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CITY OF **VERNON** ANNUAL REPORT



Fiscal Year Ended
December 31, 2020
Vernon, British Columbia



2020 ANNUAL REPORT

For the Fiscal Year Ended December 31, 2020 | Vernon, British Columbia



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Vernon
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2019

Christopher P. Morrell

Executive Director/CEO

Prepared and submitted by: Financial Services | City of Vernon

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INTRODUCTORY SECTION

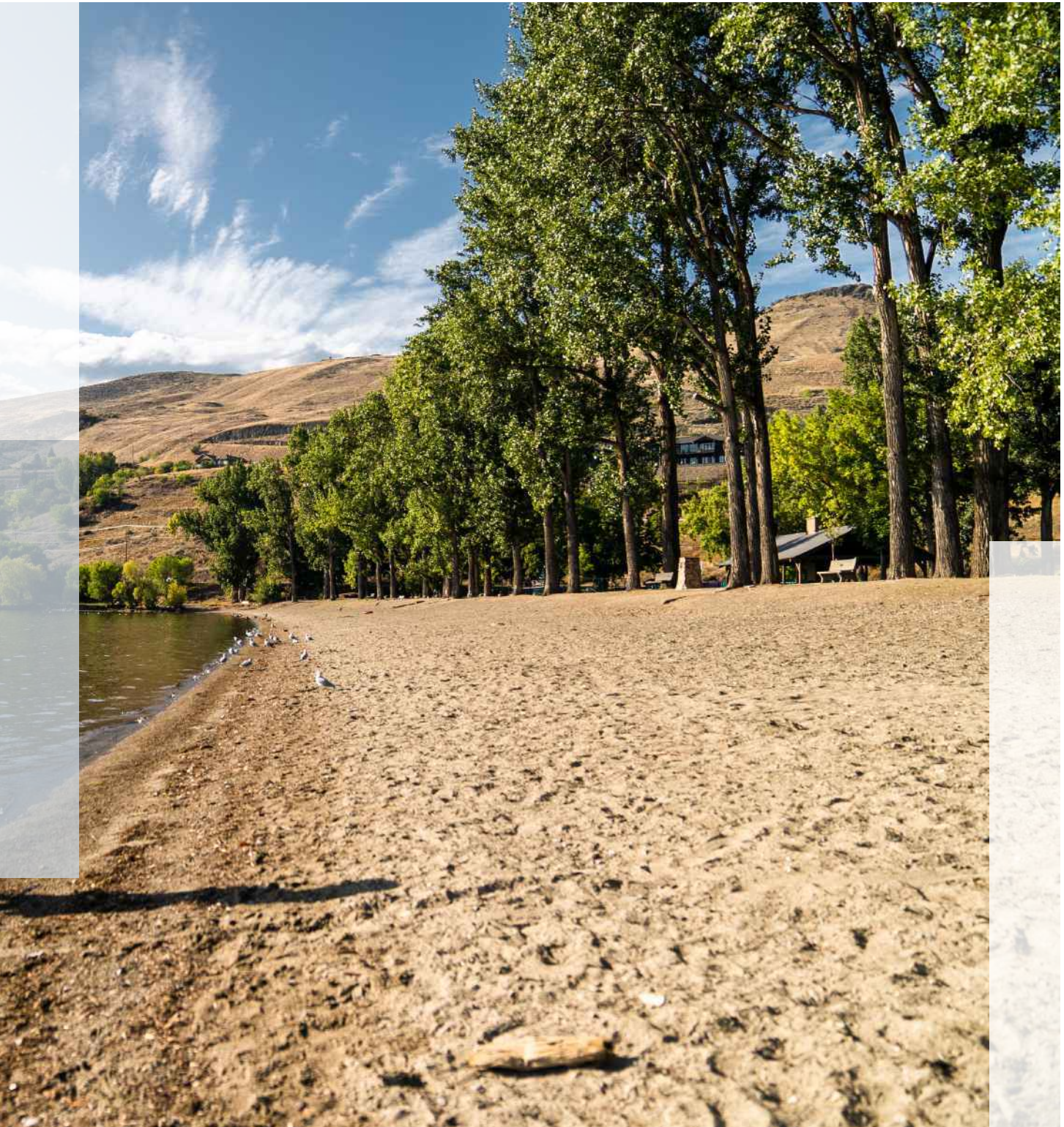


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VERNON CITY COUNCIL



Mayor Victor Cumming

mayor@vernon.ca

Mayor Cumming is involved in the following 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
- North Okanagan Regional District Board of Directors
- 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

sanderson@vernon.ca

Councillor Anderson is involved in the following committees:

- 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

Councillor Gares is involved in the following committees:

- Affordable Housing Advisory Committee
- Audit Committee
- Finance and Tax Role Review Panel
- Tourism Commission
- Greater Vernon Chamber of Commerce Liaison
- North Okanagan Regional Library
- Regional Growth Management Committee
- School District No. 22 – Revenue Generation/ Service Efficiency Review Committee
- Vernon Winter Carnival Liaison



Councillor Kelly Fehr

kfehr@vernon.ca

Councillor Fehr is involved in the following committees:

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



Councillor Dalvir Nahal

dnahal@vernon.ca

Councillor Nahal is involved in the following committees:

- North Okanagan Regional District Board
- Columbia Shuswap North Okanagan Regional Hospital Board
- Arts Council of North Okanagan
- Kelowna Airport Advisory Committee
- Regional Agricultural Advisory Committee



Councillor Akbal Mund

amund@vernon.ca

Councillor Mund is involved in the following committees:

- 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



Councillor Brian Quiring

bquiring@vernon.ca

Councillor Quiring is involved in the following committees:

- 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

June 8, 2021



On behalf of Council, it is my pleasure to present to you the 2020 Annual Report. As we all know 2020 was a year unlike any other in our life time. It started as usual with a strong first quarter for our City, including operation of municipal services and the public and private sectors replacing and constructing new buildings and infrastructure. Then the COVID 19 pandemic hit Canada, our province and our City immediately impacting almost everything, including the City needing to temporarily lay off a large number of staff primarily in our recreation services. But we stayed open and successfully operated the systems that our residents, businesses and visitors depend on.

You will see in this report, despite the Health Order restrictions many accomplishments have been realized during 2020. Large visual projects were the reconstruction of 32nd Ave. from 33rd St. to 35th St., Polson Park multi-use path upgrade to connect from 30th Street through Polson Park to 14th St. and Kalamalka Lake Road, 15th Ave. reconstruction from Highway 97 to Vernon Creek, multi-use path from Brooks Lane to Paddlewheel Park and the High Strength Waste Conveyance

Line from 30th Street and Highway 6 to the Vernon Water Reclamation Center, done with horizontal drilling minimizing the impact on 25th Ave. There were many – not so visual – completions of rebuilt water lines, sewer lines and stormwater drainage systems that are critical to minimizing emergency maintenance and reinvestment in underground systems. Completed capital works projects equaled \$19.4 million.

Development started off strong in 2020, then retracted before activity levels rebounded by the middle of the year with building permits reaching \$104.2 million down from \$127 million in 2019 impacted by the second quarter's retraction. Residential units constructed still reached 331. The vacancy rate, already low at 1.9% (2019) fell to 1%. Substantial commitments were secured from the Province for new subsidized housing units by local not-for-profit organizations which is expected to double the number of these needed units in the City.

The Municipal Regional District Tax (MRDT), which provides marketing funds based on hotel room revenue, was down significantly in 2020 based on the travel restrictions, decreasing the resources available for tourism marketing coinciding with the need to curtail marketing.

Our Finance staff were presented with the 2020 Distinguished Budget Presentation and 2019 Financial Reporting awards once again. Our Community Infrastructure team won a national award in the asset management category of FCM's Sustainable Communities Awards for the new Lidar based Drainage Infrastructure Prioritization Plan improving significantly the City's ability to plan and engineer for storm water events. To improve dust related air quality issues, a vacuum sweeper was purchased with expected delivery in the spring of 2021. The City also continued to find ways to decrease its greenhouse gas production by purchasing another cost effective electric car, upgrading the Recreation Centre pool filter system, replacing the Recreation Centre's boilers with more efficient ones, replacing the lighting at Kal Tire Place with LEDs and installing a REALice system at the Pleasant Valley Arena lowering water heating requirements. Our Climate Action Plan was approved in principal by Council with actions planned for 2021 based on the plan to be fully adopted next year. The City has been successful in many other ways, including continuing to get Bylaw and RCMP to be more visible in the downtown core.

Council continues to move forward with its 2019-2022 Strategic Plan, while remaining responsive to its citizens, businesses and community leaders. It's with pride that I congratulate Administration on another great year of hard work, dedication, commitment to our community and successful operations under very unusual circumstances.

A handwritten signature in black ink that reads "Victor I. Cumming". The signature is stylized with a large, sweeping 'V' and a cursive 'C'.

Victor I Cumming
Mayor

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

June 3, 2021



2020 will be a year remembered by all as one of many challenges. A microscopic virus created a global pandemic, shaking the world economy, halting international tourism travel, and disrupting local business.

As of June 3, 2021, there have been 12,488 confirmed cases of COVID-19 in the Interior Health region.

The BC Government has implemented a far-reaching vaccination program resulting in a drop of new confirmed cases. There is a collective sigh of relief that our local economy is re-opening and on the path to recovery. Health professionals across the Province have done a remarkable job serving those in need. Health Authorities have been encouraging British Columbians to be part of the solution and get vaccinated so we can all return to normal.

2020 was tough. Many local businesses were heavily impacted; the tourism service sector, accommodation and restaurants in particular. The impact of COVID-19 has been varied across the business and subsequently employment sectors. Many businesses adjusted quickly and some sectors fared well through the pandemic.

Services provided by the City are critical to a functioning, safe, livable community. Roads must be plowed in winter and repaired in summer; water and sewer services must be functional; police, fire and bylaw services must be delivered. For the physical and mental well-being of all, parks and open-spaces must be available and those in-need must have access to support services. Council must continue to function to lead the community and continue to set sound policy direction.

The City of Vernon remained open for business throughout 2020, delivering normal business services on the regular schedule and core services (police, fire, roads, utilities, etc.) each and every day. Recreation Services were required by Public Health orders to close facilities and halt programming for a period of time. Once permitted, Recreation Service staff have gradually re-introduced services.

Service to our public remained our commitment.

During 2020, the City continued with numerous Council directives. Capital improvement and infrastructure life cycle initiatives moved ahead across the City.

Under Council direction the City continued the commitment to build the working relationship with the Okanagan Indian Band, created informational videos for public services, and completed numerous municipal park upgrades. The City purchased a modern street sweeper intended to improve air quality during seasonal street cleaning. The Climate Action Plan was drafted, a community-wide compost program was explored, and the City completed a needs analysis for childcare facilities among many other services.

Based on eight years of effort to get the City's financial house in order, the City readily weathered the financial impact of the pandemic. The City remains in a sound financial position and is appreciative of the *BC COVID Safe Restart* grant issued to rural and urban municipalities across the Province.

The City is well positioned to recover from the global pandemic.

The City of Vernon and the Okanagan Valley remain attractive to regional and international investment. The City is resilient. Our residents and businesses are resourceful. 2020 will be a year remembered by all as one of many challenges. 2021 will be a year of recovery.

A handwritten signature in blue ink, appearing to read 'Will Pearce'.

Will Pearce
Chief Administrative Officer

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

May 31, 2021



In the first quarter of 2020 the City had no idea of the fear that was going to encompass our City, Province and the World as a result of the COVID-19 pandemic. During the year we overcame that fear; we were the only municipality in the area that kept our doors open for business; we kept our capital program rolling along full steam ahead, and we did what had to be done to manage our bottom line. Fortunately, the Province provided a \$5 million one-time grant to assist the City with its lost revenues and additional expenses. As a result, by the end of the year, despite the results of the pandemic, the City was able to keep itself in a healthy financial position.

This report contains the 2020 audited consolidated financial statements, an update of the City's goals and objectives, and various schedules and tables summarizing the year's activities, all pursuant to Section 98 and 167 of the *Community Charter*. The City's 2019 Annual Report was recognized with the Canadian Award for Financial Reporting by the Government Finance Officers Association for the 11th year in a row. The 2020 Annual Report will also be submitted for this award to provide Council and the public with assurance that we continue to meet these international standards.

The City continued to strengthen its net financial position in 2020 as net financial assets reached \$71.9M (2019 - \$69.2M), and cash and investments increased to \$108.8M (2018 - \$105.9M). The City's only outstanding debt is related to its water reclamation centre. The City invested \$19.4M in tangible capital assets which exceeded the cost of amortization by \$7.9M, resulting in an increase in the net book value of tangible capital assets.

Revenues for 2020 totaled \$91.8M (2019 - \$122.6M). The biggest driver for the increase from 2019 to 2020 was a \$33.4M contribution of land and improvements as the City assumed ownership of Kal Tire Place and Kin Race Track lands. In 2020 there were some declines in revenues due to the pandemic and world economy. Government transfers were significantly higher due to the \$5.0M received from the Province (COVID-19 Safe Restart grant). Most reductions in revenues were caused by a decrease in recreation fees, public transit fares, parking fees and interest earned on investments. Expenses for 2020 totaled \$81.5M (2019 - \$81.4M). Savings from unspent expenditures were mostly realized in the Recreation Division as these facilities were shut down for a period of time.

Reserve balances increased overall to \$78.1M (2019 - \$77.0M). Of this balance, \$38.0M (2019 - \$36.0M) is committed to fund projects to be completed in 2021. The existence of unspent budgets at the end of the year will assist the City in addressing unexpected challenges or opportunities presented in 2021.

The Statistical section of the Annual Report shows five-year graphical comparisons of key financial measurements. The City has managed to maintain a healthy financial position. Increasing financial assets provides flexibility for Council when the unexpected occurs. Net book values of tangible capital assets are increasing as we invest more in our capital program. Debt per capita continues to decrease allowing for flexibility in funding future projects. Property assessments are growing as building activity remains strong as does demand to live in our beautiful city.

Congratulations to Council and staff for prevailing through our fears in a world pandemic, holding steadfast to being fiscally responsible, and continuing to provide excellent service and value to our Citizens throughout 2020.

A handwritten signature in dark ink, appearing to read 'Debra Law'.

Debra Law, CPA, CMA
Director Financial Services
Chief Financial Officer

Revenue Policy Targets and Results 2020

The following revenue targets were adopted under the 2020-2024 Financial Plan and are shown with their actual results:

Measure	2020 Target	2020 Actual
Business to Residential Property Tax Rate Ratio	3.20 to 1	2.82 to 1
Taxation Levy Increase for Infrastructure Projects	1.9%	1.9%
Taxation as a Proportion of Total Revenue	50.4%	46.9%
Service Fees as a Proportion of Total Revenue	26.5%	22.5%
Other Revenue as a Proportion of Total Revenue	21.1%	28.7%
Specified Area Parcel Taxes as a Proportion of Total Revenue	Less than 1%	Less than 1%

Capital Asset Surplus 2020*

(in \$1,000's)

Asset Category	Capital Investment	Annual Amortization	Capital Asset Surplus/ (Deficit)	Net Book Value of Disposals	Increase in Depreciable Assets
Buildings	\$ 2,783	\$ (2,063)	\$ 720	\$ -	\$ 720
Vehicles & Equipment	1,966	(671)	1,295	(130)	1,165
Miscellaneous Equipment	(173)	(215)	(388)	-	(388)
Information Technology	34	(292)	(258)	(8)	(266)
Transportation Infrastructure	8,199	(5,776)	2,423	(27)	2,396
Storm Drainage Infrastructure	3,003	(1,087)	1,916	(91)	1,825
Sanitary Sewer Infrastructure	3,114	(1,298)	1,816	-	1,816
Irrigation Water Infrastructure	-	(111)	(111)	-	(111)
	\$ 18,926	\$ (11,513)	\$ 7,413	\$ (256)	\$ 7,157

*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, stakeholders 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 and August, 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/council-agendas.

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 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 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/council-committees.



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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 in the North, to Downtown Vernon and on to Polson Park. You can continue on from Polson Park to Kalamalka Lake and the Rail Trail.

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.

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

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.



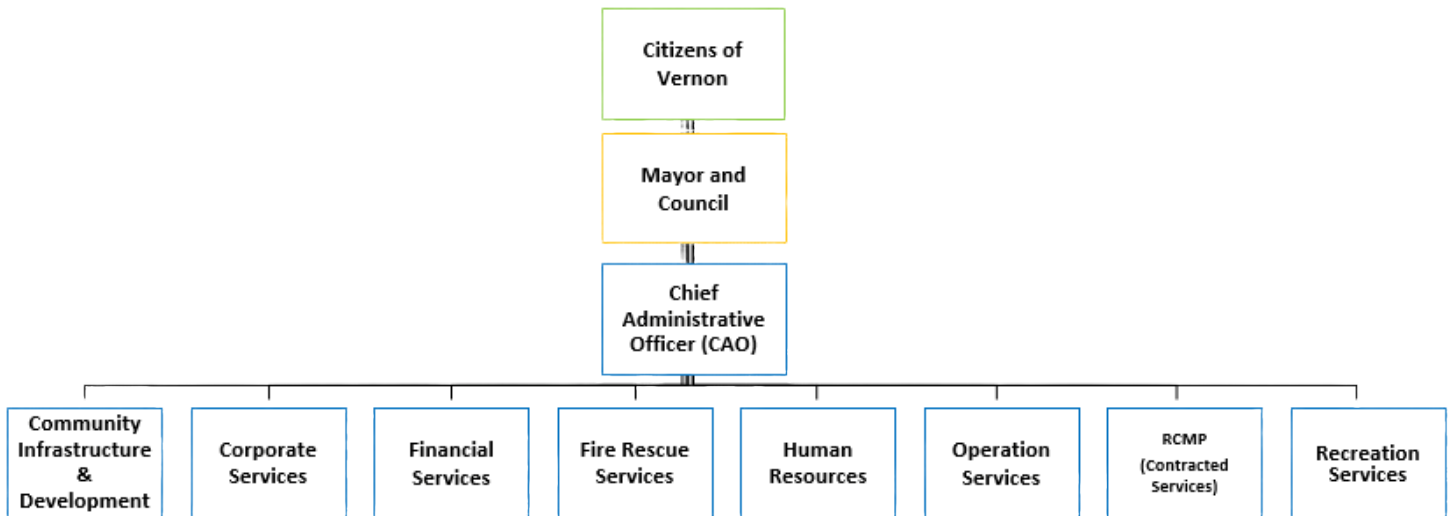
COMMUNITY PROFILE



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



Will Pearce
Chief Administrative Officer
wpearce@vernon.ca



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



Patti Bridal, Director
Corporate Services
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Kim Flick, Director
Community Infrastructure & Development
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Debra Law, Director
Financial Services
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David Lind, Fire Chief
Fire Rescue Services
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Raeleen Manjak, Director
Human Resources
rmanjak@vernon.ca



Chris Ovens, Acting Director
Operation Services
covens@vernon.ca



Doug Ross, Director
Recreation Services
dross@vernon.ca

SERVICES PROVIDED TO RESIDENTS

- Collection authority for other taxing jurisdictions
- Airport operation
- Boulevard and other landscape maintenance
- Building approval and inspection
- Bylaw compliance
- Cemetery operation
- Drainage system maintenance
- Economic development
- Emergency preparedness planning and coordination
- Engineering services
- Environmental protection services
- Fire rescue protection
- Garbage and yard recycling services
- Legislative (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
- 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
- Traffic signal operation
- Water systems operation on behalf of the Regional District of North Okanagan

ACTIVATE LIFE



CITY OF
Vernon

COUNCIL'S STRATEGIC PLAN

2019 – 2022

UPDATE — MARCH 2021

CITY'S MISSION STATEMENT

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



VERNON CITY COUNCIL 2019 – 2022

Front row: Kari Gares, Victor Cumming (Mayor), Dalvir Nahal

Back row: Scott Anderson, Brian Quiring, Akbal Mund, Kelly Fehr



CONTEXT: March 2021

On March 11, 2020 the World Health Organization declared a pandemic due to COVID 19. In order to contain the spread of the virus, restrictions were put in place. These restrictions have had a significant impact on the global economy. On May 6, 2020, the Province of BC released the BC Restart Plan. The plan provides a phased approach to the reopening of BC's economy.

Throughout the pandemic, the City has remained open for business, one of the few municipalities in the province to do so. With the

exception of closing recreation facilities, the City maintained operations to support the local economy and provide services to our citizens. Safe operating plans have been developed which address WorkSafe guidelines and PHO orders for all work areas and are posted in public view. Throughout this, significant staff resources have been deployed to respond to the pandemic and ensure provincial health orders and guidance are being met to ensure public safety.

The City has been supporting businesses throughout the BC Restart process with a goal of being responsive, nimble and quick. Administration undertook a survey of businesses mid-2020 to identify local needs in light of the pandemic restrictions. Council approved the use of on-street parking spaces and sidewalk areas without a fee or application process, and established 10 minute pick up zones in the downtown.

While development in 2020 started off strong, the initial pandemic lockdown in March significantly impacted building activity for a short time, though it did rebound strong later in the year. Building permits reached \$104.2 million, down from \$127 million in 2019. Residential starts were down in 2020 at 331 units. The vacancy rate fell from 1.9% to 1.0%. January and February 2021 have started out very strong and there is every indication that this activity will continue throughout the year.

The City's core operating budget has been held to a 1.8% or less increase since 2012. This does not include new services directed by Council or the Infrastructure Levy. The City's asset management plan directs renewal projects and new asset management plans are under development for parks and civic facilities. Staff turnover and vacancies have hampered service delivery in some areas, though vacancies were down to 12 corporate wide at the end of 2020.

Spring flooding and wildfires continue to impact Vernon along with other municipalities in the Okanagan Valley. Threat assessment mapping is underway in a Valley-wide effort for Okanagan Lake, while the City is pursuing funding to reduce flood events along the creeks that run through its boundaries. The Climate Action Advisory Committee was struck by Council in 2018 to develop a Climate Action Plan, with plan delivery scheduled for fall 2020.

The Active Leisure Centre Feasibility Study is underway with the hopes of a referendum in late 2020. The development of a new Active Leisure Centre on the Kin Race Track lands is one of Council's top priorities for its term.

Although the full economic impacts of the global pandemic are unknown at this time, the City is preparing for significant impacts to municipal revenues. As such, spending has been curtailed wherever possible, impacting Recreation Services (over 100 staff laid off), the Folks on Spokes program, additional seasonal Bylaw staffing and other programs.

Council endorsed Action Plans for 2019 and 2020 to implement the Strategic Plan. This document provides an update focusing on the status of the 2020 Action Plan and providing. In addition, the metrics identified by Council to help track the implementation of the plan have been provided for 2019 as a whole.

At Council's Special Meeting of June 21, 2021, Administration will be seeking Council's direction on the development of an Action Plan for 2022 and overall Budget 2022 guidance, which will inform the development of the budget for Council's consideration in November. An update on the progress of the 2021 Action Plan will be presented at that meeting for Council's information.

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

continued on page 6 

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 release 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 ARE WE STILL WORKING ON?

- Consider residential component to development of the Kin Race Track Lands site
- Complete priority lake access improvements at 8797 Okanagan Landing Road
- Seek Council approval in principle for next three lake access sites
- Develop planning process to update Polson Park Master Plan, for implementation late 2020/early 2021
- Involvement of OKIB in development of Polson Park Master Plan
- Ensure Dog Control bylaw can be implemented through contract with RDNO

WHAT DO WE STILL HAVE TO GET TO?

- Conduct the planning process for Kin Race Track Lands incorporating the results of the Recreation Feasibility Study
- Purchase Event Deck dry floor for Kal Tire Place North that can be used for trade shows and events and as a sub floor beneath a sport flooring system for dry floor sporting events

- Consultation, planning and funding required for Kin Race Track Lands prior to construction
- Complete Canadian Lakeview Estates upgrades, Pottery Ravine Park improvements, DND Washroom Renovations, Whitecourt to Foothills Place Trail Connections, Civic Park
- Purchase of park land as appropriate
- Dependent on the outcome of the BC-Canada Recreation Infrastructure Grant application, undertake Lakeview Pool revitalization with design work in the spring and begin project with demolition and site prep work in fall
- Involve Electoral Areas B and C in drainage improvement studies and works where impacts are cross boundary
- Continue to implement the recommendations in the Recreation Master Plan
- Request approval of the preferred option for the Active Living Centre by resolution from all Greater Vernon partners (the City of Vernon, the District of Coldstream and Electoral Areas B & C)
- Conduct a public information campaign and working in conjunction with the Regional District hold a referendum on the funding and construction of a new multi purpose Active Living Centre and the renovation and enhancement of the existing Vernon Aquatic Centre in the fall

HOW DO WE MEASURE SUCCESS?



Annual (capital)
investment in Kin
Park and Polson Park

\$3,000 (2018)
\$5,000 (2020)



New off-leash
dog parks

1 (2019)
0 (2020)



Acquisition of
mountaintop natural
park area in acres

5.8 (2019)
0 (2020)



Number of lake
access sites
developed annually

2 (2018)
1 (2019)
0 (2020)



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 ARE WE STILL WORKING ON?

- Began development process review and assessment of the residential development approval process and identify areas to streamline
- Develop short term rentals policy/bylaw for Council's consideration
- Complete review of impediments to secondary suites, tiny homes and carriage homes

WHAT DO WE STILL HAVE TO GET TO?

- Continue to proactively identify lands to develop affordable housing
- Investigate and pursue opportunities for affordable/attainable housing partnerships, as appropriate

- Work with BC Housing and other agencies on project development
- Complete development process review and implementation, including assessment of residential development approval process and areas to streamline
- Develop public materials to increase awareness of development processes and timelines
- Integrate outcomes of housing needs assessment into Housing Strategy Implementation Plan
- Adopt Housing Strategy Implementation Plan and implement priorities
- Attainable Housing Implementation Strategy and the next Official Community Plan review

HOW DO WE MEASURE SUCCESS?



Increased vacancy rate

1.5% (2018)

1.9% (2019)

1% (2020)



Active Transportation

n/a (2018)

87 (2019)

88 (2020)



Services

n/a (2018)

21 (2019)

24 (2020)



Parks

n/a (2018)

84 (2019)

84 (2020)

% of all homes within 500m of:



	2018		2019		2020	
	Single Family	Multi Family	Single Family	Multi Family	Single Family	Multi Family
Number of new units, by type and neighbourhood						
City Centre	1	8	0	0	0	7
Neighbourhood District	53	215	42	280	46	180
Hillside Residential and Agricultural District	102	73	78	51	56	41
Time to process a building/development permit (weeks)	n/a	n/a	3.99	12.5	3.65	16.5



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
- Increase 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

WHAT ARE WE STILL WORKING ON?

- Continue road and utility upgrade projects radiating from the downtown core including 30th Street to improve and relieve traffic in the downtown
- Identify potential parking lot locations based on parking congestion
- Civic Arena Park consultation and planning (explore parking for the Civic Arena park as a shared use parking lot that serves the park, Visitor Information Centre and the Okanagan Rail Trail)
- Begin construction of Civic Arena Park; tender parking lot work with the 29th/30th St Transportation Corridor Project to save time and money
- Study the feasibility of removing snow in the downtown core using the new sidewalk machine with a high chute snow blower
- CCTV inspect sanitary and storm mains in the downtown including all service lines/catch basin leads to assist with asset management plan



WHAT DO WE STILL HAVE TO GET TO?

- Continue to promote infill and redevelopment opportunities in the City Centre
- Explore other incentive opportunities to encourage building upgrades (e.g. façade improvement grants)
- Increase promotion of Folks on Spokes program through traditional and social media channels
- Host 2024 Fire Chiefs Association conference
- Continued funding of Anti-Tag Team based on a measured success of pilot project through business feedback and reduced visual impact
- Continue collaboration efforts with BC Hydro to identify opportunities to underground overhead wires
- Trial closure of 30th Avenue to vehicular traffic for a period of at least a week

HOW DO WE MEASURE SUCCESS?



Annual investment in Downtown public events and amenities

n/a (2018)
\$119,150 (2019)
\$8,578 (2020)



Annual attendance at Downtown public events

n/a (2018)
30,900 (2019)
4,050 (2020)



Private investment in new development and building upgrades

n/a (2018)
\$1.32M (2019)
\$4.3M (2020)



Number of calls for Bylaw Services in the Downtown

1,494 (2018)
1,235 (2019)
924 (2020)



Number of calls for RCMP in the Downtown

6,810 (2018)
7,330 (2019)
6,274 (2020)



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

9 (2018)
n/a (2019)
7 (\$1.19M) (2020)

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 (Reserve Management Policy and 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?

- 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
- Developed a coaching program
- 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 ARE WE STILL WORKING ON?

- Construction and commissioning of high strength waste treatment facility at VWRC (anaerobic digester)
- Conveyance line from VWRC to Okanagan Spring Brewery
- Continue to include staff in Climate Action Planning process
- Review development processes and assess residential development approval process and identify areas to streamline
- Develop public materials to increase awareness of development processes and timelines
- Develop an online calendar for mobile vendors
- Ensure appropriate resource allocation and that adequate staffing is in place and available to manage and deal with high volume/gap requirements
- Support initiatives with increased internal communication campaign
- Create Financial Competency Framework to guide staff training in City financial systems
- Update financial policies to reflect contemporary practices: Reserve Management Policy, Purchasing Policy and Investment Policy
- Ensure financial reporting meets all new legislative and public sector accounting standards
- The Learning and Development Framework has been launched and HR is working on the four core objectives that foster capacity building: talent acquisition and retention; respectful, diverse, and inclusive workplace; and an unwavering commitment to a safe and healthy work environment

- Refine and/or redefine a City of Vernon Employee Recognition Program
- Development of a City of Vernon Employee Retention Framework
- Complete roll out and implementation of the Electronic Records Management System (Fire Services is next scheduled)

WHAT DO WE STILL HAVE TO GET TO?

- Registration with Municipal Wastewater Regulations (MWR)
- Use engagevernon.ca for the flood mapping study
- Public engagement for Kin Park and Polson Park
- Zoning Bylaw #5000 Update (e.g. several housekeeping and relatively minor updates)
- Develop internal communication framework to support learning and development activities and promote opportunities for staff
- Development and delivery of Public Speaking and Presentation Workshop
- Create staff training workshops utilizing Financial Competency Framework
- Delivery of HR Literacy (fundamentals) Program
- City of Vernon Values follow-up and launch
- Recommitment to City of Vernon Performance Leadership Planning Process
- Development and Delivery of City of Vernon Module Three Strategic Capacity and Leadership Development Program
- Develop a City of Vernon Talent Acquisition and Retention Framework

- 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 requirements. This is a unique and innovative partnership opportunity to address and capture City of Vernon specific needs using the City of Vernon ACTIVATE Guarding Minds (R) Survey data along with trending research to compliment this approach
- Launch revised and refined City of Vernon Employee Recognition Program
- City of Vernon Annual Day of Mourning Recognition Event
- City of Vernon Annual Employee Wellness Fair
- Provide funding for RCMP to accommodate additional resources to provide for the decrease in service of SE District Operational Communication Centre for taking 'calls' as Vernon Detachment will be responsible for 24 hours per day call taking and file creation.
- Review and implement new sewer rates
- Implementation of pilot project for biomass planting to provide for sustainable feedstock for Regional Biosolids Composting Facility

HOW DO WE MEASURE SUCCESS?

(data not available for 2018)



Number of people engaged in public participation annually

15,728 (2019)
3,634 (2020)



Number of processes reviewed annually

22 (2019)
99 (2020)



Number of staff vacancies (as of December 31, 2020)

13 (2019)
12 (2020)



Number of learning and development opportunities:

Provided to staff by City or City staff

109 (2019)
141 (2020)

Accessed by staff

1,522 (2019)
1,305 (2020)



Number of new on-line applications annually

1 (2019) **5** (2020)

Number of on-line applications received annually

6,183 (2019) **16,087** (2020)



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 ARE WE STILL WORKING ON?

- 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
- Hosted ESS capacity building conference
- Involve a cultural monitor in construction projects to identify objects of cultural and archaeological significance
- Share the Capital Plan with OKIB and RDNO
- Consult with OKIB on the BX Creek project
- Look into naming opportunities of streets and creeks that incorporate First Nations history and culture
- Address outstanding issues related to water meter location, development charges and pending Water DCC Bylaw rate increases
- Connect with RDNO around opportunities to acquire natural parkland in the City as they arise

WHAT DO WE STILL HAVE TO GET TO?

- Host Emergency Program Regional Seasonal Workshop
- Support amalgamation study if brought forward

HOW DO WE MEASURE SUCCESS?



Number of activities between the City and OKIB annually

21 (2018)

19 (2019)

13 (2020)



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

0 (2018)

0 (2019)

0 (2020)

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
- 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 ARE WE STILL WORKING ON?

- Development of Climate Action Plan
- Implement the Step Code for housing into the Building Bylaw



- Update Landscape Standards Bylaw
- Complete drainage studies for south slope catchment area, Tassie Creek, Smith Road
- Complete risk and threat assessment of Vernon Creek (grant funding secured)
- Complete Flood Risk Study with maps to set the basis for future bylaws
- Study the impacts of flooding and drainage and plan for it
- Explore community wide composting program
- Update 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
- Continued implementation of OCP growth strategy to prevent sprawl
- Increase 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
- CARIP grant application to address WUI fuel treatment of City owned lands at Predator ridge
- FireSmart community sessions integrated into Sustainability Events and Climate Action Plan
- Review Tree Protection Bylaw #4152 to better encourage FireSmart practices
- Provide auto extrication equipment
- Purchase Command (Squad 701), forestry/brush (WUI) truck and sprinkler protection unit

WHAT DO WE STILL HAVE TO GET TO?

- Complete implementation of updated Landscaping Standards Bylaw
- Undertake study of Okanagan Lake Shore North drainage area
- Implement findings of Tassie Creek study, Okanagan Lake South Shore Study and Smith Creek Study
- Municipal Wastewater Regulation (MWR) registration

HOW DO WE MEASURE SUCCESS?



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

n/a (2018)

132 (2019)

204 (2020)



Hours of transit
service annually

48,100 (2018)

48,500 (2019)

48,000 (2020)



Number of businesses
in the technology and
manufacturing sectors

116 (2018)

105 (2019)

109 (2020)



Metres of new
sidewalk

1,505 (2018)

740 (2019)

447 (2020)

Metres of new
multi-use path

735 (2018)

815 (2019)

2,310 (2020)



Number of childcare spaces in
the community, by age group

	2019	2020
Birth - 36 months	112	112
36 months - School Age	342	342
Licensed Pre-school	286	270
School Age	466	484
Multi-Age	64	64
Family Child Care	133	134
In-Home Multi-Age	8	8
Total	1,411	1,412



Tonnage diverted
from the landfill,
annually:

Recycling from single
family homes

1,417 (2018)

1,206 (2019)

1,498 (2020)

Organics

n/a (2018)

105,233 kg (2019)

142,202 kg (2020)

Tonnage of GHGs
emitted annually

Corporate

3,639 (2018)

-- (2019)

-- (2020)



Community
(only available every
five years)

309,407 (2019)

2020 ACHIEVEMENTS

SPU Fuel Mitigation & FireSmart Work



In 2020 VFRS purchased a Structural (sprinkler) Protection Unit (SPU). The SPU is a critical piece of apparatus that can be deployed locally and Provincially to protect infrastructure and homes in the case of a wildland fire. The City of Vernon has been successful with multiple FireSmart grants and has been working with contractors to reduce the wildland interface fuel load in higher risk areas of community. In 2020, a significant amount of fuel load risk reduction work was done along the Eastside Road area. Efforts to implement FireSmart principles around the City of Vernon facilities was also achieved and will continue for years to come.

Improved Cycling and Pedestrian Routes



A major upgrade project to the Polson Park and Okanagan Landing road pedestrian and cycling trail completed. Polson Park upgrades included new asphalt, the installation of new streetlights and low-level lighting to be added along the boardwalk and path, and additional wayfinding signs to be placed in and around the park.



Major Infrastructure Improvements

A number of major infrastructure projects have been completed across Vernon during the 2020 construction season, including upgrades to underground utilities, roadways, parks, drainage, and active transportation routes. The City of Vernon has a rolling four-year Capital Plan to address asset management and public infrastructure needs. Some of the work completed this year was part of a multi-year project strategy, including the rehabilitation of 48th Avenue and Pleasant Valley Road, and the creation of the new corridor between 29th and 30th Street.

2020 ACHIEVEMENTS

Sustainable Communities Award



The City of Vernon received the 2020 Sustainable Communities Award for exceptional work in the Asset Management category. The awards honour and celebrate the most innovative environmental initiatives in cities and communities across Canada. The recognition comes following the development of a Drainage Infrastructure Prioritization Plan.

City of Vernon Long Service Awards
25 years: Jamie Thomas, Dave Cover
Paul Chirkoff, Dan Walker
30 years: Barend Donker

Green Technology Flush Truck



Public Works department has commissioned a new green technology combination flush truck. It is a combination street flush/ anti-icing/ snow plow/ dust control/ 3000 gallon water tanker that is equipped with fast filling of fire service bladders.

These features will provide a reduction in fuel consumption and a smaller carbon footprint meeting the latest Tier 4 emission standards. A special hydrostatic pump eliminates the need for a second auxiliary engine

2020 Distinguished Budget Presentation & 2019 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 2020 Financial Plan and 2019 Canadian Award for Financial Reporting (CanFr). This award represents a significant achievement by the City. This reflects the City of Vernon commitment to meeting the highest principles of government budgeting and reporting.

COUNCIL REMUNERATION AND EXPENSES

NAME	OFFICE	2020 REMUNERATION		EXPENSES*	
Cumming, Victor	Mayor	\$	93,394	\$	425
Anderson, Scott	Councillor		33,666		-
Fehr, Kelly	Councillor		33,441		-
Gares, Kari	Councillor		33,441		43
Mund, Akbal	Councillor		33,666		50
Nahal, Dalvir	Councillor		33,666		93
Quiring, Brian F *	Councillor		33,666		-
Total		\$	294,939	\$	611

RELATED PARTY AMOUNTS

*MQN Architects, MQN Interiors	\$	2,674	Recreation Facility Renovations
		9,188	Lakeview Pool Design
		13,763	DND Washroom Renovations
	\$	25,624	

EMPLOYEE REMUNERATION AND EXPENSES

EMPLOYEE NAME	2020 GROSS EARNINGS	EXPENSES (NET OF TAX)	EMPLOYEE NAME	2020 GROSS EARNINGS	EXPENSES (NET OF TAX)
Adkins, I.	\$ 93,100	\$ 110	Gaucher, G.	\$ 107,410	\$ 342
Archer, H.	77,208	1,267	Gaythorpe, G.	93,626	551
Bandy, B.	106,335	36	Gellein, D.	106,489	1,405
Barker, C.	102,819	533	Gilroy, C.	106,096	1,392
Beauregard, J.	108,544	213	Grier, C.	81,289	827
Bedard, R.	84,702	380	Harris, K.	88,211	999
Bond, B.	109,035	831	Hawthorne, M.	90,390	99
Borisenko, R.	80,295	1,393	Hemstad, S.	134,613	3,554
Bouchard, M.	89,361	184	Holloway, R.	81,396	742
Bowness, T.	79,084	3,424	Holman, K.	81,655	915
Box, H.	84,969	380	Holtz, C.	76,976	937
Bradley, J.	101,185	837	Imrich, D.	132,428	466
Bridal, P.	168,204	170	Irwin, S.	115,904	952
Bridge, S.	85,306	380	Jacobson, K.	92,166	-
Briggs, G.	81,225	1,139	Jameson, K.	85,437	342
Broadbent, A.	79,723	-	Keast, M.	86,665	6,751
Broderick, C.	114,428	1,357	Keenan, T.	110,211	496
Browne, R.	88,844	417	Koenig, S.	75,558	438
Calder, S.	84,093	372	Kozin, S.	102,528	487
Carter, B.	86,397	282	Kruysifix, D.	110,605	1,083
Cecchini, D.	135,456	988	Kryszak, K.	95,541	1,004
Chew, A.	80,753	5,093	Kulak, C.	126,241	685
Chirkoff, P.	90,069	-	Law, D.	147,989	592
Clarke, C.	130,656	496	Lees, D.	88,477	640
Clary, J.	94,544	2,640	Lefebvre, G.	91,785	37
Clerke, T.	80,129	-	Liefke, C.	77,321	630
Cleverley, C.	90,729	2,772	Lind, D.	166,499	5,025
Cooper, L.	79,899	-	Low, R.	83,891	-
Cordell, L.	104,692	2,601	Luxton, J.	80,564	60
Cover, D.	108,014	282	Manjak, R.	164,441	14,648
Crawford, B.	107,186	895	Markel, M.	93,909	99
Croy, E.	95,907	1,139	Martens, T.	106,989	3,395
Cucheran, R.	121,462	320	Mcdonald, K.	78,483	1,259
Dhillon, K.	103,531	1,511	Mcgiverin, R.	111,310	308
Donker, B.	95,825	73	McLuckie, P.	116,677	2,056
Doorman, J.	101,095	278	Mitchell, S.	92,278	310
Flick, K.	153,639	815	Morrison, N.	79,269	672
Fredin, C.	102,184	304	Mulligan, G.	76,767	633
Fugel, T.	80,962	979	Mustonen, E.	78,196	4,673

Employee Remuneration and Expenses | Continued

EMPLOYEE NAME	2020 GROSS EARNINGS	EXPENSES (NET OF TAX)	EMPLOYEE NAME	2020 GROSS EARNINGS	EXPENSES (NET OF TAX)
Nadeau, D.	\$ 102,331	\$ 466	Seymour, L.	\$ 129,035	\$ 9,887
Nuriel, R.	97,742	675	Sheel, C.	110,364	7,656
Olson, G.	87,332	-	Sibilleau, D.	107,327	470
Olson, M.	106,651	1,225	Sissons, D.	82,926	567
Ovens, C.	124,962	352	Stoll, M.	111,728	486
Parker, R.	94,105	1,644	Story, B.	92,643	658
Parsons, B.	124,508	496	Stowards, B.	81,195	818
Patterson, S.	88,492	1,573	Stranks, E.	118,493	-
Pearce, W.	239,851	1,016	Strobel, R.	107,518	1,421
Pearson, J.	107,854	1,045	Stuart, A.	110,834	1,104
Poirier, C.	89,307	2,559	Sturgeon, D.	95,286	610
Poole, K.	120,555	2,598	Sykes, A.	84,633	470
Powell, R.	78,763	358	Taylor, D.	89,423	875
Price, E.	80,289	1,020	Thomas, J.	95,611	603
Pshyk, S.	104,766	468	Thompson, G.	85,370	380
Reich, A.	118,255	308	Toopitsin, H.	94,408	233
Reichlin, G.	106,187	1,044	Van Der Gulik, A.	82,326	75
Rice, J.	95,451	65	Van Dyke, W.	88,213	168
Robar, S.	86,058	1,389	Vienneau, R.	82,758	-
Robinson, C.	121,260	466	Wakefield, D.	126,677	588
Robinson, D.	83,826	1,015	Walker, D.	125,717	2,250
Roemer, D.	78,648	846	Walker, L.	83,892	36
Roesler, D.	91,264	393	Wanner, B.	77,869	-
Ross, D.	161,437	26	Watson, A.	118,092	603
Satchell, K.	110,801	82	Wright, D.	79,568	-
Saunders, S.	79,802	1,778	Wright, S.	91,785	-
Schikowski, T.	91,061	325	Wycott, C.	82,058	563
Scott, T.	95,150	473	Zubick, R.	80,693	378
Sengotta, R.	84,677	213			
			Total	13,545,699	149,476
			All Employees Under \$75,000	11,692,374	78,324
			Grand Total	\$ 25,238,073	\$ 227,800

Total gross earnings differs from the total wages included in the City's Consolidated Statement of Operations due to employer portions of salary 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 2020 for which severance payments commenced in 2020.

Number of Severance Agreements: One
Range of equivalent's months pay: Six months

Approved by:  Dated: May 25, 2021
Director, Financial Services

Approved by Council:  Dated: May 25, 2021
Mayor

STATEMENT OF GUARANTEES

In accordance with the requirements of the *Financial Information Act* below is a summary of Guarantees in effect for the year 2020. The City of Vernon has issued an irrevocable letter of credit in favour of the Agricultural Land Commission (ALC) as a guarantee to fund works required by the ALC as a condition of a property being removed from the Agricultural Land Reserve. The amount of the guarantee is \$716,000. As of December 31, 2020 no drawing on the letter of credit has occurred.

Approved by:  Dated: May 25, 2021
Director, Financial Services

Approved by Council:  Dated: May 25, 2021
Mayor

PAYMENTS TO VENDORS IN EXCESS OF \$25,000

VENDOR NAME	2020	VENDOR NAME	2020
0765507 BC LTD	\$ 76,322	Corporate Express	\$ 46,847
0872355 BC Ltd DbA Speedpro Signs	43,770	Dawson International Truck Centres	56,772
0887624 BC LTD	69,515	Destination Think Professional Services Inc	102,083
0942304 BC Ltd	60,900	Devon Transport Ltd	39,707
1122820 BC LTD	72,311	District of Coldstream	48,545
1 & 2 Electric Ltd	46,893	Downtown Vernon Association	481,108
6-4 Building Maintenance Ltd	187,940	Drive Products Inc	26,334
A & D Asphalt Solutions Ltd	299,015	Duffin, Francis	28,223
A & G Supply Ltd	130,999	Durning Directions & Services Ltd	46,841
Accurate Fence & MFG	30,613	Dynamic Asphalt Services Inc	94,463
Accu-Sweep Services Ltd	43,315	EB Horsman & Son Ltd	131,976
Advantage Asset Tracking Inc	50,799	Econolite Canada Inc	203,980
Aecom Canada Ltd	239,732	EMCO Corporation	52,758
Alpha Omega Security Ltd	36,498	EMPS Electric Motor & Pump Service Ltd	82,194
American Professional Management Services Inc	68,250	Esolutions Group LTD	25,545
Andrew Sheret Ltd	182,237	ESRI Canada Limited	142,951
Aqua-bility Projects Ltd	46,535	Evergreen Building Maintenance Inc	51,151
Associated Environmental Consultants Inc	131,809	Evoqua Water Technologies Ltd	56,805
Associated Fire & Safety Group Inc	37,068	Executive Flight Centre Fuel Services	306,070
ATS Electric & Technical Service LTD	123,745	Falcon Engineering Ltd	59,331
ATS Traffic British Columbia LTD	41,116	Faulknerbrowns Architecture Inc	112,587
Bannister Chev-Olds Inc	36,062	Fisher's Hardware Ltd	25,394
BC Assessment Authority - Taxation	520,722	Fletcher Paine Associates Engineering Ltd	170,759
BC Hydro & Power Authority	2,284,237	Fortis BC	323,733
BC Transit	2,194,947	Franz, Maria Anna	52,830
BD Hall Constructors Corporation	153,501	GBG Rental Inc	275,100
Bell Canada	27,966	General Carbon Corp	81,105
Black Press Group Ltd	74,968	Gilbert Parts Depot	82,399
Blackbird Sevurity Inc	47,240	Goldcliff Electric	29,715
Brentwell Construction LTD	44,638	Gotraffic Management Inc	85,296
Bry-Mac Mechanical LTD	184,120	Grizzly Curb & Concrete Ltd	244,061
Busy Bee Pest Control	39,375	Grounds Guys Landscape	896,065
Canada Post Corporation	66,876	Guillevin International Co	49,110
Canada Safety Equipment Ltd	135,721	Hach Sales & Service Canada Ltd	101,663
Canadian Engineered Products & Sales	89,015	Iconix Waterworks	133,138
Canadian Industrial Pumps LTD	26,901	Innov8 Digital Solutions Inc	27,641
Canadian National Railway Co	299,578	Insurance Corporation of BC	1,845
Canadian Professional Management Services Inc	28,560	Interprovincial Traffic Services Ltd	40,503
Capital H2O Systems Inc	85,050	Ironman Directional Drilling Ltd	47,438
Capri Insurance	473,321	J & B Commercial Centre	44,308
Carlisle Developments Inc	303,055	J.J. Mackay Canada Ltd	224,664
Caro Analytical Services	56,070	Jassi Holdings Ltd	27,935
Castle Fuels LTD	27,487	Jaydon Thiessen Electric	66,881
CDW Canada Inc	138,177	Kal Tire Ltd	46,495
Centralsquare-Vadim Computer Management	31,697	Kalamalka Security & Investigations	38,208
CGL Contracting Ltd	4,630,587	Kelowna Hyundai	43,685
Chances Bulk Unloading Ltd	88,904	Kelownas TNT Trucking Ltd	138,524
Chapman Industries LTD	1,985,772	Kendrick Equipment Ltd	516,794
City of Kelowna	1,218,646	KGC Fire Resuce Inc	65,295
CJIB FM - 107.5 Beach Radio	32,970	Kon Kast Products	53,541
CK Vernon Construction LTD	41,871	Kosmina Road Holdings Lts C/O Oballa Realty	40,604
Cleartech Industries Inc	88,554	KPMG LLP T4348	40,845
Commercial Aquatic Supplies - DB Perks & Associates	98,519	KTI Limited	110,375
Community Energy Association	108,946	Lafrentz Road Marking-Div of Cdn Road Builders	300,900

Payments to Vendors in Excess of \$25,000 | Continued

VENDOR NAME	2020	VENDOR NAME	2020
Laing Roofing Ltd	\$ 53,391	SCP Distributors Canada Inc	\$ 296,439
Lakeside Development Corp	55,999	Scuka Enterprises Ltd	114,122
Lawson Engineering & Developmemt Services Inc	142,685	Seal Tec Industries Ltd	230,659
Leko Pre Cast Ltd	38,392	Sel Surveys/Douglas R Jacobi	265,385
Lidstone & Company	245,267	Sherine Industries Ltd	35,009
Links Lawn & Yard Services	101,505	Shaw Cablesystems Gp	45,825
Load & Go Junk Removal Services Inc	25,538	Silver Pine Estates	41,805
London Drugs	52,443	Smith Cameron Process Solutions Inc	61,984
Maddox W E	28,238	Social Planning Council for the North Okanagan	70,745
Manulife Financial	1,503,289	Softchoice Lp	73,185
Mcelhanney Ltd	374,944	Source Office Furniture & Systems Ltd	29,440
Mearl's Machine Works Ltd	31,944	Special T Cleaning Ltd	45,510
Metro Motors Ltd	49,504	Sproing Creative	50,208
Minister of Finance	7,299,604	Stantec Consulting Ltd	623,472
Modern Energy Management Ltd	65,122	Sun Life Financial	45,000
Monaghan Engineering & Consulting Ltd	498,465	Suncor Energy Products Partnership	459,451
Montsion, Kari	42,474	Sunset West Mechanical Ltd	222,792
Mountain Rock Stabilization Services	222,241	Super Save Disposal Inc	92,918
MTS Mobile Pressure Wash	26,294	Telus Communications Inc	117,605
Municipal Insurance Assoc of BC	323,750	Telus Mobility Cellular Inc	107,964
Municipal Pension Plan	4,517,746	Temptasian Restaurant Ltd	55,977
N O Columbia-Shuswap Regional Hospital	4,171,119	Tetra Tech Canada Inc (EBA Inc)	75,942
Nokomis Landscaping Ltd	130,515	The Web Advisors	33,493
Nor-mar Industries Inc	27,552	Total Flooring Concepts Ltd DBA NuFloors	45,391
Northwest Hydraulic Consultants Ltd	225,324	Twisted Mops Cleaning Company	78,254
Nor-Val Rentals Ltd	29,594	Unifirst Canada Ltd	38,244
Oakcreek Golf & Turf LP	33,884	Urban Heights Holding Vernon Ltd	26,058
Okanagan College	48,210	Urban Systems Ltd	134,735
Okanagan Regional Library	1,905,605	Veolia Water Technologies Inc	1,363,598
Okanagan Restoration Services Ltd	65,096	VDACL	112,817
Okanagan Traffic Control Professionals Inc	45,775	Vernon Civic Employees Union - Local 626	274,267
O'Keefe Ranch & Historical Society	100,000	Vernon Curling & Athletic Club	57,957
Omega Communications Ltd	55,480	Vernon Firefighters Association Local 1517	126,506
Organized Crime Agency of BC	30,388	Vernon Lock And Safe	33,374
Perfectmind Inc	25,438	Vernon On Site Fencing Ltd	182,460
Petrovalue Products Canada Inc	249,426	Vernon Paving Ltd	582,084
Postill Nixon Earthworks	1,568,526	Vimar Equipment Ltd	720,315
Predator Ridge Limited Partnership	62,978	VVI Construction Ltd	53,243
Pyramid Excavation Corporation	2,284,322	Wasp Manufacturing Ltd	146,479
Quality First Homes Ltd	96,151	Waste Connections of Canada Inc	1,919,651
R E Postill & Sons Ltd	370,718	Waterhouse Environmental Services Corporation	123,530
R L Walker Contracting Ltd	244,321	Western Equipment Ltd	32,543
R W Gray Consulting Ltd	29,043	Western Road Distribution Inc	65,146
R355 Enterprises Ltd	1,506,598	Westridge Quarries Ltd	44,747
Receiver General for Canada	15,953,367	Wise Wildlife Control Service	43,038
Regional District of North Okanagan	25,956,806	Wise Wood Tree Care Ltd	29,747
Restorative Justice Society of North Okanagan	44,858	Wishbone Industries Ltd	57,602
Ricoh Canada Inc	50,651	Wolseley Waterworks Group	108,813
Rider Ventures	76,531	Woodland Equipment Inc	305,474
Rjames Management Group Ltd	26,698	Woodstyle Homes Ltd	269,333
Rocky Mountain Phoenix	79,812	Worksafe BC	476,017
Rocky Mountain Transport Ltd	85,836	WSP Canada Inc	54,415
Rona Inc	27,501	Young Anderson Barristers & Solicitors	189,107
Sandbar Holdings DBA GCR Rail Crossings	44,474		
		Total	106,547,859
		All Other Under \$25,000	12,881,193
		Grand Total Payments to Vendors	\$ 119,429,052

Total payments to vendors do not differ from total expenses for the period as the consolidated statement of operations is based on a cash basis of accounting. Payments to vendors are not capitalized assets, a reclassification of payments to other age groups for accounting purposes.

GRANTS & CONTRIBUTIONS

PAYEE	2020	GRANT TYPE
Barton, Rebecca	\$ 500	Heritage Retention Incentive Grant
BentallGreenOak (Canada) LP ITF Optrust Retail Inc	100,000	Contribution towards secondary transit exchange
Chippendale, Sean	500	Heritage Retention Incentive Grant
Cliffshores Strata Corp K399	309	UBCM CRIP FireSmart Community Funding Grant
Downtown Vernon Association	51,750	Contribution for downtown landscape maintenance
Downtown Vernon Association	22,000	Security Camera Project Grant
KidSport	1,212	Contribution to KidSport
Literacy Society of the North Okanagan	3,000	Council Discretionary Grant
North Okanagan Cycling Society	5,000	Council Discretionary Grant
North Okanagan Gymnastics Society	4,000	Council Discretionary Grant
North Okanagan Optimist Society	3,300	Council Discretionary Grant
North Okanagan Therapeutic Riding Association	5,000	Council Discretionary Grant
O'Keefe Ranch Heritage Society	100,000	Operating Grant
Okanagan Collaborative Conservation Program	2,500	Partner Contribution
Okanagan Regional Library	25,802	Sunday Library Opening Grant
Okanagan Screen Arts Society	16,900	Council Discretionary Grant
Power House Theatrical Society	5,000	Council Discretionary Grant
Predator Ridge Community Firesmart	312	FireSmart Community Grant
Regional District of North Okanagan	25,000	Contribution for Commonage Road shoulder widening
Residential Property Tax Payers	906,688	COVID-19 Residential Property Tax Grants
Roze Des Ordons, Jenna	500	Heritage Retention Incentive Grant
Turning Points Collaborative Society	2,760	Community Clean up Grant
University of British Columbia	5,000	One Water Approach Grant
Vernon Community Dental Access Centre	711	Kindness Meter Grant
Vernon Community Music School Association	5,000	Heritage Restoration Grant
Vernon Community Radio Society	2,500	Council Discretionary Grant
Vernon Girls Trumpet Band	6,375	Council Discretionary Grant
Vernon Montessori Society	3,580	Council Discretionary Grant
Vernon Pickleball Association	212,584	Building Enclosure DCC's Grant
Vernon Rowing and Dragon Boat Club	1,000	Council Discretionary Grant
Vernon Senior Citizens Recreational Society	3,000	Council Discretionary Grant
Vernon Winter Carnival Society	16,500	Winter Carnival Grant
Westerra Strata KAS3343	193	FireSmart Community Grant
Total Grants	\$ 1,538,477	

PERMISSIVE TAX EXEMPTIONS

DBA Name	Folio	Civic Address	Total Exemption
Churches and Houses of Worship			
Alexis Park Church	05560.000	3906 35a St	\$ 1,824
All Saints Anglican	00093.000	3205 27 St	5,399
Christian Reformed Church of Vernon	05480.000	3605 12 St	1,466
Church of God of Prophecy	06464.000	4300 Bella Vista Rd	540
Emmanuel Fellowship Baptist	05287.003	3412 15 Ave	3,718
Faith Baptist Church	01975.000	3910 27a St	5,683
Faith Baptist Church	02007.000	3909 28 St	838
First Baptist Church	02997.000	1406 32 Ave	2,019
German Church of God	02264.007	4312 25 St	1,372
Jesus Christ of Latter Day Saints	03709.001	1506 35 St	1,621
Knox Presbyterian Church	00866.000	3701 32 Ave	1,894
Living Word Lutheran Church	07357.550	6525 Okanagan Landing Rd	1,685
N.O. Sikh Cultural Society	03714.025	3800 Commonage Cres	436
New Apostolic Church	02565.020	4203 Pleasant Valley Rd	913
Okanagan Assembly Centre for Jehovah	05287.002	1424 Mission Rd	9,862
Our Lady of Peace	04092.000	3016 37 St	1,108
Peace Lutheran Congregation	06029.001	1204 30 Ave	2,431
Salvation Army Community Church	00844.005	3303 32 Ave	5,411
Slavic Christians of Evangelical Faith	01913.110	2306 40 Ave	918
St James Roman Catholic Church	00517.000	2607 27 St	3,650
St Josaphats Ukrainian Catholic	02546.000	2210 40 Ave	1,347
Trinity United Church	04158.100	3300 Alexis Park Dr	7,099
Ukrainian Greek Othodox Church	01920.010	4105 27 St	2,532
Vernon Alliance Church	02245.005	4301 27 St	2,567
Vernon Alliance Church	02249.000	4305 27 St	1,214
Vernon Alliance Church	02253.000	2601 43 Ave	3,432
Vernon Christadelphian	06099.020	19-2200 40 St	1,664
Vernon Christian Fellowship	02402.000	4507 29 St	2,399
Vernon Christian Fellowship	04451.002	4506 29 St	2,245
Vernon Church of Christ	02534.007	4107 Pleasant Valley Rd	490
Vernon Family Church	03820.005	3508 25 Ave	5,885
Vernon Full Gospel Tabernacle	07401.340	5871 Okanagan Landing Rd	1,914
Vernon Gospel Chapel	02563.015	4106 Pleasant Valley Rd	1,542
Vernon Japanese Cultural Society	07433.200	4895 Bella Vista Rd	1,400
Vernon Muslim Assoc	03725.000	3414 17 Ave	1,002
Educational Institution			
PV Christian Academy	02590.001	1802A-1802 45 Ave	8,552
PV Christian Academy	02590.001	1802A-1802 45 Ave	2,389
St James School	00502.000	2700 28 Ave	10,917
Social Services			
Abbeyfield House	03907.001	3511 27 Ave	3,897
Archway Society for Domestic Peace	00570.001	2603 26 St	4,972
Archway Society for Domestic Peace	02464.000	3502 19 St	3,668

Permissive Tax Exemptions | Continued

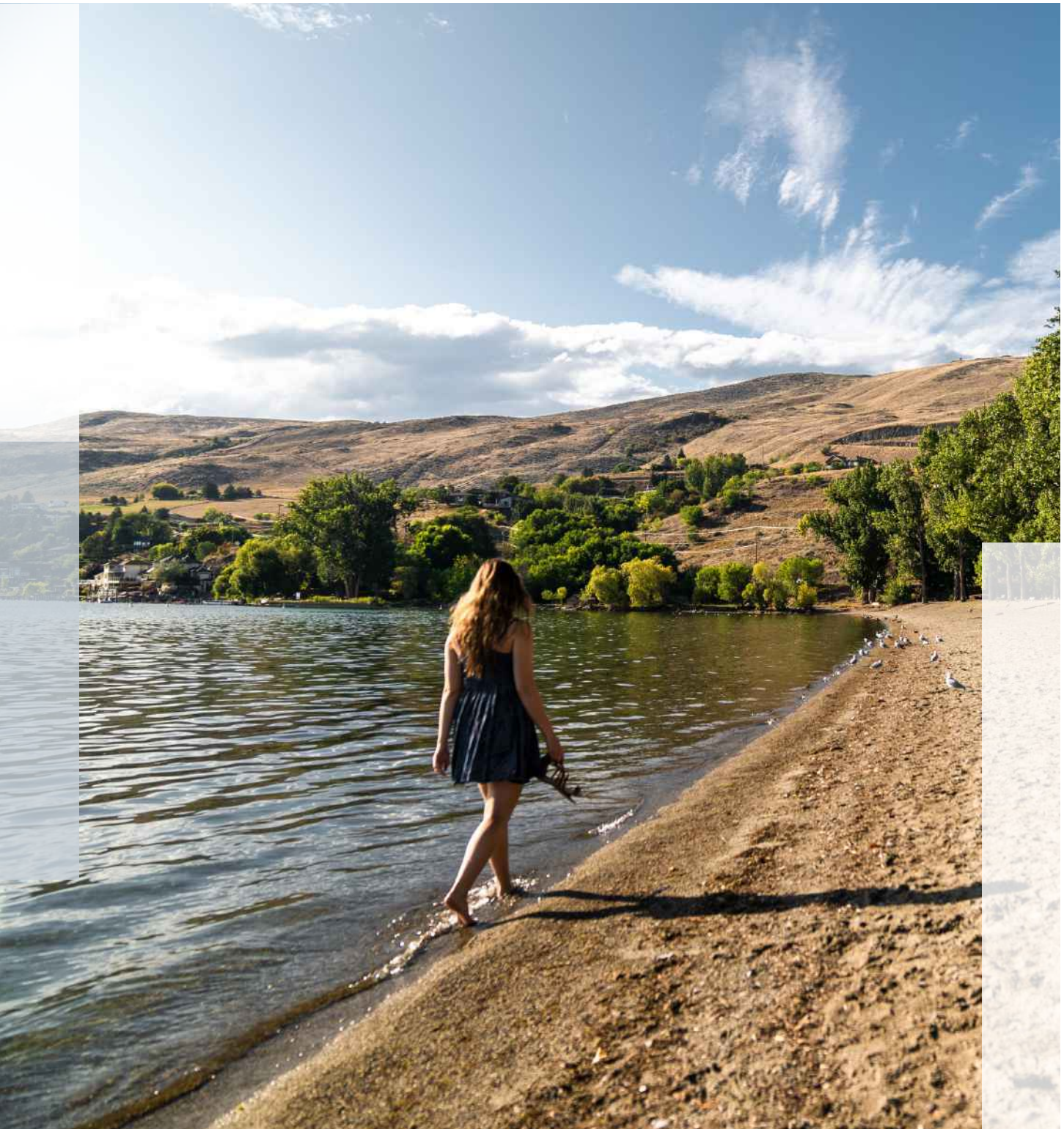
DBA Name	Folio	Civic Address	Total Exemption
Social Services Continued			
Canadian Mental Health Assoc	00090.000	3305 27 St	\$ 1,542
Canadian Mental Health Assoc	01399.000	3003 28 Ave	1,396
Canadian Mental Health Assoc	01445.000	3100 28 Ave	20,530
Canadian Mental Health Assoc	03384.000	3405 Okanagan Ave	1,829
Canadian Mental Health Assoc	03821.006	3605 24 Ave	1,982
Canadian Mental Health Assoc	03826.001	3610 25 Ave	2,557
Canadian Mental Health Assoc	04230.001	4206 Alexis Park Dr	5,532
Canadian Mental Health Assoc	04487.034	2201 53 Ave	6,731
Community Dental Access Centre	00980.020	C-3107 31 Ave	908
Good Samaritan Canada	04484.005	4904 20 St	29,321
Good Samaritan Canada	04484.010	4900 20 St	17,181
Kindale Developmental Assoc- Seaton Centre	06133.020	1340 Polson Dr	6,566
Kindale Developmental Assoc	03831.101	1-4100 25 Ave	591
Kindale Developmental Assoc	03831.102	2-4100 25 Ave	1,124
Kindale Developmental Assoc	03831.106	6-4100 25 Ave	591
Kindale Developmental Assoc	05482.010	902 35 Ave	2,585
N.O. Community Life Society	02357.005	2400 46 Ave	10,241
N.O. Community Life Society	02534.071	1307 40 Ave	1,253
N.O. Community Life Society	02563.010	4102 Pleasant Valley Rd	1,767
N.O. Community Life Society	06049.004	3917 13 St	994
N.O. Community Life Society	07090.036	5813 Richfield Pl	1,859
N.O. Friendship Centre Society	01353.000	2902 29 Ave	4,678
N.O. Friendship Centre Society	01355.000	2904 29 Ave	4,093
N.O. Neurological Assoc	01205.000	2802 34 St	35,404
N.O. Neurological Assoc	01207.002	3405 28 Ave	18,967
N.O. Youth & Family Services	00963.000	3100 32 Ave	13,691
N.O. Youth & Family Services	01921.000	4107 27 St	1,525
N.O. Youth & Family Services	01922.000	4109 27 St	1,839
Okanagan Comm - Columbus Court	04048.018	3003 Gateby Pl	7,524
People Place	01552.105	3402 27 Ave	28,315
People Place	01552.110	3400 27 Ave	5,543
Salvation Army - North Thrift	04490.010	1-5400 24 St	17,182
Salvation Army D/Town Thrift	01382.000	3102 29 Ave	6,290
Schubert Centre Society	04048.040	3505 30 Ave	22,249
Turning Points Collaborative	01578.001	3301 24 Ave	5,408
Upper Room Mission	01538.000	3405 27 Ave	2,252
Upper Room Mission	01539.000	3403 27 Ave	9,298
V&D Community Land Trust Society	03859.000	3502 27 Ave	6,326
V&D Hospice Society	03856.001	3506 27 Ave	5,444
VDACL - 23 St Venture Training	02672.002	4607 23 St	6,825
VDACL - 26 St Group Home	00060.000	3307 26 St	2,162
VDACL - 3601 36a St Group Home	04159.021	3601 36a St	1,485
VDACL - 39 St Group Home	03959.000	2803 39 St	1,944
VDACL - 4240 Alexis Park Dr	03925.000	3601 27 Ave	4,662
VDACL - Hawthorn House	03787.012	4217 16 Ave	1,444
VDACL- Venture Training	04230.100	4240 Alexis Park Dr	10,523
VDACL - Willow House	06011.000	1812 22 St	1,491
Vernon Native Housing Project	03805.008	4305 19 Ave	6,707
Vernon Restholm	03917.000	2808 35 St	8,805

Permissive Tax Exemptions | Continued

DBA Name	Folio	Civic Address	Total Exemption
Cultural			
Powerhouse Theatrical Society	01826.010	2901 35 Ave	\$ 7,035
Vernon Music School	02869.000	1705 32 Ave	4,732
Vernon Music School - Coach	02868.000	1705 32 Ave	4,089
Educational			
Allan Brooks Nature Centre	05289.004	250 Allan Brooks Way	2,852
Allan Brooks Nature Centre	05289.004	250 Allan Brooks Way	2,437
Okanagan Science Centre	00635.000	2704 Hwy 6	9,484
Mixed and Unique			
Army Navy & Airforce Veterans	02366.003	2500 46 Ave	3,106
Curling Club	04135.010		32,867
Halina Club	04135.010	3310 37 Ave	6,260
Heronry Protection Covenant	04486.000	5104 20 St	766
Heronry Protection Covenant	04486.000	5104 20 St	819
Heronry - 53 Ave	04487.047	107-2200 53 Ave	100
Heronry - 53 Ave	04487.048	108-2200 53 Ave	100
Heronry - 53 Ave	04487.049	109-2200 53 Ave	100
N.O. Childcare & Montessori	03933.005	2711 38 St	1,655
Ok Boys & Girls Clubs – Teen Junction	01850.002	3104 37 Ave	3,423
Ok Landing Community Assoc	07871.000	7813 Okanagan Land Rd	9,149
Okanagan Boys & Girls	04135.011	3300 37 Ave	9,654
Paddlewheel Park Foreshore	07871.000	7815 Okanagan Landing Rd	1,407
St Johns Ambulance	02676.002	1905-1901 47 Ave	9,756
Sunnyvale Restholm Society	02255.007	4306 25 St	523
Sunnyvale Restholm Society	02255.009	4308 25 St	318
Sunnyvale Restholm Society	02255.015	4304 25 St	1,975
Vernon & Area Pro Life Society	01067.000	3102 31 Ave	2,857
Vernon Pensioners - McCollough	01196.001	3400 Coldstream Ave	3,218
Vernon Pensioners - McCollough	01196.001	3400 Coldstream Ave	2,010
New 2020			
Habitat for Humanity Okanagan	03831.105	5-4100 25 Ave	372
N.O. Valley Gleaners Society	02276.001	4405 29 St	1,634
Vernon Book Volunteers Society	06164.047	35-100 Kalamalka Lake Rd	547
			<hr/>
			\$ 606,317

DBA Name	Folio	Civic Address	Total 2020 Exemption
Revitalization Tax Exemption			
Tax Exemption Granted: 2014-2023			
0821153 BC Ltd	01072.011	1 - 3126 31 Ave	1,659
0821153 BC Ltd	01072.012	2 - 3126 31 Ave	1,956
0821153 BC Ltd	01072.013	3 - 3126 31 Ave	408
0821153 BC Ltd	01072.014	4 - 3126 31 Ave	3,491
0821153 BC Ltd	01072.015	5 - 3126 31 Ave	3,366
0821153 BC Ltd	01072.016	6 - 3126 31 Ave	3,414
0821153 BC Ltd	01072.017	7 - 3126 31 Ave	3,357
Ortho Terra Holdings	002036.011	1 – 4010 27 St	3,165
Ortho Terra Holdings	02036.012	2 – 4010 27 St	1,218
Ortho Terra Holdings	02036.013	3 – 4010 27 St	3,165
Rex Corvelay Inc	01408.000	2801 32 St	95
			<hr/> 25,294
Tax Exemption Granted: 2015-2024			
0944125 BC Ltd	02207.000	4101 32 St	9,734
0976816 BC Ltd	02038.005	4012 27 St	2,014
Jeruth Holdings Ltd	01528.000	3412 28 Ave	872
			<hr/> 12,620
Tax Exemption Granted: 2016-2025			
Hewitt, Mathew & Robin	02028.012	4077 28 St	694
Screen, Chantal	02028.002	2720 41 Ave	857
Larsen, Sheryl & Richard	02096.010	101 – 4107 29 St	504
Larsen, Sheryl & Richard	02096.020	102 – 4107 29 St	504
Larsen, Sheryl & Richard	02096.030	201 – 4107 29 St	521
Larsen, Sheryl & Richard	02096.040	202 – 4107 29 St	521
			<hr/> 3,600
Tax Exemption Granted: 2017-2026			
Mcdonald, Jill	02028.007	4073 28 Street	821
Froste, Amber	02028.008	4069 28 Street	874
0934088 BC Ltd	01791.005	2710 39 Avenue	22,583
Denoa Holdings Ltd	01703.001	1 - 3705 27 Street	2,215
Denoa Holdings Ltd	01703.002	2 - 3705 27 Street	2,052
Smith, Tod & Gloria	02031.007	3924 28 Street	501
Smith, Tod & Gloria	02031.006	3926 28 Street	562
Smith, Tod & Gloria	02031.004	3928 28 Street	548
Smith, Tod & Gloria	02031.005	3930 28 Street	460
Burke, Chrstopher & Melinda	02028.016	4061 28 Street	984
Martin, Brian & Courts, Camillia	02028.014	4065 28 Street	1,058
			<hr/> 32,659
Tax Exemption Granted: 2018-2027			
1054401 BC Ltd	02211.000	3005 41 Avenue	2,013
			<hr/> 2,013
Tax Exemption Granted: 2019-2028			
Dedora, Taylor & Kimberly	02121.000	4010 31 Street	1,641
Sleeman Breweries Ltd	00482.000	2801 27A Street	70,417
Marten Holdings Ltd	01044.000	2933 30 Avenue	438
			<hr/> 72,058
Tax Exemptions Granted: 2020-2029			
Dedora, Taylor & Kimberly	00944.000	3215 31 Avenue	1,247
The Hamlets at Vernon Residence Inc	01368.010	3050 29 Avenue	69,965
The Hamlets at Vernon Residence Inc	01368.010	3050 29 Avenue	3,836
Zhou, Yu Yu	01706.000	3701 27 Street	5,073
			<hr/> 80,122
Total			<hr/> \$ 228,367

FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

December 31, 2020



THE CORPORATION OF THE
CITY OF VERNON
3400 - 30TH STREET
VERNON, BC V1T 5E6

P:250-545-1361
F: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 are 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 their opinion on the City's financial statements.

A handwritten signature in black ink, consisting of a stylized 'C' followed by a dot.

Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Law".

Director of Financial Services

May 10, 2021



KPMG LLP
3205-32 Street
4th Floor
Credit Union Building
Vernon BC
V1T 5M7
Telephone (250) 503-5300
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INDEPENDENT AUDITORS' 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, 2020
- 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, 2020, and its consolidated results of operations, its consolidated changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.



Emphasis of Matter – Comparative Information

We draw attention to Note 27 to the financial statements (“Note 27”), which explains that certain comparative information presented for the year ended December 31, 2019 has been restated.

Note 27 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

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.

Auditors’ 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 auditors' 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 auditors' 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.

Chartered Professional Accountants

May 11, 2021

Vernon, Canada

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



December 31, 2020 (in thousands of dollars)		2020	2019 (restated)
Financial Assets			
Cash and cash equivalents	Note 2	\$ 59,121	\$ 31,482
Investments	Note 3	49,689	74,430
Accounts receivable	Note 4	17,276	17,127
Loans receivable	Note 5	112	112
Municipal Finance Authority cash deposits	Note 6	333	429
Land held for resale	Note 7	4,254	4,254
		<u>130,785</u>	<u>127,834</u>
Liabilities			
Accounts payable and accrued liabilities	Note 8	32,102	29,433
Deferred charges	Note 9	15,663	16,571
Deferred revenue	Note 10	1,488	1,565
Debt	Note 11 & 12	9,440	10,859
Landfill remediation liability	Note 13	185	178
		<u>58,878</u>	<u>58,606</u>
		<u>71,907</u>	<u>69,228</u>
Net Financial Assets			
Non-financial Assets			
Tangible capital assets	Note 14 & 27	603,947	596,270
Inventory of supplies		493	483
Prepaid expenses		600	657
		<u>605,040</u>	<u>597,410</u>
Accumulated Surplus	Note 15 & 27	\$ 676,947	\$ 666,638
Commitments and contingencies			
Prior period correction	Note 21 & 23 Note 27		

Approved by:

Director of Financial Services

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 Operations
Statement B



		Budget 2020 Note 26	Actual 2020	Actual 2019 (restated)
For the Year Ended December 31, 2020 (in thousands of dollars)				
Revenue				
Taxation	Note 16	\$ 44,883	\$ 44,749	\$ 42,362
Government transfers	Note 17	11,623	16,832	11,281
Services provided to other governments		3,332	3,088	3,199
Sale of services:				
Sewer fees and charges		10,048	10,077	9,840
Environmental health		2,323	2,458	2,347
Recreation fees		2,889	1,335	2,938
Public transit and parking		2,233	1,634	2,299
Fines and rentals		1,286	1,322	1,345
Licences and permits		1,599	1,624	1,892
Airport		1,037	986	1,284
Other		1,139	1,083	1,412
Development fees		134	170	115
Fiscal services:				
Penalties, interest earned and actuarial adjustments		1,757	2,365	3,451
Natural gas system lease agreement	Note 18	-	-	1,832
Developer contributions of assets	Note 14	1,368	4,100	3,551
Other contribution of assets	Note 27	-	-	33,425
		85,651	91,823	122,573
Expenses				
	Note 20 & 25			
General government and common services		10,743	9,752	10,864
Bylaw compliance and parking control		1,543	1,529	1,514
Protective Services:				
Police		13,296	12,849	12,465
Fire rescue		6,833	6,705	6,546
Emergency measures		232	339	205
Planning and building inspection		3,037	2,903	2,695
Engineering		4,960	4,220	3,877
Operations Services:				
Road transportation		17,418	17,014	16,903
Sanitary sewer		12,133	11,437	10,691
Solid waste and recycling		2,017	2,068	1,961
Park services		2,539	2,780	2,569
Storm drainage		1,421	1,567	1,506
Airport		1,175	1,053	1,417
Other		411	566	671
Cemetery		296	284	292
Recreation		8,072	6,448	7,184
		86,126	81,514	81,360
Annual surplus		(475)	10,309	41,213
Accumulated surplus, beginning of year		666,638	666,638	625,425
Accumulated surplus, end of year	Note 15 & 27	\$ 666,163	\$ 676,947	\$ 666,638

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 Change in Net
Financial Assets
Statement C



For the Year Ended December 31, 2020 (in thousands of dollars)		Budget 2020 Note 26	2020	2019 (restated)
Annual Surplus		\$ (475)	\$ 10,309	\$ 41,213
Amortization of tangible capital assets		12,334	11,513	11,421
Net (gain)/loss on sales of assets		-	4	23
Proceeds on sale of tangible capital assets		-	252	13,299
Acquisition of tangible capital assets		-	(18,770)	(9,269)
Acquired tangible capital assets from developers	Note 14	-	(676)	(3,236)
Other acquired tangible capital assets	Note 14 & 27	-	-	(33,425)
		12,334	(7,677)	(21,187)
Consumption of supplies inventories		-	961	977
Use of prepaid expenses		-	1,243	826
Acquisition of supplies inventories		-	(971)	(1,007)
Acquisition of prepaid expenses		-	(1,186)	(791)
		-	47	5
Increase in net financial assets		11,859	2,679	20,031
Net financial assets, beginning of year		69,228	69,228	49,197
Net financial assets, end of year		\$ 81,807	\$ 71,907	\$ 69,228

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, 2020 (in thousands of dollars)	2020	2019 (restated)
Operating Activities		
Annual surplus	\$ 10,309	\$ 41,213
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	11,513	11,421
Net loss on disposal of tangible capital assets	4	23
Developer contributions of assets	Note 14 (676)	(3,236)
Other contributions of assets	Note 14 & 27 -	(33,425)
Increase in landfill remediation liability	7	48
Change in non-cash operating items:		
(Increase)/decrease in accounts receivable	(149)	2,568
Increase/ (decrease) in accounts payable and accrued liabilities	2,669	(381)
(Decrease)/increase in deferred charges	(908)	3,485
(Decrease) in deferred revenue	(77)	(241)
Actuarial adjustments on debt	(588)	(1,657)
Increase in supplies inventories	(10)	(30)
Decrease in prepaid expenses	57	35
Decrease in Municipal Finance Authority cash deposits	96	428
Increase in loans receivable	-	(112)
	<u>22,247</u>	<u>20,139</u>
Investing Activities:		
Net change in investments	24,741	(28,831)
Decrease in land under development	-	494
	<u>24,741</u>	<u>(28,337)</u>
Financing Activities:		
Principal payments on debt	(831)	(1,800)
Gain on retirement of debt	-	(1,059)
	<u>(831)</u>	<u>(2,859)</u>
Capital Activities:		
Proceeds on sale of tangible capital assets	252	13,299
Acquisition of tangible capital assets	(18,770)	(9,269)
	<u>(18,518)</u>	<u>4,030</u>
Increase/ (Decrease) in cash and cash equivalents	<u>27,639</u>	<u>(7,027)</u>
Cash and cash equivalents, beginning of year	<u>31,482</u>	<u>38,509</u>
Cash and cash equivalents, end of year	<u>\$ 59,121</u>	<u>\$ 31,482</u>
Non-Cash Transactions		
Other contributions of assets	\$ -	(33,425)

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, 2020

(tabular amounts in thousands of dollars)

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

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic caused significant impacts to the City's 2020 operations. The pandemic continues to provide uncertainty over the City's future cash flows, and may have a significant impact on the City's future operations. Potential impacts on the City's business could include future decreases in revenue, reduction in investment income, and delays in completing capital project work. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effects of the City is not known at this time.

1. Significant Accounting Policies:

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 recognized on an accrual basis. 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.

d) Cash and Cash Equivalents:

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

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

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) Deferred Charges:

Deferred charges 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. Deferred revenue amounts are included in Accounts Payable and Accrued Liabilities (note 8), Deferred Charges (note 9) and Deferred Revenue (note 10).

i) Debt:

Debt principal payments are not charged against current operating revenue pursuant to PSAS. Interest is recorded on an accrual basis. Gross interest paid on long term debt in 2020 was \$439,000, (\$1,026,000 in 2019). Gains or losses on repayment of debt is recorded in the Statement of Operations.

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 is used. 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 13) 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.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

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) 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, design 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	35 to 60 years
Vehicles	Straight-line	7 to 29 years
Miscellaneous Equipment	Straight-line	10 to 30 years
Information Technology	Declining Balance	40%

n) 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.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

o) 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.

p) 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 accrued liabilities.

q) 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 26).

r) Comparative Figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

s) 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 24).

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

2. Cash and Cash Equivalents:

	2020	2019 (restated)
Restricted:		
Deferred charges	\$ 15,663	\$ 16,571
Deferred revenue	1,488	1,565
Statutory reserves	3,819	3,519
	20,970	21,655
Unrestricted:	38,151	9,827
	\$ 59,121	\$ 31,482

The City has access to an operating line of credit not exceeding \$2.0 million (2019 - \$2.0 million). Interest is accrued based on Bank of Montreal's prime lending rate. As of December 31, 2020, this line of credit was not being utilized (2019- \$0).

3. Investments:

	2020		2019 (restated)	
	Cost	Market Value	Cost	Market Value
Short-term investments	\$ 49,689	\$ 50,103	\$ 51,776	\$ 52,442
Long-term investments	\$ -	\$ -	\$ 22,654	\$ 33,993

4. Accounts Receivable:

	2020	2019
Property taxes	\$ 3,253	\$ 3,313
Utility billings	7,543	7,424
Other governments	3,463	3,328
Trade and other receivables	3,119	3,164
	17,378	17,229
Allowance for doubtful trade accounts receivable	(102)	(102)
	\$ 17,276	\$ 17,127

5. Loans receivable

The City has a loan receivable in the amount of \$111,600 (2019 - \$111,600) 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.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

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 Cash 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, 2020, there were contingent demand notes of \$491,000 (2019 - \$723,000) which are not recorded in the financial statements (note 23(b)). Upon the maturity of a debt issue, the demand notes are released and deposits refunded to the City.

7. Land held for resale:

Land held for resale represents lands the City has committed to be sold, has a plan in place for selling and are in conditions to be sold. The accumulated value of these lands is \$4,254,000 (2019 - \$4,254,000) 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 anticipated to be sold within the next fiscal period.

8. Accounts Payable and Accrued Liabilities:

	2020	2019
Trade accounts payable and other accrued liabilities	\$ 17,414	\$ 15,896
Salaries, wages and related costs	5,858	5,457
	<u>23,272</u>	<u>21,353</u>
Deferred revenue		
Prepaid property taxes	4,684	4,537
Deposits and holdbacks	4,016	3,409
Prepaid fees and charges	130	134
	<u>8,830</u>	<u>8,080</u>
	<u>\$ 32,102</u>	<u>\$ 29,433</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

9. Deferred Charges:

Deferred Charges 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.

	2020	2019
Deferred charges		
DCC - roads	\$ 5,778	\$ 7,027
DCC - storm	2,312	2,065
DCC - sewer	5,211	5,380
DCC - parks	399	14
Works Contributions	1,963	2,085
	<u>15,663</u>	<u>16,571</u>
Deferred charges, beginning of year	16,571	13,086
DCC's levied during the year	2,402	3,943
Works Contributions received	155	70
Investment income	236	317
Contributions available	<u>19,364</u>	<u>17,416</u>
Less: Capital transfers	3,167	520
Less: Operating transfers	534	325
Deferred charges, end of year	<u>\$ 15,663</u>	<u>\$ 16,571</u>

10. Deferred Revenue:

	2020	2019
Recreation Facility Major Maintenance	\$ 1,488	\$ 1,565

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

11. Debt:

	Purpose of Bylaw	Interest Rate %	Year of Maturity	Gross Debt	Sinking Fund Asset	2020 Net Debt	2019 Net Debt
<u>General Purposes:</u>							
4624	Downtown Revitalization	1.80 %	2020	\$ 388	\$ 388	\$ -	\$ 33
4625	Downtown Revitalization	1.80 %	2020	128	128	-	11
4728	Downtown Revitalization	1.80 %	2020	211	211	-	18
4739	Various	1.80 %	2020	4,675	4,675	-	401
				<u>5,402</u>	<u>5,402</u>	<u>-</u>	<u>463</u>
<u>Sewer Purposes:</u>							
4889	Reclaimed Water Line	1.80 %	2020	1,061	1,061	-	91
4680	Treatment Plant Phase I	1.75 %	2027	5,000	2,946	2,053	2,293
4680	Treatment Plant Phase II	2.40 %	2028	2,038	1,103	935	1,028
4791	Water Reclamation Plant	1.80 %	2030	12,556	6,104	6,452	6,984
				<u>20,655</u>	<u>11,214</u>	<u>9,440</u>	<u>10,396</u>
				<u>\$26,057</u>	<u>\$16,616</u>	<u>\$ 9,440</u>	<u>\$ 10,859</u>

12. Future Payments and Sinking Fund Additions:

	Sewer
2021	\$ 527
2022	527
2023	527
2024	527
2025	527
2026 & thereafter	<u>2,238</u>
	4,873
Actuarial adjustments	<u>4,567</u>
	<u>\$ 9,440</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

13. Landfill Remediation Liability

a) 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.

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 1.5% (2019 - 1.5%) and then discounted to the financial reporting date at 1.90% (2019 - 1.90%), 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, 2020 is \$185,000 (2019 - \$178,000), the estimated total expenditures for closure and post-closure care are \$1,633,000 (2019 - \$1,626,000), which leaves \$1,448,000 (2019 - \$1,448,000) remaining to be recognized. The landfill is estimated to have remaining capacity of 851,188 cubic meters (89%) and remaining life of 50 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, 2020 the balance of this reserve is \$378,000 (2019 - \$312,000).

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, 2020

(tabular amounts in thousands of dollars)

14. Tangible Capital Assets:

Cost	December 31, 2019 (restated)		Additions	Disposals / Writedowns	December 31, 2020			
Land	\$	281,714	\$	520	\$	-	\$	282,234
Buildings		87,525		2,783		-		90,308
Vehicles		16,182		1,966		1,449		16,699
Miscellaneous equipment		5,614		(173)		-		5,441
Information technology		3,032		34		59		3,007
Transportation infrastructure		235,918		8,199		135		243,982
Storm drainage infrastructure		79,695		3,003		148		82,550
Sanitary sewer infrastructure		104,580		3,114		-		107,694
	\$	814,260	\$	19,446	\$	1,791	\$	831,915
Accumulated Amortization	December 31, 2019 (restated)		Amortization	Disposals	December 31, 2020			
Buildings	\$	30,114	\$	2,063	\$	-	\$	32,177
Vehicles		8,884		671		1,319		8,236
Miscellaneous equipment		1,464		215		-		1,679
Information technology		2,303		292		51		2,544
Transportation infrastructure		118,248		5,776		108		123,916
Storm drainage infrastructure		25,108		1,087		57		26,138
Sanitary sewer infrastructure		31,869		1,409		-		33,278
	\$	217,990	\$	11,513	\$	1,536	\$	227,968
Net Book Value	December 31, 2019 (restated)					December 31, 2020		
Land	\$	281,714				\$	282,234	
Buildings		57,411					58,131	
Vehicles		7,298					8,463	
Miscellaneous equipment		4,150					3,762	
Information technology		729					463	
Transportation infrastructure		117,671					120,066	
Storm drainage infrastructure		54,586					56,412	
Sanitary sewer infrastructure		72,711					74,416	
	\$	596,270				\$	603,947	

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

14. 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 \$16,547,000 (2019 - \$12,717,000) has not been amortized. Amortization of these assets will commence the year following when each specific asset is put into service. 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

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 \$676,000 (2019 - \$36,661,000) comprised of transportation infrastructure in the amount of \$362,000 (2019 - \$1,194,000), storm drain infrastructure in the amount of \$221,000 (2019 - \$315,000), sanitary sewer infrastructure in the amount of \$92,000 (2019 - \$1,727,000), buildings in the amount of \$nil (2019 - \$20,146,000) and land in the amount of \$nil (2019 - \$13,279,000).

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, 2020 and 2019.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

15. Accumulated Surplus:

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

	2020	2019 (restated)
Accumulated surplus per Statement of Financial Position	\$ 676,947	\$ 666,638
Less:		
Tangible capital assets	(603,947)	(596,270)
Debt	9,440	10,859
Inventory of supplies	(493)	(483)
Prepaid expenses	(600)	(657)
	<u>81,347</u>	<u>80,087</u>
Non-Statutory Reserves		
Budget Carryover Reserve General	6,228	5,407
Budget Carryover Reserve Sewer	87	87
Capital Reserves General	16,014	16,076
Capital Reserves Sewer	7,226	11,242
Operating Reserves General	2,272	156
Tax Equalization Reserves General	6,344	5,383
Tax Equalization Reserves Sewer	15,802	14,263
Special Purpose Reserves	6,723	7,312
Fortis BC Lease Legacy Reserve	13,562	13,586
	<u>74,258</u>	<u>73,512</u>
Statutory Reserve Funds		
Highway Access to Water Reserve	656	645
Land Sale Reserve	445	436
Local Improvement Reserve	901	886
Parkland Reserve	269	244
Recreation Facility Operating Reserve	1,127	1,308
Recreation Major Maintenance Reserve	420	-
	<u>3,818</u>	<u>3,519</u>
Total Restricted Funds	<u>78,076</u>	<u>77,031</u>
Unappropriated Surplus	<u>\$ 3,271</u>	<u>\$ 3,056</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

16. Taxation Revenue:

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

	2020	2019
Specific assessments:		
Residential	\$ 28,563	\$ 26,751
Business	13,508	12,860
Utilities	316	301
Light industrial	519	585
Non-profit	160	152
Farm land	4	4
	<u>43,070</u>	<u>40,653</u>
Payments in lieu of taxes	1,573	1,549
Specified area taxes and other	106	160
	<u>\$ 44,749</u>	<u>\$ 42,362</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

17. Transfers from Other Governments

	2020	2019
Federal government transfers		
Transportation infrastructure	\$ 3,931	\$ 3,782
Storm infrastructure	2,257	298
Sanitary infrastructure	-	236
	6,188	4,316
Provincial government transfers		
COVID Safe Restart	4,997	-
Transit subsidy	2,270	2,341
Hotel tax	757	1,107
Traffic fine revenue sharing	499	475
Casino revenue sharing	342	1,859
Union of British Columbia Municipalities grants	278	69
Transportation infrastructure	231	30
Other transfers	204	98
Keep of prisoners	199	182
Tourism BC	170	25
Emergency Management BC	124	(4)
Carbon tax rebate	84	109
Certificate of Recognition safety program	74	62
Municipal Insurance Agency	21	31
Insurance Corporation of BC	-	56
	10,250	6,440
Other government transfers		
Regional initiatives	149	71
Okanagan Basin Water Board	135	91
Recreational initiatives	110	336
Community development initiatives	-	27
	394	525
Total transfers from other governments	\$ 16,832	\$ 11,281

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

18. Natural Gas System Lease Agreements:

The City had entered into an agreement with BC Gas Utility Ltd. (now known as Fortis BC Gas Inc. and hereafter referred to as "Fortis BC") which resulted in the creation of the Natural Gas Legacy Fund.

a) Leased tangible capital assets:

Under the terms of the agreement, the City entered into a 35-year lease of tangible capital assets commencing December 1, 2002 for the natural gas distribution system within the City boundary. The City prepaid \$23,750,000 of the capital lease obligation and financed the prepayment through debenture debt (Debt Bylaw # 4718, note 11). The remaining obligation, which was included in debt, required the City to make annual lease payments of \$127,884 including interest based on Fortis BC-approved pre-tax weighted average cost of capital of 9.85%.

b) Operating Lease:

The City had entered into a 17-year operating lease that commenced December 1, 2002 whereby the City leased back to Fortis BC the operation of the gas distribution system. Under the operating lease, Fortis BC was obligated to make annual lease payments to the City that were calculated by a formula specified in the agreement which was based on the total annual revenue generated by the transaction. The lease revenue in 2020 was \$nil, (\$1,832,000 in 2019). Based on the terms of the lease, during 2019 Fortis BC exercised their termination option and made a payment to the City equal to the unamortized portion of the City's \$23,750,000 prepayment of the leased tangible capital assets, which was \$12,239,000. The remaining obligation, which was included in debt, was forgiven by Fortis BC in 2019 upon termination of the operating lease, and had a balance of \$1,059,000.

19. Long-term Agreements with the 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 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.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

19. Long-term Agreements with the Regional District of North Okanagan (the "Regional District"): (continued)

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, 2020 was \$6,703,000 (2019 - \$6,518,000), which is not recognized in the financial statements.

c) Recreation Agreements

The City has entered into a 5-year agreement with the Regional District to assume the responsibility for the management and operation of local recreational facilities commencing January 1, 2019. The 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. As at December 31, 2014 the Regional District transferred to the City recreation facilities and land with fair market value approximating \$1,487,000. Facilities and land owned by the Regional District with fair market value approximating \$33,425,000 (2019 - \$47,883,000) were transferred to the City in 2019. 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.

20. Expenses by Object:

	2020	2019 (restated)
Salaries and wages	\$ 29,872	\$ 30,289
Contracted services	19,861	18,596
RCMP contract	9,963	9,672
Amortization of tangible assets	11,513	11,421
Supplies, materials and other	3,336	3,610
Bank charges and net loss on capital assets	549	1,251
Utilities, telephone and insurance	3,986	4,352
Equipment charges	2,434	2,169
	<u>\$ 81,514</u>	<u>\$ 81,360</u>

21. Commitments:

The City has entered into a lease agreement for a transit maintenance facility with BC Transit for 40 years from November 2, 2011 to November 2, 2051 with two 10-year renewal options. The 40-year lease was prepaid in full in the amount of \$1,310,000 upon occupancy by BC Transit of the site and is included in note 8 as an accrued liability.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

22. 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. Although the Fund balance is not included in the consolidated financial statements, all investment earnings during the year are transferred into general revenue as permitted by law.

	2020	2019
Trust Fund Continuity:		
Balance, beginning of year	\$ 880	\$ 848
Interest earned	12	22
Proceeds from plot sales and memorial settings	26	32
Transfers to general fund for maintenance	-	(22)
Balance, end of year	\$ 918	\$ 880

23. 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) MFA 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, 2020

(tabular amounts in thousands of dollars)

23. Contingent Liabilities: (continued)

e) Pension Liability:

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the 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, 2019, the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$2,444,000 (2019 - \$2,391,000) for employer contributions while employees contributed \$2,073,000 (2019 - \$2,033,000) to the Plan in fiscal 2020

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

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

f) Letter 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, 2020, no drawing on the Letter of Credit has occurred (2019 - \$0).

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

24. Segmented Information:

Segmented information has been grouped into related department functions or service areas for segment reporting purposes provided in note 25 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, City Clerk's office, 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, plus fire and rescue and emergency measures 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 stoppers, block watch and safety patrols.
- Fire and rescue services provide fire response, investigation and prevention services within the City's fire department.
- Emergency measures services include a contract to provide services within other jurisdictions of the North Okanagan. This program is responsible for emergency planning within the community and is engaged when more than one individual member may be affected by an emergency situation.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

24. Segmented Information: (continued)

c) Community Infrastructure:

This segment is comprised of community development, planning, building inspections 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.
- Buildings Inspections is responsible for issuing permits for any developments in the City including building permits, rezoning and development permits.
- 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.

d) Operations:

This segment is responsible for the 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.
- Solid waste and recycling services are contracted with the Regional District of North Okanagan.
- 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 the Regional District water services and parks and recreation services.

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, 2020
(tabular amounts in thousands of dollars)

25. Segmented Disclosure:

	General Government	Protective Services	Community Infrastructure	Recreation	Operations Services	Sanitary Sewer	2020	2019 (restated)
Revenue								
Taxation	\$ 44,663	\$	\$	\$ 41	\$	\$ 45	\$ 44,749	\$ 42,362
Sale of services	1,856	179	1,852	2,191	4,534	10,077	20,689	23,472
Government Transfers	8,202	1,149	175	142	7,029	135	16,832	11,281
Contributions assets	-	-	170	-	2,941	989	4,100	36,976
Services to other governments	568	268	182	1,148	415	507	3,088	3,199
Fiscal services	2,358	-	-	-	-	7	2,365	3,451
Natural gas system agreement	-	-	-	-	-	-	-	1,832
	\$ 57,647	\$ 1,596	\$ 2,379	\$ 3,522	\$ 14,919	\$ 11,760	\$ 91,823	\$ 122,573
Expenses								
Salaries and wages	8,480	8,010	4,251	3,054	3,751	2,326	29,872	30,289
Contracted services	1,745	697	2,009	1,103	12,382	1,925	19,861	18,596
Amortization of tangible assets	1,171	326	-	383	6,940	2,693	11,513	11,421
RCMP contract	-	9,963	-	-	-	-	9,963	9,672
Utilities, telephone and insurance	673	233	15	968	1,138	959	3,986	4,352
Supplies, materials and other	(916)	408	739	869	(478)	2,714	3,336	3,610
Equipment charges	126	240	109	44	1,457	458	2,434	2,169
Bank fees and net loss on assets	2	16	-	27	142	362	549	1,251
	11,281	19,893	7,123	6,448	25,332	11,437	81,514	81,360
Excess (deficiency) revenue over expenses	\$ 46,366	\$ (18,297)	\$ (4,744)	\$ (2,926)	\$ (10,413)	\$ 323	\$ 10,309	\$ 41,213

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements

Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

26. Budget Data:

The budget data presented in these consolidated financial statements is based upon the 2020 operating and capital budgets approved by Council on January 27, 2020. The schedule below reconciles the approved budget in bylaw #5794 to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 119,020
Capital budget	<u>11,374</u>
	130,394
Less:	
Transfers from other funds and reserves	11,991
Collections for other governments	<u>32,752</u>
	<u>(44,743)</u>
Total Revenue	85,651
Expenses:	
Operating budget	127,798
Capital budget	<u>16,541</u>
	144,339
Less:	
Capital expenses	16,541
Transfers to other funds and reserves	8,089
Debt principal payments	831
Collections for other governments	<u>32,752</u>
Total Expenses	<u>(58,213)</u>
Annual Deficit	<u>\$ (475)</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements

Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

27. Prior Period Correction:

The City's financial statements for the year ended December 31, 2019 did not include facilities and land owned by the Regional District that were transferred to the City at the end of 2019 at a fair market value of \$33,425,000.

The effect on the period ending December 31, 2019 are increases to tangible capital assets, accumulated surplus, other contribution of assets revenue, annual surplus, acquired tangible capital assets from developers and contributed tangible capital assets. Additionally, notes 14, 15, 19c), 20 and 25 are effected by this transaction.

The effect on the period ending December 31, 2020 is an increase to amortization of tangible capital assets by \$336,000. Additionally, notes 14, 15, 20 and 25 are effected by this transaction.

The financial statements for the period ending December 31, 2019, which are presented as comparative data, have been restated to reflect the transfer of facilities and land. Opening balances for the year ended December 31, 2020 and amortization of tangible capital assets are reported inclusive of this transaction.

	2019	2019 restatement	2019 (restated)
Consolidated Statement of Financial Position			
Statement A			
Non-financial assets	\$ 563,985	\$ 33,425	\$ 597,410
Accumulated surplus	633,213	33,425	666,638
Consolidated Statement of Operations			
Statement B			
Revenue	89,148	33,425	122,573
Annual surplus	7,788	33,425	41,213
Accumulated surplus	633,213	33,425	666,638
Consolidated Statement of Change in Net Financial Assets			
Statement C			
Annual surplus	7,788	33,425	41,213
Other acquired tangible capital assets	-	33,425	33,425
Consolidated Statement of Cash Flows			
Statement D			
Annual surplus	7,788	33,425	41,213
Other contribution of assets	\$ -	\$ 33,425	\$ 33,425

SUPPLEMENTARY FINANCIAL INFORMATION (UNAUDITED)

The Corporation of the City of Vernon
Schedule of COVID-19 Safe Restart Grant spending
(unaudited)



In September 2020 the provincial government announced nearly \$2 billion in joint federal/provincial spending to address challenges placed on local service providers due to the fiscal impacts of COVID-19. Of these funds, \$540 million was for local governments and was split into three funding streams. In November 2020 the third funding stream was announced as 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.

For the year ended December 31, 2020 (in thousands of dollars)		2020
COVID-19 Safe Restart Grant funds received	\$	4,997
Revenue short falls:		
Casino gaming grant		(1,623)
On-street parking fees		(441)
Commercial sewer fees		(298)
Park booking fees		(87)
Surface parking lot fees		(83)
Business license fees		(45)
Increased operating costs:		
Labour		(135)
Disinfection supplies		(103)
Contracted cleaning		(58)
Mobile computers and health screening app		(10)
Furniture and fixtures for physical distancing		(7)
Vehicle rentals and fuel		(4)
Unspent balance of COVID-19 Safe Restart grant, end of year	\$	2,103

STATISTICAL SECTION



Summary of Financial Results

(In \$1,000's)

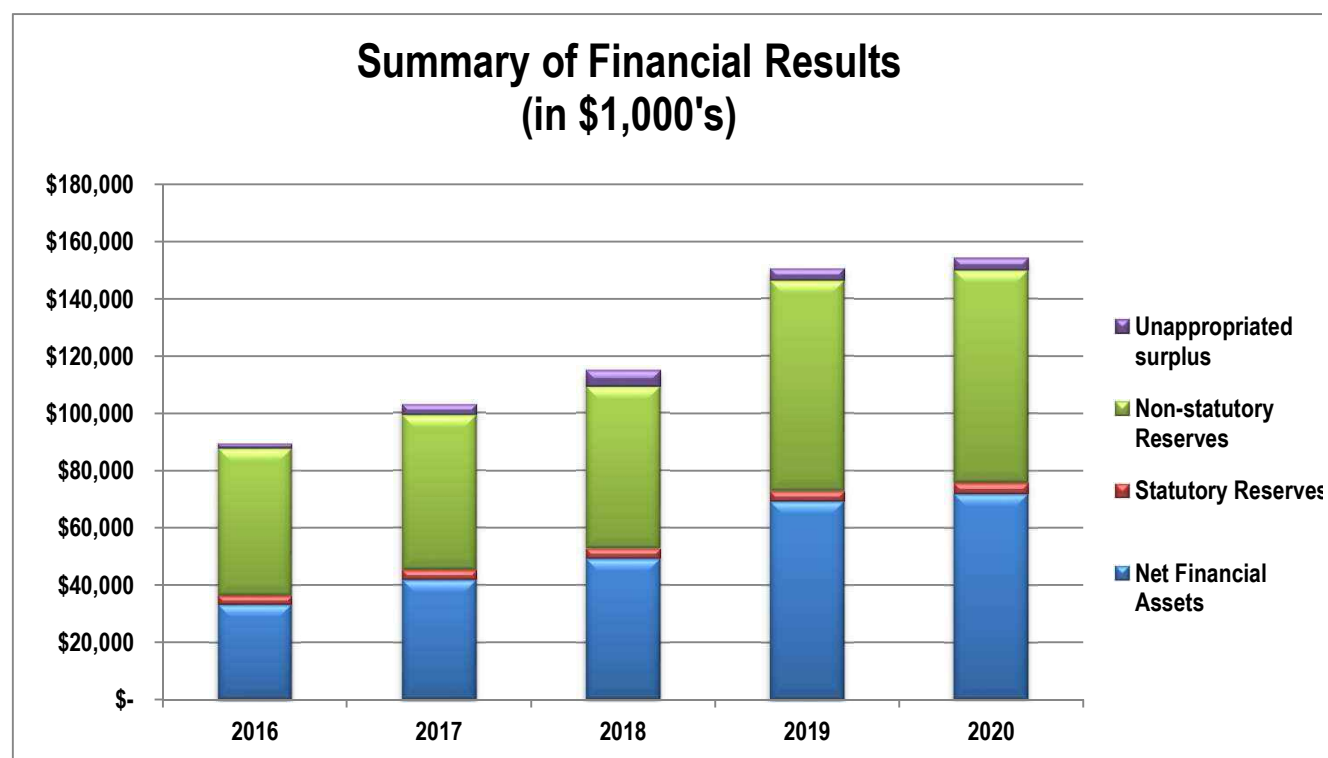
	2016	2017	2018	2019	2020
FINANCIAL POSITION					
Financial Assets	\$ 95,782	\$ 111,923	\$ 109,408	\$ 127,834	\$ 130,785
Liabilities	62,538	70,139	60,211	58,606	58,878
Net Financial Assets (Debt)	33,244	41,784	49,197	69,228	71,907
Non-financial Assets	571,692	571,460	576,228	597,410	605,040
Accumulated Surplus, end of year	\$ 604,936	\$ 613,244	\$ 625,425	\$ 666,638	\$ 676,947

STATEMENT OF OPERATIONS

Revenue	\$ 77,638	\$ 90,233	\$ 94,295	\$ 122,573	\$ 91,823
Expenses	68,999	81,925	82,114	81,360	81,514
Annual Surplus	8,639	8,308	12,181	41,213	10,309
Accumulated Surplus, beginning of year	596,297	604,936	613,244	625,425	666,638
Accumulated Surplus, end of year	\$ 604,936	\$ 613,244	\$ 625,425	\$ 666,638	\$ 676,947

ACCUMULATED SURPLUS

Equity in Tangible Capital Assets	\$ 548,807	\$ 552,009	\$ 559,708	\$ 585,411	\$ 594,507
Statutory reserves	3,040	3,370	3,442	3,519	3,818
Non-statutory reserves	51,411	54,084	56,523	73,512	74,258
Unappropriate surplus	1,678	3,781	5,752	4,196	4,364
Accumulated Surplus, end of year	\$ 604,936	\$ 613,244	\$ 625,425	\$ 666,638	\$ 676,947

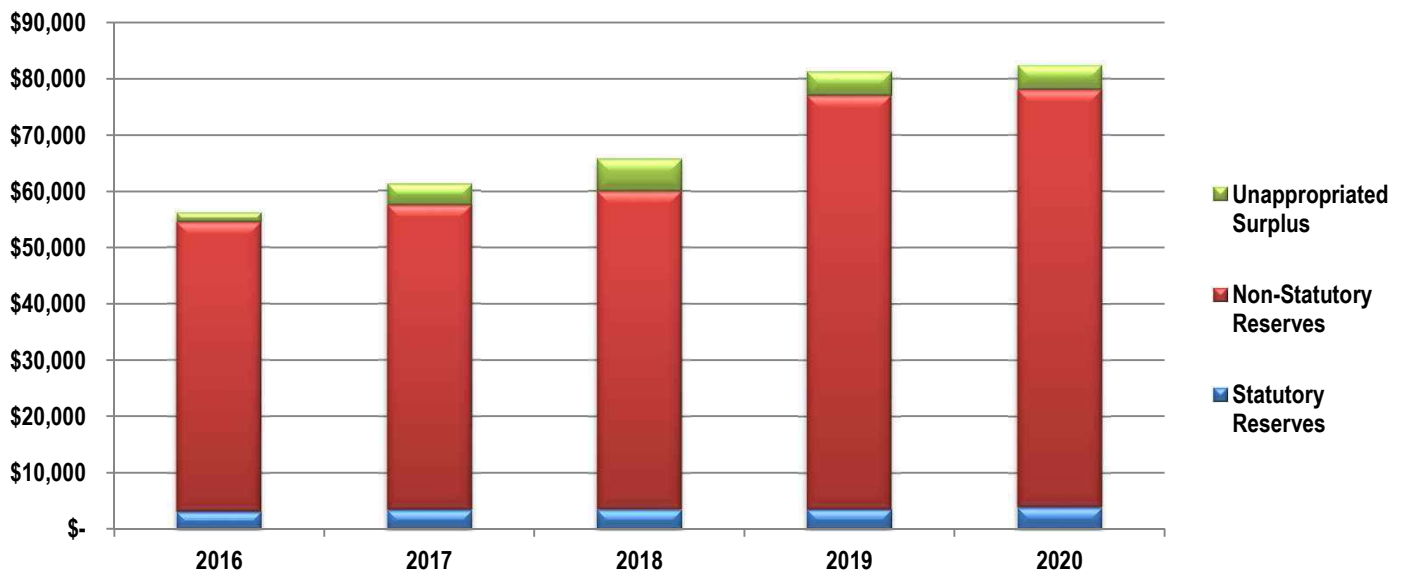


Accumulated Surplus

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

	2016	2017	2018	2019	2020
Equity in Tangible Capital Assets:					
General	\$ 461,609	\$ 464,127	\$ 469,841	\$ 496,192	\$ 501,296
Sewer	87,198	87,882	89,867	89,219	93,211
	<u>\$ 548,807</u>	<u>\$ 552,009</u>	<u>\$ 559,708</u>	<u>\$ 585,411</u>	<u>\$ 594,507</u>
Non-Capital Accumulated Surplus:					
Statutory Reserves	\$ 3,040	\$ 3,370	\$ 3,442	\$ 3,519	\$ 3,818
Non-Statutory Reserves:					
Funds Committed for Uncompleted Projects	1,557	2,241	2,609	5,494	6,315
Capital Purposes	24,887	27,160	25,769	27,318	23,240
Operating Purposes	7,490	7,378	8,027	7,468	8,995
Tax & User Rate Equalization	14,380	13,887	17,026	19,646	22,146
Natural Gas System Lease Legacy	3,097	3,418	3,092	13,586	13,562
	<u>51,411</u>	<u>54,084</u>	<u>56,523</u>	<u>73,512</u>	<u>74,258</u>
Unappropriated surplus	1,678	3,781	5,752	4,196	4,364
	<u>\$ 56,129</u>	<u>\$ 61,235</u>	<u>\$ 65,717</u>	<u>\$ 81,227</u>	<u>\$ 82,440</u>
NON-CAPITAL ACCUMULATED SURPLUS (FINANCIAL EQUITY) PER CAPITA	<u>\$ 1,348</u>	<u>\$ 1,452</u>	<u>\$ 1,541</u>	<u>\$ 1,874</u>	<u>\$ 1,866</u>
TOTAL ACCUMULATED SURPLUS	<u>\$ 604,936</u>	<u>\$ 613,244</u>	<u>\$ 625,425</u>	<u>\$ 666,638</u>	<u>\$ 676,947</u>

Non-Capital Accumulated Surplus (Financial Equity) (in \$1,000's)



Property Tax Revenue

(in \$1,000's)

	2016	2017	2018	2019	2020
Residential	\$ 21,817	\$ 23,085	\$ 24,370	\$ 26,751	\$ 28,548
Commercial	11,299	11,599	12,381	12,860	13,502
Light Industrial	492	523	551	585	519
Utility & Other	413	407	439	457	501
	\$ 34,021	\$ 35,614	\$ 37,741	\$ 40,653	\$ 43,070

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

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

2.72	2.73	2.85	2.85	2.82
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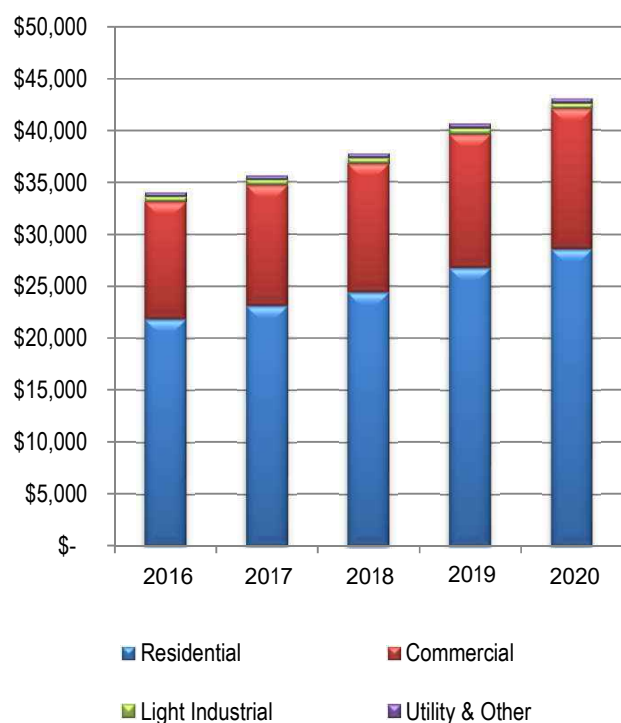
TOTAL PROPERTY TAXES COLLECTED	\$ 66,051	\$ 65,532	\$ 67,637	\$ 70,924	\$ 72,869
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% OF CURRENT TAXES COLLECTED	97.20%	97.25%	97.51%	97.56%	98.62%
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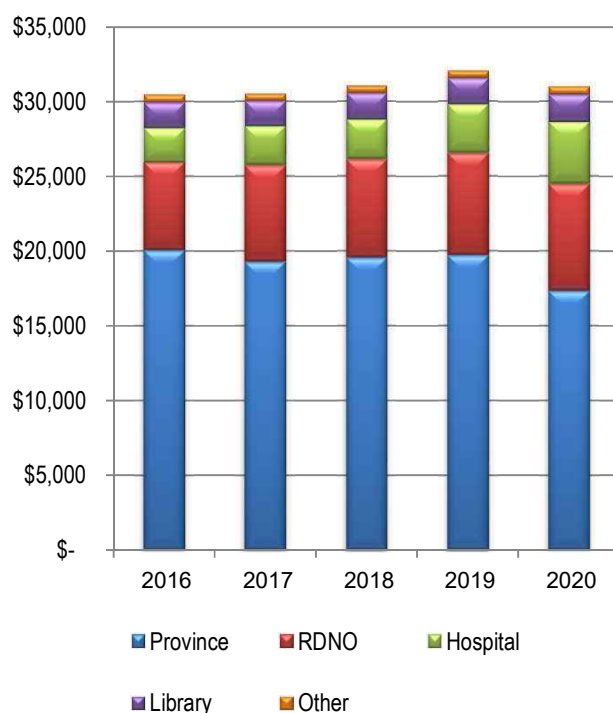
TAXES LEVIED FOR OTHER AGENCIES

Provincial School Taxes	\$ 20,049	\$ 19,271	\$ 19,553	\$ 19,711	\$ 17,318
Regional District of North Okanagan	5,898	6,461	6,568	6,817	7,166
Regional Hospital Districts	2,301	2,618	2,676	3,281	4,155
Okanagan Regional Library	1,702	1,694	1,767	1,760	1,838
Other	526	465	477	476	540
	\$ 30,476	\$ 30,509	\$ 31,041	\$ 32,045	\$ 31,017

Property Tax Revenue - General & Fire (in \$1,000's)



Taxes Levied For Other Agencies (in \$1,000's)

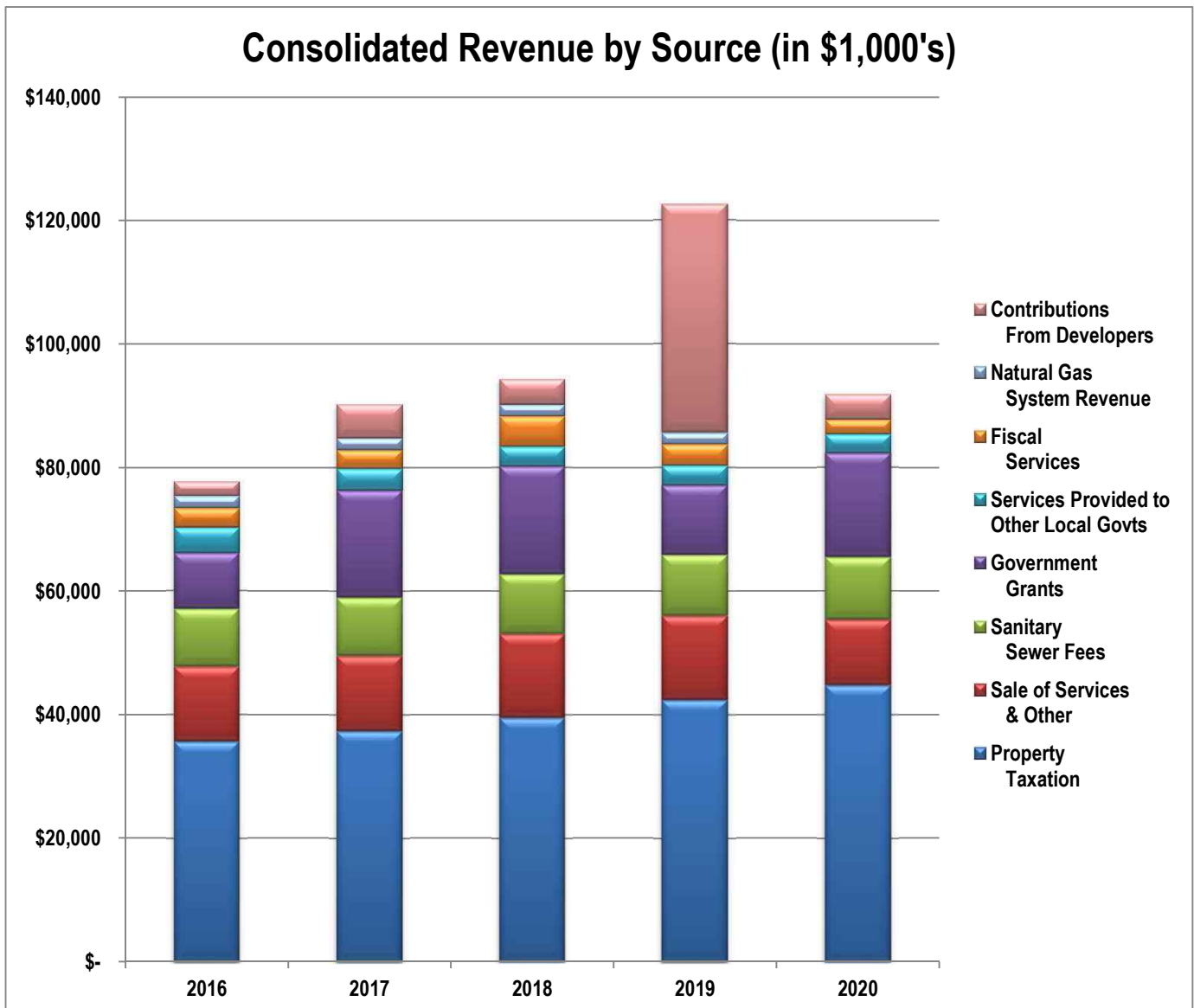


Consolidated Revenue by Source

(In \$1,000's)

	2016	2017	2018	2019	2020
Property Taxation*	\$ 35,642	\$ 37,333	\$ 39,491	\$ 42,362	\$ 44,749
Sale of Services & Other	12,077	12,177	13,568	13,632	10,612
Sanitary Sewer Fees	9,360	9,453	9,645	9,840	10,077
Government Grants	9,015	17,357	17,473	11,281	16,832
Services Provided to Other Local Govts	4,137	3,495	3,192	3,199	3,088
Fiscal Services	3,117	3,041	4,924	3,451	2,365
Natural Gas System Revenue	1,960	1,911	1,874	1,832	-
Contributions From Developers	2,330	5,466	4,128	36,976	4,100
	\$ 77,638	\$ 90,233	\$ 94,295	\$ 122,573	\$ 91,823

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

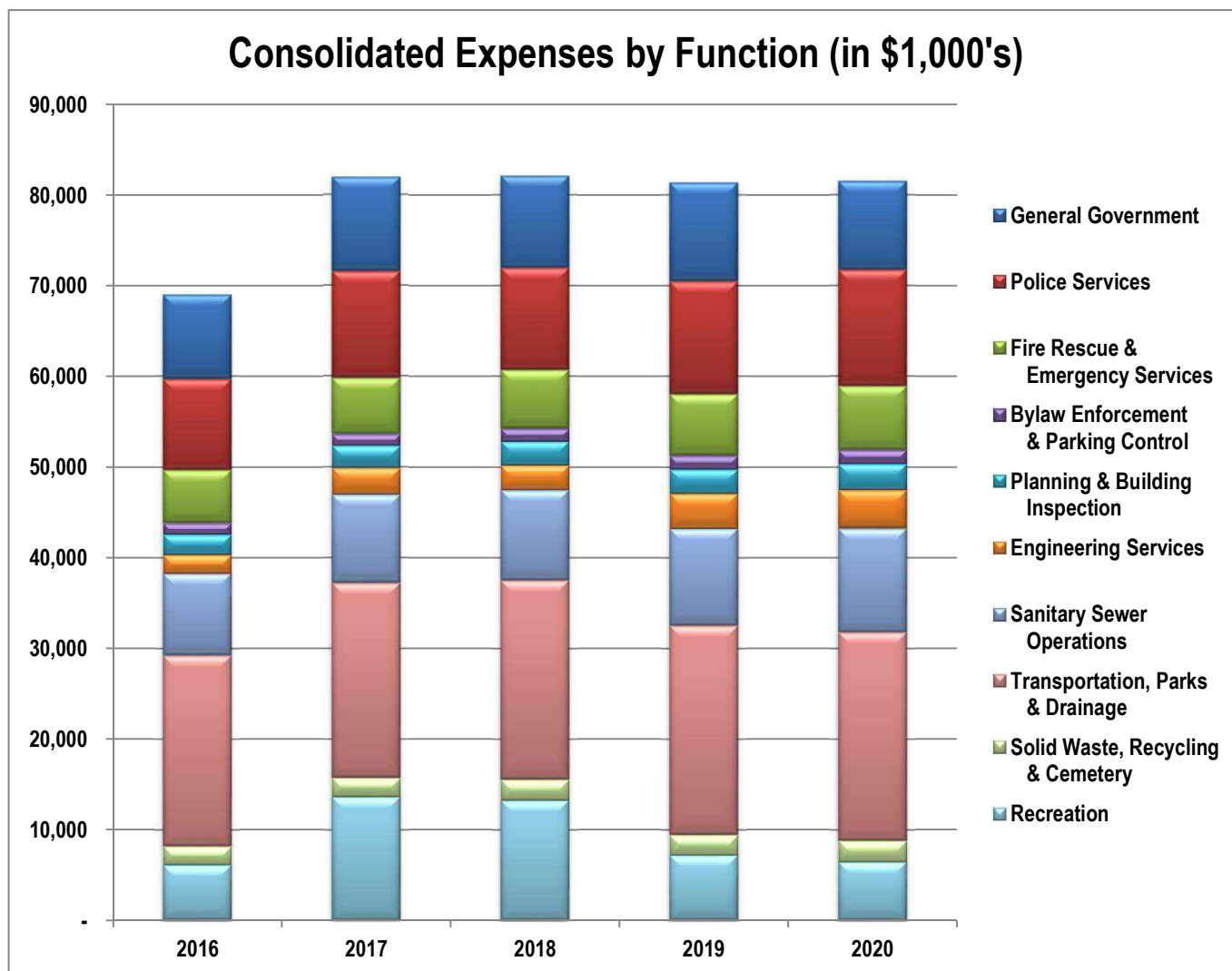


Consolidated Expenses by Function

(In \$1,000's)

	2016	2017	2018	2019	2020
General Government	\$ 9,322	\$ 10,408	\$ 10,150	\$ 10,864	\$ 9,752
Police Services	10,021	11,733	11,262	12,465	12,849
Fire, Rescue & Emergency Services	5,822	6,175	6,467	6,751	7,044
Bylaw Enforcement & Parking Control	1,265	1,263	1,391	1,514	1,529
Planning & Building Inspection	2,256	2,456	2,649	2,695	2,903
Engineering Services	2,054	2,973	2,731	3,877	4,220
Sanitary Sewer Operations	9,038	9,741	9,981	10,691	11,437
Transportation, Parks & Drainage	21,053	21,448	21,961	23,066	22,980
Solid Waste, Recycling & Cemetery	2,058	2,096	2,283	2,253	2,352
Recreation	6,110	13,632	13,239	7,184	6,448
	\$ 68,999	\$ 81,925	\$ 82,114	\$ 81,360	\$ 81,514

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.

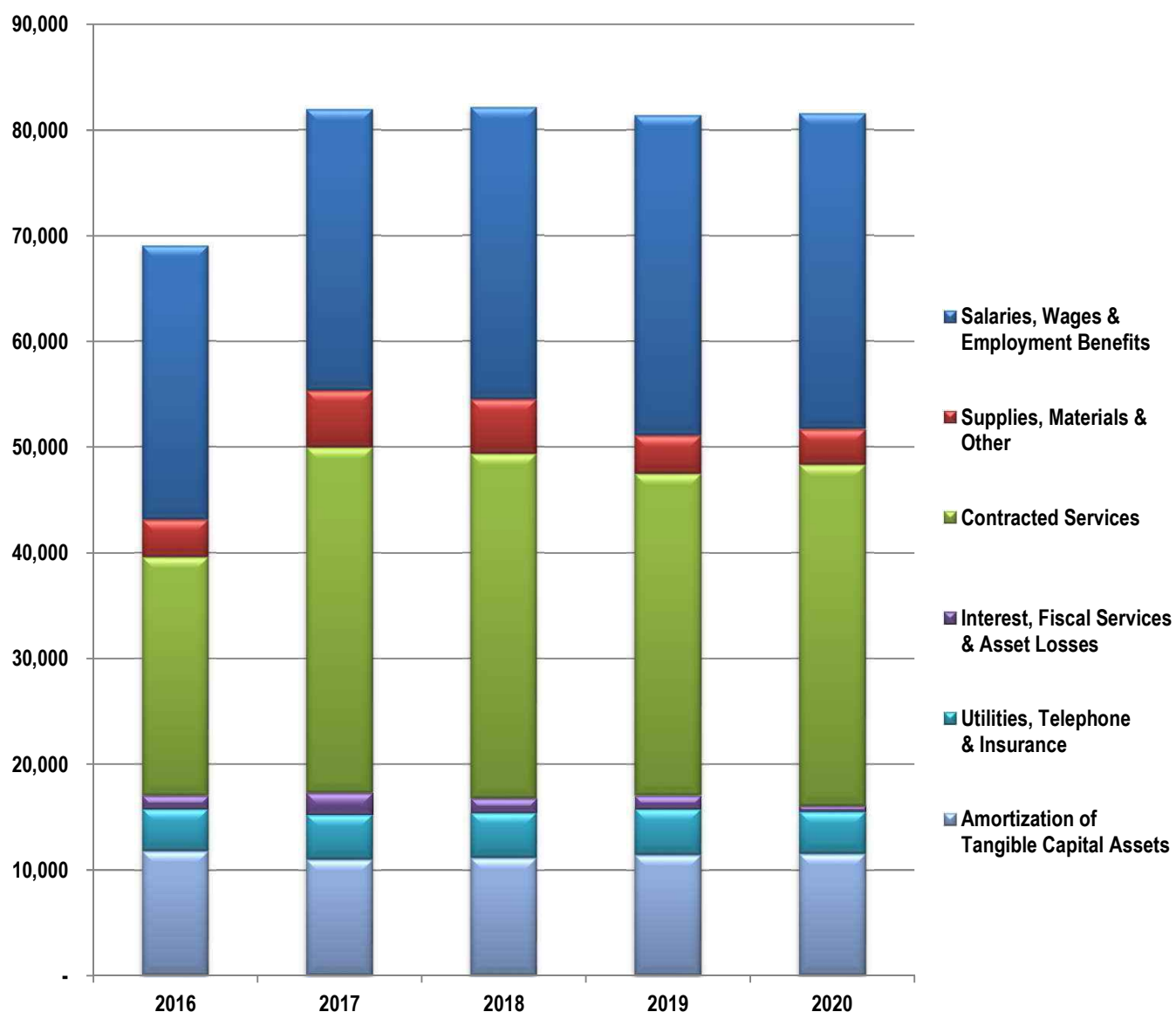


Consolidated Expenses by Object

(In \$1,000's)

	2016	2017	2018	2019	2020
Salaries, Wages & Employment Benefits	\$ 25,901	\$ 26,609	\$ 27,622	\$ 30,289	\$ 29,872
Supplies, Materials & Other	3,534	5,363	5,157	3,610	3,336
Contracted Services	22,535	32,662	32,581	30,437	32,258
Interest, Fiscal Services & Asset Losses	1,255	2,067	1,351	1,251	549
Utilities, Telephone & Insurance	3,993	4,250	4,271	4,352	3,986
Amortization of Tangible Capital Assets	11,781	10,974	11,132	11,421	11,513
	<u>\$ 68,999</u>	<u>\$ 81,925</u>	<u>\$ 82,114</u>	<u>\$ 81,360</u>	<u>\$ 81,514</u>

Consolidated Expenses by Object (in \$1,000's)

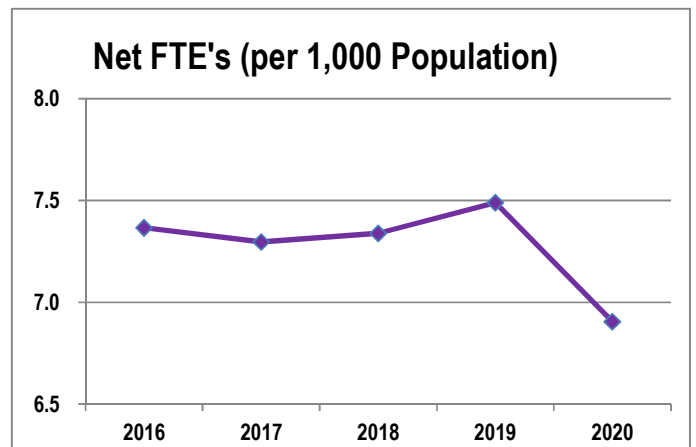
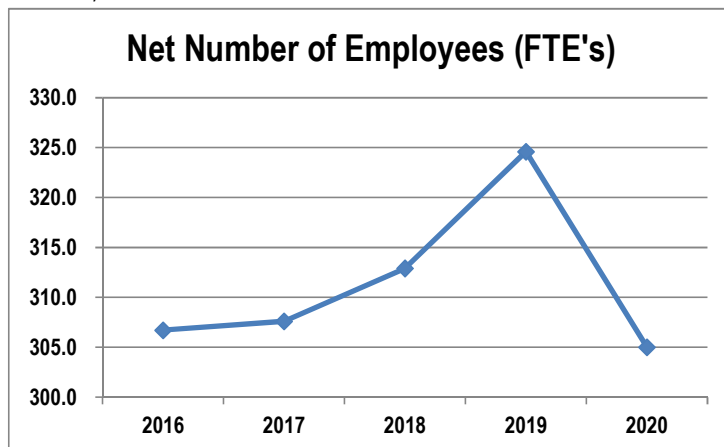


Number of Employees (Full-time Equivalents)

Number of Employees (Full-time Equivalents)*

	2016	2017	2018	2019	2020
Administration & Corporate Services:					
General Administration	2.0	2.0	2.0	2.0	2.0
Legislative Services	8.0	7.5	8.9	10.0	10.9
Human Resources	8.1	8.3	10.0	10.0	10.4
Information Services	9.6	10.3	8.9	9.4	9.5
Bylaw Enforcement	12.9	13.5	13.3	13.2	13.4
Community Policing Office	3.0	3.0	3.0	3.0	2.0
Financial Services	16.1	16.5	17.3	19.0	18.6
Engineering & GIS	14.9	17.4	16.9	18.0	17.8
Community Development	20.8	19.6	19.1	20.7	20.8
Fire Rescue Services	38.2	39.1	36.9	37.3	37.8
RCMP (Municipal Support Services)	30.5	29.1	29.9	31.2	30.3
Operations:					
Operations Administration	3.6	4.0	4.9	4.6	3.9
Sanitary & Storm Sewer	19.7	18.0	19.2	18.7	19.3
Water **	11.8	12.0	12.4	14.7	14.0
Public Works	24.2	22.9	29.0	29.0	25.7
Parks	12.2	12.1	12.2	15.3	15.8
Fleet & Building Services	12.7	12.3	11.6	12.3	12.3
Vernon Water Reclamation Centre	12.2	11.6	11.7	12.9	13.9
Airport	1.7	1.7	1.7	1.7	1.8
Recreation	56.3	58.7	56.4	56.3	38.8
Gross Number of Employees	318.5	319.6	325.3	339.3	319.0
* 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 by the RDNO for Water	(11.8)	(12.0)	(12.4)	(14.7)	(14.0)
Net Number of Employees (relating to total employment costs recorded by the City of Vernon)	306.7	307.6	312.9	324.6	305.0
Gross FTE Positions per 1,000 Population	7.6	7.6	7.6	7.8	7.2
Net FTE Positions per 1,000 Population	7.4	7.3	7.3	7.5	6.9

Source: City of Vernon Human Resources

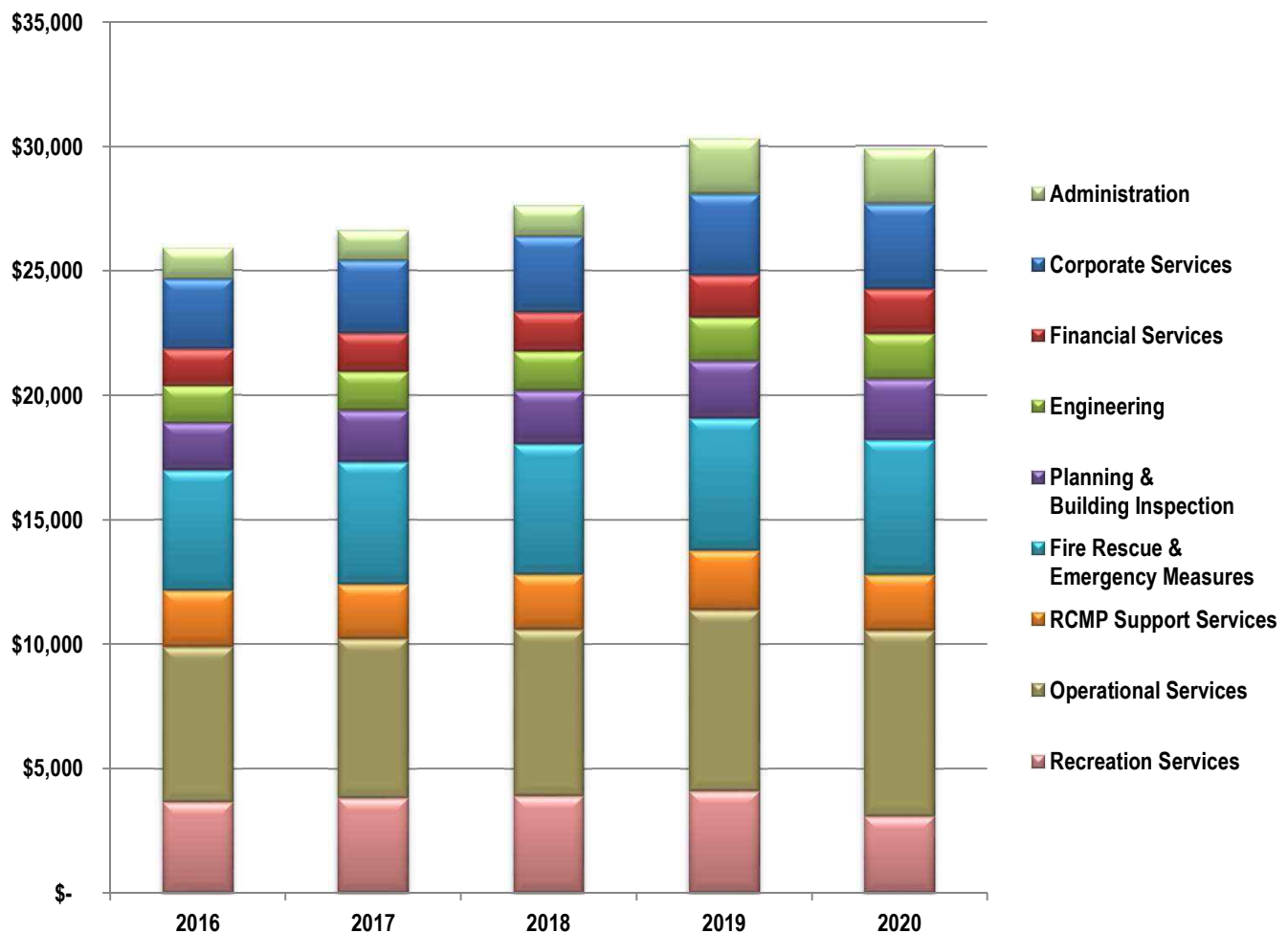


Cost of Salaries, Wages and Benefits

(In \$1,000's)

	2016	2017	2018	2019	2020
Administration	\$ 1,255	\$ 1,198	\$ 1,245	\$ 2,223	\$ 2,217
Corporate Services	2,817	2,939	3,057	3,262	3,414
Financial Services	1,472	1,546	1,575	1,701	1,807
Engineering	1,487	1,548	1,570	1,749	1,804
Planning & Building Inspection	1,907	2,071	2,149	2,289	2,443
Fire Rescue & Emergency Services	4,825	4,909	5,236	5,316	5,415
RCMP Support Services	2,255	2,187	2,206	2,383	2,230
Operational Services	6,234	6,394	6,690	7,269	7,461
Recreation Services	3,649	3,817	3,894	4,097	3,081
	\$ 25,901	\$ 26,609	\$ 27,622	\$ 30,289	\$ 29,872

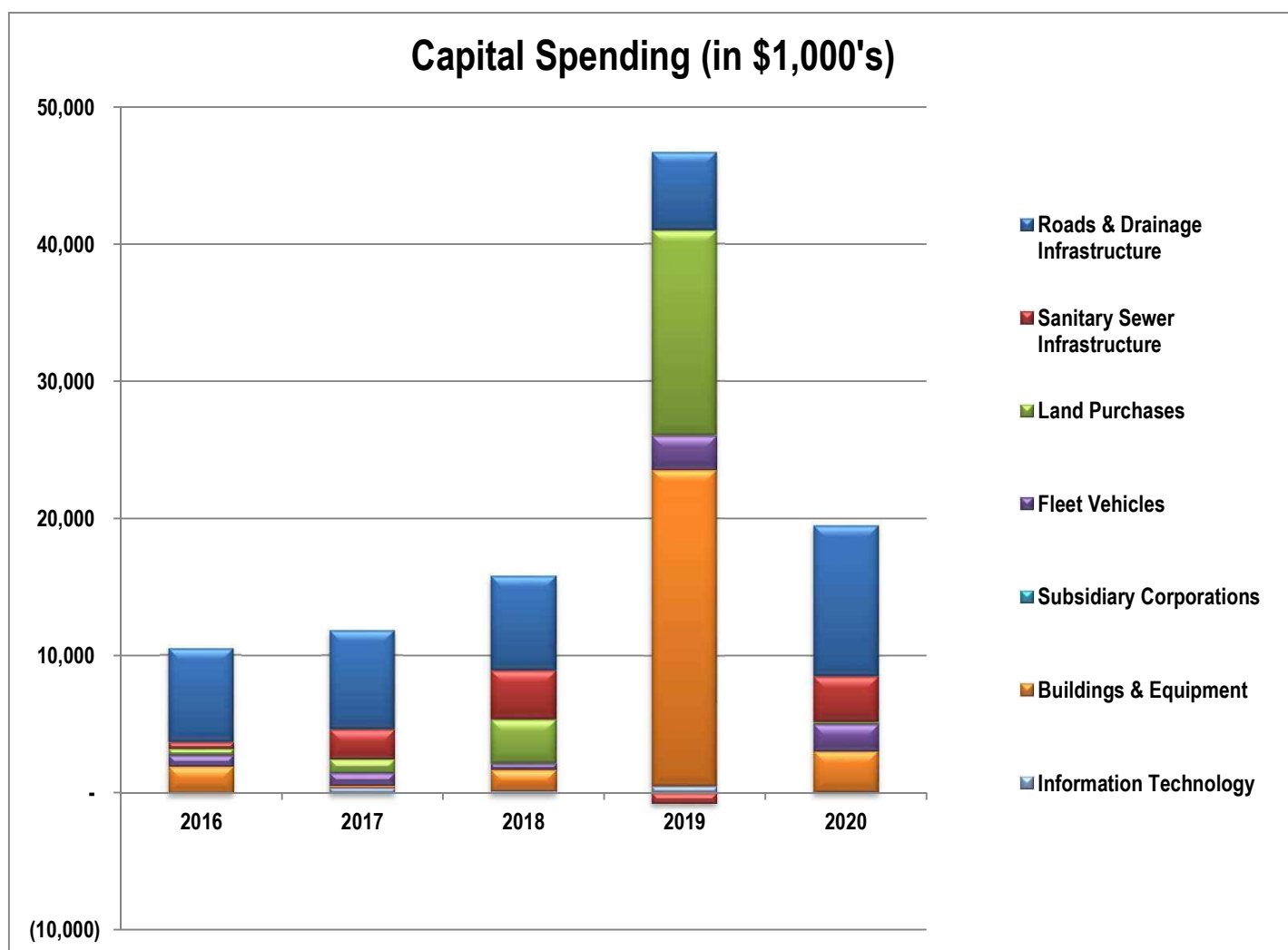
Net Cost of Salaries, Wages & Benefits (in \$1,000's)



Capital Spending

(In \$1,000's)

	2016	2017	2018	2019	2020
Roads & Drainage Infrastructure	\$ 6,775	\$ 7,166	\$ 6,871	\$ 5,709	\$ 10,963
Sanitary Sewer Infrastructure	478	2,165	3,546	(745)	3,317
Land Purchases	461	990	3,206	14,933	146
Vehicle Fleet	806	930	447	2,501	1,965
Subsidiary Corporations	8	-	-	-	-
Buildings & Equipment	1,938	164	1,548	23,067	3,021
Information Technology	-	379	156	465	34
	\$ 10,466	\$ 11,794	\$ 15,774	\$ 45,930	\$ 19,446



Capital Funding by Source

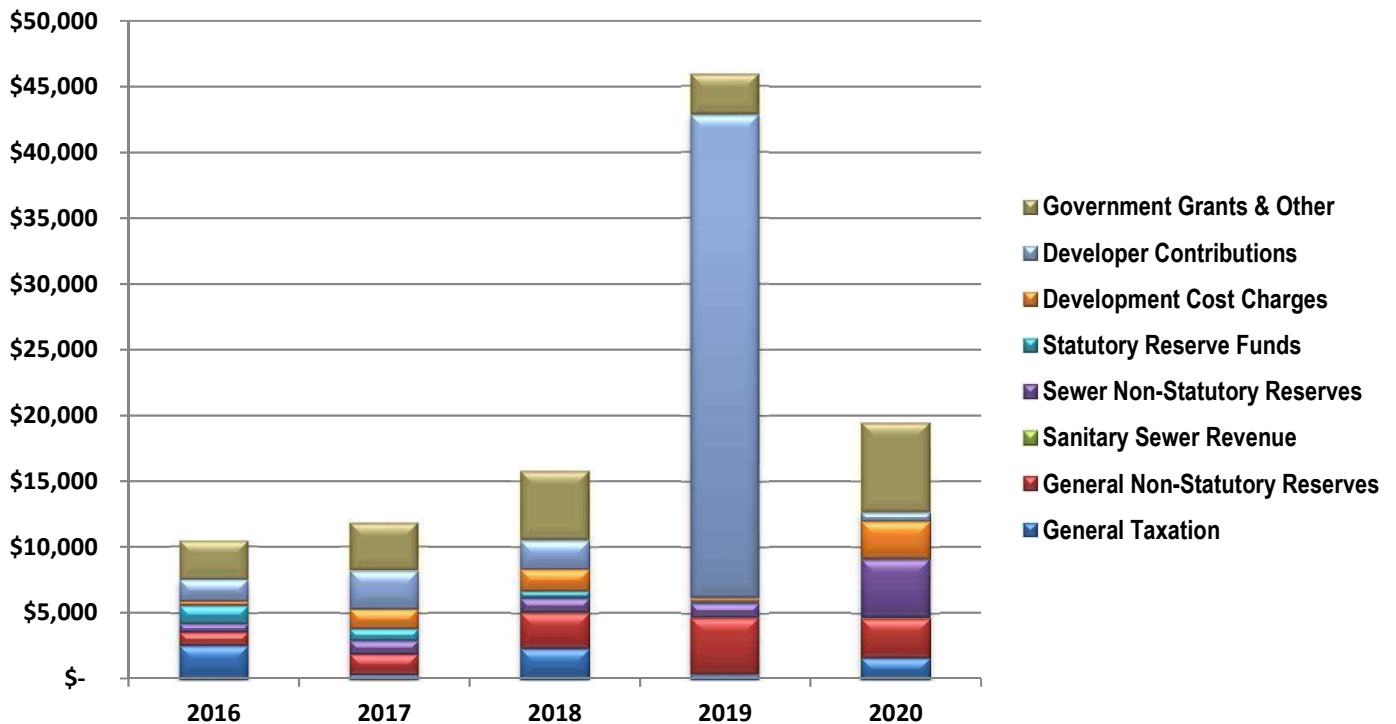
(In \$1,000's)

	2016	2017	2018	2019	2020
General Taxation	\$ 2,559	\$ 368	\$ 2,319	\$ 371	\$ 1,618
General Non-Statutory Reserves	1,009	1,556	2,718	4,297	2,976
Sanitary Sewer Revenue	-	-	55	55	55
Sewer Non-Statutory Reserves	631	1,011	1,049	1,073	4,456
Statutory Reserve Funds	1,376	870	535	112	51
Development Cost Charges	314	1,502	1,649	245	2,804
Developer Contributions	1,645	2,889	2,177	36,661	676
Government Grants & Other	2,924	3,598	5,272	3,116	6,810
	\$ 10,458	\$ 11,794	\$ 15,774	\$ 45,930	\$ 19,446

PROPORTIONAL BREAKDOWN OF CAPITAL FUNDING

General Taxation	24.5%	3.1%	14.7%	0.8%	8.3%
Sanitary Sewer Revenue	0.0%	0.0%	0.3%	0.1%	0.3%
Reserves	28.8%	29.1%	27.3%	11.9%	38.5%
Developers	18.7%	37.2%	24.3%	80.4%	17.9%
Government Grants & Other	28.0%	30.5%	33.4%	6.8%	35.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

Capital Funding by Source (in \$1,000's)



Long Term Debt by Function and Sources of Funding

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

LONG-TERM DEBT BY FUNCTION

	2016	2017	2018	2019	2020
Sanitary Sewer	\$ 13,055	\$ 12,198	\$ 11,315	\$ 10,396	\$ 9,440
Natural Gas System	7,036	5,141	3,149	-	-
Roads & Drainage	1,276	973	660	336	-
General Government	247	188	128	65	-
Downtown Beautification	236	181	123	62	-
	<u>\$ 21,850</u>	<u>\$ 18,681</u>	<u>\$ 15,375</u>	<u>\$ 10,859</u>	<u>\$ 9,440</u>

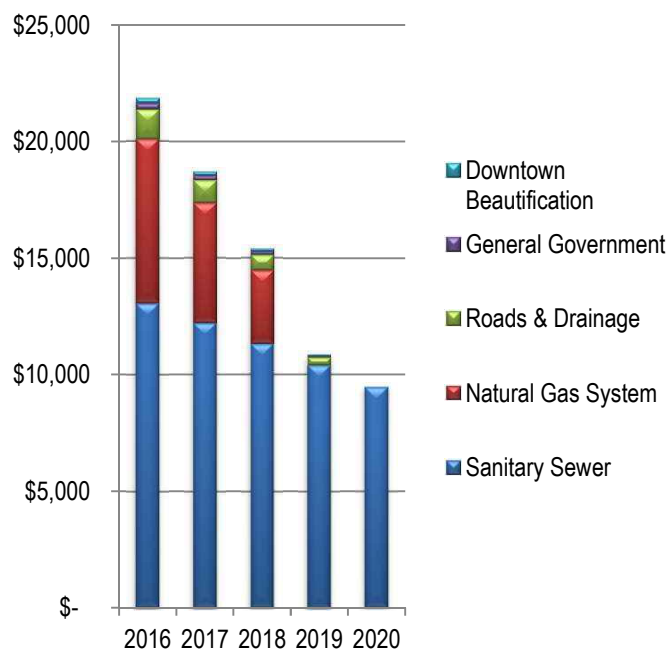
DEBT PER CAPITA

	\$ 525	\$ 443	\$ 361	\$ 251	\$ 214
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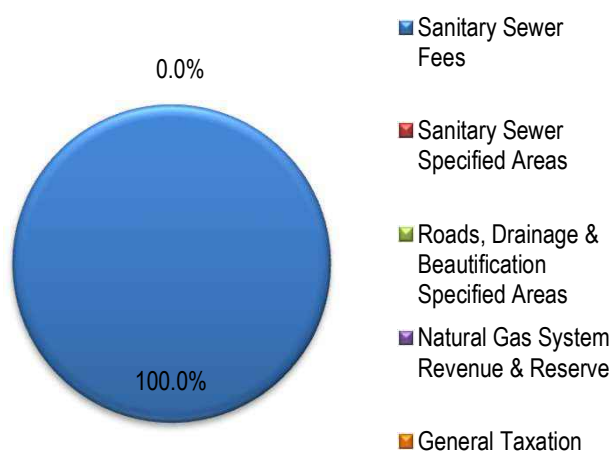
PROPORTIONAL FUNDING SOURCES FOR LONG-TERM DEBT

Sanitary Sewer Fees	59.6%	65.1%	73.5%	95.6%	100.0%
Sanitary Sewer Specified Areas	0.1%	0.1%	0.1%	0.0%	0.0%
Roads, Drainage & Beautification Specified Areas	8.2%	7.9%	7.5%	6.9%	0.0%
Natural Gas System Revenue & Reserve	40.0%	38.0%	35.5%	32.2%	0.0%
General Taxation	1.3%	1.3%	1.2%	1.2%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Long-Term Debt by Function (in \$1,000's)



Long-Term Debt Funding

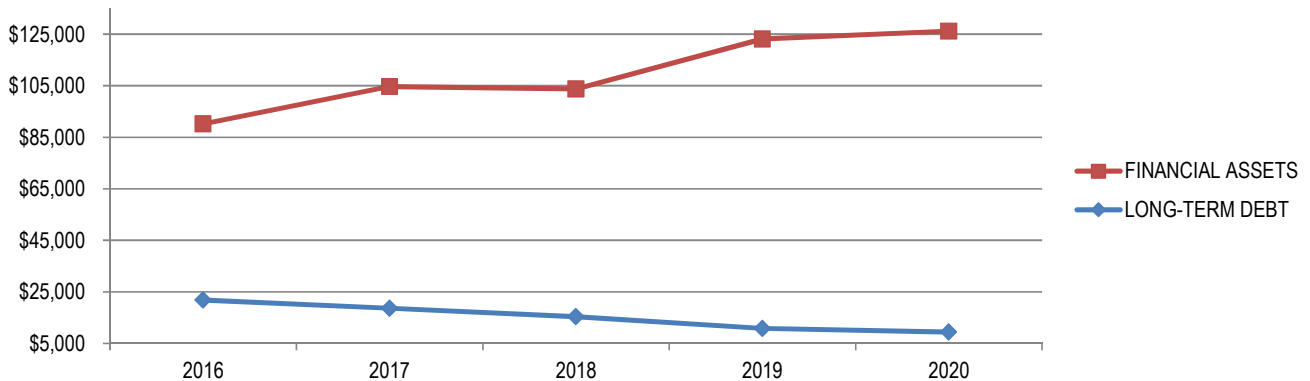


Debt Capacity

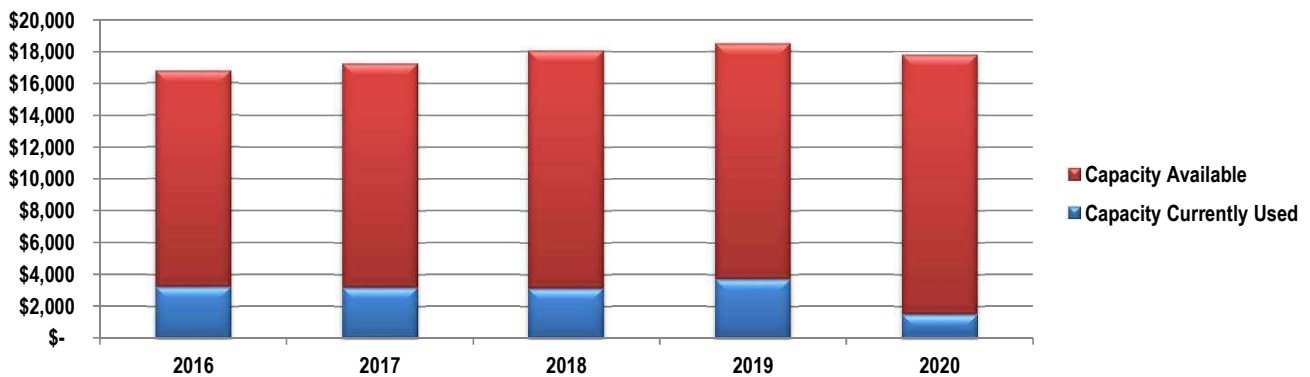
(In \$1,000's)

	2016	2017	2018	2019	2020
FINANCIAL ASSETS	\$ 90,182	\$ 104,690	\$ 103,803	\$ 123,151	\$ 126,198
LONG-TERM DEBT	\$ 21,850	\$ 18,681	\$ 15,375	\$ 10,859	\$ 9,440
RATIO OF FINANCIAL ASSETS TO LONG TERM DEBT	4.13	5.60	6.75	11.34	13.37
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.					
MUNICIPAL REVENUES	\$ 68,263	\$ 70,357	\$ 73,737	\$ 75,736	\$ 71,732
Less:					
Actuarial adjustments on long term debt	(1,233)	(1,369)	(1,508)	(1,657)	(588)
TOTAL NET MUNICIPAL REVENUES	\$ 67,030	\$ 68,988	\$ 72,229	\$ 74,079	\$ 71,144
Liability Servicing factor	25%	25%	25%	25%	25%
LIABILITY SERVICING LIMIT	\$ 16,758	\$ 17,247	\$ 18,057	\$ 18,520	\$ 17,786
LIABILITY SERVICING COST					
Debt Servicing for Authorized and Issued Debt	\$ 3,004	\$ 2,905	\$ 2,865	\$ 3,502	\$ 1,269
Estimated Debt Servicing for Unissued Debt	219	270	270	223	237
TOTAL LIABILITY SERVICING COST	\$ 3,223	\$ 3,175	\$ 3,135	\$ 3,725	\$ 1,506
LIABILITY SERVICING CAPACITY AVAILABLE	\$ 13,535	\$ 14,072	\$ 14,922	\$ 14,795	\$ 16,280

Financial Assets vs Long Term Debt
(in \$1,000's)



Annual Debt Servicing Capacity
(in \$1,000's)



Property Assessments

(in \$1,000's)

	2016	2017	2018	2019	2020
Residential	\$ 5,939,468	\$ 6,389,094	\$ 7,165,968	\$ 7,919,882	\$ 8,388,566
Commercial	1,131,080	1,194,869	1,305,469	1,328,300	1,402,670
Light Industrial	37,813	38,661	44,907	42,920	46,754
Recreation & Non-Profit	22,982	22,951	22,694	23,491	24,135
Utility	7,385	7,213	7,674	7,982	8,644
Farm Land & Managed Forest	3,988	3,715	3,606	3,268	3,523
	\$ 7,142,716	\$ 7,656,503	\$ 8,550,318	\$ 9,325,843	\$ 9,874,292

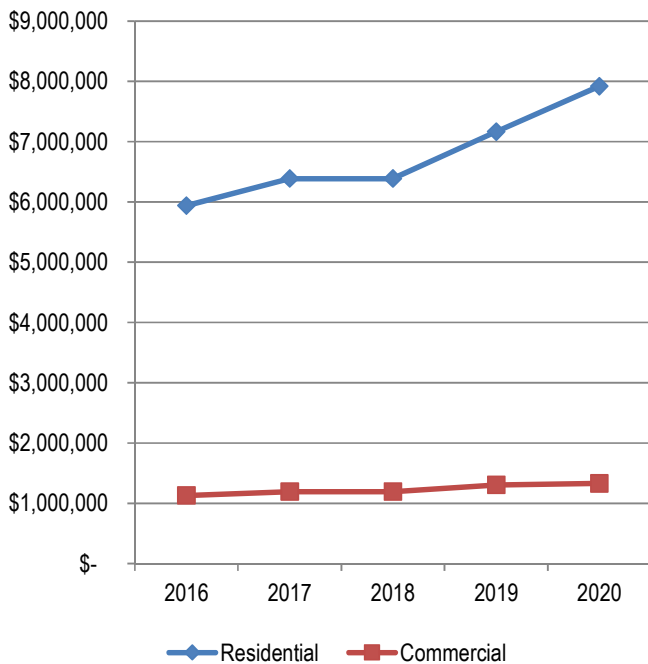
% Change From Prior Year	4.5%	7.2%	11.7%	9.1%	5.9%
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AVERAGE SINGLE FAMILY RESIDENTIAL ASSESSED VALUES

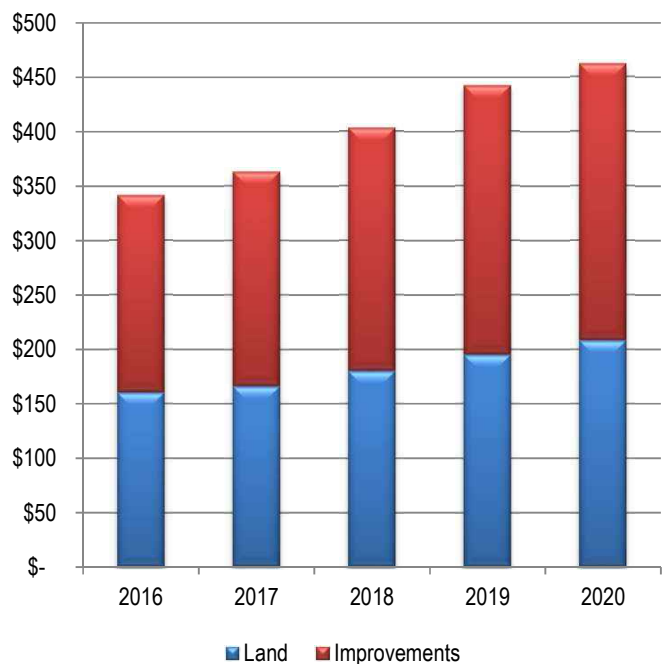
Land	\$ 160	\$ 166	\$ 180	\$ 195	\$ 208
Improvements	181	197	223	247	254
	\$ 341	\$ 363	\$ 403	\$ 442	\$ 462

% Change From Prior Year	2.4%	6.5%	11.0%	9.7%	4.5%
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Total Property Assessments Residential & Commercial (in \$1,000's)



Average Single Family Residential Assessed Values (in \$1,000's)

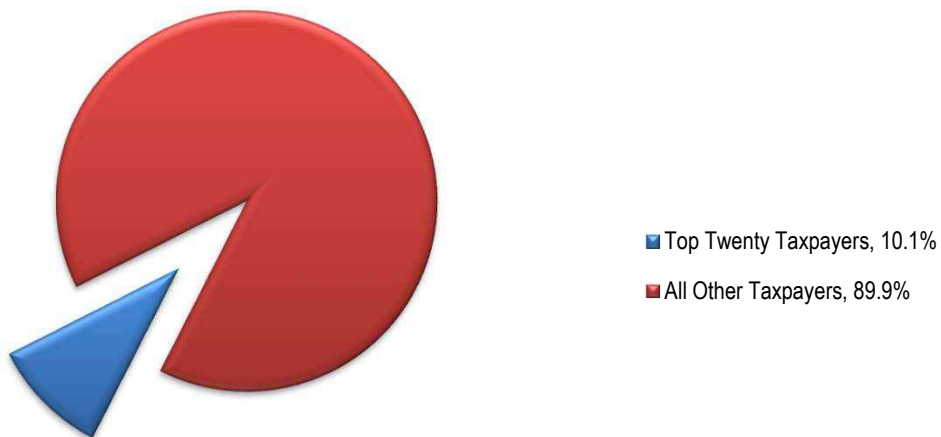


Principal Corporate Taxpayers

(in \$1,000's)

Rank	Category	Common Name	General Tax Levy
1	Retail	Village Green Shopping Centre	\$ 757
2	Retail	Vernon Smart Centre (Including Wal-Mart)	684
3	Retail	Real Canadian Superstore	350
4	Hotel	Sparkling Hills Resort	291
5	Retail	The Shops at Polson Park	261
6	Retail	Vernon Square (Northern Portion)	236
7	Office	Kal Tire - Corporate Office	210
8	Retail	The Home Depot	162
9	Office	Tolko Industries - Corporate Office	143
10	Retail	Canadian Tire	138
11	Retail	Fruit Union Plaza	135
12	Retail	Anderson Crossing	131
13	Retail	Vernon Square Safeway (Southern Portion)	119
14	Retail	Rona	119
15	Hotel	Holiday Inn	115
16	Entertainment	Lake City Casino	103
17	Hotel	Fairfield Inn & Suites by Marriott	98
18	Retail	Landing Plaza	94
19	Office & Retail	Nixon Wenger Office Building	92
20	Retail	Real Canadian Wholesale Club	92
Total General & Fire Tax Revenue - Top Twenty			\$ 4,330
Total General & Fire Tax Revenue - City Wide			\$ 43,070
Proportion of Taxes Paid by Top Twenty			10.1%

Tax Contribution from Principal Corporate Taxpayers



Building Permits and Business Licences

(In \$1,000's)

Building Permit Construction Values

	2016	2017	2018	2019	2020
Residential	\$ 76,036	\$ 107,007	\$ 117,151	\$ 97,107	\$ 83,247
Commercial	26,445	11,531	12,197	24,593	12,988
Institutional	19,878	11,575	17,971	248	485
Industrial	340	-	1,558	2,460	3,735
	\$ 122,699	\$ 130,113	\$ 148,877	\$ 124,408	\$ 100,455

Building Permit Fees

	\$ 1,108	\$ 1,311	\$ 1,339	1,185	1,028
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Number of Building Permits Issued

	394	433	407	371	370
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Business Licence Fees

	\$ 582	\$ 532	\$ 640	\$ 656	\$ 578
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Number of Licenced Businesses

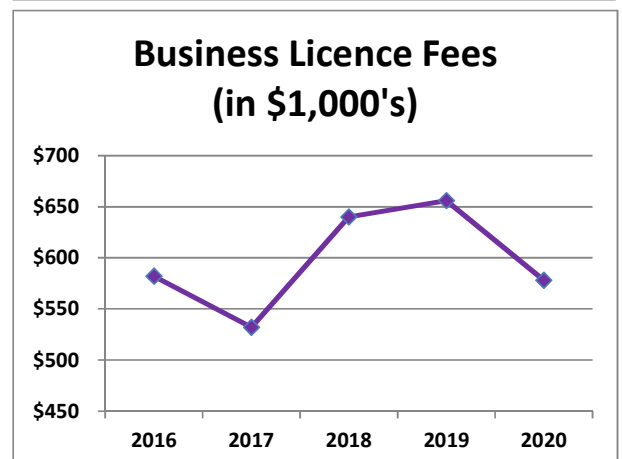
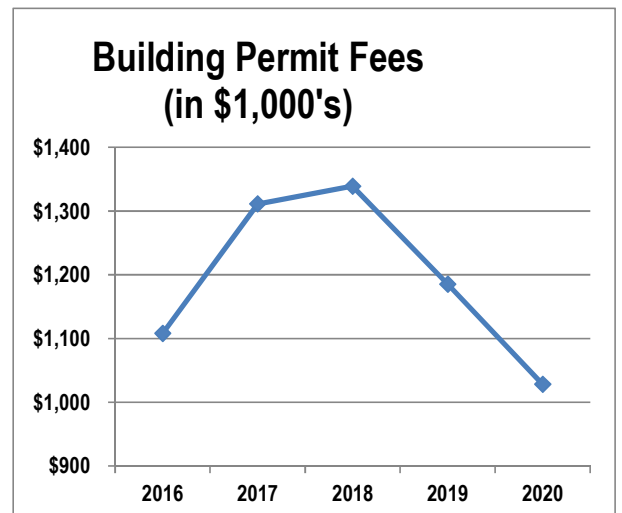
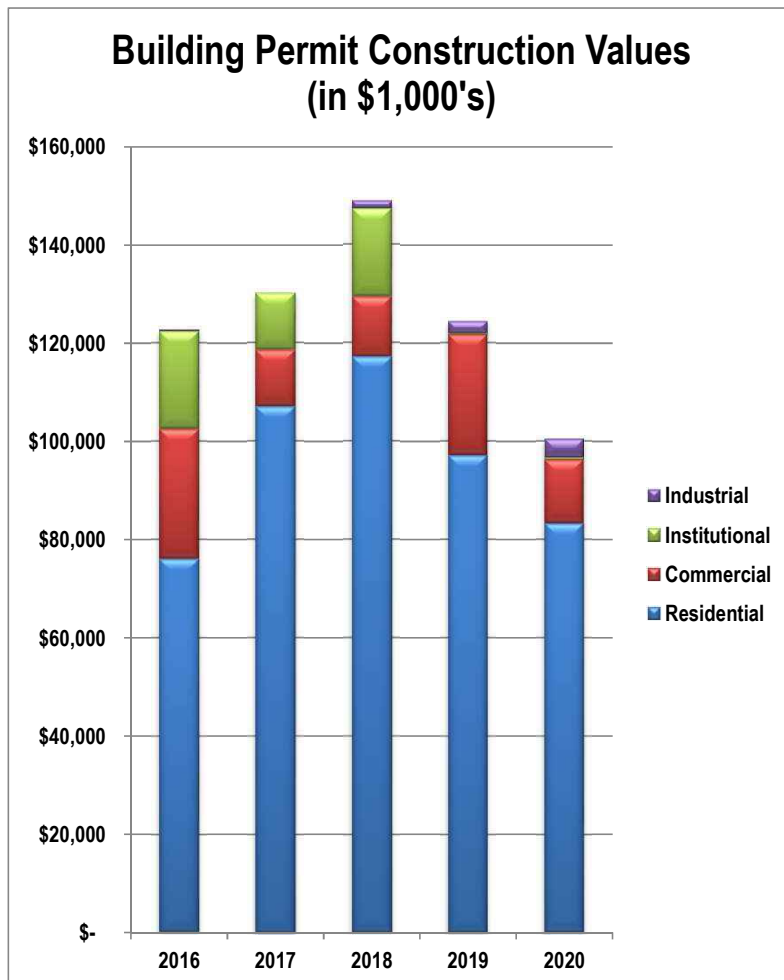
	3,767	3,580	4,015	3,266	3,448
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Number of Land Use Applications Processed *

	177	193	201	190	209
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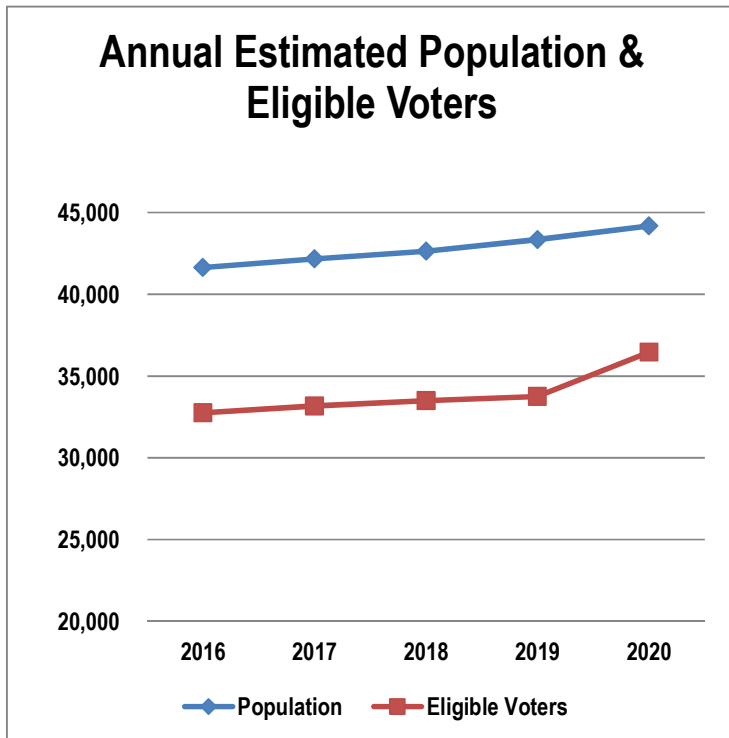
* Includes applications for Rezoning, OCP Amendment, Development Permit, Development Variance Permit, Board of Variance, ALR, and Subdivision

Source: City of Vernon Planning & Building Division



Population Demographics

	2016	2017	2018	2019	2020
Annual Estimated Population (Source: BC Statistics)	41,638	42,160	42,632	43,339	44,171
Population Growth Rates	6.3%	1.3%	1.1%	1.7%	1.9%
Annual Estimated Eligible Voters (based on population estimate)	32,749	33,180	33,494	33,762	36,463



Selected Statistics:

Taxable Area (hectares)	7,666
Total Area (hectares)	11,765
Paved Roads (kilometers)	300
Number of Fire Hydrants	1,324
Storm Sewer Pipes (kilometers)	200
Sanitary Sewer Pipes (kilometers)	276
Residential Sewer Connections	9,844
Commercial & Other Sewer Connections	1,233
Sewer System Average Daily Flow (cubic metres/day)	13,053

2016 and 2011 Census (Source: Statistics Canada)

	Total	0 - 14	15 - 24	25 - 44	45 - 64	65+
2016	40,116	5,670	4,040	8,760	11,420	10,226
2011	38,155	5,370	4,430	8,505	11,050	8,800
Total Net Growth	1,961	300	(390)	255	370	1,426
Percent Growth	5.1%	5.6%	-8.8%	3.0%	3.3%	16.2%

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ANNUAL REPORT



The Corporation of the
City of Vernon

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