



Fiscal Year Ending
December 31, 2021

DISTRICT OF PEACHLAND 2022 ANNUAL REPORT



The purpose of the Annual Report is to provide the public with information on the activities and operations of the District for the previous year. Annual reporting provides opportunities for public access to reporting mechanisms and helps meet the information needs of both local governments and the public by promoting greater understanding of municipal responsibilities and priorities. Implicit in this principle is that great accountability will lead to the promotion of better services and continuous improvement in service delivery as well as improving taxpayer awareness and knowledge of municipal services.

Photographers: Brad Koning, Christine Hammersley, Gillian Evans, Leslie McKellar, Linda Ellerman, Michael Ryder, Mike Greenwood, P.J. King, Pamela Highstead, Peachland Phoenix, Sharon Ficke, Tracy Hesla, Linda Brown, Dollie Morgan, Berkley Stuart



TABLE OF CONTENTS

Mayor's Message	PG. 6
Council 2018-2022	PG. 8
Citizen Involvement	PG. 10
Civic Awards	PG. 12
Chief Administrative Officer Message	PG. 14
THE YEAR IN REVIEW - 2021	
Administration & Corporate Services	PG. 20
Operations, Public Works	PG. 22
Planning & Development	PG. 24
Fire Protection Services	PG. 28
Community Services, Parks & Recreation	PG. 32
Finance Services	PG. 36
Audited Financial Statements	PG. 42





MAYOR AND COUNCIL







MAYOR'S MESSAGE 2022

We respectfully acknowledge that the District of Peachland is on the traditional territory of the syilx/Okanagan People.

2021 was an unusual year for the District of Peachland, as it was for most communities across Canada, and the globe. Peachland Council and Staff worked hard to adapt to the first full year of COVID restrictions, while carrying on with business-as-usual/unusual.

The operations of a town do not stop – even for a pandemic –, and I'd like to recognize the incredible work of Staff who rose to the challenge during this time, and who continue to do so. Praise is due to Council as well, who had to adjust to a multitude of ZOOM meetings while carrying on with the regular business of the town, as well as tackling new items to consider, such as the Safe Covid Restart grant. This was the second year of cancellation of community events, many of which were fundraising activities for local groups and organizations. Not only did the Restart grant allow us to address several District projects, but also a portion was used to support several of these struggling organizations.

Many positive events occurred during the year, such as our new water treatment plant coming online early in March, work continued on the much-anticipated splash pad, and the development of a Public Art Policy got underway, in conjunction with Peachland Connects Society's plans for a mural festival in 2022. Peachland also reclaimed the title of "Community Make Water Work Champions" with the Okanagan Basin Water Board's (OBWB) Water Wise program. Council and Staff, along with a consultant, spent time reviewing and working on the Turner Park Concept Plan, and worked with the Peachland Seniors Support Society on the upcoming construction of a second affordable seniors housing building. 6

Due to the frequent flooding in the region, Peachland Council was instrumental in initiating a review of the Okanagan Lake Regulatory System (OLRS), that includes the release of water at the southern end of Okanagan Lake at the Penticton dam. The OBWB, with the support of the regional local governments, started the process with the Province. This will include gap analysis and several studies over the next few years that will include a review of the half-century old metrics used to determine the amount of water released during low and peak seasons. It will also take into consideration changes to snow melts and the more frequent incidents of high flow creeks affected by climate change and severe weather events.



With regard to Climate Change, the Mayor's Task Force on Climate Change (MTFCC) worked with the Community Energy Association to develop a new Community Energy and Emissions Plan (CEEP) for Peachland. The plan provides an outline to a practical approach for District of Peachland to help residents and businesses save energy, save money and reduce greenhouse gas emissions (GHGs). Peachland Council endorsed the CEEP on October 26th, which will help to guide District and MTFCC policies and actions to reduce GHG emissions in the years ahead.

The MTFCC also researched grants to undertake an Active Transportation Network Plan. Council approved the grant submission and the Province announced that the District's project grant application was successful. This project will involve creating an Active Transportation Network Plan for Peachland in 2022 with input from the entire community. Key objectives are to connect our community to businesses and amenities through healthy low-carbon transportation options (walking, cycling, e-bikes, etc.)

The MTFCC purchased a new e-bike that will be primarily used by the District's Bylaw Officer in his day-to-day duties to showcase practice sustainable transportation options while improving his accessibility and approachability in serving our community's residents and businesses. A special thank you to Cory Lebreque, our Staff Liaison, for his hard work with, and dedication to, the committee on all these projects, and more.

While Covid restrictions meant the District was unable to hold many community events, including our annual Civic Awards gala, we did announce recipients of the awards at an online Council meeting, with plans to formally recognize each of them in-person in 2022. The top honour of Citizen of the Year went to Rick Ingram for his many contributions to our community. Youth Citizen of the Year was Lilian Avendano-Gregory, an amazing young woman who represented our town as a Peachland Ambassador, and with the support of the District attended the Youth Parliament in Victoria, eventually becoming the Parliamentary Secretary.

The District of Peachland hired a new CAO, Joe Creron, on an interim basis, that will continue into 2022 in order to maintain continuity during an⁷ election year. Joe brings with him an extensive resume and wealth of knowledge and experience, including having been the CAO for the City of Kelowna. We also welcomed a new Chief Financial Officer, Garry Filafilo, in the fall.

The year wrapped up with a sense of accomplishment, despite the Covid challenges, and a positive outlook for, and anticipation of, a bright and prosperous 2022!

Mayor Cindy Fortin



PEACHLAND COUNCIL 2018 - 2022



Pete Coolio



Terry
Condon



Patrick Van
Minsel



Keith
Fielding



Pam
Cunningham



Mike Kent

The District of Peachland is the legislative body representing the citizens of Peachland, providing leadership and establishing policies and priorities for Peachland's Municipal Government. Council reviews and establishes budget levels for civic operations and capital expenditures.

The elected Council is made up of a Mayor and six councilors. Council members are elected for a four-year term and each member of Council represents the District at large. Regular meetings are held the 2nd and 4th Tuesday of each month at 7pm at the Council Chambers. The Council Chambers are located at 4450 – 6th Street and are open to the public. Meeting agendas and minutes are available on the District website at www.peachland.ca

COUNCIL COMMITTEES AND APPOINTMENTS

- Airport Advisory Committee
- Central Okanagan Economic Development Committee
- Chamber of Commerce Liaison
- Healthy Watersheds Committee
- Mayor's Task Force on Climate Change
- Okanagan Basin Water Board
- Okanagan Regional Library Board
- Peachland District Retirement Society Liaison
- Tourism and Economic Development Committee
- Peachland Senior's Support Society
- Regional District Committees
- Regional District Director
- School District #23 Liaison





CITIZEN INVOLVEMENT

As Peachland entered into the second year of the pandemic, 2021 continued to be a challenge for volunteer organizations and service clubs. Ongoing event restrictions resulted in the cancellation of numerous events and gatherings. However, despite the difficulties presented by COVID-19, our volunteers continued to be active within Peachland and demonstrated their resourcefulness and determination to serve their community.

The Peachland Recovery Task Force built on their 2020 successes and grew to include more in-person (albeit, modified) events; the Peachland Wellness Centre served as a resource for residents struggling to cope with new and emerging hardships; and the Peachland Foodbank remained active as a much-needed support system for some of the most vulnerable citizens in the community.

Devoted Peachland volunteers continued to adapt to the hurdles of the pandemic to provide valuable services and programs to improve quality of life for Peachlanders and enhance visitor experiences. Volunteers help make Peachland a better place to be.

Thanks to all the Peachland volunteers for the tireless hours dedicated to your community.





CIVIC AWARDS

2021



Peachland Excellence Awards – A Peachland resident, youth and/or group who gave significant service or had a significant achievement in a specific category during the past year. Categories include but are not restricted to: Arts, Culture, Sports, Recreation, Heritage, Environment and Conservation, Community Inclusion or Accessibility, Volunteerism, Leadership, Health Promotion, and Community Spirit. Other categories can be created but will be judged by the committee as to their merit;

Unsung Hero – An individual whose everyday actions and quiet efforts have made a significant impact on the lives of others;

Lifetime Service – Peachland resident or group, in recognition of a minimum of 15 years dedicated service to the community;

Green Citizen Award – A resident who protects and restores our natural environment;

Youth Citizen of the Year – A school age youth who demonstrates outstanding leadership or makes significant contributions to youth and/or the community; and

Citizen of the Year – A Peachland resident making the greatest contribution to the improvement of the community.

12



2021 CIVIC AWARD WINNERS

Wedding Anniversary – 60 years: Albert and Bernice Galpin

Excellence in Volunteerism: Valerie Wood

Excellence in Community Service: Dorothy Cobb

Excellence in Environment and Conservation: Bella Huang

Excellence in Community Spirit: Elizabeth Varjassay

Excellence in Arts Promotion: Marty Edwards

Excellence in Community Inclusion: Kristen Friesen

Excellence in Heritage Preservation: Marv and Linda Norden

Unsung Hero: Pamela Collingwood

Lifetime Service (15 Years of Service or More):

Al Springer

Don Wilson

Peachland Hospital Auxiliary to KGH

Green Citizen of the Year: Mark Meisner and Ann Sutherland

Councillor's Award of Merit: The Peachland Ambassadors

Mayor's Award of Merit: Don Wigfield

Youth Citizen of the Year: Evie Hoyer

Citizen of the Year: Linda Sarsons





MESSAGE FROM THE CAO

The past year has seen many changes and challenges for the District of Peachland. All of us have had to cope with the impacts of the pandemic, forest fires, excessive heat and delivering services in uncertain times. Staff turnover in 2021 was significant. The departure of the Chief Administrative Officer (CAO), the Chief Financial Officer/Director of Finance, Director of Corporate Services and the Director of Community Services were huge challenges for the District in maintaining service levels. It was clear we needed more human resources to deal with vacancies, increased workload and redundancy so that departure of key positions can be managed. One area within the District which still needs improvement is the Planning and Development Department. Processing of applications in a timely manner can be solved through adding staff and improving processes. The good news is that we hired three exceptional staff to fulfill the roles of Chief Financial Officer/Director of Finance, Director of Corporate Services and the Director of Community Services plus received more human resources through the 2022 budget.

I joined the District on an interim basis in September of 2021 to fulfill the position of Chief Administrative Officer (CAO). Although we began the process to hire a CAO, given the various challenges including the 2022 election, I agreed to stay with the District until at least April 2023.

There were many accomplishments in 2021 and the most notable were building a new 14 Water Treatment Plant, implementation of the Trepanier Interconnect Project and the Splash Pad in Heritage Park. Works planned for the Peachland Museum in 2021/2022 were put on hold as potential costs came in over budget. We hope to complete the Museum project within budget in 2022.

Our focus for the District in 2022 is guided by the District's Strategic Plan. In 2022 we need to improve our communications and timely processing of planning and development applications. We will begin the process for replacing our Fire Hall, continue our Fire Smart Program which will make us more resilient to forest fires and deliver exceptional water quality today and in the future. 2022 is also an election year and the District of Peachland is responsible for conducting its general local election.

Climate change and the provision of affordable and attainable housing are top of mind. Innovative approaches to address the housing crisis in the Central Okanagan and across our Nation is necessary.

Last but not least thanks to Council, staff, paid on call fire fighters and the countless volunteers that passionately serve our community making Peachland a great safe place to call home.

Joe Creron





ADMINISTRATION

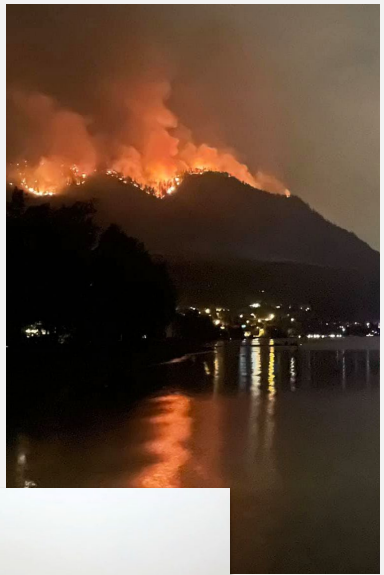
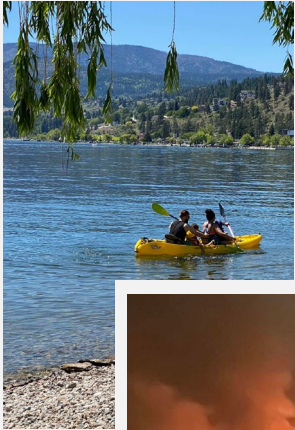




2021 YEAR IN REVIEW



2021 OVERVIEW



- Extreme Heat Throughout The Summer Months
- Administration Presented Plans For Turner Park Development
- Council Meetings Continue Online
- Restaurant Patios Extended To Help With Covid Restrictions
- Six Storey Development Proposed At Todd's RV Campground
- \$10,000 Grant Received For Peachland Trail To Connect With West Kelowna Trail At Seclusion Bay
- New Water Treatment Plant Operational
- Hallmark And Lifetime Movies Filmed In Peachland
- Fires: Mt Law; Brenda Creek; Mt Miller; Darke Creek
- Heritage Park Splash Pad Is Constructed
- 50+ Facility Proposed As A Community Service Hub
- Peachland Volunteers Help Merritt After Flooding Event
- Coquihalla Damaged In Flooding
- Hainle Winery Wins 3 Bronze Awards At The National Wine Festival Event
- Vaccine Clinics Ongoing

ADMINISTRATION & CORPORATE SERVICES

Administration and Corporate Services works closely with council to provide necessary information and the tools to promote effective decision making in an open, accountable and professional manner, striving to provide accessible, friendly and effective procedures to assist with the flow of information and communication between Council and their constituents.

Corporate Services:

- Leads the organization's strategic planning
- Provides legislative advice, legal coordination and statutory duties
- Supports council in developing policy and decision making
- Manages corporate communications
- Administers local government elections and other voting opportunities
- Manages the storage of, use of and access to corporate records and bylaws.
- Oversees Human Resources and Labour Relations
- Manages Freedom of Information and Privacy programs
- Provides Council and Committee meeting management
- Oversees the management of bylaws, policies and procedures
- Coordinates intergovernmental relations.

ADMINISTRATION & CORPORATE SERVICES

Accomplishments in 2021

- Recruitment of numerous positions including Interim CAO, Director of Corporate Services, Director of Finance, and Planner.
- Provided Records Management Training for all staff.
- Reviewed Meeting Management processes and proposed changes to programs.
- Initiated review of the District's Communications Plan.

Objectives for 2022 and 2023

- Implement a new Communications Strategic Plan.
- Enhance controls and centralize records and information to improve workflow between departments.
- Conduct a successful Local Election in October 2022.
- Conduct/Facilitate a New Council Orientation and Strategic Planning Session.
- Implement new Meeting Management Software for the Organization.
- Complete a Policy and Procedure Review of all District Policies.
- Develop and implement a new employee orientation program.

21



OPERATIONS & PUBLIC WORKS

Operations Department is responsible for the operation, maintenance and repairs of streets, sidewalks, water system, sewer system, storm system, cemetery, public facilities, vehicle fleet, waste collection, snow removal and ice control services.

The Operations Department works closely with other departments to review applications for subdivisions, rezoning and building permits.

OPERATIONS & PUBLIC WORKS

Accomplishments in 2021

- Peachland Creek water treatment plant (WTP) fully operationalized, preventing the annual water quality advisory for the majority of the water system
- Trepanier Interconnect nominally completed
- Two new additions to the municipal fleet to replace aging vehicles.
- The annual leak detection program was completed for the northern portion of Princeton Avenue
- Stormwater system improvements completed on Ponderosa Drive and Law Street.

23

Objectives for 2022 and 2023

- Finalize installation of Trepanier Interconnect works and bring into service prior to freset 2022
- Finalize design and installation of filter backwash system at WTP
- Improve pedestrian safety in various locations around the District (Princeton Avenue, Beach Avenue)
- Finalize stormwater and roadway upgrades on Lipsett Avenue
- Continue municipal streetlight replacement program (LED)
- Continue to investigate opportunities for sanitary sewer expansion.
- Continue fleet vehicle replacement, using EV options wherever possible
- Increase staffing to minimum levels within water treatment and distribution sections



PLANNING & DEVELOPMENT SERVICES

Planning and Development Services is responsible for land use management, planning, building inspections, economic development and bylaw enforcement. They make bylaw, policy, and development-related recommendations to Council and communicate with a broad range of stakeholders, all with a view to informed and sustainable community planning that meets the needs of the existing community and future generations.

Core work within the department includes processing community development applications such as zoning amendments, subdivision, development and variance permits and building permits.

The Planning and Development Services Department also manages licenses for businesses, suites, wharves and buoys, sidewalk patios, outdoor vending, and bed and breakfasts. The department also manages bylaw complaints and responds to bylaw infractions. In 2021, the department also supported the Peachland Tourism and Economic Development Committee, the Mayor's Task Force on Climate Change, corporate energy management and climate action programs, and various other regional planning initiatives.



PLANNING & DEVELOPMENT SERVICES

Accomplishments in 2021

- Completed phase 1 of the Property Acquisition and Disposition Strategy (PADS).
- Completed the Intra-municipal Transit Research Project.
- Completed a head lease property valuation report to augment the future amendment to the Fees Bylaw.
- Received a grant of \$143,000 under the UBCM Development Approvals Program to facilitate work toward streamlining the approvals processes and support housing development.

Objectives for 2022 and 2023

- Continue work on phases 2 and 3 of the Property Acquisition and Disposition Strategy (PADS).
- Complete the minor DCC review project to amend the DCC Bylaw to reflect cost increases.
- Commence work on a major DCC review project to re-assess and update the DCC program and applicable projects.
- Complete a review of the sidewalk patio policy.
- Complete a review and amendment of the Zoning Bylaw to address regulatory updates and improve user-friendliness.
- Implement new development guides, brochures, and bulletins to help streamline the development approvals processes and procedures (and decrease wait times).
- Complete a review and amendment of the Fees Bylaw.



PLANNING & DEVELOPMENT SERVICES - STATISTICS

	2017	2018	2019	2020	2021
Planning and Development					
Official Community Plan Amendments	2	0	0	0	3
Zoning Amendments ¹	3	4	1	4	5
Development Permits (Technical)	9	14	16	12	17
Development Permits (Form and Character)	4	8	3	5	3
Variance Permits	9	12	8	4	8
Subdivision	7	7	2	5	2
Building					
Building Permits Issued	86	84	97	67	96
Value of Building Permits	\$18.0 M	\$19.2 M	\$13.8 M	\$9.2 M	\$23.9 M
New Residential Units	86	47	16	10	44
Bylaw Enforcement					
Bylaw Offence Warnings/Complaints	146	257	233	42	19/199
Bylaw Notice Tickets	10	74	147	2	11
Business Licensing					
New Business Licenses Issued	--	--	60	40	65

- 1 Not including any District-led text amendments.





FIRE PROTECTIVE SERVICES

The past year was a challenging wildfire season for much of BC. Peachland Fire & Rescue Service (PFRS) saw an early start to the season with a structure fire that spread to the interface in June, which resulted in the tactical evacuation of several homes. After that it was non-stop all summer, with PFRS deploying to Lytton, White Rock Lake fire, and Mt Law wildfires. For the first time PFRS was added to BC Wildfire services resources as a standby Initial Attack crew for our area.

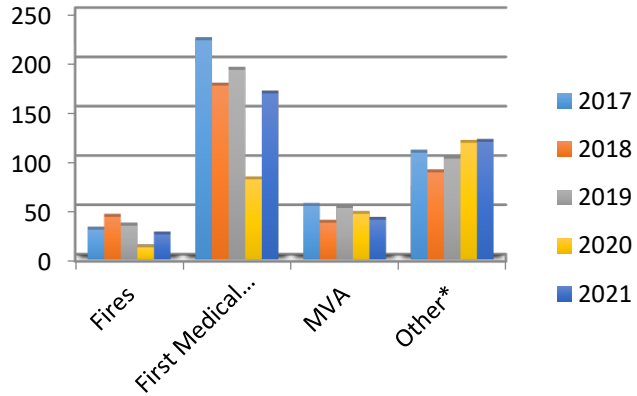
The dedicated personnel of Peachland Fire & Rescue Services (PFRS) respond from home or work 24 hours a day/seven days a week to fire and emergency calls as the department is entirely made up of Paid-On Call (POC) members.

To serve as a POC member, requires a serious commitment to attend weekly training and be on call throughout the year. PFRS firefighters participated in approximately 3500 person hours of training and over 4900 person hours of emergency response.

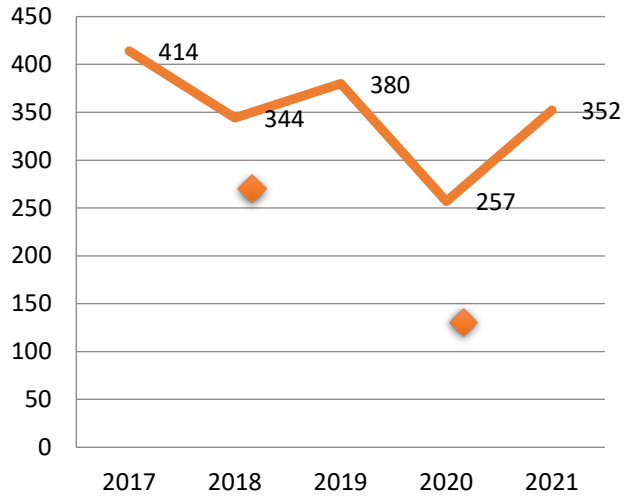


TYPES OF INCIDENTS

*Other includes: Marine Rescues, Public Service, False Alarms and Burning Complaints, etc.



HISTORICAL EMERGENCY RESPONSES



FIRE DEPARTMENT

Accomplishments in 2021

- Two of three FireSmart neighborhoods maintained their FireSmart recognition.
- Delivered FireSmart education sessions to 4 strata developments.
- Update pre-incident plans with current information and implementation of a software program to create and manage pre-incident plans
- Fire Department Master Plan complete.
- Community Wildfire Protection Plan updated.
- Eight new recruits started as Paid-On Call members.
- Various training courses hosted in Peachland such as a Structure protection course, and an Emergency Scene Management Course.
- Received UBCM grant funding for FireSmart activities.

Objectives for 2022 and 2023

- Continue to work on establishing a borrowing bylaw for the replacement of the Fire Hall.
- Continue Fire Smart work and assist neighborhoods with hazard reduction projects.
- Secure grant funding for the construction of a Protective Services building.
- Expand the homeowner FireSmart rebate grant program.
- Implement the Home Partners Program from FireSmart BC.





COMMUNITY SERVICES, PARKS & RECREATION

The Community Services Department plays an important role in the quality of life for citizens of all ages and abilities. It is through the indoor and outdoor spaces, trail networks, year-round recreation services, special events and partnerships with local and regional service providers that residents are provided opportunities to be healthy and active, socially connected and feel a sense of belonging.

Recreation administers facility, park and playing field reservations, special events applications, programs, community events and lifeguard services at Swim Bay. Parks and Facilities maintains many District assets including parks, trails, green spaces and municipal-owned facilities.

The department provides and supports community-based leisure opportunities and events that contribute to the overall quality of life for the residents of Peachland. *“Recreation is a fundamental human need in all ages and stages of life. It is the pursuit of physical, social, intellectual, creative and spiritual experiences that enhance individual and community wellbeing.”* Framework for Recreation in Canada, CPRA. During the pandemic, recreation, park space, and community involvement opportunities continued to be invaluable outlets for residents.

COMMUNITY SERVICES PARKS & RECREATION

Accomplishments in 2021

- Adapted Parks and Recreation Services to changing Public Health Orders in order to safely restart fitness and leisure programs and to welcome back facility rentals for private events.
- Worked with landscape architect consultants to conduct Turner Park planning sessions to determine the Community's vision for the development of the park.
- Activated the Community Centre as an emergency cooling station during the Heat Dome.
- Hosted film company, Studio 104 Entertainment Inc., for the filming of their summer production.
- Partnered with the Peachland Lions, Peachland Wellness Centre, and Peachland Chamber of Commerce to operate the Swim Bay concession stand as a community fundraiser.
- Continued to plan and offer pandemic friendly versions of our signature community events. Family Day Circus Yoga sessions were offered over Zoom. Children's entertainment and art activities in the park were held for Canada Day celebrations (a pop-up parade was planned but had to be cancelled due to extreme heat). For the new National Day for Truth and Reconciliation, residents shared their commitments towards reconciliation on the Reconciliation wall. The 2nd annual Jack-O' Lantern Walk on the Haunted Dock was expanded to include over 11 community groups. Pop-up neighbourhood Christmas celebrations, Light-Up the Block, were held in several participating neighbourhoods. The adapted events were hugely successful.



COMMUNITY SERVICES PARKS & RECREATION

Accomplishments Continued

- Directly hosted 9 community events (of which 2 were pandemic-friendly) and supported local organizations in the implementation of:
 - ❖ HeARTS Festival,
 - ❖ Easter Egg walk,
 - ❖ Family Drive-in Movie in the Park nights,
 - ❖ Story Walk in Lambly Park, and
 - ❖ Peachland Farmers and Crafters Market.

Objectives for 2022 and 2023

- Restart and Revitalize Recreation and Cultural Services
- Active Transportation Modes
- Turner Park Improvements
- Customer Service Excellence

34





FINANCE SERVICES

The Finance Department serves to monitor, control and allocate financial resources in order to achieve the long term goals and objectives. Some of the specific functions performed by Financial Services include revenue collection, paying on-going bills and invoices, maintaining property tax assessment roll information, establishing annual municipal tax rates, preparing five-year capital and operating plans and processing approved grant application requests.

The Department also completes the required financial activities as legislated in the Local Government Act and the Community Charter.

FINANCE SERVICES

Accomplishments in 2021

- Software platform was and continues to be under review.
- Continue to review policies and identify those that are essential.
- Review Policies and Procedures to ensure they are practical and efficient.
- The District cash flow and potential risks were reviewed and analysed.
- The Public Sector Accounting Standards 3280 Asset Retirement Obligations was reviewed, and a plan drafted to identify items within the scope.

Objectives for 2022 and 2023

- Continue to review policy, identify those that are essential and work towards have approved versions of all policies deemed essential
- Continue to review and collaborate with consultants and staff to identify items in the scope of the Public “Sector Accounting Standard 3280, Asset Retirement Obligations for the Audited Annual Financial Statements.
- Implement revised annual budget process.





2021 Property Taxes for Typical Residential Property

Average Residential Assessment
\$867,757

General Municipal Taxation:

General Municipal	\$1,477
Policing Tax	\$285
Transit Tax	\$72
General Capital Renewal	\$150
General Land Debt Servicing	\$100
Water Capital Improvement	\$160
Water Capital Renewal	\$55
Water Capital Debt Servicing	\$190
Sewer Capital Improvement	\$75
Sewer Capital Renewal	\$19
Total Municipal Taxes	\$2,583

Other Taxation Authorities:

Regional District – Tax Requisition	\$208
Regional District – Solid Waste Parcel Tax	\$33
Hospital District	\$184
BC Assessment Authority	\$30
School Taxes	\$1,024
Okanagan Regional Library	\$92
Total Taxation for Other Taxation Authorities	\$1,572

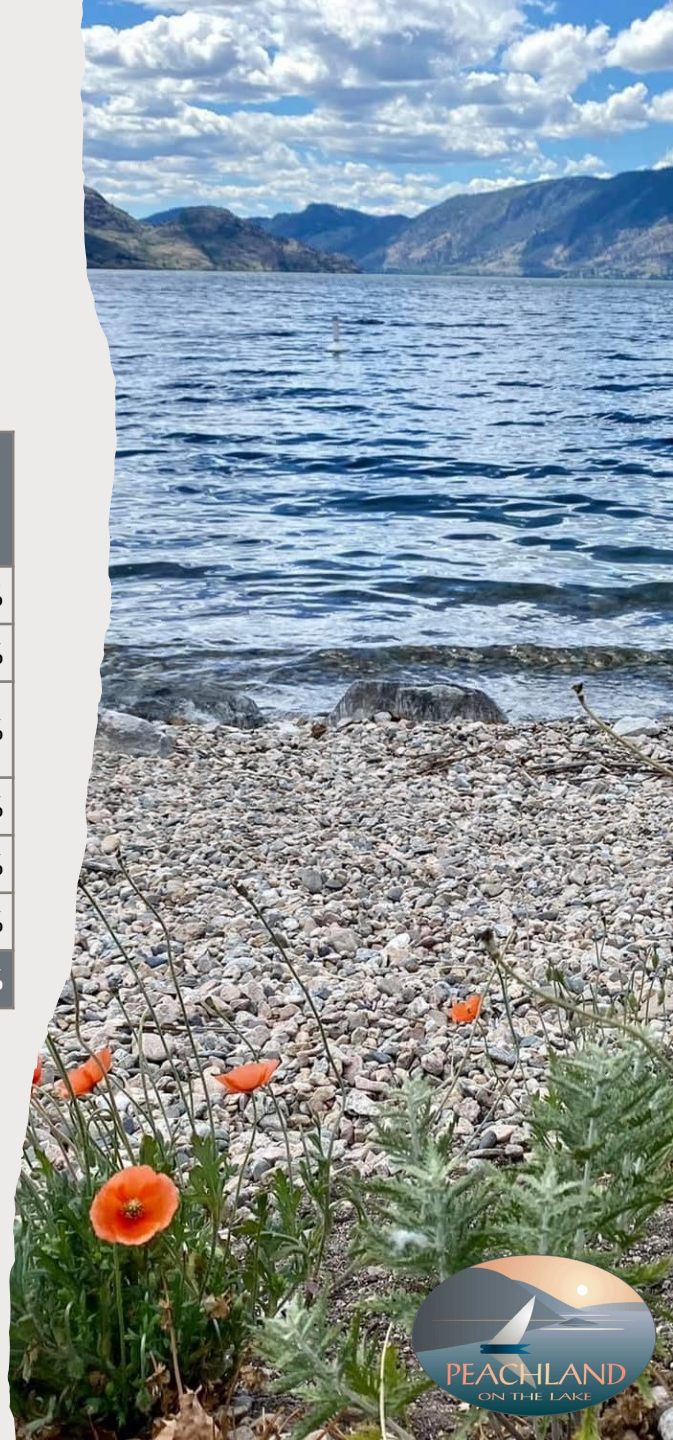
Total Taxation	\$4,155
-----------------------	----------------



FINANCE SERVICES

TAX RATES

	Assessed Tax Value	% of Total Assessed Value	Tax Rate per \$1,000	\$ Tax Share	% Tax Share
Residential	1,741,702,773	96.40%	2.8258	4,921,705	93.17%
Utility	753,900	0.04%	23.9706	18,071	0.34%
Light Industry	839,800	0.05%	9.8905	8,306	0.16%
Business	58,470,100	3.24%	5.3691	313,932	5.94%
Recreation	4,465,200	0.25%	4.2388	18,927	0.36%
Farm	510,757	0.03%	2.8258	1,443	0.03%
TOTAL	1,806,742,530	100.00%		5,282,384	100.00%



Statement of Property Tax Exemptions

In accordance with Section 98 (2)(b) of the Community Charter, the following properties in the District of Peachland were provided with permissive and statutory property tax exemptions by Council for 2021

Civic Address	Legal Description	Organization	Revenue
4421 4th Street	4421 4th Street; PID 024-387-754; Parcel A, Block 4, Plan 44, ODYD, DL 490	Peachland United Church	\$3,898
4464 4th Street	4464 4th Street; PID 024-253-472; Lot 1, Plan KAP62699, ODYD, DL 490	St. Margaret's Anglican Church	\$2,790
4204 Lake Avenue	4204 Lake Avenue; PID 009-657-495; Lot 12, DL 220, ODYD, Plan KAP9704	Peachland Baptist Church	\$3,087
4426 5th Street	4426 5th Street; PID 006-978-975; Lot H, Plan KAP22267, ODYD, DL 490	Peachland Wellness Centre	\$2,457
5380 Princeton Avenue	5380 Princeton Avenue; PID 012-404-101; Lot 17, Plan KAP410, ODYD, DL 2538	Peachland Riding Club	\$1,629
4440 5th Street	4440 5th Street; PID 006-978-967; Lot G, Plan KAP22267, ODYD, DL 490	District of Peachland Community Patrol Office	\$3,599
5684 Beach Avenue, PID 012-638-277	5684 Beach Avenue, PID 012-638-277; Lot A, Plan KAP40524, ODYD, DL 490	Peachland Community Arts Council (Visitor Information Centre and Boys & Girls Club)	\$13,527
5672 Beach Avenue	5672 Beach Avenue; PID 008-710-694; Lot A, Plan KAP38807, ODYD, DL 490	Peachland District Retirement Society	\$6,752
5247 Inga Street	5247 Inga Street; PID 012-403-989; Lot 5, Plan KAP410, ODYD, DL 2538	Maple Springs Bible Camp	\$2,805
3410 Drought Road	3410 Drought Road; PID 027-343-553; Lot A, Plan KAP85621, DL 2690	The Nature Trust of BC	\$7,442
4407 2nd Street	4407 2nd Street; PID 012-765-490; Lot 6 & 7, Block 2, Plan 44, DL 490	Peachland Branch of the Royal Canadian Legion	\$2,868
Unit 40, 5500 Clements Crescent	Unit 40, 5500 Clements Crescent; PID 023-739-827; Lot A, Plan KAP58976, ODYD, DL 220, Except Plan KAP60348	Okanagan Regional Library	\$2,747
5878 Beach Avenue	5878 Beach Avenue; PID 012-765-201; Lot 3, Block 1, Plan KAP44, ODYD, DL 490	Peachland Chamber of Commerce	\$3,606
Total			\$57,207





2021 AUDITED FINANCIAL STATEMENTS



Financial Statements

December 31, 2021

The Corporation of the District of Peachland

Contents

	Page
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-18
Schedule 1 – Tangible Capital Assets	19
Schedule 2 – Accumulated Surplus	20
Schedule 3 – Segment Disclosure	21
Schedule 4 – COVID-19 Safe Restart Grant	22

Independent Auditor's Report

Grant Thornton LLP
200-1633 Ellis Street
Kelowna, BC
V1Y 2A8
T +1 250 712 6800
F +1 250 712 6850

To the Mayor and Council of the
Corporation of the District of Peachland

Opinion

We have audited the financial statements of The Corporation of the District of Peachland ("the District"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the District of Peachland as at December 31, 2021, and the results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Kelowna, Canada
June 28, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

The Corporation of the District of Peachland

Statement of Financial Position

December 31	2021	2020
Financial assets		
Cash (Note 3)	\$ 10,188,718	\$ 6,140,824
Investments (Note 3)	13,751,718	13,578,089
Accounts receivable (Note 3)	<u>2,330,716</u>	<u>7,007,399</u>
	<u>26,271,152</u>	<u>26,726,312</u>
Liabilities		
Accounts payable and accrued liabilities (Note 3)	6,425,079	8,168,713
Deferred revenue (Note 3)	2,014,553	1,337,618
Deferred development cost charges (Note 3)	1,838,124	1,967,735
Long term debt (Note 3)	<u>13,511,371</u>	<u>9,792,616</u>
	<u>23,789,127</u>	<u>21,266,682</u>
Net financial assets	2,482,025	5,459,630
Non-financial assets		
Inventory	-	34,335
Tangible capital assets (Schedule 1)	<u>98,021,370</u>	<u>89,270,036</u>
	<u>98,021,370</u>	<u>89,304,371</u>
Accumulated surplus (Schedule 2)	<u>\$ 100,503,395</u>	<u>\$ 94,764,001</u>

Trust funds (Note 7)
Contingent liabilities and commitment (Notes 8 and 9)

On behalf of the District



Director of Finance



Mayor

The Corporation of the District of Peachland

Statement of Operations and Accumulated Surplus

Year ended December 31	2021 Actual	2021 Budget (Note 14)	2020 Actual
Revenue			
Property taxation – net (Note 4)	\$ 5,282,442	\$ 5,282,564	\$ 5,110,203
Parcel taxes	2,240,803	2,264,665	2,014,816
Concessions and franchise	134,513	136,346	134,032
Sale of services	765,606	469,143	576,880
User fees	1,970,755	2,000,536	1,562,639
Other revenue from own services (Note 5)	1,083,821	536,139	903,655
Government transfers (Note 6)	4,184,849	11,420,214	7,942,402
Contributions from developers and other	978,100	5,531,939	721,149
	<u>16,640,889</u>	<u>27,641,566</u>	<u>18,965,776</u>
Expenses (Schedule 3)			
General government services	1,413,463	2,017,400	1,301,673
Protective services	1,428,956	1,383,360	1,325,838
Recreation services	531,458	518,760	455,048
Parks and cultural services	733,373	787,747	735,538
Environmental development services	651,340	757,005	459,232
Transportation services and public works	956,994	1,022,149	962,454
Environmental health services	428,670	691,680	293,271
Public health services	42,133	46,112	28,652
Facilities services	421,996	461,120	403,906
Water services	1,369,741	1,488,184	693,546
Sewer services	642,697	639,580	613,591
Civic grants	242,981	266,183	244,622
Interest and bank charges (Note 3)	157,145	181,849	187,404
Amortization of tangible capital assets	1,880,548	1,590,000	1,583,700
	<u>10,901,495</u>	<u>11,851,129</u>	<u>9,288,475</u>
Annual surplus	<u>5,739,394</u>	<u>15,790,437</u>	<u>9,677,301</u>
Accumulated surplus, beginning of year	<u>94,764,001</u>	<u>94,764,001</u>	<u>85,086,700</u>
Accumulated surplus, end of year	<u>\$ 100,503,395</u>	<u>\$ 110,554,438</u>	<u>\$ 94,764,001</u>

The Corporation of the District of Peachland Statement of Changes in Net Financial Assets

Year ended December 31	2021 Actual	2021 Budget (Note 14)	2020 Actual
Annual surplus	\$ 5,739,394	\$ 15,790,437	\$ (9,677,301)
Usage (purchase) of inventory	34,335	-	(34,335)
Acquisition of tangible capital assets, net of transfers	(10,631,882)	(23,453,487)	(16,814,663)
Amortization of tangible capital assets	1,880,548	1,590,000	1,583,700
Proceeds on disposal of tangible capital assets	-	-	23,960
Gain on disposal of tangible capital assets	-	-	(11,251)
Decrease in net financial assets	(2,997,605)	(6,073,050)	(5,575,288)
Net financial assets, beginning of year	5,459,630	5,459,630	11,034,918
Net financial assets, end of year	\$ 2,482,025	\$ (613,420)	\$ 5,459,630

The Corporation of the District of Peachland

Statement of Cash Flows

Year ended December 31

2021

2020

Cash provided by (used for)

Operating activities

Annual surplus	\$ 5,739,394	\$ 9,677,301
Adjustments for non-cash items		
Amortization of tangible capital assets	1,880,548	1,583,700
Gain on disposal of tangible capital assets	-	(11,251)
Actuarial adjustment on long term debt	(218,599)	(209,147)
Contributed tangible capital assets	-	(1,399)
Decrease (increase) in accounts receivable	4,676,683	(5,381,251)
Increase (decrease) in		
Inventory	34,335	(34,335)
Accounts payable and accrued liabilities	(1,743,634)	2,514,774
Deferred revenue	676,935	423,368
Deferred development cost charges	(129,611)	(612,694)
	10,916,051	7,949,066

Capital activities

Acquisition of tangible capital assets net of transfers	(10,631,882)	(16,813,264)
Proceeds on disposal of tangible capital assets	-	23,960
	(10,631,882)	(16,789,304)

Investing activities

Proceeds on disposal of investments	5,332,262	7,960,028
Purchases of investments	(5,505,891)	(324,702)
	(173,629)	7,635,326

Financing activities

Proceeds from issuance of long term debt	4,240,014	6,987,631
Repayment of long term debt	(302,660)	(218,801)
	3,937,354	6,696,519

Net increase in cash	4,047,894	5,491,607
Cash, beginning of year	6,140,824	649,217
Cash, end of year	\$ 10,188,718	\$ 6,140,824

Supplementary cash flow information

Interest paid	\$ 157,145	\$ 187,404
---------------	------------	------------

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

Notes to the financial statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently explained in the financial statements.

1. Nature of business

The District is incorporated under the laws of British Columbia and is engaged in the operation of a Municipality.

The financial statements are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

2. Summary of significant accounting policies

Basis of presentation

The District's resources and operations are segregated into General, Water and Sewer funds and Statutory and Non-statutory reserve funds and Reserve for future capital expenditures for accounting and financial reporting purposes. The financial statements include all of the accounts of these funds. All inter-fund transactions and balances have been eliminated.

Basis of accounting

The District's financial statements are prepared using the accrual basis of accounting.

Municipal pension plan

The District's pension plan follows the guidelines of the Municipal Pension Plan which is administered by the Province of British Columbia for all British Columbia municipalities. The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan.

Budget figures

The budget figures are from the 5-Year Financial Plan Bylaw and are adopted before May 15th of each year. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.

Work in progress

Work in progress is valued at cost and represents capital projects under construction but not yet completed. Amortization commences once the individual projects are completed.

(continued)

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

2. Summary of significant accounting policies *(continued)*

Tangible capital assets and amortization

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The costs, less residual values, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives according to an estimated useful life on the following table.

General capital fund	Estimated useful life
Land	Indefinite
Buildings	30-60 years
Equipment	5-18 years
Engineering structures	30-80 years
Water system capital fund	
Land	Indefinite
Buildings	50-60 years
Equipment	5-18 years
Engineering structures	25-80 years
Sewer system capital fund	
Land	Indefinite
Equipment	5-18 years
Engineering structures	35-80 years

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

The District has numerous works of art located throughout the District which are not reflected in these financial statements.

Deferred revenue

Deferred revenue relates to restricted grants and other amounts that have been received in advance of services being rendered.

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the District is directly responsible and accepts responsibility; and
- a reasonable estimate of the amount of can be made.

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

(continued)

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

2. Summary of significant accounting policies *(continued)*

Long term debt

Outstanding debenture debt is reported net of applicable sinking fund balances.

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

Municipal Finance Authority debt reserve deposits

The District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The District also executes demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the Municipal Finance Authority. The details of the cash deposits and demand notes at year end are as follows:

	Demand notes	Cash deposits	2021	2020
General Fund	\$ 1,976	\$ 1,695	\$ 3,671	\$ 3,642
Water Funds	5,618	4,796	10,414	10,334
Sewer Fund	185,340	148,829	334,169	331,680
	<u>\$ 192,934</u>	<u>\$ 155,320</u>	<u>\$ 348,254</u>	<u>\$ 345,656</u>

Reserve funds

Non-statutory reserves represent an appropriation of surplus for specific purposes. Reserves for future capital expenditures represent funds to finance incomplete capital projects. Statutory reserves are restricted by the Community Charter and the associated municipal bylaws that established the reserves.

Revenue recognition

Taxation revenues are recorded on the accrual basis and recognized when earned. Sale of services and user fee revenues are recognized when the service or product is provided by the District. Concession and franchise and other revenue is recorded as it is earned and measurable. Transfers from other governments are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the District, and a reasonable estimate of the amount to be received can be made. Contributions from developers and other are recognized as revenue during the period in which the related costs are incurred. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the District discharges the obligation that led to the collection of funds.

Expenses

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Use of estimates

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

Significant areas requiring the use of management estimates relate to the determination of employee benefit accrual, allowance for doubtful accounts receivable, landfill post closure costs, provision for contingencies, the determination of tangible capital asset estimated useful lives and related amortization expenses and settlement costs associated with outstanding legal actions.

Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as the period of settlement if the amount is different.

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

3. Financial assets and liabilities

Operating line of credit

The District has an operating line of credit with VantageOne Credit Union for an authorized amount of \$1,000,000, bearing interest at the credit union prime rate. At December 31, 2021, the balance outstanding on the operating line of credit was \$nil (2020 – \$nil).

Investments

Investments in GICs are carried at cost and are comprised of term deposits with maturity dates ranging from February 2023 through August 2023 and earning interest at rates between 1.25% and 3.10% (2020 – 1.64% and 3.10%).

Accounts receivable

Accounts receivable are recorded net of allowance and are comprised of the following:

	<u>2021</u>	<u>2020</u>
Due from Provincial government	\$ 775,440	\$ 4,838,512
Due from Federal government	161,704	852,073
Property tax	586,464	664,297
Utilities	532,240	433,018
Trade receivables	<u>274,868</u>	<u>219,499</u>
	<u>\$ 2,330,716</u>	<u>\$ 7,007,399</u>

Accounts payable and accrued liabilities

Accounts payable are comprised of the following:

	<u>2021</u>	<u>2020</u>
Security deposits	\$ 2,153,050	\$ 2,233,828
Accounts payable	1,048,749	2,041,013
Project holdbacks	867,806	1,922,705
Prepayments	916,904	938,959
Wages and benefits	586,659	471,272
Due to other governments	648,953	362,160
Landfill closure accrual	<u>202,958</u>	<u>222,796</u>
	<u>\$ 6,425,079</u>	<u>\$ 8,168,713</u>

(continued)

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

3. Financial assets and liabilities (continued)

Deferred revenue

The District records deferred revenue for funds received for services not yet rendered and recognizes the revenue during the period in which the services are provided. The District records deferred revenue when a contract specifies how the resources are to be used, and therefore funds received in advance are deferred until the period in which the requirements are met. Because these funds are restricted in nature, they are shown as liabilities.

	<u>2021</u>	<u>2020</u>
Community works fund grant	\$ 1,014,850	\$ 957,112
Flood mitigation grant	175,602	237,722
Left turn lane grant	65,867	65,867
Recreation programs	55,253	39,149
Rural dividend fund	28,484	28,484
School acc plaza trust	27,566	4,763
Donations for future capital projects	3,407	3,407
Heritage fund project	569,034	1,076
Prepaid parcel taxes	-	38
External process review grant	60,997	-
Bike path grant	13,493	-
	<u>\$ 2,014,553</u>	<u>\$ 1,337,618</u>

Deferred development cost charges ("DCC")

Pursuant to the provisions of the Local Government Act, DCC's are held in separate reserve funds for the purpose for which the charges have been imposed. When the related costs are incurred, the DCC's are recognized as revenue. Because these funds are restricted in nature they are shown as a liability.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 1,967,735	\$ 2,580,429
Contributions from developers	249,574	13,540
Interest on investments	38,690	58,400
Bylaw expenditures	(417,875)	(684,634)
Balance, end of year	<u>\$ 1,838,124</u>	<u>\$ 1,967,735</u>

The balance of DCC's can be itemized as follows:

Water system DCC	\$ 700,443	\$ 1,013,136
Roads DCC	621,208	559,321
Sewer DCC	331,751	296,436
Park DCC	104,519	98,842
Water treatment plant DCC	80,203	-
	<u>\$ 1,838,124</u>	<u>\$ 1,967,735</u>

(continued)

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

3. Financial assets and liabilities (continued)

Long term debt

	Balance, beginning of year	Additions	Sinking fund payments	Actuarial adjustment	Balance, end of year	Current interest rate (%)
General capital fund						
MFA equipment loan	\$ 179,215	\$ -	\$ (47,858)	\$ -	\$ 131,357	Variable
MFA equipment loan	149,488	-	(38,289)	-	111,199	Variable
MFA equipment loan	36,219	-	(31,417)	-	4,802	Variable
MFA issue #68	13,525	-	(1,467)	(2,824)	9,234	2.650
MFA Turner Park loan	-	2,350,000	-	-	2,350,000	Variable
	<u>378,447</u>	<u>2,350,000</u>	<u>(119,031)</u>	<u>(2,824)</u>	<u>2,606,592</u>	
Water system capital fund						
MFA WTP loan	6,987,631	1,890,014	-	-	8,877,645	Variable
MFA issue #66	24,935	-	(3,960)	(8,203)	12,772	2.250
	<u>7,012,566</u>	<u>1,890,014</u>	<u>(3,960)</u>	<u>(8,203)</u>	<u>8,890,417</u>	
Sewer system capital fund						
MFA issue #95	1,628,717	-	(95,859)	(46,215)	1,486,643	1.800
MFA issue #68	523,645	-	(56,783)	(109,322)	357,540	2.650
MFA issue #68	249,241	-	(27,027)	(52,035)	170,179	2.650
	<u>2,401,603</u>	<u>-</u>	<u>(179,669)</u>	<u>(207,572)</u>	<u>2,014,362</u>	
Total long term debt	\$ 9,792,616	\$ 4,240,014	\$ (302,660)	\$ (218,599)	\$13,511,371	

The requirements for future repayments of principal on existing debt for the next five years are as follows:

	2022	2023	2024	2025	2026
General Fund	\$ 87,990	\$ 89,143	\$ 60,819	\$ -	\$ -
Water Fund	3,960	-	-	-	-
Sewer Fund	<u>179,669</u>	<u>179,669</u>	<u>84,917</u>	<u>95,859</u>	<u>95,859</u>
	<u>\$ 271,619</u>	<u>\$ 268,812</u>	<u>\$ 145,736</u>	<u>\$ 95,859</u>	<u>\$ 95,859</u>

Interest and bank charges expensed comprises the following amounts related to obligations under capital lease and long term debt:

	2021	2020
Interest on long term debt	\$ 134,855	\$ 169,194
Interest on short term debt and bank charges	19,682	10,405
Interest on capital leases and equipment loans	<u>2,608</u>	<u>7,805</u>
	<u>\$ 157,145</u>	<u>\$ 187,404</u>

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

4. Property taxation – net

Taxation revenue comprises the following amounts raised less transfers to other governments:

	2021	2020
General municipal purposes	\$ 5,282,384	\$ 5,110,767
Collections for other governments		
School District #23 (Central Okanagan)	2,856,185	2,642,833
Regional District of Central Okanagan	664,425	638,912
Central Okanagan Regional Hospital District	499,373	473,998
Central Okanagan Regional Library District	261,513	266,272
British Columbia Assessment Authority	82,127	80,712
Municipal Finance Authority	382	369
	9,646,389	9,213,863
Transfers to other governments		
School District #23 (Central Okanagan)	(2,856,187)	(2,642,833)
Regional District of Central Okanagan	(664,416)	(639,096)
Central Okanagan Regional Hospital District	(499,374)	(474,144)
Central Okanagan Regional Library District	(261,460)	(266,470)
British Columbia Assessment Authority	(82,128)	(80,748)
Municipal Finance Authority	(382)	(369)
	(4,363,947)	(4,103,660)
	\$ 5,282,442	\$ 5,110,203

5. Other revenue from own services

	2021	2020
Interest earned	\$ 303,313	\$ 376,834
Development permits	397,940	185,922
Rentals	119,055	124,812
Penalties and interest on taxes	116,490	64,769
Cost recoveries	72,564	74,262
Licences and permits	49,656	50,843
Gain on sale of tangible capital assets	-	11,251
Miscellaneous	24,803	14,962
	\$ 1,083,821	\$ 903,655

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

6. Government transfers

	<u>2021</u>	<u>2020</u>
Federal		
COVID safe restart grant	\$ -	\$ 1,650,000
HRDC employment program	20,921	12,264
Canada Day grant	5,000	-
	<u>25,921</u>	<u>1,662,264</u>
Provincial		
Water grants	2,807,864	5,074,980
Small communities protection grant	501,000	508,688
Provincial gas tax program	552,256	108,892
Provincial traffic fine revenue sharing	31,714	32,032
Provincial water quality enhancement grant	-	1,379
UBCM planning grant	10,503	-
	<u>3,903,337</u>	<u>5,725,791</u>
Other		
Emergency recoveries	62,985	270,374
Okanagan Basin Water Board grant	135,511	145,498
Parks and recreation improvements	44,841	126,049
Regional District – parks grant	12,000	12,000
Cost sharing – highways	254	246
	<u>255,591</u>	<u>554,167</u>
Total	<u>\$ 4,184,849</u>	<u>\$ 7,942,402</u>

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

7. Trust funds

Funds held in trust and administered by the District, which are not included in these financial statements, are as follows:

	2021	2020
Assets		
Cash and short term deposits	\$ 155,494	\$ 145,879
Due from the Corporation of the District of Peachland	1,663	1,352
	\$ 157,157	\$ 147,231
Fund balances		
Trusts – cemetery care	\$ 151,447	\$ 141,668
– historical society	5,710	5,563
	\$ 157,157	\$ 147,231

Transactions for the year ended December 31, 2021:

	Balance, beginning of year	Interest earned	Contributions	Balance, end of year
Cemetery Care	\$ 141,668	\$ 3,759	\$ 6,020	\$ 151,447
Historical Society	5,563	147	-	5,710
Total	\$ 147,231	\$ 3,906	\$ 6,020	\$ 157,157

8. Contingent liabilities

Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each member municipality within the Regional District, including the District of Peachland. The loan agreements between the Regional District of Central Okanagan and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

Legal actions

The District is currently engaged in certain legal actions, the outcomes of which are not determinable at this time. Accordingly, no provision has been made in the accounts for these actions. The amount of loss, if any, arising from these actions will be recorded in the accounts in the period in which the loss is realized.

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

9. Commitment

Landfill closure and post closure costs

As required by PSAB and regulated by the Ministry of Water, Land and Air Protection, the District has recorded obligations related to closure and post closure costs associated with the landfill. The estimate of post closure costs was re-estimated in 2021 as the original estimated annual cost was less than annual costs incurred. The reported liability of \$202,958 (2020 – \$222,796) represents the portion of the estimated total expenditure recognized as at December 31, 2021. The liability and annual expenditure is calculated using discounted estimated future cash flows associated with closure and post-closure activities. During the 1997 fiscal year, the District's landfill site reached its capacity. The estimated length of time for post-closure care is to 2035.

10. Pension liability

The District 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 overseeing the management of the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 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 the adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation as at December 31, 2018 indicated a surplus of \$2,866 million for basic pension benefits on a going concern basis. 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.

The District paid \$236,242 (2020 – \$231,035) for employer contributions to the Plan and the employees contributed \$207,275 (2020 – \$205,491) to the Plan in fiscal 2021.

11. Letters of credit

The District is holding letters of credit in the amount of \$698,169 (2020 – \$541,928), which were received as security related to performance deposits. These amounts are not reflected in the financial statements, but are available to satisfy any liabilities arising from non-performance by the depositors.

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

12. Expenses by object

Total expenses by object are itemized in Schedule 3.

13. Segmented information

The District of Peachland is a diversified municipal government that provides a wide range of services to its citizens. The District's operations and activities are organized and reported by funds and departments. The General Fund reports on operations, funded primarily by property taxes, which include services provided by the District such as general government services, protective services, recreation and park and cultural services, environmental development services, transportation services and public works, environmental health and public health services and facilities services. The utility operations are comprised of the water and sewer system, each accounting for its own operations and programs within its own fund. Operating results reported by the following segments are included in Schedule 3.

General government services

General government operations are primarily funded by property taxation and business tax revenues. The expenses within the department are for legislative, general administration and finance functions within the District. The general revenue reported under the department includes revenues associated with taxation, business tax revenues and payments in lieu of taxes. These revenues have not been apportioned to other departments supported by the General Fund.

Protective services

Protective services are comprised of police services provided by the Royal Canadian Mounted Police and fire services. The mandate of the police is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders, and enforce the law. The fire department is responsible for providing effective fire protection and public safety services to the District. This includes fire prevention, fire safety inspections, fire control and/or suppression.

Recreation and parks and cultural services

The Peachland recreation and parks and cultural services departments contribute to the quality of life and personal wellness of the community through the provision of a variety of programs, services and facilities. These departments administer facility, park and playing field reservations, special events applications, programs, Awards night, Canada Day celebrations and the Community Christmas celebration.

Environmental development services

The planning and development services department is responsible for land use and sustainable planning, general development services, building inspection and bylaw enforcement. This department addresses community and assists with infrastructure planning, zoning, inspection services, building permits, business licenses, development permits and subdivision.

(continued)

The Corporation of the District of Peachland

Notes to the Financial Statements

December 31, 2021

13. Segmented information *(continued)*

Transportation services and public works

The transportation services and public works department is responsible for the operation, maintenance and repairs of town streets, sidewalks, water system, sewer system, storm system, parks and open spaces, cemetery, public facilities and the vehicle fleet, as well as providing waste collection from parks, snow removal and ice control services.

Environmental health and public health services

Environmental and public health services are comprised of transit, solid waste, yard waste and recycling services.

Facilities services

Facilities services are responsible for the repairs and maintenance of all District facilities.

Water

The water department provides safe drinking water to citizens of Peachland. Revenues and expenses represent the amounts that are directly attributable to the function of the water department.

Sewer

The sewer system is operated by the Regional District of Central Okanagan.

14. Budget reconciliation

The following reconciles the budgeted surplus as shown on the statement of operations to the budget as presented in bylaw #2314 adopted May 11, 2021.

Annual surplus per statement of operations	\$ 15,790,437
Capital expenditures	(23,453,487)
Amortization of tangible capital assets	1,590,000
Debt principal repayments	(474,298)
Proceeds of borrowing	5,634,090
Transfers to reserve funds	(2,124,640)
Transfers from surplus and reserve funds	<u>3,037,898</u>
	<u>\$ -</u>

15. Comparative figures

Certain comparative figures have been adjusted to conform to changes in the current year presentation.

The Corporation of the District of Peachland

Schedule 1 – Tangible Capital Assets

December 31, 2021

	Cost				Accumulated Amortization				2021 Net Book Value	2020 Net Book Value
	Opening Balance	Add: Additions	Less: Disposals/Transfers	Closing Balance	Opening Balance	Less: Disposals	Add: Amortization	Closing Balance		
General capital fund										
Land	\$ 15,671,358	\$ 3,161,822	\$ -	\$ 18,833,180	\$ -	\$ -	\$ -	\$ -	\$ 18,833,180	\$ 15,671,358
Buildings	5,269,839	60,470	-	5,330,309	2,530,520	-	103,603	2,634,123	2,696,186	2,739,319
Equipment	4,013,748	151,796	-	4,165,544	2,611,816	-	199,827	3,011,643	1,153,901	1,201,932
Engineering Structures	29,612,255	185,850	-	29,798,105	14,667,969	-	610,627	15,278,626	14,519,479	14,944,256
Work in Progress	426,640	3,899,595	3,161,822	1,164,413	-	-	-	-	1,164,413	426,640
	<u>54,993,840</u>	<u>7,459,533</u>	<u>3,161,822</u>	<u>59,291,551</u>	<u>20,010,335</u>	<u>-</u>	<u>914,057</u>	<u>20,924,392</u>	<u>38,367,159</u>	<u>34,983,505</u>
Water system capital fund										
Land	623,291	-	-	623,291	-	-	-	-	623,291	623,291
Buildings	80,000	-	-	80,000	37,586	-	1,379	38,965	41,035	42,414
Equipment	566,646	21,430	-	588,076	396,962	-	28,211	425,173	162,903	169,684
Engineering Structures	23,006,400	30,824,055	-	53,830,455	9,127,974	-	648,395	9,776,369	44,054,066	13,878,426
Work in Progress	24,516,672	6,307,363	30,824,055	-	-	-	-	-	-	24,516,672
	<u>48,793,009</u>	<u>37,152,868</u>	<u>30,824,055</u>	<u>55,121,822</u>	<u>9,562,522</u>	<u>-</u>	<u>677,985</u>	<u>10,240,507</u>	<u>44,881,315</u>	<u>39,230,487</u>
Sewer system capital fund										
Land	198,000	-	-	198,000	-	-	-	-	198,000	198,000
Equipment	141,662	5,358	-	147,020	99,241	-	7,053	106,294	40,725	42,420
Engineering Structures	19,282,517	-	-	19,282,517	4,466,893	-	281,453	4,748,346	14,534,171	14,815,624
	<u>19,622,179</u>	<u>5,358</u>	<u>-</u>	<u>19,627,537</u>	<u>4,566,134</u>	<u>-</u>	<u>288,506</u>	<u>4,854,640</u>	<u>14,772,896</u>	<u>15,058,044</u>
Total Tangible capital assets - all funds	<u>\$ 123,409,028</u>	<u>\$ 44,617,759</u>	<u>\$ 33,985,877</u>	<u>\$ 134,040,910</u>	<u>\$ 34,138,991</u>	<u>\$ -</u>	<u>\$ 1,880,548</u>	<u>\$ 36,019,539</u>	<u>\$ 98,021,370</u>	<u>\$ 89,270,036</u>

The net book value of work in progress, which are tangible capital assets not being amortized is \$1,164,413 (2021 - \$24,943,312). Contributed tangible capital assets received in the year from developers and others and recorded on the financial statements are \$nil (2020 - \$1,395).

The Corporation of the District of Peachland Schedule 2 – Accumulated Surplus

December 31	2021	2020
Reserve for future capital expenditures		
Specified	\$ 335,345	\$ 330,361
Unspecified	<u>66,814</u>	<u>66,814</u>
	<u>402,159</u>	<u>397,175</u>
Non-statutory reserves		
Amenity	172,708	168,302
Computer replacement	3,056	2,977
COVID safe restart grant (schedule 4)	880,158	1,306,794
Fire department equipment	447,412	366,797
General capital asset renewal	1,637,682	1,296,105
Municipal buildings	24,012	23,399
Non-development cost charge – roads	442,026	271,878
Parks and recreation equipment	161,991	217,175
Policing	258,962	252,354
Public works equipment	19,718	19,216
Sewer capital asset renewal	455,731	341,105
Sewer improvement	1,451,707	1,321,081
Transit	27,983	27,270
Water capital asset renewal	1,143,662	1,147,573
Water system #1 – improvements	<u>5,925,174</u>	<u>5,097,050</u>
	<u>13,051,982</u>	<u>11,859,076</u>
Statutory reserves		
Municipal park land acquisition	15,894	754,694
Cemetery maintenance	23,409	22,813
Land sale	-	20,202
Parking	<u>3</u>	<u>3</u>
	<u>39,306</u>	<u>797,712</u>
Surplus of general, sewer and water funds		
Surplus of general, sewer and water funds	<u>2,499,948</u>	<u>1,727,212</u>
Investment in non-financial assets		
Investment in tangible capital assets	<u>84,510,000</u>	<u>79,477,420</u>
Total	<u>\$ 100,503,395</u>	<u>\$ 94,764,001</u>

The Corporation of the District of Peachland

Schedule 3 – Segment Disclosure

December 31, 2021

	General Fund												2021 Total	2020 Total	
	General government services	Protective services	Recreation services	Parks and culture services	Environmental development services	Transportation services and public works	Environmental health services	Public health services	Facilities services	Sub Total	Water funds	Sewer funds			
Revenue															
Taxation	\$ 1,386,639	\$ 950,840	\$ 356,565	\$ 541,450	\$ 520,321	\$ 702,565	\$ 475,420	\$ 31,695	\$ 316,947	\$ 5,282,442	\$ -	\$ -	\$ 5,282,442	\$ 5,110,203	
Parcel Taxes	\$ 190,659	\$ 130,738	\$ 49,027	\$ 74,448	\$ 71,543	\$ 96,601	\$ 65,369	\$ 4,358	\$ 43,579	726,322	1,178,808	335,673	2,240,803	2,014,816	
Concessions and franchise	\$ 35,309	\$ 24,212	\$ 9,080	\$ 13,768	\$ 13,250	\$ 17,890	\$ 12,106	\$ 807	\$ 8,071	134,513	-	-	134,513	134,032	
Sale of services	\$ 200,971	\$ 137,809	\$ 51,678	\$ 78,475	\$ 75,412	\$ 101,826	\$ 68,905	\$ 4,594	\$ 45,936	765,606	-	-	765,606	576,880	
User fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	1,402,922	567,833	1,970,755	1,562,639	
Other revenue from own sources	\$ 283,073	\$ 194,108	\$ 72,790	\$ 110,534	\$ 106,220	\$ 143,424	\$ 97,054	\$ 6,470	\$ 64,703	1,078,376	(80,997)	86,442	1,083,821	903,655	
Government transfers	\$ 325,888	\$ 223,465	\$ 83,799	\$ 127,251	\$ 122,285	\$ 165,116	\$ 111,733	\$ 7,449	\$ 74,486	1,241,474	2,807,864	135,511	4,184,849	7,942,402	
Contributions	\$ 68,309	\$ 46,841	\$ 17,565	\$ 26,673	\$ 25,632	\$ 34,610	\$ 23,420	\$ 1,561	\$ 15,614	260,225	717,875	-	978,100	721,149	
Total	2,490,848	1,708,013	640,504	972,619	934,663	1,262,032	854,007	56,934	569,338	9,488,958	6,026,472	1,125,459	16,640,889	18,965,776	
Expenses															
Salaries and benefits	915,387	599,745	459,192	485,738	522,261	485,443	43	21,233	37,997	3,527,039	672,186	28,507	4,227,732	3,580,835	
Equipment	-	12,673	-	65,507	7,956	104,095	-	6,778	3,832	200,841	40,614	646	242,101	242,061	
Contract services	166,628	630,847	32,064	90,970	110,074	154,276	428,627	-	194,988	1,808,474	106,378	45,809	1,960,661	1,759,810	
Insurance	57,709	13,167	-	1,362	-	815	-	-	15,997	89,050	30,354	5,410	124,814	102,609	
Supplies	45,944	89,667	15,586	81,151	7,881	111,017	-	14,122	83,484	448,872	351,683	1,762	802,317	433,708	
Leases	12,303	-	-	-	-	-	-	-	-	12,303	10,808	-	23,111	21,221	
Telephone and utilities	11,214	9,594	4,300	5,795	2,227	101,288	-	-	85,698	220,116	155,628	417	376,161	270,441	
Professional services	183,684	8,279	4,187	-	-	-	-	-	-	196,150	-	-	196,150	246,274	
Advertising	20,594	64,964	16,129	2,850	941	60	-	-	-	105,538	2,090	-	107,628	67,080	
Civic grants	242,981	-	-	-	-	-	-	-	-	242,981	-	-	242,981	244,622	
Contributions	-	-	-	-	-	-	-	-	-	-	-	560,146	560,146	568,710	
Interest	24,157	-	-	-	-	-	-	-	-	24,157	4,253	128,735	157,145	187,404	
Amortization of tangible capital assets	914,057	-	-	-	-	-	-	-	-	914,057	677,985	288,506	1,880,548	1,583,700	
Total	2,594,658	1,428,956	531,458	733,373	651,340	956,994	428,670	42,133	421,996	7,789,578	2,051,979	1,059,938	10,901,495	9,286,475	
Annual surplus	\$ (103,810)	\$ 279,057	\$ 109,046	\$ 239,246	\$ 283,323	\$ 305,038	\$ 425,337	\$ 14,801	\$ 147,342	\$ 1,699,380	\$ 3,974,493	\$ 65,521	\$ 5,739,394	\$ 9,677,301	

The Corporation of the District of Peachland Schedule 4 – COVID-19 Safe Restart Grant

(unaudited)

December 31	2021	2020
Opening balance of unspent funds	\$ 1,306,794	\$ -
Add: Amount received during the year	-	1,650,000
Less: Amounts spent		
Computer and technology	45,447	120,227
Facility reopening and operating	219,586	-
Revenue shortfall	135,596	153,324
Sanitation/PPE	26,007	69,655
Closing balance of unspent funds	\$ 880,158	\$ 1,306,794
