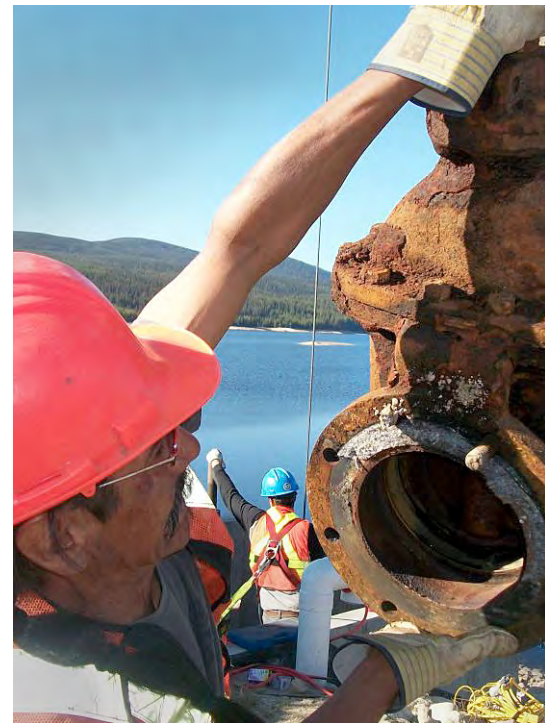
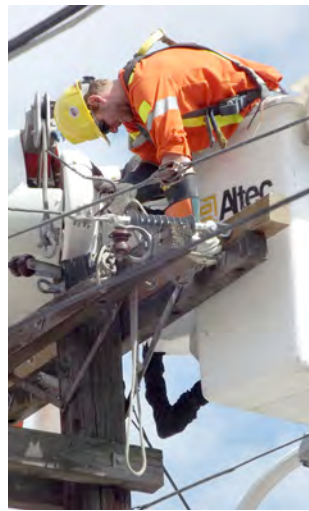




# 2013 annual report



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**A vibrant**, innovative, adventurous **waterfront** city  
**vision** focused on sustainability, **community**  
and economic **opportunity**.





# mission

We champion an innovative, thriving, sustainable community through visionary leadership, partnerships and service excellence.

**inform. inspire. innovate.**



# message from the mayor



If I were to sum up the past year into just a few words, an accurate statement would be that 2013 saw plans turn into action.

The previous year involved a great deal of time and energy on public consultation, gathering people's thoughts and suggestions on Council's strategic priorities – Downtown Revitalization and Waterfront Enhancement. These two initiatives have been identified by Council as crucial first steps in realizing the community's vision. We asked people what they wanted to see for these important community features, and they came out in droves.

But 2013 marked an important shift, as all the data and information supplied shaped the outcome of projects. Shovels hit the ground and crews began realizing the vision the community had for vital public amenities.

Waterfront Enhancement took a huge leap forward this year, as reconstruction of the West Okanagan Lake walkway was initiated. Angle parking and two-way traffic were maintained, as features like a boardwalk over the water to enhance the view of Okanagan Lake were added. The improved walkway is consistently four metres wide, allowing more people to walk beside each other in addition to strollers, cyclists and those who require mobility aids. The space is designed with accessibility in mind, offering mobility challenged access to the picnic tables and the sand. The construction fences were barely down when walkers and joggers descended on the new path. It is truly a space to enjoy Penticton's stunning waterfront views.

Revitalization of Penticton's commercial core also propelled forward this year, after the lengthy consultation process yielded the Downtown Plan – a long-term vision document mapping out 101

actions that, when completed incrementally, are designed to revitalize Downtown Penticton. The actions include large-scale projects that will occur over the long term like streetscapes, park space enhancements and Penticton Creek rehabilitation, as well as smaller projects. The document also includes a critical section called "Making the Plan Real," identifying the 101 action items and step-by-step approach to implementing the plan and creating momentum for downtown revitalization. This section categorizes the short, medium and long-term priorities for the area, and lists policy changes that are required.

Shortly after the plan was adopted into the Official Community Plan, Downtown Penticton received an injection of vibrancy when Fitkidz Gymnastics Club moved into the "Bus Barn" building. The City's Facilities team renovated the Ellis Street building, allowing the gymnastics club to bring jobs downtown as well as hundreds of youth and families who are reconnecting with local retailers.

The community is rallying around the revitalization efforts, after Downtown Penticton was listed among the top 20 downtowns in North America to receive revitalization support from Benjamin Moore as part of Main Street Matters. Penticton beat out more than 100 different communities across the continent with the online voting contest. The colourful award is expected next year.

It has been an exciting year for Penticton. There is a great deal more to come in 2014 as even more projects get underway to realize our vision of making Penticton a "vibrant, innovative, adventurous waterfront City focused on sustainability, community, and economic opportunity."

**Garry Litke**  
City of Penticton Mayor

# council

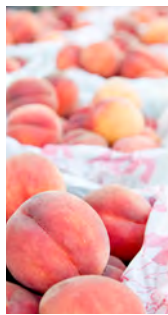


Back row, from left: Councillor John Vassilaki, Mayor Garry Litke, Councillor Wes Hopkin  
Front row, from left: Councillor Andrew Jakubeit, Councillor Katie Robinson, Councillor Helena Konanz, Councillor Judy Sentes

STAY FOREVER



# message from the city manager



This year, the City of Penticton has received several accolades across the country for its commitment to service excellence.

Penticton was named among the top 25 entrepreneurial cities in Canada by the Canadian Federation of Independent Business in its sixth Communities in Boom: Canada's Top Entrepreneurial Cities report. Municipalities with populations of 25,000 or more were ranked on 14 indicators, and a large jump in the 2013 score put the Peach City ahead of all other municipalities in B.C. – including larger centres like Kelowna, Prince George, Greater Vancouver, Calgary, Winnipeg and Nanaimo. A great deal of work has been done to make Penticton a friendly community for small business and entrepreneurs, and the CFIB report validates those efforts.

Business Award, a provincial program that recognizes communities that support small business through local government measures. Evaluations were based on how they enhance small-business competitiveness, recognize the contributions of small businesses to the community and promote the principles of the B.C. Small Business Accord.

Key initiatives outlined in the City of Penticton's submission included a property tax gap for small business among the best of the province, economic incentive zone program, reduction in building permit fees between 25 and 30% to be the most competitive in the South Okanagan, research data provision for small business and an ongoing commitment to entrepreneurs led by the Economic Development Office and Development Services Division.

The City of Penticton also won the 2013 Open for

Our vision for the community fosters innovation



**Anthony Haddad**  
Director of Development  
Services



**Chuck Loewen**  
General Manager  
Recreation and Facilities



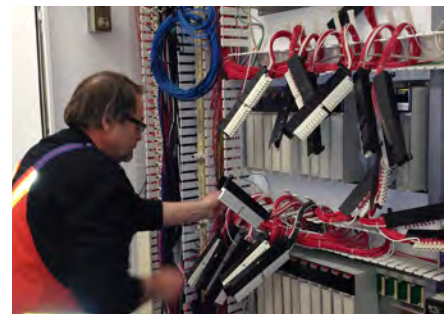
**Colin Fisher**  
Chief Financial Officer



**Colleen Pennington**  
Economic Development  
Officer



**Dana Schmidt**  
Corporate Officer



and economic opportunity, and it is very rewarding to be recognized as a provincial leader in small business development. It is also incredibly exciting to see that the innovation does not stop there.

The process of tracking building permits and scheduling inspections got easier in 2013 with the launch of Development Services Online, a portal that invites developers and applicants to follow the process their permit takes from the initial submission to issuance. Owners, designers and contractors can track their building and or planning permit and the next steps in the approval or inspection process.

The City of Penticton was also among the first municipalities in B.C. to roll out a fully electronic property tax notice process, once provincial legislation was changed. The Finance Division was quick to debut paperless property tax notices with a system that allows residents to receive their e-bill property tax

notices as soon as they are prepared, rather than waiting for the hard copy to arrive in the mail. Electric Utility staff also implemented the Home Energy Retrofit Loan program, a forward-thinking program that lends qualifying customers low-interest loans to pay for home renovation projects that increase energy efficiency.

I am extremely proud of staff at the City of Penticton, as they work tirelessly on building upon the service excellence that our residents and businesses have come to expect. They are constantly thinking of new ways to inform, inspire and innovate to better the community.

**Annette Antoniak**  
City Manager



**Dave Polvere**  
Manager of Information  
Technology



**Gillian Kenny**  
Human Resources  
Manager



**Kevin Hewco**  
Officer in Charge  
Penticton RCMP



**Mitch Moroziuk**  
Director of Operations



**Simone Blais**  
Communications Officer



**Wayne Williams**  
Fire Chief



# strategic priorities



**S**trategy became reality in 2013, as shovels went into the ground on several projects under Waterfront Enhancement and Downtown Revitalization – Council’s two strategic priorities.

The walkway along the west side of the Okanagan Lake waterfront linking Winnipeg Street to Riverside Drive underwent reconstruction last spring.

Designs called for substantial enhancements like a four-metre-wide path consistently from Winnipeg Street to Riverside Drive. The walkway is smooth concrete and makes it much easier for people with strollers or mobility aids to use. Access to the beach, water and picnic tables was improved, with paths and ramps, as well as additional dedicated parking areas for the disabled. Even with the changes, angle parking and two-way traffic were maintained.

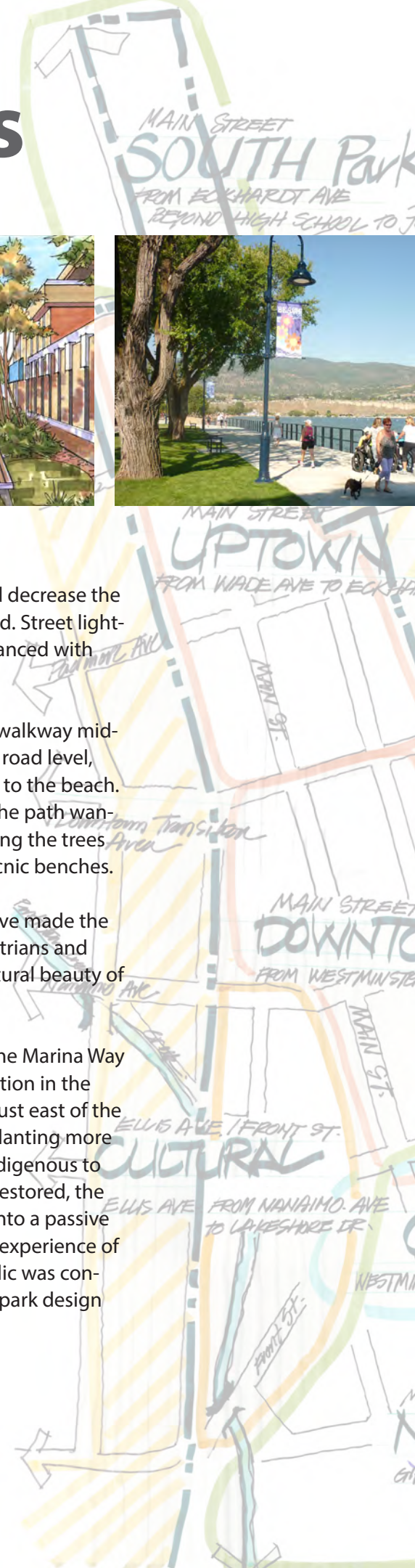
At Peach Plaza, the walkway was widened, and a special path overlooking the water reconnects with the walkway. A thin strip between the roadway and path was covered with special permeable material that will help mitigate

impact on tree root systems and decrease the amount of maintenance required. Street lighting along the walkway was enhanced with energy-efficient LED.

At the bank of pine trees at the walkway midpoint, the walkway diverts from road level, winding around the trees closer to the beach. This is the only location where the path wanders down by the sand, preserving the trees and creating a larger area for picnic benches.

Overall, these improvements have made the pathway more inviting to pedestrians and cyclists while preserving the natural beauty of the waterfront.

Consultation was also held for the Marina Way Lookout project. Habitat restoration in the environmentally sensitive area just east of the Penticton Art Gallery includes planting more than 20 trees and 300 shrubs indigenous to the area. While the area will be restored, the space will also be transformed into a passive “lookout” space to enhance the experience of enjoying the lake view. The public was consulted on the project to discuss park design









# awards



## economic opportunity

The City of Penticton won the **2013 Open for Business Award**, a provincial recognition of communities that support small business through local government measures. The awards are issued by B.C.'s Small Business Roundtable, established in 2005 to be the voice for small business to government. Award evaluations are based on how they enhance small-business competitiveness, recognize the contributions of small businesses to the community and promote the principles of the B.C. Small Business Accord.

The City of Penticton was also named among the **top 25 entrepreneurial cities in Canada** by the Canadian Federation of Independent Business, and a large jump in the 2013 score has put the Peach City ahead of all other municipalities in B.C. In its sixth *Communities in Boom: Canada's Top Entrepreneurial Cities* report, the CFIB studied municipalities with populations of 25,000 or more and ranked them based on 14 indicators. The City of Penticton was ranked 25th out of 107 mid-sized communities in Canada with a score of 59.6 out of a possible 100 points, and strong scores in all three areas of measures: presence, perspective and policy.

## sustainability

The Federation of Canadian Municipalities and ICLEI Local Governments for Sustainability honoured the achievements of municipalities taking part in the Partners for Climate Protection program, and Penticton was recognized as having achieved Milestones 4 of the program.

The City of Penticton became only the second municipality in B.C. to achieve Milestone 4 in Climate Action Planning. That milestone recognizes the important transition from climate action planning to initiation of the local action plan or a set of activities.

## community

Penticton knows Main Street Matters. The Okanagan community was listed among the top 20 downtowns in North America to receive revitalization support from Benjamin Moore, as part of their Main Street Matters project.

Downtown Penticton was among the 100 communities on the continent in the running for the Benjamin Moore

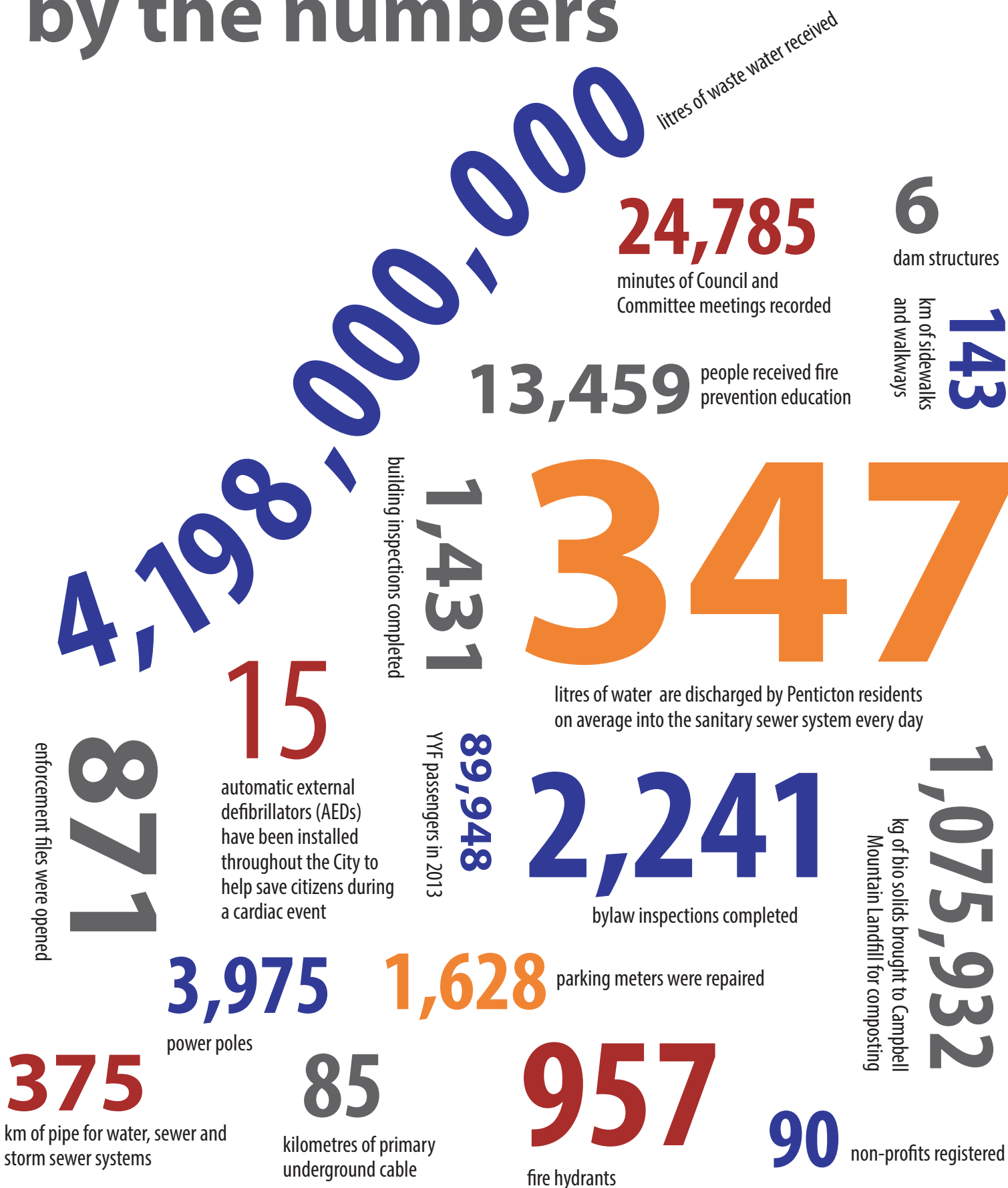
Main Street Matters project, a cross-continent initiative to revitalize communities. Consumers around the country were invited to cast their vote online for which Main Streets should be revitalized of the more than 100 North American cities nominated. On July 8, the votes were tallied and Penticton was listed among the 20 finalists listed by Benjamin Moore.

## innovation

Technology at the City of Penticton Advanced Waste Water Treatment Plant (AWWTP) earned an American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)'s BC Chapter Technology Awards, for Industrial Facilities Energy Use. The ASHRAE Technology awards recognize outstanding achievements on applied

innovative building design in the areas of occupant comfort, indoor air quality and energy conservation. AECOM Canada submitted an entry for its work on the City of Penticton AWWTP, particularly the innovations around using effluent as a heat source for HVAC systems.

# your city by the numbers







CITY

HALL



# administration



From left, His Excellency Governor-General David Johnston enjoyed a courtesy call. Corporate Administration assists with proclamations, such as MS Awareness Month. Mayor Garry Litke was sworn in after the September by-election. City staff support many causes through its WOW program, including a chili cook-off to benefit the Heart & Stroke Foundation.

Providing service to both the organization and the community, there are five departments that are integral to supporting effective and efficient municipal services internally and externally to residents, businesses and stakeholders.

The Corporate Administration department is the primary link between City Council, staff and the community, responsible for providing administrative support to the Mayor and Council as well as committees; organizing the agendas and minutes for Council and committee meetings; maintenance and access to corporate records including City bylaws; and local government elections.

The Finance Division provides long-term financial planning, annual budget development, investments, accounting, treasury and cash management and statutory reporting. The division is comprised of four key departments: Accounting, Collections, Purchasing and Information Technology. All purchasing requirements such as tenders and purchase orders are coordinated through this division. Finance Division staff also

calculate and levy property taxes, water and sewer billing, electric utility billing and collection of other payments to the City for items like licences, permits and fines.

The Information Technology department brings an enterprise focus to the delivery of services and business solutions to enable the efficiency and effectiveness of City resources. The department ensures the protection and privacy of our citizen, business and government information by implementing IT security solutions of high quality.

The Communications department provides support to improve the effectiveness of internal and external communications, including social media, advertising, media relations, newsletters, brand awareness and acts as a point of contact for the community on several events including those linked to strategic priority initiatives.

The Human Resources department balances the needs of its customers – City managers, supervisors and employees – by developing and

managing corporate programs like recruitment, labour relations, collective bargaining, training, staff development, payroll and benefits. The department fosters good health and wellness among employees through the Wellness Opportunities in the Workplace (WOW) program.

Human Resources also oversees the City's health, safety and emergency preparedness initiatives. In 2013, this included receiving several automatic external defibrillators (AEDs) by donation. These have been placed throughout the City to ensure they are readily available to the public.

## by the numbers

556 job applications were reviewed  
More than 13,000 web visitors  
Over 111,000 transactions processed  
Over 204,000 monthly bills sent







# fire



Training is a critical element of the Penticton Fire Department's work, ensuring firefighters have the necessary skills in the event of emergencies.

The Penticton Fire Department is a dynamic, professional organization consisting of 30 career firefighters and 31 auxiliary firefighters that respond from two stations.

The department's business, financial and statistical operations and administrative processes are performed by the Fire Chief and Deputy Chief.

The department training is coordinated primarily by the Deputy Chief and supplemented by career firefighters with JIBC training, ranging from recruit firefighter training, fire officer, technical rescue, first responder and live fire. The department also conducted swift water training due to the hazard risks within the area.

The fire prevention division provides services that include fire inspections, fire investigation and public education to enhance awareness of fire and life safety issues. In accordance to the B.C. Fire Code, B.C. Building Code and Fire Services Act, the fire inspectors provide code enforcement as local assistants to the Office of the Fire Commissioner.

There were several highlights in 2013. The Britco training building at Station 202 has been utilized for training by both the PFD and the RCMP. The Fire Department Service Review was completed. The department generated revenue from Emergency Management B.C. response (\$5,227.83) and burning permits (\$3197.67). The fire responder agreement was finalized, and the PFD also hosted a successful 2013 B.C. Training Officer Conference and 2013 B.C. Fire Chiefs Conference – when the PFD's new Hub Triple Combination Pumper truck was unveiled.

For the coming year, the PFD will continue to review and implement appropriate recommendations within the service review, including developing a master plan and preparation of a business case for a training centre operations and staff.

Fire protection agreements with the Penticton Indian Band and Airport will be reviewed and updated, as well as the Fire & Life Safety Bylaw. A fee schedule mandated by the Fire Services Act and Fire & Life Safety Bylaw will be implemented for overdue

inspection deficiency violations.

Ice rescue has been recognized as a necessary unit of training, and has since been applied to the 2014 training plan. Nine new members are expected to be added to the auxiliary firefighting staff. Hazardous material training is scheduled for 2014 to deal with chlorine, ammonia and sulphur dioxide incidents.

A rescue truck is also slated for replacement for 2014, requiring the PFD to develop an RFP to obtain competitive pricing. Penticton will also participate with the RDOS to get approval for a superior tank shuttle for low water or no-water areas.

## by the numbers

2,960 calls for service  
2,095 medical response calls  
321 fire alarm activations  
1,455 fire inspections completed  
7,702 children learned about fire safety  
105 burning complaints received  
127 motor vehicle incidents



RCMP GRC

RCMP/GRC  
8:00 am - 5:00 pm  
MONDAY - FRIDAY  
LUNDI - VENDREDI

1168





# police



*Penticton RCMP members work closely with the community to ensure public safety. That involves everything from meeting children in their classroom and being visibly present during events. This year, Supt. Kevin Hewco (second from left) joined the Penticton and South Okanagan RCMP Detachment as the new OIC.*

The Royal Canadian Mounted Police proudly provides policing services to the City of Penticton as part of a greater regional policing responsibility for the South Okanagan and Similkameen Valley, which includes the towns of Summerland, Oliver, Osoyoos, Keremeos and Princeton. The City of Penticton's population is in excess of 15,000 and as such, the City is policed as a "Municipal Contract" with the City contributing 90% towards the cost of policing and the Federal Government contributing the remaining 10%.

The current Detachment strength is 55 police officers and 24 support staff. The Penticton Detachment is "blended," meaning there are City funded sworn police officers (45) as well as provincially funded officers for the surrounding rural area (10). Support is also provided by 22 municipal employees and two provincially funded support staff. This model allows some flexibility to deploy specialized resources when necessary, such as Police Service Dog handlers, Serious Crime, Traffic Enforcement, Community Policing and Crime Prevention Unit, First Nations policing

and Forensic Identification specialists.

These individuals are also supported by a network of community volunteers in a variety of critical service delivery roles. These include volunteer Auxiliary Constables, Citizens on Patrol, Speed Watch, Lock-Out Auto Crime volunteers and others. Their ongoing contributions to their community cannot be overstated.

Looking ahead to 2014, Mayor and Council have endorsed Local Policing Priorities including crime reduction, road safety, community relations, as well as substance abuse and harm reduction.

The Prolific Offender Management program saw significant success during 2013, resulting in noticeable improvement in property crime rates and drug offences.

In terms of road safety, the 2013 traffic safety program concentrated on impaired driver enforcement and the detection and prosecution of "distracted drivers."

Part of the ongoing commitment to

City of Penticton residents is to provide seasonal foot and bicycle patrols of the city core and area parks. This element of community relations and police visibility has resulted in positive feedback from local residents.

For substance abuse and harm reduction, the RCMP continue to seek innovative strategies in partnership with community stakeholders and social services partners to combat the abuse of alcohol and illicit drugs within our community. This involves an integrated approach of education, rehabilitation and enforcement. We strive to maintain a solid working relationship and communications with our local licensed premises owners and operators that also furthers this objective.

## by the numbers

16,105 calls for service  
2,743 Criminal Code offences  
7,000 written notices issued under  
Lockout Auto Crime  
328 tips lodged with Crime Stoppers  
6,500 km driven by Citizens on Patrol







# electric



Providing safe, efficient and reliable electrical service to City customers is a constant job for Electric Utility staff, who work on maintenance and upgrades of electrical infrastructure throughout the year. At times that involves implementing system upgrades, and other times involve responding to unforeseen events – like a family of raccoons that climb a little too far up.

The Electric Utility is responsible for providing safe, efficient and reliable electrical service to residential, commercial and industrial customers within the municipal boundaries of the City of Penticton. The electrical system is comprised of four substations distributing power to customers through a network of 17 feeders operating at either 8,000 volts (8KV) or 12,000 volts (12KV).

Staff are responsible for operating and maintaining the associated electrical infrastructure including: above- and below-ground electrical lines, distribution substations and revenue metering. The department also installs and maintains the City's street lighting and traffic control infrastructure. Staffing changes last year provided an opportunity to complete an organizational review resulting in a new organizational structure and a change to the staff complement to better manage responsibilities and complete work programs.

In 2013, implementation of operating and capital projects in the Electric Utility Master Plan continued. This plan is key in setting current and

future Operational and Capital work plans and budgets, identifying infrastructure requiring servicing and/or upgrading and ensuring that the Utility will be able to accommodate future load growth resulting from development or densification.

Projects addressed in 2013 included: installation of voltage regulator banks on Middle Bench Road and Hudson Street; installation of a new conductor in a portion of the downtown adjacent to Main Street; reconfiguration of the tie point for circuit R2 and R3; construction of a new tie point for circuit R6 and R32; installation of a new cable run on circuit R34; installation of a new ground grid at the Carmi Substation; continued work on the Westminster Substation upgrade; continued voltage conversion project (distribution voltage increase from 8KV to 12KV); installed decorative LED street lighting along the West Okanagan Lake walkway; and continued installation of audible crosswalk signals.

Operational work also included the second phase of a pre-feasibility study for micro-hydro power genera-

tion; initial development of a work practices manual; work on new switching procedures; began work on securing a new Supervisory, Control and Data Acquisition (SCADA) system, installed a PCB storage facility and completed a procedure to test, store and dispose of PCBs.

The Energy Retrofit Loan Program was also launched this year. It is a loan service available for eligible energy efficiency upgrades made by City of Penticton residents who own and occupy their own homes. Examples of improvements include: air sealing, exterior wall insulation, basement insulation, doors and windows. Penticton Electric Utility customers qualify, and must pass a credit check and currently reside in the home being upgraded.

## by the numbers

179 km of overhead power lines  
2,846 distribution transformers  
Over 17,095 active electric meters  
36 full traffic signals  
7 pedestrian lights







# water & waste water



Clean water and safe treatment of waste water requires constant system monitoring and infrastructure upgrades. Both Water Treatment Plant and Advanced Waste Water Treatment Plant staff work to ensure high-quality systems for the citizens, businesses and visitors of Penticton.

A healthy community relies on high-quality, pathogen free water for many uses in our daily lives.

Operating and maintaining the City's Water Treatment Plant, water pump stations and water reservoirs ensures citizens, businesses and visitors receive safe, high-quality water. It also provides fire flow in the event of an emergency.

The treatment plant is operated and maintained by certified operators seven days per week, 365 days a year. All of the Water Treatment Plant staff are provincially certified and highly qualified to ensure the plant follows the Canadian Drinking Water Guidelines.

The WTP treats between 8,200 and 37,000 cubic metres of water every day with a peak capacity of 88,000 cubic metres per day. The WTP is a multi-barrier system that is designed to treat water from two very different sources: Okanagan Lake and Penticton Creek.

Highlights for 2013 included completing the City's responsibilities for

the Sendero Canyon development; equipment optimization initiatives such as PLC and SCADA programming; rebuilding Lake Pump No. 5 and Ridgedale Pump No. 2; replacing the mixer in the sludge holding tank; installing chlorine analyzers in reservoirs; and providing operating and maintenance services to the regional district for the West Bench water system. A watershed protection study was also completed.

The Penticton Advanced Waste Water Treatment Plant (AWWTP) is an industry leading facility that protects public health and the environment by treating wastewater from residences, schools, hospitals, businesses and industries. It also accepts waste water from both private septic systems and the Okanagan Falls treatment plant within the neighbouring regional district area.

Staff is responsible for the operation and maintenance of the plant and 10 lift stations, as well as the generation and disposal of safe by-products.

The AWWTP treats between 10,000 and 16,000 cubic metres of waste

water each day, with a peak capacity of 27,000 cubic metres per day. In 2013 the average citizen of Penticton discharged 347 litres per day into the sanitary sewer. The average cost to treat a cubic metre (1,000 litres) of waste water in 2013 was \$0.43.

In 2013, AWWTP staff replaced several aging elements of the facility, including: gearbox, HVAC systems, return-activated sludge piping, lightning arrestor, online ammonia probe and other building upgrades.

Two Archimedes screw pumps were purchased this year in preparation for next year's installation, and plans to replace the fermenter were initiated to address structural deterioration of the existing tanks.

## by the numbers

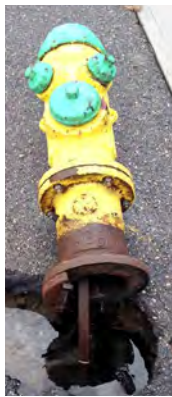
425 samples were tested to make sure water supply is safe  
4 billion litres of waste water received  
436,011 cubic metres of reclaimed water irrigated local parks







# engineering & public works



Engineering and Public Works falls under the Operations Division, which is tasked with the planning, replacement and maintenance of critical City infrastructure like roads, sewers, storm drainage, water pipelines, dams and traffic safety. Vital programs like garbage and recycling collection and transit provision are also handled by this team.

The Engineering Department is responsible for the long range planning, design and construction of the safe, reliable, municipal infrastructure that contributes to a healthy environment and a vibrant community.

The Design group provides professional engineering advice as required including development review for Development Services and also addresses the survey needs for all the City operations. It also provides planning, design and construction management for infrastructure upgrades and maintains associated record documents.

The most visible Engineering Design Group highlight from 2013 included the new waterfront walkway on Okanagan Lake, featuring a path that is consistently four metres from The Peach to the SS Sicamous.

Capital infrastructure improvements included watermain replacement on Woodruff Avenue, Moosejaw Street, Revelstoke Avenue, Kamloops Avenue and Oakville Street, and new storm sewers installed on Seacrest Avenue. Storm drainage improve-

ments and earthworks took place on Townley Street, and Industrial Avenue from Main to Quebec had new sidewalks installed.

Smaller projects in the community included new bike lanes on Warren Avenue, Atkinson Street, Kinney Avenue, Dawson Avenue, Dartmouth Drive and Dartmouth Road. Traffic calming speed humps in the Parkway Elementary School zone were also installed, and the Penticton Golf Course storm attenuation pond system saw rip rap and new outfall pipe put in.

The Public Works Department is responsible for the operation and maintenance of the City infrastructure and for the administration and maintenance of the corporate vehicle and equipment fleet, solid waste and recycle collection, administration of the City's transit system, and the operation of the City Bio-solids Composting Facility.

Infrastructure includes all roads, sanitary sewers, storm drainage, water pipelines, dams and reservoirs necessary to support the normal

operation of our community.

The 2013 Public Work highlights included safety improvements to high-profile bike lanes, spacing of fire hydrants as well as investigations and improvements to the Ellis Creek Dam structures.

Design of the Joy Road Fill and Closure Plan got underway in 2013, and implementation also began. A waterline leak detection program was also implemented.

Eight pieces of fleet equipment were purchased this year, in addition to newly designed street banners.

## by the numbers

City maintains 217 km of asphalt roadway every year  
250 pieces of equipment maintained  
1,080 metres of watermains installed  
541 metres of storm pipe installed  
Over 500 lineal metres of concrete sidewalk installed  
354 agricultural irrigation connections maintained







# economic development



*Economic Development works with businesses to help increase sales and develop regional, national and international markets. This can mean helping the manufacturing sector with skilled labour retention, finding new strategic locations to operate from like FitKidz Gymnastics, promoting emerging opportunities like cycling and supporting entrepreneurs across all sectors.*

The Economic Development Office provides three key functions for City of Penticton businesses. The office acts as the advocate for business and provides advice and guidance to City staff to ensure business friendly policies and bylaws. The office supports the growth of the economy by assisting local businesses to grow and by attracting new residents. Lastly, the office seeks to encourage new business to move to or start in the City of Penticton.

Economic growth comes from helping businesses that serve customers from outside the region to increase sales and through that growth increase employment. The focus of the office is assisting businesses to develop regional, national and international markets. For businesses that serve local customers, the City works with other community organizations such as the Penticton and Wine Country Chamber of Commerce or Community Futures Okanagan Similkameen for services, loans and advocacy.

Highlights from 2013 included leveraging opportunities created by

the Okanagan Correctional Centre, including construction work, contract work and the attraction of new residents. More than 150 businesses registered for work on the Oliver facility.

Work on strategic initiatives including Downtown Revitalization and the Penticton Regional Airport also made ground in 2013.

The Economic Development Office was instrumental in finding a new tenant for 199 Ellis St., also known as the old “Bus Barn” building. This building sat vacant as a site for storage for many years, and was identified as a potential site for increased economic activity during the 2012 Downtown Plan process. As the site was remediated, FitKidz Gymnastics became in need of a new location, and locating the bustling recreational business into the commercial core of the community exposes local businesses to their roster of 700 gymnasts from more than 600 families in the community and surrounding areas.

Presentations to two major airlines occurred in 2013 in an attempt to

attract a new eastern route between Penticton and Alberta.

A key program area to assist in growth of our robust manufacturing sector involved availability of skilled talent, the training requirements for our businesses and the development of new markets. A roundtable between business leaders, government agencies and post-secondary administrators was held to open the dialogue on what local industry requires to address ongoing skilled trades and labour needs.

Looking ahead to 2014, there are several key priority areas – entrepreneurship, skilled trades, resident recruitment, cycling, construction project opportunities and improving access for businesses to City Hall.

## by the numbers

2,940 businesses with licences  
310 new licences issued in 2013  
146 firms registered for work with  
Plenary Justice  
9.4% YOY increase in Penticton  
Regional Airport passengers







# development services



Development Services was open for business in 2013, assisting a building application for Bad Tattoo Brewery in Downtown Penticton (left page), working with Martin Street and Westminster Avenue property owners on revitalization designs (top right) and final approvals of the first phase of Sendero Canyon, Penticton's newest 130-lot subdivision (top centre).

This has been a landmark year for the Development Services Division, after making a great deal of progress on Council strategic priorities.

The Planning & Land Use achieved a significant milestone and had a significant year in 2013, with Council's adoption of the Downtown Plan into the OCP. The group also worked closely with landowners impacted by the Westminster-Martin project area to ensure there was support for the revitalization project. Initiatives around Penticton Creek rehabilitation also moved forward in 2013.

Staff reviewed more than 150 planning applications, and oversaw the final approval of the first phase of the 130 single-family lot subdivision of Sendero Canyon. The department also developed changes to the Sign Bylaw to significantly reduce red tape and processing timelines, as well as a city-wide parking program.

Looking ahead, the Planning team will follow through with Downtown Penticton revitalization, review large-scale neighbourhood plans for Spiller-Reservoir Road and Upper

Wiltse, an affordable housing strategy and OCP housekeeping.

The Land Management department updated a significant amount of leases and licences permitting use of City-owned land, and worked with the federal and provincial governments on permitted land uses. Land administration also provides value information to all City departments for day-to-day duties.

The Building and Licensing department regulates construction and development to safeguard and ensure the health and safety of the public and long term vitality of the City. Single-family housing starts tripled over 2012, and the department maintained high-levels of customer service this year, decreasing permit review times with the implementation of an Express Permit system and a 30-day conditional business licence in conjunction with the Penticton Fire Department. The department held public information workshops and increased the number of publications to foster education around BC Building Code changes introduced in late 2012.

The role of the Business Licences Department is to ensure businesses operate in compliance with safety and zoning regulations. The department records statistical information to assist in Economic Development Office initiatives, and serves as a point of contact for the business community on City bylaws and regulations.

Bylaw Services provides the citizens of Penticton with a variety of services related to regulatory issues. Bylaw Officers work primarily on a complaint-driven basis. They follow up on traffic reports, parking matters, Good Neighbour Bylaw issues relating to things like snow removal, public nuisances, property cleanup and vacant property checks.

## by the numbers

482 building permits issued  
2,900 business licences  
6,665 traffic tickets issued  
19 sidewalk cafes reviewed  
Over 2,830 general inquiries about bylaw enforcement







# parks



Parks works with the community to hold events like a tree planting at the newly created Rotary Peace Park, a pocket park along the KVR Trail. Public consultation was also part of the Cemeteries Master Plan process.

Parks is a branch of the Public Works Department responsible for the development, operation and maintenance of the parks, beaches, sports fields, trails and cemeteries within our community.

Parks, beaches, sports fields and trails are among Penticton's most treasured assets and an important element of the community's superb quality of life, providing beauty and recreational opportunities in the community.

Sunseekers can enjoy miles of warm, sandy beaches and water sport enthusiasts can satisfy their every need. Paved walkways and cycle paths along Okanagan and Skaha beaches or the Kettle Valley Rail Trail attract joggers, cyclists and hikers. Lush parks, high quality sports fields, waterparks, skateparks and sports courts provide endless hours of outdoor fun.

Parks supported more than 40 major special events and tournaments, and was recognized again in the 2013 Penticton Citizen Survey as providing an overall high standard of care on

the diverse infrastructure.

In 2013, playground surface upgrades at Lakawanna Park took place.

For a second straight year Penticton was recognized as a "Green Streets Community" and was awarded \$12,000 from Tree Canada in support of the Rotary Peace Park project. The City of Penticton is one of 25 municipalities from across Canada selected to receive a 2013 grant.

The funding furthered the City's plan for park development and enhancement of the KVR Trail, a historically significant rail corridor that has been given new life as a trail connection between communities in the Okanagan Valley. Sixteen new trees and 150 shrubs were planted in the pocket park adjacent to Penticton High School and KVR Middle School. The new pocket park will support future tree plantings by the Penticton Okanagan Rotary Club, which intends to plant a tree each year in commemoration of a student who participates in the service organization's international student exchange program.

The City of Penticton also commissioned consulting and landscape architect firm Lees and Associates to prepare a Cemeteries Master Plan. This document will guide development, use and provision of a full range of cemetery services in a fiscal and environmentally sustainable manner over the next 25 years. The master plan process consisted of demand/needs analysis, a business plan and design of future land development.

## by the numbers

- 356 acres of public open space were maintained
- 16 sports fields were managed
- 75 acres of turf was mowed
- 75 hanging baskets were supplied for Downtown Penticton
- 110 separate irrigation systems are operated
- More than 25 km of trails and walkways are maintained every year
- Woof! There are 6 off-leash areas for Rover and friends to play in







# recreation



The Recreation Department is responsible for programs and services at the Penticton Community Centre and other recreational facilities like McLaren Arena.

The Recreation Department is responsible for recreation programs and services of the Penticton Community Centre, expanded aquatics facility and outreach programs in the community. The department is also responsible for McLaren Arena programs, bookings and management as well as coordinating bookings of the City's parks, fields and Cleland Theatre.

The team focused on delivering the plans and tactics that were generated from the three-year strategic plan created in 2012. The plan focused on delivering exceptional programs and services that attract, capture and retain customers for a cost recovery of 30% (versus the historical 20%) and increase the net participation while ensuring access for everyone. The department had another successful year, realizing revenues of more than \$2 million and a cost recovery of more than 35%.

Visits to the Community Centre totalled over 541,000 people, which was a 7% increase over 2012. More than 288,000 visits to the pool were recorded in 2013, which was a 2%

increase over the year previous. Public swimming revenues exceeded the budget by \$35,000. Fitness Room revenues exceeded budget by \$45,000, and ultimately an improvement on the budget resulted in \$200,000 subsidy reduction and surplus back to the City.

Last year's success is attributed to a combination of efficiently run programs and services, as well as the introduction of a few new projects and programs. The Penticton Community Centre introduced its first loyalty program called Active. It is a three-tiered membership program designed to best meet the needs of the Community Centre customers. In its inaugural year, the program exceeded expectations with the number of enrolled members, increased participation in programs and generation of a new revenue stream.

Also new to the Recreation Department was the management of city beach, park and street vending. Twenty-seven beach sites were awarded to 19 vendors, two street vending sites were filled and two

concessions up and running, for a total of \$45,000 in revenue.

In 2014, the Recreation Department will continue fiscal responsibility through increasing participation, maximizing revenue and minimizing expenses, while also removing barriers to create access to recreation for everyone in Penticton.

Next year will welcome new initiatives that continue to execute this mandate such as a fees and charges review, a more comprehensive McLaren Arena program plan, assessment of sponsorship opportunities, sales orientation training for staff and a continued focus on the review and analysis of the business.

## by the numbers

541,000 visits to the Penticton Community Centre  
Splish splash! More than 288,000 visits to the pool  
33,000 visits to the Fitness Room







# museum



The Penticton Museum & Archives was bustling with activity in 2013, including offering new and unique exhibits and programs for all ages. The museum is now a recognized institute of the Archival Association of B.C., and this was showcased during the “You Are Here” exhibit that ran from April to August last year.

Activity throughout the Penticton Museum & Archives for 2013 was highlighted by an almost equal sharing of focus amongst its four main areas of operations: exhibits, programs, archives and collections.

In 2013, the Penticton Museum had completed its five-year master plan, allowing the museum to focus on achieving a new set of curatorial and programming activities to meet the community’s projected heritage and cultural needs brought about by the recognition of important centennial anniversaries in 2014 and 2015.

One of the key milestones was the final granting of Institutional Membership status to the Penticton Museum and Archives by the Archival Association of B.C. The museum celebrated the occasion by presenting an exhibit from March to August 2013 called “You Are Here: An Exploration of Lives, Memories and Archives.” This unique exhibit explored the variety and value of the museum’s archival collection through the history of five Penticton families who have made the area around Penticton their home for over nine

decades. In tandem with the exhibit, the museum launched the Local Lore Project, which documents the history of as many local residents as possible by inviting the public to map their own family history through a Local Lore manual and guide.

A second highlight of the year was the installation of the quirky exhibit “Tales from the Back Bumper – the History of the Licence Plate,” which ran in the Atkinson Gallery from September to December 2013. The exhibit highlighted a seemingly mundane object like a licence plate and deconstruct the identity of a whole region through its short history, as well as its relationship to one of the most iconic of 20th century objects, the automobile.

A third highlight was the enhanced role the Penticton Museum played in developing a two-year project to recognize the centennial of the launching of the SS Sicamous stern-wheeler in 1914 and the opening of the Kettle Valley Railway in 1915. This project is known as Steamfest, and starting in May 2014, this 18-month long combination of events, exhibits,

performances and culinary celebrations recognizing the character and history of the South Okanagan and remembering the impact of steam transport.

With regards to youth and school programs, the museum continues to market and deliver over 50 programs through its Curator Kids programs covering such activities as natural history tours, pioneer re-enactments, gold mining, first nation pre-history, collections analysis, astronomy and laboratory sciences. Several exhibits are planned, with the first Steamfest exhibit set for installation in August.

A new instructional program called the Penticton Smith Works Project will explore traditional methods of artisanal practice.

## by the numbers

20,000 people visited the museum  
30 Brown Bag lectures delivered  
19,000 artifacts were catalogued and photographed  
55 school groups joined Curator Kids









# city of penticton

**2013 financial statements**





# chief financial officer's report



June 23, 2014

Your Worship and Members of Council:

I am pleased to submit the City of Penticton's 2013 Annual Financial Report for the year ended December 31, 2013, as required by Sections 98 and 167 of the Community Charter. The report includes the Auditor's Report, the 2013 audited financial statements and supplementary information for the City of Penticton.

The financial statements for the year ended December 31, 2013 were prepared by City staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Management is responsible for implementing and maintaining a system of internal controls to ensure that reliable financial statements and schedules are prepared and that these statements are consistent with other reporting requirements as part of the Financial Information Act. These statements were audited by BDO Canada LLP and their responsibility was to express an opinion based on the results of the audit. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements were free of material error or misstatement. The statements have been reviewed by the City's Fiscal Review Advisory Committee to ensure they are comprehensive, reliable and understandable.

The City strengthened its financial position in 2013 with accumulated surplus increasing by \$197,000 to approximately \$5.2 million. This contribution to surplus was due in large part to a change in accounting standards regarding traffic fine revenue sharing. Excluding this change, results from operations saw net expenditures exceed revenues by \$111,000 resulting in a net draw down of general surplus reserves. On a budget of \$80 million for 2013, these results indicate the City was in line with the budget and reflects in today's environment of fiscal accountability, a set of core corporate values in the development of a sustainable City where services are delivered efficiently and effectively. The Annual Report provides an opportunity to communicate with stakeholders and other report users on the City's 2013 financial performance along with related information on projects and financial strategies. Continuing to focus on current economic conditions with a long-term strategic planning view will align the financial capacity with community service requirements.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Colin Fisher', written over a light blue horizontal line.

Colin Fisher, CGA  
Chief Financial Officer



# **The Corporation of the City of Penticton British Columbia**

**Consolidated Financial Statements**

**December 31, 2013**





Tel: 250 492 6020  
Fax: 250 492 8110  
www.bdo.ca

BDO Canada LLP  
102 - 100 Front Street  
Penticton BC V2A 1H1 Canada

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## Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of The Corporation of the City of Penticton, which comprises the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Penticton as at December 31, 2013 and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Public Sector Accounting Standards.

*BDO CANADA LLP*

Chartered Accountants

Penticton, British Columbia  
June 23, 2014



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ -	\$ 2,838,041
Term Deposits (Note 2)	64,881,844	56,751,493
Accounts Receivable (Note 3)	9,493,038	7,337,791
Land Inventory Held for Resale (Note 14)	2,397,891	2,397,891
	<u>76,772,773</u>	<u>69,325,216</u>
<b>FINANCIAL LIABILITIES</b>		
Bank Indebtedness (Note 12)	490,162	-
Development Cost Charges Reserve Fund (Note 4)	7,345,974	5,207,190
Accounts Payable and Accrued Liabilities	11,594,785	13,063,946
Deferred Revenue	4,226,178	5,029,416
Deposits	2,295,836	2,066,832
Penticton Public Library	70,479	17,064
Municipal Finance Authority (See Debt Issued and Outstanding Sch.) (Note 9)	60,295,264	67,599,365
	<u>86,318,678</u>	<u>92,983,813</u>
<b>NET DEBT</b>	<b>\$ (9,545,905)</b>	<b>\$ (23,658,597)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 10)	\$313,085,090	\$317,985,530
Inventory	2,987,262	3,018,884
Prepaid Expenses	851,919	524,264
	<u>316,924,271</u>	<u>321,528,678</u>
<b>ACCUMULATED SURPLUS</b>	<b><u>\$307,378,366</u></b>	<b><u>\$297,870,081</u></b>

See accompanying notes to the Consolidated Financial Statements.

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2013**

	<b>2013 Budget</b>	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>			
Taxation	\$ 27,255,738	\$ 27,165,495	\$ 27,118,225
Sales of Services	58,106,312	55,388,805	50,041,366
Government Grants and Transfers	2,822,320	3,103,163	2,021,279
Other Revenue	9,669,369	11,466,351	11,427,780
Other Contributions	149,536	1,021,237	396,267
Gain on Sale of Assets	-	199,386	181,307
	<u>98,003,275</u>	<u>98,344,437</u>	<u>91,186,224</u>
<b>EXPENDITURE (Note 11)</b>			
General Government	7,746,930	12,934,613	13,016,672
Protective Services	12,685,004	13,639,507	12,553,889
Transportation Services	5,882,625	8,962,583	9,251,604
Environmental Health Services	1,325,438	1,219,342	1,234,419
Public Health and Safety	303,300	314,173	271,448
Environmental Development Services	2,919,593	2,655,757	1,927,885
Recreation and Culture	11,303,744	11,805,661	11,333,332
Electrical Supply	29,639,975	29,617,828	27,284,013
Sewer System Utility	3,451,439	3,879,867	3,807,362
Water Utility Services	3,619,310	3,806,821	3,753,283
	<u>78,877,358</u>	<u>88,836,152</u>	<u>84,433,907</u>
<b>ANNUAL SURPLUS</b>	19,125,917	9,508,285	6,752,317
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>297,870,081</u>	<u>297,870,081</u>	<u>291,117,764</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$316,995,998</u>	<u>\$307,378,366</u>	<u>\$297,870,081</u>

See accompanying notes to the Consolidated Financial Statements.



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Annual surplus	\$ 9,508,285	\$ 6,752,317
Acquisition of Tangible Capital Assets	(8,559,790)	(10,677,384)
Amortization of Tangible Capital Assets	12,624,531	12,495,609
Disposal of Tangible Capital Assets	835,699	33,600
	<u>14,408,725</u>	<u>8,604,142</u>
Change in Prepaid Expenses	(327,655)	108,484
Consumption of Supplies Inventories	31,622	(445,101)
	<u>(296,033)</u>	<u>(336,617)</u>
<b>Decrease in Net Debt</b>	14,112,692	8,267,525
<b>Net Debt, Beginning of Year</b>	(23,658,597)	(31,926,122)
<b>Net Debt, End of Year</b>	<u>\$ (9,545,905)</u>	<u>\$ (23,658,597)</u>

See accompanying notes to the Consolidated Financial Statements.

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA****CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>Operating Transactions</b>		
Annual Surplus	\$ 9,508,285	\$ 6,752,317
<b>Change in Non-Cash Operating Items</b>		
Decrease (increase) in Accounts Receivable	(2,155,246)	4,081,577
Increase in Trade Accounts Payable and Accrued Liabilities	148,802	101,326
(Increase) decrease in Prepaid Expenses	(327,655)	108,482
(Increase) decrease in Inventory	31,622	(445,100)
Asset Disposal	835,699	33,600
Amortization	<u>12,624,531</u>	<u>12,495,609</u>
	<u>11,157,753</u>	<u>16,375,494</u>
Cash Provided by Operating Activities	20,666,038	23,127,811
<b>Capital Transactions</b>		
Cash Used to Acquire Tangible Capital Assets	(8,559,790)	(10,677,384)
<b>Financing Transactions</b>		
Debt Repayment	(7,304,100)	(6,875,056)
<b>Investing Transactions</b>		
Increase in Term Deposits	<u>(8,130,351)</u>	<u>(2,711,878)</u>
Change in Cash	(3,328,203)	2,863,493
Cash and Bank Indebtedness, Beginning of Year	<u>2,838,041</u>	<u>(25,452)</u>
Cash and Bank Indebtedness, End of Year	<u>\$ (490,162)</u>	<u>\$ 2,838,041</u>

See accompanying notes to the Consolidated Financial Statements.



# **THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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## **SIGNIFICANT ACCOUNTING POLICIES DECEMBER 31, 2013**

### **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 Canadian Institute of Chartered Accountants. 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.

### **Interfund Balances and Transactions**

All material interfund transactions and balances have been eliminated within the Consolidated Financial Statements.

### **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 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 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.

#### **Fee for Service**

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

# **THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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## **SIGNIFICANT ACCOUNTING POLICIES**

**DECEMBER 31, 2013**

### **Financial Instruments**

The City's financial instruments consist of cash and term deposits, accounts receivable, accrued interest receivable, Municipal Finance Authority, bank indebtedness, trade accounts payable and accrued liabilities, deposits and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

### **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. 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	10 to 100 years
Sewer Infrastructure	10 to 100 years
Electrical Infrastructure	20 to 25 years
Parks and Recreation Infrastructure	10 to 50 years
Vehicles	5 to 20 years
Furniture and Equipment	10 to 15 years
Computer Hardware and Software	4 to 10 years

### **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.



## **THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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### **SIGNIFICANT ACCOUNTING POLICIES DECEMBER 31, 2013**

#### **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.

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**1. Change in Accounting Policy**

During the year the City adopted two new public sector accounting standards both of which were adopted without restatement of prior year comparative figures as follows:

Government transfers – which recognizes the transfer as revenue when the funds are received unless there are stipulations that give rise to an obligation that meets the definition of a liability. As a result of adopting this standard in the current year, the amount previously deferred at December 31, 2012 of \$419,879 (without having a stipulation that gave rise to a liability) was recognized as revenue as of January 1, 2013 in the Consolidated Statement of Operations.

Tax revenue – recognizes taxes as an asset and revenue once they have met the definition of an asset and taxes are levied, furthermore, taxes are subsequently evaluated for collectability. No changes were necessary to the December 31, 2013 assets or revenues as a result of this change in accounting policy.

**2. Term Deposits**

	Amount	Effective Interest Rate (%)	Maturity Date
Valley First Credit	\$ 5,066,678	1.90	May 17, 2014
Valley First Credit	2,500,000	1.85	July 29, 2014
Valley First Credit	10,000,000	1.90	August 01, 2014
Valley First Credit	7,171,049	1.95	November 29, 2014
Valley First Credit	10,418,988	1.95	November 29, 2014
Valley First Credit	5,000,000	1.95	December 04, 2013
Municipal Finance Authority	24,725,129	2.40	December 31, 2014
	<u>\$ 64,881,844</u>		

**3. Accounts Receivable**

	2013	2012
Property Taxes	\$ 1,388,804	\$ 1,322,244
Other Receivables	1,609,770	1,544,303
Federal Government	465,736	654,952
Provincial Government	1,149,418	1,193,881
Regional District Okanagan Similkameen	26,122	44,203
Other Government Agencies	1,521,786	8,000
Utility Rates Receivable	3,106,912	2,456,530
Accrued Interest Receivable	183,580	113,678
Cemetery Trust Fund Receivable	40,910	-
	<u>\$ 9,493,038</u>	<u>\$ 7,337,791</u>



# THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2013

### 4. Development Cost Charges Reserve Fund (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.

	<u>2013</u>	<u>2012</u>
<b>DCC by Type</b>		
Roads DCC	\$ 694,822	\$ 242,921
Reserve for guarantees, warranties or indemnities	128,999	81,496
Drainage DCC	279,537	562,035
Waste Water DCC	4,682,372	3,419,532
Water DCC	<u>1,560,244</u>	<u>901,206</u>
	<u>\$ 7,345,974</u>	<u>\$ 5,207,190</u>
<b>DCC Activity</b>		
Balance, Beginning of Year	\$ 5,207,190	\$ 4,923,199
Return on Investments	110,600	84,916
DCCs Levied in the Year	2,515,156	517,125
Transfers to General Operating	<u>(486,972)</u>	<u>(318,050)</u>
	<u>\$ 7,345,974</u>	<u>\$ 5,207,190</u>

### 5. Development Cost Charges

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 provision 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 2013, \$23,579 (2012 - \$1,797) of Economic Incentive tax exemptions were granted. In addition, Council approved \$359,070 (2012 - \$11,396) in DCC reductions in 2013.

### 6. Pension Liability

The City and its employees contribute to the Municipal Pension Plan (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 the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 258 contributors from the City of Penticton.

The latest valuation as at December 31, 2012 indicated a unfunded liability of \$1.370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

## **THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2013**

#### **6. Pension Liability continued**

The City of Penticton paid \$1,485,869 (2012 - \$1,485,197) for employer contributions to the Plan in fiscal 2013.

#### **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, 2013, the long term debt of the Regional District aggregated \$98,708,795 (2012 - \$107,166,215).

##### **b. Legal Actions**

As at December 31, 2013, certain legal actions are pending against the City as follows:

1. The City is aware of various liens registered against the City owned properties located at 903-969 Eckhardt Ave W. These liens were filed by various companies engaged by the third party purchaser of the same properties who subsequently defaulted on the purchase. These companies were not paid and they filed liens against the properties. Twelve liens were filed representing claims totaling \$2,111,921.90. Since then, and within the one year limitation period under the Builders Lien Act, five lien claimants had started legal actions against various parties, including the City, and filed certificates of pending litigation ("CPL") against the properties. One claimant has subsequently abandoned its lien claim and discontinued its action. The remaining four claims remain alive with the value of these lien claims totaling \$1,043,731. It is unknown at this time the likely outcome; however, damages could reach \$104,000, which is 10% of the total claims still being advanced. \$317,212 is being held in trust by the City's legal counsel pending settlement of these claims.
2. The City of Penticton has been named a party to an action related to the construction of the indoor soccer facility with respect to deficiencies in the physical durability of the outer covering. Expected exposure relates to costs which cannot be reasonably estimated at this time. Given the uncertainty of the amount and likelihood of the claim, no accrual has been recorded in regards to these costs.
3. The City of Penticton has been named a party to an action with respect to the City's operation of the Carmi Landfill on lands now owned by the Plaintiff. The Plaintiff alleges that the City is liable for remediation of the contamination and seeks damages for negligence, trespass and nuisance but expected exposure cannot be reasonably estimated at this time. The action has been placed in abeyance while the Plaintiff completes further environmental studies. The amount of the claim is unspecified. Given the uncertainty of the amount and likelihood of the claim, no accrual has been recorded in regards to these costs.
4. The City of Penticton has been named a party to an action with respect to a claim filed with the Expropriation Compensation Board claiming constructive expropriation and injurious affection arising from the Campbell Mountain Landfill, and in particular, methane gas emissions from the landfill. The City filed its Statement of Defense in 2000 and the claim has not moved forward for some time. Expected exposure cannot be reasonably estimated at this time. Given the uncertainty of the amount and likelihood of the claim, no accrual has been recorded in regards to these costs.



## **THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2013**

#### **7. Contingent Liabilities continued**

##### **b. Legal Actions continued**

5. That the City, as the licensee, has entered into a license agreement with Team Challenge GMBH to host an international, world-class long distance triathlon in the City of Penticton. Under the terms of that License Agreement, the City is contractually obliged to host and, either on its own or through a third party society, organize and execute the Challenge Event. The City is contractually obliged to impose all obligations of the City under the License Agreement upon the Penticton Triathlon Race Society through a written contract. Under the terms of the License Agreement, the City is entitled to charge potential participants of the Challenge Event registration fees. The Delivery of Services Agreement with the Penticton Triathlon Race Society acknowledges that the assets of the Society shall at all times be the property solely of the City notwithstanding that the Society may have paid directly for the said property and that title thereto shall not pass to the Society. All assets of the Society of every kind and description including intellectual property will remain solely the property of the City of Penticton. At the expiration of the Term of the Agreement, the Society shall deliver to the City the assets of the Society and there is a possibility the City may assume some of the responsibility for some of the outstanding liabilities.

6. The City of Penticton filed a Petition against the Penticton Hospitality Association (PHA) on January 24, 2014 in the Penticton Registry of the BC Supreme Court, the hearing on the petition proceeding in Kelowna March 18, 2014 to March 20, 2014. The City is awaiting a decision on the petition and there is a possibility that the City would be obliged to pay the PHA's legal costs in the event the City is unsuccessful. As at December 31, 2013 the City held \$215,708 MRDT and is reflected in the General Revenue Fund Statement of Financial Position as well as the Consolidated Statement of Financial Position.

##### **c. General Contingencies**

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

#### **8. Letters of Credit**

In addition to the performance deposits reflected in the Consolidated Statement of Financial Position, the City is holding irrevocable Letters of Credit in the amount of \$2,076,837 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.

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**9. Net Long Term Debt**

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

	<u>2013</u>	<u>2012</u>
Municipal Finance Authority (See Debt Issued and Outstanding Sch.)	<u>\$ 60,295,264</u>	<u>\$ 67,599,365</u>

Principal repayments relating to net long term debt of \$60,295,264 outstanding are due as follows (in thousands):

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Thereafter</u>
General Fund	\$ 3,225	\$ 3,226	\$ 3,228	\$ 3,229	\$ 3,230	\$ 19,792
Sewer Fund	575	575	575	575	575	10,732
Water Fund	549	549	458	422	422	8,358
	<u>\$ 4,349</u>	<u>\$ 4,350</u>	<u>\$ 4,261</u>	<u>\$ 4,226</u>	<u>\$ 4,227</u>	<u>\$ 38,882</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 4%. The 2013 earnings in the Sinking Fund were calculated to be \$1,449,371 and are included in Other Revenue on the Consolidated Statement of Operations.

**10. Tangible Capital Assets**

In 2013 the City of Penticton incurred \$11,021,701 of Capital Expenditures. The Tangible Capital Asset Policy requires that capital expenditures beneath a specified threshold are not capitalized. The total amount capitalized in accordance with the TCA Policy is \$8,559,790 for 2013. The amount of Capital purchases below the TCA threshold that were expensed within the Consolidated Statement of Operations were \$2,461,911.



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**10. Tangible Capital Assets continued**

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Sewer Infrastructure</u>	<u>Water Infrastructure</u>	<u>Electrical Infrastructure</u>	<u>Roads</u>	<u>Construction in Progress</u>	<u>2013 Total</u>
<b>COST</b>									
Opening Balance	\$ 46,295,256	\$ 160,420,594	\$ 32,457,417	\$ 47,414,746	\$ 45,986,506	\$ 63,313,159	\$ 71,807,715	\$ 1,709,000	\$ 469,404,393
Add: Additions	52,250	799,316	2,162,879	337,525	778,378	546,840	692,597	3,190,005	8,559,790
Less: Disposals	775,116	49,961	342,852	-	-	-	151,286	-	1,319,215
	<u>45,572,390</u>	<u>161,169,949</u>	<u>34,277,444</u>	<u>47,752,271</u>	<u>46,764,884</u>	<u>63,859,999</u>	<u>72,349,026</u>	<u>4,899,005</u>	<u>476,644,968</u>
<b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	48,363,627	19,387,407	5,374,541	15,653,596	25,865,589	36,774,103	-	151,418,863
Add: Amortization	-	4,871,618	1,850,636	955,480	711,703	2,080,908	2,154,186	-	12,624,531
Less: Acc Amortization on Disposals	-	49,961	310,352	-	-	-	123,203	-	483,516
	<u>-</u>	<u>53,185,284</u>	<u>20,927,691</u>	<u>6,330,021</u>	<u>16,365,299</u>	<u>27,946,497</u>	<u>38,805,086</u>	<u>-</u>	<u>163,559,878</u>
<b>Net Book Value for Year Ended Dec. 31, 2013</b>	<u>\$ 45,572,390</u>	<u>\$ 107,984,665</u>	<u>\$ 13,349,753</u>	<u>\$ 41,422,250</u>	<u>\$ 30,399,585</u>	<u>\$ 35,913,502</u>	<u>\$ 33,543,940</u>	<u>\$ 4,899,005</u>	<u>\$ 313,085,090</u>

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Sewer Infrastructure</u>	<u>Water Infrastructure</u>	<u>Electrical Infrastructure</u>	<u>Roads</u>	<u>Construction in Progress</u>	<u>2012 Total</u>
<b>COST</b>									
Opening Balance	\$ 46,297,856	\$ 159,557,680	\$ 29,722,252	\$ 21,180,352	\$ 42,582,178	\$ 61,869,148	\$ 71,090,417	\$ 27,068,766	\$ 459,368,649
Add: Additions	-	923,276	2,619,902	1,568,569	3,404,328	1,444,011	717,298	-	10,677,384
Add: Trsf to/from Construction in Progress	-	-	693,941	24,665,825	-	-	-	(25,359,766)	-
Less: Disposals	2,600	60,362	578,678	-	-	-	-	-	641,640
	<u>46,295,256</u>	<u>160,420,594</u>	<u>32,457,417</u>	<u>47,414,746</u>	<u>45,986,506</u>	<u>63,313,159</u>	<u>71,807,715</u>	<u>1,709,000</u>	<u>469,404,393</u>
<b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	43,533,986	18,206,322	4,423,561	14,952,873	23,805,571	34,608,981	-	139,531,294
Add: Amortization	-	4,890,003	1,728,763	950,980	700,723	2,060,018	2,165,122	-	12,495,609
Less: Acc Amortization on Disposals	-	60,362	547,678	-	-	-	-	-	608,040
	<u>-</u>	<u>48,363,627</u>	<u>19,387,407</u>	<u>5,374,541</u>	<u>15,653,596</u>	<u>25,865,589</u>	<u>36,774,103</u>	<u>-</u>	<u>151,418,863</u>
<b>Net Book Value for Year Ended Dec. 31, 2012</b>	<u>\$ 46,295,256</u>	<u>\$ 112,056,967</u>	<u>\$ 13,070,010</u>	<u>\$ 42,040,205</u>	<u>\$ 30,332,910</u>	<u>\$ 37,447,570</u>	<u>\$ 35,033,612</u>	<u>\$ 1,709,000</u>	<u>\$ 317,985,530</u>

# THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2013

### 11. Reporting by Object

	<u>2013</u>	<u>2012</u>
Salaries and Benefits	\$ 19,388,911	\$ 16,037,407
Goods and Services	39,361,613	39,306,242
Interest	4,455,138	4,483,819
Amortization of Tangible Capital Assets	12,624,531	12,495,609
Other Expenses	3,062,963	3,266,326
Vehicle and Equipment Maintenance	3,814,541	3,194,406
Policing Agreement	6,128,455	5,650,098
	<u>\$ 88,836,152</u>	<u>\$ 84,433,907</u>

### 12. Credit Facilities

#### a. Line of Credit

The City holds a \$5,000,000 line of credit with the Valley First Credit Union. This line of credit has a borrowing rate of prime and is secured by the Revenue Anticipation Borrowing Bylaw 2011 No. 5003. There is currently no balance or amount outstanding.

#### b. Bank Indebtedness

The City holds a \$3,480,000 EFT limit.

### 13. Municipal Finance Authority

Cash Deposits and Demand Notes - The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture 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, 2013 the Debt Reserve Fund demand note requirements were \$3,534,669 (2012 - \$4,416,699). In addition, cash deposits totaling \$1,179,657 (2012 - \$1,244,321) were held by the MFA.

### 14. Land Inventory Held for Re-Sale

Land inventory held for re-sale is recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the Consolidated Statement of Financial Position date.

Land inventory held for re-sale consists of vacant lots along Eckhardt Avenue and is carried at cost of \$2,397,891 on the Consolidated Statement of Financial Position.



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**15. Budget**

The Financial Plan (Budget) Bylaw adopted by Council on December 17, 2012 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use surpluses 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 statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council with adjustments as follows:

	<u>2013</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ -
<b>Add:</b>	
Transfer to Funds/Reserves	12,824,976
Debt Principal Repayments	5,852,327
Budgeted Capital Expenditures	14,415,998
<b>Less:</b>	
Budgeted Transfers from Surplus	<u>13,967,384</u>
<b>Budget Surplus per Statement of Operations</b>	<u><u>\$ 19,125,917</u></u>

**16. Transfers From Other Governments**

	<u>2013</u>	<u>2012</u>
Gas tax strategic priorities fund-West Okanagan Lake waterfront	\$ 1,202,615	\$ -
Gas tax community works fund	907,138	907,538
Traffic fine revenue sharing	733,142	415,000
Okanagan Basin Water Board grants	219,795	407,686
Community Sport & Development grant	-	138,694
Local Motion grant	-	47,250
Miscellaneous	40,473	105,111
	<u>\$ 3,103,163</u>	<u>\$ 2,021,279</u>

**17. Comparative Figures**

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

**18. 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:

# **THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2013**

### **18. Segmented Information continued**

#### **General Government Services**

This segment includes all of the revenues and expenses that relate to the operations of the City itself and cannot be directly attributed to a specific segment.

#### **Protective Services**

Protection is comprised of police services and fire protection. 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 providing the City's transit services.

#### **Environmental Health Services**

Environmental services consists of providing waste disposal to citizens.

#### **Public Health and Safety**

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities.

#### **Environmental Development Services**

This segment includes city planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

#### **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.

#### **Electrical Supply**

This segment includes all of the operating activities related to the supply of the City's electricity.

#### **Sewer System Utility**

This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the City.

#### **Water Utility Services**

This segment includes all of the operating activities related to the treatment and distribution of water throughout the City.



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**SCHEDULE OF SEGMENT DISCLOSURE  
DECEMBER 31, 2013**

	<u>General Government Services</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Health Services</u>	<u>Public Health and Safety</u>	<u>Environmental Development Services</u>	<u>Recreation and Culture</u>	<u>Electrical Supply</u>	<u>Sewer System Utility</u>	<u>Water Utility Services</u>	<u>2013 Total</u>
<b>REVENUE</b>											
Taxation	\$ 25,817,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,347,799	\$ -	\$ 27,165,495
Sales of Services	2,640,181	944,645	1,005,608	1,812,792	263,709	136,739	1,987,083	36,247,860	4,000,853	6,349,335	55,388,805
Government Grants and Transfers	1,675,665	-	1,202,615	-	-	-	5,088	-	203,773	16,022	3,103,163
Other Revenue	11,346,682	1,373	8,951	-	(118)	70,059	4,693	5,524	11,984	17,203	11,466,351
Other Contributions	129,307	-	640,148	-	-	-	123,255	101,703	(6,629)	33,453	1,021,237
Gain on Sale of TCA	199,386	-	-	-	-	-	-	-	-	-	199,386
	<u>41,808,917</u>	<u>946,018</u>	<u>2,857,322</u>	<u>1,812,792</u>	<u>263,591</u>	<u>206,798</u>	<u>2,120,119</u>	<u>36,355,087</u>	<u>5,557,780</u>	<u>6,416,013</u>	<u>98,344,437</u>
<b>EXPENDITURE</b>											
Salaries and Benefits	2,814,837	6,548,487	2,201,575	1,363	8,863	1,007,326	3,648,223	1,074,067	1,055,768	1,028,402	19,388,911
Goods and Services	1,514,160	725,677	2,284,573	1,217,763	174,336	1,184,420	4,317,638	26,136,523	799,199	1,007,324	39,361,613
Interest	(42,166)	126,000	193,045	-	128,750	-	2,545,128	-	769,671	734,710	4,455,138
Amortization of Tangible Capital Assets	6,722,254	-	2,154,186	-	-	-	-	2,080,908	955,480	711,703	12,624,531
Other Expenses	1,606,737	17,470	(5,508)	-	-	457,167	986,899	-	198	-	3,062,963
Vehicle and Equipment Maintenance	318,791	93,418	2,134,712	216	2,224	6,844	307,773	326,330	299,551	324,682	3,814,541
Policing Agreement	-	6,128,455	-	-	-	-	-	-	-	-	6,128,455
	<u>12,934,613</u>	<u>13,639,507</u>	<u>8,962,583</u>	<u>1,219,342</u>	<u>314,173</u>	<u>2,655,757</u>	<u>11,805,661</u>	<u>29,617,828</u>	<u>3,879,867</u>	<u>3,806,821</u>	<u>88,836,152</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 28,874,304</u>	<u>\$ (12,693,489)</u>	<u>\$ (6,105,261)</u>	<u>\$ 593,450</u>	<u>\$ (50,582)</u>	<u>\$ (2,448,959)</u>	<u>\$(9,685,542)</u>	<u>\$ 6,737,259</u>	<u>\$ 1,677,913</u>	<u>\$ 2,609,192</u>	<u>\$ 9,508,285</u>

See accompanying notes to the Consolidated Financial Statements.

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**SCHEDULE OF SEGMENT DISCLOSURE  
DECEMBER 31, 2012**

	<u>General Government Services</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Health Services</u>	<u>Public Health and Safety</u>	<u>Environmental Development Services</u>	<u>Recreation and Culture</u>	<u>Electrical Supply</u>	<u>Sewer System Utility</u>	<u>Water Utility Services</u>	<u>2012 Total</u>
<b>REVENUE</b>											
Taxation	\$ 25,769,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,348,283	\$ -	\$ 27,118,225
Sales of Services	2,039,389	772,997	998,047	1,528,961	203,656	172,479	1,902,520	32,386,657	3,957,828	6,078,832	50,041,366
Government Grants and Transfers	2,021,279	-	-	-	-	-	-	-	-	-	2,021,279
Other Revenue	11,039,541	-	-	-	-	-	-	-	292,554	95,685	11,427,780
Other Contributions	-	-	-	-	-	-	-	197,776	72,310	126,181	396,267
Gain on Sale of TCA	181,307	-	-	-	-	-	-	-	-	-	181,307
	<u>41,051,458</u>	<u>772,997</u>	<u>998,047</u>	<u>1,528,961</u>	<u>203,656</u>	<u>172,479</u>	<u>1,902,520</u>	<u>32,584,433</u>	<u>5,670,975</u>	<u>6,300,698</u>	<u>91,186,224</u>
<b>EXPENDITURE</b>											
Salaries and Benefits	3,263,263	5,975,276	615,743	34,634	-	723,727	3,011,870	742,639	1,008,296	661,959	16,037,407
Goods and Services	2,514,632	503,720	2,839,513	1,199,785	142,698	922,073	4,742,170	24,306,620	868,837	1,266,194	39,306,242
Interest	(20,437)	126,000	193,045	-	128,750	-	2,548,216	-	769,806	738,439	4,483,819
Amortization of Tangible Capital Assets	4,890,003	-	3,893,885	-	-	-	-	2,060,018	950,980	700,723	12,495,609
Other Expenses	2,024,022	15,920	-	-	-	270,593	955,791	-	-	-	3,266,326
Vehicle and Equipment Maintenance	345,189	282,875	1,709,418	-	-	11,492	75,285	174,736	209,443	385,968	3,194,406
Policing Agreement	-	5,650,098	-	-	-	-	-	-	-	-	5,650,098
	<u>13,016,672</u>	<u>12,553,889</u>	<u>9,251,604</u>	<u>1,234,419</u>	<u>271,448</u>	<u>1,927,885</u>	<u>11,333,332</u>	<u>27,284,013</u>	<u>3,807,362</u>	<u>3,753,283</u>	<u>84,433,907</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ 28,034,786</u>	<u>\$ (11,780,892)</u>	<u>\$ (8,253,557)</u>	<u>\$ 294,542</u>	<u>\$ (67,792)</u>	<u>\$ (1,755,406)</u>	<u>\$ (9,430,812)</u>	<u>\$ 5,300,420</u>	<u>\$ 1,863,613</u>	<u>\$ 2,547,415</u>	<u>\$ 6,752,317</u>

See accompanying notes to the Consolidated Financial Statements.





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BDO Canada LLP  
102 - 100 Front Street  
Penticton BC V2A 1H1 Canada

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## Independent Auditor's Comments on Supplementary Information

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

We have audited the consolidated financial statements of The Corporation of the City of Penticton, which comprise the consolidated statement of financial position as at December 31, 2013 and consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued our report thereon dated June 23, 2014. This report contained an unmodified opinion on the consolidated financial statements as a whole. The following supplemental financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

*BDO CANADA LLP*

Chartered Accountants

Penticton, British Columbia  
June 23, 2014

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**GENERAL REVENUE FUND  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

	<b>2013 Budget</b>	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>			
Taxation	\$ 25,906,851	\$ 25,817,696	\$ 25,772,935
Sales of Services	11,055,450	11,653,758	10,605,362
Government Grants and Transfers	2,619,000	1,680,752	1,444,901
Transfer From Other Funds/Reserves	10,737,632	8,342,624	6,396,940
Other Revenue	9,669,369	9,971,209	10,168,067
Other Contributions	-	901,411	-
Sale of Assets	-	974,501	-
Collections For other Governments	20,689,385	19,935,708	19,742,695
	<u>80,677,687</u>	<u>79,277,659</u>	<u>74,130,900</u>
<b>EXPENDITURE</b>			
Salaries and Benefits	15,275,527	16,230,674	13,624,513
Goods and Services	11,135,862	11,418,567	11,865,779
Interest	2,992,921	2,950,757	2,958,191
Principal Payments	4,700,290	4,700,291	4,698,766
Other Expenses	3,505,750	3,062,765	3,283,707
Vehicle and Equipment Maintenance	2,762,103	2,863,979	2,424,258
Policing Agreement	6,492,067	6,128,455	5,650,098
Transfer to Other Funds/Reserves	13,123,782	11,789,056	9,171,270
Transfers to Other Governments	20,689,385	19,935,708	19,745,688
	<u>80,677,687</u>	<u>79,080,252</u>	<u>73,422,270</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<u>-</u>	<u>197,407</u>	<u>708,630</u>
<b>CHANGE IN FUND BALANCES</b>	-	197,407	708,630
<b>FUND BALANCES, BEGINNING OF YEAR</b>	5,015,259	5,015,259	4,306,629
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 5,015,259</u>	<u>\$ 5,212,666</u>	<u>\$ 5,015,259</u>



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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**RESERVE FUNDS  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

	<u>2013</u>	<u>2012</u>
Balance, Beginning of Year	\$ 12,581,839	\$ 13,545,025
Add		
Transfers from:		
Revenue Funds	3,235,848	2,097,636
Interest Earned	207,269	197,684
Deduct		
Transfers to:		
Capital Funds	<u>1,929,757</u>	<u>3,258,506</u>
<b>Balance, End of Year</b>	<b><u>\$ 14,095,199</u></b>	<b><u>\$ 12,581,839</u></b>

**STATUTORY RESERVE FUND BALANCES**

Equipment Replacement Reserve Fund	2,795,235	3,468,250
Tax Sale Lands Reserve Fund	7,116	6,999
Capital Reserve Fund	3,408,658	2,571,163
Local Improvement	1,722,706	1,546,375
Water Capital Reserve Fund	511,302	557,950
Sewer Capital Reserve Fund	851,623	502,904
Electric Capital Reserve Fund	955,752	940,053
Off-Site Parking Reserve Fund	115,323	113,429
Amenity Density Reserve	291,431	2,588,072
Community Works Reserve Fund	<u>3,436,053</u>	<u>286,644</u>
<b>Balance, End of Year</b>	<b><u>\$ 14,095,199</u></b>	<b><u>\$ 12,581,839</u></b>

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**RESERVE FUNDS  
STATEMENT OF CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

	Equipment Replacement	Tax Sale Lands	Capital	Local Improvement	Sewer Capital	Water Capital	Electric Capital	Off-Street Parking	Amenity Density	Community Works	2013 Total	2012 Total
BALANCE, BEGINNING OF YEAR	\$ 3,468,250	\$ 6,999	\$ 2,571,163	\$ 1,546,375	\$ 502,904	\$ 557,950	\$ 940,053	\$ 113,429	\$ 288,644	\$ 2,588,072	\$ 12,581,839	\$ 13,545,025
<b>ADD</b>												
Transfers from:												
General Revenue Fund	929,133	-	954,107	-	-	-	-	-	-	907,138	2,790,379	2,097,634
General Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-
Water Capital Fund	-	-	-	161,114	-	-	-	-	-	-	161,114	-
Water Revenue Fund	-	-	-	-	-	284,355	-	-	-	-	284,355	-
Interest Earned	65,679	117	42,938	15,217	8,398	9,318	15,699	1,894	4,787	43,222	207,269	197,683
	994,812	117	997,045	176,331	8,398	293,673	15,699	1,894	4,787	950,361	3,443,117	2,295,317
<b>DEDUCT</b>												
Transfers to:												
General Capital Fund	1,667,827	-	159,550	-	-	-	-	-	-	102,380	1,929,757	935,459
General Capital Reserve	-	-	-	-	-	-	-	-	-	-	-	1,284,952
Sewer Capital Fund	-	-	-	-	-	-	-	-	-	-	-	38,095
Water Capital Fund	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Water Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	-
General Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-
	1,667,827	-	159,550	-	-	-	-	-	-	102,380	1,929,757	3,258,506
BALANCE, END OF YEAR	\$ 2,795,236	\$ 7,116	\$ 3,408,658	\$ 1,722,706	\$ 511,302	\$ 851,623	\$ 955,752	\$ 115,323	\$ 291,431	\$ 3,436,053	\$ 14,095,199	\$ 12,581,836



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA****SEWER REVENUE FUND  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

	<b>2013 Budget</b>	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>			
Taxation	\$ 1,348,887	\$ 1,347,799	\$ 1,348,283
Sales of Services	4,291,000	3,996,204	4,250,381
Government Grants and Transfers	203,320	203,773	407,686
Other Revenue	-	11,984	-
	<u>5,843,207</u>	<u>5,559,760</u>	<u>6,006,350</u>
<b>EXPENDITURE</b>			
Salaries and Benefits	1,158,746	1,055,768	1,008,296
Goods and Services	1,297,863	1,157,199	1,198,836
Interest	773,830	769,671	769,806
Principal Payments	575,057	575,057	575,057
Vehicle and Equipment Maintenance	221,000	299,551	209,443
Transfer to Other Funds/Reserves	1,249,500	336,959	1,267,119
	<u>5,275,996</u>	<u>4,194,205</u>	<u>5,028,557</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<u>567,211</u>	<u>1,365,555</u>	<u>977,793</u>
<b>CHANGE IN FUND BALANCES</b>	567,211	1,365,555	977,793
<b>FUND BALANCES, BEGINNING OF YEAR</b>	7,396,633	7,396,633	6,418,840
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 7,963,844</u>	<u>\$ 8,762,188</u>	<u>\$ 7,396,633</u>

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA****WATER REVENUE FUND  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

	<b>2013 Budget</b>	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>			
Sales of Services	\$ 6,282,245	\$ 6,292,996	\$ 6,167,803
Government Grants and Transfers	-	16,022	-
Transfer From Other Funds/Reserves	141,230	892,900	81,230
Other Revenue	-	17,203	-
	<u>6,423,475</u>	<u>7,219,121</u>	<u>6,249,033</u>
<b>EXPENDITURE</b>			
Salaries and Benefits	756,146	1,028,402	661,959
Goods and Services	1,789,713	1,442,325	1,658,194
Interest	747,451	734,710	738,439
Principal Payments	579,384	579,384	579,384
Vehicle and Equipment Maintenance	326,000	324,681	385,968
Transfer to Other Funds/Reserves	1,721,000	1,677,981	2,866,418
	<u>5,919,694</u>	<u>5,787,483</u>	<u>6,890,362</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<u>503,781</u>	<u>1,431,638</u>	<u>(641,329)</u>
<b>CHANGE IN FUND BALANCES</b>	503,781	1,431,638	(641,329)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	548,345	548,345	1,189,674
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,052,126</u>	<u>\$ 1,979,983</u>	<u>\$ 548,345</u>

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA****ELECTRIC REVENUE FUND  
STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

	<b>2013 Budget</b>	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>			
Sales of Services	\$ 36,477,617	\$ 36,144,405	\$ 32,386,658
Other Revenue	-	5,524	-
Transfer From Other Funds/Reserves	-	1,869,849	-
	<u>36,477,617</u>	<u>38,019,778</u>	<u>32,386,658</u>
<b>EXPENDITURE</b>			
Salaries and Benefits	787,600	1,074,067	742,639
Goods and Services	28,568,675	28,206,523	26,260,320
Vehicle and Equipment Maintenance	283,700	326,330	174,736
Transfer to Other Funds/Reserves	10,075,700	9,442,732	6,216,101
	<u>39,715,675</u>	<u>39,049,652</u>	<u>33,393,796</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>(3,238,058)</u>	<u>(1,029,874)</u>	<u>(1,007,138)</u>
<b>CHANGE IN FUND BALANCES</b>	(3,238,058)	(1,029,874)	(1,007,138)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	8,078,845	8,078,845	9,085,983
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 4,840,787</u>	<u>\$ 7,048,971</u>	<u>\$ 8,078,845</u>



**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**DEBT ISSUED AND OUTSTANDING  
DECEMBER 31, 2013**

LIA B Law	S/I B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2013 Payments	
										Interest	Principal
<b>General Fund</b>											
9925	20005	72	12-Apr-00	RCMP Building	\$ 2,500,000	\$ 1,151,275	20	2020	6.450	\$ 78,750	\$ 82,873
9925	20046	73	07-Nov-00	RCMP Building	1,500,000	690,785	20	2020	6.360	47,250	49,725
2003-15	2268	81	22-Apr-04	Storm Sewer	337,500	224,953	20	2024	4.860	16,403	10,207
2004-18	859-2004	85	25-Oct-04	Parks-Land Acquisition	1,680,000	1,119,767	20	2024	4.975	83,580	50,808
2004-18	859/2004	85	25-Oct-04	Road Works-S. Main St.	195,000	129,973	20	2024	4.975	9,701	5,897
2004-19	859/2004	85	25-Oct-04	Road Design-Main St.	150,000	99,979	20	2024	4.975	7,463	4,536
2004-20	859/2004	85	25-Oct-04	Integrated Waterfront	550,000	366,591	20	2024	4.975	27,363	16,633
2004-21	859/2004	85	25-Oct-04	Youth Park	50,000	33,328	20	2024	4.975	2,488	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	527,297	20	2025	5.100	27,840	37,167
2004-20	1108-2004	93	06-Apr-05	Integrated Waterfront	520,000	342,743	20	2025	5.100	18,096	24,158
2004-21	614/2005	95	13-Oct-05	Youth Park	150,000	103,585	20	2025	4.170	6,255	5,037
2004-18	615/2005	95	13-Oct-05	Integrated Waterfront	825,000	569,720	20	2025	4.170	34,403	27,705
2006-15	17/17/2006	99	07-Nov-06	Road Works-Fairview/Ind	1,595,000	1,171,945	20	2026	4.430	70,659	53,583
2006-17	17/17/2006	99	07-Nov-06	Sportsfields	3,200,000	2,351,237	20	2026	4.430	141,760	107,462
2006-18	273-2007	102	27-Mar-07	Queens Park Site Serv	7,000,000	3,132,732	10	2017	4.820	337,400	583,037
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront '06	350,000	272,039	20	2027	4.820	16,870	11,754
2006-39	273/2007	102	02-Nov-07	S Okanagan Event Ctre	8,000,000	3,580,268	10	2017	4.820	385,600	686,328
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	2,454,331	20	2028	4.650	139,500	100,745
2006-39	333/2008	104	20-Nov-08	S Okanagan Event Cntr	10,000,000	5,488,694	10	2018	5.150	515,000	832,909
2006-39	333/2008	104	20-Nov-08	S Okanagan Event Cntr	8,000,000	-	5	2013	4.350	348,000	1,477,017
2007-41	333/2008	104	20-Nov-08	Cemetery-Columbarium	2,500,000	2,045,278	20	2028	5.150	128,750	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	818,110	20	2028	5.150	51,500	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	433,598	20	2028	5.150	27,295	17,798
2007-60	333/2008	104	20-Nov-08	PIDA	1,140,000	625,711	10	2018	5.150	58,710	94,952
2007-60	157-2009	105	21-Apr-09	PIDA	231,344	149,519	10	2019	4.900	11,338	19,289
2007-52	638/2009	106	13-Oct-09	Indoor Soccer Facility	415,000	355,819	20	2029	4.130	17,140	13,936
2007-52	15/30/2010	110	08-Apr-10	Indoor Soccer Ph2	588,000	524,570	20	2030	4.500	26,370	19,679
2009-14	15/30/2010	110	08-Apr-10	Pool Upgrades	7,400,000	6,624,267	20	2030	4.500	333,000	248,505
2007-52	B25/2011	116	04-Apr-11	Indoor Soccer Facility	135,000	125,752	20	2031	4.200	5,670	4,534
2009-43	B25/2011	116	04-Apr-11	Road Wrks-Smythe Dr	447,000	416,378	20	2031	4.200	18,774	15,011
					<u>64,786,844</u>	<u>35,930,218</u>				<u>2,992,926</u>	<u>4,700,293</u>

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

**DEBT ISSUED AND OUTSTANDING  
DECEMBER 31, 2013**

LIA B Law	S/1 B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2013 Payments	
										Interest	Principal
<b>Water Fund</b>											
92110	9504	60	12-Apr95	Water Treatment Plant	1,000,000	-	20	2015	4.750	23,750	30,242
92110	9542	61	01-Dec-95	Water Treatment Plant	3,000,000	447,612	20	2015	4.000	90,000	90,728
92110	96-08	63	01-Jun-96	Water Treatment Plant	1,200,000	262,225	20	2016	3.000	36,000	36,291
2006-07	17/07/2006	99	07-Nov-06	Naramata Rd. Upgrade	4,670,000	3,431,336	20	2026	4.430	206,881	156,827
2007-86	333/2008	104	20-Nov-08	Water Filtration Plant	4,000,000	3,272,442	20	2028	5.150	206,000	134,327
2007-83	638/2009	106	13-Oct-09	Water Filtration Plant	3,900,000	3,343,846	20	2029	4.130	161,070	130,969
					<u>17,770,000</u>	<u>10,757,461</u>			-	<u>723,701</u>	<u>579,384</u>
<b>Sewer Fund</b>											
2008-61	273/2007	102	02-Nov-07	Septage Handling Facility	1,050,000	816,116	20	2027	4.820	50,610	35,281
2008-10	333-2008	104	02-Nov-07	Sewer System Upgrade	8,000,000	6,544,883	20	2028	5.150	412,000	266,654
2007-60	333/2008	104	20-Nov-08	PIDA	360,000	197,593	10	2018	5.150	18,540	29,985
2007-60	157/2009	105	21-Apr-09	PIDA	73,056	47,217	10	2018	4.900	3,580	6,085
2008-10	638-2009	106	13-Oct-09	Sewer Plant Expansion	7,000,000	6,001,774	20	2029	4.130	289,100	235,072
					<u>16,483,056</u>	<u>13,607,583</u>			-	<u>773,830</u>	<u>575,057</u>
					<u>\$ 99,039,900</u>	<u>\$ 60,295,262</u>			-	<u>\$ 4,490,457</u>	<u>\$ 5,854,734</u>

**THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA**

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**CEMETARY PERPETUAL TRUST FUND  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2013  
(UNAUDITED)**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Bank Term Deposits	\$ 934,850	\$ 917,419
Receivables		
Due From General Revenue Fund	<u>40,910</u>	<u>6,339</u>
	<u>\$ 893,940</u>	<u>\$ 911,080</u>
<b>SURPLUS</b>		
Balance, Beginning of Year	\$ 911,080	\$ 908,444
Add:		
Care Fund Contributions	26,445	18,622
Interest Earned	<u>17,415</u>	<u>14,014</u>
	<u>43,860</u>	<u>32,636</u>
Deduct:		
2013 Cemetary Maintenance	<u>61,000</u>	<u>30,000</u>
Balance, End of Year	<u>\$ 893,940</u>	<u>\$ 911,080</u>



# permissive tax exemptions

<b>Applicant</b>	<b>Estimated 2013 tax exemption</b>		
Army, Navy & Air Force Veteran, Unit 97	\$3,199.21	Penticton First Baptist Church	\$7,135.80
BC Wine Information Centre	\$4,501.76	Penticton Free Presbyterian Church	\$2,350.44
Care Closet	\$4,039.64	Penticton Golf & Country Club	\$5,978.27
Cheers the Church	\$11,669.45	Penticton Kinsmen Disability Resource Centre Society	\$16,852.61
Christian Science Society	\$1,807.34	Penticton Kiwanis Housing Society	\$39,348.95
Church of Jesus Christ of Latter Day Saints	\$7,928.66	Penticton Masonic Building Association	\$5,306.16
Church of the Nazarene	\$4,017.01	Penticton New Beginnings Christian Fellowship	\$5,080.50
Concordia Lutheran Church	\$7,048.61	Penticton Senior's Drop-In Centre	\$12,878.41
Good Samaritan Canada (Village by the Station)	\$91,381.55	Penticton Sikh Temple & Indian Cultural Society	\$6,428.31
Governing Council of the Salvation Army #344	\$36,457.85	Penticton United Church	\$4,815.34
Grace Mennonite Brethren Church	\$2,276.88	Penticton Vineyard Community Church	\$16,075.31
Green Mountain Christian – Congregation of Jehovah's Witnesses	\$4,607.35	Roman Catholic Bishop of Nelson (St. Anne's)	\$8,718.81
Hellenic Community Society of Penticton	\$2,025.30	Roman Catholic Bishop of Nelson for Birthright of Penticton Society	\$2,224.73
Holy Cross School	\$6,077.78	Roman Catholic Bishop of Nelson for Penticton Recovery Resource Society	\$2,117.51
Luso Canadian Multicultural Society of Penticton	\$4,451.08	Royal Canadian Legion	\$4,188.67
Oasis United Church	\$26,428.26	S.S. Sicamous Restoration Society	\$34,043.34
Okanagan Boys & Girls Club	\$9,473.18	Seventh-day Adventist Church	\$6,065.93
Ooknakane Friendship Centre	\$8,290.13	South Okanagan Similkameen Brain Injury Society	\$2,827.82
Our Redeemer Lutheran Church	\$2,393.13	South Okanagan Similkameen Branch of the BCSPCA	\$25,256.92
Penticton & District Community Arts Council	\$19,107.41	South Okanagan Similkameen Medical Foundation	\$14,058.93
Penticton & District Community Resources Society	\$28,305.11	South Okanagan Women in Need Society	\$9,814.51
Penticton & District Society for Community Living	\$5,4581.41	St. Andrew's Presbyterian Church	\$5,319.39
Penticton & Wine Country Chamber of Commerce	\$4,434.96	St. John Vianney Church	\$4,081.50
Penticton Alliance Church	\$5,363.89	St. Saviour's Anglican Church	\$7,020.47
Penticton Art Gallery	\$6,355.34	Victory Church of Penticton	\$1,912.81
Penticton Bethel Pentecostal Tabernacle	\$21,681.88		
Penticton Curling Club	\$9,717.85	<b>Total</b>	<b>\$703,291.27</b>
Penticton Early Childhood Education Society	\$1,362.99		
Penticton Elks Lodge #51	\$4,404.82		

