

Financial Statements





Report from the Chief Financial Officer

May 2024

Mayor Bloomfield and members of Council,

I am pleased to present the City of Penticton's 2023 Annual Financial Report for the year ended December 31, 2023.

The purpose of this report is to publish The City's consolidated financial statements, Auditor's Report and provide an update on City services and projects, pursuant to Sections 98 and 167 of the *Community Charter*. The information presented in this document reflects the results of the past year's work on Council Priorities 2022-2026, which help guide how the City will deliver services to the community today and for years to come.

The City of Penticton is committed to our ability to manage a portfolio of financial and physical assets that meet the current and future needs of our community. In 2023, The City continued to strive to enhance financial sustainability, drive innovation, and modernize service delivery.

Demand for the City's services remains high, the population continues to grow, and inflation remains a concern for households and businesses alike. The City continues to manage these factors while working hard to support residents and businesses in a fiscally responsible manner.

In this Annual Report, Council and the public are provided with an update on the progress that has been made by all divisions within the City of Penticton for 2023. It highlights the work that has been completed, identifies projects that remain in development and notes new projects that have been added to the City's Financial Plan through the annual budget process. The City provides a number





of services to the community including public safety, transportation, infrastructure, recreation, development services, water, sewer and electrical services, parks and solid waste disposal. The estimated costs for providing those services are contained in the 2024 – 2028 Financial & Corporate Business Plan with actual results detailed in our 2023 Financial Statements.

These financial statements and supplementary financial schedules have been prepared by City staff in conformance with Generally Accepted Accounting Principles as prescribed by the Public Sector Accounting Standards (PSAS). The City maintains systems of internal budgetary and accounting controls that provide assurance for safeguarding of assets and the reliability of information.

The external auditor, BDO Canada LLP, conducted an independent audit of the 2023 Consolidated Financial Statements in accordance with Canadian auditing standards and, in their opinion, determined them to be presented fairly and not materially misstated.

Financial Highlights

Financial results from 2023 saw an increase in the City's net financial assets of \$6.5 million bringing the total net financial assets to \$82 million. This resulted in a 3.5% increase in the accumulated surplus for a total of \$413 million for 2023.

Consolidated revenues for the City were \$153 million in 2023, a 10.7% increase over 2022. The increase is attributed to higher taxation revenue, higher investment interest returns and a one-time grant from the Growing Communities Fund.

Consolidated expenditures were \$139 million, an increase of 5.2% from 2022 which is mainly attributable to contractual wage increases, safety costs including Police, Fire and Bylaw, and inflationary increases in goods and services.

The general revenue fund saw an overall surplus of \$215 thousand, with revenues coming in at \$123 million, an increase of 12% from 2022. Revenues increased over the previous year due to an increase in taxation revenues, federal/provincial grant proceeds, the Growing Communities Grant and investment interest returns, which were higher than anticipated.

Expenditures in 2023 increased by 12%. The main drivers behind this increase relate to investment in natural assets for creek rehabilitation, which was 100% grant funded, contractual wage increases, policing costs and inflationary increases in goods and services.

Overall reserve funds have increased to \$130 million, a change of 14% from 2022. The increase of funds can be attributed to receipt of the Growing Communities Fund as well as unexpended capital budgets being carried into subsequent years which resulted in higher than forecasted reserve balances. These reserves will be utilized in future years when those capital projects are completed.

Council Priorities

In 2023, the City continued to take steps to maintain services for the community while incorporating increases for past services enhancements for public safety. City Council approved a tax increase for 2023 of 9.5% which included a portion of the 10% tax deferral from 2022 into future years to address inflation and mitigate the impacts of COVID-19 on the public. This deferral of taxation was planned to be phased in over the years 2023-2025 while continuing to offset losses by using general surplus funds.

For 2023, the City's Financial Plan continued to be guided by community safety, which remains one of Council's main priorities. As such, City Council approved additional resources for both the RCMP and Fire Services with the intent to continue to improve

capacity for the City's protective services. The City of Penticton is committed to managing social issues proactively by creating a stronger presence for safety enforcement and improving the quality of life and experience in Penticton for residents and visitors alike.

Housing, sustainable growth and development remains paramount while at the same time addressing aging infrastructure and providing services the community requires. In 2024, the City will continue moving forward with the Asset and Amenity Management Project, "Civic Spaces and Places" by beginning the development and design of Public Safety Buildings.

The City's statements provide key financial information and results to keep taxpayers, residents, and business leaders informed on the financial performance and delivery of City programs and services. The vision for the City of Penticton to be a healthy, vibrant, and resilient waterfront community remains our north star and having a strong financial foundation allows us to accomplish this goal.

Under the guidance and direction of our Mayor and Council, the City of Penticton is financially well positioned to support the community and deliver quality services as we continue to evolve in a rapidly changing environment.

Respectfully submitted,



Angela Campbell

Director of Finance & Administration



The City of Penticton is committed to our ability to manage a portfolio of financial and physical assets that meet the current and future needs of our community. In 2023, The City continued to strive to enhance financial sustainability, drive innovation, and modernize service delivery.



Management's Responsibility for Financial Reporting

The accompanying financial statements of the Corporation of the City of Penticton are the responsibility of management and have been approved by Mayor and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in preparation of the financial statements are based on management's best estimate and judgements. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

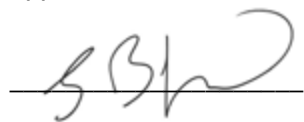
The Corporation of the City of Penticton maintains systems of internal accounting and administrative controls of reasonable quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the entity's assets are appropriately accounted for and adequately safeguarded.

The Corporation of the City of Penticton is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Mayor and Council review the financial statements and recommend their approval. The Mayor and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and external auditor's report. The Mayor and Council also consider the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards. The independent auditors report expresses their opinion on these statements. The auditors have full and free access to the accounting records as well as Mayor and Council.

Approved on behalf of Mayor and Council

 Mayor



Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Corporation of the City of Penticton and its controlled entities (the "Consolidated Entity"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations and accumulated surplus, the consolidated statement of change in net financial assets and 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at December 31, 2023, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the unaudited schedules of the Consolidated Entity's financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated Entity'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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Consolidated Entity'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 Consolidated Entity'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 consolidated 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 Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants

Penticton, British Columbia
May 7, 2024

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	2023	2022
Financial Assets		
Cash	\$ 8,812,569	\$ 7,582,478
Investments (Note 2)	138,419,219	125,705,069
Accounts Receivable (Note 3)	15,860,222	15,799,143
Cash deposits and demand notes (Note 15)	2,794,555	2,469,052
	<u>165,886,565</u>	<u>151,555,742</u>
Financial Liabilities		
Accounts Payable and Accrued Liabilities	18,579,705	19,671,163
Development Cost Charges (Note 4)	17,504,483	18,760,686
Deferred Revenue (Note 5)	9,481,303	7,746,391
Deposits	7,155,893	6,191,646
Long Term Debt (Note 9)	25,017,514	20,767,185
Asset Retirement Obligations (Note 11)	2,887,942	-
MFA Debt Reserve (Note 15)	2,794,555	2,469,052
	<u>83,421,395</u>	<u>75,606,123</u>
Net Financial Assets	\$ 82,465,170	\$ 75,949,619
Non-Financial Assets		
Tangible Capital Assets (Note 12)	\$ 322,992,179	\$ 317,798,223
Inventory	4,598,029	4,314,642
Prepaid Expenses	2,572,025	571,597
	<u>330,162,233</u>	<u>322,684,462</u>
Accumulated Surplus	<u>\$ 412,627,403</u>	<u>\$ 398,634,081</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Note 16)	2023	2022
Revenue			
Taxation (Note 19)	43,227,018	\$ 43,246,806	\$ 39,122,903
Sales of Services	76,827,484	77,287,788	74,537,779
Government Grants and Transfers (Note 17)	5,835,115	12,327,831	7,431,582
Other Revenue	10,970,375	15,417,658	12,958,012
Other Contributions	4,093,758	5,250,290	3,862,155
Gain (loss) on Disposal and Insurance Proceeds	30,000	(266,206)	498,844
	<u>140,983,750</u>	<u>153,264,167</u>	<u>138,411,275</u>
Expenditure (Note 13)			
General Government	12,448,591	22,176,559	23,343,357
Protective Services	26,213,306	25,387,346	22,520,375
Transportation Services	7,027,944	14,699,310	14,475,233
Environmental Health Services	2,118,832	2,120,384	2,126,030
Public Health and Safety	383,104	383,857	423,727
Environmental Development Services	5,431,121	4,868,449	5,389,187
Recreation and Culture	13,807,807	14,571,658	12,601,593
Electrical Supply	38,683,216	41,946,231	39,162,231
Sewer System Utility	5,099,011	6,340,506	5,759,689
Water Utility Services	4,858,877	6,776,545	6,620,021
	<u>116,071,809</u>	<u>139,270,845</u>	<u>132,421,443</u>
Annual Surplus	24,911,941	13,993,322	5,989,832
Accumulated Surplus, Beginning of Year	<u>398,634,081</u>	<u>398,634,081</u>	<u>392,644,249</u>
Accumulated Surplus, End of Year	<u>423,546,022</u>	<u>\$ 412,627,403</u>	<u>\$ 398,634,081</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2023

	2023 Budget	2023	2022
Annual surplus	24,911,941	\$ 13,993,322	\$ 5,989,832
Acquisition of Tangible Capital Assets (Note 12)	(27,855,015)	(19,485,640)	(14,641,140)
Amortization (Note 12)	-	16,347,169	14,496,922
Increase in tangible capital assets due to asset retirement obligation	-	(2,756,946)	-
Net Disposal of Tangible Capital Assets (Note 12)	-	362,534	1,542,179
Asset reclassification (Note 12)	-	338,926	648,810
	(2,943,074)	8,799,365	8,036,603
Change in Prepaid Expenses (Increase)	-	(2,000,428)	(4,719)
Acquisition of Supplies Inventories	-	(283,386)	(771,495)
	-	(2,283,814)	(776,214)
Increase in Net Financial Assets	(2,943,074)	6,515,551	7,260,389
Net Financial Assets, Beginning of Year	75,951,619	75,949,619	68,689,230
Net Financial Assets, End of Year	<u>73,008,545</u>	<u>\$ 82,465,170</u>	<u>\$ 75,949,619</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	2023	2022
Operating Transactions		
Annual Surplus	\$ 13,993,322	\$ 5,989,832
Change in Non-Cash Operating Items		
Increase in Accounts Receivable	(61,077)	(5,370,589)
Increase (decrease) in Accounts Payable and Accrued Liabilities	(1,091,458)	4,385,987
Decrease in Development Cost Charges	(1,256,203)	(288,993)
Increase (decrease) in Deferred Revenues	1,734,912	(764,412)
Increase in Deposits	964,247	2,177,834
Increase in Prepaid Expenses	(2,000,428)	(4,719)
Increase in Inventory	(283,386)	(771,496)
Net Disposal of Tangible Capital Assets	362,534	1,542,180
Amortization	16,347,169	14,496,921
Accretion	130,993	-
Asset reclassification	338,931	648,813
	15,186,234	16,051,526
Cash Provided by Operating Activities	29,179,556	22,041,358
Capital Transactions		
Cash Used to Acquire Tangible Capital Assets	(19,485,641)	(14,641,140)
Financing Transactions		
Debt Proceeds	7,800,000	-
Debt Repayment	(3,549,671)	(3,425,948)
Cash Provided by Financing Transactions	4,250,329	(3,425,948)
Investing Transactions		
Increase in Investments	(12,714,150)	(809,777)
Change in Cash	1,230,094	3,164,493
Cash, Beginning of Year	7,582,475	4,417,985
Cash, End of Year	\$ 8,812,569	\$ 7,582,478
Supplemental Cash Flow Information	2023	2022
Interest Paid	\$ 1,688,819	\$ 1,206,888

Note: Investment income recognized includes an actuarial addition to the sinking fund

See accompanying notes to the Consolidated Financial Statements.

**THE CITY OF PENTICTON
SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2023**

Management's Responsibility for the Financial Statements

The consolidated financial statements of the City are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board. The Corporation of the City of Penticton ("the City") is a municipality in the Province of British Columbia and operates under the provisions of the Community Charter. The City provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the City. All inter-entity transactions and balances have been eliminated. The controlled organizations include:

Penticton Public Library

Deferred Revenue

Funds received 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 Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

Investments

Investments include bank issued notes and bonds and provincial bonds and debentures maturing in the subsequent year.

Revenue Recognition

Taxation

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollected amounts.

Government Transfers

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

Utilities

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established. Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled.

**THE CITY OF PENTICTON
SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2023**

Revenue Recognition continued

Fee for Service

Sales of service and other revenue is recognized on an accrual basis.

Financial Instruments

Cash and investments 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.

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

For investments 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.

Inventory

The City holds consumable inventory which is recorded at the lower of cost and replacement value. Cost is determined on a weighted average basis.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in 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.

Non-Financial Assets continued

Tangible Capital Assets

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and 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, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	20 to 70 years
Roads and Sidewalks	25 to 75 years
Machinery and Equipment	5 to 20 years
Water Infrastructure	50 to 100 years
Sewer Infrastructure	10 to 100 years
Electrical Infrastructure	20 to 50 years
Parks and Recreation Infrastructure	10 to 50 years
Vehicles	10 to 20 years
Furniture and Equipment	10 to 20 years
Computer Hardware and Software	4 to 10 years
Books and Library Materials	5 to 13 years
Construction in progress	No amortization taken

Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair market value at the date of contribution, where fair value is reasonably determinable, with a corresponding amount recorded as revenue.

Works of Art and Historical Assets

The City holds several works of art and historic treasures that have not been included in the tangible capital assets, including displays at the museum and various works of art and decorations in the facilities.

**THE CITY OF PENTICTON
SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2023**

Retirement and Employment Benefits

The City's retirement contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

City employees belonging to CUPE local 608 are eligible to accumulate sick leave until termination of employment. Unused sick leave is not eligible for payment upon retirement or termination and may not be used as vacation. Employees may accumulate a maximum of 10 days of sick leave.

Reserve for Future Expenditure

Reserves for future expenditure are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditure include funds to finance incomplete projects and accumulations for specific purposes.

Statutory Reserve Funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

Use of Estimates

The preparation of consolidated financial statements in accordance with Public Sector Accounting Standards 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. Actual results could differ from management's best estimates as additional information becomes available in the future. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Collection of Taxes on Behalf of Other Taxation Authorities

The City collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these consolidated financial statements.

Contaminated Sites

A liability for contaminated sites is recognized when an accidental contamination occurs and the following criteria are met:

- a) An environmental standard exists
- b) Contamination exceeds the environmental standard
- c) The City is directly responsible or accepts responsibility for remediation
- d) It is expected that future economic benefits will be given up; and
- e) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at December 31, 2023 and 2022, the City has no liability for contaminated sites.

Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the City will be required to settle. The City recognizes asset retirement obligations when there is a legal obligation to incur retirements 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.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. Change in Accounting Policy

On January 1, 2023, the City adopted Public Accounting Standard PS 3280 Asset Retirement Obligations. This new standard establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and replaces PS 3270 Solid Waste Landfill Closure and Post-closure Liability. This standard is effective for fiscal periods beginning on or after April 1, 2022. The City has chosen prospective application of this standard.

2. Investments

	Maturity Date	Effective Interest Rate (%)	2023	2022
Valley First	n/a	-	\$ 3,213,007	\$ 23,432,628
Valley First	Aug 27, 2024	1.60	5,161,280	5,080,000
Valley First	Mar 30, 2025	5.70	5,000,000	-
Valley First	Dec 14, 2025	5.80	10,000,000	10,000,000
Valley First	Feb 21, 2026	6.00	5,000,000	-
Canaccord	Feb 12, 2024	4.65	5,384,453	5,384,453
Canaccord	May 17, 2024	3.80	9,081,900	9,081,900
Canaccord	May 17, 2024	3.75	5,877,821	5,877,821
Canaccord	Aug 12, 2024	2.80	2,500,000	2,500,000
Canaccord	Aug 24, 2024	2.75	2,500,000	2,500,000
Canaccord	Feb 24, 2025	6.20	5,000,000	-
Canaccord	Apr 4, 2025	6.25	5,439,000	-
Canaccord	Sept 1, 2025	1.90	5,000,000	5,000,000
Canaccord	Mar 31, 2026	5.40	5,000,000	-
Canaccord	Aug 24, 2026	5.99	5,000,000	-
Canaccord	Aug 31, 2026	2.20	5,000,000	5,000,000
Canaccord	Aug 22, 2028	5.94	6,000,000	-
Scotiabank	Sep 22, 2025	6.16	5,000,000	-
National Bank Financial	n/a	-	43,261,758	41,067,055
Valley First Redemptions	n/a	-	-	5,638,937
Canaccord Redemptions	n/a	-	-	5,142,275
			<u>\$ 138,419,219</u>	<u>\$ 125,705,069</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. Accounts Receivable

	2023	2022
Property Taxes	\$ 1,329,041	\$ 1,269,952
Other Receivables	3,780,181	2,996,077
Federal Government	504,530	1,389,413
Provincial Government	1,140,010	3,646,615
Other Government Agencies	189,172	161,154
Utility Rates Receivable	5,045,964	4,976,929
Accrued Interest Receivable	3,960,604	1,427,983
Cemetery Trust Fund Receivable (Payable)	(89,280)	(68,980)
	<u>\$ 15,860,222</u>	<u>\$ 15,799,143</u>

4. Development Cost Charges (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. When the related costs are incurred, the DCCs are recognized as revenue.

	2023	2022
DCC by Type		
Roads DCC	\$ 1,317,134	\$ 2,070,651
Parks DCC	659,153	902,011
Drainage DCC	1,259,284	1,127,322
Waste Water DCC	10,750,154	10,985,760
Water DCC	3,518,758	3,674,942
	<u>17,504,483</u>	<u>18,760,686</u>
DCC Activity		
Balance, Beginning of Year	18,760,686	19,049,679
Return on Investments	881,065	527,549
DCCs Levied in the Year	1,035,955	1,356,681
Transfers	(3,173,223)	(2,173,223)
	<u>\$ 17,504,483</u>	<u>\$ 18,760,686</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

4. Development Cost Charges (DCC) continued

In 2010, Council adopted Economic Incentive Zone Bylaw and in 2022 adopted an updated Development Cost Charge Bylaw. The purpose of these bylaws was to spur development in key areas of the City, promote sustainable development and promote the development of affordable rental housing. The bylaws also contain provisions to encourage high-end hotel development.

The Development Cost Charges and Economic Incentive tax exemption program have been implemented in accordance with the provisions of Section 933(1) of the Local Government Act and Section 226 of the Community Charter, respectively. In 2023, \$296,871 (2022 - \$295,504) of Economic Incentive tax exemptions were granted.

5. Deferred Revenue

Funds received 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 Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations in the year in which it is used for the specified purpose. Deferred Revenue is comprised of the following:

	Taxes	Recreation	Other	Total
Balance at December 31, 2022	\$ 6,018,852	548,173	\$ 1,179,366	\$ 7,746,391
Collected	11,980,038	1,057,827	1,647,291	14,685,156
Recognized	(11,329,178)	(945,732)	(675,334)	(12,950,244)
Balance at December 31, 2023	\$ 6,669,712	660,268	\$ 2,151,323	\$ 9,481,303

6. Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd 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 are based on a formula. As at December 31, 2022, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 the 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 actuarial valuation as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City of Penticton paid \$2,649,914 (2022 - \$2,490,003) for employer contributions to the Plan in fiscal 2023.

The next valuation will be as at December 31, 2024.

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.

7. Contingent Liabilities

a. Regional District of Okanagan Similkameen

Under Section 836 of the Local Government Act, all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 2023, the long term debt of the Regional District aggregated \$80,684,489 (2022 - \$81,042,444).

7. Contingent Liabilities continued

b. General Contingencies

From time to time there are potential claims against the City for incidents which arise in the ordinary course of business. In the opinion of management and legal counsel, the outcomes of the claims are not determinable at this time and cannot be estimated. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

c. Municipal Insurance Association

The City is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the City along with other participants, would be required to contribute towards the deficit.

8. Letters of Credit

In addition to the performance deposits reflected in the Consolidated Statement of Financial Position, the City is holding irrevocable Letters of Credit in the amount of \$963,353 which were received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the consolidated financial statements but are available to satisfy liabilities arising from non-performance by the depositors.

9. Long Term Debt

Long term debt reported on the Consolidated Statement of Financial Position is comprised of the following:

Long Term Debt

2023	2022
\$ 25,017,514	\$ 20,767,185

Principal repayments relating to long term debt of \$25,017,514 outstanding are due as follows (in thousands):

	2024	2025	2026	2027	2028	Thereafter	Sinking Fund
General Fund	\$ 949	\$ 862	\$ 739	\$ 578	\$ 565	\$ 505	\$ 3,650
Sewer Fund	587	587	587	430	430	2,510	3,337
Water Fund	652	652	652	652	612	1,706	3,775
	<u>\$ 2,188</u>	<u>\$ 2,101</u>	<u>\$ 1,978</u>	<u>\$ 1,660</u>	<u>\$ 1,607</u>	<u>\$ 4,721</u>	<u>\$ 10,762</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

9. Long Term Debt continued

Long term debt is secured by the assets of the City. The Long Term Debt is held by the Municipal Finance Authority. The principal payments are invested by the Municipal Finance Authority into a Sinking Fund. The principal repayments are currently estimated at between 3-3.75%. The 2023 earnings in the Sinking Fund were calculated to be \$1,331,027 and are included in Other Revenue on the Consolidated Statement of Operations.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

10. Debt Issued and Outstanding

											2023 Payments	
LIA B Law	S/1 B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	Interest	Principal	
General Fund												
2003-15	2268	81	22-Apr-04	Storm Sewer	\$ 337,500	\$ 25,792	20	2024	2.850	\$ 9,619	\$ 10,207	
2004-16	859-2004	85	25-Oct-04	Parks - Land Acquisition	1,680,000	128,388	20	2024	2.250	37,800	50,807	
2004-18	859/2004	85	25-Oct-04	Roads Works -S. Main St.	195,000	14,902	20	2024	2.250	4,388	5,897	
2004-19	859/2004	85	15-Oct-04	Road Design-Main St.	150,000	11,463	20	2024	2.250	3,375	4,536	
2004-20	859/2004	85	25-Oct-04	Integrated Waterfront	550,000	42,032	20	2024	2.250	12,375	16,633	
2004-21	859/2004	93	25-Oct-04	Youth Park	50,000	3,821	20	2024	2.250	1,125	1,512	
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	99,306	20	2025	5.100	6,284	47,809	
2004-20	1108-2004	93	06-Apr-05	Integrated Waterfront	520,000	64,549	20	2025	5.100	4,084	31,073	
2004-21	614/2005	95	13-Oct-05	Youth Park	150,000	20,306	20	2025	0.910	1,365	6,112	
2005-18	615/2005	95	13-Oct-05	Integrated Waterfront	825,000	111,685	20	2025	0.910	7,508	33,618	
2006-15	17/17/2006	99	07-Nov-06	Road Works-Fairview/Ind	1,595,000	325,693	20	2026	1.530	24,404	53,563	
2006-17	17/17/2006	99	07-Nov-06	Sportsfields	3,200,000	653,427	20	2026	1.530	48,960	107,462	
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront '06	350,000	93,270	20	2027	3.900	13,650	13,143	
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	982,719	20	2028	2.650	96,600	100,745	
2007-41	333/2008	104	20-Nov-08	Cemetery-Columbarium	2,500,000	818,932	20	2028	2.900	72,500	83,954	
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	327,573	20	2028	2.900	29,000	33,582	
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	173,614	20	2028	2.900	15,370	17,798	
2007-52	638/2009	106	13-Oct-09	Indoor Soccer Facility	415,000	160,076	20	2029	2.250	9,338	13,936	
2007-52	15/30/2010	110	08-Apr-10	Indoor Soccer Ph2	586,000	257,131	20	2030	1.280	7,501	21,542	
2009-14	15/30/2010	110	08-Apr-10	Pool Upgrades	7,400,000	3,247,047	20	2030	1.280	94,720	272,037	
2007-52	B25/2011	116	04-Apr-11	Indoor Soccer Facility	135,000	66,594	20	2031	1.470	1,985	4,963	
2009-43	B25/2011	116	04-Apr-11	Road Wrks-Smythe Dr	447,000	220,499	20	2031	1.470	6,571	16,432	
26/2018				Downtown 300 Block Main Street	1,530,000	-	5		-	1,817	306,000	
					27,945,500	7,848,819				510,339	1,253,361	

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

10. Debt Issued and Outstanding continued

										2023 Payments	
LIA B Law	S/I B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	Interest	Principal
Water Fund											
2006-07	17/07/2006	99	07-Nov-06	Naramata Rd. Upgrade	4,670,000	953,596	20	2026	1.530	71,451	156,827
2007-83	333/2008	104	20-Nov-08	Water Filtration Plant	4,000,000	1,310,292	20	2028	2.900	116,000	134,327
2007-83	638/2009	106	13-Oct-09	Water Filtration Plant	3,900,000	1,504,330	20	2029	2.250	87,750	130,969
2022-33	394/2022	159	13-Jun-23	Ridgedale Reservoir	4,700,000	4,700,000	20	2043	4.150	97,525	-
					17,270,000	8,468,218				372,726	422,123
Sewer Fund											
2006-61	273/2007	102	02-Nov-07	Septage Handling Facility	1,050,000	279,811	20	2027	2.250	40,950	39,429
2008-10	332-2008	104	02-Nov-07	Sewer System Upgrade	8,000,000	2,620,583	20	2028	2.900	232,000	268,654
2008-10	638-2009	106	13-Oct-09	Sewer Plant Expansion	7,000,000	2,700,083	20	2029	2.250	157,500	235,072
2022-31	394-2022	159	13-Jun-2023	AWWTP	3,100,000	3,100,000	20	2043	4.150	64,325	-
					19,150,000	8,700,477				494,775	543,155
					\$ 64,365,500	\$ 25,017,514				\$ 1,377,840	\$ 2,218,639

11. Asset Retirement Obligations

The City owns and operates several assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of Public Accounting Standard PS 3280 Asset Retirement Obligations, the City recognized an obligation relating to the removal of the hazardous materials in these assets as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Land Infrastructure capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

The City has adopted this standard prospectively. Estimated costs totalling \$4,268,850 have been inflated using an inflation rate of 2.15% and discounted using the City's average borrowing rate of 4.73%. The timing of these expenditures is estimated to occur between 2023 and 2042 with the regular replacement renovation, or disposal of assets. No recoveries are expected at this time.

Initial recognition of expected discounted cash flows
Increase due to accretion

2023
\$ 2,756,949
130,993
<u>\$ 2,887,942</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

12. Tangible Capital Assets

The City of Penticton budgets for Tangible Capital Assets (TCA) as well as non-operating repairs and maintenance through the capital budget. During the year, the City incurred \$28,020,608 of expenditures that fall within the Capital Budget. Of this amount, \$19,438,295 met the TCA capitalization policy criteria while the remaining \$8,582,313 was expensed due to the expenditure being outside the TCA capitalization policy criteria or they were related to repairs and maintenance.

	Land	Buildings	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2023 Total
COST									
Opening Balance	\$ 55,299,911	\$ 171,586,366	\$ 54,643,093	\$ 58,983,856	\$ 63,564,745	\$ 85,985,307	\$103,674,440	\$ 8,449,807	\$ 602,187,525
Add: Additions	47,388	631,929	3,893,799	1,874,882	1,576,033	47,572	1,628,759	9,785,278	19,485,640
Add: Additions due to ARO recognition (Note 11)	251,074	2,505,875	-	-	-	-	-	-	2,756,949
Add: Trsf to/from Construction in Progress	-	43,127	4,147,769	38,518	420,303	457,415	215,106	(5,323,238)	-
Less: Disposals	-	992,280	743,535	-	-	-	-	-	1,735,815
Re-classification	-	-	-	-	-	-	-	(338,930)	(338,930)
	<u>55,598,373</u>	<u>173,775,017</u>	<u>61,941,126</u>	<u>60,897,256</u>	<u>65,561,081</u>	<u>86,490,294</u>	<u>105,518,305</u>	<u>12,572,917</u>	<u>622,355,369</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	95,965,087	38,191,373	16,286,947	23,825,878	46,836,912	63,283,105	-	284,389,302
Add: Amortization	-	5,129,071	3,270,748	1,291,402	1,044,863	2,683,052	2,928,033	-	16,347,169
Less: Acc Amortization on Disposals	-	718,042	655,239	-	-	-	-	-	1,373,281
	<u>-</u>	<u>100,376,116</u>	<u>40,806,882</u>	<u>17,578,349</u>	<u>24,870,741</u>	<u>49,519,964</u>	<u>66,211,138</u>	<u>-</u>	<u>299,363,190</u>
Net Book Value for Year Ended Dec. 31, 2023	<u>\$ 55,598,373</u>	<u>\$ 73,398,901</u>	<u>\$ 21,134,244</u>	<u>\$ 43,318,907</u>	<u>\$ 40,690,340</u>	<u>\$ 36,970,330</u>	<u>\$ 39,307,167</u>	<u>\$ 12,572,917</u>	<u>\$ 322,992,179</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

12. Tangible Capital Assets continued

	Land	Buildings	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2022 Total
COST									
Opening Balance	\$ 54,952,999	\$ 171,245,111	\$ 51,988,121	\$ 58,359,846	\$ 62,465,696	\$ 84,605,031	\$100,531,105	\$ 5,952,267	\$ 590,100,176
Add: Additions	1,848,176	167,480	2,954,977	558,379	1,046,744	1,167,841	3,030,309	3,867,234	14,641,140
Add: Trsf to/from Construction in Progress	-	173,774	103,711	65,632	52,304	212,435	113,026	(720,882)	-
Less: Disposals	1,501,263	-	403,718	-	-	-	-	-	1,904,981
Re-classification to Financial Assets	-	-	-	-	-	-	-	(648,810)	(648,810)
	<u>55,299,912</u>	<u>171,586,365</u>	<u>54,643,091</u>	<u>58,983,857</u>	<u>63,564,744</u>	<u>85,985,307</u>	<u>103,674,440</u>	<u>8,449,809</u>	<u>602,187,525</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	90,977,086	35,846,317	15,073,856	22,824,852	45,231,433	60,301,638	-	270,255,182
Add: Amortization	-	4,988,001	2,707,857	1,213,091	1,001,026	1,605,479	2,981,467	-	14,496,921
Less: Acc Amortization on Disposals	-	-	362,801	-	-	-	-	-	362,801
	<u>-</u>	<u>95,965,087</u>	<u>38,191,373</u>	<u>16,286,947</u>	<u>23,825,878</u>	<u>46,836,912</u>	<u>63,283,105</u>	<u>-</u>	<u>284,389,302</u>
Net Book Value for Year Ended Dec. 31, 2022	<u>\$ 55,299,912</u>	<u>\$ 75,621,278</u>	<u>\$ 16,451,718</u>	<u>\$ 42,696,910</u>	<u>\$ 39,738,866</u>	<u>\$ 39,148,395</u>	<u>\$ 40,391,335</u>	<u>\$ 8,449,809</u>	<u>\$ 317,798,223</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

13. Reporting by Object

	2023	2022
Salaries and Benefits	\$ 38,044,648	\$ 35,654,039
Goods and Services	64,777,723	64,433,752
Interest	1,688,819	1,206,888
Amortization	16,347,170	14,496,921
Accretion	130,993	-
Other Expenses	2,963,548	3,069,854
Vehicle & Equipment Maintenance	5,158,426	4,939,604
Policing Agreement	10,159,518	8,620,385
	<u>\$ 139,270,845</u>	<u>\$ 132,421,443</u>

14. Credit Facilities

a. Line of Credit

The City holds a \$5,000,000 line of credit with the Valley First Credit Union. This line of credit has a borrowing rate of prime 7.2% (2022 - 7.2%) and is secured by promissory note as indicated in the Revenue Anticipation Borrowing Bylaw 2011 No. 5003.

As of December 31, 2023 there was no balance outstanding (2022 - \$NIL).

b. Bank Indebtedness

The City holds a \$7,130,000 EFT limit.

15. Municipal Finance Authority

Cash Deposits and Demand Notes - The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debt proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debt borrowing whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature.

Proceeds on loan requests are 98.40% of the gross amount of the loan. 1% is deducted by the MFA for security against loan default (this is held in trust by the MFA in its Debt Reserve Fund and will be refunded to clients, with interest, at loan expiry). The remaining 0.60% is deducted as an issue expense to cover the costs of administering the Debt Reserve Fund.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

15. Municipal Finance Authority continued

Cash deposits

2023	2022
\$ 2,794,555	\$ 2,469,052

16. Budget

The Financial Plan (Budget) Bylaw No. 2023-09 adopted by Council on April 18, 2023 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget figures anticipated use of reserves accumulated in previous years to reduce current year expenditures in excess of current year revenues to Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Consolidated Statements of Operations and change in Consolidated Net Financial Assets represent the Financial Plan adopted by Council with adjustments as follows:

	2023
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Transfer to Funds/Reserves	28,604,513
Debt Principal Repayments	2,218,646
Budgeted Capital Expenditures - General	15,195,450
Budgeted Capital Expenditures - Electric	5,294,740
Budgeted Capital Expenditures - Sewer	3,155,800
Budgeted Capital Expenditures - Water	4,209,025
Less:	
Budgeted Transfers from Surplus	33,766,233
Budget Surplus per Consolidated Statement of Operations	\$ 24,911,941

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

17. Transfers From Other Governments

	2023	2022
Community Building Fund (Gas Tax)	\$ 1,610,446	\$ 1,543,768
Capital Grants	2,193,637	2,981,727
Traffic fine revenue sharing	360,000	359,030
Edmonton Avenue Child Care Centre	38,675	1,565,671
Okanagan Basin Water Board grants	155,777	152,338
Local Government Climate Action Program	189,082	189,082
Growing Communities	7,177,000	-
Library	169,114	132,298
Miscellaneous	434,100	507,668
	\$ 12,327,831	\$ 7,431,582

18. Penticton Public Library

The establishment of a municipal public library in the City of Penticton Bylaw 2639 was passed December 8, 1969. The Bylaw indicates that the City exercises control over the Penticton Public Library and is required to fund its operations as per the Library Act. The Penticton Public Library assets as managed by the Library Board are recorded as assets of the City. The operations of the Penticton Public Library have been wholly consolidated by the City.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023

19. Taxation

	Budget	2023	2022
Municipal Taxation			
Real Property	\$ 42,647,018	\$ 42,715,221	\$ 38,575,222
Special Assessments	87,000	87,228	87,228
Grants in Lieu	493,000	444,357	460,453
Total municipal taxation	43,227,018	43,246,806	39,122,903
Collections For other Governments			
School	17,988,430	19,428,130	17,989,195
Regional District	2,521,751	2,498,768	2,358,940
Regional Hospital	2,530,000	2,573,998	2,529,865
BCAA	490,000	531,493	491,028
Total collections for other taxing authorities	23,530,181	25,032,389	23,369,028
Transfers to Other Governments	(23,530,181)	(25,067,633)	(23,353,375)
Supplemental Taxation Recovered (Remitted)	-	35,244	(15,653)
Net taxation for municipal purposes	\$ 43,227,018	\$ 43,246,806	\$ 39,122,903

20. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

21. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset in the future. The City's contractual rights arise because of contracts entered into for long-term land leases that grant rights to the City, upon termination of the lease, to any Building(s) the Tenant has constructed on the land. The following listing outlines the nature, amount, and timing for each of the City's contractual rights to future assets:

The Penticton Golf & Country Club

The Lease Agreement between The City of Penticton and The Penticton Golf & Country Club dated July 1, 2007, will generate an asset to the City upon expiry of the lease. The Lease Agreement grants the right of ownership of the Golf Clubhouse Building to the City; the current market value for this building is \$1,669,000. This is a 26 year, 4 month Lease, due to expire in 2033.

Art Gallery of the South Okanagan (Inc. 9986)

The Lease Agreement between The City of Penticton and the Art Gallery of the South Okanagan (Inc, 9986) dated October 1, 1999, will generate an asset to the City upon expiry of the lease. The Lease Agreement grants the right of ownership of the Art Gallery Building to the City; the current market value for this building is \$2,807,000. This is a 5 year Lease, due to expire in 2025.

Penticton Seniors' Drop-in Centre Society

The Lease Agreement between The City of Penticton and the Penticton Seniors' Drop-in Centre Society dated May 31, 2019, will generate an asset to the City upon expiry of the lease. The Lease Agreement grants the right of ownership of the Drop-In Centre Building to the City; the current market value for this building is \$5,836,000. This is a 20 year Lease, due to expire in 2039.

Gateway Casinos & Entertainment Limited

The Lease Agreement between The City of Penticton and Gateway Casinos & Entertainment Limited dated May 4, 2016, will generate an asset to the City upon expiry of the lease. The Lease Agreement grants the right of ownership of the Casino Building to the City; the current market value for this building is \$11,011,000. This is a 20 year Lease, due to expire in 2036 with two 10-year extension options.

One Sky Community Resources Society

The Lease Agreement between the City of Penticton and One Sky Community Resources Society dated October 1, 2021, will generate an asset to the City upon expiry of the lease. The Lease Agreement grants the right of ownership of the daycare to the City; the current market value for this building is \$2,152,000. This is a 60 year Lease, due to expire in 2081.

22. Financial Instruments

Financial Instrument Risk Management

The City is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the City'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 City'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 City is exposed to credit risk through its cash, accounts receivable, and portfolio investments.

The City manages its credit risk by selecting only investments that ensure preservation of capital and leveraging portfolio diversification. The City measures its exposure to credit risk based on portfolio constraints, credit ratings and exposure to asset classes. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined in Notes 2 and 3. Accounts receivable arise primarily as a result of taxation, utilities, and grants receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The City manages exposure to credit risk for portfolio investments by ensuring adequate diversification including maintaining investments in the Municipal 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.

Liquidity risk

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

The City manages this risk by selecting maturity dates that correspond to cash flow requirements. Also to help manage the risk, the City has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The City's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The City measures its exposure to liquidity risk based on financial forecasting 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 City is exposed to interest rate risk through its long-term debt and the value of portfolio investments.

The City 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 10 for interest rates and maturity dates for long term debt.

22. Financial Instruments continued

Investments that are subject to interest rate risk are MFA pooled investment funds (see Note 2, National Bank Financial). 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.

As a result of diversification by security type, only a portion of the overall investment portfolio is exposed to interest rate risk. As at December 31, 2023 the amount of the investment portfolio exposed was \$0 (2022 - \$0) per Note 2.

23. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire, water and electricity. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government Services

General Government operations are primarily funded by property taxation. This segment includes all of the revenues and expenses that relate to the operations of the City itself and cannot be directly attributed to one of the other specific segments including administration, financial services, human resources, information technology, and revenue and collections.

Protective Services

Protection is comprised of police services, fire protection, bylaw services, dog control and building and licensing services. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education.

Transportation Services

Transportation is responsible for the delivery of municipal public works services related to the City's public transit services, roads and maintenance, bridges, drainage systems, public works, street lighting and traffic control.

Environmental Health Services

Environmental services consists of providing waste disposal to citizens.

Public Health and Safety

Health services are comprised of public health services; this segment includes the operation of the City's Cemeteries.

Environmental Development Services

This segment includes city planning, land management, economic development and ensures all property development and land use is in line with City Bylaw's and policies and is in the best interest of the community.

Recreation and Culture

This segment provides services meant to improve health and development of the City's citizens. Recreational programs and cultural programs like swimming and skating lessons are provided at the arenas, the aquatic centre and the community centre.

23. Segmented Information continued

Recreation and Culture continued

centre. Also, the City provides library services to assist with its citizens' informational needs and a museum that houses collections and artifacts. The segment also includes parks, land administration and the City's net contribution to the operations of the South Okanagan Events Centre.

Electrical Utility

The electrical supply system is responsible for distribution of electricity to the City's citizens and businesses. This segment includes all of the operating activities related to the supply of the City's electricity.

Sewer Utility

The City's sanitary sewer system collects, conveys and treats and disposes of domestic and industrial wastewater. This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the City.

Water Utility

The water utility is responsible for planning, designing, building and operating and maintaining the City's water system and includes all of the operating activities related to the treatment and distribution of water throughout the City.

24. Cemetery Perpetual Trust Fund

The Cemetery Trust fund is established in accordance with the Cremation, Interment, and Funeral Services Act, to upkeep the cemetery grounds/facilities upon closure of the cemetery. As per legislation, current interest income earned on the Reserve balance may be used to offset cemetery operating and capital expenditures. Annual cemetery operating and capital expenditures are approved by Council through the annual budgeting process. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2023, the balance of funds held in trust was \$1,279,463 (2022 - \$1,197,261).

**THE CITY OF PENTICTON
SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2023**

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Utility	Sewer Utility	Water Utility	2023 Total
REVENUE											
Taxation	\$ 43,246,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,246,806
Sales of Services	1,998,720	3,225,160	2,131,947	3,003,232	483,017	339,761	2,466,532	44,526,955	9,016,400	10,096,064	77,287,788
Government Grants and Transfers	9,214,693	128,607	2,223,921	-	-	177,825	427,008	-	155,777	-	12,327,831
Other Revenue	12,537,289	1,293,204	-	-	-	1,447,267	95,322	8,412	-	36,164	15,417,658
Other Contributions	426,712	19,825	1,590,829	-	-	-	-	918,038	1,406,752	888,134	5,250,290
Gain on Disposal	(274,238)	-	4,599	-	-	-	3,433	-	-	-	(266,206)
	<u>67,149,982</u>	<u>4,666,796</u>	<u>5,951,296</u>	<u>3,003,232</u>	<u>483,017</u>	<u>1,964,853</u>	<u>2,992,295</u>	<u>45,453,405</u>	<u>10,578,929</u>	<u>11,020,362</u>	<u>153,264,167</u>
EXPENDITURE											
Salaries and Benefits	6,491,149	12,963,521	2,194,344	90,580	29,340	1,843,854	7,296,381	2,530,213	2,080,187	2,525,079	38,044,648
Goods and Services	4,488,088	1,551,483	7,305,490	2,019,968	279,959	1,815,020	6,236,726	36,301,680	1,958,995	2,820,314	64,777,723
Interest	296,283	-	51,037	-	72,500	-	387,663	-	507,432	373,904	1,688,819
Amortization	8,902,547	-	2,928,033	-	-	-	-	2,683,052	1,121,422	712,116	16,347,170
Accretion	130,993	-	-	-	-	-	-	-	-	-	130,993
Other Expenses	1,440,525	101,411	16,352	145	-	1,205,220	75,728	71,528	5,290	47,349	2,963,548
Vehicle & Equipment Maintenance	426,974	611,413	2,204,054	9,691	2,058	4,355	575,160	359,758	667,180	297,783	5,158,426
Policing Agreement	-	10,159,518	-	-	-	-	-	-	-	-	10,159,518
	<u>22,176,559</u>	<u>25,387,346</u>	<u>14,699,310</u>	<u>2,120,384</u>	<u>383,857</u>	<u>4,868,449</u>	<u>14,571,658</u>	<u>41,946,231</u>	<u>6,340,506</u>	<u>6,776,545</u>	<u>139,270,845</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 44,973,423</u>	<u>\$ (20,720,550)</u>	<u>\$ (8,748,014)</u>	<u>\$ 882,848</u>	<u>\$ 99,160</u>	<u>\$ (2,903,596)</u>	<u>\$ (11,579,363)</u>	<u>\$ 3,507,174</u>	<u>\$4,238,423</u>	<u>\$ 4,243,817</u>	<u>\$ 13,993,322</u>

**THE CITY OF PENTICTON
SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2022**

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	2022 Total
REVENUE											
Taxation	\$ 39,122,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,122,903
Sales of Services	1,929,129	3,519,540	2,003,564	2,873,038	390,607	530,212	2,220,499	42,847,261	8,612,757	9,611,171	74,537,779
Government Grants and Transfers	3,523,541	369,390	2,754,732	-	-	207,399	424,182	-	152,338	-	7,431,582
Other Revenue	9,671,046	1,732,356	-	-	-	1,374,640	172,270	7,700	-	-	12,958,012
Other Contributions	544,338	-	533,652	-	-	-	-	663,803	1,318,042	802,320	3,862,155
Gain on Disposal	177,730	-	-	-	-	238,737	82,377	-	-	-	498,844
	<u>54,968,687</u>	<u>5,621,286</u>	<u>5,291,948</u>	<u>2,873,038</u>	<u>390,607</u>	<u>2,350,988</u>	<u>2,899,328</u>	<u>43,518,764</u>	<u>10,083,137</u>	<u>10,413,491</u>	<u>138,411,275</u>
EXPENDITURE											
Salaries and Benefits	6,195,854	11,716,716	2,016,035	207,052	45,227	1,992,643	6,602,374	2,594,734	1,872,727	2,410,677	35,654,039
Goods and Services	6,881,765	1,527,325	7,439,489	1,911,889	298,646	2,225,497	5,081,243	34,635,302	1,796,605	2,635,991	64,433,752
Interest	29,540	-	62,161	-	72,500	-	368,762	-	403,804	270,121	1,206,888
Amortization	8,103,450	-	2,573,875	-	-	-	-	1,605,479	1,213,091	1,001,026	14,496,921
Other Expenses	1,664,633	81,093	19,970	1,285	-	1,160,946	35,895	51,784	6,579	47,669	3,069,854
Vehicle & Equipment Maintenance	468,115	574,856	2,363,703	5,804	7,354	10,101	513,319	274,932	466,883	254,537	4,939,604
Policing Agreement	-	8,620,385	-	-	-	-	-	-	-	-	8,620,385
	<u>23,343,357</u>	<u>22,520,375</u>	<u>14,475,233</u>	<u>2,126,030</u>	<u>423,727</u>	<u>5,389,187</u>	<u>12,601,593</u>	<u>39,162,231</u>	<u>5,759,689</u>	<u>6,620,021</u>	<u>132,421,443</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 31,625,330</u>	<u>\$ (16,899,089)</u>	<u>\$ (9,183,285)</u>	<u>\$ 747,008</u>	<u>\$ (33,120)</u>	<u>\$ (3,038,199)</u>	<u>\$ (9,702,265)</u>	<u>\$ 4,356,533</u>	<u>\$ 4,323,448</u>	<u>\$ 3,793,470</u>	<u>\$ 5,989,832</u>

THE CITY OF PENTICTON
GENERAL REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	2023 Budget	2023	2022
Revenue			
Taxation	\$ 43,227,018	\$ 43,246,806	\$ 39,122,903
Sales of Services	18,372,562	19,635,322	19,335,456
Government Grants and Transfers	2,624,177	12,172,054	7,279,244
Transfer From Other Funds/Reserves	5,934,661	5,463,801	6,219,921
Other Revenue	10,960,075	15,373,082	12,950,313
Other Contributions	426,712	2,037,366	1,077,990
Sale of Assets	30,000	(266,206)	498,844
Collections For other Governments	23,530,181	25,032,389	23,369,027
	<u>105,105,386</u>	<u>122,694,614</u>	<u>109,853,698</u>
Expenditure			
Salaries and Benefits	31,229,541	31,617,697	29,428,381
Goods and Services	21,451,890	25,542,160	27,405,404
Interest	492,020	807,484	532,962
Principal Payments	1,253,368	1,253,366	1,250,015
Other Expenses	2,990,410	2,839,379	2,963,821
Vehicle & Equipment Maintenance	2,612,244	3,833,705	3,943,252
Policing Agreement	11,315,000	10,159,518	8,620,385
Transfer to Other Funds/Reserves	10,230,732	21,357,927	11,886,973
Transfers to Other Governments	23,530,181	25,067,633	23,353,375
	<u>105,105,386</u>	<u>122,478,869</u>	<u>109,384,568</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>215,745</u>	<u>469,130</u>
CHANGE IN FUND BALANCES	-	215,745	469,130
FUND BALANCES, BEGINNING OF YEAR	10,115,549	10,115,549	9,646,419
FUND BALANCES, END OF YEAR	<u>\$ 10,115,549</u>	<u>\$ 10,331,294</u>	<u>\$ 10,115,549</u>

THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	2023	2022
Balance, Beginning of Year	\$ 31,882,412	\$ 30,069,059
Add		
Transfers from:		
Revenue Funds	21,315,576	6,110,128
Interest Earned	2,156,920	864,483
Non-Statutory Reserves	13,500,000	-
Deduct		
Transfers to:		
Capital Funds	4,162,968	5,161,258
	<u>\$ 64,691,940</u>	<u>\$ 31,882,412</u>
STATUTORY RESERVE FUND BALANCES		
Affordable Housing Reserve	273,132	260,175
Alternative Transportation Reserve	237,443	219,833
Asset Sustainability	9,637,874	7,377,259
Capital Reserve Fund	1,283,314	1,644,735
Community Works Reserve	3,133,266	3,064,694
Electric Capital Reserve Fund	8,231,959	5,400,752
Equipment Replacement Reserve	8,745,223	7,314,267
Growing Communities	7,276,715	-
Land Acquisition Reserve	1,304,258	1,235,553
Local Improvement Reserve	1,358,570	1,278,779
Off-Street Parking Reserve	171,753	144,568
Parkland Acquisition Reserve	270,756	221,301
Public Amenity Reserve	163,371	155,621
Sewer Capital Reserve	10,612,381	1,455,497
Tax Sale Lands Reserve	8,725	8,311
Water Capital Reserve	11,983,200	2,101,067
Balance, End of Year	<u>\$ 64,691,940</u>	<u>\$ 31,882,412</u>

THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	Balance, Beginning of Year	Transfer from General Revenue Fund	Interest Earned	Transfer to/from General Revenue/Capital Fund	2023 Total
Reserve					
Affordable Housing	\$ 260,175	\$ -	\$ 12,957	\$ -	\$ 273,132
Alternate Transportation	219,833	6,500	11,110	-	237,443
Asset Sustainability	7,377,259	2,160,393	408,039	(307,817)	9,637,874
Capital	1,644,735	-	71,137	(432,558)	1,283,314
Community Works	3,064,694	1,610,446	150,580	(1,692,454)	3,133,266
Electric Capital	5,400,752	-	331,207	2,500,000	8,231,959
Equipment Replacement	7,314,267	2,693,518	390,503	(1,653,065)	8,745,223
Growing Communities	-	7,177,000	176,788	(77,073)	7,276,715
Land Acquisition	1,235,553	7,000	61,705	-	1,304,258
Local Improvement	1,278,779	15,716	64,075	-	1,358,570
Off-Street Parking	144,568	19,500	7,685	-	171,753
Parkland Acquisition	221,301	37,500	11,955	-	270,756
Public Amenity	155,621	-	7,750	-	163,371
Sewer Capital	1,455,497	2,935,000	221,884	6,000,000	10,612,381
Tax Sale Lands	8,311	-	414	-	8,725
Water Capital	2,101,067	4,653,000	229,133	5,000,000	11,983,200
	\$ 31,882,412	\$ 21,315,573	\$ 2,156,922	\$ 9,337,033	\$ 64,691,940

THE CITY OF PENTICTON
RESERVES
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	Balance, Beginning of Year	Transfers In	Transfers Out	Interest	Inter-fund Borrowing	2023 Total
Non-Statutory						
Asset Emergency	\$ 4,115,859	\$ -	\$ (415,883)	\$ -	\$ -	\$ 3,699,976
Cemetery Land	133,000	-	-	-	-	133,000
Climate Action	668,510	226,902	(140,862)	-	-	754,550
Election	-	37,500	-	-	-	37,500
Electric Surplus	18,372,976	-	(3,543,216)	-	(1,963,106)	12,866,654
Financial Stabilization	2,743,108	150,388	-	-	-	2,893,496
Gaming	1,848,216	1,658,924	(1,760,791)	-	-	1,746,349
General Surplus	10,115,549	215,745	-	-	-	10,331,294
Investment Income	1,369,942	-	(1,369,942)	-	-	-
Marinas	432,404	72,691	(34,627)	-	-	470,468
Multi-Material BC	1,362,054	578,910	(287,500)	-	-	1,653,464
OAP	102,624	339,719	(40,000)	-	-	402,343
Parking & Revitalization	51,765	-	-	-	-	51,765
Public Art	76,771	-	(76,771)	-	-	-
RCMP	613,000	311,383	(82,874)	-	-	841,509
Sewer Equipment Replacement	350,000	-	-	-	-	350,000
Sewer Surplus	8,000,317	-	(4,463,983)	-	-	3,536,334
Storm Water	610,043	444,302	(128,663)	-	-	925,682
Urban Forest	10,800	2,950	-	-	-	13,750
Water Surplus	10,007,988	-	(4,647,452)	-	-	5,360,536
West Bench Capital	1,185,185	-	-	-	-	1,185,185
West Bench Water	1,253,376	-	(78,336)	-	-	1,175,040
	63,423,487	4,039,414	(17,070,900)	-	(1,963,106)	48,428,895
Statutory	31,882,412	21,315,573	9,337,033	2,156,922	-	64,691,940
DCC	18,760,686	1,035,955	(3,173,223)	881,065	-	17,504,483
	<u>\$ 114,066,585</u>	<u>\$ 26,390,942</u>	<u>\$ (10,907,090)</u>	<u>\$ 3,037,987</u>	<u>\$ (1,963,106)</u>	<u>\$ 130,625,318</u>

*inter-fund borrowing to be repaid by general fund (2023-2033)

THE CITY OF PENTICTON
 RESERVE
 GROWING COMMUNITIES RESERVE FUND
 YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

GROWING COMMUNITIES RESERVE FUND

	2023	2022
Receipt of grant	\$ 7,177,000	\$ -
Interest	176,788	-
	<u>7,353,788</u>	<u>-</u>
Deduct Eligible Costs:		
Engineering Intersection Design	40,294	-
Decorative Seasonal Lighting	36,779	-
	<u>77,073</u>	<u>-</u>
Balance, End of Year	<u><u>\$ 7,276,715</u></u>	<u><u>\$ -</u></u>

THE CITY OF PENTICTON
SEWER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	2023 Budget	2023	2022
Revenue			
Sales of Services	\$ 9,053,057	\$ 9,120,400	\$ 8,716,757
Government Grants and Transfers	152,338	155,777	152,338
Other Contributions	1,258,132	1,406,752	1,318,043
Transfer From Other Funds/Reserves	543,155	2,544,890	1,152,102
	<u>11,006,682</u>	<u>13,227,819</u>	<u>11,339,240</u>
Expenditure			
Salaries and Benefits	2,144,346	2,080,188	1,872,727
Goods and Services	2,663,735	3,060,084	2,784,821
Interest	500,200	507,432	403,804
Principal Payments	543,155	543,155	538,987
Other Expenses	-	5,290	6,579
Vehicle & Equipment Maintenance	885,827	667,180	466,883
Transfer to Other Funds/Reserves	4,269,419	10,828,473	2,875,341
	<u>11,006,682</u>	<u>17,691,802</u>	<u>8,949,142</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(4,463,983)</u>	<u>2,390,098</u>
CHANGE IN FUND BALANCES	-	(4,463,983)	2,390,098
FUND BALANCES, BEGINNING OF YEAR	8,000,317	8,000,317	5,610,219
FUND BALANCES, END OF YEAR	<u>\$ 8,000,317</u>	<u>\$ 3,536,334</u>	<u>\$ 8,000,317</u>

THE CITY OF PENTICTON
WATER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	2023 Budget	2023	2022
Revenue			
Sales of Services	\$ 10,393,355	\$ 10,153,064	\$ 9,666,171
Transfer From Other Funds/Reserves	78,336	3,983,829	2,441,784
Other Revenue	-	36,164	-
Other Contributions	488,379	888,135	457,065
	<u>10,960,070</u>	<u>15,061,192</u>	<u>12,565,020</u>
Expenditure			
Salaries and Benefits	2,248,739	2,525,078	2,410,677
Goods and Services	2,895,567	3,935,624	3,643,271
Interest	380,951	373,904	270,121
Principal Payments	422,123	422,123	422,123
Other Expenses	34,320	47,349	47,669
Vehicle & Equipment Maintenance	408,617	297,783	254,537
Transfer to Other Funds/Reserves	4,569,753	12,106,783	6,057,314
	<u>10,960,070</u>	<u>19,708,644</u>	<u>13,105,712</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(4,647,452)</u>	<u>(540,692)</u>
CHANGE IN FUND BALANCES	-	(4,647,452)	(540,692)
FUND BALANCES, BEGINNING OF YEAR	10,007,988	10,007,988	10,548,680
FUND BALANCES, END OF YEAR	<u>\$ 10,007,988</u>	<u>\$ 5,360,536</u>	<u>\$ 10,007,988</u>

THE CITY OF PENTICTON
ELECTRIC REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	2023 Budget	2023	2022
Revenue			
Sales of Services	\$ 45,355,703	\$ 44,731,063	\$ 43,049,370
Other Revenue	10,300	8,412	7,700
Other Contributions	-	918,038	663,803
Transfer From Other Funds/Reserves	2,458,778	5,976,827	4,316,109
	<u>47,824,781</u>	<u>51,634,340</u>	<u>48,036,982</u>
Expenditure			
Salaries and Benefits	2,215,229	2,530,213	2,594,734
Goods and Services	37,610,689	37,791,192	36,177,750
Other Expenses	88,577	71,528	51,784
Vehicle & Equipment Maintenance	251,100	359,758	274,932
Transfer to Other Funds/Reserves	7,659,186	14,424,865	11,095,590
	<u>47,824,781</u>	<u>55,177,556</u>	<u>50,194,790</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(3,543,216)</u>	<u>(2,157,808)</u>
CHANGE IN FUND BALANCES	-	(3,543,216)	(2,157,808)
FUND BALANCES, BEGINNING OF YEAR	21,833,066	21,833,066	23,990,874
FUND BALANCES, END OF YEAR	<u>\$ 21,833,066</u>	<u>\$ 18,289,850</u>	<u>\$ 21,833,066</u>

THE CITY OF PENTICTON
 STORM WATER
 STATEMENT OF REVENUE AND EXPENDITURE
 YEAR ENDED DECEMBER 31, 2023
 (UNAUDITED)

	2023 Budget	2023	2022
REVENUE			
Sales of Services	\$ 1,197,958	\$ 1,182,806	\$ 957,387
EXPENDITURE			
Salaries and Benefits	313,111	311,029	264,069
Goods and Services	171,750	157,222	125,388
Vehicle & Equipment Maintenance	46,250	38,090	25,964
Transfer to Other Funds/Reserves	666,847	232,163	177,735
	1,197,958	738,504	593,156
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ 444,302	\$ 364,231

THE CITY OF PENTICTON
CEMETERY PERPETUAL TRUST FUND
YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	2023	2022
ASSETS		
Bank Term Deposits	\$ 1,190,183	\$ 1,128,282
Less:		
Due From General Revenue Fund	(89,280)	(68,980)
	<u>\$ 1,279,463</u>	<u>\$ 1,197,262</u>
SURPLUS		
Balance, Beginning of Year	\$ 1,197,261	\$ 1,152,141
Add:		
Care Fund Contributions	50,251	45,120
Interest Earned	61,951	29,420
	<u>112,202</u>	<u>74,540</u>
Deduct:		
Cemetery Maintenance	30,000	29,420
Balance, End of Year	<u>\$ 1,279,463</u>	<u>\$ 1,197,261</u>



Development Cost Charges

Development cost charges (DCCs) are fees that municipalities collect from new development to help pay for the cost of infrastructure services that are needed for community growth. DCC's are imposed by bylaw pursuant to the *Local Government Act* with the charges being intended to facilitate development by providing a method to fund capital projects related to roads, drainage (storm water), sewer, waterworks, and parkland. DCC funds can be expended either to fund projects fully at the time of project completion or can be used to offset debt servicing costs.

Local governments are permitted to temporarily lend available money from one DCC reserve fund to another. The money, along with appropriate interest, must be returned to the original reserve fund.

The City's DCC program supports community development and integrates with longer-term plans. Infrastructure requirements are based on the Official Community Plan (OCP). Per the July 2023 Housing Needs Assessment report, Penticton is growing at a rate of 1.9% per year and is expected to be home to 56,000 residents by 2046.

The last Development Cost Charge Review resulted in Development Cost Charges Bylaw No. 2022-38 and was adopted on October 18, 2022. This process follows local government best practices and reflects current development conditions in the community such as revised growth projections, changing construction costs, and new infrastructure capital works.

In the fall of 2023, the Province implemented changes to Development Cost Charge / Development Cost Levies (DCLs), which expanded the program to include fire protection, police, solid waste and recycling facilities and a new Amenity Cost Charges (ACCs) program, legislative framework that allows municipalities to collect ACC's for amenities such as

community centers, recreational facilities, libraries, day care and public squares.

Municipal Assist Factors

The *Local Government Act* requires local governments to assist in the cost of new infrastructure. The municipal assist factor reflects Council and the community's support towards the financing costs of new infrastructure. The level of the assist, determined by City Council, reflects a benefit to the existing population while encouraging development and housing affordability.

City of Penticton current assist factor based on Council Resolution 230/2022

- Roads 1%
- Water Mains 1%
- Water Plants 1%
- Parks 1%
- Wastewater 1%
- Storm Water 1%



Development Cost Charges Reserve Funds

DCC by Type	Opening Balance	DCC's Levied	Expenditures*	Interest	2023 Balance
Roads	\$ 2,070,651	\$ 222,277	\$ 1,058,099	\$ 82,306	\$ 1,317,134
Parks	902,011	87,826	368,613	37,929	659,153
Storm (Drainage)	1,127,322	73,978	0	57,983	1,259,284
Wastewater	10,985,760	494,451	1,258,132	528,075	10,750,154
Water	3,674,943	157,423	488,379	174,771	3,518,758
Total	\$ 18,760,686	\$ 1,035,955	\$ 3,173,223	\$ 881,065	\$ 17,504,483

* Expenditures include project expenses, one time adjustments, annual transfers and debt financing costs

Project Expenditures 2023

Roads

- \$1.0M Point Intersection at Kinney Avenue and South Main Street
- \$53k debt payments – Fairview Road and Industrial Avenue
- \$5k debt payments – Main Street

Parks

- \$154k debt payment and annual transfer - Munson Mountain Land Purchase
- \$215k debt payment and annual transfer - New Playing Fields

Sewer

- \$850k debt payment and annual transfer - Lee Avenue Lift Station, Forcemain and Inlet Sewer Upgrades
- \$408k debt payment and annual transfer – Advanced Wastewater Treatment Plant Expansion from LWMP

Water

- \$488k debt payments and annual transfer - Water Filtration Plant Upgrade

Planned DCC Spending

Total planned project expenses funded through DCCs for 2024 and 2025 are included below. Further information on planned DCC projects from 2026 – 2028 can be found in the City's 2024 – 2028 Financial and Corporate Business Plan on the Development Cost Charges Funded Project (page 239).

Roads

- \$149k for Sidewalks, Curbs and Gutter Projects (carry forward from 2023)
- \$440k AAA Bike Network Plan (carry forward from 2023)
- \$185k for Sidewalks, Curbs and Gutter Projects (2024)
- \$60k for Intersection and Road Marking Improvements (2025)
- \$229k for Sidewalks, Curbs and Gutter Projects (2025)

Parks

- \$99k each year KVR Trail Network Master Plan and Improvements (2024 & 2025)

Water

- \$775k Ridgedale Reservoir Upgrade (carry forward from 2023)

Sewer

- \$2.3M Advanced Wastewater Treatment Plant Upgrades (carry forward from 2023)
- \$338k SOEC Lift Station Wet Well Expansion (2024)



Capital Project Highlights

In 2023, City divisions worked to achieve objectives of the City's capital program. Capital investments into the city include: **new assets** that provide a new service to the existing community; **renewal** through replacement of existing capital assets that have reached their end of life, in order to continue to provide existing services; new or renewed capital assets that service **community growth**.





2023 Capital Highlights:

- **Fire Hall #2** new apparatus storage building
- **Fire Hall #2** received a new 100' platform fire truck
- **Columbia Park** sports court upgrades
- **Penticton Creek** restoration project
- New **public washrooms** at Riverside Park
- **Point Intersection Construction** completed in 2023 included: sidewalk and traffic calming at Greenwood Drive and Dartmouth Drive and a new roundabout at South Main Street and Pineview Road. Work to complete the project continues in 2024.





2023 City of Penticton Grant Program

Penticton's vision is to become a "vibrant, innovative and adventurous waterfront city focused on sustainability, community and economic opportunity." To support this vision the City of Penticton provides municipal grants.

These grants are designed to improve the quality of life for Penticton residents, meet the needs of community organizations and fulfill the objectives of City Council in meaningful and measurable ways. Municipal grants may include cash funding and in-kind support, as well as partnering agreements.

Organization	Total Support **
British Columbia Hockey League (BCHL)	\$48,267
Canadian Mental Health Association	\$500
Canadian Sport School Hockey League (CSSHL)	\$10,000
Community Foundation of the S.O.S. (Neighbourhood Small Grants)	\$5,000
DPBIA (Alley Activations)	\$15,000
DPBIA (Community Market)	\$3,161
Dragonfly Pond Family Society	\$623
Granfondo*	\$100,000
Ha Ha Ha Kidzfest Society	\$7,235
Hoodoo Adventures Company Ltd (Expedition Canada)*	\$12,000
Hoodoo Adventures Company Ltd (Penticton Beer Run)*	\$500
IRONMAN Triathlon*	\$174,782
Jean Minguy Memorial Police Youth Academy	\$3,000
Okanagan Fruit Tree Project Society	\$3,500
Okanagan School of the Arts	\$10,000
Okanagan Similkameen Conservation Alliance (Meadowlark Festival)	\$3,500
Okanagan Trestles Tour*	\$2,825
Okanagan Valley Music Festival Society	\$5,000
Okanagan Valley Music Festival Society (PABC Event)	\$20,717
Pathways Addictions Resource Centre	\$10,000
Pentastic Jazz Festival Society	\$9,700
Penticton & Area Access Society	\$11,610
Penticton & Area Cycling Association (3BM Crew)	\$5,500
Penticton & Area Cycling Association (Bike Valet)	\$4,390
Penticton & Area Cycling Association (GoByBike)	\$2,500



Organization	Total Support **
Penticton & District Community Arts Council	\$12.312
Penticton & District Community Arts Council (Arts Walks)	\$3.333
Penticton Art Gallery (Ignite the Arts Festival)	\$14.596
Penticton Art Gallery Society	\$125.000
Penticton BMX	\$4.200
Penticton Concert Band	\$600
Penticton Curling Club (Curling Classic)	\$15.000
Penticton Elvis Festival	\$5.184
Penticton Farmers' Market	\$5.406
Penticton Historic Automobile Society (Peach City Beach Cruise)	\$8.742
Penticton Lawn Bowling Club	\$1.500
Penticton Paddle Sports Association	\$8.966
Penticton Paddle Sports Association (Event)	\$10.382
Penticton Peach Festival Society	\$22.353
Penticton Public Library*	\$8.680
Penticton Recovery Resource Society (Discovery House)	\$12.275
Penticton Regional Bridge Tournament (Dino District)	\$5.000
Penticton Royalty Society	\$1.500
Penticton Scottish Festival Society	\$7.848
Penticton Seniors Drop-In Centre	\$2.200
Penticton Triathlon Club	\$4.029
Rotary Club of Penticton (Ribfest)	\$6.869
Royal Canadian Legion Branch 40, Penticton	\$3.792
Skaha Bluffs Park Watch Society	\$15.000
South Okanagan Loss Society (SOLS)	\$8.400
South Okanagan Seniors Wellness Society	\$13.000
South Okanagan Seniors Wellness Society (Seniors Week)	\$2.500
S.S. Sicamous Society	\$65.000
The Penti-Con Association	\$4.000
The Penticton Centre for Exceptional Learning	\$1.706
Throwdown Series*	\$5.000
United Way Emergency Transportation Assistance Program	\$7.290
2023 Grand Total	\$880.973

* Denotes Partnering Agreement

** All listed amounts are rounded to the closest dollar



2023 Permissive Tax Exemptions

Organization Name	Civic Address	Actual 2023 Municipal Taxes
Affordable Living for Today Society	245 Warren Ave. W.	\$10,254
BC Wine Info Centre	101 - 553 Veas Dr.	\$5,374
BPOE Penticton Elks Lodge #51	343 Ellis St.	\$2,890
Canadian Mental Health Association - South Okanagan Similkameen Branch	102 & 103 - 1873 Main St.	\$4,372
Community Foundation of the South Okanagan Similkameen	501 Main St.	\$28,433
Community Foundation of the South Okanagan Similkameen	1001 Johnson Rd.	\$0
Concordia Lutheran Church of Penticton BC	2800 South Main St.	\$601
Fraternal Order Of Eagles #4281	1197 Main St.	\$4,403
Good Samaritan Canada	270 Hastings Ave.	\$50,801
Grace Mennonite Brethren Church	74 Penticton Ave.	\$2,058
Green Mountain Congregation of Jehovah's Witnesses	52 Roy Ave.	\$4,425
Hellenic Community of Penticton	1265 Fairview. Ave.	\$1,870
Holy Cross School	1299 Manitoba St.	\$14,346
Living Way Life Church	608 Winnipeg St.	\$1,533
Luso Canadian Multicultural Society	135 Winnipeg St.	\$2,988
Oasis United Church	2964 Skaha Lake Rd.	\$17,304
Okanagan Boys & Girls Clubs	1295 Manitoba St.	\$7,712
Okanagan Similkameen Neurological Society	103 - 550 Carmi Ave.	\$0
OneSky Community Resources Society	847 Winnipeg St.	\$2,302
OneSky Community Resources Society	470 Edmonton Ave.	\$4,106
OneSky Community Resources Society	500 Edmonton Ave.	\$998
OneSky Community Resources Society	2434 Baskin St.	\$1,328
OneSky Community Resources Society	2450 Baskin St.	\$1,328
OneSky Community Resources Society	150 McPherson Cres.	\$3,078
OneSky Community Resources Society	154 McPherson Cres.	\$3,078
OneSky Community Resources Society	101 - 208 Ellis St.	\$2,648
OneSky Community Resources Society	330 Ellis St.	\$15,265
OneSky Housing Society	107 - 285 Nanaimo Ave. W.	\$697
OneSky Housing Society	108 - 285 Nanaimo Ave. W.	\$894
OneSky Housing Society	110 - 285 Nanaimo Ave. W.	\$736



2023 Permissive Tax Exemptions

Organization Name	Civic Address	Actual 2023 Municipal Taxes
OneSky Housing Society	111 - 285 Nanaimo Ave. W.	\$735
OneSky Housing Society	112 - 285 Nanaimo Ave. W.	\$1,034
OneSky Housing Society	113 - 285 Nanaimo Ave. W.	\$860
OneSky Housing Society	114 - 285 Nanaimo Ave. W.	\$1,268
OneSky Housing Society	115 - 285 Nanaimo Ave. W.	\$1,153
OneSky Housing Society	101 - 285 Nanaimo Ave. W.	\$658
OneSky Housing Society	102 - 285 Nanaimo Ave. W.	\$891
OneSky Housing Society	103 - 285 Nanaimo Ave. W.	\$891
OneSky Housing Society	104 - 285 Nanaimo Ave. W.	\$1,171
OneSky Housing Society	105 - 285 Nanaimo Ave. W.	\$916
OneSky Housing Society	106 - 285 Nanaimo Ave. W.	\$1,386
OneSky Housing Society	207 - 285 Nanaimo Ave. W.	\$710
OneSky Housing Society	208 - 285 Nanaimo Ave. W.	\$910
OneSky Housing Society	209 - 285 Nanaimo Ave. W.	\$910
OneSky Housing Society	210 - 285 Nanaimo Ave. W.	\$1,199
OneSky Housing Society	211 - 285 Nanaimo Ave. W.	\$1,206
OneSky Housing Society	212 - 285 Nanaimo Ave. W.	\$709
OneSky Housing Society	213 - 285 Nanaimo Ave. W.	\$1,421
OneSky Housing Society	214 - 285 Nanaimo Ave. W.	\$1,162
OneSky Housing Society	201 - 285 Nanaimo Ave. W.	\$738
OneSky Housing Society	202 - 285 Nanaimo Ave. W.	\$910
OneSky Housing Society	203 - 285 Nanaimo Ave. W.	\$910
OneSky Housing Society	204 - 285 Nanaimo Ave. W.	\$1,196
OneSky Housing Society	205 - 285 Nanaimo Ave. W.	\$935
OneSky Housing Society	206 - 285 Nanaimo Ave. W.	\$1,414
OneSky Housing Society	307 - 285 Nanaimo Ave. W.	\$726
OneSky Housing Society	308 - 285 Nanaimo Ave. W.	\$928
OneSky Housing Society	309 - 285 Nanaimo Ave. W.	\$928
OneSky Housing Society	310 - 285 Nanaimo Ave. W.	\$1,224
OneSky Housing Society	311 - 285 Nanaimo Ave. W.	\$1,231
OneSky Housing Society	312 - 285 Nanaimo Ave. W.	\$721



2023 Permissive Tax Exemptions

Organization Name	Civic Address	Actual 2023 Municipal Taxes
OneSky Housing Society	313 - 285 Nanaimo Ave. W.	\$1,449
OneSky Housing Society	314 - 285 Nanaimo Ave. W.	\$1,190
OneSky Housing Society	301 - 285 Nanaimo Ave. W.	\$712
OneSky Housing Society	302 - 285 Nanaimo Ave. W.	\$928
OneSky Housing Society	303 - 285 Nanaimo Ave. W.	\$928
OneSky Housing Society	304 - 285 Nanaimo Ave. W.	\$1,218
OneSky Housing Society	305 - 285 Nanaimo Ave. W.	\$953
OneSky Housing Society	306 - 285 Nanaimo Ave. W.	\$1,446
OneSky Housing Society	407 - 285 Nanaimo Ave. W.	\$741
OneSky Housing Society	408 - 285 Nanaimo Ave. W.	\$947
OneSky Housing Society	409 - 285 Nanaimo Ave. W.	\$947
OneSky Housing Society	410 - 285 Nanaimo Ave. W.	\$1,249
OneSky Housing Society	411 - 285 Nanaimo Ave. W.	\$1,256
OneSky Housing Society	412 - 285 Nanaimo Ave. W.	\$737
OneSky Housing Society	413 - 285 Nanaimo Ave. W.	\$1,480
OneSky Housing Society	414 - 285 Nanaimo Ave. W.	\$1,212
OneSky Housing Society	401 - 285 Nanaimo Ave. W.	\$725
OneSky Housing Society	402 - 285 Nanaimo Ave. W.	\$947
OneSky Housing Society	403 - 285 Nanaimo Ave. W.	\$947
OneSky Housing Society	404 - 285 Nanaimo Ave. W.	\$1,243
OneSky Housing Society	405 - 285 Nanaimo Ave. W.	\$975
OneSky Housing Society	406 - 285 Nanaimo Ave. W.	\$1,474
Ooknakane Friendship Centre	146 Ellis St.	\$4,917
Our Redeemer Lutheran Church of Penticton, B.C.	1370 Church St.	\$2,103
Penticton & District Community Arts Council	220 Manor Park Ave.	\$13,395
Penticton & District Minor Hockey Association	399 Power St.	\$1,806
Penticton Alliance Church	197 Brandon Ave.	\$5,246
Penticton and District Emergency Program Society	251 Dawson Ave.	\$1,455
Penticton and District Multicultural Society	340 Ellis St.	\$6,202
Penticton and District Society for Community Living	252 Conklin Ave.	\$2,482
Penticton and District Society for Community Living	180 Industrial Ave. W.	\$11,671



2023 Permissive Tax Exemptions

Organization Name	Civic Address	Actual 2023 Municipal Taxes
Penticton and District Society for Community Living	259 BackStreet Blvd. (up to 15 units)	\$13,861
Penticton and District Society for Community Living	234 Van Horne St.	\$2,970
Penticton and District Society for Community Living	1706 Main St.	\$12,888
Penticton and District Society for Community Living	453 Winnipeg St. (Chestnut Place)	\$3,585
Penticton and District Society for Community Living	146 & 150 Bruce Crt.	\$13,233
Penticton Art Gallery	199 Marina Way	\$22,617
Penticton Bethel Pentecostal Tabernacle	945 Main St.	\$7,397
Penticton Bethel Pentecostal Tabernacle	65 Preston Ave.	\$2,606
Penticton Bethel Pentecostal Tabernacle	973 Main St.	\$5,636
Penticton BMX Society	630 Munson Mountain Rd.	\$3,461
Penticton Christian School Society	1060 Main St.	\$1,318
Penticton Community Gardens Society	480 Vancouver Ave.	\$1,331
Penticton Curling Club	505 Vees Dr.	\$14,133
Penticton Disc Golf Club	500 Marina Way	\$8,624
Penticton First Baptist Church	1498 Government St.	\$5,151
Penticton Free Presbyterian Church	120 Preston Ave.	\$3,490
Penticton Golf & Country Club	600 Comox St.	\$8,838
Penticton Golf & Country Club	852 Eckhardt Ave. W.	\$14,400
Penticton Kiwanis Housing Society	101 - 150 Van Horne St.	\$659
Penticton Kiwanis Housing Society	103 - 150 Van Horne St.	\$575
Penticton Kiwanis Housing Society	105 - 150 Van Horne St.	\$575
Penticton Kiwanis Housing Society	113 - 150 Van Horne St.	\$575
Penticton Kiwanis Housing Society	115 - 150 Van Horne St.	\$691
Penticton Kiwanis Housing Society	112 - 150 Van Horne St.	\$688
Penticton Kiwanis Housing Society	104 - 150 Van Horne St.	\$572
Penticton Kiwanis Housing Society	102 - 150 Van Horne St.	\$684
Penticton Kiwanis Housing Society	201 - 150 Van Horne St.	\$698
Penticton Kiwanis Housing Society	209 - 150 Van Horne St.	\$585
Penticton Kiwanis Housing Society	211 - 150 Van Horne St.	\$585
Penticton Kiwanis Housing Society	213 - 150 Van Horne St.	\$585
Penticton Kiwanis Housing Society	215 - 150 Van Horne St.	\$704



2023 Permissive Tax Exemptions

Organization Name	Civic Address	Actual 2023 Municipal Taxes
Penticton Kiwanis Housing Society	214 - 150 Van Horne St.	\$695
Penticton Kiwanis Housing Society	212 - 150 Van Horne St.	\$589
Penticton Kiwanis Housing Society	210 - 150 Van Horne St.	\$585
Penticton Kiwanis Housing Society	204 - 150 Van Horne St.	\$585
Penticton Kiwanis Housing Society	202 - 150 Van Horne St.	\$695
Penticton Kiwanis Housing Society	301 - 150 Van Horne St.	\$712
Penticton Kiwanis Housing Society	315 - 150 Van Horne St.	\$719
Penticton Kiwanis Housing Society	314 - 150 Van Horne St.	\$712
Penticton Kiwanis Housing Society	312 - 150 Van Horne St.	\$601
Penticton Kiwanis Housing Society	310 - 150 Van Horne St.	\$600
Penticton Kiwanis Housing Society	308 - 150 Van Horne St.	\$693
Penticton Kiwanis Housing Society	304 - 150 Van Horne St.	\$597
Penticton Kiwanis Housing Society	302 - 150 Van Horne St.	\$712
Penticton Kiwanis Housing Society	401 - 150 Van Horne St.	\$696
Penticton Kiwanis Housing Society	413 - 150 Van Horne St.	\$613
Penticton Kiwanis Housing Society	415 - 150 Van Horne St.	\$613
Penticton Kiwanis Housing Society	414 - 150 Van Horne St.	\$727
Penticton Kiwanis Housing Society	412 - 150 Van Horne St.	\$614
Penticton Kiwanis Housing Society	410 - 150 Van Horne St.	\$613
Penticton Kiwanis Housing Society	408 - 150 Van Horne St.	\$707
Penticton Kiwanis Housing Society	406 - 150 Van Horne St.	\$609
Penticton Kiwanis Housing Society	404 - 150 Van Horne St.	\$609
Penticton Kiwanis Housing Society	402 - 150 Van Horne St.	\$727
Penticton Lawn Bowling Club	260 Brunswick St.	\$5,509
Penticton Masonic Building Association	416 Westminster Ave. W.	\$4,142
Penticton New Beginnings Christian Fellowship	101 - 96 Edmonton Ave.	\$1,083
Penticton Recovery Resource Society	101 Edna Ave.	\$2,551
Penticton Recovery Resource Society	633 Winnipeg St.	\$0
Penticton Safety Village Society	490 Edmonton Ave.	\$7,087
Penticton Seniors' Drop-In Centre Society	2905 South Main St.	\$26,333
Penticton Sikh Temple and Indian Cultural Society	3290 South Main St.	\$9,219
Penticton Tennis Club	675 Marina Way	\$4,996



2023 Permissive Tax Exemptions

Organization Name	Civic Address	Actual 2023 Municipal Taxes
Penticton United Church	696 Main St.	\$3,728
Penticton Vineyard Community Church	102 - 1825 Main St.	\$9,857
Penticton Yacht Club	3895 Lakeside Rd.	\$2,567
Penticton Yacht Club	124 South Beach Dr.	\$777
Penticton Yacht Club	293 Marina Way	\$12,123
Regional District of Okanagan-Similkameen	176 Main Street	\$7,087
Regional District of Okanagan-Similkameen	153 Estabrook Ave.	\$3,087
S.S. Sicamous Restoration Society	1099 Lakeshore Dr W.	\$9,712
Seventh-day Adventist Church (British Columbia Conference)	290 Warren Ave. W.	\$5,320
South Okanagan Similkameen Brain Injury Society	742 Argyle St.	\$2,647
South Okanagan Similkameen Brain Injury Society	332 Eckhardt Ave. W.	\$2,982
South Okanagan Women in Need Society	Hughes House	\$0
South Okanagan Women in Need Society	Tamarack	\$0
South Okanagan Women in Need Society	101 - 1027 Westminster Ave. W.	\$633
South Okanagan Women in Need Society	102 - 1027 Westminster Ave. W.	\$1,298
St. Andrew's Presbyterian Church	397 Martin St.	\$1,546
St. Ann's Parish	1296 Main St.	\$6,831
St. Ann's Parish (Penticton Recovery Resource Society)	397 Wade Ave. W.	\$1,882
St. Ann's Parish (Pregnancy Support Program under OneSky Comm.)	200 Bennett Ave.	\$1,885
St. Ann's Parish (St. John Vianney)	361 Wade Ave. W.	\$2,863
St. Saviour's Anglican Church	150 Orchard Ave.	\$4,789
The British Columbia Society for the Prevention of Cruelty to Animals	2200 Dartmouth Dr.	\$18,405
The Care Closet	574 Main St.	\$2,938
The Church of Jesus Christ of Latter-day Saints in Canada	2946 South Main St.	\$6,867
The Penticton Church of the Nazarene	523 Jermyn Ave.	\$3,807
The Penticton Horseshoe Pitchers Club	2905 South Main St.	\$2,890
The Penticton Kinsmen Disability Resource Center Society	216 Hastings Ave.	\$13,062
The Salvation Army Penticton	2399 South Main St.	\$14,284
The Salvation Army Penticton	2469 South Main St.	\$4,686
The Salvation Army Penticton	318 Ellis St.	\$4,951
YMCA of Okanagan Association	630 Birch Ave.	\$2,575
Total Permissive Tax Exemptions	186 Properties	\$685,591



2023 Revitalization Tax Exemptions

Civic Address	2023 Municipal Taxes Forgone
192 Industrial Crt.	\$3,345
198 Winnipeg St.	\$5,550
361 Martin St.	\$8,214
399 Main St.	\$11,096
1000 Lakeshore Dr W.	\$13,564
553 Veas Dr.	\$4,704
21 Lakeshore Dr W.	\$144,747
161 Ellis St.	\$5,157
101 - 110 Ellis St.	\$2,433
102 - 110 Ellis St.	\$1,859
103 - 110 Ellis St.	\$1,820
201 - 110 Ellis St.	\$1,241
202 - 110 Ellis St.	\$872
204 - 110 Ellis St.	\$995
301 - 110 Ellis St.	\$1,568
302 - 110 Ellis St.	\$1,086
303 - 110 Ellis St.	\$1,256
304 - 110 Ellis St.	\$1,329
305 - 110 Ellis St.	\$1,391
306 - 110 Ellis St.	\$700
307 - 110 Ellis St.	\$576
308 - 110 Ellis St.	\$945
309 - 110 Ellis St.	\$934
310 - 110 Ellis St.	\$864
311 - 110 Ellis St.	\$862
312 - 110 Ellis St.	\$1,103
401 - 110 Ellis St.	\$1,241
402 - 110 Ellis St.	\$882
403 - 110 Ellis St.	\$1,030
404 - 110 Ellis St.	\$1,148



2023 Revitalization Tax Exemptions

Civic Address	2023 Municipal Taxes Forgone
405 - 110 Ellis St.	\$1,210
406 - 110 Ellis St.	\$599
407 - 110 Ellis St.	\$599
408 - 110 Ellis St.	\$974
409 - 110 Ellis St.	\$973
410 - 110 Ellis St.	\$851
411 - 110 Ellis St.	\$819
412 - 110 Ellis St.	\$1,030
501 - 110 Ellis St.	\$1,289
502 - 110 Ellis St.	\$916
503 - 110 Ellis St.	\$1,070
504 - 110 Ellis St.	\$1,192
505 - 110 Ellis St.	\$1,170
506 - 110 Ellis St.	\$621
507 - 110 Ellis St.	\$621
508 - 110 Ellis St.	\$1,009
509 - 110 Ellis St.	\$1,008
510 - 110 Ellis St.	\$882
511 - 110 Ellis St.	\$846
512 - 110 Ellis St.	\$1,067
601 - 110 Ellis St.	\$2,740
602 - 110 Ellis St.	\$2,476
603 - 110 Ellis St.	\$2,491
604 - 110 Ellis St.	\$2,543
605 - 110 Ellis St.	\$2,101
606 - 110 Ellis St.	\$1,891
198 Ellis St.	\$6,321
351 Van Horne St.	\$1,813
345 Van Horne St.	\$1,813
325 Van Horne St.	\$1,909



2023 Revitalization Tax Exemptions

Civic Address	2023 Municipal Taxes Forgone
331 Van Horne St.	\$1,589
101 - 135 Front St.	\$1,387
201 - 135 Front St.	\$442
202 - 135 Front St.	\$449
203 - 135 Front St.	\$442
204 - 135 Front St.	\$449
301 - 135 Front St.	\$452
302 - 135 Front St.	\$452
303 - 135 Front St.	\$452
304 - 135 Front St.	\$459
401 - 135 Front St.	\$460
402 - 135 Front St.	\$467
403 - 135 Front St.	\$460
404 - 135 Front St.	\$467
501 - 135 Front St.	\$810
502 - 135 Front St.	\$831
99 White Ave E.	\$1,646
2147 Dartmouth Rd.	\$6,122
647 Okanagan Ave E.	\$5,386
117 - 2203 Dartmouth Dr.	\$1,611
121 - 2203 Dartmouth Dr.	\$1,441
125 - 2203 Dartmouth Dr.	\$1,439
129 - 2203 Dartmouth Dr.	\$1,803
Total Revitalization Tax Exemptions	\$296,871



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171 Main St. | Penticton, BC | V2A 5A9