

2  
0  
1  
5  
  
A  
N  
N  
U  
A  
L  
  
R  
E  
P  
O  
R  
T



CITY OF  
WEST  
KELOWNA

*We Love It Here!*



View from Boucherie Rush Trail



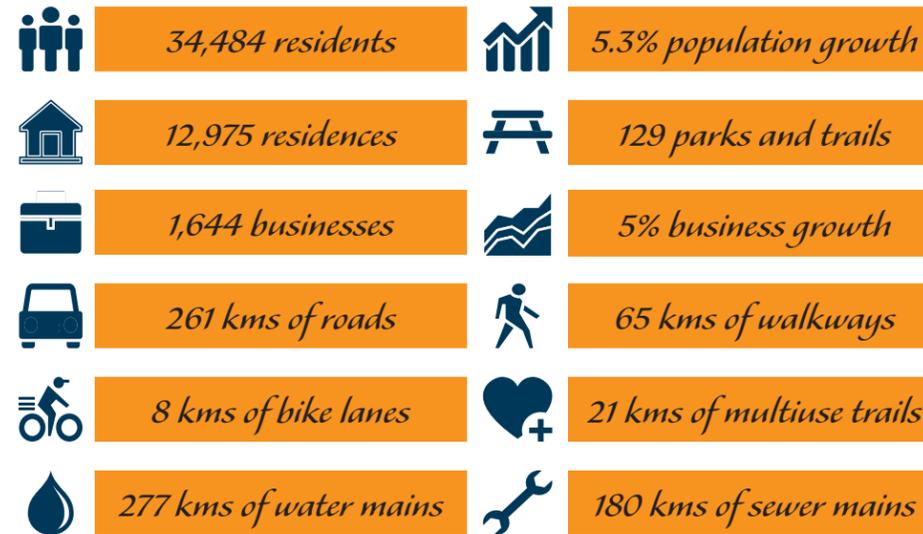
## About the City of West Kelowna

West Kelowna became the third largest municipality in the Okanagan in 2015 and recorded the fourth highest growth rate in British Columbia among municipalities with populations under 100,000, truly earning its newly received classification as the province's 51st city. As the City of West Kelowna continues to experience tremendous growth and face increasing demands for urban services, the municipality strives to ensure, more than ever, that its agricultural roots and rural characteristics are preserved in the interest of food security, community character and a strong and diversified economy.

As a primary Gateway to the Okanagan Valley, the City of West Kelowna continues to build on its many attributes as a lakeside and mountainside community lined with trails, dotted with parks and accentuated by farms, orchards and vineyards. In support of this goal, the City of West Kelowna partnered with its closest neighbour, Westbank First Nation, to create Partners in Bloom - our communities' combined entry in National Communities in Bloom competition. The partnership resulted in the City of West Kelowna and Westbank First Nation being named Canada's Most Beautiful community in the 20,001 to 50,000 population category.



The City of West Kelowna is proud of this accomplishment and its many notable achievements in 2015. The City invites you to browse through the pages of the 2015 Annual Report to learn more about the municipality's goals, accomplishments and ongoing initiatives to create an attractive and prosperous community.



## Mayor's Message

Looking back over 2015, I am struck by the tremendous community and governmental support the City of West Kelowna received, often times without even asking.

It was the first year in quite some time that we didn't face a significant forest fire threat that occupied our summer hours. You might think, during this much welcomed lull, that an absence of an outpouring of community support, which our residents always offer in times of trouble, would occur. But that wasn't the case at all. Instead, Council was very pleased to see assistance come from so many arms. Our MLA, Premier Christy Clark helped us achieve a feather in our cap with our new "City" status. MP Dan Albas showed remarkable determination in helping us receive a Canada 150 Grant from the federal government for our Memorial Park tiered seating project and a new skate park. And the provincial and federal governments provided funding toward our less glamorous but essential Horizon Village Lift Station Upgrade. In total, we received an impressive \$3.2 million for projects in 2015, saving West Kelowna taxpayers from bearing the burden alone. On behalf of Council and all West Kelowna residents, I thank our senior government partners for all their support.

The most touching funding stories though, have been from the grassroots level. Council works conscientiously to ensure that we plan carefully for future improvements in our community and invest taxpayers' hard-earned dollars wisely and equitably among our many neighbourhoods. But that isn't always satisfying for our residents, and we have seen many examples in 2015 of West Kelowna residents identifying a need and doggedly pursuing fundraising to meet it.

Young Mason Barzilay, for instance, didn't like hearing that our plan to improve the aging skate park was several years away. She kick-started a fundraising campaign to see the skate park built sooner rather than later. The Westbank Rotary Club heard of her efforts and quickly signed on to help, raising \$3,000 towards the new park. Our West Kelowna Daybreak Rotary Club raised \$27,200 for a new playground at the Johnson Bentley Memorial Aquatic Centre. The Kinsmen Club of Westbank donated \$40,000 towards a new playground at Kinsmen Park. And year after year, support is growing for KidSport West Kelowna, which helps remove the financial barriers that prevent some children from accessing organized sports. An anonymous donor gave \$500 for the kids and Bostyn Apps, a young hockey player, donated \$85 in birthday money so another child would have a chance to play hockey this season.

Again and again, actions like these remind me of how grateful I am to live amongst such fine residents and how proud I am to be your mayor. Thank you West Kelowna.

MAYOR DOUG FINDLATER

*"The most touching stories though, have been from the grassroots level."*



## Our Vision

"To make informed decisions that meet community needs to protect, enhance and celebrate our West Kelowna home."

## Our Mission

"The City of West Kelowna is an innovative local government that will make informed decisions to benefit the community by welcoming input and giving consideration to fiscal responsibility, environmental stewardship, healthy living and economic enhancement."

## Our Priorities

Economic Development



Community Enhancement



Efficient Operations



Community Engagement



## Your City's Mayor and Council

Doug Findlater

Mayor



Bryden Winsby

Councillor



Carol Zanon

Councillor

Duane Ophus

Councillor



Rick de Jong

Councillor

Rosalind Neis

Councillor



Rusty Ensign

Councillor

## Mayor and Council Attendance

Attendance Record - 57 Regular and Special Council Meetings in 2015

Mayor Doug Findlater 57

Councillor Bryden Winsby 53

Councillor Carol Zanon 53

Councillor Duane Ophus 57

Councillor Rick de Jong 51

Councillor Rosalind Neis 40

Councillor Rusty Ensign 55

## The Defining Moments of 2015

### Partners in Bloom's Winning Year

After 11 years of teamwork, the Partners In Bloom, the City of West Kelowna and Westbank First Nation, were awarded top honours in the National Communities in Bloom competition. On October 3, in Kamloops, the partners received a 5-Bloom Bronze rating in the 20,001 to 50,000 population category, based on six evaluation criteria: Tidiness, Environmental Action, Heritage Conservation, Urban Forestry, Landscape and Floral Displays. Judges Peter Crawshaw and Lucie Gagné said, "West Kelowna and Westbank First Nation are two distinct communities that share a single vision." That vision was to create communities that share in communication, respect and acceptance. The judges commented, "This is demonstrated in so many ways as one travels throughout the two communities. There is a seamlessness that is testimony to the leadership of both CWK and WFN."



### City Status

West Kelowna became British Columbia's 51st City on June 26, 2015 when Premier Christy Clark, MLA for Westside-Kelowna, and Mayor Doug Findlater announced that the provincial government had approved reclassification from the previous designation of District Municipality. The City of West Kelowna conducted a successful Alternative Approval Process in April and May to poll the electorate on the reclassification.

### Power Security

On February 5, Premier Clark announced that BC Hydro had committed to construct a new transmission line to ensure power reliably for West Kelowna, Peachland and Westbank First Nation. West Kelowna Council had been actively lobbying for the service improvement since incorporation and welcomed the news. Mayor Findlater said, "A dependable supply of power in West Kelowna, Westbank First Nation and Peachland provides peace of mind and safety for over 60,000 residents. The economic benefits in providing power reliability to West Kelowna and area will be realized immediately. Businesses will have confidence that their power needs can be met." BC Hydro identified three route options for the new line. All would require an upgrade to West Kelowna's substation. The final route, timing and budget will be determined after public and First Nations consultations.

### West Kelowna Civic Centre

On December 14, Mayor Findlater announced that West Kelowna Civic Centre project negotiations were nearing completion and the City was preparing to seek the approval of West Kelowna electors for project funding. Since June 2014, when Mayor and Council reported that 3641 Elliott Road was the preferred project site, Council has worked with Strategic Development Group to achieve its vision for the property. The proposed development includes a municipal hall, owned by the City, two residential buildings and an office building, owned by Strategic Development Group, and a public plaza. And, Strategic Development Group secured a tentative partnership with Interior Health to consolidate Westside Health Services in the office building. No tax increase is expected related to borrowing for the building of the city hall portion of the project.



## Chief Administrative Officer's Message



I am proud to report that your city's staff has continued to work hard in 2015 to meet the vast majority of Council's Strategic Priorities. Each year, Council engages in its strategic planning exercise, with community betterment in mind. From their goal-setting, staff's annual work plan is established with core objectives. Employees view every task as an opportunity to achieve the best results for Council and the community.

Over the past year, much of my time was spent securing partnerships in one of Council's top priorities – a new city hall and West Kelowna Civic Centre. I'm happy to report that after several discussions and meetings, Interior Health agreed to come on board as a tenant in the West Kelowna Civic Centre and the project is much the better for it.

I must also acknowledge the excellent work of staff whose efforts resulted in one of this year's defining moments – the National Communities in Bloom Championship. Working with our closest neighbours, Westbank First Nation, staff strengthened the partnership between our governments and perfectly showcased our communities to the nation. City cooperation with WFN is an ongoing Council priority, which staff embraces with gusto, ensuring a relationship built on mutual respect, honour and recognition.

City of West Kelowna staff are our eyes and ears in the community. Employees continually strive to meet Council's strategic goal of Community Engagement. In 2015, several outreach opportunities were hosted to collect public input on topics including the Upper Glenrosa Area Plan, carriage house regulations, Gellatly Waterfront Village concepts, the Parks Master Plan Update and the design of a new skate park. These community events always bring a wealth of information to staff and are very welcome exercises.

Staff also continues to show great responsiveness to emerging priorities. Staff quickly met Council's request to address water conservation, and for the first time since incorporation, Stage 2 Restrictions were enacted. Fridge magnets were distributed to remind residents to reduce use, and staff reached out to the community to spread the word about conserving our precious water supply. Council also requested action when bear activity seemed to be on the rise in our neighbourhoods. An advertising campaign was created to advise residents and staff worked with WildSafeBC to arrange for a coordinator for Westside communities.

As a further show of community support, staff raised more than \$3,000 through luncheons and bake sales and voted to donate funds to local charities operating in West Kelowna.

I am honoured to work amongst these fine people as they work hard to achieve Council's priorities and make our community a better place.

CAO JIM ZAFFINO

*"Staff view every task as an opportunity to achieve the best."*

## About Your City's Government



### Executive Management Team

Jim Zaffino  
Chief Administrative Officer (CAO)

Tracey Batten  
General Manager of Administrative and Protective Services and Deputy CAO

Nancy Henderson  
General Manager of Development Services

Allen Fillion  
General Manager of Engineering and Public Works

Tanya Garost  
General Manager of Finance and Corporate Services





## Administrative and Protective Services

### Highlights



The City of West Kelowna's successful reclassification from a District to a City was the result of weeks of coordination and planning within the Administrative and Protective Services Division. On April 1, staff launched an Alternative Approval Process. Under the process, eligible voters were asked to sign and submit elector response forms if they opposed the initiative. Only 166 forms

were submitted, compared to the 2,306 that were required to reject the proposal. And on June 26, Premier Christy Clark, MLA for Westside-Kelowna, joined Mayor Doug Findlater in officially announcing West Kelowna's new designation as a City. "West Kelowna is an energetic, entrepreneurial community with a long and proud history - and for some time now, it has been a city in all but name," said the Premier. "The City of West Kelowna has a lot to be proud of - and a very bright future."

*"The City of West Kelowna has a lot to be proud of - and a very bright future."*

A touching ceremony was held April 14 to mark the 50th anniversary of the death of Const. Neil Bruce, who was shot in the line of duty. RCMP officers from across Canada attended, and students from the local middle school that carries his name laid flowers in his memory at a cairn located at one of the entrances to Glen Canyon Regional Park.

Enhanced Bylaw Enforcement service was offered seven days a week from May 16 through September 7. The extended hours provided officers the additional response time they needed to answer increased calls that occur during the peak tourism season between the Victoria Day and Labour Day long weekends.

More than \$3.2 million in grant assistance was secured in 2015, reducing the burden that local taxpayers were required to carry for major capital projects. The federal government provided 50% funding under the Canada 150 Community Infrastructure Program toward \$813,000 in tiered seating and skate park improvements at Memorial Park. And the federal and provincial governments provided \$908,000 in assistance under the Small Communities Fund for essential improvements to the Horizon Village Lift Station, which will serve more than 3,000 residents living in the West Kelowna Estates neighbourhood. The City of West Kelowna thanks the Government of Canada and the Province of British Columbia for funding assistance for these much needed infrastructure improvements.



## About Administrative and Protective Services

Bylaw enforcement, fire rescue and policing services fall under the umbrella of the City of West Kelowna's Administrative and Protective Services Division. Other departments include Legislative Services, Communications and Business Licensing. The Division includes 16 full-time employees, 41 full time staff at West Kelowna Fire Rescue and 22 RCMP officers.

Business Licensing and Bylaw Enforcement staff are responsible for:

- Processing business licence applications and taking payments
- Maintaining the online business directory
- Investigating and monitoring all bylaw complaints
- Issuing notices and tickets
- Property clean up coordination
- Ticket prosecution and adjudication

Communications is responsible for:

- Internal and external communications
- Council correspondence
- Grant administration
- Website and social media
- Event planning

Fire and Rescue is responsible for:

- Emergency medical response
- Fire prevention and suppression
- High angle, ice, swift water rescues
- Inspections
- Issuing fire related permits
- Public education

Legislative Services oversees:

- Bylaw preparation
- Council meetings and public hearings
- Freedom of Information requests
- Elections and electoral approvals
- Records management
- Risk and claims management

RCMP services include:

- Community policing and protection
- Complaint response and resolution
- Criminal investigations
- Criminal record checks
- Enforcing laws
- Fingerprinting
- Keeping the public peace
- Traffic enforcement

### By the Numbers



132,400 web visits



130 media releases



2,166 bylaw complaints



52 FOI requests



1,644 business licences



13 bylaws drafted



1,234 Twitter followers



10 online surveys hosted



742 Facebook followers



3 Council policies created





## Development Services

### Highlights

New affordable housing choices and income opportunities were made available for tenants and homeowners as a result Council's approval of carriage houses for West Kelowna. On September 29, Mayor and Council adopted amendments to the Official Community Plan and Zoning Bylaws to permit carriage houses on specified properties in the City of West Kelowna. A carriage house is a smaller second home located on an existing residential property that already has a single detached home.

New incentives to encourage development in West Kelowna's city center were approved by Council on February 24. The Development Cost Charge Reduction Bylaw for the city's urban core - Westbank Centre - is scaled to allow additional reductions for higher density and mixed use projects with aims of encouraging growth and creating renewal, prosperity and vitality. The initiative was recommended in the Westbank Centre Revitalization Plan. A municipality may levy Development Cost Charges, or DCCs as they're often referred to, on a developer to assist in paying for the capital costs of infrastructure. The bylaw expires March 1, 2018.

A popular community attraction, which had undergone complete revitalization in 2014, received recognition from the Central Okanagan Heritage Society on February 18, 2015. West Kelowna was presented the Special Heritage Project Award for the upgrade of the Canadian National Railway (CNR) Wharf, which is one of the city's most recognized landmarks. The wharf, sometimes called "the old ferry dock," located in Gellatly Bay, has been an economic and recreational hub for residents since it was built in 1930. The upgrade paid homage to the landmark's history as a ferry dock where Westside produce and other goods were shipped and received and passengers and vehicles traveled across Okanagan Lake. The iconic metal lift pulleys were salvaged and reinstalled to mimic the historical structure and a steel public art piece, depicting the SS Okanagan steamship, was installed.



Supporting existing businesses and encouraging new companies to establish in the city have been Council priorities since incorporation in 2007. To help further these objectives, Council established an Economic Development Committee. The committee offers advice and support on local and national economic trends and participates in economic development planning activities. The committee includes seven members of the community who sit on the board for a two-year term and has representation from the Greater Westside Board of Trade, the Central Okanagan Economic Development Commission and the Province of British Columbia.



## About Development Services



The Development Services Division employs Economic Development Office staff:

24 full-time employees working in the Building, Current Planning, Development Engineering, Policy Development and Long Range Planning Departments and the Economic Development and Land Agent Offices.

Building Department staff:

- Administer and approve blasting, building permits and secondary suite applications
- Assist in technical reviews as part of the development application process
- Conduct inspections of additions, new builds and premises deemed unsafe

Current Planning staff:

- Administer development applications
- Coordinate Council committees
- Oversee agricultural environmental, fringe area and urban planning
- Manage Crown land, First Nation and senior government ministry referrals

Development Engineering staff:

- Conduct reviews as part of the building and development application process
- Approve all subdivisions and ensure they include the required works and services

Economic Development Office staff:

- Carry out recommendations of the city's Economic Development and Tourism Strategies
- Promote and support tourism
- Provide assistance to agriculture and business

Policy and Long Range Planning staff:

- Administer the requirements of the Zoning Bylaw and Official Community Plan (OCP)
- Assist in regional planning
- Carry out heritage and municipal land use planning and policy work
- Conduct parks design and planning

Land Agent Office staff:

- Administer Crown land grant and lease applications
- Coordinate all federal and provincial referrals regarding mining permits, Crown tenures and foreshore leases
- Coordinate land expansion and the maintenance of existing properties
- Explore and manage opportunities to acquire new properties

### By the Numbers



507 building permits



27 subdivision applications



41 business visits



12 variance permits



34 development permits



12 zoning amendments



31 business inquiries



3 OCP amendments





## Engineering and Public Works

### Highlights

From roads and sidewalks, to parks and arenas and water and sewer, Engineering and Public Works is the city's "get it done" division.

With roads and sidewalks consistently placing high among our residents' top priorities in our annual citizens' surveys, Engineering staff worked with consultants to create the city's first Pedestrian and Bicycle Infrastructure Plan. The plan recommends 97 pedestrian and cycling network improvements to be completed over the next 10 to 20 years and supports the goals of the Transportation and Recreational Trails Master Plans.

The city's memorial gardens were enhanced to create a place of peace and reflection for our community. The Phase 3 Westbank Cemetery Upgrades were part of a Council adopted strategy for the facility, which was created to ensure its sustainability for many years to come. Phase 3 cemetery improvements cost \$693,850 and included expansion along the eastern slope featuring a memorial path with cremation plots, a memorial wall, interment meadow, ossuary, and pathways and staircases.



Other key infrastructure upgrades, totaling \$9.16 million, were undertaken in 2015, including:

- Horizon Village Lift Station, \$1.4 million
- Road rehabilitation and pedestrian improvements, \$750,000
- Traffic calming construction in Glenrosa, Pritchard and South Boucherie, \$640,000
- Casa Loma remedial drainage work, \$550,000
- Drainage improvements on Ponderosa Road, \$375,000
- Recreational trails improvements, \$300,000
- Keefe Creek drainage improvements, \$295,000
- Sanitary sewer odor control, \$60,000

Accessibility to Okanagan Lake was also a priority, with a \$215,000 upgrade completed at the Gellatly Boat Launch. The project included construction of a new ramp and lane, a boardwalk, a floating dock running the full length of the launch and landscape improvements.

Rosewood Sports Field officially opened on April 25. The \$890,962 project costs, included design, construction of a full size sports field, benches, bike racks, fencing, landscaping, paths, picnic tables, tiered bank seating and a washroom, located in the adjacent school with outdoor access. The provincial government contributed \$400,000 to the project.

## About Engineering and Public Works

From the water you drink, the streets you take to work each day and the arenas and sports fields your children play at, the Engineering and Public Works Division is there to maintain and operate the community infrastructure that makes West Kelowna such a great place to call home. Fifty-eight staff work within five departments.

Cemetery, Fleet and Parks staff:

- Control nuisance geese and weeds
- Maintain boulevards, the cemetery, parks and sports courts and fields
- Maintain civic walkways and landscaping
- Maintain the city's fleet
- Provide event support with facilities staff

Engineering staff:

- Design and tender infrastructure projects for civic facilities, drainage, roads, sewer and water
- Manage and oversee the construction of capital projects

Facilities staff:

- Maintain and operate civic properties such as the aquatic centre, arenas and city hall
- Tend the ice at the city's two arenas
- Provide custodial, inspection, repair and security services for all civic facilities

Roads Department staff:

- Coordinate the clean up of illegal dump sites in cooperation with Bylaw Enforcement Officers
- Issue roads permits
- Maintain bus stops and stations
- Maintain civic parking lots
- Maintain street lights and signs and traffic signals
- Oversee maintenance of the city's bridges, roads and storm sewers

Utilities Department staff:

- Maintain and operate dams, pump stations, reservoirs, service mains and water intakes
- Maintain and operate the Powers Creek Water Treatment Plant
- Maintain and operate sanitary sewer lift stations and service mains
- Maintain the water treatment facility in Rose Valley
- Monitor water quality at intakes and treatment facilities
- Respond to all drainage, sewer and water emergencies and make repairs

### By the Numbers



11,000 water customers



16 civic facilities



522 lane kms of road



12 water pump stations



122 hectares of parkland



5 water systems



29 sanitary lift stations



3 Okanagan Lake intakes



### Highlights

Online services for the public leapt forward in 2015 as the Finance and Corporate Services Division invested in a website upgrade that allowed property owners to view their taxes and claim their Home Owner Grants through their computers from the comforts of home, saving a trip, in many cases to City Hall. The website update also permitted utility customers to view their accounts online. Residents interested in the service simply logged on to the city's website at [www.westkelownacity.ca/onlineservices](http://www.westkelownacity.ca/onlineservices) and then registered to create an account upon their first visit, and logged in with their username and password to view their accounts in subsequent online sessions.

The division also invested in new registration software for recreational programs. ActiveNet allows users to view details on a variety of programs offered at City of West Kelowna facilities including Jim Lind Arena and Royal LePage Place, and Johnson Bentley Memorial Aquatic Centre. After reading up on the program's details, schedules and costs, users are then able to pay for their selected programs online, if they so choose. To see how it works, residents can simply go to [www.westkelownacity.ca/recguide](http://www.westkelownacity.ca/recguide).

The division's Human Resources Department was instrumental in negotiating a new collective agreement with West Kelowna's professional fire fighters. The International Association of Fire Fighters Local 4457 received an annual 2.5% increase in pay under the 2013 to 2019 labour deal.

The division's Recreation and Culture Department staff created a Municipal Alcohol Policy to promote responsible consumption at public and private events sanctioned by the City of West Kelowna or held on civic properties. BC Healthy Communities, a Province of British Columbia program, provided funding to assist in the creation of the policy, which will require signs to be installed at civic facilities reminding patrons to drink responsibly.

Recreational and Culture Department staff teamed up with coworkers in several other departments to support Partners in Bloom, the City of West Kelowna's and Westbank First Nation's winning entry in National Communities in Bloom competition. Staff in Recreation and Culture also partnered with coworkers in the Parks Department and the Economic Development Office to organize and host the First Annual Town Centre Light Up on Brown Road in December. The event



was a huge success; hundreds of volunteers and participants attended the celebration, which supported Council's vision for Westbank Centre - to create a vibrant neighbourhood that is the civic, cultural and social heart of the city. And Recreation and Culture staff hosted another successful year of free Music in the Park concerts in July and August, drawing more than 7,000 concert goers to Memorial Park over the course of the season.

Customer service, a safe and healthy workplace and financial accountability and transparency are the key objectives of 28 full-time staff in the Finance and Corporate Services Division.

The Accounting Department oversees:

- Audited Financial Statements
- Bank account reconciliation
- Investments
- Payables and receivables
- Ten-year Capital and Financial Plans

Human Resources Department staff:

- Coordinate occupational health and safety and return to work programs
- Oversee training and development
- Participate in the collective bargaining process with union executives
- Manage employee and labour relations
- Oversee job classification and evaluate compensation

Information Services Department staff:

- Assist with website maintenance
- Maintain hardware and software programs
- Manage and maintain the Geographical Information Systems
- Manage inter-facility communications
- Provide technical support

Payroll and Benefits Department staff:

- Administer pension benefits
- Manage staff benefits and payrolls
- Orient new employees
- Remit payroll and benefit information to Revenue Canada

Purchasing Department staff oversee:

- Inventory
- Ordering and procurement of all city contracts, services and equipment
- Quotations, tenders and requests for proposals

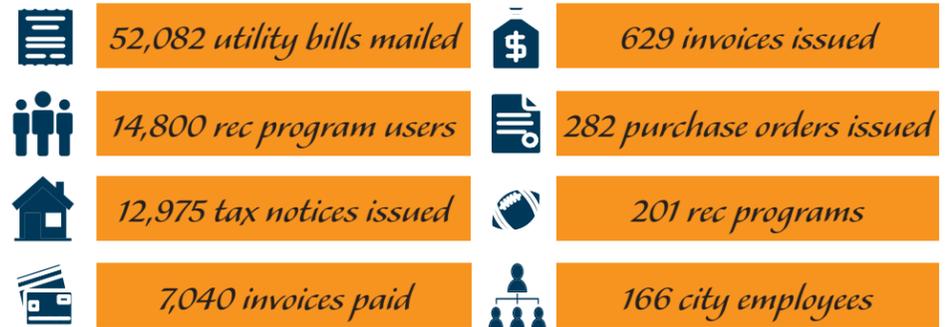
Recreation and Culture Department staff:

- Administer bookings for facilities, parks and sports fields
- Coordinate Communities in Bloom
- Coordinate recreational programming
- Liaise with the Westbank Museum
- Organize and host special events
- Steward community partnerships and manage related contracts

The Revenue Department is responsible for:

- Property tax notice distribution and collection of payments
- Utility billing notice distribution and collection of payments

### By the Numbers





## West Kelowna Fire Rescue

### Highlights

Fire Chief Wayne Schnitzler retired March 27 after 33 years of service as a full-time fire fighter. He began his fire service in 1979 as a paid on call firefighter with the City of Surrey, becoming a full-time career firefighter in 1982. Chief Schnitzler worked his way through the ranks, becoming captain of training before being hired by the former Westside Fire Protection District, then assuming the role of Fire Chief for the City of West Kelowna and Westbank First Nation in 2008.

On March 27, Jason Brolund became the new Fire Chief. Brolund brought over 19 years of firefighting experience to the post and was Deputy Fire Chief for the City of Kelowna.

West Kelowna Fire Rescue and Westbank First Nation teamed up to treat 10 hectares of Westbank Community Forest in the hills above Rose Valley and Bear Creek resulting in over 1,000 piles of debris. Until the end of the burning season, April 30, these piles were burned under the careful supervision of forest and fire professionals. Forest fuel management work is undertaken to help prevent catastrophic damage from forest fires.

Working with Westbank First Nation, West Kelowna Fire Rescue conducted a door to door campaign in October to ensure residents had working smoke alarms and discovered 71% did not have a device present or those installed were not functional. Following the campaign, the department installed 63 new smoke/carbon monoxide alarms for free and began immediately working on a strategy to increase smoke alarm education and support for the community.

Crews went door to door in the community in December for their 18th annual food drive. West Kelowna's fire fighters gathered \$3,200 in cash donations, plus a whopping 12,000 pounds of food to fill Christmas hampers and stock shelves at the Westside Community Food Bank.

The department began providing Technical Rescue Service for the Westside on behalf of the Regional District of Central Okanagan. Services include fast moving water, ice and rope (high angle) rescues. Firefighters also conducted training exercises throughout the year.

On October 4, West Kelowna Fire Rescue hosted the popular Kids Day at the Fire Hall Open House. More than 300 children and their parents visited Fire Station 31 in Westbank Centre where they had the chance to meet firefighters, complete fire safety activities and take home important prevention information.



A grateful Lenetta Parry (centre), with food bank, poses with fire fighters.



## About West Kelowna Fire Rescue

When the sirens sound, West Kelowna Fire Rescue staff respond putting their expertise to quick use in dousing flames and saving lives. These highly trained workers provide emergency medical response, suppress fires and perform rescues in fast moving water, over cliff faces and other high angles and on thin ice. West Kelowna Fire Rescue falls under the City of West Kelowna's Administrative and Protective Services Division, has 41 full time employees and oversees 67 paid on call members working out of four fire stations in Glenrosa, Lakeview Heights, Westbank Centre and West Kelowna Estates.

#### Fire Administration staff:

- Administer burning permits
- Conduct training
- Recruit paid on call fire fighters annually
- Run the fuel modification program
- Support full time and paid on call fire fighters

#### Fire suppression crews:

- Maintain fire equipment and tools
- Maintain response maps
- Perform fast moving water, ice and rope (high angle) rescues
- Provide medical first response
- Respond to emergencies in adjoining jurisdictions, when needed, under a mutual aid agreement
- Respond to fire alarms and calls, motor vehicle accidents and carbon monoxide gas alarms and calls
- Respond to forest fires, protect homes and buildings and assist in evacuations as needed
- Serve Westbank First Nation through a service agreement between the WFN and the City of West Kelowna

#### Fire and Life Safety Education oversees:

- Community FireSmart Program
- Critical incident stress assistance
- Prevention and protection information and instruction for all age groups
- Public education visits at schools

#### Fire Prevention is responsible for:

- Fire inspections and investigations
- Fire Prevention Bylaw enforcement
- Reviewing plans for new development
- Reporting to the Fire Commissioner

### By the Numbers



2,638 total calls for service



259 public service responses



1,673 medical first responses



157 alarm responses



1,423 inspections



110 burning complaints



306 motor vehicle incidents



14 structural fires





## 2015 Citizens' Survey Results

The 2015 Citizens' Survey, distributed in April, was the eighth such survey that the City of West Kelowna has conducted. The survey is the only anonymous and statistically-accurate poll of randomly-selected West Kelowna taxpayers. It provides relevant, unbiased information directly from West Kelowna citizens for Council's consideration.

In 2015, the City received 360 completed surveys out of 1,000 mailed out. Previously to 2015, the City had experienced a decline in returned surveys:

- 2014, 265 surveys returned
- 2013, 296 surveys returned
- 2012, 321 surveys returned

The significant findings from the 2015 Citizens' Survey follow.

### Importance Versus Quality Comparison

The 2015 Importance Versus Quality Comparison again closely mirrored previous years' results with some notable new elements introduced. Respondents indicated that Recreation Programs for Teenagers were not meeting expectations. Respondents also indicated that several City of West Kelowna services were exceeding expectations including Community Centres - Halls, the Museum and Street Lighting. The following are services that respondents indicated do not meet expectations for 2015, with a comparison to 2014:

2015 Services Not Meeting Expectations	2014 Services Not Meeting Expectations
Snow Clearing Removal	Road Maintenance
Roads Maintenance	Snow Clearing Removal
Roads	Roads
Sidewalks	Sidewalks
Illegal Dumping Cleanup Program	Growth and Development Planning
Growth and Development Planning	Illegal Dumping Cleanup Program
Economic Development	Economic Development
Recreation Programs for Teenagers	-

The following are services that respondents indicated exceeded expectations in 2015, with a comparison to 2014:

2015 Services Exceeding Expectations	2014 Services Exceeding Expectations
Street Lighting	Public Library
Public Library	Arenas
Sports Fields - Soccer and Football	Sports Fields - Soccer and Football
Arenas	Sports Fields - Baseball
Community Centres - Halls	West Kelowna Website
Sports Fields - Baseball	-
West Kelowna Website	-
Museum	-

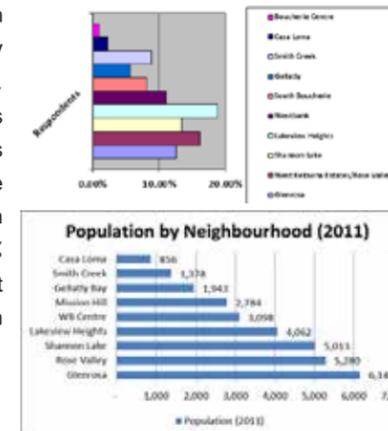
Thank you to all who participated in the 2015 Citizens' Survey!

## About the 2015 Citizens' Survey

### Demographics

The survey is a well balanced representation of the sentiments of the community. The ratio of respondents from each neighbourhood correlates well overall with West Kelowna's population statistics with only slightly more than proportional representation from the Smith Creek and Lakeview Heights neighbourhoods and slightly less than proportional from Glenrosa.

Also new to the survey this year is representation from the 19 to 24 years age group. Unfortunately in 2014, no surveys were received from this group. Typically, the 55 year and older portion of the city's population is the largest participant group; that was the case again in 2015 - 67% of respondents were in this demographic category. Other findings worth noting were: 48% of respondents were retired; 21% worked in Kelowna or north; 18% worked in West Kelowna. 61% of respondents owned property in West Kelowna for 10 or more years.



Note: Rose Valley includes West Kelowna Estates

### Quality of Life

People are happy living in West Kelowna! The 2015 Citizens' Survey results indicated that 84% of respondents rated their quality of life as Good or Very Good. And respondents were generally happy with the work of their elected officials with 56% rating their performance as Good or Very Good and 35% indicating Average.

### Other Notable Indicators

Results were also telling in areas such as bylaw enforcement levels, customer service, growth, infrastructure improvements, waterfront property acquisition and how residents receive information from the City of West Kelowna. The following are snapshots taken from the 2015 results:

Notable 2015 Results
Respondents said they would invest most in roads, water and sidewalk infrastructure.
80% of respondents never use transit.
75% wouldn't support a tax increase to create a more proactive level of bylaw enforcement.
70% support spending city funds to purchase waterfront property for public use.
However, generally, 63% favoured keeping taxes the same, with the same or less service.
63% said the level of service provided by city staff was either good or very good.
62% said growth is occurring at the right pace in the City of West Kelowna.
47% visited the city website less than once a month, 18% more than once a month.

Learn more about the Citizens' Survey at [www.westkelownacity.ca/citizensurvey](http://www.westkelownacity.ca/citizensurvey).





## 2015 Permissive Tax Exemptions

Churches	Amount
Church of Jesus Christ of Latter Day Saints	11,982.29
Emmanuel Assembly	2,699.60
Glenrosa Congregation of Jehovah's Witness	1,176.32
Grace Lutheran Church	4,810.03
Highway Gospel Hall	1,690.20
Lakeview Heights Baptist Church	3,137.59
Our Lady of Lourdes Catholic Church	9,034.95
Powers Creek Community Church	1,565.59
Redeemer Lutheran Church of Westbank	1,535.92
St. George's Anglican Church	5,898.51
Sunridge Community Church	10,309.58
Westbank Bible Chapel	1,235.56
Westbank Seventh Day Adventist Church	918.81
Westbank United Church	2,488.04
Westside Alliance Church	2,894.25
<b>Total for all churches</b>	<b>61,377.24</b>

Non Profit Groups	Amount
Greater Westside Board of Trade	4,351.35
Green Bay Bible Camp	91,208.34
Morning Star Bible Camp	35,832.11
Nature Trust of BC	1,702.11
Okanagan Boys and Girls Club	31,587.36
Westbank Lions Community Development Society	6,545.21
Westside Community Foodbank Society	7,996.39
<b>Total for all not for profit groups</b>	<b>179,222.87</b>

Private Schools	Amount
Our Lady of Lourdes Catholic Church	868.18
Westbank Seventh-Day Adventist Church	7,850.27
<b>Total for all private schools</b>	<b>8,718.45</b>

<b>Total of all 2015 Permissive Tax Exemptions</b>	<b>249,318.56</b>
--	-------------------



## 2015 Grants in Aid

Cash Grants	Amount
909 Peregrine Royal Canadian Air Cadets	1,750
Gellatly Bay Trails & Parks Society	2,000
Kelowna & District Safety Council	1,500
Kelowna Rowing Club	1,700
Liquid Lightning Swim Club	11,344
Mothers Against Drunk Driving Canada	2,000
Okanagan Boys & Girls Club (Restorative Justice)	3,500
Scouts - Lakeview	1,500
Scouts - Westside	1,500
Telemark Cross Country Ski Club	2,142
Therapeutic Lake Cruises Society	1,200
West Kelowna Community Policing Society	7,000
West Kelowna Firefighters Association	3,000
West Kelowna Yacht Club	5,000
Westside Celebration Society (Westside Daze)	18,000
Westside Community Foodbank Society	3,000
Westside Health Network Society	10,000
<b>Total of all 2015 Cash Grants</b>	<b>76,136</b>

Non-cash Grants in Aid	Amount
Girl Guides of Canada	2,537
Kinsmen Club	1,296
Lakeview Heights Community Association	415
Lakeview Heights Thursday Nighters' AA Group	1,748
Mt. Boucherie Figure Skating Club	49,610
Royal Canadian Legion	1,748
Westside Girls Softball	503
Westside Minor Baseball	8,736
Westside Minor Football	1,983
Westside Minor Hockey	170,574
Westside Ringette	28,957
Westside Youth Soccer	1,311
<b>Total for all churches</b>	<b>296,418</b>

<b>Total of all Grants in Aid in 2015</b>	<b>372,554</b>
---	----------------





## Council's 2015 Strategic Priorities

A balance must be achieved among the funding City of West Kelowna receives through taxes, grants and user fees, the funds that must be saved in reserves for future expenses, and the money the municipality must spend to maintain, repair and upgrade infrastructure and meet demands for service.

In order to help achieve this balance, Council develops a Strategic Plan for each four year term of office and reviews these objectives annually to ensure they still reflect the service expectations of citizens and the infrastructure needs of the municipality. In 2015, Mayor and Council reviewed the 2014-2018 Strategic Plan. Building on the accomplishments of previous strategic planning, West Kelowna Council refined its focus for the four-year term to initiatives intended to meet the following overarching principles:

- Encouraging economic prosperity and development of all sectors
- Conducting necessary infrastructure improvements
- Creating walkable, connected neighbourhood hubs
- Fostering relationships with MLA and MP
- Continuing to build a collaborative relationship with Westbank First Nation
- Providing engagement and consultation opportunities for the community on an ongoing basis
- Ensuring efficient and cost effective local government operations



Council's goals include creating a walkable, connected city.

From these strategic priorities an operational work plan was created for staff. West Kelowna Council was provided with quarterly updates on the progress made in achieving these initiatives.

West Kelowna Council engages with citizens throughout the year and adjusts goals as needed as it works to make West Kelowna a beautiful place to live, work and play.



## 2015 Performance Measurements

### #1 Economic Development

Goal: To diversify the tax base in the City of West Kelowna by investing in economic development, small business support and new revenue opportunities.

Focus Area	2015	2016	2017
<b>City Hall - Civic Centre</b>			
Finalize costs	X		
Bylaw to Council for 3rd reading		X	
Elector approval		X	
<b>Plan to Attract Agricultural Business to Agricultural Lands Adjacent to Westbank Centre</b>			
Draft scope and present to Council	X		
Complete request for proposal		X	
Complete draft		X	
<b>Local Business Promotion</b>			
Prepare print and web-based materials	X		
Present at Breakfast With Business	X		
Communications plan	X	X	X
<b>Technology Centre Development</b>			
How can the city can attract business in this sector?		X	
<b>Tourism Strategy Review</b>			
Draft scope and present to Council	X		
Complete request for proposal	X		
Complete draft	X		



Photos (Clockwise):

An artist's rendering of the entry way to the proposed new City Hall at 3641 Elliott Road.

Breakfast With Business was held October 25 at Westbank Holiday Inn as a way to explore economic development support, promotion and enhancement options.

A staff member at the Visitor Information Centre helps a woman map out attractions for her West Kelowna vacation.

## 2015 Performance Measures Continued

### #2 Community Enhancement

Goal: To pursue enhancements to the community with consideration given to safe and effective travel infrastructure, health and well being of residents community connectivity and cultural and recreational improvements.

Focus Area	2015	2016	2017
<b>Recreational Facilities Master Plan</b>			
Review parks and parks maintenance, schools, recreation facilities; build a budget; and, consider partnerships with community groups with financial resources to proceed.		X	
<b>Parks Master Plan</b>			
Draft scope and present to Council	X		
Complete request for proposal	X		
Complete draft		X	
<b>Access to Interior Health Services In West Kelowna</b>			
Obtain and consider Health Committee recommendations	X		
Lobby provincial government and Interior Health Authority	X		
Meet with Minister of Health and UBCM convention	X		
<b>Community Wildfire Protection</b>			
Meet with Minister of Forests at UBCM convention	X	X	
<b>Neighbourhood Hub/Centre and Connectivity Plan Development</b>			
Develop connectivity and create walkable neighbourhoods. Complete in conjunction with major Official Community Plan review in 2018			
<b>Waterfront Acquisition</b>			
Report to Council	X		
<b>Cultural Plan Consideration</b>			
Review and meet with stakeholders	X		
Hold workshop with Council	X		
<b>Bylaw Enforcement Review</b>			
Review City of West Kelowna bylaws	X		
Consider recommendations and costs	X		
<b>Transit Review</b>			
Present to Council	X		
Finalize route changes		X	
Implement changes		X	

## 2015 Performance Measures Continued

### #3 Efficient Municipal Operations

Goal: To ensure that municipal operations are run as efficiently and cost effectively as possible.

Focus Area	2015	2016	2017
<b>Development Services Enhancements</b>			
Complete end user software training	X		
Launch CityView	X		
Host Development Roundtable	X		
<b>Good Neighbour Bylaw Review</b>			
Review existing city bylaw	X		
Research approaches taken by other jurisdictions	X		
Make recommendations to Council	X		
<b>External Review of Council</b>			
Issue request for proposals	X		
Complete request for proposal process	X		
Complete draft	X		
<b>Recreation Reserve Fund</b>			
Consider at 2nd and 3rd readings of financial plan	X		
<b>Public Process Required for Development</b>			
Review the process regarding notification and distances for public hearings and information meetings		X	
<b>Social Policy</b>			
Review recommendations outlined in the Assessment of Medical Services in West Kelowna; begin in 2018			
<b>Review Water and Sewer Utilities Operations</b>			
Conduct Water Rate Cost of Service Study	X		
Review flow percentages of Waste Water Treatment Plant		X	
Conduct ongoing flow monitoring		X	X



Right: Residents set their project priorities during the Parks Master Plan Open house. Left: Buses stop at the Elliott Road Transit Exchange; service will be reviewed in 2016.





## 2015 Performance Measures Continued

### #4 Community Engagement

Goal: To ensure effective, ongoing, proactive communication with West Kelowna residents, businesses and visitors.

Focus Area	2015	2016	2017
<b>Regular Community Consultation Sessions on City Initiatives</b>			
Conduct Strategic Plan consultation	X		
Conduct community initiatives consultations	X	X	X
<b>Official Community Plan Review</b>			
Conduct minor review	X		
Conduct major review in 2018			
<b>Community Recognition Policy</b>			
Develop policy		X	
<b>Continue to Build Collaborative Relationship with Westbank First Nation</b>			
How can the city can attract business in this sector?	X	X	X
<b>New Grant In Aid Category for Sports Travel</b>			
Give consideration in 2016		X	

### Continuing Priorities

A look at the City of West Kelowna's Operational Plan, which assigns priorities to specific departments for the purposes of carrying out and completing Council's strategic goals.

Focus Area	2015	2016	2017
<b>Chief Administrative Officer</b>			
2015 Strategic Priorities and Quarterly Reports	X	X	X
Efficiency Audit of Development Services	X		
<b>Administrative and Protective Services</b>			
Noxious Pest and Invasive Plant Service	X		
Green Bay Dredging Petition	X		
Expanded Mosquito Control - Glenrosa		X	
General Local Government Election in 2018			
Municipal Reclassification - District to City	X		
Regional Rescue	X		
BC Ambulance Service Resource Allocation Plan	X		
WFN Fire Service Contract		X	
Bear Aware Program	X		



## 2015 Performance Measures Continued

Focus Area	2015	2016	2017
<b>Development Services</b>			
Recreational Trails Master Plan: Phase 1 Implementation	X		
Carriage Homes	X		
R4 Multifamily Review	X		
Glenrosa Neighbourhood Plan	X		
Waterfront Zoning Recommendations	X		
Discharge of Land Use Contracts	X		
CNR Wharf Safety (Lifeguards)	X		
Review Neighbourhood Designations on City Maps	X		
Economic Development Program Review	X		
Central Okanagan Planning Study (Second Crossing)	X	X	
Mayor's Youth Forum	X	X	X
Skateboard Park and Tiered Seating Design: Memorial Park	X		
Development Cost Charges Bylaw	X	X	
<b>Engineering and Public Works</b>			
Master Implementation Plan	X		
Drainage Partnership with Westbank First Nation	X	X	
Intersection Design: Tallus and Shannon Lake Roads	X		
Pedestrian and Cycling Network Improvements	X		
Roads Maintenance Business Case	X		
Casa Loma Drainage Plan	X	X	
Horizon Village Life Station Upgrade	X	X	
Sanitary Sewer Metering Program	X	X	
Facilities Master Plan	X	X	
Boucherie Road Wine Trail Future Phasing	X	X	
Gellatly Phase 4 Design	X		
Road Rehabilitation	X		
Pritchard Park Improvements: Parking	X		
Emergency Backup Infrastructure for Municipal Operations	X	X	X
<b>Finance and Corporate Services</b>			
Salary Review	X		
JBMAC Operation Cost Analysis	X	X	
Utility Rate Policy and Bylaw Review	X		
Information Services Disaster Recovery Plan	X		
International Association of Fire Fighters Bargaining	X		
Assoc. of Local Government Employees Union Bargaining	X	X	
Internal Safety Audit	X	X	
Succession Planning	X	X	
Desktop Deployment Procedures	X	X	
Cloud Based Applications	X		
Online Bidding	X	X	
Purchasing Policy and Policy Communications	X		
Efficiency Audit: Operations	X	X	X





Independent Auditors' Report

Grant Thornton LLP200 -  
1633 Ellis Street Kelowna BC  
V1Y 2A8  
T +1 250 712 6800  
+1 800 661 4244 (Toll Free )  
F +1 250 712 6850  
www.GrantThornton.ca

To the Mayor and Council of the City of West Kelowna:

We have audited the accompanying financial statements of the City of West Kelowna ("the City"), which comprise the statement of financial position as at December 31, 2015, and the statement of operations and accumulated surplus, statement of changes in net debt and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of West Kelowna as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Kelowna, Canada  
May 10, 2016

Chartered Professional Accountants

Audit - Tax - Advisory  
Grant Thornton LLP, A Canadian Member of Grant Thornton International Ltd

City of West Kelowna  
Statement of financial position  
December 31, 2015

	2015	2014
<b>Financial assets</b>		
Cash and cash equivalents (Note 4)	\$ 30,181,193	\$ 26,886,607
Accounts receivable (Note 4)	15,302,926	15,758,231
	<u>45,484,119</u>	<u>42,644,838</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	6,305,534	9,723,176
Security deposits	4,031,016	4,732,358
Deferred revenue (Note 4)	2,432,895	2,073,670
Deferred development cost charges (Note 4)	9,147,156	7,984,085
Long-term debt (Note 4)	25,332,192	27,660,231
	<u>47,248,793</u>	<u>52,173,520</u>
Net debt	<u>(1,764,674)</u>	<u>(9,528,682)</u>
<b>Non-financial assets</b>		
Prepaid expenses and inventory	404,606	671,298
Tangible capital assets and work in progress (Note 5)	362,937,518	367,807,286
	<u>363,342,124</u>	<u>368,478,584</u>
<b>Accumulated surplus (Schedule 2)</b>	<b>\$ 361,577,450</b>	<b>\$ 358,949,902</b>

Contingent liabilities and commitments (Note 9 and 10)

Tanya Garost  
General Manager of Finance and  
and Corporate Services

Doug Findlater  
Mayor, City of West Kelowna

See accompanying notes to the financial statements.





## Operations and Accumulated Surplus

### City of West Kelowna

#### Statement of operations and accumulated surplus Year ended December 31, 2015

	2015 Actual	2015 Budget	2014 Actual
<b>Revenue</b>			
Taxation - net (Note 6)	\$ 28,586,732	\$ 28,705,191	\$ 26,942,232
Sales of service and regulatory fees	16,810,232	15,841,164	15,469,489
Government transfers (Note 7)	5,171,512	1,654,747	10,376,829
Other (Note 8)	5,173,948	3,463,544	10,056,433
<b>Total revenues</b>	<b>55,742,424</b>	<b>49,664,646</b>	<b>62,844,983</b>
<b>Expenses</b>			
General government services	13,886,868	14,224,065	13,944,836
Protective services	11,877,331	11,139,248	11,608,237
Transportation services	5,084,200	5,448,709	5,220,182
Environmental & health development services	4,275,075	4,638,011	4,115,660
Recreation and cultural services	6,462,365	6,402,661	6,074,173
Water services	5,860,350	5,547,334	5,780,757
Sewer services	5,460,716	5,873,520	5,552,167
Storm drainage	207,971	206,576	253,035
<b>Total expenses</b>	<b>53,114,876</b>	<b>53,480,124</b>	<b>52,549,047</b>
<b>Annual surplus (deficit)</b>	<b>2,627,548</b>	<b>(3,815,478)</b>	<b>10,295,936</b>
Accumulated surplus, beginning of year	358,949,902	358,949,902	348,653,966
<b>Accumulated surplus, end of year</b>	<b>\$ 361,577,450</b>	<b>\$ 355,134,424</b>	<b>\$ 358,949,902</b>

See accompanying notes to the financial statements.

3

## Changes in Net Debt

### City of West Kelowna

#### Statement of changes in net debt Year ended December 31, 2015

	2015 Actual	2015 Budget	2014 Actual
<b>Annual surplus (deficit)</b>	\$ 2,627,548	\$ (3,815,478)	\$ 10,295,936
Acquisition of tangible capital assets and work in progress	(5,797,559)	(9,371,536)	(26,094,878)
Amortization of tangible capital assets	10,667,327	10,667,327	10,940,926
Proceeds from disposal of tangible capital assets	-	-	22,004
Gain on disposal of tangible capital assets	-	-	(19,715)
Change in prepaid expenses and inventory	266,692	-	(223,570)
<b>Decrease (increase) in net debt</b>	<b>7,764,008</b>	<b>(2,519,687)</b>	<b>(5,079,297)</b>
Net debt, beginning of year	(9,528,682)	(9,528,682)	(4,449,385)
<b>Net debt, end of year</b>	<b>\$ (1,764,674)</b>	<b>\$ (12,048,369)</b>	<b>\$ (9,528,682)</b>

See accompanying notes to the financial statements.

4





## Cash Flows

### City of West Kelowna Statement of cash flows Year ended December 31, 2015

	2015	2014
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	\$ 2,627,548	\$ 10,295,936
Adjustment for non cash items		
Gain on disposal of tangible capital assets	-	(19,715)
Amortization of tangible capital assets	10,667,327	10,940,926
Developer and donor contribution of tangible capital assets	(675,054)	(95,259)
Actuarial adjustment on long-term debt	(600,407)	(524,010)
Acquisition of tangible capital assets through transfer from the Province of BC	-	(8,700,000)
(Increase) decrease in		
Accounts receivable	455,305	351,130
Prepaid expenses and inventory	266,692	(223,570)
Increase (decrease) in		
Accounts payable and accrued liabilities	(3,417,642)	2,570,380
Security deposits	(701,342)	1,085,149
Deferred revenue	359,225	277,046
	<u>8,981,652</u>	<u>15,958,013</u>
<b>Financing activities</b>		
Deferred development cost charges	1,163,071	(3,469,956)
Repayment of long-term debt	(1,727,632)	(1,704,642)
	<u>(564,561)</u>	<u>(5,174,598)</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets and work in progress	(5,122,505)	(17,299,619)
Proceeds from disposal of tangible capital assets	-	22,004
	<u>(5,122,505)</u>	<u>(17,277,615)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>3,294,586</b>	<b>(6,494,200)</b>
Cash and cash equivalents, beginning of year	<u>26,886,607</u>	<u>33,380,807</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 30,181,193</b>	<b>\$ 26,886,607</b>
<b>Supplementary cash flow information</b>		
Interest paid	\$ 1,652,341	\$ 1,732,295
<b>Non-cash capital activities</b>		
Acquisition of tangible capital assets through developer and donor contributions	\$ 675,054	\$ 95,259
Acquisition of tangible capital assets through transfer from Province of BC	\$ -	\$ 8,700,000

See accompanying notes to the financial statements.

5



## Notes to the Financial Statements

### City of West Kelowna Notes to the financial statements December 31, 2015

The notes to the financial statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the financial statements.

#### 1. Nature of business

The City is incorporated under the laws of British Columbia and is engaged in the operation of a Municipality.

#### 2. Summary of significant accounting policies

The financial statements 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.

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

##### Basis of presentation

The City's resources and operations are segregated into General, Water, Sewer, 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.

##### Accrual accounting

The financial statements are prepared using the accrual basis of accounting.

##### Cash and cash equivalents

Management classifies all term deposits and highly liquid investments that are cashable on demand as cash equivalents.

##### Work in progress

Work in progress represents capital projects under construction but not yet completed and are valued at cost.

(continued)

6





City of West Kelowna
Notes to the financial statements
December 31, 2015

2. Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives according to an estimated useful life as follows:

Table with 2 columns: Asset class, Estimated useful life. Lists various asset classes like Buildings, Infrastructure, Roads, etc., with their respective useful life ranges.

Work in progress is not amortized.

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.

Long-term debt

Outstanding debenture 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.

Contributions by developers

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 income.

(continued)



City of West Kelowna
Notes to the financial statements
December 31, 2015

2. Summary of significant accounting policies (continued)

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. The details of the cash deposits and demand notes at year end are as follows:

Table with 5 columns: Fund Name, Demand notes, Cash deposits, 2015, 2014. Shows data for General Fund, Water Funds, and Sewer Fund.

Reserve funds

Non-statutory reserves represent an appropriation of surplus for specific purposes. Reserves for future expenses represent funds to finance incomplete capital projects. Statutory reserves are restricted by the Community Charter and the associated municipal bylaws that established the reserves.

Revenue recognition

Taxation revenues are recorded on the accrual basis and recognized in the year they are levied. Sale of services and regulatory fees are recognized when the service or product is provided by the City. Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the City, and a reasonable estimate of the amount to be received can be made.

Expenses

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Budget figures

The budget figures are from the 10-Year Financial Plan Bylaw, adopted before May 15th of each year. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.

(continued)





City of West Kelowna  
Notes to the financial statements  
December 31, 2015

2. Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit accrual, allowance for doubtful accounts receivable, provision for contingencies 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, as well as the period of settlement if the amount is different.

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.

3. Current and future accounting changes

Current accounting change

Effective April 1, 2014, the Public Sector Accounting Board issued Section 3260 Liability for contaminated sites. This Section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. During the year, the City adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

(continued)



City of West Kelowna  
Notes to the financial statements  
December 31, 2015

3. Current and future accounting changes (continued)

Future accounting changes

PS 1201 – Financial statement presentation

This section revises and replaces the existing Section PS 1200 - Financial statement presentation. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 2200 – Related party transactions

This section establishes the definition of a related party, the criteria for identifying related parties of the City, the circumstances in which disclosure of the transaction with the related party would be required, and the required content of those disclosures, if necessary. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 2601 – Foreign currency translation

This section revises and replaces the existing Section PS 2600 - Foreign currency translation. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 3041 – Portfolio investments

This section revises and replaces the existing Section PS 3040 - Portfolio investments. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 3210 – Assets

This new section provides guidance for applying the definition of an asset set out in Section PS 1000 Financial statement concepts and establishes general disclosure standards for assets. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 3320 – Contingent assets

This new section defines and establishes disclosure requirements for contingent assets. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 3380 – Contractual rights

This new section defines and establishes disclosure requirements for contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 3420 – Inter-entity transactions

This section establishes how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

(continued)





Notes: Receivables; Payables

City of West Kelowna
Notes to the financial statements
December 31, 2015

3. Current and future accounting changes (continued)

PS 3450 – Financial instruments

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

4. Financial assets and liabilities

Cash and cash equivalents

Cash and cash equivalents held by the City include cash and term deposits with interest rates between 1.05% and 2.06%.

Accounts receivable

Accounts receivable are recorded net of allowance and are comprised of the following:

Table with 3 columns: Description, 2015, 2014. Rows include Current and arrears taxes, Due from Federal government, Due from Provincial government, Due from other governments, Sewer funds receivable, Utilities receivable, Other.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of the following:

Table with 3 columns: Description, 2015, 2014. Rows include Trade payables, Wages and payroll benefits, Accruals, Due to other governments, Other.

(continued)



Notes: Deferred Revenues

City of West Kelowna
Notes to the financial statements
December 31, 2015

4. Financial assets and liabilities (continued)

Deferred Revenue

The City records deferred revenue for funds received in advance on services not yet rendered and is recognized into revenue during the period in which the services are provided. Because these funds are restricted in nature, they are shown as a liability.

Deferred revenue is comprised of the following:

Table with 3 columns: Description, 2015, 2014. Rows include Prepaid property taxes, Prepaid recreation program fees, Cemetery perpetual care fund, Prepaid utility fees, Other.

Deferred development cost charges ("DCC's")

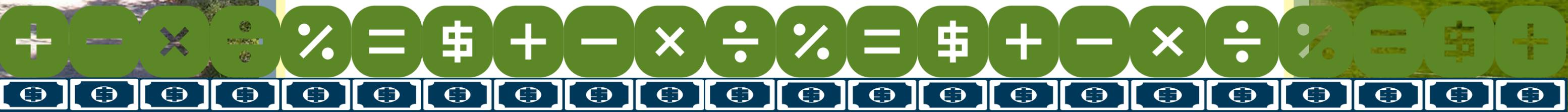
Pursuant to the provisions of the Local Government Act, DCC's are held in statutory reserve funds for the purpose for which the charges have been imposed. When the related costs are incurred, the DCC's are recognized as revenue. Because these funds are restricted in nature they are shown as a liability.

Table with 3 columns: Description, 2015, 2014. Rows include Balance, beginning of year, Contributions from developers, Interest on investments, Bylaw expenditures, Balance, end of year.

DCC's are comprised of the following:

Table with 3 columns: Description, 2015, 2014. Rows include Roads DCC's, Water DCC's, Parks DCC's.

(continued)





## Notes: Long Term Debt

### City of West Kelowna Notes to the financial statements December 31, 2015

#### 4. Financial assets and liabilities (continued)

##### Long-term debt

	Year of Maturity	Balance, beginning of year	Additions	Sinking fund payments	Actuarial adjustment	Balance, end of year	Current interest rate (%)
<b>General fund</b>							
MFA issue #95	2025	\$ 2,119,888	\$ -	\$ 110,438	\$ 46,749	\$ 1,962,701	1.80
MFA issue #95	2015	197,775	-	138,954	58,821	-	4.17
MFA issue #99	2017	367,120	-	131,496	48,465	187,159	4.43
MFA issue #105	2028	6,758,295	-	277,414	60,103	6,420,778	4.90
		<u>9,443,078</u>	<u>-</u>	<u>658,302</u>	<u>214,138</u>	<u>8,570,638</u>	
<b>Water funds</b>							
MFA issue #101	2027	180,017	-	8,228	2,599	169,190	4.52
MFA issue #103	2028	109,237	-	4,720	1,251	103,266	4.65
Province of BC	2027	8,068,867	-	478,991	-	7,589,876	4.95
		<u>8,358,121</u>	<u>-</u>	<u>491,939</u>	<u>3,850</u>	<u>7,862,332</u>	
<b>Sewer fund</b>							
MFA issue #61	2015	1,788	-	708	1,080	-	3.00
MFA issue #64	2016	21,261	-	4,310	6,061	10,890	4.43
MFA issue #66	2017	150,018	-	20,762	26,825	102,431	4.82
MFA issue #66	2017	7,867	-	1,089	1,407	5,371	4.82
MFA issue #70	2019	57,439	-	5,536	4,958	46,945	2.10
MFA issue #71	2019	175,413	-	16,906	15,142	143,365	2.10
MFA issue #71	2019	374,903	-	36,133	32,362	306,408	2.10
MFA issue #73	2020	30,594	-	2,516	2,039	26,039	2.10
MFA issue #73	2020	637,467	-	52,425	42,480	542,562	2.10
MFA issue #74	2021	296,232	-	19,295	17,088	259,849	3.05
MFA issue #74	2021	77,865	-	5,072	4,491	68,302	3.05
MFA issue #74	2021	91,470	-	5,958	5,277	80,235	3.05
MFA issue #74	2021	32,502	-	2,117	1,875	28,510	3.05
MFA issue #74	2021	35,056	-	2,283	2,023	30,750	3.05
MFA issue #74	2021	65,375	-	4,258	3,771	57,346	3.05
MFA issue #75	2021	12,072	-	786	697	10,589	3.05
MFA issue #75	2021	441,098	-	28,730	25,446	386,922	3.05
MFA issue #75	2021	177,368	-	11,553	10,232	155,583	3.05
MFA issue #77	2022	993,166	-	57,915	46,090	889,161	3.05
MFA issue #79	2023	1,117,683	-	59,265	42,098	1,016,320	2.10
MFA issue #85	2024	589,948	-	28,795	18,108	543,045	2.00

(continued)

## Notes: Long Term Debt; Tangible Capital Assets

### City of West Kelowna Notes to the financial statements December 31, 2015

#### 4. Financial assets and liabilities (continued)

##### Long-term debt (continued)

MFA issue #85	2024	\$ 37,177	\$ -	\$ 1,815	\$ 1,141	\$ 34,221	2.00
MFA issue #95	2025	594,654	-	30,979	13,114	550,561	1.80
MFA issue #99	2027	13,565	-	660	243	12,662	4.43
MFA issue #99	2027	893,149	-	43,433	16,008	833,708	4.43
MFA issue #101	2027	1,908,175	-	87,212	27,552	1,793,411	4.52
MFA issue #101	2027	446,955	-	20,428	6,453	420,074	4.52
MFA issue #101	2027	578,772	-	26,452	8,358	543,962	4.52
		<u>9,859,032</u>	<u>-</u>	<u>577,391</u>	<u>382,419</u>	<u>8,899,222</u>	
Total long-term debt		<u>\$ 27,660,231</u>	<u>\$ -</u>	<u>\$ 1,727,632</u>	<u>\$ 600,407</u>	<u>\$ 25,332,192</u>	

The requirements for future repayments of principal on existing debt for the next five years are as follows:

	2016	2017	2018	2019	2020
General Fund	\$ 529,805	\$ 398,310	\$ 398,310	\$ 398,310	\$ 398,310
Water Funds	516,082	541,442	568,082	596,063	625,456
Sewer Fund	579,614	575,304	553,453	553,453	494,879
	<u>\$ 1,625,501</u>	<u>\$ 1,515,056</u>	<u>\$ 1,519,845</u>	<u>\$ 1,547,826</u>	<u>\$ 1,518,645</u>

#### 5. Tangible capital assets and work in progress

Tangible capital assets and work in progress are comprised of the following:

	2015 Net book value	2014 Net book value
<b>General</b>		
Land	\$ 101,254,568	\$ 100,993,568
Buildings	26,756,847	27,299,717
Equipment	7,284,397	7,141,647
Engineering structures	113,401,026	112,794,033
	<u>248,696,838</u>	<u>248,228,965</u>
<b>Water infrastructure</b>	<b>60,745,271</b>	62,254,031
<b>Sewer infrastructure</b>	<b>52,365,338</b>	53,232,328
<b>Tangible capital assets</b>	<b>\$ 361,807,447</b>	\$ 363,715,324
<b>Work in progress</b>	<b>\$ 1,130,071</b>	\$ 4,091,962
<b>Tangible capital assets and work in progress (Schedule 1)</b>	<b>\$ 362,937,518</b>	\$ 367,807,286



**City of West Kelowna**  
Notes to the financial statements  
December 31, 2015

**6. Taxation - net**

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

	2015	2014
General municipal purposes	\$ 28,586,732	\$ 26,942,232
Collections for other governments		
Provincial Government - Schools	14,841,322	14,456,872
Central Okanagan Regional Hospital District	2,574,508	2,455,637
Regional District of the Central Okanagan	3,065,034	2,903,455
British Columbia Assessment Authority	446,809	438,690
Municipal Finance Authority	1,450	1,368
	<u>49,515,855</u>	<u>47,198,254</u>
Transfers to other governments		
Provincial Government - Schools	(14,841,322)	(14,456,872)
Central Okanagan Regional Hospital District	(2,574,508)	(2,455,637)
Regional District of the Central Okanagan	(3,065,034)	(2,903,455)
British Columbia Assessment Authority	(446,809)	(438,690)
Municipal Finance Authority	(1,450)	(1,368)
	<u>(20,929,123)</u>	<u>(20,256,022)</u>
	<u>\$ 28,586,732</u>	<u>\$ 26,942,232</u>

**7. Government transfers**

	2015	2014
Provincial unconditional transfers		
Province of British Columbia	\$ -	\$ 8,700,000
Other	56,953	89,388
	<u>56,953</u>	<u>8,789,388</u>
Provincial conditional transfers		
Okanagan Basin Water Board grant	48,314	48,314
Regionally significant gas tax funds	3,051,500	-
Other	111,673	173,115
	<u>3,211,487</u>	<u>221,429</u>
Federal unconditional transfers		
Traffic fine revenue sharing grant	591,570	54,510
Federal conditional transfers		
Gas tax community works fund	1,311,502	1,311,502
	<u>\$ 5,171,512</u>	<u>\$ 10,376,829</u>

**City of West Kelowna**  
Notes to the financial statements  
December 31, 2015

**8. Revenue - other**

	2015	2014
DCC contributions	\$ 250,502	\$ 5,441,512
Cost recoveries	965,062	1,651,536
Development permits	825,020	673,492
Interest earned	634,655	344,763
Actuarial adjustment on long-term debt	600,407	524,010
Licenses and permits	211,445	201,421
Penalties and interest on taxes	412,543	440,403
Rentals	584,036	563,774
Donations	371,507	21,421
Other	318,771	194,101
	<u>\$ 5,173,948</u>	<u>\$ 10,056,433</u>

**9. 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.

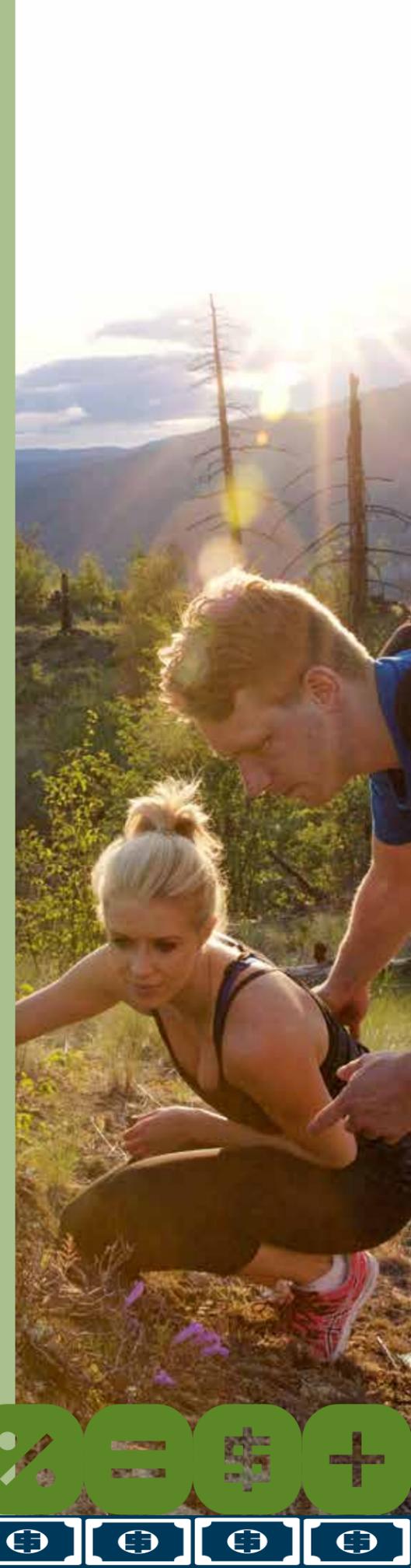
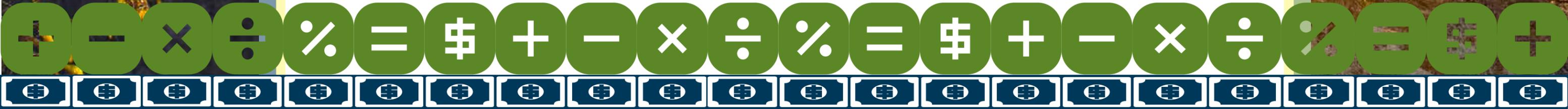
**Legal actions**

The City is currently engaged in certain legal actions, 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 these actions will be recorded in the accounts in the period in which the loss is realized. The City has insurance policies and financial reserves to offset associated risks.

**Pension liability**

The City and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for 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, 2014, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

(continued)



**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2015**

**9. Contingent liabilities (continued)**

**Pension liability (continued)**

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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation for the Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2015 with results available in 2016.

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.

The City paid \$1,325,195 (2014 - \$1,052,909) for employer contributions while employees contributed \$1,168,351 (2014 - \$947,394) to the Plan in fiscal 2015.

**10. 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:

2016	\$	3,001,422
2017	\$	2,333,559
2018	\$	45,919
2019	\$	25,250
2020	\$	25,250

**Vacation pay and sick leave**

Vacation pay, which may be accumulated up to 10 days, is charged to expense in the year earned. Sick leave, which has a maximum accumulation of 100 days, is charged to expense in the year it is accumulated. Earned sick leave vests after 10 years of employment and is paid to a maximum of 50 days.

**11. Letters of Credit**

The City is holding letters of credit in the amount of \$5,566,720 (2014 - \$7,624,809), which are received as security related to performance deposits.

**City of West Kelowna**  
**Notes to the financial statement**  
**December 31, 2015**

**12. Expenses by object**

Total expenses by object are itemized in Schedule 3.

**13. Segmented information**

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, transportation services, environmental health and developmental services, and 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.

**General government services**

General government services are comprised of 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 superior quality staff, 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.

**Protective services**

Protective services consists of all the various services provided by the RCMP, Fire Services and Animal Control 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.

**Transportation services**

Transportation services include roads and maintenance, street lighting, traffic management and transit system.

**Environmental health and development services**

Environmental health and development services, which also include cemetery operations, are 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.

(continued)



**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2015**

13. Segmented information (continued)

**Recreation and cultural services**

Recreation and cultural services include recreational program design, delivery and management, municipal facilities/parks development and maintenance and the museum operation, as well as coordination of many recreational/sporting activities and groups.

**Water services**

Water services 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.

**Sewer services**

Sewer services deals with the operation and maintenance of the sewer collection system within the municipal boundaries of the City.

**Storm drainage**

Storm drainage is responsible for the operation and maintenance of the storm drainage collection system within the municipal boundaries of the City.

14. Budget

The budget amounts presented reflect the statutory financial plan as adopted by Council on April 28, 2015, 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. 0182, 2015	\$ -
Adjust for non-operating items included in Financial Plan:	
Acquisition of tangible capital assets	9,371,536
Repayment of principal portion of long-term debt	1,642,204
Net transfers from reserves	<u>(4,161,891)</u>
	<u>6,851,849</u>
Adjust for operating items excluded in Financial Plan:	
Amortization	<u>(10,667,327)</u>
	<u>(10,667,327)</u>
Budget deficit as per the statement of operations and accumulated surplus	<u>\$ (3,815,478)</u>

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2015**

15. Comparative figures

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





# Schedules

## City of West Kelowna Schedule 1a - Schedule of tangible capital assets and work in progress December 31, 2015

	Equipment							
	Land	Buildings	Computer	Machinery	Office furniture & equipment	Small tools & equipment	Vehicles	Solid waste carts
Cost, beginning of year	\$100,993,568	\$36,820,499	\$2,880,960	\$1,993,789	\$872,932	\$1,127,917	\$6,918,015	\$1,537,145
Additions	261,000	355,663	470,047	75,840	-	68,614	718,064	-
Disposals	-	-	-	-	-	-	-	-
Cost, end of year	101,254,568	37,176,162	3,351,007	2,069,629	872,932	1,196,531	7,636,079	1,537,145
Accumulated amortization, beginning of year	-	9,520,782	2,100,730	558,778	558,119	615,076	3,995,053	361,355
Amortization	-	898,533	410,749	174,883	23,194	109,236	410,268	61,485
Disposals	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	10,419,315	2,511,479	733,661	581,313	724,312	4,405,321	422,840
Net book value, end of year	\$101,254,568	\$26,756,847	\$839,528	\$1,335,968	\$291,619	\$472,219	\$3,230,758	\$1,114,305
Work in progress	\$ -	\$339,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tangible capital assets and work in progress	\$101,254,568	\$27,096,788	\$839,528	\$1,335,968	\$291,619	\$472,219	\$3,230,758	\$1,114,305

21a

## City of West Kelowna Schedule 1b - Schedule of tangible capital assets and work in progress December 31, 2015

	Engineering structures				Water infrastructure	Sewer infrastructure	Total
	Infrastructure	Roads	Sidewalks	Storm drains			
Cost, beginning of year	\$5,047,890	\$229,654,618	\$5,744,078	\$2,194,393	\$87,222,746	\$64,781,548	\$547,790,098
Additions	4,933,545	1,418,638	147,968	77,094	73,024	159,953	8,759,450
Disposals	-	-	-	-	-	-	-
Cost, end of year	9,981,435	231,073,256	5,892,046	2,271,487	87,295,770	64,941,501	556,549,548
Accumulated amortization, beginning of year	753,877	126,978,277	1,683,309	431,483	24,968,715	11,549,220	184,074,774
Amortization	530,049	5,123,615	117,838	198,750	1,581,784	1,026,943	10,667,327
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	1,283,926	132,101,892	1,801,147	630,233	26,550,499	12,576,163	194,742,101
Net book value, end of year	\$8,697,509	\$98,971,364	\$4,090,899	\$1,641,254	\$60,745,271	\$52,365,338	\$361,807,447
Work in progress	\$ 222,389	\$159,899	\$ -	\$238,738	\$ 12,282	\$ 156,822	\$1,130,071
Tangible capital assets and work in progress	\$8,919,898	\$99,131,263	\$4,090,899	\$1,879,992	\$60,757,553	\$52,522,160	\$362,937,518

21b



# Schedules

## City of West Kelowna Schedule 2 - Schedule of accumulated surplus December 31, 2015

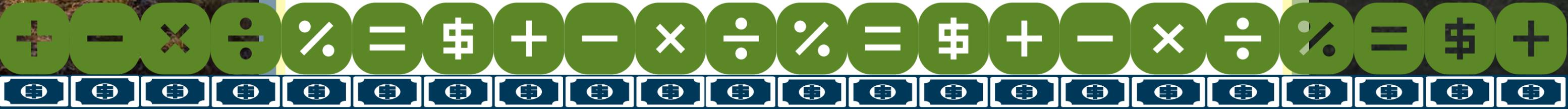
	Balance, beginning of year	Transfer to	Transfer from	Interest	Balance, end of year
<b>Reserves</b>					
Capital - general	4,674,844	1,604,180	(1,735,248)	55,312	4,599,088
Capital - water	2,900,379	320,000	(78,600)	36,264	3,178,033
Capital - sewer	2,608,429	80,000	(2,113,015)	7,384	582,798
Community projects	2,323,157	1,311,502	(192,930)	34,589	3,476,318
Equipment replacement	3,308,445	833,177	(904,614)	38,073	3,075,081
Future expenses	729,831	1,422,181	(1,650,498)	7,388	508,902
Municipal facilities	1,772,914	85,192	-	21,786	1,879,892
Other	1,764,632	16,173,837	(13,726,580)	17,161	4,229,050
Policing	489,398	487,449	-	8,797	985,644
Property acquisition	1,548,270	-	-	18,579	1,566,849
Recreation	37,843	126,374	-	1,212	165,429
Road maintenance and snow clearing	596,870	-	-	7,162	604,032
Storm drainage	139,797	129,484	(20,633)	2,331	251,079
	<u>22,894,809</u>	<u>22,373,376</u>	<u>(20,422,018)</u>	<u>256,028</u>	<u>25,102,195</u>
Investment in non-financial assets					
Investment in tangible capital assets	336,055,093	11,087,489	(10,667,327)	-	336,475,255
Accumulated surplus	\$ 358,949,902	\$ 33,460,865	\$ (31,089,345)	\$ 256,028	\$ 361,577,450

22

## City of West Kelowna Schedule 3 - Schedule of segment disclosure December 31, 2015

	General Fund									
	General gov't services	Protective services	Transportation services	Enviro. health & development services	Recreation & cultural services	Water services	Sewer services	Storm drainage	2015 Totals	2014 Totals
<b>Revenue</b>										
Taxation-net	\$10,409,540	\$8,617,497	\$4,132,462	\$545,471	\$4,665,164	\$ -	\$ -	\$216,598	\$28,586,732	\$26,942,232
Sale of services and regulatory fees	-	1,387,095	700,835	2,827,579	1,524,777	5,781,905	4,588,041	-	16,810,232	15,469,489
Government transfers	4,520,325	596,183	440	-	6,250	-	48,314	-	5,171,512	10,376,829
Other	2,866,158	784,878	14,682	870,903	-	254,352	382,975	-	5,173,948	10,056,433
Total revenue	<u>17,796,023</u>	<u>11,385,653</u>	<u>4,848,419</u>	<u>4,243,953</u>	<u>6,196,191</u>	<u>6,036,257</u>	<u>5,019,330</u>	<u>216,598</u>	<u>55,742,424</u>	<u>62,844,983</u>
<b>Expenses</b>										
Amortization	7,957,343	-	-	36,678	-	1,646,363	1,026,943	-	10,667,327	10,940,926
Building and grounds maintenance	252,901	80,998	-	-	275,163	151,178	-	-	760,240	697,127
Civic grants	350,204	-	-	-	-	-	-	-	350,204	341,726
Contract services	475,175	217,257	2,300,796	2,113,774	1,386,906	537,405	3,354,854	126,992	10,513,159	10,503,563
Interest on long-term debt	646,806	-	-	-	-	379,511	626,024	-	1,652,341	1,732,295
Equipment maintenance and fuel	367,641	264,127	70,822	9,367	221,797	474,780	29,852	5,884	1,444,270	1,493,814
Library	-	-	-	-	1,346,416	-	-	-	1,346,416	1,328,334
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	(19,715)
RCMP E-Division Contract	-	3,624,445	-	-	-	-	-	-	3,624,445	3,236,481
Supplies, small tools and equipment	306,090	893,709	142,661	199,022	277,135	311,827	12,159	3,182	2,145,785	2,483,418
Transit	-	-	1,719,588	-	-	-	-	-	1,719,588	1,935,673
Utilities	113,578	135,514	208,784	11,007	595,287	388,255	61,439	-	1,513,864	1,460,440
Wages, benefits & professional development	3,417,130	6,661,281	641,549	1,905,227	2,359,661	1,971,031	349,445	71,913	17,377,237	16,414,965
Total expenses	<u>13,886,868</u>	<u>11,877,331</u>	<u>5,084,200</u>	<u>4,275,075</u>	<u>6,462,365</u>	<u>5,860,350</u>	<u>5,460,716</u>	<u>207,971</u>	<u>53,114,876</u>	<u>52,549,047</u>
Annual surplus (deficit) for the year	\$3,909,155	\$(491,678)	\$(235,781)	\$(31,122)	\$(266,174)	\$175,907	\$(441,386)	\$8,627	\$2,627,548	\$10,295,936

23





*City of West Kelowna*

*2760 Cameron Road  
West Kelowna, BC  
V1Z 2T6*

*info@westkelownacity.ca  
www.westkelownacity.ca*



*www.twitter.com/@WestKelownaCity*



*www.facebook.com/cityofwestkelowna*

