

A close-up photograph of a person's hand holding a black pen, writing on a white document. The background is blurred, showing another hand resting on the document. The title 'FINANCIAL STATEMENTS' is overlaid in large, blue, sans-serif capital letters.

FINANCIAL STATEMENTS

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Chief Financial Officer's Report

May 2021

Your Worship and Members of Council,

I am pleased to present the City of Penticton's 2020 Annual Financial Report for the year ended December 31, 2020 as required by Sections 98 and 167 of the Community Charter.

The audited 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) of the Chartered Professional Accountants of Canada. Management maintains systems of internal budgetary and accounting controls that provide assurance for safeguarding of assets and the reliability of information. These systems are monitored and evaluated by management.

These statements were audited by BDO Canada LLP, and their responsibility is to express an opinion as to whether the financial statements prepared by management present fairly the financial position of the City as at December 31, 2020. In their opinion the "consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2020."

Operating results from 2020 saw an increase in the City's net financial assets of \$15.0 million, bringing its total net financial assets to \$57.5 million. This resulted in an overall improvement of its accumulated surplus by 3.7%, with a total now of \$380 million.

Consolidated revenues for the City increased to \$122.9 million in 2020, a 1.4% increase over 2019. This increase is attributable to the increase in taxation revenue and an increase in grant revenues including the COVID-19 Restart Grant and various capital grants received. The increase in taxation revenues was offset by a one-time tax credit that was offered to our taxpayers to assist citizens through the initial financial impacts of COVID-19.

Consolidated expenditures were \$109.3 million – a decrease of 0.65% from 2019 – which is mainly attributed to the City's swift actions to close city facilities and reduce services early in 2020 in an effort to offset revenue losses and meet public health orders.

The general revenue fund saw an overall surplus of \$1.3 million with revenues coming in at \$90.8 million, a decrease



of 1.3% from 2019. Revenues decreased as a result of City closures due to COVID-19, such as the Community Centre, combined with the reduction in School Taxes for businesses, which reduced overall Collections for Other Governments. These reductions were partially offset by an increase in grants for the COVID-19 Restart Grant and various capital grants. Expenditures in 2020 were \$89.5 million, a decrease of 1.3% from 2019. The main drivers behind this decrease are expense reductions due to COVID-19, a significant reduction in Transfers to Other Governments for the reduced School Taxes, and partially offset by additional transfers to reserves for unspent COVID-19 Restart Grant funds.

Given the impact of COVID-19, the City undertook a number of steps in 2020 to assist the community. In addition to the one-time tax credit to taxpayers, the City provided a two-month penalty-free grace period for tax payments, free metered parking from March through December, waived building permit fees for home renovations under \$100,000, waived late penalties on overdue business licences, provided the 10% early payment discount to all utility customers, deferred the annual tax sale for 2020 to 2021 and postponed the planned Development Cost Charges increase to 2021. Late in 2020 the City also established a COVID-19 task force to work with business leaders to collaboratively develop strategies to restart the community.

Chief Financial Officer's Report (cont.)

As with many municipalities, the City continues to promote sustainable growth and development while supporting the community in economic recovery. At the same time, the City remains dedicated to addressing its aging infrastructure and enhancing safety while mitigating the effects of the many social issues that are causing security concerns within the community. The City's 2021 Corporate Business Plan focuses on Asset and Amenity Management, Community Safety and Community Vitality.

The COVID-19 pandemic continues to cause uncertainty in Canada and the global economy. The City has taken steps to alleviate the short- and long-term effects of the pandemic in its 2021 plan, and into subsequent years, to ensure its long-term financial stability by containing costs, identifying new revenue opportunities and focusing efforts on essential services and critical projects. The City remains focused on its financial health and recognizes that economic recovery will take time. As such, the City will continue to assess its priorities to ensure it remains fiscally prudent to enable the return to a prosperous environment for its residents and businesses while continuing to provide essential services to our citizens.



General Manager of Finance & Administration,
Jim Bauer



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.

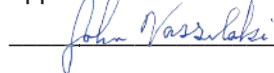
The Corporation of the City of Penticton maintains systems of internal accounting and administrative controls of reasonable quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the entity's 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, 2020, 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, 2020, 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 supplementary 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 4, 2021

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	2020	2019
Financial Assets		
Cash	\$ 28,241,881	\$ 6,113,656
Term Deposits (Note 1)	91,605,840	98,229,334
Accounts Receivable (Note 2)	10,409,223	10,293,510
	<u>130,256,944</u>	<u>114,636,500</u>
Financial Liabilities		
Accounts Payable and Accrued Liabilities	16,770,413	13,523,160
Development Cost Charges (Note 3)	19,057,314	17,825,761
Deferred Revenue (Note 5)	6,016,520	6,195,860
Deposits	3,359,187	3,509,106
Long Term Debt (Note 9)	27,500,122	30,980,819
	<u>72,703,556</u>	<u>72,034,706</u>
Net Financial Assets	\$ 57,553,388	\$ 42,601,794
Non-Financial Assets		
Tangible Capital Assets (Note 10)	\$318,489,661	\$319,836,475
Inventory	3,532,031	3,554,394
Prepaid Expenses	488,690	529,972
	<u>322,510,382</u>	<u>323,920,841</u>
Accumulated Surplus	<u>\$380,063,770</u>	<u>\$366,522,635</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2020

	2020 Budget (Note 14)	2020	2019
Revenue			
Taxation (Note 17)	\$ 35,400,120	\$ 35,302,596	\$ 33,975,415
Sales of Services	69,869,932	68,417,340	70,096,334
Government Grants and Transfers (Note 15)	2,263,635	7,125,619	3,863,313
Other Revenue	8,067,936	7,857,400	10,690,252
Other Contributions	3,016,492	3,999,784	2,438,716
Gain on Disposal	30,000	182,175	62,414
Contributed Asset	-	-	12,000
	<u>118,648,115</u>	<u>122,884,914</u>	<u>121,138,444</u>
Expenditure (Note 11)			
General Government	11,483,700	19,662,437	19,631,177
Protective Services	17,629,762	16,701,181	16,675,134
Transportation Services	6,448,144	11,113,120	9,868,392
Environmental Health Services	1,945,530	1,926,495	1,897,990
Public Health and Safety	316,280	325,406	244,253
Environmental Development Services	3,431,189	2,951,196	3,471,139
Recreation and Culture	11,392,074	10,476,331	12,040,690
Electrical Supply	33,201,625	35,025,201	35,680,839
Sewer System Utility	4,418,613	5,904,607	5,585,922
Water Utility Services	3,660,363	5,257,805	4,960,842
	<u>93,927,280</u>	<u>109,343,779</u>	<u>110,056,378</u>
Annual Surplus	24,720,835	13,541,135	11,082,066
Accumulated Surplus, Beginning of Year	<u>366,522,635</u>	<u>366,522,635</u>	<u>355,440,569</u>
Accumulated Surplus, End of Year	<u>\$391,243,470</u>	<u>\$380,063,770</u>	<u>\$366,522,635</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, 2020

	2020 Budget	2020	2019
Annual surplus	\$ 24,720,835	\$ 13,541,135	\$ 11,082,066
Acquisition of Tangible Capital Assets (Note 10)	(17,488,010)	(13,284,958)	(11,555,786)
Amortization (Note 10)	-	14,531,868	14,218,490
Net Disposal of Tangible Capital Assets (Note 10)	-	82,088	29,000
Contributed Tangible Capital Assets (Note 10)	-	-	(12,000)
Asset reclassification (Note 10)	-	17,818	-
	7,232,825	14,887,951	13,761,770
Change in Prepaid Expenses (Increase)	-	41,282	(28,780)
Consumption of Supplies Inventories	-	22,361	251,898
	-	63,643	223,118
Increase in Net Financial Assets	7,232,825	14,951,594	13,984,888
Net Financial Assets, Beginning of Year	42,601,794	42,601,794	28,616,906
Net Financial Assets, End of Year	<u>\$ 49,834,619</u>	<u>\$ 57,553,388</u>	<u>\$ 42,601,794</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	2020	2019
Operating Transactions		
Annual Surplus	\$ 13,541,135	\$ 11,082,066
Change in Non-Cash Operating Items		
(Increase) decrease in Accounts Receivable	(115,714)	923,345
Increase (decrease) in Trade Accounts Payable and Accrued Liabilities	3,247,256	(1,070,895)
Increase in Development Cost Charges	1,231,553	2,168,478
Increase (decrease) in Deferred Revenues	(179,340)	604,921
Decrease in Deposits	(149,919)	(596,197)
(Increase) decrease in Prepaid Expenses	41,282	(28,780)
Decrease in Inventory	22,361	251,898
Net Disposal of Tangible Capital Assets	82,088	29,000
Amortization	14,531,868	14,218,490
Contributed Tangible Capital Assets	-	(12,000)
Asset reclassification	17,816	-
	<u>18,729,251</u>	<u>16,488,260</u>
Cash Provided by Operating Activities	32,270,386	27,570,326
Capital Transactions		
Cash Used to Acquire Tangible Capital Assets	(13,284,958)	(11,555,786)
Financing Transactions		
Debt Repayment	(3,480,697)	(3,392,857)
Investing Transactions		
(Increase) decrease in Term Deposits	6,623,494	(14,131,437)
Change in Cash	22,128,225	(1,509,754)
Cash, Beginning of Year	<u>6,113,656</u>	<u>7,623,410</u>
Cash, End of Year	<u>\$ 28,241,881</u>	<u>\$ 6,113,656</u>
Supplemental Cash Flow Information	2020	2019
Interest Paid	\$ 1,427,259	\$ 1,806,219

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

See accompanying notes to the Consolidated Financial Statements.

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 of the Chartered Professional Accountants of Canada. 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.

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.

Revenue Recognition continued

Fee for Service

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

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.

Tangible Capital Assets

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

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. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. 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. 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

Retirement and Employee 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 a site is not in productive use 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, 2020 the City has no liability for contaminated sites.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. Term Deposits

	Maturity Date	Effective Interest Rate (%)	2020	2019
Valley First	Feb 27, 2021	2.57	\$ 4,000,000	\$ -
Valley First	Feb 27, 2021	2.57	4,000,000	-
Valley First	Aug 9, 2021	2.45	5,122,836	-
Valley First	Dec 3, 2022	1.35	8,123,090	-
Valley First	Aug 17, 2023	3.05	5,310,082	-
Valley First	n/a	-	16,609,429	11,908,293
Canaccord	Feb 26, 2021	2.67	10,183,493	-
Canaccord	Mar 17, 2021	1.95	4,000,000	-
Canaccord	May 17, 2021	2.80	1,028,125	1,000,000
Canaccord	May 17, 2021	2.90	7,000,000	7,000,000
Canaccord	May 17, 2021	2.80	6,000,000	6,000,000
Canaccord	Aug 12, 2022	2.50	5,125,000	5,000,000
Canaccord	Aug 12, 2024	2.80	2,570,266	2,500,000
Canaccord	Aug 12, 2024	2.75	2,500,000	2,500,000
National Bank Financial	n/a	-	10,033,519	-
Valley First Redemptions	n/a	-	-	48,321,041
Canaccord Redemptions	n/a	-	-	14,000,000
			<u>\$ 91,605,840</u>	<u>\$ 98,229,334</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. Accounts Receivable

	2020	2019
Property Taxes	\$ 1,160,414	\$ 1,237,588
Other Receivables	2,845,768	1,957,233
Federal Government	114,313	218,107
Provincial Government	105,264	617,235
Regional District Okanagan Similkameen	-	103
Other Government Agencies	155,894	63,927
Utility Rates Receivable	4,670,992	4,920,631
Accrued Interest Receivable	1,376,896	1,271,140
Cemetery Trust Fund Receivable (Payable)	(20,318)	7,546
	<u>\$ 10,409,223</u>	<u>\$ 10,293,510</u>

3. Development Cost Charges (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act of BC, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recognized as revenue.

	2020	2019
DCC by Type		
Roads DCC	\$ 1,665,015	\$ 2,028,043
Parks DCC	1,257,749	1,017,251
Drainage DCC	738,700	451,100
Waste Water DCC	10,685,350	9,936,906
Water DCC	4,710,500	4,392,461
	<u>19,057,314</u>	<u>17,825,761</u>
DCC Activity		
Balance, Beginning of Year	17,825,761	15,657,283
Return on Investments	320,781	287,495
DCCs Levied in the Year	1,729,040	2,082,890
Transfers to Revenues	(818,268)	(201,907)
	<u>\$ 19,057,314</u>	<u>\$ 17,825,761</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

4. Development Cost Charges Reductions

In 2010, Council adopted the Development Cost Charge Reduction Bylaw and the companion Economic Incentive Zone 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. These bylaws will reduce the value of development cost charges, building permit fees and municipal taxes received by The City of Penticton for eligible developments.

The DCC reductions 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 2020 \$383,134 (2019 - \$357,149) of Economic Incentive tax exemptions were granted. In addition, Council approved \$11,096 (2019 - \$138,292) of DCC reductions in 2020.

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:

	<u>Taxes</u>	<u>Recreation</u>	<u>Other</u>	<u>Total</u>
Balance at December 31, 2019	\$ 5,036,693	\$ 250,656	\$ 908,511	\$ 6,195,860
Collected	8,826,626	629,867	208,630	9,665,123
Recognized	(8,751,994)	(596,207)	(496,262)	(9,844,463)
Balance at December 31, 2020	\$ 5,111,325	\$ 284,316	\$ 620,879	\$ 6,016,520

6. Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local 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, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City of Penticton paid \$2,211,476 (2019 - \$2,170,449) for employer contributions to the Plan in fiscal 2020.

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

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

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, 2020, the long term debt of the Regional District aggregated \$69,766,479 (2019 - \$75,748,289).

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.

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 \$1,271,908 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

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

8. Letters of Credit continued

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:

	2020	2019
Long Term Debt	\$ 27,500,122	\$ 30,980,819

Principal repayments relating to long term debt of \$27,500,122 outstanding are due as follows (in thousands):

	2021	2022	2023	2024	2025	Thereafter	Sinking Fund
General Fund	\$ 1,242	\$ 1,243	\$ 1,245	\$ 942	\$ 855	\$ 2,858	\$ 4,942
Sewer Fund	539	539	539	539	539	2,129	3,433
Water Fund	422	422	422	422	422	1,350	2,456
	<u>\$ 2,203</u>	<u>\$ 2,204</u>	<u>\$ 2,206</u>	<u>\$ 1,903</u>	<u>\$ 1,816</u>	<u>\$ 6,337</u>	<u>\$ 10,831</u>

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 calculated at a rate of 1.75%. The 2020 earnings in the Sinking Fund were calculated to be \$1,171,887 and are included in Other Revenue on the Consolidated Statement of Operations.

10. 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 \$18,470,334 of expenditures that fall within the Capital Budget. Of this amount, \$13,284,958 met the TCA capitalization policy criteria while the remaining \$5,185,376 was expensed due to the expenditure being outside the TCA capitalization policy criteria or they were related to repairs and maintenance.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

10. Tangible Capital Assets continued

	Land	Buildings	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2020 Total
COST									
Opening Balance	\$ 52,393,359	\$ 169,168,973	\$ 46,231,965	\$ 55,497,401	\$ 59,911,697	\$ 81,352,932	\$ 94,054,883	\$ 2,817,632	\$ 561,428,842
Add: Additions	1,499,000	928,625	2,497,211	1,172,212	953,722	2,328,280	1,641,775	2,264,133	13,284,958
Add: Trsf to/from Construction in Progress	-	40,353	539,089	772,923	15,000	20,625	915,904	(2,303,894)	-
Less: Disposals	-	187,829	493,182	-	-	-	-	-	681,011
Re-classification	-	-	-	-	-	-	-	(17,816)	(17,816)
	53,892,359	169,950,122	48,775,083	57,442,536	60,880,419	83,701,837	96,612,562	2,760,055	574,014,973
ACCUMULATED AMORTIZATION									
Opening Balance	-	81,168,330	31,231,424	12,714,650	20,925,706	40,811,506	54,740,751	-	241,592,367
Add: Amortization	-	5,016,990	2,502,085	1,172,408	934,507	2,203,805	2,702,073	-	14,531,868
Less: Acc Amortization on Disposals	-	187,829	411,094	-	-	-	-	-	598,923
	-	85,997,491	33,322,415	13,887,058	21,860,213	43,015,311	57,442,824	-	255,525,312
Net Book Value for Year Ended Dec. 31, 2020	\$ 53,892,359	\$ 83,952,631	\$ 15,452,668	\$ 43,555,478	\$ 39,020,206	\$ 40,686,526	\$ 39,169,738	\$ 2,760,055	\$ 318,489,661

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

10. Tangible Capital Assets continued

COST

	Land	Buildings	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2019 Total
Opening Balance	\$ 52,381,359	\$ 166,727,589	\$ 44,118,377	\$ 54,760,269	\$ 59,058,201	\$ 79,195,259	\$ 91,949,590	\$ 2,034,141	\$ 550,224,785
Add: Additions	-	1,851,292	2,466,157	737,132	853,496	935,875	2,105,293	2,606,539	11,555,784
Add: Trsf to/from Construction in Progress	-	590,092	-	-	-	1,232,956	-	(1,823,048)	-
Add: Contributed Assets	12,000	-	-	-	-	-	-	-	12,000
Less: Disposals	-	-	352,569	-	-	11,158	-	-	363,727
	<u>52,393,359</u>	<u>169,168,973</u>	<u>46,231,965</u>	<u>55,497,401</u>	<u>59,911,697</u>	<u>81,352,932</u>	<u>94,054,883</u>	<u>2,817,632</u>	<u>561,428,842</u>

ACCUMULATED AMORTIZATION

Opening Balance	-	76,120,294	29,452,871	11,606,550	20,017,692	38,646,995	51,864,202	-	227,708,604
Add: Amortization	-	5,048,036	2,102,122	1,108,100	908,014	2,175,669	2,876,549	-	14,218,490
Less: Acc Amortization on Disposals	-	-	323,569	-	-	11,158	-	-	334,727
	<u>-</u>	<u>81,168,330</u>	<u>31,231,424</u>	<u>12,714,650</u>	<u>20,925,706</u>	<u>40,811,506</u>	<u>54,740,751</u>	<u>-</u>	<u>241,592,367</u>
Net Book Value for Year Ended Dec. 31, 2019	<u>\$ 52,393,359</u>	<u>\$ 88,000,643</u>	<u>\$ 15,000,541</u>	<u>\$ 42,782,751</u>	<u>\$ 38,985,991</u>	<u>\$ 40,541,426</u>	<u>\$ 39,314,132</u>	<u>\$ 2,817,632</u>	<u>\$ 319,836,475</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

11. Reporting by Object

	2020	2019
Salaries and Benefits	\$ 28,980,710	\$ 29,837,884
Goods and Services	52,380,637	50,910,362
Interest	1,427,259	1,806,219
Amortization	14,531,868	14,218,490
Other Expenses	1,290,209	1,911,654
Vehicle & Equipment Maintenance	3,587,077	3,844,906
Policing Agreement	7,146,019	7,526,863
	<u>\$ 109,343,779</u>	<u>\$ 110,056,378</u>

12. 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 and is secured by the Revenue Anticipation Borrowing Bylaw 2011 No. 5003.

As of December 31, 2020 there was no balance outstanding.

b. Bank Indebtedness

The City holds a \$5,630,000 EFT limit.

13. 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.

As at December 31, 2020 the Debt Reserve Fund demand note requirements were \$1,643,919 (2019 - \$1,830,379). In addition, cash deposits totaling \$793,607 (2019 - \$859,924) were held by the MFA.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

14. Budget

The Financial Plan (Budget) Bylaw No. 2020-01 adopted by Council on January 21, 2020 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:

	<u>2020</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Transfer to Funds/Reserves	28,252,112
Debt Principal Repayments	2,309,811
Budgeted Capital Expenditures - General	9,172,161
Budgeted Capital Expenditures - Electric	2,966,349
Budgeted Capital Expenditures - Sewer	1,015,000
Budgeted Capital Expenditures - Water	4,334,500
Less:	
Budgeted Transfers from Surplus	<u>23,329,098</u>
Budget Surplus per Consolidated Statement of Operations	<u><u>\$ 24,720,835</u></u>

15. Transfers From Other Governments

	<u>2020</u>	<u>2019</u>
Gas tax community works fund	\$ 1,476,868	\$ 2,984,053
Traffic fine revenue sharing	419,542	385,097
Okanagan Basin Water Board grants	152,338	174,654
Province of British Columbia - COVID Restart	4,711,000	-
BC Arts Council	58,000	20,900
Library	145,521	131,916
Miscellaneous	162,350	166,693
	<u><u>\$ 7,125,619</u></u>	<u><u>\$ 3,863,313</u></u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

16. 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.

17. Taxation

	Budget	2020	2019
Municipal Taxation			
Real Property	\$ 34,894,120	\$ 34,722,438	\$ 33,368,337
Special Assessments	171,000	86,106	147,128
Grants in Lieu	335,000	494,052	459,950
Total municipal taxation	35,400,120	35,302,596	33,975,415
Collections For other Governments			
School	18,000,000	13,376,915	15,866,523
Regional District	2,178,000	2,178,681	2,078,370
Regional Hospital	2,750,000	2,602,347	2,625,433
BCAA	450,000	450,282	413,586
Total collections for other taxing authorities	23,378,000	18,608,225	20,983,912
Transfers to Other Governments	(23,378,000)	(18,604,627)	(20,988,919)
Supplemental Taxation Recovered (Remitted)	-	(3,598)	5,007
Net taxation for municipal purposes	\$ 35,400,120	\$ 35,302,596	\$ 33,975,415

18. Comparative Figures

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

19. 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 \$1,656,000. 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 \$935,000. 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 \$1,708,000. 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 \$12,595,000. This is a 20 year Lease, due to expire in 2036 with two 10-year extension options.

20. 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.

20. Segmented Information continued

Protective Services

Protection is comprised of police services, fire protection dog control and building 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, bylaw services, 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, 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. 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.

20. Segmented Information continued

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.

21. 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, 2020, the balance of funds held in trust was \$1,108,545 (2019 - \$1,056,150).

22. COVID-19

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

THE CITY OF PENTICTON
SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2020

	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	2020 Total
REVENUE											
Taxation	\$ 35,302,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,302,596
Sales of Services	2,390,911	1,202,814	1,927,988	2,646,283	453,181	305,166	1,180,125	42,093,074	6,982,944	9,234,854	68,417,340
Government Grants and Transfers	6,625,810	20,780	-	-	-	101,556	225,135	-	152,338	-	7,125,619
Other Revenue	6,168,203	199,928	6,635	-	1,000	38,687	1,302,786	10,811	-	129,350	7,857,400
Other Contributions	200,269	-	2,632,516	-	-	-	-	479,595	361,924	325,480	3,999,784
Gain on Disposal	-	-	136,550	-	-	-	45,625	-	-	-	182,175
	50,687,789	1,423,522	4,703,689	2,646,283	454,181	445,409	2,753,671	42,583,480	7,497,206	9,689,684	122,884,914
EXPENDITURE											
Salaries and Benefits	6,192,803	8,520,273	2,068,708	109,551	25,462	1,419,733	4,825,772	2,048,512	1,797,468	1,972,428	28,980,710
Goods and Services	4,708,416	847,991	4,682,091	1,809,626	226,739	937,195	4,703,609	30,463,885	2,128,208	1,872,877	52,380,637
Interest	14,395	45,925	81,433	-	72,500	-	524,391	-	407,953	280,662	1,427,259
Amortization	7,835,786	-	2,385,362	-	-	-	-	2,203,805	1,172,408	934,507	14,531,868
Other Expenses	522,096	41,204	17,794	-	-	588,477	23,754	77,306	1,941	17,637	1,290,209
Vehicle & Equipment Maintenance	388,941	99,769	1,877,732	7,318	705	5,791	398,805	231,693	396,629	179,694	3,587,077
Policing Agreement	-	7,146,019	-	-	-	-	-	-	-	-	7,146,019
	19,662,437	16,701,181	11,113,120	1,926,495	325,406	2,951,196	10,476,331	35,025,201	5,904,607	5,257,805	109,343,779
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,025,352	\$(15,277,659)	\$ (6,409,431)	\$ 719,788	\$ 128,775	\$(2,505,787)	\$(7,722,660)	\$ 7,558,279	\$ 1,592,599	\$ 4,431,879	\$ 13,541,135

THE CITY OF PENTICTON
SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2019

	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	2019 Total
REVENUE											
Taxation	\$ 33,975,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,975,415
Sales of Services	2,582,643	1,234,345	1,754,814	2,593,063	423,325	135,027	2,597,542	43,097,201	6,464,890	9,213,484	70,096,334
Government Grants and Transfers	3,438,030	36,548	-	-	-	55,553	158,528	-	174,654	-	3,863,313
Other Revenue	9,195,223	157,563	37,525	-	-	-	1,287,568	12,373	-	-	10,690,252
Other Contributions	199,668	-	483,760	-	-	-	-	1,198,357	69,907	487,024	2,438,716
Gain on Disposal	14,264	-	48,150	-	-	-	-	-	-	-	62,414
Contributed Asset	12,000	-	-	-	-	-	-	-	-	-	12,000
	<u>49,417,243</u>	<u>1,428,456</u>	<u>2,324,249</u>	<u>2,593,063</u>	<u>423,325</u>	<u>190,580</u>	<u>4,043,638</u>	<u>44,307,931</u>	<u>6,709,451</u>	<u>9,700,508</u>	<u>121,138,444</u>
EXPENDITURE											
Salaries and Benefits	5,751,973	7,997,780	2,093,755	154,102	39,752	1,804,196	6,201,658	2,087,480	1,881,362	1,825,826	29,837,884
Goods and Services	4,291,797	970,019	3,579,516	1,739,964	201,203	951,127	4,597,872	31,160,431	1,728,056	1,690,377	50,910,362
Interest	42,980	78,625	68,114	-	-	-	763,474	-	514,500	338,526	1,806,219
Amortization	8,028,713	-	1,997,994	-	-	-	-	2,175,669	1,108,100	908,014	14,218,490
Other Expenses	1,084,476	5,546	4,546	-	-	706,525	28,457	53,500	6,203	22,401	1,911,654
Vehicle & Equipment Maintenance	431,238	96,301	2,124,467	3,924	3,298	9,291	449,229	203,759	347,701	175,698	3,844,906
Policing Agreement	-	7,526,863	-	-	-	-	-	-	-	-	7,526,863
	<u>19,631,177</u>	<u>16,675,134</u>	<u>9,868,392</u>	<u>1,897,990</u>	<u>244,253</u>	<u>3,471,139</u>	<u>12,040,690</u>	<u>35,680,839</u>	<u>5,585,922</u>	<u>4,960,842</u>	<u>110,056,378</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 29,786,066</u>	<u>\$(15,246,678)</u>	<u>\$ (7,544,143)</u>	<u>\$ 695,073</u>	<u>\$ 179,072</u>	<u>\$(3,280,559)</u>	<u>\$ (7,997,052)</u>	<u>\$ 8,627,092</u>	<u>\$ 1,123,529</u>	<u>\$ 4,739,666</u>	<u>\$ 11,082,066</u>

THE CITY OF PENTICTON
GENERAL REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020 Budget	2020	2019
Revenue			
Taxation	\$ 35,400,120	\$ 35,302,596	\$ 33,975,415
Sales of Services	15,847,852	15,380,607	16,008,960
Government Grants and Transfers	2,090,241	6,973,281	3,688,659
Transfer From Other Funds/Reserves	1,582,617	3,810,348	5,917,384
Other Revenue	8,058,388	7,717,239	10,677,879
Other Contributions	205,768	2,832,784	683,425
Sale of Assets	30,000	182,175	62,414
Collections For other Governments	23,378,000	18,608,225	20,985,914
	<u>86,592,986</u>	<u>90,807,255</u>	<u>92,000,050</u>
Expenditure			
Salaries and Benefits	24,871,380	23,841,770	24,660,270
Goods and Services	16,519,325	19,208,692	17,302,254
Interest	934,459	738,645	953,193
Principal Payments	1,348,701	1,347,701	1,365,151
Other Expenses	2,366,302	1,193,324	1,829,550
Vehicle & Equipment Maintenance	1,751,014	2,779,061	3,117,748
Policing Agreement	8,030,648	7,146,019	7,526,863
Transfer to Other Funds/Reserves	7,393,157	14,662,529	12,929,031
Transfers to Other Governments	23,378,000	18,604,627	21,023,951
	<u>86,592,986</u>	<u>89,522,368</u>	<u>90,708,011</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,284,887</u>	<u>1,292,039</u>
CHANGE IN FUND BALANCES	-	1,284,887	1,292,039
FUND BALANCES, BEGINNING OF YEAR	7,849,993	7,849,993	6,557,954
FUND BALANCES, END OF YEAR	<u>\$ 7,849,993</u>	<u>\$ 9,134,880</u>	<u>\$ 7,849,993</u>

THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020	2019
Balance, Beginning of Year	\$ 23,948,866	\$ 14,595,289
Add		
Transfers from:		
Revenue Funds	6,874,039	6,088,229
Interest Earned	429,141	324,063
Non-Statutory Reserves	-	6,800,000
Deduct		
Transfers to:		
Capital Funds	3,066,225	3,520,493
Revenue Funds	322,979	338,222
	<u>\$ 27,862,842</u>	<u>\$ 23,948,866</u>
 STATUTORY RESERVE FUND BALANCES		
Equipment Replacement Reserve Fund	6,839,555	6,112,126
Tax Sale Lands Reserve Fund	7,957	7,820
Capital Reserve Fund	3,791,237	2,272,450
Land Acquisition Reserve	84,784	83,326
Local Improvement	1,190,714	1,151,936
Off-Site Parking Reserve Fund	128,950	126,732
Community Works Reserve Fund	3,544,676	2,879,469
Public Amenity Reserve	120,474	118,048
Affordable Housing Reserve	220,580	216,433
Alternative Transportation Reserve	156,127	153,442
Asset Sustainability	4,273,052	4,244,407
Water Capital Reserve Fund	951,978	935,879
Sewer Capital Reserve Fund	1,378,862	561,888
Electric Capital Reserve Fund	5,173,896	5,084,910
Balance, End of Year	<u>\$ 27,862,842</u>	<u>\$ 23,948,866</u>

THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	Balance, Beginning of Year	Transfer from General Revenue Fund	Interest Earned	Transfer to/from General Revenue/Capital Fund	2020 Total
Reserve					
Equipment Replacement	\$ 6,112,126	\$ 1,867,282	\$ 107,114	\$ (1,246,967)	\$ 6,839,555
Tax Sale Lands	7,820	-	137	-	7,957
Capital	2,272,450	1,778,471	37,170	(296,854)	3,791,237
Land Acquisition	83,326	-	1,458	-	84,784
Local Improvement	1,151,936	18,458	20,320	-	1,190,714
Off-Street Parking	126,732	-	2,218	-	128,950
Community Works	2,879,469	1,476,868	55,718	(867,379)	3,544,676
Public Amenity	118,048	-	2,426	-	120,474
Affordable Housing	216,433	-	4,147	-	220,580
Alternative Transportation	153,442	-	2,685	-	156,127
Asset Sustainability	4,244,407	932,768	73,881	(978,004)	4,273,052
Water Capital	935,879	-	16,099	-	951,978
Sewer Capital	561,888	800,193	16,781	-	1,378,862
Electric Capital	5,084,910	-	88,986	-	5,173,896
	\$ 23,948,866	\$ 6,874,040	\$ 429,140	\$ (3,389,204)	\$ 27,862,842

THE CITY OF PENTICTON
RESERVES
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	Balance, Beginning of Year	Transfers In	Transfers Out	Interest	2020 Total
Non-Statutory					
Asset Emergency	\$ 2,694,943	\$ 1,224,311	\$ (51,870)	\$ -	\$ 3,867,384
Cemetery Land	133,000	-	-	-	133,000
Climate Action	432,061	63,102	-	-	495,163
COVID -19 Restart	-	4,711,000	(962,724)	-	3,748,276
Election	30,000	30,000	-	-	60,000
Electric Surplus	18,385,889	4,490,535	-	-	22,876,424
Financial Stabilization	1,104,576	962,724	(962,724)	-	1,104,576
Gaming	2,630,767	304,689	(2,016,317)	-	919,139
General Surplus	7,849,995	1,284,887	-	-	9,134,882
Investment Income	1,369,942	-	-	-	1,369,942
Marinas	593,831	57,836	(153,770)	-	497,897
Multi-Material BC	546,235	466,740	(246,000)	-	766,975
Parking & Revitalization	51,765	-	-	-	51,765
Public Art	76,771	-	-	-	76,771
RCMP	543,294	100,000	(105,293)	-	538,001
Sewer Equipment Replacement	180,268	-	-	-	180,268
Sewer Surplus	1,488,567	1,122,838	-	-	2,611,405
Storm Water	-	107,526	-	-	107,526
Water Surplus	6,427,985	1,934,947	-	-	8,362,932
West Bench Capital	1,185,185	-	-	-	1,185,185
West Bench Water	1,488,384	-	(78,336)	-	1,410,048
	47,213,458	16,861,135	(4,577,034)	-	59,497,559
Statutory	23,948,866	6,874,040	(3,389,204)	429,140	27,862,842
DCC	17,825,761	1,729,040	(818,268)	320,781	19,057,314
	<u>\$ 88,988,085</u>	<u>\$ 25,464,215</u>	<u>\$ (8,784,506)</u>	<u>\$ 749,921</u>	<u>\$106,417,715</u>

THE CITY OF PENTICTON
RESERVE
COVID19 RESTART GRANT
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020
COVID19 RESTART GRANT FUND	
Add:	
Receipt of grant	\$ 4,711,000
Deduct:	
Transfer to Financial Stabilization	962,724
Balance, End of Year	\$ 3,748,276

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
SEWER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020 Budget	2020	2019
Revenue			
Sales of Services	\$ 7,542,165	\$ 7,041,749	\$ 6,464,890
Government Grants and Transfers	173,394	152,338	174,654
Other Contributions	-	125,000	-
Transfer From Other Funds/Reserves	-	2,611,369	1,238,157
	<u>7,715,559</u>	<u>9,930,456</u>	<u>7,877,701</u>
Expenditure			
Salaries and Benefits	1,835,791	1,797,468	1,881,362
Goods and Services	2,553,931	3,053,271	2,469,665
Interest	413,125	407,953	514,500
Principal Payments	538,987	538,987	545,072
Other Expenses	-	1,941	6,203
Vehicle & Equipment Maintenance	489,700	396,629	347,701
Transfer to Other Funds/Reserves	1,884,025	2,611,369	4,246,350
	<u>7,715,559</u>	<u>8,807,618</u>	<u>10,010,853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,122,838</u>	<u>(2,133,152)</u>
CHANGE IN FUND BALANCES	-	1,122,838	(2,133,152)
FUND BALANCES, BEGINNING OF YEAR	1,488,567	1,488,567	3,621,719
FUND BALANCES, END OF YEAR	<u>\$ 1,488,567</u>	<u>\$ 2,611,405</u>	<u>\$ 1,488,567</u>

THE CITY OF PENTICTON
WATER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020 Budget	2020	2019
Revenue			
Sales of Services	\$ 8,994,753	\$ 9,234,854	\$ 9,213,484
Transfer From Other Funds/Reserves	78,336	3,692,030	1,313,493
Other Revenue	-	129,350	-
Other Contributions	100,000	100,000	-
	<u>9,173,089</u>	<u>13,156,234</u>	<u>10,526,977</u>
Expenditure			
Salaries and Benefits	1,738,858	1,972,428	1,825,825
Goods and Services	2,189,930	2,828,443	2,491,923
Interest	285,475	280,662	338,526
Principal Payments	422,123	422,123	422,123
Other Expenses	29,340	17,637	22,401
Vehicle & Equipment Maintenance	340,005	179,694	175,698
Transfer to Other Funds/Reserves	4,167,358	5,520,300	5,624,609
	<u>9,173,089</u>	<u>11,221,287</u>	<u>10,901,105</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,934,947</u>	<u>(374,128)</u>
CHANGE IN FUND BALANCES	-	1,934,947	(374,128)
FUND BALANCES, BEGINNING OF YEAR	6,427,989	6,427,989	6,802,117
FUND BALANCES, END OF YEAR	<u>\$ 6,427,989</u>	<u>\$ 8,362,936</u>	<u>\$ 6,427,989</u>

THE CITY OF PENTICTON
ELECTRIC REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020 Budget	2020	2019
Revenue			
Sales of Services	\$ 42,557,749	\$ 42,265,681	\$ 43,097,201
Other Revenue	9,548	10,811	12,373
Transfer From Other Funds/Reserves	200,000	-	350,430
	<u>42,767,297</u>	<u>42,276,492</u>	<u>43,460,004</u>
Expenditure			
Salaries and Benefits	1,769,887	2,048,512	2,087,480
Goods and Services	32,580,922	31,927,514	32,684,642
Other Expenses	89,693	77,306	53,500
Vehicle & Equipment Maintenance	210,081	231,693	203,759
Transfer to Other Funds/Reserves	8,116,714	3,500,932	9,101,018
	<u>42,767,297</u>	<u>37,785,957</u>	<u>44,130,399</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>4,490,535</u>	<u>(670,395)</u>
CHANGE IN FUND BALANCES	-	4,490,535	(670,395)
FUND BALANCES, BEGINNING OF YEAR	18,385,889	18,385,889	19,056,284
FUND BALANCES, END OF YEAR	<u>\$ 18,385,889</u>	<u>\$ 22,876,424</u>	<u>\$ 18,385,889</u>

THE CITY OF PENTICTON
STORM WATER
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020 Budget	2020	2019
REVENUE			
Sales of Services	\$ 558,000	\$ 562,948	\$ 362,063
EXPENDITURE			
Salaries and Benefits	310,782	286,235	202,504
Goods and Services	164,800	153,579	148,623
Vehicle & Equipment Maintenance	37,400	18,565	17,322
Transfer to Other Funds/Reserves	45,018	-	-
	558,000	458,379	368,449
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 104,569	\$ (6,386)

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2020
(UNAUDITED)

LIA B Law	S/1 B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2020 Payments	
										Interest	Principal
General Fund											
9925	20005	72	12-Apr-00	RCMP Building	\$ 2,500,000	\$ -	20	2020	1.670	\$ 20,875	\$ 82,873
9925	20046	73	07-Nov-00	RCMP Building	1,500,000	-	20	2020	1.670	25,050	49,725
2003-15	2268	81	22-Apr-04	Storm Sewer	337,500	96,031	20	2024	2.850	9,619	10,207
2004-16	859-2004	85	25-Oct-04	Parks-Land Acquisition	1,680,000	478,021	20	2024	2.250	37,800	50,807
2004-18	859/2004	85	25-Oct-04	Road Works-S. Main St.	195,000	55,485	20	2024	2.250	4,388	5,897
2004-19	859/2004	85	25-Oct-04	Road Design-Main St.	150,000	42,680	20	2024	2.250	3,375	4,536
2004-20	859/2004	85	25-Oct-04	Integrated Waterfront	550,000	156,495	20	2024	2.250	12,375	16,633
2004-21	859/2004	85	25-Oct-04	Youth Park	50,000	14,227	20	2024	2.250	1,125	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	239,196	20	2025	5.100	13,329	44,330
2004-20	1108-2004	93	06-Apr-05	Integrated Waterfront	520,000	155,478	20	2025	5.100	8,664	28,815
2004-21	614/2005	95	13-Oct-05	Youth Park	150,000	48,601	20	2025	1.800	2,700	5,514
2005-18	615/2005	95	13-Oct-05	Integrated Waterfront	825,000	267,307	20	2025	1.800	14,850	30,328
2006-15	1717/2006	99	07-Nov-06	Road Works-Fairview/Ind	1,595,000	615,232	20	2026	1.750	27,913	53,563
2006-17	1717/2006	99	07-Nov-06	Sportsfields	3,200,000	1,234,322	20	2026	1.750	56,000	107,462
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront '06	350,000	154,575	20	2027	2.250	7,875	11,754
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	1,486,221	20	2028	2.650	79,500	100,745
2007-41	333/2008	104	20-Nov-08	Cemetery-Columbarium	2,500,000	1,238,518	20	2028	2.900	72,500	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	495,407	20	2028	2.900	29,000	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	262,566	20	2028	2.900	15,370	17,798
2007-52	638/2009	106	13-Oct-09	Indoor Soccer Facility	415,000	227,048	20	2029	2.250	9,338	13,936
2007-52	15/30/2010	110	08-Apr-10	Indoor Soccer Ph2	586,000	349,733	20	2030	2.890	16,935	19,679
2009-14	15/30/2010	110	08-Apr-10	Pool Upgrades	7,400,000	4,416,423	20	2030	2.890	213,860	248,505
2007-52	825/2011	116	04-Apr-11	Indoor Soccer Facility	135,000	87,022	20	2031	4.200	5,670	4,534
2009-43	825/2011	116	04-Apr-11	Road Wrks-Smythe Dr	447,000	288,141	20	2031	4.200	18,774	15,011
26/2018				Downtown 300 Block Main Street	1,530,000	918,000	5		-	16,979	306,000
					31,945,500	13,326,729				723,864	1,347,700

THE CITY OF PENTICTON
DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2020
(UNAUDITED)

LIA B Law	S/1 B Law	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2020 Payments	
									Interest	Principal
Water Fund	17/07/2006	99	07-Nov-06	Naramata Rd. Upgrade	1,801,339	20	2026	1.750	81,725	156,827
	333/2008	104	20-Nov-08	Water Filtration Plant	1,981,629	20	2028	2.900	116,000	134,327
	638/2009	106	13-Oct-09	Water Filtration Plant	2,133,708	20	2029	2.250	87,750	130,969
				<u>12,570,000</u>	<u>5,916,676</u>				<u>285,475</u>	<u>422,123</u>
Sewer Fund	273/2007	102	02-Nov-07	Septage Handling Facility	463,724	20	2027	2.250	23,625	35,261
	333-2008	104	02-Nov-07	Sewer System Upgrade	3,963,257	20	2028	2.900	232,000	268,654
	638-2009	106	13-Oct-09	Sewer Plant Expansion	3,829,733	20	2029	2.250	157,500	235,072
				<u>16,050,000</u>	<u>8,256,714</u>				<u>413,125</u>	<u>538,987</u>
				<u>\$ 60,565,500</u>	<u>\$ 27,500,119</u>				<u>\$ 1,422,464</u>	<u>\$ 2,308,810</u>

THE CITY OF PENTICTON
CEMETERY PERPETUAL TRUST FUND
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

ASSETS

Bank Term Deposits

Less:

Due To(From) General Revenue Fund

SURPLUS

Balance, Beginning of Year

Add:

Care Fund Contributions

Interest Earned

Deduct:

Cemetery Maintenance

Balance, End of Year

2020	2019
\$ 1,088,227	\$ 1,063,696
(20,318)	7,546
<u>\$ 1,108,545</u>	<u>\$ 1,056,150</u>
\$ 1,056,150	\$ 1,017,095
52,437	39,037
24,458	23,918
<u>76,895</u>	<u>62,955</u>
24,500	23,900
<u>\$ 1,108,545</u>	<u>\$ 1,056,150</u>

Development Cost Charges (DCCs)

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. DCCs 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) that estimates a resulting population of 41,900 by the end of 2046.

The Current DCC Bylaw No. 2007-79 was adopted Feb 4, 2008, however an interim bylaw with increased DCC rates was passed on March 2, 2021. Due to the age of the Bylaw, one of the City's initiatives for 2021 is a major update to the DCC Bylaw including realigning the Bylaw with the projected growth envisioned in the OCP. This review will update all relevant projects and costs for each respective DCC area and determine future funding needs for the community. As part of the Bylaw update process, financial tracking and management procedures will be reviewed and updated.

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 assist factor

- Roads 5%
- Water Mains 15%
- Water Plants 3%
- Parks 5%
- Wastewater 15%
- Storm Water 3%



Development Cost Charges (cont.)

Development Cost Charges Reserve Funds

DCC by Type	Opening Balance	DCCs Levied	Interest	Expenditures*	Internal Transfers	Closing Balance
Roads	\$ 2,023,043	\$ 221,692	\$ 32,034	\$ 377,296	\$ 239,457	\$ 1,665,015
Parks	1,017,251	328,227	19,733	107,462	-	\$ 1,257,749
Storm (Drainage)	451,100	145,479	11,173	108,510	239,457	\$ 738,700
Wastewater	9,936,906	825,345	180,025	125,000	131,926	\$ 10,685,350
Water	4,392,461	208,298	77,816	100,000	131,926	\$ 4,710,500
Total	\$ 17,825,761	\$ 1,729,040	\$ 320,781	\$ 818,268	\$ -	\$ 19,057,314

*Expenditures include project expenses and debt financing costs.

Project Expenditures 2020

Roads:

- \$319k Transportation Master Plan

Sewer:

- \$125k Sanitary Sewer Master Plans

Storm Water:

- \$98k Main Street Upgrades from Industrial Avenue to Warren Ave

Water:

- \$100k Domestic Water Master Plans

Planned DCC Spending

From the City's 2021-2025 Financial Plan, total planned project expenses are as follows:

Roads:

- \$927k for the Point Intersection at Kinney & South Main for realignment of Galt Ave (to be included as part of the updated DCC Bylaw)

Sewer:

- \$2.9M North Penticton Interceptor, Fairview Road to AWWTP
- \$3.1M AWWTP Third Clarifier

Water:

- \$911k Ridgedale Reservoir Upgrade

2020 Municipal Grant Program

Penticton's vision to be a "vibrant, innovative, adventurous waterfront City focused on sustainability, community and economic opportunity" includes supporting our community through municipal grants. The purpose of municipal grants is to raise the quality of life for City of Penticton residents

by meeting the needs of community organizations and the objectives of City Council in meaningful, measureable ways. Municipal grants also include partnering agreements and consist of cash funding and in-kind support.

Organization	Total Support**
ASK Wellness Society	101
Canadian Mental Health Association	6,000
Canadian Sport School Hockey League (CSSHL)	10,000
Penticton & District Community Arts Council	12,312
Community Market (Farmer's Market)	4,696
Curling Club - World Curling Tour	9,000
Downtown Penticton Association (Breezeway Improvement Project)	5,000
First Things First Okanagan	1,080
Ha Ha Ha Kidzfest Society	3,000
Hoodoo Adventures Company Ltd. *	5,000
Okanagan School of the Arts (Shatford Centre)	36,479
Peach Festival Society	20,000
Peach Festival Society (Mini Royalty Parade)	305
Penticton & Area Access Society	6,000
Penticton Art Gallery Society	125,000
Penticton BMX	4,200
Penticton Cycling Association	2,500
Penticton Dragonboat Festival Society	10,092
Penticton Lawn Bowling Club	5,127
Penticton Recovery Resource Society	9,684

*Denotes Partnering Agreement

**All listed amounts are rounded to the closest dollar

2020 Municipal Grant Program (cont.)

Organization	Total Support**
Penticton Senior's Drop in Centre	10,000
Penticton Tennis Club	5,161
Red Cross HELP Depot	1,838
Skaha Bluffs Park Watch Society	15,000
South Okanagan Loss Society (SOLS)	8,400
South Okanagan Minor Baseball Association	4,000
South Okanagan Seniors Wellness Society	13,000
South Okanagan Similkameen Volunteer Society	10,000
SS Sicamous Society	65,000
United Way Emergency Transportation Assistance Program	7,290
2020 Grand Total	\$ 415,466

*Denotes Partnering Agreement

**All listed amounts are rounded to the closest dollar

2020 Permissive Tax Exemptions

Applicant	Civic Address	2020 Municipal Taxes Foregone
Affordable Living for Today Society	245 Warren Ave. W.	\$7,484
BC Wine Info Centre	#101 - 553 Veas Dr.	\$3,709
BPOE Penticton Elks Lodge #51	343 Ellis St.	\$2,891
Cheers the Church	639 Main St.	\$6,514
Christian Science Society, Penticton, BC	608 Winnipeg St.	\$1,325
Community Foundation of the South Okanagan Similkameen	501 Main St.	\$22,253
Concordia Lutheran Church of Penticton BC	2800 South Main St.	\$4,772
Fraternal Order Of Eagles #4281	1197 Main St.	\$4,206
Good Samaritan Canada	270 Hastings Ave.	\$59,631
Grace Mennonite Brethren Church	74 Penticton Ave.	\$1,601
Green Mountain Congregation of Jehovah's Witnesses	52 Roy Ave.	\$3,493
Hellenic Community of Penticton	1265 Fairview Rd.	\$1,541
Holy Cross School	1299 Manitoba St.	\$15,886
Luso Canadian Multicultural Society	135 Winnipeg St.	\$2,364
Oasis United Church	2964 Skaha Lake Rd.	\$11,158
Okanagan Boys & Girls Clubs	1295 Manitoba St.	\$7,793
Okanagan Similkameen Neurological Society	#103 - 550 Carmi Ave.	\$1,397
OneSky Community Resources Society	330 Ellis St.	\$12,029
OneSky Community Resources Society	470 Edmonton Ave.	\$3,423
OneSky Community Resources Society	500 Edmonton Ave.	\$1,022
OneSky Community Resources Society	2434 Baskin St.	\$1,154
OneSky Community Resources Society	2450 Baskin St.	\$1,157
OneSky Community Resources Society	150 McPherson Cres.	\$2,868
OneSky Community Resources Society	154 McPherson Cres.	\$2,868
OneSky Community Resources Society	1160 Commercial Way	\$2,951
OneSky Housing Society	285 Nanaimo Ave. W.	\$10,970
Ooknakane Friendship Centre	146 Ellis St.	\$3,930
Our Redeemer Lutheran Church of Penticton, B.C.	1370 Church St.	\$1,629
Penticton & District Community Arts Council	220 Manor Park Ave.	\$12,722
Penticton & District Minor Hockey Association	399 Power St.	\$1,292
Penticton Alliance Church	197 Brandon Ave.	\$4,112
Penticton and District Emergency Program Society	251 Dawson Ave.	\$1,525
Penticton and District Multicultural Society	340 Ellis St.	\$4,809
Penticton and District Society for Community Living	180 Industrial Ave. W.	\$11,683
Penticton and District Society for Community Living	453 Winnipeg St. (Chestnut Place)	\$4,413
Penticton and District Society for Community Living	252 Conklin Ave.	\$2,056

2020 Permissive Tax Exemptions (cont.)

Applicant	Civic Address	2020 Municipal Taxes Foregone
Penticton and District Society for Community Living	146 & 150 Bruce Crt.	\$13,030
Penticton and District Society for Community Living	234 Van Horne St.	\$2,739
Penticton and District Society for Community Living	1706 Main St.	\$15,612
Penticton and District Society for Community Living	259 Backstreet Blvd. up to 15 units	\$8,144
Penticton and Wine Country Chamger of Commerce	102 Ellis St.	\$2,817
Penticton Art Gallery	199 Marina Way	\$21,094
Penticton Bethel Pentecostal Tabernacle	945 Main St.	\$7,291
Penticton Bethel Pentecostal Tabernacle	973 Main St.	\$4,716
Penticton Bethel Pentecostal Tabernacle	65 Preston Ave.	\$1,963
Penticton BMX Society	630 Munson Mountain Rd.	\$3,076
Penticton Christian School Society	#102 - 96 Edmonton Ave.	\$842
Penticton Community Garden Society	480 Vancouver Ave.	\$1,110
Penticton Curling Club	505 Vees Dr.	\$11,937
Penticton Disc Golf Club	500 Marina Way	\$6,808
Penticton First Baptist Church	1498 Government St.	\$5,311
Penticton Free Presbyterian Church	120 Preston Ave.	\$2,734
Penticton Golf & Country Club	600 Comox St.	\$6,835
Penticton Golf & Country Club	852 Eckhardt Ave. W	\$15,315
Penticton Kiwanis Housing Society	#101 - 150 Van Horne St.	\$727
Penticton Kiwanis Housing Society	#103 - 150 Van Horne St.	\$621
Penticton Kiwanis Housing Society	#105 - 150 Van Horne St.	\$621
Penticton Kiwanis Housing Society	#113 - 150 Van Horne St.	\$621
Penticton Kiwanis Housing Society	#115 - 150 Van Horne St.	\$734
Penticton Kiwanis Housing Society	#312 - 150 Van Horne St.	\$629
Penticton Kiwanis Housing Society	#112 - 150 Van Horne St.	\$724
Penticton Kiwanis Housing Society	#104 - 150 Van Horne St.	\$618
Penticton Kiwanis Housing Society	#102 - 150 Van Horne St.	\$724
Penticton Kiwanis Housing Society	#201 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#209 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#211 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#213 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#215 - 150 Van Horne St.	\$738
Penticton Kiwanis Housing Society	#214 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#212 - 150 Van Horne St.	\$629
Penticton Kiwanis Housing Society	#210 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#204 - 150 Van Horne St.	\$625

2020 Permissive Tax Exemptions (cont.)

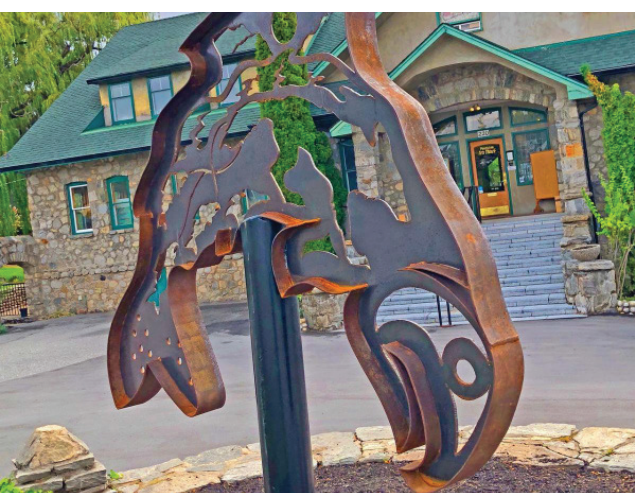
Applicant	Civic Address	2020 Municipal Taxes Foregone
Penticton Kiwanis Housing Society	#202 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#301 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#315 - 150 Van Horne St.	\$738
Penticton Kiwanis Housing Society	#314 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#310 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#308 - 150 Van Horne St.	\$709
Penticton Kiwanis Housing Society	#304 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#302 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#401 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#413 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#415 - 150 Van Horne St.	\$738
Penticton Kiwanis Housing Society	#414 - 150 Van Horne St.	\$731
Penticton Kiwanis Housing Society	#412 - 150 Van Horne St.	\$628
Penticton Kiwanis Housing Society	#410 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#408 - 150 Van Horne St.	\$709
Penticton Kiwanis Housing Society	#406 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#404 - 150 Van Horne St.	\$625
Penticton Kiwanis Housing Society	#402 - 150 Van Horne St.	\$731
Penticton Lawn Bowling Club	260 Brunswick St.	\$5,420
Penticton Masonic Building Association	416 Westminster Ave. W.	\$3,200
Penticton New Beginnings Christian Fellowship	#101 - 96 Edmonton Ave.	\$842
Penticton Recovery Resource Society (Discovery House)	633 Winnipeg St.	\$3,509
Penticton Safety Village Society	490 Edmonton Ave.	\$4,687
Penticton Seniors' Drop-In Centre Society	2905 South Main St.	\$24,081
Penticton Sikh Temple and Indian Cultural Society	3290 South Main St.	\$9,071
Penticton Tennis Club	675 Marina Way	\$3,016
Penticton United Church	696 Main St.	\$3,638
Penticton Vineyard Community Church	#102 - 1825 Main St.	\$9,802
S.S. Sicamous Restoration Society	1099 Lakeshore Dr. W.	\$9,568
Seventh-day Adventist Church (British Columbia Conference)	290 Warren Ave. W.	\$4,204
South Okanagan Similkameen Brain Injury Society	742 Argyle St.	\$2,361
South Okanagan Similkameen Brain Injury Society	332 Eckhardt Ave. W.	\$2,842
South Okanagan Similkameen Medical Foundation	1802 Camrose St.	\$4,243
South Okanagan Similkameen Medical Foundation	1748 Camrose St.	\$6,081
South Okanagan Women in Need Society	Hughes House	\$0
South Okanagan Women in Need Society	Tamarack	\$0
South Okanagan Women in Need Society	#102 - 1027 Westminster Ave. W.	\$1,419

2020 Permissive Tax Exemptions (cont.)

Applicant	Civic Address	2020 Municipal Taxes Foregone
South Okanagan Women in Need Society	#101 - 1027 Westminster Ave. W.	\$688
St. Andrew's Presbyterian Church	397 Martin St.	\$1,522
St. Andrew's Presbyterian Church	157 Wade Ave. W.	\$2,489
St. Ann's Parish	1296 Main St.	\$6,699
St. Ann's Parish (St. John Vianney Church)	361 Wade Ave W.	\$3,008
St. Ann's Parish (Penticton Recovery Resource Society)	397 Wade Ave. W.	\$1,484
St. Ann's Parish (Pregnancy Support Program under OneSky Communities)	200 Bennett Ave.	\$1,573
St. Saviour's Anglican Church	150 Orchard Ave.	\$4,943
The British Columbia Society for the Prevention of Cruelty to Animals	2200 Dartmouth Dr.	\$14,846
The Care Closet	574 Main St.	\$2,238
The Church of Jesus Christ of Latter-day Saints in Canada	2946 South Main St.	\$5,400
The Penticton Church of the Nazarene	523 Jermyn Ave.	\$3,009
The Penticton Horseshoe Pitchers Club	2905 South Main St.	\$2,228
The Penticton Kinsmen Disability Resource Center Society	216 Hastings Ave.	\$9,864
The Salvation Army Penticton	2399 South Main St.	\$11,688
The Salvation Army Penticton	2469 South Main St.	\$3,722
The Salvation Army Penticton	318 Ellis St.	\$4,216
YMCA of Okanagan Association	630 Birch Ave.	\$2,472
Total 2020 Permissive Tax Exemptions		\$580,440

2020 Revitalization Tax Exemptions

Civic Address	2020 Municipal Taxes Foregone
1000 Lakeshore Drive	\$4,267
117 - 2203 Dartmouth Drive	\$1,159
121 - 2203 Dartmouth Drive	\$966
125 - 2203 Dartmouth Drive	\$966
129 - 2203 Dartmouth Drive	\$1,199
135 Front Street	\$13,346
1356 Commercial Way	\$1,009
1374 Commercial Way	\$5,728
161 Ellis Street	\$3,077
182 Industrial Court	\$1,623
192 Industrial Court	\$2,271
198 Ellis Street	\$5,805
2060 Government Street	\$1,559
21 Lakeshore Drive West	\$92,534
2147 Dartmouth Road	\$5,015
232 Rosetown Ave	\$2,651
260 (270) Martin Street	\$1,246
272 Dawson Avenue	\$8,571
325 Van Horne Street	\$5,874
331 Van Horne Street	\$5,107
345 Van Horne Street	\$5,329
3475 Wilson Street	\$88,696
351 Van Horne Street	\$5,104
399 Main Street	\$8,708
409 Ellis Street	\$458
437 Martin Street	\$959
52 Front Street	\$380
535 Main Street	\$3,276
553 Vees Drive	\$90,803
647 Okanagan Avenue E	\$5,646
682 Okanagan Avenue	\$5,763
99 White Avenue E	\$4,039
Total 2020 Revitalization Tax Exemptions	\$983,134





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