



Annual Report

2010

**Protect, enhance and celebrate our West Kelowna home.**

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# our community

# a message from the mayor



West Kelowna is nestled on the sloping hills on the central west shores of Okanagan Lake, British Columbia, its physical landscape still dotted with evidence of its rich agricultural history including vineyards, orchards and farms.

### West Kelowna by the numbers:

28,793	residents
121.4	square kilometres in size
5	water systems
125	parks
\$6.2 million	grants approved
203	recreation programs, with
17,395	participants
485	building permits issued
1,405	business licences issued, with
713	home-based businesses

The District of West Kelowna (DWK) is the second largest municipality in the Central Okanagan. The neighbourhoods of DWK include Westbank, Shannon Lake, Glenrosa, Casa Loma, West Kelowna Estates, Rose Valley and Lakeview Heights. West Kelowna surrounds two self-governing reserves of the Westbank First Nation.

### Mission

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

### Vision

The District 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.



**Mayor and Council, elected November 15, 2008:**

From left: Councillor Bryden Winsby,  
Councillor David Knowles,  
Councillor Carol Zanon,  
Mayor Doug Findlater,  
Councillor Rosalind Neis,  
Councillor Gord Milsom  
and Councillor Duane Ophus.



**I am happy to report that 2010 was a successful year with a list of moments that make me particularly proud to have been Mayor of West Kelowna in 2010.**

**On the top of the list would be the great steps we have taken to foster excellent working relationships with other levels of government and organizations. We saw great results from our efforts:**

- We've received \$11.1 million from the Provincial and Federal Governments for our Sewer Servicing Program, vastly surpassing our expectations and most certainly welcome.
- We signed two important agreements with Westbank First Nation, our Memorandum of Understanding and our Joint Management Agreement For Gellatly Bay, that will see us work together to address issues of mutual interest.
- We worked closely with the Regional District of Central Okanagan in ensuring the establishment of a Westside transfer station and expansion of the Westside Wastewater Treatment Plant.

As a new municipality, just three years into our transition from a regional district form of rural government, one of our key priorities was to prepare baseline information—we needed guiding documents and maps for what we envisioned our community to be. To that end we directed that the District embark on the creation of 14 Master Plans. After months of time and hundreds of thousands of dollars invested, we're now beginning to see the results of this ambitious endeavor. Early in 2010, Council adopted the Parks and Recreation Master Plan and the Economic Development Plan. Underway are:

- Official Community Plan
- Transportation, Water and Drainage Master Plans
- Waterfront Plan
- Westbank Centre Revitalization Plan
- Agricultural Plan

This year we placed and improved more infrastructure, as directed by our citizens to do so. We provided sewer servicing to 500 more homes in West Kelowna, rehabilitated 10 to 15 kilometres of roads and sidewalks and opened our Gellatly Bay Recreational Corridor Project, a welcome multi-modal addition to our beautiful waterfront. We performed boat launch upgrades in Casa Loma and Gellatly Bay.

We've also gone beyond the set goals we established in our strategic planning and pursued, ahead of schedule, the Affordable Housing component of the Official Community Plan and took the unusual step of securing a Secondary Suite Policy which permits secondary suites in Single Family Residential zones, subject to a number of restrictions. Property taxes were held to a modest 2.35% increase.

We pursued and achieved regulatory control over our entire waterfront and received a License of Occupation for Gellatly Bay, finally providing us the authority to remove the unwanted houseboats.

And, of course, we built the impressive West Kelowna RCMP Detachment on time and under budget, but you'll find more on that later in this report.

Once again, the dedication shown by Council and staff has been outstanding. And the words of support from members of the community have been most rewarding.

## events timeline



January 25  
West Kelowna hosts the "Light the Way" Olympic Torch Relay celebration



February 5  
West Kelowna receives \$5.1 million from provincial and federal governments to assist with sanitary sewer service extensions

# strategic priorities

# defining moments



West Kelowna Council's strategic planning process guides decision making for the District of West Kelowna by setting long term goals and objectives for the community. From this vision, Council allocates the resources of the municipal government in pursuit of community goals.

West Kelowna Council has committed to setting priorities each year. Council's 2010 Strategic Priorities outlines the categories of focus for the year. These priorities were ranked and District resources assigned to specific initiatives intended to meet the outlined goals. Council was consulted throughout the year on progress and tangible measurements were applied.

This is the third strategic planning document produced by West Kelowna Council. The first two strategic plans were largely operational in nature as Council was tasked with building a municipal government from the ground up. As the District entered its third year of operation, Council refined its focus for 2010 to four primary categories.

Category of Focus	2010 Priorities
1. Infrastructure	1. Sewer Collection and Treatment 2. Roads and Drainage 3. Water
2. Growth Management	1. Official Community Plan Review 2. Regulations 3. Waterfront Plan 4. Agricultural Plan
3. Economic Enhancement	1. West Kelowna Economic Development Plan 2. Westbank Centre Plan 3. Boucherie Centre Plan
4. Services & Assets	1. Transit 2. Parks and Recreation Master Plan

These are not West Kelowna Council's only goals. Many considerations were put aside to sharpen the 2010 focus. West Kelowna's unique challenge as a new municipality is to transition from a rural form of government to an urban one, and to fortify itself financially as it works to reach its goals. With the help of regular public consultation, Council is dedicated to strategic planning each year to ensure goals are pursued that reflect the community's needs and wishes.

A detailed operational plan accompanies Council's Strategic Priorities, details of which are shared in the Performance Measurements section of this Annual Report.

## Legacy Landmark

The award winning, 1,767-square-metre West Kelowna RCMP Detachment shines as an example of the District of West Kelowna's ability to build cost-conscious infrastructure that is functional, beautiful and environmentally friendly.

Building construction was originally scheduled to go to tender in fall 2008 at projected total costs of \$9,434,975. Council opted to wait to tender the project in spring 2009. The decision saved the municipality \$971,529 with total costs coming in at \$8,463,446. The detachment was completed \$33,075 under budget in September 2010.

West Kelowna's new detachment is a marked improvement over the previous 238-square-metre offices at the corner of Main Street and Old Okanagan Highway. The limited size of the previous facility meant some staff had to be housed at satellite locations. The space crunch prevented local RCMP from offering services such as criminal record checks and fingerprinting, which are now offered at the detachment. The new facility comfortably accommodates West Kelowna's 21 RCMP officers and an additional 22 provincial members who serve: the Central Okanagan West Electoral Area; Highway 97C as far west as Sunset Main; Okanagan Lake from Peachland to Lake Okanagan Resort; Peachland; rural areas on the east side of Okanagan Lake, including Joe Rich and Big White; and, Westbank First Nation. The detachment is built to a post disaster standard.

The architecturally stunning structure was a finalist for Best Institutional Community Building at the Okanagan Mainline Real Estate Board's 2010 Commercial Building Awards. The detachment won the Westbank and District Chamber of Commerce's Key Business Award for Business Beautification. The building will be a catalyst for revitalization in the area.

The West Kelowna RCMP Detachment will receive LEED™ (Leadership in Energy and Environmental Design) Certification for its environmentally friendly features, which include: reclamation of a brownfield site—a former BC Ministry of Transportation works yard; removal and safe disposal of contaminated soil; use of local materials; a cistern that



captures rainwater for landscape irrigation; a green roof, planted with natural vegetation; solar panels for heating hot water; energy efficient lighting; and, an energy efficient building envelope, including Low E windows and additional insulation.

West Kelowna is proud of its first major building project—a legacy landmark for the municipality.

## Recovering From Wildfire

Emergency response crews received high praise for their efforts during the Seclusion Bay Interface Fire.

Mayor Doug Findlater cited West Kelowna Fire Rescue, RCMP, the Regional Emergency Program, the BC Forest Service and other first responders for their exemplary response to the wildfire that started shortly after 10 a.m. on July 12, 2010. The Mayor said the District of West Kelowna clearly benefited from its participation in the Regional Emergency Program—a partnership of local municipalities and various agencies that work closely together to respond to disasters and aid in recovery efforts.

The Regional Emergency Program was also a key player in helping West Kelowna during and after forest fires in Glenrosa and Rose Valley a year earlier. As many as 12,500 residents were evacuated from their homes



West Kelowna hosts the "Light the Way" Olympic Torch Relay celebration



West Kelowna receives \$5.1 million from provincial and federal governments to assist with sanitary sewer service extensions



Fire Chief Wayne Schnitzler named Citizen of the Year by Westbank & District Chamber of Commerce



Joint funding for Tourism Westside announced by West Kelowna, Westbank First Nation and Regional District of Central Okanagan



West Kelowna and Westbank First Nation sign Memorandum of Understanding



Opening of the District's first traffic signals at Butt Road, a joint project with Westbank First Nation

# defining moments

# irrigation districts honoured



between the moment the fires broke out on July 18, 2009 and the time the fires were fully contained, less than a week later on July 26. While the Seclusion Bay Interface Fire was smaller in scale, it still had a profound impact on the municipality, triggering memories of what had happened only a year earlier. The District of West Kelowna and its residents could empathise with the 67 Seclusion Bay evacuees, said Findlater.

Firefighters worked tirelessly to contain and mop up the Seclusion Bay fire and to mitigate safety hazards created by the blaze. Residents were able to safely return to their homes and vacation units on July 16, 2010. No one was injured as a result of the fire. One lakeside home was destroyed despite the efforts of fire crews to save the structure, including use of a fire boat, jetting water onto the flames from Okanagan Lake.

A fire investigation team determined that the blaze began after a tree fell on a power line during a wind storm, with gusts reaching 70 km/hr.

### Building Stronger Relationships

The District of West Kelowna and Westbank First Nation are more than just neighbours, they are partners that must work strategically together to address issues that impact almost 40,000 people living in the two jurisdictions on the west side of Okanagan Lake.

Both governments committed to strengthen that partnership with the signing of a Memorandum of Understanding on May 3, 2010. West Kelowna Mayor Doug Findlater and Westbank First Nation Chief Robert Louie were joined by their respective Councils as they signed the agreement during a ceremony, witnessed by local media. The ceremony fittingly took place at Fire Hall 31 on Old Okanagan Highway, which was strategically built in West Kelowna right next to the Westbank First Nation boundary. The District of West Kelowna's Fire Rescue Department is able to serve Westbank First Nation thanks to a service agreement the band has signed with the municipality.

The Memorandum of Understanding states that both governments will work together in pursuit of a lasting relationship that is based upon respect, honor and recognition. Both governments have agreed to hold regular Council-to-Council meetings to find ways to encourage economic development and promote tourism, and resolve matters that impact both jurisdictions.



As a demonstration of that commitment both Councils attended a joint meeting on November 15, 2010, where they agreed to collaborate on road issues and lobby the BC Ministry of Transportation for more left hand turn signals on Highway 97 on the Westside. The Councils also agreed to work together with BC Hydro to build a second power transmission line on the west side of Okanagan Lake; and they committed to support the Westbank Museum and address drainage issues affecting both jurisdictions.

june 18



"Welcome to West Kelowna" highway signs unveiled

june 30



Gellatly Bay Recreational Corridor Upgrade Project opens

july 12



Seclusion Bay Wildfire ignites

august 8



District hosts Art in the Park

sept 30



West Kelowna receives \$209,175 from the province for forest fire fuel mitigation work

oct 15



West Kelowna RCMP Detachment officially dedicated

nov 15



District hosts Council to Council meeting with Westbank First Nation

nov 16



West Kelowna hosts a Celebration Event honouring the work of the Lakeview and Westbank Irrigation Districts

A celebration was held on November 16, 2010 to honour the Westbank and Lakeview Irrigation Districts, which were officially dissolved on December 31, 2010.

The District of West Kelowna wanted to give the two utilities a proper goodbye and to thank former and current staff and board trustees for their decades of dedication to the irrigation districts. The Westbank and Lakeview Irrigation Districts provided 150 years of combined service to Westside residents. Westbank Irrigation District was formed in June 1922 and Lakeview Irrigation District incorporated in 1951. When the District of West Kelowna incorporated in 2007, the Government of British Columbia stated that the two irrigation districts must dissolve on December 31, 2010 and their assets and operations must transfer over to the new municipality on January 1, 2011. West Kelowna Council could not close the doors on the organizations without providing the community with an opportunity to recognize the irrigation districts' histories, applaud their many accomplishments and welcome them into the West Kelowna family. In advance of the ceremony, Mayor Doug Findlater, Lakeview Irrigation Chairman John Byland and Westbank Irrigation Chairman Darren Schlamp attended a tree planting ceremony. A blue spruce was planted near Municipal Hall at the Mount Boucherie Community Centre in honour of the irrigation districts.

In addition to providing water to homes, businesses and farms, Westbank Irrigation District operated a cemetery for the community. The Lakeview Irrigation District managed recreational properties including Anders Park, Issler Park and the Lakeview Heights Women's Institute Hall, which was later named Lakeview Heights Community Hall. Both utilities also spearheaded some significant infrastructure projects over the years. The Westbank utility constructed the state of the art Powers Creek Treatment Plant in 2007 and added an ultraviolet disinfection system in 2009 at a combined cost of \$18 million. The treatment plant uses In-Filter Dissolved Air Flotation to produce safe, clean drinking water that meets or exceeds federal and provincial quality standards. The 54 mega litre per day facility also utilizes coagulation, clarification, and filtration to produce fresh, crystal clear water. In 2005, the Lakeview utility raised the level of the Bighorn



Reservoir for \$1.5 million. Two years later it constructed the Dun Waters Creek Diversion at a cost of \$1 million. The channel enables the transfer of up to 1.5 million cubic metres of water from Dun Waters and North Terrace Creeks, if required, to meet usage demands.

In order to ensure a smooth transition for customers and staff, the District of West Kelowna held joint planning sessions with both irrigation districts for more than a year. On June 8, 2010 West Kelowna Council directed staff to establish three separate water utility funds—one for West Kelowna water operations and one for each of the irrigation districts—to be in place for a three-year period. Given that both the Westbank and Lakeview utilities operated for so long as separate entities, with their own revenue, expenses, assets and liabilities, the three-year period will allow for time to review and monitor the funds before they are consolidated with District finances, subject to Council consideration and approval. The separation will also mean varying user fees among West Kelowna water users and customers of the former irrigation districts. After the three-year period, staff will provide a report to Council on options going forward.



dec 9

Fire Department donates \$6,300 and 350 boxes of food to Westside Food Bank, proceeds of a food drive and car wash

# cao's message

**Council established its 2010 Strategic Priorities early in 2010, outlining the goals and objectives they wished to achieve for West Kelowna. I am very happy to report that, again, District of West Kelowna staff was able to rise to the challenge and accomplish Council's goals for 2010, as well as maintaining core work operations throughout the year.**

This means we were able to investigate 1,300 bylaw complaints while shepherding new Blasting Regulations and drafting a Soils Removal and Deposit Bylaw at Council's request. It means we could build \$9 million in new sewer connections and \$2 million in roadwork while we created Wildfire Commemorative Park and opened road ends for public use. It means we could continue to conduct our important day-to-day business while we worked on 11 Master Plans, prepared to assume the administration of the Westbank Irrigation District and the Lakeview Irrigation District by yearend and take over the provision of Transit Service from regional governance.

We also set into motion Council's Economic Plan, with job-one being the hiring of a Business Development Officer for West Kelowna, and our just-three-year old organization was called upon again to coordinate emergency and reclamation response to another week-long wildfire, the Seclusion Bay Interface Fire.

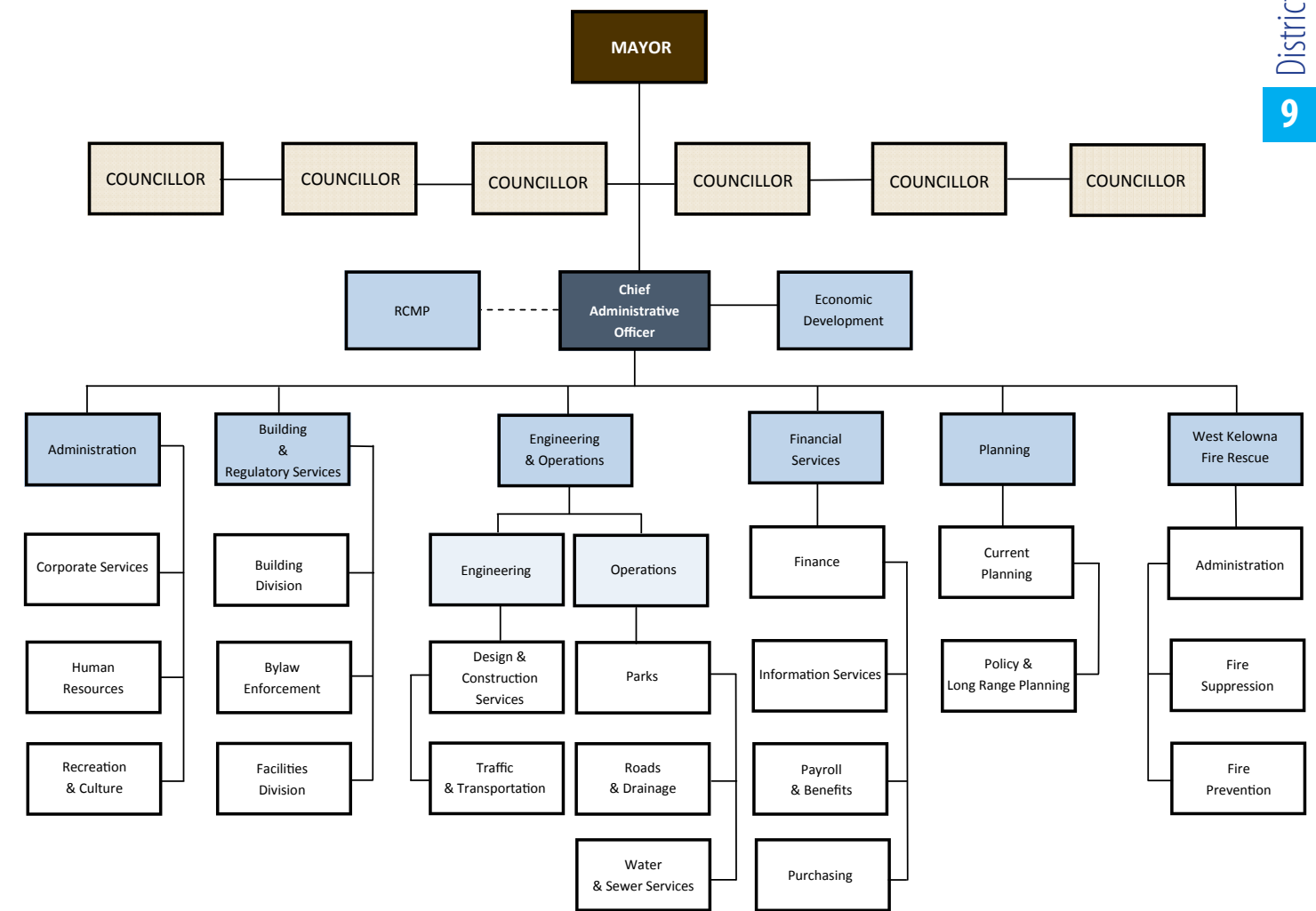
The pages of our 3rd Annual Report are filled with the accomplishments of West Kelowna Council and District Staff and I am now steadfastly assured that we will continue to face the challenges of the future with determination and integrity.

**Executive Management Team:**

- Jim Zaffino, Chief Financial Officer
- Marnie Manders, Director of Administration
- Dave Slobodan, Director of Building & Regulatory Services
- Gary O'Rourke, Director of Engineering & Operations
- Nancy Henderson, Manager of Planning
- Wayne Schnitzler, West Kelowna Fire Chief

MASTER PLAN SCHEDULE			
PLAN	COMPLETED IN 2010	COMPLETED IN 2011	UNDERWAY IN 2011
Parks & Recreation Master Plan	X		
Anders Park and Lakeview Community Hall 10-Year Management Plan	X		
Economic Development Plan	X		
Official Community Plan		X	
Waterfront Plan		X	
Westbank Centre Plan		X	
Agricultural Plan		X	
Master Transportation Plan		X	
Master Storm Water Management Plan		X	
Water Systems Master Plan			X
Property Acquisition Strategy			X
Cultural Plan			X
Sewer Servicing Strategy	X	X	X
Transit Agreement Planning	X	X	

# organizational chart





# administration

# administration



The Administration Department has 18 full-time employees within the Corporate Services, Human Resources and Recreation and Culture divisions. The Administration Department is the municipal contact with the West Kelowna RCMP which includes 3 municipal employees, 2.5 public servants and 21 RCMP members.

**The Human Resources division oversees:**

- Recruitment and staffing
- Collective bargaining
- Labour and employee relations
- Job classification and compensation planning
- Occupational Health and Safety
- Disability management and return to work programs
- Staff training and development
- Staff policy development
- Succession planning
- Corporate Visions and Values

**The Recreation and Culture division oversees:**

- Booking of all recreational facilities and parks
- Community partnerships and contracts
- Recreational, cultural and sport programming (Leisure Guide)
- Special events
- Museum liaison
- Communities in Bloom program
- Gifts and Legacies program

**The Corporate Services division oversees:**

- Corporate Services
  - Administration of Council meetings, minutes, public hearings and bylaw preparation
  - Administration of statutory functions
  - Freedom of Information Requests

- Election administration
- Risk management
- Claims management
- Document management
- Communications
  - Internal and external communication
  - Council correspondence administration
  - Grant administration
  - Website Administration
  - Event Planning

ADMINISTRATION BY THE NUMBERS	
33	Employees hired in 2010
126.1	Total number of District employees
5	Council policies developed
35	Bylaws drafted
23	Freedom of Information requests
74	Average calls per day fielded
89	News releases

**HIGHLIGHTS**

The Administration Department oversaw the creation of the Parks and Recreation Master Plan which was adopted by Council on July 20. The plan provides overall direction and guidance for managing parks and recreational facilities, resources, programs, infrastructure and investment over a 10 year horizon.

Council approved the Gifts and Legacies program in December. The program provides opportunities for individuals or organizations to contribute certain amenities to the District in areas of specific interest to them. Items including park benches, picnic tables, bicycle racks, garbage/recycling receptacles and trees, can be purchased and placed on District property, usually parks. Each item would have a commemorative plaque mounted on it.

In November, Council adopted the Anders Park and Lakeview Community Hall 10 Year Management Plan. The plan development was recommended in the Parks and Recreation Master Plan and was supported by the Lakeview Irrigation District financially. The plan provides short and long term recommendations for improvements to the hall and park.

West Kelowna's and Westbank First Nation's joint entry in the 2010 Communities In Bloom competition was awarded top honours—Five Blooms—for the third straight year in the 20,001 to 50,000 population category at the National Symposium in November. West Kelowna/Westbank First Nation's overall score is improving each year in pursuit of the top prize.

From July to September, the Department co-hosted the "Best of the West Photo Contest" with Tourism Westside and Westbank First Nation and received 132 entries. Many of the photos in this Annual Report were submitted to the contest with winners receiving spa, golf or ski packages.

The Department oversaw the District's involvement with Everybody Gets to Play and Kid Sport BC. Both programs are intended to provide open access to recreation activities to ensure that no child is left on the sidelines.

Administration developed a Mayor and Council Correspondence Policy and tracking system.

Special events the Department oversaw include the RCMP Detachment dedication ceremony, Halloween Bash, Winterfest, Roots, Shoots and Boots Garden Club and the celebration event honouring Lakeview Irrigation District and Westbank Irrigation District.





**The Building & Regulatory Services Department has 18 full-time employees within the Building, Bylaw Enforcement/Business License and Facilities divisions. The Department also oversees the District's capital building projects.**

The Building Division oversees:

- Building Permit application administration and inspection
- Secondary Suite application administration and inspection
- Safe Premises Bylaw inspection
- Blasting permit applications
- Technical review of development applications

The Bylaw Enforcement/Business License Division oversees:

- Business license administration
- Receive bylaw complaints
- Investigate and monitor complaints/infractions
- Issue Municipal Ticket Information (MTI) and Bylaw Notices
- Administration of ticket prosecution/adjudication
- Contract property clean-ups
- Liaise with RCMP

The Facilities Division oversees:

- Facility maintenance and repairs on 12 municipally-owned facilities
- Arenas operation
- Custodial Service
- Event support
- Facility safety inspections
- Facility security
- Preventative maintenance program for facilities

### HIGHLIGHTS

The Department oversaw the construction of the \$8.4 million West Kelowna RCMP Detachment. Construction was accomplished on time and under budget.

In November, Council adopted amendments to its Good Neighbour Bylaw to include regulations related to blasting in the community. The Building & Regulatory Services Department consulted with members of the public, other levels of government, members of the development and blasting community and more in determining the best approach to regulating blasting. The amendments to the Good Neighbour Bylaw include the provision of blasting regulations and the requirement to obtain a permit before blasting is undertaken in the community, enabling the District to monitor blasting activities.

The Department was also directed to begin the development of a Draft Soil Removal and Deposit Bylaw, again working closely with

stakeholders. The bylaw is being created to regulate the removal and deposit of soil, sand, gravel and rock on lands within the District.

The Department oversaw the District's involvement in a joint Bylaw Dispute Adjudication initiative with the municipalities of Kelowna, Peachland, Penticton, Lake Country, Summerland, Vernon, Oliver and the Regional District of Okanagan Similkameen. Bylaw Dispute Adjudication enables bylaw ticket disputes to be handled by a provincially-appointed mediator instead of BC Provincial Court. The initiative saves time and money with disputes for tickets involving minor offences like parking infractions or unsightly premises, being handled outside of the expensive provincial court system, which often presented significant delays.

The Department oversaw accessibility enhancements including the installation of an access ramp to Council Chambers for use by people with disabilities and improvements to the viewing area for people in wheelchairs in Royal LePage Place.

Working with the Westbank Museum Society, Building & Regulatory Services facilitated \$55,000 in renovations to the District-owned building on Dobbin Road. When renovations are complete, the Museum will relocate to the facility.

BUILDING & REGULATORY SERVICES BY THE NUMBERS				
Building Permits				
	Permits		Construction Value	
	2010	2009	2010	2009
Single Family Dwellings	112	78	39,584,924.00	21,899,340.00
Two Family Dwellings	3	1	1,102,880.00	337,000.00
Multiple Family Dwellings	0	3	0	20,880,000.00
Mobile Homes	2	1	62,821.00	150,000.00
Residential Additions	315	292	5,334,713.10	4,497,696.33
Farm & Agriculture	1	2	100,000.00	77,000.00
Commercial, Industrial, Institutional – New	5	6	6,397,000.00	9,811,000
Commercial, Industrial, Institutional – Additions	47	27	3,567,910.90	1,804,700
<b>TOTAL</b>	<b>485</b>	<b>410</b>	<b>\$56,150,249.00</b>	<b>\$59,456,736.33</b>
Bylaw Enforcement				
Complaints	2010		2009	
Parking/Traffic	604		355	
Sign	133		140	
Zoning	125		133	
Unsightly Premises	157		129	
Noise	52		49	
Business Licensing	64		21	
Waste Management	19		15	
Smoke Control	1		5	
Animal Control	16		4	
Construction	35		56	
Illegal Suites	53		85	
Miscellaneous	122		-	
<b>Complaints Total</b>	<b>1,381</b>		<b>992</b>	



**The Engineering & Operations Department has 39.5 employees within the Engineering and Operations divisions. District infrastructure includes 300 kilometres of roads and 50 kilometres of sidewalks.**

The Engineering Division oversees:

- Design and tendering of engineering works (roads, sewer, drainage, parks, water utility)
- Retaining and managing consultant assignments
- Construction management
- Technical review of development applications
- Transit

The Operations Division oversees:

- Water and sewer service utilities inspection, maintenance and repair
- Parks inspection, maintenance and repair
- Drainage facility inspections, maintenance and repair
- Administration of road maintenance contract
- Municipal sign maintenance
- Bus stop, traffic signal, streetlight maintenance

ENGINEERING BY THE NUMBERS	
300	Kilometres of roads
50	Kilometres of sidewalks
125	District-owned parks
120	Hectares of parkland
5	Water systems

### HIGHLIGHTS

The Department oversaw construction of sewer extensions to service 503 homes in 2010. The approximate construction cost of these

works was \$9 million. The provision of sewer to Gates Road, Hudson Road, McGinnis Road and Pineridge Place was possible thanks to grant funding from the Building Canada Fund-Communities Component program. The project also involved the repair and repaving of nearly 10 kilometres of roads and construction of 900 metres of sidewalk on Hudson Road and Westlake Road.

Engineering and Operations also managed the design and construction of the Gellatly Bay Recreation Corridor Improvement Project – Phase 1 which extends from the Cove Lakeside Resort to the Powers Creek Bridge. Improvements include road rehabilitation, two bicycle lanes and a wide pedestrian path as well as new playground equipment installed at Marina Park. The Improvement Project was supported through generous donations from the Federal and Provincial governments and the Gellatly Bay Parks & Trails Society. The cost of the project was \$500,000, with the Provincial Government contributing \$170,000, the Federal Government contributing \$163,000 and the Gellatly Bay Trails and Parks Society contributing \$20,000.

The Department's \$2.8 million Road Rehabilitation 2010 Program improved a total of 5.5 kilometers at the following locations:

- Cindy Rd. from Harding to end
- Elliot Rd. from Reece to Butt
- Glencoe Rd. from Scharf to Tameda
- Harding Rd. from 3865 Harding to end
- Last Rd. from Old Okanagan Hwy. to Brown
- Ogden Rd. from Boucherie to Ourtoland
- Ponderosa Rd. from Hewl to Brentwood
- Scharf Rd. from Glencoe to end
- Turnbull Rd. from Glenrosa to Gill
- Windt Rd. from Glencoe to end

# engineering & operations

# financial services



Engineering & Operations also constructed new sidewalks on Ingram Road and on Lower Glenrosa Road over Powers Creek (approximate cost-\$250,000).

The Department continued its work on the Transportation Master Plan, expected to be complete in 2011. The plan will address transit, cycling, pedestrian and road network needs over the next 20 years and will identify the costs of the required upgrades and new construction and identify means to pay for the infrastructure.

Also underway is the \$251,120 Master Storm Water Management Plan which will include an inventory of existing drainage networks, hydraulic analysis, environmental (watercourse) evaluation, water quality sampling, hydrogeology and capital improvement plans. Also part of the plan is the development of storm drainage criteria for new drainage infrastructure and the establishment of storm water management best practices.

The Department was involved in the negotiation of a Transit Service Agreement which formally designated the District of West Kelowna as the provider of transit service within its boundaries. Up until April 1, 2010, the Regional District of Central Okanagan was responsible for providing these services within District of West Kelowna boundaries.

In September, West Kelowna Council agreed to support the extension of the RapidBus program to West Kelowna and will contribute municipal land to the project, if required. Phase 1 of the project was launched in Kelowna and the service will be extended to West Kelowna as part of Phase 2 (anticipated completion 2014).

The District improved five more Road Ends/Beach Accesses in 2010, including general clean up, removal of encroachments, installation of garbage receptacles and signage and, in one case, the creation

of a designated parking area. The specific beach accesses that were improved are:

- Whitworth Road between 2496 & 2505
- Green Bay Road between 1428 & 1434
- Green Bay Road between 1339 & 1343
- Sunnyside Road – North End
- Casa Loma road between 2757 & 2761

The highly popular Gellatly and Casa Loma Boat Launches were upgraded in the fall, making the facilities safer and easier to use. Improvements to the Casa Loma Boat Launch included a 1.5-metre wide by four-metre long extension to the existing riprap breakwater on the southeast side. The existing 3.6 metre-wide concrete pad was doubled in size. The Gellatly Boat Launch upgrades included dredging the channel, construction of a new concrete block retaining wall, extending for 50 metres along the north side of the launch and the installation of a new concrete launch pad, which added about 15 metres to the length of the ramp.

Engineering & Operations staff constructed the Wildfire Commemorative Park, located on Glenrosa Road, to honour and celebrate the individuals and agencies that came together during and after the 2009 West Kelowna Wildfires to provide aid where needed. The Commemorative Park concept was conceived and endorsed by Council and was built through generous donations by Tree Canada to purchase tree stock, Gorman Brothers Lumber for the kiosk supplies, Wishbone Industries for the bench donations and a resourceful staff utilizing surplus materials from previous projects. Forty-one trees were planted in the arboretum, representing a collection of different tree species assembled to celebrate the diversity of trees. The species were selected for their hardiness and diversity, but also, for different bark textures, leaf shape and fall colors.

## The Financial Services Department has 22 full-time employees within the Finance, Purchasing, Information Services and Payroll/Benefit divisions.

The Finance Division oversees:

- Property tax invoicing, collection and management
- Utility billing, collection and management
- All payables and receivables
- Investments
- Bank account reconciliation
- Financial bylaws
- Annual Financial Report

The Purchasing Division oversees:

- All procurement for the District
- Evaluating tenders, requests for proposals and quotations
- Issues purchase orders
- Receives inventory
- Maintains District inventory
- Purchasing statistics

The Payroll/Benefits Division oversees:

- Employee payroll
- Employee benefit management
- Canada Revenue Agency remittance
- Pension administration
- New employee orientation

The Information Services Division oversees:

- All computer, software and telephone services for District operations
- Help Desk support
- Computer network maintenance
- Inter-facility communication
- Geographical Information Systems administration
- Website maintenance

The Financial Services Department oversaw the development of the 2010-2014 Financial Plan which included a 2.35% tax increase. The plan indicated a municipal tax requisition of \$21,454,656. By the end of 2010, the Department had collected 96% of its tax levies. The Department hosted one public budget working session to gather input the draft financial plan.

The Department conducted an analysis of the construction of Royal LePage Place and determined recommended appropriate controls for future construction projects. A business plan was also prepared for the facility. Council agreed to continue to use Royal LePage and Jim Lind arenas to support the needs of the community and not pursue upgrading the facility for enhanced use as an events centre.

The Department analyzed BC Transit agreements and cost-sharing formulas and requested a review which led to a reduction in transit costs of approximately \$168,000 for the 2010/2011 operating year.

Financial Services prepared and administered the third annual Citizens' Survey. The statistically-accurate survey is mailed to 1,000 random West Kelowna taxpayers. In 2010, 399 completed surveys were received. (See Inset Booklet A)

The Department created a Residents' Association Policy that set out terms and conditions under which Council could consult, work with and potentially offer grants in aid under specific circumstances to neighbourhood groups that are registered as societies.

The online Recreation registration program was activated, enabling users to sign up through the District's website.

A high-speed laser beam communications link was installed to link servers at District of West Kelowna Municipal Hall to the former Lakeview Irrigation District Building on Bartley Road, less than one-kilometre away. The laser beam technology was found to be the most reliable and dependable link between the two buildings in the Boucherie Centre area.

The District's new Geographic Information System (GIS) software was installed and District Corporate Mapping Standards were developed.



HIGHLIGHTS	
FINANCIAL SERVICES BY THE NUMBERS	
13,482	Tax notices distributed
42,722	Utility bills issued
474	Purchase orders issued
60	Projects tendered
400	Average website visitors per day
6,578	Invoices paid
1,832	Invoices issued
5,200	Paycheques prepared



# planning

The Planning Department oversees 11.5 full-time employees within the Current Planning and the Policy and Long Range Planning divisions.

The Current Planning Division oversees:

- Development application administration
- Environmental planning
- Committee coordination
- Fringe area planning
- Ministry and Westbank First Nation referrals

The Policy and Long Range Planning Division oversees:

- Municipal land use planning
- Long range land use policy and plans
- Parks planning and design
- Regional planning
- Heritage planning
- Zoning Bylaw administration
- Official Community Plan administration

The Planning Department also oversees

Property Management for the District to:

- Identify and evaluate property acquisition opportunities
- Expand and maintain District land inventory
- Process free Crown grant and Crown land lease applications
- Respond to provincial and federal agencies referrals regarding mines permits, Crown tenures and foreshore leases

## HIGHLIGHTS PLANNING BY THE NUMBERS

Planning Statistics	2010	2009
Zoning Amendment	13	44
Official Community Plan Amendment	2	11
Land Use Contract Amendment	1	10
Development Permit	17	13
Variance Permit	18	10
Agricultural Land Reserve	4	3
Temporary Commercial Use Permit	5	2
Floodplain Exemption	0	2
Subdivision Application	14	27

The Department administered the creation of the Secondary Suite Policy and Secondary Suite Bylaw Amendments which now permit the use of secondary suites within specified zones, provided a number of conditions can be met. Conditions include, but are not limited to, lot size, location of suite within the primary residence, suite unit size, parking, access, sanitary requirements, registration and statutory declaration, and minimum length of rental accommodation. A 12 month amnesty period was established to allow property owners with illegal suites and owners wanting to develop a legal suite an adequate amount of time to become familiar with the conditions of the policy and take the necessary steps (such as suite registration or decommission, suite renovations where necessary, etc.) to comply. The District

also reduced sewer utility fees for legal suites to 40% of the cost of one unit

The Department made significant progress in the development of the Westbank Centre Revitalization Plan. A consultant was hired with a budget of \$117,900 to develop the Plan. Phase 1 of the work plan is complete which involved an Issues and Opportunities Workshop, the development of a Westbank Centre Community Consultation Committee, the Westbank Centre Transportation Workshop and the two day Westbank Centre Design Charrette. Phase 2 is underway and involves further work by the Community Consultation Committee, continued consultation with Westbank First Nation and key agencies, and submission of a first draft for Council's consideration.

Further progress was made on the development of the Official Community Plan (OCP) with the presentation of the OCP Action Plan outlining how the department will implement the new directions in the plan. A legal review of the document was conducted and amendments were made accordingly and formatting and graphic design was undertaken.

A consultant was chosen for the development of the \$166,238 Waterfront Plan and a Community Consultation Committee was appointed and several meetings held.

The Department prepared the Agricultural Background Report which provides an overview of agriculture in the District of West Kelowna, indicating the current context and future vision and strategies to achieve the vision, reviewed by the District's Agricultural Advisory Committee.

Planning coordinated the Public Hearing and rezoning of the southern portion of property at Brown and Bering Roads to allow for the development of a public health facility. The property is in the Agricultural Land Reserve and the proposed Comprehensive Development Zone permits both agricultural and institutional land uses that respect adjacent agricultural land on the northern portion of the property. Interior Health has purchased the property subject to this rezoning and securing Agricultural Land Commission approval for non-farm use of the site. However, Interior Health has indicated that funding is not in place to design or develop a facility at this time.

The Department oversaw the development of a Street Naming Policy which enables residents to nominate names of persons of historical significance and community heroes for street names. The policy outlines selection criteria for names of historical significance and community heroes and information on how the public can nominate a name to be added to the Master List.

Significant Planning resources were spent on the ongoing administration of major rezoning applications including:

- Mission Hill Winery—Comprehensive Development Zone expansion affecting seven properties, totalling 15.6 hectares over a 10 year period; ongoing
- Victor Projects—60 single lots in South Mount Boucherie area; adopted in November
- Tallus Ridge—affecting three sites in the Shannon Lake West Comprehensive Development Plan area to permit townhouse multi-family uses; ongoing
- Treasure View/Crystal Springs—multi-family development on Shannon Lake Road; ongoing

# west kelowna fire rescue

West Kelowna Fire Rescue has 35.6 full time employees within the Administration, Fire Suppression, Fire Prevention and Fire and Life Safety Education divisions. The Department also oversees 60 paid on call members working out of four fire stations.

Administration oversees:

- Administration of full-time and paid on call firefighters
- Annual recruitment for paid on call
- Training
- Fuel modification program
- Financial services
- Burning permit administration

Fire Suppression oversees:

- Medical first response
- Commercial and residential fire alarms
- Motor vehicle accidents
- Rope and ice rescue
- Wildfire and brush fires
- Carbon monoxide, gas and miscellaneous calls
- Maintain response mapping
- Equipment maintenance

Fire Prevention oversees:

- Review plans for new development
- Fire Prevention Bylaw and code enforcement
- Inspection of permits, private property
- Fire investigations
- Fire Commissioner reports

Fire and Life Safety Education oversees:

- Education of all age groups
- Fire Smart education
- Critical incident stress program

## HIGHLIGHTS FIRE RESCUE BY THE NUMBERS

Category	2010	2009
Alarms	167	158
Burning Complaints	139	199
Fire – Minor	51	9
Fire – Bush	36	62
Fire – Structural	19	29
Fire – Vehicle	29	27
First Response	1317	1381
Motor Vehicle Accident	297	339
Public Service	237	196
Smoke Sighted	27	1
Total Responses	2319	2401
Inspections	982	786



West Kelowna Fire Rescue Chief Wayne Schnitzler was presented with the Fire Services Exemplary Service Medal, which the Governor General's Office awards through the Chancellery of Canadian Orders and Decorations in Ottawa. The medal is presented to fire fighters and officials who complete over 20 years of service. Chief Schnitzler has been with West Kelowna Fire Rescue since 1996. He started his career with the Surrey Fire Department in 1979.

Chief Schnitzler was also awarded the Citizen of the Year award by the Westbank and District Chamber of Commerce in recognition of his community leadership during the 2009 West Kelowna Wildfires.

The Department developed the Forest Fuel Management-Private Lands policy which establishes a public education and communication program directed at private property owners. The policy also indicates that West Kelowna Fire & Rescue and its forestry consultant will pursue funding opportunities with the provincial and federal governments to provide funding to private land owners.

In September, the District received a \$209,175 Community Operational Fuel Management grant from the Province to be used to clean up forest fire fuels on municipal and Crown lands located between residential interface areas in the District of West Kelowna and Westbank First Nation's Community Forest.





# infrastructure

# growth management



**Goal**

To provide infrastructure including roads, water, sewer, storm drainage and sidewalks, that meets immediate and long-term needs of the community.

**Objectives**

- Provide infrastructure in a comprehensive, cost-effective and methodical manner by establishing priorities through five and ten year capital plans
- Improve and expand pedestrian connections, sidewalks and pathways
- Ensure integrated long-term planning for infrastructure
- Apply for infrastructure grants; ensure District has grant-ready projects
- Develop public-private partnerships where appropriate

2010 Priorities	Measurements
1. Sewage Collection and Treatment	• 1,433 new sewer connections by 2013
2. Roads and Drainage	• Options on governance of Regional Waste Water Treatment Plant
3. Water	• 10 to 15 kilometres of road and sidewalk constructed or rehabilitated
	• Transportation Master Plan completion
	• Storm Water Management Plan completion
	• Transfer Lakeview Irrigation District and Westbank Irrigation District to DWK no later than December 31, 2010
	• Water Master Plan completion by 2011

ACCOMPLISHMENTS			
Priority	Completed in 2010	2011	2012
<b>Sewer Collection and Treatment</b>			
Glenrosa Phase 2 Sewer			
Servicing Ranch Road	X		
Glenrosa Phase 7 Sewer			
Servicing Pineridge Place	X		
Glenrosa Phase 6 Sewer Servicing Gates Road	X		
Glenrosa Phase 5 A and B Sewer			
Servicing McGinnis Road	X		
Glenrosa Phase 3 Sewer			
Servicing Dunbarton Road		X	
Glenrosa Phase 4 Sewer			
Servicing Webber Road North			X
Lakeview Phase 8 Sewer			
Servicing Hudson Road	X		
Lakeview Phase 6 Sewer			
Servicing Hayman Road & Thacker Road N		X	
Lakeview Phase 7 Sewer Servicing Boucherie Road North		X	
Lakeview Sewer Servicing Applegreen Court/Cameron Road			X
Develop DWK Liquid Waste Management Plan		X	
Transfer sewer collection utility from RDCO	X		
Options on governance of Regional Waste Water Treatment Plant	X		
<b>Roads and Drainage</b>			
2010 Road Rehabilitation Program	X		
Transportation Master Plan		X	
Draft Plan for road maintenance transition 2012/2013		X	
Develop business plan on 2013 costs		X	
Investigate Highway 97 improvements with MOTI		X	
Develop Master Storm Water Management Plan		X	
<b>Water</b>			
Water System Master Plan		X	
Watershed Protection Management Plan		X	
Transfer of Lakeview and Westbank Irrigation Districts to DWK	X		
Investigate Crown land leases for reservoir lakes		X	
<b>Unranked Priorities - Infrastructure</b>			
Landfill transfer station at former RDCO Westside Landfill site	X		

**Goal**

Employ land use best practices that reflect the community's needs with consideration given to affordable/liveable neighbourhoods, village centres for residents and tourists and protection of the environment.

**Objectives**

- Manage growth with an integrated approach to development decisions
- Understand and expand District's land inventory (re: Crown land)
- Encourage multi-use development, especially in Westbank Centre
- Protect the environment and consider green initiatives
- Preserve agricultural land where appropriate
- Develop pedestrian-friendly neighbourhoods
- Ensure development contributes in fair manner to infrastructure and amenities
- Determine effective, sustainable growth
- Maintain a semi-rural landscape
- Foster small pedestrian-oriented commercial neighbourhood centres
- Obtain public input and consult with the Advisory Planning Commission and the Agricultural Advisory Committee on how best to achieve growth management goals

2010 Priorities	Measurements
1. Official Community Plan Review	• Adoption of the new Official Community Plan
2. Regulation	• Completion of the Affordable Housing Strategy
3. Waterfront Plan	• Adopt a work plan to address issues that arise from the new Official Community Plan
4. Agricultural Plan	• Document the number of legal secondary suites
	• Zoning Bylaw review started in 2010
	• Start development of a Waterfront Plan; completion in 2011
	• Fully engaged Agricultural Advisory Committee to provide input to Council on agricultural matters
	• Start development of an Agricultural Plan by 2010, completion in 2011



ACCOMPLISHMENTS			
Priority	Completed in 2010	2011	2012
<b>OCP Review</b>			
Develop District of West Kelowna Official Community Plan		X	
Report to Council outlining a work plan for implementing actions identified in Official Community Plan	X		
<b>Regulation</b>			
Affordable Housing Strategy	X		
Work plan to implement Affordable Housing Strategy	X		
Revise secondary suite regulations	X		
Finalize utility rates for secondary suites	X		
Zoning regulations	X		
Subdivision development		X	
Hillside development design guidelines		X	
Waterfront Plan			X
Waterfront Plan development		X	
Road End/Lake Accesses enhancement report	X		
Regulatory use of foreshore in community – License of Occupation	X		
<b>Agricultural Plan</b>			
Agricultural Plan Development		X	
Regional District of Central Okanagan agricultural support officer		X	
Agricultural Development Cost Charge		X	
<b>Unranked Priorities – Growth Management</b>			
Heritage Preservation considerations	X		
Climate Action report	X		
Street Naming Policy	X		

# economic enhancement

# services & assets



**Goal**

Develop long-term financial plans with solid financial footing and strong capital reserves; and help improve the economic viability of the community through a diverse tax base and economic development initiatives.

**Objectives**

- Recognize the economic development assets of the region, capitalize on unique opportunities
- Continue to consider and create appropriate capital reserves
- Consider alternate ways of providing financing for infrastructure
- Ensure the District has cost-effective operations for all functions
- Pursue public projects as revenue generators or revenue neutral
- Provide a diverse tax base and supportive climate for business and industry
- Ensure that taxation levels foster continued development in community
- Enhance tourism within West Kelowna

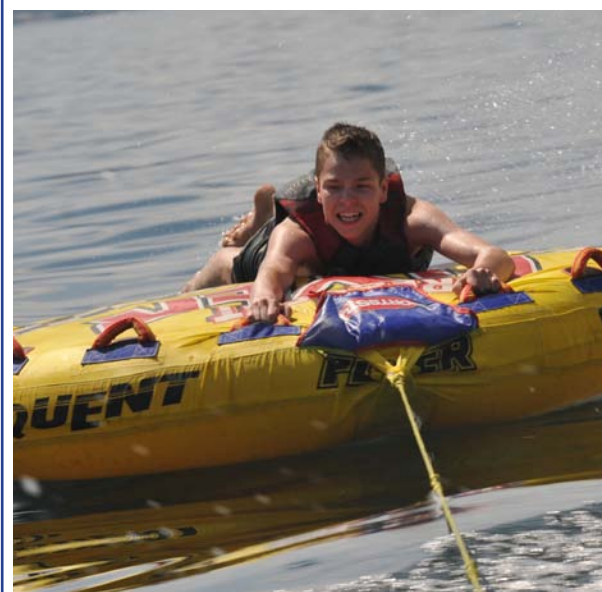
**2010 Priorities**

1. Economic Development Plan
2. Westbank Centre Plan
3. Boucherie Centre Plan

**Measurements**

- Completion of the West Kelowna Economic Development Plan
- Develop an implementation plan for Economic Development initiatives
- Form an Economic Development Committee
- Start the development of a Westbank Centre Plan; completion in 2011
- Staff report to Council on possible Boucherie Centre Plan

ACCOMPLISHMENTS			
Priority	Completed in 2010	2011	2012
<b>Economic Development Plan</b>			
West Kelowna Economic Development Plan	X		
Develop Implementation Plan or economic development initiatives	X		
Form Economic Development Committee	Deferred		
<b>Westbank Centre Plan</b>			
Develop Westbank Centre Plan		X	
<b>Boucherie Centre Plan</b>			
Develop Boucherie Centre Plan	Deferred		
<b>Unranked Priorities—Economic Enhancement</b>			
Westside Health Facility	X	X	X



**Goal**

Respond to community need and provide a high level of services to the community, including parks, policing, fire protection, facilities, programming and public amenities.

**Objectives**

- Provide high quality services that enhance the lives of citizens of all ages
- Assess transit needs and service levels
- Foster ways to promote healthy living
- Maintain a safe community
- Pursue partnerships, grants and cost-savings in the provision of services
- Preserve and improve public amenities
- Protect and enhance heritage and culture

**2010 Priorities**

1. Transit
2. Parks & Recreation Master Plan

**Measurements**

- Transfer of Transit Services to the District of West Kelowna from the Regional District of Central Okanagan
- Review transit governance – Okanagan Valley
- Plan for RapidBus stations from Gas Tax Fund
- Adoption and implementation of the Parks & Recreation Master Plan

ACCOMPLISHMENTS			
Priority	Completed in 2010	2011	2012
<b>Transit</b>			
Plan for District to assume administrative function from RDCO	X		
Service level discussion; review contract		X	
Transit stops enhanced	X		
Review rates	X		
Bus Rapid Transit	X	X	X
Discuss options for transit governance with municipal stakeholders and Province	X		
Parks & Recreation Master Plan	X		
Parks and Recreation Master Plan	X		
Anders Road Hall Plan	X		
Unranked Priorities—Services & Assets—Chief Administrative Officer			
Strategic Planning	X		
Operational Plan with quarterly updates	X		
Crown Lands Request	X	X	X
Land Acquisition Policy	X		
Set up a customer service team	X		
Westbank First Nation Community to Community meeting	X		
RDCO Services	X		
Major Servicing Plans; ensure			

coordinator of all plans	X		
BC Transmission Corporation lobby for second feed	X	X	X
Unranked Priorities—Services & Assets—Administration			
Staffing of new RCMP building	X		
Community Policing Meeting	X		
Fees and Charges review	X		
Communities In Bloom	X		
Museum move	X		
Gifts and Legacies Program	X		
Kidsport Program implementation	X		
Special Event—Olympic Torch Relay	X		
Special Event—Olympic sports viewing—Royal LePage Place	X		
Special Event—Easter Eggstravaganza	X		
Special Event—Westside Daze	X		
Special Event—Art in the Park	X		
Special Event—Halloween	X		
Special Event—Winterfest	X		
Business Plan—Webber Road Community Centre	X		
Early transfer of Anders Road Hall/Park Annual Report	X		
Boys & Girls Club—Webber Road contract renewal	X		
Unranked Priorities—Services & Assets—Corporate Services			
Document management software implementation	X		
Provide training for all staff		X	
Policy on developer's requests to meet with Council	X		
Policy development report	X		
Unranked Priorities—Services & Assets—Development Services			
Bylaw Enforcement—ensure adequate resources allocated	X		
Bylaw Adjudication	X		
Accessible Buildings—ensure District facilities are accessible	X		
Public Safety Building construction	X		
Unranked Priorities—Services & Assets—Finance			
Johnson Bentley Aquatic Centre contract analysis		X	
Review and update user fee charges and policies	X		
Implement contract management controls	X		
Provide 10 year capital requirements for budget		X	
Install fibre optic link to Lakeview Irrigation District building	X		
Royal LePage Place—lessons learned including financial impact	X		
Royal LePage Place Business Plan	X		
Prepare five year internal audit plan	X		
Assets & Liabilities		X	
Citizens' Survey 2010	X		
Virtual District Hall	X		
Unranked Priorities—Services & Assets—Fire Department			
Fire Hazard education and recommendation program	X		
Completion of Fire Underwriters survey		X	
Pine Beetle; grant dependent	X		
Community Forest interconnection with Westbank First Nation	X		
Community Wildfire Protection Program implementation	X		
Fire Protection Boundaries		X	
Fire Prevention & Establishment bylaws		X	
Opticom installations	X	X	
Emergency Operations Training for staff	X	X	X



# contact information



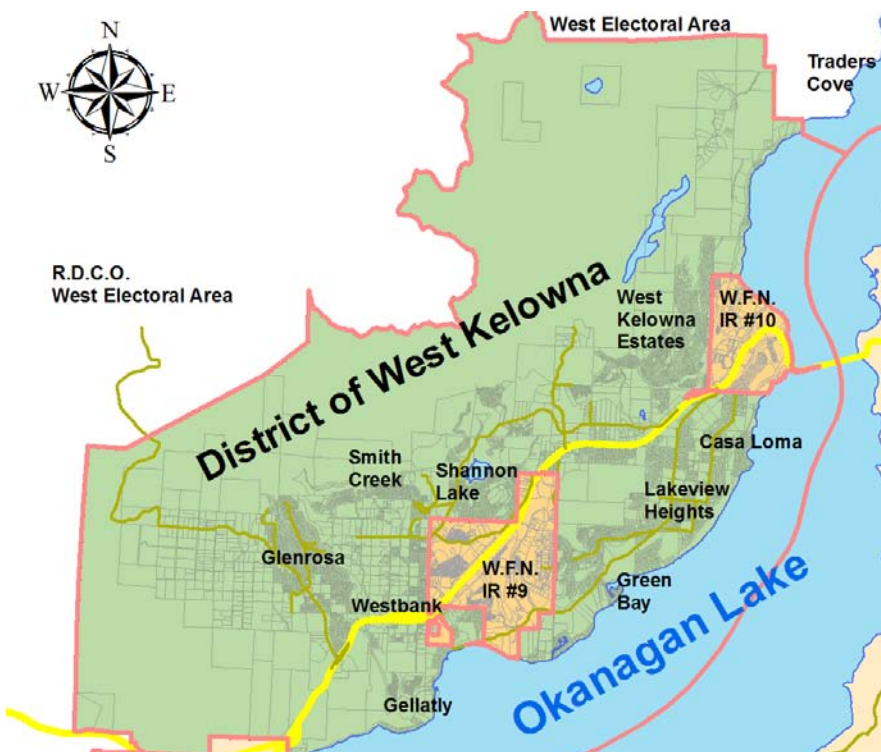
## District of West Kelowna

2760 Cameron Road  
West Kelowna, BC V1Z 2T6

## General Inquiry

Phone: (778) 797-1000  
Fax: (778) 797-1001  
info@districtofwestkelowna.ca  
www.districtofwestkelowna.ca

Mayor's Office	(778) 797-2210
Chief Administrative Officer	(778) 797-2210
Bylaw Enforcement	(778) 797-8820
Building / Inspections	(778) 797-8820
Business Licencing	(778) 797-8820
Corporate Services	(778) 797-2250
Engineering	(778) 797-8840
Finance	(778) 797-2220
Property Tax	(778) 797-8860
Utility Billing	(778) 797-8850
Purchasing	(778) 797-8865
Human Resources	(778) 797-8890
Operations & Parks	(778) 797-8849
Planning	(778) 797-8830
Recreation & Cultural Services	(778) 797-8800
Facility Bookings	(778) 797-2265
Program Registration	(778) 797-8800
West Kelowna Fire & Rescue (Non-Emergency)	(250) 769-1640





Citizens' Survey Results

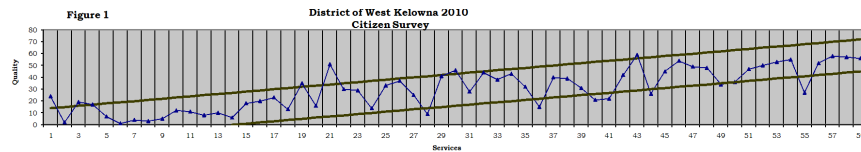
Citizens' Survey 2010 Results

2010

# 2010 citizen's survey

In October 2010, one thousand surveys were mailed out to randomly selected West Kelowna taxpayers and nearly 400 were returned in November. The amount of surveys returned was sufficient to calculate scientifically accurate results.

The survey's primary objective is to determine how the taxpayers of West Kelowna evaluate the services that are provided and to identify services that are desired but not currently provided. Residents were asked to comment on quality and importance on a variety of services. The data was then broken down into a graph (see below) that clearly indicated when a larger than normal discrepancy existed between service level and importance. Discrepancies determine if a service exceeds, meets, or falls short of taxpayers' expectations.



## More Emphasis Required

The following services appeared above the upper limit line, meaning the importance placed on the service was higher than the quality. This can be interpreted to mean that more emphasis is required on this service.

Service	Importance (%)	Quality (%)
Road Maintenance	97.49%	42.11%
Roads	97.24%	48.62%
Snow Control	96.74%	50.38%
Noise Control	89.97%	38.85%
Sidewalks	88.97%	11.28%
Illegal Dumping, Cleaning Program	83.96%	19.30%
Dedicated Bicycle Lane	69.67%	4.01%

## The 2009 Citizens' Survey indicated more emphasis may be required for:

1. Road Maintenance
2. Illegal Dumping, Cleaning Program
3. Sidewalks
4. Protection of Green Space
5. Building Inspection
6. Growth and Development Planning
7. Bylaw Enforcement
8. Economic Development

## Less Emphasis Required

The following services appeared below the lower limit line, meaning the importance placed on the service was lower than the quality. This can be interpreted to mean that less emphasis is required on this service.

Service	Importance (%)	Quality (%)
Swimming Pool	84.21%	61.90%
Arenas	78.70%	55.14%
Sports Field – Soccer	73.18%	43.86%
Sports Field - Baseball/Softball	72.68%	43.11%
Electronic Services Provided Online	69.42%	40.35%
Tennis Courts/Squash Courts	51.63%	40.35%

## The 2009 Citizens' Survey indicated less emphasis may be required for:

1. Playgrounds
2. Sports Field Maintenance
3. Community Centre/Hall
4. Electronic Services Provided Online
5. Sports Field – Soccer
6. Sports Field – Baseball/Softball
7. Arena Maintenance
8. Swimming Pool
9. Arenas

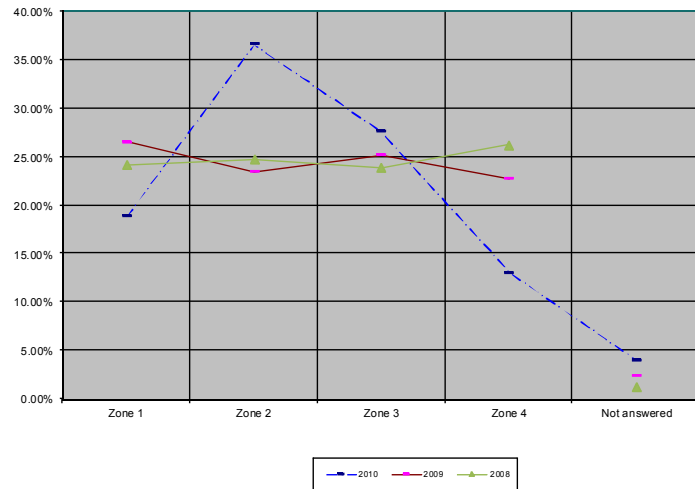
The remaining District services were ranked within the upper and lower limit lines, which can be interpreted to mean that the service quality matches the service importance and no change is required to the service level.

Service	Importance (%)	Quality (%)
Firefighting	97.14%	86.86%
Snow Control	96.00%	51.43%
Residential Recycling	94.86%	89.14%
Air Quality	94.86%	70.29%
Drinking Water Quality	94.86%	74.29%
Ease of Travel by Car	94.29%	72.00%
Police Enforcement	93.14%	64.00%
Fire Prevention	92.57%	64.00%
Trash Collection	92.57%	85.71%
Emergency 911	92.00%	65.71%
Yard Waste/Bulky Item Pickup	92.00%	65.14%
Fire Department/First Responder	89.14%	70.86%
Parks	89.14%	50.29%
Beaches	88.57%	45.71%
Street Lighting	88.00%	40.57%
Protection of Green Space	87.43%	43.43%
Sewage Treatment Collection	87.43%	63.43%
Bylaw Enforcement	86.86%	37.14%
Water Conservation Efforts	86.29%	53.14%
Public Library	86.29%	57.71%
Growth and Development Planning	85.71%	35.43%
Walking/Jogging/Biking Trails	84.57%	38.86%
Community Centre/Hall	84.57%	41.71%
Recreation Programs Overall	80.57%	30.29%
Building Inspection	80.00%	21.71%
Customer Service for Water	78.29%	41.14%
Economic Development	77.71%	27.43%
Recreation Programs for Adults	77.71%	34.29%
Animal Control	76.00%	31.43%
Recreation Programs for Seniors	76.00%	33.14%
Tourism Promotion	75.43%	38.86%

Playgrounds	74.86%	37.71%
Water Course Protection	68.00%	28.00%
Boat Launch with Parking Facilities	62.86%	15.43%
Agri-Irrigation System	62.29%	21.71%
Dedicated Bicycle Lane	60.00%	4.57%
Recreation Programs for Teenagers	58.86%	10.86%
Ease of Travel by Transit	58.29%	16.00%
Arena Maintenance	56.57%	36.00%
Marina	56.00%	14.86%
Recreation Programs for Children	54.86%	18.29%
Museum	52.00%	12.57%
Skateboard Park/Bike Parks	48.00%	10.29%
Recreation Programs for Pre-school	46.29%	13.14%
Cemetery	42.86%	8.00%
Running Track	41.14%	6.29%
Ease of Travel by Handy Dart Transit	32.57%	9.71%

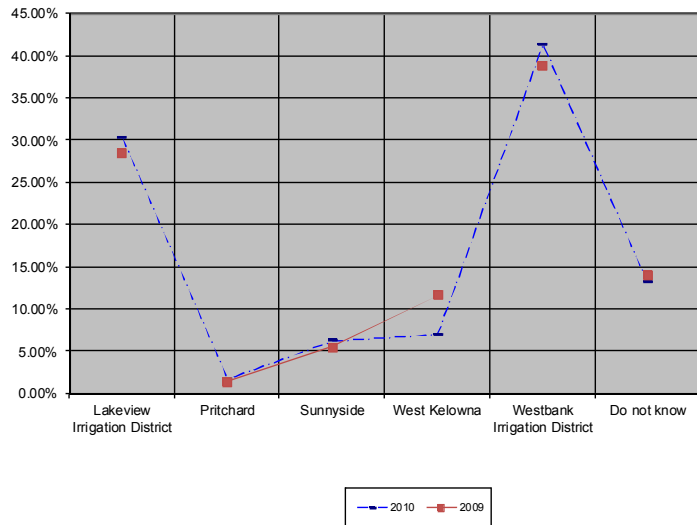
1. In which area of the Westside District Municipality do you Live?

	2010	2009	2008
Zone 1	18.80%	26.46%	24.12%
Zone 2	36.59%	23.37%	24.71%
Zone 3	27.57%	25.09%	23.82%
Zone 4	13.03%	22.68%	26.18%
Not answered	4.01%	2.41%	1.18%



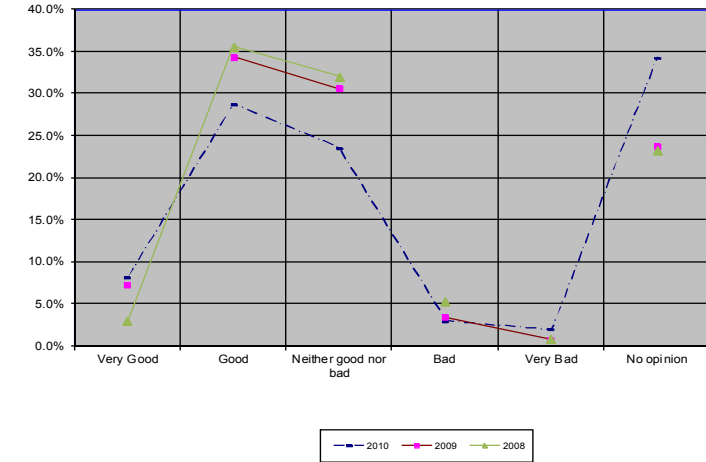
2. In which Water District do you live in.

	2010	2009
Lakeview Irrigation District	30.33%	28.52%
Pritchard	1.75%	1.37%
Sunnyside	6.27%	5.50%
West Kelowna	7.02%	11.68%
Westbank Irrigation District	41.35%	38.83%
Do not know	13.28%	14.09%



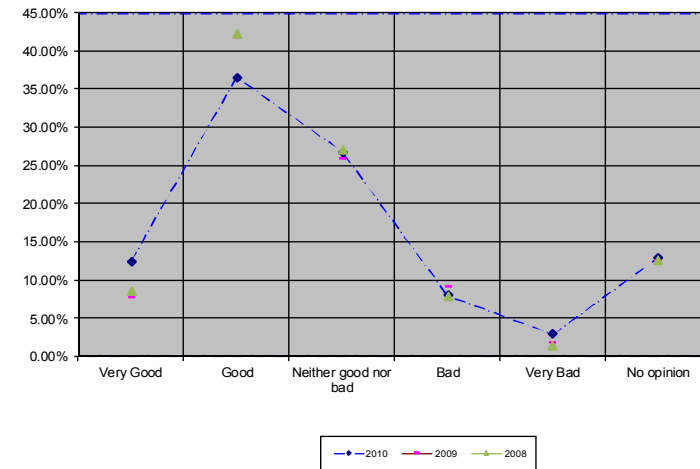
3. How do you rate the quality of special and seasonal family events in your community?

	2010	2009	2008
Very Good	8.3%	7.22%	2.94%
Good	28.8%	34.36%	35.59%
Neither good nor bad	23.6%	30.58%	32.06%
Bad	3.0%	3.44%	5.29%
Very Bad	2.0%	0.69%	0.88%
No opinion	34.3%	23.71%	23.24%



4. How do you rate your Parks and Recreation Department in keeping you informed and updated about the programs available?

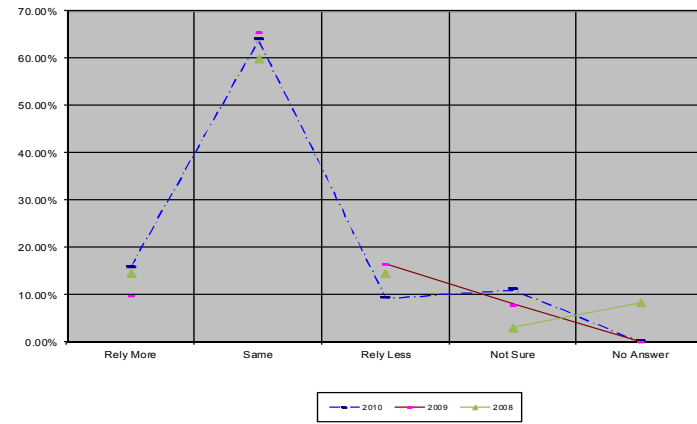
	2010	2009	2008
Very Good	12.53%	7.90%	8.53%
Good	36.59%	41.92%	42.35%
Neither good nor bad	26.82%	26.12%	27.06%
Bad	8.02%	9.28%	7.94%
Very Bad	3.01%	2.06%	1.47%
No opinion	13.03%	12.71%	12.65%



**5. In 2010 the District of West Kelowna relied on the following sources of revenue: property taxes; user fees and charges; long-term borrowing; reserves or savings; and government grants. In the future, what revenue sources do you feel the WDM should rely on to fund existing or new services?**

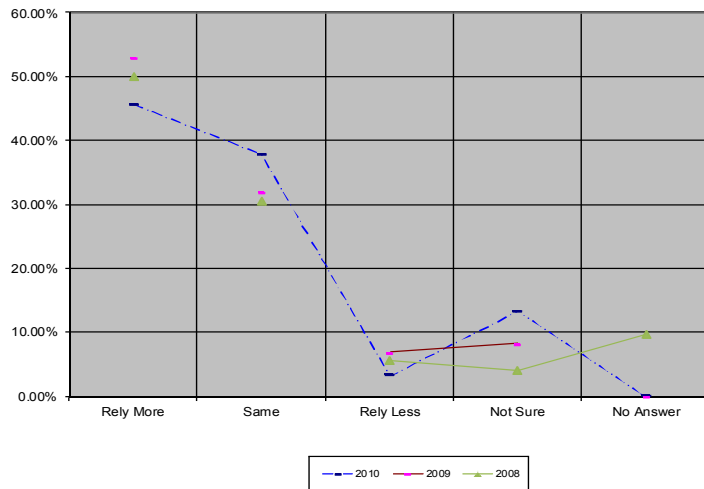
**Taxes**

	2010	2009	2008
Rely More	15.79%	9.97%	14.41%
Same	63.91%	65.64%	60.00%
Rely Less	9.27%	16.49%	14.41%
Not Sure	11.03%	7.90%	2.94%
No Answer	0.00%	0.00%	8.24%



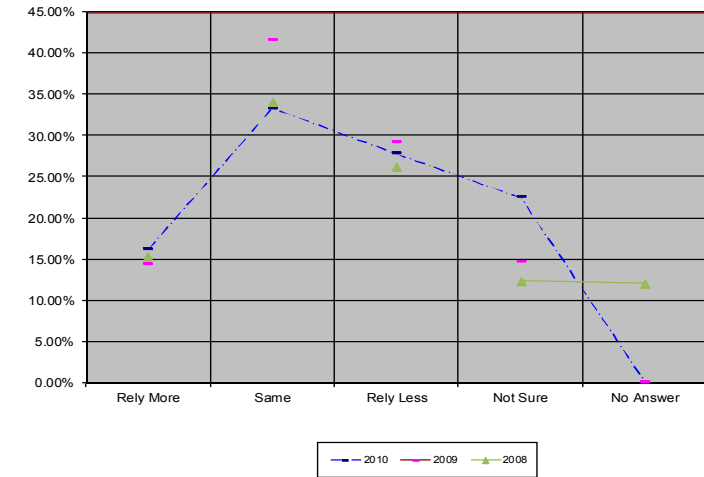
**6. User Fees and charge:**

	2010	2009	2008
Rely More	45.61%	52.92%	50.00%
Same	37.84%	31.96%	30.59%
Rely Less	3.26%	6.87%	5.59%
Not Sure	13.28%	8.25%	4.12%
No Answer	0.00%	0.00%	9.71%



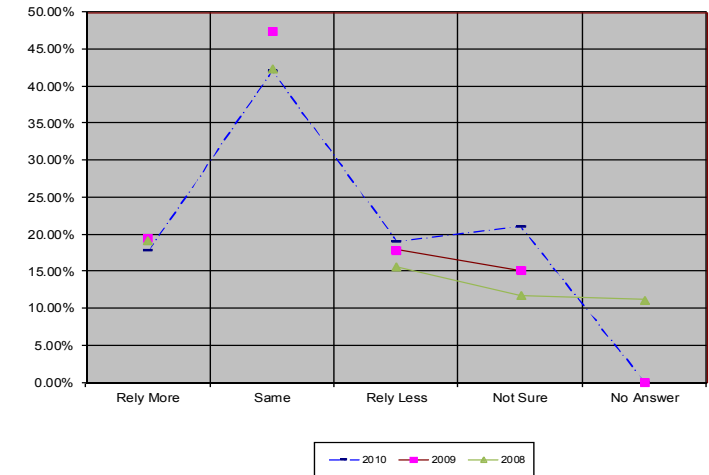
**7. Long-term borrowing:**

	2010	2009	2008
Rely More	16.29%	14.43%	15.29%
Same	33.33%	41.58%	34.12%
Rely Less	27.82%	29.21%	26.18%
Not Sure	22.56%	14.78%	12.35%
No Answer	0.00%	0.00%	12.06%



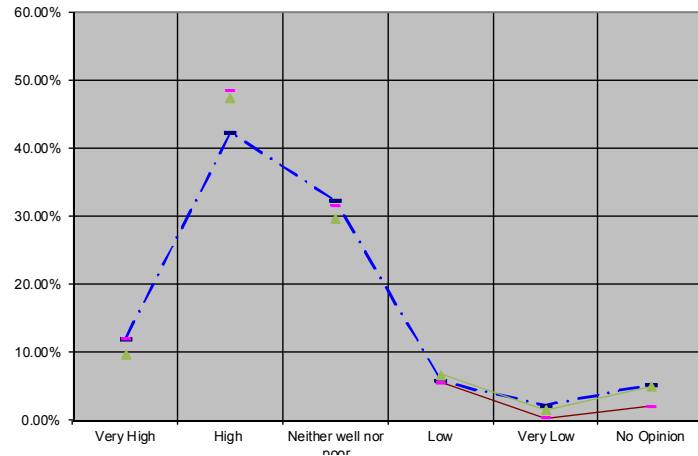
**8. Reserves/Savings:**

	2010	2009	2008
Rely More	17.79%	19.59%	19.12%
Same	42.11%	47.42%	42.35%
Rely Less	19.05%	17.87%	15.59%
Not Sure	21.05%	15.12%	11.76%
No Answer	0.00%	0.00%	11.18%



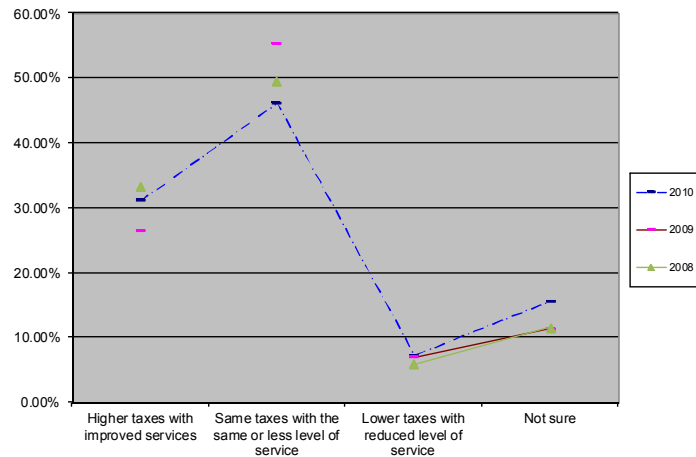
9. How would you rate the air quality within the District of West Kelowna.

	2010	2009	2008
Very High	12.03%	12.03%	9.71%
High	42.36%	48.45%	47.35%
Neither well nor poor	32.33%	31.62%	29.71%
Low	5.76%	5.50%	6.76%
Very Low	2.26%	0.34%	1.47%
No Opinion	5.26%	2.06%	5.00%



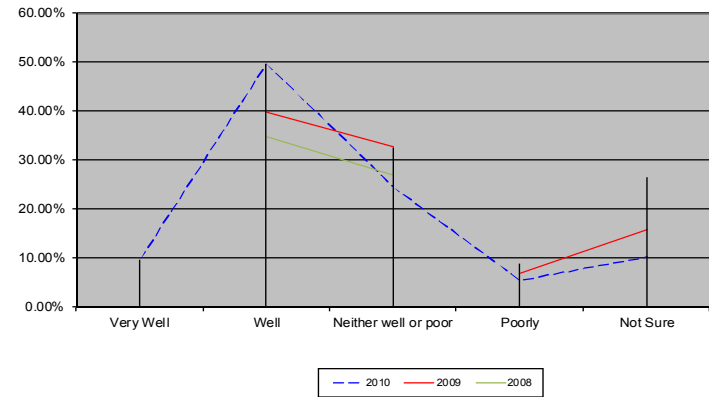
10. If faced with the following realistic choices, what would you advise your Council to Do?

	2010	2009	2008
Higher taxes with improved services	31.08%	26.46%	33.24%
Same taxes with the same or less level of service	46.12%	55.33%	49.41%
Lower taxes with reduced level of service	7.27%	6.87%	5.88%
Not sure	15.54%	11.34%	11.47%



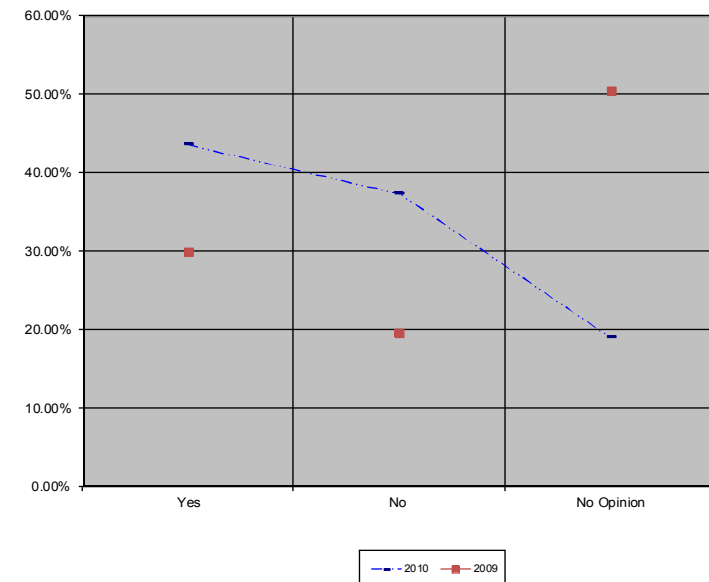
11. In general how well does the District of West Kelowna government operate?

	2010	2009	2008
Very Well	9.77%	4.81%	3.24%
Well	49.87%	39.86%	34.71%
Neither well or poor	24.56%	32.65%	26.76%
Poorly	5.51%	6.87%	8.82%
Not Sure	10.28%	15.81%	26.47%



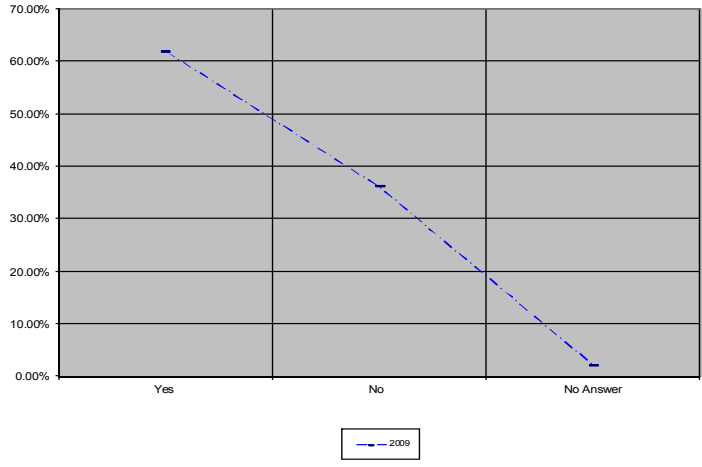
12. Do you think that the Couplet should be a priority of the District?

	2010	2009
Yes	43.61%	29.90%
No	37.34%	19.59%
No Opinion	19.05%	50.52%



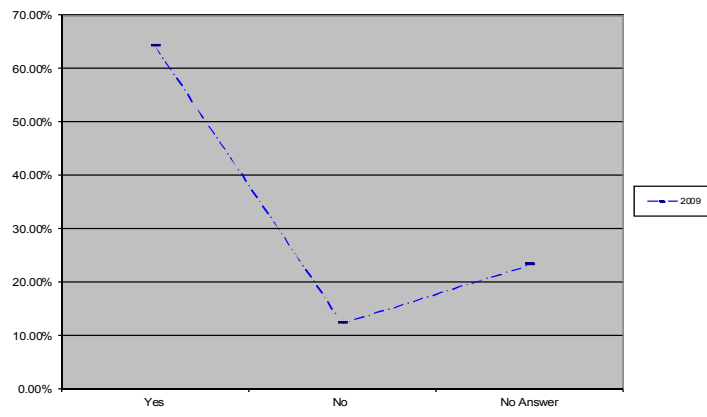
**13. Are you aware that the District of West Kelowna Landfill is now open as a transfer station to collect residential garbage?**

	2009
Yes	61.86%
No	36.08%
No Answer	2.06%



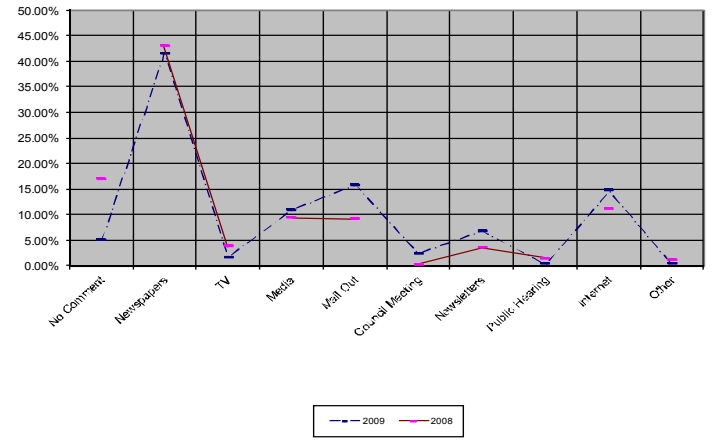
**14. Should the District of West Kelowna have a transfer station (for solid waste disposal) within our boundaries?**

	2009
Yes	64.26%
No	12.37%
No Answer	23.37%



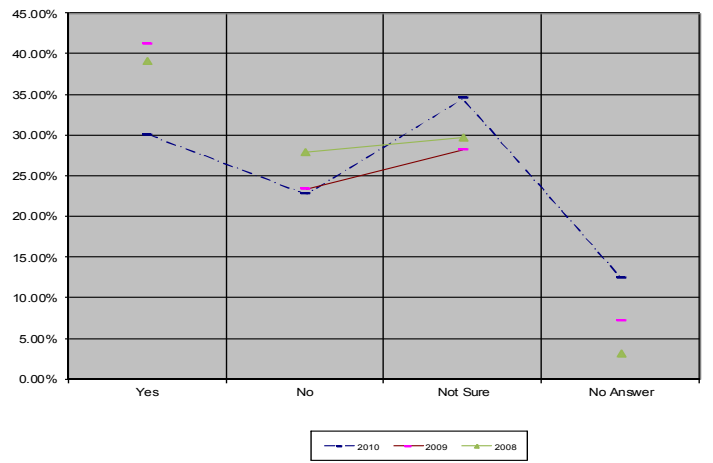
**15. What is the single most important way you learn about the Municipal budget each year?**

	2009	2008
No Comment	5.15%	17.06%
Newspapers	41.58%	42.94%
TV	1.72%	3.82%
Media	11.00%	9.41%
Mail Out	15.81%	9.12%
Council Meeting	2.41%	0.29%
Newsletters	6.87%	3.53%
Public Hearing	0.34%	1.47%
Internet	14.78%	11.18%
Other	0.34%	1.18%



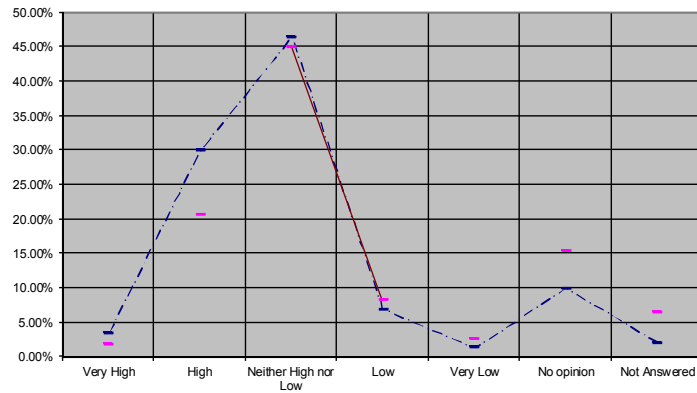
**16. Would you like to have more involvement in the Municipal Budget decisions?**

	2010	2009	2008
Yes	30.08%	41.24%	39.12%
No	22.81%	23.37%	27.94%
Not Sure	34.59%	28.18%	29.71%
No Answer	12.53%	7.22%	3.24%



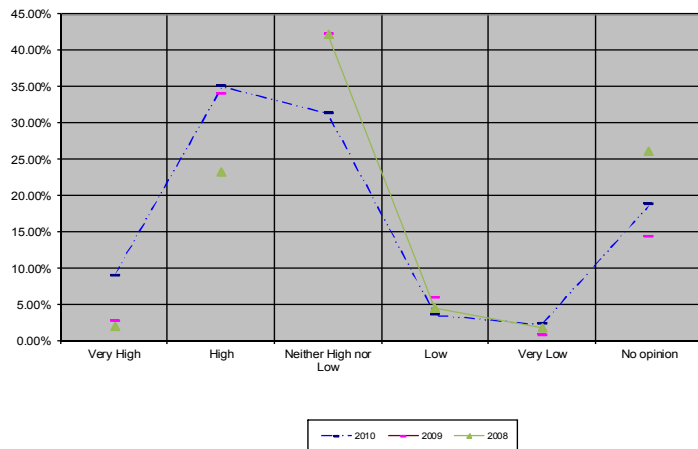
**17. Taking all things into consideration, how would you rate your District Council's performance.**

	2009	2008
Very High	3.44%	1.76%
High	29.90%	20.59%
Neither High nor Low	46.39%	45.00%
Low	6.87%	8.24%
Very Low	1.37%	2.65%
No opinion	9.97%	15.29%
Not Answered	2.06%	6.47%



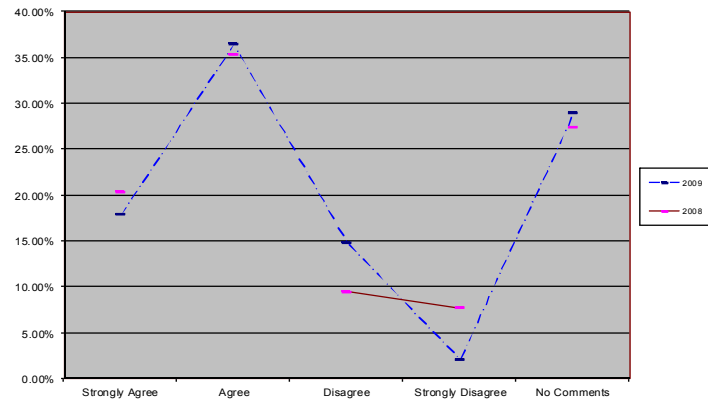
**18. Taking all things into consideration, how would you rate the level of service provided by the staff of DWK.**

	2010	2009	2008
Very High	9.02%	2.75%	2.06%
High	35.09%	34.02%	23.24%
Neither High nor Low	31.33%	42.27%	42.35%
Low	3.51%	5.84%	4.41%
Very Low	2.26%	0.69%	1.76%
No opinion	18.80%	14.43%	26.18%



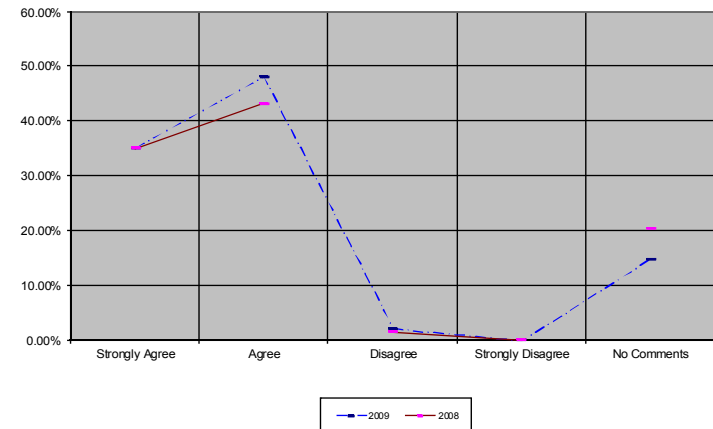
**19. All marine facilities be assessed for potential involvement by the private sector through joint ventures, contracting out or private sector models.**

	2009	2008
Strongly Agree	17.87%	20.29%
Agree	36.43%	35.29%
Disagree	14.78%	9.41%
Strongly Disagree	2.06%	7.65%
No Comments	28.87%	27.35%



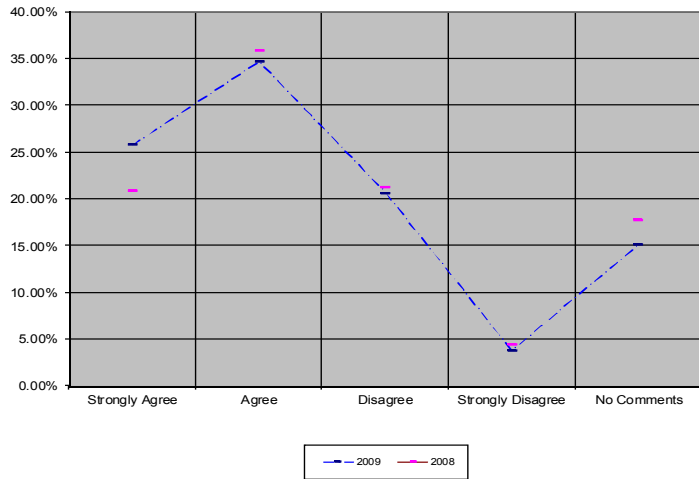
**20. The approval process for waterfront facilities to support boating be reviewed in each jurisdiction and develop consistent, transparent and efficient procedures and policies.**

	2009	2008
Strongly Agree	35.05%	35.00%
Agree	48.11%	43.24%
Disagree	2.06%	1.47%
Strongly Disagree	0.00%	0.00%
No Comments	14.78%	20.29%



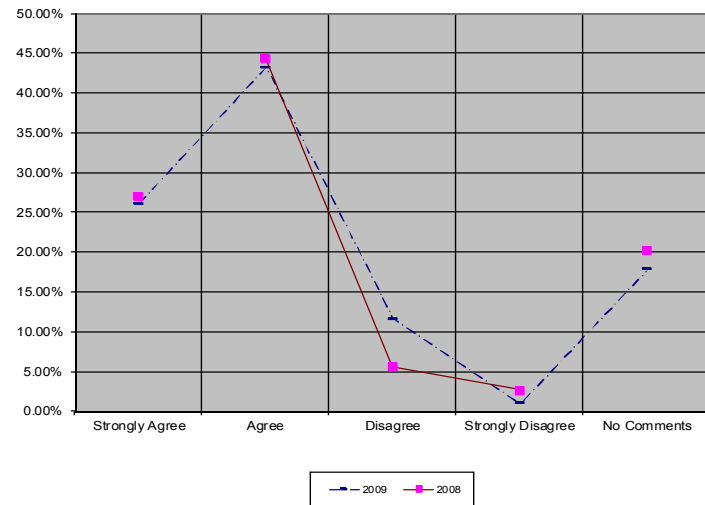
**21. The development and improvement of boat launches and supporting infrastructure be given high priority by RDCO and the local Municipalities.**

	2009	2008
Strongly Agree	25.77%	20.88%
Agree	34.71%	35.88%
Disagree	20.62%	21.18%
Strongly Disagree	3.78%	4.41%
No Comments	15.12%	17.65%



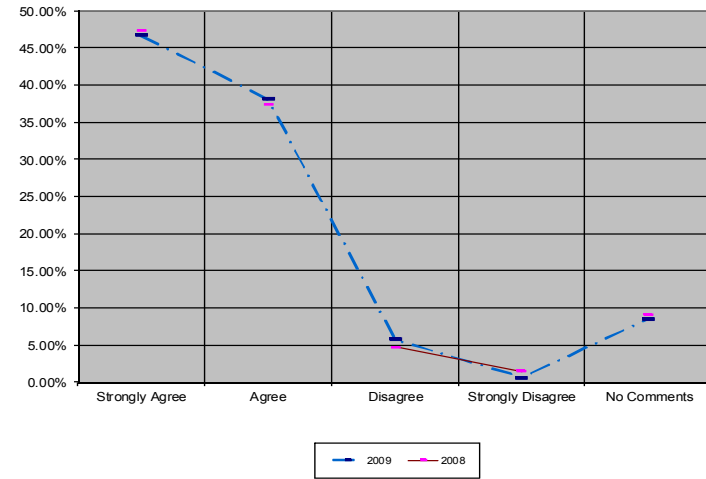
**22. The issue of mooring buoys' placement, and maintenance be considered on a Regional wide basis.**

	2009	2008
Strongly Agree	26.12%	27.06%
Agree	43.30%	44.41%
Disagree	11.68%	5.59%
Strongly Disagree	1.03%	2.65%
No Comments	17.87%	20.29%



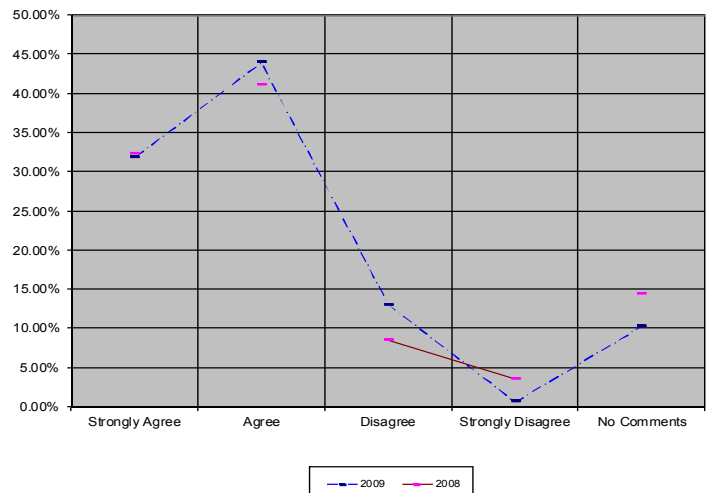
**23. New developments with waterfront access be reviewed for opportunities to provide additional facilities.**

	2009	2008
Strongly Agree	46.74%	47.35%
Agree	38.14%	37.35%
Disagree	5.84%	4.71%
Strongly Disagree	0.69%	1.47%
No Comments	8.59%	9.12%



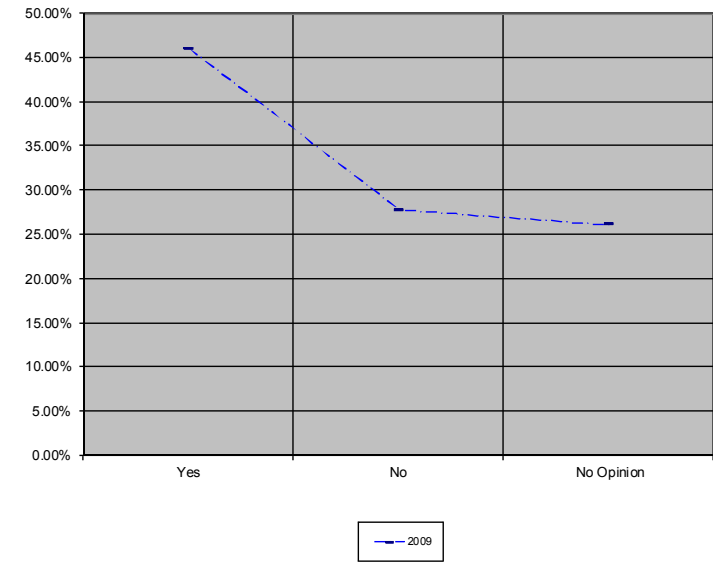
**24. Do you support investment in economic development to diversify the economy and raise the tax base in the community?**

	2009	2008
Strongly Agree	31.96%	32.35%
Agree	43.99%	41.18%
Disagree	13.06%	8.53%
Strongly Disagree	0.69%	3.53%
No Comments	10.31%	14.41%



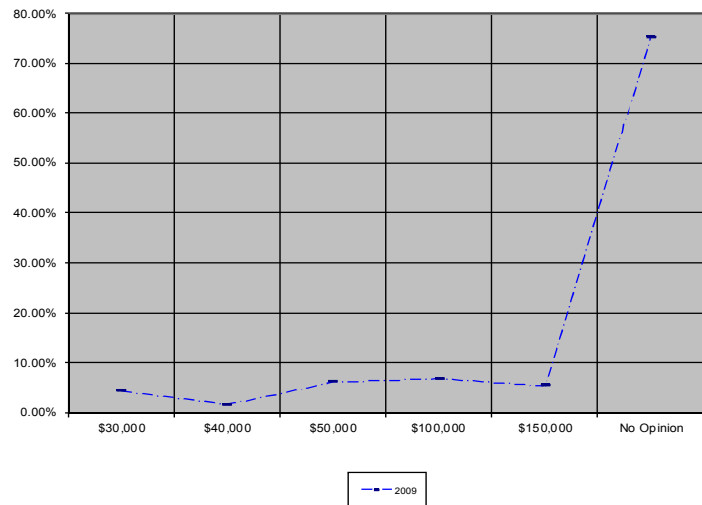
25. Are you in favour of increasing the funding for economic development?

	2009
Yes	46.05%
No	27.84%
No Opinion	26.12%



26. If yes, how much should the increase be.

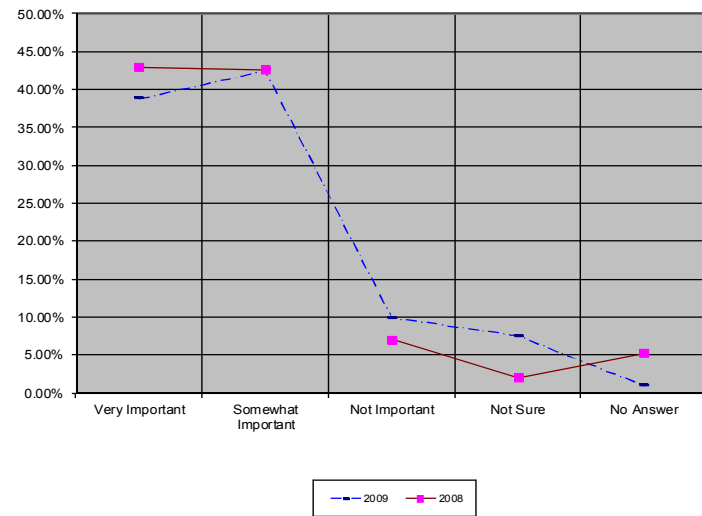
	2009
\$30,000	4.47%
\$40,000	1.72%
\$50,000	6.19%
\$100,000	6.87%
\$150,000	5.50%
No Opinion	75.26%



27. Please rank the importance of the following economic development initiatives.

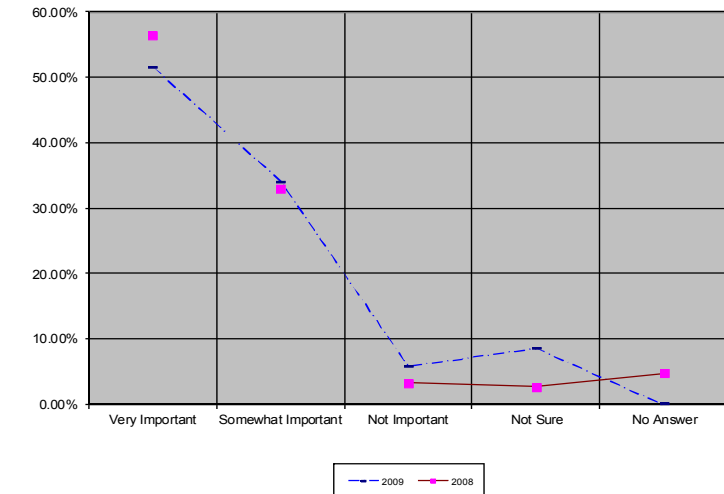
a. Tourism Development

	2009	2008
Very Important	38.83%	42.94%
Somewhat Important	42.61%	42.65%
Not Important	9.97%	7.06%
Not Sure	7.56%	2.06%
No Answer	1.03%	5.29%



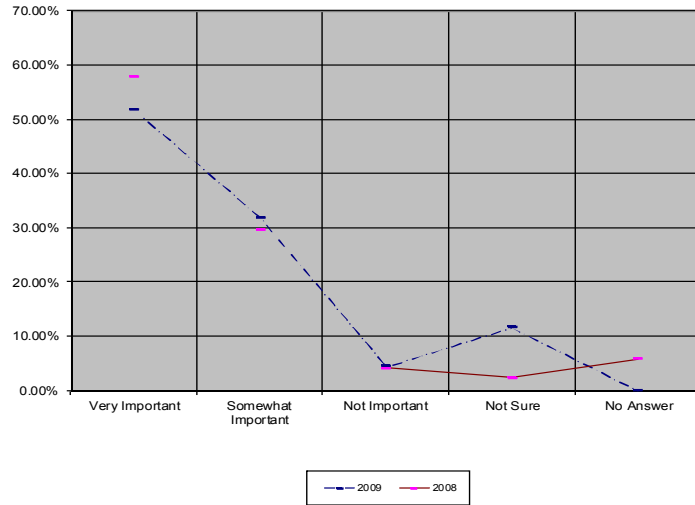
b. Investment Attraction.

	2009	2008
Very Important	51.55%	56.47%
Somewhat Important	34.02%	32.94%
Not Important	5.84%	3.24%
Not Sure	8.59%	2.65%
No Answer	0.00%	4.71%



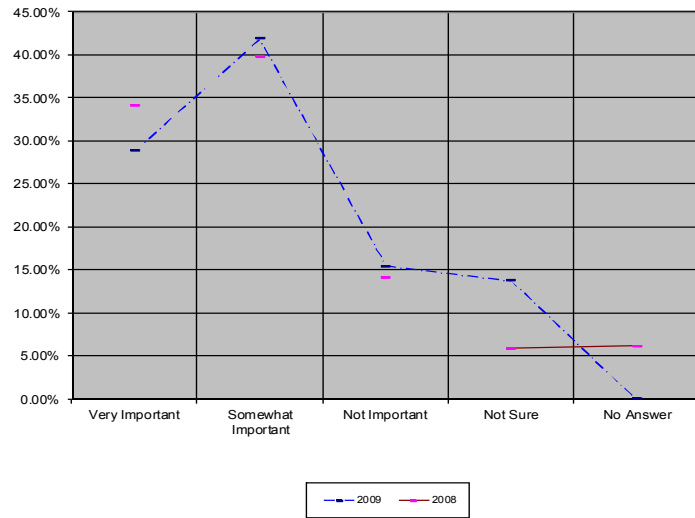
**c. Business Enhancement.**

	2009	2008
Very Important	51.89%	57.94%
Somewhat Important	31.96%	29.71%
Not Important	4.47%	4.12%
Not Sure	11.68%	2.35%
No Answer	0.00%	5.88%



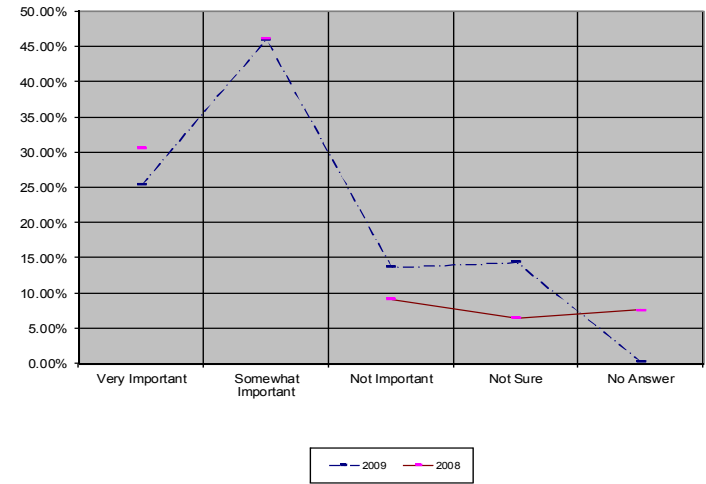
**d. Agricultural Assistance.**

	2009	2008
Very Important	28.87%	34.12%
Somewhat Important	41.92%	39.71%
Not Important	15.46%	14.12%
Not Sure	13.75%	5.88%
No Answer	0.00%	6.18%



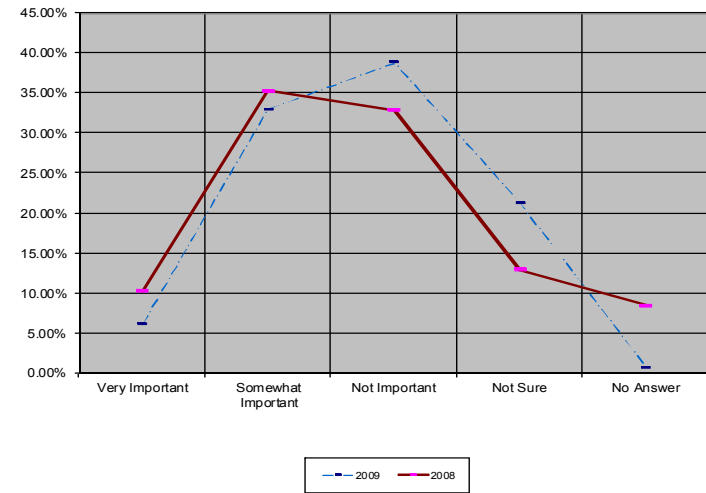
**e. Community Marketing.**

	2009	2008
Very Important	25.43%	30.59%
Somewhat Important	46.05%	46.18%
Not Important	13.75%	9.12%
Not Sure	14.43%	6.47%
No Answer	0.34%	7.65%



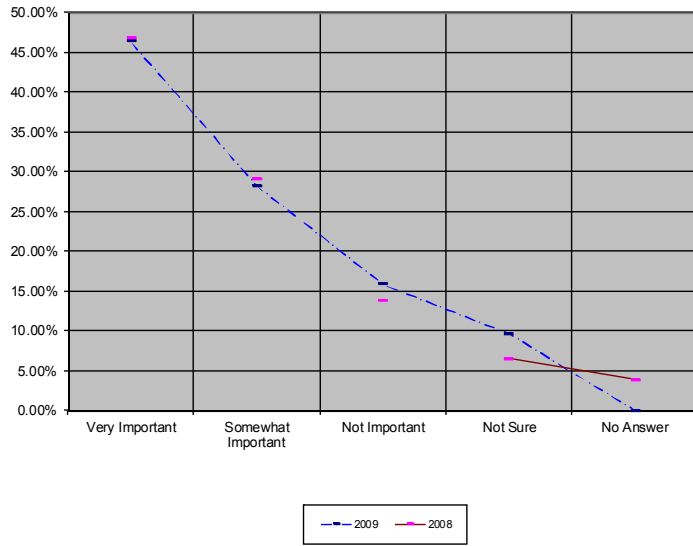
**f. International Recruitment**

	2009	2008
Very Important	6.19%	10.29%
Somewhat Important	32.99%	35.29%
Not Important	38.83%	32.94%
Not Sure	21.31%	12.94%
No Answer	0.69%	8.53%



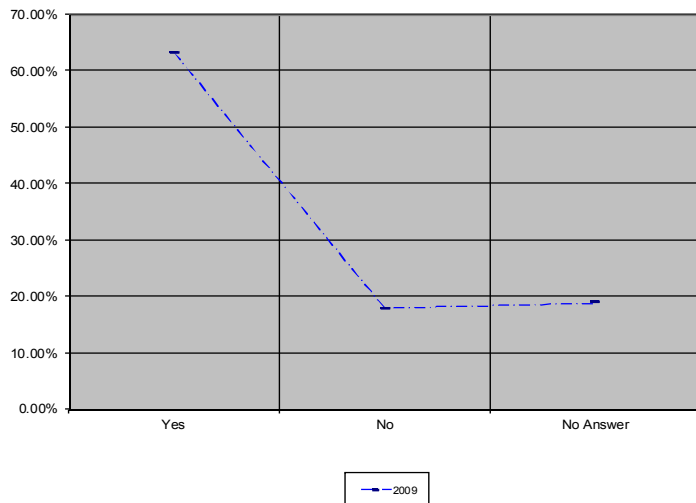
**g. Determining a location for a Downtown core.**

	2009	2008
Very Important	46.39%	46.76%
Somewhat Important	28.18%	29.12%
Not Important	15.81%	13.82%
Not Sure	9.62%	6.47%
No Answer	0.00%	3.82%



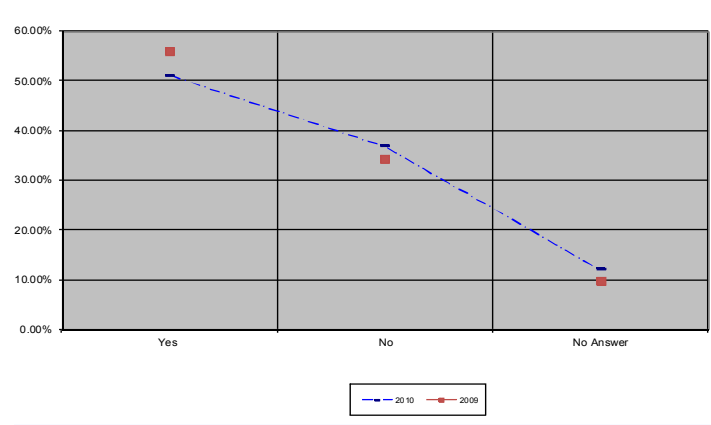
**28. Do you feel that the District needs to require developers to provide a higher level of design of new development applications?**

	2009
Yes	63.23%
No	17.87%
No Answer	18.90%



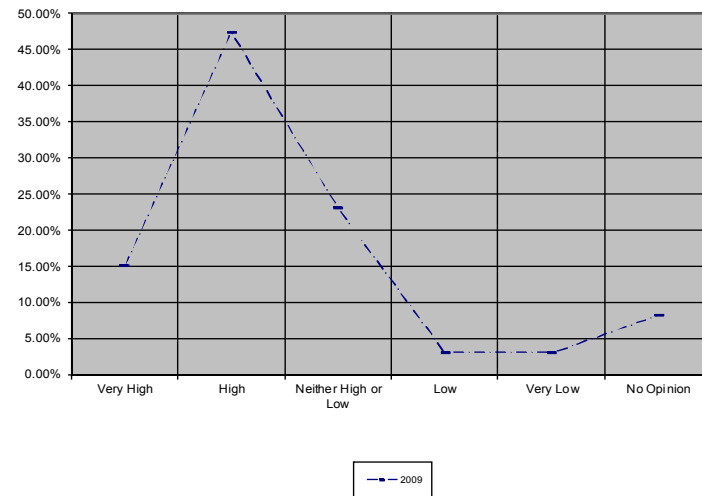
**29. Do you feel that the beautification of Westbank Town Centre should be a District Priority?**

	2010	2009
Yes	51.13%	56.01%
No	36.84%	34.36%
No Answer	12.03%	9.62%



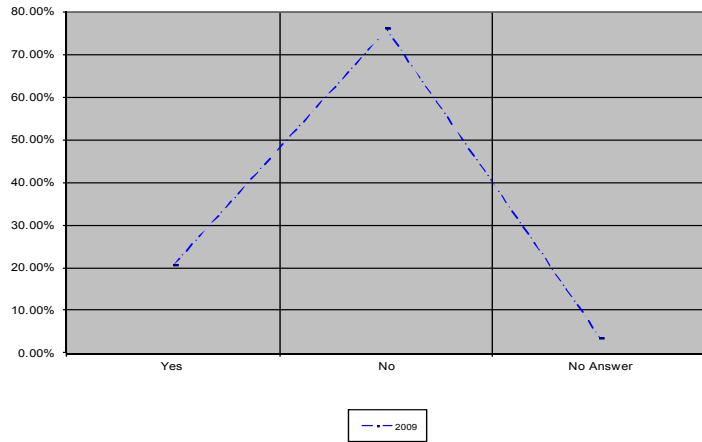
**30. What is your level of satisfaction with the current solid waste collection service.**

	2009
Very High	15.12%
High	47.42%
Neither High or Low	23.02%
Low	3.09%
Very Low	3.09%
No Opinion	8.25%



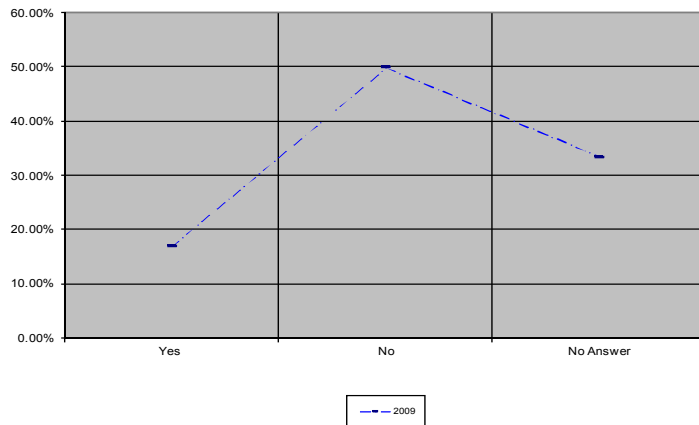
31. Are you in favor of a fee (applied to every household) for one spring and one fall yard waste pick-up in addition to the new yard waste bin program?

	2009
Yes	20.62%
No	75.95%
No Answer	3.44%



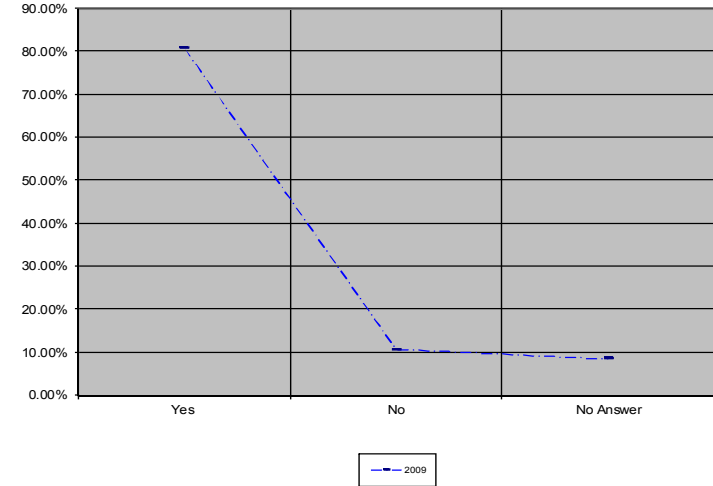
32. If yes, would you be willing to pay an additional \$10.00 to \$15.00 per household for each of the two extra pickups?

	2009
Yes	16.84%
No	49.83%
No Answer	33.33%



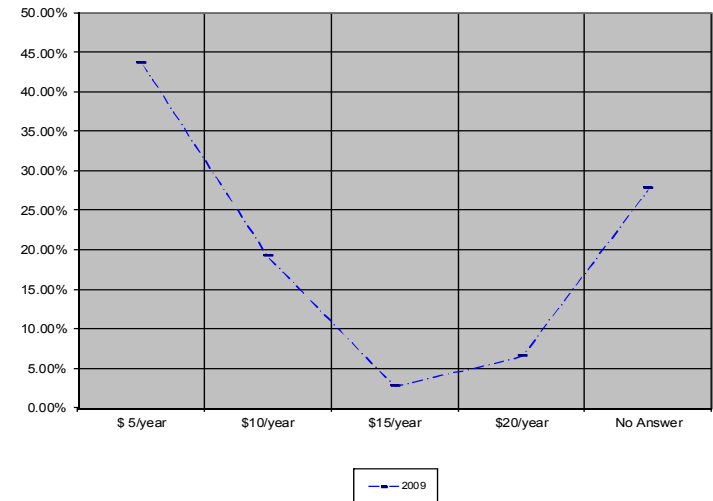
33. Do you support programs to reduce the dumping of garbage in the bush?

	2009
Yes	80.76%
No	10.65%
No Answer	8.59%



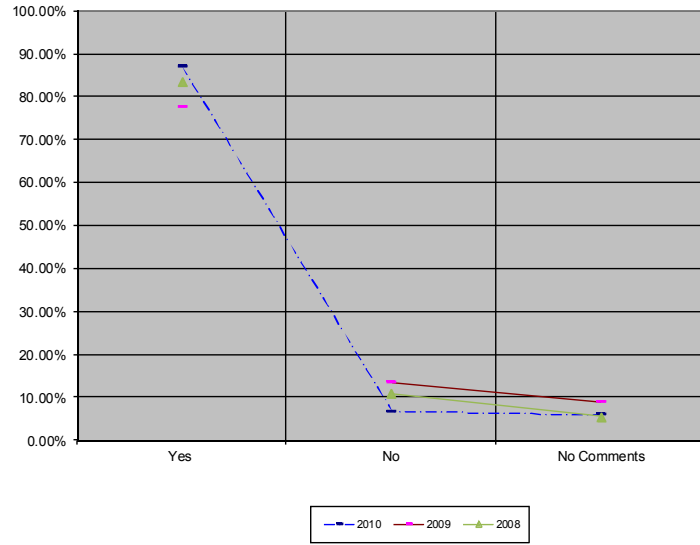
34. If yes, what increase in taxes are you prepared to pay to reduce the dumping?

	2009
\$ 5/year	43.64%
\$10/year	19.24%
\$15/year	2.75%
\$20/year	6.53%
No Answer	27.84%



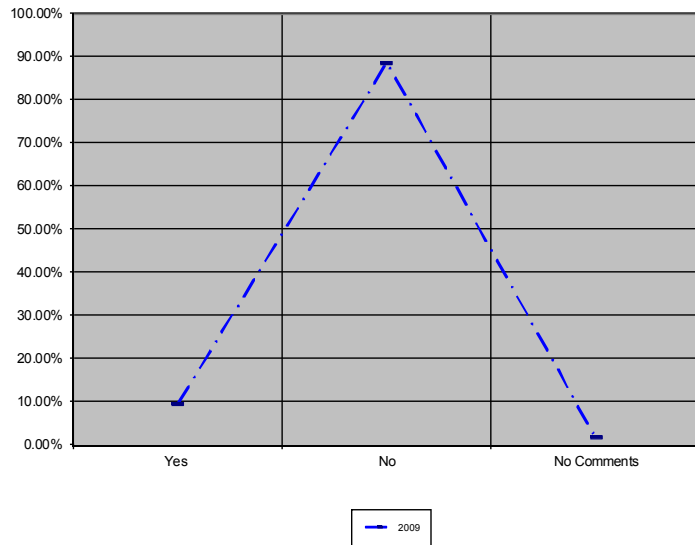
35. Are you interested in a community trail along the waterfront?

	2010	2009	2008
Yes	87.22%	77.66%	83.53%
No	6.77%	13.40%	10.88%
No Comments	6.02%	8.93%	5.59%



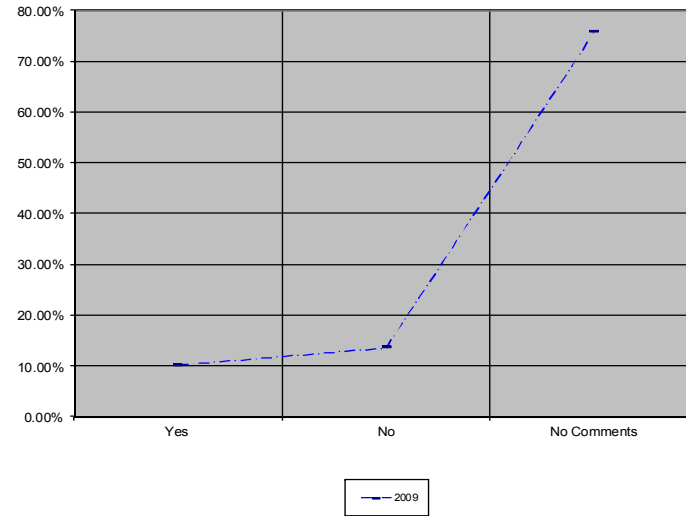
36. Do you currently use the transit system?

	2009
Yes	9.62%
No	88.66%
No Comments	1.72%



37. Are you satisfied with the transit service level?

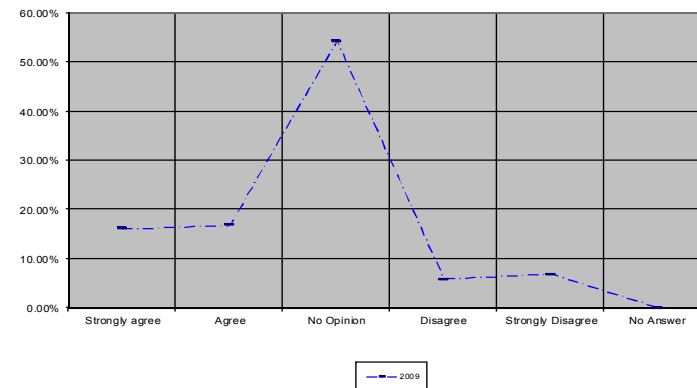
	2009
Yes	10.31%
No	13.75%
No Comments	75.95%



39. Do you agree that the following improvements would increase your transit usage or encourage you to use it.

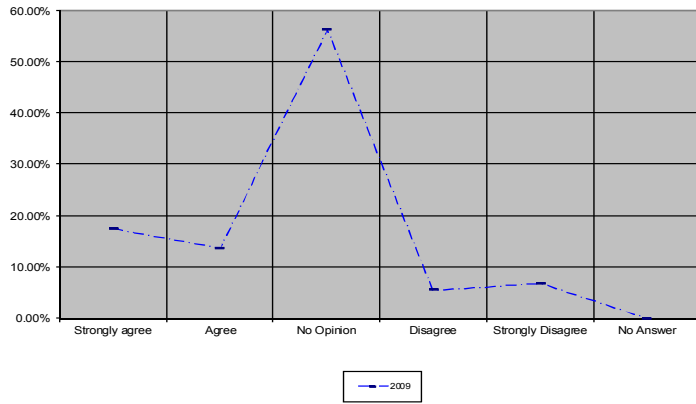
a. More Frequent Service

	2009
Strongly agree	16.15%
Agree	16.84%
No Opinion	54.30%
Disagree	5.84%
Strongly Disagree	6.87%
No Answer	0.00%



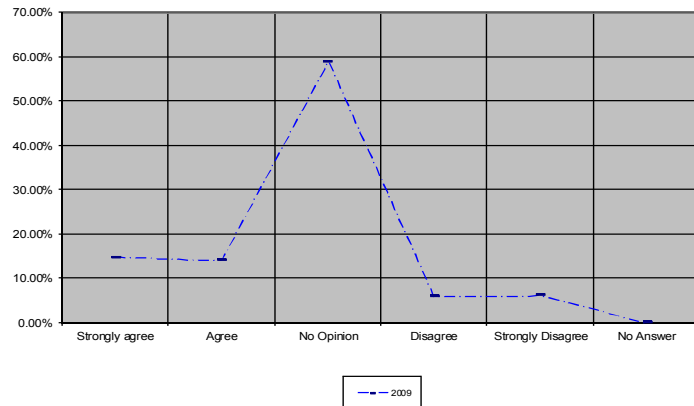
**b. Service additional areas**

	2009
Strongly agree	17.53%
Agree	13.75%
No Opinion	56.36%
Disagree	5.50%
Strongly Disagree	6.87%
No Answer	0.00%



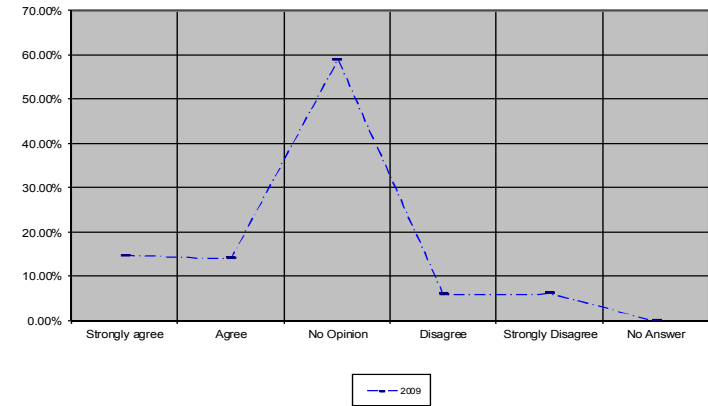
**c. More direct services**

	2009
Strongly agree	20.96%
Agree	13.75%
No Opinion	54.30%
Disagree	4.47%
Strongly Disagree	6.53%
No Answer	0.00%



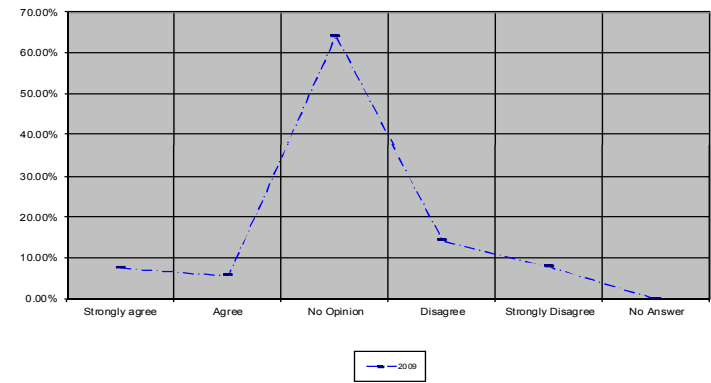
**d. Less transfers**

	2009
Strongly agree	14.78%
Agree	14.09%
No Opinion	59.11%
Disagree	5.84%
Strongly Disagree	6.19%
No Answer	0.00%



**e. Lower Fairs**

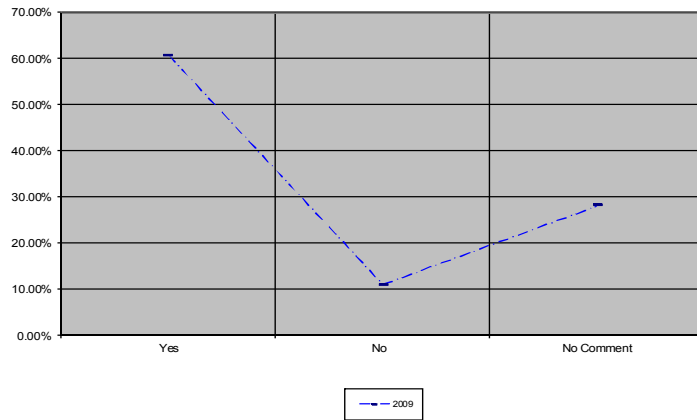
	2009
Strongly agree	7.56%
Agree	5.84%
No Opinion	64.26%
Disagree	14.43%
Strongly Disagree	7.90%
No Answer	0.00%



**40. Do you support an interregional transit service?**

	2009	2008
Yes	60.82%	60.82%
No	11.00%	11.00%
No Comment	28.18%	28.18%

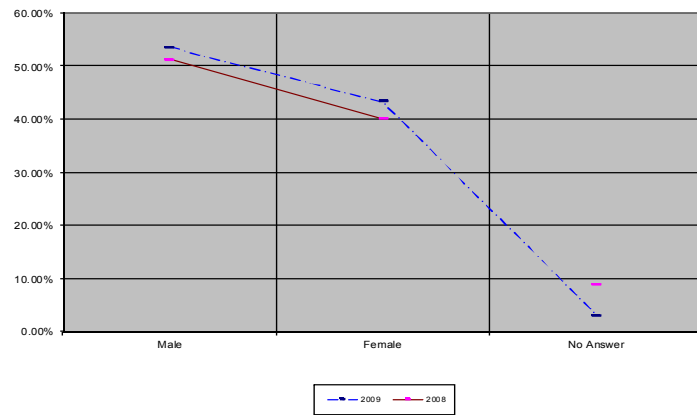
Do you support an interregional transit service



**41. Please circle your gender.**

	2009	2008
Male	53.61%	51.18%
Female	43.30%	40.00%
No Answer	3.09%	8.82%

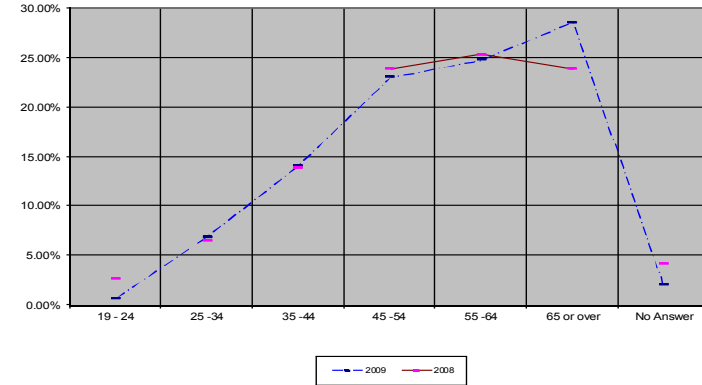
Please circle your gender



**42. In with age group are you?**

	2009	2008
19 - 24	0.69%	2.65%
25 -34	6.87%	6.47%
35 -44	14.09%	13.82%
45 -54	23.02%	23.82%
55 -64	24.74%	25.29%
65 or over	28.52%	23.82%
No Answer	2.06%	4.12%

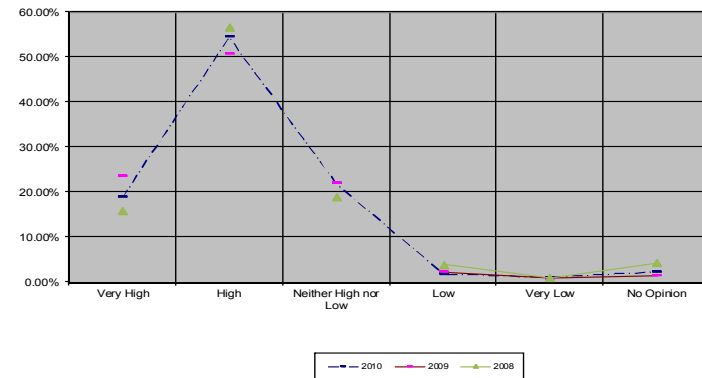
In which age group are you



**43. Taking all things into consideration, how would you rate your overall quality of life in the District of West Kelowna.**

	2010	2009	2008
Very High	18.80%	23.37%	15.88%
High	54.39%	50.52%	56.47%
Neither High nor Low	21.80%	21.99%	18.82%
Low	1.75%	2.06%	3.82%
Very Low	1.00%	0.69%	0.88%
No Opinion	2.26%	1.37%	4.12%

Taking all things into consideration, how would you rate your overall quality of life in the District of West Kelowna





**District of West Kelowna**

2760 Cameron Road, West Kelowna, BC V1Z 2T6

**General Inquiry**

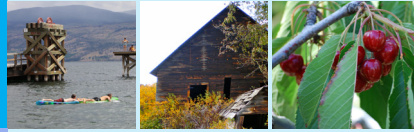
Phone: (778) 797-1000 Fax: (778) 797-1001

[info@districtofwestkelowna.ca](mailto:info@districtofwestkelowna.ca) [www.districtofwestkelowna.ca](http://www.districtofwestkelowna.ca)

DWK Financial Statements

DWK Financial Statements

2010



## A Message from the Chief Financial Officer

December 31, 2010 marked the completion of the District of West Kelowna's third full year of operation.

Taxation is a major revenue source for the General Fund and accounted for 25.47% of the 2010 total revenue of \$83,984,713, excluding collections for other governments. Over the five-year period of the financial plan, the taxation requirement is estimated to increase annually by a growth factor of (2.00%) and Council authorized a tax increase in 2010 of 2.35%. These increases are used to fund changes in cost of living with the remaining going into building adequate reserve levels for the District.

The current financial plan provides for \$21,388,321 to be generated from the District of West Kelowna property tax base for General Government purposes. The District continued to post very positive financial results with the year-end cash and investments totaling \$27.34 million.

The District has various policies that guide and govern the budget process and include:

1. Revenue Policy
2. Surplus Funds Policy
3. Debt Policy
4. Reserve Fund Policy
5. Proportion of Taxes Allocated to Classes
6. Permissive Tax Exemptions
7. Development Cost Charges

Capital projects, in particular infrastructure renewal, are a priority for the District and a further \$16.27 million was expended during 2010 of which \$7.22 million was for sanitary sewer. The major capital projects in 2010 were:

1. Completion of the Public Safety building - \$4.57 million in 2010
2. Road rehabilitation program = \$1.36 million
3. Gellatly Road upgrade - \$1.03 million
4. Sidewalk construction - \$250,000
5. Sanitary Sewer project - \$7.22 million
6. Gellatly boat launch upgrade - \$160,000
7. Kinsman Park pathway - \$69,000

The following highlights demonstrate the significant financial achievements of the District in 2010:

1. Statutory Reserves have grown to \$12,928,030 up from 2009 by \$2,265,991
2. Non-Statutory Reserves at year-end amounted to \$10,001,893 up from 2009 by \$2,335,381.
3. Development Cost Charges as of December 31, 2010 totaled \$5,770,009

The annual budgeting process is designed to enhance the financial performance of the District with the overall goal of delivering on the Strategic Priorities established by Mayor and Council with substantial public input. Ongoing and rigorous monitoring of revenue and expenditures is the mandate of the Financial Services Department and has been successfully achieved in 2010 through the cooperation and joint efforts of all District departments.

Jim Zaffino, CGA  
Chief Financial Officer



Tel: 250 763 6700  
Fax: 250 763 4457  
Toll-free: 800 928 3307  
www.bdo.ca

BDO Canada LLP  
Landmark Technology Centre  
300 - 1632 Dickson Avenue  
Kelowna BC V1Y 7T2 Canada

## Independent Auditors' Report

### To the Mayor and Council of the District of West Kelowna

We have audited the accompanying financial statements of the District of West Kelowna, which comprise the statement of financial position as at December 31, 2010 and the statements of operations and accumulated surplus, change in net financial assets and 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 generally accepted accounting principles 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.

### Auditor's 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 of 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 auditor's 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 District'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 District'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, these financial statements present fairly, in all material respects, the financial position of the District of West Kelowna as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

*BDO Canada LLP*

Kelowna, British Columbia  
May 24, 2011

District of West Kelowna  
Statement of Financial Position

December 31	2010	2009
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 1,964,912	\$ 424,012
Temporary investments (Note 1)	25,372,424	32,338,025
Accounts receivable (Note 2)	15,016,551	4,770,031
	<u>42,353,887</u>	<u>37,532,068</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	11,001,468	7,560,555
Deferred revenue (Note 3)	1,504,882	1,680,507
Development cost charges reserves	5,770,009	6,200,110
Long term debt (Note 4)	26,381,077	28,052,826
Other	291,751	179,896
	<u>44,949,187</u>	<u>43,673,894</u>
<b>Net Financial Debt</b>	<b>(2,595,300)</b>	<b>(6,141,826)</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	449,709	326,537
Tangible capital assets (Note 5)	278,892,392	270,382,783
	<u>279,342,101</u>	<u>270,709,320</u>
<b>Accumulated Surplus (Note 6)</b>	<b>\$ 276,746,801</b>	<b>\$ 264,567,494</b>

Approved on behalf of the Mayor and Council:

\_\_\_\_\_  
Chief Financial Officer

**District of West Kelowna  
Statement of Operations and Accumulated Surplus**

For the year ended December 31	2010	2010	2009
	Actual	Budget (unaudited)	Actual
<b>Revenues</b>			
Taxation	\$ 23,540,808	\$ 23,948,288	\$ 20,612,836
Sales of service and regulatory fees	10,438,200	13,632,236	10,026,172
Government grants	11,318,412	16,582,700	4,812,138
Other revenue from own sources	5,513,392	21,472,828	4,331,174
	<u>50,810,812</u>	<u>75,636,052</u>	<u>39,782,320</u>
<b>Expenses (Note 11)</b>			
General government services	10,875,737	4,651,235	10,654,940
Protective services	7,925,504	9,683,521	7,491,523
Transportation services	6,645,758	8,138,466	3,563,229
Environmental development services	1,443,670	1,737,005	1,319,430
Recreation and cultural services	5,360,247	6,497,223	5,691,718
Sewer services	3,951,673	869,333	3,225,854
Water services	847,170	893,031	940,892
Debt interest	1,581,746	1,502,443	1,526,158
	<u>38,631,505</u>	<u>33,972,257</u>	<u>34,413,744</u>
Annual surplus	12,179,307	41,663,795	5,368,576
Accumulated surplus, beginning of year	<u>264,567,494</u>	-	259,198,918
Accumulated surplus, end of year	<u>\$ 276,746,801</u>	\$ -	<u>\$ 264,567,494</u>

**District of West Kelowna  
Statement of Changes in Net Debt**

For the year ended December 31	2010	2010	2009
	Actual	Budget (unaudited)	Actual
Annual surplus	\$ 12,179,307	\$ 41,663,795	\$ 5,368,576
Acquisition of tangible capital assets	(16,272,345)	(38,388,320)	(10,879,723)
Amortization of tangible capital assets	7,762,736	-	7,391,946
Acquisition of prepaid expenses	(123,172)	-	(326,537)
	<u>3,546,526</u>	<u>3,275,475</u>	<u>1,554,262</u>
Change in net financial assets			
Net financial debt, beginning of year	<u>(6,141,826)</u>	-	(7,696,088)
Net financial debt, end of year	<u>\$ (2,595,300)</u>	<u>\$ 3,275,475</u>	<u>\$ (6,141,826)</u>

**District of West Kelowna  
Statement of Cash Flows**

For the year ended December 31	2010	2009
<b>Operating Activities</b>		
Cash receipts from property taxation	\$ 42,542,316	\$ 41,025,572
Cash receipts from grants, other governments, and own sources	17,406,975	15,204,359
Cash paid to employees and suppliers	(45,725,763)	(41,178,791)
Interest paid	(1,704,135)	(1,799,930)
	<u>12,519,393</u>	<u>13,251,210</u>
<b>Capital Activities</b>		
Purchase of tangible capital assets	<u>(16,272,345)</u>	<u>(10,879,723)</u>
<b>Financing Activities</b>		
Proceeds from long term debt	-	8,260,859
Principal repayments on long term debt	<u>(1,671,749)</u>	<u>(1,048,176)</u>
	<u>(1,671,749)</u>	<u>7,212,683</u>
Increase (decrease) in cash and cash equivalents during year	(5,424,701)	9,584,170
Cash and cash equivalents, beginning of year	<u>32,762,037</u>	<u>23,177,867</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 27,337,336</b>	<b>\$ 32,762,037</b>
<b>Cash and cash equivalents is represented by:</b>		
Cash	\$ 1,964,912	\$ 424,012
Temporary investments	<u>25,372,424</u>	<u>32,338,025</u>
	<u>\$ 27,337,336</u>	<u>\$ 32,762,037</u>

**District of West Kelowna  
Summary of Significant Accounting Policies**

December 31, 2010

<b>Nature of Business</b>	The District of West Kelowna (the "District") is incorporated under the laws of British Columbia and is engaged in the operation of a municipality.
<b>Basis of Presentation</b>	It is the District's policy to follow accounting principles generally accepted for municipalities in the Province of British Columbia. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The financial statements include the accounts of all funds of the District. All inter-fund transactions have been eliminated.
<b>Cash and Cash Equivalents</b>	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents, or which are cashable of demand, to be cash equivalents
<b>Vacation and Sick Pay</b>	Vacation pay, which may be accumulated up to two weeks, is charged to expense in the year paid. Sick leave, which has a maximum accumulation of thirty-five weeks is also charged to expense in the year it is accumulated. Earned sick leave is paid to a maximum of seventeen and a half weeks upon termination of employment.
<b>Deferred Revenue</b>	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
<b>Development Cost Charges</b>	Development Cost Charge (DCC) levies are restricted by by-law in their use for Water, Sewer and Road expansion, and the revenue is deferred until the expenses are incurred. When DCC expenditures are made, a corresponding amount is recorded as contribution from property owners and developers.
<b>Tangible Capital Assets</b>	Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.

**District of West Kelowna  
Summary of Significant Accounting Policies**

December 31, 2010

**Tangible Capital Assets**  
(Continued)

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	10 - 50 years
Buildings	20 - 40 years
Vehicles	6 - 25 years
Machinery and equipment	4 - 10 years
Infrastructure	20 - 80 years
Assets under construction	nil years

**Reserves**

Reserves represent amounts set aside for future operating and capital expenditures. The District has also appropriated funds for future capital expenditures. The reserves are Capital and Equipment reserves. Expenditures from a reserve can only be made in accordance with by-law directives.

**Revenue Recognition**

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service of product is provided by the District. Grant revenues are recognized when the funding becomes receivable. All other revenues are recognized as they are earned and collection becomes reasonably assured.

**Debt Charges**

The interest portion of debt charge is charged against current operating revenue in the year in which it is paid. Principal payments are recorded as a reduction of fund balance and net debt.

**Budget Figures**

The budget figures are from the Annual Budget Bylaw adopted by May 15 each year. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.

**Financial Instruments**

Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**District of West Kelowna  
Notes to Financial Statements**

December 31, 2010

**1. Temporary Investments**

The District currently holds several cashable term deposits, with maturities all within 18 months of the year end and carrying interest rates between 1.20% and 2.15%.

**2. Accounts Receivable**

	2010	2009
Current and arrears taxes	\$ 2,506,121	\$ 1,937,149
Federal government	2,797,537	1,056,276
Provincial government	663,948	286,733
Federal sewer contract	5,055,659	-
Sewer receivable from ratepayers	2,375,257	-
Other	1,618,029	1,489,873
	\$ 15,016,551	\$ 4,770,031

**3. Deferred Revenue**

	2010	2009
Incorporation Per Capita grant	\$ 1,425,000	\$ 1,425,000
BC Investment Agriculture Foundation grant	30,000	-
Westbank Town Centre Plan grant	49,882	-
Trees For Tomorrow grant	-	180,000
Other deferred revenue	-	75,507
	\$ 1,504,882	\$ 1,680,507

District of West Kelowna  
Notes to Financial Statements

December 31, 2010

I. Long Term Debt

Municipal Finance Authority Agreements

Reg St. By-law	LA/CB Bylaw	Issue Number	Purpose	Year of Maturity	Interest Rate	Balance Outstanding	
						2010	2009
527	432	54	Sewer - Chieftain Rd	2013	8.300	\$ 4,753	\$ 6,189
566	457	56	Sewer - Green Bay	2013	8.040	-	50,420
602	514	59	Sewer - Pritchard	2014	5.000	67,340	82,219
640	560	61	Sewer - Webber Rd	2015	8.000	8,129	9,530
692	645	64	Sewer Glenrosa 101	2016	4.430	58,038	66,165
739	639	66	Sewer - Boucherie 302	2017	4.820	318,758	356,044
744	701	66	Sewer - Lakeview 603	2017	1.820	16,715	18,672
809	797	70	Sewer - Boucherie 304	2019	3.150	95,064	103,475
839	772	71	Sewer - Gellatly 502	2019	3.150	290,316	316,002
839	796	71	Sewer - Boucherie 303	2019	3.150	620,481	675,377
886	846	73	Sewer - Boucherie 307	2020	3.150	46,935	50,590
886	866	73	Sewer - W Kelowna 801	2020	3.150	975,220	1,054,098
886	869	73	General - Shamrock/Ensign	2010	3.150	-	2,558
912	792	74	Sewer - Glenrosa 102	2021	5.930	425,245	453,752
912	824	74	Sewer - Lakeview 604	2021	5.930	111,777	119,270
912	826	74	Sewer - Gellatly 503	2021	5.930	131,306	140,108
912	848	74	Sewer - Lakeview 606	2021	5.930	46,657	49,785
912	864	74	Sewer - W.Kelowna 804	2021	5.930	50,323	53,696
912	878	74	Sewer - Gellatly 501	2021	5.930	93,847	100,138
931	878	75	Sewer - Gellatly 501	2021	5.690	17,330	18,491
931	894	75	Sewer - Glenrosa 103	2021	5.690	633,202	675,650
931	897	75	General - Brown Rd Widening	2011	5.690	4,773	9,319
931	920	75	Sewer - Boucherie 305	2021	5.690	254,614	271,682
964	917	77	Sewer - Lakeview 601	2022	6.050	1,361,968	1,443,459
1007	977	79	Sewer - W.Kelowna 802	2023	5.491	1,477,110	1,556,531
1069	946/996	85	Sewer - Lakeview 701	2024	4.975	756,266	793,016

Carried forward

\$ 7,866,167 \$ 8,476,236

District of West Kelowna  
Notes to Financial Statements

December 31, 2010

Fin 4. Long Term Debt (continued)

C T A	Municipal Finance Authority Agreements				Year of Maturity	Interest Rate	Balance Outstanding	
	Reg St. By-law	LA/CB Bylaw	Issue Number	Purpose			2010	2009
	Brought forward						\$ 7,866,167	\$ 8,476,236
Fin	1070	1034	85	Sewer - Westbank 203	2024	4.975	47,657	49,973
A	1122	946/997	95	Sewer - Lakeview 701	2025	4.170	754,707	790,948
D	1122	1029	95	Mt. Boucherie Arena Debt	2025	4.170	2,690,463	2,819,660
L	1122	1075	95	General - Westside Land purchase	2015	4.170	915,679	1,078,236
O	1147	1031	99	Sewer - Westbank 202	2027	4.430	16,842	17,584
Net	1147	1086	99	Sewer - Lakeview 701	2027	4.430	1,108,913	1,157,770
Not	1147	1128	99	General - Westside Parks	2017	4.430	1,020,359	1,168,273
Pr	1175	1091	101	Water - Green Bay Water	2027	4.520	219,317	228,216
Ti	1175	1095	101	Sewer - Glenrosa	2027	4.520	2,324,760	2,419,088
	1196	1141	101	Sewer - Lakeview 701	2027	4.520	544,533	566,627
Acc	1196	1150	101	Sewer - Lakeview 701	2027	4.520	705,126	733,737
	1219	1091	103	Water - Green Bay Water Mobile	2028	4.650	130,915	135,823
Apf	1251	1177	105	RCMP Building	2028	4.900	7,983,445	8,260,859
	46	-	-	Improvement District System - Westside Fire	2010	7.000	-	23,974
	46	-	-	Improvement District System - Westside Fire	2010	9.000	-	24,388
	51	-	-	Improvement District System - Westside Fire	2011	6.000	52,194	101,434
<b>Total long term debt</b>							<b>\$ 26,381,077</b>	<b>\$ 28,052,826</b>

**District of West Kelowna**  
Notes to Financial Statements

December 31, 2010

	2010														
	Buildings	Computer	Infrastructure	Land	Machinery	Office furniture & equipment	Roads	Sewer infrastructure	Sidewalks	Small tools & equipment	Solid Waste Carts	Storm drain	Vehicles	Water infrastructure	Total
Cost, beginning of year	\$ 28,015,837	\$ 1,538,412	\$ 135,406	\$ 87,751,809	\$ 447,640	\$ 693,014	\$ 206,282,104	\$ 40,685,052	\$ 4,596,811	\$ 436,487	\$ 1,445,813	\$ 667	\$ 4,511,946	\$ 15,291,457	\$ 391,832,455
Additions	4,815,847	163,438	443,779	69,215	140,698	26,713	2,620,095	7,224,650	250,000	19,993	-	55,441	275,109	67,367	16,272,345
Cost, end of year	\$ 32,831,684	\$ 1,701,850	\$ 579,185	\$ 87,821,024	\$ 588,338	\$ 719,727	\$ 208,902,199	\$ 47,909,702	\$ 4,846,811	\$ 456,480	\$ 1,445,813	\$ 56,108	\$ 4,787,055	\$ 15,358,824	\$ 408,104,800
Accumulated amortization, beginning of year	\$ 5,336,280	\$ 578,505	\$ 8,475	\$ -	\$ 144,419	\$ 289,157	\$ 99,802,481	\$ 6,978,875	\$ 1,150,290	\$ 196,585	\$ 57,833	\$ 67	\$ 1,875,695	\$ 5,031,010	\$ 121,449,672
Amortization	700,619	231,282	41,591	-	25,933	23,833	5,222,555	702,012	96,936	23,781	57,833	15,265	281,358	339,738	7,762,736
Accumulated amortization, end of year	\$ 6,036,899	\$ 809,787	\$ 50,066	\$ -	\$ 170,352	\$ 312,990	\$ 105,025,036	\$ 7,680,887	\$ 1,247,226	\$ 220,366	\$ 115,666	\$ 15,332	\$ 2,157,053	\$ 5,370,748	\$ 129,212,408
Net carrying amount, end of year	\$ 26,794,785	\$ 892,063	\$ 529,119	\$ 87,821,024	\$ 417,986	\$ 406,737	\$ 103,877,163	\$ 40,228,815	\$ 3,599,585	\$ 236,114	\$ 1,330,147	\$ 40,776	\$ 2,630,002	\$ 9,988,076	\$ 278,892,392

December 31, 2010

**District of West Kelowna**  
Notes to Financial Statements

5. Tangible Capital Assets (continued)

	2009														
	Building	Computer	Infrastructure	Land	Machinery	Office furniture & equipment	Roads	Sewer infrastructure	Sidewalks	Small tools & equipment	Solid Waste Carts	Storm drain	Vehicles	Water infrastructure	Total
Cost, beginning of year	\$ 22,992,055	\$ 1,023,694	\$ -	\$ 87,324,578	\$ 208,398	\$ 581,614	\$ 205,096,707	\$ 39,763,405	\$ 4,596,811	\$ 428,987	\$ -	\$ -	\$ 3,878,462	\$ 15,058,021	\$ 380,952,732
Additions	5,023,782	514,718	135,406	427,231	239,242	111,400	1,185,397	921,647	-	7,500	1,445,813	667	633,484	233,436	10,879,723
Cost, end of year	\$ 28,015,837	\$ 1,538,412	\$ 135,406	\$ 87,751,809	\$ 447,640	\$ 693,014	\$ 206,282,104	\$ 40,685,052	\$ 4,596,811	\$ 436,487	\$ 1,445,813	\$ 667	\$ 4,511,946	\$ 15,291,457	\$ 391,832,455
Accumulated amortization, beginning of year	\$ 4,736,797	\$ 337,791	\$ -	\$ -	\$ 125,520	\$ 256,410	\$ 94,645,429	\$ 6,396,746	\$ 1,058,354	\$ 174,158	\$ -	\$ -	\$ 1,634,171	\$ 4,690,350	\$ 114,057,726
Amortization	597,483	240,714	8,475	-	18,899	32,747	5,157,052	582,129	91,936	22,427	57,833	67	241,524	340,660	7,391,946
Accumulated amortization, end of year	\$ 5,336,280	\$ 578,505	\$ 8,475	\$ -	\$ 144,419	\$ 289,157	\$ 99,802,481	\$ 6,978,875	\$ 1,150,290	\$ 196,585	\$ 57,833	\$ 67	\$ 1,875,695	\$ 5,031,010	\$ 121,449,672
Net carrying amount, end of year	\$ 22,679,557	\$ 959,907	\$ 126,931	\$ 87,751,809	\$ 303,221	\$ 403,857	\$ 106,479,623	\$ 33,706,177	\$ 3,446,521	\$ 239,902	\$ 1,387,980	\$ 600	\$ 2,636,251	\$ 10,260,447	\$ 270,382,783

**District of West Kelowna  
Notes to Financial Statements**

December 31, 2010

**6. Accumulated Surplus**

The District segregates its accumulated surplus in the following categories:

	2010	2009
Equity in tangible capital assets	\$ 252,511,315	\$ 242,329,957
Reserve funds	22,132,962	10,662,038
Unrestricted	2,102,524	11,575,499
	<u>\$ 276,746,801</u>	<u>\$ 264,567,494</u>

**7. Fiscal Plan**

The Financial Plan By-Law No. 0104 was adopted by the Council on May 11, 2010 and was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated using surpluses accumulated in prior years to reduce current year annual surplus to \$nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense and included proceeds on related capital debt. The budget figures presented in the statement of operations and change in net financial assets does not reconcile to \$nil as a result of budgeting for capital expenses, amortization expense and proceeds from capital debt.

**8. Credit Facility**

The District has a credit facility agreement with a financial institution which provides for a total commitment of \$18,190,213 (2009 - \$14,591,842). At December 31, 2010, the District had not drawn on this agreement (2009 - \$nil).

**9. Comparative Figures**

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

**District of West Kelowna  
Notes to Financial Statements**

December 31, 2010

**10. Contingent liabilities and Commitments**

(a) **Pension Liabilities** - The District and its employees contribute to the Municipal Pension Plan ("Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The District paid \$644,519 (2009 - \$615,211) for employer contributions to the Plan during the year.

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

(c) **Lawsuits** - The District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a charge to expenses in the period in which realization is known.

(d) **Commitments and Leases** - The District has entered into various operating leases for equipment and services with terms varying from one to five years. The total lease commitments for 2011 are \$1,445,000 (2010 - \$957,271).

(e) **Taxation** - The District is obliged to levy, collect and remit the property taxes on behalf of and to finance the arrears of property taxes of other bodies as follows:

	2010	2009
Provincial Government - Schools	\$ 14,588,487	\$ 14,334,363
Okanagan Regional Hospital District	2,162,600	1,854,732
Regional District of the Central Okanagan	2,429,398	4,134,054
British Columbia Assessment Authority	481,273	467,346
Municipal Finance Authority	1,393	1,392
	<u>\$ 19,663,151</u>	<u>\$ 20,791,887</u>

The above amounts are excluded from the Taxation revenue total in the financial statements.

**District of West Kelowna**  
**Notes to Financial Statements**

December 31, 2010

**11. Expenses by Object**

	2010	2009
Advertising	\$ 34,432	\$ 128,643
Amortization	7,762,736	7,391,946
Audit fees	99,085	33,454
Bad debts	13,391	10,135
Bank charges	24,555	21,697
Building maintenance	185,741	214,887
Civic grants	393,997	389,408
Committee expenses	40,996	184,830
Communities in bloom	7,972	12,825
Conferences and seminars	69,631	75,685
Contingency funds	74,977	417,054
Contract services	13,491,589	10,518,141
Cost relocation	23,691	19,132
Debt interest	1,581,746	1,526,158
Dues and memberships	37,219	35,475
Equipment maintenance and fuel	295,795	329,516
Freight, courier and postage	72,419	64,503
Ground maintenance	238,810	224,464
Hydrant maintenance	23,636	23,408
Information technology	204,827	73,792
Insurance liability	245,724	185,213
Legal	116,836	145,280
Licenses	16,650	5,097
Marketing	46,660	12,749
Meetings - food and beverages	18,687	28,745
Miscellaneous	47,543	6,357
Presentations, awards and recognition	14,834	7,371
Public relations	11,768	23,790
Publications and subscriptions	10,168	6,842
Recoverable costs	155,738	523,281
Recruitment costs	23,716	52,682
Rental	301,237	301,839
Safety training and supplies	141,005	124,074
Snow removal	61,798	48,545
Supplies	80,309	116,045
Supplies, small tools and equipment	457,797	495,633
Training	60,361	46,057
Travel and mileage	8,654	11,221
Uniforms	132,563	106,463
Utilities (telephone, water and power)	957,944	823,736
Vandalism repairs	6,095	4,033
Wages and salaries	11,007,621	9,616,078
Wellness	30,553	27,460
	<b>\$38,631,505</b>	<b>\$ 34,413,744</b>

**District of West Kelowna**  
**Notes to Financial Statements**

December 31, 2010

**12. Segmented Information**

The District is a diversified municipal government entity in the province of British Columbia that provides numerous services to its citizens. For management reporting purposes, these services have been combined and separately disclosed in the segmented information. The segments and the services they provide are as follows:

	General Government Services	Protective Services	Transportation Services	Environmental Health & Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	Total 2010 Actual	Total 2010 Budget
<b>Revenues</b>											
Taxation	\$ 3,005,354	\$ 4,597,762	\$ 2,834,728	\$ 2,793,644	\$ 2,543,275	\$ 6,319,777	\$ -	\$ 1,446,268	\$ 2,848,785	\$ 23,540,808	\$ 23,948,288
Sales of services	104,879	1,280,656	607,153	1,382,751	1,382,751	-	916,368	3,297,608	-	10,438,200	13,632,236
Government grants	2,662,294	2,700,000	978,732	-	241,750	-	-	4,735,636	-	11,318,412	16,582,700
Other revenue	1,013,233	559,707	86,276	27,765	19,980	3,806,431	-	-	-	5,513,392	21,472,828
	<b>6,785,760</b>	<b>9,138,125</b>	<b>4,506,889</b>	<b>2,821,409</b>	<b>4,187,756</b>	<b>6,319,777</b>	<b>916,368</b>	<b>9,479,512</b>	<b>2,848,785</b>	<b>50,810,812</b>	<b>75,636,052</b>
<b>Expenses</b>											
Operating											
Goods and services (net)	1,606,564	3,175,752	6,059,268	341,114	3,719,293	1,581,746	330,481	3,046,920	-	19,861,148	23,253,080
Wages	2,548,187	4,749,752	586,490	1,102,556	1,640,954	-	176,951	202,731	-	11,007,621	10,719,177
	<b>4,154,751</b>	<b>7,925,504</b>	<b>6,645,758</b>	<b>1,443,670</b>	<b>5,360,247</b>	<b>1,581,746</b>	<b>507,432</b>	<b>3,249,661</b>	<b>-</b>	<b>30,868,769</b>	<b>33,972,257</b>
Capital											
Amortization	6,720,986	-	-	-	-	-	339,238	702,012	-	7,762,736	-
	<b>10,875,737</b>	<b>7,925,504</b>	<b>6,645,758</b>	<b>1,443,670</b>	<b>5,360,247</b>	<b>1,581,746</b>	<b>847,170</b>	<b>3,951,673</b>	<b>-</b>	<b>38,631,505</b>	<b>33,972,257</b>
Excess (deficiency) in revenues over expenses	\$ (4,089,977)	\$ 1,212,621	\$ (2,138,869)	\$ 1,377,739	\$ (1,172,491)	\$ 4,738,031	\$ 69,988	\$ 5,527,839	\$ 2,848,785	\$ 12,179,307	\$ 41,663,795

**District of West Kelowna**  
Notes to Financial Statements

December 31, 2010

**12. Segmented Information (continued)**

	General Government Services	Protective Services	Transportation Services	Environmental Health & Development Services	Recreation/ Cultural Services	Fiscal Services	Water Services	Sewer Services	Other	Total 2009 Actual	Total 2009 Budget
<b>Revenues</b>											
Taxation	\$ 2,346,672	\$ 3,635,921	\$ 1,360,945	\$ 2,399,379	\$ 2,442,252	\$ 6,943,206	\$ -	\$ 1,484,461	\$ -	\$ 20,612,836	\$ 19,314,619
Sales of services	14,848	1,335,150	-	-	1,254,836	-	788,698	2,649,813	3,982,827	10,026,172	14,122,523
Government grants	2,301,136	1,333,333	971,565	-	120,368	-	-	85,736	-	4,812,138	5,025,101
Other revenue	3,130,847	106,121	19,393	7,322	16,520	1,050,971	-	-	-	4,331,174	5,328,540
	7,793,503	6,410,525	2,351,903	2,406,701	3,833,976	7,994,177	788,698	4,220,010	3,982,827	39,782,320	43,791,783
<b>Expenses</b>											
Operating	1,932,734	3,276,256	3,307,591	395,804	3,986,336	1,526,158	337,116	2,643,725	-	17,405,720	16,800,210
Goods and services (net)	2,253,049	4,215,267	255,638	923,626	1,705,382	-	263,116	-	-	9,616,078	9,478,273
Wages	4,185,783	7,491,523	3,563,229	1,319,430	5,691,718	1,526,158	600,232	2,643,725	-	27,021,798	26,278,483
Capital	6,469,157	-	-	-	-	-	340,660	582,129	-	7,391,946	-
Amortization	10,654,940	7,491,523	3,563,229	1,319,430	5,691,718	1,526,158	940,892	3,275,854	-	34,413,744	26,278,483
	\$ (2,861,437)	\$ (1,080,998)	\$ (1,211,326)	\$ 1,087,271	\$ (1,857,742)	\$ 6,468,019	\$ 788,698	\$ 994,156	\$ 3,982,827	\$ 5,368,576	\$ 17,513,300

**District of West Kelowna**  
Notes to Financial Statements

December 31, 2010

**12. Segmented Information (continued)**

The segments and the services the District provide are broken down as follows:

**General Government Services** is comprised of a number of different functions including Legislative Services, Administration, Finance, Municipal Clerk, Human Resources, 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, managing 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 District, which is used by District departments, other government agencies as well as members of the public.

**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** includes roads and maintenance, street lighting, traffic management and the transit system.

**Environmental Health & Development Services** is responsible for delivering health, planning and development services to the District. The specific functions include planning, building permits and inspections, business licensing, design and engineering services as well as tourism and economic development.

**Recreation/Cultural Service** includes recreational program design, delivery and management, municipal facilities/parks development and maintenance, the museum operation as well as coordination of many recreational/sporting activities and groups.

**Fiscal Services** consists of management of the municipal debt and coordination of MFA financing.

**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 District.

**Sewer Services** deals with the operation and maintenance of the sewer collection system within the municipal boundaries of the District.

## District of West Kelowna Notes to Financial Statements

December 31, 2010

### 13. Future Accounting Changes

During the 2010 year, PSAB issued PS 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 which are no longer in use or have arisen from unexpected events. This new section applies to fiscal years beginning on or after April 1, 2014 with early adoption permitted. The District has not determined the impact of the adoption of this section on their financial statements.

### 14. Subsequent Events

On January 1, 2011 the District assumed the the assets, liabilities and operations of both the Westbank Irrigation District and Lakeview Irrigation District which were dissolved on December 31, 2010. On dissolution, these irrigation districts were included in the District's letters patent and are designated as local services areas within the District.



**Taxation Department**  
2760 Cameron Road, West Kelowna, BC, V1Z 2T6  
Tel: (778) 797-8860 Fax: (778) 797-8851  
Email: [taxes@districtofwestkelowna.ca](mailto:taxes@districtofwestkelowna.ca)

PROPERTY DESCRIPTION	2010			2011	2012	
	ESTIMATE FOR AMOUNT OF TAX REVENUE FOREGONE BASED ON 2009 + 5%			(2010 + 5%)	(2011 + 5%)	
	DISTRICT REVENUE	OTHER GOVT REVENUE	TOTAL REVENUE	TOTAL REVENUE	TOTAL REVENUE	
Section 2						
Trustees of Westbank United Church 224.2(f) Buildings for Public Worship	3672 Brown Road BLOCK D, DISTRICT LOT 486, PLAN 761 (Folio: 12433.000; PID: 004-004-094)	2192.28	3688.05	5880.34	6174.35	6483.0
Synod Diocese of Kootenay (St. George's Anglican Church) 224.2(f) Buildings for Public Worship	3680 Brown Road BLOCK D, DISTRICT LOT 486, PLAN 761 (Folio: 12434.000; PID: 012-091-413)	3138.44	5291.53	8429.97	8851.47	9294.0
Trustees of Westbank Bible Chapel 224.2(f) Buildings for Public Worship	2412 Apollo Road LOT 1, DISTRICT LOT 486, PLAN 17912 (Folio: 12617.000; PID: 008-339-332)	908.65	1527.86	2436.50	2558.33	2686.2
Redeemer Lutheran Church of Westbank 224.2(f) Buildings for Public Worship	3637 Brown Road LOT 7, DISTRICT LOT 486, PLAN 17912 (Folio: 12623.000; PID: 001-901-818)	1078.83	1814.52	2893.35	3038.02	3189.9
Roman Catholic Bishop of Nelson (Our Lady of Lourdes Catholic Church) 224.2(f) Buildings for Public Worship 224.2(f) Private Schools	2547 Hebert Road LOT B, DISTRICT LOT 486, PLAN 33022 (Folio: 12643.714; PID: 003-267-695)	3923.04 54997.23	6603.51 75427.59	10526.55 130424.82	11052.88 138946.06	11605.5 143793.3
<b>Total for Our Lady of Lourdes Catholic Church</b>		<b>5892.27</b>	<b>82031.10</b>	<b>146951.37</b>	<b>147998.94</b>	<b>155398.8</b>
The Trustees of the Congregation of the Highway Gospel Hall 224.2(f) Buildings for Public Worship	2549 Hebert Road LOT A, DISTRICT LOT 486, PLAN 33509 (Folio: 12643.717; PID: 003-164-900)	1638.45	2750.11	4388.56	4607.99	4838.3
The President of the Lethbridge Stake (Church of Jesus Christ of Latter Day Saints) 224.2(f) Buildings for Public Worship	2170 McDougall Road LOT 1, DISTRICT LOT 503, PLAN KAP77895 (Folio: 12684.095; PID: 026-263-938)	12557.62	21048.93	33606.55	35286.54	37050.5
The B.C. Conference of the Mennonite Brethren Churches (Sunridge Community Church) 224.2(f) Buildings for Public Worship	1190 Stevens Road LOT B, PLAN 31241 (Folio: 12713.158; PID: 003-761-801)	3268.24	5506.14	8774.38	9213.10	9673.71
Lakeview Heights Baptist Church 224.2(f) Buildings for Public Worship	2630 Alhambra Drive LOT 19, DISTRICT LOT 506, PLAN 29377 (Folio: 12746.675; PID: 004-340-078, PID: 004-340-086, and PID: 004-340-248)	3879.49	6496.27	10375.75	10894.54	11439.27
Grace Lutheran Church of Westbank 224.2(f) Buildings for Public Worship	1162 Hudson Road LOT A, DISTRICT LOT 506, PLAN 35557 (Folio: 12746.730; PID: 001-736-795)	4707.65	7912.60	12620.25	13251.27	13913.87
Christian and Missionary Alliance-Can (Westside Alliance Church) 224.2(f) Buildings for Public Worship	2011 Daimler Drive LOT 2, DISTRICT LOT 2601, PLAN 34258 (Folio: 14135.112; PID: 003-000-842)	4846.12	8117.89	12964.00	13612.20	14292.81
Stach, Edwin G and Raffaeiner, Joseph and Sewell, Dale E (Glenrosa Congregation of Jehovah's Witnesses ) 224.2(f) Buildings for Public Worship	3797 Glenway Road LOT A, DISTRICT LOT 3188, PLAN 32791 (Folio: 14590.552; PID: 003-311-791)	891.33	1497.66	2388.99	2508.44	2633.86
The Missionary Church (Powers Creek Community Church) 224.2(f) Buildings for Public Worship	3718 Glenway Road LOT A, DISTRICT LOT 3188, PLAN 34442 (Folio: 14590.670; PID: 002-976-951)	1825.95	3089.13	4895.08	5139.83	5396.82
B.C. Corp Seventh Day Adventist Church 224.2(f) Buildings for Public Worship 224.2(f) Private Schools	3155 Glenrosa Road LOT 1, DISTRICT LOT 3189, PLAN 36431 (Folio: 14626.664; PID: 003-490-823)	1309.60 3683.08	2197.68 4933.60	3507.28 8516.69	3682.65 8942.52	3866.78 9389.65
<b>Total for Seventh Day Adventist Church</b>		<b>4892.69</b>	<b>7131.29</b>	<b>12023.97</b>	<b>12825.17</b>	<b>13256.43</b>
Pentecostal Assembly of Canada (Emmanuel Assembly) 224.2(f) Buildings for Public Worship	2600 Hebert Road DISTRICT LOT 3480, PLAN 85391 (Folio: 14711.000; PID: 011-347-678)	3069.20	5154.78	8223.98	8635.18	9066.94



Taxation Department  
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 Email: taxes@districtofwestkelowna.ca

PROPERTY DESCRIPTION		2010			2011		2012	
		ESTIMATE FOR AMOUNT OF TAX			(2010 + 5%)		(2011 + 5%)	
		REVENUE FOREGONE BASED ON						
		ON 2009 + 5%						
		DISTRICT	OTHER	TOTAL	TOTAL	TOTAL	TOTAL	
		REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	
Section 3								
Green Bay Bible Camp 224.2(a) Non-Profit	1449 Green Bay Road LOT 1, PLAN 7108 (Folio: 12270.000; PID: 010-024-115) <b>AND</b> 1449 Green Bay Road DISTRICT LOT 5205 (Folio: 15592.000)	16946.98	28557.06	45504.04	47779.24	50168.20		
		3853.04	6163.66	9816.70	10307.54	10822.91		
	<b>Total for Green Bay Bible Camp</b>	<b>20600.02</b>	<b>34720.72</b>	<b>55320.74</b>	<b>58086.78</b>	<b>60991.12</b>		
Westbank Lions Community Development Society 224.2(a) Non-Profit	2466 Main Street LOT 4, DISTRICT LOT 486, PLAN 761 (Folio: 12435.001; PID: 010-854-207 and PID: 012-081-456)	3438.44	5785.09	9223.53	9684.70	10168.94		
Morning Star Bible Camp 224.2(a) Non-Profit	3051 Molver Road LOT A, DISTRICT LOT 3189, PLAN KAP68635 (Folio: 14626.035; PID: 024-973-246)	5074.00	8557.41	13631.40	14312.97	15028.62		
Lutheran Camp Concordia (1992) Society (Okanagan Camp and Retreat Centre) 224.2(a) Non-Profit	2810 Smith Creek Road BLOCK A, DISTRICT LOT 3479 (Folio: 14704.002; PID: 019-085-059)	5427.64	7483.65	12911.29	13566.86	14234.70		
Central Okanagan School District #23 (Leased by Okanagan Boys and Girls Club) 224.2(a) Non-Profit	2829 Inverness Road LOT 98, DISTRICT LOT 3481, PLAN 20022 (Folio: 14732.099; PID: 007-928-190)	51831.10	71671.49	123502.59	129677.71	136161.60		
Regional District Central Okanagan (Westbank and District Chamber of Commerce) 224.2(a) Non-Profit	2381 Pamela Road LOT 1, PLAN KAP81960 (Folio: 15509.000; PID: 026-813-912)	23406.68	32441.83	55848.51	58640.94	61572.99		
Section 4								
Nature Trust of BC (Park Leased by the District of West Kelowna) 224.2(d) Municipal Property	Westlake Road LOT 57, DISTRICT LOT 4862, PLAN 27476 (Folio: 15361.190; PID: 004-772-895)	744.23	782.00	1526.23	1602.54	1682.67		
<b>TOTALS</b>		<b>218337.32</b>	<b>324480.01</b>	<b>542817.33</b>	<b>569957.86</b>	<b>598455.42</b>		



**District of West Kelowna**

2760 Cameron Road, West Kelowna, BC V1Z 2T6

**General Inquiry**

Phone: (778) 797-1000 Fax: (778) 797-1001

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LID/WID Financial Statements

LID/WID Financial Statements

2010





Lakeview Irrigation District

Financial Statements  
Lakeview Irrigation District  
December 31, 2010

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## Independent auditors' report

Grant Thornton LLP  
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Victoria, BC  
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To the Board of Trustees of Lakeview Irrigation District

We have audited the accompanying financial statements of Lakeview Irrigation District, which comprise the statement of financial position as at December 31, 2010, and the statement of operations and accumulated surplus, statement of changes in net financial assets and the 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 Public Sector Accounting Board 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 auditor's 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 District'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 District'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 Lakeview Irrigation District as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector Accounting Board standards.

Partners  
Kevin Crookes, CA, CMA, CFE  
Paul F.S. Gallo, CA  
Bryn Gilbert, CA, CMA  
James R. Grant, MBA, CA  
Bill McTeague, CGA, CA  
Anne C. Pothoven, CA  
Martin Rutherford, CA  
Dan Voss, CA  
J. Kim Ward, CA, CFP

Kelowna, Canada  
April 18, 2011

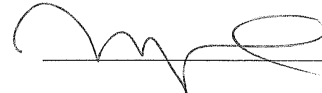
*Grant Thornton LLP*  
Chartered accountants

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

## Lakeview Irrigation District Statement of financial position

December 31	2010	2009
<b>Financial assets</b>		
Cash and cash equivalents	\$ 2,684,546	\$ 2,846,350
Investments	-	413,315
Receivables		
Trade	80,341	56,632
District of West Kelowna	252,505	-
	<u>3,017,392</u>	<u>3,316,297</u>
<b>Financial liabilities</b>		
Payables and accruals	225,100	73,284
Deposits on taxes and tolls	9,880	9,110
	<u>234,980</u>	<u>82,394</u>
<b>Net financial assets</b>	<u>2,782,412</u>	<u>3,233,903</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 3)	25,465,985	24,876,152
Prepays	11,109	16,324
Inventory (Note 4)	51,366	47,588
	<u>25,528,460</u>	<u>24,940,064</u>
<b>Accumulated surplus (Page 12)</b>	<u>\$ 28,310,872</u>	<u>\$ 28,173,967</u>

On behalf of the Board

  
Trustee

## Lakeview Irrigation District

### Statement of operations and accumulated surplus

Year ended December 31	2010 Actual	2010 Budget	2009 Actual
<b>Revenue</b>			
Water tolls	\$ 1,105,656	\$ 1,079,536	\$ 983,271
Water taxes	287,908	284,974	259,067
Capital charges collected	162,050	-	59,586
Contributions from developers	120,888	-	118,389
Sundry water sales	70,429	22,750	8,509
Household tax	69,595	69,090	68,128
Connection charges	28,900	15,000	22,100
Interest from investments	26,379	15,000	44,459
Water meter fees	26,100	-	42,550
Tax and toll penalties	21,059	16,000	15,975
Supervision fees	12,089	10,000	11,839
Rentals	8,852	7,500	7,763
Transfer fees	4,455	5,000	5,820
Tax conveyance	4,440	5,000	4,410
Hydrant maintenance and labour	3,825	34,050	11,568
Grant revenue	-	-	64,041
	<u>1,952,625</u>	<u>1,563,900</u>	<u>1,727,475</u>
<b>Expenditures</b>			
Administration expenditures (Note 5)	463,567	391,843	400,942
Operating expenditures (Note 6)	1,350,171	1,027,233	1,117,997
Interest and service charges	1,982	2,000	2,021
	<u>1,815,720</u>	<u>1,421,076</u>	<u>1,520,960</u>
<b>Net revenue over expenditures</b>	<b>136,905</b>	<b>142,824</b>	<b>206,515</b>
<b>Accumulated surplus, beginning of year</b>	<b>28,173,967</b>	<b>28,173,967</b>	<b>27,967,452</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 28,310,872</b>	<b>\$ 28,316,791</b>	<b>\$ 28,173,967</b>

## Lakeview Irrigation District

### Statement of changes in net financial assets

Year ended December 31	2010 Actual	2010 Budget	2009 Actual
<b>Net revenue over expenditures</b>	<b>\$ 136,905</b>	<b>\$ 142,824</b>	<b>\$ 206,515</b>
Acquisition of tangible capital assets	(1,193,047)	(848,413)	(2,374,967)
Amortization	603,214	228,822	494,632
Change in inventory	(3,778)	-	6,585
Change in prepaids	5,215	-	(2,666)
	<u>(451,491)</u>	<u>(476,767)</u>	<u>(1,669,901)</u>
<b>Net financial assets, beginning of year</b>	<b>3,233,903</b>	<b>3,233,903</b>	<b>4,903,804</b>
<b>Net financial assets, end of year</b>	<b>\$ 2,782,412</b>	<b>\$ 2,757,136</b>	<b>\$ 3,233,903</b>

## Lakeview Irrigation District Statement of cash flows

Year ended December 31	2010	2009
Cash provided by (used for)		
<b>Operating</b>		
Net revenue over expenditures	\$ 136,905	\$ 206,515
Adjustment for non-cash items		
Amortization	603,214	494,632
Developer contributions of tangible capital assets	(120,888)	(118,389)
Decrease (increase) in		
Receivables	(276,214)	398,238
Inventory	(3,778)	6,585
Prepays	5,215	(2,666)
Increase (decrease) in		
Payables and accruals	151,816	19,639
Deposits on taxes and tolls	770	1,119
Deferred revenue	-	(23,600)
	<u>497,040</u>	<u>982,073</u>
<b>Capital</b>		
Acquisition of tangible capital assets	<u>(1,072,159)</u>	<u>(2,256,577)</u>
<b>Investing</b>		
Proceeds from sale of investments	<u>413,315</u>	<u>1,241,383</u>
Net decrease in cash and cash equivalents	(161,804)	(33,121)
Cash and cash equivalents, beginning of year	<u>2,846,350</u>	<u>2,879,471</u>
Cash and cash equivalents, end of year	<u>\$ 2,684,546</u>	<u>\$ 2,846,350</u>
<b>Non-cash capital activities</b>		
Acquisition of tangible capital assets through developer contributions	\$ 120,888	\$ 118,389

## Lakeview Irrigation District Notes to the financial statements

December 31, 2010

**1. Nature of business**

The District is incorporated under the laws of British Columbia and is engaged in the operation of an Irrigation District in the District of West Kelowna.

**2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

The following is a summary of the District's significant accounting policies.

**Basis of accounting**

The District's financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

**Budget figures**

The budgeted figures are adopted annually at the first board meeting of the year, are provided for informational purposes only and are not subject to audit.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and money market funds.

**Inventory**

Inventory is valued at the lower of cost, determined principally on the first-in first-out basis, or net realizable value. Cost includes all expenses directly attributable to purchasing the inventory item. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(continued)

# Lakeview Irrigation District

## Notes to the financial statements

December 31, 2010

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

#### Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization.

Rates of amortization applied on a straight-line basis to write off the cost of tangible capital assets over their estimated lives are as follows:

Buildings	5%
Domestic system	1% to 20%
Computer equipment	33%
Computer software	100%
Office equipment	20%
Trucks	20%
Tools	10%

#### Reserve funds

- Parks and recreation reserve

The parks and recreation reserve is segregated from general operations to track the revenue and related expenditures of the parks and recreation fund.

- Capital charge reserve

The capital charge reserve are funds reserved for expenditures related to augmenting the works of the District to ensure an adequate water supply within the District and are statutorily restricted to that purpose. All charges collected and interest earned for these purposes are required to be segregated from other funds.

#### Revenue recognition

Taxation revenues are recognized in the fiscal year the services are provided. Grant revenue is recognized as the related expenses are incurred.

#### Contributions by developers

Additions to the irrigation system constructed and contributed by developers are recorded at their fair value and are capitalized into capital assets and reflected in revenue as contributions from developers.

#### Financial instruments

The District's financial instruments consist of cash and cash equivalents, receivables and payables and accruals. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

(continued)

# Lakeview Irrigation District

## Notes to the financial statements

December 31, 2010

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

#### Use of estimates

Management has made estimates and assumptions that affect the amounts reported in preparing these financial statements. Actual results could differ from those estimates.

### 3. Tangible capital assets

	<u>2010</u>	<u>2009</u>
	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 400,533	\$ 400,533
Buildings	49,382	55,882
Domestic system	24,929,977	24,347,637
Computer equipment	12,157	12,045
Computer software	27,013	-
Furniture and equipment	18,359	15,745
Trucks	22,171	36,072
Tools	6,393	8,238
	<u>\$ 25,465,985</u>	<u>\$ 24,876,152</u>

### 4. Inventory

Inventory recognized in the statement of financial position can be analyzed as follows:

	<u>2010</u>	<u>2009</u>
Fittings, clamps, couplings and sleeves	\$ 29,683	\$ 28,731
Hydrants	4,664	1,635
Pipe	14,916	15,617
Meters	<u>2,103</u>	<u>1,605</u>
	<u>\$ 51,366</u>	<u>\$ 47,588</u>

In 2010, a total of \$12,839 (2009 - \$21,204) of inventory was included in the statement of operations as an expense.

## Lakeview Irrigation District Notes to the financial statements

December 31, 2010

5. Administration expenditures	<u>2010</u>	<u>2009</u>
Amortization		
Buildings	\$ 6,500	\$ 6,500
Office equipment	35,783	4,279
Engineering, survey and design fees	88,035	54,798
Insurance	60,718	59,104
Miscellaneous	10,452	10,845
Office supplies	35,024	35,049
Professional fees	40,771	36,998
Salaries and benefits	132,557	130,798
Seminars and training	9,621	8,561
Trustees	15,111	22,500
Utilities and communications	21,129	20,493
Water licenses	7,039	7,024
Westside Joint Water Committee fees	827	3,993
	<u>\$ 463,567</u>	<u>\$ 400,942</u>

6. Operating expenditures	<u>2010</u>	<u>2009</u>
Amortization		
Domestic system	\$ 545,185	\$ 462,245
Tools	1,845	2,069
Trucks	13,901	19,539
Community hall	11,418	7,900
Domestic system		
Chemicals	33,125	27,384
Corrosion	4,125	4,368
Power	21,553	19,149
Water quality	33,542	55,970
Park maintenance	9,932	-
Park labour	15,283	-
Repairs and maintenance		
Corrosion	9,574	45,883
Dam	20,675	22,290
Other	104,830	22,971
Pipe	152,876	116,698
Trucks	19,935	19,714
Wages and benefits	352,372	291,817
	<u>\$ 1,350,171</u>	<u>\$ 1,117,007</u>

## Lakeview Irrigation District Notes to the financial statements

December 31, 2010

### 7. Dissolution of the District

Effective December 31, 2010, the District will be dissolved and the assets, liabilities and operations of the water system are being assumed by the District of West Kelowna.

### 8. Comparative figures

Certain of the prior year's figures have been reclassified to conform with the current year financial statement presentation.

Lakeview Irrigation District  
Schedule of tangible capital assets

Year ended December 31, 2010

	Land	Buildings	Domestic system	Computer equipment	Computer software	Furniture and equipment	Trucks	Tools	Total 2010	Total 2009
<b>Cost</b>										
Opening balance	\$ 400,533	\$ 278,009	\$ 30,035,961	\$ 34,364	\$ 30,532	\$ 109,029	\$ 144,905	\$ 23,132	\$ 31,056,465	\$ 28,681,498
Add: additions	-	-	1,127,523	5,498	54,026	6,000	-	-	1,193,047	2,374,967
Less: disposals	-	-	-	-	-	-	-	-	-	-
Closing balance	<u>400,533</u>	<u>278,009</u>	<u>31,163,484</u>	<u>39,862</u>	<u>84,558</u>	<u>115,029</u>	<u>144,905</u>	<u>23,132</u>	<u>32,249,512</u>	<u>31,056,465</u>
<b>Accumulated amortization</b>										
Opening balance	-	222,127	5,688,322	22,320	30,532	93,285	108,833	14,894	6,180,313	5,685,681
Add: amortization	-	6,500	545,185	5,385	27,013	3,385	13,901	1,845	603,214	494,632
Less: accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	-
Closing balance	<u>-</u>	<u>228,627</u>	<u>6,233,507</u>	<u>27,705</u>	<u>57,545</u>	<u>96,670</u>	<u>122,734</u>	<u>16,739</u>	<u>6,783,527</u>	<u>6,180,313</u>
<b>Net book value, December 31, 2010</b>	<u>\$ 400,533</u>	<u>\$ 49,382</u>	<u>\$ 24,929,977</u>	<u>\$ 12,157</u>	<u>\$ 27,013</u>	<u>\$ 18,359</u>	<u>\$ 22,171</u>	<u>\$ 6,393</u>	<u>\$ 25,465,985</u>	
<b>Net book value, December 31, 2009</b>	<u>\$ 400,533</u>	<u>\$ 55,882</u>	<u>\$ 24,347,637</u>	<u>\$ 12,045</u>	<u>\$ -</u>	<u>\$ 15,745</u>	<u>\$ 36,072</u>	<u>\$ 8,238</u>	<u>\$ 24,876,152</u>	

Lakeview Irrigation District  
Schedule of accumulated surplus

December 31, 2010

	General operations	Parks and recreation reserve	Capital charge reserve	Investment in tangible capital assets	Total 2010	Total 2009
<b>Accumulated surplus, beginning of year</b>	\$ 377,556	\$ 219,447	\$ 2,700,812	\$ 24,876,152	\$ 28,173,967	\$ 27,967,452
<b>Net revenue over expenditures Transfers</b>	95,091	41,814	-	-	136,905	206,515
- purchase of tangible capital assets	(1,193,047)	-	-	1,193,047	-	-
- amortization	603,214	-	-	(603,214)	-	-
- interest	(15,106)	-	15,106	-	-	-
- capital charges collected	(162,050)	-	162,050	-	-	-
<b>Accumulated surplus (deficit), end of year</b>	<u>\$ (294,342)</u>	<u>\$ 261,261</u>	<u>\$ 2,877,968</u>	<u>\$ 25,465,985</u>	<u>\$ 28,310,872</u>	<u>\$ 28,173,967</u>



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 Kelowna BC V1Y 7T2 Canada

### Independent Auditors' Report

To the Trustees and Water Users  
 Westbank Irrigation District

We have audited the accompanying financial statements of Westbank Irrigation District which comprise the statement of financial position as at December 31, 2010 and the statements of operations, change in net debt and 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 generally accepted accounting principles, 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.

#### Auditor's 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 auditor's 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 entity'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 entity'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, these financial statements present fairly, in all material respects, the financial position of Westbank Irrigation District as at December 31, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants

Kelowna, British Columbia

### Westbank Irrigation District Statement of Financial Position

For the year ended December 31	2010	2009
<b>Financial Assets</b>		
Cash and short term deposits	\$ 831,067	\$ 645,851
Accounts receivable	488,800	541,559
Restricted cash (Note 1)	1,521,729	1,710,890
	<u>2,841,596</u>	<u>2,898,300</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	163,027	254,450
Deferred revenue (Note 1)	1,521,729	1,710,890
Long-term debt (Note 2)	9,765,744	10,140,321
	<u>11,450,500</u>	<u>12,105,661</u>
<b>Net Debt</b>	<b>(8,608,904)</b>	<b>(9,207,361)</b>
<b>Non-Financial Assets</b>		
Prepaid insurance premiums	-	39,195
Inventory of critical supplies	31,722	31,722
Tangible capital assets (Note 3)	33,856,950	34,395,088
	<u>33,888,672</u>	<u>34,466,005</u>
<b>Accumulated Surplus (Note 4)</b>	<b>\$ 25,279,768</b>	<b>\$ 25,258,644</b>

Approved on behalf of the District:

\_\_\_\_\_

\_\_\_\_\_

**Westbank Irrigation District  
Statement of Operations**

For the year ended December 31	2010	2010	2009
	Actual	Budget	Actual
<b>Revenues</b>			
Water taxes	\$ 336,125	\$ 335,828	\$ 323,891
Domestic water tolls	2,083,738	2,501,371	1,851,544
Connection fees	11,200	6,000	6,320
Hydrant maintenance and sundry	67,264	54,500	73,907
Contract work	9,830	18,000	25,584
Cemetery income	60,014	25,000	20,933
Late payment charges	35,234	30,000	35,681
Interest earned	36,416	42,900	29,091
Contributions from developers and other	132,096	-	234,567
Water meter installations	25,080	-	8,114
Grant revenue	-	-	33,500
Revenue recognized from Capital Expenditure Charge deferred revenue	251,168	256,381	248,906
	<u>3,048,165</u>	<u>3,269,980</u>	<u>2,892,038</u>
<b>Expenditure</b>			
Operating			
Amortization	676,034	680,000	671,148
Cemetery maintenance	22,170	12,000	6,924
Education, workshops	4,295	7,000	4,179
Maintenance	447,653	383,400	399,600
Materials - custom work	10,105	15,000	21,610
System operations	84,407	103,600	83,132
Utilities	72,763	62,000	70,565
Vehicle	39,004	38,500	46,105
Wages and employee benefits	553,073	586,500	578,873
Water licences	10,442	12,000	11,597
Water quality initiative	9,750	10,000	7,947
Administration			
Audit, legal and consulting fees	33,232	34,000	38,824
Bank charges	695	1,000	724
Insurance	67,522	63,400	66,355
Office	79,756	71,500	61,770
Salaries and employee benefits	386,885	290,000	278,768
Utilities	12,412	13,000	13,231
Water Associations	1,595	5,000	4,904
Fiscal services	461,151	486,051	482,314
Trustee remuneration	22,680	25,000	24,710
Interest transferred to deferred revenue funds	31,417	39,900	23,813
	<u>3,027,041</u>	<u>2,938,851</u>	<u>2,897,093</u>
<b>Annual surplus (deficit), restated (Note 6)</b>	<b>\$ 21,124</b>	<b>\$ 331,129</b>	<b>\$ (5,055)</b>

**Westbank Irrigation District  
Statement of Operations**

For the year ended December 31	2010	2010	2009
	Actual	Budget	Actual
<b>Annual surplus (deficit), restated (Note 6)</b>	<b>\$ 21,124</b>	<b>\$ 331,129</b>	<b>\$ (5,055)</b>
<b>Accumulated surplus, beginning of year, as previously stated</b>	<b>25,258,644</b>	<b>25,258,644</b>	<b>25,082,835</b>
<b>Correction of error in prior period (Note 6)</b>	<b>-</b>	<b>-</b>	<b>180,864</b>
<b>Accumulated surplus, beginning of year</b>	<b><u>25,258,644</u></b>	<b><u>25,258,644</u></b>	<b><u>25,263,699</u></b>
<b>Accumulated surplus, end of year</b>	<b><u>\$ 25,279,768</u></b>	<b><u>\$ 25,589,773</u></b>	<b><u>\$ 25,258,644</u></b>

**Westbank Irrigation District**  
**Statement of Change in Net Debt**

For the year ended December 31	2010	2010	2009
	Actual	Budget	Actual
Annual surplus (deficit)	\$ 21,124	\$ 331,129	\$ (5,055)
Acquisition of tangible capital assets	(137,896)	(150,600)	(720,612)
Amortization of tangible capital assets	676,034	680,000	671,148
	<u>559,262</u>	<u>860,529</u>	<u>(54,519)</u>
Use/consumption of prepaid expenses	39,195	-	3,524
Acquisition of inventory of supplies	-	-	(31,722)
	<u>39,195</u>	<u>-</u>	<u>(28,198)</u>
Change in net debt	<u>598,457</u>	<u>860,529</u>	<u>(82,717)</u>
Net debt, beginning of year, as previously stated	(9,207,361)	(9,207,361)	(9,305,508)
Correction of error in prior period (Note 6)	-	-	180,864
Net debt, beginning of year	<u>(9,207,361)</u>	<u>(9,207,361)</u>	<u>(9,124,644)</u>
Net debt, end of year	<u>\$ (8,608,904)</u>	<u>\$ (8,346,832)</u>	<u>(9,207,361)</u>

**Westbank Irrigation District**  
**Statement of Cash Flows**

For the year ended December 31	2010	2009
<b>Operating Activities</b>		
Cash receipts from water taxes, tolls and other	\$ 3,029,274	\$ 2,766,979
Cash paid to employees and suppliers	(2,099,133)	(1,752,303)
Late payment fees and interest received	40,233	40,959
Interest paid	(461,846)	(483,038)
	<u>508,528</u>	<u>572,597</u>
<b>Investing Activities</b>		
Purchase of tangible capital assets	(137,896)	(720,612)
<b>Financing Activities</b>		
Repayment of long-term debt	(374,577)	(356,602)
Decrease in cash and short term deposits during the year	(3,945)	(504,617)
Cash and short term deposits, beginning of year	<u>2,356,741</u>	<u>2,861,358</u>
Cash and short term deposits, end of year	<u>\$ 2,352,796</u>	<u>\$ 2,356,741</u>
<b>Cash and short term deposits are represented by:</b>		
Cash and short term deposits	\$ 831,067	\$ 645,851
Restricted cash	1,521,729	1,710,890
	<u>\$ 2,352,796</u>	<u>\$ 2,356,741</u>

## Westbank Irrigation District Summary of Significant Accounting Policies

December 31, 2010

**Nature of Business** The Westbank Irrigation District was incorporated on June 14, 1922, under the Improvement District Act (part of the Local Government Act), a statute of the Province of British Columbia. The principal activities of the District include the provision of irrigation and domestic water supply services to residents of the District.

**Basis of Presentation** It is the District's policy to follow accounting principles generally accepted for municipalities in the Province of British Columbia and to apply such principles consistently. The financial statements include the account of all funds for the District. All interfund transfers have been eliminated. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	100 years
Equipment	10 to 20 years
Water treatment plant	50 to 100 years
Water systems	25 to 75 years
Reservoirs	100 years
Watermains	75 to 100 years
Intakes	50 to 100 years
Dams	125 years

**Deferred Revenue** **Cemetery Care Fund**  
The fund was established by Bylaw #652, which repealed Bylaw #611 and Bylaw #646, for the upkeep and maintenance of the property licensed, and the cemetery of which it forms a part. The use of these funds requires Ministry approval.

**Capital Expenditure Charge Reserve Fund**  
The fund was established by Bylaw #615 and amended by Bylaw #640 for the utilization of increasing source capacity, enlarging mains or otherwise in any way augmenting the capacity of the water system. The use of these funds requires Ministry approval.

## Westbank Irrigation District Summary of Significant Accounting Policies

December 31, 2010

**Revenue Recognition** Tax revenues are recognized from January 1st each year and prorated as service is provided. Toll revenues are recognized on a monthly basis as service is provided. Development cost charges are recognized when the service is applied for; the collection of these charges and the provision of service occurs upon application. Grant revenues are recognized when the funding becomes receivable. Interest revenue is recognized as it is earned. Other revenue is recognized when the service is provided.

**Financial Instruments** Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

**Budget** The budget figures are from the final operating budget for 2010 that was approved by the Trustees at the April 27, 2010 Trustees meeting.

**Use of Estimates** The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Westbank Irrigation District**  
Notes to Financial Statements

December 31, 2010

## 1. Restricted Cash / Deferred Revenue

Cash has been externally restricted by provincial government authorities for the following:

	Capital Expenditure Charge Reserve Fund	Cemetery Care Fund	2010	2009
Balance, beginning of year	\$ 1,637,909	\$ 72,981	\$ 1,710,890	\$ 1,578,664
Contributions from developers	25,373	-	25,373	356,784
Plot & marker fees	-	5,216	5,216	2,535
Interest earned	30,953	464	31,417	23,813
Revenue Recognized	56,326 (251,167)	5,680 -	62,006 (251,167)	383,132 (250,906)
Balance, end of year	\$ 1,443,068	\$ 78,661	\$ 1,521,729	\$ 1,710,890

## 2. Long-term Debt

Province of BC loan and derivative product transaction payments agreement, repayable quarterly in equal blended payments with interest at 4.948%, due May 1, 2027, with the Toronto Dominion Bank issued amortizing swap and floating rate option at the three month Canadian Bankers Acceptance CDOR rate.

	2010	2009
Long-term	\$ 9,765,744	\$ 10,140,321
Less: current portion	393,458	374,577
	<u>\$ 9,372,286</u>	<u>\$ 9,765,744</u>

The estimated principal repayments for the next five years and thereafter are as follows:

2011	\$ 393,458
2012	413,291
2013	434,123
2014	456,005
2015	478,990
Thereafter	<u>7,589,877</u>
	<u>\$ 9,765,744</u>

**WESTBANK IRRIGATION DISTRICT**  
Notes to Financial Statements

December 31, 2010

## 3. Tangible Capital Assets

	2010									
	Land	Buildings	Vehicles	Equipment	Water Treatment Plant	Water and other utility systems	Reservoirs and Watermains	Intakes	Dams	Total
Cost, beginning of year	\$ 2,183,537	\$ 137,296	\$ -	\$ 384,811	\$ 19,881,898	\$ 10,082,368	\$ 7,242,470	\$ 253,985	\$ 895,096	\$ 41,061,461
Reallocated	-	-	381,601	(305,125)	(3,448,974)	(1,301,629)	4,750,602	-	-	76,475
Cost, beginning of year, restated	2,183,537	137,296	381,601	79,686	16,432,924	8,780,739	11,993,072	253,985	895,096	41,137,936
Additions	17,690	-	-	-	-	120,206	-	-	-	137,896
Cost, end of year	\$ 2,201,227	\$ 137,296	\$ 381,601	\$ 79,686	\$ 16,432,924	\$ 8,900,945	\$ 11,993,072	\$ 253,985	\$ 895,096	\$ 41,275,832
Accumulated amortization, beginning of year	-	-	-	\$ 168,820	\$ 965,377	\$ 3,478,557	\$ 1,628,818	\$ 122,606	\$ 247,277	\$ 6,666,373
Reallocated	-	-	168,606	(92,130)	(103,530)	(331,923)	435,452	-	-	76,475
Accumulated amortization, beginning of year, restated	-	54,918	168,606	76,690	861,847	\$ 3,146,634	\$ 2,064,270	\$ 122,606	\$ 247,277	\$ 6,742,848
Amortization	-	1,373	35,439	214	288,763	208,373	130,878	3,833	7,161	676,034
Accumulated amortization, end of year	-	\$ 56,291	\$ 204,045	\$ 76,904	\$ 1,150,610	\$ 3,355,007	\$ 2,195,148	\$ 126,439	\$ 254,438	\$ 7,418,882
Net carrying amount, end of year	\$ 2,201,227	\$ 81,005	\$ 177,556	\$ 2,782	\$ 15,282,314	\$ 5,545,938	\$ 9,797,924	\$ 127,546	\$ 640,658	\$ 33,856,950

**WESTBANK IRRIGATION DISTRICT**  
Notes to Financial Statements

December 31, 2010

## 3. Tangible Capital Assets (continued)

	2009						
	Land	Buildings	Equipment	Water Treatment Plant	Water Systems	Reservoirs and Watermains	Total
Cost, beginning of year	\$ 2,183,537	\$ 137,296	\$ 344,511	\$ 19,745,200	\$ 9,540,315	\$ 7,242,470	\$ 40,340,849
Additions	-	-	40,300	136,698	542,053	-	720,612
Cost, end of year	\$ 2,183,537	\$ 137,296	\$ 384,811	\$ 19,881,898	\$ 10,082,368	\$ 7,242,470	\$ 41,061,461
Accumulated amortization, beginning of year	\$ -	\$ 53,545	\$ 133,167	\$ 642,184	\$ 3,257,659	\$ 1,549,781	\$ 5,995,225
Amortization	-	1,373	35,653	323,193	220,898	79,037	671,148
Accumulated amortization, end of year	\$ -	\$ 54,918	\$ 168,820	\$ 965,377	\$ 3,478,557	\$ 1,628,818	\$ 6,666,373
Net carrying amount, end of year	\$ 2,183,537	\$ 82,378	\$ 215,991	\$ 18,916,521	\$ 6,603,811	\$ 5,613,652	\$ 34,395,088

December 31, 2010

## 4. Accumulated Surplus

The District segregates its accumulated surplus in the following categories:

	2010	2009
Investment in tangible capital assets (Note 5)	\$ 24,091,208	\$ 24,254,769
Financial equity		Restated (see Note 6)
Current fund	557,717	533,717
Capital fund	-	44,105
Reserve fund	630,843	426,053
	<u>\$ 25,279,768</u>	<u>\$ 25,258,644</u>

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

Reserve funds represent funds set aside by the Board for specific purposes.

## 5. Equity in Capital Assets

	2010	2009
Balance, beginning of year	\$ 24,254,769	\$ 23,848,702
Add: Contributions received from operating fund		
For debt reduction	374,577	356,603
For capital assets	111,193	645,217
Contribution from system improvement fund	26,703	75,395
Deduct:		
Amortization	(676,034)	(671,148)
Balance, end of year	<u>\$ 24,091,208</u>	<u>\$ 24,254,769</u>

**Westbank Irrigation District**  
Notes to Financial Statements

Westbank Irrigation District  
Notes to Financial Statements

December 31, 2010

6. Correction of Error in Prior Period

The District has reclassified the Capital Works Renewal Reserve from deferred revenue to surplus. The effects of the District's restatement on previously reported financial statements for the year ended December 31, 2009 are summarized below:

		2009
Annual surplus (deficit), as previously stated	\$	(53,744)
Add:		
Interest earned on reserve funds		885
Contributions to reserve		47,804
Annual surplus (deficit), restated		(5,055)
Accumulated surplus, beginning of year		25,082,835
Reclassification of Capital Works Renewal Reserve from deferred revenue to surplus		180,864
Accumulated surplus beginning of year, restated		25,263,699
Accumulated surplus, end of year, restated	\$	25,258,644

7. Expenditures by Object

		2010		2009
Amortization	\$	676,034	\$	671,148
Education and training		4,295		4,179
Fuel and oil		20,385		20,241
Insurance		75,156		74,668
Interest		31,417		23,813
Fiscal services		695		724
Licences and memberships		12,037		16,501
Long-term debt interest		461,151		482,314
Office and administration		79,756		61,770
Professional fees		33,232		38,824
Repairs and maintenance		570,915		513,526
Materials - custom work		10,105		21,610
Small tools		4,050		1,628
Telephone and utilities		85,175		83,796
Trustees remuneration		22,680		24,710
Wages and benefits		939,958		857,641
	\$	3,027,041	\$	2,897,093

Westbank Irrigation District  
Notes to Financial Statements

December 31, 2010

8. Comparative Figures

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

9. Contingencies

Due to the nature of its operations the District may be subject to legal action. It is impossible, at this time, for the District to predict with any certainty the outcome of such actions. Management is of the opinion, based upon information presently available, that it is unlikely that any liability, to the extent not provided for through insurance or otherwise, would be material in relation to the District's financial position.

10. Subsequent Event

As a result of the incorporation of the District of West Kelowna as a municipality and as required by the Ministry of Community Services, Westbank Irrigation District was dissolved on December 31, 2010. Subsequent to dissolution, Westbank Irrigation District is included in the Municipality's Letters Patent and is considered a local service area.



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### Auditors' Comments on Supplementary Financial Information

To the Trustees and Water Users  
 Westbank Irrigation District

The audited financial statements of the organization as at December 31, 2010 and our report thereon dated May 24, 2011 are presented in the preceding section of this annual report. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

*BDO Canada LLP*

Chartered Accountants

Kelowna, British Columbia  
 May 24, 2011

### Westbank Irrigation District Current Fund - Statement of Operations

For the year ended December 31	2010		2009
	Actual	Budget	Actual
<b>Revenue</b>			
Water taxes	\$ 336,125	\$ 335,828	\$ 323,891
Domestic water tolls	2,083,738	2,501,371	1,851,544
Connection fees	11,200	6,000	6,320
Hydrant maintenance and sundry	67,264	54,500	76,087
Contract work	9,830	18,000	25,584
Cemetery income	60,014	25,000	20,933
Late payment charges	35,234	30,000	35,681
Interest earned	33,923	42,900	26,901
Water meter installations	25,080	-	8,114
Grant revenue	-	-	33,500
Contribution from developers and other	132,096	-	234,567
Contributions from CEC Reserve Fund	251,168	256,381	248,906
	<b>3,045,672</b>	<b>3,269,980</b>	<b>2,892,028</b>
<b>Expenditure</b>			
Operating			
Cemetery maintenance	22,170	12,000	6,924
Education, workshops	4,295	7,000	4,179
Maintenance	447,653	383,400	399,600
Materials - custom work	10,105	15,000	21,610
System operations	84,407	103,600	83,132
Utilities	72,763	62,000	70,565
Vehicle	39,004	38,500	46,105
Wages and employee benefits	553,073	586,500	578,873
Water licences	10,442	12,000	11,597
Water quality initiatives	9,750	10,000	7,947
Administration			
Audit, legal and consulting fees	33,232	34,000	38,824
Bank charges	695	1,000	724
Insurance	67,522	63,400	66,355
Office	79,756	71,500	61,770
Salaries and employee benefits	386,885	290,000	278,768
Utilities	12,412	13,000	13,231
Westside Joint Water Committee	1,595	5,000	4,904
Trustee remuneration	22,680	25,000	24,710
Interest on debt	461,151	486,051	482,314
Contributions to Equipment Reserve Fund	29,000	29,000	28,285
Contributions to Capital Works Renewal Reserve	200,000	200,000	47,804
Interest transferred to deferred revenue funds	31,417	39,900	23,813
	<b>2,580,007</b>	<b>2,487,851</b>	<b>2,302,034</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 465,665</b>	<b>\$ 782,129</b>	<b>\$ 589,994</b>

**Westbank Irrigation District  
Current Fund - Statement of Operations**

For the year ended December 31	2010	2010	2009
	Actual	Budget	Actual
Excess of revenues over expenditures	\$ 465,665	\$ 782,129	\$ 589,994
Interfund transfers			
Capital	(441,665)	(525,177)	(356,602)
Change in current fund	24,000	256,952	233,392
Balance, beginning of year	533,717	533,717	300,325
Balance, end of year	\$ 557,717	\$ 790,669	\$ 533,717

**Westbank Irrigation District  
Capital Fund - Statement of Operations**

For the year ended December 31	2010	2010	2009
	Actual	Budget	Actual
<b>Revenue</b>			
Net interfund transfers			
Contribution from current fund operations	\$ 441,665	\$ 525,177	\$ 356,602
Contribution received from reserve fund operations	26,703	-	75,395
	<u>468,368</u>	<u>525,177</u>	<u>431,997</u>
<b>Expenditure</b>			
Acquisition of tangible capital assets	137,896	150,600	720,612
Debt reduction	374,577	374,577	356,603
	<u>512,473</u>	<u>525,177</u>	<u>1,077,215</u>
Change in capital fund	(44,105)	-	(645,218)
Capital Fund Surplus, beginning of year	44,105	44,105	689,323
Capital Fund Surplus, end of year	\$ -	\$ 44,105	\$ 44,105

**Westbank Irrigation District  
Reserve Fund - Statement of Operations**

For the year ended December 31	2010		2009
	Actual	Budget	Actual
<b>Revenue</b>			
Transfers from current fund	\$ 229,000	\$ 229,000	\$ 76,089
Interest earned	2,493	-	2,190
	<u>231,493</u>	<u>229,000</u>	<u>78,279</u>
<b>Expenditure</b>			
Contributions to current fund	-	-	2,180
Contributions to capital fund	26,703	-	75,395
	<u>26,703</u>	<u>-</u>	<u>77,575</u>
Change in reserve fund	204,790	229,000	704
Balance, beginning of year	<u>426,053</u>	<u>426,053</u>	<u>425,349</u>
Balance, end of year	\$ 630,843	\$ 655,053	\$ 426,053
<b>Summary of Reserve Funds positions</b>			
Capital works renewal reserve	\$ 430,969		\$ 229,553
Developer contribution	47		47
Equipment reserve	199,815		169,791
Systems improvement	12		26,662
	<u>\$ 630,843</u>		<u>\$ 426,053</u>

**Westbank Irrigation District  
Reserve Fund Continuity Schedule**

	Balance December 31 2009	Contributions		Interest	Balance December 31 2010
		Developers & Other	Operating Fund		
Capital Works Renewal Reserve Fund	\$ 229,553	\$ -	\$ 200,000	\$ 1,416	\$ 430,969
Developer Contribution Fund	47	-	-	-	47
Equipment Reserve Fund	169,791	-	29,000	1,024	199,815
Systems Improvement Fund	26,662	-	-	53	12
	\$ 426,053	\$ -	\$ 229,000	\$ 2,493	\$ 630,843
				\$ (26,703)	





**District of West Kelowna**

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**General Inquiry**

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