOCAL 1517	34,366.00
FIRST IMPRESSION CLEANING	33,854.39
VALLEYVIEW CONTRACTING	33,776.26
URBAN SYSTEMS LTD	33,460.81
OCE-CANADA INC	33,370.04
MACAULAY & CO HOLDINGS	33,346.51
PACIFIC NORTHERN RAIL CONTRACTORS INC	33,090.02
COMTAX	32,787.94
ARMSTRONG MACHINE SHOP LTD	31,177.56
SHOESMITH LAND SURVEYS	31,048.81
CANADIAN DEWATERING LTD	30,943.69
ON SITE FENCING & MAINTENANCE	30,872.50
INTERIOR INSTRUMENT TECH SERVICES LTD	30,148.93
FOOT LOCKER CANADA INC	29,916.71
PHOENIX FIBERGLAS INC	29,649.60
GUILLEVIN INTERNATIONAL CO.	29,547.49
0705534 BC LTD	29,463.49
ROYAL BANK PERSONAL SERVICE CENTRE	28,897.51
NORTH OKANAGAN NEUROLOGICAL ASSOC (NONA)	28,344.51
FRASER BURRARD DIVING	28,036.48
1 & 2 ELECTRIC LTD	27,915.04
ABERDEEN PLUMBING & HEATING SERVICES LTD	27,606.14
ANDREW SHERET LIMITED	27,522.24
D & E VERNON TIRE LTD	27,337.80
QUADRA DEVELOPMENT SOLUTIONS INC	27,154.35
TURN-KEY CONTROLS LTD	27,032.88
SUN VALLEY MALL	26,946.72
OMEGA COMMUNICATIONS LTD	26,429.52
EMCO ENGINEERING	25,897.61
KIMCO CONTROLS LTD	25,395.43
TEMPEST DEVELOPMENT GROUP	25,271.66
EXCEL METAL FAB	25,117.84
SUBTOTAL (161 SUPPLIERS >\$25,000)	70,260,224.15
OTHER SUPPLIERS UNDER \$25,000	4,542,694.77
TOTAL PAYMENTS TO VENDORS	74,802,918.92



Schedule of Council Remuneration

In accordance with section 6 (2) (a) of the Financial Information Act, below is a listing of remunerations and expenses paid to or on behalf of each member of Council for the year 2006.

<u>MEMBER</u>	<u>ANNUAL REMUNERATION</u>	<u>EXPENSE PAYMENTS</u>
BAUMBROUGH, BETH	\$ 19,094.17	\$ 2,147.24
BEARDSELL, B	\$ 19,094.27	
COCHRANE, PAT	\$ 19,094.27	
CUNNINGHAM, JULIETTE	\$ 19,094.17	\$ 2,341.58
GILROY, JACK	\$ 19,094.17	\$ 3,727.84
LIPPERT, K. WAYNE	\$ 59,189.82	\$ 6,512.01
NICHOL, PATRICK D	\$ 19,094.27	
	<u>\$ 173,755.14</u>	<u>\$ 14,728.67</u>

Approved by: _____

Treasurer

Approved by Council: _____

Mayor

Dated: _____