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ANNUAL REPORT

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City of Vernon

Fiscal Year Ended December 31, 2022

Vernon, British Columbia

2022 ANNUAL REPORT

For the Fiscal Year Ended December 31, 2022 | Vernon, British Columbia



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**The Corporation of the City of Vernon
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2021

Executive Director/CEO

Prepared and submitted by: Financial Services | City of Vernon

INTRODUCTORY SECTION



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VERNON CITY COUNCIL



Mayor Victor Cumming

mayor@vernon.ca

Mayor Cumming was involved in the following 2021-2022 committees:

- Advisory Planning Committee
- Audit Committee
- Biosolids Advisory Committee
- Economic Development Advisory Committee
- Emergency Measures Policy/ Planning
- Finance and Tax Review Panel
- Greater Vernon Advisory Committee
- OKIB/First Nations Liaison
- North Okanagan Regional District Board
- Okanagan Basin Water Board
- Columbia Shuswap North Okanagan Regional Hospital Board
- Drought Response Team
- CEDI Working Group
- Ribbons of Green Trail Committee

Councillor Scott Anderson

2021 - 2022 Committee appointments:

- Biosolids Advisory Committee
- Transportation Advisory Committee
- Canada Day Committee
- Liquid Waste Management Plan Public Advisory Committee
- Municipal Insurance Association
- O'Keefe Ranch and Historical Society



Councillor Kari Gares

kgares@vernon.ca

2021 - 2022 Committee appointments:

- Affordable Housing Advisory Committee
- Audit Committee
- Finance and Tax Review Panel
- North Okanagan Regional Library Board
- Regional Growth Management Committee
- School District No. 22 – Revenue Generation/ Service Efficiency Review Committee
- Vernon Winter Carnival Liaison
- Regional Agricultural Advisory
- North Okanagan Regional District Board of Directors
- Columbia Shuswap North Okanagan Regional Hospital Board



Councillor Teresa Durning

tdurning@vernon.ca

2021 - 2022 Committee appointments:

- Tourism Commission
- Arts Council of North Okanagan



Councillor Brian Guy

bguy@vernon.ca

*Elected October 15, 2022



Councillor Kelly Fehr

kfehr@vernon.ca

2021 - 2022 Committee appointments:

- Affordable Housing Advisory Committee
- Greater Vernon Advisory Committee
- North Okanagan Regional Advisory Committee (Okanagan College)
- Vernon Seniors Action Network

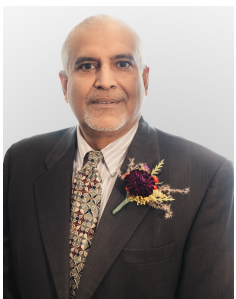


Councillor Akbal Mund

amund@vernon.ca

2021 - 2022 Committee appointments:

- Audit Committee
- Finance and Tax Role Review Panel
- Greater Vernon Advisory Committee
- North Okanagan Regional District Board
- Columbia Shuswap North Okanagan Regional Hospital Board
- CEDI Working Group
- Funtastic Sports Society Liaison
- Kelowna Airport Advisory Committee
- CEDI Working Group



Councillor Brian Quiring

bquiring@vernon.ca

2021 - 2022 Committee appointments:

- Climate Action Advisory Committee
- North Okanagan Regional District Board
- Columbia Shuswap North Okanagan Regional Hospital Board
- Downtown Vernon Association



MISSION STATEMENT

"To deliver effective and efficient local government services that benefit our citizens, our businesses, our environment and our future."



MESSAGE FROM THE MAYOR



On behalf of Council, it is my pleasure to present to you the 2022 Annual Report. I am extremely proud of the work accomplished by Council, the City's Administration and staff, and contractors over the last year.

Vernon, like others, finds itself in a significant affordable housing shortage, which is recognized in our adopted Housing Action Plan. The tight housing market, particularly for rental accommodation saw little change in 2022, even with the record setting total building permits value in 2021 (\$173 million) surpassed in 2022 totaling \$202.4 million with 472 residential units approved for construction. Many provincially-financed, assisted housing units were completed, including some with support services, and others began construction, all operated by our strong not-for-profit agencies. Still there is a significant gap between community housing needs and availability at prices that the majority of residents can afford.

Much of the City's responsibilities, and therefore expenditures and activities, were in policing, fire and rescue response, and building, maintaining, and replacing community infrastructure like roads, sidewalks, storm and wastewater management systems. The additional wastewater treatment capacity was in full construction in 2022, and expected to come on stream in 2023. New sewer lines were horizontally drilled along Okanagan Landing and Tronson Roads, minimizing interruptions while adding flow capacity. The 1.9% annual infrastructure levy on City taxes, in its 9th of a 10-year program, provided much needed financial resources for the capital replacement projects.

New projects completed in the City, included Phase 1 of the Silver Star Road multi-use path connecting BX School to the Foothills neighbourhood, Civic Memorial Park, BX Creek sediment pond, Girouard Park expansion and the start of construction on the Lakeview "Peanut" Pool. The City, with provincial funding, built two new child care facilities, providing 198 new licensed spaces. The Canadian Tire Jumpstart Charities Inclusive Playground, co-funded with the City, opened at Marshall Fields along with upgraded washrooms. This year, more than \$21.5 million was allocated to Vernon's capital program. The Active Living Centre (new multi-use indoor recreation facility) referendum was passed in October and the planning for the procurement process is already underway.

The Climate Action Plan implementation continued in 2022 with the City adding to its fleet of electric vehicles, and starting the residential curbside organics collection program, diverting 2,300 tonnes of organics from the local landfill in its first 7 months. Also more than 142,000 rides were taken on electric kick scooters, and planning for infrastructure upgrades to manage spring creek flood waters got underway, plus many others.

We welcomed over 1 million visitors in 2022, exceeding pre-pandemic levels, and generating a banner year for accommodation room revenue. The 2900 Plaza attendance was up considerably from its initial pilot in 2021. However, for many businesses and social services providers, staff recruitment was the major challenge in 2022, based on activity growth, retirements and tight skilled labour supply.

I believe, Vernon is well-positioned – financially, socially, and structurally – for what we expect to see in the coming years.

A handwritten signature in black ink that reads "Victor I. Cumming". The signature is written in a cursive, flowing style.

Victor I. Cumming
Mayor, City of Vernon
May 31, 2023

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



The Mayor and Council of 2019 – 2022 guided the City through 4 years of unprecedented times and substantial growth and change. The Strategic Plan of this Council’s term focused on Recreation, Parks and Natural Areas, Affordable and Attainable Housing, Vibrant Downtown, Organization Priorities, Regional Relationships, and Sustainability Priorities. The Strategic Priorities guided Administration to deliver focused and deliberate projects within the Action Plan and influenced the Capital Program. Several of the focus areas remain relevant today and will be a focus in the future with the mission to deliver effective and efficient, local government services that benefit our citizens, our business, our environment and our future.

2022 realized the ninth year of the 10-year Infrastructure Levy of 1.9%, adopted by Council of the day in 2013. (The levy was paused for one year in 2021, in response to the impacts of the COVID-19 pandemic.) The accumulated levy has realized approximately \$6.9 million annually towards Capital Projects. In 2022, the Capital Program identified 32 projects with a total value of just over \$18 million. Highlights included Phase 2 of the multi-use pathway along Silver Star Road from Pleasant Valley Road to Blackcomb Way, which is slated to be completed in the fall of 2023. It also includes various infrastructure replacement projects for roads and, sanitary and storm systems, including the replacement of a sanitary force main from Lakeshore Road to the airport and the extension of sanitary sewer to un-served areas within the Okanagan Landing community.

In May of 2019, Council reaffirmed its commitment to the Greater Vernon Recreation Master Plan and directed Administration to proceed with the development of a Request for Proposals for the feasibility of, and potential locations for, a new recreation facility including indoor aquatics, gymnasiums, fitness space, walking track and program space for future enhancement of the current Recreation Services. In May of 2020, Council directed Administration to complete the planning process for the multi-purpose Active Living Centre, and by August, Administration was approved for the design and geotechnical work to proceed in support of a potential referendum in October 2022. The Active Living Centre received the assent of City of Vernon electors on October 15, 2022.

This approval marked the start of Vernon’s largest capital project to date at a budget of up to \$121 million, and an anticipated construction timeline of completion in the fall of 2026. Details on the project are available at www.vernonalc.ca.

2022 was also the year of returning to the “new normal” for not only the City of Vernon but all residents within the community. Administration continued to provide the critical services required by citizens and has adapted to providing services in person, together with on-line opportunities.

The Municipal Election was October 15, 2022. The Inaugural meeting for this new Council was held on Monday, November 11, 2022, and seven members were elected to office by the electors. I look forward to working with this new team of Council and building on its strategic plan and deliverables for 2023.

A handwritten signature in black ink that reads "Patricia Bridal". The signature is fluid and cursive, with a period at the end.

Patricia Bridal, CMC
Chief Administrative Officer
May 31, 2023

MESSAGE FROM THE CHIEF FINANCIAL OFFICER



The annual report is presented to the City of Vernon residents each year to provide a summary of the City's financial activities, strategic goals and action plan, and other information that may be of interest to residents. This year's report contains the 2022 audited consolidated financial statements, a final update of Council's Strategic Plan 2019-2022, plus various schedules and tables summarizing the year's activities, all pursuant to Section 98 and 167 of the *Community Charter*. The City's 2021 Annual Report was recognized with the Canadian Award for Financial Reporting by the Government Finance Officers Association for the 13th year in a row. This award provides Council and the public with assurance that we continue to meet recognized international standards for financial reporting.

Each year, in June, the City starts its annual budget cycle at a public meeting where the strategic plan is discussed, an annual budget survey is presented, current economic pressures are presented, and Council directs administration on the amount of tax percentage increase to plan for during the next budget cycle. The next year's budget is presented to Council at its first meeting in November, with budget deliberations three weeks later. Usually in January, Council adopts the current year's budget with bylaw approval. The year-end cycle begins in January so auditors can start their audit work by March, with presentation of the audited financial statements by May. Management is responsible for the consolidated financial statements which are prepared in accordance with Canadian Public Sector Accounting Standards. The role of the City's auditor, KPMG, is to provide an opinion on whether the financial statements present fairly, in all material respects, the financial position of the City as at the end of the year.

The City provides numerous services to its residents and business community. The main services provided by the City are public safety, transportation infrastructure, sewer infrastructure, parks, recreation, development services, legislative services and solid waste disposal. The City is contracted by the Regional District of North Okanagan (RDNO) to maintain and operate water services. The RDNO is the owner of the water utility and oversees its major maintenance. Recreation services are provided in partnership with the District of Coldstream and RDNO Electoral Areas B and C.

In March 2022, the war in Ukraine put a large strain on the world's economy. The ability of the market to supply goods was strained and prices saw marked increases. This affected the City's ability to complete capital projects on time and on budget, and resulted in extremely high fuel costs, which affected the City's operating budget. Rates of inflation jumped from an average of 3.4% in 2021 to 6.8% in 2022. The Bank of Canada responded by increasing short-term interest rates from a low of 0.25% at the beginning of 2022 to 4.25% by December 2022. As a result, the City has been able to increase its return on investments substantially during 2022. However, during the 2022 municipal election, citizens voted to build a new Active Living Centre funded with up to \$121M in debt. Administration is monitoring borrowing rates as it proceeds with this exciting project.

The City's net financial position continues to remain strong, dropping slightly in 2022 (\$69.8M) from 2021 (\$70.9M). Cash and investments decreased slightly to \$112.0M in 2022 from \$113.9M in 2021. The City's only outstanding debt of \$7.6M (2021 - \$8.5M) is related to its water reclamation plant. During the year the City invested \$32.3M (2021 - \$20.3M) in tangible capital assets, whereas amortization totaled \$12.1M (2021 - \$11.9M). The City remains committed to investing in its infrastructure through the maintenance of its Strategic Infrastructure Investment plan. 2023 was the last of ten years of the City's implementation of this plan. Since 2012, the City increased investment in capital through taxation from \$220,000 to \$6.9M by the 2023 taxation year. This funding is dedicated to capital investment on an ongoing basis.

The City's annual surplus increased to \$20.9M (2021 - \$11.8M). Most of this was due to higher than planned total revenues of \$108.9M (2021 - \$95.2M). The increased revenue over budget was due to revenues funding capital projects including transfers from other governments (\$10.9M) and developer contributions of assets (\$3.8M including \$2.8M of donated assets). Often capital projects that are completed in the current year were budgeted in a previous year.

Expenses for 2022 totaled \$88.0M (2021 - \$83.4M). Savings from unspent expenditure budgets were spread across the organization and were mostly related to unpaid wages due to staff vacancies.

Reserve balances decreased overall to \$77.4M (2021 - \$79.5M). Most of the decrease was realized in the sewer reserves as the City completed the installation of new processing equipment at its water reclamation plant. Of the \$77.4M reserve balance, there is \$30.3M committed to unfinished 2022 projects and \$12.4M budgeted for 2023 projects. The remaining reserves are available for unexpected challenges or opportunities such as leveraging senior government grant funding or for unexpected emergency events such as wildfires or flooding. Overall, the City is in a good financial position as of the end of 2022 and continues to spend its financial resources responsibly. Congratulations to Council and staff for continuing to provide excellent service and value to residents.

A handwritten signature in cursive script that reads "D Law".

Debra Law, CPA, CMA
Chief Financial Officer
May 26, 2023

REVENUE POLICY TARGETS AND RESULTS 2022

The following revenue targets were adopted under the 2022-2026 Financial Plan and are shown with their actual results:

Measure	2022 Target	2022 Actual
Business to Residential Property Tax Rate Ratio	3.20 to 1.0	3.34 to 1.0
Taxation Levy Increase for Infrastructure Projects	1.9%	1.9%
Taxation as a Proportion of Total Revenue	53.5%	46.1%
Service Fees as a Proportion of Total Revenue	33.2%	27.1%
Other Revenue as a Proportion of Total Revenue	13.3%	26.7%
Specified Area Parcel Taxes as a Proportion of Total Revenue	Less than 1%	Less than 1%

CAPITAL ASSET SURPLUS 2022*

(in \$1,000's)

Asset Category	Capital Investment	Annual Amortization	Capital Asset Surplus/ (Deficit)	Net Book Value of Disposals	Net Increase in Depreciable Assets
Buildings	\$ 13,344	\$ (2,238)	\$ 11,106	\$ (1,463)	\$ 9,643
Vehicles	671	(825)	(154)	(20)	(174)
Miscellaneous Equipment	1,534	(720)	814	-	814
Information Technology	522	(118)	404	(17)	387
Transportation Infrastructure	5,382	(5,271)	111	(2)	109
Storm Drainage Infrastructure	3,593	(1,154)	2,439	(33)	2,406
Sanitary Sewer Infrastructure	4,800	(1,512)	3,288	(156)	3,132
Irrigation Water Infrastructure	181	(245)	(64)	-	(64)
	<u>\$ 30,027</u>	<u>\$ (12,083)</u>	<u>\$ 17,944</u>	<u>\$ (1,691)</u>	<u>\$ 16,253</u>

*Amounts are shown on the basis of historical cost and do not represent replacement values.

CONNECT WITH US

The City of Vernon's goal is to use open, two-way communication to purposefully engage with our residents, businesses and visitors. We use a variety of online and offline tools to provide up-to-date information and engagement opportunities to stay connected with you - our valued citizens.

City of Vernon

City Hall: 3400 - 30th Street
Vernon, BC V1T 5E6
250-545-1361
Vernon.ca

Emergency contacts

RCMP Emergency: 911
Vernon Fire Rescue: 911
Bylaw Compliance: 250-550-3505
City Utility Emergencies - Weekdays: 250-549-6757
City Utility Emergencies - After hours: 250-542-5361

Council Meetings

City of Vernon Council meetings are held twice a month (except for July, August and December, when meetings are held once monthly) in Council Chambers at City Hall. Council meetings are a great way to learn more about what is taking place in your community. Council meetings and Public Hearings are video recorded and posted to our website at vernon.ca/councilmeetings.

Engage Vernon

Activate your voice! One of Council's strategic priorities is to increase public participation in the development of City strategies and plans. You can be part of the process by visiting the City's online engagement hub: engagevernon.ca.

Community Events Calendar

The Greater Vernon area is buzzing with activity and new things to try every day. Check out the City's community events calendar on our website vernon.ca/events-calendar to learn about activities taking place in Vernon and the surrounding area.

Council Advisory Committees

The primary role of an Advisory Committee is to provide advice, recommendations and a community perspective on municipal initiatives and programs. Learn more about committees, and how to get involved, by visiting vernon.ca/councilcommittees.

LET'S BE SOCIAL: FIND US ON THE FOLLOWING CHANNELS

www.vernon.ca



@cityofvernon





COMMUNITY PROFILE

Make our story a part of your story. There is more than enough here to share. In the spring, you'll find fields and valleys bursting with blooms. Summer is the time to enjoy our warm and inviting lakes. In the fall, experience a harvest season like no other. In the winter, take home tales of champagne powder snow and horse drawn sleighs. We have activities for all seasons!

Get outdoors and breathe in the fresh Okanagan air as the sun kisses your cheeks. No matter what the season, there's something to do outdoors in Vernon.

Bring your bike, or rent one and enjoy our separated bike lanes. These bike lanes connect Village Green Shopping Centre in the North, to Downtown Vernon and on to Polson Park. You can then continue on from Polson Park to Kalamalka Lake and the Rail Trail, or over to Okanagan Lake and our many other tourist attractions.



COMMUNITY PROFILE

If golf is more to your liking, then get out on a course and perfect your swing. In the warmer months, grasp the importance of 'me time' while exploring one of our lakes in your kayak or canoe. Test your balance on a standup paddleboard and investigate the wonders of our coves and inlets.

The fish are usually biting here, so grab your licence and your gear, and head out to some of the best fishing spots in BC.

There's nothing like a day on the lake to make life all the sweeter. Come and enjoy the rush of the wind in your hair and feel your adrenaline pump as you waterski or wakeboard on Okanagan Lake. Experience bouncing across the surface on an inner tube or try wake surfing as you whisk across the lake. Bring your own boat, or rent one. We have everything you need here from boats to skis and life jackets.

Once the snow flies, it's time to strap on the skis, snowboard or snowshoes and explore.

Nestled on the northeastern shore of Okanagan Lake, Ellison Provincial Park has 220 ha (543 ac) of forested benchlands above a rocky shoreline of scenic headlands and sheltered coves with three beaches. This is where you'll find the only marine dive park in the Okanagan for snorkeling and scuba diving. Come and delve into the secret underwater world of Okanagan Lake.

Get in some quiet time at Swan Lake. It's a shallower and quieter lake for those who love a nature hike. The surrounding wetlands have some of the best bird watching in BC. It's a breeding, nesting, and migration haven for ducks, waterfowl, marsh birds and more. Don't be surprised if you see American White Pelicans and Trumpeter Swans in the spring and fall.

ORGANIZATIONAL STRUCTURE



Patricia Bridal,
Chief Administrative Officer
pbridal@vernon.ca



Shawna Baher, Superintendent
RCMP
shawna.baher@rcmp-grc.gc.ca



Kevin Poole, Director
Community Safety, Lands & Administration
kpoole@vernon.ca



Kim Flick, Director
Community Infrastructure & Development



Debra Law, Director
Financial Services
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David Lind, Fire Chief
Fire Rescue Services
dlind@vernon.ca



Raeleen Manjak, Director
Human Resources



James Rice, Director
Operation Services
jrice@vernon.ca



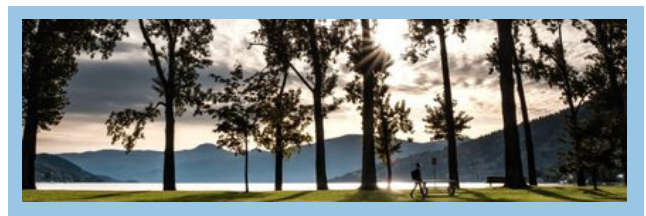
Doug Ross, Director
Recreation Services

SERVICES PROVIDED TO RESIDENTS

- Airport operation
- Boulevard and other landscape maintenance
- Building approval and inspection
- Bylaw compliance
- Cemetery operation
- Collection authority for other taxing jurisdictions
- Drainage system maintenance
- Economic development
- Emergency preparedness planning and coordination
- Engineering services
- Environmental protection services
- Financial reporting
- Fire rescue protection
- Garbage, organics & yard recycling services
- Legislative services (adoption of bylaws; approval of development permits; adoption of corporate policies and procedures)
- Parking control and parkade operation



- Parks maintenance and operation
- Planning services
- Policing
- Property tax & utility account maintenance and payment options
- Public transit, including HandiDart operation
- Recreation programs and facilities operation and maintenance
- Safeguarding of assets
- Sanitary sewer collection system operation, maintenance and construction
- Street lighting
- Street, sidewalk, and lane maintenance, construction and reconstruction
- Tourism promotion
- Traffic signal operation
- Water system operation on behalf of the Regional District of North Okanagan



ACTIVATE LIFE



CITY OF
Vernon

CITY HALL

COUNCIL'S STRATEGIC PLAN

2019 – 2022

UPDATE – SEPTEMBER 2022

SUMMARY of Strategic Priorities, Actions and Measures of Success

The following table summarizes all the required actions identified in the Strategic Plan.

Strategic Priority Area	Actions Required to Achieve Vision	How We Measure Success
Recreation, Parks & Open Space	<ul style="list-style-type: none"> • Complete Recreation Feasibility Study • Commence construction of priority recreation facilities at Kin Park • Complete Polson Park Master Plan • Commence priority Polson Park projects • Develop a strategy for acquisition of mountaintop parks • Develop a minimum of one lake access site per year 	<ul style="list-style-type: none"> • Annual investment in Kin Park and Polson Park • Acquisition of an off-leash dog park • Acquisition of natural park areas on mountaintops in acres • Number of lake access sites developed annually
Affordable & Attainable Housing	<ul style="list-style-type: none"> • Develop a City Housing First Strategy • Continue to partner with BC Housing, not-for-profits and the development community on affordable housing, including the use of City-owned land • Review and streamline residential development approval process • Complete a Housing Needs Assessment to inform the Affordable and Attainable Housing Implementation Strategy and the next Official Community Plan review 	<ul style="list-style-type: none"> • Increased vacancy rate • Number of new units by type and neighbourhood • % of all homes within 500 m of active transportation, services and parks • Time to process a single family building permit and a multi family development permit
Vibrant Downtown	<ul style="list-style-type: none"> • Identify incentives to encourage redevelopment and upgrades to existing buildings • Increase events and amenities in the Downtown • Investigate the potential closure of 30th Avenue to vehicular traffic from 29th Street to 35th Street • Create parking for the Okanagan Rail Trail in the redevelopment of the Civic Arena site • Support economic development initiatives that attract skilled labour to the area • Identify and implement actions to address drug use, vagrancy and safety concerns, the role of Bylaw Services & increased RCMP presence • Evaluate and seek Council direction on the impact of retail cannabis stores Downtown • Promote the Okanagan Rail Trail through marketing, trail connections and other initiatives • Support the Folks on Spokes program and other clean up initiatives in the Downtown core 	<ul style="list-style-type: none"> • Annual investment in public events and amenities and event attendance • Private investment in new development and building upgrades • Number of calls for Bylaw Services • Number of new housing units in the City Centre, by type and value

Strategic Priority Area	Actions Required to Achieve Vision	How We Measure Success
Organization Priorities	<ul style="list-style-type: none"> • Increase public participation in the development of strategies and plans • Investigate new approaches to engage citizens (e.g. on-line platforms) • Investigate opportunities to enhance the transparency of decision making • Review application processes to ensure they are efficient as possible • Implement more on-line application types • Develop a learning and development framework and coaching and mentoring programs for the organization • Support continued implementation of health and wellness initiatives • Investigate options to provide additional space for the RCMP • Prioritize staff recruitment 	<ul style="list-style-type: none"> • Number of people engaged in public participation annually • Number of processes reviewed annually • Number of new on-line applications annually and number received annually • Number of learning and development opportunities provided to/accessed by staff • Number of staff vacancies
Regional Relationships	<ul style="list-style-type: none"> • Continue and build upon CEDI partnership with OKIB • Improve communication/consultation with RDNO • Work with RDNO on the acquisition of natural parkland in the city • Obtain RDNO approval to consult with City staff on In Camera issues at RDNO 	<ul style="list-style-type: none"> • Number of activities between the City and OKIB annually • Acquisition of natural parkland in the City of Vernon by RDNO, in acres
Other Sustainability Priorities	<ul style="list-style-type: none"> • Investigate methods to increase recycling & alternatives to recycling, including an organics diversion plan • Support the provision of affordable childcare • Promote transit oriented mixed use development • Adopt a Climate Action Plan • Encourage initiatives to support green buildings, including the BC Energy Step Code • Update the Landscaping Standards Bylaw to require sustainable and Fire Smart landscaping • Identify ways to foster innovation in technology and manufacturing (business retention and expansion) • Continue to implement Fire Smart principles in the wildfire interface area and improve communication with residents throughout the year, in addition to emergency events • Review and implement the Fire and Rescue Services Strategic Plan • Undertake drainage studies, risk and threat assessments and related bylaw amendments • Continued commitment to the development and implementation of asset management plans • During the next review of the Master Transportation Plan, revisit the highway bypass and explore alternatives to transit in low density areas • Support the extension of water along Eastside Road 	<ul style="list-style-type: none"> • Number of new residential units within walking distance of a transit stop • Number of businesses in the technology and manufacturing sectors • Tonnage of organics diverted from the landfill, annually • Number of childcare spaces in the community, by age group • Tonnage of GHGe emitted annually, corporately and community-wide • Number of acres treated to reduce fuel load (wildlands/City lands)

Recreation, Parks and Natural Spaces

VISION 2022

The comprehensive plan for the Kin Park lands is completed, informed by the Recreation Master Plan feasibility study and public participation. New recreation facilities are under development on the site. A new fenced off-leash dog park has just opened. The Polson Park Master Plan is complete and improvements are underway to better showcase the jewel of the Vernon urban parks system to the many residents and visitors that use the park and as a connection to the Okanagan Rail Trail. New natural area parks are being acquired at Turtle Mountain, Adventure Bay, the Foothills and the Commonage, supported by our regional partners where possible.

WHAT DID WE DO IN 2019?

- Released RFP to acquire a consultant to conduct the Active Living feasibility study and conduct public consultation to determine what specific recreation facilities the community wants and can afford
- Completed fencing of Marshall Field off leash area
- Worked with parties on the potential for new parkland
- Adopted Parks DCC Bylaw
- Completed the demolition of Kin Race Track buildings/area
- Applied for BC-Canada Recreation Infrastructure Grant for Lakeview Pool revitalization
- Completed priority lake access improvements at Beachcomber Bay Road

WHAT DID WE DO IN 2020?

- Designed the planning process for Kin Race Track Lands
- Completed public engagement as part of the Active Living Centre feasibility study process and released the draft results to the Greater Vernon elected officials and the public
- Revised the draft after receiving feedback and provide the elected officials and the public with a final report including a preferred option in the spring for the Active Living Centre
- Worked with parties on the potential for new parkland
- Identified lake access to be improved in 2021 through the Budget 2021 process (capital funding supported in budget process with Site #1 identified at Council's Regular Meeting of January 5, 2021)
- Plan for new fenced off leash park

WHAT DID WE DO IN 2021?

- Ensured Dog Control bylaw can be implemented in contract with RDNO
- Confirmed Council direction on the next lake accesses to be developed
- Secured (partial) funding for Kin Race Track Lands Park
- Completed consultation and design for Civic Memorial Park
- Purchased park land as appropriate

WHAT DID WE DO IN 2022?

- Conducted public participation and worked towards the referendum for Active Living Centre in the fall of 2022
- Requested approval of the Active Living Centre by resolution from all regional and Greater Vernon partners (City of Vernon, District of Coldstream and Electoral Areas B & C)
- Conducted planning and consultation process for Kin Race Track Lands incorporating results of the Recreation Feasibility Study (considered residential component on the site)

- With the successful BC-Canada Recreation Infrastructure Grant application, undertook Lakeview Pool revitalization
- Continued to implement the Recreation Master Plan
- Purchased park land as appropriate
- Completed construction of Civic Memorial park
- Purchased a sport flooring system for Kal Tire Place and Kal Tire Place North that can be used to host dry floor sporting events

WHAT ARE WE STILL WORKING ON?

- Complete Canadian Lakeview Estates upgrades, Pottery Ravine Park improvements, Whitecourt to Foothills Place Trail Connections
- Complete priority lake access improvements at 8797 Okanagan Landing Road
- Develop planning process to update Polson Park Master Plan
- Conduct public engagement for Polson Park

HOW DO WE MEASURE SUCCESS?



Annual (capital) investment in Kin Park and Polson Park

\$3,000 (2018)
\$5,000 (2020)
\$474,487 (2021)
\$724,118 (2022 YTD)



New off-leash dog parks

1 (2019)
0 (2020)
0 (2021)
0 (2022 YTD)



Acquisition of mountaintop natural park area in acres

5.8 (2019)
0 (2020)
0 (2021)
0 (2022 YTD)



Number of lake access sites developed annually

2 (2018)
1 (2019)
0 (2020)
2 (2021)
0 (2022 YTD)

Affordable and Attainable Housing

VISION

Finding affordable and attainable housing has gotten easier. The vacancy rate is up and there are new housing options available across the continuum. The City has partnered with BC Housing, local not-for-profits and the development community on new affordable rental units on City-owned land. A streamlined residential development approval process is helping private developers deliver new units more efficiently. New family housing options are provided close to services and active transportation routes, and upscale options are under development in the Downtown.

WHAT DID WE DO IN 2019?

- Commenced short term rentals policy/bylaw consultation
- Investigated and pursued opportunities for affordable/attainable housing partnerships, as appropriate
- Identified any available parcels of land in advance of the Spring 2020 BC Housing call for funding
- Completed Lease and Housing Agreement for 4005 Pleasant Valley Road in partnership with BC Housing and Vernon Land Trust
- Participated in provincial review of development requirements
- Worked with RDNO to oversee regional housing assessment

WHAT DID WE DO IN 2020?

- Worked with RDNO on a Regional Housing Strategy to ensure City needs are reflected
- In conjunction with Social Planning Council, investigated potential City owned lands for affordable housing
- Worked with BC Housing and other agencies on project development
- Investigated and pursue opportunities for affordable/attainable housing partnerships, as appropriate

WHAT DID WE DO IN 2021?

- Assessed residential development approval process and identified areas to streamline
- Completed review of impediments to secondary suites and carriage homes
- Worked with BC Housing and other agencies on project development
- Investigated and pursued opportunities for affordable/attainable housing partnerships, as appropriate
- Continued to proactively identify lands to develop affordable housing

WHAT DID WE DO IN 2022?

- Developed short term rentals policy/bylaw for Council's consideration
- Integrated outcomes of housing needs assessment into Housing Strategy Implementation Plan

WHAT ARE WE STILL WORKING ON?

- Complete implementation of development process review recommendations
- Develop public materials to increase awareness of development processes and timelines
- Reviewing impediments to tiny homes
- Adopt Housing Strategy Implementation Plan
- Implement Housing Strategy Implementation Plan priorities

HOW DO WE MEASURE SUCCESS?



Increased vacancy rate

1.5% (2018)
1.9% (2019)
1% (2020)
0.9% (2021)
0.9% (2022 YTD)



Active Transportation

n/a (2018)
87 (2019)
88 (2020)
88 (2021)
86 (2022 YTD)



Services

n/a (2018)
21 (2019)
24 (2020)
25 (2021)
21 (2022 YTD)



Parks

n/a (2018)
84 (2019)
84 (2020)
86 (2021)
87 (2022 YTD)

% of all homes within 500m of:



	2018		2019		2020		2021		2022	
	Single Family	Multi Family	Single Family	Multi Family	Single Family	Multi Family	Single Family	Multi Family	Single Family	Multi Family

Number of new units, by type and neighbourhood

	2018	2019	2020	2021	2022
City Centre	1	60	0	7	0
Neighbourhood District	53	215	44	180	61
Hillside Residential and Agricultural District	102	73	78	41	57
Time to process a building/development permit (weeks)	n/a	n/a	3.99	12.5	3.65
					16.5
					4.25
					16.5
					7
					17

Vibrant Downtown

VISION 2022

The Downtown is bustling with shoppers and employees enjoying the many outdoor patios, events and amenities. The new multi family units in the City Centre have increased the number of residents in the area, including families and affluent residents. Crime has been trending down and the streets are free from litter and unwanted graffiti. New mixed use development is complemented by the investment business owners have taken in their buildings, all contributing to a vibrant Downtown. Fully connected into the Okanagan Rail Trail, the Downtown has seen a surge of new tourists enjoying our many restaurants, stores and amenities.

WHAT DID WE DO IN 2019?

- Continued to promote infill and redevelopment opportunities in the City Centre
- Provided Council update on the Revitalization Tax Exemption and continued program
- Continued investment in City Centre capital projects
- Successful application to Destination BC for Okanagan Rail Trail promotion in partnership with ORTC, TOTA and Tourism Kelowna
- Installed new downtown public washroom
- Replacement of existing public washrooms at the Transit Exchange
- Increased visibility of Bylaw and RCMP with joint patrols on foot and bike
- Business outreach through DVA and Chamber to provide “Who to call information”
- Provided off hours sharps pickup when needed
- Monitored Folks on Spokes program
- Continued to find locations for sharps drop boxes on COV buildings and properties to expand coverage and support the Folks on Spokes and Street Clinic weekly clean ups
- Collaborated with the Province’s Community Safety Unit (CSU) to direct enforcement toward unlicensed cannabis retailers and monitor licensed stores for compliance
- Supported Anti-Tag team program with compliance letters and enforcement when necessary
- Investigated alternative aggregate products for grit application during snow and ice control season to reduce dust and air quality issues in the downtown
- Worked with Canada Day Society to limit liability and enable safe fireworks display
- Increased DVA Maintenance Funding
- Worked with DVA to enhance the downtown with new parking signage, planters at 29th street parking lot, etc.
- Completed annual mural maintenance including cleaning and protective coatings as required
- Collected on and off-street parking data over the summer
- Participated in Rural and Northern Immigration Pilot Program (RNIP) to attract skilled workers to Vernon (three year program launches January 2020)
- Hosted Emergency Vehicle Technician Association British Columbia conference (third consecutive year)

WHAT DID WE DO IN 2020?

- 32nd Ave rehabilitation including improved street lights, sidewalks and road
- Continued outreach to businesses and residents to address concerns
- New Okanagan Rail Trail website launched through ORTC. Additional Rail Trail promotion included in Tourism Vernon 2020 Marketing Plan
- Continued collaboration with service providers to connect clients to available services
- Promoted new City DCC Bylaw and working to minimize increases in RDNO Water DCC Bylaw rates
- Expanded joint patrols with RCMP in hot spots and parks close to downtown core and the BIA
- Continued funding of Folks on Spokes based on a measured success of pilot project through community feedback
- Continued with Revitalization Tax Exemption
- Continued to participate in Rural and Northern Immigration Pilot Program (RNIP) to attract skilled workers to Vernon
- Met with Downtown Vernon Association and business owners to discuss opportunity of closing 30th Avenue to vehicular traffic
- Purchased new sweeper to focus on removal of surface dust particles and improve air quality as well as providing higher level of service for street sweeping in the downtown (delivery April 2021)
- Implement improved aggregate products for winter maintenance to reduce dust and improve air quality



WHAT DID WE DO IN 2021?

- Continued funding of Folks on Spokes based on a measured success of pilot project through community feedback: Submitted a Service Level Adjustment for the 2021 Budget for funding to continue the Folks on Spokes program
- Continued funding of Anti-Tag Team based on a measured success of pilot project through business feedback and reduced visual impact: Submitted a Service Level Adjustment for the 2021 Budget for funding to continue the Anti-Tag Team program
- Submitted a Service Level Adjustment for the 2021 Budget for funding to continue the weekly clean up initiative by service providers in the downtown
- Increased funding for Bylaw's part time Seasonal Enforcement Unit (.5 position) from 4 hours per day to 7 hours per day to enable additional service delivery hours Saturdays to Tuesdays
- Promoted Okanagan Rail Trail in Tourism Vernon 2021 Marketing Plan
- Trialed closure of 30th Avenue (2900 block) to vehicular traffic for a period of two months
- Continued road and utility upgrade projects radiating from the downtown core including 30th Street to improve and relieve traffic in the downtown
- Continued to provide support for the new Innovation Centre which opened downtown in Summer 2020
- Upgraded the parking lot at the downtown transit exchange to include new electric vehicle charging, landscaping, paving and amenity space
- Continued outreach to businesses and residents to address concerns in the downtown
- Continued to participate in Rural and Northern Immigration Pilot Program (RNIP) to attract skilled workers to Vernon
- Continued to collaborate with BC Hydro to identify opportunities to underground overhead wires (Vernon Block completed in 2021)
- Promoted infill/redevelopment opportunities in the City Centre



WHAT DID WE DO IN 2022?

- Increased promotion of Folks on Spokes program through traditional/social media channels

WHAT DO WE STILL HAVE TO GET TO?

- Explore other incentive opportunities to encourage building upgrades (e.g. façade improvement grants)

WHAT ARE WE STILL WORKING ON?

- Identify potential parking lot locations based on parking congestion

HOW DO WE MEASURE SUCCESS?



Annual investment in Downtown public events and amenities

n/a (2018)
\$119,150 (2019)
\$8,578 (2020)
\$32,578 (2021)
\$51,717 (2022 YTD)



Annual attendance at Downtown public events

n/a (2018)
30,900 (2019)
4,050 (2020)
28,774 (2021)
8,000 (2022 YTD)



Private investment in new development and building upgrades

n/a (2018)
\$1.32M (2019)
\$4.3M (2020)
\$34.2M (2021)
\$120M (2022 YTD)



Number of calls for Bylaw Services in the Downtown

1,494 (2018)
1,235 (2019)
924 (2020)
634 (2021)
488 (2022 YTD)



Number of calls for RCMP in the Downtown

6,810 (2018)
7,330 (2019)
6,274 (2020)
6,531 (2021)
3,985 (2022 YTD)



Number of new housing units in the City Centre, by type and value

60 (\$14.91M) (2018)
n/a (2019)
7 (\$1.19M) (2020)
100 (\$19.7M) (2021)
n/a (2022 YTD)



Organization Priorities

VISION 2022

The City of Vernon is a customer focused organization. Decision making is increasingly transparent and accountable through the use of various tools, including those on-line. Citizens are offered lots of opportunity for participation in the development of strategies and plans. Application processes have been reviewed and streamlined where possible, including the increased use of on-line applications. Staff vacancies are at a minimum and learning and development are fostered across the organization to ensure that we have a capable and contemporary workforce.

WHAT DID WE DO IN 2019?

- Constructed and commissioned the septage receiving station at VWRC
- Implemented the 2019 Capital Projects
- Engaged the public with the Budget survey in May, as directed by Council
- Expanded use of EFT payments, eHOG applications, PAWS payments and Utility auto-debits
- Investigated eTax (electronic mailing of property tax notice)
- Council held a Town Hall Meeting on June 4, 2019
- Added video of COW Meetings and Public Hearings
- Initiated a one year radio advertising pilot on Beach Radio
- Launched the Vernon Connect app
- Participated in the Provincial review of the development approval processes
- Completed the DCC Bylaw update, lowering DCCs across the city
- Updated the Mobile Vending Policy
- Implemented new ways of engaging community members for the development of the Climate Action Plan
- Included staff from all Divisions in the Climate Action planning process
- Emergency Program and Emergency Operations Center training was ongoing throughout the organization
- Posted the Vernon Fire Rescue Services Eight Year Strategic Plan 2018 - 2025 on the website
- VFRS developed shared core values, mission, vision and a philosophy of operations reflective of the City mission statement and the management team participated in training to communicate more effectively
- VFRS provided “Project All In” and a presentation for members regarding mental health and building resiliency
- Constructed sidewalks and multi-use paths and install additional bike parking
- Developed and launched the City of Vernon Learning and Development Framework
- Allocated and refined resources to manage high volume requirements related to talent acquisition
- Conducted a corporate Values Workshop
- Attracted, engaged and retained talent from different backgrounds, age groups, genders, and nationalities
- Developed a mentoring program
- Undertook capacity building around employee development to recognize and support diversity in leadership roles
- Surveyed and performed a gap analysis on strategic (capacity) development and leadership at the senior management, management and supervisory levels

- Developed the Module Three Strategic Capacity and Leadership Development Program
- Conducted the annual review of Bullying and Harassment Policy and bi-annual review of Fit for Work Policy
- Held a Day of Mourning Event
- Held an Employee Wellness Fair
- Implemented Return to Work/ Stay at Work and Employee Care Coordination
- Conducted a cyber security review
- Upgraded the City’s information systems infrastructure equipment
- Investigated options to replace the City’s HR/Payroll systems and ERP (Financials)
- Electronic Records Management (ERMS): Recreation and Operations Divisions templates built and launched
- Summer grant workers scanned and secured 10 full shelving units of permanent property file records into ERMS
- Updated financial policies to reflect contemporary practices (Purchasing Policy)
- Ensured financial reporting meets all new legislative and public sector accounting standards
- Introduction of the provincial Mobile Response Team (MRT) Training to City staff for outreach and short term psychosocial support education
- Reviewed Corporate and RCMP space needs (North Okanagan Traffic terminating lease of December 31, 2019 in the annex area of City Hall), expanding space for RCMP and City staff

WHAT DID WE DO IN 2020?

- Implemented extensive COVID protocols to protect staff and the public. All public services, except Recreation Services maintained in 2020
- Hired a Land Agent to assist the Real Estate Department to negotiate and secure statutory rights of way and road dedications to support capital, drainage and sewer projects
- Draw down treated water holding reservoir
- Budget survey conducted in September, as directed by Council
- Pilot project completed to implement electronic mailing of property tax notices
- Created informational videos for public to explain MyCity and Utility billing
- Investigated Tempest for e-billing business license renewals
- Utilized engagevernon.ca for large planning processes and small “check ins” with the community
- Hired two full time career firefighters
- Revised VFRS auxiliary application process for online applications
- Conducted a hiring intake for paid-per-call members
- Conducted public engagement for Civic Arena Park
- Activated Mental Wellness Initiative using the Guarding Minds survey to establish benchmarks/programming guidelines
- Hired IS Security Technician
- VFRS formalized programs for breathing air, PPE, confined space rescue, hazardous materials response, decontamination, etc. in line with industry best practices and safety standards
- Addressed gaps in WSBC coverage for ESS volunteers
- Developed a stakeholder engagement template to help Capital project managers engage citizens more effectively and not just “after the fact” to inform them
- Implemented Capital Strategic Communications Plan, identifying key external stakeholders, objectives and tactics to build relationships and identify opportunities for collaboration and public participation





- Implemented project management principles and methodology to procurement of capital projects
- Hired a Drainage Engineer
- Hired Exempt Assistant Manager - Protective Services to assist manager with staffing, scheduling, budget, investigation, service delivery, work with community partners
- The Vernon Emergency Program Support Committee is providing direct feedback and information exchange from public stakeholder groups to the Vernon Emergency Program
- Emergency Program and Emergency Operations Centre training is ongoing throughout the organization
- Empowered local residents with the ability to accept or reject sewer projects in the Okanagan Landing area
- Provision of space determined in vacated NOTS area in City Hall for municipal staff and COV RCMP
- Development of a City of Vernon Train the Trainer Workshop
- Completed corporate call for mentors/mentees to test the City of Vernon Mentoring Program Framework

- Developed a coaching program
- Priority on Return to Work/ Stay at Work and Employee Care Coordination
- Carry out “lunch & learn” sessions put on by staff, local consultants and webinars
- Delivery of Managing Yourself to Manage Your Time
- Continue with the provincial Mobile Response Team (MRT) Training to City staff for outreach and short term psychosocial support education
- Annual review of Bullying and Harassment Policy

WHAT DID WE DO IN 2021?

- Completed conveyance line from VWRC to Okanagan Spring Brewery
- Reviewed and implemented new sewer rates
- Reviewed development processes and assessed residential development approval process and identified areas to streamline
- Maintained extensive COVID protocols and strictly followed public health orders

- Developed public engagement tools for the flood mapping study
- Redefined and launched Vernon Employee Recognition Program
- City of Vernon Values follow-up and launch
- Developed and delivered Public Speaking & Presentation Workshop
- Delivered HR Literacy (fundamentals)
- Recommitment to the City of Vernon Performance Leadership Planning Process
- Developed and delivered Module Three Strategic Capacity and Leadership Development Program
- Developed internal communication framework to support learning and development activities and promote opportunities for staff
- Ensured financial reporting meets all new legislative and public sector accounting standards
- Completed roll out of Electronic Records Management System
- Implemented proof of vaccination policy for all staff and volunteers

WHAT DID WE DO IN 2022?

- Identified and implemented new on-line applications, where possible
- Hired two career fire fighters as per Vernon Fire and Rescue Services Eight Year Strategic Plan and completed the hiring strategy
- Reviewed City of Vernon owned media channels and determined areas for improvement to increase public participation in the development of strategies and plans
- Updated financial policies to reflect contemporary practices: Reserve Management Policy, Purchasing Policy and Investment Policy

- Ensured appropriate resource allocation and that adequate staffing is in place and available to manage and deal with high volume/gap
- Created Financial Competency Framework to guide staff training in City financial systems requirements
- Develop partnerships with Mercer to apply to WorkSafe BC for funding to research, develop, and design a multi-dimensional ACTIVATE wellness program, specific to City of Vernon employee requirements to address and capture specific needs using the City of Vernon ACTIVATE Guarding Minds (R) Survey data

WHAT DO WE STILL HAVE TO GET TO?

- Develop public engagement and communication toolkit based on IAP2 principles
- Zoning Bylaw #5000 Update (e.g. several housekeeping and relatively minor updates)

WHAT ARE WE STILL WORKING ON?

- Develop a City of Vernon Talent Acquisition and Retention Framework

HOW DO WE MEASURE SUCCESS?

(data not available for 2018)



Number of people engaged in public participation annually

15,728 (2019)
3,634 (2020)
4,604 (2021)
4,491 (2022 YTD)



Number of processes reviewed annually

22 (2019)
99 (2020)
101 (2021)
93 (2022 YTD)



Number of staff vacancies (as of December 31)

13 (2019)
12 (2020)
36 (2021)
30 (2022 YTD)



Number of learning and development opportunities:

Provided to staff by City or City staff

109 (2019)
141 (2020)
121 (2021)
155 (2022 YTD)

Accessed by staff

1,522 (2019)
1,305 (2020)
1,992 (2021)
1,653 (2022 YTD)



Number of on-line applications received annually

6,183 (2019)
6,087 (2020)
6,734 (2021)
4,806 (2022 YTD)

Number of new on-line applications annually

1 (2019)
5 (2020)
7 (2021)
5 (2022 TYD)



Regional Relationships

VISION 2022

Vernon residents believe their voice is better reflected in decisions by the Regional District of North Okanagan (RDNO) Board. Water issues are resolved to everyone's satisfaction and progress is made on issues of mutual concern. The new Cultural Centre is under construction in the Downtown. Productive relationships support the acquisition of major natural areas. The City and the Okanagan Indian Band are continuing to build on the relationship established through the Community Economic Development Initiative.

WHAT DID WE DO IN 2019?

- Continued the Community Economic Development Initiative (CEDI) Partnership with OKIB
- Held CEDI Workshop #4 on June 6 and 7, 2019
- Held CEDI monthly working group meetings
- Participated in the regional Emergency Program Coordinators meetings
- Met regularly with RDNO staff and participated in joint working groups
- Continued open and effective communication with RDNO regarding operation and maintenance of the water distribution infrastructure within the City and Electoral Areas B and C
- Connected with RDNO around opportunities to acquire natural parkland in the City as they arise
- Resolution of RDNO Board (May 22, 2019) permits members to share In Camera Items from RDNO and GVAC at respective jurisdictions at In Camera meetings

WHAT DID WE DO IN 2020?

- C2C Meeting with OKIB (virtual)
- Continuation of the CEDI partnership with OKIB until completion in mid 2020
- CEDI monthly working group meetings
- Meet regularly with RDNO staff and participate in joint working groups
- Continued open and effective communication with RDNO regarding operation and maintenance of the water distribution infrastructure within the City and Electoral Areas B and C

WHAT DID WE DO IN 2021?

- Transitioned CEDI partnership with OKIB to ongoing working group that meets monthly
- C2C Meeting with OKIB (virtual)
- Involved a cultural monitor in construction projects to identify objects of cultural and archaeological significance
- Consulted with OKIB on the BX Creek project
- Addressed outstanding issues related to water meter location and development charges
- Shared flood mapping results with OKIB

- Connected with RDNO around opportunities to acquire natural parkland and regional trail connections in the City as they arise
- Meet regularly with RDNO staff and participate in joint working groups
- Involved Electoral Areas B & C in drainage studies and works where impacts are cross boundary

WHAT ARE WE STILL WORKING ON?

- Look into naming opportunities of streets and creeks that incorporate First Nations history and culture
- Work with BX/Swan Lake Fire Rescue and Coldstream Fire Rescue to develop “Automatic Aid” in areas where another’s resources are located to better serve the area

WHAT DO WE STILL HAVE TO GET TO?

- Address pending Water DCC Bylaw rate increases
- Involvement of OKIB in development of Polson Park Master Plan
- Support amalgamation study if brought forward by the District of Coldstream and / or Regional District of North Okanagan

HOW DO WE MEASURE SUCCESS?



Number of activities between the City and OKIB annually

21 (2018)
19 (2019)
13 (2020)
11 (2021)
8 (2022 YTD)



Acquisition of natural parkland in the City of Vernon by RDNO, in acres

0 (2018)
0 (2019)
0 (2020)
3 (2021)
4 (2022 YTD)

Other Sustainability Priorities

VISION 2022

Vernon is promoting best practices in sustainable infrastructure, agriculture and landscaping, including updated bylaw standards. Fire Smart principles are utilized more widely in the city, reducing our risk of wildfires. Water is being extended down Eastside Road to better protect against fire in this area. Vernon residents have been trying out a pilot organics diversion plan while recycling options have been expanded. New childcare spaces are making it easier for families to find affordable options to meet their needs. Transit oriented mixed use development is putting more households within walking distance of a transit stop. New jobs are being created, particularly in the technology and manufacturing sectors locally and regionally, to help diversify our employment base.

WHAT DID WE DO IN 2019?

- Secured provincial grant to look at establishing additional childcare facility
- Partnered with Community Futures on a feasibility study and business plan for an Innovation Centre
- Piloted community organics bins, assessed success and reviewed options to expand the program
- Purchased second all electric vehicle
- Added electric bikes to the City fleet
- Updated DCC Bylaw to further encourage growth in City Centre and Neighborhood Districts
- Implemented Sustainability events program, including sponsoring a workshop(s) for Step Code and Air Tightness
- Implemented Sustainability Grants Program
- Investigated methods of increasing boulevard and roadside recycling options
- Implemented the Okanagan Landing sewer expansion program
- Continued implementation of OCP growth strategy to prevent sprawl
- Increased the use of lining technology/ trenchless technology for sanitary laterals to reduce the GHG from the large equipment used in the excavations and restorative works
- Completed the design of a dedicated anaerobic treatment process to deal specifically with high strength waste at the VWRC
- Constructed alum chemical dosing building at the VWRC to ensure permit compliance for treated effluent discharged to Okanagan Lake, should the need arise
- VWRC participated in the BC Hydro Strategic Energy Cohort to identify potential energy savings
- Completed design and installation of the boiler replacement in City Hall, which supplies heat to City Hall, RCMP, Fire Hall #1 and Museum (switching to high efficiency will reduce our natural gas consumption)

- Completed Cemetery Master Plan
- Provided Fire Smart training for two managers
- Held stakeholder meeting, door-to-door information, and media release regarding a prescribed burn in the Foothill
- Provided “The Era of Mega Fires” presentation to Council, the public and Fire Services personnel to increase awareness
- Provided regular fire safety messaging through the website and PSAs
- Conducted FireSmart Community Champions Workshop and facilitated FireSmart community registration programs
- Integrated FireSmart community sessions into Sustainability Events and Climate Action Planning
- Vernon Emergency Program Support provided feedback and information exchange from public stakeholder groups to the Vernon Emergency Program
- Inspected and completed FireSmart work adjacent to cemetery maintenance building and storage area
- Integrated FireSmart principles into landscape bylaw update
- Fire, Planning and Operations collaborated regarding implementation of Fire Smart to City lands and buildings
- Removed dead cedars and trimmed others in line with Fire Smart at Stations 1 and 2
- Modernized the fire prevention program with updated process and electronic inspection tools
- Utilized new technology to provide safe and environmentally friendly fire extinguisher training

- Purchased fire/rescue engine and ladder truck and removed end of life engine, rescue, and ladder from service
- Removed creek bedload material from BX Creek at intake (Star Road)
- Upgraded the City fleet’s GPS system with a focus on the ability to monitor idle emissions, route planning and vehicle usage to reduce fuel consumption

WHAT DID WE DO IN 2020?

- Completed needs analysis for childcare centre
- Applied for two \$3 million provincial grants for child care centres
- Phase 2 of Compost Pilot
- Explored other opportunities for regional organics diversion, including with RDNO to provide community organics collection program
- Conducted detailed review of hazards related to climate change as well as planning to address hazards as part of Climate Action Plan
- Removed creek bedload material from Pleasant Valley Road and 48th Avenue sediment basins
- Established fleet reserve base funding
- Implemented the Sustainability events program, including support development community in transition to Step Code and the Sustainability Grants Program
- Completed the design and construction of a dedicated anaerobic treatment process to deal specifically with high strength waste at the VWRC
- Obtained better data on roads for asset management
- Application made for Forest Enhancement Grant funding to address City owned lands WUI fuel loads and leverage the project to

encourage Provincial (Ellison Park), private land owners, and stratas to address the wildfire risk at the far end of Eastside Road

- Developed year-round FireSmart messaging campaigns for social and traditional media channels
- Hired two career fire fighters
- Seasonal staffing of Fire Hall 3 during high risk periods
- Hired a Drainage Engineer
- Okanagan Landing sewer expansion program implementation
- Seek to treat MOTI lands adjacent to Eastside Road to decrease the likelihood of a road blockage due to downed power lines or trees during a wildfire
- Leachate Containment at Regional Bio solids Composting Facility

WHAT DID WE DO IN 2021?

- Adopted Climate Action Plan
- Implemented the Step Code for housing into the Building Bylaw
- Updated the 2014 Transit Future Plan Work with BC Transit and regional partners including reviewing density and changes to travel patterns after the anticipated changes in ride sharing/taxi licensing
- Explored community wide composting program
- Explored other opportunities for regional organics diversion, including with RDNO to provide community organics collection program
- Coordinated buy local program in conjunction with Greater Vernon Chamber of Commerce, Downtown Vernon Association and other community economic development agencies
- Secured grant funds for two childcare centres and initiated construction



- Incorporated the latest road data collection and assessment into a modernized pavement management system
- Completed the Lower BX Creek detailed flood mapping, risk analysis and mitigation
- Completed Vernon Creek detailed flood mapping, risk and threat assessment and mitigation (grant funding secured)
- Completed Flood Risk Study with maps to set the basis for future bylaws
- Studied the impacts of flooding and drainage and planning for it
- Implemented recommendations from the waste management practices review
- Applied for 2021 CRI FireSmart grant funding to continue Eastside Road and other projects (grant was successful)
- Implemented the VFRS Strategic Plan 2021: Replace radios & hazardous materials equipment (reserve funded)
- Treated 30 ha to reduce fuel load
- Seasonal staffing of Fire Hall 3 and support to BC Wildfire Services
- Opened and operated Reception Centre and Emergency Support Services, supporting 3,000 evacuees

WHAT DID WE DO IN 2022?

- Supported the extension of sanitary sewer servicing to the Okanagan Landing area using the municipal fee model, as approved by Council
- Worked with the development community on the roll out of the Step Code
- Continued implementation of OCP growth strategy to prevent sprawl
- Began work on the Parks Asset Management Plan
- Undertook study of Okanagan Lake North drainage area
- Continued developing and implementing year-round FireSmart messaging for traditional and contemporary media channels
- Grew the number of local FireSmart boards (and assessments for them to prioritize neighbourhood level FireSmart work)
- Continued to implement Community Resiliency Investment (CRI) FireSmart grant projects
- Continued to champion connecting City fuel management projects with those of others to achieve landscape level treatments
- Implemented City of Vernon lands fuels treatment program
- Hired two career firefighters in (new ongoing funds)

WHAT ARE WE STILL WORKING ON?

- Complete drainage studies and implement findings of Tassie Creek study, Okanagan Lake South Shore Study, and Okanagan Lake north slope drainage area and Smith Creek Study
- Present a drainage and water resources policy and bylaws gap analysis report to Council

- Construction and commissioning of high strength waste facility at VWRC (anaerobic digester)
- Implement the VFRS Strategic Plan: Increase service level from Predator Ridge Fire Station:
 - Exterior operations (limited scope)
 - Live-in program
- Review Tree Protection Bylaw #4152 to better encourage FireSmart practices
- Update and implement the Landscaping Standards Bylaw
- Train staff on the implementation of the landscape bylaw with FireSmart principles
- Address Wildland-Urban Interface (WUI) fuel treatment of City owned lands at Predator Ridge

WHAT DO WE STILL HAVE TO GET TO?

- Research options and funding for a building retrofit program, including a budget request if necessary
- Explore opportunities to showcase local businesses within planned City of Vernon Community Enews
- Municipal Wastewater Regulation (MWR) registration
- Implement the VFRS Strategic Plan 2021:
 - External service review in preparation for Fire Underwriters Survey (one time funding)
 - Fund fleet reserve (ongoing)
- Implementation of pilot project for biomass planting to provide for sustainable feedstock for Regional Biosolids Composting Facility

HOW DO WE MEASURE SUCCESS?



Number of new residential units within walking distance of a transit stop

n/a (2018)	178 (2021)
132 (2019)	187 (2022 YTD)
204 (2020)	



Hours of transit service annually

48,100 (2018)	48,200 (2021)
48,500 (2019)	32,200 (2022 YTD)
48,000 (2020)	



Number of businesses in the technology and manufacturing sectors

116 (2018)	117 (2021)
105 (2019)	122 (2022 YTD)
109 (2020)	



Metres of new sidewalk

1,505 (2018)
740 (2019)
447 (2020)
2,067 (2021)
350 (2022 YTD)

Metres of new multi-use path

735 (2018)
815 (2019)
2,310 (2020)
953 (2021)
230 (2022 YTD)



Number of childcare spaces in the community, by age group

	2019	2020	2021	2022
Birth - 36 months	112	112	124	172
36 months - School Age	342	342	386	536
Licensed Pre-school	286	270	270	270
School Age	466	484	525	525
Multi-Age	64	64	64	64
Family Child Care	133	134	120	120
In-Home Multi-Age	8	8	8	8
Total	1,411	1,412	1,497	1,695

Tonnage diverted from the landfill, annually:



Organics

n/a (2018)
105,233 kg (2019)
142,202 kg (2020)
379,280 kg (2021)
350,000 kg (2022 YTD)

Recycling from single family homes

1,417 (2018)
1,206 (2019)
1,498 (2020)
1,597 (2021)
1,732 (2022 YTD)

Tonnage of GHGe emitted annually



Corporate

3,639 (2018)
-- (2019)
-- (2020)
-- (2021)
-- (2022)

Community (only available every five years)

309,407 (2019)

2022 ACHIEVEMENTS

Lifesaving Society Affiliate Award



Greater Vernon Recreation Services has been recognized at a provincial level for its efforts in first aid training for staff and in the community. The BC & Yukon Branch of the Lifesaving Society Canada presented a number of awards at its AGM, including a 2022 Affiliate Award to the staff of the Vernon Aquatic Centre for providing the most first aid courses and aquatic re-certifications in a community, with a population of 20,000 – 50,000.

Local RCMP Volunteer recognized for 30 years of service



Vernon City Council formally recognized Lyle Duffield, who has provided an outstanding 30 years of dedicated service to his community as an RCMP Volunteer. Lyle's efforts in support of policing and public safety programs for more than 30 years is truly amazing and his commitment and dedication to the safety and betterment of our community is appreciated.

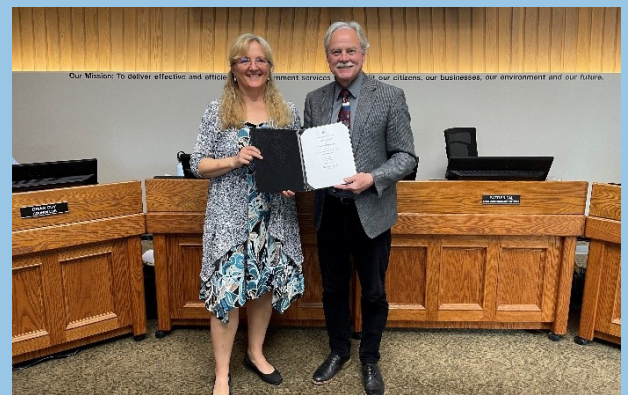
City of Vernon Long Service Awards
30 years: Cindy Barker

City of Vernon Best Place to Work 2022



The Human Resources Director Canada (HRD) announced the City of Vernon was included in the HRD list of *Best Places to Work 2022*. The report recognizes companies and organizations that have prioritized work-life balance, equity, and mental health for their employees, while showing empathetic leadership and the ability to pivot well, in response to the impacts of the COVID-19 pandemic.

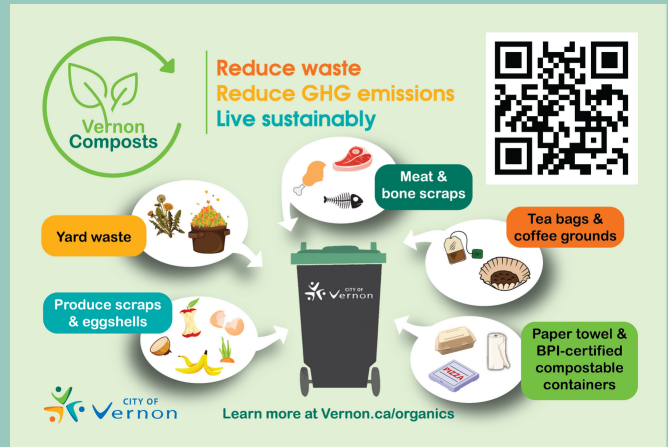
2022 Distinguished Budget Presentation & 2021 Canadian Financial Reporting Award



The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City of Vernon the GFOA's *Distinguished Budget Presentation Award* for its 2022 Financial Plan and *2021 Canadian Award for Financial Reporting* (CanFr). These awards represent significant achievements by the City and reflect the City's commitment to meeting the highest principles of government budgeting and reporting.

2022 ACHIEVEMENTS

Curbside household organics collection launched in Vernon



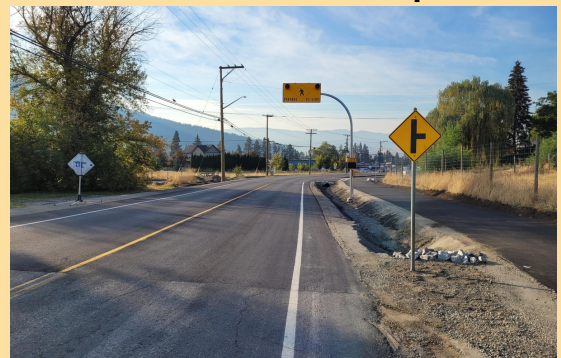
Implementation of the City's award-winning *Climate Action Plan* continued in 2022. On May 1st, the residential curbside organics collection program began within the community. The purpose of the new program is to divert organic waste from the landfill, reducing community-wide greenhouse gas emissions and extending the lifespan of the local landfill. Since the launch of the program, the amount of Vernon household waste going to the landfill has decreased by approximately 30% (when compared to the last five-year average).

Two new child care facilities opened



The Province of British Columbia, City of Vernon, and Okanagan Boys & Girls Club (BGC Okanagan) celebrated the opening of two new child care facilities (located in Okanagan Landing and near the Recreation Centre). The centrally located centres contain nearly 200 new licensed spaces to help enable parents to work or pursue educational goals. The City of Vernon contributed the land for each of the facilities and received a total of \$7 million in grant funding from the Province and UBCM.

Completed phase 1 of the Silver Star Road multi-use path



Completion of phase one of the Silver Star Road multi-use path occurred in 2022. Partially funded by the Province of British Columbia, phase one included construction of a pathway between Blackcomb Way and BX Elementary School and a section between Pleasant Valley Road and the new Silver Star Gateway Business Park. New Streetlights and pedestrian signals were installed adjacent to the school. Phase one was the start of the new multi-use pathway which will provide a new active transportation route between the Foothills and Pleasant Valley Road.

COUNCIL REMUNERATION AND EXPENSES

NAME	OFFICE	2022 REMUNERATION	EXPENSES*
Cumming, Victor	Mayor	\$ 105,556	\$ 3,141
Anderson, Scott	Councillor	33,321	3,631
Durning, Teresa	Councillor	38,466	2,464
Fehr, Kelly	Councillor	39,671	1,806
Gares, Kari	Councillor	37,890	3,482
Guy, Brian	Councillor	4,810	-
Mund, Akbal	Councillor	38,133	1,504
Quiring, Brian*	Councillor	38,133	2,651
	Total	\$ 335,979	\$ 18,678

RELATED PARTY AMOUNTS

*MQN Interiors Ltd	\$ 651	Community Services Building Office Renovations
	\$ 651	

EMPLOYEE REMUNERATION AND EXPENSES

EMPLOYEE NAME	2022 GROSS EARNINGS	EXPENSES (NET OF TAX)	EMPLOYEE NAME	2022 GROSS EARNINGS	EXPENSES (NET OF TAX)
Adkins, I	\$ 112,329	\$ 6,344	Donker, B	\$ 108,263	\$ 1,191
Archer, H	82,244	4,535	Doorman, J	110,043	1,502
Austin, M	97,595	3,877	Dowhaniuk, M	137,776	1,697
Bandy, B	113,149	264	Doyle, M	77,354	745
Barker, C	108,461	2,969	Everdene, B	96,078	1,485
Beals, J	81,050	573	Faucher, M	95,644	7,601
Beauregard, J	115,874	-	Flick, K	172,605	5,977
Bedard, R	85,515	1,819	Francis, R	80,271	411
Bond, B	139,432	-	Friesen, R	143,472	3,872
Bouchard, M	86,419	-	Fugel, T	83,663	398
Bowie, K	77,177	126	Fuhr, D	83,046	126
Bowness, T	90,277	1,409	Gaucher, G	122,488	11
Bradley, J	102,849	270	Gaythorpe, G	105,355	2,106
Bridge, S	84,745	432	Gellein, D	82,793	2,980
Briggs, G	86,796	2,830	Giampa, K	75,403	-
Broderick, C	124,447	5,450	Gilroy, C	108,422	715
Calder, S	106,671	1,060	Goolia, N	80,706	1,415
Campbell, A	80,313	202	Grey, L	77,055	97
Carter, B	105,758	-	Grier, C	103,239	485
Cecchini, D	139,293	-	Harris, K	91,779	128
Christiansen, T	81,442	617	Hawn, B	78,005	511
Clarke, C	144,235	485	Hawthorne, M	94,455	99
Clary, J	99,619	7,032	Hofsink, A	149,951	4,255
Clerke, T	89,680	2,052	Holloway, R	85,449	787
Cleverley, C	96,109	387	Holman, K	82,312	1,439
Cooper, L	82,912	3,639	Holtz, C	78,551	385
Cordell, L	77,338	239	Imrish, D	151,985	630
Coupe, P	78,716	-	Irwin, S	123,469	3,035
Cover, D	109,525	256	Jacobson, K	97,219	-
Crawford, B	111,372	1,754	Jameson, K	92,789	348
Croy, E	114,901	4,558	Jmaidd, C	78,325	485
Cruz Santos, E	80,825	1,662	Johannson, I	77,047	387
Cucheran, R	129,533	447	Keast, M	97,655	1,630
Cunningham, T	91,746	288	Keenan, T	114,342	386
Cyr, A	77,177	733	Knight, J	84,148	565
De Dood, B	90,310	2,162	Knuhtsen, S	120,669	4,157
Demers, P	123,097	1,779	Kozin, S	108,308	642
Derrick, B	108,661	4,947	Kruysifix, D	102,551	-
Dobson, S	86,998	1,543	Kryszak, K	103,880	997

Employee Remuneration and Expenses | Continued

EMPLOYEE NAME	2022 GROSS EARNINGS	EXPENSES (NET OF TAX)	EMPLOYEE NAME	2022 GROSS EARNINGS	EXPENSES (NET OF TAX)
Langdon, N	\$ 77,147	\$ 109	Price, L	\$ 79,003	\$ 3,998
Law, D	168,523	6,390	Pridham, D	96,562	1,948
Lees, D	105,451	2,117	Pshyk, S	109,494	1,696
Lefebvre, G	97,269	259	Reeves, J	83,766	3,547
Lind, D	181,806	7,287	Reich, A	121,558	270
Linton, C	102,707	1,161	Reichlin, G	104,840	2,239
Low, R	82,913	-	Rice, J	152,578	671
Luxton, J	85,079	2,869	Robinson, C	129,031	270
Madeau, D	104,253	-	Robinson, D	104,234	-
Manjak, R	172,605	3,102	Roemer, D	80,012	2,971
Markel, M	86,344	289	Roesler, D	94,747	-
Marshall, R	75,636	2,773	Ross, D	169,358	2,184
Martens, T	125,059	6,905	Satchell, K	126,043	3,290
Massier, M	79,260	3,496	Saunders, S	87,630	2,672
Mcdonald, K	89,632	7	Savill, P	77,481	1,714
Mcgiverin, R	114,832	-	Schikowski, T	95,511	400
Mirsky, N	86,464	5,356	Scott, T	109,702	1,602
Mitchell, S	97,219	354	Sengotta, R	85,876	767
Morrison, N	82,244	-	Sheel, C	125,063	4,101
Mulligan, G	87,948	2,807	Shipton, J	78,834	1,511
Mustonen, E	110,284	2,493	Sibilleau, D	112,639	2,072
Nicol, J	78,095	2,162	Silverthorn, T	97,975	7,258
Nuriel, R	111,156	2,351	Sissons, D	79,816	-
O'Hara, E	76,175	458	Sochan, C	84,116	358
Olson, G	89,391	-	Stoll, M	124,776	5,723
Olson, M	113,722	715	Story, B	103,421	-
Ovens, C	128,943	2,705	Stowards, B	87,605	2,711
Ovington, C	86,366	-	Strobel, R	111,058	45
Parker, R	118,381	1,562	Suranko, B	85,954	-
Parsons, B	125,147	1,467	Sykes, A	102,870	160
Patterson, S	99,303	4,016	Taylor, D	92,705	5,433
Pearce, W	255,132	5,274	Thibault, A	81,026	2,434
Pearson, J	99,746	715	Thomas, J	103,652	99
Perrott, F	114,458	4,309	Thompson, G	85,815	723
Poirier, C	97,469	765	Toopitsin, H	87,093	1,086
Poole, K	151,506	5,238	Van Der Gulik, A	93,864	11
Pope, C	77,469	225	Van Dyke, W	91,940	176
Powell, R	81,451	1,859	Vienneau, R	85,877	-
Price, E	87,072	1,613	Wakefield, D	126,762	-

Employee Remuneration and Expenses | Continued

EMPLOYEE NAME	2022 GROSS EARNINGS	EXPENSES (NET OF TAX)
Walker, D	\$ 124,848	\$ 2,796
Walker, L	96,202	524
Walkers, K	81,530	398
Wood, N	86,823	2,164
Wright, S	99,469	2,904
Zacharuk, W	82,393	421
Zubick, R	85,479	628
Total	16,661,842	277,603
All Employees Under \$75,000	12,168,175	167,034
Grand Total	\$ 28,830,017	\$ 444,637

Total gross earnings differ from the total wages included in the City's Consolidated Statement of Operations due to the employer portion of benefit costs.

STATEMENT OF SEVERANCE AGREEMENTS

In accordance with the requirements of the *Financial Information Act* below is a schedule of Severance Agreements and equivalent's month range of compensation for the year 2022 for which severance payments commenced in 2022.

Number of Severance Agreements: 2
Range of equivalent's months' pay: 0.5 months to 6.0 months

STATEMENT OF GUARANTEES

In accordance with the requirements of the *Financial Information Act* below is a summary of Guarantees in effect for the year 2022.

There were no Guarantee Agreements as of December 31, 2022.

PAYMENTS TO VENDORS IN EXCESS OF \$25,000

VENDOR NAME	2022	VENDOR NAME	2022
0872355 BC Ltd DbA Speedpro Signs	\$ 38,282	CJIB-FM - 107.5 Beach Radio	\$ 38,687
0892705 BC Ltd	40,570	Cleartech Industries Inc	65,125
1 & 2 Electric Ltd	67,206	Commercial Aquatic Supplies - DB Perks &	102,096
1122820 BC Ltd	194,694	Commercial Truck Equipment Co (Danco)	42,000
6-4 Building Maintenance Ltd	80,089	Copcan Civil LP	284,949
A & D Asphalt Solutions Ltd	564,272	Core Enterprises Group Corp	118,947
A & G Supply Ltd	97,872	Corporate Express DbA Staples Advantage	50,129
Aardvark Pavement Marking Services DbA 647354 BC	419,114	Cougar Ridge Computer Systems O/A Inspiris	36,819
Accurate Fence & Mfg.	42,455	Cummins Canada	39,782
Advanced Powerlines Ltd	31,813	Dawson International Truck Centres Ltd	31,296
Advantage Asset Tracking Inc	51,329	DCK Earthworks Ltd	27,056
Aecom Canada Ltd	236,213	Dekra-Lite	61,593
Alberta Parking Lot Services 1985 Ltd	45,024	Devon Transport Ltd	81,860
Alfa Laval Inc	98,799	District of Coldstream	89,932
Align Engineering Ltd	37,401	Donald Jefcoat DbA Jefco Waste	39,725
All Pro Tree & Landscape Services Inc	95,435	Donald's Machine Works Ltd	41,252
Alpha Omega Security Ltd	40,933	Downtown Vernon Association	432,437
Alumichem Canada Inc	185,694	Dynamic Asphalt Services Inc	179,550
Amazon	35,229	EB Horsman & Son Ltd	205,027
American Professional Management Services Inc	36,150	Econolite Canada Inc	52,674
Andrew Sheret Ltd	150,113	EMA Consulting Ltd	37,987
ANR Construction Ltd	2,356,853	EMCO Corporation	102,268
Associated Environmental Consultants Inc	83,219	Emps Electric Motor & Pump Service Ltd	73,582
Associated Fire Safety Group Inc	43,918	Envirosafe Janitorial Inc	70,542
ATS Electric & Technical Service Ltd	35,633	E-Sorted Digital Marketing	67,118
BC Assessment Authority - Taxation	594,387	ESRI Canada Ltd	129,013
BC Hydro & Power Authority	2,130,382	Evoqua Water Technologies Ltd	29,758
BC Hydro & Power Authority	37,052	Executive Flight Centre Fuel Services Ltd	838,935
BC Municipal Safety Association	36,761	Exp Services Inc	135,076
BC Transit	2,492,955	Fletcher Paine Associates Ltd	145,910
Bench Site Design Inc	132,033	Foothills Developments Ltd	118,262
BG Land Custom Construction Ltd	46,288	Forma Construction Ltd	41,318
Black Press Group Ltd	88,735	Fortis BC	538,589
Blackbird Security Inc	44,523	Fraser Valley Refrigeration Ltd	145,562
Brentwell Construction Ltd	46,797	Frontline Operations Group Ltd	50,229
Bry-Mac Mechanical Ltd	107,935	General Carbon Corp	120,834
Busy Bee Pest Control	45,465	Geobruigg North America LLC	26,712
C2 Biz Services Ltd	74,660	Gilbert Supply Company Ltd	104,192
Campbell Danny	30,738	Global Industrial Canada Inc	26,468
Canada Post Corp	66,131	Goldcliff Electric	33,059
Canada Safety Equipment Ltd	98,811	Gotraffic Management Inc	189,043
Canadian Mental Health Assoc Vernon	35,811	Granicus Canada Holdings ULC	37,931
Canadian National Railway Co	81,236	Great West Equipment	25,432
Canadian Restaurant Supply	25,901	Greater Vernon BC Winter Games Society	37,485
Capri CMW Insurance	608,047	Green Giant Tree Removal	47,250
Care Systems Services Ltd	29,949	Grizzly Curb & Concrete Ltd	136,464
Carlisle Developments Inc	149,976	Grounds Guys Landscape Management	823,825
Caro Analytical Services	41,073	Gryphon Enterprises Ltd DbA Jani-King of Southern	34,410
Castanet Holdings LP	55,787	Hach Sales & Service Canada Ltd	80,904
CDW Canada Inc	79,604	Halton Recycling Ltd O/A Emterra Environmental	957,832
Centralsquare Canada Software	185,717	HDR Architecture Associates	162,078
CGL Contracting Ltd	1,940,849	Iconix Waterworks	197,556
Chances Bulk Unloading Ltd	61,336	Innov8 Digital Solutions Inc	28,854
Chapman Industries Ltd	2,588,341	Insituform Technologies Limited	970,372
City of Kelowna	748,449	Integral Hospitality Inc	49,938

Supplier Goods and Services | Continued

VENDOR NAME	2022	VENDOR NAME	2022
Interprovincial Traffic Services Ltd	\$ 43,729	Quality Classrooms	\$ 99,882
IPL North America Inc	876,433	R E Postill & Sons Ltd	542,691
Ironman Directional Drilling Ltd	2,008,577	R.W Gray Consulting Ltd	27,641
Kal Tire Ltd	76,339	RDW Developers Ltd	35,268
Kalamalka Security Inc	58,882	Receiver General	8,077,179
Kelowna's TNT Trucking Ltd	146,673	Receiver General for Canada	11,354,288
KPMG LLP T4348	47,201	Regional District of North Okanagan	27,491,425
KTI Limited	109,506	Rider Ventures	34,508
Laing Roofing Ltd	41,748	R James Management Group Ltd	25,669
Lawson Engineering Ltd	369,470	Rogers Media Inc	86,228
Leko Precast Ltd	79,061	Royal Bank of Canada	65,353
Lidstone & Company	273,213	Rubi-Jane Investments Ltd	39,070
Lidstone & Company in Trust	2,425,481	Sawchuk Developments Co. Ltd.	2,617,669
Links Lawn & Yard Services	45,753	Seal Tec Industries Ltd	117,180
LMP Publications Ltd Div Of Glacier Media	36,750	Seekers Media	40,903
London Drugs Ltd	164,209	SEL Surveys/Douglas R Jacobi	209,722
LTA Consultants Inc	27,300	Services Flo Inc.	57,880
Maddocks Construction Ltd	491,072	Sierra Landscaping Ltd	1,808,331
Maple Reinders Constructors Ltd	4,373,763	Siteone Landscape Supply Ltd	45,460
Mastercard	637,702	Social Planning Council for The N O	56,703
Mcelhanney Associates Land Surveying Ltd	74,242	Softchoice LP	48,571
Mcelhanney Ltd (Kelowna)	182,602	Source Office Furniture & Systems Ltd	43,699
Mcelhanney Ltd (Vernon)	167,059	Sparkling Hill Wellness Hotel Ltd	91,500
Mearl's Machine Works Ltd	44,338	Spartan Controls Ltd	31,578
Mendenhall Properties Limited Partnership	58,574	Special T Cleaning (2012) Ltd	35,280
Metro Motors Ltd	88,872	Sport and Culture Society of The North Okanagan	59,414
Michelin North America (Canada) Inc	30,905	Sproing Creative	35,048
Minister of Finance (Employer Health Tax)	557,469	St. John Ambulance Society BC & Yukon	175,000
Minister of Finance	11,423,244	Stantec Architecture Ltd	162,665
Modern Energy Management Ltd	55,893	Stantec Consulting Ltd	503,877
Monaghan Engineering & Consulting Ltd	321,467	Stephanie Tambellini Design Studio Inc	25,176
Monarch Structures	64,702	Stormy Lake Enterprises Ltd	31,290
Mountain Rock Stabilization Services	142,582	Summit Valve and Controls (BC) Inc	55,658
Mountain View Electric Ltd	154,651	Suncor Energy Products Partnership	781,993
MTS (2020) Mobile Pressure Wash	41,577	Sunset West Mechanical Ltd	73,826
Municipal Insurance Assoc of BC	390,625	Super Save Disposal Inc	105,068
Municipal Pension Plan	4,759,826	Sysco Food Services of Kelowna Ltd Acct #7841	42,328
Napp Enterprises Ltd	38,655	Telus Communications (BC) Inc	112,881
Nixon Earthworks Ltd	406,862	Telus Mobility Cellular Inc	131,996
North Okanagan Columbia Shuswap Regional Hospital	4,076,330	Tetra Tech Canada Inc	88,225
Northwest Hydraulic Consultants Ltd	72,688	The Home Depot #7084	46,404
Nor-Val Rentals Ltd	48,086	The Web Advisors	71,689
Novatech Equipment Sales	36,698	TLD Computers A Division of London Drugs Ltd	76,163
Nutrien Ag Solutions (Canada) Inc	28,466	Total Flooring Concepts (2008) Ltd Dba Nufloors	26,239
O`Keefe Ranch & Interior Heritage Society	176,816	Trican Filtration Group Inc	41,475
Oakcreek Golf & Turf LP	81,448	Tristar Hydrovac Ltd	30,418
Okanagan College	94,838	Twisted Mops Cleaning Company	70,289
Okanagan Mobile Sandblasting Ltd	90,003	Unifirst Canada Ltd	49,852
Okanagan Regional Library	1,909,789	Urban Systems Ltd	74,202
Okanagan Traffic Control Professionals Inc	60,572	Ursus Heritage Consulting	32,701
Omega Communications Ltd	30,877	Veolia Water Technologies Inc	280,614
Ops Services Ltd	75,810	Vernon & District Assn For Community Living	158,956
Organized Crime Agency of BC (OCABC)	48,042	Vernon Civic Employees Union - Local 626	304,109
Paybyphone Technologies Inc	40,177	Vernon Hyundai	45,982
Petrovalue Products Canada Inc	381,285	Vernon Native Housing Society	25,802
PME Inc	824,694	Vernon Paving Division of Lafarge Canada Inc	1,066,450
Polar Engineering	33,526	Vernon Professional Firefighters Association	137,217
Predator Ridge Limited Partnership	129,358	Village Green Shopping Centre Inc	114,912

Supplier Goods and Services | Continued

VENDOR NAME	2022
Vimar Equipment Ltd	\$ 34,796
Waste Connections of Canada Inc	1,121,815
Watkin Motors	29,392
Wayside Press Ltd	42,754
West Coast Machinery Inc	303,096
Western Equipment Ltd	42,424
Western Road Distribution Inc	69,495
Westerra Equipment Limited	99,719
Westridge Quarries Ltd	25,232
Wise Wildlife Control Service	53,451
Wishbone Industries Ltd	55,941
Wolseley Waterworks Group	89,729
Workday Limited	698,381
Worksafe BC	513,003
WSP Canada Inc	189,131
Yeti Refrigeration Inc	269,590
Total Payments to Suppliers Over \$25,000	127,785,816
Payments to Suppliers Under \$25,000	38,872,131
Total Payments to Suppliers	<u>\$166,657,947</u>

GRANTS & CONTRIBUTIONS

PAYEE	2022	GRANT TYPE
Archway Society for Domestic Peace	\$ 10,000	Council Discretionary Grant
Chippendale, Sean	920	Heritage Retention Incentive Grant
Downtown Vernon Association	10,388	Security Camera Grant
Downtown Vernon Association	55,436	Downtown Clean-up Grant
Downtown Vernon Association	8,000	Civic Sounds Grant
Entner, Ryan	500	Heritage Retention Incentive Grant
Family Resource Center	4,000	Council Discretionary Grant
Funtastic Sports Society	15,000	Council Discretionary Grant
Greater Vernon BC Winter Games Society	37,485	BC Winter Games Contribution
Kalamalka Highlanders Pipe Band	5,000	Council Discretionary Grant
Keryluke, Debby & Ready, Darin	430	Heritage Retention Incentive Grant
Kwakkel, Sidney	1,000	Sustainability Grant Recipient
North Okanagan Canada Day Society	12,000	Canada Day Celebration Grant
North Valley Gymnastics Society	10,000	Council Discretionary Grant
Okanagan Regional Library	22,391	Library Sunday Opening Grant
O'Keefe Ranch & Interior Heritage Society	125,000	2022 Operating Grant
Salvation Army	266	Kindness Meter Donation
School District #22	10,000	2022 Care Youth Summit Grant
Sellers, Harold	1,000	Sustainability Grant
Sovereign Lake Nordic Club	6,250	Council Discretionary Grant
Thompson Okanagan Tourism Association	2,500	Biodiversity Conservation Strategy Implementation Grant
Vernon Community Band Society	2,000	Council Discretionary Grant
Vernon North Okanagan Police Youth Academy	6,500	Youth Academy Grant Funding
Vernon Winter Carnival Society	10,000	Winter Carnival Grant
Total	\$ 356,076	

PERMISSIVE TAX EXEMPTIONS

DBA Name	Folio	Civic Address	Total Exemption
CHURCHES AND PLACES OF WORSHIP			
Alexis Park Church	05560.000	3906 35A ST	\$ 2,297
All Saints Anglican Church	00093.000	3205 27 ST	8,226
Christian Reformed Church of Vernon	05480.000	3605 12 ST	1,848
Church of God of Prophecy of Canada	06464.000	4300 BELLA VISTA RD	1,131
Emmanuel Fellowship Baptist Church	05287.003	3412 15 AVE	5,493
Faith Baptist Church	01975.000	3910 27A ST	7,127
Faith Baptist Church	02007.000	3909 28 ST	1,751
First Baptist Church	02997.000	1406 32 AVE	2,540
German Church of God	02264.007	4312 25 ST	2,319
Jesus Christ of Latter Day Saints	03709.001	1506 35 ST	2,917
Knox Presbyterian Church	00866.000	3701 32 AVE	3,365
Living Word Lutheran Church	07357.550	6525 OKANAGAN LANDING RD	2,120
N.O. Sikh Cultural Society	03714.025	3800 COMMONAGE CRES	785
New Apostolic Church	02565.020	4203 PLEASANT VALLEY RD	1,524
Okanagan Assembly ctr for Jehovah Witnesses	05287.002	1424 MISSION RD	14,570
Our Lady of Peace	04092.000	3016 37 ST	1,963
Peace Lutheran Congregation	06029.001	1204 30 AVE	3,061
Salvation Army Community Church	00844.005	3303 32 AVE	6,791
Slavic Christians of Evangelic	01913.110	2306 40 AVE	1,156
St James Roman Catholic Church	00517.000	2607 27 ST	6,329
St Josaphats Ukrainian Catholic Church	02546.000	2210 40 AVE	1,697
Trinity United Church	04158.100	3300 ALEXIS PARK DR	8,947
Ukrainian Greek Orthodox Church	01920.010	4105 27 ST	3,188
vernon Alliance Church	02245.005	4301 27 ST	3,227
Vernon Alliance Church	02249.000	4305 27 ST	1,531
Vernon Alliance Church	02253.000	2601 43 AVE	4,326
Vernon Christadelphian Ecclesia	06099.020	19-2200 40 ST	2,213
Vernon Christian Fellowship	02402.000	4507 29 ST	3,028
Vernon Christian Fellowship	04451.002	4506 29 ST	3,314
Vernon Church of Christ	02534.007	4107 PLEASANT VALLEY RD	617
Vernon Family Church	03820.005	3508 25 AVE	7,381
Vernon Full Gospel Tabernacle	07401.340	5871 OKANAGAN LANDING RD	2,413
Vernon Japanese Cultural Society	07433.200	4895 BELLA VISTA RD	2,952
Vernon Muslim Association	03725.000	3414 17 AVE	1,950
EDUCATIONAL INSTITUTION			
PV Christian Academy	02590.001	1802A-1802 45 AVE	10,193
PV Christian Academy	02590.001	1802A-1802 45 AVE	3,014
St James School	00502.000	2700 28 AVE	15,242
CULTURAL			
Powerhouse Theatrical Society	01826.010	2901 35 AVE	7,116
Vernon Music School	02869.000	1705 32 AVE	5,561
Vernon Music School - Coach	02868.000	1705 32 AVE	5,768
EDUCATIONAL			
Allan Brooks Nature Centre	05289.004	250 ALLAN BROOKS WAY	3,506
Allan Brooks Nature Centre	05289.004	250 ALLAN BROOKS WAY	3,914
Okanagan Science Centre	00635.001	2704 HWY 6	6,032

DBA Name	Folio	Civic Address	Total Exemption
MIXED AND UNIQUE			
Army Navy & Airforce veterans	02366.003	2500 46 AVE	\$ 3,777
Curling Club	04135.015	3800 33 ST	10,576
Halina Club	04135.013	3800 33 ST	4,893
Heronry - 53 Ave	04487.047	107-2200 53 AVE	170
Heronry - 53 Ave	04487.048	108-2200 53 AVE	185
Heronry - 53 Ave	04487.049	109-2200 53 AVE	185
Heronry Protection Covenant	04486.000	5104 20 ST	675
Heronry Protection Covenant	04486.000	5104 20 ST	853
N.O. Childcare & Montessori	03933.005	2711 38 ST	2,363
North Okanagan Valley Gleaners	02276.001	4405 29 ST	1,838
OK Boys & Girls clubs (BGC Okanagan) - Teen Junction	01850.002	3104 37 AVE	4,146
OK Landing Community Association	07815.000	7813 OKANAGAN LANDING RD	8,956
Okanagan Boys & Girls (BGC Okanagan)	04135.011	3300 37 AVE	10,423
Paddlewheel Park Foreshore	07871.000	7815 OKANAGAN LANDING RD	1,552
St Johns Ambulance	02676.002	1905-1901 47 AVE	12,626
Sunnyvale Resthome Society	02255.007	4306 25 ST	598
Sunnyvale Resthome Society	02255.009	4308 25 ST	374
Sunnyvale Resthome Society	02255.015	4304 25 ST	1,734
Vernon & Area Pro Life Society	01067.000	3102 31 AVE	3,214
Vernon Book Volunteers Society	06164.047	35-100 KALAMALKA LAKE RD	1,522
Vernon Pensioners - Mccollough	01196.001	3400 COLDSTREAM AVE	3,026
Vernon Pensioners - Mccollough	01196.001	3400 COLDSTREAM AVE	1,649
RECREATIONAL			
North Valley Gymnastics	02367.000	4700 31 ST	1,130
Vernon Pickleball	07343.001	C-6601 OKANAGAN LANDING RD	6,958
Vernon Pickleball	07343.001	C-6601 OKANAGAN LANDING RD	721
SOCIAL SERVICES			
Abbeyfield House	03907.001	3511 27 AVE	2,669
Archway Society for Domestic Peace	02464.000		3,731
Archway Society for Domestic Peace	00570.001		5,741
Canadian Mental Health Association	00090.000	3305 27 ST	1,638
Canadian Mental Health Association	01399.000	3003 28 AVE	1,451
Canadian Mental Health Association	01445.000	3100 28 AVE	22,068
Canadian Mental Health Association	03384.000	3405 OKANAGAN AVE	-
Canadian Mental Health Association	03821.006	3605 24 AVE	2,126
Canadian Mental Health Association	03826.001	3610 25 AVE	9,887
Canadian Mental Health Association	04230.001	4206 ALEXIS PARK DR	5,033
Canadian Mental Health Association	04487.034	2201 53 AVE	5,906
Community Dental Access Centre	00980.020	C-3107 31 AVE	2,004
Good Samaritan Canada	04484.005	4904 20 ST	22,539
Good Samaritan Canada	04484.010	4900 20 ST	14,948
Habitat for Humanity Okanagan	03831.105	5-4100 25 AVE	906
Kindale - Seaton Ctr	06133.020	1340 POLSON DR	8,001
Kindale Developmental Association	03831.101	1-4100 25 AVE	511
Kindale Developmental Association	03831.102	2-4100 25 AVE	904
Kindale Developmental Association	03831.106	6-4100 25 AVE	511
Kindale Developmental Association	05482.010	902 35 AVE	3,214
N.O. Community Life Society	02357.005	2400 46 AVE	8,210
N.O. Community Life Society	02563.010	4102 PLEASANT VALLEY RD	1,951

Social Services Continued

DBA Name	Folio	Civic Address	Total Exemption
N.O. Community Life Society	02672.001	4608 20 ST	\$ 1,807
N.O. Community Life Society	06049.004	3917 13 ST	1,694
N.O. Community Life Society	07090.036	5813 RICHFIELD PL	2,101
N.O. Friendship Centre Society	01353.000	2902 29 AVE	5,664
N.O. Friendship Centre Society	01355.000	2904 29 AVE	4,976
N.O. Neurological Association	01205.000	2802 34 ST	41,687
N.O. Neurological Association	01207.002	3405 28 AVE	22,625
N.O. Youth & Family Services	00963.000	3100 32 AVE	16,363
N.O. Youth & Family Services	01921.000	4107 27 ST	1,590
N.O. Youth & Family Services	01922.000	4109 27 ST	1,957
Ok Comm - Columbus Court	04048.018	3003 GATEBY PL	7,044
People Place Society	01552.105	3402 27 AVE	34,134
People Place Society	01552.110	3400 27 AVE	5,745
Salvation Army - North Thrift	04490.010	1-5400 24 ST	19,623
Schubert Centre Society	04048.040	3505 30 AVE	24,592
Turning Points Collaborative	01578.001	3301 24 AVE	5,787
Upper Room Mission	01538.000	3405 27 AVE	2,336
Upper Room Mission	01539.000	3403 27 AVE	10,583
V&D Community Land Trust Society	03859.000	3502 27 AVE	5,963
V&D Hospice Society	03856.001	3506 27 AVE	4,184
VDACL - 23rd St Venture Training	02672.002	4607 23 ST	8,020
VDACL - 26 St Group Home	00060.000	3307 26 ST	2,358
VDACL - 3601 36a St Group Home	04159.021	3601 36A ST	1,722
VDACL - 39 St Group Home	03959.000	2803 39 ST	2,268
VDACL - 3601 27 Ave	03925.000	3601 27 AVE	3,815
VDACL - Hawthorn House	03787.012	4217 16 AVE	1,759
VDACL - Venture Training	04230.100	4240 ALEXIS PARK DR	14,929
Vernon Native Housing Project	03805.008	4305 19 AVE	3,223
Vernon Native Housing Project	03805.008	4305 19 AVE	5,319
Vernon Restholm	03917.000	2808 35 ST	8,062
New 2022 Applications			
Kindale Developmental Association	02270.000	2814 44 AVE (Unit B Only)	4,627
Turning Points Collaborative	00872.000	3214 35 ST	401
Turning Points Collaborative	01528.000	3412 28 AVE	1,451
Turning Points Collaborative	01849.000	3102 37 AVE	623
Turning Points Collaborative	03905.001	2700 35 ST	518
Turning Points Collaborative	03979.007	3905 30 AVE	680
Turning Points Collaborative	04009.000	3912 30 AVE	625
Upper Room Mission	01522.000	2708 34 ST	2,422
VDACL - Venture Training	04230.100	4240 Alexis Park DR	2,235
Vernon Art Centre	00635.002	A-2704 Highway 6	11,075
Vernon Elks Lodge #45	01016.000	3103 30 ST	1,471
Vernon Native Housing Society	VARIOUS	38 Units at 5545 27 AVE	6,983
			\$ 697,575

REVITALIZATION TAX EXEMPTIONS

DBA Name	Folio	Civic Address	Total 2022 Exemption
Tax Exemption Granted: 2014-2023			
0821153 BC Ltd	01072.011	102 - 3126 31 Ave	\$ 1,056
0821153 BC Ltd	01072.012	101 - 3126 31 Ave	1,245
0821153 BC Ltd	01072.013	100 - 3126 31 Ave	259
0821153 BC Ltd	01072.014	201 - 3126 31 Ave	2,216
0821153 BC Ltd	01072.015	200 - 3126 31 Ave	2,140
0821153 BC Ltd	01072.016	301 - 3126 31 Ave	2,169
0821153 BC Ltd	01072.017	300 - 3126 31 Ave	2,131
Ortho Terra Holdings	02036.011	1 - 4010 27 St	1,603
Ortho Terra Holdings	02036.012	2 - 4010 27 St	618
Ortho Terra Holdings	02036.013	3 - 4010 27 St	1,480
Rex Corvelay Inc	01408.000	2801 32 St	46
			<hr/> 14,962
Tax Exemption Granted: 2015-2024			
0944125 BC Ltd	02207.000	4101 32 St	5,740
0976816 BC Ltd	02038.005	4012 27 St	1,188
			<hr/> 6,928
Tax Exemption Granted: 2016-2025			
Hewitt, Robin	02028.012	4077 28 St	460
Screen, Chantal	02028.002	2720 41 Ave	551
Larsen, Sheryl & Richard	02096.010	101 - 4107 29 St	333
Larsen, Sheryl & Richard	02096.020	102 - 4107 29 St	333
Larsen, Sheryl & Richard	02096.030	201 - 4107 29 St	345
Larsen, Sheryl & Richard	02096.040	202 - 4107 29 St	345
			<hr/> 2,367
Tax Exemption Granted: 2017-2026			
Mcdonald, Jill	02028.007	4073 28 Street	804
Froste, Amber	02028.008	4069 28 Street	722
0934088 BC Ltd	01791.005	2710 39 Avenue	17,753
Denoa Holdings Ltd	01703.001	1 - 3705 27 Street	1,707
Denoa Holdings Ltd	01703.002	2 - 3705 27 Street	1,641
Smith, Tod & Gloria	02031.007	3924 28 Street	330
Smith, Tod & Gloria	02031.006	3926 28 Street	373
Smith, Tod & Gloria	02031.004	3928 28 Street	362
Smith, Tod & Gloria	02031.005	3930 28 Street	305
Burke, Chrstopher & Melinda	02028.016	4061 28 Street	624
Martin, Brian & Courts, Camillia	02028.014	4065 28 Street	695
			<hr/> 25,315
Tax Exemption Granted: 2018-2027			
1054401 BC Ltd	02211.000	3005 41 Avenue	2,375
			<hr/> 2,375
Tax Exemption Granted: 2019-2028			
Dedora, Taylor & Kimberly	02121.000	4010 31 Street	1,363
Sleeman Breweries Ltd	00482.000	2801 27A Street	52,461
Marten Holdings Ltd	01044.000	2933 30 Avenue	2,527
			<hr/> 56,350

DBA Name	Folio	Civic Address	Total 2022 Exemption
Revitalization Tax Exemption Continued			
Tax Exemptions Granted: 2020-2029			
Dedora, Taylor & Kimberly	00944.000	3215 31 Avenue	\$ 1,226
The Hamlets at Vernon Residence Inc	01368.010	3050 29 Avenue	55,858
The Hamlets at Vernon Residence Inc	01368.010	3050 29 Avenue	29,360
Zhou, Yu Yu	01706.000	3701 27 Street	4,931
Welbec Properties Inc	01148.000	3301.30 Avenue	18,168
			<u>109,543</u>
Tax Exemptions Granted: 2021-2030			
0863668 BC Ltd	02070.000	4209 30 Street	2,508
Singletrack Holdings Inc	01721.005	3607 27 Street	10,774
			<u>13,282</u>
Tax Exemptions Granted: 2022-2031			
Welbec Properties Inc	01148.000	3301 30 Avenue	18,168
Welbec Properties Inc	01032.000	2907 30 Avenue	402
Jennifer Hamilton	01032.000	2907 30 Avenue	339
JC Tompson Construction Ltd	02030.005	4010 28 Street	514
JC Tompson Construction Ltd	02030.006	4010 28 Street	864
JC Tompson Construction Ltd	02030.007	4010 28 Street	1,028
Anne & Ian Murphy	01981.003	3 3904 29 Street	793
			<u>22,109</u>
			<u>253,231</u>
Total			\$ 253,231

FINANCIAL STATEMENTS





CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

December 31, 2022

THE CORPORATION OF THE CITY OF VERNON

3400 – 30TH STREET
VERNON, BC V1T 5E6
PHONE:250-545-1361
FAX:250-545-7876



MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the City of Vernon (the "City") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. A summary of the significant accounting policies is described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying independent Auditors' Report outlines their responsibilities, the scope of their examination and opinion on the City's financial statements.

A handwritten signature in black ink, appearing to read "B. Dal.", written over a horizontal line.

Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Law", written over a horizontal line.

Director, Financial Services

May 8, 2023



KPMG LLP
3205-32 Street
4th Floor
Vernon BC
V1T 5M7
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Fax (250) 545-6440
www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

To Mayor and Council of the Corporation of the City of Vernon

Opinion

We have audited the consolidated financial statements of the Corporation of the City of Vernon (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2022;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2022, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 auditor's report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

Vernon, Canada

May 11, 2023

The Corporation of the City of Vernon
Consolidated Statement of Financial Position
Statement A



December 31, 2022 (in thousands of dollars)		2022	2021
Financial Assets			
Cash and cash equivalents	Note 2	\$ 55,936	\$ 60,010
Investments	Note 3	56,108	53,883
Accounts receivable	Note 4	21,228	17,968
Loans receivable	Note 5	81	81
Municipal Finance Authority cash deposits	Note 6	346	339
Land held for resale	Note 7	1,396	1,396
		<u>135,095</u>	<u>133,677</u>
Financial Liabilities			
Accounts payable and accrued liabilities	Note 8	31,047	26,005
Restricted developer contributions	Note 9	16,664	17,596
Deferred revenue	Note 10	9,599	10,340
Debt	Note 11	7,580	8,527
Landfill remediation liability	Note 12	393	286
		<u>65,283</u>	<u>62,754</u>
Net Financial Assets		<u>69,812</u>	<u>70,923</u>
Non-financial Assets			
Tangible capital assets	Note 13	638,029	616,674
Inventory of supplies		621	524
Prepaid expenses		1,170	631
		<u>639,820</u>	<u>617,829</u>
Accumulated Surplus	Note 14	\$ 709,632	\$ 688,752
Commitments and contingencies	Note 19		

Approved by:

 Director, Financial Services

The Corporation of the City of Vernon
Consolidated Statement of Operations
Statement B



		Budget		
		2022	Actual	Actual
For the Year Ended December 31, 2022 (in thousands of dollars)		Note 22	2022	2021
Revenue				
Taxation	Note 15	\$ 50,192	\$ 50,269	\$ 46,030
Transfers from other governments	Note 16	7,921	18,818	16,456
Services provided to other governments		2,930	2,936	3,065
Sale of services:				
Sewer fees and charges		10,999	10,747	10,423
Environmental health		3,327	3,643	2,950
Recreation fees		3,857	3,367	2,450
Public transit and parking		2,103	2,160	1,934
Fines and rentals		618	596	610
Licences and permits		1,661	2,467	2,237
Airport		1,079	1,577	1,290
Other		1,517	1,678	1,791
Development fees		164	326	223
Fiscal services:				
Penalties, interest earned and actuarial adjustments		1,494	3,884	2,810
Net gain on sale of assets		-	-	32
Developer contributions of assets		2,669	6,436	2,897
		<u>90,531</u>	<u>108,904</u>	<u>95,198</u>
Expenses				
General government and common services	Note 21	9,979	11,412	9,437
Bylaw compliance and parking control		1,679	1,619	1,582
Protective services:				
Police		14,796	14,368	14,349
Fire and rescue		7,430	7,603	7,055
Emergency measures		248	225	571
Planning and building inspection		3,688	3,816	3,336
Engineering		5,712	3,830	3,709
Operations services:				
Road transportation		17,944	17,727	17,106
Sanitary sewer		11,729	10,978	10,612
Solid waste and recycling		3,047	3,231	2,621
Park services		2,769	2,783	2,574
Storm drainage		1,509	1,775	1,729
Airport		1,251	703	1,346
Other		421	896	447
Cemetery		378	383	330
Recreation services		7,258	6,675	6,589
		<u>89,838</u>	<u>88,024</u>	<u>83,393</u>
Annual surplus		693	20,880	11,805
Accumulated surplus, beginning of year		688,752	688,752	676,947
Accumulated surplus, end of year	Note 14	\$ 689,445	\$ 709,632	\$ 688,752

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

**The Corporation of the City of Vernon
Consolidated Statement of Net Financial**



Assets

Statement C

	Budget		
	2022	Actual	Actual
For the Year Ended December 31, 2022 (in thousands of dollars)	Note 22	2022	2021
Annual surplus	\$ 693	\$ 20,880	\$ 11,805
Amortization of tangible capital assets	11,513	12,083	11,860
Net loss (gain) on sales of assets		300	(32)
Proceeds on sale of tangible capital assets		1,388	209
Capitalize land held for resale		-	(2,858)
Acquisition of tangible capital assets		(32,332)	(20,349)
Contributed tangible capital assets		(2,796)	(1,557)
Change in tangible capital assets	11,513	(21,357)	(12,727)
Consumption of supplies inventories		1,016	1,042
Use of prepaid expenses		599	436
Acquisition of supplies inventories		(1,111)	(1,073)
Acquisition of prepaid expenses		(1,138)	(467)
Change in other non-financial assets	-	(634)	(62)
(Decrease) increase in net financial assets	12,206	(1,111)	(984)
Net financial assets, beginning of year	70,923	70,923	71,907
Net financial assets, end of year	\$ 83,129	\$ 69,812	\$ 70,923

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

The Corporation of the City of Vernon
Consolidated Statement of Cash Flows
Statement D



For the Year Ended December 31, 2022 (in thousands of dollars)	2022	2021
Operating Activities:		
Annual surplus	\$ 20,880	\$ 11,805
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	12,083	11,860
Net loss (gain) on disposal of tangible capital assets	300	(32)
Increase in landfill remediation liability	107	101
Contributions of assets	Note 13b (2,796)	(1,557)
Change in non-cash operating items:		
Increase in accounts receivable	(3,259)	(692)
Increase in accounts payable and accrued liabilities	5,042	3,773
(Decrease) increase in restricted developer contributions	(931)	1,933
Decrease in deferred revenue	(741)	(1,017)
Actuarial adjustments on long-term debt	(420)	(386)
Increase in supplies inventories	(97)	(31)
Increase in prepaid expenses	(539)	(31)
Increase in Municipal Finance Authority cash deposits	(7)	(6)
Decrease in loans receivable	-	30
	<u>29,622</u>	<u>25,750</u>
Investing Activities:		
Net change in investments	<u>(2,225)</u>	<u>(4,194)</u>
Financing Activities:		
Principal payments on debt	<u>(527)</u>	<u>(527)</u>
Capital Activities:		
Proceeds on sale of tangible capital assets	1,388	209
Acquisition of tangible capital assets	(32,332)	(20,349)
	<u>(30,944)</u>	<u>(20,140)</u>
Increase in cash and cash equivalents	<u>(4,074)</u>	<u>889</u>
Cash and cash equivalents, beginning of year	<u>60,010</u>	<u>59,121</u>
Cash and cash equivalents, end of year	<u>\$ 55,936</u>	<u>\$ 60,010</u>
Non-cash transaction:		
Reclassification of land held for resale to tangible capital assets	<u>\$ -</u>	<u>\$ 2,858</u>

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

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies:

The Corporation of the City of Vernon (the "City") operates under the provisions of the Local Government Act and Community Charter of British Columbia. The City provides local government services to citizens of its incorporated area including administrative, protective, transportation, sewer, storm drainage, park maintenance, recreation, community development and environmental.

a) Basis of Accounting:

The consolidated financial statements of the City are prepared by management in accordance with Public Sector Accounting Standards ("PSAS") established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

All revenue is recorded using the accrual basis, whereby revenue is recognized as it is earned and measurable. Property taxes are recognized as revenue in the year they are levied. Utility charges are recognized as revenue in the period earned. Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

b) Basis of Consolidation:

The consolidated statements include all funds of the City and its wholly-owned other government organization subsidiaries. Inter-fund revenues, expenses, assets, and liabilities have been eliminated. The following controlled entities have been consolidated:

CBW Development Corp.	100%
Hesperia Development Corp.	100%

c) Measurement Uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, estimating provisions for accrued liabilities and contingent liabilities, the carrying value of the landfill remediation liability, measurement of contaminated site liabilities (if identified), and in performing valuations of employee future benefits. Actual results could differ from those estimates and adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

d) Cash and Cash Equivalents:

Management classifies all highly liquid investments with maturity of three months or less at acquisition as cash equivalents.

e) Investments:

Investments are recorded at cost. Short-term investments are those that mature between three months and one year. Long-term investments are those that mature in more than one year.

f) Land Held for Resale:

Land held for resale is valued at the lower of cost and net realizable value.

g) Restricted Developer Contributions:

Restricted Developer Contributions are comprised of levied and unused Development Cost Charges and Works Contribution funds. These funds are recorded as revenue in the year they are used to fund tangible capital asset acquisitions or eligible operating expenses.

h) Deferred Revenue:

Deferred revenue represents property taxes, permits and other fees that have been collected, but for which the related taxes have not yet been levied and services or inspections have yet to be performed. These amounts will be recognized in revenue in the fiscal year taxes are levied, services are performed, or revenues are earned.

i) Debt:

Debt principal payments are not charged against current operating revenue pursuant to PSAS. Interest is recorded on an accrual basis. Interest expense on long-term debt in 2022 was \$246,000, (\$252,000 in 2021). Gains or losses on repayment of debt is recorded in the Statement of Operations.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

j) Landfill Closure and Post-Closure Liability:

The estimated cost for closure and post-closure care for the Hesperia landfill is based on estimated future expenses in current dollars and charged as an expense in the reporting period that the landfill site's capacity issued. There is significant measurement uncertainty in the estimate for the closure liability as it does not include a cost for obtaining suitable material for the final cover. This material is anticipated to be obtained at no charge as some materials that are discharged at the landfill are suitable to be used for the final cover and are diverted and stored to be used for progressive closure activities.

During 2018 the City's consultants responsible for reporting to the Province determined there were some discrepancies with the 2016 Closure plan ("the Plan") prepared for the City by external consultants. A revised Operating and Closure plan will be prepared; however, the original Plan will be used for the purposes of calculating the closure and post-closure liability (note 12) until the revised plan is prepared. Due to the identified discrepancies there is additional measurement uncertainty regarding the estimated closure costs and lifespan of the landfill.

k) Liability for Contaminated Sites:

A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists, contamination exceeds the environmental standard, the City is directly responsible or accepts responsibility, and a reasonable estimate of the amount can be made. The liability is recorded net of any expected recoveries. The City currently has not identified any contaminated sites.

l) Non-Financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus/deficit, provides the consolidated change in net financial assets for the year.

m) Inventory:

Inventory held for consumption is recorded at the lower of cost and net realizable value.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

n) Tangible Capital Assets and Amortization:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs and engineering fees, and site preparation costs. The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on the basis of straight-line or declining balance over the estimated useful life of the tangible capital asset, as follows:

Transportation Infrastructure:		
Roads (surface)	Straight-line	25 years
Roads (base)	Straight-line	75 years
Bridges	Straight-line	50 to 75 years
Sidewalks	Straight-line	25 to 50 years
Traffic signals	Straight-line	15 years
Street lighting	Declining balance	5%
Parking meters	Declining balance	10%
Storm Drainage Infrastructure	Straight-line	75 years
Sanitary Sewer Infrastructure	Straight-line	75 years
Buildings	Straight-line	10 to 60 years
Vehicles	Straight-line	5 to 29 years
Miscellaneous Equipment	Straight-line	6 to 30 years
Information Technology	Declining balance	40%

o) Reserves:

Statutory reserve funds are used for future capital expenses as designated by bylaw and City Council. Non-statutory reserves are amounts set aside from past and current operations and are not governed by bylaw.

p) Employee Future Benefits:

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, the City's contributions are expensed as incurred. Sick leave and other retirement benefits are also available to the City's employees. The costs of these benefits are determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn future benefits.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

q) Government Transfers:

Government transfers are recognized as revenue in the period in which the event giving rise to the transfer occurs, provided the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received in the current year that do not meet these criteria are recorded as deferred revenue.

r) Collection on Behalf of Other Authorities:

The City is required to collect and remit taxes on behalf of other tax authorities. Collections for other authorities are excluded for City revenues.

s) Budget Figures:

The budget figures are from the annual Financial Plan Bylaw. They have been reallocated to conform to PSAS financial statement presentation requirements where appropriate. Subsequent amendments have been authorized by City Council to reflect changes in the budget. Such amendments are not reflected in the financial statement budget figures (note 22).

t) Segment Disclosures:

Segmented financial information is presented in groups of distinguishable activities in a similar approach to the City's internally reported cost centres. These segments are structured in a fashion to assist users of financial statements in understanding and identifying the resources allocated to support commonly recognized functions of the City. Segments are identified primarily by function and secondarily by organizational relationship. Revenues are allocated to segments when there is a direct cause and effect relationship to the expenses of those segments. Revenues that cannot be reasonably allocated in such a manner are considered common to the City as a whole and reported in general government (note 21).

2. Cash and Cash Equivalents:

	2022	2021
Restricted:		
Restricted developer contributions	\$ 16,664	\$ 17,596
Deferred revenue	9,599	10,340
Statutory reserves	4,102	4,079
	<u>30,365</u>	<u>32,015</u>
Unrestricted:	25,571	27,995
	<u>\$ 55,936</u>	<u>\$ 60,010</u>

The City has access to an operating line of credit not exceeding \$2.0 million (2021 - \$2.0 million). Interest is accrued based on Bank of Montreal's prime lending rate. As of December 31, 2022, this line of credit was not being utilized (2021 - \$0).

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

3. Investments:

	2022		2021
Short-term investments	\$ 15,101	\$	23,249
Long-term investments	41,007		30,634
	<u>\$ 56,108</u>	<u>\$</u>	<u>53,883</u>

All investments are comprised of Guaranteed Investment Certificates, with accrued interest being recognized, as such, the cost equals the fair market value.

4. Accounts Receivable:

	2022		2021
Property taxes	\$ 2,275	\$	2,355
Utility billings	8,204		7,689
Other governments	6,080		4,801
Trade and other receivables	4,722		3,226
	<u>21,281</u>		<u>18,071</u>
Allowance for doubtful trade accounts receivable	(53)		(103)
	<u>\$ 21,228</u>	<u>\$</u>	<u>17,968</u>

5. Loans Receivable:

The City has a loan receivable in the amount of \$81,200 (2021 - \$81,200) from the Vernon Pickleball Association to assist in financing the construction of a Pickleball facility. The loan receivable does not bear interest and is to be repaid in full by December 31, 2029.

6. Municipal Finance Authority – Cash Deposits:

The City's debt is issued through the Municipal Finance Authority ("MFA"). As a condition of these borrowings, the City is obligated to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. The deposits are included in the City's financial statements as Municipal Finance Authority deposits. If the debt is repaid without default, the deposits are refunded to the City. The demand notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default. As at December 31, 2022, there were contingent demand notes of \$491,000 (2021 - \$491,000) which are not recorded in the financial statements (note 19(b)). Upon the maturity of a debt issue, the demand notes are released and deposits refunded to the City.

7. Land Held for Resale:

In 2017, the City entered into a Land Purchase and Development Framework agreement for the conditional sale of City owned land. The accumulated value of these lands is \$1,396,000 (2021 - \$1,396,000) which is comprised of the historical cost of the lands plus all prior improvements. Such costs have not been included in tangible capital assets since the land and improvements are subject to resale.

The Corporation of the City of Vernon
Notes to the Consolidated Financial
Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

8. Accounts Payable and Accrued Liabilities:

	2022		2021
Accounts payable and accrued liabilities	\$ 18,392	\$	15,110
Salaries, wages and related costs	5,965		6,181
Security deposits and contractor holdbacks	6,690		4,714
	<u>\$ 31,047</u>	\$	<u>26,005</u>

9. Restricted Developer Contributions:

Restricted developer contributions include Works Contribution funds and Development Cost Charges ("DCC's"). Works Contribution funds are charged to developers through a works contribution agreement requiring the City to use funds for future work to, or adjacent to, each property. DCC's are collected to pay for 95% of the general capital costs due to development and 90% of utility capital costs on specified projects. In accordance with the Local Government Act, these funds must be deposited into a separate reserve fund. DCC's are deferred and recognized as revenue when the related costs are incurred.

	2022		2021
Deferred charges:			
DCC - roads	\$ 5,876	\$	6,863
DCC - storm	2,160		2,525
DCC - sewer	5,268		5,217
DCC - parks	1,181		757
Works contributions	2,179		2,234
	<u>\$ 16,664</u>	\$	<u>17,596</u>
Restricted developer contributions, beginning of year	\$ 17,596	\$	15,663
DCC's levied during the year	2,361		2,648
Works contributions received	(55)		284
Investment income	403		150
Contributions available	<u>20,305</u>		<u>18,745</u>
Less: Capital transfers	3,179		838
Less: Operating transfers	462		311
Restricted developer contributions, end of year	<u>\$ 16,664</u>	\$	<u>17,596</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

10. Deferred Revenue:

	2022	2021
Prepaid property taxes	\$ 6,101	\$ 5,558
Prepaid utility charges	235	229
Prepaid transfers from other governments	1,152	2,633
Prepaid leases	969	1,002
Other prepaid revenue	1,142	918
	<u>\$ 9,599</u>	<u>\$ 10,340</u>

11. Debt:

Bylaw #	Purpose of Bylaw	Interest Rate%	Year of Maturity	Gross Debt	Sinking Fund Asset	2022 Net Debt	2021 Net Debt
4680	Treatment Plant Phase I	1.47%	2027	\$ 5,000	\$ 3,464	\$ 1,536	\$ 1,800
4680	Treatment Plant Phase II	2.85%	2028	2,038	1,304	734	837
4791	Water Reclamation Plant	0.91%	2030	12,556	7,246	5,310	5,890
				<u>\$ 19,594</u>	<u>\$ 12,014</u>	<u>\$ 7,580</u>	<u>\$ 8,527</u>

Repayments of debt for Sewer Bylaws in the next five years and thereafter are as follows:

	Repayment
2023	\$ 527
2024	527
2025	527
2026	527
2027	527
2028 and thereafter	1,182
	<u>3,817</u>
Actuarial adjustments	3,763
Net Debt	<u>\$ 7,580</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

12. Landfill Remediation Liability:

The City operates its Hesperia landfill as a demolition, land clearing and construction material disposal facility under an Operational Certificate ("OC") issued by the Province of BC's Ministry of Environment ("MOE"). The OC excludes domestic refuse, plastics, rubber, contaminated soils and other non-construction wastes. The Hesperia landfill only accepts waste from City projects and does not accept public waste.

The liability for closure and post-closure care is recognized based on the 2016 Operating and Closure Plan ("the Plan"). The Plan estimates closure costs based on the assumption that the landfill will be closed at the end of its predetermined useful life; however, some of the estimated closure costs will be expended sooner as the landfill is anticipated to be closed progressively. An updated plan is expected to be approved in 2023.

The closure liability estimated in the Plan is in current dollars and has been inflated to the end of the landfill's useful life using an inflation rate of 2.05% (2021 – 1.75%) and then discounted to the financial reporting date at 1.25% (2021 - 1.29%), which is the City's cost of capital on debt outstanding as of the same date.

The liability for closure and post-closure care at December 31, 2022 is \$393,000 (2021 - \$286,000). The estimated total expenditures for closure and post-closure care are \$3,116,000 (2021 - \$2,363,000), which leaves \$2,725,000 (2021 - \$2,077,000) remaining to be recognized. The landfill is estimated to have remaining capacity of 838,832 cubic meters (87%) and remaining life of 48 years.

The City has implemented a tipping fee charged to internal projects that discharge waste at the landfill with net proceeds contributed to a reserve to pay for closure related expenses. On December 31, 2022 the balance of this reserve is \$521,000 (2021 - \$424,000).

When the landfill closes at the end of its useful life it is estimated that post-closure care will be required for 25 years. The reported liability is based on estimates and assumptions with respect to anticipated events over the expected remaining service life of the landfill. Management periodically performs an assessment of the underlying assumptions and utilizes the expertise of a qualified firm of engineers external to the City in forming the estimate.

The Corporation of the City of Vernon
Notes to the Consolidated Financial
Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

13. Tangible Capital Assets:

Cost	December 31, 2021		Additions		Disposals		December 31, 2022	
Land	\$	286,602	\$	2,552	\$	-	\$	289,154
Buildings		96,109		13,448		3,210		106,347
Vehicles		17,709		671		159		18,221
Miscellaneous equipment		9,371		1,534		-		10,905
Informaton technology		2,786		522		129		3,179
Transportation infrastructure		247,981		6,677		97		254,561
Storm drainage infrastructure		84,421		4,392		78		88,735
Sanitary sewer infrastructure		110,363		5,333		327		115,369
	\$	855,342	\$	35,129	\$	4,000	\$	886,471

Accumulated Amortization	December 31, 2021		Amortization		Disposals		December 31, 2022	
Buildings	\$	34,240	\$	2,239	\$	1,748	\$	34,731
Vehicles		8,585		824		138		9,271
Miscellaneous equipment		1,929		719		-		2,648
Informaton technology		2,443		118		113		2,448
Transportation infrastructure		129,545		5,272		95		134,722
Storm drainage infrastructure		27,225		1,154		44		28,335
Sanitary sewer infrastructure		34,701		1,757		171		36,287
	\$	238,668	\$	12,083	\$	2,309	\$	248,442

Net Book Value	December 31, 2021		December 31, 2022	
Land	\$	286,602	\$	289,154
Buildings		61,869		71,616
Vehicles		9,124		8,950
Miscellaneous equipment		7,442		8,257
Informaton technology		343		731
Transportation infrastructure		118,436		119,839
Storm drainage infrastructure		57,196		60,400
Sanitary sewer infrastructure		75,662		79,082
	\$	616,674	\$	638,029

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

13. Tangible Capital Assets: (continued)

a) Work-in-progress:

Work-in-progress is comprised of costs related to projects currently under planning, development or construction that will result in a finished asset at a future date. Such costs are capitalized until such time as the property is ready for use. Work-in-progress having a value of \$20,687,000 (2021 - \$16,633,000) has not been amortized. Amortization of these assets will commence the year when each specific asset is put into service.

b) Contributed Tangible Capital Assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$2,796,000 (2021 - \$1,557,000) comprised of transportation infrastructure in the amount of \$1,295,000 (2021 - \$538,000), playground equipment in the amount of \$nil (2021 - \$696,000), storm drain infrastructure in the amount of \$798,000 (2021 - \$212,000), sanitary sewer infrastructure in the amount of \$352,000 (2021 - \$111,000), land in the amount of \$246,000 (2021 - \$nil), and buildings in the amount of \$105,000 (2021 - \$nil).

c) Tangible Capital Assets Disclosed at Nominal Values:

Where an estimate of fair value is not determinable, the tangible capital asset is recognized at a nominal value.

d) Intangible Assets:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at city sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

e) Write-down of Tangible Capital Assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services. Any impairment is accounted for as an expense in the consolidated statement of operations. No impairments were identified or recorded during the year ended December 31, 2022 and 2021.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

14. Accumulated Surplus:

Accumulated surplus consists of individual fund surpluses and reserves. Operating surplus for the City is as follows:

	2022	2021
Accumulated surplus per Statement of Financial Position	\$ 709,632	\$ 688,752
Less:		
Tangible capital assets	(638,029)	(616,674)
Debt	7,580	8,527
Inventory of supplies	(621)	(524)
Prepaid expenses	(1,170)	(631)
	<u>\$ 77,392</u>	<u>\$ 79,450</u>
Non-statutory Reserves		
Budget Carryover Reserve General	6,358	6,879
Budget Carryover Reserve Sewer	-	182
Capital Reserves General	35,631	32,595
Capital Reserves Sewer	5,347	6,183
Operating Reserves General	168	161
Tax Equalization Reserves General	6,979	6,704
Tax Equalization Reserves Sewer	8,958	14,458
Special Purpose Reserves	9,849	8,209
	<u>73,290</u>	<u>75,371</u>
Statutory Reserve Funds		
Highway Access to Water Reserve	740	721
Land Sale Reserve	464	450
Local Improvement Reserve	651	676
Parkland Reserve	272	265
Recreation Facility Operating Reserve	1,189	1,416
Recreation Facility Major Maintenance Reserve	786	551
	<u>4,102</u>	<u>4,079</u>
Total Reserve Funds	<u>77,392</u>	<u>79,450</u>
Unappropriated Surplus	<u>\$ -</u>	<u>\$ -</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

15. Taxation Revenue:

Total tax revenue net of transfers of taxes collected for other governments and agencies were as follows:

	2022	2021
Specific assessments:		
Residential	\$ 32,732	\$ 29,784
Business	14,488	13,751
Utilities	404	346
Light Industrial	772	665
Non-profit	178	165
Farm land	4	4
	<hr/> 48,578	<hr/> 44,715
Payments in lieu of taxes	1,672	1,624
Specified area taxes and other	19	(309)
	<hr/> \$ 50,269	<hr/> \$ 46,030

16. Transfers from Other Governments:

	2022	2021
Federal government transfers		
Transportation infrastructure	\$ 2,656	\$ 3,971
Provincial government transfers		
Childcare spaces	4,670	-
Transit subsidy	2,989	2,486
Casino revenue sharing	1,848	854
Hotel tax	1,330	1,017
Union of BC Municipalities grant	789	2,640
Organics infrastructure	602	-
Transportation infrastructure	495	261
Traffic fine revenue sharing	459	545
Recreation infrastructure	404	-
Keep of prisoners	132	135
Certificate of Recognition safety program	99	76
Economic Resilience grant	95	-
Other transfers	51	41
Emergency Management BC	45	312
Tourism BC	25	121
BC Hydro initiatives	14	7
Airport COVID relief	-	360
	<hr/> 14,047	<hr/> 8,855
Regional government transfers		
Regional initiatives	1,885	1,861
Recreational initiatives	117	1,655
Okanagan Basin Water Board	113	114
	<hr/> 2,115	<hr/> 3,630
Total transfers from other governments	<hr/> \$ 18,818	<hr/> \$ 16,456

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

17. Long-term Agreements with Regional District of North Okanagan (the “Regional District”):

a) Water Agreement:

The City has entered into a five-year agreement with the Regional District for the operation of the water system in Vernon and Electoral Areas B and C and owned by the Regional District. Under this agreement, the City is responsible for the day-to-day operation of the water system within the City, a portion of the Township of Spallumcheen and Areas B and C, and is wholly reimbursed by the Regional District for the operating expenses made to undertake these duties. The agreement expires January 31, 2023. Subsequent to the year end, the City entered into a further five-year agreement with the Regional District for the operation of the water system with minor changes from the existing agreement. The new agreement expires January 31, 2028.

b) Parks Agreements:

The City entered into an agreement with the Regional District to assume responsibility for the management and operation of local parks commencing January 1, 2018. This agreement transfers the legal interest in Vernon fields and beaches (previously designated as "sub-regional parks") to the City. As per the requirements of the agreement, the City has a Parks DCC bylaw approved by the Ministry of Housing and Municipal Affairs ("the Ministry"). Prior to the City's Parks DCC bylaw being approved by the Ministry, Parks DCCs were collected under the Regional District's Parks DCC bylaw with an allocation based on contributions from each jurisdiction. The amount allocated to the City as of December 31, 2022 was \$3,244,000 (2021 - \$5,187,000), which is not recognized in the financial statements.

c) Recreation Agreements:

The City has entered into a five-year agreement with the Regional District to assume the responsibility for the management and operation of local recreational facilities commencing January 1, 2019. The new agreement maintains the commitment to transfer recreation facilities and related land from the Regional District to the City to re-align responsibility for the facilities and programming to the City. Facilities owned by the Regional District with fair market value of \$14,241,000 have not yet transferred to the City, and are anticipated to transfer in the year ending December 31, 2037. The agreement expires December 31, 2023.

18. Cemetery Care Trust Fund:

The City owns and maintains Pleasant Valley Cemetery. Pursuant to provincial legislation, a Cemetery Care Trust Fund was established to ensure continuity of cemetery maintenance. A portion of all plot sales and memorial setting fees is credited to this Fund. The Fund balance is not included in the consolidated financial statements.

	2022	2021
Trust Fund Continuity:		
Balance, beginning of year	\$ 947	\$ 918
Interest earned	26	9
Proceeds from plot sales and memorial settings	39	20
Balance, end of year	<u>\$ 1,012</u>	<u>\$ 947</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

19. Contingent Liabilities:

a) Regional District:

The City is responsible as a member of the Regional District for its proportional share of operating deficits related to functions in which it participates. Under the provisions of the Local Government Act, the Regional District's debt is a joint and several liability of the Regional District and each of its member municipalities including the City.

b) Municipal Finance Authority Demand Notes:

Debentures are covered by a loan agreement with the MFA which provides that, if at any time the payments provided for in the agreement are not sufficient to meet the authority's obligations in respect of such borrowings, the resulting deficiency becomes a proportional liability of each member local government, including the City. As these demand notes are contingent in nature, no liability is recorded.

c) Municipal Insurance Association:

In 1987, the City entered into a self-liability insurance plan with several other local governments in British Columbia forming the Municipal Insurance Association of B.C. The City is obligated under the plan to pay a percentage of its fellow insured's losses. The City pays an annual premium, which is anticipated to be adequate to cover any losses incurred.

d) Legal Claims:

The City has been named defendant in several uninsured legal actions. No reserve or liability has been recorded regarding any of the legal actions and any possible claims because the amount of loss, if any, is not determinable. Settlement, if any, made with respect to these actions, will be accounted for as an expense in the period in which realization is known.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

19. Contingent Liabilities: (continued)

e) Pension Liability:

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2022, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local government.

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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$2,627,000 (2021 - \$2,575,000) for employer contributions while employees contributed \$2,238,000 (2021 - \$2,150,000) to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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.

f) Letters of Credit:

In 2007, the City issued an Irrevocable Letter of Credit in favour of the Agricultural Land Commission (ALC) of British Columbia as a guarantee to fund works required by the ALC as a condition of the property being removed from the Agricultural Land Reserve. The amount of the Letter of Credit is \$716,000. As of December 31, 2022, no drawing on the Letter of Credit has occurred (2021 - \$0).

In 2022, the City issued an Irrevocable Letter of Credit in favour of the Federal Government Department of Fisheries and Oceans as security to fund works required as a condition of a permit to construct a storm water sediment structure along BX Creek. The amount of the Letter of Credit is \$352,000. As of December 31, 2022, no drawing on the Letter of Credit has occurred.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

20. Segmented Information:

Segmented information has been grouped into related department functions or service areas for segment reporting purposes provided in note 21 which shows the associated revenues and expenses for each segment. The various segments are described as follows:

a) General Government:

This segment is comprised of all general government and common services provided within the City. It includes legislative services, corporate administration, tourism, finance, human resources, information services, civic building maintenance, bylaw compliance, parking control, and subsidiary corporations.

- Legislative services and corporate administration are responsible for general government administration including council support, conducting elections and records management.
- Tourism is responsible for tourism marketing and managing the City's tourist booth location.
- Finance is responsible for the oversight of all financial matters including financial planning, collection of revenues, purchasing and financial reporting.
- Human resources are responsible for staff recruiting, payroll processing, occupational health and safety and labour relations.
- Information services are responsible for planning, maintaining and operating the City's information systems.
- The GIS department catalogues the City's infrastructure geographically for use by the City and its citizens.
- Civic building maintenance is responsible for maintaining all buildings owned by the City.
- Bylaw compliance and parking control is responsible for administering and encouraging compliance to regulatory bylaws, patrolling City owned/leased paid parking lots, residential permit zones and restricted parking areas. They also patrol and maintain almost 1,000 parking meters. This function focuses on community security and safety programs in conjunction with police services.
- The City's subsidiary corporations are 100% owned.
- Revenues associated with this segment include all those amounts that can not be attributed directly to other segments including taxation, grants in lieu, interest revenue and property rental revenue.

b) Protective Services:

This segment is comprised of police services, fire rescue and emergency measure services.

- Police services are contracted to the RCMP with support assistance from municipal staff. The City is home to a regional detachment for the North Okanagan. The City has a proactive community policing group that provides programs for its citizens and businesses such as Citizens on Patrol, Crime Stopper, Block Watch and safety patrols.
- Fire rescue services provide fire response, investigation and prevention services within the City's fire department.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

20. Segmented Information: (continued)

c) Community Infrastructure:

This segment is comprised of community development, planning, building inspection services and the capital works program.

- Community Development is responsible for sustainable development throughout the City including environmental, economic and social development.
- Planning is responsible for land use planning – long term and short term – plus the administration of the Official Community Plan and zoning bylaws.
- Building inspection services is responsible for issuing permits for any developments in the City including building permits, rezoning and development permits.

d) Operations:

This segment is responsible for the engineering, operation and maintenance of the City's infrastructure assets including roads, sidewalks and storm drains. Other components include public transit, solid waste and recycling, cemetery and airport.

- Road transportation encompasses year-round maintenance of roads, street lights, signs and sidewalks plus the public transit system which is contracted with BC Transit with subsidies provided from the Province.
- Storm drainage includes the maintenance of storm infrastructures including mains, manholes and catch basins.
- The Vernon Regional Airport provides services to small aircraft and executive jets in the region and includes a paved lighted runway, hangars, jet and regular air fuel dispensing.
- The City has one cemetery whose operation is overseen by the Operations group. Other services provided within the City include overseeing fleet activities and support for Regional District water services.
- Engineering is responsible for the planning and implementation of the capital works program for all infrastructure – storm, sewer and transportation. They work in conjunction with Planning and Operations.

e) Sanitary Sewer Operations:

This segment is responsible for the entire sanitary sewer operation and maintenance of the sewer infrastructures including mains, manholes, catch basins and lift stations. Plus, it is responsible for the operation and maintenance of the Vernon Water Reclamation Centre and spray irrigation system.

f) Recreation:

This segment is responsible for the management, maintenance and operation of all recreation facilities within the City. This includes planning and delivery of recreation programs for all ages of citizens, maintenance and operation of all arenas and indoor pool. As well as operating two outdoor pools in the summer.

The Corporation of the City of Vernon
Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

21. Segment Disclosure:

	General Government	Protective Services	Planning & Engineering	Recreation	Operation Services	Sanitary Sewer	2022	2021
Revenue								
Taxation	\$ 50,226	\$ -	\$ -	\$ 41	\$ -	\$ 2	\$ 50,269	\$ 46,030
Services to other governments	472	218	145	1,196	421	484	2,936	3,065
Government transfers	5,155	776	436	5,580	6,758	113	18,818	16,456
Sale of services	2,611	165	2,832	3,367	6,832	10,754	26,561	23,908
Fiscal services	3,456	-	-	-	-	428	3,884	2,842
Contributions of assets	-	-	41	-	5,498	897	6,436	2,897
	61,920	1,159	3,454	10,184	19,509	12,678	108,904	95,198
Expenses								
Salaries and wages	8,095	9,276	4,949	4,256	4,063	2,343	32,982	31,726
Contracted services	2,576	587	2,206	791	12,055	1,170	19,385	18,021
RCMP contract	-	11,203	-	-	-	-	11,203	11,489
Amortization of tangible assets	1,747	354	-	88	6,848	3,046	12,083	11,860
Supplies, materials and other	(1,937)	382	382	251	3,015	2,618	4,711	3,448
Bank fees and net loss on assets	1,756	(17)	1	53	(1,034)	402	1,161	402
Utilities, telephone and insurance	761	192	12	1,212	1,124	965	4,266	4,202
Equipment charges	31	220	97	25	1,427	433	2,233	2,245
	13,029	22,197	7,647	6,676	27,498	10,977	88,024	83,393
Excess (deficiency) revenue over expenses	\$ 48,891	\$ (21,038)	\$ (4,193)	\$ 3,508	\$ (7,989)	\$ 1,701	\$ 20,880	\$ 11,805

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2022

(tabular amounts in thousands of dollars)

22. Budget Data:

The budget data presented in these consolidated financial statements is based upon the 2022 operating and capital budgets approved by Council on January 10, 2022. The schedule reconciles the approved budget in the 2022-2026 Financial Plan to the budget figures reported in these consolidated financial statements.

	2022
Revenue:	
Operating budget	\$ 127,236
Capital budget	12,252
	139,488
Less:	
Transfers from other funds and reserves	12,779
Collections for other governments	36,178
	(48,957)
Total Revenue:	90,531
Expenses:	
Operating budget	134,589
Capital budget	18,269
	152,858
Less:	
Capital expenses	18,269
Transfers to other funds and reserves	8,046
Debt principal payments	527
Collections for other governments	36,178
	(63,020)
Total Expenses:	89,838
Annual Surplus:	\$ 693

23. Comparative Figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year. The changes do not affect prior year annual surplus.

**SUPPLEMENTARY FINANCIAL INFORMATION
(UNAUDITED)**

The Corporation of the City of Vernon

Schedule of COVID-19 Safe Restart Grant

Spending (unaudited)



For the Year Ended December 31, 2022
(tabular amounts in thousands of dollars)

In November 2020 the provincial government announced the "COVID-19 Safe Restart Grants for Local Governments", which provided up to \$425 million for local operations impacted by COVID-19. The Ministry of Municipal Affairs and Housing set a grant amount for each local government, of which \$4,997,000 was awarded to the City of Vernon. These funds are to be used to address revenue shortfalls, facility reopening and operating costs, emergency planning and response costs, protective services costs, virtual communications and enhanced interconnectivity costs, services for vulnerable persons, and other related costs. To ensure transparency regarding the use of the funds, the City is required to report annually on how it spent the grant as part of our annual report. This reporting must continue until the grant funds are fully spent.

Allocated to:

	2022	2021
Revenue		
Casino gaming grant	\$ -	\$ 1,110
On-street parking fees	114	206
Park booking fees	-	83
	<u>114</u>	<u>1,399</u>
Expenses		
Labour	32	63
Disinfection supplies	12	17
Contracted services	-	17
Mobile computers and health screening app	-	1
	<u>44</u>	<u>98</u>
	158	1,497
COVID-19 Safe Restart grant, beginning of year	<u>606</u>	<u>2,103</u>
COVID-19 Safe Restart grant, end of year	<u>\$ 448</u>	<u>\$ 606</u>

STATISTICAL SECTION



Summary of Financial Results

(In \$1,000's)

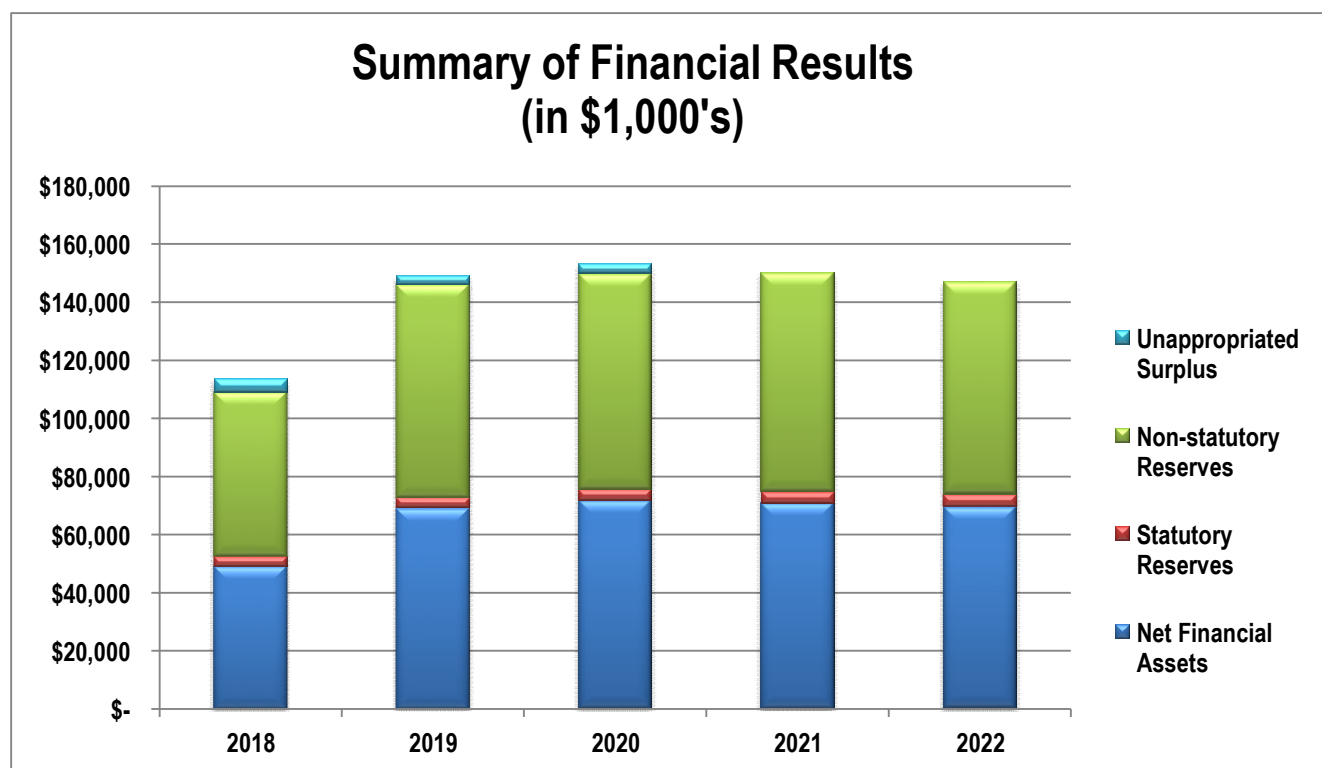
	2018	2019	2020	2021	2022
FINANCIAL POSITION					
Financial Assets	\$ 109,408	\$ 127,834	\$ 130,785	\$ 133,677	\$ 135,095
Financial Liabilities	60,211	58,606	58,878	62,754	65,283
Net Financial Assets (Debt)	49,197	69,228	71,907	70,923	69,812
Non-financial Assets	576,228	597,410	605,040	617,829	639,820
Accumulated Surplus, end of year	\$ 625,425	\$ 666,638	\$ 676,947	\$ 688,752	\$ 709,632

STATEMENT OF OPERATIONS

Revenue	\$ 94,295	\$ 122,573	\$ 91,823	\$ 95,198	\$ 108,904
Expenses	82,114	81,360	81,514	83,393	88,024
Annual Surplus	12,181	41,213	10,309	11,805	20,880
Accumulated Surplus, beginning of year	613,244	625,425	666,638	676,947	688,752
Accumulated Surplus, end of year	\$ 625,425	\$ 666,638	\$ 676,947	\$ 688,752	\$ 709,632

ACCUMULATED SURPLUS

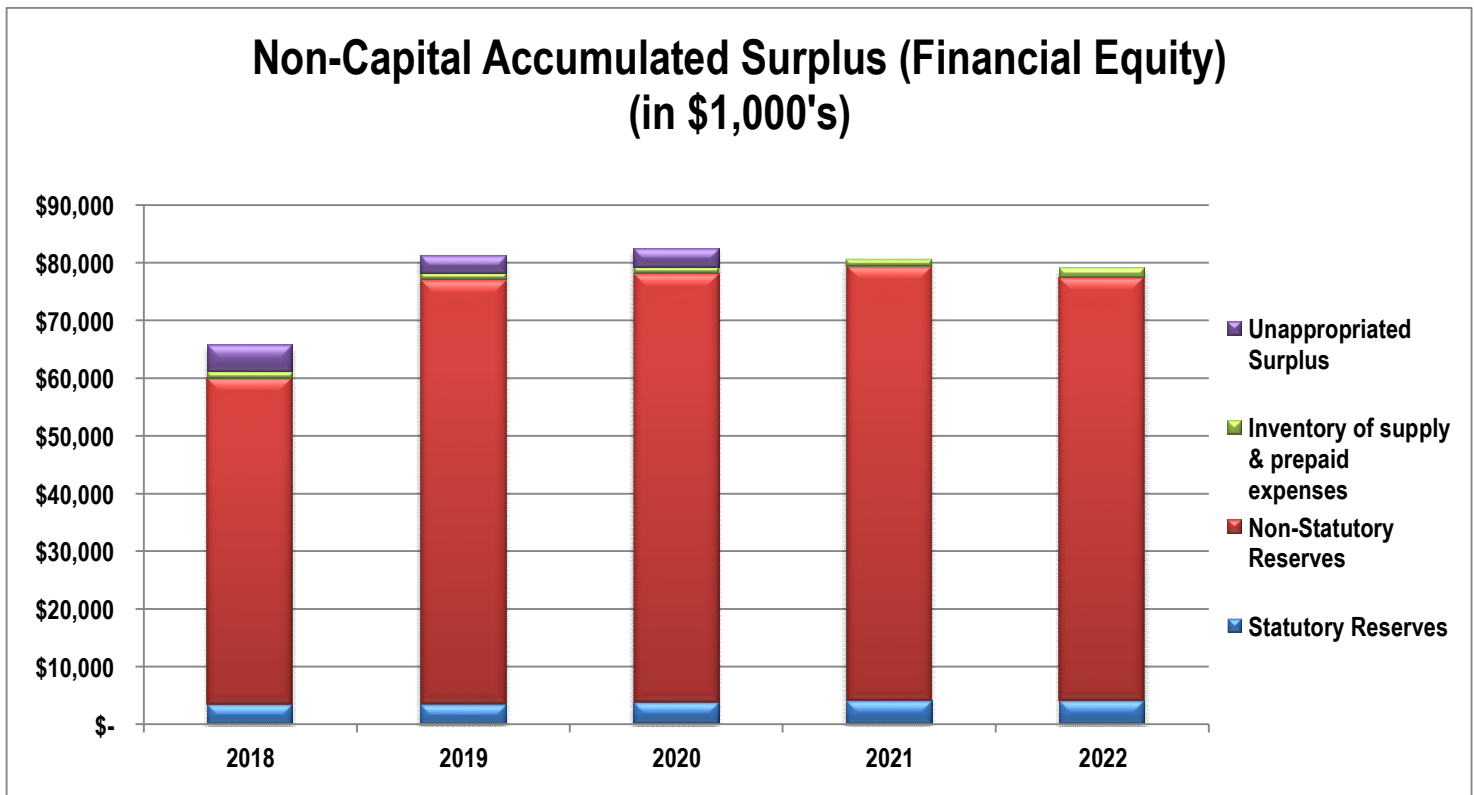
Equity in Tangible Capital Assets	\$ 559,708	\$ 585,411	\$ 594,507	\$ 608,147	\$ 630,449
Statutory reserves	3,442	3,519	3,818	4,079	4,102
Non-statutory reserves	56,523	73,512	74,258	75,371	73,290
Inventory of supply & prepaid expenses	1,145	1,140	1,093	1,155	1,791
Unappropriated surplus	4,607	3,056	3,271	-	-
Accumulated Surplus, end of year	\$ 625,425	\$ 666,638	\$ 676,947	\$ 688,752	\$ 709,632



Accumulated Surplus

(In \$1,000's except for per-capita figures)

	2018	2019	2020	2021	2022
Equity in Tangible Capital Assets:					
General	\$ 469,841	\$ 496,192	\$ 501,296	\$ 512,184	\$ 525,864
Sewer	89,867	89,219	93,211	95,963	104,585
	<u>\$ 559,708</u>	<u>\$ 585,411</u>	<u>\$ 594,507</u>	<u>\$ 608,147</u>	<u>\$ 630,449</u>
Non-Capital Accumulated Surplus:					
Statutory Reserves	\$ 3,442	\$ 3,519	\$ 3,818	\$ 4,079	\$ 4,102
Non-Statutory Reserves:					
Funds Committed for Uncompleted Projects	2,609	5,494	6,315	7,061	6,358
Capital Purposes	25,769	27,318	23,240	38,779	40,978
Operating Purposes	8,027	7,468	6,892	7,295	9,924
Tax & User Rate Equalization	17,026	19,646	24,249	21,162	15,937
Natural Gas System Lease Legacy	3,092	13,586	13,562	1,074	93
	<u>56,523</u>	<u>73,512</u>	<u>74,258</u>	<u>75,371</u>	<u>73,290</u>
Inventory of supply & prepaid expenses	1,145	1,140	1,093	1,155	1,791
Unappropriated surplus	4,607	3,056	3,271	-	-
	<u>\$ 65,717</u>	<u>\$ 81,227</u>	<u>\$ 82,440</u>	<u>\$ 80,605</u>	<u>\$ 79,183</u>
NON-CAPITAL ACCUMULATED SURPLUS (FINANCIAL EQUITY) PER CAPITA					
	<u>\$ 1,537</u>	<u>\$ 1,873</u>	<u>\$ 1,865</u>	<u>\$ 1,795</u>	<u>\$ 1,738</u>
TOTAL ACCUMULATED SURPLUS					
	<u>\$ 625,425</u>	<u>\$ 666,638</u>	<u>\$ 676,947</u>	<u>\$ 688,752</u>	<u>\$ 709,632</u>



Property Tax Revenue

(in \$1,000's)

	2018	2019	2020	2021	2022
Residential	\$ 24,370	\$ 26,751	\$ 28,548	\$ 29,784	\$ 32,732
Business	12,381	12,860	13,502	13,751	14,488
Light Industrial	551	585	519	665	772
Utility & Other	439	457	501	515	586
\$ 37,741	\$ 40,653	\$ 43,070	\$ 44,715	\$ 48,578	

Excludes specified area taxation (included in Revenue by Source schedule).

RATIO OF TAX RATES - BUSINESS TO RESIDENTIAL (General Taxes Only)

2.85 2.85 2.82 2.94 3.34

TOTAL PROPERTY TAXES COLLECTED

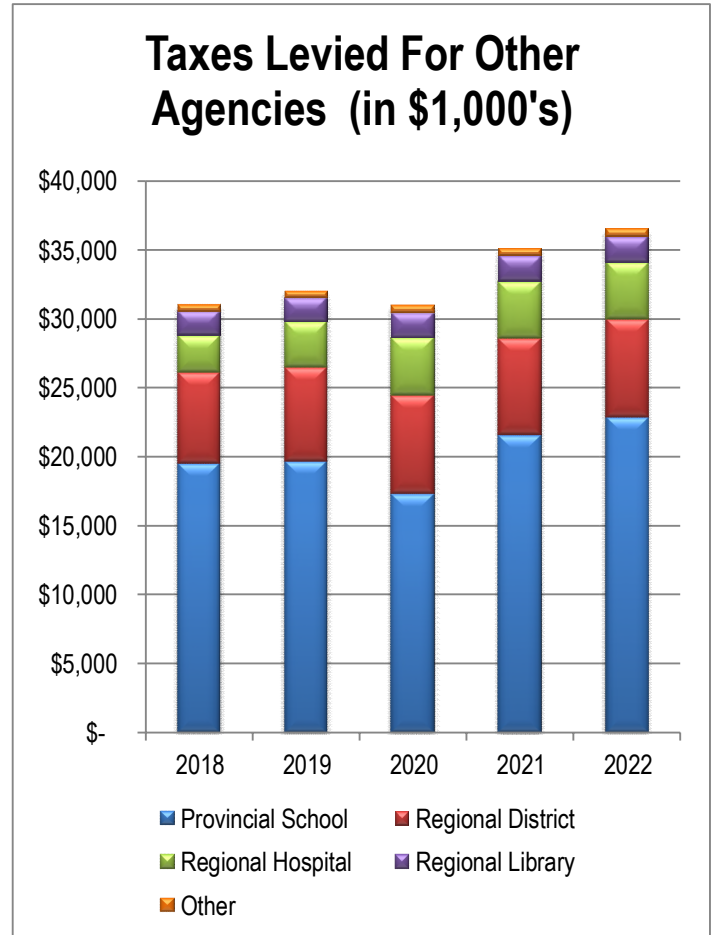
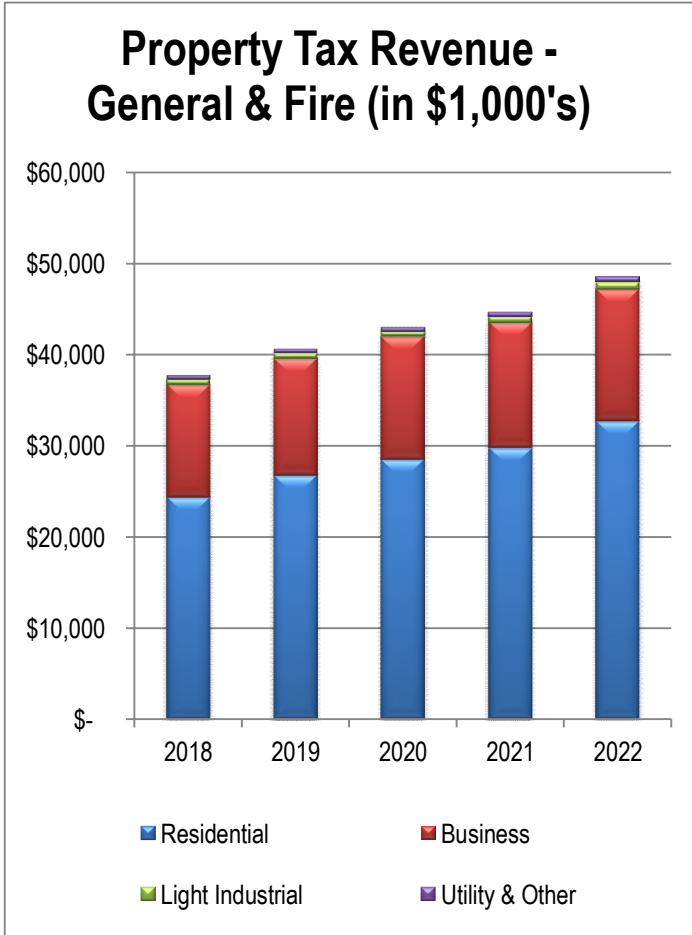
\$ 67,637 \$ 70,924 \$ 72,869 \$ 79,069 \$ 84,401

% OF CURRENT TAXES COLLECTED

97.51% 97.56% 98.36% 99.02% 99.11%

TAXES LEVIED FOR OTHER AGENCIES

Provincial School Taxes	\$ 19,553	\$ 19,711	\$ 17,318	\$ 21,565	\$ 22,880
Regional District of North Okanagan	6,568	6,817	7,166	7,009	7,148
Regional Hospital District	2,676	3,281	4,155	4,160	4,074
Okanagan Regional Library	1,767	1,760	1,838	1,858	1,885
Other	477	476	540	545	594
\$ 31,041	\$ 32,045	\$ 31,017	\$ 35,137	\$ 36,581	

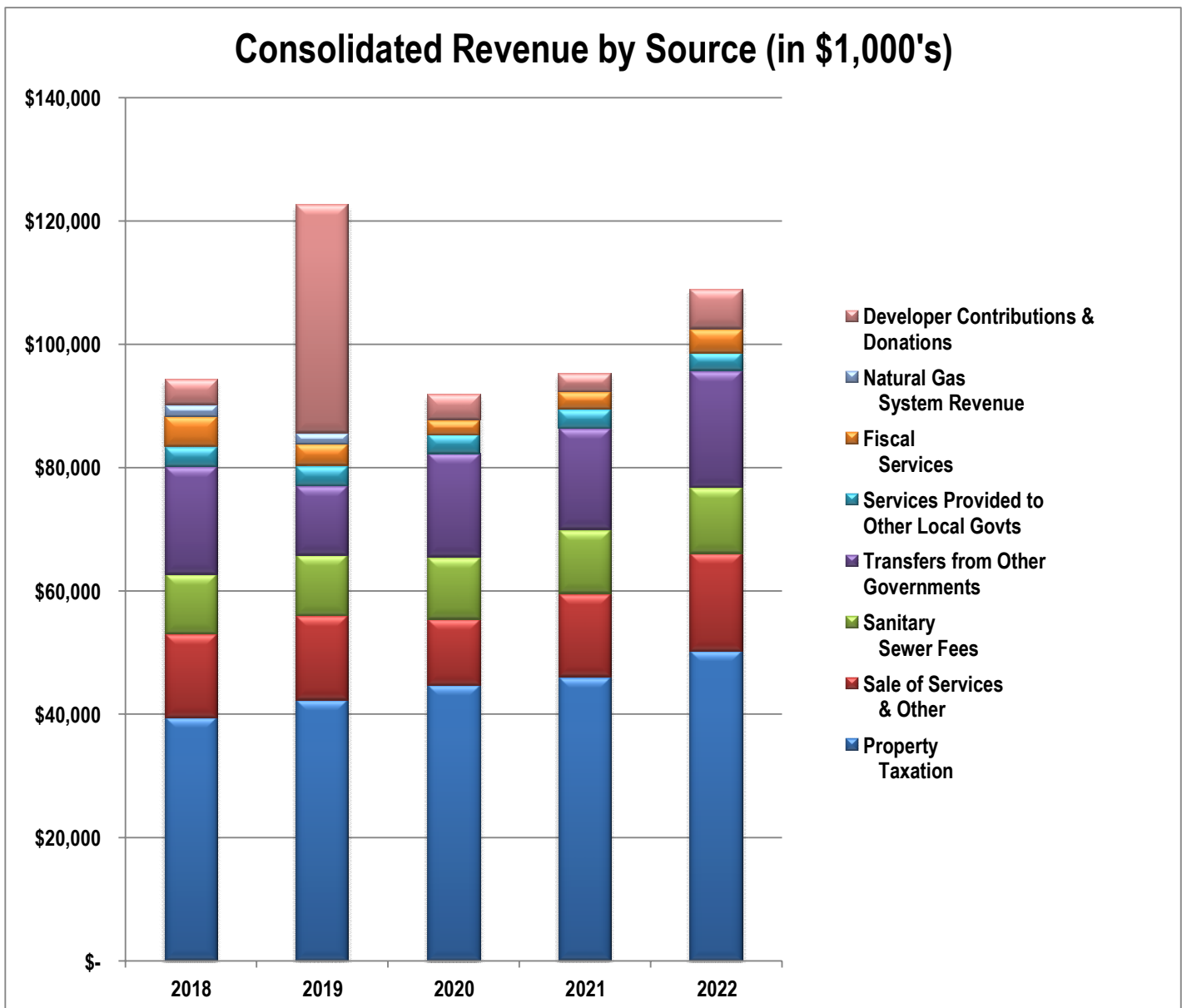


Consolidated Revenue by Source

(In \$1,000's)

	2018	2019	2020	2021	2022
Property Taxation*	\$ 39,491	\$ 42,362	\$ 44,749	\$ 46,030	\$ 50,269
Sale of Services & Other	13,568	13,632	10,612	13,485	15,814
Sanitary Sewer Fees	9,645	9,840	10,077	10,423	10,747
Transfers from Other Governments	17,473	11,281	16,832	16,456	18,818
Services Provided to Other Local Govts	3,192	3,199	3,088	3,065	2,936
Fiscal Services	4,924	3,451	2,365	2,842	3,884
Natural Gas System Revenue	1,874	1,832	-	-	-
Developer Contributions & Donations	4,128	36,976	4,100	2,897	6,436
	\$ 94,295	\$ 122,573	\$ 91,823	\$ 95,198	\$ 108,904

*Includes specified area taxation (not included in Property Tax Revenue schedule).

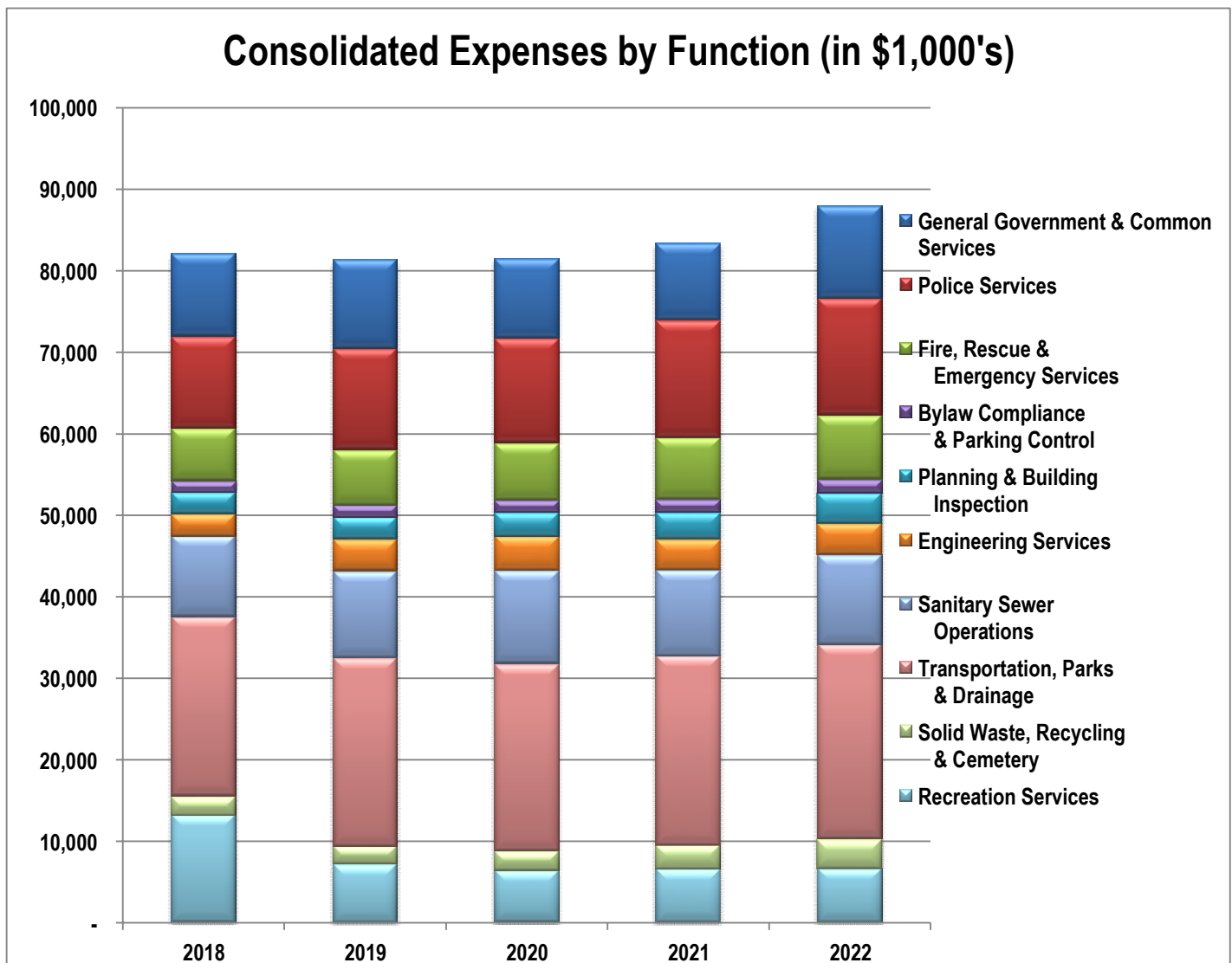


Consolidated Expenses by Function

(In \$1,000's)

	2018	2019	2020	2021	2022
General Government & Common Services	\$ 10,150	\$ 10,864	\$ 9,752	\$ 9,437	\$ 11,412
Police Services	11,262	12,465	12,849	14,349	14,368
Fire, Rescue & Emergency Services	6,467	6,751	7,044	7,626	7,828
Bylaw Compliance & Parking Control	1,391	1,514	1,529	1,582	1,619
Planning & Building Inspection	2,649	2,695	2,903	3,336	3,816
Engineering Services	2,731	3,877	4,220	3,709	3,830
Sanitary Sewer Operations	9,981	10,691	11,437	10,612	10,978
Transportation, Parks & Drainage	21,961	23,066	22,980	23,202	23,884
Solid Waste, Recycling & Cemetery	2,283	2,253	2,352	2,951	3,614
Recreation Services	13,239	7,184	6,448	6,589	6,675
Total	\$ 82,114	\$ 81,360	\$ 81,514	\$ 83,393	\$ 88,024

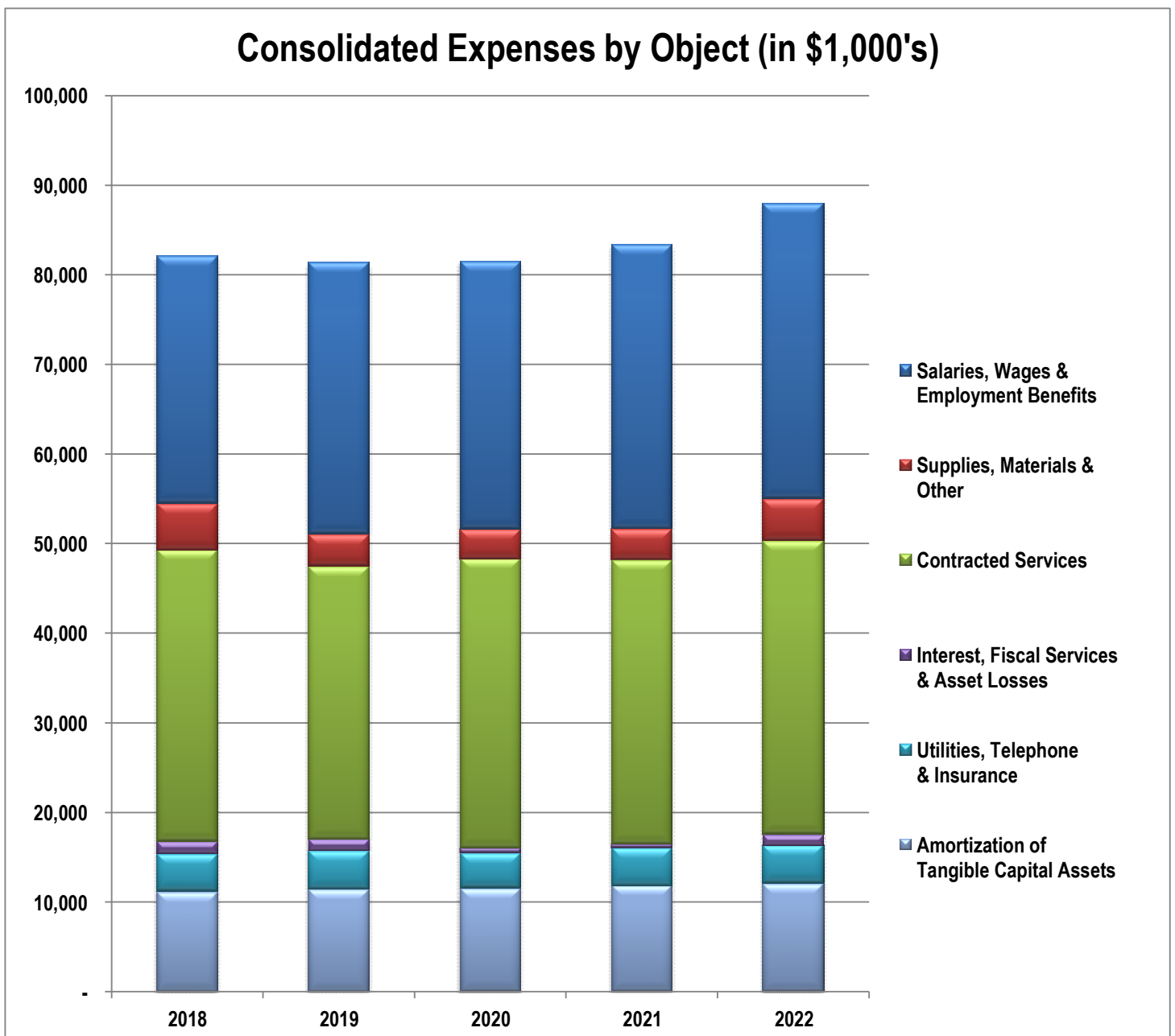
Derived from the General Fund, Sewer Fund, Statutory Reserve Funds, and wholly-owned subsidiaries. For purposes of this table, all interest, fiscal service expenses, and amortization have been integrated in their respective functions.



Consolidated Expenses by Object

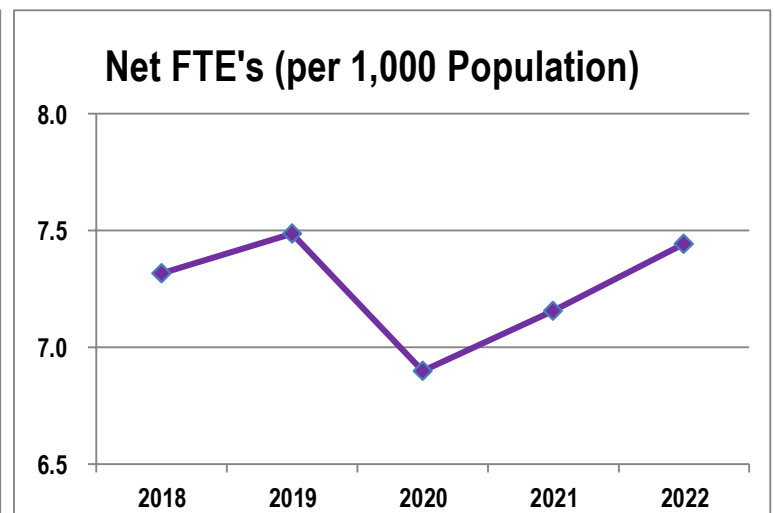
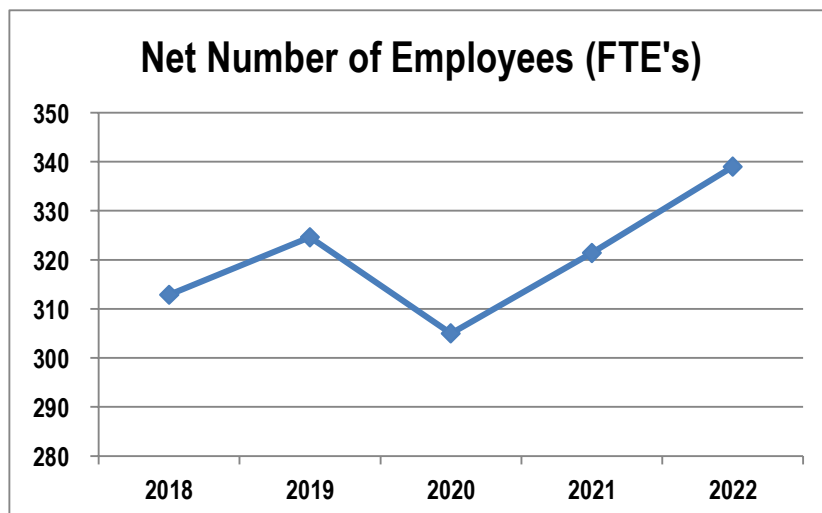
(In \$1,000's)

	2018	2019	2020	2021	2022
Salaries, Wages & Employment Benefits	\$ 27,622	\$ 30,289	\$ 29,872	\$ 31,726	\$ 32,982
Supplies, Materials & Other	5,157	3,610	3,336	3,448	4,711
Contracted Services	32,581	30,437	32,258	31,755	32,821
Interest, Fiscal Services & Asset Losses	1,351	1,251	549	402	1,161
Utilities, Telephone & Insurance	4,271	4,352	3,986	4,202	4,266
Amortization of Tangible Capital Assets	11,132	11,421	11,513	11,860	12,083
	\$ 82,114	\$ 81,360	\$ 81,514	\$ 83,393	\$ 88,024



Number of Employees (Full-time Equivalents)

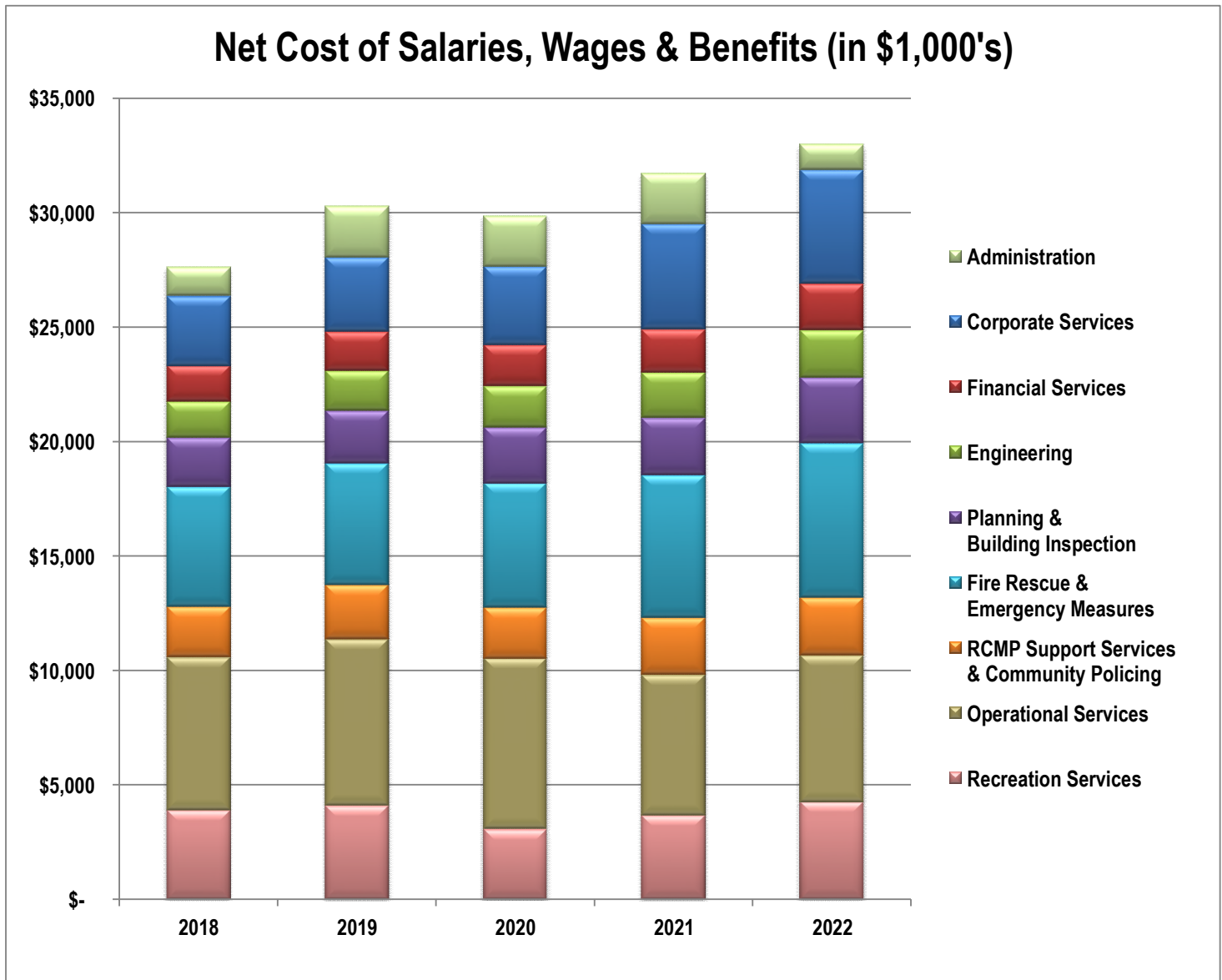
Number of Employees (Full-time Equivalents)*	2018	2019	2020	2021	2022
Administration & Corporate Services:					
General Administration	2.0	2.0	2.0	1.9	2.3
Corporate Services	8.9	10.0	10.9	11.8	11.7
Human Resources	10.0	10.0	10.4	11.4	12.3
Information Services	8.9	9.4	9.5	9.7	9.8
Bylaw Compliance	13.3	13.2	13.4	13.6	14.6
Community Policing Office	3.0	3.0	2.0	2.2	2.1
Financial Services					
Financial Services	17.3	19.0	18.6	19.0	19.4
Engineering & GIS					
Engineering & GIS	16.9	18.0	17.8	17.1	16.5
Community Development					
Community Development	19.1	20.7	20.8	22.1	28.5
Fire Rescue Services					
Fire Rescue Services	36.9	37.3	37.8	42.7	41.3
RCMP (Municipal Support Services Civilian Staff)					
RCMP (Municipal Support Services Civilian Staff)	29.9	31.2	30.3	26.9	26.1
Operations:					
Operations Administration	4.9	4.6	3.9	3.0	4.4
Sanitary & Storm Sewer	19.2	18.7	19.3	20.4	18.4
Water **	12.4	14.7	14.0	12.9	13.4
Public Works	29.0	29.0	25.7	26.0	32.0
Parks	12.2	15.3	15.8	20.5	18.3
Fleet & Building Services	11.6	12.3	12.3	12.2	13.0
Vernon Water Reclamation Centre	11.7	12.9	13.9	14.2	14.2
Airport	1.7	1.7	1.8	1.3	1.1
Recreation Services	56.4	56.3	38.8	45.4	53.2
Gross Number of Employees	325.3	339.3	319.0	334.3	352.4
* Full-time equivalent (FTE) is based on the total number of hours worked as a function of standard full-time hours.					
** Less: Number of employees for which full employment costs are recovered from the RDNO for Water Services					
	(12.4)	(14.7)	(14.0)	(12.9)	(13.4)
Net Number of Employees (relating to total employment costs recorded by the City of Vernon)	312.9	324.6	305.0	321.4	339.0
Gross FTE Positions per 1,000 Population	7.6	7.8	7.2	7.4	7.7
Net FTE Positions per 1,000 Population	7.3	7.5	6.9	7.2	7.4



Cost of Salaries, Wages and Benefits

(In \$1,000's)

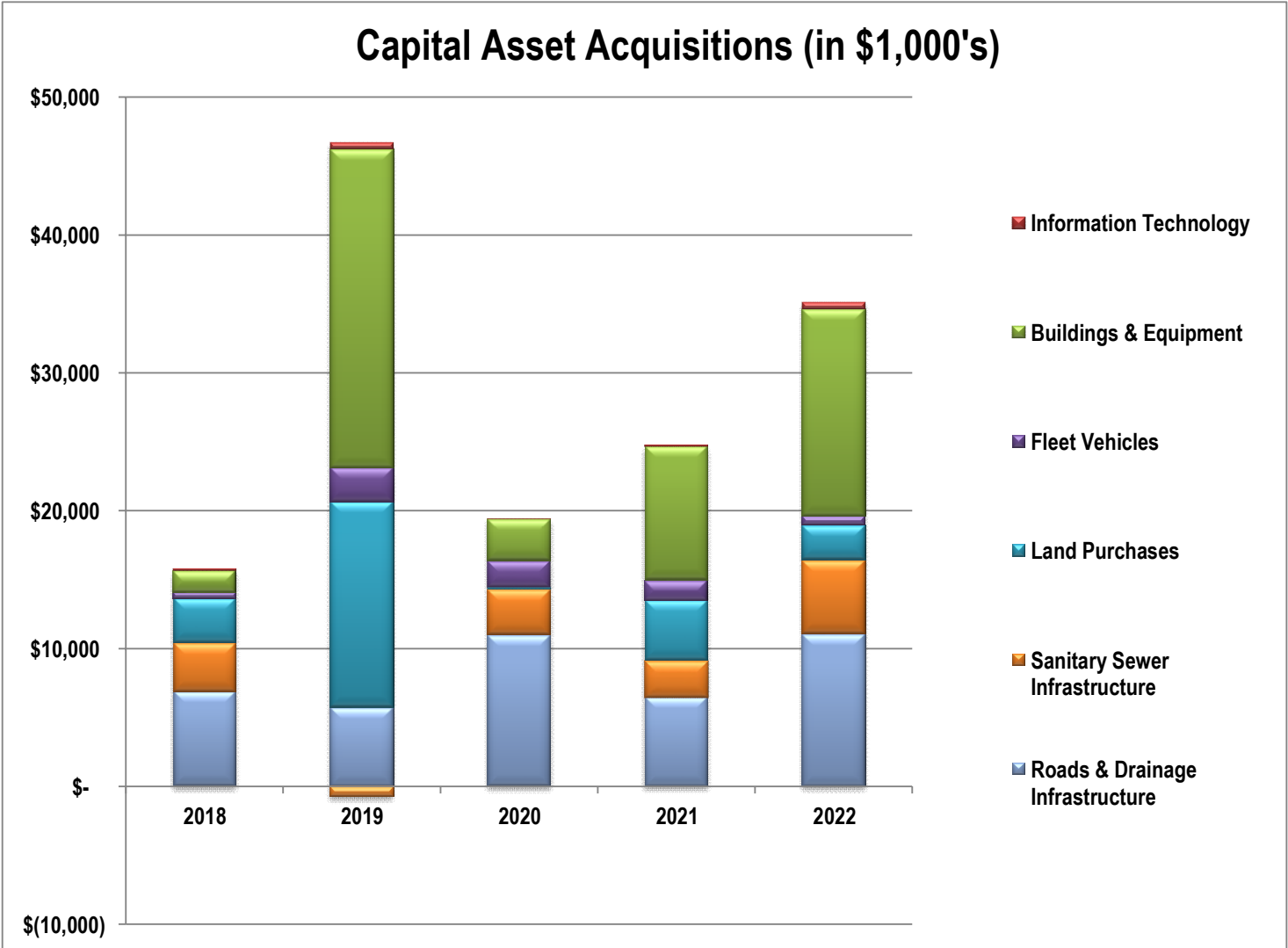
	2018	2019	2020	2021	2022
Administration	\$ 1,245	\$ 2,223	\$ 2,217	\$ 2,208	\$ 1,107
Corporate Services	3,057	3,262	3,414	4,607	4,964
Financial Services	1,575	1,701	1,807	1,891	2,024
Engineering	1,570	1,749	1,804	1,981	2,065
Planning & Building Inspection	2,149	2,289	2,443	2,490	2,884
Fire Rescue & Emergency Services	5,236	5,316	5,415	6,236	6,731
RCMP Support Services & Community Policing	2,206	2,383	2,230	2,502	2,545
Operational Services	6,690	7,269	7,461	6,138	6,406
Recreation Services	3,894	4,097	3,081	3,673	4,256
Total	\$ 27,622	\$ 30,289	\$ 29,872	\$ 31,726	\$ 32,982



Capital Asset Acquisitions

(In \$1,000's)

	2018	2019	2020	2021	2022
Roads & Drainage Infrastructure	\$ 6,871	\$ 5,709	\$ 10,963	\$ 6,454	\$ 11,068
Sanitary Sewer Infrastructure	3,546	(745)	3,317	2,684	5,333
Land Purchases	3,206	14,933	146	4,376	2,552
Vehicle Fleet	447	2,501	1,965	1,413	671
Buildings & Equipment	1,548	23,067	3,021	9,729	14,982
Information Technology	156	465	34	107	522
	\$ 15,774	\$ 45,930	\$ 19,446	\$ 24,763	\$ 35,128



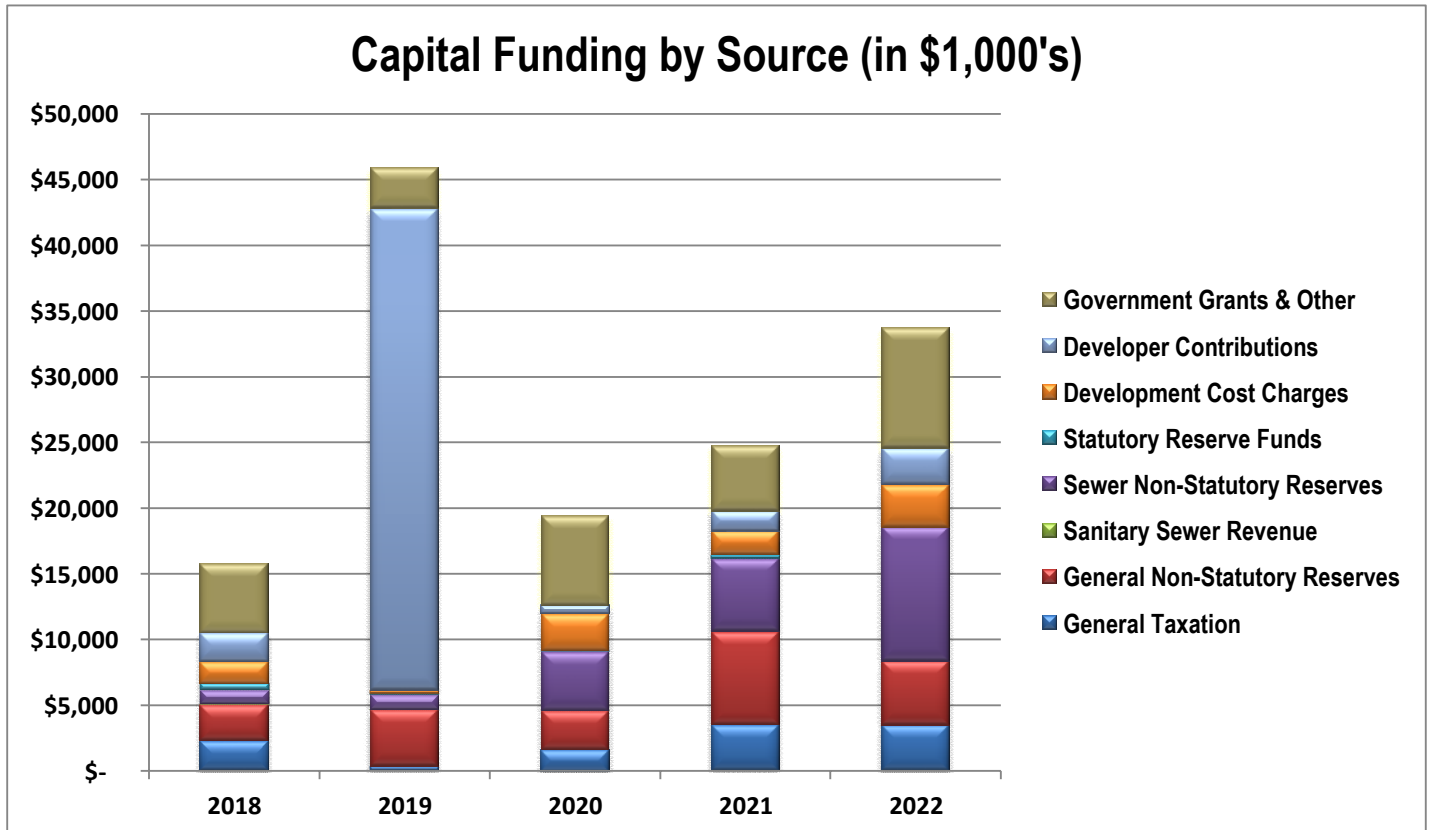
Capital Funding by Source

(In \$1,000's)

	2018	2019	2020	2021	2022
General Taxation	\$ 2,319	\$ 371	\$ 1,618	\$ 3,509	\$ 3,467
General Non-Statutory Reserves	2,718	4,297	2,976	7,065	4,885
Sanitary Sewer Revenue	55	55	55	-	-
Sewer Non-Statutory Reserves	1,049	1,073	4,456	5,605	10,237
Statutory Reserve Funds	535	112	51	268	1,365
Development Cost Charges	1,649	245	2,804	1,793	3,179
Developer Contributions & Donations	2,177	36,661	676	1,558	2,796
Government Grants & Other	5,272	3,116	6,810	4,965	9,199
Total	\$ 15,774	\$ 45,930	\$ 19,446	\$ 24,763	\$ 35,128

PROPORTIONAL BREAKDOWN OF CAPITAL FUNDING

General Taxation	14.7%	0.8%	8.3%	14.2%	9.9%
Sanitary Sewer Revenue	0.3%	0.1%	0.3%	0.0%	0.0%
Reserves	27.3%	11.9%	38.5%	52.2%	46.9%
Developers	24.3%	80.4%	17.9%	13.5%	17.0%
Government Grants & Other	33.4%	6.8%	35.0%	20.1%	26.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



Long Term Debt by Function and Sources of Funding

(In \$1,000's except for per-capita figures)

LONG-TERM DEBT BY FUNCTION

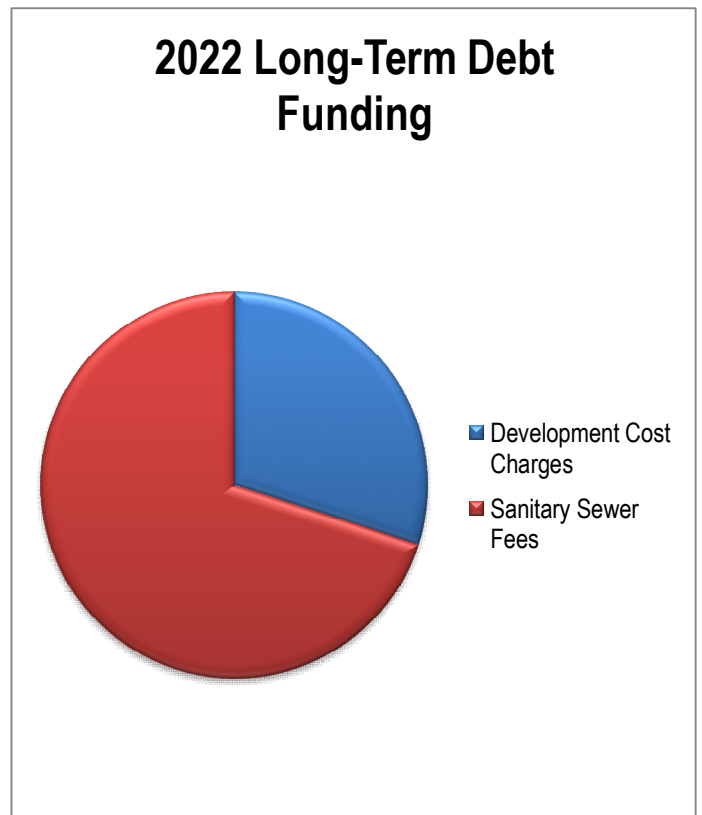
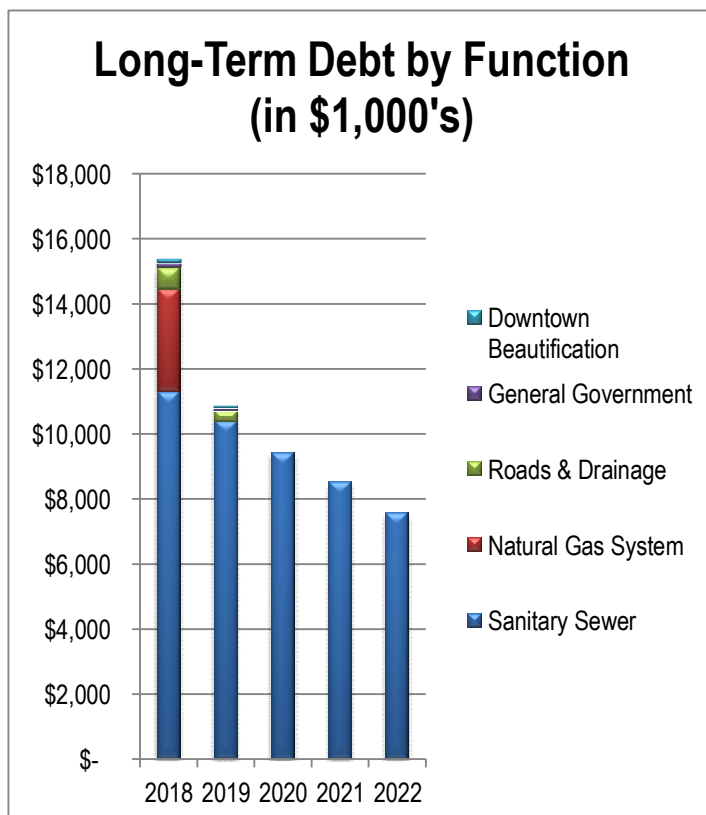
	2018	2019	2020	2021	2022
Sanitary Sewer	\$ 11,315	\$ 10,396	\$ 9,440	8,527	\$ 7,580
Natural Gas System	3,149	-	-	-	-
Roads & Drainage	660	336	-	-	-
General Government	128	65	-	-	-
Downtown Beautification	123	62	-	-	-
Total	\$ 15,375	\$ 10,859	\$ 9,440	\$ 8,527	\$ 7,580

DEBT PER CAPITA

	\$ 360	\$ 250	\$ 214	\$ 190	\$ 166
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PROPORTIONAL FUNDING SOURCES FOR LONG-TERM DEBT

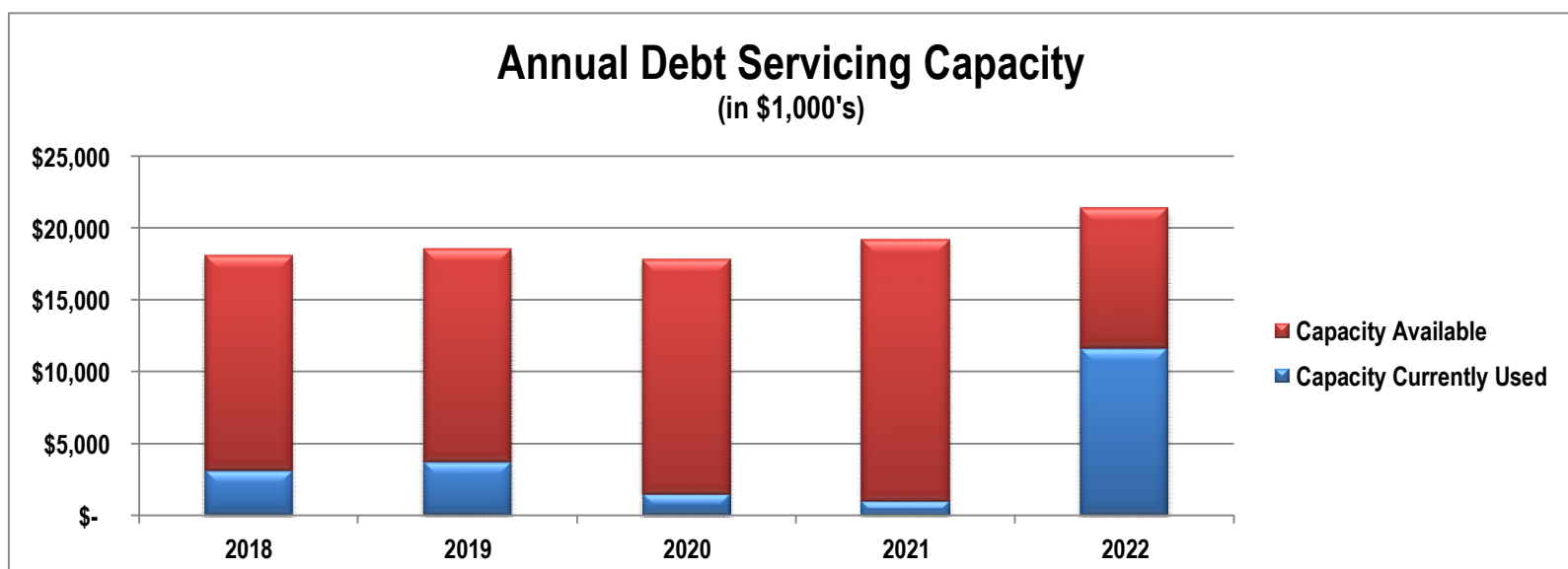
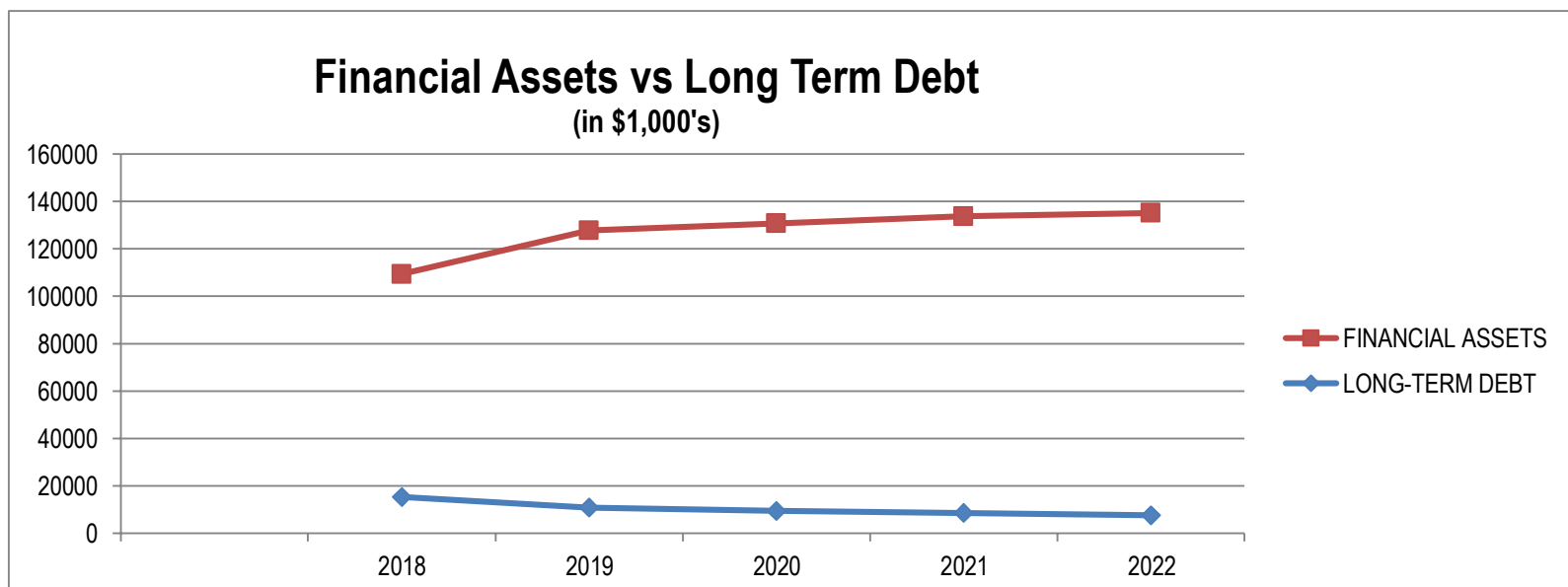
Sanitary Sewer Fees	23.3%	23.5%	51.2%	70.0%	70.0%
Sanitary Sewer Specified Areas	0.0%	0.0%	0.0%	0.0%	0.0%
Development Cost Charges	8.9%	8.9%	19.5%	30.0%	30.0%
Roads, Drainage & Beautification Specified Areas	11.6%	11.6%	25.2%	0.0%	0.0%
Natural Gas System Revenue & Reserve	54.3%	54.1%	0.0%	0.0%	0.0%
General Taxation	1.9%	1.9%	4.1%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



Debt Capacity

(In \$1,000's)

	2018	2019	2020	2021	2022
FINANCIAL ASSETS	\$ 109,408	\$ 127,834	\$ 130,785	133,677	135,095
LONG-TERM DEBT	\$ 15,375	\$ 10,859	\$ 9,440	8,527	7,580
RATIO OF FINANCIAL ASSETS TO LONG TERM DEBT	7.12	11.77	13.85	15.68	17.82
<i>The City's ability to borrow funds (debt capacity) is based on a calculation to determine the maximum principal and interest payments (liability servicing) allowed in a year. The liability servicing limit is calculated based on a percentage of applicable Municipal Revenues determined by the Province.</i>					
MUNICIPAL REVENUES	\$ 73,737	\$ 75,736	\$ 71,732	\$ 77,224	\$ 85,957
Less:					
Actuarial adjustments on long term debt	(1,508)	(1,657)	(588)	(386)	(420)
TOTAL NET MUNICIPAL REVENUES	\$ 72,229	\$ 74,079	\$ 71,144	\$ 76,838	\$ 85,537
Liability Servicing factor	25%	25%	25%	25%	25%
LIABILITY SERVICING LIMIT	\$ 18,057	\$ 18,520	\$ 17,786	\$ 19,210	\$ 21,384
LIABILITY SERVICING COST					
Debt Servicing for Authorized and Issued Debt	\$ 2,865	\$ 3,502	\$ 1,269	\$ 779	\$ 773
Estimated Debt Servicing for Unissued Debt*	270	223	237	237	10,829
TOTAL LIABILITY SERVICING COST	\$ 3,135	\$ 3,725	\$ 1,506	\$ 1,016	\$ 11,602
LIABILITY SERVICING CAPACITY AVAILABLE	\$ 14,922	\$ 14,795	\$ 16,280	\$ 18,194	\$ 9,782



* Unissued debt for 2022 includes authorization to borrow up to \$122 million for the new Active Living Centre.

The loan was authorized by Council in 2022 but not yet issued.

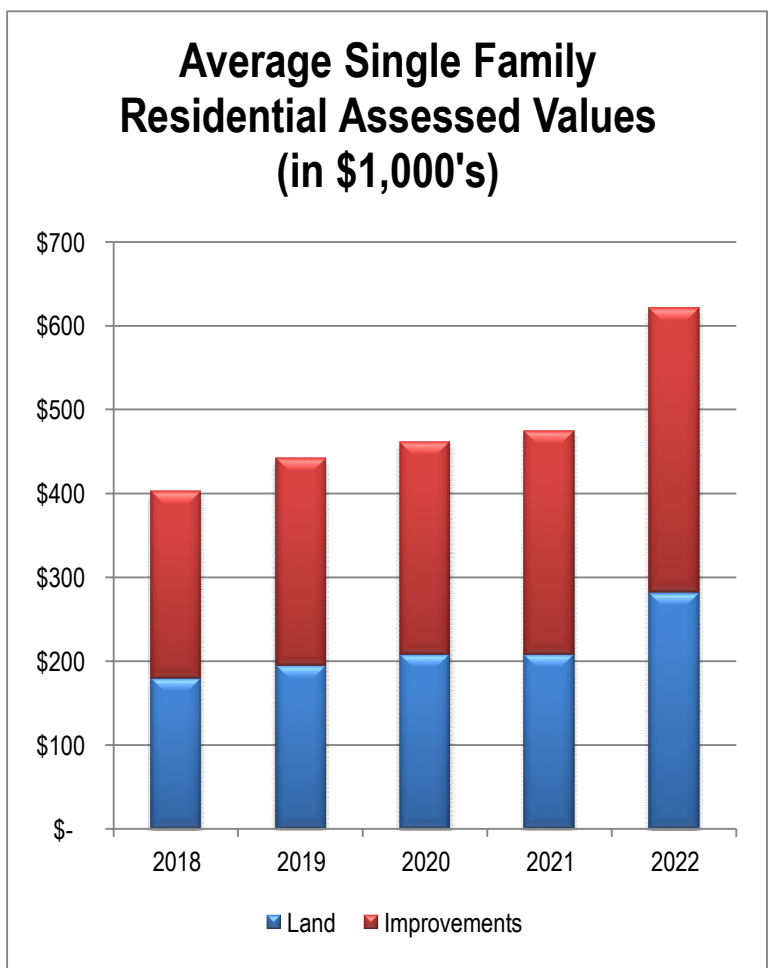
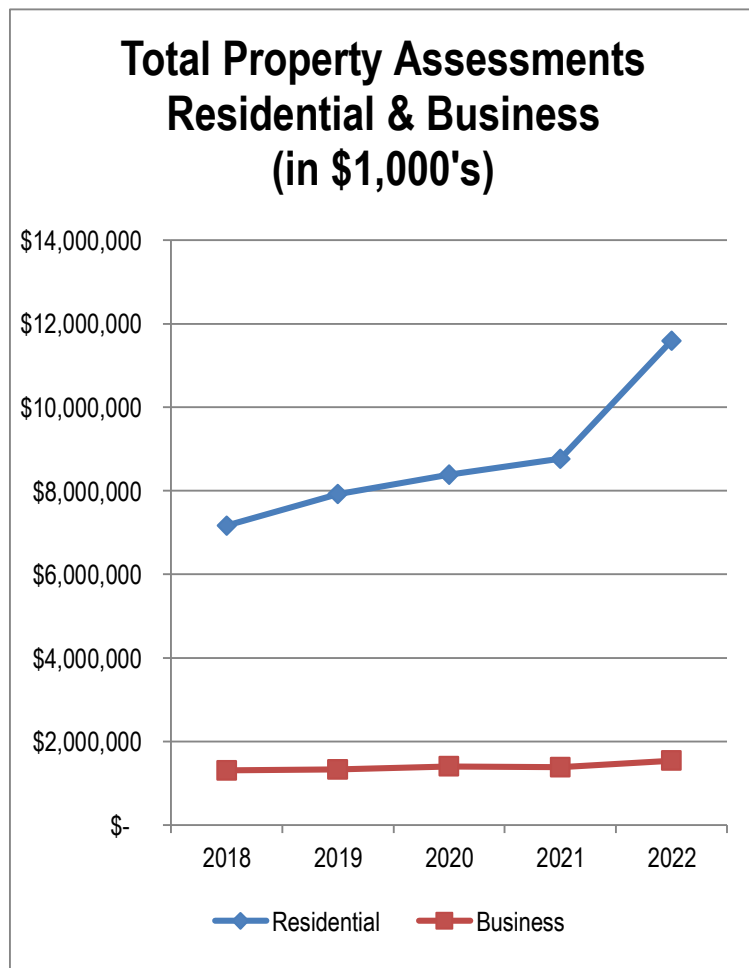
Property Assessments

(in \$1,000's)

	2018	2019	2020	2021	2022
Residential	\$ 7,165,968	\$ 7,919,882	\$ 8,388,566	\$ 8,766,207	\$ 11,591,853
Business	1,305,469	1,328,300	1,402,670	1,378,795	1,540,928
Light Industrial	44,907	42,920	46,754	50,286	59,802
Recreation & Non-Profit	22,694	23,491	24,135	24,319	25,911
Utility	7,674	7,982	8,644	9,094	10,544
Farm Land & Managed Forest	3,606	3,268	3,523	3,596	3,704
Total	\$ 8,550,318	\$ 9,325,843	\$ 9,874,292	\$ 10,232,297	\$ 13,232,742
% Change From Prior Year	11.7%	9.1%	5.9%	3.6%	29.3%

AVERAGE SINGLE FAMILY RESIDENTIAL ASSESSED VALUES

Land	\$ 180	\$ 195	\$ 208	\$ 208	\$ 282
Improvements	223	247	254	267	339
Total	\$ 403	\$ 442	\$ 462	\$ 475	\$ 621
% Change From Prior Year	6.5%	9.7%	4.5%	2.8%	30.7%

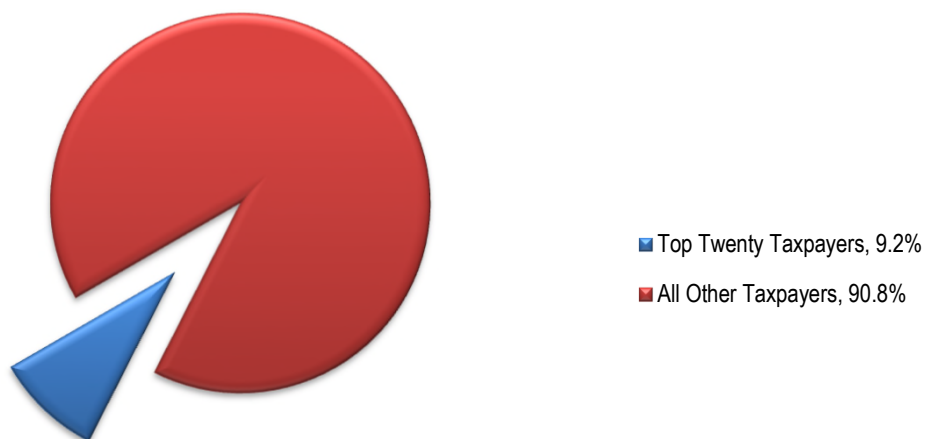


Principal Corporate Taxpayers

(in \$1,000's)

Rank	Category	Common Name	General Tax Levy 2022
1	Retail	Village Green Shopping Centre	\$ 744
2	Retail	Vernon Smart Centre (Including Wal-Mart)	687
3	Retail	Real Canadian Superstore	372
4	Hotel	Sparkling Hills Resort	280
5	Retail	Vernon Square (Northern Portion)	280
6	Retail	The Shops at Polson Park	274
7	Office	Kal Tire - Corporate Office	248
8	Retail	The Home Depot	174
9	Office	Tolko Industries - Corporate Office	168
10	Retail	Anderson Crossing	132
11	Retail	Fruit Union Plaza	131
12	Retail	Rona	126
13	Retail	Vernon Storage Centre	125
14	Retail	Vernon Square Safeway (Southern Portion)	111
15	Office & Retail	Nixon Wenger Office Building	109
16	Hotel	Holiday Inn	104
17	Manufacturing	Tekmar	100
18	Retail	Landing Plaza	99
19	Retail	Real Canadian Wholesale Club	97
20	Office & Financial	Vantage One Financial Building	95
Total General & Fire Tax Revenue - Top Twenty			\$ 4,456
Total General & Fire Tax Revenue - City Wide			\$ 48,578
Proportion of Taxes Paid by Top Twenty			9.2%

Tax Contribution from Principal Corporate Taxpayers

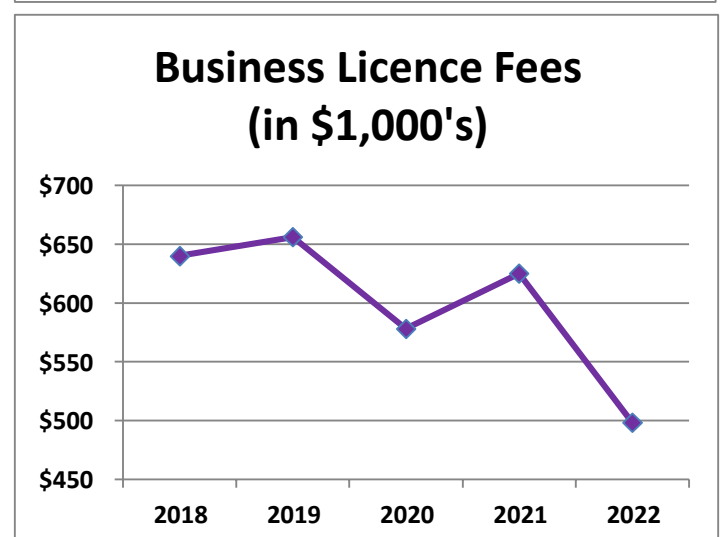
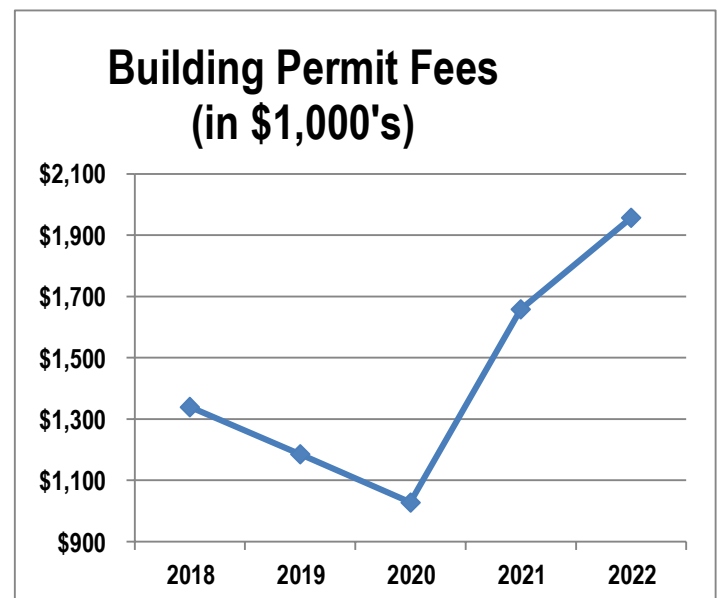
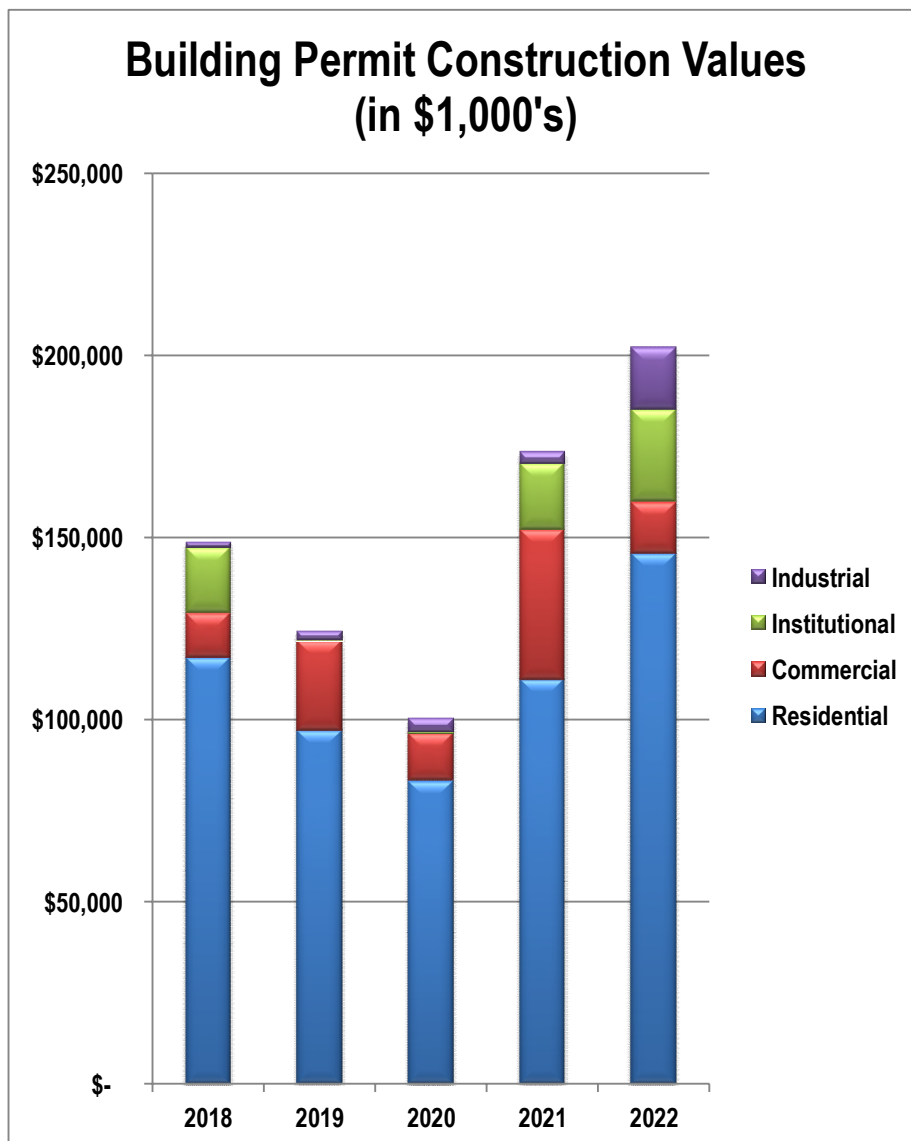


Building Permits and Business Licences

(In \$1,000's)

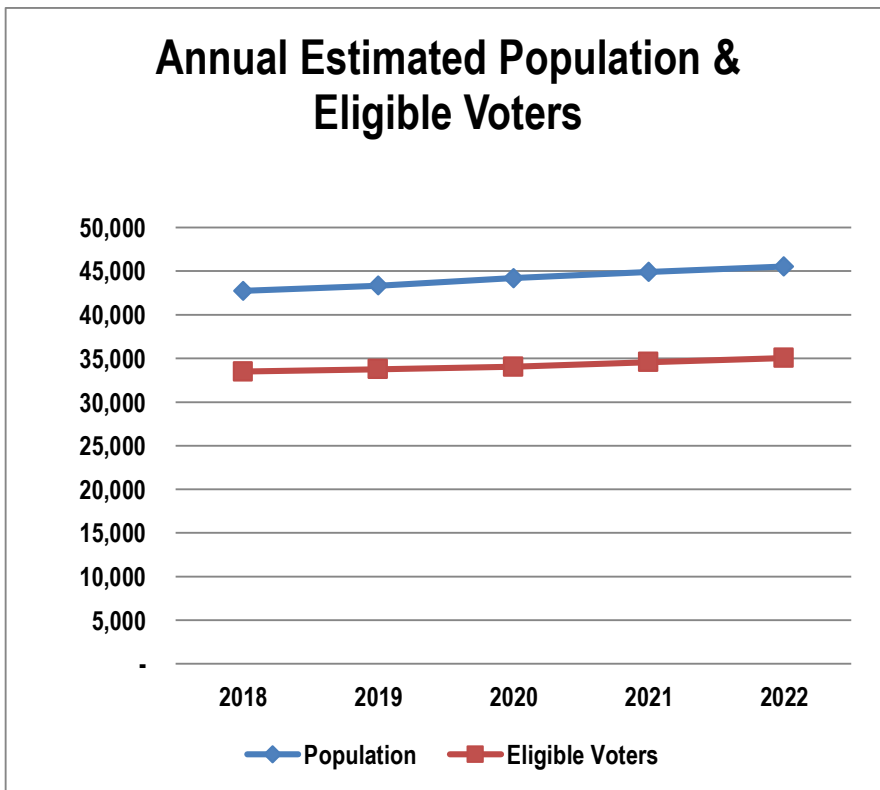
	2018	2019	2020	2021	2022
Building Permit Construction Values					
Residential	\$ 117,151	\$ 97,107	\$ 83,247	\$ 111,082	\$ 145,567
Commercial	12,197	24,593	12,988	41,193	14,332
Institutional	17,971	248	485	18,196	25,266
Industrial	1,558	2,460	3,735	3,104	17,236
	\$ 148,877	\$ 124,408	\$ 100,455	\$ 173,575	\$ 202,401
Building Permit Fees	\$ 1,339	\$ 1,185	\$ 1,028	\$ 1,658	\$ 1,957
Number of Building Permits Issued	407	371	370	433	415
Business Licence Fees	\$ 640	\$ 656	\$ 578	\$ 625	\$ 498
Number of Licenced Businesses	4,015	3,266	3,448	3,473	3,696
Number of Land Use Applications Processed *	201	190	211	226	206

* Includes applications for Rezoning, OCP Amendment, Development Permit, Development Variance Permit, Board of Variance, ALR, and Subdivision



Population Demographics & Miscellaneous Statistics

	2018	2019	2020	2021	2022
Annual Estimated Population (Source: BC Statistics 2022)	42,766	43,360	44,208	44,916	45,549
Population Growth Rates	1.3%	1.4%	2.0%	1.6%	1.4%
Annual Estimated Eligible Voters	33,494	33,762	34,032	34,573	35,060
Unemployment Rates (Source: Statistics Canada for the Thompson/Okanagan region)	8.0%	5.7%	9.8%	8.6%	6.3%



Selected Statistics:

Taxable Area (hectares)	7,604
Total Area (hectares)	11,762
Paved Roads (kilometers)	308
Number of Fire Hydrants	1,328
Storm Sewer Pipes (kilometers)	205
Sanitary Sewer Pipes (kilometers)	287
Residential Sewer Connections	9,954
Commercial & Other Sewer Connections	1,282
Sewer System Average Daily Flow (cubic metres/day)	11,925

2021 and 2016 Census (Source: Statistics Canada)

	Age Group					
	Total	0 - 14	15 - 24	25 - 44	45 - 64	65+
2021	44,520	6,035	4,020	10,145	11,805	12,515
2016	40,116	5,670	4,040	8,760	11,420	10,226
Total Net Growth	4,404	365	(20)	1,385	385	2,289
Percent Growth	11.0%	6.4%	-0.5%	15.8%	3.4%	22.4%
2021 Distribution by Age Group	100.0%	13.6%	9.0%	22.8%	26.5%	28.1%
2016 Distribution by Age Group	100.0%	14.1%	10.1%	21.8%	28.5%	25.5%



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