



The Corporation of the District of Summerland

2021 Annual Report

Year Ending December 31, 2021





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Mayor's Message

Although the COVID-19 pandemic was still circulating in 2021, District of Summerland Council and staff had adapted to living with the uncertainty of the virus. Council added this unusual consideration to the many factors that go into our decision-making, and staff continued to make the required adjustments to ensure operations were following provincial protocols and keeping residents as safe as possible.

Council's one employee, the chief administrative officer (CAO), is also the head of staff—that is, the conduit or liaison between the governance and operational teams. Graham Statt, who started in this role in January 2021 brought a management style to the District built over many years of working in the provincial government level. He also quickly developed a good relationship with all members of Council, providing sound guidance and proposing potential solutions to matters that arose at the table.

Council's 2019-2022 Strategic Plan continued to be a insightful guiding document through 2021, and projects and initiatives, whether Council-led or operational, always fell within the six key themes and our guiding principles. While Community Resilience is the one theme that is titled as such, each theme (Downtown Vibrancy, Infrastructure Investment, Good Governance, Alternative Energy and Active Lifestyles) can build resilience. Community resilience can be defined as the ability of a community to absorb disturbance and still retain basic function and structure. Healthy residents are resilient residents who, in turn create a healthy and resilient community.

What are examples of building resilience in Summerland that were undertaken? Working with local non-profits on affordable housing and increasing housing options; expanding recreational opportunities; FireSmart projects; protecting agricultural lands and continuing work on the Okanagan Food and Innovation Hub; upgrading the electrical system; repairing Isintok dam; and adapting to and planning for the impacts of the changing climate.



Mayor's Message

Strengthening relationships with key partners such as the Province, School District 67 and the Penticton Indian Band are also important because a collaborative approach is always stronger than going it alone. Particularly with respect to the syilx/Okanagan Nations, there is much work to be done. First, in learning the Truth of the impact of policies on, and treatment of, Indigenous Peoples and, second, in taking action on meaningful, long-lasting and respectful Reconciliation.

The work to strengthen resilience in our town does not end on December 31: It will—and must—continue so Summerland can stand strong through whatever future challenges (or opportunities) present themselves.

Council looks forward, with hope, that the pandemic, with it's attendant political and social pressures, will fade. Summerland, as a community, can come out ahead of this in a better place—not by returning to “normal”—but by focusing on strengths and renewal while continuing to build resilience.

Toni J Boot,
Mayor



DISTRICT COUNCIL

Mayor: Toni Boot (middle)

Councillors: (left to right) Doug Holmes, Doug Patan, Erin Trainer, Erin Carlson, Richard Barkwill and Marty Van Alphen.



1906

Year the District of Summerland
was incorporated

12,042

Number of residents (2021 Census)
who make Summerland home

73.8

Square km of homes, orchards,
mountains & lakes

2021 Strategic Priorities



Strategic Priority Projects & Initiatives

Updated August 2021

Infrastructure Investment	Good Governance	Community Resiliency	Alternative Energy	Active Lifestyles	Downtown Vibrancy
Asset Management	Process Improvement	Affordable / Supportive Housing Opportunities & Partnerships	Solar & Battery Project (G)	Community Health & Wellness Centre	Downtown Plan
Capital Plan / Priorities Road and water main 10yr plan	Penticton Indian Band Relationship / Priorities	Chamber of Commerce – Industry Engagement / 5yr Plan	Climate Action Plan Implementation	Parks & Recreation Master Plan Implementation	Arts & Culture Centre renovations (G)
Giants Head Road – road and water system	Bylaw Updates	Cultural Plan Implementation	Community Energy Strategy	Arena Assessment	Main Street Outdoor Patio Design Guidelines
Voltage Conversion Project (G)	Short Term Vacation Rentals	South Okanagan Agricultural Food Hub		Memorial Park Playground	Downtown infrastructure
Road Condition Assessment	Tax Base / Agricultural Land Assessment	Community Conversation Eco-Village Development			
Eneas Creek Strategy					
Isintok dam upgrades					
Trout Creek Flume (G)					
Organics Processing Facility (G)					
Watershed Management					
Perpetual Slide					
Deer Ridge Sewer					

2021 Council Advisory Committees

Advisory Planning Commission

Reviews land use planning applications that require amendments to the Official Community Plan and Zoning Bylaw with recommendations included in the staff report to Council.

Agricultural Advisory Committee

Advises Council on ALR applications, OCP and zoning applications affecting lands in the ALR, and on sustainable agricultural land use from a multiple bottom line (i.e. cultural, economic, environmental, and social) perspective.

Community Climate Action Advisory Committee

Supports Council in achieving the District's community-wide greenhouse gas (GHG) emission reduction targets and accompanying objectives related to Climate Action, as identified in the Official Community Plan.

Development Process Improvement Advisory Committee

Provides advice and assistance to Council and staff to review and update bylaws, processes and procedures as they relate to planning, development and construction in the community.

Downtown Neighbourhood Plan Task Force

Leads a Downtown Planning Process to develop a Plan for the future of Summerland's Downtown.

Parks & Recreation Advisory Committee

Provides a local perspective and advice to Council and staff on the provision of parks and recreation services, programs, and facilities in Summerland with consideration of the District of Summerland Parks & Recreation Master Plan.

Water Advisory Committee

Makes recommendations to Council with respect to the quality and quantity of Summerland's water supply and on the efficient and effective use of commercial, domestic and irrigator water supplied by the District.

DISTRICT OF SUMMERLAND

MISSION

To foster a progressive, healthy, and innovative community by continually improving our social, environmental, cultural, and economic well-being for present and future generations

VISION

We respect our traditional small town character and proactively work to ensure balance among our shared values of protecting our natural environment, supporting a sustained local economy, showcasing cultural and historical legacies and providing quality facilities and services for our diverse population both now and for future generations

PRINCIPLES

Integrity (Honesty) - We are honest and demonstrate strong ethical principles

Respect - We treat everyone equally and justly and hold each other and those we serve in high regard

Accountability - We have an obligation and willingness to accept responsibility or to account for our actions and decisions

Leadership and Collaboration - Members will demonstrate the ability to positively work with and influence others

Creativity - We are imaginative, original, progressive and resourceful in accomplishing our tasks while problem-solving or fostering innovation, together

Transparency - We openly share pertinent information and communicate clearly and accurately



Report from the Chief Administrative Officer



It has been an eventful year as we managed through pandemic challenges, fires, the heat dome, and a cold winter which was hard on our water infrastructure with several water main breakages. I am proud of the perseverance demonstrated by staff through these events.

I recall going out to one of the water main breaks with coffee and hot chocolate on Victoria Road where crews had been working at temperatures in the minus 20s. Staff had worked through the night in their efforts to source the break and then fix it in the middle of a frigid cold spell, wet with water spilling into the ditch, covered in mud, and tired. When I offered my regret that this break happened in the middle of the night during Christmas holidays I was told with a ready smile, “it is what we do... we have to get this water back on for folks!”.

So much of the work done by staff is ‘below the radar’, just quiet service to the people of Summerland when it is required. No fanfare, no special recognition, often beyond the call of duty and in the middle of the night away from family and homes to keep the services running. Utilities like fresh drinking water, wastewater services, electricity and solid waste management are what keep our community clean, functioning, and healthy. These are necessities that staff support each day in their work. To that we can add quality of life elements we gain from well-kept parks and playgrounds, beautiful landscaping, and even street sweeping, also supported by staff. Office staff support the effort behind the scenes by updating the website when there is a special advisory or event, preparing reports to Council when key decisions need to be made, and managing budgets and accountability when spending is required. Layering on top of that is the work of our first responders such as the RCMP and the Fire Department, who maintain a quiet vigilance, ensuring our families are supported and protected as they live in this special place.

Many staff live here in Summerland, they are our neighbours, friends, and fellow volunteers at our local clubs and organizations. It is just regular people, serving people, every single day. I am proud of the work of staff in 2021 and am humbled to have the privilege to lead our staff into 2022, a year of hope and promise with additional opportunities to serve the people of Summerland each day.

Graham Statt,
Chief Administrative Officer

Code of Ethics

Our role in the organization defines what we do each day - this Code of Ethics defines how we will work. What we do each day may differ, but how we do it is consistent through our pride of service and values.

TRANSPARENCY

We take personal responsibility for our actions and will speak the truth with honesty and openness in our communication and professional advice.

RESPECT

We build relationships from a place of mutual respect, holding equality and diversity in high regard while doing our part to provide a high level of service to the community.

HONESTY

We will maintain honourable conduct and welcome feedback from others regarding our work while showing leadership and acting positively in our roles.

STEWARDSHIP

We will use public time, resources, and equipment responsibly and efficiently, while also considering the sustainability of the natural environment in our choices and actions.

CREATIVITY

We use imagination and ingenuity as we work through problems and opportunities as a team.

Our Values in Action

My effort will be to collaborate with others and to pursue innovative solutions, together.

I will uphold all policies, regulations, and procedures regarding the safety of my workplace.

I will take personal action to be safe while making known to my supervisor any unsafe condition or action that would put my colleagues or myself at risk.

Being part of an inclusive workplace means I will do my part to respectfully listen to ideas and perspectives that may not align with my own and be kind and welcoming to others around me.

I invite those with whom I work most closely to keep me accountable to this Code of Ethics, and promise to do the same for them, in the appropriate setting and in a respectful manner.

Transparency – Respect – Honesty – Stewardship – Creativity

Mayor & Council

Chief Administrative Officer

RCMP

- Community Policing
- Community Safety
- Enforcement

Fire

- Fire Department
- Emergency Management
- Fire Inspection

Community Services

- Recreation
- Programs
- Arena
- Parks Planning
- Community Development
- Community Engagement
- Communications
- Landscaping

Development Services

- Building
- Planning
- Facilitating Development
- Business Licencing
- Bylaw Services & Compliance
- Building Inspection



Utilities

- Electrical
- Water
- Wastewater
- Watershed Protection & Planning
- Regulatory Assurance for Utilities

Works & Infrastructure

- Linear Infrastructure
- Fleet & Equipment
- Asset Management
- Sanitary Landfill
- Facility Stewardship
- Eng./Capital Works
- Sustainability

Corporate Services

- Legislative Services
- Council Agenda Management
- Contract / Leases Administration / Risk / Procurement

Finance

- Budget
- Accounting
- Payroll & Benefits
- Information Technology
- GIS

Human Resources

- Performance Management
- Employee & Labour Relations
- Recruitment & Retention
- Compensation
- Orientation & training

Financial Services

2021 YEAR IN REVIEW

OVERVIEW

- Operational and Capital Budgeting
- Financial Reporting
- Grant Administration
- Payroll
- Property Taxation
- Annual Agricultural Water Billing
- Monthly Utility and Receivable Billing
- Invoice Processing and Payment
- Dog Licensing



ACCOMPLISHMENTS

- COVID-19 Financial Impact Assessments & Adaptation Strategies
- Agricultural Water
- Annual Budgeting
- Financial Reporting

2022 PRIORITIES

- Taxation Distribution Amongst Property Classes
- Timesheet Entry Module
- Public Sector Accounting Board - Asset Retirement Obligations Standard Implementation
- Fees and Charges Review
- Place of Worship - Permissive Tax Exemption Review

7,527

Vendor invoices
processed

75,765

Invoices Issued

6,638

Property Tax Notices
Issued



Corporate Services

2021 YEAR IN REVIEW



OVERVIEW

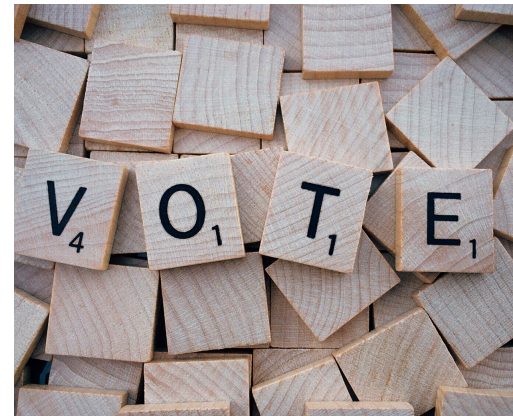
- Coordination of Council Meetings and Agendas
- Statutory Role of Corporate Officer
- Legislative Services
- Elections Management
- Records Management
- Claims / Risk Management
- Freedom of Information Requests
- Contracts / Lease Management
- Procurement
- Social Media / Communications

ACCOMPLISHMENTS

- Council Procedure Bylaw Amendment - Electronic Meetings
- Audiovisual and physical upgrades to Council Chambers
- Transition back to in-person Council meetings
- Procurement Policy updated
- Over \$7M in contracts awarded via procurement processes

PRIORITIES - 2022

- 2022 General Local Election
- Giants Head Road Alternate Approval Process
- Council Code of Conduct
- Voyent Alert! Notification Service System
- Council Remuneration Review
- Review and implementation of Provincial Legislative Changes (Bill 26)



99

Meetings of Council /
Public Hearings

32

Freedom of Information
Requests Processed

29

Procurements Managed

Community Services

2021 YEAR IN REVIEW

OUR VISION

Enriching the community in parks, recreation and culture by providing inclusive, innovative, sustainable facilities, programs and services while fostering community partnerships and progressive planning for current and future needs.

WHAT WE DO

- Recreation Facilities, Programs & Services
- Parks Administration
- Parks & Trails Planning Projects
- Community Development
- Arts, Culture and Heritage



10,141

Registered Recreation Members*

1,758

Red Cross Swim Lesson registrations

907

Recreation program registrations

**Number of Active Clients in the Recreation Department Database*

Community Services

2021 at a Glance

Accomplishments

- Continually updated COVID-19 Safety Plans and implemented protocols to meet Provincial and Regional requirements to safely provide parks and recreation facilities, programs, and services during the pandemic
- Began implementation of Recreation Centre and Health Centre Feasibility Studies
- Completed renovations and lease agreement negotiations for the newly named George Ryga Arts & Cultural Centre
- Updated the Parks & Recreation Fees & Charges Bylaw
- Completed the South Okanagan Similkameen Child Care Study
- Began implementation on the Memorial Park Master Plan
- Completed designs for the Memorial Park Playground
- Installed new outdoor fitness equipment
- Completed dog park designs and installed a temporary off-leash dog park
- Constructed 4 new pickleball courts



45%

Program registration conducted online

4600

RECOPE visits (aquatic rehabilitation)

66.5

km trail network within the District's boundaries

Community Services

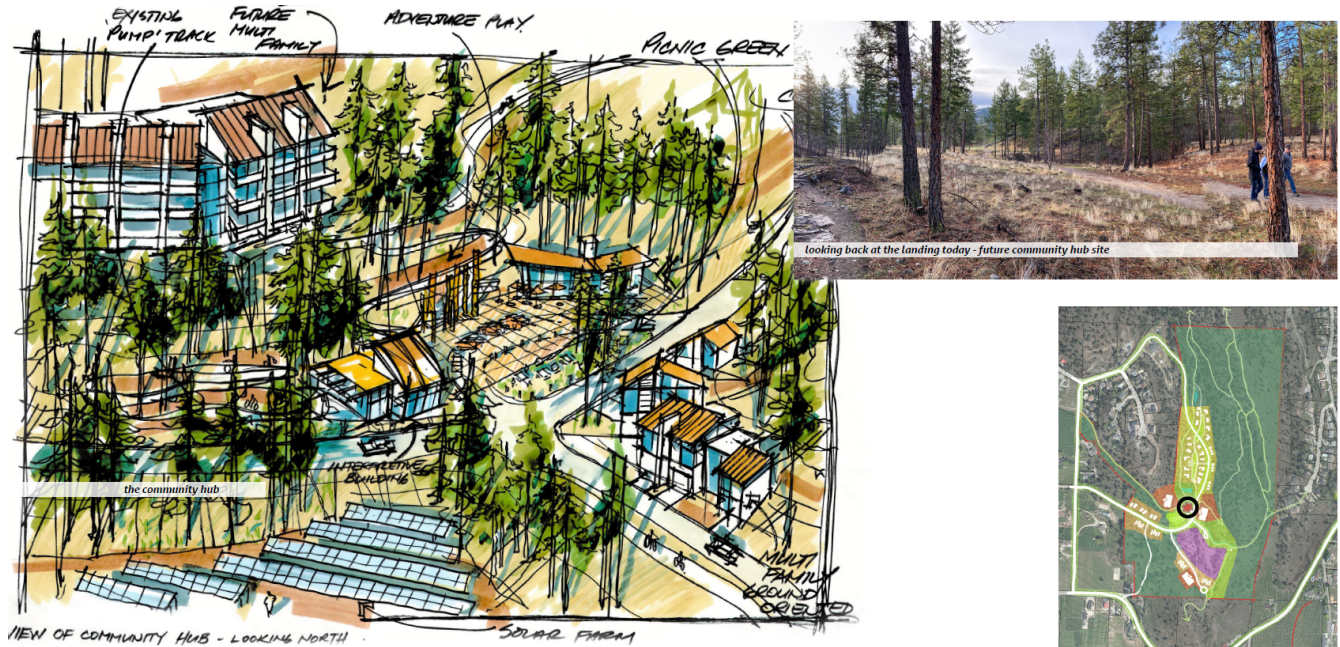
2022 Priorities

- Continue adapting and implementing COVID-19 protocols
- Update Parks Regulation Bylaw
- Next phases of Recreation Centre & Health Centre projects
- Finalize Waterfront Concept Plan
- Finalize Arena Condition Assessment
- Finalize Downtown / Memorial Park Master Plan
- Memorial Park Playground installation
- Summerland Rodeo Grounds Master Plan
- Giant's Head Mountain Trails (phases 3&4)
- New tennis court construction



Development Services

2021 YEAR IN REVIEW



ACCOMPLISHMENTS

Planning and Development

- Progressive work with the Downtown Neighbourhood Plan Task Force to create a new vision and action plan document for the future of Summerland's Downtown
- Initiation and completion of a new Short Term Rental Regulatory Framework for the District of Summerland
- Pilot project for Agri-Tourism Accommodation across all agricultural lands
- Exploration of the feasibility of an 'Eco-Village' at the District's land at the south toe of Cartwright Mountain
- Establishing new application timeline targets for District planning applications

18

SUBDIVISIONS

33

VARIANCES

16

REZONINGS

24

DEVELOPMENT
PERMITS

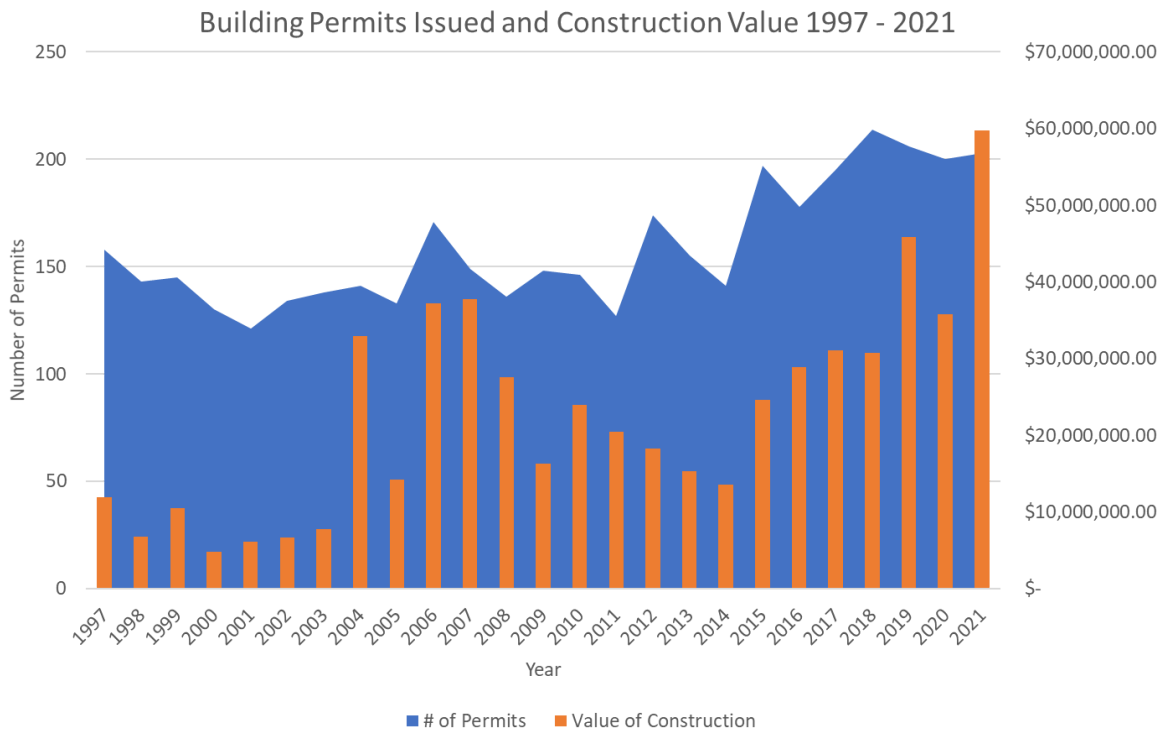
Development Services

2021 YEAR IN REVIEW

ACCOMPLISHMENTS

Building and Construction

- In 2021, the District issued a record total of \$59.8 million construction value in building permits
- The largest building permit was for \$28.5 million for the OASIS mixed-use project on Lakeshore Drive
- A total of 203 building permits were issued



\$59.8M

TOTAL CONSTRUCTION VALUE

203

BUILDING PERMITS

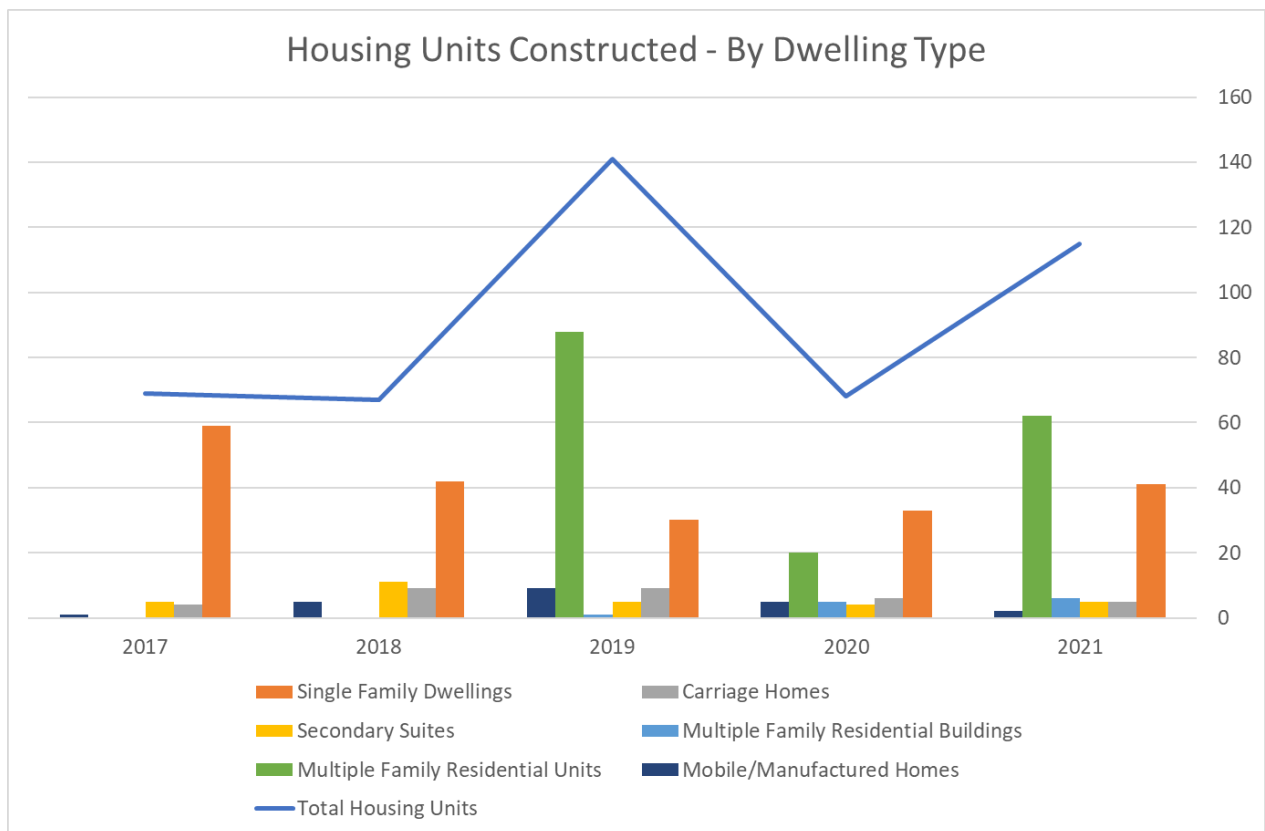
Development Services

2021 YEAR IN REVIEW

ACCOMPLISHMENTS

New Housing Supply

- In 2021, the District issued 41 permits for new single family dwellings. This has been the primary housing type constructed over the past 5 years
- A total of 62 multiple-family residential units were also approved for construction, which represents the second highest total over the past 5 years
- The total average number of newly constructed housing units has increased in the past 3 years from 60-70 units to 60-140 units
- An increase in multiple-family units, and more diversity of housing types is a key goal of the District's "Affordable Summerland" Strategy



Development Services

2021 YEAR IN REVIEW

ACCOMPLISHMENTS

Bylaw Enforcement

- Adoption of a new 'Good Neighbour Bylaw' that provides minimum standards for property maintenance, noise, boulevard treatment, and snow removal
- Hiring of a new part-time Bylaw Officer to complement the existing full-time Officer
- A new Bylaw Enforcement Policy with clear and consistent process for handling of complaints
- Enhanced coverage for weekends and park areas in the busy tourism season



969

BYLAW FILES GENERATED

127

BUSINESS LICENSES

190

TICKETS ISSUED



Works & Infrastructure

2021 YEAR IN REVIEW

ABOUT US

The Works & Infrastructure team consists of 33 full-time, 1 part-time and 11 seasonal staff.

SERVICES WE PROVIDE

- Water & sewer service installations/repairs
- Hydrant maintenance & flushing
- Storm sewers & drainage
- Snow removal & ice control
- Street sweeping & roadside mowing
- Dike Maintenance & creek maintenance
- Banners & seasonal decorative lighting
- Cemetery interments & maintenance
- Landfill operations
- Curbside Collection
- Municipal building maintenance
- Fleet & equipment maintenance
- Signage & line painting
- Beach & playground maintenance
- Sports fields & parks maintenance
- Public washrooms
- Tree, planting bed & boulevard maintenance

150km

Paved Roadways

220km

Watermains

80km

Sanitary Sewer

Works & Infrastructure

2021 Accomplishments



- Road and Watermain Projects
 - Giants Head Road Watermain and Road Upgrade Project design complete
 - Canyon View Watermain and Road Upgrade project designed, tendered and awarded
- Landfill Projects
 - Organics Facility Design and Tender Documents complete
 - Received Grant for Residential Organics Collection Project
 - Fencing Completed
 - Installation of Administration Site Office
 - Alternate Daily Cover System Initiated
- Eneas Creek Design Completed - Awaiting Approvals for Construction
- Peach Orchard and Rotary Pathway Repairs Complete
- Lakeshore Drive Approvals for Emergency Work Received



Works & Infrastructure

2022 Priorities

- Landfill Organics Processing Facility Construction
- Road & Watermain improvements
 - Construction:
 - Canyon View Road Replacement
 - Giants Head Road Road Replacement
 - Designs:
 - Victoria Road South - Sidewalk, Drainage and Road Works
 - Kelly Ave/Jubilee Road Intersection Curb Extensions
 - Jubilee Road West Road Works



- Subdivision & Development Service Bylaw Update
- Road and Watermain 10 Year Capital Plan
- Fleet Replacement Program



Sustainability & Alternative Energy

2021 YEAR IN REVIEW

Our Future

The District of Summerland has both a Community-Wide and a Corporate Energy & Emissions Plan to guide climate action in our community. In 2020, Council adopted a new Community Energy & Emissions Reduction Plan, which includes updated GHG emissions reduction targets of 18% below 2007 levels by 2025, 30% by 2030, and 80% by 2050.

Additionally, as a signatory to the BC Climate Action Charter, the District of Summerland has committed to working towards becoming carbon neutral in operations.



Accomplishments

- 2021 Climate and Energy Action Award received from CEA for the low carbon and renewable energy project implementation
- Achievement of Milestones 2 and 3 in Partners for Climate Protection Program (PCP)
- Planted 91 trees as part of the Earth Day Canada Tree Planting Relay
- Process Studies for the Water Treatment Plant, Waste Water Treatment Plant and Arena/Curling Rink were completed as part of corporate initiatives to reduce energy and emissions in high emission buildings and infrastructure in the District.



2022 Priorities

- Complete fleet assessment as Step 1 of the electrification of the District Fleet
- Return of in person events for Earth week/day, GobyBikeBC summer and fall events, and waste reduction week.
- Municipal facility efficiency upgrades
- Engage with Summerland schools as part of community awareness and climate education



Utilities

2021 YEAR IN REVIEW

ABOUT US

The Utilities team consists of 19 full-time staff.

SERVICES WE PROVIDE

- Clean drinking water
- Safe treatment of wastewater
- Safe delivery of electricity



330km

Powerlines

220km

Watermains

80km

Sanitary Sewer

Water Utility

2021 YEAR IN REVIEW

Accomplishments

- Pandemic Response
- Isintok Low Level Outlet replacement
- Pressure Reducing Valve 6 Replacement
- Water bylaw update
- Brushing and tree removals on dams
- Water meter replacements
- Screening works slide gate replacement

2022 Priorities

- Source Water Assessment (to assess quality and condition of source water)
- Giants Head road watermain replacement
- Canyon View Road Water Main Replacement
- Water Treatment Plant - Conversion from chlorine gas to sodium hypochlorite
- Auxiliary Power to Pumphouse 5
- Pressure Reducing Valve 4 and 14 upgrades
- Isintok deadfall removal
- Water Emergency Response Plan
- Water Treatment Plan PLC upgrade planning
- Dam Safety Reviews
- Update Water Master Plan

Wastewater Utility

2021 YEAR IN REVIEW

Accomplishments

- Pandemic Response
- Facility Plan
- Design of new Dissolved Air Flotation tank
- Design of bioreactor upgrades
- Design of equalization system upgrades
- Peach Orchard lift station odour control measures
- Research Station Meter replacement
- HVAC Upgrades
- Centrifuge Spare Rotating Assembly

2022 Priorities

- Office building HVAC replacement
- Washington ave sewer main upgrade
- Filter building renovation
- UV disinfection upgrades
- Design Primary Clarifier
- Deer ridge area sewer expansion grant application
- Centrifuge Bowl Rebuild
- New gas monitoring system



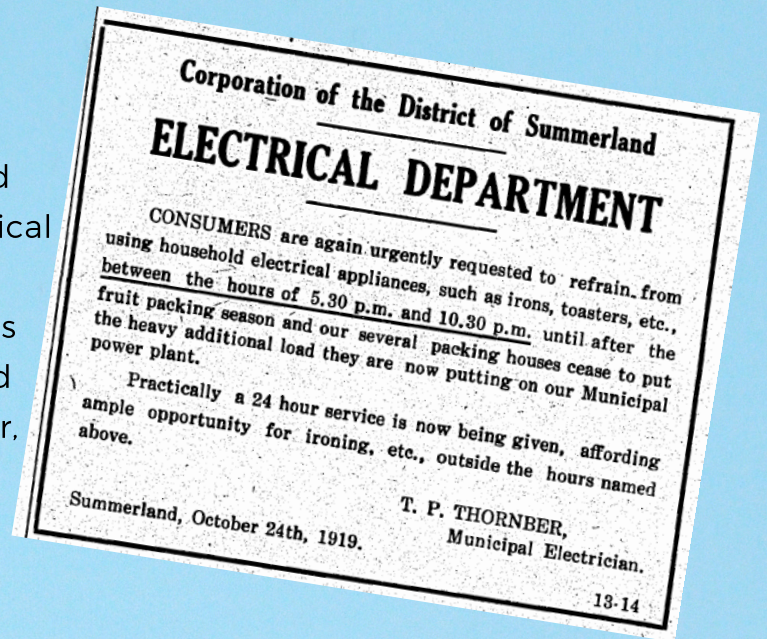
Summerland Electric Utility

Power History

Summerland is one of only five municipalities in BC that owns its electrical utility.

For over 110 years the District has proudly served the community with safe, reliable, and economical energy.

Summerland Electrical Utility's seven employees all live within the community and are dedicated to keeping your lights on no matter the weather, temperature or time of day.



Power Generation

Currently, the Electric Utility purchases the majority of its electrical energy from the local transmission wholesaler and small amounts from individual customers with solar installations. This is a traditional model for Municipal Electric Utilities; however, Summerland's Electric Utility will soon be generating its own electricity through its innovative Solar and Battery Energy Storage project. This is in keeping with Summerland's roots as an electrical generator when one of the first hydro plants in BC was commissioned by Summerland around 100 years ago.

Power Distribution

Our electrical distribution network is the backbone of our power delivery system and is currently meeting the needs of existing customers. This electric distribution system consists of over 3,000 power poles, 2,500 transformers, 5,000 revenue meters and over 330 km of wire!



Electric Utility

2021 YEAR IN REVIEW

Accomplishments

- Pandemic Response
- Solar & Battery project advancement
- Energy Strategy
- EV charging stations
- Pathway lighting upgrades along lakeshore
- Business Process Improvements



2022 Priorities

- Summerland Solar & Battery Storage Project
- Transformer replacements
- Vault Replacements
- Voltage Regulator Installations
- Design Wharton Underground Powerline
- Power pole test and treat program
- Brushing program
- Wholesale power contract renewal
- Customer connections
- Peach Orchard Park lighting upgrades

Fire Department

2021 YEAR IN REVIEW

ABOUT US

The Summerland Fire Department was established in 1949, with the current Fire Hall constructed in 1963. The Department is home to a professional and auxiliary (paid on-call) team with an average age of 50 years.

ACCOMPLISHMENTS

- Limited spread of Covid-19 within the Fire Department
- Divided firefighters into smaller training events to accommodate Covid-19 protocols, maintained a high quality of decontamination during and after fire training and calls
- Completion of "Fuel Management Prescription" RFP to mitigate and reduce potential of wildfire
- Completion of new and retro 2002 wildfire bush trucks



2022 PRIORITIES

- NFPA Firefighter II certification of 5 recruit auxiliary firefighters (16 month certification process)
- Recruit 4 to 6 Auxiliary Firefighters
- FireSmart Public Education Program and FireSmart demonstration area at Summerland Arena
- Mitigate and reduce wildfire fuel in Canyon View Road area
- Fire Hall office renovation (capital project)

462

Open burning permits issued

342

Emergency response incidents

994

property inspections conducted

19

Public education sessions

627

Firefighter training hours



Police (RCMP)

2021 YEAR IN REVIEW

The Summerland RCMP Detachment is committed to keeping our community safe. We have a partnership with our community, providing safety and security through professional service based on our traditions of fairness and equality.

Our mandate is multi-faceted in that we prevent and investigate crime, maintain order, enforce laws on matters as diverse as health, contribute to national security, and provide vital operational support services to other agencies.

The Summerland RCMP Detachment administers and supports the Citizens on Patrol program and works closely with the South Okanagan Similkameen Crime Stoppers organization as well as our District Bylaw Enforcement Staff.



MESSAGE FROM THE DIRECTOR OF FINANCE

I am pleased to present the District of Summerland audited financial statements for the year ended December 31, 2021.

As noted in the management report, Council has delegated the responsibility for the accuracy, integrity, and objectivity of the financial information presented in the financial statements to the management staff of the District. The financial statements, as required by the Community Charter, have been prepared and meet the reporting standards for local governments.

The financial statements reflect a continued improvement in the financial position of the District of Summerland. 2021 Net Financial Assets, which measures a municipality's ability to cover its financial liabilities with its financial assets, increased by \$8.9 million. Overall, revenues increased by \$2.8 million. The largest contributing factor was an increase in user fees of \$2.3 million following a water rate increase of 5.0%, a sewer rate increase of 3.5% and an electric rate increase of 3.62%. Additionally, the District saw an increase in utility service connections of \$431,000.

2021 Expenses of \$31.8 million decreased \$1.8 million when compared to 2020. As in previous years some departments saw expenditures increase, while other departments had expenditures decrease. The most significant decrease saw the District's landfill closure amount decrease by \$1.79 million. This decrease was primarily due to an increase in the discount rate that is used to calculate the Net Present Value of the overall landfill closure liability. Additionally, the District incurred \$845,686 in COVID-19 related expenses throughout the year, on top of normal operational expenses.

The District ended the year with an \$11.1 million increase to accumulated surplus, which has an overall balance of \$137.5 million. Accumulated surplus includes investment in tangible capital assets, funds held in reserve and unappropriated surplus. The General Fund ended the year with \$6.28 million unappropriated surplus, an increase of \$4.31 million. The Water Fund ended the year with \$2.84 million unappropriated surplus, an increase of \$563,800. The Sewer Fund ended the year with \$1.01 million unappropriated surplus, an increase of \$87,000. The Electric Fund ended the year with \$4.0 million unappropriated surplus, an increase of \$479,900. The surplus increases in each fund were primarily due to lower than budgeted spending due to the COVID-19 pandemic.

Funds held in reserve increased \$7.8 million and total \$37.1 million. This increase in reserve funds is attributed to two primary factors; annual surplus, and reserve transfers related to capital acquisitions. The District's budgeted 2021 surplus was \$8.3 million wherein the actual surplus was \$11.1 million. The primary factors for this increase are noted above in both the revenue and expense analysis. In addition to the annual surplus, the District's 2021 budget included \$21.1 million in capital acquisitions, with \$12.0 million in funding from reserve transfers. Actual capital acquisition spending was \$6.3 million with \$3.2 million actually being transferred from reserves.

Council's ongoing commitment to ensure the financial stability of the District will provide a strong framework in meeting community needs in future years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'David Svetlichny', with a stylized flourish at the end.

David Svetlichny, CPA, CA
Director of Finance

The Corporation of the District of Summerland
Financial Statements
For the year ended December 31, 2021

The Corporation of the District of Summerland

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Management's Responsibility

To the Mayor and Council of The Corporation of the District of Summerland:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles for local governments and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Mayor and Council are composed entirely of individuals who are neither management nor employees of the District. The Mayor and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Mayor and Council fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Mayor and Council are also responsible for appointing the District's external auditors.

BDO Canada LLP, an independent firm of Chartered Professional Accountants, is appointed by the Mayor and Council to audit the financial statements in accordance with Canadian generally accepted auditing standards and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

April 25, 2022



Director of Finance

Independent Auditor's Report

To the Mayor and Council, inhabitants, and ratepayers of the District of Summerland

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedule on page 22 of the District's Financial Statements.

Chartered Professional Accountants
Kelowna, British Columbia
April 25, 2022

The Corporation of the District of Summerland
Statement of Financial Position
As at December 31, 2021

	2021	2020
Financial assets		
Cash and cash equivalents	\$ 28,630,507	\$ 22,507,467
Accounts receivable (Note 2)	6,592,087	4,601,054
Portfolio investments (Note 3)	12,578,407	11,652,680
Deposit - Municipal Finance Authority (Note 4)	616,256	625,626
	48,417,257	39,386,827
Financial liabilities		
Accounts payable and accrued liabilities (Note 5)	7,662,210	5,915,555
Landfill closure and post closure liability (Note 6)	1,395,719	3,187,638
Deferred revenue (Note 7)	7,791,074	6,762,606
Deposits	2,926,444	1,677,591
Long-term debt (Note 8)	11,260,255	13,380,793
	31,035,702	30,924,183
Net financial assets	17,381,555	8,462,644
Non-financial assets		
Tangible capital assets (Note 9)	117,891,730	115,800,021
Prepays	424,987	410,547
Inventories of supplies	1,821,272	1,712,147
	120,137,989	117,922,715
Accumulated surplus (Note 10)	\$137,519,544	\$126,385,359

Contingent liabilities and commitments (Note 14)



 Director of Finance



 Mayor

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

The Corporation of the District of Summerland
Statement of Operations and Accumulated Surplus

For the year ended December 31, 2021

	Budget (Note 16)	2021	2020
Revenue			
Taxation - net (Note 12)	\$ 12,234,472	\$ 12,248,198	\$ 11,947,726
Government transfers (Note 13)	9,571,159	4,597,813	4,884,598
User fees, sales and rentals	20,838,846	22,384,849	20,094,716
Permits, licenses and fines	375,500	694,682	617,399
Investment income	55,000	176,904	336,571
Actuarial earnings	955,687	955,685	897,690
Penalties and interest on taxes	75,000	120,083	86,737
Franchise	106,201	108,590	106,201
Contributions	1,373,670	1,302,756	871,225
Other	1,515,639	320,447	259,208
Gain on disposal of tangible capital assets	-	37,500	10,716
	47,101,174	42,947,507	40,112,787
Expenses			
General government services	2,335,997	1,990,249	1,899,398
Protection services (Note 18)	3,366,692	3,109,114	2,880,889
Transportation services	4,756,967	2,815,528	3,046,930
Environmental services	2,385,682	27,216	3,400,107
Health services	99,832	85,766	84,483
Planning and development	905,354	813,362	677,753
Parks and recreation	3,717,098	3,231,967	2,645,473
Water services	5,934,950	4,954,986	4,908,822
Sewer services	3,302,645	2,734,123	2,680,570
Electrical services	12,028,087	12,051,011	11,370,172
	38,833,304	31,813,322	33,594,597
Annual surplus	8,267,870	11,134,185	6,518,190
Accumulated surplus, beginning of year	126,385,359	126,385,359	119,867,169
Accumulated surplus, end of year	\$ 134,653,229	\$ 137,519,544	\$ 126,385,359

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

The Corporation of the District of Summerland
Statement of Changes in Net Financial Assets
For the year ended December 31, 2021

	Budget (Note 16)	2021	2020
Annual surplus	\$ 8,267,870	\$ 11,134,185	\$ 6,518,190
Acquisition of tangible capital assets	(21,124,758)	(6,345,462)	(6,122,064)
Amortization of tangible capital assets	5,658,000	4,253,753	4,160,468
Gain on disposal of tangible capital assets	-	(37,500)	(10,716)
Proceeds on sale of tangible capital assets	-	37,500	10,716
	(7,198,888)	9,042,476	4,556,594
Change in prepaids	-	(14,440)	(118,771)
Change in inventory of supplies	-	(109,125)	(296,430)
Increase (decrease) in net assets	(7,198,888)	8,918,911	4,141,393
Net financial assets (debt), beginning of year	8,462,645	8,462,645	4,321,252
Net financial assets (debt), end of year	\$ 1,263,757	\$ 17,381,556	\$ 8,462,645

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

The Corporation of the District of Summerland
Statement of Cash Flows

For the year ended December 31, 2021

	2021	2020
Operating transactions		
Annual surplus	\$ 11,134,185	\$ 6,518,190
Items not involving cash		
Amortization	4,253,753	4,160,468
Gain on disposal of tangible capital assets	(37,500)	(10,716)
Landfill closure and post closure costs	(1,791,919)	1,801,653
Contributed tangible capital assets	-	(100,400)
	2,424,334	5,851,005
Changes in non-cash operating balances		
Accounts receivable	(1,991,033)	(106,237)
Prepays	(14,440)	(118,771)
Inventories of supplies	(109,125)	(296,430)
Accounts payable and accrued liabilities	1,746,655	1,227,512
Deferred revenue	1,028,468	474,749
Actuarial reduction of long-term debt	(955,685)	(897,690)
Deposit - Municipal Finance Authority	9,370	(12,613)
Deposits	1,248,853	435,686
	963,063	706,206
	14,521,582	13,075,401
Capital transactions		
Acquisition of tangible capital assets	(6,345,462)	(6,021,664)
Proceeds on disposal of tangible capital assets	37,500	10,716
	(6,307,962)	(6,010,948)
Investing transactions		
Acquisition of portfolio investments	(925,727)	(502,682)
Financing transactions		
Repayment of long-term debt	(1,164,853)	(1,131,383)
Net change in cash and cash equivalents	6,123,040	5,430,388
Cash and cash equivalents, beginning of year	22,507,467	17,077,079
Cash and cash equivalents, end of year	\$ 28,630,507	\$ 22,507,467

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

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2021

The Corporation of the District of Summerland (the "District") was incorporated under the laws of the Province of British Columbia in 1906 and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. Its principal activities include the provision of local government services to residents of the incorporated area. These include general government, fire protection, planning and development, parks and cultural services, utilities, and fiscal services. Under Section 149(1)(c) of the Income Tax Act, the District is exempt from taxation.

1. Significant accounting policies

The financial statements of the District are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

(a) Basis of consolidation

i) Consolidated entities

The District does not control any significant external entities and accordingly no entities have been consolidated in the financial statements.

ii) Accounting for other government organizations and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the other government entities and the School Boards with which the District interacts are not reflected in these financial statements. Funds collected by the District on behalf of these other entities and transmitted to them are summarized in Note 12. Funds received by the District as transfers from other government entities are summarized in Note 13.

(b) Basis of accounting

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2021

1. Significant accounting policies (continued)

(c) Revenue recognition

Taxation revenues are recorded on an accrual basis and recognized as revenue in the year they are levied. Charges for electric, sewer and water usage are recorded as user fees when the service or product is provided. Connection fee revenues are recognized when the connection has been established. Sales of service and other revenue is recognized when the service or product is provided.

The District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the District recognizes revenue as the liability is settled.

Non-government conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

(d) Deferred revenue

Funds received from non-government sources 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.

(e) Investment income

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(f) Reserves

Non-statutory reserves represent an appropriation of surplus for specific purposes. Statutory reserves are restricted by the Community Charter and the associated municipal bylaws that established the reserves.

(g) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with a term to maturity of 90 days or less at acquisition and readily convertible to cash.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies (continued)

(h) Portfolio investments

Portfolio investments are recorded at cost. When there is a decline in the market value, which is other than temporary in nature, investments are written down to the market value.

(i) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined principally on a weighted average and specific item basis, or replacement cost.

(j) Long-term debt

Long-term debt is recorded net of related sinking fund balances.

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2021.

At each financial reporting date, the District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(l) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use for the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies (continued)

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings	20-50
Roads and sidewalks	20-50
Machinery and equipment	5-20
Water utility	10-80
Sewer utility	10-50
Electric utility	10-50

Annual amortization is charged in the year following acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

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

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies (continued)

(m) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating provisions for useful lives of tangible capital assets, liability for landfill closure and post-closure and liability for contaminated sites.

2. Accounts receivable

	2021	2020
Property taxes	\$ 377,386	\$ 547,735
Utilities	2,004,887	1,798,574
Other governments	2,538,914	1,060,100
Trade and other	1,727,716	1,250,696
Allowance for doubtful accounts	(56,816)	(56,051)
	\$ 6,592,087	\$ 4,601,054

3. Portfolio investments

	2021	2020
MFA short-term bond fund	\$ 9,974	\$ 9,776
MFA money market fund	69,352	69,246
Guaranteed Investment Certificates, interest ranging from 0.25% to 1.45% and maturing June, 2022 to September, 2023	12,499,081	11,573,658
	\$ 12,578,407	\$ 11,652,680

The income from portfolio investments for the year was \$212,131 (2020 - \$329,150), where \$29,417 (2020 - \$48,694) has been deferred. The market value of the District's portfolio investments was \$12,578,263 (2020 - \$11,651,333).

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

4. Municipal Finance Authority debt reserve

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

	Demand Notes	Cash Deposits	2021	2020
General fund	\$ 145,428	\$ 69,121	\$ 214,549	\$ 266,844
Water fund	532,310	284,050	816,360	811,609
Sewer fund	348,812	263,085	611,897	607,497
	\$ 1,026,550	\$ 616,256	\$ 1,642,806	\$ 1,685,950

5. Accounts payable and accrued liabilities

	2021	2020
Trade and other	\$ 6,428,489	\$ 4,709,110
Wages and benefits	877,854	840,975
Due to funds held in trust	355,867	365,470
	\$ 7,662,210	\$ 5,915,555

The Corporation of the District of Summerland
Notes to the Financial Statements

For the year ended December 31, 2021

6. Landfill closure and post closure liability

	2021	2020
Landfill closure costs	\$ 821,394	\$ 1,801,421
Landfill post closure costs	574,325	1,386,217
	\$ 1,395,719	\$ 3,187,638

In accordance with PS 3270, liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Landfill closure costs include placing a permanent cover over the face of the landfill. Post closure costs include landfill gas monitoring and general site maintenance for a period of 25 years after the landfill is closed.

Landfill closure costs are estimated based on the unused capacity of the landfill site. Management, with the assistance of an engineering firm, has projected the remaining life of the 950,000 m³ of airspace in the landfill to be 57 years, closing in the year 2078. Landfill closure costs are estimated at \$821,394 (2020 - \$1,801,421). As at December 31, 2021, \$793,034 (2020 - \$652,345) has been set aside in reserves for this purpose. The balance of the landfill closure costs are expected to be funded by a combination of future reserve account contributions and borrowing.

Post closure costs are estimated to manage the closed landfill for a period of 25 years, the statutory period required by the Province, using a number of factors including the unused capacity of the landfill, the probable closure date, the annual maintenance costs and the present value discount rate. The discount rate is the difference between the long-term Municipal Financing Authority borrowing rate and the current Consumer Price Index. The estimate of the annual costs is \$150,000. Total post closure costs are estimated to be \$574,325 for 2021 (2020 - \$1,386,217) based on 20.4% (2020 – 19.0%) of the landfill capacity used to this date and a 57-year lifespan to 2078 and a discount rate of 0.45% (2020 – -1.03%). Post closure costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

7. Deferred revenue

	Opening balance	Deferred transactions	Externally restricted investment income	Revenue recognized	2021 Ending balance
Development cost charges	\$ 5,345,956	\$ 778,509	\$ 29,417	\$ (41,925)	\$ 6,111,957
Property taxes and business licenses	1,416,650	1,701,376	-	(1,438,909)	1,679,117
	\$ 6,762,606	\$ 2,479,885	\$ 29,417	\$(1,480,834)	\$ 7,791,074

8. Long-term debt

	2021	2020
Outstanding debt, beginning of year	\$ 13,380,793	\$ 15,409,866
Repayment of debt	(1,164,853)	(1,131,383)
Actuarial reduction of principal	(955,685)	(897,690)
Outstanding debt, end of year	\$ 11,260,255	\$ 13,380,793

Future payments on net outstanding debt for the next five years and thereafter are as follows:

	General Fund	Water Fund	Sewer Fund	Total
2022	\$ 264,286	\$ 1,088,945	\$ 776,992	\$ 2,130,223
2023	273,536	1,128,731	813,203	2,215,470
2024	283,110	1,169,996	212,560	1,665,666
2025	293,019	1,212,794	220,362	1,726,175
2026	303,275	832,693	171,855	1,307,823
2027 and thereafter	1,539,698	424,510	250,690	2,214,898
	\$ 2,956,924	\$ 5,857,669	\$ 2,445,662	\$ 11,260,255

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

8. Long-term debt (continued)

Bylaw Number	Purpose	Year Maturing	% Rate	2021 Cash Payments		Balance Outstanding	
				Interest	Principal	2021	2020
General fund							
00-083	Road Improvements	2021	1.750	\$ 17,500	\$ 30,242	\$ -	\$ 76,421
00-083	Road Improvements	2030	1.280	25,600	73,523	1,091,881	1,193,628
00-399	RCMP Building	2030	1.470	88,594	104,943	1,865,044	2,014,410
				<u>131,694</u>	<u>208,708</u>	2,956,925	<u>3,284,459</u>
Water fund							
00-161	Water works upgrade	2025	0.910	54,600	244,492	1,577,877	1,944,047
00-213	Thirsk Dam Expansion	2026	1.530	98,400	201,490	1,965,437	2,314,354
00-195	Water works upgrade	2027	2.250	135,000	201,491	2,314,354	2,649,850
				<u>288,000</u>	<u>647,473</u>	5,857,668	<u>6,908,251</u>
Sewer fund							
98-034	Sewer System construction	2023	2.650	238,500	188,572	1,187,367	1,738,990
00-192	Sewer System construction	2025	1.910	7,280	32,599	210,384	259,206
00-207	Sewer System construction	2026	1.530	32,800	67,164	655,146	771,451
00-192	Sewer System construction	2029	2.250	4,500	6,716	99,081	109,421
16-023	Sewer System construction	2036	2.100	7,686	13,621	293,684	309,015
				<u>290,766</u>	<u>308,672</u>	2,445,662	<u>3,188,083</u>
				<u>\$ 710,460</u>	<u>\$ 1,164,853</u>	\$ 11,260,255	<u>\$ 13,380,793</u>

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

9. Tangible capital assets

	Land	Land Improvements	Buildings	Machinery and Equipment	Roads and Sidewalks	Water Utility	Sewer Utility	Electric Utility	Work in Progress	2021 Total	2020 Total
Cost, beg. of year	\$ 14,509,931	\$ 5,793,663	\$ 12,307,398	\$ 13,759,616	\$ 34,409,168	\$ 54,217,606	\$ 38,355,804	\$ 11,174,259	\$ 4,674,915	\$ 189,202,360	\$ 183,309,146
Additions	-	144,110	898,492	3,314,816	-	2,423,314	236,396	891,434	4,149,882	12,058,444	8,181,766
Disposals	-	-	-	(62,688)	-	-	-	-	(5,712,982)	(5,775,670)	(2,288,554)
Cost, end of year	14,509,931	5,937,773	13,205,890	17,011,744	34,409,168	56,640,920	38,592,200	12,065,693	3,111,815	195,485,134	189,202,358
Accumulated amortization, beg. of year	-	-	6,672,770	8,250,454	22,590,739	17,046,728	15,466,750	3,374,898	-	73,402,339	69,470,721
Amortization	-	-	238,006	620,768	1,062,480	1,200,899	900,778	230,822	-	4,253,753	4,160,468
Disposals	-	-	-	(62,688)	-	-	-	-	-	(62,688)	(228,852)
Accumulated amortization, end of year	-	-	6,910,776	8,808,534	23,653,219	18,247,627	16,367,528	3,605,720	-	77,593,404	73,402,337
Net carrying amount, end of year	\$ 14,509,931	\$ 5,937,773	\$ 6,295,114	\$ 8,203,210	\$ 10,755,949	\$ 38,393,293	\$ 22,224,672	\$ 8,459,973	\$ 3,111,815	\$ 117,891,730	\$ 115,800,021

The net book value of tangible capital assets, not being amortized as they are under construction or development or have been removed from service is \$3,111,806 (2020 - \$4,674,915). Contributed infrastructure tangible capital assets with a value of \$nil were recognized in the financial statements during the year (2020 - \$100,400). Asset additions include \$5,712,982 of work in progress transfers from 2020 (2020 - \$2,059,702). Net cash additions for 2021 are \$6,345,462 (2020 - \$6,021,664).

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

10. Accumulated surplus

The District segregates its accumulated surplus in the following categories:

	2021	2020
Current funds	\$ 20,682,373	\$ 15,893,223
Community Works	3,926,563	2,811,166
Net current funds	24,608,936	18,704,389
Investment in tangible capital assets	106,631,464	102,419,219
Statutory reserve funds (Note 11)	6,279,144	5,261,751
	\$137,519,544	\$126,385,359

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 bylaw or council resolution for specific purposes.

	Opening balance	Transfer receipts	Interest earned	Expenditure	Ending balance
Community Works	\$ 2,811,166	1,113,335	17,298	(15,236)	\$ 3,926,563

11. Statutory reserve funds

	Opening balance	Contributions received	Investment income	Expenditure	Ending balance
Land sale	\$ 1,893,030	\$ 25,000	\$ 9,190	\$ (240,606)	\$ 1,686,614
Capital works	2,297,211	1,494,286	14,737	(363,464)	3,442,770
Parking	101,822	-	524	-	102,346
Asset management	969,688	889,303	5,179	(816,756)	1,047,414
	\$ 5,261,751	\$ 2,408,589	\$ 29,630	\$(1,420,826)	\$ 6,279,144

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

12. Taxation, net

	2021	2020
Property taxes and payments-in-lieu	\$ 12,248,198	\$ 11,947,726
Collections for other governments		
Province of British Columbia - school tax	5,770,926	5,251,691
Regional District	840,589	846,082
Regional Hospital District	856,964	866,186
Municipal Finance Authority	692	688
British Columbia Assessment Authority	146,403	149,388
Okanagan Regional Library	521,776	525,085
	20,385,548	19,586,846
Transfers		
Province of British Columbia - school tax	5,770,926	5,251,691
Regional District	840,589	846,082
Regional Hospital District	856,964	866,186
Municipal Finance Authority	692	688
British Columbia Assessment Authority	146,403	149,388
Okanagan Regional Library	521,776	525,085
	8,137,350	7,639,120
Available for general municipal purposes	\$ 12,248,198	\$ 11,947,726

13. Government transfers

	2021	2020
Provincial Transfers		
Small community grants	\$ 348,000	\$ 361,359
Traffic fine revenue sharing	71,287	74,549
Community Works	1,130,633	571,035
Capital grants	2,289,056	864,226
Other contributions	497,425	2,750,913
	4,336,401	4,622,082
Regional transfers		
Okanagan Basin Water Board	261,412	262,516
Total government transfer revenues	\$ 4,597,813	\$ 4,884,598

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

14. Contingent liabilities and commitments

- (b) The District is responsible, as a member of the Regional District of the Okanagan-Similkameen, for its proportion of any operating deficits or long-term debt related to functions in which it participates.
- (c) The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

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

The District paid \$670,682 (2020 - \$626,538) for employer contributions while employees contributed \$583,475 (2020 - \$547,269) to the plan in fiscal 2021.

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

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

- (c) A claim has been filed against the District in relation to claims for loss and compensation arising from a capital project undertaken by the District. The District and its lawyers have reviewed the claim and believe that the District did not trespass on the property and the Plaintiffs have been fully compensated. At the date of the financial statements, neither the outcome nor the potential settlement can be foreseen. No provision has been made in the financial statements.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2021

15. Funds held in trust

At the year end, the District held \$1,034,627 (2020 - \$1,036,258) in trust. Certain assets have been conveyed or assigned to the District to be administered as directed by agreement or statute. The District holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the District's financial statements:

	2021	2020
Summerland scholarship	\$ 24,315	\$ 24,190
Cemetery perpetual care	387,792	383,117
Abernethy memorial	82,431	82,009
Summerland education funding	554,416	546,942
	\$ 1,048,954	\$ 1,036,258

16. Annual budget

The financial statements have included the Annual Budget as approved by Council on February 26, 2021. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the financial statements and the annual financial plan bylaw:

	2021	2020
Annual surplus	\$ 8,267,870	\$ 9,824,810
Capital expenditures	(21,124,758)	(24,074,180)
Principal repayment of debt	(1,164,853)	(1,131,383)
Transfers from accumulated surplus and reserves	12,021,741	14,717,851
Borrowing proceeds	2,000,000	662,902
	\$ -	\$ -

17. Global Pandemic

COVID-19 continued to impact the global economy in 2021. As the impacts of COVID-19 continue, there could be further impact on the District, its citizens, employees, suppliers and other third-party business associates that could impact the timing and amounts realized on the District's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the District is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The District's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The District will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

18. RCMP Retroactive Pay

The District contracts its policing services to the Royal Canadian Mounted Police (the "RCMP"). Over the past several years, the RCMP had been engaged with its members in the formation of their first collective agreement, which was ratified in August 2021. The newly formed collective agreement provides for retroactive pay to members for services starting in 2017. The District had not previously accrued for any retroactive pay during the negotiations due to there being no reasonable estimate of what the retroactive pay would be. Included in the 2021 segment expense for protective services is \$260,000 in retroactive pay.

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2021

19. Segmented information

The District is a municipal government which provides a wide range of services to the citizens and businesses for Summerland. The District is governed by an elected Council comprised of a Mayor and six Councilors whose authority is set in the *Community Charter* and *Local Government Act*. The District's operations and activities are organized and reported by Funds and departments. The General Fund reports on operations, funded primarily by property taxes, which include services provided by the District such as general government services, protective services, transportation services environmental services, health services planning and developmental services, parks and recreation services. The utility operations are comprised of the water, sewer and electrical systems, and each accounting for its own operations and programs within their own funds. Operating results of the following segments are reported as follows:

General Government services are comprised of a number of functions including Corporate Services and Finance which involves staff working closely with Council and community partners to coordinate the delivery of a wide range of functions and services. Corporate Services is responsible for Administration, Information Technology, Human Resources, Occupational Health and Safety and Legislative Service functions. Finance is responsible for the collection of tax revenues, utility billing and all treasury and accounting functions. Revenues associated with this segment include all those amounts that cannot be directly attributed to other segments including taxation, grants in lieu, and interest revenue.

Protective services include police services under contract with the Royal Canadian Mounted Police, bylaw enforcement and animal control under contract to a third party, emergency measures services, and building inspection. Fire protection is provided by a composite department responsible for fire suppression, fire inspections and public education training.

Transportation services include equipment and civic building maintenance, and the maintenance of roads, signs, sidewalks, street lighting and storm drains. This segment is also responsible for the planning and implementation of the capital works program for all infrastructure as well as climate action program reporting.

Environmental services include garbage collection and recycling.

Health services include the operations related to cemetery functions.

Planning and Development services include all planning and building related process, long range and current planning, land use applications and economic development functions.

Parks and Recreation services include providing and coordinating leisure and recreational services, and maintaining recreational facilities, parks and trails.

Water services include the operating activities that relate to the treatment, distribution and maintenance of the water system including the dams and the water treatment plant.

Sewer services include the operating activities that relate to the collection and treatment of wastewater, maintenance of the related equipment including the wastewater treatment plant.

Electrical services include the operating activities that relate to power distribution and maintenance of the electrical system and related equipment.

The Corporation of the District of Summerland
Notes to Financial Statements
For the year ended December 31, 2021

19. Segmented information (continued)

	General Government Services	Protective Services	Transportation Services	Environmental Services	Health Services	Planning & Develop Services	Parks & Recreation Services	Water Services	Sewer Services	Electrical Services	Actual 2021
Revenue											
Property tax	\$ 9,959,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,959,944
Parcel tax	-	-	-	-	-	-	-	1,548,120	740,134	-	2,288,254
Government transfers	2,100,060	140,326	30,876	101,917	-	-	-	1,815,860	261,412	147,362	4,597,813
User fees, sales and rentals	175,362	9,107	18,107	2,249,474	45,413	-	686,404	4,499,855	1,549,071	13,152,056	22,384,849
Permits, licenses and fines	24,103	27,620	-	-	-	642,959	-	-	-	-	694,682
Investment income	176,904	-	-	-	-	-	-	-	-	-	176,904
Actuarial earnings	118,825	-	-	-	-	-	-	403,110	433,750	-	955,685
Penalties and interest on taxes	120,083	-	-	-	-	-	-	-	-	-	120,083
Franchise	108,590	-	-	-	-	-	-	-	-	-	108,590
Contributions from developers	-	-	48,605	-	-	-	195,175	138,720	52,636	867,620	1,302,756
Other	46,466	-	172,435	-	-	-	-	46,519	2,283	52,744	320,447
Gain (loss) on disposal	-	-	37,500	-	-	-	-	-	-	-	37,500
	<u>12,830,337</u>	<u>177,053</u>	<u>307,523</u>	<u>2,351,391</u>	<u>45,413</u>	<u>642,959</u>	<u>881,579</u>	<u>8,452,184</u>	<u>3,039,286</u>	<u>14,219,782</u>	<u>42,947,507</u>
Expenses											
Labour and benefits	1,146,677	1,120,025	1,249,505	385,266	55,261	506,196	1,518,107	1,240,236	606,319	897,552	8,725,144
Contracted services	495,332	1,687,401	970,709	1,268,476	16,295	301,838	664,301	672,107	340,305	511,435	6,928,199
Materials and supplies	136,325	136,407	(369,211)	66,190	13,549	4,005	445,736	1,541,157	600,398	10,411,202	12,985,758
Interest	-	88,594	28,902	-	-	-	-	284,572	285,923	-	687,991
Amortization	207,006	75,395	933,842	99,204	661	1,323	603,823	1,200,899	900,778	230,822	4,253,753
Other	4,909	1,292	1,781	(1,791,920)	-	-	-	16,015	400	-	(1,767,523)
	<u>1,990,249</u>	<u>3,109,114</u>	<u>2,815,528</u>	<u>27,216</u>	<u>85,766</u>	<u>813,362</u>	<u>3,231,967</u>	<u>4,954,986</u>	<u>2,734,123</u>	<u>12,051,011</u>	<u>31,813,322</u>
Annual SURPLUS (DEFICIT)	\$ 10,840,088	\$ (2,932,061)	\$ (2,508,005)	\$ 2,324,175	\$ (40,353)	\$ (170,403)	\$ (2,350,388)	\$ 3,497,198	\$ 305,163	\$ 2,168,771	\$ 11,134,185

The Corporation of the District of Summerland
Notes to Financial Statements
For the year ended December 31, 2021

19. Segmented information (continued)

	General Government Services	Protective Services	Transportation Services	Environmental Services	Health Services	Planning & Develop Services	Parks & Recreation Services	Water Services	Sewer Services	Electrical Services	Actual 2020
Revenue											
Property tax	\$ 9,676,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,676,162
Parcel tax	-	-	-	-	-	-	-	1,538,430	733,134	-	2,271,564
Government transfers	4,059,910	15,288	180,963	283,991	-	-	-	-	309,439	35,007	4,884,598
User fees, sales and rentals	161,092	7,095	16,583	1,861,587	32,095	-	552,224	3,810,945	1,503,173	12,149,922	20,094,716
Permits, licenses and fines	157,272	24,057	-	-	-	436,070	-	-	-	-	617,399
Investment income	336,571	-	-	-	-	-	-	-	-	-	336,571
Actuarial earnings	109,650	-	-	-	-	-	-	384,807	403,233	-	897,690
Penalties and interest on taxes	86,737	-	-	-	-	-	-	-	-	-	86,737
Franchise	106,201	-	-	-	-	-	-	-	-	-	106,201
Contributions from developers	3,400	-	3,500	97,000	-	-	5,200	89,952	8,510	663,663	871,225
Other	43,932	-	132,955	-	-	-	-	27,171	5,023	50,127	259,208
Gain (loss) on disposal	-	-	10,700	-	-	-	16	-	-	-	10,716
	14,740,927	46,440	344,701	2,242,578	32,095	436,070	557,440	5,851,305	2,962,512	12,898,719	40,112,787
Expenses											
Labour and benefits	1,006,993	989,615	1,240,849	283,877	55,374	410,023	1,340,100	1,121,343	610,086	887,425	7,945,685
Contracted services	435,961	1,545,733	1,052,001	1,164,405	15,479	262,883	534,215	620,563	253,327	507,531	6,392,098
Materials and supplies	159,710	134,667	(359,987)	46,101	12,988	3,562	395,349	1,611,336	638,652	9,793,944	12,436,322
Interest	-	131,250	63,906	-	-	-	-	341,120	295,152	-	831,428
Amortization	289,084	78,374	1,048,411	104,070	642	1,285	375,809	1,198,168	883,353	181,272	4,160,468
Other	7,650	1,250	1,750	1,801,654	-	-	-	16,292	-	-	1,828,596
	1,899,398	2,880,889	3,046,930	3,400,107	84,483	677,753	2,645,473	4,908,822	2,680,570	11,370,172	33,594,597
Annual SURPLUS (DEFICIT)	\$ 12,841,529	\$ (2,834,449)	\$ (2,702,229)	\$ (1,157,529)	\$ (52,388)	\$ (241,683)	\$ (2,088,033)	\$ 942,483	\$ 281,942	\$ 1,528,547	\$ 6,518,190

The Corporation of the District of Summerland
Schedule - COVID-19 Safe Restart Grant
For the year ended December 31, 2021

Schedule - COVID-19 Safe Restart Grant

Safe Restart Grant 2021 Opening Balance	\$ 1,673,158
Eligible costs incurred:	
Computer and technology costs to improve connectivity and virtual communications	(343,142)
Revenue shortfalls	(203,996)
General government services	(124,902)
Protective services	(53,850)
Transportation services	(13,026)
Environmental services	(3,375)
Planning and development services	(9,664)
Recreation, parks and cultural	(71,676)
Water utility	(9,043)
Wastewater utility	(5,439)
Electrical utility	(7,573)
Total eligible costs incurred	<u>(845,686)</u>
Balance, December 31, 2021	<u>\$ 827,472</u>

Statistical Section

Revenue by Source

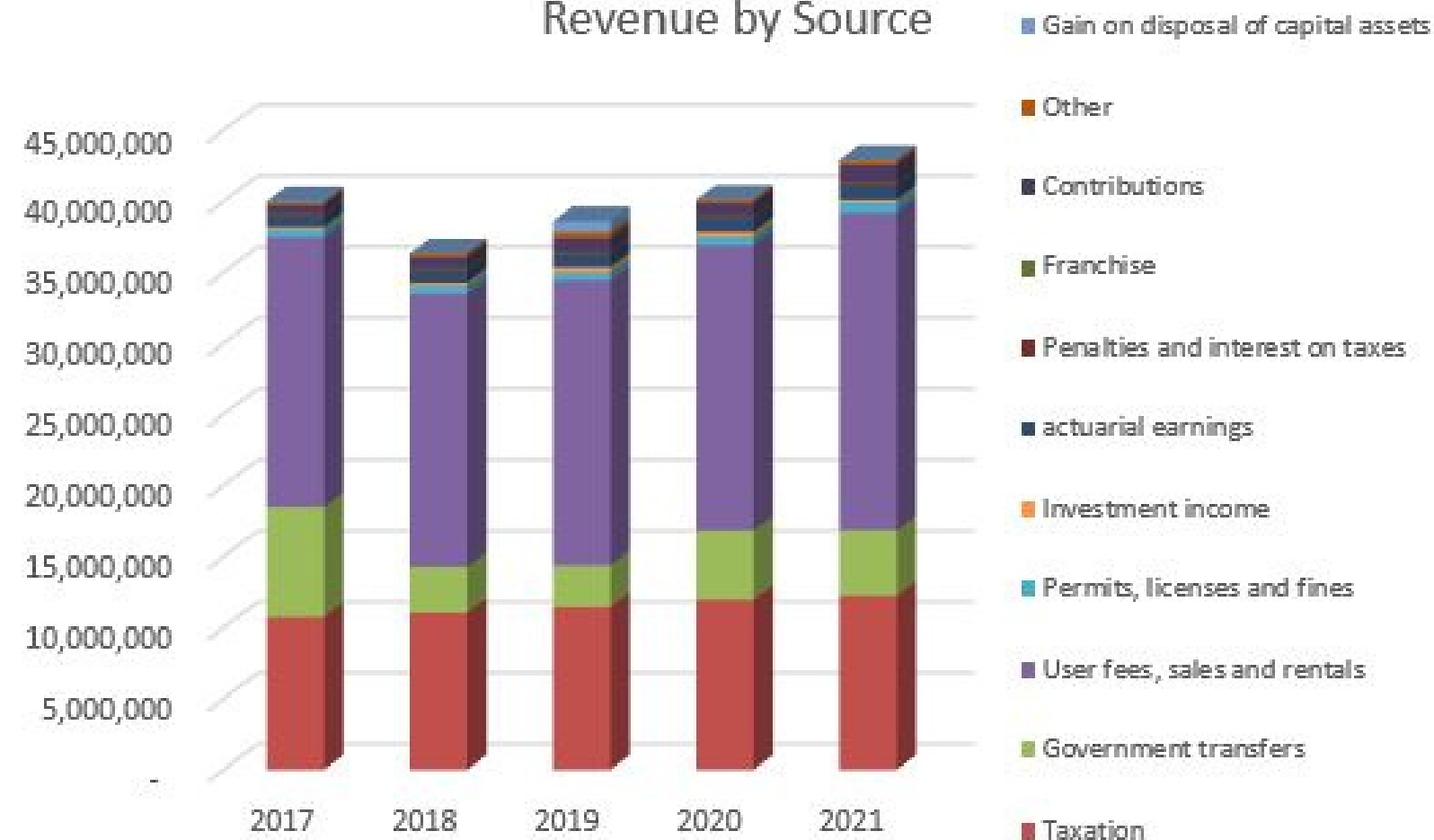
Revenue by Source

	2017	2018	2019	2020	2021
Taxation	10,732,701	11,045,167	11,448,838	11,947,726	12,248,198
Government transfers	7,786,595	3,254,546	2,959,365	4,884,598	4,597,813
User fees, sales and rentals	18,977,945	19,212,224	20,029,503	20,094,716	22,384,849
Permits, licenses and fines	557,515	559,679	570,659	617,399	694,682
Investment income	170,801	202,275	345,831	336,571	176,904
actuarial earnings	733,947	815,174	899,874	897,690	955,685
Penalties and interest on taxes	106,320	97,533	95,975	86,737	120,083
Franchise	84,109	107,366	98,261	106,201	108,590
Contributions	588,791	754,011	967,631	871,225	1,302,756
Other	176,423	276,039	434,135	259,208	320,447
Gain on disposal of capital assets	84,809	11,269	777,079	10,716	37,500
	39,999,956	36,335,283	38,627,151	40,112,787	42,947,507

TOTAL REVENUE PER CAPITA

\$ 3,444 \$ 3,128 \$ 3,326 \$ 3,454 \$ 3,566

Revenue by Source

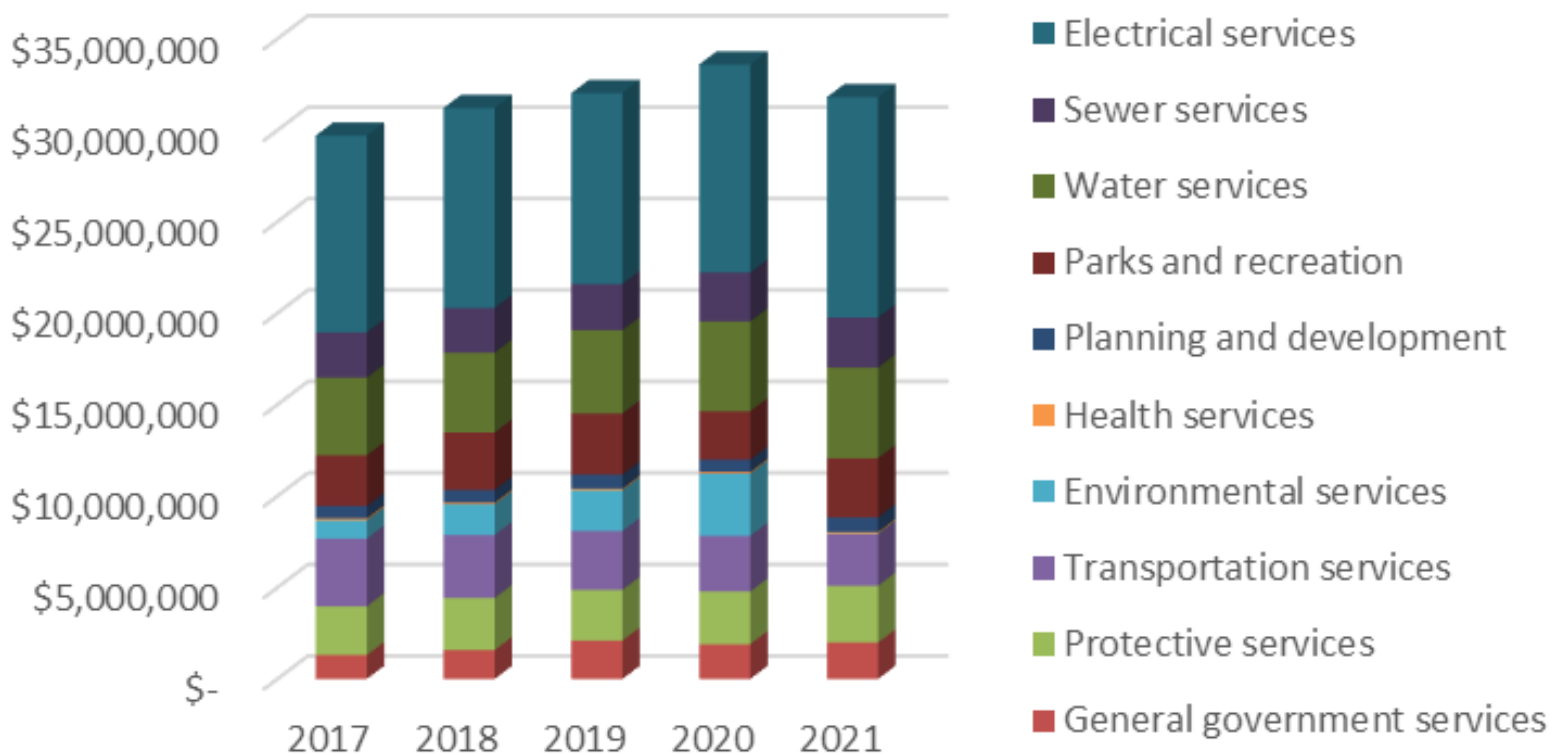


Expenses by Function

Expenses by Function

	2017	2018	2019	2020	2021
General government services	\$ 1,307,969	\$ 1,577,112	\$ 2,095,912	\$ 1,899,398	\$ 1,990,249
Protective services	2,663,987	2,848,766	2,775,173	2,880,889	3,109,114
Transportation services	3,707,523	3,450,384	3,221,331	3,046,930	2,815,528
Environmental services	994,366	1,673,318	2,225,915	3,400,107	27,216
Health services	105,846	89,186	82,723	84,483	85,766
Planning and development	671,508	688,842	774,023	677,753	813,362
Parks and recreation	2,783,317	3,148,411	3,341,868	2,645,473	3,231,967
Water services	4,241,022	4,365,995	4,552,156	4,908,822	4,954,986
Sewer services	2,479,205	2,439,602	2,527,583	2,680,570	2,734,123
Electrical services	10,752,744	10,936,709	10,436,632	11,370,172	12,051,011
	\$ 29,707,487	\$ 31,218,325	\$ 32,033,316	\$ 33,594,597	\$ 31,813,322

Expenses by Function

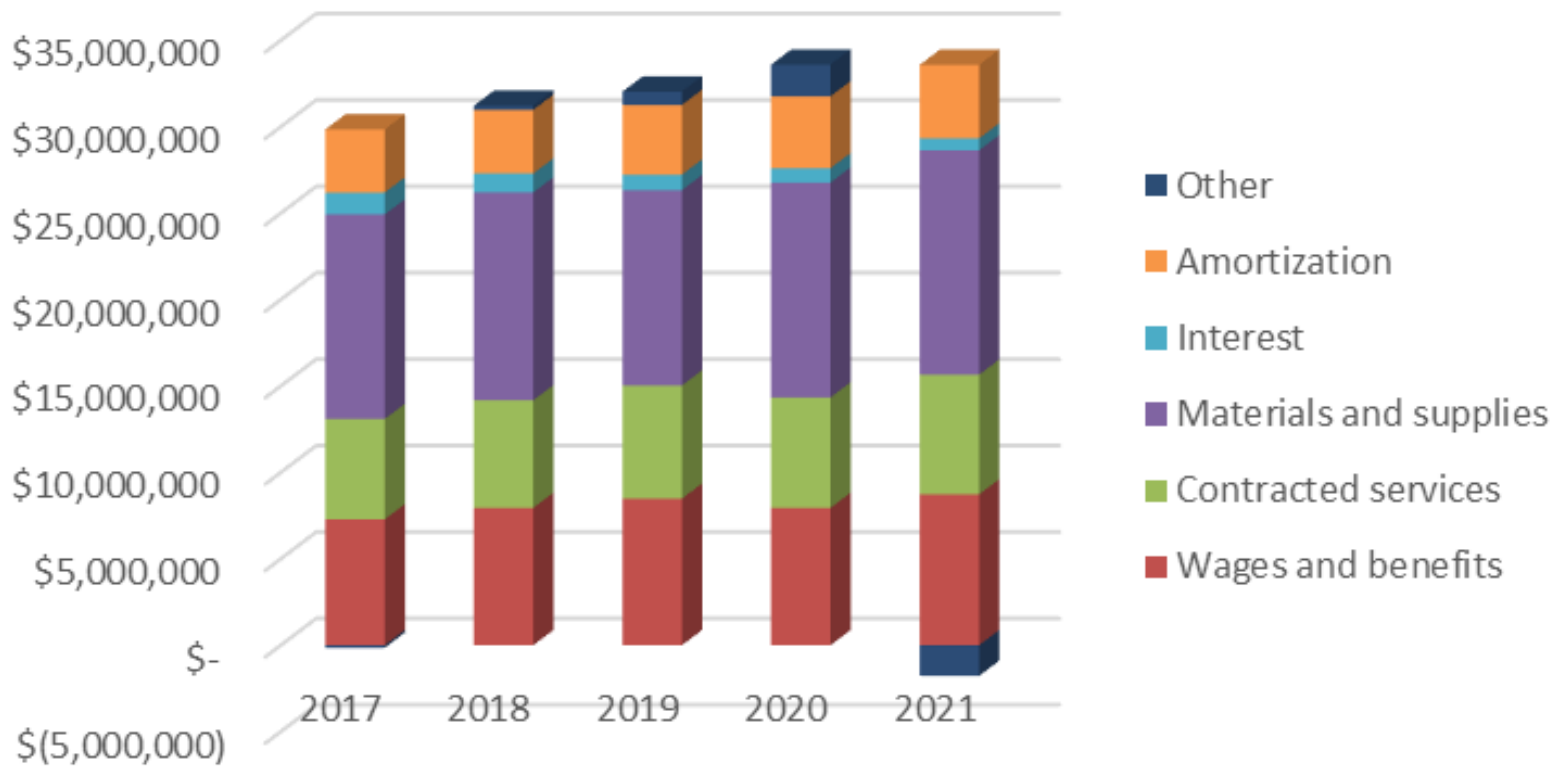


Expenses by Object

Expenses by Object

	2017	2018	2019	2020	2021
Wages and benefits	\$ 7,286,650	\$ 7,951,092	8,480,777	7,945,685	\$ 8,725,144
Contracted services	5,802,989	6,222,624	6,549,923	6,392,098	6,928,199
Materials and supplies	11,836,748	12,028,206	11,300,482	12,436,322	12,985,758
Interest	1,269,094	1,095,292	898,682	831,428	687,991
Amortization	3,653,007	3,685,093	4,034,262	4,160,468	4,253,753
Other	(141,001)	236,018	769,190	1,828,596	(1,767,523)
	<u>\$ 29,707,487</u>	<u>\$ 31,218,325</u>	<u>\$ 32,033,316</u>	<u>\$ 33,594,597</u>	<u>\$ 31,813,322</u>

Expenses by Object



Statement of Reserves Surplus

Statement of Reserves and Surplus

	2017	2018	2019	2020	2021
Statement of Annual & Accumulated Surplus					
Accumulated surplus, beginning	97,863,907	108,156,376	113,273,334	119,867,169	126,385,359
Annual surplus	10,292,469	5,116,958	6,593,835	6,518,190	11,134,185
Accumulated surplus, ending	108,156,376	113,273,334	119,867,169	126,385,359	137,519,544

Statement of Annual & Accumulated Surplus

Internally restricted & operating reserves	10,284,729	10,799,382	13,029,414	14,675,313	15,954,606
Surplus	1,566,134	2,544,478	3,639,725	4,029,077	8,654,329
	11,850,863	13,343,860	16,669,139	18,704,390	24,608,935
Statutory reserves	3,036,789	3,106,539	4,769,480	5,261,750	6,279,145
Equity in tangible capital assets	93,268,724	96,822,935	98,428,550	102,419,219	106,631,464
	108,156,376	113,273,334	119,867,169	126,385,359	137,519,544

Net Financial Assets (Debt)

Financial assets	25,322,638	26,569,499	33,334,907	39,386,827	48,417,257
Financial liabilities	31,408,891	28,905,616	29,013,655	30,924,182	31,035,701
Net financial assets (debt)	(6,086,253)	(2,336,117)	4,321,252	8,462,645	17,381,556
Non-financial assets	114,242,629	115,609,451	115,545,917	117,922,714	120,137,988
Accumulated surplus, ending	108,156,376	113,273,334	119,867,169	126,385,359	137,519,544

Statutory Reserves (Detail)

Tax sale	7,207	-	-	-	-
Land sale	1,063,247	868,194	2,102,144	1,893,029	1,686,614
Capital works	1,144,479	1,399,726	1,629,678	2,297,211	3,442,770
Parking	77,236	81,484	100,853	101,822	102,346
Asset management	744,620	757,135	936,805	969,688	1,047,415
	3,036,789	3,106,539	4,769,480	5,261,750	6,279,145

Statement of Reserves Surplus (cont.)

	2017	2018	2019	2020	2021
Internally Restricted & Operating Reserves (Detail)					
Development cost charges **	3,089,569	3,362,153	4,072,595	4,421,380	5,104,470
Parks dedication**	826,935	902,128	915,778	924,577	1,007,487
Cemetery perpetual care	373,577	373,577	379,907	383,117	387,792
Community works fund	2,124,927	1,968,693	2,790,105	2,811,167	3,926,563
Equipment replacement	1,595,642	2,130,917	2,742,910	2,645,665	2,715,493
Fire services	97,722	125,014	132,600	168,272	202,272
Landfill improvement	752,998	296,535	361,383	139,233	279,922
Landfill closure	287,389	413,112	513,112	513,112	513,112
Community contributions	390,405	356,980	282,536	158,238	177,688
Recreation, parks & trails	390,926	375,627	313,470	301,676	269,726
Climate action	213,153	339,520	354,973	356,444	352,694
Cemetery	38,606	38,606	38,606	35,221	35,221
MFA debt and benefit surplus	102,880	116,520	131,439	144,053	154,695
COVID-19 safe restart	-	-	-	1,673,158	827,471
	10,284,729	10,799,382	13,029,414	14,675,313	15,954,606
TOTAL RESERVES AND SURPLUSES	14,887,652	16,450,399	21,438,619	23,966,140	30,888,080
ACCUMULATED SURPLUS (FINANCIAL EQUITY) PER CAPITA					
	1,282	1,416	1,846	2,063	2,565
Per capita figures	11,615	11,615	11,615	11,615	12,042

** Amounts are included in deferred revenue in the District's financial statements.

Capital Spending

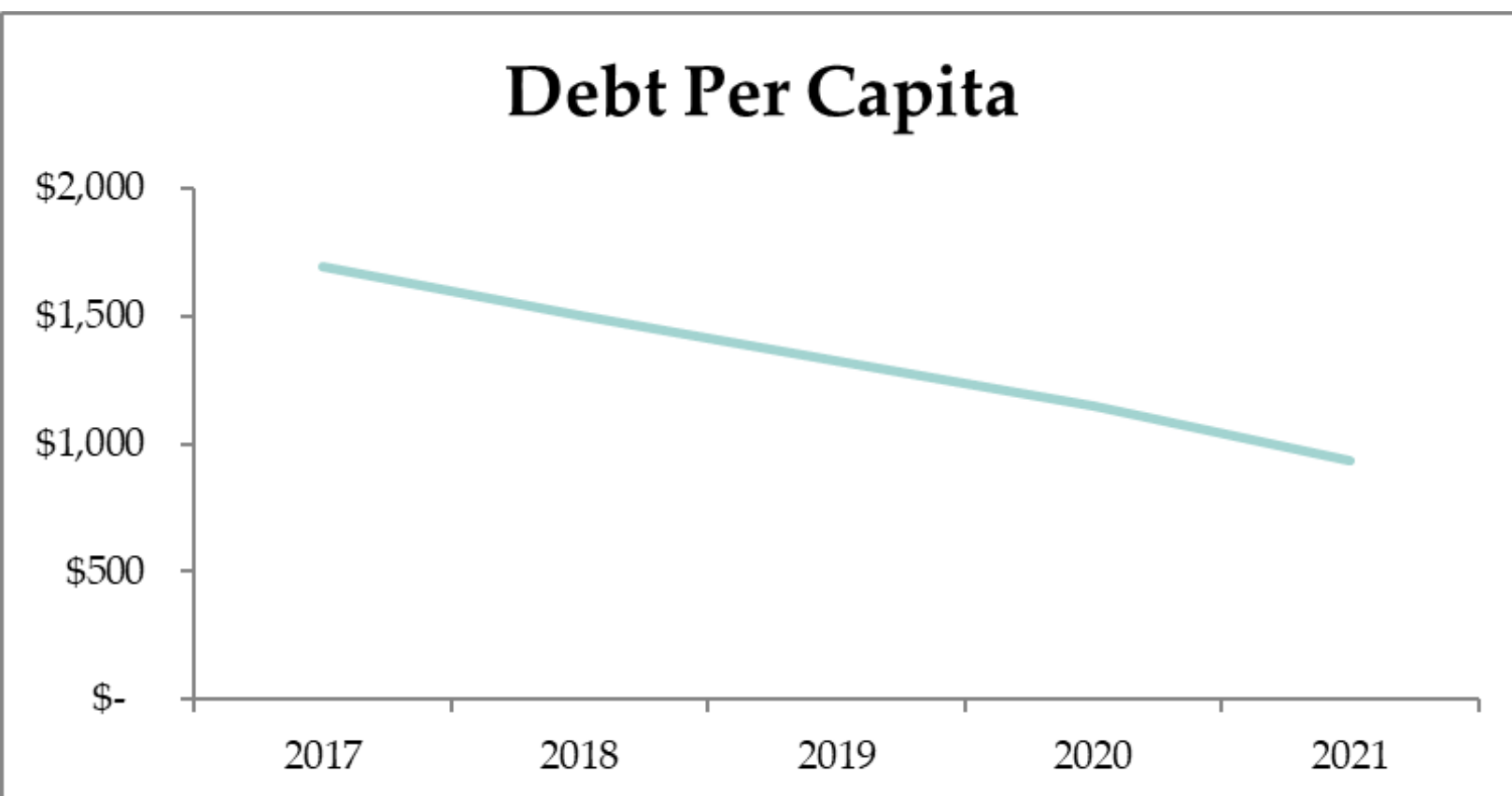
Capital Expenditures	2017	2018	2019	2020	2021
Land	-	-	-	-	-
Land improvements	44,571	740,759	960,250	97,397	123,914
Buildings	1,520	246,528	286,852	796,542	982,698
Machinery & equipment	393,740	2,262,888	1,048,543	2,196,815	1,418,975
Roads and sidewalks	3,539,534	46,629	994,720	1,111,271	391,423
Water utility	4,092,294	465,878	435,420	898,428	2,268,562
Sewer utility	2,603,432	820,411	311,950	314,462	102,119
Electric utility	612,713	435,207	729,595	707,149	1,057,771
	11,287,804	5,018,300	4,767,330	6,122,064	6,345,462
TOTAL CAPITAL SPENDING PER CAPITA	\$ 972	\$ 432	\$ 410	\$ 527	\$ 527
Per capita figures	11,615	11,615	11,615	11,615	12,042

Long Term Debt by Fund

	2017	2018	2019	2020	2021
General	4,394,447	3,895,790	3,596,458	3,284,459	2,956,925
Sewer	5,367,298	4,648,810	3,896,799	3,188,083	2,445,662
Water	9,970,004	8,962,822	7,916,609	6,908,251	5,857,668
Total Debt Outstanding	19,731,749	17,507,422	15,409,866	13,380,793	11,260,255

The long-term debt of the municipality is funded 16.2% from general taxation and 83.8% from parcel taxes.

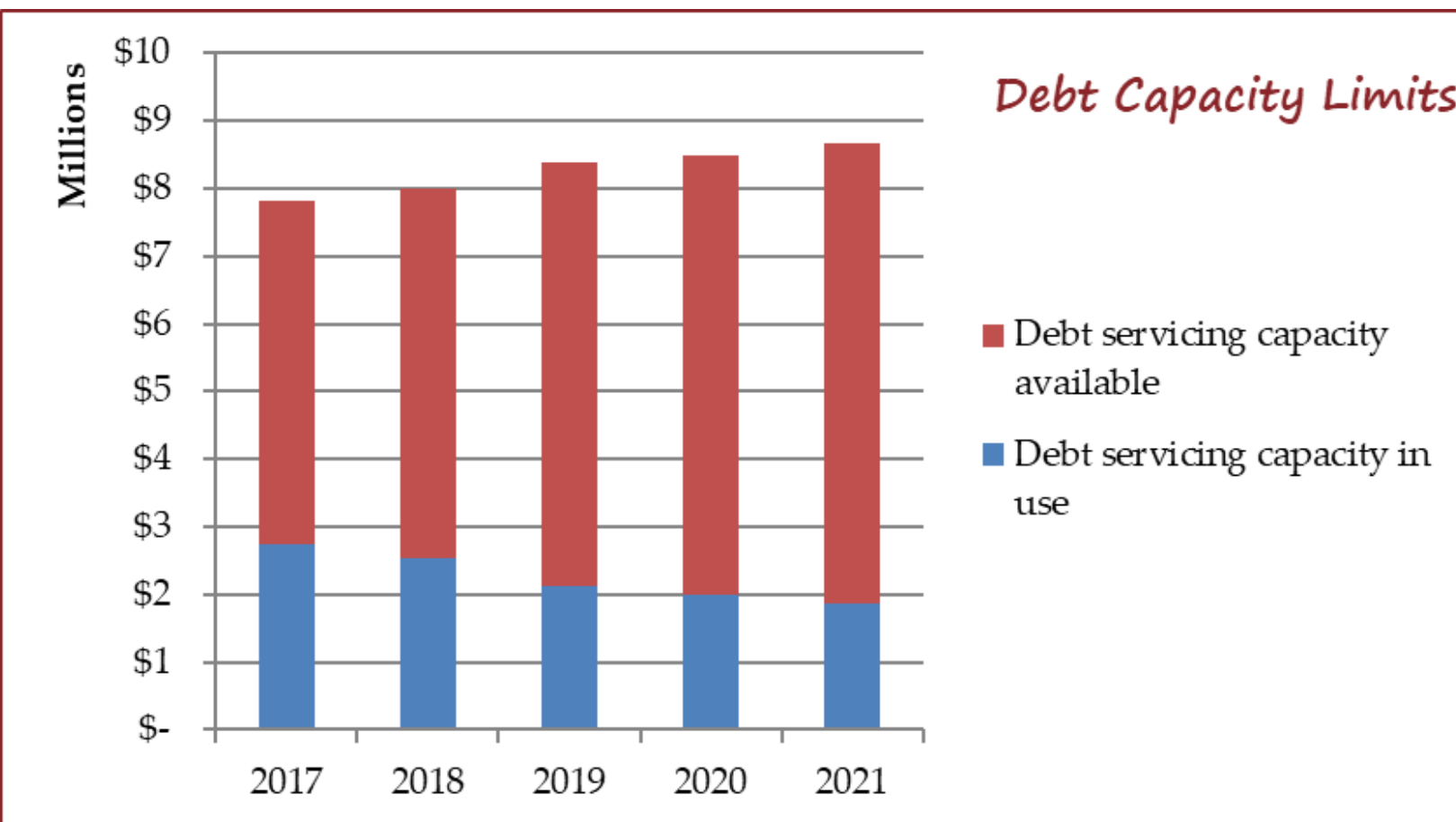
Population	11,615	11,615	11,615	11,615	12,042
Debt Per Capita	\$ 1,699	\$ 1,507	\$ 1,327	\$ 1,152	\$ 935



Long Term Debt Capacity

Debt Servicing	2017	2018	2019	2020	2021
Debt servicing capacity in use	\$2,741,317	\$2,521,750	\$2,130,277	\$1,986,019	\$1,852,844
Debt servicing capacity available	5,073,567	5,469,588	6,241,214	6,493,318	6,818,126
Debt servicing limit	\$7,814,884	\$7,991,338	\$8,371,491	\$8,479,337	\$8,670,970

This table reflects the maximum debt servicing capacity as well as the remaining borrowing power available to the District to fund capital projects.



Taxable Property Assessments

Taxable Property Assessments

(land and improvements)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	2,273,597,551	2,614,079,592	2,855,944,269	2,927,254,450	2,947,164,354
Utilities	1,686,500	1,972,500	2,105,800	2,226,300	2,284,500
Light Industry	23,700,800	25,590,400	28,264,600	31,206,900	31,294,400
Business	119,840,401	128,272,870	131,359,170	137,579,470	137,321,920
Recreation/Non-Profit	6,139,200	6,874,900	7,454,700	4,494,000	8,064,900
Farm	5,627,979	5,743,699	5,644,574	5,627,240	5,668,208
Total	2,430,592,431	2,782,533,961	3,030,773,113	3,108,388,360	3,131,798,282

Municipal Tax Rates & Multiples

Municipal Tax Rates

(per \$1,000 of assessed value)

Residential	3.13151	2.85367	2.74511	2.82351	2.88432
Utilities	22.38395	19.62713	19.01826	18.66420	18.46553
Light Industry	6.20982	5.99459	5.86705	5.63743	5.55270
Business	7.04589	6.42075	6.17651	6.35290	6.48971
Recreation/Non-Profit	7.20097	6.66865	6.48606	9.19864	9.01838
Farm	9.23395	9.11996	9.27393	9.42890	9.54478

Municipal Tax Multiples

Residential	1.00000	1.00000	1.00000	1.00000	1.00000
Utilities	7.14798	6.87785	6.92805	6.61027	6.40204
Light Industry	1.98301	2.10066	2.13727	1.99660	1.92513
Business	2.25000	2.25000	2.25000	2.25000	2.25000
Recreation/Non-Profit	2.29952	2.33687	2.36277	3.25787	3.12669
Farm	2.94872	3.19587	3.37834	3.33942	3.30920

Property Tax Revenue

Municipal Property Tax Revenue

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	7,119,029	7,459,724	7,839,884	8,264,401	8,497,931
Utilities	37,751	38,715	40,049	41,552	42,185
Light Industry	147,178	153,404	165,830	175,927	173,768
Business	844,383	822,915	812,035	874,029	890,195
Recreation/Non-Profit	44,208	46,109	48,090	41,339	72,732
Farm	52,013	52,382	52,347	53,059	54,189
Total	8,244,561	8,573,247	8,958,234	9,450,306	9,731,000
<i>% of Residential Taxes to Total Municipal Taxes</i>	86.35%	87.01%	87.52%	87.45%	87.33%

Taxation for other Governments

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
School (Province)	5,115,183	5,223,389	5,388,656	5,251,691	5,770,926
Regional Hospital District	823,038	860,377	865,219	866,186	856,964
Municipal Finance Authority	543	616	669	688	692
BC Assessment Authority	124,428	130,670	134,502	149,388	146,403
Regional District Okanagan Similkameen	741,237	767,406	826,142	846,082	840,589
Okanagan Regional Library	469,414	491,613	499,720	525,085	521,776
Total	7,273,843	7,474,071	7,714,908	7,639,120	8,137,350
	15,518,404	16,047,318	16,673,142	17,089,426	17,868,350
Property Tax Collected Includes HOG & Parcel Taxes	17,448,140	17,882,607	18,609,924	19,093,213	19,261,406
Water Parcel Tax	1,528,740	1,530,165	1,534,725	1,538,430	1,548,120
Sewer Parcel Tax	729,299	730,299	734,499	733,134	740,134
Property Taxex Collected - Less Parcel Taxes	15,190,101	15,622,143	16,340,700	16,821,649	16,973,152
<i>% of Current Taxes Collected</i>	97.9%	97.4%	98.0%	98.4%	95.0%

Principal Corporate Tax Payers

Tax Revenue

Business, Light Industry & Utility Corporate Customers (Top 15 - Municipal levy)

Property Owner	Category	Municipal Tax Levy	% Paid By Top 15
BC TREE FRUITS CO-OP	Business	37,063	3.35%
MCDONALD, BRUCE	Business	32,805	2.97%
297296 BC LTD	Business	26,686	2.41%
THE STEELGRAY FINANCIAL CORP INC	Light Industry & Business	23,863	2.16%
INLAND NATURAL GAS CO LTD	Utilities	22,805	2.06%
MILLER, DAVID & LORRAINE	Light Industry	19,228	1.74%
RIPLEY STAINLESS LTD	Light Industry	17,835	1.61%
681522 BC LTD	Business	17,581	1.59%
ROMANCE VENTURES LTD	Business	17,490	1.58%
SUMMERLAND & DISTRICT CREDIT UNION	Business	16,536	1.49%
TERRA NOVA ENTERPRISES LTD	Business	14,050	1.27%
SUMMY HOLDINGS CORP	Business	13,894	1.26%
CENTURY ALUMINUM PRODUCTS INC	Light Industry & Business	13,035	1.18%
SUMMERLAND HILLS VINEYARD & ESTATE WINERY LTD	Light Industry & Business	12,367	1.12%
3749495 CANADA LTD	Light Industry & Business	11,684	1.06%
Total Revenue on Business, Light Industry & Utilities Assessments (Top Fifteen)		296,922	26.84%
Total Tax Revenue on Business, Light Industry & Utilities		1,106,148	

Building Values and Permit Fees

	2017	2018	2019	2020	2021
Building value	\$32,063,882	\$30,643,200	\$45,877,300	\$35,659,900	\$59,735,300
Permit fees charged	332,452	335,717	360,396	399,304	597,404
Number of permits issued	194	210	203	198	203
AVERAGE PERMIT FEES BASED ON NUMBER OF	\$ 1,714	\$ 1,599	\$ 1,775	\$ 2,017	\$ 2,943

Schedule of Payments

Supplier Name		Total
1022234 B.C. LTD	\$	139,551.64
AARDVARK PAVEMENT MARKING SERVICES 647354 BC LTD		77,189.17
AGUA CONSULTING INC.		51,728.83
ALFA LAVAL INC.		121,068.89
ALLNORTH CONSULTANTS LIMITED		59,380.74
ANDREW SHERET LIMITED		54,935.14
ANIXTER POWER SOLUTIONS CANADA INC.		138,976.50
ASSOCIATED FIRE SAFETY		32,172.89
ASSOCIATION OF SUMMERLAND FIREFIGHTERS		59,332.30
ATCO STRUCTURES & LOGISTICS LTD		31,472.38
ATCO POWER (2010) LTD		62,507.20
BARRY BEECROFT FUEL DISTRIBUTORS LTD.		275,134.48
B C ASSESSMENT AUTHORITY		146,402.91
BC FRUIT GROWERS ASSOCIATION		42,657.87
BC TRANSIT		136,592.55
BDO CANADA LLP		28,798.88
BIGG ELIZABETH		69,861.40
BLACK TOP PAVING		106,906.80
BRENNTAG CANADA INC.		79,204.78
CALYPSO CUSTOMS LTD.		27,846.00
CAM TRAN CO. LTD.		339,160.64
CANTEX OKANAGAN CONSTRUCTION LTD.		158,535.88
CAPRI CMW INSURANCE SERVICES LTD.		193,234.00
CARO ANALYTICAL SERVICES		44,891.59
CARSCADDEN STOKES MCDONALD ARCHITECTS INC.		79,470.10
CDW CANADA CORP.		30,148.25
CENTRAL INTERIOR TRAFFIC CONTROL LTD.		50,590.57
CENTRALSQUARE CANADA SOFTWARE INC.		61,507.99
CINTAS CANADA LIMITED		37,497.17
CLEARTECH INDUSTRIES INC.		79,080.98
COMBINED MECHANICAL CONTRACTORS LTD.		37,243.81
COOPER INDUSTRIES (ELECTRICAL) INC.		86,281.16
COUNTERPART TECHNOLOGIES INC.		35,175.00
CUPE LOCAL 1136		95,348.11
CUSTOM AIR CONDITIONING LTD.		97,519.48
DAWSON INTERNATIONAL TRUCK CENTRES LTD.		37,917.58
ELECTRIC MOTOR & PUMP SERVICE LTD.		70,355.90
FORTIS B C		36,258.06
FORTIS BC - ELECTRICITY		9,450,696.34
FORTIS BC - NATURAL GAS		92,764.39
FRAZER EXCAVATION LTD.		30,299.32
FRED SURRIDGE LTD.		88,707.45

Schedule of Payments (cont.)

Supplier Name	Total
GATEWAY MECHANICAL SERVICES INC	93,815.15
GEOTRIANGLE CONSULTING INC.	88,969.65
GHD LIMITED	130,117.32
GRAF IRRIGATION	99,666.54
GRIZZLY EXCAVATING LTD.	85,054.36
HARTERRA SPATIAL SOLUTIONS	34,256.25
E.B. HORSMAN & SON	63,577.70
ICONIX WATERWORKS LP	209,407.00
INTERCONTINENTAL TRUCK BODY	126,996.80
ITRON CANADA INC.	43,665.63
JIM DENT CONSTRUCTION LTD	659,370.17
KERR WOOD LEIDAL	383,378.09
LA BEAMISH JANITORIAL SERVICES	150,760.20
LAING ROOFING LTD.	47,231.85
LEARDO TIMOTHY RICHARD	25,181.24
LIGHTHOUSE DEVELOPMENTS INC.	25,792.16
LORDCO PARTS LTD.	35,859.46
MCMYN'S UTILITY LOCATING	28,680.75
MEADOW VALLEY CONSTRUCTION	25,128.25
MEARLS MACHINE WORKS LTD	128,999.44
MISSION IT	55,977.57
MLT AIKINS LLP	37,792.47
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	139,446.55
NEXANS CANADA INC.	154,265.48
NOVA POLE INTERNATIONAL INC.	38,193.12
OKANAGAN REGIONAL LIBRARY DISTRICT	521,791.00
ORCHARD FORD SALES LTD.	402,166.50
PENTICTON & AREA COOPERATIVE ENTERPRISES	33,629.70
PACIFIC ELECTRICAL INSTALLATIONS LTD.	121,329.75
PENTICTON THE CITY OF	36,596.23
PICKET FENCES INC	105,346.73
PJS SYSTEMS INC	83,347.27
PRIMARY ENGINEERING AND CONSTRUCTION CORP.	206,888.80
PRIVACYWORKS CONSULTING INC.	38,031.55
PROVINCE OF BRITISH COLUMBIA SCHOOL TAX	5,770,926.04
RECEIVER GENERAL - RCMP CONTRACT	914,781.87
RECEIVER GENERAL - PAYROLL DEDUCTIONS	2,252,047.22
REGIONAL DISTRICT OKANAGAN - SIMILKAMEEN	3,581,589.74
REVELSTOKE IRON GRIZZLY	62,958.00
REZATEC (UK SERVICES) LIMITED	35,087.00
RITCHIE CONTRACTING & DESIGN LTD	67,698.35
ROADWARRIOR LINEPAINTING	44,595.39
ROGERS	35,471.86

Schedule of Payments (cont.)

Supplier Name	Total
SAUCEDO MARIA G	25,105.50
SAWCHUK DEVELOPMENTS CO LTD.	555,560.85
SCHOOL DISTRICT NO. 67	30,576.00
SMITH CAMERON PROCESS SOLUTIONS	32,015.87
SOFTCHOICE LP	148,573.14
STELLA-JONES INC.	57,684.48
SUMMERLAND TIMBER MART	35,525.46
SUMMERLAND CHAMBER OF COMMERCE	125,500.00
SUMMERLAND RENTAL CENTRE	61,423.01
SUMMIT VALVE AND CONTROLS INC. (BC)	100,776.48
SUNNYDAZE ENTERPRISES	28,725.36
SUPERIOR EXCAVATING SERVICES	314,955.00
TELUS COMMUNICATIONS (B.C.) INC.	56,096.33
THINKSPACE architecture planning interior design	51,588.93
TRUE CONSULTING	74,737.19
TURN-KEY CONTROLS	53,223.43
UNIVAR CANADA LTD.	336,735.80
URBAN SYSTEMS LTD.	83,723.10
WASTE CONNECTIONS OF CANADA INC	531,226.32
WATERHOUSE ENVIRONMENTAL SERVICES CORP.	33,597.21
WE CONSULTING & BENEFITS SERVICES LTD.	110,798.84
WHISELL WASTE SOLUTIONS BC LTD.	312,173.96
WILLIAMS ENGINEERING CANADA	42,337.56
WISHBONE INDUSTRIES LIMITED	34,258.00
WSP CANADA INC	54,966.04
YOUNG ANDERSON	123,166.67
	\$ 33,615,321.85

Payments of \$25,000 or less

Various Suppliers / Individuals	\$ 2,925,362.23
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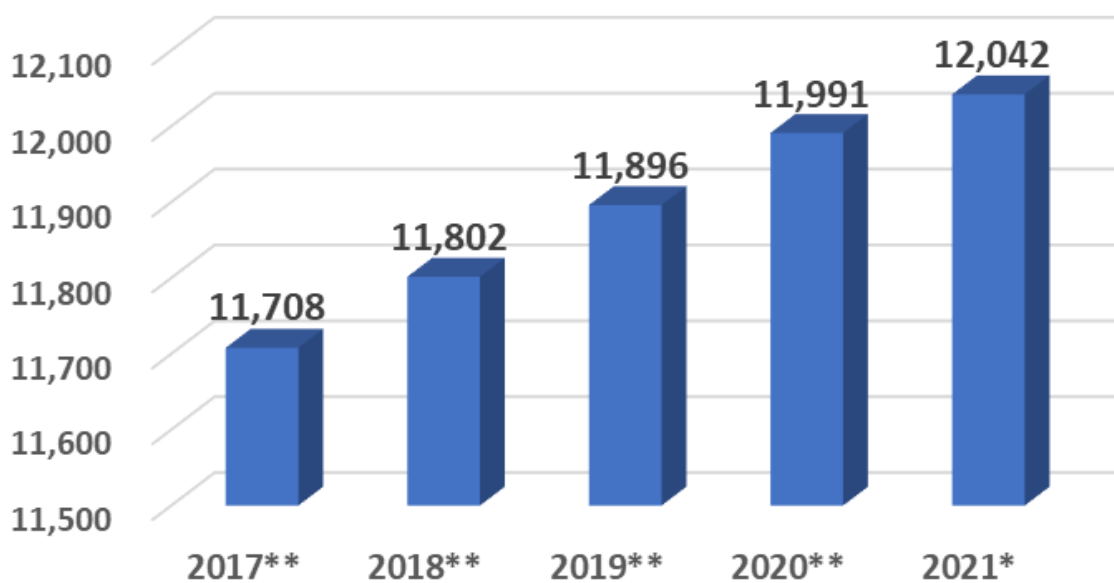
Grants exceeding \$25,000

Supplier Name	Total
SUMMERLAND MUSEUM & HERITAGE SOCIETY	\$ 40,000.00

Prepared under the Financial Information Regulation, Schedule 1, Section 7 and the Financial Information Act, Section 2.

Population Demographics

Summerland Historical Population



* 2021 Census Data - www12.statcan.gc.ca/census-recensement/2021

** Population estimate based on 2016 Census data with an annual growth rate of 0.80% from 2017 to 2020.

2021 District of Summerland Population - 12,042

