

The Corporation of the District of Summerland
Financial Statements
For the year ended December 31, 2024

The Corporation of the District of Summerland

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Management's Responsibility

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

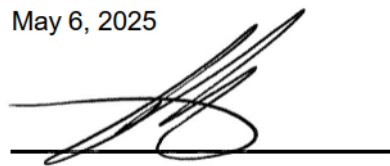
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles for local governments and ensuring that all information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

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

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

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

May 6, 2025

A handwritten signature in black ink, consisting of a stylized 'D' and 'F' with a horizontal line extending to the left, positioned above a solid horizontal line.

Director of Finance

Independent Auditor's Report

To the Mayor and Council of the District of Summerland

Opinion

We have audited the financial statements of the District of Summerland (the "District"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and accumulated surplus, the statement of changes in net financial assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2024, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 18 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2023 has been restated. 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 District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 27 and 28 of the District's Financial Statements.

Chartered Professional Accountants
Kelowna, British Columbia
May 6, 2025

The Corporation of the District of Summerland

Statement of Financial Position

As at December 31, 2024

	2024	2023
		(Restated - Note 18)
Financial assets		
Cash and cash equivalents	\$ 8,684,096	\$ 12,617,691
Accounts receivable (Note 2)	8,297,292	8,390,425
Portfolio investments (Note 3)	36,483,580	31,600,713
Deposit - Municipal Finance Authority (Note 4)	549,371	494,429
	54,014,339	53,103,258
Financial liabilities		
Accounts payable and accrued liabilities (Note 5)	7,653,374	7,772,861
Asset retirement obligations (Note 6)	11,864,526	11,554,856
Deferred revenue (Note 7)	9,317,786	9,686,060
Deposits	2,143,299	2,605,576
Long-term debt (Note 8)	15,102,043	13,209,446
	46,081,028	44,828,799
Net financial assets	7,933,311	8,274,459
Non-financial assets		
Tangible capital assets (Note 9)	160,138,286	150,776,762
Prepays	692,970	440,486
Inventories of supplies	6,527,419	4,927,757
	167,358,675	156,145,005
Accumulated surplus (Note 10)	\$ 175,291,986	\$ 164,419,464

Contingent liabilities and commitments (Note 14)



Director of Finance



Mayor

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

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

For the year ended December 31, 2024

	Budget	2024	2023
	(Note 16)		(Restated - Note 18)
Revenue			
Taxation, net (Note 12)	\$ 14,013,908	\$ 14,042,345	\$ 13,315,433
Government transfers (Note 13)	7,983,213	5,131,601	11,489,924
User fees, sales and rentals	27,301,818	26,613,088	25,869,415
Permits, licenses and fines	846,000	700,704	736,521
Investment income	200,000	1,716,022	1,297,275
Actuarial earnings	693,639	693,640	1,050,749
Penalties and interest on taxes	95,000	127,866	121,865
Franchise	167,800	156,272	167,070
Contributions	1,845,000	984,277	3,800,453
Other	1,543,830	595,770	300,283
Gain on disposal of tangible capital assets	-	56,050	126,667
	54,690,208	50,817,635	58,275,655
Expenses			
General government services	2,836,705	2,592,464	2,343,367
Protection services	4,544,701	3,543,171	4,079,379
Transportation services	5,583,526	4,017,954	3,482,993
Environmental services	2,484,076	2,425,645	2,339,808
Health services	164,560	215,595	180,641
Planning and development	2,129,875	1,238,609	865,663
Parks and recreation	4,608,110	4,118,637	4,027,411
Water services	7,478,648	5,742,046	6,012,079
Sewer services	3,304,252	2,859,898	2,931,992
Electrical services	14,817,581	13,191,094	12,421,014
	47,952,034	39,945,113	38,684,347
Annual surplus	6,738,174	10,872,522	19,591,308
Accumulated surplus, beginning of year	164,419,464	164,419,464	144,828,156
Accumulated surplus, end of year	\$171,157,638	\$175,291,986	\$164,419,464

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

The Corporation of the District of Summerland
Statement of Changes in Net Financial Assets
For the year ended December 31, 2024

	Budget	2024	2023
	(Note 16)		(Restated - Note 18)
Annual surplus	\$ 6,738,174	\$ 10,872,522	\$ 19,591,308
Acquisition of tangible capital assets	(29,719,035)	(14,287,951)	(22,427,895)
Amortization of tangible capital assets	6,766,000	4,926,427	4,567,821
Gain on disposal of tangible capital assets	-	(56,050)	(126,667)
Proceeds on sale of tangible capital assets	-	56,050	222,800
	(16,214,861)	1,510,998	1,827,367
Change in prepaids	-	(252,483)	16,850
Change in inventory of supplies	-	(1,599,663)	(928,838)
Increase (decrease) in net assets	(16,214,861)	(341,148)	915,379
Net financial assets, beginning of year	8,274,459	8,274,459	7,359,080
Net financial assets, end of year	\$ (7,940,402)	\$ 7,933,311	\$ 8,274,459

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

The Corporation of the District of Summerland

Statement of Cash Flows

For the year ended December 31, 2024

	2024	2023
		(Restated - Note 18)
Operating transactions		
Annual surplus	\$ 10,872,522	\$ 19,591,308
Items not involving cash		
Amortization	4,926,427	4,567,821
Gain on disposal of tangible capital assets	(56,050)	(126,667)
Contributed tangible capital assets	(130,103)	(2,091,505)
	4,740,274	2,349,649
Changes in non-cash operating balances		
Accounts receivable	93,133	(1,161,773)
Prepays	(252,484)	16,850
Inventories of supplies	(1,599,662)	(928,838)
Accounts payable and accrued liabilities	(119,487)	1,129,429
Accretion expense	309,669	301,588
Deferred revenue	(368,274)	1,471,705
Actuarial reduction of long-term debt	(693,640)	(1,050,749)
Deposit - Municipal Finance Authority	(54,942)	200,900
Deposits	(462,277)	138,111
	(3,147,964)	117,223
	12,464,832	22,058,180
Capital transactions		
Acquisition of tangible capital assets	(14,157,847)	(20,336,390)
Proceeds on disposal of tangible capital assets	56,050	222,800
	(14,101,797)	(20,113,590)
Investing transactions		
Acquisition of portfolio investments	(4,882,867)	(13,734,489)
Financing transactions		
Repayment of long-term debt	(1,145,763)	(1,334,337)
Proceeds of long-term debt	3,732,000	-
	2,586,237	(1,334,337)
Net change in cash and cash equivalents	(3,933,595)	(13,124,236)
Cash and cash equivalents, beginning of year	12,617,691	25,741,927
Cash and cash equivalents, end of year	\$ 8,684,096	\$ 12,617,691

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

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2024

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

1. Significant accounting policies

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

(a) Basis of consolidation

i) Consolidated entities

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

ii) Accounting for other government organizations and School Board transactions

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

(b) Basis of accounting

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

(c) Revenue recognition

Revenues from transactions with performance obligations are recognized when or as (over a period of time) the District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

The District recognizes revenue from users of the water, sewer, solid waste disposal, and rentals of District property services on a straight-line basis over the period of time that the relevant performance obligations are satisfied by the District.

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2024

1. Significant accounting policies (continued)

The District recognizes revenue from administrative services, building permits, development permits, sales of goods and other licenses and permits at the point in time that the District has performed the related performance obligations and control of the related benefits has passed to the payors.

Revenue from transactions without performance obligation is recognized at realizable value when the District has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

The District recognizes revenue from tax penalties and interest, parking ticket fines, and other revenue without associated performance obligations at the realizable value at the point in time when the District is authorized to collect these revenues.

Taxation for municipal purposes is recorded at estimated amounts when it meets the definition of an asset, has been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decision, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

(d) Deferred revenue

Funds received from non-government sources for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

(e) Investment income

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

(f) Reserves

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

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

1. Significant accounting policies (continued)

(g) Cash and cash equivalents

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

(h) Financial instruments

Portfolio investments Cash and equity instruments quoted in an active market are measured at fair value (hierarchy level one – quoted market prices). All other financial instruments, are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

For portfolio measurements measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

(i) Inventory

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

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

1. Significant accounting policies (continued)

(j) Long-term debt

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

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2025.

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

(l) Non-financial assets

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

(i) Tangible capital assets

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

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

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

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

1. Significant accounting policies (continued)

(ii) Contributions of tangible capital assets

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

(iii) Works of art and cultural and historic assets

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

(iv) Interest capitalization

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

(m) Use of estimates

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

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

(n) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset.
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. The liability is initially recorded at fair value, which is an amount that is the best estimate of the expenditure required to retire a tangible capital asset determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. The changes in the liability for the passage of time are recorded as accretion expense in the Statement of Operations and Accumulated Surplus and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

2. Accounts receivable

	2024	2023
Property taxes	\$ 709,461	\$ 536,178
Utilities	2,406,862	2,058,654
Other governments	3,140,180	2,640,890
Trade and other	2,101,140	3,219,675
Allowance for doubtful accounts	(60,351)	(64,972)
	\$ 8,297,292	\$ 8,390,425

3. Portfolio investments

	2024	2023
MFA short-term bond fund	\$ 10,968	\$ 10,549
MFA money market fund	77,842	74,269
Guaranteed Investment Certificates, interest ranging from 5.70% to 6.45% and matured in 2024	-	19,338,033
Guaranteed Investment Certificates, interest ranging from 3.88% to 6.35% and maturing from April to October 2025	36,394,770	12,177,862
	\$ 36,483,580	\$ 31,600,713

The income from portfolio investments for the year was \$1,931,064 (2023 - \$1,400,773), where \$283,699 (2023 - \$198,776) has been deferred. The market value of the District's portfolio investments was \$36,496,743 (2023 - \$31,601,728).

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

4. Municipal Finance Authority debt reserve

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

	Demand Notes	Cash Deposits	2024	2023
General fund	\$ 286,601	\$ 134,968	\$ 421,569	\$ 325,529
Water fund	608,753	345,230	953,983	942,366
Sewer fund	127,831	69,173	197,004	149,587
	\$ 1,023,185	\$ 549,371	\$ 1,572,556	\$ 1,417,482

5. Accounts payable and accrued liabilities

	2024	2023
Trade and other	\$ 6,499,365	\$ 6,793,788
Wages and benefits	822,039	667,453
Due to funds held in trust	331,970	311,620
	\$ 7,653,374	\$ 7,772,861

As of December 31, 2024, 97% (2023 - 97%) of accounts payable are aged less than 60 days.

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2024

6. Asset retirement obligation

The District's asset retirement obligation consists of the following obligations:

a) Asbestos obligation

The District owns and operates several buildings that are known to have asbestos which represents a health hazard upon remediation, that creates a legal obligation to remove it. The buildings all have an estimated useful life of 20 to 70 years from the date of completion of construction, of which various numbers of years remain. Estimated costs have been discounted to the present value using a discount rate of 2.68% per annum (2023 – 2.68%).

b) Landfill closure and post-closure costs

The District owns and operates a landfills for which a liability for closure and post closure has been recognized. The final closure of the last landfill is currently expected to occur in 2094. Monitoring of the landfill will be required for an additional 100 years after final closure of the landfill. The closure and post-closure costs were discounted using a rate of 2.68%.

c) Summerland Skatepark

The District entered into a lease agreement for the Summerland Skatepark in 2018, which required that the District decommission the Skatepark upon termination of the agreement, creating a legal obligation for retirement. The lease term is 30 years. Estimated costs have been discounted to the present value using a discount 2.68% per annum (2023 – 2.68%).

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

For the year ended December 31, 2024

6. Asset retirement obligation (continued)

Changes in the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Asbestos removal	Landfill liability	Summerland Skatepark	2024
Opening balance	\$ 2,380,779	\$ 9,106,114	\$ 67,963	\$ 11,554,856
Accretion expense	63,805	244,044	1,821	309,670
Closing balance	\$ 2,444,584	\$ 9,350,158	\$ 69,784	\$ 11,864,526

Asset Retirement Obligation	Asbestos removal	Landfill liability	Summerland Skatepark	2023
Opening balance	\$ 2,318,639	\$ 8,868,440	\$ 66,189	\$ 11,253,268
Accretion expense	62,140	237,674	1,774	301,588
Closing balance	\$ 2,380,779	\$ 9,106,114	\$ 67,963	\$ 11,554,856

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

7. Deferred revenue

	Opening balance	Deferred transactions	Externally restricted investment income	Revenue recognized	2024 Ending balance
Development cost charges	\$ 6,677,121	\$ 83,476	\$ 283,699	\$ (77,675)	\$ 6,966,621
Property taxes and business licenses	3,008,939	2,522,434	-	(3,180,208)	2,351,165
	\$ 9,686,060	\$ 2,605,910	\$ 283,699	\$(3,257,883)	\$ 9,317,786

8. Long-term debt

	2024	2023
Outstanding debt, beginning of year	\$ 13,209,446	\$ 15,594,532
Repayment of debt	(1,145,763)	(1,334,337)
Actuarial reduction of principal	(693,640)	(1,050,749)
New Borrowing	3,732,000	-
Outstanding debt, end of year	\$ 15,102,043	\$ 13,209,446

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

	General Fund	Water Fund	Sewer Fund	Total
2025	\$ 468,931	\$ 1,303,214	\$ 263,926	\$ 2,036,071
2026	485,344	924,315	216,944	1,626,603
2027	502,331	517,299	78,056	1,097,686
2028	519,913	100,097	80,762	700,772
2029	538,110	103,600	83,562	725,272
2030 and thereafter	5,136,981	2,627,002	1,151,656	8,915,639
	\$ 7,651,610	\$ 5,575,527	\$ 1,874,906	\$ 15,102,043

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

8. Long-term debt (continued)

Bylaw Number	Purpose	Year Maturing	% Rate	2024 Cash Payments		Balance Outstanding	
				Interest	Principal	2024	2023
General fund							
00-083	Road Improvements	2030	1.750	\$ 25,600	\$ 73,524	\$ 764,772	\$ 877,580
00-399	RCMP Building	2030	1.280	45,938	114,880	1,371,219	1,541,521
22-005	Road Improvements	2047	4.090	130,138	81,691	3,015,619	3,100,169
24-004	Road Improvements	2044	3.830	-	-	2,500,000	-
				201,676	270,095	7,651,610	5,519,270
Water fund							
00-161	Water works upgrade	2025	0.910	54,600	244,491	412,127	812,252
00-213	Thirsk Dam Expansion	2026	1.530	91,800	201,491	832,693	1,225,176
00-195	Water works upgrade	2027	3.900	234,000	225,308	1,219,574	1,598,920
22-005	Water works upgrade	2047	4.090	134,260	84,279	3,111,133	3,198,361
				514,660	755,569	5,575,527	6,834,709
Sewer fund							
00-192	Sewer System construction	2025	0.910	7,280	32,599	54,950	108,300
00-207	Sewer System construction	2026	1.530	30,600	67,163	277,564	408,392
00-192	Sewer System construction	2029	4.100	4,500	6,716	65,514	77,145
16-023	Sewer System construction	2036	2.100	7,686	13,621	244,878	261,630
24-005	Sewer works upgrade	2044	3.830	-	-	1,232,000	-
				50,066	120,099	1,874,906	855,467
				\$ 766,402	\$ 1,145,763	\$ 15,102,043	\$ 13,209,446

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

9. Tangible capital assets

	Land	Land Improvements	Buildings	Machinery and Equipment	Roads and Sidewalks	Water Utility	Sewer Utility	Electric Utility	Work in Progress	2024 Total	2023 Total
Cost, beg. of year)	\$ 15,711,429	\$ 13,970,733	\$ 15,059,139	\$ 21,556,448	\$ 37,756,257	\$ 60,352,749	\$ 40,208,066	\$ 16,006,211	\$ 17,808,221	\$ 238,429,253	\$ 216,680,189
Additions	-	928,270	398,812	3,986,441	5,398,727	4,532,246	314,101	7,611,235	11,393,380	34,563,212	30,132,675
Disposals	-	-	-	(523,613)	-	-	-	-	(20,275,261)	(20,798,874)	(8,383,611)
Cost, end of year	15,711,429	14,899,003	15,457,951	25,019,276	43,154,984	64,884,995	40,522,167	23,617,446	8,926,340	252,193,591	238,429,253
Accumulated amortization, beg. of year	-	1,071,241	8,220,573	9,582,610	25,768,831	20,724,727	18,233,784	4,050,725	-	87,652,491	83,667,359
Amortization	-	24,990	348,588	1,054,528	996,055	1,262,094	959,299	280,873	-	4,926,427	4,567,821
Disposals	-	-	-	(523,613)	-	-	-	-	-	(523,613)	(582,689)
Accumulated amortization, end of year	-	1,096,231	8,569,161	10,113,525	26,764,886	21,986,821	19,193,083	4,331,598	-	92,055,305	87,652,491
Net carrying amount, end of year	\$ 15,711,429	\$ 13,802,772	\$ 6,888,790	\$ 14,905,751	\$ 16,390,098	\$ 42,898,174	\$ 21,329,084	\$ 19,285,848	\$ 8,926,340	\$ 160,138,286	\$ 150,776,762

The net book value of tangible capital assets, not being amortized as they are under construction or development or have been removed from service is \$8,926,340 (2023 - \$17,808,230). Contributed infrastructure tangible capital assets with a value of \$130,103 were recognized in the financial statements during the year (2023 - \$2,091,505). Asset additions include \$20,275,262 of work in progress transfers from 2024 (2023 - \$7,704,789). Net cash additions for 2024 are \$14,157,847 (2023 - \$20,336,390).

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2024

10. Accumulated surplus

The District segregates its accumulated surplus in the following categories:

	2024	2023
		(Restated - Note 18)
Current funds	\$ 30,184,548	\$ 28,517,481
Community Works	630,269	5,323
Net current funds	30,814,817	28,522,804
Investment in tangible capital assets	133,171,718	126,012,461
Statutory reserve funds (Note 11)	11,305,451	9,884,199
	\$ 175,291,986	\$ 164,419,464

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

Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

	Opening balance	Transfer receipts	Interest earned	Expenditure	Ending balance
Community Works	\$ 5,323	611,730	13,216	-	\$ 630,269

11. Statutory reserve funds

	Opening balance	Contributions received	Investment income	Expenditure	Ending balance
Land sale	\$ 328,817	\$ -	\$ 12,963	\$ (47,193)	\$ 294,587
Capital works	7,544,481	5,203,649	294,739	(3,745,785)	9,297,084
Parking	106,651	-	4,529	-	111,180
Asset management	1,904,250	1,154,646	72,919	(1,529,215)	1,602,600
	\$ 9,884,199	\$ 6,358,295	\$ 385,150	\$(5,322,193)	\$ 11,305,451

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2024

12. Taxation, net

	2024	2023
Property taxes and payments-in-lieu	\$ 14,042,345	\$ 13,315,433
Collections for other governments		
Province of British Columbia - school tax	7,139,774	6,838,097
Regional District	1,085,089	965,348
Regional Hospital District	943,458	884,153
Municipal Finance Authority	1,039	1,028
British Columbia Assessment Authority	185,274	178,782
Okanagan Regional Library	582,593	555,459
	23,979,572	22,738,300
Transfers		
Province of British Columbia - school tax	7,139,774	6,838,097
Regional District	1,085,089	965,348
Regional Hospital District	943,458	884,153
Municipal Finance Authority	1,039	1,028
British Columbia Assessment Authority	185,274	178,782
Okanagan Regional Library	582,593	555,459
	9,937,227	9,422,867
Available for general municipal purposes	\$ 14,042,345	\$ 13,315,433

13. Government transfers

	2024	2023
Provincial Transfers		
Small community grants	\$ 360,400	\$ 334,000
Traffic fine revenue sharing	49,000	61,000
Community works	611,730	593,983
Capital grants	3,042,749	4,913,466
Other contributions	1,037,325	5,286,459
	5,101,204	11,188,908
Regional transfers		
Okanagan Basin Water Board	30,397	301,016
Total government transfer revenues	\$ 5,131,601	\$ 11,489,924

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

14. Contingent liabilities and commitments

- (a) The District is responsible, as a member of the Regional District of the Okanagan-Similkameen, for its proportion of any operating deficits or long-term debt related to functions in which it participates.
- (b) The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$742,182 (2023 - \$715,096) for employer contributions while employees contributed \$674,124 (2023 - \$649,513) to the plan in fiscal 2024.

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

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

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

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2024

14. Contingent liabilities and commitments (continued)

- (d) From time to time the District is brought forth as a defendant in various lawsuits. The District reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim against the District would materially affect the financial statements of the District. The District reserves a portion of its operating surplus for future payment of insurance deductibles and payment of claims for which it would not be covered by insurance. The District is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements of the District.

15. Funds held in trust

At the year end, the District held \$1,069,425 (2023 - \$1,049,702) in trust. Certain assets have been conveyed or assigned to the District to be administered as directed by agreement or statute. The District holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the District's financial statements:

	2024	2023
Summerland scholarship	\$ 24,133	\$ 24,374
Cemetery perpetual care	406,294	398,947
Abernethy memorial	89,547	85,899
Summerland education funding	549,451	540,482
	\$ 1,069,425	\$ 1,049,702

16. Annual budget

The financial statements have included the Annual Budget as approved by Council on February 27, 2024. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the financial statements and the annual financial plan bylaw:

	2024	2023
Annual surplus	\$ 6,738,174	\$ 10,394,465
Capital expenditures	(29,719,035)	(25,927,742)
Principal repayment of debt	(1,238,223)	(1,334,334)
Transfers from accumulated surplus and reserves	20,387,084	13,417,611
Borrowing proceeds	3,832,000	3,450,000
Net annual budget	\$ -	\$ -

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

17. Financial Instruments

Financial Instrument Risk Management

The Municipality is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Municipality's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

There have not been any changes from the prior year in the Municipality's exposure to above risks or the policies, procedures and methods it uses to manage and measure the risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality is exposed to credit risk through its cash, accounts receivable, and portfolio investments.

The Municipality manages its credit risk by:

- using credit approval processes,
- the highly diversified nature of the residents,
- holding cash on deposit at a provincially regulated Credit Union. Unlimited depositor protection is provided from the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC). All money on deposit with a BC credit unions is 100% guaranteed, including accrued interest, regardless of the length of the term of maturity.

The Municipality measures its exposure to credit risk based on how long amounts have been outstanding and based on historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined in Note 2. Accounts receivable arise primarily as a result of utilities, and grants receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The Municipality manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by maintaining its investments in the Ministry of Finance Authority which meets the investment requirements of Section 183 of the Community Charter of the Province of BC. As a result, the Municipality has reduced exposure to market or value risk. The maximum exposure to credit risk on portfolio investments is outlined in Note 3.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

17. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to liquidity risk through its accounts payable, long-term debt, and investments.

The Municipality manages this risk by:

- maintaining a balance of highly liquid investments,
- staggering maturity dates of investment portfolio for cash flow needs,
- ability to increase tax rates per bylaw in order to increase cash,
- and monitoring cash activities and expected outflows through budgeting.

Also to help manage the risk, the Municipality has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Municipality's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The Municipality measures its exposure to liquidity risk based on the results of cash forecasting and expected outflows and extensive budgeting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk through its long-term debt and the value of portfolio investments.

The Municipality manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 8 for interest rates and maturity dates for long term debt.

Investments that are subject to interest rate risk are MFA pooled investment funds (see note 3). The risk is caused by changes in interest rates. As interest rates rise, the fair value of the MFA pooled investment funds notes decrease and, as interest rates fall, the fair value of these investments increase.

A 1.0% increase in the interest rate would increase the organization's annual surplus by \$213,815 (2023 - \$183,913). A 1.0% decrease in the interest rate would decrease the organization's annual surplus by \$213,815 (2023 - \$183,913). This sensitivity analysis was prepared on the basis that we are in an interest rate environment where interest rates are changing.

The Corporation of the District of Summerland
Notes to the Financial Statements
For the year ended December 31, 2024

18. Prior period adjustment

During the year it was identified that the inventory of transformers were being expensed when purchased as opposed to being setup as inventory. As the District retained the inventory that was ready for use, it should have been included as inventory of supplies. This has been corrected retroactively as follows:

	2023 Restated	2023 as Originally presented	Restatement
Inventory of supplies	\$4,927,757	\$3,127,757	\$1,800,000
Opening Accumulated surplus	144,828,156	143,564,156	1,264,000
Annual surplus	19,591,308	19,055,308	536,000
Electrical services expenses	12,421,014	12,957,014	(536,000)

The Corporation of the District of Summerland

Notes to the Financial Statements

For the year ended December 31, 2024

19. Segmented information

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

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

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

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

Environmental services include garbage collection and recycling.

Health services include the operations related to cemetery functions.

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

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

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

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

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

The Corporation of the District of Summerland
Notes to Financial Statements
For the year ended December 31, 2024

19. Segmented information (continued)

	General Government Services	Protective Services	Transportation Services	Environmental Services	Health Services	Planning & Develop Services	Parks & Recreation Services	Water Services	Sewer Services	Electrical Services	Actual 2024
Revenue											
Property tax	\$ 11,669,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,669,256
Parcel tax	-	-	-	-	-	-	-	1,579,755	793,334	-	2,373,089
Government transfers	1,398,197	338,329	485,749	131,497	-	169,773	878,527	1,560,885	30,397	138,247	5,131,601
User fees, sales and rentals	186,171	24,357	11,840	2,516,464	71,238	-	1,150,681	5,610,645	1,780,296	15,261,396	26,613,088
Permits, licenses and fines	165,402	34,650	-	-	-	500,652	-	-	-	-	700,704
Investment income	1,716,022	-	-	-	-	-	-	-	-	-	1,716,022
Actuarial earnings	97,566	-	-	-	-	-	-	503,613	92,461	-	693,640
Penalties and interest on taxes	127,866	-	-	-	-	-	-	-	-	-	127,866
Franchise	156,272	-	-	-	-	-	-	-	-	-	156,272
Contributions from developers	101,812	-	73,707	-	-	-	-	91,493	93,774	623,491	984,277
Other	79,968	-	362,963	-	-	-	-	42,505	8,986	101,348	595,770
Gain (loss) on disposal	-	-	56,050	-	-	-	-	-	-	-	56,050
	15,698,532	397,336	990,309	2,647,961	71,238	670,425	2,029,208	9,388,896	2,799,248	16,124,482	50,817,635
Expenses											
Labour and benefits	1,570,857	1,291,231	1,502,248	345,348	106,472	602,974	2,018,135	1,289,618	711,939	1,028,164	10,466,986
Contracted services	667,543	1,999,777	1,351,577	1,660,766	32,239	509,789	740,333	702,550	381,426	758,123	8,804,123
Materials and supplies	207,767	134,852	(294,133)	38,683	76,226	9,469	628,036	1,950,359	744,653	11,123,934	14,619,846
Interest	-	45,938	178,785	-	-	-	-	510,487	61,964	-	797,174
Amortization	156,484	69,715	1,233,276	136,804	658	116,377	710,847	1,262,094	959,299	280,873	4,926,427
Other	(10,187)	1,658	46,201	244,044	-	-	21,286	26,938	617	-	330,557
	2,592,464	3,543,171	4,017,954	2,425,645	215,595	1,238,609	4,118,637	5,742,046	2,859,898	13,191,094	39,945,113
Annual SURPLUS (DEFICIT)	\$ 13,106,068	\$ (3,145,835)	\$ (3,027,645)	\$ 222,316	\$ (144,357)	\$ (568,184)	\$ (2,089,429)	\$ 3,646,850	\$ (60,650)	\$ 2,933,388	\$ 10,872,522

The Corporation of the District of Summerland
Notes to Financial Statements
For the year ended December 31, 2024

19. Segmented information (continued)

	General Government Services	Protective Services	Transportation Services	Environmental Services	Health Services	Planning & Develop Services	Parks & Recreation Services	Water Services	Sewer Services	Electrical Services	Actual 2023
Revenue											
Property tax	\$ 10,982,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,982,469
Parcel tax	-	-	-	-	-	-	-	1,572,630	760,334	-	2,332,964
Government transfers	5,729,042	423,758	731,271	7,884	-	128,769	399,812	190,000	261,016	3,618,372	11,489,924
User fees, sales and rentals	229,005	5,646	18,846	2,588,995	63,543	-	1,082,735	5,244,120	1,744,326	14,892,199	25,869,415
Permits, licenses and fines	158,725	34,360	-	-	-	543,436	-	-	-	-	736,521
Investment income	1,229,775	-	-	-	-	-	-	-	67,500	-	1,297,275
Actuarial earnings	85,133	-	-	-	-	-	-	461,085	504,531	-	1,050,749
Penalties and interest on taxes	121,865	-	-	-	-	-	-	-	-	-	121,865
Franchise	167,070	-	-	-	-	-	-	-	-	-	167,070
Contributions from developers	1,147,629	-	78,641	-	-	-	227,638	255,769	158,939	1,931,837	3,800,453
Other	55,152	-	106,780	-	-	-	-	39,020	-	99,331	300,283
Gain (loss) on disposal	-	-	126,667	-	-	-	-	-	-	-	126,667
	19,905,865	463,764	1,062,205	2,596,879	63,543	672,205	1,710,185	7,762,624	3,496,646	20,541,739	58,275,655
Expenses											
Labour and benefits	1,358,412	1,214,977	1,361,898	308,885	89,722	552,490	1,962,585	1,347,984	594,420	878,613	9,669,986
Contracted services	602,144	2,618,271	1,326,241	1,609,467	32,002	289,466	653,253	572,601	403,915	500,511	8,607,871
Materials and supplies	192,139	143,574	(389,037)	35,653	56,717	7,755	629,982	2,310,864	698,850	10,801,919	14,488,416
Interest	-	45,938	153,928	-	-	-	-	510,630	283,616	-	994,112
Amortization	160,622	55,028	1,009,039	146,824	2,200	15,952	736,821	1,250,788	950,574	239,971	4,567,819
Other	30,050	1,591	20,924	238,979	-	-	44,770	19,212	617	-	356,143
	2,343,367	4,079,379	3,482,993	2,339,808	180,641	865,663	4,027,411	6,012,079	2,931,992	12,421,014	38,684,347
Annual SURPLUS (DEFICIT)	\$ 17,562,498	\$ (3,615,615)	\$ (2,420,788)	\$ 257,071	\$ (117,098)	\$ (193,458)	\$ (2,317,226)	\$ 1,750,545	\$ 564,654	\$ 8,120,725	\$ 19,591,308

The Corporation of the District of Summerland
Schedule - COVID-19 Safe Restart Grant

For the year ended December 31, 2024

(Unaudited)

Schedule - COVID-19 Safe Restart Grant

Safe Restart Grant 2024 Opening Balance	\$ 40,000
Eligible costs incurred:	
Transportation services	(251)
	<hr/>
Balance, December 31, 2024	<u>\$ 39,749</u>

The District's 2024 budget included capital upgrades that were to be funded through the remaining COVID-19 Safe Restart Grant funds. Project quotes came in significantly over budget and as such, the capital upgrades were not completed. These capital upgrade budgets have been adjusted and are included in the 2025 budget, which will utilize the remaining COVID-19 Safe Restart Grant funds.

The Corporation of the District of Summerland Schedule - Growing Communities Fund Grant

For the year ended December 31, 2024

(Unaudited)

Schedule - Growing Communities Fund Grant

The Province of British Columbia distributed conditional GCF grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The District of Summerland received \$4,533,000 of GCF funding in March 2023.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 4,533,000	4,533,000
Interest income	<u>259,107</u>	<u>-</u>
Funds available for disbursement	<u>4,792,107</u>	<u>4,533,000</u>
Eligible costs incurred:		
Aquatic & Fitness Centre Roof Repairs	(240,000)	-
Summerland Pier Replacement	<u>(510,439)</u>	<u>-</u>
Total eligible costs incurred	<u>(750,439)</u>	<u>-</u>
Balance, December 31, 2024	<u>\$ 4,041,668</u>	<u>4,533,000</u>

In 2024, the District completed roof repairs to the Summerland Aquatic & Fitness Centre. The facility is nearing 50 years and was experiencing significant roof leaks and moisture rot in the roof tongue-and-groove panels over the pool basin. These repairs extend the longevity of the building which provides affordable access to recreation opportunities and contributes to a healthy community.

The Pier at Rotary Beach in Summerland was deemed unsafe for public use by a structural engineer in December 2022. As such, the District removed the pier structure in 2023, followed by its replacement with a similar structure in 2024. Replacement was made with a similar sized timber structure with steel pilings for longevity. All works were completed with permits, under supervision and direction of a RP Bio and a professional engineer.