

DISTRICT OF WEST KELOWNA 2009 FINANCIAL STATEMENT





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A Message from the CHIEF FINANCIAL OFFICER

December 31, 2009 marked the completion of the District of West Kelowna's second full year of operation. The many challenges involved with the establishment and ongoing development of a new municipality of some 27,000+ residents continued through 2009 and stretched our resources to capacity. In spite of the challenges, the District continued to post very positive financial results with year-end cash and investments totaling \$32.76 million.

Capital projects are a priority for the District and a further \$10.88 million was expended during 2009 consisting primarily of

- 1) the new Public Safety building under construction and scheduled for completion in August 2010,
- 2) the District Hall and Fire Hall upgrades,
- 3) our road rehabilitation program,
- 4) the solid waste cart program, and
- 5) our sanitary sewer strategy implementation which began in earnest in 2009 and will continue in 2010 and beyond with \$11.1 million in grant funding committed from the two senior levels of government.

The following highlights demonstrate the significant financial achievements for the District in 2009:

- 1) Statutory Reserves have grown to \$10,662,039.
- 2) Non-Statutory Reserves at year-end amounted to \$7,080,399.
- 3) Development Cost Charges as of December 31, 2009 totaled \$6,200,110.
- 4) The 2009 surplus was \$987,268, which represented a 1.47% variance on the \$66.97 municipal budget portion.

The annual budgeting process is designed to enhance the financial performance of the District with the overall goal of delivering on the Strategic Priorities established by Mayor and Council with substantial public input. Ongoing and rigorous monitoring of revenue and expenditures is the mandate of the Financial Services Department and has been successfully achieved in 2009 through the cooperation and joint efforts of all District departments.

Jim Zaffino, CGA
Chief Financial Officer



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Auditors' Report

To the Mayor and Council of District of West Kelowna

We have audited the consolidated statement of financial position of the District of West Kelowna as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, changes in net financial assets, changes in net debt and cash flows for the year then ended. These financial statements are the responsibility of the District'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 consolidated financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

Kelowna, British Columbia
June 14, 2010

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Statement of FINANCIAL POSITION

As at December 31	2009	2008
		(restated)
Financial Assets		
Cash	\$424,012	\$375,758
Investments (Note 2)	32,338,025	22,802,109
Accounts Receivable Government Agencies	2,534,962	2,356,799
General Accounts Receivable	2,235,069	194,518
Total Financial Assets	\$37,532,068	\$25,729,184
Liabilities		
Accounts Payable and Accrued Liabilities	7,560,555	6,439,283
Development Cost Charges	6,200,110	4,376,592
Deferred revenue (Note 4)	1,680,507	1,659,830
Other	179,896	109,424
Debt (Note 13)	28,052,826	20,840,143
Total Liabilities	\$43,673,894	\$33,425,272
Net Financial Assets (Liabilities)	\$(6,141,826)	\$(7,696,088)
Non-financial Assets		
Tangible capital assets (Note 7)	\$270,382,783	\$266,895,006
Prepaid expenses	326,537	-
	\$270,709,320	\$266,895,006
Accumulated Surplus (Note 12)	\$264,567,494	\$259,198,918

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

Statement of OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	2009	2009 Budget (Unaudited)	2008
			(restated)
Revenue			
Taxation	\$20,612,836	\$19,314,619	\$18,560,326
Sales of service and regulatory fees	10,884,448	14,122,523	3,089,166
Government Transfers	5,402,284	5,026,101	3,771,543
Other Revenue from Own Sources	2,882,752	5,328,540	2,304,129
	\$39,782,320	\$43,791,783	\$27,725,164
Expenses			
General Government Services	\$11,217,365	\$5,407,943	\$9,559,154
Protective Services	7,734,317	7,807,868	5,198,127
Transportation Services	2,163,770	2,790,001	1,725,139
Environmental Health Services	5,747,952	2,887,379	578,101
Environmental Development Services	954,593	930,338	826,890
Recreation and Cultural Services	5,045,395	5,467,814	5,098,342
Bank Charges and Interest	24,194	56,500	8,028
Debt Interest	1,526,158	930,640	515,325
Transfer of Net Debt from Regional District	-	-	12,755,817
	\$34,413,744	\$26,278,483	\$36,264,923
Annual Surplus (Deficit)	\$5,368,576	\$17,513,300	\$(8,539,759)
Surplus Transferred (Note 11)			\$180,077,721
Transitional Adjustment (Note 1)			\$87,660,956
Accumulated Surplus Beginning of year	\$259,198,918		\$267,738,677
Accumulated Surplus End of Year (Note 12)	\$264,567,494		\$259,198,918

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

Statement of CHANGES IN NET DEBT

For the year ended December 31	2009	2009 Budget (Unaudited)	2008
Annual Surplus (Deficit)	\$5,368,576	\$17,513,300	\$(8,539,757)
Acquisition of tangible capital assets (Note 7)	(10,879,723)		(6,181,961)
Amortization of tangible capital assets (Note 7)	7,391,946		7,025,630
	\$1,880,799	\$17,513,300	\$(7,696,088)
Acquisition of prepaid expenses	(326,537)		-
	\$(326,537)	\$-	\$-
Change in net Debt	1,554,262	17,513,300	(7,696,088)
Net debt, beginning of year	(7,696,088)		-
Net debt, end of year	\$(6,141,826)	\$17,513,300	\$(7,696,088)

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

Statement of CASH FLOWS

For the year ended December 31	2009	2008
		(restated)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating		
Excess Revenues Over Expenses;	\$5,368,576	\$(8,539,759)
Net change in non-cash working capital balances related to operations	490,688	10,033,814
Non-cash changes to operations		
Amortization	7,391,946	7,025,630
Other	-	
Cash provided by operating transactions	\$13,251,210	\$8,519,685
Capital		
Acquisition of tangible capital assets	(10,879,723)	(6,181,961)
Proceeds on disposal of tangible capital assets	-	-
Cash Used in capital transactions	\$(10,879,723)	\$(6,181,961)
Financing		
Increase in Long Term Debt	\$8,260,859	\$20,840,143
Principal repayments on Long Term debt	(1,048,176)	
Cash provided by (used in) financial activities	\$7,212,683	\$20,840,143
Increase (decrease) in cash and cash equivalents	\$9,584,170	\$23,177,867
Cash and Cash Equivalents, Beginning of Year	23,177,867	-
Cash and Cash Equivalents end of Year	\$32,762,037	\$23,177,867
Consisting of:		
Cash	424,012	375,758
Investments	32,338,025	22,802,109
	\$32,762,037	\$23,177,867

District of West Kelowna
**SUMMARY OF SIGNIFICANT ACCOUNTING
 POLICIES DECEMBER 31, 2009**

Nature of Business	The District is incorporated under the laws of British Columbia and is engaged in the operation of a municipality.
Basis of Presentation	It is the District's policy to follow Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of all funds of the District. All inter-fund transactions have been eliminated. The consolidated statements have been prepared by management using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.
Revenue Recognition	Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service of product is provided by the District. Grant revenues are recognized when the funding becomes receivable.
Tangible Capital Assets	Tangible capital assets are recorded at cost less accumulated amortization. Costs includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparations costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use.
Debt Charges	The interest portion of debt charge is charged against current operating revenue in the year in which it is paid. Principal payments are recorded as a reduction of fund balances and net debt.
Vacation and Sick Pay	Vacation pay, which may be accumulated up to two weeks, is charged to expense in the year paid. Sick leave, which has a maximum accumulation of thirty-five weeks, is also charged to expense in the year it is accumulated. Earned sick leave is paid to a maximum of seventeen and a half weeks upon termination of employment.
Reserves	Reserves for represents amounts set aside for future operating and capital expenditures. The District has also appropriated funds for future capital expenditures, the reserves are Capital and Equipment reserves. Expenditures from a reserve can only be made in accordance with by-law directives.

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District of West Kelowna
**SUMMARY OF SIGNIFICANT ACCOUNTING
 POLICIES DECEMBER 31, 2009**

Development Cost Charges	Development Cost Charge (DCC) levies are restricted by by-law in their use for Water, Sewer and Road expansion, and the revenue is deferred until the expenditures are incurred. When DCC expenditures are made, a corresponding amount is recorded as a contribution from property owners and developers.
Financial Instruments	It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from its financial instruments unless otherwise noted. The fair values of the District's financial instruments approximate their carrying values, unless otherwise noted.
Budget Figures	The budget figures are from the Annual Budget Bylaw adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.
Use of Estimates	The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition, or which are cashable on demand, to be cash equivalents.

1. Change in Accounting Policy

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

	2008
Statement of Financial Position	
Increase in tangible capital assets	\$ 80,635,326
Increase in prepaid Insurance premiums	-
Increase in accumulated surplus	\$ 80,635,326
Statement of Operations	
Increase (decrease) in expenses	
Amortization	\$ 7,025,630
Total increase (decrease) in annual surplus	\$ (7,025,630)
Increase in opening accumulated surplus	\$ 87,660,956

2. Investments

The District currently holds several cashable Term Deposits, with maturities all within 18 months of the year end, and carrying interest rates between 1.05% and 2.3%.

3. Contingent Liabilities and Commitments

(a) Pension Liabilities

The municipality 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 Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009, with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The District of West Kelowna paid \$615,211 for employer contributions to the Plan in fiscal 2009.

(b) Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a joint and several liability of the District and each member municipality within the District, including the District of West Kelowna. The loan agreements with the Regional District of Central Okanagan (RDCO) and the Municipal Finance Authority provide that, if at any time the schedule payments provided for in the agreements are not sufficient to meet the Authority's obligations with respect to such borrowing, the resulting deficiency becomes the liability of the member municipalities.

(c) Construction Contracts

The District of West Kelowna has entered into one contract to construct a public safety building. The building is financed through debt and will be completed in August of 2010.

(d) Lawsuits

The District of West Kelowna is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. 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.

(e) Commitments and Leases

The District has entered into various leases for equipment and services with terms varying from one to five years. The total lease commitments for 2010 are \$957,271.

4. Deferred Revenues

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose

Deferred Revenues includes:

- A prepayment amount of \$1,425, 000 received from the Provincial Government for restructuring assistance. These funds will be transferred to reserves in 2010.
- Okanagan Mainline Municipal Labour Relations Association membership of \$20,000 -the District may have to join.
- A prepayment of \$180,000 for a conditional grant for Trees for Tomorrow. This project will be completed in 2010.
- A prepayment amount of \$10,500 for conditional grant for the Olympic Torch Run. This will be expended in 2010
- Utility prepayment in the amount of \$45,007. This will be recognized as revenue in 2010.

The total deferred revenue for 2009 is \$1,680,507 and for 2008 it was \$1,659,830.

5. Federal Gas Reporting

Gas tax funding is provided by the Government of Canada. The use of the funding is established by funding agreement between the District of West Kelowna and the Union of British Columbia Municipalities. Gas tax funding may be used toward designated public transit, community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

	2009	2008
Opening balance of unspent funds	\$ 575,224	\$ -
Interest earned	40,109	
Add:		
Amounts received during the year	791,389	404,311
Transfer from RDCO		170,913
Less:		
Amounts spent during the year	<u>(114,483)</u>	
Total Deferred Gas Tax Revenue	<u>\$1,292,329</u>	<u>\$ 575,224</u>

6. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

7. Tangible Capital Asset

District of West Kelowna
TCA 2008, 2008 and 2009 Reconciliation

2009	Buildings	Land	Computer	Roads	Sidewalks	Storm Drain	Infrastructure - Lights	Solid Waste Cans	Office Furniture & Equipment	Small Tools & Equipment	Vehicles	Machinery	Water Infrastructure	Sewer Infrastructure	TOTAL
Cost, beginning of year	\$22,992,055	\$87,324,578	\$1,023,694	\$205,096,707	\$4,596,811	\$-	\$-	\$-	\$81,614	\$428,987	\$3,878,462	\$208,398	\$15,058,021	\$39,783,405	\$80,952,732
Additions	5,023,782	427,231	514,718	1,185,397	-	667	135,406	1,445,813	111,400	7,500	633,484	239,242	233,436	921,847	10,879,723
Disposals															
Cost, end of year	\$28,015,837	\$87,751,809	\$1,538,412	\$206,282,104	\$4,596,811	\$667	\$1,35,406	\$1,445,813	\$683,014	\$436,487	\$4,511,946	\$447,640	\$15,291,457	\$40,685,052	\$91,832,455
Accumulated amortization beginning of year	4,738,797		337,791	94,645,429	1,058,354	-	-	-	256,410	174,158	1,634,171	125,520	4,690,350	6,396,746	114,057,726
Amortization	597,483		240,714	5,157,052	91,936	67	8,475	57,833	32,747	22,427	241,524	18,889	340,660	582,129	7,391,946
Disposals															
Write-downs															
Accumulated amortization, end of year	\$5,336,280	\$-	\$578,505	\$99,802,481	\$1,150,290	\$67	\$8,475	\$57,833	\$289,157	\$196,585	\$1,875,695	\$144,419	\$5,031,010	\$6,978,875	\$121,449,672
Net carrying amount, end of year	\$22,679,557	\$87,751,809	\$959,907	\$106,479,623	\$3,446,521	\$600	\$126,931	\$1,387,980	\$403,857	\$239,902	\$2,636,251	\$303,221	\$10,260,447	\$33,706,177	\$70,382,783

2008	Buildings	Land	Computer	Roads	Sidewalks	Storm Drain	Infrastructure - Lights	Solid Waste Cans	Office Furniture & Equipment	Small Tools & Equipment	Vehicles	Machinery	Water Infrastructure	Sewer Infrastructure	TOTAL
Cost, beginning of year	\$20,101,649	\$87,199,557	\$413,698	\$205,096,707	\$3,716,891	\$-	\$-	\$-	\$306,114	\$400,752	\$2,963,362	\$208,398	\$14,400,139	\$39,783,405	\$74,770,772
Additions	2,890,406	125,021	609,996	-	879,820	-	-	-	75,500	28,235	915,100	-	657,882	-	6,181,960
Disposals															
Cost, end of year	\$22,992,055	\$87,324,578	\$1,023,694	\$205,096,707	\$4,596,811	\$-	\$-	\$-	\$381,614	\$428,987	\$3,878,462	\$208,398	\$15,058,021	\$39,783,405	\$80,952,732
Accumulated amortization beginning of year	4,273,040		163,125	89,518,011	966,418	-	-	-	233,902	151,548	1,415,591	118,383	4,359,028	5,833,050	107,032,096
Amortization	465,757		174,666	5,127,418	91,936	-	-	-	22,508	22,610	218,580	7,137	331,322	583,896	7,025,630
Disposals															
Write-downs															
Accumulated amortization, end of year	\$4,738,797	\$-	\$337,791	\$94,645,429	\$1,058,354	\$-	\$-	\$-	\$256,410	\$174,158	\$1,634,171	\$125,520	\$4,690,350	\$6,396,746	\$114,057,726
Net carrying amount, end of year	\$18,253,258	\$87,324,578	\$685,903	\$105,451,278	\$3,538,457	\$-	\$-	\$-	\$325,204	\$254,229	\$2,244,291	\$82,878	\$10,367,671	\$33,366,659	\$268,895,006

8. Expenditures by Object

	2009	2008
Advertising	128,643	63,001
Amortization	7,391,946	7,025,630
Audit Fees	33,454	27,000
Bad Debts	10,135	7,383
Bank Charges	21,697	7,112
Building Mtce.	210,802	125,543
Civic Grants	389,408	231,300
Committee Expenses	184,830	
Communities in Bloom	12,825	517
Conferences & seminars	75,685	73,415
Contingency Funds	62,578	96,647
Contract Services	10,026,335	3,809,729
Cost relocation	19,132	27,910
Debt - Interest	1,526,158	515,325
Dues and Memberships	31,475	31,045
Equipment Mtce. And Fuel	625,112	212,132
Operational Parks & Protective Services	-	546,000
Freight, Courier, Postage	64,503	28,105
Ground Mtce.	222,332	52,172
Hydrant Mtce.	23,408	73,634
Information Technology	73,792	4,198
Insurance liability	185,077	180,438
Legal	145,280	141,500
Licenses	5,097	23,798
Marketing	12,749	39,726
Meetings-Food and beverages	28,745	10,391
Misc	787,174	13,836
Net Debt from CORD	-	12,755,817
Presentations, awards and Recognition	6,371	11,036
Protective Equipment Mtce.	-	19,558
Public relations	23,790	17,251
Publication and subscriptions	6,842	5,173
RDCO Admin Fee	-	421,544
Recoverable Costs	529,869	19,981
Recruitment Costs	52,682	53,930
Refunded Fees	-	2,782
Rental	250,750	282,336
Safety Training and supplies	111,310	94,238
Snow Removal	23,145	323,970
Supplies	82,914	8,993
Supplies/Small Tools and equipment	503,573	336,347
Training	60,681	16,239
Travel and Mileage	11,221	6,554
Uniforms	106,463	104,787
Utilities (Telephone/Water/Power)	698,221	759,026
Vandalism repairs	4,033	1,089
Wages/Salaries	9,616,049	7,647,467
Wellness	27,460	9,318
Grand Total	34,413,744	36,264,923

December 31, 2009

District of West Kelowna
Notes to Financial Statements

9. Sewer System Utility Statements

The District of West Kelowna will take over the operation of the sewer in May of 2010. The District for 2009 has treated the operational expenses and revenue collection as if the RDCO was a contractor. The operation expenses and revenue were not budgeted (also not budgeted in 2008) in 2009. This fund is self sustaining and the revenue for this service has been forwarded to the Regional District, as they are responsible for the expense.

RDCO collects the sewer fees from each municipality/partner. As such, the revenues and expenses are reflected in Regional District's Financial Statements, including the billing amounts that were charged by West Kelowna prior to the Memorandum of Understanding discussions.

10. Incorporation of The District of West Kelowna

The District of West Kelowna was incorporated through letters patent on December 06, 2007 and accordingly the 2008 comparative figures represent thirteen months of expenses rather than the normal twelve.

11. Assumption of Equity on Transfer of Assets

When the District of West Kelowna (DWK) was incorporated, the Central Okanagan Regional District, who governed the area, transferred a total of \$66,192,623 of assets (general, water and sewer funds) and the Province of BC transferred \$113,885,099 of roads (general fund), for a total surplus transferred of \$180,077,721. On the transfer of assets, the District assumed related Municipal Finance Authority debt of \$21,842,012. The resulting equity assumed is included in the equity in capital assets as December 31, 2008.

12. Accumulated Surplus

The District segregates its accumulated surplus in the following categories:

	2009	2008
Equity in Tangible Capital Assets	\$ 242,329,957	\$ 246,054,863
Reserve Funds	10,662,038	9,185,412
General Revenue Fund	6,206,923	12,498,402
Surplus (Deficit)	<u>5,368,576</u>	<u>(8,539,759)</u>
	\$ 264,567,494	\$ 259,198,918

The equity in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets,

Reserve funds represent funds set aside by Council for specific purposes.

13. Long Term Debt

The following long term debt is held by the Municipal Finance Authority:

Reg St, Bylaw	LA/CB Bylaw	Issue	Type	Year of Maturity	Interest Rate	Balance at Dec 31/09	Balance at Dec 31/08
527	432	54	Sewer-Chieftan Rd	2013	8.300%	6,189	7,556
566	457	56	Sewer-Green Bay	2013	8.040%	50,420	61,561
602	514	59	Sewer-Pritchard	2014	9.490%	82,219	96,391
640	560	61	Sewer-Webber Rd	2015	8.000%	9,530	10,865
692	645	64	Sewer Glenrosa 101	2016	7.420%	66,165	73,904
739	639	66	Sewer-Boucherie 302	2017	5.850%	356,044	391,554
744	701	66	Sewer-Lakeview 603	2017	5.850%	18,671	20,533
809	797	70	Sewer-Boucherie 304	2019	5.490%	103,475	111,310
839	772	71	Sewer-Gellatly 502	2019	5.990%	316,002	339,929
839	796	71	Sewer-Boucherie 303	2019	5.990%	675,377	726,516
886	846	73	Sewer-Boucherie 307	2020	6.350%	50,590	53,981
886	866	73	Sewer-W Kelowna 801	2020	6.350%	1,054,098	1,124,761
886	869	73	General-Shamrock/Ensign	2010	6.350%	2,558	4,994
912	792	74	Sewer-Glenrosa 102	2021	5.930%	453,752	480,902
912	824	74	Sewer-Lakeview 604	2021	5.930%	119,270	126,406
912	826	74	Sewer-Gellatly 503	2021	5.930%	140,108	148,492
912	848	74	Sewer-Lakeview 606	2021	5.930%	49,785	52,764
912	864	74	Sewer-W. Kelowna 804	2021	5.930%	53,696	56,909
912	878	74	Sewer-Gellatly 501	2021	5.930%	100,138	106,130
931	878	75	Sewer-Gellatly 501	2021	5.690%	18,491	19,598
931	894	75	Sewer-Glenrosa 103	2021	5.690%	675,650	716,076
931	897	75	General-Brown Rd Widening	2011	5.690%	9,319	13,648
931	920	75	Sewer-Boucherie 305	2021	5.690%	271,682	287,938
964	917	77	Sewer-Lakeview 601	2022	6.050%	1,443,459	1,521,070
1007	977	79	Sewer-W.Kelowna 802	2023	5.491%	1,556,531	1,632,169
1069	946/996	85	Sewer-Lakeview 701	2024	4.975%	793,016	828,016
1070	1034	85	Sewer-Westbank 203	2024	4.975%	49,973	52,179
1122	946/997	95	Sewer-Lakeview 701	2025	4.170%	790,948	825,796
1122	1029	95	Mt. Boucherie Arena Debt	2025	4.170%	2,819,660	2,943,888
1122	1075	95	General-Westside Land Purchase	2015	4.170%	1,078,236	1,234,540
1147	1031	99	Sewer-Westbank 202	2027	4.430%	17,584	18,297
1147	1086	99	Sewer-Lakeview 701	2027	4.430%	1,157,770	1,204,747
1147	1128	99	General-Westside Parks	2017	4.430%	1,168,273	1,310,499
1175	1091	101	Water-Green Bay Water	2027	4.520%	228,216	236,773
1175	1095	101	Sewer-Glenrosa 103	2027	4.520%	2,419,088	2,509,788
1196	1141	101	Sewer-Lakeview 701	2027	4.520%	566,627	587,872
1196	1150	101	Sewer-Lakeview 701	2027	4.520%	733,737	761,248
1219	1091	103	Water-Green Bay Water Mobile	2028	4.650%	135,823	140,543
1251	1177	105	RCMP Building	2028	4.900%	8,260,859	
						<u>\$27,903,030</u>	<u>\$20,840,143</u>

The following long-term debt is held by the Ministry of Finance:

Bylaw	Type	Year of Maturity	Interest Rate	Balance at Dec 31/09	Balance at Dec 31/08
46	Improvement District System-Westside Fire	2010	7.000%	23,974	
	Improvement District System-Westside Fire	2010	9.000%	24,388	
51	Improvement District System-Westside Fire	2011	6.000%	101,434	
				<u>\$149,796</u>	
GRAND TOTAL LONG TERM DEBT				<u>\$28,052,826</u>	<u>\$20,840,143</u>

14. Fiscal Plan

The Financial Plan By-Law adopted by Council on April 14, 2009 was prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget, figures presented in the statement of operations and change in Surplus represents the Financial Plan adopted by Council on April 14, 2009 with adjustments as follows:

	<u>2009</u>
Financial Plan (Budget) Surplus for the year as per Financial Statements	\$0
Budgeted Capital Expenditures:	17,513,300
Budgeted surplus per statement of operations	<u>\$17,513,300</u>

15. 2009 Segmented Financial Information

	General Government Services - Administration	General Government Services - Administration	Library	General Government Services Financial Administration	General Government Services Corporate Services	General Government Services - Election	General Government Services Human Resources	General Government Services Information Technology Services	Community Policing Office - RCMP	Solid Waste Collection	Protective Services - Fire	Transportation Services Roads & Maintenance	Transportation Services Street Lighting
Dept Code	1130	1140/1930	7500	1240/1250/ 1260/1270/ 9510	1900	1910	1620/1640/1700/1710/1720 1730/1750/1760/1770/1780	1280	2570	4450	2400/9300/7280	5110/5120/5170/5085/5190	5115/5150/5130
Revenues:													
Traffic Fines													
MFA Proceeds													
Servicing agreement recovery											836,541		
Grant Funding											0	960,000	11,565
Sewer Levy													
Recovered costs				32,324						1,849,512	498,609	23,641	
Subdivision & rezoning fees													
Other Fees									1,000				
Sale of Goods or Services													
BUSINESS LICENCES													
BUILDING PERMITS													
Misc. Fees													
Property Rental													
Interest Earned													
PENALTIES - TAXES													
INTEREST - TAXES - ARREARS and Delinquent													
Revenue - Tax Searches													
Collection for other governments													
Donations													
Borrowing													
DCC													
Transfer from Reserves													
Collection of Taxes													
Total	\$-	\$-	\$-	\$32,324	\$-	\$-	\$-	\$-	\$1,000	\$1,849,512	\$1,335,150	\$983,641	\$11,565

	Transportation Services Traffic & Bylaw Enforcement	Development Services - Planning	Development Services Building & Licence	Development Services-Design	PRC Administration	PRC Recreation	PRC Youth Centre	PRC Parks	LEISURE SERVICES - FACILITIES	Solid Waste	Economic Dev Advertising	FISCAL SERVICES INTEREST & DEBT	Water	Sewer	Sub Total	FISCAL SERVICES - TRANS-FERS TO OWN RESERVES	Other Balance	Balance
Dept Code	2920	6110/6120	2820	6130	7110	7400	7420	7310/8613	7260/7030/7240/7250/7120	5180	6150	9750/9760						
Revenues:																		
Traffic Fines																	165,462	165,462
MFA Proceeds																	2,988,758	2,988,758
Servicing agreement recovery															836,541			836,541
Grant Funding		69,747							104,660		120,368			405,760	1,672,100	1,333,333	193,484	3,198,917
Sewer Levy														0				
Recovered costs		7,322							0						2,411,408			2,411,408
Subdivision & rezoning fees		301,490													301,490			301,490
Other Fees		184,830											12,947	85,736	284,513			284,513
Sale of Goods or Services						165,831		29,928	1,059,077				971,492	2,649,813	4,876,141			4,876,141
BUSINESS LICENCES			147,498												147,498			147,498
BUILDING PERMITS			689,221												689,221			689,221
Misc. Fees				62,810											62,810		77,940	140,750
Property Rental									0								106,121	106,121
Interest Earned																	736,369	736,369
PENALTIES - TAXES																	6,824	6,824
INTEREST - TAXES - ARREARS and Delinquent																	303,319	303,319
Revenue - Tax Searches																	29,882	29,882
Collection for other governments																		
Donations																	159,011	159,011
Borrowing																	144,565	144,565
DCC																	1,642,696	1,642,696
Transfer from Reserves																		
Collection of Taxes														1,484,461	1,484,461		19,128,375	20,612,836
Total	\$-	\$563,389	\$836,719	\$62,810	\$-	\$165,831	\$-	\$29,928	\$1,163,737	\$-	\$120,368	\$-	\$984,439	\$4,625,770	\$12,766,182	\$1,333,333	\$25,682,806	\$39,782,320

Continues on page 22 . . .

15. 2009 Segmented Financial Information Continued from page 21 . . .

	General Government Services - Administration	General Government Services - Administration	Library	General Government Services Financial Administration	General Government Services Corporate Services	General Government Services - Election	General Government Services Human Resources	General Government Services Information Technology Services	Community Policing Office - RCMP	Solid Waste Collection	Protective Services - Fire	Transportation Services Roads & Maintenance	Transportation Services Street Lighting	Transportation Services Traffic & Bylaw Enforcement	Development Services - Planning	Development Services Building & Licence
Dept Code	1130	1140/1930	7500	1240/1250/ 1260/1270/ 9510	1900	1910	1620/1640/1700/1710/1720 1730/1750/1760/1770/1780	1280	2570	4450	2400/9300/7280	5110/5120/5170/5085/5190	5115/5150/5130	2920	1130	1140/1930
Expenses:																
Advertising				2,261	9,164	45	0	0			4,700	0		105	13,861	1,023
Audit Fees				33,454	0	0	0	0								
Bank Charges				21,697												
Building Mtce.		32,721									68,202					
Bad Debts				10,135												
Civic Grants	-	389,408	-													
Conferences & seminars	40,948	-					23,134				11,603					
Contract Services	-	47,496	1,040,449	17,128	5,493	0	20,000	160,408	1,872,940		137,591	796,608	58,948		46,678	4,995
Committee Expenses															184,830	
Communities in Bloom																
Cost relocation							19,132									
Debt - Interest																
Equipment Mtce. And Fuel		46,387				68			95		201,786	4,839		3,069	0	7,901
Hydrant Mtce.											23,408					
Dues and Memberships	11,084						15,822				4,568					
Ground Mtce.		3,536										2,663				
Licences											2,742					
Rental	-	75,282			55,891	0			55,873		21,662	1,867			50	0
Freight, Courier, Postage	-	9		45,395	2,190	0					364	0		1,777	168	241
Insurance	-			91,548					1,200		37,778	687		435		909
Legal	-	30,703			21,555	0	36,635		6,432			0		1,171	18,430	8,000
Marketing																
Meetings-Food and beverages	17,330	4,874		638	541		1,661								0	245
Supplies/Small Tools and equipment	917	10,391		77,146	3,499	0	1,616	20,455	2,975		207,245	2,359		788	12,349	15,522
Presentations, awards and Recognition	609										5,761			0		
Publication and subscriptions	-	2,100			605	0	1,048				1,411	415			743	161
Public relations	9,973			0	13,817											
Recruitment Costs							52,682									
Recoverable Costs											496,758	20,755	4,340	6,588		
Safety Training and supplies				610			10,909				96,427					
Supplies	-	757										36,305	481			30,704
Utilities (Telephone/Water/Power)	8,696	32,042		24,717	1,600			(914)	14,838		71,207	0	126,985		3,000	12,000
Training							46,057				13,374			1,250		
Travel and Mileage	874	-		885	15	0	162	980	1,968		1,773	1,852		0	399	0
Snow Removal											4,155					
Uniforms											97,669	449				
Vandalism repairs																
Wages/Salaries	190,681	173,610		872,164	436,944	0	244,796	334,825	181,596		3,481,076	247,654		113,445	579,009	439,151
Wellness							27,460									
Misc	-	-		780,365	4,148		1,000				452					
Information Technology								73,792					0			
Amortization																
Contingency Funds				3,338					379		0	58,861				
	\$281,113	\$849,316	\$1,040,449	\$1,981,481	\$555,462	\$114	\$502,115	\$589,546	\$2,138,294	\$-	\$4,991,712	\$1,175,315	\$190,754	\$128,627	\$859,518	\$520,852
Net Operating	\$(281,113)	\$(849,316)	\$(1,040,449)	\$(1,949,157)	\$(555,462)	\$(114)	\$(502,115)	\$(589,546)	\$(2,137,294)	\$1,849,512	\$(3,656,562)	\$(191,675)	\$(179,189)	\$(128,627)	\$(296,129)	\$315,866

Continues on page 24 . . .

	Development Services-Design	PRC - Administration	PRC - Recreation	PRC - Youth Centre	PRC - Parks	LEISURE SERVICES FACILITIES	Solid Waste	Economic Dev - Advertising	FISCAL SERVICES - INTEREST & DEBT	Water	Sewer	Sub Total	FISCAL SERVICES - TRANSFERS TO OWN RESERVES	Other Balance	Balance
Dept Code	6130	7110	7400	7420	7310/8613	7260/7030/7240/7250/7120	5180	6150	9750/9760						
Expenses:															
												-			
Advertising		18,015	51,730		25			27,480			233	128,643			128,643
Audit Fees												33,454			33,454
Bank Charges												21,697			21,697
Building Mctc.					33,912	75,967						210,802			210,802
Bad Debts												10,135			10,135
Civic Grants												389,408			389,408
Conferences & seminars												75,685			75,685
Contract Services	2,068	310,264	56,200	118,491	264,332	514,484	1,849,512	67,595		2,209	2,632,446	10,026,335			10,026,335
Committee Expenses												184,830			184,830
Communities in Bloom					12,825							12,825			12,825
Cost relocation												19,132			19,132
Debt - Interest									530,241	17,609	978,308	1,526,158			1,526,158
Equipment Mctc. And Fuel	1,274		3,782		51,153	51,529				252,930	300	625,112			625,112
Hydrant Mctc.												23,408			23,408
Dues and Memberships												31,475			31,475
Ground Mctc.					216,133	0						222,332			222,332
Licences										2,355		5,097			5,097
Rental		1,633		24,755	13,738							250,750			250,750
Freight, Courier,Postage	169	296	400		58	26	2,957			0	10,453	64,503			64,503
Insurance	522		21,127	871	11,319	16,200				2,481		185,077			185,077
Legal	4,047	15,720	2,529		59	0						145,280			145,280
Marketing		12,749				0						12,749			12,749
Meetings-Food and beverages	1,551	1,706	198		0							28,745			28,745
Supplies/Small Tools and equipment	10,330	2,448	8,699		11,326	35,609	0			74,973		498,646		4,927	503,573
Presentations, awards and Recognition												6,371			6,371
Publication and subscriptions	141	(15)	91		141	0						6,842			6,842
Public relations		0										23,790			23,790
Recruitment Costs												52,682			52,682
Recoverable Costs							1,429					529,869			529,869
Safety Training and supplies	119				2,929	315						111,310			111,310
Supplies					8,415	5,785				465		82,914			82,914
Utilities (Telephone/Water/Power)		235	34,540		27,014	341,388				874		698,221			698,221
Training												60,681			60,681
Travel and Mileage		685	292		0	1,022					314	11,221			11,221
Snow Removal					18,990							23,145			23,145
Uniforms		7,404			941	0						106,463			106,463
Vandalism repairs					3,106	927						4,033			4,033
Wages/Salaries	344,616	397,044	225,448	0	489,344	593,546	7,984			263,115		9,616,049			9,616,049
Wellness												27,460			27,460
Misc					50					1,158		787,174			787,174
Information Technology		0										73,792			73,792
Amortization												-	7,391,946		7,391,946
Contingency Funds												62,578			62,578
	\$364,837	\$768,184	\$405,036	\$144,117	\$1,165,811	\$1,636,798	\$1,861,882	\$95,075	\$530,241	\$618,170	\$3,622,052	\$27,016,871	\$7,391,946	\$4,927	\$34,413,744
Net Operating	\$(302,027)	\$(768,184)	\$(239,205)	\$(144,117)	\$(1,135,884)	\$(473,061)	\$(1,861,882)	\$25,293	\$(530,241)	\$366,270	\$1,003,717	\$(14,250,689)	\$(6,058,613)	\$25,677,879	\$5,368,576

NOTES

NOTES



NO
SMOKING
NO
LITTERING
NO
ALCOHOLIC
BEVERAGES



Mixed Sources

Product group from well-managed
forests, and other controlled sources
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