



**2021 Financial Statements**  
**And Independent Auditors' Report thereon**

**Fiscal Year Ending December 31, 2021**

## Table of Contents

	<b>Page</b>
Management's Responsibility for Financial Reporting	3
Independent auditor's report	4-5
Financial statements	
Statement of financial position	6
Statement of operations and accumulated surplus	7
Statement of changes in net financial assets	8
Statement of cash flows	9
Notes to the financial statements	10-23
Schedule 1 – Schedule of tangible capital assets and work in progress	24
Schedule 2 – Schedule of accumulated surplus	25
Schedule 3 – Schedule of segment disclosure	26
Schedule 4 - Provincial COVID-19 Restart Grant (unaudited)	27

**City of West Kelowna  
December 31, 2021**

**Management's Responsibility for Financial Reporting**

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

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

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

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

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

Warren Everton, CPA, CMA  
Chief Financial Officer  
May 10th, 2022

---

## Independent Auditor's Report

---

### To the Mayor and Council of The City of West Kelowna

#### Opinion

We have audited the financial statements of the City of West Kelowna (the "City"), which comprise the statement of financial position as at December 31, 2021, and the statement of operations and accumulated surplus, the statement of changes in net financial assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2021, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

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

#### Other Matters

The financial statements for the year end December 31, 2020 were audited by another practitioner who expressed an unmodified opinion on those financial statements on May 11, 2021.

#### Unaudited Information

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

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

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

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

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



## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

*BDO Canada LLP*

**Chartered Professional Accountants**

Kelowna, British Columbia

May 10, 2022

**City of West Kelowna**  
**Statement of financial position**  
**December 31, 2021, with comparative information for 2020**

	2021	2020
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 63,581,033	\$ 65,541,190
Accounts receivable (Note 4)	<u>20,753,267</u>	<u>18,778,124</u>
	<u><b>84,334,300</b></u>	<u><b>84,319,314</b></u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	<b>13,357,029</b>	15,530,937
Security deposits	<b>12,800,404</b>	9,757,377
Deferred revenue (Note 6)	<b>13,596,463</b>	14,694,470
Deferred development cost charges (Note 7)	<b>19,989,460</b>	19,425,058
Equipment debt (Note 8)	<b>4,346,461</b>	472,883
Long-term debt (Note 9)	<u><b>12,150,805</b></u>	<u>14,343,455</u>
	<u><b>76,240,622</b></u>	<u>74,224,180</u>
Net financial assets	<u><b>8,093,678</b></u>	<u>10,095,134</u>
<b>Non-financial assets</b>		
Prepaid expenses and inventory	<b>2,445,152</b>	955,970
Tangible capital assets and work in progress (Note 10)	<u><b>400,821,854</b></u>	<u>385,349,441</u>
	<u><b>403,267,006</b></u>	<u>386,305,411</u>
<b>Accumulated surplus</b> (Schedule 2)	<u><b>\$ 411,360,684</b></u>	<u>\$ 396,400,545</u>

Contingent liabilities and commitments (Notes 14 and 15)

  
 Warren Everton, CPA, CMA  
 Chief Financial Officer

  
 Gord Milsom  
 Mayor, City of West Kelowna

---

**City of West Kelowna****Statement of operations and accumulated surplus****Year ended December 31, 2021, with comparative information for 2020**

	2021	2021 Budget (Note 17)	2020
<b>Revenue</b>			
Taxation - net (Note 11)	\$ 38,033,529	\$ 38,276,480	\$ 35,860,409
Sales of service and regulatory fees	27,067,227	24,673,325	24,418,233
Government transfers (Note 12)	9,520,677	45,052,527	12,473,908
Other (Note 13)	9,109,976	48,646,217	5,892,851
<b>Total revenues</b>	<b>83,731,409</b>	<b>156,648,549</b>	<b>78,645,401</b>
<b>Expenses (Schedule 3)</b>			
General government services	17,357,900	17,910,340	16,725,161
Protective services	17,401,094	16,675,191	17,770,660
Transportation services	5,722,473	6,199,570	5,808,569
Environmental & health development services	4,724,494	4,892,838	4,574,047
Recreation and cultural services	8,533,594	8,532,321	8,003,597
Water services	8,482,213	8,966,018	8,071,646
Sewer services	6,232,033	6,933,376	6,208,309
Storm drainage	317,469	400,444	366,893
<b>Total expenses</b>	<b>68,771,270</b>	<b>70,510,098</b>	<b>67,528,882</b>
<b>Annual surplus</b>	<b>14,960,139</b>	<b>86,138,451</b>	<b>11,116,519</b>
Accumulated surplus, beginning of year	396,400,545	396,400,545	385,284,026
<b>Accumulated surplus, end of year</b>	<b>\$ 411,360,684</b>	<b>\$ 482,538,996</b>	<b>\$ 396,400,545</b>

---

---

**City of West Kelowna****Statement of changes in net financial assets****Year ended December 31, 2021, with comparative information for 2020**

	2021	2021 Budget (Note 17)	2020
<b>Annual surplus</b>	<b>\$ 14,960,139</b>	<b>\$ 86,138,451</b>	<b>\$ 11,116,519</b>
Acquisition of tangible capital assets and work in progress	<b>(28,646,380)</b>	<b>(79,997,325)</b>	<b>(20,595,377)</b>
Amortization of tangible capital assets	<b>12,695,805</b>	<b>9,706,704</b>	<b>12,384,766</b>
Loss on disposal of tangible capital assets	<b>478,162</b>	<b>-</b>	<b>205,521</b>
Net change in prepaid expenses and inventory	<b>(1,489,182)</b>	<b>-</b>	<b>88,379</b>
Increase (decrease) in net financial assets	<b>(2,001,456)</b>	<b>15,847,830</b>	<b>3,199,808</b>
Net financial assets, beginning of year	<b>10,095,134</b>	<b>10,095,134</b>	<b>6,895,326</b>
<b>Net financial assets, end of year</b>	<b>\$ 8,093,678</b>	<b>\$ 25,942,964</b>	<b>\$ 10,095,134</b>

---

**City of West Kelowna**  
**Statement of cash flows**

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Annual surplus	\$ 14,960,139	\$ 11,116,519
Adjustment for non cash items		
Amortization of tangible capital assets	12,695,805	12,384,766
Actuarial adjustment on debt	(681,281)	(701,228)
Loss on disposal of tangible capital assets	478,162	205,521
(Increase) decrease in		
Accounts receivable	(1,975,143)	(416,949)
Prepaid expenses and inventory	(1,489,182)	88,379
Increase (decrease) in		
Accounts payable and accrued liabilities	(2,173,908)	7,351,152
Security deposits	3,043,027	(19,866)
Deferred development cost charges	564,402	3,388,570
Deferred revenue	(1,098,007)	(2,274,764)
	<u>24,324,014</u>	<u>31,122,100</u>
<b>Financing activities</b>		
Proceeds from debt	3,972,803	518,274
Repayment of debt	(1,610,594)	(1,564,039)
	<u>2,362,209</u>	<u>(1,045,765)</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets and work in progress	(28,646,380)	(20,595,377)
<b>Increase in cash and cash equivalents</b>	<u>(1,960,157)</u>	<u>9,480,958</u>
Cash and cash equivalents, beginning of year	<u>65,541,190</u>	<u>56,060,232</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 63,581,033</u>	<u>\$ 65,541,190</u>
<b>Supplementary cash flow information</b>		
Interest paid	\$ 703,238	\$ 790,808

# City of West Kelowna

## Notes to the financial statements

### December 31, 2021

---

#### 1. Nature of operations

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

---

#### 2. Summary of significant accounting policies

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

##### a) Segregation of Operations

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

##### b) Basis of accounting

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

##### c) Cash and cash equivalents

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

---

# City of West Kelowna

## Notes to the financial statements

### December 31, 2021

---

#### 2. Summary of significant accounting policies (continued)

##### d) Tangible capital assets

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

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

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

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

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

##### e) Work in progress

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

##### f) Prepaid expenses and inventory

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

---

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2021**

---

**2. Summary of significant accounting policies (continued)**

**g) Employee future benefits**

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

Sick leave and other retirement benefits are also available to the City's employees. The costs of these benefits are determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn future benefits.

**h) 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.

**i) Debt**

Outstanding debt is reported net of applicable sinking fund balances.

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

**j) Municipal Finance Authority debt reserve deposits**

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These amounts are contingent in nature and are not reflected in these accounts. The details of the cash deposits and demand notes at year end are as follows:

	<b>Demand notes</b>	<b>Cash deposits</b>	<b>2021</b>	<b>2020</b>
General Fund	\$ 350,582	\$ 170,688	\$ <b>521,270</b>	\$ 518,416
Water Funds	11,423	5,820	<b>17,243</b>	17,145
Sewer Fund	343,780	186,979	<b>530,759</b>	671,484
	<u>\$ 705,785</u>	<u>\$ 363,487</u>	<u>\$ <b>1,069,272</b></u>	<u>\$ 1,207,045</u>

**k) Reserve funds**

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

---

# City of West Kelowna

## Notes to the financial statements

### December 31, 2021

---

#### 2. Summary of significant accounting policies (continued)

##### l) Revenue recognition

Taxation revenues are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. 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 or stipulations, if any, have been met by the City, and a reasonable estimate of the amount to be received can be made. Other revenue from own services is recorded as it is earned and measurable. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the City discharges the obligation that led to the collection of funds.

##### m) Budget figures

The budget figures are from the City's 10-Year Financial Plan Bylaw, adopted before May 15th of each year. Subsequent amendments have been authorized by Council to reflect changes in the budget as required by law. Such amendments are not reflected in the financial statement budget figures (Note 17).

##### n) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts, and disclosure of, assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates relate to the determination of payroll liabilities, the existence and measurement of any contingent liabilities 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.

##### o) 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.

---

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2021**

---

**2. Summary of significant accounting policies (continued)**

**p) Segmented disclosure**

A segment is defined as distinguishable activity of group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City has provided definitions of segments as well as presented financial information in segmented format in Note 16 and Schedule 3.

**3. Financial assets - Cash and cash equivalents**

Cash and cash equivalents held by the City include cash with an average interest rate of 1.02% (2020 - 1.33%).

**4. Financial assets - Accounts receivable**

	<b>2021</b>	2020
Property taxes	\$ 2,911,626	\$ 3,251,324
Federal government	953,597	617,644
Provincial government	4,663,308	3,868,321
Other governments	865	831
Sewer	5,120,934	5,582,470
Utilities	6,396,959	4,468,397
Other	705,978	989,137
	<u>\$ 20,753,267</u>	<u>\$ 18,778,124</u>

**5. Liabilities - Accounts payable and accrued liabilities**

	<b>2021</b>	2020
Trade	\$ 4,439,869	\$ 1,957,177
Wages and payroll	3,788,992	2,835,980
Accrued liabilities	708,207	358,419
Provincial government - school tax	-	5,758,109
Other governments	4,231,078	4,262,450
Other	188,883	358,802
	<u>\$ 13,357,029</u>	<u>\$ 15,530,937</u>

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2021**

**6. Liabilities - Deferred revenue**

	2021	2020
Property taxes	\$ 4,017,386	\$ 3,363,587
Recreation program fees	175,591	133,781
Cemetery perpetual care fund	189,951	167,122
Utility fees	325,258	218,752
Other	8,888,277	10,811,228
	<u>\$ 13,596,463</u>	<u>\$ 14,694,470</u>

As at December 31, 2021, other deferred revenue includes \$8,604,823 (2020 - \$10,743,647) from the provincial government in respect of the City's 2018-2022 water infrastructure project.

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

	2021	2020
Balance, beginning of year	\$ 19,425,058	\$ 16,036,488
Contributions from developers	3,576,568	3,532,108
Interest on investments	229,339	168,585
Bylaw expenditures (Note 13)	<u>(3,241,505)</u>	<u>(312,123)</u>
Balance, end of year	<u>\$ 19,989,460</u>	<u>\$ 19,425,058</u>

DCC's are comprised of the following:

	2021	2020
Roads	\$ 8,631,930	\$ 10,061,343
Water	8,224,121	7,085,198
Parks	2,993,171	2,139,662
Sewer	95,809	72,713
Storm Sewer	44,429	66,142
	<u>\$ 19,989,460</u>	<u>\$ 19,425,058</u>

**8. Liabilities - Short Term & Equipment debt**

	Current interest rate (%)	Year of Maturity	Balance, beginning of year	Additions	Sinking fund payments	Actuarial adjustment	Balance, end of year
<b>Short Term Debt</b>							
MFA loan #0001-0	0.90	2025	\$ 322,741	\$ -	\$ 75,306	\$ -	\$ 247,435
MFA loan #0002-01	0.90	2026	-	979,435	95,817	-	883,618
MFA loan #0002-01	0.90	2026	-	158,366	15,493	-	142,873
MFA loan #0002-01	0.90	2026	80,401	-	7,866	-	72,535
MFA Bylaw #289	0.97	2026	-	3,000,000	-	-	3,000,000
			<u>403,142</u>	<u>4,137,801</u>	<u>194,482</u>	<u>-</u>	<u>4,346,461</u>

# City of West Kelowna

## Notes to the financial statements

### December 31, 2021

Interest is charged on a daily floating rate basis and compounded monthly. Interest paid during the year was \$19,275 (2020 - \$3,132).

Estimated principal payments on the loan for the duration of the term are as follows:

	2022	2023	2024	2025	2026
\$	314,999	\$ 318,159	\$ 321,357	\$ 264,697	\$ 127,249

#### 9. Liabilities - Long-term debt

	Current interest rate (%)	Year of Maturity	Balance, beginning of year	Additions	Sinking fund payments	Actuarial adjustment	Balance, end of year
<b>General fund</b>							
MFA issue #95	1.80	2025	\$ 1,065,541	\$ -	\$ 134,007	\$ 66,692	\$ 864,842
MFA issue #105	2.25	2029	4,519,554	-	277,414	149,652	4,092,488
			<u>5,585,095</u>	<u>-</u>	<u>411,421</u>	<u>216,344</u>	<u>4,957,330</u>
<b>Water funds</b>							
MFA issue #101	2.25	2027	108,202	-	8,228	5,471	94,503
MFA issue #103	2.65	2028	69,625	-	4,720	2,835	62,070
Province of BC	4.95	2027	4,807,487	-	643,382	-	4,164,105
			<u>4,985,314</u>	<u>-</u>	<u>656,330</u>	<u>8,306</u>	<u>4,320,678</u>
<b>Sewer fund</b>							
MFA issue #74	1.75	2021	48,758	-	19,295	29,463	-
MFA issue #74	1.75	2021	12,815	-	5,072	7,743	-
MFA issue #74	1.75	2021	15,056	-	5,958	9,098	-
MFA issue #74	1.75	2021	5,350	-	2,117	3,233	-
MFA issue #74	1.75	2021	5,770	-	2,283	3,487	-
MFA issue #74	1.75	2021	10,760	-	4,258	6,502	-
MFA issue #75	1.75	2021	1,987	-	786	1,201	-
MFA issue #75	1.75	2021	72,601	-	28,730	43,871	-
MFA issue #75	1.75	2021	29,193	-	11,553	17,640	-
MFA issue #77	1.75	2022	285,724	-	57,915	81,463	146,346
MFA issue #79	2.25	2023	428,222	-	59,265	76,571	292,386
MFA issue #85	2.25	2024	270,914	-	28,795	34,061	208,058
MFA issue #85	2.25	2024	17,071	-	1,815	2,146	13,110
MFA issue #95	1.80	2025	298,897	-	37,591	18,708	242,598
MFA issue #99	1.75	2027	7,576	-	660	483	6,433
MFA issue #99	1.75	2027	498,878	-	43,433	31,779	423,666
MFA issue #101	2.25	2027	1,146,943	-	87,212	58,002	1,001,729
MFA issue #101	2.25	2027	268,650	-	20,428	13,586	234,636
MFA issue #101	2.25	2027	347,881	-	26,452	17,594	303,835
			<u>3,773,046</u>	<u>-</u>	<u>443,618</u>	<u>456,631</u>	<u>2,872,797</u>
Total long-term debt			<u>\$ 14,343,455</u>	<u>\$ -</u>	<u>\$ 1,511,369</u>	<u>\$ 681,281</u>	<u>\$ 12,150,805</u>

---

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2020**

---

**9. Liabilities - Long-term debt (continued)**

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

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
General Fund	\$ 411,421	\$ 411,421	\$ 411,421	\$ 411,421	\$ 277,414
Water Funds	688,760	722,825	758,607	796,192	835,672
Sewer Fund	<u>363,564</u>	<u>305,649</u>	<u>246,384</u>	<u>215,775</u>	<u>178,185</u>
	<u>\$ 1,463,745</u>	<u>\$ 1,439,895</u>	<u>\$ 1,416,412</u>	<u>\$ 1,423,388</u>	<u>\$ 1,291,271</u>

---

**10. Tangible capital assets and work in progress**

	<b>2021</b>	<b>2020</b>
	<b>Net book value</b>	<b>Net book value</b>
<b>General</b>		
Land	\$ 110,873,279	\$ 110,873,279
Buildings	27,954,791	28,865,061
Equipment	10,363,847	9,367,032
Engineering structures	<u>111,948,894</u>	<u>110,170,153</u>
	<b>261,140,811</b>	259,275,525
<b>Water infrastructure</b>	<b>58,186,798</b>	59,405,998
<b>Sewer infrastructure</b>	<u>49,948,240</u>	<u>50,869,474</u>
<b>Tangible capital assets</b>	<u>\$ 369,275,849</u>	<u>\$ 369,550,997</u>
<b>Work in progress</b>	<u>\$ 31,546,005</u>	<u>\$ 15,798,444</u>
<b>Tangible capital assets and work in progress (Schedule 1)</b>	<u>\$ 400,821,854</u>	<u>\$ 385,349,441</u>

---

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2021**

**11. Taxation - net**

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

	2021	2020
General municipal purposes	\$ 38,033,529	\$ 35,860,409
Collections for other governments		
Provincial Government - Schools	17,357,482	14,995,513
Central Okanagan Regional Hospital District	2,995,857	2,817,754
Regional District of the Central Okanagan	3,876,586	3,684,139
British Columbia Assessment Authority	490,693	480,319
Municipal Finance Authority	2,302	2,196
	<u>62,756,449</u>	<u>57,840,330</u>
Transfers to other governments		
Provincial Government - Schools	(17,357,482)	(14,995,513)
Central Okanagan Regional Hospital District	(2,995,857)	(2,817,754)
Regional District of the Central Okanagan	(3,876,586)	(3,684,139)
British Columbia Assessment Authority	(490,693)	(480,319)
Municipal Finance Authority	(2,302)	(2,196)
	<u>(24,722,920)</u>	<u>(21,979,921)</u>
	<u>\$ 38,033,529</u>	<u>\$ 35,860,409</u>

**12. Government transfers**

	2021	2020
Provincial unconditional transfers (repayments)		
Other	322,647	82,982
	<u>322,647</u>	<u>82,982</u>
Provincial conditional transfers		
Okanagan Basin Water Board grant	27,084	43,408
Safe Start grant	-	4,602,000
Clean water fund grant	5,779,699	5,779,699
Other	195,908	263,549
	<u>6,002,691</u>	<u>10,688,656</u>
Federal unconditional transfers		
Traffic fine revenue sharing grant and Federal grants	269,956	271,978
Federal conditional transfers		
Gas tax community works fund	2,925,383	1,430,292
<b>Total transfers from other governments</b>	<u>\$ 9,520,677</u>	<u>\$ 12,473,908</u>

---

## City of West Kelowna

### Notes to the financial statements

#### December 31, 2021

---

#### 13. Revenue - other

	2021	2020
DCC contributions (Note 7)	\$ 3,241,505	\$ 312,123
Cost recoveries	923,760	1,789,461
Development permits	2,314,327	1,113,229
Interest	444,923	507,494
Actuarial adjustment on long-term debt (Note 9)	681,281	701,228
Licenses and permits	225,281	272,818
Penalties and interest on taxes	651,806	299,590
Rentals	306,800	528,110
Donations	24,447	21,024
Other	295,846	347,774
	<u>\$ 9,109,976</u>	<u>\$ 5,892,851</u>

The City has entered into contracts or agreements in the normal course of operations that it expects will result in the realization of assets and revenues in future fiscal years. The amounts these agreements are shown in Rentals above.

---

#### 14. Contingent liabilities

##### Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the City and each member municipality within the Regional District, including the City of West Kelowna. The loan agreements with the Regional District of Central Okanagan and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities. As at December 31, 2021, the City does not anticipate being required to assume any of the Regional District's debt.

##### Municipal Insurance Association

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

##### Legal actions

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

---

## City of West Kelowna

### Notes to the financial statements

#### December 31, 2021

---

#### 14. Contingent liabilities (continued)

##### Pension

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$2,019,984 (2020-\$1,913,260) for employer contributions while employees contributed \$1,665,899 (2020-\$1,579,085) to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021 with results available later in 2022.

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.

---

#### 15. 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 four years are as follows:

2022	\$	935,291
2023	\$	621,926
2024	\$	114,230
2025	\$	51,810
	\$	<u>1,723,257</u>

---

## City of West Kelowna

### Notes to the financial statement

#### December 31, 2021

---

#### 15. Commitments (continued)

##### Vacation pay and sick leave

Vacation pay, which may be accumulated up to 10 days, is charged to expense in the year earned. The ALGEU Collective Agreement allows for the accumulation of sick leave to a maximum of 100 days, it is expensed in the year it is accumulated. Earned sick leave vests after 10 years of employment and is paid to a maximum of 50 days. Accrued earned sick leave and vacation pay is included in wages and payroll liabilities.

##### Letters of Credit

The City is holding letters of credit in the amount of \$15,669,034 (2020-\$5,198,070), which are received as security related to performance deposits.

##### Operating Line

The City has revolving credit facilities with one Canadian chartered bank providing for borrowing of up to \$6,000,000 (2020 - \$8,000,000). The facilities bear interest at the bank prime rate less 0.5% and are due on demand. As at December 31, 2021, the \$nil (2020 - \$nil) has been drawn on these facilities.

---

#### 16. 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.

The various segments are described as follows:

##### a) General government services

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

---

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2021**

---

**16. Segmented information (continued)**

**b) Protective services**

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

**c) Transportation services**

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

**d) Environmental health and development services**

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

**e) Recreation and cultural services**

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

**f) Water services**

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

**g) Sewer services**

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

**h) Storm drainage**

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

---

---

**City of West Kelowna**  
**Notes to the financial statements**  
**December 31, 2021**

---

**17. Budget**

The budget amounts presented reflect the statutory financial plan as adopted by Council on April 7, 2021, 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. 0263, 2020	\$ -
Adjust for non-operating items included in Financial Plan:	
Acquisition of tangible capital assets	117,465,085
Repayment of principal portion of long-term debt	1,511,369
Net transfers from reserves	<u>(23,131,299)</u>
	<u>95,845,155</u>
Adjust for operating items excluded in Financial Plan:	
Amortization	<u>(9,706,704)</u>
Budget surplus as per the statement of operations and accumulated surplus	\$ <u>86,138,451</u>

---

**City of West Kelowna**  
**Schedule 1 - Schedule of tangible capital assets and work in progress**  
**December 31, 2021**

	Equipment								Engineering structures							Total
	Buildings & Land Improvements	Computer	Machinery	Office furniture & equipment	Small tools & equipment	Vehicles	Solid waste carts	Infrastructure	Roads	Sidewalks	Storm drains	Water Infrastructure	Sewer Infrastructure			
Cost, beginning of year	\$110,873,279	\$ 44,350,328	\$ 5,538,174	\$ 3,284,705	\$ 839,496	\$ 1,883,693	\$ 11,265,044	\$ 1,537,145	\$ 16,215,548	\$246,999,360	\$ 8,901,535	\$ 5,155,329	\$ 94,186,202	\$ 68,756,803	\$ 619,786,639	
Additions	-	195,714	6,118	664,725	-	1,494,396	480,267	-	1,337,033	6,190,338	971,414	865,915	530,423	162,476	12,898,819	
Disposals	-	-	(2,553,751)	-	-	-	(181,776)	-	(529,182)	(840,530)	-	-	-	-	(4,105,239)	
<b>Cost, end of year</b>	<b><u>110,873,279</u></b>	<b><u>44,546,042</u></b>	<b><u>2,990,541</u></b>	<b><u>3,949,430</u></b>	<b><u>839,496</u></b>	<b><u>3,378,089</u></b>	<b><u>11,563,535</u></b>	<b><u>1,537,145</u></b>	<b><u>17,023,399</u></b>	<b><u>252,349,168</u></b>	<b><u>9,872,949</u></b>	<b><u>6,021,244</u></b>	<b><u>94,716,625</u></b>	<b><u>68,919,279</u></b>	<b><u>628,580,219</u></b>	
Accumulated amortization, beginning of year	-	15,485,267	4,663,371	1,692,077	606,860	1,380,675	5,907,970	730,270	5,108,154	157,566,540	2,526,483	1,900,442	34,780,205	17,887,328	250,235,642	
Amortization	-	1,105,984	411,721	265,319	15,512	266,998	700,557	61,486	890,407	5,579,903	189,361	375,224	1,749,622	1,083,711	12,695,805	
Disposals	-	-	(2,626,651)	-	-	-	(181,776)	-	(132,295)	(686,355)	-	-	-	-	(3,627,077)	
<b>Accumulated amortization, end of year</b>	<b><u>-</u></b>	<b><u>16,591,251</u></b>	<b><u>2,448,441</u></b>	<b><u>1,957,396</u></b>	<b><u>622,372</u></b>	<b><u>1,647,673</u></b>	<b><u>6,426,751</u></b>	<b><u>791,756</u></b>	<b><u>5,866,266</u></b>	<b><u>162,460,088</u></b>	<b><u>2,715,844</u></b>	<b><u>2,275,666</u></b>	<b><u>36,529,827</u></b>	<b><u>18,971,039</u></b>	<b><u>259,304,370</u></b>	
<b>Net book value, end of year</b>	<b><u>\$110,873,279</u></b>	<b><u>\$ 27,954,791</u></b>	<b><u>\$ 542,100</u></b>	<b><u>\$ 1,992,034</u></b>	<b><u>\$ 217,124</u></b>	<b><u>\$ 1,730,416</u></b>	<b><u>\$ 5,136,784</u></b>	<b><u>\$ 745,389</u></b>	<b><u>\$ 11,157,133</u></b>	<b><u>\$ 89,889,080</u></b>	<b><u>\$ 7,157,105</u></b>	<b><u>\$ 3,745,578</u></b>	<b><u>\$ 58,186,798</u></b>	<b><u>\$ 49,948,240</u></b>	<b><u>\$ 369,275,849</u></b>	
<b>Work in progress</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,088,719</u></b>	<b><u>\$ 139,357</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 76,134</u></b>	<b><u>\$ 44,147</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 671,500</u></b>	<b><u>\$ 3,731,365</u></b>	<b><u>\$ 305,427</u></b>	<b><u>\$ 47,911</u></b>	<b><u>\$ 23,996,179</u></b>	<b><u>\$ 445,266</u></b>	<b><u>\$ 31,546,005</u></b>	
<b>Tangible capital assets and work in progress</b>	<b><u>\$110,873,279</u></b>	<b><u>\$ 30,043,510</u></b>	<b><u>\$ 681,457</u></b>	<b><u>\$ 1,992,034</u></b>	<b><u>\$ 217,124</u></b>	<b><u>\$ 1,806,550</u></b>	<b><u>\$ 5,180,931</u></b>	<b><u>\$ 745,389</u></b>	<b><u>\$ 11,828,633</u></b>	<b><u>\$ 93,620,445</u></b>	<b><u>\$ 7,462,532</u></b>	<b><u>\$ 3,793,489</u></b>	<b><u>\$ 82,182,977</u></b>	<b><u>\$ 50,393,506</u></b>	<b><u>\$ 400,821,854</u></b>	

**City of West Kelowna**  
**Schedule 2 - Schedule of accumulated surplus**  
**December 31, 2021**

	Balance, beginning of year	Transfer to	Transfer from	Interest	Balance, end of year
<b>Reserves</b>					
Capital - general	4,859,856	7,697,938	(5,891,202)	76,611	<b>6,743,203</b>
Capital - water	4,737,553	3,727,440	(794,633)	70,542	<b>7,740,902</b>
Capital - sewer	569,800	450,000	-	10,571	<b>1,030,371</b>
Community projects	3,243,577	2,850,409	(1,090,014)	54,846	<b>5,058,818</b>
Equipment replacement	2,513,825	1,460,000	(647,879)	46,110	<b>3,372,056</b>
Fire	-	250,000	-	1,663	<b>251,663</b>
Future expenses	1,551,949	450,000	(193,568)	22,346	<b>1,830,727</b>
Municipal facilities	6,274,317	700,000	-	88,104	<b>7,062,421</b>
Other	15,442,869	28,354,071	(24,855,475)	24,798	<b>18,966,263</b>
Policing	560,922	165,000	(19,475)	8,428	<b>714,875</b>
Property acquisition	134,093	343,951	-	4,071	<b>482,115</b>
Recreation	288,532	107,116	-	4,550	<b>400,198</b>
Road maintenance and snow clearing	652,042	155,000	-	9,703	<b>816,745</b>
Storm drainage	137,763	-	-	1,832	<b>139,595</b>
	<u>40,967,098</u>	<u>46,710,925</u>	<u>(33,492,246)</u>	<u>424,175</u>	<u><b>54,609,952</b></u>
<b>Investment in non-financial assets</b>					
Investment in tangible capital assets	<u>355,433,447</u>	<u>13,642,143</u>	<u>(12,324,858)</u>	<u>-</u>	<u><b>356,750,732</b></u>
<b>Accumulated surplus</b>	<u><b>\$ 396,400,545</b></u>	<u><b>\$ 60,353,068</b></u>	<u><b>\$ (45,817,104)</b></u>	<u><b>\$ 424,175</b></u>	<u><b>\$ 411,360,684</b></u>

**City of West Kelowna**  
**Schedule 3 - Schedule of segment disclosure**  
**December 31, 2021**

	General Fund								2021 Totals	2020 Totals
	General government services	Protective services	Transportation services	Environmental health & development services	Recreation & cultural services	Water services	Sewer services	Storm drainage		
<b>Revenue</b>										
Taxation-net	\$ 12,106,989	\$ 12,137,115	\$ 3,991,376	\$ 3,495,893	\$ 5,952,109	\$ -	\$ -	\$ 350,047	\$ 38,033,529	\$ 35,860,409
Sale of services and regulatory fees	-	2,245,925	532,471	3,287,028	1,786,828	13,564,094	5,650,880	-	27,067,227	24,418,233
Government transfers	3,843,832	269,956	340	-	-	5,379,467	27,084	-	9,520,677	12,473,908
Other	2,009,593	997,659	3,172,630	2,376,827	(18,100)	8,309	483,834	79,226	9,109,976	5,892,851
<b>Total revenue</b>	<b>17,960,414</b>	<b>15,650,655</b>	<b>7,696,817</b>	<b>9,159,748</b>	<b>7,720,837</b>	<b>18,951,870</b>	<b>6,161,798</b>	<b>429,273</b>	<b>83,731,409</b>	<b>78,645,401</b>
<b>Expenses</b>										
Amortization of tangible assets	9,706,705	-	-	47,962	-	1,857,427	1,083,711	-	12,695,805	12,384,766
Building and grounds maintenance	363,116	125,264	-	-	297,211	259,307	111	-	1,045,009	934,319
Civic grants	360,765	-	-	-	-	-	-	-	360,765	352,721
Contract services	495,668	464,460	2,317,017	1,974,121	1,456,328	776,856	3,899,967	87,186	11,471,603	11,868,891
Interest on long-term debt	223,361	-	-	-	-	222,410	257,467	-	703,238	790,808
Equipment maintenance and fuel	721,386	282,198	147,107	9,129	286,411	450,724	32,817	43,865	1,973,637	1,565,532
Library	-	-	-	-	1,596,395	-	-	-	1,596,395	1,600,118
Recoverable Emergency Operations	-	754,691	-	-	-	-	-	-	754,691	1,315,350
RCMP E-Division Contract	-	4,516,676	-	-	-	-	-	-	4,516,676	5,387,476
Supplies, small tools and equipment	459,769	469,153	139,430	157,526	298,776	1,138,738	93,039	23,380	2,779,811	2,923,302
Transit	-	-	1,796,676	-	-	-	-	-	1,796,676	1,830,136
Utilities	191,045	139,585	266,059	8,085	804,162	505,738	61,251	-	1,975,925	1,811,555
Wages, benefits & professional development	4,836,085	10,649,067	1,056,184	2,527,671	3,794,311	3,271,013	803,670	163,038	27,101,039	24,763,908
<b>Total expenses</b>	<b>17,357,900</b>	<b>17,401,094</b>	<b>5,722,473</b>	<b>4,724,494</b>	<b>8,533,594</b>	<b>8,482,213</b>	<b>6,232,033</b>	<b>317,469</b>	<b>68,771,270</b>	<b>67,528,882</b>
<b>Annual surplus (deficit) for the year</b>	<b>\$ 602,514</b>	<b>\$ (1,750,439)</b>	<b>\$ 1,974,344</b>	<b>\$ 4,435,254</b>	<b>\$ (812,757)</b>	<b>\$ 10,469,657</b>	<b>\$ (70,235)</b>	<b>\$ 111,804</b>	<b>\$ 14,960,139</b>	<b>\$ 11,116,519</b>

---

## City of West Kelowna

### Schedule 4 - Provincial COVID-19 Restart Grant (unaudited)

December 31, 2021

---

The COVID-19 Restart Grant was received by the Provincial Government in 2020 and was included as Provincial Grant Revenue and transferred to a reserve to cover expenses and reduced revenue over the next 4 years. The schedule provides disclosure of funds received, spent and remaining over the corresponding years.

<b>Safe Restart Grant (as of December 31, 2021)</b>	<b><u>2020 (actual)</u></b>	<b><u>2021 (actual)</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Grant Total Carryforward	\$ 4,602,000	\$ 3,352,000	\$ 2,829,150	\$ 1,079,150
Usage Areas:	-	-	-	-
COVID-19 Expenses	411,000	65,971	100,000	100,000
Facilities and Recreation revenue shortfall	400,000	-	350,000	200,000
Paperless and ERP Projects Operating Side	-	139,979	200,000	100,000
Other reduced revenues	439,000	200,000	100,000	100,000
<b>Operating Budget</b>	<b><u>\$ 1,250,000</u></b>	<b><u>\$ 405,950</u></b>	<b><u>\$ 750,000</u></b>	<b><u>\$ 500,000</u></b>
Capital Budget / Projects	-	116,900	1,000,000	500,000
<b>Balance of Grant (available for future years)</b>	<b><u>\$ 3,352,000</u></b>	<b><u>\$ 2,829,150</u></b>	<b><u>\$ 1,079,150</u></b>	<b><u>\$ 79,150</u></b>

The pandemic continues to provide uncertainty over the City's future cash flows, and may have a significant impact on the City's future operations. Potential impacts on the City's business could include future decreases in revenue, impairment of investments or reduction in investment income, and delays in completing capital project work. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effects of the City is not known at this time and as such the above schedule of how these grant funds are proposed to be spent may change.