

**2019**

**ANNUAL REPORT**

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# Message from the Mayor



The 2019 Annual report cannot begin without reference to March 2020 as none of us could have imagined how a global pandemic would change our lives and Sun Peaks as a commu-

nity. The bright side, if there could possibly be a bright side, the winter season 2019/20 was within a few weeks of the season's end and we have a good chance to see a modest recovery this summer and we will have a 2020/21 winter season with any luck. Our perspective of what a good year means has shifted somewhat but we will see better days ahead.

Our water and wastewater systems are big budget items with the utilities, including propane, representing 44% of our total 2019 municipal expenditures. Early in 2019, domestic water supply had become a concern. The ground aquifer supply system has proven to be below the original estimates and our only realistic supply option is to supplement with surface water. Gathering and treating surface water is a more complex and expensive process. This change to accessing some surface water began with the addition of a small water treatment plant near the elementary school and the use of some of Sun Peaks Resort LLP's snowmaking water supply. Using the snow making supply is a temporary solution but it was a good decision as water consumption has been increasing each year.

We will have to build a new domestic water supply reservoir. If we complete the reservoir work in the 2020 summer, we will need to wait until the Spring of 2021 for the freshet to supply enough water to fill a new reservoir. We will then have our own municipal supply for December 2021. In addition, we will build a new pipeline to bring the surface water from the new reservoir to the existing valley infrastructure. A grant application for just over \$4 million has been made for this project.

Each summer, the Municipality invests in crack sealing of the main roads and repaints the centre lines. This preventive works goes a long way to reduce winter deterioration of the road surfaces and extends the life of our roads. Also, additional solar streetlights were installed as well as higher definition security cameras.

Construction work began in the spring of 2019 and continues on the Sun Peaks Centre. Regrettably, skating and hockey had to be cancelled for last winter. The roof work has been completed and the conference and fitness areas are nearing completion. A preliminary operational agreement for the Fitness facility has been agreed to with a third party.

With additional doctors and services, the Sun Peaks Health Centre continues to provide services for more and more residents and visitors alike and saw an increase of 25% over 2018. The Health Centre still relied on \$125,500 of subsidy in 2019. However, this figure is expected to decline each year.

2019 was a busy one for the Sun Peaks community. Our year-round population continues to grow, and we estimate that there are now some 950-year round residents. Our permanent population has almost tripled in the 10 years since the Municipality was incorporated. We remain the fastest growing municipality in the Province.

We have a small team of dedicated staff led by our CAO Rob Bremner. Rob and his team continue to provide cost effective services for our growing community. Bylaw services continue to monitor public safety and evening security effectively and without a heavy hand. Public works and utilities are keeping a low profile and that is a good thing in terms of failures that are possible. Our Fire and Rescue team have new leadership and we have a committed group of volunteers who are well trained and ready to assist in all kinds of emergencies. Thank you all for your commitment!

Respectfully,

A handwritten signature in black ink, which appears to read "Al Raine". The signature is written in a cursive, flowing style.

Al Raine, Mayor

# MAYOR & COUNCIL



Al Raine - Mayor

2010 - 2011, 2011-2014, 2014-2018, 2018-Present



Darcy Alexander - Provincially Appointed Councillor

2010 - 2011, 2011-2014, 2014-2018, 2018-Present



Rob O'Toole - Councillor

2018-Present



Ines Popig - Councillor

2010 - 2011, 2011-2014, 2014-2018, 2018-Present

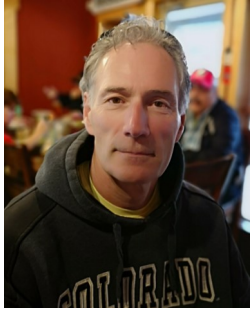


Mario Pozza - Councillor

2010 - 2011, 2011-2014, 2014-2018, 2018-Present

*There were no disqualifications per Section 111 of the Community Charter*

# MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



The 2019 Annual Report for Sun Peaks Mountain Resort Municipality reflects the Municipality's activities over the course of the past year.

This community continues to provide many opportunities and experiences for those who visit and for those growing numbers who call it

"home". The Mayor and Council value a commitment to build a sustainable future for the community. This vision has been presented to and supported on numerous occasions by the citizens. It is this strong commitment that drives administration each day to meet the challenges of a growing community and yet keep these values on the forefront.

Council remains steadfast in its direction to staff, to be sure we manage administration as lean and efficient as possible considering the significant growth of the community. This requires prudent decision making when establishing areas of priority for staff. We will always strive to be progressive yet balanced, when evaluating initiatives, to be sure we are maximizing our resources.

We have a dedicated Fire Department with many volunteers, that remain highly regarded in the fire community provincially. The Fire Department continually works with public safety in mind and tries to achieve these outcomes through the efficient use of resources. They provide a strong value for money. The department is continually advancing our Emergency Preparedness Services and developing personnel to handle many crisis scenarios should we be faced with such events. The Fire department has also spent considerable energy toward becoming a Fire Smart community which protects us all and that work has advanced in 2019 under the guidance of new Fire Chief Dean Schiavon.

The Community Health Centre continues to provide high quality service to the citizens of, and visitors to, Sun Peaks. We continue to strive toward making the medical practice one that offers many crucial services here in Sun Peaks. We

have a great team at the clinic that continues to work at providing high quality and convenient service that everyone can be proud of .

Staff will continue to ensure that we move on our sustainability goals as set by the community and Council. This dovetails very well with Mayor and Council's diligence in prudent financial planning and innovative thinking. The financial groundwork we lay today will ensure that the future remains bright for the Municipality and future generations.

Development continued to be a strong driver in the economy, and this has turned our eye to identify community amenities and needs. We have developed tools to put the cost of these services in the correct areas and build these as the community can afford them. We continue to have success in creating partnerships at other levels of government and privately to lessen any burden on the tax base. We will pursue an enhanced quality of life for those that call Sun Peaks home and ensure those that visit feel at home. These pursuits will be advanced consistently with an eye to a sustainable future.

This report indicates that we have advanced several priorities in 2019, in line with our financial plan. Staff will remain focused for the upcoming year to move forward in a progressive, sustainable manner to achieve Council's goals and priorities as set out in the approved financial plan.

The municipal administration is very proud to serve Mayor and Council and the citizens of Sun Peaks. We are committed to offering great customer service and value for the community. As the Chief Administrative Officer, I would like to thank Mayor and Council, staff and the many volunteers for their significant contributions, that have helped us build an exceptional quality of life in our community.

A handwritten signature in black ink that reads "Rob Bremner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rob Bremner

# 2019 ACHIEVEMENTS & 2020 GOALS/OBJECTIVES



# OFFICIAL COMMUNITY PLAN

## Objective:

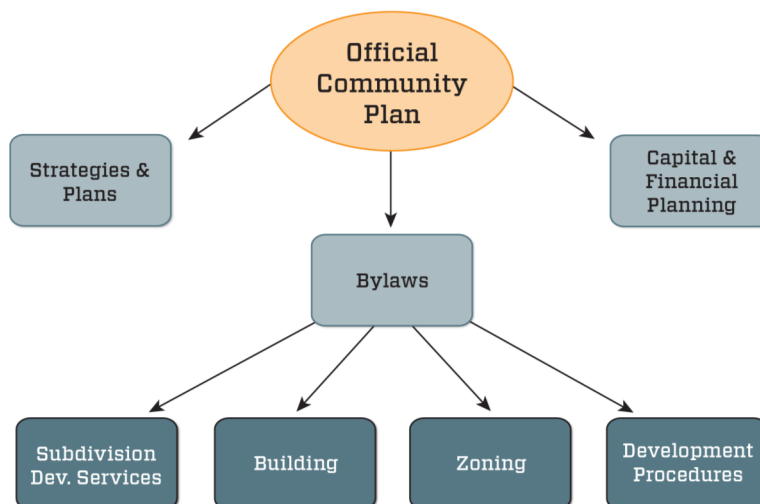
Develop an OCP that reflects the community objectives for the development of Sun Peaks while working within the framework of the Master Development Agreement between Sun Peaks Resort LLP and the Province.

## 2019 Goals and Actions:

1. Develop a Board of Variance— **Incomplete**
2. Review and update the Official Community Plan - **Delayed. The review was delayed until the Master Development Plan has been updated.**

## 2020 Goals:

1. Develop a Board of Variance
2. Review and update the Official Community Plan



# CORPORATE SERVICES

## Objective:

To manage and maintain an efficient corporate structure to provide a cost effective delivery of services.

## 2019 Goals and Actions:

1. Adopt Sign Bylaw - **Not Complete**
2. Adopt an Employee Housing/Affordable Housing Cost Charges Bylaw - **Not Complete**
3. Review the Short Term Nightly Rental Policy - **Complete. Council agreed to continue to permit short term rentals through Temporary Use Permits with a maximum on each street being 20%.**
4. Adopt Development Cost Charges Bylaw - **Complete. The bylaw was adopted February 12, 2019.**
5. Adopt Zoning Bylaw - **Incomplete**
6. Adopt Building Bylaw - **Delayed. A new building inspector was hired who reviewed the bylaw which will be brought forward in 2020.**

## 2020 Goals:

1. Adopt Sign Bylaw
2. Adopt an Employee Housing/Affordable Housing Cost Charges Bylaw
3. Adopt Zoning Bylaw
4. Adopt Building bylaw



# FINANCIAL SERVICES

## Objective:

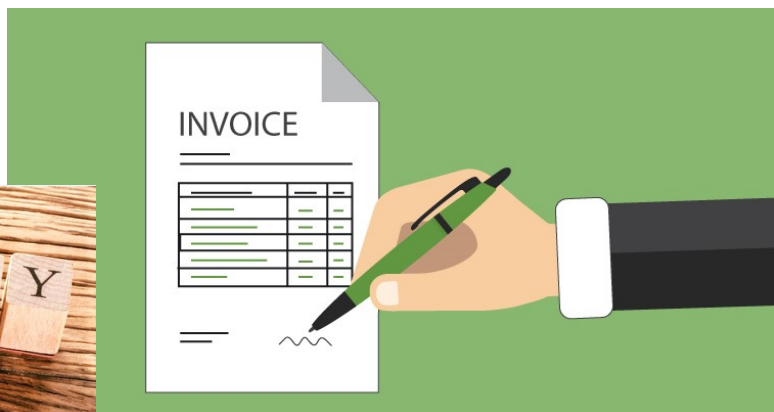
To provide timely, efficient and effective service and support to internal and external stakeholders. To ensure that appropriate consideration is given to the most effective use of funds available to carry out activities in line with the financial plan as approved by Council and that there is adequate provision made for reviewing results and adjusting plans throughout the budget period.

## 2019 Goals and Actions:

1. Receive a clean audit opinion - **Complete**
2. Enhance the functionality of the Vadim iCity system to take advantage of system features for staff and the public - **Ongoing**

## 2020 Goals:

1. Receive a clean audit opinion.
2. Complete the utility module implementation and create an efficient utility billing process.
3. Review the purchasing policy and implement a purchase order system.
4. Support staff in using the functionality of the Vadim iCity system and review the benefit of adding other Vadim modules to enhance and streamline our processes.



# FIRE DEPARTMENT

## Objective:

Maintain high quality fire protection services and continue development of community safety initiatives, while maintaining effectiveness and affordability.

## 2019 Goals and Actions:

1. Fully implement the new record management system FP2. - **Ongoing. Training records and volunteer stipend compensation fully working. Inventory entry is nearing completion and Inspections are next to be addressed.**
2. Increase number of qualified fire department members who can operate our pumper apparatus. - **Ongoing. Added two drivers from our non-WEP membership as EVO drivers.**
3. Paint the red trim and stripes of the fire hall. **Complete.**
4. Implement a FireSmart program to help private property owners decrease the risk of an interface wildland forest fire on their property. **On going.**

## 2020 Goals:

1. Renovate shower room in Fire Hall.
2. Paint the exterior and interior of the Office Portable.
3. Conduct a “Work Experience Program” that provides substantial benefit to the fire hall improvements planned for 2020.
4. Conduct a volunteer membership recruitment.



# BYLAW ENFORCEMENT

## Objective:

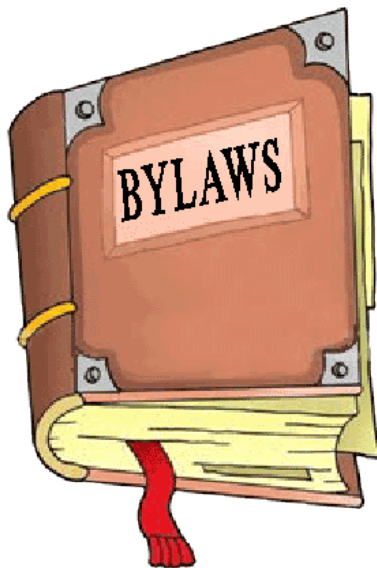
To obtain compliance with municipal bylaws through effective enforcement based on consistency and fairness and encouraging voluntary compliance through education.

## 2019 Goals and Actions:

1. Decrease parking tickets issued through better signage and education.
2. Reduce the number of unlicensed Short Term Nightly Rentals through patrols, and cross-referencing with Host Compliance - **Ongoing. Rentals are reviewed on a regular basis with all unlicensed properties found to date becoming legal or closed.**
3. Reduce the number of illegal long-term suites by patrols, construction awareness and communications with building inspector - **Ongoing. All known illegal suites in RS-1/RS-1A zones have been addressed. Enforcement of illegal suites on Burfield Drive is ongoing.**
4. Reducing the number of noise complaints through homeowner/landlord education - **Ongoing**

## 2020 Goals:

1. Continue to monitor the number of unlicensed Short Term Nightly Rentals through patrols, and cross-referencing with various rental sites.
2. Reduce the number of illegal long-term suites on Burfield Drive by patrols, construction awareness and communications with building inspector.
3. Maintain communications with RCMP Rural Detachment



# UTILITIES

## Objective:

To protect public health through the provision of safe drinking water and ensure protection of the environment through properly maintaining and operating the wastewater collection system and treatment facilities.

In addition, to focus on water conservation, maintaining and investing in the water distribution and wastewater collection systems and the various water and wastewater treatment facilities in a fiscally responsible manner.

## 2019 Goals and Actions:

1. Reduce per capita water usage to below 210 litres per person per day (L/p/d) - **Ongoing. Reviewed options for a tiered rate structure to help reduce water usage by penalizing poor water users and promoting water conservation. Ultra low flow fixtures in all new development has significantly lowered water usage per capita as well. In some new developments, we are seeing usage as low as 66 litres per person per day. We are also working with hotels and high-water users to help retrofit their fixtures to reduce consumption going forward.**
2. Continue the paperless process to convert paper system checks to electronic data entry into tablets - **Complete. We have integrated system checks to be able to be done via an application on an operator's cell phone. That data can be later exported if required and will not need to be input twice, making efficient use of staff time.**
3. Reduce unaccounted for water (difference between produced and billed) - **Ongoing. This is an ongoing item that we must continuously be aware of and looking for water leaks. Tracking our water production based on visitors and occupancy has helped determine what would be typical and find any anomalies.**
4. Replacement of Ductile Iron Tees in the potable water system installed prior to 2004 due to potential failure from aggressive soils found at Sun Peaks to help reduce the potential for leaks - **Ongoing. We are budgeting to have the money in reserve for the replacement of these ductile iron tees in case of failure. Ductile Iron can last 100+ years if there are no issues.**

## 2020 Goals:

1. Create more usable space at the Wastewater Treatment Plant site to allow for expansion of the Composting facilities.
2. Construction of a new surface water reservoir on Tod mountain for the budgeted amount in the required timeframe.
3. Convert meter reading data entry to electronic to improve efficiency.
4. Train Utilities staff to be more diverse allowing for more projects to be done 'in house'.

# PUBLIC WORKS

## Objective:

To manage new and maintain current infrastructure within the Municipality to meet increased service levels and support growth in the most fiscally prudent way.

## 2019 Goals and Actions:

1. Hire a Director of Public Works to oversee both Public Works and Utilities - **Complete. Omar Butt joined the team in June 2019.**
2. Construct additional park/games area in village core - **Complete. A new games area was built near the Clocktower.**
3. Install additional solar lights on valley trail - **Complete. Eight lights were installed.**
4. Install additional security cameras - **Complete. One new camera was installed and all others changed over to high definition night vision.**

## 2020 Goals:

1. Install speed bumps as a trial in a few locations to reduce speeding.
2. Re-establish the valley trail around the Sun Peaks Centre.
3. Construct a new Sand Shed.



# FIRST NATIONS RELATIONS

## Objective:

Develop effective communication processes between Sun Peaks Municipality and neighbouring First Nations bands which will help ensure that First Nations concerns and opportunities are duly considered regarding land use issues and lead to mutually beneficial economic development.

## 2019 Goals and Actions:

1. Establish a dialogue with the new band council of the Adams Lake Indian Band.— **Ongoing**
2. Continue work on our relationship with Little Shuswap Lake Indian Band - **Ongoing**
3. Introduce Secwepemc Culture into municipal and various other projects in Sun Peaks - **Ongoing. Little Shuswap Lake Band received a grant to implement a cultural design scheme in the Sun Peaks Centre.**

## 2020 Goals:

1. Continue to work with Little Shuswap Lake Band on economic development opportunities.
2. Complete a protocol agreement with Little Shuswap Lake Band.



# RESORT MUNICIPALITY INITIATIVE

## Objective:

Fully participate in the Provincial Resort Municipality Initiatives Program which allows access to a hotel tax funding source. We have chosen to direct these funds toward assisting with the development of non-winter events and venues.

## 2019 Goals and Actions/Accomplishments:

1. Develop a long term vision beyond the current 2 year Resort Development Strategy (RDS) - **Incomplete**
2. Allocate RMI funds towards the construction of the Sun Peaks Centre. - **Ongoing**

## 2020 Goals:

1. Complete construction of the Sun Peaks Centre



# SUN PEAKS COMMUNITY HEALTH CENTRE

## Objective:

Take the lead role in the development of health care in Sun Peaks.

## 2019 Goals and Actions:

1. To be recognised and eligible to join the provincial Association of Community Health Centres and to further associated common goals - **Complete**
2. To continue to provide health education to the community of Sun Peaks and surrounding region on a variety of subjects - **Ongoing**
3. To increase use of laser therapy for medical services - **Ongoing. 41 patients were seen.**
4. To continue attaching orphaned patients for delivery of primary health care - **Ongoing. 897 new patients were added.**

## 2020 Goals:

1. Fine tune virtual care
2. Develop infection control policies and procedures to safely increase “in-patient” encounters
3. Increase capacity by adding a part time physician to our medical team
4. Increase physician panel size due to increased capacity



# SUN PEAKS CENTRE

## Objective:

To develop a recreational complex in Sun Peaks which will include an outdoor hockey arena that can also be used for a wide variety of recreational uses as well as the ability to convert into an indoor space to host conference trade shows and special events.

## 2019 Goals and Actions:

1. Complete the rink portion of the project including the roof and dressing rooms. - **Complete**
2. Complete the convention centre portion up to the lock-up stage. - **Complete**

## 2020 Goals:

1. Lease gym facility
2. Hire facility manager
3. Collaborate with SPR/TSP on management



# SUSTAINABILITY PLAN

## Objective:

Track and measure the goals set in the Sustainability Plan.

## 2019 Goals and Actions:

1. Continue to measure, track and report on the success of the goals identified in the Sustainability plan - **Ongoing**

*Goal 1: Sun Peaks will offer an exceptional quality of life with opportunities for physical and mental well-being;*

*Goal 2: Sun Peaks will be a vibrant, attractive, exhilarating and inclusive community;*

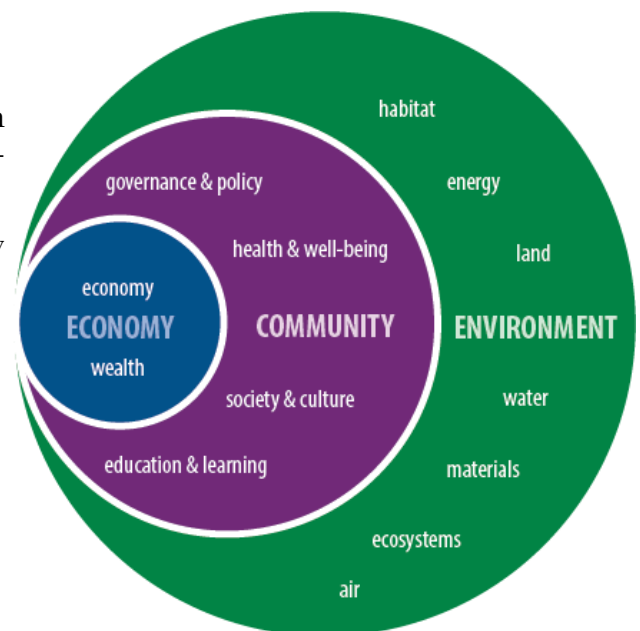
*Goal 3: Sun Peaks will have a thriving and diversified year round economy with a broad range of opportunities for meaningful employment and sufficient employee housing; and*

*Goal 4: Sun Peaks will protect and enhance its natural ecosystems and minimize the impacts of its environmental footprint.*

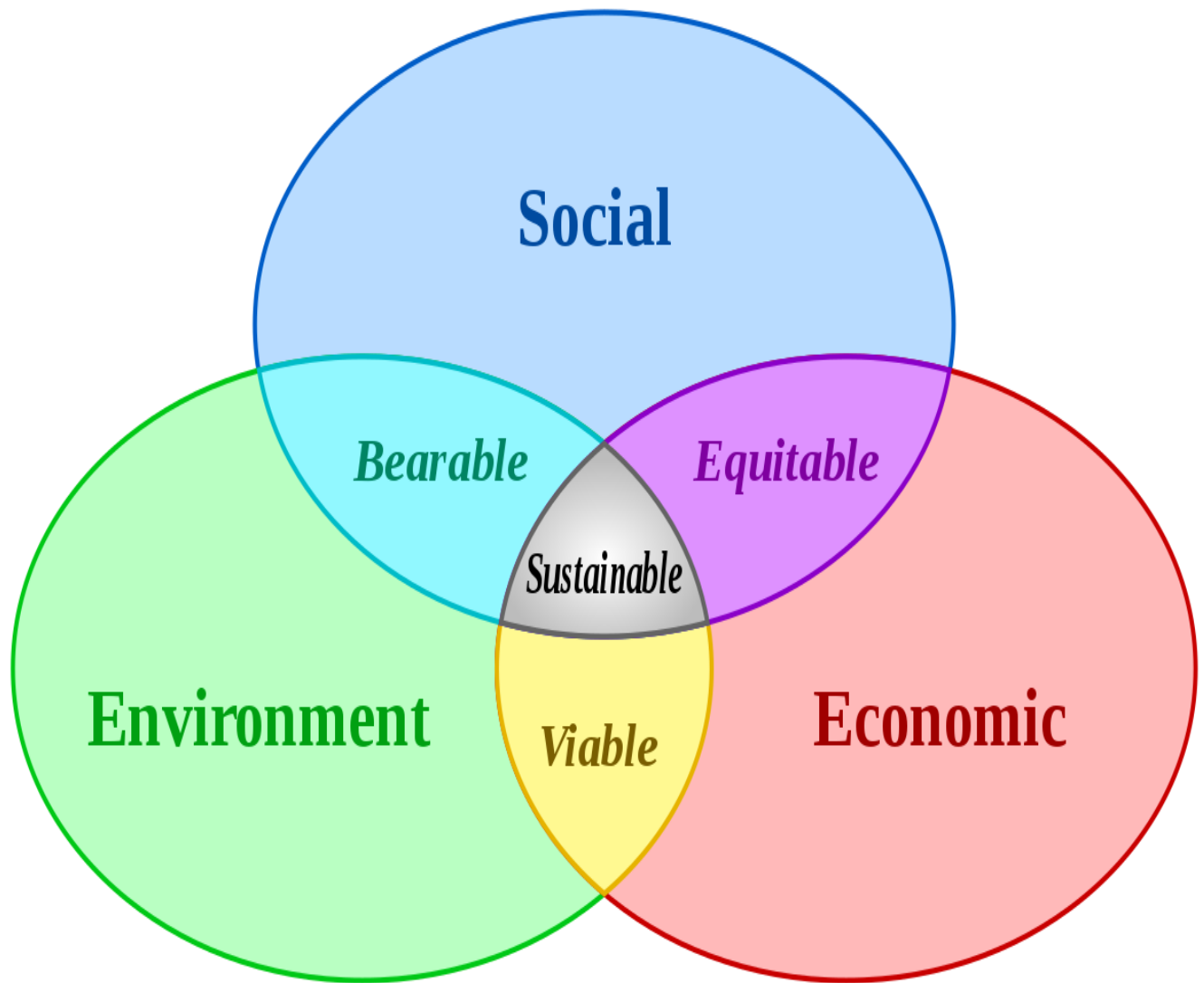
2. Review all operations for energy efficiencies—geothermal, solar, etc.— **Ongoing. All projects were reviewed and energy efficiencies were incorporated where ever possible.**

## 2020 Goals:

1. Continue to measure, track and report on the success of the goals identified in the Sustainability plan
2. Continue to review all operations for energy efficiencies - geothermal, solar, etc.



# SUSTAINABILITY MATRIX



# SPMRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
<b>Goal 1: SUN PEAKS OFFERS AN EXCEPTIONAL QUALITY OF LIFE FOR RESIDENTS</b>				
Operating healthcare services	The number of different health care services offered	4 services offered	increase	5 services offered (mental health counselling, mental health urgent assessment services, ultrasound, nursing services, laser)
Access to 24 hour care, 7 days per week	The number of hours per year that a health clinic is open	4 pm to 6pm daily during ski season= 300 hours per year	Double the number of hours per year	The clinic is open 5.5 hours/day 5 days/week and 4 hours/day on weekends through the winter ski season
Improved ambulance response time	The average response time of ambulance calls over a one-year period	52 minutes	Ambulance station at Sun Peaks- less than 15 min response time	An ambulance is in resort most weekend of the winter
Presence of pharmaceutical services in the community	The number of locations where a pharmacist can be accessed	0 pharmacies	increase	1 Pharmacy is open
Operation of kindergarten to grade 12 school within a provincially funded Neighborhood Learning Centre	Presence of a Neighbourhood Learning Centre	Currently kindergarten to grade 6 is offered through Sun Peaks Elementary School, and grades 7 through 12 through the @Kool, supported online learning school. No permanent Neighbourhood Learning Centre has been built.	Build a Neighbourhood Learning Centre	Currently kindergarten to grade 7 is offered through Sun Peaks Elementary School, and grades 8 through 12 through the @Kool, supported online learning school. No permanent Neighbourhood Learning Centre has been built.
Increasing school enrolment	The number of students attending school at Sun Peaks	38 elementary students	increase	SPES Grade 1-7: 99, SD73 Grade 8-12: 29
Fire protection and well trained volunteers	Number of volunteers and staff	Volunteers=25; Staff=3; recruits=5	increase	Volunteers=23; Staff=3
Reduction in crime related calls to RCMP	The number of calls that are related to crimes. Calls regarding non-crime police activities are excluded from the count	128 crime-related calls	decrease	353 Calls for Service. This number is not specific to crime and includes any activity by the RCMP that generates a report and could be initiated by them (i.e. bar checks, road blocks, etc.)

# SPMRRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
Increase the number of year round employment positions available in the community	Number of year round positions	450 in winter. Overall resort estimated at 1200 in winter	increase	An estimated 20 full time, year round jobs were created
Accommodation mix and density that meets housing demand	The number of various types of housing built compared to the number planned for in the Master Plan	At build out housing will be: 16% single family 16% multifamily 16% duplex	no change desired	No change
Number of affordable employee housing units	Estimated number of secondary suites and the number of employee specific units (47 in Whispering Pines, the current employee housing building)	It is estimated that there are 270 secondary suites and 47 existing employee-specific dwelling units	Continual increase until demand is met	Estimated number of units: 400
Number of vendors that offer locally grown food at the Farmers Market	Number of vendors and applications	There are a core of 30 farmers market vendors that pay annual fees to participate.	increase	6 vendors in 2019
Number of Secwepemc partnerships, businesses and employees	Number of Secwepemc partnerships, businesses and employees	SPRC has one partnership with Whispering Pines and Little Shuswap Lake Band to provide staff lodging	At least 3 partnerships	Continuing to work with the Little Shuswap Lake Band on cultural initiatives for the Sun Peaks Centre
Number of owner-occupied dwelling units	Number of home owner grants	153	increase	Increased to 227
Availability of library facilities	Number of hours that library facilities are open to the public per year	25 hours per year	increase	The book mobile is in Sun Peaks every 3rd Friday for 1.5 hours

# SPMRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
<b>Goal 2: SUN PEAKS IS A VIBRANT AND ATTRACTIVE RESORT COMMUNITY</b>				
Maintain positive feedback that Sun Peaks is a friendly village	Ratings from guest surveys	Guest survey results: 6.44 out of 7 overall satisfaction. 6.46 People perceived as friendly 6.4 Level of Service	Maintain this level of satisfaction or higher	9/10 - Friendliness of lift operators 7/10 - Knowledge of resort staff
Amount of outdoor park space that reflects the Village's natural setting	The number and area (hectares) of land designated as Parks and Recreation	Currently 3 areas: - 0.64 ha - 1.37 ha - 4.41 ha	increase	No change
Connectivity of trails	Number of projects related to trails improvements	1 project in 2014- Age Friendly Planning addressing trail connections	increase	Worked with developers on connecting trails should the project at Elevations go forward
Number of community level organizations/committees	The number of community groups and non-profits	Currently there are 9 non-profits and 2 community groups at Sun Peaks. The non-profits are: <ul style="list-style-type: none"> <li>· Adaptive Sports,</li> <li>· Art Zone,</li> <li>· Bluebird Day Fund,</li> <li>· Sun Peaks Alpine Club,</li> <li>· Sun Peaks Education Society,</li> <li>· Health Association,</li> <li>· Skate Park Foundation,</li> <li>· Speed Skiing Club,</li> <li>· Volunteer Fire Department</li> </ul> The community groups are: <ul style="list-style-type: none"> <li>· Yoga, and</li> <li>· Men's and ladies night golf.</li> </ul>	Maintain this level community groups and non-profits	New since 2014: Sun Peaks Rotary Club, Sun Peaks Outdoors Club, Sun Peaks Recreational Trails Assoc., Sun Peaks Nordic Club, Sun Peaks Freestyle/Snowboard Club, Sun Peaks Community Garden, Sun Peaks Hockey League,

# SPMRRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
Number of indoor/outdoor recreation facilities	Number of facilities that offer guests activity options	9 winter facilities: <ul style="list-style-type: none"> <li>· Cat Trax groomer rides,</li> <li>· Dog sled tours,</li> <li>· Horse drawn sleigh rides,</li> <li>· Ice skating,</li> <li>· Snowmobile tours,</li> <li>· Tube park,</li> <li>· Snow shoeing,</li> <li>· Kamloops shopping shuttle,</li> <li>· Sports and aquatic centre.</li> </ul> 11 summer recreation facilities: <ul style="list-style-type: none"> <li>· Golf course,</li> <li>· Bike park,</li> <li>· Hiking trails,</li> <li>· Bungee trampoline,</li> <li>· Canoe rentals,</li> <li>· Cross country mountain biking,</li> <li>· Kayak rentals,</li> <li>· Geocaching,</li> <li>· Segway tours,</li> <li>· Sports and aquatic centre,</li> <li>· Stand-up paddle boarding,</li> <li>· Two Tennis courts, and</li> <li>· Sun Peaks stables.</li> </ul>	increase by one new facility per year	New since 2014: Wine tours shuttle, Fat biking, Ice Fishing, Ski biking, Snow limo rides, yoga, fly fishing, mountain carts
Number of community level events hosted annually	Number of community-wide events in a year	40 events of various themes and types	increase by 2 events per year	Mountain Magic Tree Lighting, The Empowered Woman Conference
Number of active lifestyle/healthy living events hosted annually for children and seniors and the community in general	Number of lifestyle/healthy living events in a year	20 events	increase	Limited number of events specifically for children or seniors
Number of activities and cultural exchanges related to the Secwepemc communities	Number of Secwepemc activities in a year	0	increase	Discounts are offered to local band members for the sports centre/rink, lift passes and lessons

# SPMRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
<b>Goal 3: SUN PEAKS HAS A THRIVING AND DIVERSIFIED ECONOMY</b>				
Encourage the building of a paved access road from the east to Sun Peaks	Number of access roads to Sun Peaks	1 access road to Sun Peaks	increase	Continue to work with First Nation in support of their work to build the east road
Total number of business licenses and business licenses for retail, services, home based and village core businesses	Total number of business licenses in a year	139	increase	Increased to 542 (mainly due to the requirement for all TA rental properties to have a licence)
Number of non-tourism related businesses	Number of non-tourism related businesses in a year	10 Tourism Sun Peaks members	increase	141 businesses including contractors and other businesses operating in Sun Peaks but not based in Sun Peaks
Number of skier visits	Total number of skier visits	340,000 in 2014	increase	Decreased to 390,000
Increase in the participation in non-downhill skiing activities	Number of non-downhill skiing participants		increase	This is not tracked
Increase in the variety of activities and entertainment offered to residents and tourists in both winter and summer	Number of events geared to each of the following demographics: - Young children and families - Youth 20-35 - Mature adults 50+	According to Tourism Sun Peaks, out of 40 events in a year, about 50% will be specific to an adult or child audience.	increase	7 new events added in 2019
Support the development of convention facilities	The space available for conferences and conventions at Sun Peaks	15,438 ft2 of conference space total	increase	12,000 ft2 under construction in Sun Peaks Centre
Number of bus tours and conferences choosing Sun Peaks during the shoulder season	Number of bus tours and number of tourists on buses	21,600 room nights	increase	Increased 3%
Winter accommodation occupancy and rates	Occupancy rates	65,000 room nights	increase by at least 18% to support an increase in annual occupancy rates from 30% to 48%	Decreased 4% to 82,436 due to poor end of season conditions

# SPMRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
Summer accommodation occupancy and rates	Occupancy rates	36,000 room nights	increase by at least 18% to support an increase in annual occupancy rates from 30% to 48%	On par with 2018
Increases to commercial property assessment values	Average commercial property assessment at Sun Peaks	\$560,595 is the average assessed commercial property value. \$107,911 excluding the ski hill	increase at a rate comparable to inflation	\$126,856 based on the average of Class 6 - Commercial properties. 22% increase over 2018. The baseline included the ski hill which was excluded from this calculation.
Number of businesses operating seasonally and year-round	Number of businesses: · Seasonal · Year-round	60 businesses operate year round	increase	93 Sun Peaks based businesses; 55 store-front businesses including hotels
Participation of business owners in planning and introducing new and/or improved village amenities	Presence of a business association	Present	increase	The Business Advisory Body has been inactive as no concerns have been expressed by the business community
Overall increases to property assessments	Average property assessment at Sun Peaks	\$311,167 including strata hotel units	increase at a rate comparable to inflation	Increased to \$473,141
<b>Goal 4: SUN PEAKS PROTECTS NATURAL ECOSYSTEMS AND MINIMIZES ITS FOOTPRINT ON THE BUILT ENVIRONMENT</b>				
Retention of riparian zones	Number of studies and policies on riparian zone	Present	increase	Maintained

# SPMRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
Retention of green belt corridors	Policies and goals on green belt corridor protection	Present	increase	Maintained
Quality and ease of access to environmentally related educational material	Number of environmental education initiatives	There are currently 30 various environmental initiative at Sun Peaks related to operations, research, and awareness. A full list is located here: <a href="http://www.sunpeaksresort.com/corporate/environment/eco-initiatives">http://www.sunpeaksresort.com/corporate/environment/eco-initiatives</a>	Expand the marketing of current environmental education initiatives	No change
Housing density of new developments	Density in bed units per hectare	The total expected at the end of phase 3 development will be 77 bed units/hectare	no change expected	Maintained
Minimize greenhouse gas emissions	Baseline from the CEEI inventory or a proxy estimation based on propane usage. 0.00154 tonnes of CO <sub>2</sub> /litre 1 GJ = 39 litres	4,690 tonnes of CO <sub>2</sub> for propane usage in 2014. In 2011, it was estimated that Sun Peaks emitted an additional 2,624 tonnes of CO <sub>2</sub> due to electricity consumption, solid waste, and gasoline consumption.	Decrease propane consumption, electricity usage, solid waste disposal and gasoline consumption by 0.5% per year until 2020. Decrease 2.5% per year between 2020 and 2032	Emissions increased due to increases in the number of homes and full-time residents

# SPMRRM Comprehensive Sustainability Indicator Set

Indicators of success	How we measure	Baseline 2014	Target	2019 Results
Energy consumption	Propane usage by GJ for each development type	<ul style="list-style-type: none"> <li>• 34,830 GJ for residential,</li> <li>• 7158 GJ for small commercial,</li> <li>• 36,090 GJ for large commercial</li> </ul>	Decrease propane consumption by 0.5% per year until 2020. Decrease 2.5% per year between 2020 and 2032	Increased due to 72 additional users <ul style="list-style-type: none"> <li>• 43,609 GJ for residential,</li> <li>• 10,166 GJ for small commercial,</li> <li>• 50,449 GJ for large commercial</li> </ul>
Inventory of wildlife within the community	Number of wildlife inventories completed to date	Not present	increase	No change
Natural alpine flowers in the valley floor of the community	Number of alpine flower inventories completed to date	Not present	increase	Maintained
Reduction in the number of wildlife conflicts	Number of calls related to wildlife encounters over the last year	0	remain the same	1 report of container bear and 1 report of interaction with pet or livestock
Monitor water quality in all streams within Sun Peaks and enhancement of fish habitat where appropriate	Number of studies completed on invertebrates, water quality sampling to date	8 water quality studies have taken place since 2007	remain the same	Increased sampling and monitoring
Annual solid waste volumes and recycling volumes	Tonnes of garbage, recycling and cardboard received at TNRD waste transfer station	<ul style="list-style-type: none"> <li>• Garbage to landfill= 491.5 tonnes</li> <li>• Blue Bag Recycling= 76.2 tonnes</li> <li>• Cardboard = 83.1 tonnes</li> </ul>	Divert at least 70% of waste from the landfill	<ul style="list-style-type: none"> <li>• Household garbage to landfill = 514.66 tonnes</li> <li>• Mixed Recycling = 41.7 tonnes</li> <li>• Cardboard = 22.97 tonnes</li> </ul>

# SPMRRM Comprehensive Sustainability Indicator Set

<b>Indicators of success</b>	<b>How we measure</b>	<b>Baseline 2014</b>	<b>Target</b>	<b>2019 Results</b>
Maintain the Environmental ISO certification	Number of years that Sun Peaks maintains its ISO certification	10 years (certified in 2004)	maintain current standard	ISO 14001 Certified

## PERMISSIVE EXEMPTIONS

In accordance with division 7, part 7 of the *Community Charter*, Council may exempt land and/or improvements from taxation for a specific property. Exemptions may be provided to properties owned by a charity, philanthropic or other not for profit corporation, and are used for a purpose that is directly related to the purposes of the organization.

**In 2019 a permissive exemption was approved by Council for five years for the Municipal office located at 106-3270 Village Way and the public works office located at 113-3190 Creekside Way.**



# 2019 AUDITED FINANCIAL STATEMENTS



Financial Statements of

**SUN PEAKS MOUNTAIN  
RESORT MUNICIPALITY**

And Independent Auditors' Report thereon

Year ended December 31, 2019

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

## Financial Statements

Year ended December 31, 2019

### Financial Statements

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

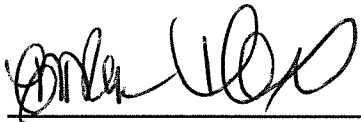
The accompanying financial statements of Sun Peaks Mountain Resort Municipality (the "Municipality") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Municipality. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's financial statements.

  
\_\_\_\_\_  
Chief Administrative Officer

  
\_\_\_\_\_  
Director of Finance



KPMG LLP  
560 Victoria Street  
Kamloops BC V2C 2B2  
Canada  
Tel 250-372-5581  
Fax 250-828-2928

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Sun Peaks Mountain Resort Municipality

### Opinion

We have audited the financial statements of Sun Peaks Mountain Resort Municipality (the "Municipality"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants

Kamloops, Canada

April 21, 2020

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

## Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial assets:</b>		
Cash and short-term investments (note 2)	\$ 1,894,080	\$ 564,035
Accounts receivable (note 3)	3,341,077	1,618,775
	<u>5,235,157</u>	<u>2,182,810</u>
<b>Liabilities:</b>		
Cheques issued in excess of deposits	-	341,878
Accounts payable and accrued liabilities	2,075,351	1,271,384
Deferred revenue (note 4)	769,643	769,591
Term debt (note 5)	4,751,724	1,413,907
Obligation under capital lease	-	15,013
	<u>7,596,718</u>	<u>3,811,773</u>
Net debt	(2,361,561)	(1,628,963)
<b>Non-financial assets:</b>		
Tangible capital assets (note 6)	50,221,330	44,150,356
Prepaid expenses	73,903	58,484
	<u>50,295,233</u>	<u>44,208,840</u>
Commitments and contingencies (note 11)		
Subsequent event (note 14)		
<b>Accumulated surplus (note 7)</b>	<b>\$ 47,933,672</b>	<b>\$ 42,579,877</b>

The accompanying notes are an integral part of these financial statements.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

## Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 12)	2019	2018
Revenue:			
Tax levy (note 8)	\$ 2,070,900	\$ 2,108,391	\$ 1,925,652
Interest and penalties on property taxes	32,000	59,167	60,047
Government transfers (note 9)	639,300	6,689,602	1,113,900
Contributed assets	-	-	26,044,637
Fees, donations and other income	844,100	832,277	813,384
Utility revenue (note 10)	2,037,200	2,108,268	1,407,622
Total revenue	5,623,500	11,797,705	31,365,242
Expenses:			
Administration	1,134,800	1,090,745	935,295
Fire protection	848,600	802,953	663,310
Health Centre	670,100	729,765	555,665
Public works	709,000	697,917	722,595
Resort Municipality Initiative	-	-	90,000
Sun Peaks Centre	166,900	257,639	302,675
Utilities	1,903,700	2,864,891	2,123,116
Total expenses	5,433,100	6,443,910	5,392,656
Annual surplus	190,400	5,353,795	25,972,586
Accumulated surplus, beginning of year	42,579,877	42,579,877	16,607,291
Accumulated surplus, end of year	\$ 42,770,277	\$ 47,933,672	\$ 42,579,877

The accompanying notes are an integral part of these financial statements.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

## Statement of Changes in Net Debt

Year ended December 31, 2019, with comparative information for 2018

	Budget (note 12)	2019	2018
Annual surplus	\$ 190,400	\$ 5,353,795	\$ 25,972,586
Acquisition of tangible capital assets	(10,302,600)	(7,881,145)	(29,061,593)
Disposal of tangible capital assets	-	6,500	986,744
Amortization of tangible capital assets	733,200	1,803,671	1,468,937
	(9,569,400)	(6,070,974)	(26,605,912)
Acquisition of prepaid expenses	-	(73,903)	(58,484)
Use of prepaid expenses	-	58,484	32,237
	-	(15,419)	(26,247)
Change in net debt	(9,379,000)	(732,598)	(659,573)
Net debt, beginning of year	(1,628,963)	(1,628,963)	(969,390)
Net debt, end of year	\$ (11,007,963)	\$ (2,361,561)	\$ (1,628,963)

The accompanying notes are an integral part of these financial statements.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

## Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 5,353,795	\$ 25,972,586
Items not involving cash:		
Amortization of tangible capital assets	1,803,671	1,468,937
Loss on disposal of tangible capital assets	6,500	-
Assets contributed by Sun Peaks Utilities Co. Ltd.	-	(26,044,637)
Change in non-cash operating assets and liabilities:		
Accounts receivable	(1,722,302)	(396,070)
Accounts payable and accrued liabilities	803,966	101,539
Deferred revenue	52	197,087
Prepaid expenses	(15,418)	(26,246)
	<u>6,230,264</u>	<u>1,273,196</u>
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(7,881,145)	(3,016,956)
	<u>(7,881,145)</u>	<u>(3,016,956)</u>
<b>Financing activities:</b>		
Repayments on term debt	(167,183)	(212,704)
Proceeds on term debt acquired	3,505,000	1,291,000
Repayments on obligations under capital lease	(15,013)	(8,930)
	<u>3,322,804</u>	<u>1,069,366</u>
Increase (decrease) in cash	1,671,923	(674,394)
Cash, beginning of year	222,157	896,551
Cash, end of year	<u>\$ 1,894,080</u>	<u>\$ 222,157</u>
Cash consists of:		
Cash and short-term investments	\$ 1,894,080	\$ 564,035
Cheques issued in excess of deposits	-	(341,878)
	<u>\$ 1,894,080</u>	<u>\$ 222,157</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 9,415	\$ 14,751
Cash received for interest	27,434	20,047

The accompanying notes are an integral part of these financial statements.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements

Year ended December 31, 2019

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Sun Peaks Mountain Resort Municipality ("the Municipality") is incorporated under the Local Government Act of British Columbia.

The Municipality provides municipal services to residents of the incorporated area. These include fire protection, administration, public works, utilities, health centre and recreational facilities.

## 1. Significant accounting policies:

The financial statements of the Municipality are prepared by management in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA"). Significant accounting policies adopted by the Municipality are as follows:

### (a) Basis of accounting:

The Municipality follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned, can be measured, and there is reasonable assurance that they will be collected. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

### (b) Revenue recognition:

Property taxes and grants in lieu of taxes are recognized as revenue in the year in which they are assessable. Interest and penalties assessed on taxes are recognized as revenue in the year the related service is provided and when collection is reasonably assured.

Government transfers received or receivable are recognized in the financial statements as revenue in the year that the event giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Investment income is reported as other income in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

Utility revenue is recognized as the utilities are used within the Municipality. The revenue is recognized once the monthly meter reads are performed, submitted for tabulation and returned with the appropriate billing amount for each residential or commercial property.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

User charges, fees and other amounts collected for services rendered are recognized as the service is provided.

### (c) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

### (d) Cash and short-term investments:

Cash and short-term investments include cash and highly liquid investments with a term maturity of 90 days or less at acquisition and that are readily convertible to cash.

### (e) Reserves:

Reserves for operating and capital purposes represent amounts within accumulated surplus reserved either internally or by statute for specific purposes.

### (f) Employee future benefits:

The costs of multi-employer defined contribution pension plan benefits, such as the Municipal Pension Plan (the "Plan"), are the employer's accrued contributions to the plan in the period.

### (g) Non-financial assets:

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

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual values, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Facilities	15-25 years
Vehicles	15 years
General equipment	5 years
Office equipment	3-5 years
Site improvements	10 years
Roads	20-50 years
Water and Wastewater infrastructure	10-80 years

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Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

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

(iii) Natural resources:

Natural resources that have not been purchased are not recorded as assets in these financial statements.

(iv) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(v) Interest capitalization:

The Municipality does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of financial statements in conformity with PSAB requires management to make estimates and assumptions based on the current conditions and laws that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Actual results could differ from these estimates.

(i) Budget:

Budget figures shown represent the Annual Budget By-law adopted by Council on May 9, 2019. In accordance with PSAB, these figures do not reflect subsequent amendments made by the Council to reflect changes in the budget throughout the year as required by law.

(j) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists
- b) contamination exceeds the environmental standard
- c) the organization is directly responsible or accepts responsibility for the liability
- d) future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made.

## 2. Cash and short-term investments:

Cash and short-term investments reported on the statement of financial position have costs that approximate market value. Cash and short-term investments consist of the following:

	2019	2018
Cash	\$ 1,849,875	\$ 484,117
Short-term investments	-	79,918
Municipal Finance Authority debt reserve fund	44,205	-
	\$ 1,894,080	\$ 564,035

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

### 3. Accounts receivable:

	2019	2018
Grants receivable	\$ 2,043,885	\$ 585,007
Utility billings	854,196	805,441
GST recoverable	187,162	85,692
Motor fuel tax receivable	14,436	12,061
Operational Fuel Treatment Project	123,158	41,240
Other	118,240	83,280
Sun Peaks Resort LLP	-	6,054
	<b>\$ 3,341,077</b>	<b>\$ 1,618,775</b>

### 4. Deferred revenue:

Deferred revenue is comprised of funds from the following sources:

Source:	Deferred balance 2018	Contributions received	Revenues recognized	Deferred balance 2019
Community Works Fund Gas Tax	\$ 78,076	\$ 452,572	\$ (361,816)	\$ 168,832
Donations Health centre equipment	333,355	19,270	(63,228)	289,397
Resort Municipality Initiative	229,496	356,251	(585,747)	-
Taxes/permits paid in advance	126,464	294,172	(126,464)	294,172
Ice rink	2,200	-	(2,200)	-
Barriere First Responders	-	1,000	-	1,000
2018 BC Winter Games Society	-	15,000	-	15,000
Community RCME Program	-	5,000	(3,758)	1,242
	<b>\$ 769,591</b>	<b>\$ 1,143,265</b>	<b>\$ (1,143,213)</b>	<b>\$ 769,643</b>

Gas tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities ("UBCM"). Gas tax funds may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Gas tax revenues are recognized as the funds are expended for the intended purposes and thus earned by the Municipality.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 5. Term debt:

The balance of term debt reported on the statement of financial position consists of the following:

	2019	2018
Municipal Finance Authority, Sun Peaks Centre loan, payment terms as described below	\$ 2,000,000	\$ -
Municipal Finance Authority, Surface Water Treatment loan, payment terms as described below	1,420,000	-
Municipal Finance Authority, Sewage treatment plant ("STP") expansion loan, payment terms as described below	529,531	544,500
Municipal Finance Authority, Compost facility loan, payment terms as described below	385,114	396,000
Sun Peaks Resort LLP, Rapid infiltration trench loan and water well loan, repayable in annual instalments of \$66,500, non-interest bearing, due 2021	133,960	200,460
Province of BC, fire truck loan, repayable in blended annual repayments of \$64,416, including interest at 4.45% per annum, due July 2021	120,716	177,246
Province of BC, firehall extension loan, repayable in blended annual repayments of \$13,077, including interest at 4.35% per annum, due July 2027	86,788	95,701
Municipal Finance Authority, Equipment Financing loan, repayable in blended monthly repayments of \$1,508, including annual interest at the Municipal Finance Authority's floating rate (2.46% - December 31, 2019), due May 2024	75,615	-
	<b>\$ 4,751,724</b>	<b>\$ 1,413,907</b>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 5. Term debt (continued):

Municipal Finance Authority ("MFA") STP expansion loan is repayable in semi-annual instalments, the first in the amount of \$29,181, including interest of 3.15% per annum, and the second semi-annual instalment being interest only. The debt is for a term of 20 years, due April 2038.

Municipal Finance Authority ("MFA") compost facility loan is repayable in semi-annual instalments, the first in the amount of \$21,186, including interest of 3.15% per annum, and the second semi-annual instalment being interest only. The debt is for a term of 20 years, due April 2038.

Municipal Finance Authority ("MFA") Sun Peaks Centre loan is repayable in semi-annual instalments, the first in the amount of \$96,831, including interest of 2.24% per annum, and the second semi-annual instalment being interest only. The debt is for a term of 20 years, due October 2039.

Municipal Finance Authority ("MFA") surface water treatment loan is repayable in semi-annual instalments, the first in the amount of \$68,750, including interest of 2.24% per annum, and the second semi-annual instalment being interest only. The debt is for a term of 20 years, due October 2039.

Total interest on term debt reported in the statement of operations amounted to \$60,611 (2018 - \$16,320).

Principal repayments due within the next five years and thereafter are approximately as follows:

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2020	\$	313,869
2021		318,284
2022		189,998
2022		190,871
2023		181,169
Thereafter		3,557,533
	\$	4,751,724

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# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

**6. Tangible capital assets:**

a) Continuity schedule

2019	Water and Waste							Total 2019
	Land	Facilities	Vehicles	General and office equipment	Health Centre	Water infrastructure	Roads and site improvements	
<b>Cost:</b>								
Balance, beginning of year	\$ 6,218,019	\$ 4,136,135	\$ 766,960	\$ 936,097	\$ 1,488,884	\$ 29,351,241	\$ 4,820,665	\$ 47,718,001
Additions	-	6,828,783	115,245	96,896	17,055	762,155	61,011	7,881,145
Disposals	-	-	(11,470)	-	-	-	-	(11,470)
Balance, end of year	6,218,019	10,964,918	870,735	1,032,993	1,505,939	30,113,396	4,881,676	55,587,676
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	520,061	233,024	453,420	117,428	880,546	1,363,166	3,567,645
Disposals	-	-	(4,970)	-	-	-	-	(4,970)
Amortization expense	-	184,821	59,142	132,827	59,896	1,159,953	207,032	1,803,671
Balance, end of year	-	704,882	287,196	586,247	177,324	2,040,499	1,570,198	5,366,346
<b>Net book value,</b>								
end of year	\$ 6,218,019	\$ 10,260,036	\$ 583,539	\$ 446,746	\$ 1,328,615	\$ 28,072,897	\$ 3,311,478	\$ 50,221,330

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 6. Tangible capital assets (continued):

2018	Land	Facilities	Vehicles	General and office equipment	Water and Waste			Roads and site improvements	Total 2018
					Health Centre	Infrastructure	Water		
<b>Cost:</b>									
Balance, beginning of year	\$ 6,218,019	\$ 3,568,068	\$ 744,458	\$ 539,103	\$ 2,438,882	\$ 1,348,117	\$ 4,786,505	\$ 19,643,152	
Additions	-	568,067	22,502	396,994	36,746	28,003,124	34,160	29,061,593	
Disposals	-	-	-	-	(986,744)	-	-	(986,744)	
Balance, end of year	6,218,019	4,136,135	766,960	936,097	1,488,884	29,351,241	4,820,665	47,718,001	
<b>Accumulated amortization:</b>									
Balance, beginning of year	\$ -	\$ 340,982	\$ 182,643	\$ 357,698	\$ 58,738	\$ -	\$ 1,158,647	\$ 2,098,708	
Amortization expense	-	179,079	50,381	95,722	58,690	880,546	204,519	1,468,937	
Balance, end of year	-	520,061	233,024	453,420	117,428	880,546	1,363,166	3,567,645	
Net book value, end of year	\$ 6,218,019	\$ 3,616,074	\$ 533,936	\$ 482,677	\$ 1,371,456	\$ 28,470,695	\$ 3,457,499	\$ 44,150,356	

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 6. Tangible capital assets (continued):

### b) Assets under construction

Assets under construction have not been amortized. Amortization of these assets will commence when the asset is put into service. Where projects have been completed during the year, accumulated costs are reclassified to the appropriate category of asset and included in related additions in the current year. At December 31, 2019, assets under construction of \$7,361,483 (2018 - \$2,462,553) have not been amortized.

## 7. Accumulated surplus:

The Municipality segregates its accumulated surplus into the following categories:

	2019	2018
<b>Accumulated Surplus:</b>		
Invested in tangible capital assets	\$ 45,469,606	\$ 42,721,436
Unrestricted (deficit) surplus	2,079,998	(444,805)
	<u>47,549,604</u>	<u>42,276,631</u>
<b>Reserves set aside by Council for specific purposes:</b>		
Roads	243,583	241,171
Fire apparatus	42,554	16,016
Snow removal	97,931	46,059
	<u>384,068</u>	<u>303,246</u>
<b>Total accumulated surplus</b>	<u><b>\$ 47,933,672</b></u>	<u><b>\$ 42,579,877</b></u>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 8. Taxation:

Taxation revenue, reported on the statement of operations, is made up of the following:

	2019	2018
Municipal and school property taxes levied	\$ 5,022,905	\$ 4,484,160
Payments-in-lieu of property and business taxes	56,139	55,058
	5,079,044	4,539,218
Less transfers to other governments:		
Thompson-Nicola Regional District	794,313	754,628
Thompson Regional Hospital District	394,233	334,025
Province of B.C. - School taxes	1,616,240	1,381,136
Province of B.C. - Police taxes	130,897	113,897
B.C. Assessment Authority	34,795	29,738
Municipal Finance Authority	175	142
	2,970,653	2,613,566
Net taxes available for municipal purposes	\$ 2,108,391	\$ 1,925,652

## 9. Government transfers:

The Municipality recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the statement of operations are:

	2019	2018
Federal gas tax fund - Sun Peaks Centre	\$ 5,676,709	\$ 143,681
Resort Municipality Initiative	585,747	90,000
Small Community Grant	243,382	236,430
Community Water Works Fund	89,417	566,919
Operational Fuel Treatment Fund	82,324	41,240
Other miscellaneous grants	12,023	35,630
Total government transfers	\$ 6,689,602	\$ 1,113,900

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 10. Utility revenue:

Utility revenue, reported on the statement of operations, consists of the following:

	2019	2018
Water utilities	\$1,032,018	\$ 660,174
Sewer utilities	1,076,250	747,448
Gas utilities	2,086,308	1,586,280
	4,194,576	2,993,902
Less:		
Operating expenses and Resort Gas Ltd. profit	2,077,287	\$ 1,576,820
Municipality service fee, included in fees, donations and other income	9,021	9,460
	2,086,308	1,586,280
	\$2,108,268	\$ 1,407,622

## 11. Commitments and contingencies:

In the normal course of business, the Municipality enters into commitments. These commitments have been budgeted for within the appropriate annual budget and have been approved by Council.

### (a) Operating leases

2020	\$	79,297
2021		72,373
2022		26,563
2023		10,571
2024		5,702
	\$	194,506

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 11. Commitments and contingencies (continued):

### (b) Pension liability

The Municipality and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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

The Municipality paid \$138,777 (2018 - \$67,277) for employer contributions to the plan in fiscal 2019.

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

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

### (c) Operating deficits or term debt

As a member of the Thompson-Nicola Regional District, the Municipality is liable for its proportion of any operating deficits or long-term debt related to functions in which it participates.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 11. Commitments and contingencies (continued):

(d) Legal

From time to time, the Municipality is brought forth as a defendant in various lawsuits. The Municipality reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim would materially affect the financial statements of the Municipality. The Municipality is currently not aware of any material claims brought against it.

## 12. Budget data:

The Municipality prepares a balanced budget, in accordance with municipality regulations. The budget reflected in the statement of operations is not balanced due to differences between the accounting standards used by the Municipality, and the basis the budget has been prepared upon.

Cash inflows and outflows include such items as transfers to and from reserves and surplus and capital expenditures. These items are not recognized as revenues and expenses in the statement of operations and accumulated surplus as they do not meet the public sector accounting standards requirements. PSAB requires the budget figures to be presented on the same basis of accounting as actual and comparative figures.

Amortization was not contemplated on development of the Financial Plan and , as such, has not been included in the budget figures presented. The chart below reconciles the budget figures reported in these financial statements to the approved Financial Plan.

	Budget amount
Surplus - statement of operations	\$ 190,400
Adjust for budgeted cash items, not included in statement of operations:	
Debt repayments	(167,300)
Transfers to and from reserves	45,000
Acquisition of tangible capital assets	(10,302,600)
Proceeds on debt issue and capital grants	9,501,300
Adjust for budgeted non-cash items, included in statement of operations:	
Amortization	733,200
<b>Financial plan balance</b>	<b>\$ -</b>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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## 13. Segmented information:

The Municipality has 6 major operating functions and also a specific economic development function shown as Resort Municipality Initiative, as described below:

(a) Utilities:

The utilities department is responsible for the management and operations of the potable water system and wastewater treatment plant. It also manages and operates the propane gas grid on behalf of Resort Gas Ltd. and collects a 4% fee on all expenses, excluding the cost of gas.

(b) Health Centre:

The Health Centre department is responsible for providing community health services.

(c) Sun Peaks Centre:

Sun Peaks Centre is the operation of the sports centre/ice rink complex.

(d) Public works:

The public works department is responsible for maintaining and operating public works within the Municipality.

(e) Fire protection:

The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies.

(f) Administration:

The administration department is responsible for general government services, overseeing municipal activity, finance and planning.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation is allocated to the segments based on the segment's budgeted net expenditures. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 13. Segmented information (continued):

2019	Administration	Fire protection	Public works	Administration, Fire protection, and Public works Subtotal	Utilities	Health Centre	Sun Peaks Centre	Total
<b>Revenue:</b>								
Taxation	\$ 2,108,391	\$ -	\$ -	\$ 2,108,391	\$ -	\$ -	\$ -	\$ 2,108,391
Interest and penalties on property taxes	59,167	-	-	59,167	-	-	-	59,167
Government transfers	238,126	94,892	62,768	395,786	89,417	3,759	6,200,640	6,689,602
Other	244,885	33,570	-	278,455	-	514,984	38,838	832,277
Sun Peaks utilities	-	-	-	-	2,108,268	-	-	2,108,268
Total revenue	2,650,569	128,462	62,768	2,841,799	2,197,685	518,743	6,239,478	11,797,705
<b>Expenses:</b>								
Amortization	24,052	94,951	257,733	376,736	1,216,377	85,452	125,106	1,803,671
Interest	1,949	9,415	1,279	12,643	37,808	-	10,160	60,611
Operating expenses	379,426	388,270	243,664	1,011,360	996,040	476,682	75,710	2,559,792
Salaries and wages	685,318	310,317	195,241	1,190,876	614,666	167,631	46,663	2,019,836
Total expenses	1,090,745	802,953	697,917	2,591,615	2,864,891	729,765	257,639	6,443,910
Annual surplus (deficit)	\$ 1,559,824	\$ (674,491)	\$ (635,149)	\$ 250,184	\$ (667,206)	\$ (211,022)	\$ 5,981,839	\$ 5,353,795

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

## 13. Segmented information (continued):

2018	Administration	Fire protection	Public works	Administration, Fire Protection and Public works Subtotal	Utilities	Health Centre	Sun Peaks Centre	Total
<b>Revenue:</b>								
Taxation	\$ 1,925,652	\$ -	\$ -	\$ 1,925,652	\$ -	\$ -	\$ -	\$ 1,925,652
Interest and penalties on property taxes	39,000	-	-	39,000	-	-	-	39,000
Government transfers	251,397	-	41,240	292,637	654,246	21,571	143,681	1,112,135
Contributed assets	-	-	-	-	26,044,637	-	-	26,044,637
Other	312,623	30,825	-	343,448	-	420,382	72,366	836,196
Sun Peaks Utilities (10 months)	-	-	-	-	1,407,622	-	-	1,407,622
<b>Total revenue</b>	<b>2,528,672</b>	<b>30,825</b>	<b>41,240</b>	<b>2,600,737</b>	<b>28,106,505</b>	<b>441,953</b>	<b>216,047</b>	<b>31,365,242</b>
<b>Expenses:</b>								
Amortization	80,060	94,013	215,412	389,485	904,425	79,318	95,709	1,468,937
Interest	-	14,751	-	14,751	1,569	-	-	16,320
Operating expenses	445,375	302,259	376,275	1,123,909	772,421	351,906	113,837	2,362,073
Salaries and wages	390,301	361,846	121,708	873,855	453,901	124,441	93,129	1,545,326
<b>Total expenses</b>	<b>915,736</b>	<b>772,869</b>	<b>713,395</b>	<b>2,402,000</b>	<b>2,132,316</b>	<b>555,665</b>	<b>302,675</b>	<b>5,392,656</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,612,936</b>	<b>\$ (742,044)</b>	<b>\$ (672,155)</b>	<b>\$ 198,737</b>	<b>\$ 25,974,189</b>	<b>\$ (113,712)</b>	<b>\$ (86,628)</b>	<b>\$ 25,972,586</b>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Financial Statements (continued)

Year ended December 31, 2019

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**14. Subsequent event:**

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our Municipality is not known at this time. These impacts could include an impact on our ability to obtain debt financing, impairment of tangible capital assets or potential future decreases in revenue of our ongoing operations.

**15. Comparative figures:**

Certain 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.