



Measuring Financial Performance

Kelowna's Second Quarter Financial Activity

August 28, 2023



Introduction

The data presented here will offer an understanding of our financial performance, enabling you to make informed assessments of our municipality's financial activity.

We will examine revenue and expenditure trends and delve into investments and capital spending to provide insights into the factors driving our financial performance.



Reporting Timeline

TIMING

REPORTING

Financial Performance & Budget utilization

Health Check Indicators

- Quarter 1
- Quarter 2
- Quarter 3
- Year End

- ✓
- ✓
- ✓
- ✓

- ✓
- ✓



Categories

- Activity Highlights of Council Priorities
- Year-to-Date Activity Trends
- Actual Activity to Budget by Division
- Investment Income Revenue & Capital Expenditure to Budget

COUNCIL PRIORITIES – Activity Highlights

Crime & Safety

- Health Canada Grant Funding has increased by \$300K to prolong two initiatives.
- Youth Gang Prevention Grant funding from Public Safety Canada approved for \$1.8M over 3 years.

Affordable Housing

- 73% of Kelowna Housing Needs Assessment expended to date.

Homelessness

- Grant Funding for Overnight Sheltering expiring In July. Application to extend the grant has been submitted.
- Journey Home initiative being brought in house (budget update pending).

Transportation

- Transportation Master Plan spending is on target to date.
- Regional Transit ridership up 34% over 2022.

Agriculture

- Review and update of the Agriculture Plan in progress.

Climate & Environment

- Champion of the Environment Term Position to commence in Q3.
- 41% of Kelowna Climate Change Planning Phase 3 expended to date.

Activity Trends- Income



Corporate Financial Services
\$272M (73%)

Infrastructure
\$55M (14%)

Airport
\$24M (6%)

Property Tax
\$180M (48%)

Fees and Charges
\$101M (27%)

Grants and Interest
\$56M (15%)

LEADERS

Excludes Capital Projects, Government and Internal Transfers

Activity Trends- Spending

LEADERS

Materials
\$72M (38%)

Payroll
\$57M (30%)

Contract Services
\$45M (20%)

Corporate & Protective Services
\$51M (27%)

Corporate Financial Services
\$49M (26%)

Infrastructure
\$49M (26%)



Excludes Capital Projects, Government and Internal Transfers

Activity Trends- Payroll Activity to Budget

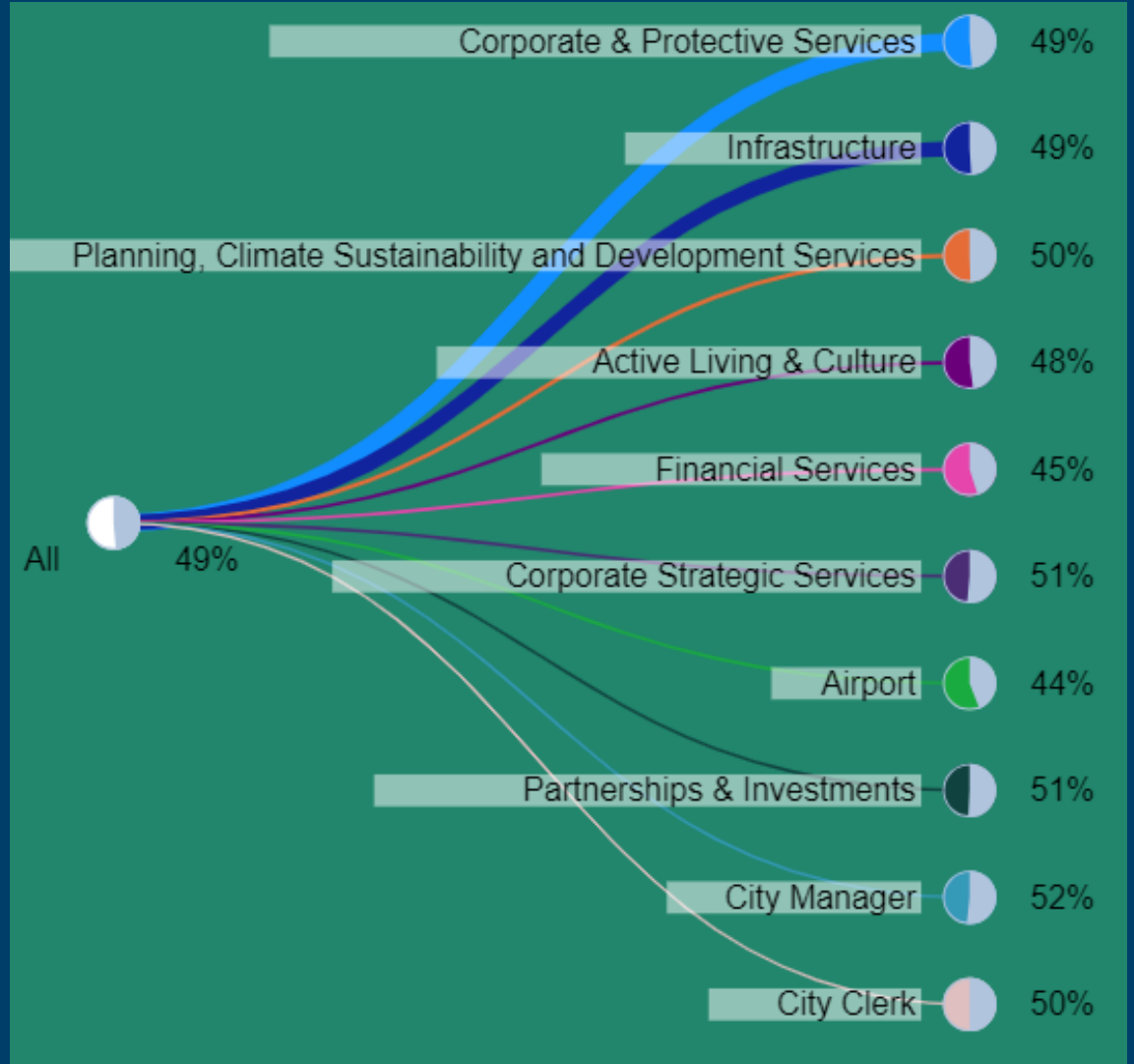
LEADERS

Corporate & Protective Services
\$19M (33%)

Infrastructure
\$16M (28%)




Planning, Climate Sustainability & Development Services
\$5M (8%)

Excludes Capital Projects, Third Party Work Orders, Emergency Operations and Salary Vacancy Factor







Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Financial Services		34% ↑	115% ↑	31%	104%
Infrastructure		40% ↑	49% ↓	37%	52%
Corporate & Protective Services		49% ↓	26% ↓	51%	33%




Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Airport		48% ↑	47% —	43%	47%
Partnerships & Investments		38% ↓	47% ↓	39%	51%
Active living & Culture		42% ↑	49% ↑	41%	44%
Planning, Climate Sustainability & Development		43% ↓	77% ↑	48%	64%



Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Corporate Strategic Services		57% ↑	24% ↑	52%	17%
City Manager		39% ↓	N/A	45%	N/A
City Clerk		53% ↑	48% ↑	38%	12%

Actual Activity to Budget

As at June 30, 2023

		BUDGET ACTIVITY			
		Expenses	Revenues	Prior Year Expenses	Prior Year Revenues
Capital Expenditure Burn Rate (annualized)		23% ↑	N/A	18%	N/A
Investment Income		N/A	70% ↑	N/A	53%

What does this mean?

Actual Activity

- Revenues and expenses are up
- Currently running a surplus

Budget utilization

- Trending similar to prior year
- 7 out of 10 Divisions are trending close to 50% target
- Outliers are mostly due to timing
- Capital projects are trending on target
- Opportunities to redeploy projected Budget Surplus

Budget Redeployment – Staff recommendation

\$1.5M Surplus Investment Income



Housing Opportunities Reserve Fund



An aerial photograph of a suburban neighborhood at dusk. The houses have dark roofs and some have their lights on. In the background, there is a large body of water and a range of mountains under a twilight sky. The foreground shows tall grass on a hillside.

Questions?