



2024 DRAFT Financial Statements

And Independent Auditor's Report thereon

Fiscal Year Ending December 31, 2024

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**City of West Kelowna
December 31, 2024**

Management's Responsibility for Financial Reporting

The Council of the City of West Kelowna has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the City of West Kelowna. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Council annually reviews and approves the financial statements.

The City of West Kelowna's independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether these financial statements present fairly the City's financial position, financial activities and cashflows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accordance with Canadian generally accepted auditing standards.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards

Warren Everton, CPA, CMA
Chief Financial Officer
May 13, 2025

Independent Auditor's Report

To the Mayor and Council of The City of West Kelowna

Opinion

We have audited the financial statements of the City of West Kelowna (the "City"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and accumulated surplus, the statement of changes in net financial assets (debt) and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2024, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 4 and Schedule 5 of the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Kelowna, British Columbia
May 13, 2025

City of West Kelowna

Statement of financial position

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 57,113,301	\$ 75,721,700
Property taxes receivable	5,150,394	3,813,090
Accounts receivable (Note 3)	19,330,644	21,416,898
	<u>81,594,339</u>	<u>100,951,688</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	19,782,990	23,903,267
Security deposits	15,893,431	18,441,422
Deferred revenue (Note 5)	7,474,003	6,839,224
Deferred development cost charges (Note 6)	19,398,866	16,871,380
Short term and equipment debt (Note 7)	41,854,013	34,504,294
Long-term debt (Note 8)	6,105,248	8,053,192
Asset retirement obligations (Note 9)	1,789,130	1,710,122
	<u>112,297,681</u>	<u>110,322,901</u>
Net debt	<u>(30,703,342)</u>	<u>(9,371,213)</u>
Non-financial assets		
Tangible capital assets (Note 10)	504,709,706	482,564,142
Inventory	613,899	488,348
Prepaid expenses	1,206,129	1,736,090
	<u>506,529,734</u>	<u>484,788,580</u>
Accumulated Surplus (Schedule 2)	<u>\$ 475,826,392</u>	<u>\$ 475,417,367</u>

Contingent liabilities and commitments (Notes 14 and 16)

Warren Everton, CPA, CMA
Chief Financial Officer

Gord Milsom
Mayor, City of West Kelowna

City of West Kelowna

Statement of operations and accumulated surplus

Year ended December 31, 2024, with comparative information for 2023

	2024	2024 Budget (Note 17)	2023
Revenue			
Taxation (Note 11)	\$ 46,264,221	\$ 46,238,957	\$ 42,891,227
Sale of services and regulatory fees	31,674,877	30,745,939	29,884,368
Government transfers (Note 12)	3,887,847	3,709,037	22,916,178
Other (Note 13)	8,600,014	34,246,135	18,533,267
Total Revenue	90,426,959	114,940,068	114,225,040
Expenses (Schedule 3)			
General Government	20,293,412	9,811,796	18,447,829
Protective Services	21,400,167	20,723,014	23,862,470
Solid Waste	1,981,465	1,801,213	1,926,833
Development	1,964,161	2,577,270	1,865,384
Transportation	11,125,683	10,033,418	9,203,098
Parks, Recreation & Culture	10,339,596	10,153,081	9,772,530
Water Services	15,452,962	9,266,437	12,301,310
Sewer Services	7,290,607	5,679,505	6,796,569
Other	169,881	99,879	148,985
Total Expenses	90,017,934	70,145,613	84,325,008
			-
Annual surplus	409,025	44,794,455	29,900,032
Accumulated surplus, beginning of year	475,417,367	475,417,367	445,517,335
Accumulated Surplus, end of year	\$ 475,826,392	\$ 520,211,822	\$ 475,417,367

City of West Kelowna

Statement of changes in net debt

Year ended December 31, 2024, with comparative information for 2023

	2024	2024 Budget (Note 17)	2023
Annual Surplus	\$ 409,025	\$ 44,794,455	\$ 29,900,032
Acquisition of tangible capital assets	(36,022,399)	(31,500,243)	(49,695,599)
Amortization of tangible capital assets	13,849,006	13,849,006	12,916,993
Increase in tangible capital assets due to asset retirement obligations		-	(1,634,603)
Disposal of tangible capital assets	27,829	-	147,434
Net change in prepaid expenses and inventory	404,410	-	(595,244)
	(21,332,129)	27,143,218	(8,960,987)
Net debt, beginning of year	(9,371,213)	(91,503,027)	(410,226)
Net debt, end of year	\$ (30,703,342)	\$ (64,359,809)	\$ (9,371,213)

City of West Kelowna

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used for)		
Operating activities		
Annual Surplus	\$ 409,025	\$ 29,900,032
Non-cash items:		
Amortization of tangible capital assets	13,849,006	12,916,993
Accretion	79,008	75,519
Actuarial adjustments on sinking funds	(497,859)	(546,540)
Disposal of tangible capital assets	27,829	147,434
(Increase) decrease in		
Accounts receivable and property taxes	748,950	1,579,341
Prepaid expenses and inventory	404,410	(595,244)
Increase (decrease) in		
Accounts payable and accrued liabilities	(4,120,277)	6,462,724
Security deposits	(2,547,991)	2,158,493
Deferred development cost charges	2,527,486	1,088,603
Deferred revenue	634,779	1,556,493
	11,514,366	54,743,848
Financing activities		
Proceeds from debt	8,212,993	12,600,000
Repayment of debt	(2,313,359)	(2,084,599)
	5,899,634	10,515,401
Capital activities		
Acquisition of tangible capital assets and work in progress	(36,022,399)	(49,695,599)
Increase (decrease) in cash and cash equivalents	(18,608,399)	15,563,650
Cash and cash equivalents, beginning of year	75,721,700	60,158,050
Cash and cash equivalents, end of year	\$ 57,113,301	\$ 75,721,700
Supplementary cash flow information		
Interest Earned	\$ 3,247,600	\$ 2,120,987

City of West Kelowna

Notes to Financial Statements

December 31, 2024

1. Summary of significant accounting policies

The following is a summary of the City's significant accounting policies:

a) Nature of operations

The City of West Kelowna ("the City") is a local government situated in the province of British Columbia, Canada. The City is subject to the laws and regulations of the provincial statutes of the Community Charter, the Local Government Act. West Kelowna was officially incorporated as Westside District Municipality on December 6, 2007. In 2008, the name was changed to District of West Kelowna. On June 26, 2015, West Kelowna was reclassified from District to Municipality. At that time, the City had become British Columbia's 51st city. The City provides community services to its taxpayers and is responsible for creating and maintaining an infrastructure to serve a population in excess of the full time residents.

b) Segregation of Operations

The City's resources and operations are segregated into General, Water, Sewer, Storm Drainage, Statutory Reserve and Non-statutory Reserve Funds for accounting and financial reporting purposes. The financial statements include all of the accounts of these funds. All interfund transactions and balances have been eliminated within the financial statements.

c) Basis of accounting

The financial statements are prepared using the accrual basis of accounting and are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

d) Cash and cash equivalents

Management classifies all term deposits and investments with a maturity of 3 months or less that are cashable on demand as cash equivalents.

e) Financial Instruments

All financial instruments, are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. When investment income is externally restricted, the investment income is recognized as revenue in the period in which the resources are used for the purpose specified. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

City of West Kelowna
Notes to Financial Statements
December 31, 2024

1. Summary of significant accounting policies (continued)

f) Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The City does not capitalize interest associated with the acquisition or construction of tangible capital assets. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset class	Estimated useful life
Buildings	25-50 years
Building improvements	5-30 years
Computer	3-25 years
Infrastructure	3-20 years
Machinery	10-20 years
Office furniture and equipment	10-25 years
Roads	40 years
Sewer infrastructure	20-100 years
Sidewalks	50 years
Small tools and equipment	5-25 years
Solid waste carts	25 years
Storm drains	10-50 years
Vehicles	10-20 years
Water infrastructure	15-100 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

The City has numerous works of art located throughout the City which are not reflected in these financial statements due to the subjectivity as to their value.

Tangible capital assets constructed and contributed by developers are recorded at their fair value and are capitalized into tangible capital assets and reflected in the statement of operations and accumulated surplus as revenue.

g) Work in progress

Work in progress represents capital projects under construction but not yet completed and are recorded at cost. Work in progress is not amortized. Amortization of these assets will commence when the asset is put into service.

h) Prepaid expenses and inventory

Prepaid expenses consist of amounts paid related to future years' expenses. Inventory consists of supplies held for construction use and are recorded at lower of cost or replacement cost.

City of West Kelowna

Notes to Financial Statements

December 31, 2024

1. Summary of significant accounting policies (continued)

i) Employee future benefits

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, the City's contributions are expensed as incurred.

Sick leave and other retirement benefits are also available to the City's employees. The ALGEU Collective Agreement allows for the accumulation of sick leave to a maximum of 100 days, it is expensed in the year it is accumulated. Earned sick leave vests after 10 years of employment and is paid to a maximum of 50 days. Accrued earned sick leave and vacation pay is included in wages and payroll liabilities.

j) Deferred development cost charges ("DCC's")

Pursuant to the provisions of the Local Government Act, DCC's are held for the purpose for which the charges have been imposed. When the related costs are incurred, the DCC's are recognized as revenue. Because these funds are restricted in nature they are shown as a liability.

k) Debt

Outstanding debt is reported net of applicable sinking fund balances.

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

l) Municipal Finance Authority debt reserve deposits

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The 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 amounts are contingent in nature and are not reflected in these accounts. The details of the debt reserve fund and demand notes at year end are as follows:

	Debt reserve			
	Demand notes	funds	2024	2023
General Fund	350,582	186,190	\$ 536,772	\$ 530,507
Water Funds	11,423	6,348	\$ 17,771	17,557
Sewer Funds	180,778	105,636	\$ 286,414	331,582
	<u>\$ 542,783</u>	<u>\$ 298,174</u>	<u>\$ 840,957</u>	<u>\$ 879,646</u>

m) Reserve funds

Non-statutory reserves represent an appropriation of surplus for specific purposes as determined by council. Reserves for future expenses represent funds that are available to temporarily finance operations until planned revenues (i.e. property taxes, grants, etc.) are received, or for other operating or capital purposes as determined by Council. Statutory reserves have been established by bylaw in accordance with the Community Charter and their use is restricted by legislation.

City of West Kelowna
Notes to Financial Statements
December 31, 2024

1. Summary of significant accounting policies (continued)

n) Revenue

Revenue with performance obligation(s) are recognized when, or as, the entity has satisfied the performance obligation either through a point in time or over a period of time. The City satisfies the performance obligation(s), when control of the benefits associated with the promised goods or services has passed to the payor. Revenues included under exchange transactions are, but not limited to:

- Revenue recognition on engineering fees, planning & development permits, recreation program fees, and property lease revenues are recognized over time as the performance obligations are satisfied.
- Revenue recognition on sales of property, fees for recreation classes, business licenses, fees for goods and services are recognized at a specific point in time when the performance obligations are satisfied.

Revenue from transactions with no performance obligation is recognized at the realizable value when a public sector entity has the authority to claim or retain an inflow of economic resources and a past event giving rise to a claim or economic resources has occurred. Revenue included under non-exchange transactions are, but not limited to:

- Developer contributions, tax penalties & arrears, and bylaw violation revenues are involuntary transactions and are recognized at the transaction price when the City has the authority to claim an inflow of economic resources.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Contributions or other funding received which has externally imposed restrictions are initially accounted for as deferred revenue and then recognized as revenue when used for the specific purpose.

Contributions received in-kind are recognized as revenue in the period received at the fair market value at the time of the contribution.

o) Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

p) Budget figures

The budget figures are from the City's 10-Year Financial Plan Bylaw, adopted before May 15th of each year. Subsequent amendments have been authorized by Council to reflect changes in the budget as required by law. Such amendments are not reflected in the financial statement budget figures.

City of West Kelowna
Notes to Financial Statements
December 31, 2024

1. Summary of significant accounting policies (continued)

q) Measurement of uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts, and disclosure of, assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates relate to the determination of payroll liabilities, the existence and measurement of any contingent liabilities, asset retirement obligations and tangible capital asset estimated useful life and related amortization expense. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made.

r) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City is directly responsible and accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

s) Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset: the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at the amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. The cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

City of West Kelowna
Notes to Financial Statements
December 31, 2024

1. Summary of significant accounting policies (continued)

t) Segmented disclosure

A segment is defined as distinguishable activity of group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard.

The City of West Kelowna is a diversified municipal government that provides a wide range of services to its citizens. The City's operations and activities are organized and reported by funds and departments. The General Fund reports on operations, funded primarily by property taxes, which include services provided by the City such as general government services, protective services, solid waste, public health and housing, development, transportation, and parks, recreation and cultural services. The utility operations are comprised of the water, sewer and storm drainage systems, each accounting for its own operations and programs within their own funds. Operating results reported by the following segments are included in Schedule 3.

The various segments are described as follows:

i) General government services

This segment is responsible for a number of different functions including Legislative Services, Administration, Finance and Information Services. Legislative services involves staff working closely with Council and community partners to coordinate the delivery of a wide range of functions and services. Administration is responsible for the Human Resources function, which oversees the recruitment and retention of people, management of labour relations, administration of collective agreements, employee compensation and benefit programs, staff training and development, employee health and safety and Work Safe BC regulations. Finance is responsible for the requisition of tax revenues from the Province and other taxing authorities and all treasury and accounting functions. Information Services includes an all-encompassing computer database and mapping system for properties in the City, which is used by City departments, other government agencies and members of the public.

ii) Protective services

This segment is responsible for all the various services provided by the RCMP, Fire Services and Bylaw Enforcement designed to protect the lives and property of both citizens and visitors with a focus on emergency response, law enforcement, search and rescue, education and prevention.

iii) Solid Waste

Captures the costs of the contract for garbage, recycling, and yard waste pick up at residential locations, along with the cost of replacement carts.

iv) Development services

This segment is responsible for delivering health, planning and development services to the City. The specific functions include planning, building permits and inspections, business licensing, design and engineering services as well as tourism and economic development.

v) Transportation services

This segment is responsible for roads and maintenance, street lighting, traffic management, transit, and storm drainage.

City of West Kelowna
Notes to Financial Statements
December 31, 2024

1. Summary of significant accounting policies (continued)

t) Segmented disclosure (continued)

vi) Parks, recreation and cultural services

This segment is responsible for recreational program design, delivery and management, municipal facilities/parks development and maintenance and museum operations, as well as coordination of many recreational/sporting activities and groups.

vii) Water services

This segment is responsible for the operation and maintenance of the five water systems that provide water services to the residents and businesses within the municipal boundaries of the City.

viii) Sewer services

This segment is responsible for the operation and maintenance of the sewer collection system within the municipal boundaries of the City.

ix) Other

This segment includes the operation and maintenance of the Westbank Cemetery.

2. Financial assets - cash and cash equivalents

Cash and cash equivalents held by the City include cash with an average interest rate of 5.62% (2023- 5.34%).

3. Financial assets - Accounts receivable

	2024	2023
Federal government	\$ 1,221,998	\$ 1,435,556
Provincial government	7,962,161	5,713,710
Sewer fees	3,670,455	4,163,591
Utility fees	5,702,010	5,435,611
Other	774,020	4,668,430
	<u>\$ 19,330,644</u>	<u>\$ 21,416,898</u>

4. Liabilities - Accounts payable and accrued liabilities

	2024	2023
Trade	\$ 5,737,920	\$ 14,479,127
Wages and payroll	3,948,249	4,314,355
Accrued liabilities	2,105,934	749,830
Receiver General	1,713,324	-
School Tax	1,747,687	519,550
Other governments	3,929,137	3,525,923
Other	600,739	314,482
	<u>\$ 19,782,990</u>	<u>\$ 23,903,267</u>

City of West Kelowna
Notes to Financial Statements
December 31, 2024

5. Liabilities - Deferred revenue

	2024	2023
Property taxes	\$ 4,917,133	\$ 4,615,110
Recreation program fees	298,593	269,183
Cemetery perpetual care fund	331,655	251,066
Utility fees	352,213	259,914
Other	1,574,409	1,443,951
	<u>\$ 7,474,003</u>	<u>\$ 6,839,224</u>

6. Liabilities - Deferred development cost charges ("DCC's")

	2024	2023
Balance, beginning of year	\$ 16,871,380	\$ 15,782,777
Contributions from developers	1,976,590	5,640,327
Interest on investments	911,213	851,113
Bylaw expenditures	(360,317)	(5,402,837)
Balance, end of year	<u>\$ 19,398,866</u>	<u>\$ 16,871,380</u>

DCC's are comprised of the following:

	2024	2023
Roads	\$ 6,256,666	\$ 4,971,589
Water	7,429,735	6,596,315
Parks	5,772,239	5,481,240
Sewer	173,797	141,274
Storm Sewer	(233,571)	(319,038)
	<u>\$ 19,398,866</u>	<u>\$ 16,871,380</u>

7. Liabilities - Short Term & Equipment debt

	Current interest rate (%)	Year of Maturity	Balance, beginning of year	Additions	Sinking fund payments	Balance, end of year
Short Term Debt						
MFA loan #0001-0		2026	\$ 1,224,596		\$ 384,044	\$ 840,553
MFA loan #0002-01		2026	86,180	2,418,600	219,226	2,285,554
MFA loan #0002-01		2027	993,518	494,393	260,005	1,227,906
MFA bylaw #289	5.61	2026	21,500,000	2,000,000		23,500,000
MFA bylaw #290	5.61	2027	10,700,000	300,000		11,000,000
MFA bylaw #313	5.61	2027	-	3,000,000		3,000,000
			<u>\$ 34,504,294</u>	<u>\$ 8,212,993</u>	<u>\$ 863,275</u>	<u>\$ 41,854,013</u>

Interest is charged on a daily floating rate basis and compounded monthly. Interest paid during the year was \$1,950,485 (2023 - \$1,556,625).

City of West Kelowna
Notes to Financial Statements
December 31, 2024

7. Liabilities - Short Term & Equipment debt (continued)

Estimated principal payments on short term debt, excluding Bylaws 289 and 290, for the duration of the term are as follows:

	2025	2026	2027	2028	2029
	\$ 1,253,643	\$ 1,206,572	\$ 1,024,841	\$ 644,362	\$ 247,070

Bylaws 289, 290 and 313 are temporary interim borrowing loans (up to 5 year term) with interest only payments. When the interim period is complete, they will transfer into long-term debt with annual interest and principle repayments.

The maximum borrowing for each bylaw is as follows:

Bylaw 289 - Rose Valley Temporary Borrowing Agreement	\$ 23,500,000
Bylaw 290 - City Hall Temporary Borrowing Agreement	\$ 11,000,000
Bylaw 313 - Fire Hall 32 Temporary Borrowing Agreement	\$ 8,000,000

8. Liabilities - Long-term debt

	Current interest rate (%)	Year of Maturity	Balance, beginning of year	Sinking fund payments	Actuarial adjustment (Note 15)	Balance, end of year
General fund						
MFA issue #95	1.80	2025	\$ 445,199	\$ 134,007	\$ 85,303	\$ 225,889
MFA issue #105	4.90	2029	3,186,425	277,414	202,977	2,706,033
			<u>3,631,624</u>	<u>411,421</u>	<u>288,280</u>	<u>2,931,922</u>
Water fund						
MFA issue #101	4.52	2027	65,140	10,174	5,396	49,570
MFA issue #103	4.65	2028	46,039	4,720	3,780	37,539
Province of BC	4.95	2027	2,778,415	745,659		2,032,755
			<u>2,889,594</u>	<u>760,553</u>	<u>9,176</u>	<u>2,119,864</u>
Sewer fund						
MFA issue #85	2.00	2024	72,764	28,795	43,968	-
MFA issue #85	2.00	2024	4,586	1,815	2,771	-
MFA issue #95	1.80	2025	124,883	37,590	23,928	63,365
MFA issue #99	4.43	2027	4,012	659	625	2,728
MFA issue #99	4.43	2027	264,097	43,433	41,170	179,494
MFA issue #101	4.52	2027	690,472	107,845	57,196	525,431
MFA issue #101	4.52	2027	161,731	25,260	13,397	123,074
MFA issue #101	4.52	2027	209,428	32,710	17,348	159,370
			<u>1,531,974</u>	<u>278,107</u>	<u>200,403</u>	<u>1,053,462</u>
Total long-term debt			<u>\$ 8,053,192</u>	<u>\$ 1,450,081</u>	<u>\$ 497,859</u>	<u>\$ 6,105,248</u>

The requirements for future repayments of principal and estimated actuarial adjustments on existing debt for the next five years and thereafter are as follows:

	2025	2026	2027	2028	2029	Thereafter & actuarial adjustments
General Fund	\$ 411,421	\$ 277,414	\$ 277,414	\$ 277,414	\$ 277,414	\$ 1,410,845
Water Fund	798,139	628,129	14,894	4,720	-	673,982
Sewer Fund	247,501	209,910	165,817	-	-	430,234
	<u>\$1,457,061</u>	<u>\$ 1,115,453</u>	<u>\$ 458,125</u>	<u>\$ 282,134</u>	<u>\$ 277,414</u>	<u>\$ 2,515,060</u>

City of West Kelowna
Notes to Financial Statements
December 31, 2024

9. Asset retirement obligation:

The City's asset retirement obligation consists of the following obligations:

The City owns and operates several buildings that are known to contain asbestos as well as sewer pipes, which various regulations require specific considerations upon asset retirement. The City recognized an obligation relating to the removal and disposal of the asbestos in these buildings and sewer pipes as estimated at December 31, 2024. The buildings all have an estimated useful life of 25-50 years from the date of completion of construction, of which various number of years remain. Sewer pipes have an estimated useful life of 70 years, again with various numbers of year remaining. The estimated costs of \$1,789,130 (2023 - \$1,634,603) is the present value of expected future expenditures using a discount rate of 4.62% (2023 - 4.62%) per annum.

	2024	2023
Opening balance	\$ 1,710,122	\$ -
Initial adoption	-	1,634,603
Accretion expense	79,008	75,519
Closing asset retirement obligation	<u>\$ 1,789,130</u>	<u>\$ 1,710,122</u>

10. Tangible capital assets and work in progress

	2024 Net book value	2023 Net book value
General		
Land	\$ 111,243,279	\$ 111,243,279
Buildings	51,783,833	28,478,968
Equipment	11,786,007	11,834,276
Engineering structures	118,084,751	117,257,772
	<u>292,897,870</u>	<u>268,814,295</u>
Water infrastructure	117,375,035	120,097,663
Sewer infrastructure	48,580,135	49,683,489
Tangible capital assets	<u>\$ 458,853,040</u>	<u>\$ 438,595,447</u>
Work in progress	<u>\$ 45,856,666</u>	<u>\$ 43,968,695</u>
Tangible capital assets and work in progress (Schedule 1)	<u>\$ 504,709,706</u>	<u>\$ 482,564,142</u>

Additions to work in progress for the year totaled \$22,866,235 (2023- \$28,374,311).

City of West Kelowna
Notes to Financial Statements
December 31, 2024

11. Taxation - net

Taxation revenue comprises the following amounts collected less transfers to other governments:

	2024	2023
General municipal purposes	\$ 46,264,221	\$ 42,891,227
Collections for other governments		
Provincial Government - Schools	22,542,959	21,457,117
Central Okanagan Regional Hospital District	3,360,417	3,301,064
Regional District of the Central Okanagan	4,850,874	4,625,865
British Columbia Assessment Authority	634,913	606,833
Municipal Finance Authority	3,518	3,466
	<u>77,656,902</u>	<u>72,885,572</u>
Transfers to other governments		
Provincial Government - Schools	22,542,959	21,457,117
Central Okanagan Regional Hospital District	3,360,417	3,301,064
Regional District of the Central Okanagan	4,850,874	4,625,865
British Columbia Assessment Authority	634,913	606,833
Municipal Finance Authority	3,518	3,466
	<u>31,392,681</u>	<u>29,994,345</u>
	\$ 46,264,221	\$ 42,891,227

12. Government transfers

		2024	2023
Provincial unconditional transfers			
Other	x	\$ 563,634	\$ 154,668
		<u>563,634</u>	<u>154,668</u>
Provincial conditional transfers			
Okanagan Basin Water Board grant		-	1,012
Clean water fund grant		-	7,864,484
Other	x	1,150,972	12,397,453
		<u>1,150,972</u>	<u>20,262,949</u>
Federal unconditional transfers			
Traffic fine revenue sharing grant and Federal grants		467,059	938,878
		<u>467,059</u>	<u>938,878</u>
Federal conditional transfers			
Gas tax community works fund		1,706,182	1,559,682
		<u>1,706,182</u>	<u>1,559,682</u>
Total transfers from other governments		<u>\$ 3,887,847</u>	<u>\$ 22,916,177</u>

City of West Kelowna
Notes to Financial Statements
December 31, 2024

13. Revenue - other

	2024	2023
DCC contributions	\$ 360,317	\$ 5,002,837
Cost recoveries	4,936,779	5,655,789
Interest	2,630,774	2,983,073
Actuarial adjustment on long-term debt (Note 10)	497,859	546,540
Donations	6,859	694,941
Gain/Loss on Assets	69,610	3,470,911
Other	97,816	179,176
	<u>\$ 8,600,014</u>	<u>\$ 18,533,267</u>

14. Contingent liabilities

Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the City and each member municipality within the Regional District, including the City of West Kelowna. The loan agreements with the Regional District of Central Okanagan and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities. As at December 31, 2024, the City does not anticipate being required to assume any of the Regional District's debt. The balance of MFA debt held through the Regional District at December 31, 2024 was \$4,072,492 (2023 - \$5,274,444)

Municipal Insurance Association

The City is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with the other participants, would be required to contribute towards the deficit. Management does not consider external payments under this contingency to be likely and therefore no amounts have been accrued.

Legal actions

The nature of the City's operations are such that the City is subject to potential or ongoing litigation, the outcome of which is not determinable at this time. Accordingly, no provision has been made in the accounts for these actions. The amount of loss, if any, arising from ongoing litigation will be recorded in the accounts in the period in which the loss amount is known or can be reasonably estimated. The City has insurance policies and financial reserves to offset associated risks.

City of West Kelowna
Notes to Financial Statements
December 31, 2024

15. Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024, with results available in 2025.

The City paid \$2,495,365 (2023 - \$2,174,655) for employer contributions while employees contributed \$2,139,612 (2023 - \$1,875,866) to the plan in fiscal 2024.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

16. Commitments

The City has entered into various operating leases for equipment and payments under contracts for services with terms varying from one to five years. The total lease commitments payable in each of the next five years are as follows:

2025	\$ 3,152,293
2026	3,292,601
2027	3,330,519
2028	3,330,519
2029	3,330,519
	<u>\$ 16,436,451</u>

City of West Kelowna
Notes to Financial Statements
December 31, 2024

16. Commitments (continued)

Letters of Credit

The City is holding letters of credit in the amount of \$27,077,773 (2023 - \$23,392,518), which are received as security related to performance deposits.

Operating Line

The City has revolving credit facilities with one Canadian chartered bank providing for borrowing of up to \$6,000,000. The facilities bear interest at the bank prime rate less 0.5% and are due on demand. As at December 31, 2024, \$nil (2023 - \$nil) has been drawn on these facilities.

17. Budget

The budget amounts presented reflect the statutory financial plan as adopted by Council on April 9, 2024, adjusted for amortization and other items for comparability with the actual results. The following table reconciles the balanced statutory financial plan to the budget surplus reported on the statement of operations and accumulated surplus.

Surplus as per 10 year Financial Plan Bylaw No. 0312, 2024	\$ -
Adjust for non-operating items included in Financial Plan:	
Acquisition of tangible capital assets	31,500,243
Repayment of principal portion of debt	(2,350,000)
Net transfers to reserves	15,644,212
Budget surplus as per the statement of operations and accumulated surplus	<u>\$ 44,794,455</u>

18. Financial Instruments

Financial Instrument Risk Management

The Municipality is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Municipality's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

There have not been any changes from the prior year in the Municipality's exposure to above risks or the policies, procedures and methods it uses to manage and measure the risks.

City of West Kelowna
Notes to Financial Statements
December 31, 2024

18. Financial Instruments (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality is exposed to credit risk through its cash, accounts receivable, and portfolio investments.

The Municipality manages its credit risk by holding cash at federally regulated chartered banks with all deposits fully guaranteed. The Municipality measures its exposure to credit risk based on how long amounts have been outstanding and based on historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined in Note 4. Accounts receivable arise primarily as a result of utilities, and grants receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

Liquidity risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to liquidity risk through its accounts payable, long-term debt, short-term debt and equipment financing.

The Municipality manages this risk by holding investments with its primary banking institution, having the ability to increase tax rates per bylaw in order to increase cash, and by monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash flows arise. Also to help manage the risk, the Municipality has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. Funding, whether through reserves or financing, for capital projects is secured before being proposed in the financial plan. The Municipality's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The Municipality measures its exposure to liquidity risk based on results of cash forecasting and expected outflows and extensive budgeting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk through its long-term and short-term debt and through its equipment financing.

The Municipality manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 8 for interest rates and maturity dates for long term debt.

19. Change in accounting policy

On January 1, 2024, the City adopted revised Public Sector Accounting Standards: Section 3400 - Revenue on a prospective basis. As a result of the adoption, the revenue recognition policy for building permits changed from the prior year. During the year there were no building permits collected, where the performance obligations had not been met and as a result, there was no impact to the current year presentation as a result of this accounting policy change.

City of West Kelowna

Schedule 1 - Schedule of tangible capital assets and work in progress

December 31, 2024

	Land	Land improvements	Buildings	Other tangible capital assets	Equipment and vehicles	Transportation	Drainage infrastructure	Water infrastructure	Sewer infrastructure	Work in progress	Total
Cost:											
Balance, beginning of year	\$ 111,243,279	\$ 17,736,856	\$ 46,807,419	\$ 1,473,774	\$ 28,144,378	\$ 275,968,255	\$ 7,981,534	\$ 160,820,461	\$ 70,946,856	\$ 43,968,695	\$ 765,091,507
Additions	-	1,143,007	24,568,765	-	1,807,448	6,492,718	86,267	-	36,223	22,866,235	57,000,663
Disposals	-	-	-	-	(253,007)	(340,227)	-	-	-	(20,978,264)	(21,571,498)
Balance, end of year	111,243,279	18,879,863	71,376,184	1,473,774	29,698,819	282,120,746	8,067,801	160,820,461	70,983,079	45,856,666	800,520,672
Accumulated amortization:											
Balance, beginning of year	-	(7,445,606)	(18,328,451)	(434,244)	(16,310,102)	(175,195,331)	(2,827,466)	(40,722,798)	(21,263,367)	-	(282,527,365)
Amortization expense	-	(938,523)	(1,263,900)	(47,963)	(1,854,317)	(5,520,170)	(361,928)	(2,722,628)	(1,139,577)	-	(13,849,006)
Effects of Disposals	-	-	-	-	251,607	313,798	-	-	-	-	565,405
Balance, end of year	-	(8,384,129)	(19,592,351)	(482,207)	(17,912,812)	(180,401,703)	(3,189,394)	(43,445,426)	(22,402,944)	-	(295,810,966)
Net book value, end of year	\$ 111,243,279	\$ 10,495,734	\$ 51,783,833	\$ 991,567	\$ 11,786,007	\$ 101,719,043	\$ 4,878,407	\$ 117,375,035	\$ 48,580,135	\$ 45,856,666	\$ 504,709,706

Schedule 1 - Schedule of tangible capital assets and work in progress

December 31, 2023

	Land	Land improvements	Buildings	Other tangible capital assets	Equipment and vehicles	Transportation	Drainage infrastructure	Water infrastructure	Sewer infrastructure	WIP	2023 TOTAL
Cost:											
Balance, beginning of year	\$ 111,263,279	\$ 16,069,484	\$ 45,914,609	\$ 1,473,774	\$ 26,091,676	\$ 272,465,749	\$ 6,071,243	\$ 99,897,536	\$ 69,576,031	\$ 66,746,223	\$ 715,569,604
Additions	-	1,667,372	629,032	-	3,205,005	3,969,663	1,910,291	61,091,764	-	28,374,311	100,847,438
Additions due to ARO recognition (Note 11)	-	-	263,778	-	-	-	-	-	1,370,825	-	1,634,603
Disposals	(20,000)	-	-	-	(1,152,303)	(467,157)	-	(168,839)	-	(51,151,839)	(52,960,138)
Balance, end of year	111,243,279	17,736,856	46,807,419	1,473,774	28,144,378	275,968,255	7,981,534	160,820,461	70,946,856	43,968,695	765,091,507
Accumulated amortization:											
Balance, beginning of year	-	(6,485,222)	(17,122,387)	(386,283)	(15,634,955)	(170,082,739)	(2,573,909)	(38,918,623)	(20,067,117)	-	(271,271,235)
Amortization expense	-	(960,384)	(1,206,064)	(47,961)	(1,770,696)	(5,522,178)	(253,557)	(1,959,903)	(1,196,250)	-	(12,916,993)
Effects of Disposals	-	-	-	-	1,095,549	409,586	-	155,728	-	-	1,660,863
Balance, end of year	-	(7,445,606)	(18,328,451)	(434,244)	(16,310,102)	(175,195,331)	(2,827,466)	(40,722,798)	(21,263,367)	-	(282,527,365)
Net book value, end of year	\$ 111,243,279	\$ 10,291,250	\$ 28,478,968	\$ 1,039,530	\$ 11,834,276	\$ 100,772,924	\$ 5,154,068	\$ 120,097,663	\$ 49,683,489	\$ 43,968,695	\$ 482,564,142

City of West Kelowna
Schedule 2 - Schedule of accumulated surplus
December 31, 2024

	Balance, beginning of year	Transfer to	Transfer from	Interest	Balance, end of year
Reserves					
Community projects	\$ 3,653,127	\$ 1,706,182	\$ (928,840)	\$ 238,815	\$ 4,669,284
Fire	272,260	-	-	15,301	287,561
Future expenses	1,933,825	495,000	(326,137)	97,746	2,200,434
Infrastructure	247,639	1,119,947	(649,465)	-	718,121
Municipal facilities	9,503,877	1,200,000	(8,714,001)	322,975	2,312,851
Other	(12,179,037)	15,580,944	(32,594,540)	105,767	(29,086,866)
Policing	1,208,813	315,069	(135,876)	72,971	1,460,977
Property acquisition	521,572	-	-	29,312	550,884
Recreation	534,984	107,116	-	33,076	675,176
Road maintenance and snow clearing	883,588	-	-	49,657	933,245
Storm drainage	151,020	62,592	-	10,246	223,858
	6,731,668	20,586,850	(43,348,859)	975,866	(15,054,475)
Statutory and Internally Restricted Reserve Funds					
<u>General Fund</u>					
Capital Reserve	8,468,328	5,023,746	(1,991,408)	549,016	12,049,682
Equipment Replacement	3,115,714	1,100,654	(1,121,362)	174,521	3,269,527
Main City Software Platform	1,036,930	250,000	-	65,300	1,352,230
Fire Department Equipment	1,434,975	744,120	(460,776)	88,608	1,806,927
Growing Communities Fund	10,484,660	-	(2,368,229)	522,691	8,639,122
	24,540,607	7,118,520	(5,941,775)	1,400,136	27,117,488
<u>Water Fund</u>					
Rose Valley	8,389,766	2,160,522	(236,454)	525,571	10,839,405
Powers Creek	1,445,942	895,261	-	106,419	2,447,622
	9,835,708	3,055,783	(236,454)	631,990	13,287,027
<u>Sewer Fund</u>					
Sewer Reserve	1,591,757	656,068	(36,223)	106,874	2,318,476
	1,591,757	656,068	(36,223)	106,874	2,318,476
	42,699,740	31,417,221	(49,563,311)	3,114,866	27,668,516
Investment in non-financial assets					
Investment in Tangible Capital Assets					
General	323,743,619	30,096,571	(9,864,673)	-	343,975,517
Water	86,358,337	776,164	(2,831,561)	-	84,302,940
Sewer	22,615,671	(1,684,637)	(1,051,615)	-	19,879,419
	432,717,627	29,188,098	(13,747,849)	-	448,157,876
Accumulated surplus	\$ 475,417,367	\$ 60,605,319	\$ (63,311,160)	\$ 3,114,866	\$ 475,826,392

City of West Kelowna

Schedule 3 - Schedule of segment disclosure

Year ended December 31, 2024

	General Government	Protective Services	Solid Waste	Development	Transportation	Parks, Recreation, and Culture	Water and Sewer Services	Other	2024 TOTAL
Revenue									
Taxation	\$ 13,786,907	\$ 14,538,809	\$ 1,346,164	\$ 1,334,408	\$ 7,558,548	\$ 7,024,497	\$ 559,475	\$ 115,413	\$ 46,264,221
Sale of Services	943,112	3,130,905	2,422,141	637,587	896,216	1,653,541	21,819,769	171,606	31,674,877
Government Transfers	3,420,335	-	467,058	-	454	-	-	-	3,887,847
Investment Income & Actuarial Adjustment	2,999,916	-	-	-	-	-	128,716	-	3,128,632
Developer Contributions	-	-	-	-	(35,025)	395,342	-	-	360,317
Other	170,214	3,713,545	-	29,971	16,222	1,111,063	440	-	5,041,455
Gain/Loss on Assets	69,610	-	-	-	-	-	-	-	69,610
Total Revenue	<u>21,390,094</u>	<u>21,383,259</u>	<u>4,235,363</u>	<u>2,001,966</u>	<u>8,436,415</u>	<u>10,184,443</u>	<u>22,508,400</u>	<u>287,019</u>	<u>90,426,959</u>
Expenses by Object									
Salaries, wages and employee benefits	5,648,789	12,451,949	40,830	1,574,398	3,076,920	4,422,695	5,864,266	58,807	33,138,654
Material, goods and supplies	390,294	485,965	88,293	12,839	325,027	291,885	3,091,464	21,893	4,707,660
Property service cost	2,274,724	679,246	1,852,342	70,056	6,469,531	3,021,272	7,872,401	40,761	22,280,333
Professional service cost	619,296	7,386,049	-	288,730	1,209,592	2,354,553	240,697	140	12,099,057
Other, expenses	452,662	114,453	-	12,898	44,613	133,005	41,898	-	799,529
Fiscal expenses (interest pmts, etc)	10,881,702	282,505	-	5,240	-	116,186	5,478,623	48,280	16,812,536
Accretion Expense	25,945	-	-	-	-	-	154,220	-	180,165
Total Expense	<u>20,293,412</u>	<u>21,400,167</u>	<u>1,981,465</u>	<u>1,964,161</u>	<u>11,125,683</u>	<u>10,339,596</u>	<u>22,743,569</u>	<u>169,881</u>	<u>90,017,934</u>
Annual surplus (deficit) for the year	<u>\$ 1,096,682</u>	<u>\$ (16,908)</u>	<u>\$ 2,253,898</u>	<u>\$ 37,805</u>	<u>\$ (2,689,268)</u>	<u>\$ (155,153)</u>	<u>\$ (235,169)</u>	<u>\$ 117,138</u>	<u>\$ 409,025</u>

Schedule of Operations by Segment

Year ended December 31, 2023

	General Government	Protective Services	Solid Waste	Development	Transportation	Parks, Recreation, and Culture	Water and Sewer Services	Other	2023 TOTAL
Revenue									
Taxation	11,940,564	15,445,252	1,247,164	1,207,391	5,956,809	6,325,380	672,235	\$ 96,432	42,891,227
Sale of Services	783,299	2,340,671	2,273,260	721,048	846,954	1,413,251	21,325,437	180,448	29,884,368
Government Transfers	14,617,697	-	432,531	-	454	-	7,865,496	-	22,916,178
Investment Income	3,333,933	-	-	-	-	-	195,679	-	3,529,612
Developer Contributions	-	-	-	-	2,041,156	-	2,961,681	-	5,002,837
Other	1,368,232	4,157,337	-	21,706	74,587	668,762	239,283	-	6,529,907
Gain/Loss on Assets	3,470,911	-	-	-	-	-	-	-	3,470,911
Total Revenue	<u>35,514,636</u>	<u>21,943,260</u>	<u>3,952,955</u>	<u>1,950,145</u>	<u>8,919,960</u>	<u>8,407,393</u>	<u>33,259,811</u>	<u>276,880</u>	<u>114,225,040</u>
Expenses by Object									
Salaries, wages and employee benefits	5,350,234	11,870,767	42,346	1,505,540	2,878,988	4,196,548	4,776,892	46,319	30,667,634
Material, goods and supplies	286,982	447,713	115,045	9,806	435,178	293,140	2,098,777	21,627	3,708,268
Property service cost	1,564,892	678,993	1,769,442	(32,597)	5,630,375	3,045,232	7,353,368	32,280	20,041,985
Professional service cost	484,633	9,470,952	-	379,303	232,674	1,985,475	87,334	295	12,640,666
Other, expenses	282,323	1,207,159	-	1,207	17,831	143,060	744	-	1,652,324
Fiscal expenses (interest pmts, etc)	10,453,383	186,886	-	2,125	8,052	109,075	4,629,470	48,464	15,437,455
Accretion Expense	25,382	-	-	-	-	-	151,294	-	176,676
Total Expense	<u>18,447,829</u>	<u>23,862,470</u>	<u>1,926,833</u>	<u>1,865,384</u>	<u>9,203,098</u>	<u>9,772,530</u>	<u>19,097,879</u>	<u>148,985</u>	<u>84,325,008</u>
Annual surplus (deficit) for the year	<u>17,066,807</u>	<u>(1,919,210)</u>	<u>2,026,122</u>	<u>84,761</u>	<u>(283,138)</u>	<u>(1,365,137)</u>	<u>14,161,932</u>	<u>127,895</u>	<u>29,900,032</u>

City of West Kelowna
Schedule 4 - Growing Communities (unaudited)
December 31, 2024

	<u>2024</u>
Opening balance	\$ 10,484,660
Interest allocation	496,649
Spent during the year	<u>(2,368,229)</u>
Ending balance	<u>\$ 8,613,080</u>

City of West Kelowna
Schedule 5 - Ministry of Housing Capacity Funding (unaudited)
December 31, 2024

	<u>2024</u>
Opening balance	\$ 326,478
Spent during the year	<u>(25,263)</u>
Ending balance	<u>\$ 301,215</u>