

Financial Statements





Chief Financial Officer's Report

May 2022

Your Worship and Members of Council,

I am pleased to present the City of Penticton's 2021 Annual Financial Report for the year ended December 31, 2021, 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. The City 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 or not the financial statements prepared by management present fairly the financial position of the City as at December 31, 2021. In their opinion, the "consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021."

Financial results from 2021 saw an increase in the City's net financial assets of \$11 million bringing the total net financial assets to \$68.7 million. This resulted in a 3.3% increase in the accumulated surplus for a total of \$393 million for 2021.

Consolidated revenues for the City were \$129 million in 2021, a 5.2% increase over 2020. The increase is attributed to higher taxation revenue, sewer and water user fees to account for future capital projects, and recognition of Development Cost Charges revenues.

Consolidated expenditures were \$116.6 million, an increase of 6.7% from 2020 which is mainly attributable to the significant reduction in expenses realised in 2020 due to cost savings measures implemented as a result of the pandemic, but also includes increases in protective services costs and an increase to electricity costs.

The general revenue fund saw an overall surplus of \$511 thousand, with revenues coming in at \$94.7 million, an increase of 4.3% from 2020. Revenues increased over the previous year due to an increase in taxation revenues in conjunction with a gradual return to pre pandemic revenue levels in areas such as casino and parking revenues, combined with the return to full School Taxes for businesses.

Expenditures in 2021 increased by 5.2%. The main drivers behind this increase relate to reductions seen in 2020 from pandemic related expenses reductions, return from reduced School Taxes in Transfers to Other Governments and an increase in protective services costs.

In 2021, the City continued to take steps to maintain services for the community while preserving our financial health. City Council approved a moderate tax increase for 2021 of 1.95% to address inflation and COVID-19 impact mitigation. City staff also completed a thorough review of costs which resulted in significant cost reductions with minimal impact to service levels. Finally, as the City continued to experience impacts from the pandemic, Council approved the use of reserve funds from the Provincial COVID-19 Safe Restart Grant to bridge remaining financial gaps as a short-term solution.

For 2022, the City's Corporate Business Plan was guided by Community Safety, which was identified as the main priority for both Council and the community. City Council approved additional resources for both



the RCMP and Bylaw Services with an overall goal to improve RCMP investigation capacity, enhance proactive policing to target prolific offenders, and provide more capacity for Bylaw enforcement. 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.

Like many other municipalities in the Okanagan, the City of Penticton continues to promote sustainable growth and development while at the same time addressing its aging infrastructure. In 2022, the City will continue moving forward with the Asset & Amenity Management Project, “Civic Spaces and Places” to ensure that Penticton residents are able to enjoy City facilities into the future with modern functionality and a reduced environmental footprint.

The City has continued to take steps to alleviate the impacts of the pandemic in its 2022 plan while for upcoming years shifting focus towards financial recovery and planning for the future.

Director of Finance & Administration,
Angela Campbell



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, 2021, 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, 2021, 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 3, 2022

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

	2021	2020
Financial Assets		
Cash	\$ 4,417,985	\$ 28,241,881
Term Deposits (Note 1)	124,895,292	91,605,840
Accounts Receivable (Note 2)	10,428,556	10,409,223
	<u>139,741,833</u>	<u>130,256,944</u>
Financial Liabilities		
Accounts Payable and Accrued Liabilities	15,285,176	16,770,413
Development Cost Charges (Note 3)	19,049,679	19,057,314
Deferred Revenue (Note 5)	8,510,803	6,016,520
Deposits	4,013,812	3,359,187
Long Term Debt (Note 9)	24,193,133	27,500,122
	<u>71,052,603</u>	<u>72,703,556</u>
Net Financial Assets	\$ 68,689,230	\$ 57,553,388
Non-Financial Assets		
Tangible Capital Assets (Note 11)	\$319,844,994	\$318,489,661
Inventory	3,543,147	3,532,029
Prepaid Expenses	566,878	488,690
	<u>323,955,019</u>	<u>322,510,380</u>
Accumulated Surplus	<u>\$392,644,249</u>	<u>\$380,063,768</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2021

	2021 Budget (Note 15)	2021	2020
Revenue			
Taxation (Note 18)	\$ 36,582,672	\$ 36,561,489	\$ 35,302,596
Sales of Services	70,633,851	71,429,332	68,353,590
Government Grants and Transfers (Note 16)	2,283,035	6,141,419	7,125,619
Other Revenue	5,682,518	8,884,115	7,846,195
Other Contributions	4,066,653	5,900,602	3,999,784
Gain on Disposal	30,000	265,000	182,175
Contributed Asset	-	11,335	-
	<u>119,278,729</u>	<u>129,193,292</u>	<u>122,809,959</u>
Expenditure (Note 12)			
General Government	12,388,205	20,002,040	19,442,716
Protective Services	19,849,087	20,021,970	17,895,168
Transportation Services	6,241,628	9,828,808	10,138,855
Environmental Health Services	2,026,100	1,982,591	1,926,495
Public Health and Safety	390,500	381,586	325,406
Environmental Development Services	2,877,929	3,859,262	3,265,153
Recreation and Culture	11,142,015	10,924,940	10,087,420
Electrical Supply	33,555,204	38,679,454	35,025,201
Sewer System Utility	3,995,195	5,511,624	5,904,607
Water Utility Services	3,672,087	5,420,536	5,257,805
	<u>96,137,950</u>	<u>116,612,811</u>	<u>109,268,826</u>
Annual Surplus	23,140,779	12,580,481	13,541,133
Accumulated Surplus, Beginning of Year	<u>380,063,768</u>	<u>380,063,768</u>	<u>366,522,635</u>
Accumulated Surplus, End of Year	<u>\$ 403,204,547</u>	<u>\$ 392,644,249</u>	<u>\$ 380,063,768</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, 2021

	2021 Budget	2021	2020
Annual surplus	\$ 23,140,779	\$ 12,580,481	\$ 13,541,133
Acquisition of Tangible Capital Assets (Note 11)	(24,864,588)	(16,152,246)	(13,284,958)
Amortization (Note 11)	-	14,793,275	14,531,868
Net Disposal of Tangible Capital Assets (Note 11)	-	-	82,088
Contributed Tangible Capital Assets (Note 11)	-	(11,355)	-
Asset reclassification (Note 11)	-	14,989	17,820
	(1,723,809)	11,225,144	14,887,951
Change in Prepaid Expenses (Increase)	-	(78,188)	41,282
Consumption of Supplies Inventories	-	(11,114)	22,361
	-	(89,302)	63,643
Increase in Net Financial Assets	(1,723,809)	11,135,842	14,951,594
Net Financial Assets, Beginning of Year	57,553,388	57,553,388	42,601,794
Net Financial Assets, End of Year	<u>\$ 55,829,579</u>	<u>\$ 68,689,230</u>	<u>\$ 57,553,388</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

	2021	2020
Operating Transactions		
Annual Surplus	\$ 12,580,481	\$ 13,541,133
Change in Non-Cash Operating Items		
Increase in Accounts Receivable	(19,332)	(115,714)
Increase (decrease) in Trade Accounts Payable and Accrued Liabilities	(1,485,436)	3,247,256
Increase (decrease) in Development Cost Charges	(7,635)	1,231,553
Increase (decrease) in Deferred Revenues	2,494,283	(179,340)
Increase (decrease) in Deposits	654,625	(149,919)
(Increase) decrease in Prepaid Expenses	(78,188)	41,282
(Increase) decrease in Inventory	(11,114)	22,361
Net Disposal of Tangible Capital Assets	-	82,088
Amortization	14,793,275	14,531,868
Contributed Tangible Capital Assets	(11,355)	-
Asset reclassification	15,187	17,818
	16,344,310	18,729,253
Cash Provided by Operating Activities	28,924,791	32,270,386
Capital Transactions		
Cash Used to Acquire Tangible Capital Assets	(16,152,246)	(13,284,958)
Financing Transactions		
Debt Repayment	(3,306,989)	(3,480,697)
Investing Transactions		
(Increase) decrease in Term Deposits	(33,289,452)	6,623,494
Change in Cash	(23,823,896)	22,128,225
Cash, Beginning of Year	28,241,881	6,113,656
Cash, End of Year	\$ 4,417,985	\$ 28,241,881
Supplemental Cash Flow Information	2021	2020
Interest Paid	\$ 1,178,773	\$ 1,427,259

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, 2021 the City has no liability for contaminated sites.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. Term Deposits

	Maturity Date	Effective Interest Rate (%)	2021	2020
Valley First	Dec 3, 2022	1.35	\$ 8,212,444	\$ 8,123,090
Valley First	Aug 17, 2023	3.05	5,472,039	5,310,082
Valley First	Aug 27, 2024	1.60	5,000,000	-
Valley First	n/a	-	15,270,196	16,609,429
Canaccord	Feb 28, 2022	0.90	10,456,137	-
Canaccord	May 17, 2022	1.16	5,810,420	-
Canaccord	May 17, 2022	0.91	9,000,000	-
Canaccord	Aug 12, 2022	2.50	5,253,125	5,125,000
Canaccord	Aug 30, 2023	1.40	5,068,750	-
Canaccord	Aug 12, 2024	2.80	2,642,157	2,570,266
Canaccord	Aug 12, 2024	2.75	2,500,000	2,500,000
Canaccord	Sep 1, 2025	1.90	5,000,000	-
Canaccord	Aug 31, 2026	2.20	5,000,000	-
National Bank Financial	n/a	-	40,210,024	10,033,519
Valley First Redemptions	n/a	-	-	13,122,836
Canaccord Redemptions	n/a	-	-	28,211,618
			<u>\$ 124,895,292</u>	<u>\$ 91,605,840</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Accounts Receivable

	2021	2020
Property Taxes	\$ 1,187,213	\$ 1,160,414
Other Receivables	3,281,652	2,845,768
Federal Government	273,137	114,313
Provincial Government	391,049	105,264
Other Government Agencies	119,797	155,894
Utility Rates Receivable	4,695,834	4,670,992
Accrued Interest Receivable	532,905	1,376,896
Cemetery Trust Fund Receivable (Payable)	(53,031)	(20,318)
	\$ 10,428,556	\$ 10,409,223

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.

	2021	2020
DCC by Type		
Roads DCC	\$ 1,952,843	\$ 1,665,015
Parks DCC	1,122,459	1,257,749
Drainage DCC	962,925	738,700
Waste Water DCC	11,153,100	10,685,350
Water DCC	3,858,352	4,710,500
	19,049,679	19,057,314
DCC Activity		
Balance, Beginning of Year	19,057,314	17,825,761
Return on Investments	296,810	320,781
DCCs Levied in the Year	3,451,464	1,729,040
Transfers	(3,755,909)	(818,268)
	\$ 19,049,679	\$ 19,057,314

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 2021 \$310,897(2020 - \$383,134) of Economic Incentive tax exemptions were granted. In addition, Council approved \$-(2020 - \$138,292) of DCC reductions in 2021.

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, 2020	\$ 5,111,325	\$ 284,316	\$ 620,879	\$ 6,016,520
Collected	10,402,843	607,029	2,498,286	13,508,158
Recognized	(10,146,418)	(501,069)	(366,388)	(11,013,875)
Balance at December 31, 2021	\$ 5,367,750	\$ 390,276	\$ 2,752,777	\$ 8,510,803

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, 2020, the Plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 \$2,423,278 (2020 - \$2,211,476) for employer contributions to the Plan in fiscal 2021.

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, 2021, the long term debt of the Regional District aggregated \$68,123,927 (2020 - \$69,766,479).

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.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 \$3,868,612 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:

	2021	2020
Long Term Debt	\$ 24,193,133	\$ 27,500,122

Principal repayments relating to long term debt of \$24,193,133 outstanding are due as follows (in thousands):

	2022	2023	2024	2025	2026	Thereafter	Sinking Fund
General Fund	\$ 1,248	\$ 1,250	\$ 946	\$ 859	\$ 736	\$ 1,595	\$ 4,925
Sewer Fund	539	539	539	539	539	1,278	3,433
Water Fund	422	422	422	422	422	662	2,456
	<u>\$ 2,209</u>	<u>\$ 2,211</u>	<u>\$ 1,907</u>	<u>\$ 1,820</u>	<u>\$ 1,697</u>	<u>\$ 3,535</u>	<u>\$ 10,814</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 2.25%. The 2021 earnings in the Sinking Fund were calculated to be \$1,099,628 and are included in Other Revenue on the Consolidated Statement of Operations.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

10. Debt Issued and Outstanding

										2021 Payments	
LIA B Law	S/I 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	\$ 73,751	20	2024	2.850	\$ 9,619	\$ 10,207
2004-16	859-2004	85	25-Oct-04	Parks - Land Acquisition	1,680,000	367,114	20	2024	2.250	37,800	50,807
2004-18	859/2004	85	25-Oct-04	Roads Works -S. Main St.	195,000	42,612	20	2024	2.250	4,388	5,897
2004-19	859/2004	85	15-Oct-04	Road Design-Main St.	150,000	32,778	20	2024	2.250	3,375	4,536
2004-20	859/2004	85	25-Oct-04	Integrated Waterfront	550,000	120,186	20	2024	2.250	12,375	16,633
2004-21	859/2004	93	25-Oct-04	Youth Park	50,000	10,926	20	2024	2.250	1,125	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	193,735	20	2025	5.100	11,040	45,461
2004-20	1108-2004	93	06-Apr-05	Integrated Waterfront	520,000	125,928	20	2025	5.100	7,176	29,550
2004-21	614/2005	95	13-Oct-05	Youth Park	150,000	39,447	20	2025	0.910	1,365	6,112
2005-18	615/2005	95	13-Oct-05	Integrated Waterfront	825,000	216,958	20	2025	0.910	7,508	33,618
2006-15	17/17/2006	99	07-Nov-06	Road Works-Fairview/Ind	1,595,000	522,479	20	2026	1.750	27,913	53,563
2006-17	17/17/2006	99	07-Nov-06	Sportsfields	3,200,000	1,048,236	20	2026	1.750	56,000	107,462
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront '06	350,000	135,004	20	2027	2.250	7,875	11,754
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	1,324,925	20	2028	2.650	79,500	100,745
2007-41	333/2008	104	20-Nov-08	Cemetery-Columbarium	2,500,000	1,104,104	20	2028	2.900	72,500	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	441,642	20	2028	2.900	29,000	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	234,070	20	2028	2.900	15,370	17,798
2007-52	638/2009	106	13-Oct-09	Indoor Soccer Facility	415,000	205,594	20	2029	2.250	9,338	13,936
2007-52	15/30/2010	110	08-Apr-10	Indoor Soccer Ph2	586,000	319,921	20	2030	1.280	7,501	21,542
2009-14	15/30/2010	110	08-Apr-10	Pool Upgrades	7,400,000	4,039,961	20	2030	1.280	94,720	272,037
2007-52	B25/2011	116	04-Apr-11	Indoor Soccer Facility	135,000	80,570	20	2031	2.835	3,827	4,534
2009-43	B25/2011	116	04-Apr-11	Road Wrks-Smythe Dr	447,000	266,776	20	2031	2.835	12,672	15,011
26/2018				Downtown 300 Block Main Street	1,530,000	612,000	5		-	6,253	306,000
					27,945,500	11,558,717					

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

10. Debt Issued and Outstanding continued

										2021 Payments	
LIA B Law	S/1 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	1,529,765	20	2026	1.750	81,725	156,827
2007-83	333/2008	104	20-Nov-08	Water Filtration Plant	4,000,000	1,766,567	20	2028	2.900	116,000	134,327
2007-83	638/2009	106	13-Oct-09	Water Filtration Plant	3,900,000	1,932,088	20	2029	2.250	87,750	130,969
					<u>12,570,000</u>	<u>5,228,420</u>				<u>285,475</u>	<u>422,123</u>
Sewer Fund											
2006-61	273/2007	102	02-Nov-07	Septage Handling Facility	1,050,000	405,012	20	2027	2.250	23,625	35,261
2008-10	332-2008	104	02-Nov-07	Sewer System Upgrade	8,000,000	3,533,134	20	2028	2.900	232,000	268,654
2008-10	638-2009	106	13-Oct-09	Sewer Plant Expansion	7,000,000	3,467,850	20	2029	2.250	157,500	235,072
					<u>16,050,000</u>	<u>7,405,996</u>				<u>413,125</u>	<u>538,987</u>
					<u>\$ 56,565,500</u>	<u>\$ 24,193,133</u>				<u>\$ 1,216,840</u>	<u>\$ 2,207,361</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

11. 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 \$21,023,189 of expenditures that fall within the Capital Budget. Of this amount, \$16,152,246 met the TCA capitalization policy criteria while the remaining \$4,870,943 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	2021 Total
COST									
Opening Balance	\$ 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
Add: Additions	1,060,640	1,290,893	3,216,229	917,310	1,585,277	889,004	3,523,688	3,669,205	16,152,246
Add: Trsf to/from Construction in Progress	-	11,841	41,114	-	-	14,190	394,855	(462,000)	-
Add: Contributed Assets	-	-	11,355	-	-	-	-	-	11,355
Less: Disposals	-	7,745	55,660	-	-	-	-	-	63,405
Re-classification	-	-	-	-	-	-	-	(14,993)	(14,993)
	<u>54,952,999</u>	<u>171,245,111</u>	<u>51,988,121</u>	<u>58,359,846</u>	<u>62,465,696</u>	<u>84,605,031</u>	<u>100,531,105</u>	<u>5,952,267</u>	<u>590,100,176</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	85,997,491	33,322,415	13,887,058	21,860,213	43,015,311	57,442,824	-	255,525,312
Add: Amortization	-	4,987,340	2,579,562	1,186,798	964,639	2,216,122	2,858,814	-	14,793,275
Less: Acc Amortization on Disposals	-	7,745	55,660	-	-	-	-	-	63,405
	<u>-</u>	<u>90,977,086</u>	<u>35,846,317</u>	<u>15,073,856</u>	<u>22,824,852</u>	<u>45,231,433</u>	<u>60,301,638</u>	<u>-</u>	<u>270,255,182</u>
Net Book Value for Year Ended Dec. 31, 2021	<u>\$ 54,952,999</u>	<u>\$ 80,268,025</u>	<u>\$ 16,141,804</u>	<u>\$ 43,285,990</u>	<u>\$ 39,640,844</u>	<u>\$ 39,373,598</u>	<u>\$ 40,229,467</u>	<u>\$ 5,952,267</u>	<u>\$ 319,844,994</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

11. 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 to Financial Assets	-	-	-	-	-	-	-	(17,816)	(17,816)
	<u>53,892,359</u>	<u>169,950,122</u>	<u>48,775,083</u>	<u>57,442,536</u>	<u>60,880,419</u>	<u>83,701,837</u>	<u>96,612,562</u>	<u>2,760,055</u>	<u>574,014,973</u>
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
	<u>-</u>	<u>85,997,491</u>	<u>33,322,415</u>	<u>13,887,058</u>	<u>21,860,213</u>	<u>43,015,311</u>	<u>57,442,824</u>	<u>-</u>	<u>255,525,312</u>
Net Book Value for Year Ended Dec. 31, 2020	<u>\$ 53,892,359</u>	<u>\$ 83,952,631</u>	<u>\$ 15,452,668</u>	<u>\$ 43,555,478</u>	<u>\$ 39,020,206</u>	<u>\$ 40,686,526</u>	<u>\$ 39,169,738</u>	<u>\$ 2,760,055</u>	<u>\$ 318,489,661</u>

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

12. Reporting by Object

	2021	2020
Salaries and Benefits	\$ 31,273,173	\$ 28,999,339
Goods and Services	55,303,328	52,305,685
Interest	1,178,773	1,427,259
Amortization	14,793,275	14,531,868
Other Expenses	2,047,029	1,271,579
Vehicle & Equipment Maintenance	4,180,720	3,587,077
Policing Agreement	7,836,513	7,146,019
	\$ 116,612,811	\$ 109,268,826

13. 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, 2021 there was no balance outstanding.

b. Bank Indebtedness

The City holds a \$5,930,000 EFT limit.

14. 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, 2021 the Debt Reserve Fund demand note requirements were \$1,643,919 (2020 - \$1,643,919). In addition, cash deposits totaling \$807,106 (2020 - \$793,607) were held by the MFA.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

15. Budget

The Financial Plan (Budget) Bylaw No. 2020-50 adopted by Council on December 10, 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:

	2021
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Transfer to Funds/Reserves	25,944,624
Debt Principal Repayments	2,203,476
Budgeted Capital Expenditures - General	12,933,183
Budgeted Capital Expenditures - Electric	4,104,205
Budgeted Capital Expenditures - Sewer	1,859,500
Budgeted Capital Expenditures - Water	5,967,700
Less:	
Budgeted Transfers from Surplus	29,871,909
Budget Surplus per Consolidated Statement of Operations	\$ 23,140,779

16. Transfers From Other Governments

	2021	2020
Community Building Fund (Gas Tax)	\$ 3,020,636	\$ 1,476,868
Capital Grants	1,886,436	-
Traffic fine revenue sharing	425,601	419,542
Edmonton Avenue Child Care Centre	349,903	-
Okanagan Basin Water Board grants	152,338	152,338
Province of British Columbia - COVID Restart	-	4,711,000
BC Arts Council	-	58,000
Library	160,285	145,521
Miscellaneous	146,220	162,350
	\$ 6,141,419	\$ 7,125,619

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

17. 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.

18. Taxation

	Budget	2021	2020
Municipal Taxation			
Real Property	\$ 36,076,672	\$ 35,980,141	\$ 34,722,438
Special Assessments	171,000	86,106	86,106
Grants in Lieu	335,000	495,242	494,052
Total municipal taxation	36,582,672	36,561,489	35,302,596
Collections For other Governments			
School	16,000,000	17,055,692	13,376,915
Regional District	2,291,500	2,137,160	2,178,681
Regional Hospital	2,750,000	2,603,596	2,602,347
BCAA	450,000	451,069	450,282
Total collections for other taxing authorities	21,491,500	22,247,517	18,608,225
Transfers to Other Governments	(21,491,500)	(22,275,645)	(18,604,627)
Supplemental Taxation Recovered (Remitted)	-	28,128	(3,598)
Net taxation for municipal purposes	\$ 36,582,672	\$ 36,561,489	\$ 35,302,596

19. Comparative Figures

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

20. 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 \$1,639,000. 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 \$916,000. 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 \$1,622,000. 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 \$8,503,000. This is a 20 year Lease, due to expire in 2036 with two 10-year extension options.

21. 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.

21. Segmented Information continued

Protective Services

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

21. 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.

22. 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, 2021, the balance of funds held in trust was \$1,152,141 (2020 - \$1,108,545).

23. 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, 2021

	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	2021 Total
REVENUE											
Taxation	\$ 36,561,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,561,489
Sales of Services	1,073,945	2,876,286	1,890,377	2,730,999	371,484	621,563	1,189,972	42,056,153	8,577,763	10,040,790	71,429,332
Government Grants and Transfers	3,824,437	3,220	1,886,436	-	-	93,031	181,957	-	152,338	-	6,141,419
Other Revenue	5,309,986	2,194,149	896	-	-	1,184,765	172,960	9,359	-	12,000	8,884,115
Other Contributions	1,142,033	-	166,276	-	-	-	-	868,259	1,292,072	2,431,962	5,900,602
Gain on Disposal	265,000	-	-	-	-	-	-	-	-	-	265,000
Contributed Asset	11,335	-	-	-	-	-	-	-	-	-	11,335
	<u>48,188,225</u>	<u>5,073,655</u>	<u>3,943,985</u>	<u>2,730,999</u>	<u>371,484</u>	<u>1,899,359</u>	<u>1,544,889</u>	<u>42,933,771</u>	<u>10,022,173</u>	<u>12,484,752</u>	<u>129,193,292</u>
EXPENDITURE											
Salaries and Benefits	6,027,389	10,268,300	1,307,819	132,079	28,757	1,607,419	5,582,678	2,367,168	1,856,777	2,094,787	31,273,173
Goods and Services	4,467,956	1,335,755	4,268,570	1,843,374	278,422	1,534,645	4,445,243	33,734,239	1,548,064	1,847,060	55,303,328
Interest	(26,388)	-	64,740	-	72,500	-	393,331	-	396,054	278,536	1,178,773
Amortization	7,972,574	-	2,453,142	-	-	-	-	2,216,122	1,186,798	964,639	14,793,275
Other Expenses	1,145,237	43,514	13,110	-	-	707,647	19,482	89,632	2,097	26,310	2,047,029
Vehicle & Equipment Maintenance	415,272	537,888	1,721,427	7,138	1,907	9,551	484,206	272,293	521,834	209,204	4,180,720
Policing Agreement	-	7,836,513	-	-	-	-	-	-	-	-	7,836,513
	<u>20,002,040</u>	<u>20,021,970</u>	<u>9,828,808</u>	<u>1,982,591</u>	<u>381,586</u>	<u>3,859,262</u>	<u>10,924,940</u>	<u>38,679,454</u>	<u>5,511,624</u>	<u>5,420,536</u>	<u>116,612,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 28,186,185</u>	<u>\$ (14,948,315)</u>	<u>\$ (5,884,823)</u>	<u>\$ 748,408</u>	<u>\$ (10,102)</u>	<u>\$ (1,959,903)</u>	<u>\$ (9,380,051)</u>	<u>\$ 4,254,317</u>	<u>\$ 4,510,549</u>	<u>\$ 7,064,216</u>	<u>\$ 12,580,481</u>

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 Supply	Sewer System Utility	Water Utility Services	2020 Total
REVENUE											
Taxation	\$ 35,302,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,302,596
Sales of Services	1,836,143	2,083,766	1,613,009	2,646,283	453,181	383,770	1,101,521	42,093,073	6,955,211	9,187,633	68,353,590
Government Grants and Transfers	6,625,810	20,780	-	-	-	101,556	225,135	-	152,338	-	7,125,619
Other Revenue	5,209,219	1,148,087	6,255	-	1,000	1,142,260	199,213	10,811	-	129,350	7,846,195
Other Contributions	200,268	-	2,632,517	-	-	-	-	479,595	361,924	325,480	3,999,784
Gain on Disposal	-	-	136,550	-	-	-	45,625	-	-	-	182,175
	<u>49,174,036</u>	<u>3,252,633</u>	<u>4,388,331</u>	<u>2,646,283</u>	<u>454,181</u>	<u>1,627,586</u>	<u>1,571,494</u>	<u>42,583,479</u>	<u>7,469,473</u>	<u>9,642,463</u>	<u>122,809,959</u>
EXPENDITURE											
Salaries and Benefits	6,015,196	9,531,541	1,253,676	109,551	25,462	1,419,913	4,825,592	2,048,512	1,797,468	1,972,428	28,999,339
Goods and Services	4,666,302	1,010,249	4,561,948	1,809,626	226,739	1,250,973	4,314,878	30,463,885	2,128,208	1,872,877	52,305,685
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	33,323	7,046	-	-	588,476	23,754	77,306	1,941	17,637	1,271,579
Vehicle & Equipment Maintenance	388,941	128,111	1,849,390	7,318	705	5,791	398,805	231,693	396,629	179,694	3,587,077
Policing Agreement	-	7,146,019	-	-	-	-	-	-	-	-	7,146,019
	<u>19,442,716</u>	<u>17,895,168</u>	<u>10,138,855</u>	<u>1,926,495</u>	<u>325,406</u>	<u>3,265,153</u>	<u>10,087,420</u>	<u>35,025,201</u>	<u>5,904,607</u>	<u>5,257,805</u>	<u>109,268,826</u>
Excess (Deficiency) of Revenues Over Expenditures											
	<u>\$ 29,731,320</u>	<u>\$(14,642,535)</u>	<u>\$(5,750,524)</u>	<u>\$ 719,788</u>	<u>\$ 128,775</u>	<u>\$(1,637,567)</u>	<u>\$(8,515,926)</u>	<u>\$ 7,558,278</u>	<u>\$ 1,564,866</u>	<u>\$ 4,384,658</u>	<u>\$ 13,541,133</u>

THE CITY OF PENTICTON
GENERAL REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	2021 Budget	2021	2020
Revenue			
Taxation	\$ 36,582,672	\$ 36,561,489	\$ 35,302,596
Sales of Services	16,843,525	16,134,107	15,391,812
Government Grants and Transfers	2,109,641	5,989,081	6,973,281
Transfer From Other Funds/Reserves	867,952	3,343,881	3,810,348
Other Revenue	5,672,683	8,862,756	7,706,034
Other Contributions	205,768	1,308,309	2,832,784
Sale of Assets	30,000	265,000	182,175
Collections For other Governments	21,491,500	22,247,518	18,608,225
	<u>83,803,741</u>	<u>94,712,141</u>	<u>90,807,255</u>
Expenditure			
Salaries and Benefits	24,999,306	25,696,683	23,860,399
Goods and Services	19,299,332	19,870,200	19,208,693
Interest	537,007	504,183	738,645
Principal Payments	1,242,366	1,246,252	1,347,701
Other Expenses	2,038,285	1,928,989	1,174,695
Vehicle & Equipment Maintenance	1,502,241	3,177,388	2,779,061
Policing Agreement	8,597,093	7,836,513	7,146,019
Transfer to Other Funds/Reserves	4,096,611	11,664,748	14,662,529
Transfers to Other Governments	21,491,500	22,275,645	18,604,627
	<u>83,803,741</u>	<u>94,200,601</u>	<u>89,522,369</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>511,540</u>	<u>1,284,886</u>
CHANGE IN FUND BALANCES	-	511,540	1,284,886
FUND BALANCES, BEGINNING OF YEAR	9,134,879	9,134,879	7,849,993
FUND BALANCES, END OF YEAR	<u>\$ 9,134,879</u>	<u>\$ 9,646,419</u>	<u>\$ 9,134,879</u>

THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	2021	2020
Balance, Beginning of Year	\$ 27,862,842	\$ 23,948,866
Add		
Transfers from:		
Revenue Funds	9,121,090	6,874,039
Interest Earned	436,597	429,141
Deduct		
Transfers to:		
Capital Funds	7,039,217	3,066,225
Revenue Funds	312,253	322,979
	<u>\$ 30,069,059</u>	<u>\$ 27,862,842</u>
STATUTORY RESERVE FUND BALANCES		
Affordable Housing Reserve	224,043	220,580
Alternative Transportation Reserve	210,578	156,127
Asset Sustainability	5,628,860	4,273,052
Capital Reserve Fund	3,276,175	3,791,237
Community Works Reserve	3,292,166	3,544,676
Electric Capital Reserve Fund	5,252,117	5,173,896
Equipment Replacement Reserve	6,584,966	6,839,555
Land Acquisition Reserve	551,116	84,784
Local Improvement Reserve	1,227,141	1,190,714
Off-Street Parking Reserve	130,974	128,950
Parkland Acquisition Reserve	101,793	-
Public Amenity Reserve	122,365	120,474
Sewer Capital Reserve	1,415,440	1,378,862
Tax Sale Lands Reserve	8,082	7,957
Water Capital Reserve	2,043,243	951,978
Balance, End of Year	<u>\$ 30,069,059</u>	<u>\$ 27,862,842</u>

THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	Balance, Beginning of Year	Transfer from General Revenue Fund	Interest Earned	Transfer to/from General Revenue/Capital Fund	2021 Total
Reserve					
Affordable Housing	\$ 220,580	\$ -	\$ 3,463	\$ -	\$ 224,043
Alternate Transportation	156,127	52,000	2,451	-	210,578
Asset Sustainability	4,273,052	1,594,242	73,818	(312,252)	5,628,860
Capital	3,791,237	1,218,727	45,683	(1,779,472)	3,276,175
Community Works	3,544,676	3,020,636	53,322	(3,326,468)	3,292,166
Electric Capital	5,173,896	-	78,221	-	5,252,117
Equipment Replacement	6,839,555	1,575,579	103,111	(1,933,279)	6,584,966
Land Acquisition	84,784	465,000	1,332	-	551,116
Local Improvement	1,190,714	17,588	18,839	-	1,227,141
Off-Street Parking	128,950	-	2,024	-	130,974
Parkland Acquisition	-	101,000	793	-	101,793
Public Amenity	120,474	-	1,891	-	122,365
Sewer Capital	1,378,862	-	36,578	-	1,415,440
Tax Sale Lands	7,957	-	125	-	8,082
Water Capital	951,978	1,076,318	14,947	-	2,043,243
	<u>\$ 27,862,842</u>	<u>\$ 9,121,090</u>	<u>\$ 436,598</u>	<u>\$ (7,351,471)</u>	<u>\$ 30,069,059</u>

THE CITY OF PENTICTON
RESERVES
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	Balance, Beginning of Year	Transfers In	Transfers Out	Interest	2021 Total
Non-Statutory					
Asset Emergency	\$ 3,867,384	\$ 424,487	\$ (42,726)	\$ -	\$ 4,249,145
Cemetery Land	133,000	-	-	-	133,000
Climate Action	495,163	64,984	-	-	560,147
COVID -19 Restart	3,748,276	-	(1,355,338)	-	2,392,938
Election	60,000	30,000	-	-	90,000
Electric Surplus	22,876,424	1,114,450	-	-	23,990,874
Financial Stabilization	1,104,576	1,638,532	-	-	2,743,108
Gaming	919,139	836,972	(480,528)	-	1,275,583
General Surplus	9,134,879	511,540	-	-	9,646,419
Investment Income	1,369,942	-	-	-	1,369,942
Marinas	497,897	55,175	(44,818)	-	508,254
Multi-Material BC	766,975	541,856	(246,000)	-	1,062,831
Parking & Revitalization	51,765	-	-	-	51,765
Public Art	76,771	-	-	-	76,771
RCMP	538,001	250,000	(100,001)	-	688,000
Sewer Equipment Replacement	180,268	169,732	-	-	350,000
Sewer Surplus	2,611,405	2,998,814	-	-	5,610,219
Storm Water	107,526	237,022	-	-	344,548
Urban Forest	-	9,450	-	-	9,450
Water Surplus	8,362,937	2,185,743	-	-	10,548,680
West Bench Capital	1,185,185	-	-	-	1,185,185
West Bench Water	1,410,048	-	(78,336)	-	1,331,712
	59,497,561	11,068,757	(2,347,747)	-	68,218,571
Statutory	27,862,842	9,121,090	(7,351,471)	436,598	30,069,059
DCC	19,057,314	3,451,464	(3,755,909)	296,810	19,049,679
	<u>\$106,417,717</u>	<u>\$ 23,641,311</u>	<u>\$ (13,455,127)</u>	<u>\$ 733,408</u>	<u>\$117,337,309</u>

THE CITY OF PENTICTON
RESERVE
COVID19 RESTART GRANT
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

COVID19 RESTART GRANT FUND

Balance, Beginning of Year

Add:

Receipt of grant

Deduct:

Transfer to Financial Stabilization

COVID impacts on revenue and expenses

Balance, End of Year

2021	2020
\$ 3,748,276	\$ -
-	4,711,000
-	962,724
1,355,338	-
<u>\$ 2,392,938</u>	<u>\$ 3,748,276</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
SEWER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	2021 Budget	2021	2020
Revenue			
Sales of Services	\$ 8,457,140	\$ 8,672,873	\$ 7,041,749
Government Grants and Transfers	173,394	152,338	152,338
Other Contributions	-	1,292,072	125,000
Transfer From Other Funds/Reserves	-	707,624	2,611,369
	<u>8,630,534</u>	<u>10,824,907</u>	<u>9,930,456</u>
Expenditure			
Salaries and Benefits	1,825,700	1,856,777	1,797,468
Goods and Services	2,001,669	2,456,421	3,053,271
Interest	413,125	396,054	407,953
Principal Payments	538,987	538,987	538,987
Other Expenses	-	2,097	1,941
Vehicle & Equipment Maintenance	627,700	521,834	396,629
Transfer to Other Funds/Reserves	3,223,353	2,053,923	2,611,369
	<u>8,630,534</u>	<u>7,826,093</u>	<u>8,807,618</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>2,998,814</u>	<u>1,122,838</u>
CHANGE IN FUND BALANCES	-	2,998,814	1,122,838
FUND BALANCES, BEGINNING OF YEAR	2,611,405	2,611,405	1,488,567
FUND BALANCES, END OF YEAR	<u>\$ 2,611,405</u>	<u>\$ 5,610,219</u>	<u>\$ 2,611,405</u>

THE CITY OF PENTICTON
WATER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	2021 Budget	2021	2020
Revenue			
Sales of Services	\$ 10,144,000	\$ 10,099,380	\$ 9,234,854
Transfer From Other Funds/Reserves	78,336	2,823,881	3,692,030
Other Revenue	-	12,000	129,350
Other Contributions	-	2,444,324	100,000
	<u>10,222,336</u>	<u>15,379,585</u>	<u>13,156,234</u>
Expenditure			
Salaries and Benefits	1,833,595	2,094,787	1,972,427
Goods and Services	2,069,165	2,773,324	2,828,443
Interest	285,475	278,536	280,662
Principal Payments	422,123	422,123	422,123
Other Expenses	29,530	26,310	17,637
Vehicle & Equipment Maintenance	365,926	209,204	179,694
Transfer to Other Funds/Reserves	5,216,522	7,389,558	5,520,300
	<u>10,222,336</u>	<u>13,193,842</u>	<u>11,221,286</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>2,185,743</u>	<u>1,934,948</u>
CHANGE IN FUND BALANCES	-	2,185,743	1,934,948
FUND BALANCES, BEGINNING OF YEAR	8,362,937	8,362,937	6,427,989
FUND BALANCES, END OF YEAR	<u>\$ 8,362,937</u>	<u>\$ 10,548,680</u>	<u>\$ 8,362,937</u>

THE CITY OF PENTICTON
ELECTRIC REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	2021 Budget	2021	2020
Revenue			
Sales of Services	\$ 40,623,225	\$ 42,233,342	\$ 42,265,681
Other Revenue	9,835	9,359	10,811
Other Contributions	-	868,259	-
Transfer From Other Funds/Reserves	200,000	73,028	-
	<u>40,833,060</u>	<u>43,183,988</u>	<u>42,276,492</u>
Expenditure			
Salaries and Benefits	1,907,755	2,367,168	2,048,512
Goods and Services	32,774,369	35,171,514	31,927,514
Other Expenses	101,862	89,632	77,306
Vehicle & Equipment Maintenance	214,853	272,293	231,693
Transfer to Other Funds/Reserves	5,834,221	4,168,931	3,500,932
	<u>40,833,060</u>	<u>42,069,538</u>	<u>37,785,957</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,114,450</u>	<u>4,490,535</u>
CHANGE IN FUND BALANCES	-	1,114,450	4,490,535
FUND BALANCES, BEGINNING OF YEAR	22,876,424	22,876,424	18,385,889
FUND BALANCES, END OF YEAR	<u>\$ 22,876,424</u>	<u>\$ 23,990,874</u>	<u>\$ 22,876,424</u>

THE CITY OF PENTICTON
STORM WATER
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

	2021 Budget	2021	2020
REVENUE			
Sales of Services	\$ 755,000	\$ 763,377	\$ 562,948
EXPENDITURE			
Salaries and Benefits	240,200	221,197	286,235
Goods and Services	114,520	125,125	153,579
Vehicle & Equipment Maintenance	42,670	21,171	18,565
Transfer to Other Funds/Reserves	357,610	155,904	-
	<u>755,000</u>	<u>523,397</u>	<u>458,379</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 239,980</u>	<u>\$ 104,569</u>

See accompanying notes to the Consolidated Financial Statements.

THE CITY OF PENTICTON
CEMETERY PERPETUAL TRUST FUND
YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

ASSETS

Bank Term Deposits

Less:

Due From General Revenue Fund

SURPLUS

Balance, Beginning of Year

Add:

Care Fund Contributions

Interest Earned

Deduct:

Cemetery Maintenance

Balance, End of Year

2021	2020
\$ 1,099,110	\$ 1,088,227
(53,031)	(20,318)
<u>\$ 1,152,141</u>	<u>\$ 1,108,545</u>
\$ 1,108,545	\$ 1,056,150
43,513	52,437
10,883	24,458
<u>54,396</u>	<u>76,895</u>
10,800	24,500
<u>\$ 1,152,141</u>	<u>\$ 1,108,545</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), wastewater, 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. As part of the DCC Bylaw project, the Finance Department identified a number of one-time adjustments, debt payments and annual transfer adjustments that were approved by Council in September 2021, and are reflected in the 2021 DCC expenses.

A new DCC Bylaw is currently being prepared and public engagement is underway. It is anticipated that a final bylaw will be approved in the fall of 2022.

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.

Council will consider appropriate assist factors for future years in the bylaw review process.

City of Penticton current assist factor

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





Development Cost Charges Reserve Funds

DCC by Type	Opening Balance	DCC's Levied	Interest	Expenditures*	Internal Transfers	2021 Balance
Roads	\$ 1,665,015	\$ 541,121	\$ 28,179	\$ 281,472	-	\$ 1,952,843
Parks	1,257,749	391,784	18,539	368,613	177,000	1,122,459
Storm (Drainage)	738,700	151,699	13,254	117,727	(177,000)	962,925
Wastewater	10,685,350	1,540,972	170,097	1,243,318	0	11,153,100
Water	4,710,500	825,889	66,742	1,744,780	-	3,858,352
Total	\$ 19,057,314	\$ 3,451,464	\$ 296,810	3,755,909	-	\$ 19,049,679

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

Project Expenditures 2021

Roads:

- \$31k Transportation Master Plan
- \$53k Debt Payments – Fairview Road and Industrial Avenue
- \$5k Debt Payments – Main Street
- \$193k One Time Adjustments

Wastewater:

- \$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 (AWWTP) Expansion from Liquid Waste Management Plan (LWMP)
- \$(15k) One Time Adjustments

Storm (Drainage):

- \$118k One Time Adjustments

Water:

- \$488k Debt Payments and Annual Transfer - Water Filtration Plant Upgrade
- \$1.26M One Time Adjustments

Parks:

- \$154k Debt Payment and Annual Transfer - Munson Mountain Land Purchase
- \$215k Debt Payment and Annual Transfer - New Playing fields

Planned DCC Spending

From the City's 2022 – 2026 Financial Plan, total planned project expenses are as follows:

Roads:

- \$866k Point Intersection at Kinney Avenue and South Main Street

Sewer:

- \$2.5M AWWTP Expansion and Upgrades

Water:

- \$775k Ridgedale Reservoir



2021 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, measurable ways. Municipal grants also include partnering agreements and consist of cash funding and in-kind support.

Organization	Total Support **
Activate Penticton Ice Rink (Bathrooms)*	200,000
Community Arts Council	12,312
Community Market (Farmer's Market)	5,002
Curling Club - World Curling Tour	9,000
Ha Ha Ha Kidzfest Society	5,220
Hoodoo Adventures Company Ltd*	8,120
OK Similkameen Community Foundation (i.e.. Neighbourhood Small Grants)	3,600
Okanagan Fruit Tree Project Society	3,500
Okanagan School of the Arts - Shatford Centre	10,000
PACA - Bike Valet	5,849
Peach Festival Society - Mini Peach	17,826
Penticton Art Gallery Society	100,000
Penticton Arts Council - Arts Rising	4,000
Penticton BMX	4,200
Penticton Cycling Association	2,500
Penticton Lawn Bowling Club	2,215
Penticton Recovery Resource Society	9,684
Skaha Bluffs Park Watch Society	15,000
South Okanagan Senior's Wellness Society	15,500
SS Sicamous Society	65,000
The Penticton Centre for Exceptional Learning	1,050
United Way Emergency Transportation Assistance Program	7,290
2021 Grand Total	506,869

* Denotes Partnering Agreement

** All listed amounts are rounded to the closest dollar



2021 Permissive Tax Exemptions

Applicant	Civic Address	2021 Municipal Taxes Forgone
Affordable Living for Today Society	245 Warren Ave. W.	\$8,143
BC Wine Info Centre	101 - 553 Veas Dr.	\$4,038
BPOE Penticton Elks Lodge #51	343 Ellis St.	\$3,972
Cheers the Church	639 Main St.	\$6,698
Christian Science Society	608 Winnipeg St.	\$1,306
Community Foundation of the South Okanagan Similkameen	501 Main St.	\$24,219
Concordia Lutheran Church of Penticton BC	2800 South Main St.	\$4,955
Fraternal Order Of Eagles #4281	1197 Main St.	\$4,168
Good Samaritan Canada	270 Hastings Ave.	\$58,820
Grace Mennonite Brethren Church	74 Penticton Ave.	\$1,649
Green Mountain Congregation of Jehovah's Witnesses	52 Roy Ave.	\$3,627
Hellenic Community of Penticton	1265 Fairview Ave.	\$1,601
Holy Cross School	1299 Manitoba St.	\$17,666
Luso Canadian Multicultural Society	135 Winnipeg St.	\$2,573
Oasis United Church	2964 Skaha Lake Rd.	\$12,882
Okanagan Boys & Girls Clubs	1295 Manitoba St.	\$8,539
Okanagan Similkameen Neurological Society	103 - 550 Carmi Ave.	\$0
OneSky Community Resources Society	1140 Commercial Way	\$3,393
OneSky Community Resources Society	470 Edmonton Ave.	\$3,730
OneSky Community Resources Society	500 Edmonton Ave.	\$1,016
OneSky Community Resources Society	2434 Baskin St.	\$1,236
OneSky Community Resources Society	2450 Baskin St.	\$1,240
OneSky Community Resources Society	150 McPherson Cres.	\$2,817
OneSky Community Resources Society	154 McPherson Cres.	\$2,817
OneSky Community Resources Society	330 Ellis St.	\$13,091
OneSky Housing Society	107 - 285 Nanaimo Ave. W.	\$479
OneSky Housing Society	108 - 285 Nanaimo Ave. W.	\$652
OneSky Housing Society	110 - 285 Nanaimo Ave. W.	\$517
OneSky Housing Society	111 - 285 Nanaimo Ave. W.	\$517



2021 Permissive Tax Exemptions

Applicant	Civic Address	2021 Municipal Taxes Forgone
OneSky Housing Society	112 - 285 Nanaimo Ave. W.	\$753
OneSky Housing Society	113 - 285 Nanaimo Ave. W.	\$625
OneSky Housing Society	114 - 285 Nanaimo Ave. W.	\$962
OneSky Housing Society	115 - 285 Nanaimo Ave. W.	\$866
OneSky Housing Society	101 - 285 Nanaimo Ave. W.	\$468
OneSky Housing Society	102 - 285 Nanaimo Ave. W.	\$652
OneSky Housing Society	103 - 285 Nanaimo Ave. W.	\$652
OneSky Housing Society	104 - 285 Nanaimo Ave. W.	\$883
OneSky Housing Society	105 - 285 Nanaimo Ave. W.	\$670
OneSky Housing Society	106 - 285 Nanaimo Ave. W.	\$1,077
OneSky Housing Society	207 - 285 Nanaimo Ave. W.	\$491
OneSky Housing Society	208 - 285 Nanaimo Ave. W.	\$669
OneSky Housing Society	209 - 285 Nanaimo Ave. W.	\$669
OneSky Housing Society	210 - 285 Nanaimo Ave. W.	\$908
OneSky Housing Society	211 - 285 Nanaimo Ave. W.	\$916
OneSky Housing Society	212 - 285 Nanaimo Ave. W.	\$489
OneSky Housing Society	213 - 285 Nanaimo Ave. W.	\$1,115
OneSky Housing Society	214 - 285 Nanaimo Ave. W.	\$880
OneSky Housing Society	201 - 285 Nanaimo Ave. W.	\$517
OneSky Housing Society	202 - 285 Nanaimo Ave. W.	\$669
OneSky Housing Society	203 - 285 Nanaimo Ave. W.	\$669
OneSky Housing Society	204 - 285 Nanaimo Ave. W.	\$907
OneSky Housing Society	205 - 285 Nanaimo Ave. W.	\$688
OneSky Housing Society	206 - 285 Nanaimo Ave. W.	\$1,111
OneSky Housing Society	307 - 285 Nanaimo Ave. W.	\$502
OneSky Housing Society	308 - 285 Nanaimo Ave. W.	\$685
OneSky Housing Society	309 - 285 Nanaimo Ave. W.	\$685
OneSky Housing Society	310 - 285 Nanaimo Ave. W.	\$929
OneSky Housing Society	311 - 285 Nanaimo Ave. W.	\$940
OneSky Housing Society	312 - 285 Nanaimo Ave. W.	\$500
OneSky Housing Society	313 - 285 Nanaimo Ave. W.	\$1,145



2021 Permissive Tax Exemptions

Applicant	Civic Address	2021 Municipal Taxes Forgone
OneSky Housing Society	314 - 285 Nanaimo Ave. W.	\$903
OneSky Housing Society	301 - 285 Nanaimo Ave. W.	\$489
OneSky Housing Society	302 - 285 Nanaimo Ave. W.	\$685
OneSky Housing Society	303 - 285 Nanaimo Ave. W.	\$685
OneSky Housing Society	304 - 285 Nanaimo Ave. W.	\$929
OneSky Housing Society	305 - 285 Nanaimo Ave. W.	\$705
OneSky Housing Society	306 - 285 Nanaimo Ave. W.	\$1,141
OneSky Housing Society	407 - 285 Nanaimo Ave. W.	\$514
OneSky Housing Society	408 - 285 Nanaimo Ave. W.	\$702
OneSky Housing Society	409 - 285 Nanaimo Ave. W.	\$702
OneSky Housing Society	410 - 285 Nanaimo Ave. W.	\$959
OneSky Housing Society	411 - 285 Nanaimo Ave. W.	\$963
OneSky Housing Society	412 - 285 Nanaimo Ave. W.	\$511
OneSky Housing Society	413 - 285 Nanaimo Ave. W.	\$1,179
OneSky Housing Society	414 - 285 Nanaimo Ave. W.	\$925
OneSky Housing Society	401 - 285 Nanaimo Ave. W.	\$500
OneSky Housing Society	402 - 285 Nanaimo Ave. W.	\$702
OneSky Housing Society	403 - 285 Nanaimo Ave. W.	\$702
OneSky Housing Society	404 - 285 Nanaimo Ave. W.	\$955
OneSky Housing Society	405 - 285 Nanaimo Ave. W.	\$722
OneSky Housing Society	406 - 285 Nanaimo Ave. W.	\$1,171
Ooknakane Friendship Centre	146 Ellis St.	\$4,277
Our Redeemer Lutheran Church of Penticton, B.C.	1370 Church St.	\$1,692
Penticton & District Community Arts Council	220 Manor Park Ave.	\$14,339
Penticton & District Minor Hockey Association	399 Power St.	\$1,357
Penticton Alliance Church	197 Brandon Ave.	\$4,270
Penticton and District Emergency Program Society	251 Dawson Ave.	\$1,798
Penticton and District Multicultural Society	340 Ellis St.	\$5,234
Penticton and District Society for Community Living	252 Conklin Ave.	\$2,074
Penticton and District Society for Community Living	180 Industrial Ave. W.	\$13,186
Penticton and District Society for Community Living	259 Backstreet Blvd. (up to 15 units)	\$8,287



2021 Permissive Tax Exemptions

Applicant	Civic Address	2021 Municipal Taxes Forgone
Penticton and District Society for Community Living	234 Van Horne St.	\$2,696
Penticton and District Society for Community Living	1706 Main St.	\$15,457
Penticton and District Society for Community Living	"453 Winnipeg St. (Chestnut Place)"	\$4,322
Penticton and District Society for Community Living	146 & 150 Bruce Crt.	\$12,727
Penticton Art Gallery	199 Marina Way	\$19,877
Penticton Bethel Pentecostal Tabernacle	945 Main St.	\$7,184
Penticton Bethel Pentecostal Tabernacle	65 Preston Ave.	\$1,944
Penticton Bethel Pentecostal Tabernacle	973 Main St.	\$5,132
Penticton BMX Society	630 Munson Mountain Rd.	\$3,260
Penticton Christian School Society	102 – 96 Edmonton Ave.	\$893
Penticton Community Gardens Society	480 Vancouver Ave.	\$1,164
Penticton Curling Club	505 Vees Dr.	\$12,253
Penticton Disc Golf Club	500 Marina Way	\$7,074
Penticton First Baptist Church	1498 Government St.	\$5,519
Penticton Free Presbyterian Church	120 Preston Ave.	\$2,843
Penticton Golf & Country Club	600 Comox St.	\$5,894
Penticton Golf & Country Club	852 Eckhardt Ave. W.	\$14,970
Penticton Kiwanis Housing Society	101 - 150 Van Horne St.	\$485
Penticton Kiwanis Housing Society	103 - 150 Van Horne St.	\$387
Penticton Kiwanis Housing Society	105 - 150 Van Horne St.	\$387
Penticton Kiwanis Housing Society	113 - 150 Van Horne St.	\$387
Penticton Kiwanis Housing Society	115 - 150 Van Horne St.	\$489
Penticton Kiwanis Housing Society	112 - 150 Van Horne St.	\$481
Penticton Kiwanis Housing Society	104 - 150 Van Horne St.	\$383
Penticton Kiwanis Housing Society	102 - 150 Van Horne St.	\$481
Penticton Kiwanis Housing Society	201 - 150 Van Horne St.	\$489
Penticton Kiwanis Housing Society	209 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	211 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	213 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	215 - 150 Van Horne St.	\$497
Penticton Kiwanis Housing Society	214 - 150 Van Horne St.	\$485



2021 Permissive Tax Exemptions

Applicant	Civic Address	2021 Municipal Taxes Forgone
Penticton Kiwanis Housing Society	212 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	210 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	204 - 150 Van Horne St.	\$387
Penticton Kiwanis Housing Society	202 - 150 Van Horne St.	\$485
Penticton Kiwanis Housing Society	301 - 150 Van Horne St.	\$489
Penticton Kiwanis Housing Society	315 - 150 Van Horne St.	\$497
Penticton Kiwanis Housing Society	314 - 150 Van Horne St.	\$485
Penticton Kiwanis Housing Society	312 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	310 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	308 - 150 Van Horne St.	\$489
Penticton Kiwanis Housing Society	304 - 150 Van Horne St.	\$387
Penticton Kiwanis Housing Society	302 - 150 Van Horne St.	\$485
Penticton Kiwanis Housing Society	401 - 150 Van Horne St.	\$489
Penticton Kiwanis Housing Society	413 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	415 - 150 Van Horne St.	\$497
Penticton Kiwanis Housing Society	414 - 150 Van Horne St.	\$485
Penticton Kiwanis Housing Society	412 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	410 - 150 Van Horne St.	\$390
Penticton Kiwanis Housing Society	408 - 150 Van Horne St.	\$489
Penticton Kiwanis Housing Society	406 - 150 Van Horne St.	\$387
Penticton Kiwanis Housing Society	404 - 150 Van Horne St.	\$387
Penticton Kiwanis Housing Society	402 - 150 Van Horne St.	\$485
Penticton Lawn Bowling Club	260 Brunswick St.	\$5,466
Penticton Masonic Building Association	416 Westminster Ave. W.	\$3,411
Penticton New Beginnings Christian Fellowship	101 - 96 Edmonton Ave.	\$873
Penticton Recovery Resource Society	633 Winnipeg St.	\$3,446
Penticton Safety Village Society	490 Edmonton Ave.	\$5,379
Penticton Seniors' Drop-In Centre Society	2905 South Main St.	\$24,483
Penticton Sikh Temple and Indian Cultural Society	3290 South Main St.	\$8,938
Penticton Tennis Club	675 Marina Way	\$2,987
Penticton United Church	696 Main St.	\$3,583



2021 Permissive Tax Exemptions

Applicant	Civic Address	2021 Municipal Taxes Forgone
Penticton Vineyard Community Church	102 - 1825 Main St.	\$9,550
Penticton Yacht Club	293 Marina Way	\$10,650
S.S. Sicamous Restoration Society	1099 Lakeshore Dr. W.	\$9,512
Seventh-day Adventist Church (British Columbia Conference)	290 Warren Ave. W.	\$4,362
South Okanagan Similkameen Brain Injury Society	742 Argyle St.	\$2,316
South Okanagan Similkameen Brain Injury Society	332 Eckhardt Ave. W.	\$2,809
South Okanagan Similkameen Medical Foundation	1802 Camrose St.	\$4,850
South Okanagan Similkameen Medical Foundation	1748 Camrose St.	\$6,872
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.	\$662
South Okanagan Women in Need Society	102 - 1027 Westminster Ave. W.	\$1,361
St. Andrew's Presbyterian Church	397 Martin St.	\$1,499
St. Andrew's Presbyterian Church	157 Wade Ave. W.	\$2,460
St. Ann's Parish	1296 Main St.	\$6,601
St. Ann's Parish (Penticton Recovery Resource Society)	397 Wade Ave. W.	\$1,535
St. Ann's Parish (Pregnancy Support Program under OneSky Communities)	200 Bennett Ave.	\$1,532
St. Ann's Parish (St. John Vianney)	361 Wade Ave. W.	\$2,971
St. Saviour's Anglican Church	150 Orchard Ave.	\$4,840
The British Columbia Society for the Prevention of Cruelty to Animals	2200 Dartmouth Dr.	\$16,260
The Care Closet	574 Main St.	\$2,520
The Church of Jesus Christ of Latter-day Saints in Canada	2946 South Main St.	\$5,607
The Penticton Church of the Nazarene	523 Jermyn Ave.	\$3,118
The Penticton Horseshoe Pitchers Club	2905 South Main St.	\$2,316
The Penticton Kinsmen Disability Resource Center Society	216 Hastings Ave.	\$10,816
The Salvation Army Penticton	2399 South Main St.	\$12,655
The Salvation Army Penticton	2469 South Main St.	\$3,866
The Salvation Army Penticton	318 Ellis St.	\$4,270
YMCA of Okanagan Association	630 Birch Ave.	\$2,495
Total 2021 Permissive Tax Exemptions		\$629,173



2021 Revitalization Tax Exemptions

Civic Address	2021 Municipal Taxes Foregone
535 Main St.	\$3,172
192 Industrial Crt.	\$2,602
361 Martin St.	\$10,340
399 Main St.	\$9,884
1000 Lakeshore Dr. W.	\$3,000
553 Veas Dr.	\$67,039
21 Lakeshore Dr. W.	\$88,945
161 Ellis St.	\$3,349
101 - 110 Ellis St.	\$3,032
102 - 110 Ellis St.	\$1,829
103 - 110 Ellis St.	\$1,954
201 - 110 Ellis St.	\$1,505
202 - 110 Ellis St.	\$747
204 - 110 Ellis St.	\$982
301 - 110 Ellis St.	\$1,353
302 - 110 Ellis St.	\$766
303 - 110 Ellis St.	\$1,062
304 - 110 Ellis St.	\$1,342
305 - 110 Ellis St.	\$1,145
306 - 110 Ellis St.	\$660
307 - 110 Ellis St.	\$660
308 - 110 Ellis St.	\$1,179
309 - 110 Ellis St.	\$1,209
310 - 110 Ellis St.	\$872
311 - 110 Ellis St.	\$826
312 - 110 Ellis St.	\$1,244
401 - 110 Ellis St.	\$1,357
402 - 110 Ellis St.	\$747
403 - 110 Ellis St.	\$1,046
404 - 110 Ellis St.	\$1,342
405 - 110 Ellis St.	\$1,183



2021 Revitalization Tax Exemptions

Civic Address	2021 Municipal Taxes Foregone
406 - 110 Ellis St.	\$660
407 - 110 Ellis St.	\$660
408 - 110 Ellis St.	\$1,175
409 - 110 Ellis St.	\$1,209
410 - 110 Ellis St.	\$861
411 - 110 Ellis St.	\$804
412 - 110 Ellis St.	\$1,206
501 - 110 Ellis St.	\$1,357
502 - 110 Ellis St.	\$747
503 - 110 Ellis St.	\$1,046
504 - 110 Ellis St.	\$1,342
505 - 110 Ellis St.	\$1,168
506 - 110 Ellis St.	\$660
507 - 110 Ellis St.	\$660
508 - 110 Ellis St.	\$1,175
509 - 110 Ellis St.	\$1,209
510 - 110 Ellis St.	\$861
511 - 110 Ellis St.	\$804
512 - 110 Ellis St.	\$1,206
601 - 110 Ellis St.	\$1,824
602 - 110 Ellis St.	\$1,839
603 - 110 Ellis St.	\$1,789
604 - 110 Ellis St.	\$1,960
605 - 110 Ellis St.	\$1,562
606 - 110 Ellis St.	\$1,407
198 Ellis St.	\$5,774
351 Van Horne St.	\$5,414
345 Van Horne St.	\$5,656
325 Van Horne St.	\$6,013
331 Van Horne St.	\$5,262



2021 Revitalization Tax Exemptions

Civic Address	2021 Municipal Taxes Foregone
135 Front St.	\$12,026
409 Ellis St.	\$499
99 White Ave. E.	\$3,787
232 Rosetown Ave.	\$2,704
2060 Government St.	\$1,812
2147 Dartmouth Rd.	\$5,596
647 Okanagan Ave. E.	\$6,379
117 - 2203 Dartmouth Dr.	\$1,198
121 - 2203 Dartmouth Dr.	\$986
125 - 2203 Dartmouth Dr.	\$987
129 - 2203 Dartmouth Dr.	\$1,242
Total 2021 Revitalization Tax Exemptions	\$310,897



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